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UGE Investor Newsletter

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Good morning,

This morning we announced our [Q3 highlights](#), which were headlined by our continued growth in project backlog, which now exceeds 105MW. This is up from 83.7MW as of June 30, 2021, and 60.6MW at the start of this year, and puts us within striking distance of our 120MW year-end goal.

This growth is a direct result of the work we've done to strengthen our team and the processes and tools we leverage to build our business. We are growing rapidly: the leading indicator of backlog - our overall development pipeline - is now in excess of 800MW, roughly four times where it stood at the beginning of the year. Given our typical one-in-three close rate, we are looking forward to seeing our pipeline translate into additional backlog growth in the quarters to come.

We are also starting to see the volume of projects in construction and operational status grow. We had another 740kW project reach the construction stage in Q3 and closed on project-level debt at 50bps lower than earlier in the year. As mentioned previously, we expect to see project debt interest rates continue to compress as our deployment volumes increase.

As we develop projects, we are creating value that grows as the projects mature towards commercial operation. In our [investor presentation](#) we illustrate an example where UGE earns net value from a project of US\$0.81/Watt; a broader range may be \$0.50-1.00/Watt. After converting those values into megawatts (pro tip: multiply by one million), we believe investors have good reason to be excited for the value we are building, and how that compares very favorably to our market cap. Further, on our Q2 results webinar we mentioned that we regularly hear from investment funds looking to acquire projects from our portfolio, which remains a non-dilutive option to further fund UGE's growth without raising equity.

We're also excited to share the following updates:

- In July we announced a partnership with Bloomberg, whose employees will purchase energy from several of our solar facilities. Today we announced that we have signed an off-take agreement with another large, Fortune 100 corporation, details of which we expect to share in the near future. Direct off-take agreements can lead to decreased project funding costs and increased project returns, while continuing to establish UGE as a leader in the space.

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from this portfolio to drop into backlog in Q4.

- We are also thrilled to welcome Stephanie Bird as our new CFO, effective today. I look forward to introducing Stephanie to many of you, and I am sure that you will all find her to be an energetic business builder with strong renewables and CFO experience. Marissa Lauder did a great job in the past year helping us complete the pivot to our project ownership model and in rebuilding our balance sheet. We thank her for her contributions this past year as she goes on to the next chapter in her career.

On behalf of everyone at UGE International, I'd like to thank you for your continued support and for following the UGE story. As always, please reach out with any questions along the way.

Kind regards,



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Forward

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