UGE INTERNATIONAL LTD.

Amended and Restated Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2020

(in United States dollars)

NOTICE TO READER

UGE International Ltd. ("UGE" or the "Company") has restated its unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2020 and the three and nine months ended September 30, 2020, which were previously filed on SEDAR (the "interim financial statements") on August 25, 2020 and November 24, 2020, respectively. Subsequent to the original issuance of the interim financial statements, management and the Audit Committee of the Company's Board of Directors reviewed the accounting for certain of the Company's transactions and determined that there were material accounting errors in the originally issued interim financial statements, as noted below:

- revenue and cost of goods sold were inappropriately recognized due to computational errors;
- borrowing costs associated with project construction were not capitalized;
- development fees were expensed rather than recognized as intangible assets;
- general and administrative expenses were under accrued or misclassified;
- loss associated with converting debt to shares and warrants was not recognized;
- right of use assets and liabilities associated with new leases were not recognized;
- current debt was understated by $1,106,819 while long-term debt was overstated by the same amount.

In addition to the items described above, the Company also corrected the classification of certain balances and transactions to conform with IFRS and the Company's accounting policies and updated note disclosures for related party transactions and new accounting policies as required.

These errors have been corrected in the amended and restated unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2020 and the three and nine months ended September 30, 2020. See Note 16 of the amended and restated unaudited condensed consolidated interim financial statements for more detail.

As a result of these changes, the following changes were made to the management's discussion and analysis of financial condition and results of operations for the three and nine months ended September 30, 2020 as previously filed.

Number	As at	Item	Original Value	Restated Value
1	30-Sep-20	Trade and other receivables	2,037,083	1,830,503
2	30-Sep-20	Construction-in-progress	767,102	607,876
3	30-Sep-20	Solar assets	831,147	608,301
4	30-Sep-20	Property plant and equipment	33,079	1,036,713
5	30-Sep-20	Project development costs	-	88,355
6	30-Sep-20	Deferred loan fees	-	11,170
7	30-Sep-20	Accounts payable and accrued liabilties	4,969,674	4,593,682
8	30-Sep-20	Deferred revenue	845,997	1,075,459
9	30-Sep-20	Lease payable	25,763	1,046,212
10	30-Sep-20	Loans payable current	565,425	1,672,244
11	30-Sep-20	Loans payable - non-current	3,312,345	2,119,946
12	30-Sep-20	Tax equity investor liability	-	99,582
13	30-Sep-20	Share capital	21,298,684	21,423,635
14	30-Sep-20	Working capital deficiency	(3,143,445)	(4,506,741)
15	30-Sep-20	Carrying amount - loans payable	4,528,678	3,792,190
16	30-Sep-20	Contractual cash flows - loans payable	4,528,678	4,623,447
17	30-Sep-20	Carrying value lease liability	-	1,046,212
18	30-Sep-20	Contractual cash flows - leases	60,647	3,884,947

(in United States dollars)

Number	Months ending Sept 30, 2020	Item	Original Value	Restated Value
1	Three	Revenue	398,796	131,812
	Nine	Revenue	1,533,271	1,025,015
2	Three	Cost of sales	(124,026)	(71,243)
	Nine	Cost of sales	(799,515)	(735,135)
3	Three	Gross Profit	274,770	60,569
	Nine	Gross Profit	733,756	289,880
4	Three	Gross Profit Margin	69%	46%
	Nine	Gross Profit Margin	48%	28%
5	Three	Selling, general and administrative	(743,617)	(713,835)
	Nine	Selling, general and administrative	(2,106,372)	(2,249,231)
6	Three	Expected credit loss	5,970	(37,313)
	Nine	Expected credit loss	(53,915)	(68,353)
7	Three	Share-based compensation	(34,957)	(101,262)
	Nine	Share-based compensation	(208,806)	(273,490)
8	Three	Other income	1,140,734	1,252,136
	Nine	Other income	1,303,064	1,454,329
9	Three	Gain (Loss) on conversion of debt to equity	-	(4,661)
	Nine	Gain (Loss) on conversion of debt to equity	-	(46,041)
10	Three	Finance expense	(48,114)	(75,032)
	Nine	Finance expense	(288,431)	(228,706)
11	Three	Finance income	13,565	1,870
	Nine	Finance income	-	1,780
12	Three	Foreign currency translation	(364,719)	(93,981)
	Nine	Foreign currency translation	104,489	98,560
13	Three	Income tax expense	(6,173)	(15,722)
	Nine	Income tax expense	75,502	65,614
14	Three	Income (loss) for the period	583,945	348,517
	Nine	Income (loss) for the period	(617,663)	(1,123,680)
15	Three	Comprehensive income (loss) for the period	219,226	254,535
	Nine	Comprehensive income (loss) for the period	(513,174)	(1,025,120)
16	Three	Income (loss) per share - basic and diluted	0.03	0.02
	Nine	Income (loss) per share - basic and diluted	(0.03)	(0.05)
17	Three	Adjusted EBITDA	(409,455)	(661,953)
	Nine	Adjusted EBITDA	(1,207,999)	(1,974,519)
18	Three	Adjusted EBITDA Margin	-103%	-502%
	Nine	Adjusted EBITDA Margin	-79%	-193%
19	Nine	Revenue by Business Unit - US	644,612	129,824
	Nine	Revenue by Business Unit - Canada	-	225,501
	Nine	Revenue by Business Unit - Consulting (Global)	219,982	-
20	Nine	Cash flow from operations	(932,514)	(1,297,439)

(in United States dollars)

The following Management's Discussion and Analysis ("MD&A") is prepared as of November 23, 2020 and is intended to assist in understanding the results of operations and financial condition of UGE International Ltd. (the "Company" or "UGE"). Throughout the MD&A, a reference to the Company or UGE is on a consolidated basis. This MD&A should be read in conjunction with the unaudited consolidated financial statements for the nine months ended September 30, 2020, and the audited consolidated financial statements for the year ended December 31, 2019, both of which are expressed in United States dollars ("USD") and prepared in accordance with International Financial Reporting Standards ("IFRS"). The functional currency of the Company is Canadian dollars ("CAD"). All amounts in this MD&A are expressed in USD, unless otherwise indicated.

Forward-Looking Information

This MD&A contains forward-looking information that involves material assumptions and known and unknown risks and uncertainties, certain of which are beyond the Company's control. Such assumptions, risks and uncertainties include, without limitation, those associated with, loss of markets, expected sales, future revenue recognition, currency fluctuations, the effect of global and regional economic conditions, industry conditions, changes in laws and regulations, and changes in how they are interpreted and enforced, the lack of qualified personnel or management, fluctuations in foreign exchange or interest rates, demand for the Company's services, and availability of funding. The Company's performance could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if they do so, what benefits the Company will derive therefrom. The forward-looking information is made as of the date of this MD&A, and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. Actual events or results could differ materially from the Company's expectations and projections.

