



Ubika Sustainability 20

September 13, 2016

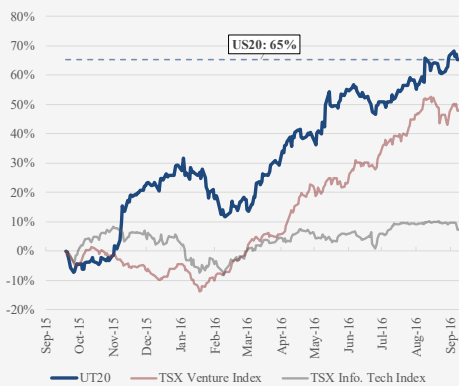


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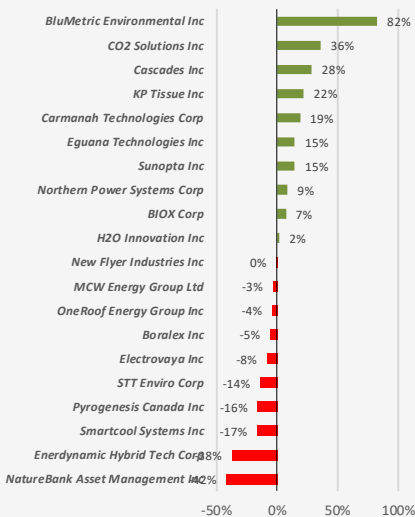
Aug. 8, 2016 - Sept. 13, 2016

US20: +3.7% (+65% Y/Y)
 TSX Venture: -0.2% (+48% Y/Y)
 DJSI - NA40: -2.1% (+7% Y/Y)

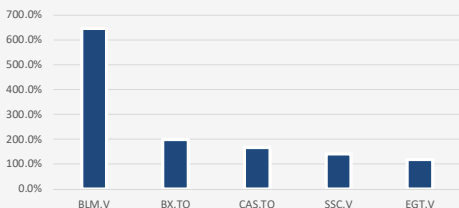
Dollar amounts in CAD unless otherwise stated.



US20: Performance Distribution



Top Volume Gainers (m/m)



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Sustainability grows stronger, as US20 gains 4% on the heels of Canadian Government's \$1 billion Clean Tech Commitment

The Ubika Sustainability 20 (US20) Index rose 3.7% since August 8, 2016, surpassing both of its benchmarks – the TSX Venture Exchange and the Dow Jones Sustainability Index (DJSI), which eased 0.2% and 2.1%, respectively. The index has outperformed superbly over the past 52-week period, gaining 65% as compared with the other two indexes' 48% and 7% returns. Overall, growth should continue as industry fundamentals are shaping up.

