Universal PropTech Inc.

(formerly SustainCo Inc.)

Management's Discussion and Analysis

For the Three and Nine Months ended May 31, 2021

Introduction

The following is the Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of Universal PropTech Inc. (formerly SustainCo Inc.) ("UPI", "we" or the "Company") as at and for the period ended May 31, 2021. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three and nine months ended May 31, 2021 and 2020 (the "Q3 2021 Financials"), as well as the audited consolidated financial statements for the year ended August 31, 2020. The Q3 2021 Financials and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All figures are expressed in Canadian dollars unless stated otherwise.

This MD&A also covers the subsequent period up to July 29, 2021.

Description of Business

UPI was incorporated under the *Canada Business Corporation Act* on August 22, 2008. The address of the Company's corporate office is 1 Royal Gate Blvd., Suite D, Vaughan, Ontario, Canada, L4L 8Z7.

The Company's common shares are listed on the TSX Venture Exchange (the "TSX-V") under the ticker symbol "UPI". The Company's common shares are also listed in the United States (the "U.S.") on the OTCQB® Venture Market ("OTC") under the ticker symbol "UPIPF", and in Germany on the Frankfurt Stock Exchange ("FSE") under the ticker symbol "8LH".

UPI is a building innovation company, selecting, integrating, deploying, and maintaining proptech technologies ("PropTech") aiming to deliver customer-centric healthy building solutions and services. The Company conducts its operations through its wholly-owned subsidiary, VCI Controls Inc. ("VCI"). VCI is a supplier of building technologies and services that improve comfort, safety, energy efficiency, and occupant productivity, including the integration of all building systems utilizing the latest in communications technologies and standards. VCI's service offering is focused on delivering solutions in digital controls, mechanical services, performance monitoring, and energy efficiency solutions. Founded in 1981, VCI has an installed customer base of over 1,400 clients, including the National Art Gallery of Canada, and the Billy Bishop Airport in Toronto.

With headquarters in Toronto, UPI has offices across Canada, including Halifax, Montreal and Ottawa.

Corporate Developments

On November 10, 2020, the Company held its annual general & special meeting ("AGM") of shareholders. Christopher Hazelton, the Company's Chief Executive Officer ("CEO"), Al Quong and Daniel Cohen were elected to the board of directors (the "Board"). Shareholders also approved the Company's name change to "Universal PropTech Inc.", which was effective on November 27, 2020.

On November 16, 2020, the Board approved the formation of an advisory board (the "Advisory Board"), which will focus on identifying and assessing the development and integration of PropTech solutions, as well as acquisition targets. Adam Szweras, a former director of UPI, was appointed to the Advisory Board. Mr. Szweras has extensive experience structuring and executing on cross border acquisitions and has a focus on working with emerging companies.

On November 23, 2020, the Company announced that it has entered into a collaboration and commercialization agreement with Delta-X Global Corp. ("Delta-X") to test and bring Delta's proprietary face and temperature Recognition software technology to market. The product is one component of an integrated approach to stopping the spread of the coronavirus ("COVID-19"). Delta-X products are being integrated into building control systems of the Company's customers, providing a more holistic healthy building environment.

On December 1, 2020, the Company's common shares commenced trading on the TSX-V under its new ticker symbol "UPI".

On December 1, 2020, the Company appointed Frank Carnevale as Chief Growth Officer. Mr. Carnevale, a former Chief Operating Officer of UPI, is focusing on acquisitions, investments, organic growth strategies and execution to improve the overall value of UPI.

On December 9, 2020, the Company announced its new strategic direction, as first described in its press release dated October 5, 2020, has been more fully articulated in its updated investor presentation, "Capitalizing on Our Strengths" (see "Outlook and Strategy" for more details).

On December 18, 2020, the Company appointed Robert Daniels to its Advisory Board. With over 30 years of experience, Mr. Daniels has been involved in substantial ventures in real estate and land development, commercial property investment and renewable power, and will support UPI's efforts in investments and acquisitions of PropTech companies.

On January 25, 2021, the Company announced the signing of a Canadian distribution agreement with Fresh-Aire UV to carry its air purification systems to help combat SARS-CoV-2 in schools, colleges, universities, government facilities and long-term care facilities.

On January 27, 2021, the Company announced the signing of an international reseller agreement with Clean Air Group d/b/a AtmosAir Solutions, for bi-polar ionization technology to help mitigate against the strain of COVID-19, and other viruses and bacteria, in schools, colleges, universities, government facilities and long-term care facilities.

On February 1, 2021, the Company entered into a distributor agreement with Air Alpine Innovation Research Inc. ("Air Sniper") to promote and market Air Sniper products (see "Outlook and Strategy" for more details).

On February 3, 2021, the Company entered into a channel partnership agreement with SensorSuite Inc. ("SensorSuite") to deliver SensorSuite's Artificial Intelligence ("AI") Energy Cloud Ecosystem ("ECE") platform (see "Outlook and Strategy" for more details).

On February 5, 2021, the Company entered into an agreement with LuminUltra Technologies Ltd. ("LuminUltra") to deploy their GeneCount Rapid SARS-CoV-2 surface testing solution for UPI's customers (see "Outlook and Strategy" for more details).

On February 18, 2021, the Company acquired a minority interest in ISBRG Corp. ("ISBRG") for $1,000,000 (see "Outlook and Strategy" for more details).

On March 1, 2021, the Company's common shares began trading on the FSE, under the ticker symbol "8LH".

On March 16, 2020, the Company appointed David Berry to its Advisory Board. Mr. Berry is a renowned capital markets professional in Canada who had previously presided to record-setting institutional equity trading at a reputable financial institution. Mr. Berry's investment expertise will be used to support the Company's efforts in investments and acquisitions of PropTech and related services.