Corporate Profile

UGE is a solar and renewable energy solutions company, providing commercial and community solar energy solutions that deliver cheaper, cleaner, and more reliable electricity. We develop, engineer, deploy, and finance commercial and community solar projects in our target markets (currently the US and Philippines) and provide engineering and consulting services, worldwide.

UGE began as an energy solutions company, designing and supplying clean technology solutions to solve the needs of commercial and industrial clients. Over our history, we have developed expertise in solar, battery storage, and the financing of renewable energy projects, which we leverage to develop and deploy solar energy projects for our clients, designed to provide them immediate economic benefit, such as through cheaper electricity costs or a long-term lease for their roof space.

On February 22, 2016, we acquired UGE Canada Ltd. ("UGE Canada", formerly Endura Energy Project Corp Ltd.), which added engineering and deployment experience to the Company. On September 6, 2016, we divested our former wind energy operations, UGE Holdings Ltd. ("UGE Holdings") and its subsidiaries, to focus on mid-scale solar. On April 3, 2017, we purchased substantially all the assets of Carmanah Solar Power Corp. ("CSPC"), and created a new subsidiary, UGE RE Ltd. ("UGE RE"), further strengthening our project deployment capabilities. UGE Canada and UGE RE were amalgamated Nov 22, 2019, becoming UGE Canada RE Ltd. ("UGE Canada RE"). On January 17, 2020, we filed a Part III Division 1 of BIA Proposal (the "Proposal") to creditors of UGE Canada RE, to effectively wind down UGE Canada RE, which represented a business unit predominantly focused on providing project deployment services in the Canadian market.

Today, UGE primarily develops, builds, and finances commercial-scale solar projects within the Northeast US and the Philippines, and provides engineering and consulting services worldwide. Our focus is on leveraging the low cost of distributed solar energy to provide energy users with more affordable energy.

Non-GAAP Measures

This MD&A presents certain non-GAAP ("GAAP" refers to Generally Accepted Accounting Principles) financial measures to assist readers in understanding the Company's performance. These non-GAAP measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Management uses these non-GAAP measures to supplement the analysis and evaluation of operating performance.

Throughout this MD&A, the following terms are used, which are not found in the Chartered Professional Accountants of Canada Handbook and do not have a standardized meaning under GAAP.

EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization)

- "EBITDA" represents net income or loss from continuing operations excluding net finance income or expense, income tax or recovery, depreciation, and amortization.

- "Adjusted EBITDA" represents EBITDA adjusted to exclude stock-based compensation, costs associated with one-time transactions or write-downs, impairment losses recognized on long-live assets such as goodwill and plant and equipment, and the gain (loss) on sale of assets and investments.

- "Adjusted EBITDA margin" represents Adjusted EBITDA as a percentage of revenue.

Confirmed Project Backlog

The Company believes it is important to provide an analysis of project backlog in our financial statements as a measure of our potential to earn future revenues.

The Company tracks its pipeline from Stage 1 through Stage 5. Stages 1 and 2 are pre-Commitment level stages, representing the Company's broader project development pipeline. As at September 30, 2020, the sum of Stages 1 and 2 exceed $250 million in estimated project net present value, calculated consistent with the Company's backlog calculation.

Stages 3 through 5 represent projects for which the Company has secured a client commitment and are defined as follows:

3. Committed: in the normal course of securing projects, we often reach a stage where the client makes a form of commitment to UGE, such as through a Letter of Intent or an award letter in response to a Request for Proposal. We identify such projects as "Committed" until they are fully contracted and ready to be deployed. Within the Committed category, projects are further broken down as follows, as they progress towards deployment:
    1. Stage 3.1 represents projects for which UGE has signed a binding client commitment or received an award letter in response to a Request for Proposal
    2. Projects reach Stage 3.2 once an interconnection study with the local utility has been completed, which represents an important step in the development process
    3. Projects reach Stage 3.3 when all material agreements between UGE and the client, as well as necessary permits, are in place; for self-financed projects in Stage 3.3, the only material item remaining to reach Stage 4 is to finalize project financing.

4. Contracted: projects eventually reach the stage of being fully contracted, at which point there is a binding contract(s) with the client and a deployment schedule has been identified.

5. Stage 5 represents Contracted projects that have progressed into the deployment stage.

As at September 30, 2020, our confirmed project backlog was $111.8 million, broken down as follows:

Market	Stage	Count	Capacity (kW)	Total Value	Remaining Value	Upfront Revenue	Average Annual Revenue	Ave. Project Duration (Yrs)
USA								
UGE Financed	3.1	13	39,088	79,017,259	79,017,259	850,000	7,964,852	21
	3.2	6	11,814	18,372,141	18,372,141	1,262,000	2,060,425	23
	3.3	1	330	693,471	693,471	165,000	87,037	25
	4	1	259	646,830	646,265	241,396	54,759	25
	5	2	500	1,214,669	437,995	297,600	150,003	25
Client Financed	3.1	1	2,109	3,616,214	2,865,142	2,865,142	-	-
	3.2	-	-	-	-	-	-	-
	3.3	-	-	-	-	-	-	-
	4	1	-	220,000	216,407	216,407	-	-
	5	2	2,206	3,044,537	2,656,112	2,656,112	-	-
Philippines								
UGE Financed	3.1	12	2,217	3,239,431	3,239,431	1,667,845	173,030	17
	3.2	-	-	-	-	-	-	-
	3.3	3	1,843	2,552,037	2,532,458	1,339,857	149,544	15
	4	-	-	-	-	-	-	-
	5	3	315	531,524	262,734	261,187	29,830	17
Client Financed	3.1	1	66	-	-	-	-	-
	3.2	-	-	-	-	-	-	-
	3.3	-	-	-	-	-	-	-
	4	-	-	-	-	-	-	-
	5	4	1,855	1,493,788	650,453	650,453	-	-
Rest of World	#							
Engineering and Consulting	#	10		507,094	239,924	239,924	-	-
Total Count:		**60**	**62,602**	**Total Backlog:**	**111,829,793**	**12,712,923**	**10,669,480**	

Within the table above, for projects that UGE plans to finance, the backlog numbers are the Company's calculated value of the projects' net present value, based on its expectations of the projects' current market value. UGE uses a discount rate of 10% in the US and 11% in the Philippines.

