

UGE Reports Third Quarter 2015 Financial Results

Revenues increase 174% versus Q3 2014 as high growth continues

New York, New York – November 20, 2015 - UGE International Ltd. (the “Company” or “UGE”) (TSXV: UG, OTCQB: UGEIF), a leader in renewable energy solutions for the commercial and industrial sector, reported its financial results for the three and nine months ended September 30, 2015. UGE reports all amounts in US dollars.

Third Quarter 2015 Highlights

- Revenue increased by 174% to \$2.7 million, as the Company continues to capitalize on its growth plan of providing immediate savings to commercial clients through financed solar systems
- SG&A dropped 7% to \$1.3 million, despite near tripling of revenues, as the Company continues to demonstrate its ability to exponentially scale revenue, while carefully managing expenses, on its path towards profitability

Selected Financial Information

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Revenue	\$ 2,704,451	\$ 987,957	\$ 4,780,621	\$ 2,522,239
Cost of sales	2,564,828	627,152	4,268,018	1,585,469
	5%	37%	11%	37%
Gross profit	139,623	360,805	512,603	936,770
Expenses				
SG&A	1,307,712	1,401,723	4,332,588	3,848,370
SG&A - listing costs	-	1,715,719	-	1,805,039
Net finance costs	87,772	99,125	186,551	201,373
Income tax expense (recovery)	(54,300)	209,106	(48,300)	135,060
	1,341,184	3,425,673	4,470,839	5,989,842
Net loss	\$ (1,201,561)	\$ (3,064,868)	\$ (3,958,236)	\$ (5,053,072)
Loss per share - Basic and diluted	\$ (0.09)	\$ (0.32)	\$ (0.34)	\$ (0.71)

Non-IFRS Financial Measures

In addition to results reported in accordance with IFRS, the Company uses non-IFRS financial measures as supplemental indicators of its financial and operating performance called “Adjusted Gross Profit Margin”, “Adjusted Gross Profit” and “Adjusted Revenue”. These measures take into consideration the gross profit margins for the projects that, to date, have been recognized at zero margin due to the revenue recognition principles under IFRS. The Company believes disclosure of Adjusted Gross Profit Margin, Adjusted Gross Profit and Adjusted Revenue reflect the Company’s ongoing business in a manner that allows for meaningful comparisons and analysis of trends in its business. The use of the term Adjusted Gross Profit Margin, Adjusted Gross Profit and Adjusted Revenue does not impact operating decisions taken by the Company’s management and is based on the way the Company’s management evaluates performance.

Analysis of Financial Results

As a result of strong demand for UGE’s product offering, revenue for the three months ended September 30, 2015 was \$2,704,451 compared with \$987,957 in same period of the prior year, an increase of 174%. This was the second straight quarter where revenue grew by more than 100% as the Company continues to show significant growth in revenues in the fast growing commercial solar sector.

As discussed in UGE’s Management Discussion and Analysis for the three and nine months ended September 30, 2015, revenue for large solar contracts have been recognized in an amount equal to the costs of sales as the full revenues cannot be recognized until commissioning which is scheduled to occur in the following quarters. The primary reasons for the gross profit margin of 5% in the quarter ended September 30, 2015 were revenue recognition with no gross profit on certain projects, a shift from wind to solar projects and development of strategic relationships with new partners. Adjusting our revenue to factor in the expected gross profit margin on these projects recorded at zero gross profit margin would result in an additional revenue of \$277,520, resulting in Adjusted Revenue of \$2,981,971 and Adjusted Gross Profit of \$417,143. The Adjusted Revenue when compared with Cost of sales of \$2,564,828 produces an Adjusted Gross Profit Margin of 14%. The Adjusted Gross Profit of \$417,143 is 16% higher than the prior period of \$360,805. As UGE continues growing and developing strategic relationships in key markets, this will result in higher overall gross profit.

While revenue grew by 174%, selling, general and administrative expenses declined to \$1,307,712 as compared with \$1,401,723 in the same period of the prior year, as the Company capitalizes on past investments in future growth. The result was a net loss of \$1,201,561 in the three months ended September 30, 2015, as compared with \$1,349,149 in the same period of the prior year, excluding one-time listing costs. This is a significant improvement as the Company trends towards profitability.

“The third quarter was exceptional in terms of exceeding our goals for revenue growth and continuing our march towards profitability,” said Nick Blitterswyk, CEO of UGE. “We continue to gain traction in our key markets, by offering our clients immediate savings through the low cost of solar, a market that is growing rapidly in our key markets. We look forward to continued success in this exciting sector.”

Changes in Officers of the Company

In association with planned changes to the Company’s finance team, UGE also wishes to announce that Jian Yang has resigned as the Company’s Corporate Secretary and Chief Operating Officer. Mr. Yang also served as the CFO of the Company’s subsidiaries, a role recently filled by Jimmy Vaiopoulos, CPA, CA. The Company’s CFO, Mike Barnsley, has taken on the added responsibilities of Corporate Secretary.

Full financial results and Management's Discussion and Analysis are posted to SEDAR (www.sedar.com) and are available through the Company's website.

About UGE

UGE is a leading full service renewable energy provider for commercial and industrial clients, with over 2,000 installations in more than 100 countries. Leveraging project financing and its proprietary technology platform, UGE deploys solar and microgrid energy solutions to reduce energy costs and increase resiliency, while making the world more sustainable.

For more information contact:

Ali Mahdavi
Investor Relations
ali.mahdavi@ugei.com
+1.416.962.3300

Ashley Fallon
Communications Manager
press@ugei.com
+1.917.338.1668

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