On April 21, 2021, the Company's common shares began trading on the OTC, under the ticker symbol "UPIPF".

On May 8, 2021, VCI received a purchase order for approximately $550,000 from a mechanical contractor to install a building automation solution for a Toronto-based film studios. VCI will provide product, install and commission the Building Automation System (BAS) over the course of a year.

On May 18, 2021, the Company, through VCI, has executed a services agreement with a Canadian HVAC asset company ("HVAC Company") to provide HVAC installation and services for commercial and residential customers in Southern Ontario. The HVAC Company serves millions of customers with rental HVAC assets and services.

On June 1, 2021, the Company entered into a services agreement with Digitonic Ltd., a leading digital and mobile marketing firm based in Glasgow, Scotland, to provide marketing services, including content creation, distribution and advertising services, focused on the North American markets.

On June 4, 2021, the Company announced that it is expanding the distribution of Air Sniper products across Canada and exploring sales into the U.S. UPI and Air Sniper have agreed under a revised distribution agreement, which will expand the Company's geographic reach, to international markets for indoor air quality ("IAQ") products and enable the Company to have additional options in IAQ equipment.

On June 10, 2021, the Company appointed Elizabeth McDonald and Dwayne Matthews to its Advisory Board. Ms. McDonald, the former President of the Canadian Energy Efficiency Alliance and the Canadian Solar Industries Association, will advise on the Building Performance and Energy Resources divisions, among other corporate initiatives. Mr. Matthews, a Chief Innovation Evangelist and Future of Education Strategist for school boards, educators and parents, will be advising on innovation and sustainability within the education sector across North America.

On June 15, 2021, the Company announced that VCI has received purchase orders ("POs") for approximately $1.2 million from a Southern Ontario school board. These POs received are for a range of mechanical installations, expected to be completed by Q4 Fiscal 2021 and Q1 Fiscal 2022.

On June 21, 2021, the Company entered into a distribution agreement with a new partner, Sustainable Tech Inc., to distribute Air Sniper IAQ products to its 2,400-dealer network across Canada.

On June 21, 2021, the Company held its 2021 AGM. Mr. Hazelton, Mr. Quong and Mr. Cohen were all elected to remain as directors of UPI.

On June 24, 2021, VCI had received additional POs for approximately $750,000 for mechanical work for certain customers in Ontario, which included services for large municipalities in the province.

On July 2, 2021, the Company entered into an agreement with a new partner, Alps Controls Inc. ("Alps Controls"), to distribute Air Sniper IAQ products on its online marketplace, alpscontrols.com, for HVAC and building automation controls to its over 3,000 HVAC contractors, control system integrators and higher education customers across the U.S.

On July 6, 2021, the Company entered into a distribution agreement with Piera Systems Inc. to market, sell and distribute its Canāree™ family of IAQ monitoring products in Canada and U.S.

On July 15, 2021, the Company entered into a systems integrator agreement with Strato Automation Inc. ("Strato") to be an official systems integrator of Strato building automation products, systems and cloud solutions in Ontario.

On July 19, 2021, the Company presented its vision update "Unleashing The Value From Energy" and announced that it had entered into a consortium agreement to develop energy resources.

On July 20, 2021, the Company entered into a partnership agreement with En-Powered Inc. to provide AI-driven energy savings to customers.

On July 21, 2021, the Company signed a Letter of Intent to acquire assets of Energex Group, a microgrid energy services company.

On July 22, 2021, the Company entered into a partnership agreement with Laken and Associates Inc. o/a Termobuild to non-exclusively market low-carbon energy solution.

Financing Activities

On January 11, 2021, the Company completed an over-subscribed non-brokered private placement (the "Offering") of 4,027,779 units of the Company ("Units") at a price of $0.21 per Unit, for gross proceeds of $845,833. Each Unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one common share at a price of $0.30 for a period of two years from the date of issuance. The Company intends to use the net proceeds of the Offering to establish new business lines and for general working capital purposes.

During the nine months ended May 31, 2021, a principal amount of $982,675 of the outstanding senior convertible debentures ("Convertible Debentures") issued on July 14, 2020 were converted into 19,653,504 common shares of the Company at a conversion price of $0.05 per share. The Company had also redeemed a remaining principal amount of $77,267 for cash. As of the date hereof, there is no balance outstanding on the Convertible Debentures.

During the nine months ended May 31, 2021, the Company issued 415,000 common shares as a result of the exercise of stock options for cash proceeds of $65,500.

During the nine months ended May 31, 2021, the Company also issued 7,227,189 common shares as a result of the exercise of warrants for cash proceeds of $722,719.

Outlook and Strategy

On June 30, 2021, the Company provided highlights from first half of 2021, as well as second half guidance:

Highlights for First Half of 2021

In the first half of 2021, the Company successfully accomplished the following milestones:

- Closed an oversubscribed equity raise of approximately $845,000.
- Retired all debt.
- Received approximately $700,000 in cash through warrant and option exercises.
- Commenced trading on the FSE in Germany.
- Commenced trading on the OTC in the U.S.
- Investment in ISBRG and obtained exclusive agency rights.
- Added new partnerships and augmented product offerings.
- CEO purchases of 490,000 of UPI's shares; and
- New appointment of Advisory Board members.

Guidance for Second Half of 2021 and Beyond

For the second half of the calendar year, the Company expects to:

- Round out additional capabilities to deliver healthy buildings, such as building automation, building performance, indoor air quality and energy resources.
- Continue to expand distribution capabilities across Canada.
- Begin expansion efforts into the U.S.
- Expand our share of "the wallet" from existing and new clients by offering additional products and solutions.
- Developing alternate asset class offering with financing and/or owning energy assets; and
- Identifying and nurturing acquisition opportunities across Canada and the U.S.