Revenue for self-financed projects can be earned both throughout project completion, denoted as "Upfront Revenue", and throughout the project lifetime, denoted as "Average Annual Revenue" as it is recurring in nature. UGE is focused on shifting its revenue to a recurring revenue model and expects to earn higher returns through this approach. To provide guidance on expectations for lifetime revenue earned throughout the project portfolio, the table above includes average expected annual revenue, as well as the average contract length for each class of projects.

The timing of conversion of backlog to revenue varies on a project by project basis, but currently UGE aims to deploy its backlog over approximately 24 months.

During the three months ended September 30, 2020, two projects reached commercial operation and are shown as Solar Assets on the balance sheet.

Amended and Restated Q3 2020 (in United States dollars)

Selected Quarterly Financial Information

	Three months ended Sept 30, 2020 *Amended and Restated*	2019	Nine months ended Sept 2020 *Amended and Restated*	2019
Revenue	$ 131,812	$ 496,404	$ 1,025,015	$ 3,505,927
Cost of sales	(71,243)	(405,340)	(735,135)	(2,500,919)
Gross profit	60,569	91,064	289,880	1,005,008
Gross profit margin	46%	18%	28%	29%
Expenses				
Selling, general, and administrative	(713,835)	(769,697)	(2,249,231)	(2,347,237)
Expected credit loss	(37,313)	-	(68,353)	-
Share based compensation	(101,262)	(15,873)	(273,490)	(142,125)
Income (loss) from operating activities	$ (791,841)	$ (694,506)	$ (2,301,193)	$ (1,484,354)
Bad Debts	(175)	(70,834)	(17,474)	(170,838)
Other Income	1,252,136	68,989	1,454,329	190,026
Finance income	1,870	(2,467)	1,780	11,990
Loss on conversion of debt to equity	(4,661)	37	(46,041)	25,124
Finance expenses	(75,032)	(99,067)	(228,706)	(211,901)
Accretion expense	(18,059)	(17,732)	(51,988)	(53,108)
Income (loss) before income taxes	$ 364,238	$ (815,580)	$ (1,189,293)	$ (1,693,061)
Income tax recovery (expense)	(15,722)	72,153	65,614	(4,809)
Net income (loss) for the period	$ 348,517	$ (743,427)	$ (1,123,680)	$ (1,697,870)
Adjusted EBITDA	$ (661,953)	$ (570,178)	$ (1,974,519)	$ (1,109,849)
Adjusted EBITDA margin	-502%	-115%	-193%	-32%
Income (loss) per share - basic and diluted	$ 0.02	$ (0.04)	$ (0.05)	$ (0.09)

Results of Operations for the nine months ended September 30, 2020

The first three quarters of 2020 brought unprecedented disruption to the global economy, as the COVID-19 pandemic restricted economic activity in much of the world. Such restrictions slowed UGE's construction during the months of March, April, and May, temporarily slowing revenue growth. However, despite the disruptions, UGE grew its backlog from $30.3 million at the beginning of the year to $111.8 million on September 30, 2020.

Growth in backlog was driven by UGE's continued progress in capitalizing on its business strategy of playing the end-to-end role of developer, builder, and financier, which sees UGE own and operate a growing portion of its projects over time. As the Company prepares a growing number of projects for construction and reaches commercial operation on its first self-financed projects, it is focused on further growing its revenue and achieving sustained profitability in the future.

The third quarter of 2020 saw UGE's project development activity continued to secure new projects. In total, UGE's confirmed project backlog at September 30, 2020 exceeded $111 million, up approximately 270% in the first nine months of the year. Further detail on the projects is included herein, including analysis of the stage of each project and its expected revenue profile. The majority of the Company's backlog is projects which UGE intends to finance, own, and operate.

Amended and Restated Q3 2020 (in United States dollars)

The Company started to build its first self-financed projects in late 2019, which continued in the first three quarters of 2020 with five such projects under construction as of September 30 and two of such projects reaching commercial operation during the quarter. The Company expects additional self-financed projects to reach commercial operation throughout the last three months of 2020, which will help grow UGE's base of recurring revenue.

Self-financed projects create almost all of their revenue after projects become operational. As of September 30, 2020, the Company recorded Construction-in-Progress of $607,876, related to self-financed projects that were under construction but not yet operational.

Revenue in the first three quarters declined for three primary reasons: first, 84% of the comparable period's revenue was from the EPC business, which is no longer a focus area of the Company and has been exited; second, COVID-19 precluded the Company from making construction progress on active projects in March, April, and May; and third, self-financed projects generally result in revenue once operational, whereas past EPC revenue was recognized as projects were being deployed.

	2020	2019
	Amended and Restated	
Canada	$ 225,501	$ 2,446,568
United States	129,824	437,803
Philippines	669,690	621,556
	$ 1,025,015	$ 3,505,927

As the Canadian EPC business unit has since been wound down revenue in Canada only include consulting activities.

As COVID-19 impacted UGE and the economy as a whole, the Company took temporary cost reduction measures, which saw SG&A expenses decrease compared with the same nine months from the prior year. UGE continues to manage expenses at a level at which the Company believes it can reach sustained profitability in the near future.

As of the date of this MD&A, UGE has continued to leverage a remote workforce model. Across the markets the Company serves, construction was significantly slowed in March, April, and May, but has recommenced in all regions the Company operates in. Furthermore, and the Company has utilized available government assistance programs, where available, such as the Paycheck Protection Program in the US and the CEBA in Canada, both of which have been secured as described in the Financial Statements.

Update on UGE Canada RE

As first discussed in our year-end 2019 Management Discussion & Analysis, a focus of 2019 was completing the wind down of UGE Canada RE, which characterized a predominantly Canadian business unit focused on EPC services for other project developers. The Company's Proposal offered UGE Canada RE's creditors a reduced payout over eight quarterly payments. On February 14, 2020, the majority of creditors voted to accept the Proposal which is now awaiting approval by the Ontario Court of Justice. A hearing is scheduled for November 25, 2020 in which management expects the Proposal to be approved.

The results of the Proposal are not reflected in the Company's September 30, 2020 financial statements; however, the Company expects approval of the Proposal to improve its balance sheet, primarily through a reduction in current liabilities. The Company does not expect to record any material write-downs of assets with respect to the Proposal.

Amended and Restated Q3 2020 (in United States dollars)

Furthermore, during the third quarter, the Company reached an agreement with the primary lender to UGE Canada RE and secured a release of amounts owing. The Company received a full and final release from these facilities for a payment of CAD$180,000 on August 20, 2020, which is reflected as Other Income on the Income Statement.

