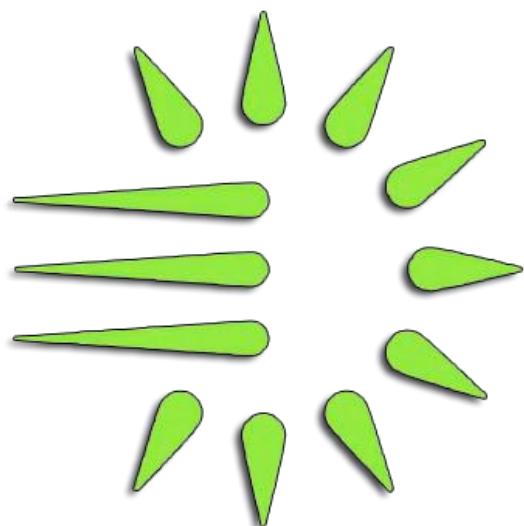




EnerDynamic Hybrid Technologies Corp.

Management Discussion and Analysis

For the Year Ended November 30, 2020

(Expressed in Canadian Dollars)

Dated

March 30, 2021

This Management Discussion and Analysis of financial position and results of operations (the “MD&A”) of EnerDynamic Hybrid Technologies Corp. (“the Company” or “EHT”) is prepared as of March 30, 2021. The following information should be read in conjunction with the consolidated financial statements and accompanying notes of EnerDynamic Hybrid Technologies Corp. for the year ended November 30, 2020, copies of which are available on SEDAR at www.sedar.com.

The Company’s certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a 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 was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities.

All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

Forward Looking Statements

This MD&A includes certain forward-looking information and forward-looking statements (collectively “Forward-Looking Statements”) concerning the future performance of the Company’s business, operations and financial performance and condition, as well as management’s objectives, strategies, beliefs and intentions. Forward-Looking Statements are frequently identified by such words as “may”, “will”, “plan”, “expect”, “anticipate”, “estimate”, “intend” and similar words referring to future events and results.

Forward-Looking Statements are based on the current opinions and expectations of management based on currently available information. All Forward-Looking Statements are inherently uncertain and subject to a variety of risks and uncertainties, some of which are described throughout this MD&A. Such Forward-Looking Statements are based on a number of assumptions, including but not limited to, information or statements concerning the Company’s expectations for its ability to raise capital and meet the Company’s obligations. Should one or more risks and uncertainties materialize, or should any assumptions prove incorrect, then actual events or results may differ materially from those expressed or implied in the Forward Looking-Statements. Investors are cautioned against placing undue reliance thereon. The Company will provide the reader with revised or updated Forward-Looking Statements in accordance with section 5.8(2) of National Instrument 51-102.

Statement of Compliance with International Financial Reporting Standards

The consolidated financial statements upon which this Management Discussion and Analysis is based have been prepared in accordance with accounting policies consistent with International Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) in effect for the Company’s reporting year ended November 30, 2020. The accounting policies adopted are consistent with those of the previous financial year in addition to the adoption of IFRS 16 Right of Use policy.

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Appendix “A” Narrative Description of Business

I. Our Business

EnerDynamic Hybrid Technologies Corp. designs, develops, manufactures, assembles, and distributes structural building systems including modular building/home systems with integrated hybrid alternative energy systems known as the ENERTEC Product Line.

The ENERTEC product line includes patent pending, ultra-light solar panels, modular buildings/homes, controlled environment growing pods and alternative energy producing mobile trailers. When augmented with inverter and battery energy solutions, ENERTEC products create self-sufficient energy production in off-grid or damaged-grid environments.

Modular buildings and homes can be either revenue generating/cost reducing, by sending the electrical output into the electrical grid, or a self-contained system that stores electricity in batteries for current and future use. In either scenario, the building or home is designed to generate and provide emergency power in the event of grid failure. Products just reaching commercialization include the ENERTEC PWR Wagon and the ENERTEC controlled environment growing pod. The PWR Wagon site trailers/portable energy trailers provide generation and supply on construction sites, outdoor events, weddings, and remote locations on a small trailer haulable by virtually any vehicle with a hitch. The ENERTEC controlled environment growing pod provides self-contained, energy producing, off grid, contaminant free growing environments for high value crops.

Additional information is provided in Appendix “A” to this MD&A document.

COVID-19

The worldwide pandemic situation of Covid-19 has caused significant future uncertainty. Business interruption due to government mandated closure of non-essential services, self-isolation, quarantine and other measures by businesses and people in general have led to disruption to worldwide commercial activity. The impact of the pandemic situation to the economy, various industries, and the environment in which the company currently operates cannot be assessed at present. Federal and Provincial Governments are taking bold measures to bring it under control, however, the timeframe as to when the pandemic will be brought under control and the return to normalcy is not determinable at present.

The impact of Covid-19 may materially impact any forward-looking portions of this MD&A.

II. Corporate Strategy

The ENERTEC products are based around expanded polystyrene foam (“EPS”) which is light weight but can be expensive to ship. To address these cost issues, management has created a joint venture strategy to reach distant markets. The Company seeks out EPS manufacturers within targeted territories and looks to partner with a suitable organization. This allows for the ENERTEC products to be produced and assembled in geographically advantageous areas through the supply of proprietary components by EHT to the manufacturer. The solar portions of the ENERTEC line are patent pending and represent the portion of the ENERTEC product content exclusively produced by EHT. The Company is targeting governments and NGOs around the globe where proximity to market is critical in maintaining margins. Management is currently focussed on West Africa, Puerto Rico, and Canada.

III. Corporate Update

Business Advances During COVID-19 Pandemic

On July 2, 2020, the company announced a technology advancement on one of its new ENERTEC products that can be assembled in an hour or less. EHT has completed the design of a lightweight Unit that can be delivered to a home and assembled in one hour. The Unit measures 8' X 12' and can be used for: sleeping quarters; a quarantine unit; an office; a workshop and/or a playroom.

On July 9, 2020, the company announced a project finance agreement with Brevet Capital ("Brevet"), a leading global credit investment and specialty finance firm with a focus on the government sector. Under the terms of the agreement, Brevet will become EHT's exclusive capital provider to finance all EHT Grow Units sold to Canadian federal and provincial governments as well as other provincial agencies and institutions. The contemplated US\$250 million lease financing facility will allow EHT to fulfill Grow Unit sales orders that are currently being negotiated and to pursue new orders.

On October 8, 2020, the company, through its Puerto Rico JV, signed a definitive agreement with WG Pitts Caribbean LLC ("Pitts") for the supply of the JV's building products initially for 100 homes. Pitts is an authorized government contractor in Puerto Rico for the Government of Puerto Rico and the United States Government and is currently working on projects that fall under the CDBG-DR-PR R3 program ("R3 Program") where payment is made by a US Government body to the Government of Puerto Rico. Pitts will work with the JV to build a greater volume of homes than it is currently able to build by utilizing the JV's innovative and unique building systems and part of the \$100m line of credit that the JV has with Brevet Capital.

On October 19, 2020, the company signed an exclusive sales agreement with Matrix Inc., a national services company that focuses on the resource and services sectors, for the sale of 9' x 12' Heli-Units. These units are deployed by helicopter to resource development sites as required for living accommodations.

January 28, 2021, the company announced the signing of an agreement to acquire Windular Research and Technologies Inc. on January 22, 2021, and its plans to concomitantly consolidate its shares 20-for-1 (the "Share Consolidation"), convert its existing debenture holders' debts and raise up to \$18 million in financing by way of a private placement of EHT shares, all of which are subject to the approval of the TSX Venture Exchange.

