

Q2-2017 Earnings Call

August 8, 2017



Aomori site 1

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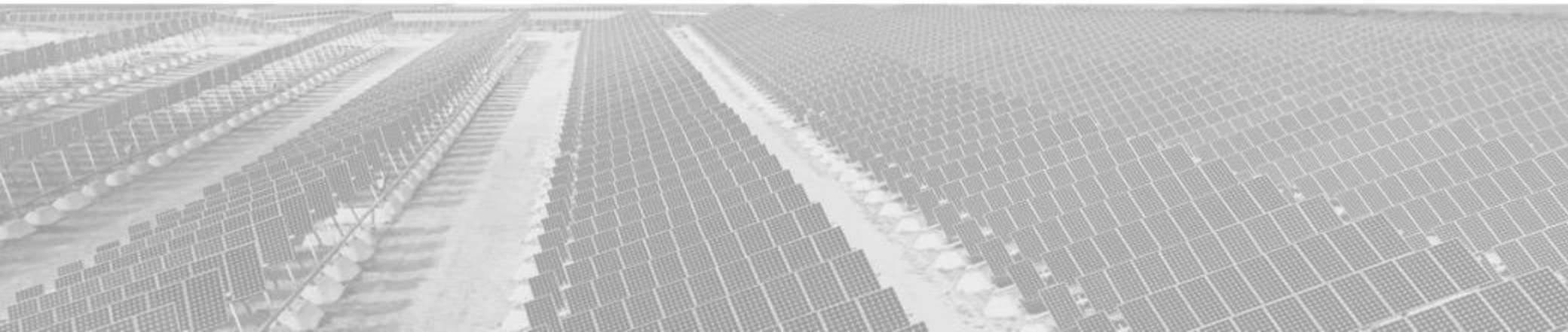
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CORPORATE OVERVIEW

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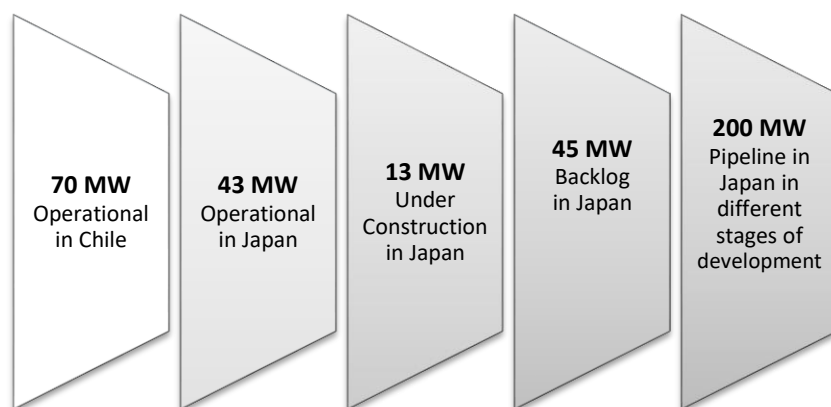


ETRION CORPORATION

COMPANY OVERVIEW

- Japan focused Independent power producer (IPP) that develops, builds, owns and operates ground-based solar photovoltaic (PV) power generation plants
- Successful strategic partnership with Hitachi High-Technologies Corporation since 2013
- Company is fully funded through 2018 to support growth in Japan
- Listed on the Toronto Stock Exchange in Canada and the NASDAQ OMX Stockholm exchange in Sweden (ticker ETX)