Subsequent Events

Following the completion of the third quarter, the Company entered into a contract to sell one of its projects for a sum of $689,000. The sale was used to repay debt of $370,000 used to build the project, with the remaining funds used for general working capital.

In addition, subsequent to the close of the quarter the Company announced three projects in New York City with combined backlog value of $3.0 million, and the exercise of warrants and options which resulted in cash flow of CAD $0.14 million to the Company.

Summary of Quarterly Results

All amounts in 000's, except per share figures

	Dec 31 2018 Q4	Mar 31 2019 Q1	Jun 30 2019 Q2	Sep 30 2019 Q3	Trailing four quarters	Dec 31 2019 Q4	Mar 31 2020 Q1	June 30 2020 Q2	Sep 30 2020 Q3	Trailing four quarters
								Amended and restated	*Amended and restated*	*Amended and restated*
Operations:										
Revenue	$ 3,537	$ 2,066	$ 944	$ 496	$ 7,043	$ 1,555	$ 640	$ 253	$ 132	$ 2,580
Net income (loss) from operations	(2,178)	(441)	(449)	(619)	(3,687)	(453)	(832)	(695)	(792)	(2,772)
Net income (loss)	(821)	(511)	(366)	(816)	(2,514)	(802)	(887)	(585)	348	(1,926)
Net loss from operations per share										
basic and diluted	(0.14)	(0.02)	(0.02)	(0.03)	(0.22)	(0.02)	(0.04)	(0.03)	(0.03)	(0.12)
Net income (loss) per share										
basic	(0.05)	(0.03)	(0.02)	(0.04)	(0.14)	(0.04)	(0.04)	(0.03)	0.02	(0.09)
diluted	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Quarter to quarter comparisons in the financial results are not necessarily meaningful and should not be relied upon as an indication of future performance. The quarterly information is unaudited but reflects all adjustments of a normal recurring nature, which are, in the opinion of management, necessary to present a fair statement of results of operations for the periods presented. Revenues and earnings may fluctuate from quarter to quarter. A number of factors could cause such fluctuations, including the timing of substantial orders. Because operating expenses are incurred based on anticipated sales, and are incurred throughout each fiscal quarter, any of the factors listed above could cause significant variations in revenues and earnings in any given quarter. The financial data has been presented in accordance with International Financial Reporting Standards in the presentation currency of US dollars, as opposed to the functional currency for the Company, which is the Canadian dollar.

See below for the calculation of Adjusted EBITDA for the most recent eight quarters:

Figures in 000's	Dec 31 2018 Q4	Mar 31 2019 Q1	June 30 2019 Q2	Sept 30 2019 Q3	Dec 31 2019 Q4	Mar 31 2020 Q1	June 30 2020 Q2 *Amended and restated*	Sept 30 2020 Q3 *Amended and restated*
Net income (loss)								
from continuing operations	**($821)**	**($511)**	**($365)**	**($815)**	**($802)**	**($887)**	**($585)**	**$348**
Add/(deduct):								
Net finance expense	**179**	**53**	**46**	**102**	**206**	**106**	**47**	**73**
Accretion expense		**18**	**17**	**18**	**18**	**17**	**17**	**18**
Income tax expense (recovery)	**45**	**36**	**41**	**(72)**	**8**	**(67)**	**(14)**	**16**
Depreciation	**2**	**13**	**12**	**12**	**11**	**12**	**12**	**14**
Share-based compensation	**371**	**102**	**23**	**16**	**31**	**35**	**138**	**101**
Goodwill impairment								
Other one-time or non-recuring items	**(1,448)**	**-**	**(28)**	**-**	**67**	**-**	**(142)**	**(1,232)**
Adjusted EBITDA	**($1,672)**	**($289)**	**($254)**	**($739)**	**($461)**	**($784)**	**($528)**	**($662)**

Liquidity and Capital Resources

Cash flow from operations

The source of cash flows for the Company includes operations and debt and equity financings. The primary uses of cash are operating expenses, including cost of sales and working capital, and to fund acquisitions.

For the nine months ended September 30, 2020, the Company generated negative cash flow from operating activities of $1,297,439 and a net loss of $1,123,680. Also, as at September 30, 2020, the Company had a working capital deficiency of $4,506,741 which is expected to be settled through the course of operations, the anticipated approval of the Proposal to Creditors for UGE Canada RE, selling projects at the discretion of the Company, and raising additional capital, if necessary. The Ontario Court of Justice will hear the Proposal on November 25, 2020.

During 2019, the Company decreased expense levels, improved gross margins, and focused on closing new projects with higher margins, with the goal of strengthening our financial position for the current year. The Company has taken further measures to temporarily decrease spending during the COVID-19 pandemic. However, to the extent that the Company does not generate positive cash flows from operations in the future, or financing is not available on reasonable terms, reductions in expenditures may be required or the Company may not be able to continue as a going concern. Certain conditions discussed above and in the Business Risks section of the MD&A raise significant doubt about our ability to continue as a going concern.

Financing activities

On February 25, 2020, the Company completed a non-brokered private placement of 3,000,000 units ("Units"), with each such unit consisting of one common share in the capital of the Company (the "Common Shares") and half of one common share purchase warrant (each whole warrant, a "Unit Warrant") at an issuance price of CAD $0.26 per Unit for aggregate gross proceeds of CAD $780,000 (the "Offering"). Each Unit Warrant entitles the holder to purchase one Common Share at an exercise price of CAD $0.33 per share for 18 months from the date of issuance. Certain finders of purchasers in the Offering were entitled to receive a cash commission equal to 5% of the gross proceeds from subscribers sourced by such finders as well finder's warrants (the "Finder's Warrants") equal to 5% the number of Units sourced by such finders, resulting in the payment by the Company of $18,200 in commission and fees and the issuance of 80,000 Finder's Warrants. Each Finder's Warrant entitles the holder thereof to purchase one Common Share of the Company at an exercise price of $0.33 per share for 18 months from the date of issuance. During the third quarter, 98% of the Unit Warrants and Finder's Warrants had been exercised.

On February 8, 2019, the Company completed a non-brokered private placement of 1,013,333 units ("Units"), with each such unit consisting of one common share in the capital of the Company (the "Common Shares") and half of one common share purchase warrant (each whole warrant, a "Unit Warrant") at an issuance price of CAD $0.60 per Unit for aggregate gross proceeds of CAD $608,000 (the "Offering"). Each Unit Warrant entitles the holder to purchase one Common Share at an exercise price of CAD $0.80 per share for 24 months from the date of issuance. Certain finders of purchasers in the Offering were entitled to receive a cash commission equal to 6% of the gross proceeds from subscribers sourced by such finders as well finder's warrants (the "Finder's Warrants") equal to 6% the number of Units sourced by such finders, resulting in the payment by the Company of $6,480 and the issuance of 10,800 Finder's Warrants. Each Finder's Warrant entitles the holder thereof to purchase one Common Share of the Company at an exercise price of $0.80 per share for 24 months from the date of issuance. The Company completed a four-for-one share consolidation on December 23, 2019; the figures herein reflect post-consolidation values.