Corporate Update by Region

The Company has made progress in bringing the ENERTEC products into new markets:

EBS (Domestic Market)

- Agreement with Cannadore College for synergistic activities around use of controlled environment grow pods. Cannadore College has launched a program to use the pods to facilitate the growth of fresh food for northern Ontario first nations communities. Management has moved this forward and have furthered the relationship with the Federal and Provincial Governments. Technology advancement continues within the growing pod at Cannadore and a staff researcher. Trials to date demonstrate a 20 to 40 percent faster growth rate of most fruits and vegetables in the controlled environment growing pods. Work continues with the Federal and Provincial Governments but due to covid-19, governments have not been as able to move on new initiatives as quickly as in the past.
- Application is in process to receive a license for a company to operate a Micro Grow on site at Company's Niagara Falls facility. The license has been issued from Health Canada but the license from CRA has not been received. Both licenses are required before growing can commence.
- The company received an order from Matrix Aviation for 10 (9ft x 12ft) units for mining camps in the fall of 2020 and has manufactured and ship these units. It has received and now delivered a further order of 8 (9ftx12ft) units in the last weeks with additional units still to be processed and shipped.
- The Company sign a JV agreement with Apothio LLC., a US Hemp research company to build 2 grow units. EHT has received a deposit on the first unit and is completing drawings and engineering. The balance of the payment for the first unit and start of construction is expected in the third quarter of fiscal 2021 as site permitting has been delayed.

West Africa

- Burkina Faso government officials issued an open order for ENERTEC houses. EHT can deliver and build as many units as possible. EHT was targeting 1,200 units per annum by late 2019. Currently, EHT has put the order on hold due to political unrest in the country. Re-assessment takes place on a monthly basis. Due to Covid-19, all projects are now on hold in Burkina Faso. *No update is available as lockdown restrictions have stopped all travel.*
- Advancement of Ivory Coast government orders followed management visits. EHT anticipated commencement of building in the fall of 2019. Regulators had advised that the site services required to commence construction would be completed by then however, the site continues to wait for final approval. Due to Covid-19 all projects in Ivory Coast are on hold. *No update is available as lockdown restrictions have stopped all travel.*
- Potential Ghana order related to Community Based Health Services units has advanced. The government has selected a site for the first unit and EHT expected to build the unit in 2019. It is now expected the project will be ready to advance in early 2021. *No update is available as lockdown restrictions have stopped all travel.*

- Ghana order for UN Operations project has received funding and was expected to place the initial orders for rooftop solar on existing homes in the prior quarter. At meetings in January 2020, management determined the developer was 8 months behind in the project. Therefore, management expected to move forward with this project in late 2020. That has now moved to mid-fiscal 2021. *No update is available as lockdown restrictions have stopped all travel.*
- Ghana project to build 100,000 homes with Unified Construction has moved ahead. Surveys are complete, appraisal of the land that came in at 64.3M USD. A lender has been arranged to supply project financing and a model house is ready to build. The project was slated to start middle of April 2020. Project financier has pushed financing approval until a new start date is established with a current target of mid-fiscal 2021. *No update is available as lockdown restrictions have stopped all travel.*
- Due to the Covid-19 crisis all projects are on hold in Ghana with Management targeting mid-fiscal 2021 to resume. We are in constant contact with our JV partners in Ghana. We hope to start projects in the fall of this year, case counts and travel restrictions allowing.

United States-Puerto Rico

- Extended delays in recovery funding have pushed the market expectations into the next fiscal year with funds only starting to flow into the marketplace in late 2020.
- Planning for ENERTEC manufacturing/assembly in Puerto Rico is currently targeting June/July 2021 depending on travel restrictions.
- EHT has an approved house design and has been certified by the government of Puerto Rico for all structural components of the home.
- Signed LOI for \$100M funding in July from Brevet Capital in New York. Management is currently working on the definitive agreements to supply the first block of homes. We have moved these agreements along and hope to have finalized in the next 60 days.
- With the change in the US administration in January funds for the housing projects have been flowing steadily. Projecting to start the first homes in April/May fiscal 2021.

Proposed Financing

- The Company continues to work on the proposed equity financing, the acquisition of Windular Research and a debt restructuring. The company anticipates being able to have this transaction completed in April 2021.

IV. Operations

The production capacity of the new facility has enabled the manufacturing of the controlled environment growing pods and various structure products. The ENERTEC products are divided into “Passive” and “Active” components. Passive components include wall, floor and roof panels that do not contain solar energy generation components.

The passive components are generally large sections of EPS foam encapsulated in the proprietary fiberglass skin. Each section is intended to be a roof, wall or floor in the final assembly. These components are expensive to ship due to their size and are the primary operational manufacturing supplied by joint venture partners within geographic regions outside of Canada.

Passive component manufacturing is available in Ghana, West Africa and is sufficient to service all West African markets. Additionally, further capacity will be available in Puerto Rico during fiscal 2021 when required.

Active components include the ENERTEC ultra-light solar panels. These patent-pending panels are exclusively manufactured in the Niagara Falls, Ontario facility and then shipped to the joint venture partners for finishing via integration into a passive component. Due to their light weight and size, the cost of shipping these components is significantly less than shipment of the passive components.

V. Results of Operations

The following tables set forth selected annual financial information for the years ended November 30, 2020 and 2019 respectively.

	Year Ended Nov 30, 2020	Year Ended Nov 30, 2019
	\$	\$
Revenue	219,269	135,714
Cost of Revenue	459,276	1,208,866
Gross Income (Loss)	(240,007)	(1,073,152)
Total Expenses	5,104,251	4,812,826
Net Loss	(5,344,258)	(5,885,978)
Other Expenses	155,838	4,583,635
Net and Comprehensive Income or (Loss)	(5,500,096)	(10,469,613)

During the fiscal year ended November 30, 2020, as indicated below, management utilized the federal wage subsidy program, rent subsidy program and the federal business loan program in efforts to maintain the human resources of the business. Management will continue to evaluate ongoing federal and provincial financial support programs and utilize those that benefit the organization.

Results of Operations (continued)

Revenue for the year ended November 30, 2020 was \$219,269 (2019:\$135,714). Revenues reflected growth despite currently strained and unpredictable economic conditions. During the year, revenue representing ENERTEC branded product sales was significantly impacted by the effects of Covid-19 on both customers and suppliers. These effects are pervasive and material across all operations and financial results.

Current year cost of revenue of \$459,276 (2019:\$1,208,866) reflects primarily the fixed overheads which could not be eliminated during Covid-19 and adjustments to rent related to the subsidy program. The government wage subsidy, representing an expense recovery, reduced the cost of revenue by \$270,071 (2019:nil). Cost of revenues will remain distortive for an additional several quarters due to remaining low production volumes based on order through put and the impacts of Covid-19. Steady production of ENERTEC wall and roof panels will materially increase the margins by matching fixed overheads to higher production levels and capacity utilization rates. This is expected to occur during late fiscal 2021 but depends on the effectiveness of government vaccination programs.

Cost of revenues for the year includes \$238,425 (2019:\$301,540) in amortization and \$43,602 (2019:\$362,933) in occupancy costs. Amortization of production related assets, while constant in following unchanging amortization policies, reflects the sale of an asset and the age of the solar manufacturing equipment. The equipment remains fully functional, but its value continues to be written down as appropriate. Occupancy costs reflect credits related to the Covid-19 rent subsidy program. Rental costs were realized in prior periods due to uncertainty of eligibility but have now been adjusted following qualification for the rent subsidy program. Production related costs increased immaterially over the same period year over year to \$176,147 (2019:\$249,172).

Inventory and license fee expense was \$63,055 (2019:\$216,385) excludes any license fee related costs in the current year but reflects the ongoing net realisable value analysis of unused production inventory. Expenses reflect downward adjustments to material inventories tied to market changes in purchasing costs.