The Company is also focusing on growth of its core business. On July 12, 2021, the Company provided an update on its backlog of awarded and not executed work, comprised of a combination of service contracts, repair and project work in both HVAC Building Automation and Mechanical lines of business. As at June 30, 2021, the Company's backlog was at approximately $6 million, which represents an increase of approximately $1.9 million from the beginning of the year. In comparison, UPI started Fiscal 2021 with approximately $1.4 million or 19% less in backlog than the start of the previous fiscal year, and as at June 30, 2021, UPI's backlog was approximately $1.5 million or 25% higher than same time previous year.

UPI will also continue to appoint Advisory Board members to offset any perceived knowledge and experience gaps as the Company expands.

Financial Information

The Company's selected annual financial information as at and for the three most recently completed financial years ended August 31 are summarized as follows:

	2020[1]	2019[1]	2018
	$	$	$
Total revenue	9,939,576	12,732,867	12,733,070
Net loss from continuing operations	(1,215,200)	(755,544)	(165,704)
Income from discontinued operations	39,230	760,458	41,847
Net (loss) income and comprehensive (loss) income	(1,175,970)	4,914	(123,857)
Net (loss) income per share from continuing operations	(0.08)	(0.05)	(0.01)
Total assets	3,921,691	5,785,261	6,012,497
Long-term liabilities	1,120,935	35,775	40,453

The Company's selected financial results for the eight most recently completed quarters are as follows[2]:

	Q3 2021	Q2 2021	Q1 2021	Q4 2020
	$	$	$	$
Revenue	1,985,184	1,611,501	2,382,662	1,647,395
Net (loss) income from continuing operations	(507,242)	(266,686)	314,427	(818,827)
Net (loss) income	(507,242)	(266,686)	314,427	(818,827)
Basic net (loss) income from continuing operations	(0.01)	(0.01)	0.02	(0.03)
Basic net (loss) income	(0.01)	(0.01)	0.02	(0.03)

	Q3 2020	Q2 2020	Q1 2020	Q4 2019
	$	$	$	$
Revenue	1,763,679	2,139,824	4,388,675	3,763,079
Net income (loss) from continuing operations	200,006	(394,583)	(201,796)	53,081
Net income (loss)	238,297	(393,848)	(201,592)	37,809
Basic and diluted net income (loss) from continuing operations	0.01	(0.00)	(0.01)	0.00
Basic and diluted net income (loss)	0.01	(0.02)	(0.01)	0.00

Results of operations for the three months ended May 31, 2021

<u>Sales and direct costs</u>

During the three months ended May 31, 2021 ("Q3 2021"), the Company generated total revenue of $1,985,184 from its Controls and Mechanical Contracting services, as compared to total revenue of $1,763,679 in the three months ended May 31, 2020 ("Q3 2020"), which represents a year-to-year increase of approximately 12.6%. Revenues are earned from engineering services, building automation controls, mechanical and electrical installation, performance monitoring, and operations and maintenance services for multi-residential and ICI facilities. Cost of sales relate to direct materials and expenditures for products and services sold. Gross margin for the operations were approximately 31.5% in Q3 2021 (Q3 2020 – 33.3%).

[1] As a result of the sale of Clean Energy Developments Corp. ("CleanEnergy" or "CED") in April 2020, the financial results of CED had been reclassified as discontinued operations for the years ended August 31, 2020 and 2019.

[2] As a result of the sale of CED, the selected financial results for the eight most recently completed quarters had been adjusted to exclude the results of CED from revenue and net income (loss) from continuing operations.

General and administrative costs

During Q3 2021, the Company incurred total general and administrative ("G&A") costs of $889,898, as compared to total G&A costs of $593,048 in the comparative period, for an increase of $296,850. The year-to-year increase in G&A costs is primarily related to the following items:

- Increase in office expenses of $33,692, to $159,833 (Q3 2020 – $126,141);
- Increase in marketing and sales of $192,783 in Q3 2021 (Q3 2020 – $nil); which were partially offset by
- Decrease in salaries and wages of $18,631, to $369,073 (Q3 2020 – $387,704); and
- Decrease in professional and consulting fees of $7,947, to $38,699 (Q3 2020 – $138,383).

G&A costs in the Corporate Division increased from $171,536 in Q3 2020 to $498,521 in the current period. The year-to-year increase of $326,985 in corporate G&A costs was mainly due to increases in marketing and sales expenses, as a number of investors relations and marketing agreements were entered into by the Company. For the Controls and Mechanical Contracting Division, total G&A costs were $391,377 (Q3 2020 – $421,511), which is fairly in line compared to the prior period, since cost-cutting measures had been implemented from a few quarters ago.

Amortization and depreciation

During Q3 2021, amortization and depreciation of $60,005 was fairly consistent as compared to amortization and depreciation of $66,026 from Q3 2020. The amortization and depreciation for the current period primarily relate to amortization of right-of-use ("ROU") assets which continue to be recorded over the term of the leases.

Finance expense

During Q3 2021, finance expense slightly decreased by $3,574, to $13,937 (Q3 2020 – $17,511), as interest and accretion had been recorded from the finance lease obligations and on the Convertible Debentures. As investors continued to convert their holdings of the Convertible Debentures into common shares, total interest and accretion had decreased in relation to the prior quarter. In the comparative period, finance expense was primarily related to interest and bank charges on the Company's bank indebtedness and promissory notes.

Share-based payments

During Q3 2021, the Company recognized stock-based compensation of $204,997 (Q3 2020 – $nil) related to the vesting of various options granted to certain directors, officers and consultants of the Company since August 2020 through to April 2021. In the comparative period, the Company did not grant any stock options. Stock-based compensation represent a non-cash cost.