Contractual commitments

As of September 30, 2020, the Company has contractual commitments as follows:

Amended and Restated	**Carrying Value**	**Contractual cash flows**	**Within 1 year**	**1 to 2 years**	**2 to 5 years**	**5+ years**
Accounts payable and accrued liabilities	4,593,682	4,593,682	4,593,682	-	-	-
Loans payable	3,792,190	4,623,447	1,934,201	702,582	1,275,573	711,091
Lease liability	1,046,212	3,884,947	66,736	20,411	224,068	3,573,732
	9,432,084	13,102,076	6,594,619	722,993	1,499,641	4,284,823

The figures above do not reflect changes expected at the time of the Ontario Superior Court of Justice's approval of the Proposal filed on the UGE Canada RE business unit, as described herein.

Capital management

The objective of managing capital is to safeguard our ability to continue as a going concern and to sustain future development of the business. In the management of capital, the Company includes shareholders' equity, excluding accumulated other comprehensive income and to maintain or adjust our capital structure, management may issue shares. The Board of Directors does not establish quantitative return on capital criteria for management. UGE is not subject to any externally imposed capital requirements.

Amended and Restated Q3 2020 (in United States dollars)

Financial Instruments and other instruments

The Company’s risk exposures and the impact on our financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company manages credit risk by requiring payment from customers before shipment, where possible. However, the Company does have trade receivables outstanding with several customers.

Liquidity risk

Our objective in managing liquidity risk is to ensure sufficient liquidity to meet financial obligations when due by maintaining sufficient cash and cash equivalents to settle current liabilities and meet anticipated working capital requirements. As of September 30, 2020, the Company had cash of $140,666, restricted cash of $41, a working capital deficiency of $4,506,741 and shareholders' deficiency of $6,006,378. Discussion regarding our ability to manage our liabilities is outlined in the Liquidity and Capital Resources section. The Company plans to realize our assets, increase revenues and gross profit margins, and raise further capital as necessary, to maintain sufficient liquidity. If the Company is unable to achieve some or all of these plans within a reasonable timeframe, the Company may not be able to continue as a going concern.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and the majority of debt with fixed interest rates and therefore is not significantly exposed to fluctuating interest rates. Our current policy is to invest excess cash in a savings account at our banking institution.

(b) Foreign currency risk

The Company enters into transactions denominated in USD, CAD, and Filipino Pesos, for which the related revenue, expenses, trade receivables, and accounts payable balances are subject to exchange rate fluctuations. As of this time, the Company does not hedge our exposure to foreign currency risk using financial instruments.

Related Party Transactions

The Company’s related parties include the following individuals or entities:

- associates, or entities, that are controlled or significantly influenced by the Company;
- key management personnel as defined by IFRS, comprised of the Company’s directors and officers, and other employees having authority and responsibility for planning, directing and controlling the Company’s activities; and
- entities controlled by key management personnel

As at, and during the nine months ended September 30, 2020, the Company had the following related party transactions:

- one officer became a tax equity investor in tax equity partnerships controlled by the Company for a total investment of $100,000; at September 30, 2020 the carrying amount of the associated tax equity liabilities was $99,582.
- the Company issued a $100,000 note receivable to one officer of the Company in connection with the officer’s investment in a tax equity partnership controlled by the Company. The note is secured by the tax equity investment and cash distributions from the tax equity investment must first be directed to reduce the loan balance. The note was issued in August 2020, matures in February 2022, and bears interest at 3%. It may be prepaid at any time, in full or in part, without penalty. The outstanding balance of the note was $100,000 at September 30, 2020;
- the Company entered into a land lease agreement with one officer, with the intention of constructing a solar facility. The lease agreement has market terms and conditions;
- a director held CAD $30,000 secured debentures payable by the Company. The debentures, had market terms and conditions;
- the Company settled $91,808 in executive bonuses with two officers for 488,532 common shares, realizing a non-cash other loss of $9,759;
- the Company settled $22,930 in director compensation with one current and two former directors for 187,500 in common shares.

Changes in Accounting Policies

IFRS 16, Leases ("IFRS 16")

IFRS 16 was issued in January 2016 and it replaces IAS 17 "Leases", IFRIC 4 "Determining Whether an Arrangement Contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease.

The Company adopted IFRS 16 on January 1, 2019 using the modified retrospective approach. The Company has one lease which falls within the scope of IFRS 16. Under this approach, the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to equity at the date of the initial application. Comparative figures are not restated to reflect the adoption of IFRS 16. The adoption of this standard increased total assets by approximately $92,000 by recording an ROU asset on adoption. There was an increase in liabilities as a corresponding liability being recorded in the consolidated financial statements using an incremental borrowing rate of 13.5% and an expiry of February 2021. The Company also elected to apply the practical expedient to not reassess whether a contract is, or contains, a lease under IAS 17, Leases or IFRIC 4, Determining Whether an Arrangement Contains a Lease.

Business Risk Factors

Going concern risk

The consolidated interim financial statements have been prepared assuming the Company will continue as a going concern, notwithstanding that the Company has a working capital deficiency and has incurred losses from operations. During the nine months ended September 30, 2020, the Company had a net loss of $1,123,680 and negative cash flow from operations of $1,297,439. As of September 30, 2020, the Company had cash of $140,666, restricted cash of $41, a working capital deficiency of $4,506,741 and shareholders' deficiency of $6,006,378. The Company has incurred losses as the Company develops its operations and gross profits have not been sufficient to cover all costs and may not be sufficient in future quarters.

The Company's ability to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business is dependent upon achieving and maintaining profitability and the ability to raise additional debt or equity financing to fund its current and any future working capital needs. There are various risks and uncertainties affecting the Company's operations including, but not limited to, the market acceptance and rate of commercialization of the Company's offerings, the ability of the Company to successfully execute its business plan and changes thereof, the public policy environment for renewable energy solutions, the Company's ability to raise sufficient equity and/or debt financing, the ability of the Company to work with bank partners on any defaults of its loan agreement as they may arise, and general global economic conditions, certain of which are beyond the Company's control. The Company's strategy to mitigate these risks and uncertainties is to execute a business plan aimed at continued focus on renewable energy solutions, revenue growth, improving overall gross profit, managing operating expenses and working capital requirements, and securing additional financing, as needed.