Industry Highlights

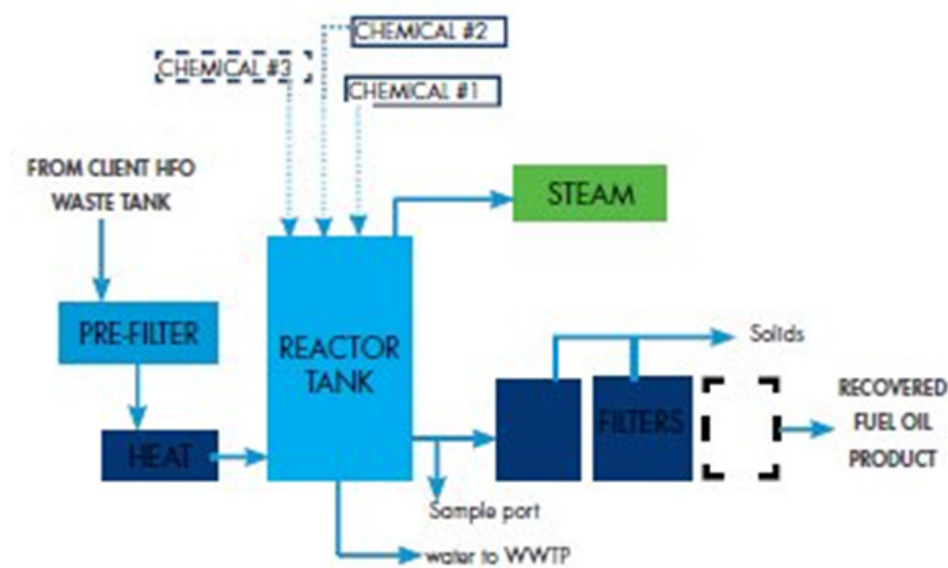
- German Automakers are pushing large investments into electric cars, with Daimler AG (ETR:DAI) aiming for six models to be released between 2018 and 2024, along with one luxury model, in an attempt to compete in a market being developed by Tesla.
- On September 5th, Dubai announced the commencement of Dubai Solar Schools, a green energy initiative targeting 50 schools to be outfitted with solar panels in an effort to stay on track with the Emirates goal of producing 75% of its energy from solar sources by 2050. Excess energy will be diverted back to the energy grid and the hope is to expand the initiative to 100 schools, which would provide 50MW of carbon-free energy. So far 10 schools have already committed.
- In July, Solar City raised US\$345 million to finance new solar projects, and in August announced that the 1GW integrated factory it plans to build, based on the technology it recently acquired from Silevo, could cost between US\$400-\$450 million.
- Canadian clean tech companies could get a welcoming boost as the national climate plan is nearing completion. The Canadian government has already committed \$1 billion into the general area of clean tech, with an additional \$130 million going into clean tech research over the next 5 years." As Bloomberg New Energy Finance estimates that more than \$12-trillion (U.S) will be spent on clean energy over the next 25 years, the results of the Canadian National climate plan could help companies corner a portion of that investment sum.
- Canadian Minister of Natural Resources James Gordon Carr is currently in India participating in the India-Canada Energy Dialogue. Both countries are prioritizing wind, solar and nuclear, so the result of that discussion will bode well for clean energy and hopefully see contracts delivered to Canadian companies.
- The announcement of the Saudi and Russian oil pact, with the potential to limit production, and the resulting increase in the price of oil could positively affect clean energy and carbon capture companies alike.
- Last week from September 7th-9th, the Renewable Energy India Expo took place in Greater Noida, India, which saw more than 1000 delegates attend to observe the 650 exhibitors from 40 countries.

Notable US20 Performers

BluMetric Environmental Inc. (TSXV:BLM)

BluMetric is an environmental engineering and consulting company that provides sustainable solutions for water, earth and energy issues that companies face. With trademarked technologies and expert knowledge they can help turn expensive waste into a marketable product. With a stock price that climbed over 82% since our last issue, BluMetric Environmental is one of this month's top performers.

Figure 1. Heavy Fuel Oil Recovery System is one of BluMetric's technologies that takes a previously-expensive waste stream and turns it into revenue with a potential ROA of 12 months



Source: Company Presentation

The share price rose this month as net income grew even upon the company posting lower revenues. Net Income for Q3 increased 15% over the same quarter in 2015. However, this was due to reduced SG&A expenses of \$200,000, which was partially offset by higher financing costs and a slightly lower gross margin.

In addition, business in the United States grew by 72% in Q3 2016, compared to the same quarter the previous year, and 96% for the nine-month period compared to 2015. BluMetric expects to see its business in the US and International markets (which are quoted in USD) grow, which will translate into strong positive currency exchanges.

Most of the growth in the US was driven by its Water Systems, which it is looking to expand to help its customers better deal with waste effluent and produce sellable product where possible.