Government assistance

On April 11, 2020, the Government of Canada enacted the Canada Emergency Wage Subsidy ("CEWS"), which provides a wage subsidy to eligible Canadian employers to enable them to continue to pay their Canadian employees through their payroll. To qualify for the CEWS, companies must satisfy certain eligibility criteria, including among others, a significant decline in revenue as compared to earlier periods. Eligible employers will have to sustain losses of "qualifying revenues" that meet pre-determined thresholds during the eligible periods.

During Q3 2021, the Company also continued to apply for the Canada Emergency Rent Subsidy ("CERS"), which provides eligible Canadian businesses, non-profit organizations, or charities who have seen a drop in revenue due to the COVID-19 pandemic for a subsidy to cover part of their commercial rent or property expenses, starting on September 27, 2020 until June of 2021. The CERS provides payments directly to qualifying renters and property owners, without requiring the participation of landlords.

During Q3 2021, the Company received CEWS funding of $114,910 (Q3 2020 – $226,514) and CERS funding of $13,809 (Q3 2020 – $nil), respectively, which has been recorded as government assistance on the Company's unaudited condensed interim consolidated statements of income (loss) and comprehensive income (loss).

Net loss

Overall, the Company reported a total net loss of $507,242 for the three months ended May 31, 2021 (Q3 2020 – net income of $238,297). The Controls and Mechanical Contracting Division recorded a net income of $196,921 (Q3 2020 – net income of $371,608), while the Corporate Division reported a net loss of $704,163 (Q3 2020 – net loss of $171,602).

Results of operations for the nine months ended May 31, 2021

Sales and direct costs

During the nine months ended May 31, 2021, the Company generated total revenue of $5,979,347 from its Controls and Mechanical Contracting services, as compared to total revenue of $8,292,178 in the comparative period, which represents a year-to-year decrease of approximately 27.9%. Revenues are earned from engineering services, building automation controls, mechanical and electrical installation, performance monitoring, and operations and maintenance services for multi-residential and ICI facilities. Cost of sales relate to direct materials and expenditures for products and services sold. Gross margin was approximately 34.5% for the nine months ended May 31, 2021 (2020 – 20.1%).

General and administrative costs

During the nine months ended May 31, 2021, the Company incurred total G&A costs of $2,134,458 (2020 – $2,103,902), for an increase of $147,623. The year-to-year increase in G&A costs is primarily related to the following items:

- Increase in office expenses of $23,758, to $415,881 (2020 – $392,123);
- Increase in professional and consulting fees of $156,254, to $404,376 (2020 – $248,122);
- Increase in marketing and sales of $256,438 (2020 – $nil); offset by
- Decrease in salaries and wages of $308,200, to $1,116,392 (2020 – $1,424,592).

G&A costs in the in the Corporate Division increased from $597,959 during the nine months ended May 31, 2020 to $962,173 during the nine months ended May 31, 2021. The year-to-year increase of $364,214 in corporate G&A costs was mainly due to increases in marketing and sales expenses, as a number of investors relations and marketing agreements were entered into by the Company. For the Controls and Mechanical Contracting Division, total G&A costs decreased in 2021 to $1,172,285 (2020 – $1,505,943) due to the implementation of cost-cutting measures.

Amortization and depreciation

During the nine months ended May 31, 2021, amortization and depreciation of $180,340 was fairly consistent as compared to amortization and depreciation of $200,289 from 2020. The amortization and depreciation for the current period primarily relate to amortization of ROU assets which continue to be recorded over the term of the leases.

Finance expense

During the nine months ended May 31, 2021, finance expense increased by $50,980, to $107,211 (2020 – $56,231), as interest and accretion had been recorded from the finance lease obligations and on the Convertible Debentures. In the comparative period, finance expense was primarily related to interest and bank charges on the Company's bank indebtedness and promissory notes.

Share-based payments

During the nine months ended May 31, 2021, the Company recognized stock-based compensation of $516,773 (2020 – $nil) related to the vesting of various options granted to certain directors, officers and consultants since August 2020 through April 2021. In the comparative period, the Company did not grant any stock options. Stock-based compensation represent a non-cash cost.

Government assistance

During the nine months ended May 31, 2021, the Company received CEWS funding of $549,856 (2020 – $226,514) and CERS funding of $52,412 (2020 – $nil), respectively, which has been recorded as government assistance on its unaudited condensed interim consolidated statements of income (loss) and comprehensive income (loss).

Net loss

Overall, the Company reported a total net loss of $459,501 for the nine months ended May 31, 2021 (2020 – net loss of $357,143). The Controls and Mechanical Contracting Division recorded a net income of $1,085,730 (2020 – net income of $201,817), while the Corporate Division reported a net loss of $1,545,231 (2020 – net loss of $598,190). Income of $39,230 from CleanEnergy had been reported as income from discontinued operations for 2020.

Cash flows

Net cash provided by operating activities for the nine months ended May 31, 2021 was $275,673, as compared to net cash provided by operating activities of $213,711 in the comparative period, for an increase of $61,962. At the onset of COVID-19, management had implemented cost cutting measures which specifically focused on reducing its ongoing operating expenses. At the same time, VCI's operations continued to generate revenue even though the business was somewhat slowed down by impacts on lockdowns imposed by governments.

Net cash provided by financing activities for the nine months ended May 31, 2021 was $1,203,364. In January 2021, the Company closed the Offering for gross proceeds of $845,834, as issuance cost, including cash commissions of $89,076, were paid on closing. During the period, the Company also received proceeds of $65,500 and $722,719 (2020 – $nil and $nil), through various exercises of stock options and Warrants, respectively. The cash inflows were offset by interest payments of $69,800 and a redemption for cash of $77,267 on the Convertible Debentures, and payments on finance lease obligations of $194,546. In the comparative period in 2020, the Company paid $200,405 on lease obligations but did not participate in any other financing activities.

