



August 25, 2023

Good morning,

Yesterday we released our Q2 2023 financial results, which are available on our [website](#) and SEDAR+. We will hold a webinar today at 11:00am EDT, which you can register for [here](#).

Now more than halfway through 2023, it is safe to say that UGE is enjoying a significant milestone year, though we continue to remind ourselves that there is considerable work left to be done.

The positives are numerous, but I'll start with our projects in the advanced stages: 4, 5, and 6. These represent projects where development is essentially complete and, for stage 6, the projects are operational. We started the year with 2.3MW operating and 1.0MW in stages 4 and 5. As of June 30th, we had 3.8MW operating and 14.3MW in stages 4 and 5. In total, the 18.1MW across these stages on June 30th represents 448% growth from where we started the year, and these figures will continue to grow throughout the remainder of 2023.

In addition, we have succeeded in continuing to secure more development opportunities. Our 95.7MW of net backlog growth from December through June 30th brings us close to meeting our annual goal, bringing our total backlog to 355.8MW which represents over \$1bn of total project value. This sits on top of 605.1MW of stage 3.0 (site control) opportunities, and 2.1GW of pipeline.

While that is much to celebrate, we have been simultaneously humbled by the speed of our development progress. Development is inherently variable, with some shift in timelines expected – we are working daily to refine our processes to establish industry-leading timelines and to improve forecasting accuracy as we scale.

The number one impediment to quicker progress is related to interconnection and other factors for which we depend on our utility partners. Utilities are facing a surge in interconnection applications and are either ill-equipped, or unmotivated, to process them more quickly. On this front, we will continue to update our forecasts to better account for the timelines we are seeing, while also focusing on more streamlined markets and project types to make a bigger impact, sooner. But we are also asking governments and public utility commissions to hold utilities accountable and reform outdated processes to allow for the energy transition to play out at pace.

Regulatory progress and project financing also deserve mention. On the former, key future markets like community solar in New Jersey, Pennsylvania, and California are currently pending. These represent markets which we are excited about and that we expect will activate at various points in the near future. On project financing, we have been pleased with the relationships we have built and the financings we have closed this year, which resulted in some of our most successful financings in the Company's history. That said, we are working through our first loans backed by the USDA, which take longer than traditional closings.

Building the Flywheel

We are scaling a platform that will make a significant impact in the energy transition, and we remain steadfast in reaching 100MW of operational assets by 2025 and adding 100MW of operational assets annually thereafter. Reaching these levels is expected to drive significant cash flow and EBITDA for the Company, and with our growing backlog, we believe we are well positioned to meet these goals. We



strongly believe that our full lifecycle approach will produce industry-leading returns as well as higher impact for our shareholders and those we serve: building hosts, landowners, and energy consumers.

In the near term, we are focused on continuing to both secure new projects and develop the projects in our backlog towards commercial operation. As our portfolio matures, our cash profile is expected to change significantly, given that we earn “developer fees” from completing our projects. We believe that the growth we are experiencing in 2023 is beginning to demonstrate the value of the portfolio we are building.

I am proud of the work our team is doing, as we originate, develop, finance, own, and operate our portfolio of solar and energy storage projects. We have a talented team that is at the forefront of the clean energy transition, and regulatory support has never been stronger, with 2022’s Inflation Reduction Act (IRA) providing a tailwind for the next decade or more.

At UGE, we believe that this decade will see renewable energy overtake fossil fuels as the dominant source of energy. UGE is a platform that consistently moves profitable projects forward from origination through to operational status, playing a leadership role in distribution-level solar and energy storage.

Thank you to the team at UGE for their hard work and commitment to exceeding our goals, and thank you to our investors and advisors for supporting our growth.

Kind regards,

Nick