



October 11, 2017

Dear Shareholders,

2017 marks our 50th anniversary of being in business. This is not only a key milestone in the company's history, but 2017 will also be remembered as the year we solidified our strategy and positioned ourselves to become a major global supplier of electric drive systems to the transportation market. UQM over the years has been known as a company that provides very high quality and performance electric drive systems to an emerging market that has had more than its share of ups and downs, and we have remained laser focused on our strategy. It now appears this focus and investment is starting to pay off.

By far the most important development in the year was the executed Stock Purchase Agreement with China National Heavy Truck Company, Co, Ltd ("CNHTC"). For the past several years, we have been focused on finding the right strategic partner for us to enter the China market, which is the largest market for electric vehicles in the world. The partner needed to meet the following criteria: they could provide capital, provide access to the China vehicle market, and offer us infrastructure to support our expansion into China. With the CNHTC investment of approximately \$28 million giving them roughly 34% ownership of UQM (once the transaction is completed), our plan is to create a joint venture with them in China for the Chinese commercial vehicle market. Last year, through its subsidiary Sinotruk (Hong Kong) Limited, CNHTC reported sales of over 170,000 commercial vehicles in over 90 countries with revenues of almost \$5 billion. We strongly feel that we could not have found a better partner. CNHTC, through their investment and confidence in UQM, has made strong commitment to us to assist in our expansion plans globally. It is anticipated that the chairman of CNHTC, Mr. Ma Chunji, will take on the role of chairman of the board of UQM once the transaction is completed and expected to happen in late 2017. Chairman Ma taking on this role of the UQM chairman along with his personal interest in the success of UQM further demonstrates the commitment CNHTC is showing to UQM's success.

Beyond execution of our China strategy, we are seeing positive progress with our existing customer base and further growth opportunities by bringing on a number of new customers and applications around the globe. With the drop in battery costs, electric propulsion transportation is becoming more affordable and many domestic municipalities along with countries are making the commitment to go 100% electric in the coming years. All of these events are very good news for UQM. Current UQM customers such as Proterra continue to see steady growth in their orders and increasing backlog that will result in added orders to UQM. New applications, such as Danner with their electric utility vehicle, and Kalmar, with their airplane electric push back vehicles, are exciting new opportunities for us. We have a number of UQM PowerPhase®DT pilot programs utilizing our full electric drive system with Eaton's two speed transmission deployed around the globe, all with the possibility to go into volume production. Our fuel cell compressor business has grown with us receiving and delivering on orders to a number of new customers, particularly in China.

Another area that we are very excited about is the development of the “E-axle” technology for commercial vehicles. We completed a demonstration project with Meritor whereby Meritor integrated UQM motor technology directly into their axle. This product was on display at the 2017 North American Commercial Vehicle Show in Atlanta this past September. The product reviews were very positive and this concept was well received by potential customers. We will continue to focus on this technology along with partnering with key axle suppliers such as Meritor to supply UQM motor and inverter technology. We see great opportunity for volume production of this product due to the efficiencies gained in performance, cost, and overall vehicle architecture optimization.

In summary, we are very pleased with the progress we made in the past year and the upside potential we see going forward. Execution of our strategy has been, and will continue, to be our focus. Many of the pieces needed for success have been, or are, being put in place. With the CNHTC investment, a much stronger balance sheet, growth with our existing customer base, and a number of new customers and applications that have been achieved in the past year, UQM is a much stronger company today than we were a year ago. We greatly appreciate your support over the past years and look forward to a very bright future.

A handwritten signature in black ink, appearing to read "Joe Mitchell". The signature is fluid and cursive, with a large initial "J" and "M".

Joseph R. Mitchell
President and Chief Executive Officer