Net cash used in investing activities for the nine months ended May 31, 2021 was $974,687, as compared to $8,347 in 2020. The substantial increase is primarily due to the investment of $1 million for the minority interest in ISBRG. The Company also purchased new property and equipment for $35,395 (2020 – $16,923). The use of funds was offset by proceeds on sale of equipment for $60,708 (2020 – $8,576).

Liquidity and Capital Resources

The Company is exposed to liquidity risk or the risk of not meeting its financial obligations as they come due. The Company constantly monitors and manages its cash flows to assess the liquidity necessary to fund operations. As at May 31, 2021, the Company had a working capital of $2,526,600 (August 31, 2020 – $1,790,035). Working capital provides funds for the Company to meet its operational and capital requirements.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, the 12-month period from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company has taken and continues to take steps to reduce these losses and ultimately become profitable.

Key Management Compensation and Related Party Transactions

Key management personnel compensation

Key management includes the Company's directors and officers with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

The remuneration for members of key management personnel and directors during the nine months ended May 31, 2021 and 2020 were as follows:

	2021	2020
	$	$
Management remuneration	**156,750**	259,588
Professional fees	**45,250**	4,500
Stock-based compensation	**174,414**	-
	376,414	264,088

Management remuneration

Remuneration of key management personnel of the Company for the nine months ended May 31, 2021, included $156,750 of short-term compensation (2020 – $259,588). As at May 31, 2021, no balance was owed to any key management personnel (August 31, 2020 – $nil).

Management service agreement

On June 8, 2020, the Company and Branson Corporate Services Ltd. ("Branson"), where Keith Li, the Chief Financial Officer ("CFO") of the Company is employed, entered into a management services agreement, providing for CFO services to the Company, as well as other accounting and administrative services, which are included in professional fees. In consideration for the services provided, the Company agreed to pay an annual fee of $55,000. Effective February 1, 2021, the annual fee was amended to $67,000. During the nine months ended May 31, 2021, the Company was charged $45,250 (2020 – $4,500) for services provided by Branson. As at May 31, 2021, no balance was owed to Branson (August 31, 2020 – $6,388 included in accounts payable and accrued liabilities).

Stock-based compensation

On August 26, 2020, the Company granted 600,000 options, of which 200,000 options were granted to a director and an officer of the Company. During the nine months ended May 31, 2021, stock-based compensation of $14,702 attributable to these options was recorded in connection with the vesting of options.

On October 27, 2020, the Company granted 270,000 options, of which 135,000 options were granted to the Chief Executive Officer of UPI. During the nine months ended May 31, 2021, stock-based compensation of $29,066 attributable to these options was recorded in connection with the vesting of options.

On December 15, 2020, the Company granted 535,000 options, of which 85,000 options were granted to the Chief Growth Officer of UPI. During the nine months ended May 31, 2021, stock-based compensation of $21,021 attributable to these options was recorded in connection with the vesting of options.

On February 2, 2021, the Company granted 880,000 options, of which 680,000 options were granted to certain officers and directors. During the nine months ended May 31, 2021, stock-based compensation of $109,625 attributable to these options was recorded in connection with the vesting of options.

Capital Management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern and to maintain optimal returns to shareholders and benefits for its stakeholders. The Company's capital consists of debt and equity. Its principal sources of cash are from operations, and the issuance of common shares and debt. Management intends to maintain a flexible capital structure consistent with the objectives mentioned above and to respond to changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, raise secured debt or refinance existing debt with different characteristics.

The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended May 31, 2021, and the year ended August 31, 2020.

Financial Instruments and Risk Management

Liquidity risk

The Company is exposed to liquidity risk or the risk of not meeting its financial obligations as they come due. The Company monitors and manages its cash flows to assess the liquidity necessary to fund operations.

As at May 31, 2021, the contractual maturities of the Company's financial liabilities are as follows:

	Less than 1	**1 to 3 years**	**3 to 5 years**	**Total**
	$	**$**	**$**	**$**
Accounts payable and accrued liabilities	978,759	-	-	**978,759**
Lease commitments	85,317	519,158	91,119	**695,594**
Total	**1,064,076**	**519,158**	**91,119**	**1,674,353**

Credit risk

The Company's cash is held with reputable chartered Canadian financial institutions, and in trust with the Company's legal counsel. Management reviews the strength of these institutions on a regular basis.

Accounts receivable are subject the Company to credit risk. The Company believes the recorded amounts will be collected. Holdbacks are received upon substantial completion of the projects.

The Company's aging of accounts receivable as at May 31, 2021 and August 31, 2020 is as follows:

Accounts Receivable Aging	**May 31, 2021**	August 31, 2020
	$	$
Within 30 days	**885,336**	817,919
31 to 60 days	**540,855**	435,137
61 to 90 days	**416,289**	321,820
Over 90 days	**111,722**	283,367
Holdbacks	**91,631**	90,564
Expected credit loss	**(7,142)**	(16,515)
Total Accounts Receivable	**2,038,691**	1,932,292

The maximum exposure is limited to the carrying amount of financial assets on the unaudited condensed interim consolidated statements of financial position that includes cash and accounts receivable. As at May 31, 2021, an allowance for ECL of $7,142 (August 31, 2020 – $16,515) has been netted against accounts receivable.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's convertible debentures have fixed interest rates. As at May 31, 2021, the Company had no hedging agreements in place with respect to floating interest rates.

Concentration risk

The concentration of revenue generated from major customers is not significant, with the three largest customers combined accounting for approximately 24% of gross revenue for the nine months ended May 31, 2021 (2020 – 28.4% of gross revenue).