Gross margin of \$(240,007) [2019:\$(1,073,152)] provides little insight into business operations and reflects government wage and rent subsidy program impacts. Between Covid-19 impacts and continuing research and development, resulting commercial revenues fall well below those necessary to cover operating normal costs associated with the manufacturing/production facility. These margins are highly unlikely to be reflective of future business activities.

Expenses for the year of \$5,104,251 were nominal changes from \$4,812,826 in 2019 for several reasons. Overall, similar expenses were realized in most areas except for higher general and administrative expenses, regulatory and interest expenses while foreign exchange gains offset these higher costs.

General and administrative costs increased to \$944,060 (2019:\$803,874) due to Covid-19 controls and the addition of human resources in the product development area. General and Administrative expenses are expected to continue to rise in the next fiscal periods at an estimated annual rate of 20%-30% and in step with economic activity increases. Contraction of human resources during the transition to ENERTEC products cannot be sustained if management is expected to deliver sustained growth, the increase of which will add further costs.

Results of Operations (continued)

Travel costs year to date of \$65,669 (2019:\$98,897) decreased with the majority of travel costs incurred in the third quarter of the year while Covid-19 was in retreat. Fiscal 2021 is likely to show limited travel expense but with the eventual return of general business travel, management believes that the use of technology during Covid-19 has permanently changed travel policies to limit travel to essential purposes only.

Non-cash, stock-based compensation expense of \$473,000 (2019:\$323,000) reflects stock options issued in the first quarter of the year and the associated Black Scholes calculated costs within the period.

Research and development costs of \$846,491 (2019:\$966,170) continue to reflect the expansion of ENERTEC product offerings. During the Covid-19 period, management turn the company's workforce back towards research/development to create products that could tap into broader markets. The result was an immediate sale of the helicopter delivered, remote energy development site sleeping cabins. These did not exist prior to Covid-19 but now represent material revenue potential. Several versions were demolished testing structural strength, discarded due to redesign for production efficiencies and modified for user comfort and air flow management.

Regulatory costs increased to \$183,951 (2019:\$ 134,657) as a result of increased fees associated with capital raising to provide cashflow support required due to reduced business activity associated with Covid-19 and market conditions. Also included are costs associated with the shutdown and windup of the Luxenberg subsidiary.

Foreign exchange gains of \$(65,641) [2019:\$(21,683)] reflect fluctuations in Canadian dollar value against both the US dollar and Euro related primarily to historic accrued liabilities.

Interest expense increased to \$2,194,822 (2019:\$1,918,438) as a result of the adoption of IFRS 16 Leases which realizes the net present value of the lease on the premises in which the organization is located. While the vast majority of interest expenses are associated with debenture financing instruments representing \$1,763,812 (2019:\$1,807,586), in this initial period of adoption of IFRS 16, a total of \$308,317 (2019:\$nil) was reported.

A comprehensive expense item of gain or loss on disposal of a fixed asset reflects the profitable sale of a redundant piece of solar production equipment where the sale price exceeded book value by \$10,632. In 2019 a disposal represented a loss of \$58,790. This disposal of fixed production assets is likely to continue over the coming two fiscal periods as aging equipment is replaced with more efficient production technology. Current interest rates will continue to make financing capital expenditures attractive from a cash management standpoint.

Comprehensive legal settlement provision represents an accrual taken by management of \$165,823 related to potential exposure in a litigation case where such exposure can be reasonably assessed. In the prior period of fiscal 2019, a significant provision of \$4,183,739 was taken related to litigation involving certain debenture holders.

Broadly analysed, the Statement of Operations and Comprehensive Loss reflects the material impact of Covid-19 and the conscious decision to add new ENERTEC products to facilitate domestic business activities.

Inventory decreased to \$392,090 (2019:\$609,411) as a result of year end write-downs and consumption of materials in the product development process and order production. While prepaid expenses of \$246,369 (2019:\$ 168,915) reflects long lead time inventory in transit protracted by Covid-19 issues.

The addition of a right of use non-current asset of \$1,015,034 (2019:nil) reflects the value of the premises lease under IFRS 16 adoption. The corresponding current liability of \$280,512 (2019:nil) and non-current liability of \$929,482 (2019:nil) reflect the offset against the non-current asset.

A decrease in Accounts Payable and Accrued liabilities to \$10,936,288 (2019:\$11,461,598) reflects normal business activities.

VI. Financial Position

Below is a summary of the position of the Company for the year ended November 30, 2020 and 2019.

As At	2020 \$	2019 \$
Financial Assets		
Cash and cash equivalents	184,889	132,825
Accounts receivable	113	11,014
Inventories	392,090	609,411
Prepaid expenses	246,369	168,915
Other current assets	77,889	303,678
Due from related party	144,548	-
Financial Liabilities		
Amounts payable and accrued liabilities	10,936,288	11,461,598
Current portion of lease liability	280,512	-
Debenture interest payable	8,308,007	6,559,001
Due to related parties	1,025,788	1,000,119
Debentures payable 18%	3,000,000	10,070,500
Debenture Payable 6.5%	10,070,500	3,000,000

Debentures Payable

As at November 30, 2020, there remains \$10,070,500 of 18% debenture principal outstanding. During the year ended November 30, 2017, the 18% debentures matured but were unpaid. As a result, the company remains in default under the terms of the debenture agreement. During prior periods, some 18% debenture holders opted to convert some or all principal and interest into common share units in the capital of the company and some of the debenture holders agreed to waive outstanding debenture interest as well.

Those debenture holders also agreed to an adjusted annual interest rate of 8% per annum. In September 2018, three debenture holders filed suit against the Company seeking to unwind a settlement agreement related to the conversion of a \$1,003,500 of their total \$3,345,000 of debenture principal into common shares of the company. If the plaintiffs are successful, the parties could be entitled to exchange the common shares issued for the original debentures that were cancelled and the related accrued interest. The final outcome of the case is not determinable at present, however, the likelihood of a settlement has increased and as a result, management has accrued for a potential settlement obligation. Litigation has progressed to discoveries.

- I. The aggregate principal amount of the particular 18% debentures that were not exchanged for units pursuant to the debt settlement agreements is \$4,226,000. *
- II. The aggregate remaining principal amount of particular 18% debentures that were modified pursuant to debt settlement agreements is \$3,503,000.
- III. Aggregate remaining principal amount of the particular 18% debentures that are the subject of the litigation is \$2,341,500. **
- IV. The aggregate principal amount of all the 18% debentures that remain outstanding is *** \$10,070,500.

*In the absence of a negotiated settlement, the remaining unmodified debentures continue to accrue interest at 18% per annum per the original agreement.

**Does not include \$1,003,500 of aggregate principal of the particular 18% debentures that are subject of litigation that have been converted into common share units.

***The aggregate principal amount of the particular 18% debentures that were previously exchanged for units pursuant to the debt settlement agreements was \$2,991,500.

The total interest expense for the year ended November 30, 2020 on the debentures amounted to \$1,763,812 (2019:\$1,807,586).

VII. Protection of Intellectual Property

Management of EHT intends to protect its intellectual property and secure proprietary protection by obtaining various patents and trademarks. EHT currently has pending patents that it expects will provide the necessary protection of its “know how”, trade secrets, and other intellectual property. Specifically, the Company has filed patents and patent applications for an embedded solar panel technology which supports its structural building products line, the PWR wagon and the ultra-light solar panels. Management is not aware of any infringement issues or challenges related to the Company’s proprietary property.