To date the Company has funded losses with private placements, a short form prospectus offering, and debt. To the extent that the Company is unable to complete any additional financing, the Company may need to seek strategic alternatives. Management is confident that adequate funding will be obtained for the Company to carry on as a going concern, but there can be no guarantees that such financing will be obtained.

Management is of the opinion that it is appropriate to prepare the condensed consolidated interim financial statements for the nine months ended September 30, 2020, on a going concern basis, which do not include any adjustments or disclosures that would be required if assets are not realized and liabilities and commitments are not settled in the normal course of operations. If the Company is unable to continue as a going concern, then the carrying value of certain assets and liabilities would require revaluation to a liquidation basis, which could differ materially from the values presented in the consolidated interim financial statements.

Customer concentration risk

At times, the Company derives a significant portion of revenue from sales to a relatively limited number of customers. If any of our more significant prospective customers fail to sign an agreement with the Company, or our existing customers discontinue their relationship with us for any reason, our revenue could be substantially reduced. To mitigate this risk, the Company has implemented quality control measures and aim to provide superior customer service. Our sales programs also address a large base of potential customers and at any given time the Company is pursuing a significant number of sales opportunities.

Sales risk

Our sales efforts target medium and large organizations and the Company spends significant time and resources educating prospective customers about the features and benefits of our solutions. Our sales cycle usually ranges from 6 to 12 months and sales delays could cause our operating results to vary. The Company balances this risk by continuously assessing the condition of our backlog and pipeline and making applicable adjustments as far in advance as possible. Our strategy also includes a program to build and improve relationships with our customers to better understand their needs and proactively manage incoming business levels.

Controlling Shareholders

The following entities and individuals each have significant shareholdings in the Company:

Junfei Liu holds 4,988,066, representing 18.8%, of the issued and outstanding Common Shares on a non-diluted basis; Xiangrong Xie holds 2,957,984 Common Shares representing 11.1% of the issued and outstanding Common Shares on a non-diluted basis; and Nicolas Blitterswyk holds 1,211,669 Common Shares, representing 4.6% of the issued and outstanding Common Shares on a non-diluted basis. These shareholders collectively own more than 25% of the Company and will have significant influence in determining the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including mergers, consolidations and the sale of all or substantially all of the Company's assets, election of directors and other significant corporate actions. These shareholders may also have the power to prevent or cause a change in control. In addition, without the consent of one or more of these shareholders, the Company could be prevented from entering into transactions that may otherwise be beneficial to the Company.

Dependence on Management and Ability to Hire and Retain Key Personnel

The Company depends on the business and technical expertise of its management. The contributions of the existing management team to the immediate and near-term operations of the Company are likely to be of central importance. In addition, the competition for qualified personnel in the industry is competitive and there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company.

The Company's success will also depend in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company's business, financial condition, financial performance, and prospects. To support growth, the Company must hire, train, deploy, manage, and retain a number of skilled employees. In particular, the Company must continue to expand and optimize its sales infrastructure to grow its customer base and the Company plans to expand its sales force. Identifying and recruiting qualified personnel and training them requires significant time, expense and attention. It can take several months before a new salesperson is fully trained and productive. If the Company is unable to hire, develop and retain talented sales personnel or if new sales personnel are unable to achieve desired productivity levels in a reasonable period of time, the Company may not be able to realize the expected benefits of this investment or grow its business.

Enforcing Judgments Internationally

Certain directors and officers, including the Chief Executive Officer, reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. It may not be possible for shareholders to effect service of process against the Company's directors and officers who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of the Company's directors or officers for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against those directors and officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims or otherwise in original actions instituted in the USA. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

Limited Business History

The Company has not paid any dividends and it is unlikely the Company will pay any dividends in the immediate or foreseeable future. The success of the Company will depend entirely on the expertise, ability, judgment, discretion, integrity and good faith of its management.

The Company has limited financial resources and there is no assurance that additional funding will be available to the Company for further operations or to fulfill its obligations under applicable debt and supplier agreements. There is no assurance that the Company can operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Additionally, the Company cannot assure that it will be successful in generating substantial revenue from new products or services or from any additional energy-related products and services it may introduce in the future. In addition, the Company only has limited insight into emerging trends that may adversely impact its business, prospects and operating results. As a result, the Company's limited operating history may impair the Company's ability to accurately forecast future performance.

Additional Financing

To date, the Company has funded losses by issuing additional equity and loans. To the extent that the Company does not achieve or maintain positive cash flows from operations in the future, or financing is not available or not available on reasonable terms, reductions in expenditures will be required or the Company may not be able to continue as a going concern. These conditions raise significant doubt about the ability of the Company to continue as a going concern. If the Company is unable to continue as a going concern, then the carrying value of certain assets and liabilities would require revaluation to a liquidation basis, which could differ materially from the values presented in the Company's financial statements.

In order to achieve profitability, make further investments, or take advantage of future opportunities, the Company will require additional financing. The ability of the Company to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as upon the business success of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares or other forms of convertible securities from treasury, control of the Company may change, and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Negative Cash Flows and Profitability

During the nine months ended September 30, 2020, the Company had negative cash flow and since its inception has not been profitable. There is no assurance that the Company will earn profits in the future, or that profitability will be sustained. There is no assurance that future revenues will be sufficient to generate the funds required to continue the Company's business development and marketing activities. If the Company does not have sufficient capital to fund its operations, it may be required to reduce its sales and marketing efforts or forego certain business opportunities.

Significant Competition

There are companies in competition with us in each of the markets that the Company or its subsidiaries operate in. Some of these companies may be better financed or have larger sales teams and marketing budgets than the Company. There can be no guarantee that the Company will be able to effectively compete in the marketplace with such competition.

The renewable energy industry is competitive and continually evolving as participants strive to distinguish themselves within their markets. The Company's competitors can be expected to continue to develop competitive advantages and could cause a decline in market acceptance of the Company's services. In addition, the Company's competitors could cause a reduction in the prices for some services as a result of intensified price competition.

Also, the Company may be unable to effectively anticipate and react to new entrants in the marketplace competing with the Company's services.