ASSET / PIPELINE HIGHLIGHTS



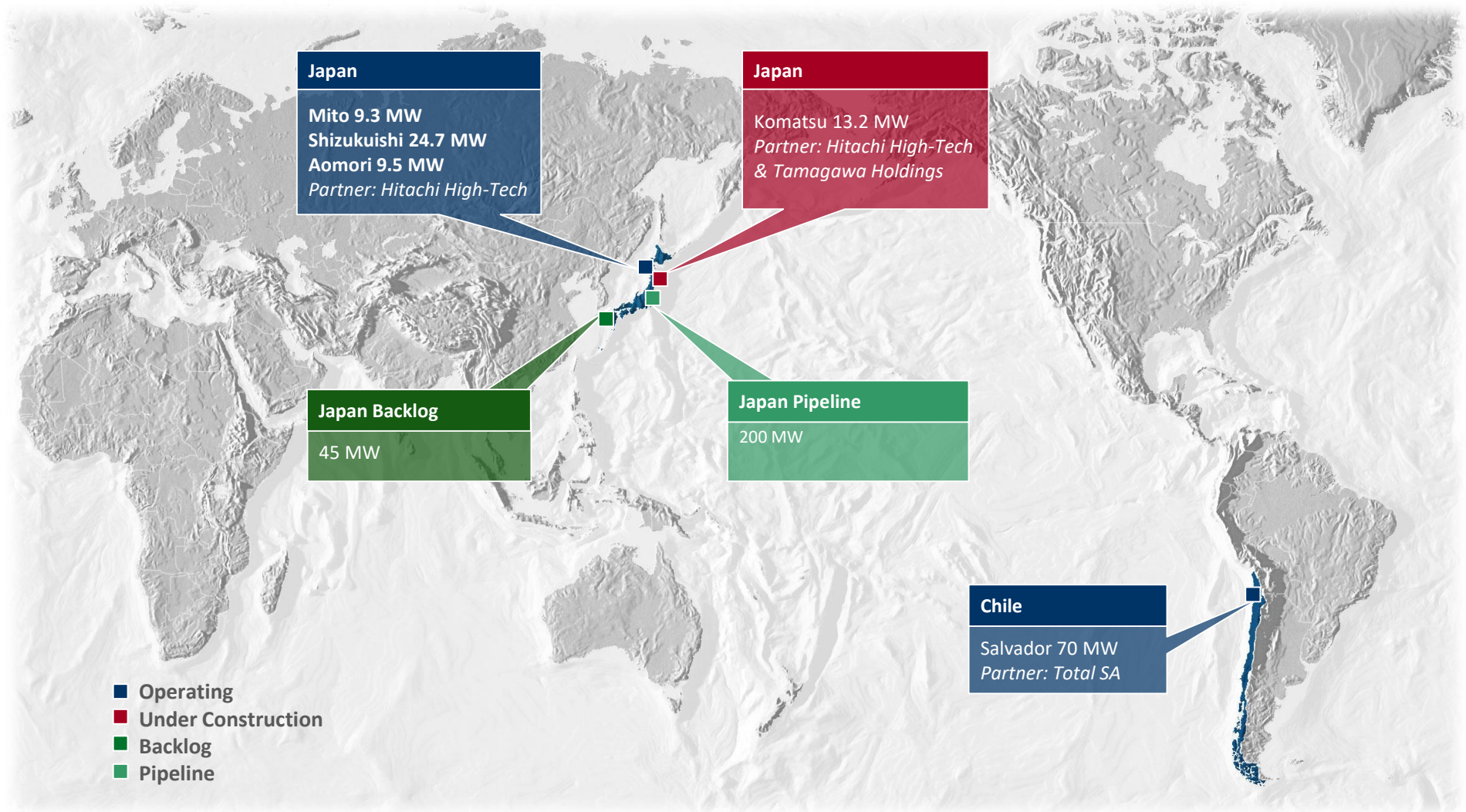
FINANCIAL SUMMARY

Recent Share Price (TSX/OMX: ETX)	C\$0.32 / SEK 2.00
Shares Outstanding	334.1MM
Lundin Family Ownership	24.3%
Other Director/Management Ownership	6.7%
Revenues (H1-2017)	US\$12.2MM
Project-level EBITDA (H1-2017)	US\$6.3MM
Restricted / Unrestricted Cash as of June 30, 2017	US\$21.2M / \$40.8M
Market Capitalization	US\$84.5MM
Number of Employees	29

Notes:

- (1) US\$ refers to US dollars; C\$ refers to Canadian dollars; SEK refers to Swedish krona.
- (2) ETX share price at closing on August 7, 2017.
- (3) ETX shares outstanding as of June 30, 2017.