VIII. Risks and Uncertainties

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and foreign exchange risk as a result of its use of financial instruments. Below information presents information about the Company's exposure to various risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout this MD&A. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with the risk management policies as set out herein:

Investing in the securities of EHT involves a high degree of risk. Prospective investors should carefully consider the risks described below, together with all the other information included in the consolidated financial statement, before purchasing shares of EHT securities. There are numerous and varied risks, known and unknown, that may prevent EHT from achieving its goals. The risks described below are not the only ones EHT will face. If any of these risks actually occurs, EHT's business, financial condition or results of operations may be materially adversely affected. In that case, the trading price of EHT's securities could decline and investors in securities of EHT could lose all or part of their investment.

The significant risks include the following:

Market Risk/Market Price of Securities

The market price of the Company's common shares could be subject to significant fluctuations and may decline below the purchase price of the common shares. Some of the factors that may cause the market price of the shares to fluctuate include:

- (a) volatility in the market price and trading volume of comparable companies;
- (b) actual or anticipated changes or fluctuations in our operating results or in the expectations of market analysts;
- (c) adverse market reaction to any indebtedness the Company may incur or securities that may be issued in the future;
- (d) short sales, hedging and other derivative transactions in the shares;
- (e) litigation or regulatory action against the Company;
- (f) investors' general perception of the Company and the public's reaction to press releases, other public announcements and filings with Canadian securities regulators, including the Company's financial statements;
- (g) publication of research reports or news stories about the Company, its competitors or its industry;
- (h) positive or negative recommendations or withdrawal of research coverage by securities analysts;
- (i) changes in general political, economic, industry and market conditions and trends;
- (j) recruitment or departure of key personnel;
- (k) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors.

These factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Certain institutional investors may base their investment decisions on consideration of our environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Company by those institutions, which could materially adversely affect the trading price of the common shares of the Company. 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 for a protracted period of time, our operations and the trading price of the common shares may be materially adversely affected.

Risks and Uncertainties (continued)

Broad market and industry factors may affect the market price of the common shares. Hence, the price of the common shares could fluctuate based upon factors over which the Company has no control, and these fluctuations could materially affect the price of the common shares regardless of operating performance.

Competition

Solar Panels and Structural Building Products

Because the Company's industry is highly competitive and has relatively low barriers to entry, the Company may lose market share to larger companies that are better equipped to weather deterioration in market conditions due to increased competition. The Company may in the future compete for potential customers with solar energy providers and structural product manufacturers. Some of these competitors may have significantly greater financial, technical, and marketing resources and greater name recognition than the Company. The Company believes the principal competitive factors in the renewable energy and structural products industries include:

- (a) responsiveness to customer needs;
- (b) availability of technical personnel;
- (c) supply and pricing of system components;
- (d) speed of system design and installation;
- (e) quality of service and price;
- (f) project management capabilities;
- (g) technical expertise and installation technology;
- (h) company reputation; and

The Company believes that its ability to compete also depends in part on a number of factors beyond its control, including:

- (a) the ability of the Company's competitors to hire, retain and motivate qualified technical personnel;
- (b) the ownership by competitors of proprietary tools to customize systems to the needs of a particular customer;
- (c) the price at which others offer comparable services and equipment;
- (d) the extent of the Company's competitors' responsiveness to client needs; and
- (e) the ability of competitors to manufacture greater volumes of products.

Risks and Uncertainties (continued)

Ability to Protect Intellectual Property

The Company relies to some degree upon its intellectual property rights to protect its proprietary technologies. Risks associated with the Company's ability to protect such rights include changes to intellectual property laws, patent rights not being granted or construed as expected, steps taken to prevent misappropriation or infringement of the Company's proprietary rights may not be successful, and third parties may be able to develop or obtain patents for similar competing technology.

Dependence on and Retention of Key Personnel

The success of the Company's business depends on the continuing contributions of John Gamble and other key personnel. The Company relies heavily on the services of John Gamble, the Company's Chief Executive Officer as well as several other management personnel. Loss of the services of any of such individuals would adversely affect the Company's operations. In addition, the Company believes its technical personnel represent a significant asset and provide the Company with a competitive advantage over many of the Company's competitors. The Company believes its future success will depend upon its ability to retain these key employees and its ability to attract and retain other skilled financial, engineering, technical and managerial personnel.

Reliance on Third Party Manufacturers and Availability of Raw Materials

The Company is dependent upon its suppliers for the components used in the systems it designs and products that it produces. Its major suppliers are dependent upon the continued availability and pricing of silicon, neodymium, and other raw materials used in solar modules and fiberglass reinforced Fire Retardant Structural Insulated Panel ("FRSIP"). The components used in the Company's systems are currently purchased from a limited number of manufacturers.

The Company is subject to market prices for the components that it purchases for its installations, which are subject to fluctuation. In particular, China currently controls over ninety percent (90%) of the global supply of neodymium, which is a rare-earth metal in limited supply. Accordingly, the market price of neodymium is subject to significant fluctuation. This fluctuation impacts the costs of solar cells, a component in some of the Company's products.

The Company cannot ensure that the prices charged by its suppliers will not increase because of changes in market conditions or other factors beyond its control. An increase in the price of components used in the Company's systems could result in an increase in costs and could have a material adverse effect on the Company's revenues and demand for its services.

Risks and Uncertainties (continued)

Regulatory Environment

Existing regulations, and changes to such regulations, may present technical, regulatory and economic barriers to the purchase and use of structural products and solar power products, which may significantly reduce demand for the Company's products.

Installation of structural building systems and solar systems are subject to oversight and regulation in accordance with national and local ordinances, building codes, zoning, environmental protection regulation, utility interconnection requirements for metering and other rules and regulations. The Company intends to keep up-to-date with respect to these requirements on a national, provincial, and local level, and must design systems to comply with varying standards. Certain cities may have ordinances that prevent or increase the cost of installation of its solar systems. In addition, new government regulations or utility policies pertaining to solar power systems are unpredictable and may result in significant additional expenses or delays and, as a result, could cause a significant reduction in demand for solar energy systems and the Company's services.

The performance of the Company's business depends largely upon whether the applicable regulatory environment is favourable, particularly with respect to continuing operations and the future growth of the alternative energy industry in Canada, North America in general and throughout global target markets including the West Africa region. Government regulations, incentives, and market design in some markets currently have a favourable impact on the building of structural building systems and solar power systems. In the event that the current governmental regulations, incentive programs or market design in some markets undergo change, the Company's business may be adversely affected, resulting in an adverse effect on the Company's financial condition, results of operations, and the value of its securities.

Reliance on Distributors and Key Customers

The Company expects to use a direct selling strategy for its primary products being the ENERTEC structural building systems and the ENERTEC ultra-light solar panels. Management has yet to determine the distribution model for its ENERTEC PWR Wagon and ENERTEC Carport products. Licencing revenue models in connection with these products is an option that includes licencing its products to OEMs and distributors that have established businesses and customers in each target market and establishing joint ventures and global alliances to licence or acquire complementary technologies and undertake co-development programs. There is some risk that these relationships could be terminated or cancelled by distributors or licensees, which would result in material adverse effects on the Company's financial condition and business.

Success of New Products

The Company is in the business of developing innovative products. As such, it is difficult to anticipate how the market will receive such products and whether sustainable demand for the Company's products will emerge. There are risks associated with the Company's ability to generate demand for its innovative structural building systems and solar power systems, as further set out below.

Risks and Uncertainties (continued)

Management of Growth

The Company may be unable to achieve profitability by increasing net sales, expanding the range of its products and services or entering new markets in the future. There can be no assurance that the Company will be able to expand the sales of its business or any subsequently acquired businesses. Various factors, including demand for the Company's products and services and its ability to expand the range of the Company's product and service offerings and to successfully enter new markets, may affect the Company's ability to maintain or increase the net sales of its business or any subsequently acquired businesses. In addition, to manage growth effectively the Company must expand and improve its operational, financial, and other internal systems and attract, train, motivate and retain qualified employees. Expenditures related to the Company's growth initiatives may negatively affect its operating results, and the Company may not realize any incremental profitability from its growth and expansion efforts.