As at May 31, 2021, one particular customer account comprises of approximately 14% of total outstanding accounts receivable, all of which is within 90 days aging.

Foreign exchange risk

The Company purchases a portion of its inventories in United States dollars ("USD") and does not currently engage in hedging activities. Accordingly, the Company is exposed to foreign exchange risk on a portion of its accounts payable and accrued liabilities and its USD bank account balances. However, the foreign exchange exposure to the Company at this time is not significant.

Categories and fair value of financial instruments

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The Company's financial instruments consist of cash, accounts receivable (excluding HST), investments, accounts payables and accrued liabilities, convertible debentures and lease payable.

The fair value of cash, accounts receivables (excluding HST) and accounts payables and accrued liabilities are approximately equal to their carrying value due to their short-term nature. The fair value of the convertible debenture was determined on its initial recognition using a discount rate of 14%. The Company does not believe this rate would have changed since initial recognition. The carrying value of the convertible debenture differs from its fair value because of the allocation of issuance costs.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at May 31, 2021, the Company's financial instruments carried at fair value consisted of its investments, which have been classified as Level 3 (for investments in a private-owned entity).

Subsequent Events

On June 10, 2021, the Company granted 450,000 options to various consultants/employees. The options are exercisable at an exercise price of $0.45 per common share for a period of three years. The options vested immediately on grant.

Subsequent to May 31, 2021, the Company issued a total of 847,466 common shares as a result of the exercise of warrants and options, for total cash proceeds of $84,752.

Outstanding Share Data

As at the date of this MD&A, the number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of UPI are as follows:

Common Shares	**Number Outstanding**
Issued and Outstanding	48,038,515
Issuable under Options	4,019,900
Issuable under Warrants	7,808,638

Significant Accounting Policies

The accounting policies applied by the Company in the Q3 2021 Financials are the same as those noted in the Company's audited consolidated financial statements for the year ended August 31, 2020, unless otherwise noted below.

Significant Accounting Judgments and Estimates

The preparation of the Company's unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known. Items for which actual results may differ materially from these estimates are described as follows:

<u>Going concern</u>

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations. The global pandemic outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, store closures, self-imposed quarantine periods and social distancing, may cause material disruption to businesses globally resulting in an economic slowdown. COVID-19 has cast uncertainty on the assumptions used by management in making its judgments and estimates. The full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the Company remains uncertain and difficult to predict at this time. Accordingly, there is a higher level of uncertainty with respect to management's judgments and estimates.

<u>Fair value of financial assets and financial liabilities</u>

Fair value of financial assets and financial liabilities on the Company's unaudited condensed interim consolidated statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

<u>Allowances for expected credit losses</u>

An ECL impairment model applies which requires a loss allowance to be recognized based on ECL. This applies to financial assets measured at amortized cost. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in the Company's unaudited condensed interim consolidated statements of income (loss) and comprehensive income (loss) for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial instrument at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

<u>Stock-based compensation</u>

The Company uses the Black-Scholes pricing model to determine the amount of stock-based compensation. Such models require assumptions related to share price volatility, expected life of options and discount rate. Changes in these assumptions affects the fair value of the options and the amount of stock-based compensation to be recognized in profit or loss over the vesting period.

Deferred income taxes

Management uses estimates when determining deferred income assets and liabilities. Provisions for taxes are made by management using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future, an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Estimated useful lives of intangible assets

Management estimates the useful lives of intangible assets based on the period during which the assets are expected to be available for use and also estimates their recoverability to assess if there has been an impairment. The amounts and timing of recorded expenses for amortization and impairments of intangible assets for any period are affected by these estimates. The estimates are reviewed at least annually and are updated if expectations change as a result of commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's intangible assets in the future.

Percentage of completion

The Company measures the percentage of completion using the cost input method in accounting for its contract revenues which requires the Company to determine the contract work performed to date as a proportion of the estimated total contract work to be performed and it is management's judgment that use of the costs to date in proportion to the total estimated costs provides the most appropriate measure of percentage of completion.

Litigation risk and claims risk

Disputes are common in the industry and as such, in the normal course of business, the Company is involved in various legal actions and proceedings which arise from time to time, some of which may be substantial, including the legal proceedings discussed in Note 19 of the Q3 2021 Financials. The Company must make certain assumptions and rely on estimates regarding potential outcomes of legal proceedings in order to determine if a provision is required. Estimating and recording the future outcome of litigation proceedings requires management to make significant judgments and assumptions, which are inherently subject to risks and uncertainties.

Management regularly analyzes current information about these matters, and external legal counsel are often used for these assessments. In making decisions regarding the need for provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows of the Company, and there is no guarantee that there will not be a future rise in litigation which, depending on the nature of the litigation, could impact the financial position, results of operations, or cash flows of the Company.

Adoption of New Accounting Standards

The Company adopted the following amendments, effective September 1, 2020:

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

IAS 1 and IAS 8 were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The Company had assessed that there was no material impact upon adoption of these amendments on its consolidated financial statements.

Recent Accounting Pronouncements

At the date of authorization of the Q2 2021 Financials, the IASB and the IFRIC have issued the following amendments which are effective for annual periods beginning on or after September 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact upon the adoption of the following amendments on its consolidated financial statements:

Amendments to IAS 1

In January 2020, the IASB issued amendments to IAS 1 which clarify the requirements for classifying liabilities as either current or non-current by: (i) specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists; (ii) clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services; (iii) clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and (iv) clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on an entity's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa, which could impact an entity's loan covenants. Because of this impact, the IASB has provided a longer effective date to allow entities to prepare for these amendments. In July 2020, the IASB issued an amendment to defer the effective date of the amendments by one year from its originally planned effective date to annual periods beginning on or after January 1, 2023 due to the impact of COVID-19. Early application is permitted.