EVOLVING STRATEGY – FOCUS IN JAPAN



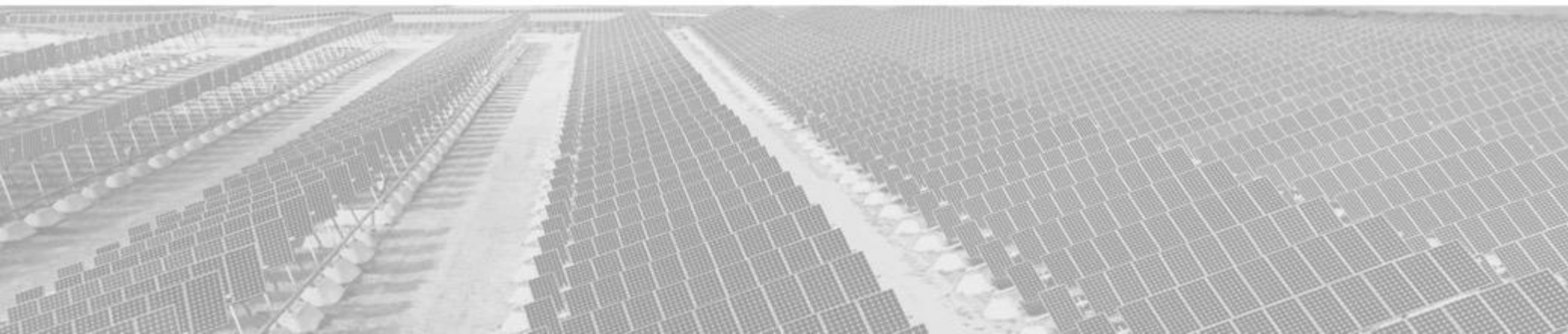
KEY HIGHLIGHTS

- Japan delivers strong results year to date
 - Revenues increased 126% to US\$7.0 million (Q2-17) compared to US\$3.1 million (Q2-16)
 - Project EBTIDA increased 167% to US\$4.0 million (Q2-17) compared to US\$1.5 million (Q2-16)
- Operational projects performing well above plan confirming superior technology and operational excellency
- Over 40 MW operational and additional 13.4 MW under construction with a pipeline of about 250 MW at different stages of development.
- Unrestricted cash position as of June 30th of approximately \$40M, enabling management to focus on execution of strategy in Japan
- Japan remains the market with highest potential, demonstrating best economic returns for the company