Managing Customer Expectations

The Company's failure to meet a client's expectations in the performance of its services, and the risks and liabilities associated with serving clients could give rise to claims against the Company.

Attraction and Retention of Employees

If the Company is unable to attract, train and retain highly qualified personnel, the quality of the Company's services may decline, and it may not successfully execute its internal growth strategies.

The Company's success depends in large part upon its ability to continue to attract, train, motivate and retain highly skilled and experienced employees, including technical personnel. Qualified technical employees periodically are in great demand and may be unavailable in the time frame required to satisfy the Company's customers' requirements. While the Company currently has available technical expertise sufficient for the requirements of its business, expansion of its business could require the Company to employ additional highly skilled technical personnel. The Company expects competition for such personnel to increase as the market for structural building systems and solar systems expands. There can be no assurance that the Company will be able to attract and retain sufficient numbers of highly skilled technical employees in the future. The loss of personnel or the Company's inability to hire or retain sufficient personnel at competitive rates of compensation could impair the Company's ability to secure and complete customer engagements and could harm the Company's business.

Risks and Uncertainties (continued)

Litigation, Regulatory Proceedings, and Warranty Claims

Although the Company undertakes to ensure that its products and services comply with applicable regulatory requirements, internal standards, contractual obligations, and that its products perform effectively and safely, customers may claim that products do not meet contractual requirements and customers may be harmed by the use or misuse of such products. This could give rise to breach of contract, warranty or recall claims, or claims for negligence, product liability, strict liability, personal injury or property damage. Insurance coverage may not be available or adequate in all circumstances. Claims may also arise in connection with patent infringement, environmental liabilities, commercial agreements, competition law, employment law and employee benefits issues, as well as other regulatory matters. As such, there can be no assurance that the Company will not incur significant costs to defend or resolve potential claims. The final outcome with respect to outstanding, pending or future actions cannot be predicted with certainty, and therefore there can be no assurance that their resolution will not have an adverse effect on the financial condition or results of operation of the Company in a particular quarter or fiscal year.

Expansion Across Borders

Geographical business expansion efforts the Company makes could result in difficulties in successfully managing its business and consequently harm its financial condition.

As part of the Company's business strategy, it may seek to expand by acquiring competing businesses or customer contracts in its current or other geographic markets. The Company cannot accurately predict the timing, size and success of its expansion efforts and the associated capital commitments that might be required. The Company expects to face competition for expansion candidates, which may limit the number of expansion opportunities available to the Company and may lead to higher expansion costs. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional businesses/contracts or successfully integrate acquired businesses/contracts, if any, into its company, without substantial costs, delays or other operational or financial difficulties. In addition, expansion efforts involve a number of other risks, including:

- failure of the expansion efforts to achieve expected results;
- diversion of management's attention and resources to expansion efforts;
- failure to retain key customers or personnel of the acquired businesses; and
- risks associated with unanticipated events, liabilities or contingencies.

Client dissatisfaction or performance problems at a single acquired business could negatively affect the Company's reputation. The inability to acquire businesses on reasonable terms or successfully integrate and manage acquired companies, or the occurrence of performance problems at acquired companies, could result in dilution, unfavourable accounting charges and difficulties in successfully managing the Company's business.

Currency risks arise with the possible expansion of the Company's business across borders and into emerging markets. Fluctuations in exchange rates will give rise to foreign currency exchange exposure. The Company does not hedge against foreign exchange risk and there can be no assurance that any hedging undertaken by the Company will be successful and this may result in a material adverse effect on the Company's financial condition and business.

Risks and Uncertainties (continued)

Technological Advances

The Company will experience technological changes in its industry; some new technologies may prove inappropriate and result in liability to the Company or may not gain market acceptance by its customers.

The renewable energy industry is subject to technological change. The Company's future success will depend upon its ability to respond appropriately to changing technologies and changes in function of products and quality. If the Company adopts products and technologies that are not attractive to consumers, the Company may not be successful in capturing or retaining a significant share of its market. In addition, some new technologies are relatively untested and unperfected and may not perform as expected or as desired, in which event the Company's adoption of such products or technologies may give rise to material adverse effects.

Uncertainty in Solar Panel and Structural Buildings Products Markets

The structural building system and solar system markets are at an early stage of development, and market data is not readily available. There is no assurance that these technologies will be commercially viable and gain market acceptance in the long-term.

Sector Specific

A drop in the retail price of conventional energy, or non-solar energy sources may have a negative effect on the Company's business.

The Company believes that a customer's decision to purchase or install solar systems is primarily driven by the cost and resultant return on investment from solar power systems. Fluctuations in economic and market conditions that impact the prices of conventional and non-solar alternative energy sources, such as decreases in the prices of oil and other fossil fuels, could cause the demand for solar systems to decline, which would have a negative impact on the Company's business and results of operations. Changes in utility electric rates or net metering policies could also have a negative effect on its business.

The Company believes that a customer's decision to purchase or install structural building products, in the case of its primary targeted national governments, is a social advancement-based decision. Providing housing and power of any kind in many of the African target markets is a broad social mandate but there remain no assurances that the financial capability to align those mandates will materialize.

Climate Risks

The effectiveness of solar systems depends heavily upon local weather conditions. Solar systems are necessarily impacted by the levels of sunshine. Accordingly, local weather conditions will make it difficult for the Company to accurately forecast production levels.

Additionally, there can be no assurance that the Company's products will be able to withstand extreme weather conditions, particularly in remote areas, which present further risks in preventing the supply, delivery, and installation of products.

Risks and Uncertainties (continued)

Foreign Jurisdiction Political Risks

The Company's growth strategy includes expansion into emerging markets. Operating in foreign jurisdictions subjects the Company to such jurisdiction's regulatory environment as well as political climate. Political risks include discriminatory governmental actions, acts of expropriation or nationalization, currency inconvertibility and non-transfer, political violence including war and terrorism, and contract frustration due to political events. Operating in environments that experience extreme poverty presents further risks with respect to theft or extortionist tactics applied to extract money or other goods from the Company. Such political risks are outside of the control of the Company and the materialization of any one of the aforementioned risks may have an adverse effect on the operations of the Company.

Termination of Key Agreements

In the event that any key agreements or any other material agreements are terminated, the payment of penalties or fees by the Company may be required. The payment of any such penalties or fees or the termination of such contracts could have a material adverse effect on the business, financial position, or results of operation of the Company or the value of the Company's securities.

Force Majeure

The occurrence of a significant event which disrupts the ability of the Company to produce or sell its products may have a material adverse effect on the business, financial position, or results of operations of the Company or the value of the Company's securities. Covid-19 may fall into this category.

Health, Safety and Environmental Risks

The ownership and operation of the Company's business carries a risk of liability related to worker health and safety and the environment. The occurrence of any government orders, investigations, inquiries or other proceedings relating to health, safety and environmental matters could have a material adverse effect on operations and/or result in additional material expenditures.

Uncertainty of Additional Funding

Further operations will require additional capital and will depend on the Company's ability to obtain financing through debt, equity, or other means. The Company's ability to meet its obligations and maintain operations is contingent upon successful completion of additional financing arrangements. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining the required financing or refinancing its existing financing in the future or that such financing or refinancing will be available on terms acceptable to the Company. In addition, any future financing may also be dilutive to existing shareholders of the Company.