Third-Party Suppliers

The Company's product suppliers and subcontractors including, without limitation, installers and solar panels, inverter, and racking manufacturers, may run into funding, supply chain, technical, and/or other difficulties. As a result, they could be unable to deliver essential services or components in time and could cause significant delays in the delivery of the Company's projects. Any significant delivery delays could negatively impact the Company's future revenue and may have a material adverse effect on the business, financial position, or results of operations of the Company. In addition, it is possible that certain vendors may face high demand for their services or products and not be able to supply the Company with what it needs, and/or when it needs it. Trade barriers, such as tariffs imposed by governments on import, also have the potential to disrupt the Company's supply chain, necessitating the Company to find other suppliers, sometimes on short notice. Such tariffs could also impose additional costs on the Company, negatively impacting its profitability.

The declining cost of solar panels has been a driver in the pricing of the Company's projects and customer adoption of this form of renewable energy. If solar panel prices increase or do not continue to decline, the Company's growth could slow, and the Company's financial results could suffer. Such events could harm the Company's financial results by requiring it to pay higher prices.

Warranty

The Company's business exposes it to potential liability risks. The Company sometimes provides a warranty for its services, often for one year or more after the service is completed. If the Company experiences a greater number of warranty claims than budgeted in the normal course, the Company's gross margins could be negatively affected.

Bonding

Our ability or inability to obtain bonding may limit or restrict the nature and size of contracts the Company may be awarded and hence have an impact on our plans to achieve positive cash flow and profitability.

Commercial and Industrial Customers

Projects with commercial and industrial customers may create concentrated operating and financial risks. The effect of recognizing revenue or other financial measures on the sale of a larger project, or the failure to recognize revenue or other financial measures as anticipated in a given reporting period because a project is not yet completed under applicable accounting rules by period end, may materially impact the Company's quarterly or annual financial results. In addition, if operational issues arise on a larger project, or if the timing of such projects unexpectedly shifts for other reasons, such issues could have a material impact on the Company's financial results. If the Company is unable to successfully manage these significant projects in multiple markets, including related internal processes and external construction management, or if the Company is unable to continue to attract such significant customers and projects in the future, the Company's financial results would be harmed.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Dilution

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company which may be dilutive to the existing shareholders.

Damage to Reputation

The Company depends significantly on its reputation for high-quality products, services, engineering abilities and exceptional customer service to attract new customers and grow its business. If the Company fails to continue to deliver its solutions within planned timelines, if products and services do not perform as anticipated, or if the Company damages any of its customers' properties or cancels projects, its brand and reputation could be significantly impaired. In addition, if the Company fails to deliver, or fails to continue to deliver, high-quality services to customers through long-term relationships, the Company's customers will be less likely to purchase future services from the Company, which is a key strategy to achieve desired growth. The Company also depends on referrals from existing customers for growth, in addition to other marketing efforts. Therefore, the Company's inability to meet or exceed current customers' expectations would harm the Company's reputation and growth through referrals.

Resale of Shares

The continued operation of the Company will be dependent upon its ability to generate profitable operations and to procure additional financing. There can be no assurance that any such profits can be generated or that other financing can be obtained. If the Company is unable to generate such profits or obtain such additional financing, any investment in the Company may be lost. In such an event, the probability of resale of the Company Shares would be diminished.

Fluctuating Results of Operations

The Company's quarterly operating results are difficult to predict and may fluctuate significantly in the future. Given that the Company is an early-stage company operating in a rapidly growing industry, fluctuations may be masked by recent growth rates and thus may not be readily apparent from historical operating results. As such, past quarterly operating results of the Company may not be good indicators of future performance.

In addition to the other risks described in this "*Risk Factors*" section, the following factors could cause the Company's operating results to fluctuate:

- significant fluctuations in customer demand for the Company's offerings;
- market acceptance of the Company's new or existing offerings;
- the Company's ability to complete installations in a timely manner;
- the Company's ability to continue to expand operations, and the amount and timing of expenditures related to this expansion;
- announcements by the Company or its competitors of significant acquisitions, strategic partnerships, joint ventures or capital-raising activities or commitments;
- changes in the Company's pricing policies or terms, or those of its competitors, including electric utilities; and
- actual or anticipated developments in the competitive landscape.

For these or other reasons, the results of any prior quarterly or annual periods of the Company should not be relied upon as indications of the Company's future performance. In addition, actual revenue, key operating metrics, and other operating results in future quarters may fall short of the expectations of investors and financial analysts, which could have a severe adverse effect on the trading price of the Company's shares.

International Operations

The Company has a customer base internationally. Risks inherent to international operations include the following:

- inability to work successfully with third parties with local expertise to co-develop or build international projects;
- multiple, conflicting and changing laws and regulations, including export and import restrictions, tax laws and regulations, labour laws and other government requirements, approvals, permits and licenses;

- changes in general economic and political conditions in the countries where the Company operates, including changes in government incentives relating to power generation;

- political and economic instability, including wars, acts of terrorism, political unrest, boycotts, curtailments of trade and other business restrictions;

- difficulties and costs in recruiting and retaining individuals skilled in international business operations;

- financial risks, such as longer sales and payment cycles and greater difficulty collecting accounts receivable; and

- inability to obtain, maintain or enforce intellectual property rights, including the inability to apply for or register material trademarks in foreign countries.

Doing business in foreign markets requires the Company to be able to respond to rapid changes in market, legal, and political conditions in these countries. The success of the Company's business depends, in part, on its ability to succeed in differing legal, regulatory, economic, social, and political environments.

The Company will continually and selectively consider new international markets. In other instances, the Company may rely on the efforts and abilities of foreign business partners in such markets. Certain international markets may be slower than domestic markets in adopting the Company's products and services, and operations in international markets may not develop at a rate that supports the Company's level of investment.

Industry Regulations

Federal, state, provincial, and local government regulations and policies concerning the electric utility industry, and internal policies and regulations promulgated by electric utilities, heavily influence the market for electricity generation products and services. These regulations and policies often relate to electricity pricing and the interconnection of customer-owned and third-party-owned electricity generation. Governments and utilities continuously modify these regulations and policies. These regulations and policies could impact our ability to offer economically competitive solar solutions. In addition, changes to government or internal utility regulations and policies that favor electric utilities over distributed generation could reduce the Company's competitiveness and cause a reduction in demand for its products and services.

Drop-in Retail Price of Utility-Generated Electricity and Improved Infrastructure

The Company believes that a customer's decision to implement a renewable energy solution is driven largely by its desire to reduce its cost of electricity. Decreases in the retail prices of electricity from the utilities or from other renewable energy sources or improved distribution of electricity would harm the Company's ability to offer competitive pricing and could harm its business. The price of electricity from utilities could decrease as a result of:

- the construction of a significant number of new power generation plants, particularly in emerging markets, including nuclear, coal, natural gas or renewable energy;

- the construction of additional electric transmission and distribution lines which improve access, reliability and/or cost of electricity;

- a reduction in the price of natural gas or other fossil fuels; and

- development of new renewable energy technologies that provide less expensive energy.