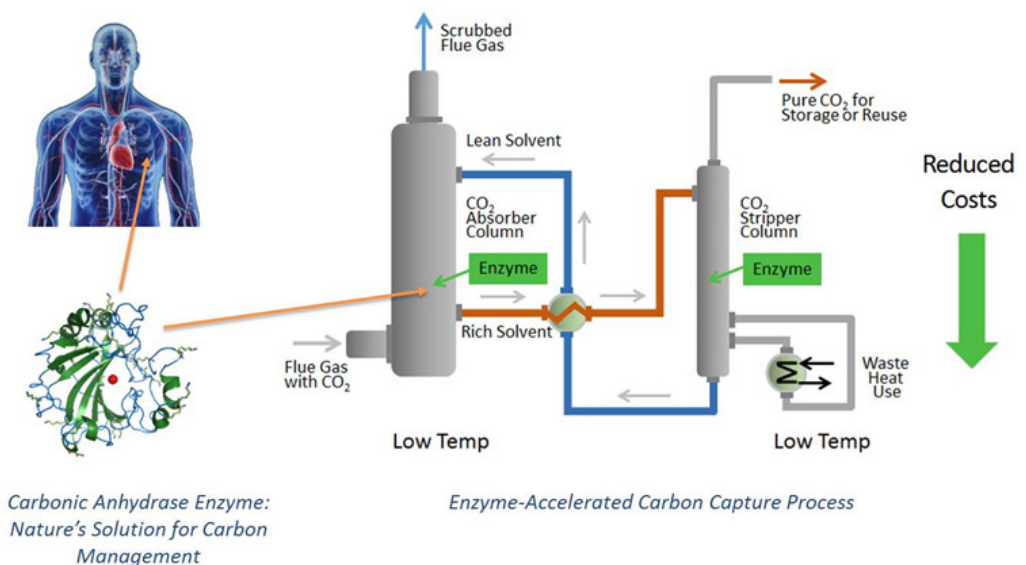
Unfortunately, the Company entered into default on one of its loan covenants as of June 30, 2016, due to not maintaining a tangible net worth of \$2M. Although the Company is receiving more long-term loans to retire current debt obligations, which is to be made available around mid-September, balance sheet health is questionable and should be watched as the current ratio sits at 1.05 and the quick ratio is .66.

CO2 Solutions (TSXV:CST)

CO2 Solutions' share price has recently climbed 36%, reaching \$0.19 per share. The recent increase can be attributed to a string of important patent wins in the U.S and Denmark, further solidifying the Company's R&D efforts and developing a robust business as it continues its commercialization efforts.

CO2 Solutions is a technology company that uses enzyme-enabled carbon capture technology to help large CO2 emitters to reduce their environmental footprint and create a marketable product. This system is also quoted as the lowest cost form of carbon capture currently offered on the market.

Figure 2. CO2 Solutions Carbon Capture Technology



Source: Company Presentation

On August 10, CO2 Solutions won a patent challenge in the Danish Patent Office, which upheld all 87 claims for its “System for CO2 capture using packed reactor and absorption mixture with micro-particles including biocatalysts” #BR 201400144. This is the third decision upheld in Denmark as competitors try to dissolve the Company’s competitive advantage.

CO2 Solutions announced the first commercial agreement for its Carbon Capture Unit between Resolute Forest Products Inc. and Serres Toundra Inc. on August 11th. This agreement will see a unit installed at a Quebec pulp-mill and the CO2 used in a nearby greenhouse. It will capture up to 30 tonnes of CO2/ day and the agreement will provide CO2 solutions with yearly revenues of approximately \$400,000 for a 10-year period.

Recently the U.S. Patent and Trademark Office upheld a claim of U.S Patent No. 8,329,458 that had been challenged by competitors on September 7th, and on September 8th, CO2 Solutions received another patent, which adds to the already impressive number of U.S. patents that the Company holds.

Cascades Inc. (TSE:CAS)

Cascades Inc. operates a business that focuses on the production, conversion and marketing of paper products from paper towel to tissues, with a focus on using post-consumer paper fibres to create environmental-friendly paper products. It has hit one of the top spots on the US20 this period, increasing its share price by 28% over the past month.

On August 12, Cascades announced that they have taken a majority position in a Texas tissue converting company “Longhorn Papering Converting,” which will enhance its presence in the U.S. as well as foster synergies by converting paper rolls manufactured at other Cascades plants. You can expect larger revenues posted for the upcoming quarter as it adds Longhorn’s revenues to its income statement.

Cascades’ earnings increased by 38% over same quarter last year for Q2, with operating cash flows increasing by over 65%, and they announced an \$0.18 dividend per common share with expectations for sales growth to continue for Q3.

Recently Cascades has been on a share repurchasing streak, having bought back and cancelled 902,738 shares at an average aggregate price of \$8.65 between March and August this year. The timeframe that the stock repurchases took place and its corresponding stock price is highlighted in the stock chart below.

On September 6, Cascades announced that it would be amending its normal course issuer bid to increase the number of shares available to be repurchased to 1.9 million, and it will be completed by March 2017. This action provides greater value to the remaining shareholders and is also a signal that management believes its shares have greater value than the stock market is currently exhibiting.

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