IX. Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

X. Related Party Transactions and Balances

Amounts receivable from and payable to related parties are as follows:

	2020 \$	2019 \$
Receivable		
Due from a related party	144,548	-
Payable		
Due to director – Bruce Bent	-	267,921
Due to director - John Gamble	176,678	127,261
Due to non-executive employee	50,000	73,748
Due to MSW/MDA (lenders related to Bruce Bent)	799,110	531,189
	1,025,788	1,000,119

The amount due to MSW/MDA is a secured loan advanced from a party related to a director, Bruce Bent. The loans are for working capital purposes and are secured with a general security agreement. The amounts are due on demand.

The amounts due to a director - Bruce Bent are due on demand. Management expects to repay the amounts within the next 12 months.

The amounts due to a director/CEO - John Gamble are for authorized expenses and includes a bonus of \$100,000 granted for the financial support to the Company and unpaid management wages during the year. The amounts due are non-interest bearing and are due on demand. Management expects to repay the amounts within the next 12 months.

The amounts due to a non-executive employee for a bonus granted for the financial support during the year. The amounts due are non-interest bearing and are due on demand. Management expects to repay the amounts within the next 12 months.

During the year, the Company advanced funds to a corporation owned by Mr. Gamble, CEO/Director of the Company. The funds are repayable on demand, without interest and are expected to be repaid within 12 months.

Summary of Management Fees and Compensation

Title	2020 \$	2019 \$
Management Salaries and Fees	330,000	330,000
Other Benefits	7,825	8,087
Total	337,825	338,087

XI. Disclosure Controls

Management and the Board of Directors have instituted review procedures on all the periodic filings. The Board has established a Disclosure Committee consisting of two Directors. Committee charters have been developed and ratified by the Board of Directors.

The Board of Director's engages legal counsel as required to provide guidance and commentary on our news releases.

Management has determined that its disclosure controls and procedures meet required standards at November 30, 2020. The disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in its various reports is recorded, processed, summarized, and reported accurately. In spite of its evaluation, management does recognize that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance and not absolute assurance of achieving the desired control objectives.

XII. Subsequent Events

January 8, 2021, the company announced that it completed a non-brokered private placement of \$1,000,000. The private placement is comprised of 20,000,000 units at a price of \$0.05 per unit. Each unit consists of one common share and one common share purchase warrant, with each whole warrant being exercisable for one common share of the Company at a price of \$0.05 per share for a term of 36 months.

On January 19, 2021, the company held its annual general and special shareholders meeting. At that meeting the shareholders approved a consolidation of the issued and outstanding shares of the company on a basis of up to 20:1 within 12 months at the Board of Directors discretion.

January 28, 2021, the company announced the signing of an agreement to acquire Windular Research and Technologies Inc. ("WRT") on January 22, 2021, and its plans to concomitantly consolidate its shares 20-for-1, convert its existing debentureholders' debts, and raise up to \$18 million in financing by way of a private placement, all subject to the approval of the TSX Venture Exchange.

Additional Information

Additional information relating to EnerDynamic Hybrid Technologies Corp. can be found on the Company's website including contact information at www.ehthybrid.com and www.sedar.com

APPENDIX “A” Narrative Description of the Business

EHT Structural Building Line

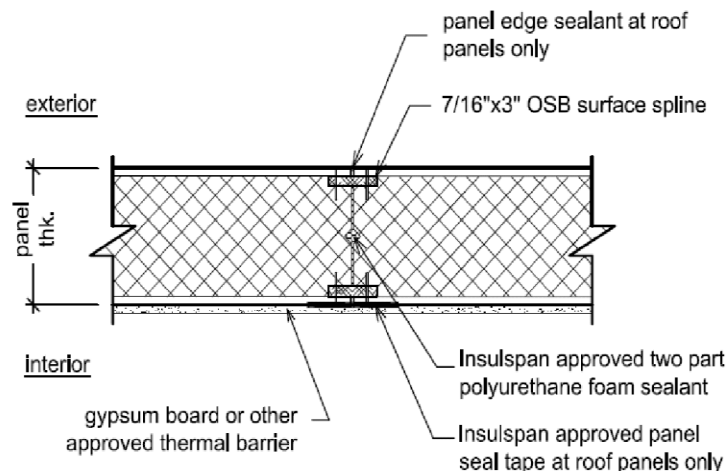
Understanding the ENERTEC Product

Modular buildings and homes as well as some traditional construction can be based upon or utilize prefabricated panels classified as structural insulated panels (“SIP”). The Structural Insulated Panel Association defines a SIP as:

Structural insulated panels (SIPs) are a high-performance building system for residential and light commercial construction. The panels consist of an insulating foam core sandwiched between two structural facings, typically oriented strand board (OSB). SIPs are manufactured under factory-controlled conditions and can be fabricated to fit nearly any building design. The result is a building system that is extremely strong, energy efficient and cost effective. Building with SIPs will save you time, money, and labor.

A typical SIP consists of oriented strand board (“OSB”) skins on both the interior and exterior side of the molded expanded polystyrene (“EPS”) insulation core. However, for interior wall applications this type of SIP must be finished on the interior with drywall or another building code approved 15-minute thermal barrier that protects the foam. This means a mandatory additional building material layer is required on every inside surface significantly increasing cost, construction time and minimum worker skill requirements.

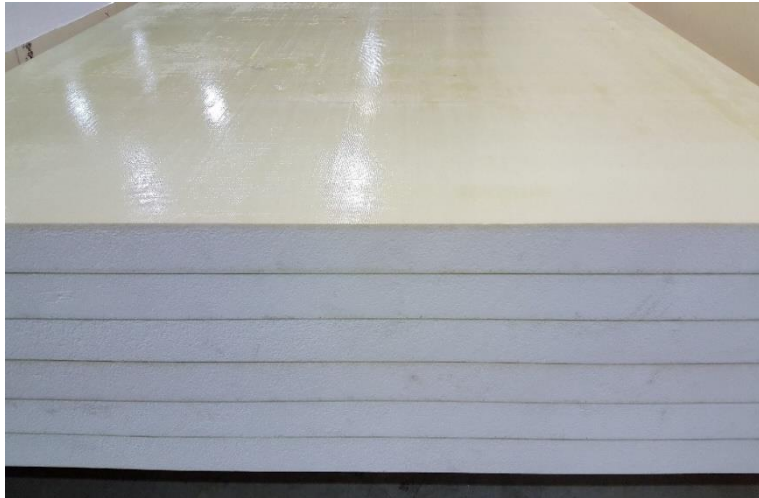
Example of a traditional SIP indicating the need for interior thermal protection:



The ENERTEC structural insulated panel has expanded the traditional definition to become a *Fiberglass Reinforced Fire Retardant Structural Insulated Panel* (“FRSIP”). Utilizing a proprietary formula in creating and fireproofing a fiberglass sheet, the expanded polystyrene (“EPS”) insulation core is sandwiched between two layers of the sheet material, also known as the “skin”.

Narrative Description of the Business (continued)

Below is a close-up of a thin ENERTEC FRSIP (2 inches) showing the thin “skin” on each side of the EPS core. The FRSIP can be produced in much thicker dimensions for added insulation value.



This ENERTEC FRSIP is up to 40% lighter than a traditional SIP and up to 60% lighter than one with a mandatory interior covering. Requiring no such additional interior covering, the ENERTEC panel is rapid to install, easier to transport, incurs lower direct labour installation costs and is tool friendly. The FRSIP can easily accept any inner covering like drywall or tiles should the customer wish to install them.

The ENERTEC FRSIP recently received its UL Class II or class B fire rating, meeting Canadian National Building Code (“**CNBC**”) requirements for virtually all building applications. Meeting the CNBC requirements ensures the ENERTEC FRSIP will meet or exceed virtually all international codes as the CNBC is considered one of the strongest and comprehensive building codes in the world.