Contingencies

During the year ended August 31, 2019, a lawsuit was filed against the Company by a former employee for a claim of approximately $815,000. The Company believes the employment was terminated for cause. Since it presently is not possible to determine the outcome of this matter, no provision has been made on the Company's unaudited condensed interim consolidated financial statements.

From time to time, the Company is subject to legal proceedings and claims arising in the ordinary course of business. Management is of the opinion, based on information currently available, that it is unlikely that any such liability, to the extent not provided for by insurance or otherwise, would have a material adverse effect to the Company's consolidated financial position, liquidity or results of operations.

Segmented Information

The Company's segments have been organized based on its principal business operations (Corporate, and Controls and Mechanical Contracting), all within Canada. The Geoexchange Services operations had been discontinued with the sale of CleanEnergy.

Nine months ended May 31, 2021

	Corporate	Controls and Mechanical Contracting	Total
	$	$	$
Capital expenditures	-	60,707	60,707
Total assets	1,825,682	3,949,966	5,775,648
Statement of Operations			
Revenue	-	5,979,347	5,979,347
Cost of sales	-	(3,918,674)	(3,918,674)
General and administrative	(962,173)	(1,172,285)	(2,134,458)
Depreciation	-	(180,340)	(180,340)
Finance expense	(66,285)	(40,926)	(107,211)
Inventory provision	-	(6,773)	(6,773)
Stock-based compensation	(516,773)	-	(516,773)
Government assistance	-	602,268	602,268

Gain on disposal of equipment	-	60,642	60,642
Current income tax	-	(237,529)	(237,529)
Segmented (Loss) Income	**(1,545,231)**	**1,085,730**	**(459,501)**

Nine months ended May 31, 2020

	Corporate	Controls and Mechanical Contracting	Total
	$	**$**	**$**
Capital expenditures	-	16,923	16,923
Total assets	156,675	4,528,196	4,684,871
Statement of operations			
Revenue	-	8,292,178	8,292,178
Cost of sales	-	(6,623,625)	(6,623,625)
General and administrative	(597,959)	(1,505,943)	(2,103,902)
Depreciation	-	(200,289)	(200,289)
Finance expense	(231)	(56,000)	(56,231)
Government assistance	-	226,514	226,514
Gain on disposal of equipment	-	6,582	6,582
Deferred tax recovery	-	62,400	62,400
Segmented (Loss) Income	**(598,190)**	**201,817**	**(396,373)**

Risk Factors

The Company's overall performance and results of operations are subject to a number of risks and uncertainties. The Company is subject to certain risks and uncertainties from both financial and operational factors. Some of the key risks are highlighted as follows:

Going concern risk

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

During the nine months ended May 31, 2021, the Company reported a net loss from continuing operations of $459,501 (2020 – net loss from continuing operations of $396,373). As at May 31, 2021, the Company had a working capital of $2,526,600 (August 31, 2020 – $1,790,035) and an accumulated deficit of $22,646,509 (August 31, 2020 – $22,187,008). Despite incurring a positive cash flows from operations during the current period, there remains significant doubt surrounding the Company's ability to continue as a going concern due to the continued evolution of COVID-19. In terms of its current operations, in addition to increasing revenues and decreasing costs, the Company may require additional financing in the form of debt or equity. Failure to obtain such financing could result in delay or indefinite postponement of the Company's strategic goals. The Q3 2021 Financials do not include any adjustments to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Additional financing

The Company believes that its raised capital is sufficient to meet its presently anticipated working capital and capital expenditure requirements for the near future. This belief is based on its operating plan which, in turn, is based on assumptions, which may prove to be incorrect. In addition, the Company may need to raise significant additional funds sooner to support its growth, develop new or enhanced services and products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities.

If its financial resources are insufficient, it will require additional financing to meet its plans for expansion. The Company cannot be sure that this additional financing, if needed, will be available on acceptable terms or at all.

Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders. If adequate funds are not available on acceptable terms or at all, the Company may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

Volatile global financial and economic conditions

Current global financial and economic conditions remain extremely volatile. Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the global financial crisis and global recession. Such factors may impact the Company's ability to obtain financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Company's operations and financial condition could be adversely impacted.

Revenue risk

The Company may experience delays in achieving revenues. Revenues may be delayed or negatively impacted by issues encountered by the Company or its customers including:

- unforeseen engineering and environmental problems;
- delays or inability to obtain required financing, licenses, permits and regulatory approvals;
- supply interruptions or labour disputes;
- foreign exchange fluctuations and collection risk; and
- competition from other suppliers or alternate less capital-intensive energy solutions.

There is no assurance that the business will perform as expected or that returns from the business will support the expenditures needed to develop it.

Sales cycle and fixed price contracts

The Company may enter into sales contracts with fixed pricing, which may be impacted by changes over the period of implementation. The success of sales execution will require collaboration between the Company and its customers.

There is no assurance that delays or problems in the implementation process used for all customers will not adversely affect the Company's activities, operating results or financial position.

Sensitivity to fixed costs

Fixed costs, including costs associated with operating losses, leases, labour costs and depreciation will account for a significant portion of the Company's costs and expenses. As a result, reduced productivity resulting from reduced demand, equipment failure, weather or other factors could significantly affect financial results.

Reliance on management and key personnel

The Company's success and future operations are dependent upon the abilities, expertise, experience, judgment and efforts of senior management and key technical and field personnel of the Company. Any loss of the services of these personnel could have a materially adverse impact on the Company's business, technical capabilities, operating results or financial condition or could result in delays to or abandonment of the Company's projects.