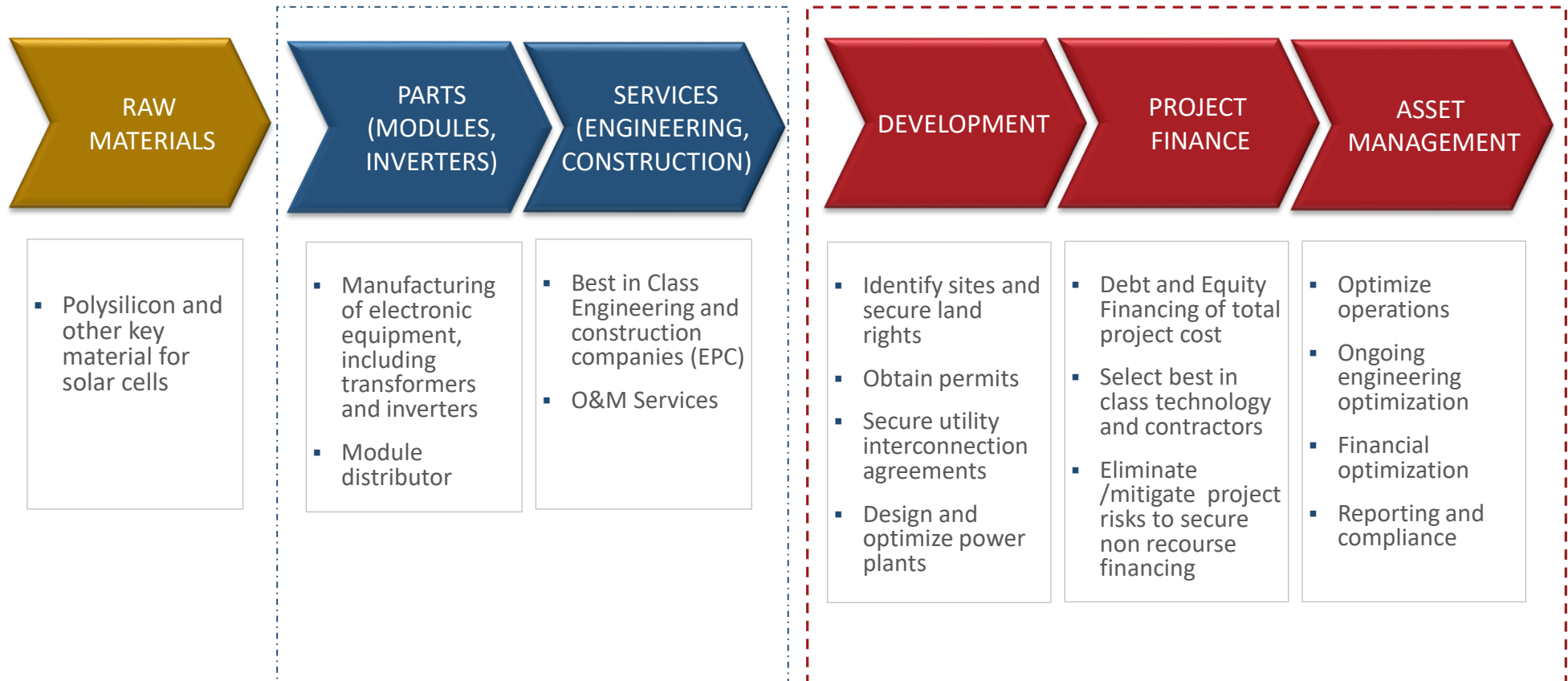


JAPAN

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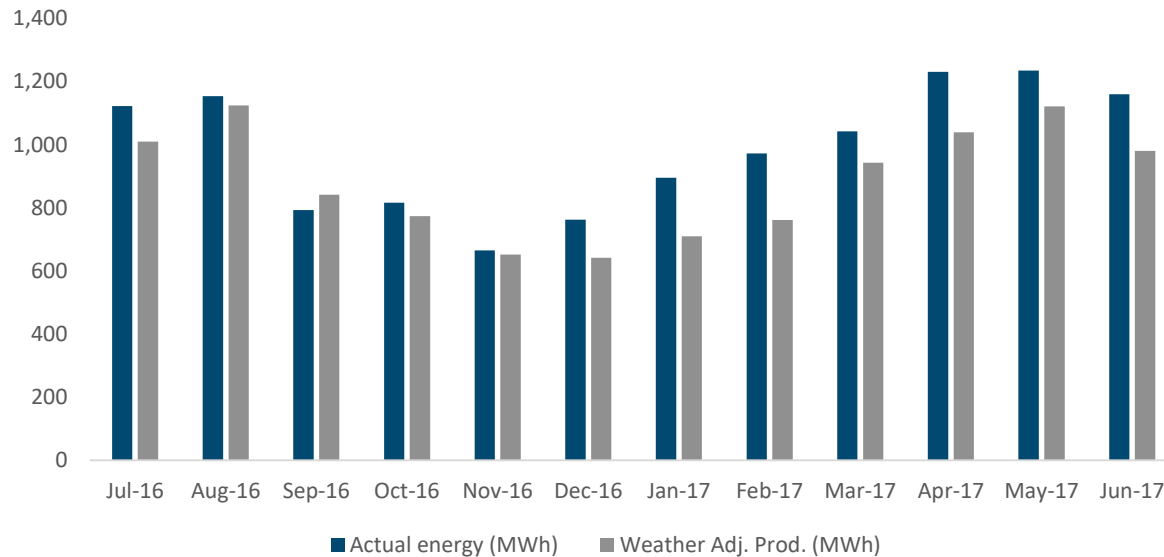
GREATER CONTROL OF VALUE CHAIN WITH HHT PARTNERSHIP