If the retail price of energy available from utilities were to decrease due to any of these reasons, or others, or the distribution of electricity is improved as a result of improved infrastructure, the Company may be at a competitive disadvantage, limiting growth.

Conflicts of Interest

Certain directors of the Company are also directors of other companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions.

Dividends

The Company has not paid any dividends on its outstanding shares. Any payments of dividends on the Company's shares will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company, and other factors that the Company's board of directors may consider appropriate in the circumstance. It is unlikely that the Company will pay dividends in the immediate or foreseeable future, as management believes that development and funding of new and future projects will provide investors with a superior return over time.

Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or the shares of other organizations or seek to obtain additional working capital. These transactions may be financed in whole or in part with debt, which may increase the Company's debt levels above industry standards for companies of similar size. Depending on plans, the Company may require additional equity and/or debt financing that may not be available or, if available, may not be available on favorable terms to the Company. Neither the Company's articles nor its by-laws limit the amount of indebtedness that the Company may incur. As a result, the level of the Company's indebtedness from time to time could impair its ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the USA and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Company's shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Company's shares will be affected by such volatility. A public trading market in the Company Shares having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of Company Shares at any given time, which presence is dependent on the individual decisions of investors over which the Company has no control. There can be no assurance that an active trading market in securities of the Company will be established and sustained. The market price for the Company's securities could be subject to wide fluctuations, which could have an adverse effect on the market price of the Company. The stock market has, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance, net asset values or prospects of particular companies. If an active public market for the Company's shares does not develop, or does not continue to develop, the liquidity of a shareholder's investment may be limited, and the share price may decline.

No Guarantee of Active Liquid Market

There may not be an active, liquid market for the Common Shares. There is no guarantee that an active trading market for the Common Shares will be maintained on the TSX Venture Exchange ("TSXV"). Investors may not be able to sell their Common Shares quickly, on satisfactory terms, or at the latest market price if trading in the Common Shares is not active.

Issues Related to Acquisitions

With acquisitions there is a risk that integration will result in challenges that were not anticipated, such as key staff departures, diversion of management time and resources, or projected revenues that do not materialize. Should the future projected revenue attributed to any acquisition not materialize, the Company's overall revenues will be negatively impacted, which may have a material adverse effect on the Company's revenues going forward. The Company may not be able to successfully overcome these risks and this may adversely affect the Company's financial condition, and ability to execute its business plan.

Government Policies

The Company is subject to policies, laws, and regulations established by various levels of government and government agencies. These are subject to change by the government or their agencies or the courts and are administered by agencies that may have discretion in their interpretation. Future legal and regulatory changes or interpretations may have a material adverse effect on the Company.

Currency Exchange Risk

The Company currently operates in Canada, USA, and the Philippines where the revenues and expenses at times are in different currencies making the margins on projects sensitive to exchange rate risk. Sudden increases in the value of the US dollar or reductions in the value of the Canadian dollar can have a negative impact on the cash-flow of the Company and the feasibility of certain projects.

Covid-19 Risk

On March 11, 2020 the World Health Organization (WHO) declared COVID-19 (Coronavirus) outbreak as a "pandemic", namely, the worldwide spread of a new disease. The Government of Ontario announced on March 17, 2020, that it made an order declaring a state of emergency in response to coronavirus (COVID-19) (the "Government Order") and other jurisdictions around the world have applied similar restrictions.

The pandemic and ensuing government restrictions raise corporate governance concerns and come with inherent commercial and operational risks due to potential disruptions to the Company's supply chains, instances of high absenteeism, and/or travel risks.

Governmental restrictions on travel, movement, and large gatherings have resulted in significant business interruptions and widespread event and travel cancellations resulting in adverse effects to the Company's ability to engage in services. Further, there is no assurance that the ripple effect of COVID-19 will not continue to affect the performance of the Company for a considerable period of time in the future.

Management's Report on Disclosure Controls and Procedures and Internal Control over Financial Reporting

Management is committed to delivering timely and accurate disclosure of all material information.

Disclosure controls and procedures ensure that reporting requirements are satisfied, and that material information is disclosed in a timely manner. Due to the limitation on the ability of the officers to design and implement cost-effective policies for disclosure controls and procedures and internal control over financial reporting, the officers are not making representations that such controls and procedures would identify and allow for reporting material information on a timely basis, nor are they representing that such procedures are in place that provide reasonable assurance regarding the reliability of financial reporting.

The Company identified material errors in its filed financial statements for the periods ended June 30, 2020 and September 30, 2020 and on April 19, 2021 announced that the Company would be restating the financial statements and the MD&A for those periods. Specifically, the material accounting errors related to:

- the accounting for revenue and cost of goods sold for certain transactions contained computational errors, resulting in an overstatement of gross profit;
- the accounting for certain transactions and costs associated with the development and construction of solar facilities contained computational errors, resulting in a net overstatement of solar facilities and construction in progress;
- certain costs associated with the development of solar facilities that UGE intends to own and operate were incorrectly expensed rather than capitalized as required under IFRS resulting in an understatement of intangible assets;
- right-of-use assets and lease liabilities for certain lease contracts were not recognized as required by IFRS 16, resulting in a net understatement of both right-of-use assets and lease liabilities;
- current debt was understated and non-current debt was overstated by the same amount;
- other non-material corrections, including the classification of certain balances and transactions to conform with IFRS and the Company's accounting policies.

These errors were due in part to weaknesses in internal controls over financial reporting. The Company is working to improve internal controls over financial reporting and has recently added additional senior experienced finance staff, improved review and approval processes and is evaluating new tools and technology to improve processes and controls.

However, as permitted for TSX Venture issuers, the CEO and CFO individually have certified that after reviewing the amended and restated condensed consolidated interim financial statements for the three and nine months ended September 30, 2020, and this amended and restated MD&A of the Company, there are no material misstatements or omissions, and the filing materially presents the consolidated financial position and consolidated results of operations and cash flows for the nine months ended September 30, 2020, and all material subsequent activity up to November 24, 2020.

Other

As of the date of this MD&A, the Company has 26,817,680 common shares issued and outstanding. In addition, there are 450,801 share purchase warrants which may be exercised for one common share each at a fixed exercise price, and stock options that have been granted to purchase an additional 2,958,036 common shares.

Additional information and other publicly filed documents relating to the Company are available through the internet on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR"), which can be accessed at www.sedar.com.