Not only is the ENERTEC system simplistic and easy/fast to install but the ENERTEC FRSIP's further advances the goal of eliminating mould in cold and/or damp environments while enhancing fire resiliency.

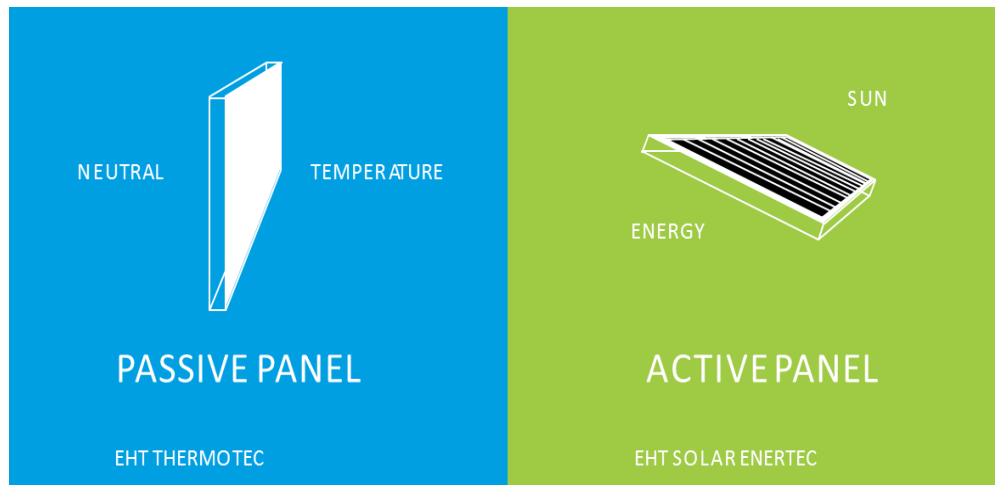
Narrative Description of the Business (continued)

Below is information on the proprietary fire-retardant fiberglass “skin” materials and production line:

Proprietary Resin System	
	ultra-low viscosity
	high reactivity
	environmentally friendly
Multi Layer Composite Structure	
	structural (i.e. glass, carbon)
	functional (i.e. RF, IR)
	protective (i.e. fire, ballistic)
	aesthetic (i.e. color, texture)
Environmentally Sound and Sustainable	
	VOC free
	low carbon footprint
	recyclable

ENERTEC Product Line

The ENERTEC FRSIP product line consists of several components, each classified as one of two types:



The Passive Components

The passive components include floor panels, interior or exterior wall panels and basic/passive roof sections of ENERTEC FRSIP's. These components provide structure and immense insulation value to conserve energy but do not themselves generate energy.

The FRSIP components are available in standard thicknesses of 1, 4, and 6 inches, however, thicknesses up to 12 inches are available. The Company can produce FRSIP sections up to 40 feet in length and up to 10 feet in width with greater widths available for custom applications.

Narrative Description of the Business (continued)

A “wall” or “floor” or “passive roof” module simply identifies the purpose with which a FRSIP has been produced, cut and customized to suit a particular product or application. A wall becomes a wall when a window or door opening is cut, and a passive roof becomes that when the intersecting angles are cut.

An ENERTEC modular building begins with an engineered drawing or blueprint, either custom to a customer’s needs or one of the stock ENERTEC models. The FRSIP modules are then produced to the thickness, length, and width to meet the engineered requirements. Thereafter, customization takes place to each module including the cutting of door and window openings after which the product is ready to ship with a one-story building shipping in a single 40-foot container.

ENERTEC modules are joined with advance, application specific adhesives and joint sealing membranes.

The Active Components

At the core of the active ENERTEC product line is the ENERTEC FRSIP Embedded Solar Roof Module. Traditional solar cells are embedded in the proprietary fireproof skin of the FRSIP. Generally, the embedded solar cells are used in roof panels however, customers may request embedded solar panels on side, front and/or back walls of a structure to increase the amount of energy generated in a daily sun cycle.

The ENERTEC embedded solar cells result in substantial cost savings by eliminating heavy glass panels and aluminum racking required for traditional solar panels including expensive rooftop labour. Two barriers to the greater application of solar energy are weight limitations of the roof on which solar panels could be deployed and onerous shipping and labour costs. ENERTEC FRSIP modules would need to be much thicker and thus more expensive if traditional panels were to be used. The development of embedded solar panels was intended to address this market limiting factor.

Furthermore, an ENERTEC home having embedded solar on its entire roof becomes a massive solar panel capable of producing significantly more energy than the home requires, allowing the structure to then become an important source of power for the local micro grid or large battery storage systems.

Manufactured using traditional solar panel production processes combined with customized assembly processes, the Company produces a leading-edge solar product representing a new generation of solar panels and solar panel installation methods.

Narrative Description of the Business (continued)



Above: ENERTEC Roof Panels enduring long term quality control testing in the extreme Canadian environment.

The image below depicts an ENERTEC portable shelter capable of been moved and erected in a new location. Thanks to an integrated click-connect system, these passive and active panels can be rapidly connected for a semi-permanent, weatherproof, highly insulated building. The Company is refining specific models to permitted transportation by snowmobile in northern hemisphere markets.



Narrative Description of the Business (continued)

The image below depicts a complete two-bedroom ENERTEC home installed in Ivory Coast, West Africa. This fully airconditioned house is entirely off-grid.



The ENERTEC Ultra-light Solar Panel (EHT-SET 250/300)

The ENERTEC Ultra-light solar panel is a significant advancement in solar panel design and solar energy application. The Company has manufactured traditional solar panels for several years and ultimately has been moving away from this business segment due to low margins. The creation of the ENERTEC ultra-light panel has again created an expanded market for solar panels which will support panel production for sale as a standalone product.

The initial primary application of the ENERTEC ultra-light solar panel, known as “embedded” solar, was in the integration into the ENERTEC FRSIP creating the active panels in the modular structural building line. Through the addition of light weight framing, the “embedded” solar application deployed in the ENERTEC modular structural product line has been transformed into this advanced panel.

The two critical factors that make an effective solar panel are the level of created power output and the diverse application within the target markets. The ENERTEC panel generates expected and stable energy consistent with a traditional 60-cell or 72-cell panel (depending on the panel purchased). The critical evolution is the elimination of the heaviest components of any traditional solar system: the panel weight created by the thick tempered glass facing and the heavy, expensive, and labour-intensive racking system necessary to support and secure the traditional panel.

Narrative Description of the Business (continued)



The ENERTEC ultra-light 250-watt panel weighs approx. 7.5kg compared to a traditional 250-watt panel which weighs approx. 18.5kg, a massive weight reduction in real world application.

The ENERTEC ultra-light panels are installed using small clips, stainless steel screws or building adhesive depending on the existing roof. No extruded aluminum racks penetrating the roof membrane, elevating the roof line and trapping organic matter to promote rot.

Tempered glass in traditional solar panels is costly as a raw material and costly to handle requiring the obvious handling, packing, stacking and loading/unloading precautions and limitations associated with glass logistics. The ENERTEC ultra-light solar panel contains no glass, there is nothing to crack or shatter and in fact, the ENERTEC solar panel demonstrates a massive decrease in post installation panel damage. From falling ice to children throwing rocks (the two most common sources of post installation damage), the ENERTEC panel now materially reduces that risk.

The glass in traditional panels also increases the surface and internal heat within a panel which in turn reduces actual energy production of the panel. Solar panels function best at temperatures in the 20.5C-22.5C degree range while energy output decreases as temperature rises. A solar panel will see as much as a 20% reduction in energy generation when panel temperatures reach 36C. The ENERTEC solar panel reduces the product generated internal heat and thus increases energy output from exactly the same solar cell.