Joint venture partnership with Hitachi enables Etrion to have greater visibility of the solar value chain in Japan enhancing economics and reducing project execution risk

MITO – 9.3 MW OPERATIONAL

Mito Production Comparison (MWh)



MITO	
Utility	Tepco
Capacity	9.3 MW
Ownership	87%
Technology	Fixed-tilt
Module	Canadian Solar
Inverters	Hitachi
EPC / O&M	Hitachi High-Tech
Irradiation Yield	1,120 kWh/kWp
Revenue Stream	FIT: ¥40/kWh Term: 20 years
Production	10.3 GWh/year
Total Project Cost	¥3.4Bn
Commencement of Operation	Aug-15



Mito site 1



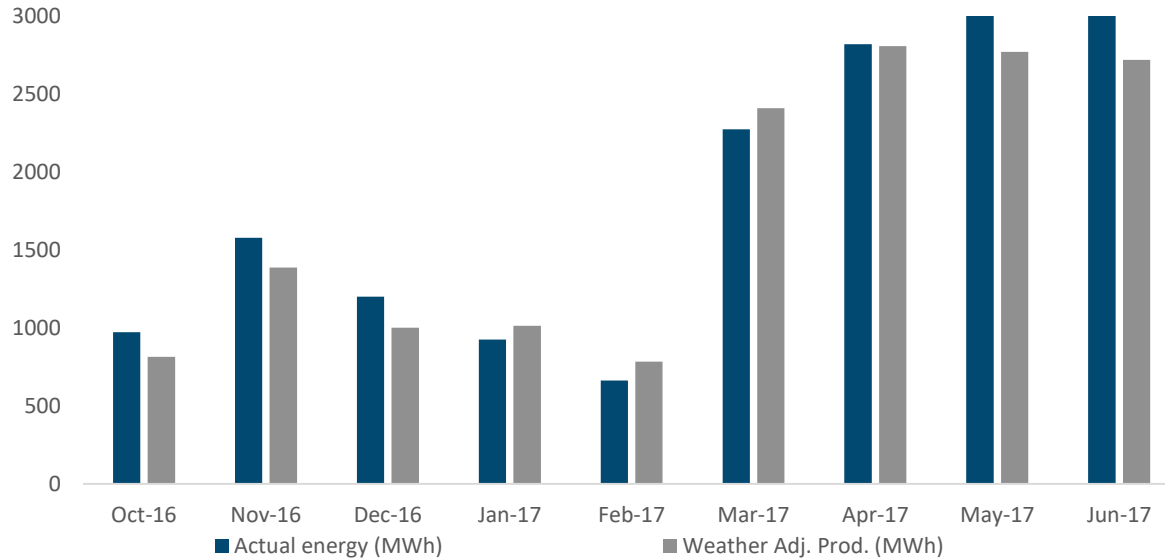
Mito site 2



Mito site 3

SHIZUKUISHI – 24.7 MW OPERATIONAL

Shizu Production comparison (MWh)



SHIZUKUISHI	
Utility	Tohuko
Capacity	24.7 MW
Ownership	87%
Technology	Fixed-tilt
Module	Canadian Solar
Inverters	Hitachi
EPC / O&M	Hitachi High-Tech
Irradiation Yield	1,088 kWh/kWp
Revenue Stream	FiT: ¥40/kWh Term: 20 years
Production	26.1 GWh/year
Total Project Cost	¥8.9Bn
Commencement of Operation	Oct-16