Loss of contracts

The Company may lose contracts or customer arrangements through competitive bidding or early termination, which would cause its revenue and profitability to decline. In addition, some customers of the Company may terminate their contracts or arrangements before the end of the contract term. If the Company loses contracts or customer arrangements through competitive bidding, early termination or other competitive pressures, it may not be able to replace the lost revenue, which will result in a decrease in its revenue. Whether the Company will be the successful bidder for any particular contract is subject to significant uncertainty.

Competition

The Controls and Mechanical Contracting industry is competitive; however, it is anticipated that the Company will be one of a smaller number of public companies offering a turn-key solution. There are smaller privately-owned companies which are providing segments of the process but not a complete solution. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of a complete solution that competes with those of the Company or that new or existing competitors will not enter the various markets in which the Company will be active.

There can be no assurance that the Company's competitors will not develop new and unknown technologies, with which the Company may have difficulty competing. As well, without remaining cost competitive there is also a risk that the Company may lose business to its competitors.

Dependence on suppliers

The ability of the Company to compete and grow will be dependent on the Company having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. Failure of suppliers to deliver such skilled labour, equipment, parts and components at a reasonable cost and in a timely manner would be detrimental to the Company's ability to compete and grow. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components.

Environmental liability

The Company will be subject to various environmental laws and regulations enacted in the jurisdictions in which it operates which govern the manufacture, processing, importation, transportation, handling and disposal of certain materials used in the Company's operations. There can be no assurance that the Company's procedures will prevent environmental damage occurring from spills of materials handled by the Company or that such damage has not already occurred. On occasion, substantial liabilities to third parties may be incurred. The Company may have the benefit of insurance maintained by it or the operator, however, the Company may become liable for damages against which it cannot adequately insure or against which it may elect not to insure because of high costs or other reasons.

Private or illiquid securities

The Company invests in securities of private issuers with a near term plan to complete a going public transaction. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for a private company investment or that the Company will otherwise be able to realize a return on such investments. The Company may also invest in illiquid securities of public issuers. A period of time may elapse between the time a decision is made to sell such securities and the time the Company is able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that the Company will be unable to realize the Company's investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy.

Limited market for securities

There can be no assurance that an active and liquid market for the Company's shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

The market price of securities is volatile and may not accurately reflect the long-term value of the Company

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of common shares or Warrants to sell their securities at an advantageous price. Market price fluctuations in the common shares and Warrants may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the shares and warrants.

Financial markets historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the shares and warrants may decline even if the Company's investment results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in investment values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the trading price of the shares and warrants may be materially adversely affected.

Internal controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and materially adversely affect the trading price of the Company's common shares.

Liability for activity of employees, contractors and consultants

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims or regulatory enforcement actions against the Company. Failure to comply with relevant laws could result in fines, suspension of licenses and civil or criminal action being taken against the Company. Consequently, the Company is subject to certain risks, including the risk that employees, contractors and consultants may inadvertently fail to follow the law or purposefully neglect to follow the law, either of which could result in material adverse effects to the financial condition of the Company.

Disruption of business

Conditions or events including, but not limited to, those listed below could disrupt the Company's operations, increase operating expenses, resulting in delayed performance of contractual obligations or require additional expenditures to be incurred: (i) extraordinary weather conditions or natural disasters such as hurricanes, tornadoes, floods, fires, extreme heat, earthquakes, etc.; (ii) a local, regional, national or international outbreak of a contagious disease, including the COVID-19 coronavirus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu, or any other similar illness could result in a general or acute decline in economic activity (see also, "Public Health Crises, including COVID-19"); (iii) political instability, social and labour unrest, war or terrorism; or (iv) interruptions in the availability of basic commercial and social services and infrastructure including power and water shortages, and shipping and freight forwarding services including via air, sea, rail and road.

Public health crises

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises beyond our control, including the current outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a global health emergency. Many governments have likewise declared that the COVID-19 outbreak in their jurisdictions constitutes an emergency. Reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel, business closures, quarantines and a general reduction in consumer activity. While these effects are expected to be temporary, the duration of the business disruptions and related financial impact cannot be reasonably estimated at this time.

Such public health crises can result in volatility and disruptions in the supply and demand for various products and services, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak. At this point, the extent to which COVID-19 may impact the Company is uncertain; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

Disclosure of Internal Controls over Financial Reporting

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the audited consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements; and (ii) the audited consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. In contrast to non-venture issuers this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). In particular, management is not making any representations relating to the establishment and maintenance of: controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Investors should be aware that inherent limitations on the ability of management of the Company to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

Caution Regarding Forward-Looking Information

Certain information contained in this MD&A constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated investment activities and results, the impact of changes in accounting policies and other factors on our operating results, and the performance of global capital markets and interest rates.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to our ability to generate revenue and cash flows from operations, market fluctuations, the strength of the Canadian, and other economies, political and economic conditions in the regions where the Company's main businesses are operated, and other risks included elsewhere in this MD&A under the headings "Risk Factors" and "Financial Instruments and Risk Management" and in the Company's other public disclosure documents filed with certain Canadian securities regulatory authorities and available under UPI's profile at www.sedar.com.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this MD&A. The Q3 2021 Financials have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the Q3 2021 Financials in all material aspects.

The Audit Committee has reviewed the Q3 2021 Financials and this MD&A with management of UPI. The Board of the Company has approved the Q3 2021 Financials and this MD&A on the recommendation of the Audit Committee.

Additional Information

Additional information relating to UPI, including its annual management information circular for the Company's most recently completed financial year, is available under the Company's profile on SEDAR at www.sedar.com.

July 29, 2021

Christopher Hazelton
Chief Executive Officer