Narrative Description of the Business (continued)

The image below depicts ENERTEC solar panels on an outbuilding roof, the panels are attached with adhesive while cedar shake singles are added around the panels.



The image below depicts ENERTEC ultra-light panels on a FRSIP roof clearly demonstrating the flat, tight layout provided by the embedded solar panels.



Narrative Description of the Business (continued)

The PWR Wagon

The Company has recently finalized its “**PWR Wagon**” which generates solar power from every side and stores it in the onboard battery and power distribution system. Sides open upwards tripling the sky facing surface generating maximum power.



The image below depicts the inside of the PWR Wagon containing batteries, inverters, charge controllers and a rack of power receptacles waiting to distribute power.



Narrative Description of the Business (continued)

The PWR Wagon is a stock trailer customized to provide a remote site power source via its self-contained solar energy system. All sides of the trailer are constructed of solar panels, feeding into an integrated battery bank. The trailer can provide up to 10kw of solar energy depending on the size of trailer and can store up to 10 kwh battery charging depending on the weight of the trailer, while a full charge requires 2 to 3 hours of daylight. Designed to allow for construction site charging of cordless tool battery packs, operation of power washers, fans, work lights and overnight charging of electric lifts, the applications are limited to the imagination of the site crew. The wagon is capable of powering a microwave oven or a low voltage cooler. A single PWR Wagon can charge over 1,000 smartphones simultaneously when outfitted for emergency services applications.

All day the wagon is continually charging and then maintaining the onboard battery banks. On most days, the energy input to the battery banks will exceed demand thus leaving the power available for overnight charging. When the flip up side walls are locked in the closed position tools are safely charging in a secure trailer.

Beyond the construction industry, the wagon can be used for outdoor events including camping, weddings, street parties and more. The logical access to the Wagon for these applications would be via local equipment rental agencies which can add the wagon to their rental stock.

The e trailer has been carefully balanced to allow for towing by virtually any vehicle with a hitch which includes cars and pickup trucks. Further, the trailer can be towed by ATV and even snowmobile to a remote site to power a cabin, homestead or emergency shelter.

ENERTEC Controlled Environment Growing Pod

The image below depicts a controlled environment growing pod which generates power to run growing lights, fans and irrigation for high value crop growing in a contaminant free environment.



Narrative Description of the Business (continued)

The ENERTEC controlled environment grow pod is designed to allow the self contained growing of high value crops in locations that have neither a building nor grid power. These pods also make sense inside existing buildings where cross contamination of crops and strains are at issue.

Products in Development

The Company has now commercializing its worksite and emergency power trailer which is a self-contained energy supply that can be pulled behind a pickup truck or weather emergency transport. This unit is capable of generating sufficient energy to charge tool batteries/forklifts/radios/fans and even a microwave oven on site or hundreds of smartphones: day or night. The Company has historically continually advanced its product offerings through internal research and development activities to ensure a steady pipeline of enhanced current products and new future products.

The target markets are broadly defined as commercial, local and regional governments and non-governmental aid (NGO) organizations globally in addition to some retail distribution. The primary markets include Africa, South America, and North America.

The process by which the ENERTEC Ultra-light solar panel is manufactured is constantly under development to reduce material costs and increase production rates. Development includes trialing materials sourced globally, most of which fail the environmental endurance testing. This research will be perpetual as new materials develop. Management looks across industries and specifically beyond the energy markets for such advancements.

Method of Production and Distribution

ENERTEC Structural Building Product Line Manufacturing

The Company designs and manufactures all the structural building products from its manufacturing facility in Niagara Falls, Ontario. Various raw materials, including some custom produced components, are purchased from both local and international suppliers.

Primary and secondary raw materials are sourced from manufacturers that have multiple location production capacity while other components are easily sourced or produced at alternative suppliers. This ensures a stable and secure supply chain while reducing risk of interruption.

The Company intends to utilize regional manufacturing partners to produce its product in foreign markets and has established some relations which await product demand. In its target foreign market, the Company has established a West African manufacturing relationship which is intended to reduce product delivery lead time and logistics costs which would positively impact margins.

Narrative Description of the Business (continued)

ENERTEC Ultra-light Solar Panel Assembly

Solar panel assembly involves the acquisition of a variety of components, sourced both locally and internationally, and then assembling such components to produce the desired finished product. There is limited but technical fabrication involved in the process.

ENERTEC PWR Wagon

The Company presently manufactures the PWR Wagon within its Niagara Falls manufacturing facility. It is anticipated that more stages in production will be outsourced as demand for the product increases. Much of the basic work on the product is traditional fabrication and thus can be contracted externally for more efficient production cycles. Specific technical installations, finishing, quality control and packaging will remain within the Company's direct control via its skilled workforce in Niagara Falls.

Operations

The operations of EHT are located at its head office and administration facility in Niagara Falls, Ontario. The Company operates entirely out of a 71,000 square foot facility that meets all of its needs and it is anticipated that it will continue to meet these needs for the foreseeable future.

The premises lease expires in September 2028, with annual rents payable totaling approximately \$360,000.

The raw materials for all the Company's products are generally available within modern economies. Much of the raw materials and components are imported from Europe and Korea for cost purposes, however, replacement of capacity can be undertaken within a short period of time in the event of disruption.

EHT is continually advancing its product offerings through internal research and development activities to ensure a steady pipeline of enhanced current products and new future products. The alternative energy industry is relatively new with rapid expansion and evolution expected. The Company aims to stay at the forefront of innovation through internally developed technologies or acquisitions of complementary products that would be accretive to its business. The transition to production of structural building products with hybrid energy products integration is an example of advancement and response to market demand.

EHTI produces its primary product, being its ENERTEC structural building products with integrated alternative energy technologies. The Company manufactures its Fiberglass Reinforced Structural Insulated Panels ("FRSIP) based on customer specific engineering drawings. Thereafter, contractors install the ENERTEC products on site. Additionally, the Company produces the ENERTEC ultra-light solar panel, the ENERTEC PWR Wagon and the ENERTEC Carport. All manufactured in the same Niagara Falls facility.

Narrative Description of the Business (continued)

The primary regulatory regime impacting the Company is the National Building Code of Canada which regulates the quality and safety of construction methods, design and product integrity within the construction industry. The ENERTEC FRSIP meets all requirements and has a Class II fire rating.

Environmental regulatory regimes can have a positive impact on education and product demand. There are no known planned regulatory changes anticipated to impact the Company in the short term.

EHT employed a total of 16 employees as at November 30, 2020 between administration and production positions. The Company makes extensive use of contractors across all operational segments where specialized knowledge is required.

Competitive Conditions

The Company, due to its diverse structural modular technology utilizing proprietary inputs and its embedded solar cell products (with a patent pending) has limited direct competitors at present. Competition comes from the modular building sector as well as the self-contained alternative energy segment of the energy market.

The Company is expected to hold a competitive advantage because of its proprietary technologies and market development advantage.

Notwithstanding the foregoing, there is some risk that the Company may lose market share to larger companies that are better equipped to weather deterioration in market conditions due to increased competition. The Company's industry is subject to change and while barriers to entry do exist, they may not be sufficient to deter competition. The Company believes the principal competitive factors in the structural building and renewable energy sectors include:

- (a) responsiveness to customer needs;
- (b) availability of technical personnel;
- (c) availability and prices of system components;
- (d) speed of system design and installation;
- (e) price;
- (f) project management capabilities;
- (g) company reputation; and
- (h) installation technology.

It is possible that competition in the renewable energy segment could increase in the future, partly due to lower barriers to entry, as well as from other alternative energy resources now in existence or developed in the future. The structural building segment has higher barriers to entry but there is no assurance another party would not overcome them.