General aerial view of full plant



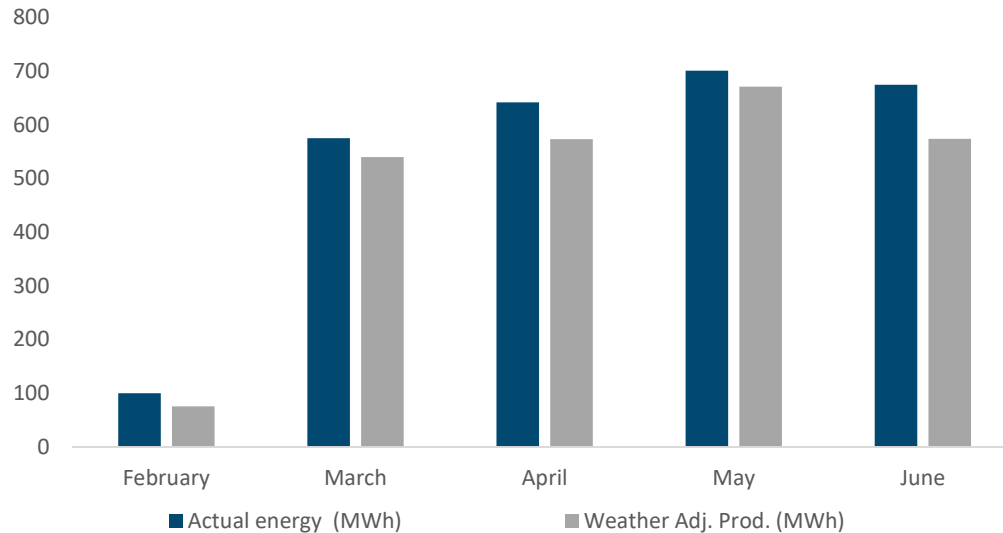
View of the SW section of the plant



View of the NW section of the plant.

AOMORI – 9.5 OPERATIONAL

Aomori Sites 3 & 4 Production Comparison (MWh)



Aomori	
Utility	Tohoku
Capacity	9.5 MW
Ownership	60%
Technology	Fixed-tilt
Module	AOU
Inverters	Hitachi
EPC / O&M	Hitachi High-Tech
Irradiation Yield	1,126 kWh/kWp
Revenue Stream	FIT: ¥36/kWh Term: 20 years
Production	10.7 GWh/year
Total Project Cost	¥3.5Bn

- COD for sites 1 & 2 reached on July 12, 2017, two weeks ahead of schedule and 2.5% under budget.
- Final delivery is expected by the end of August which is two months earlier than the original schedule.



site 1



site 2

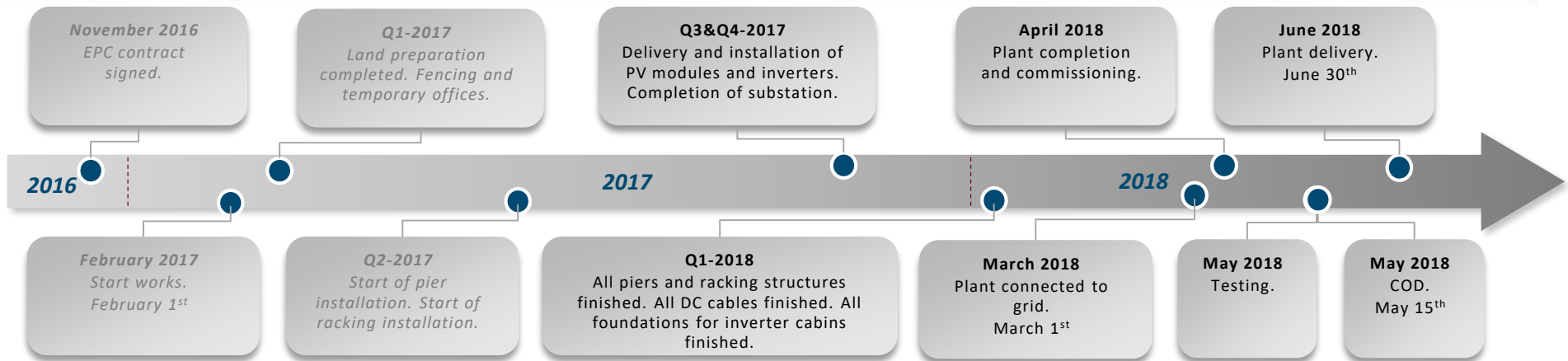


site 3



site 4

KOMATSU – 13.2 MW UNDER CONSTRUCTION

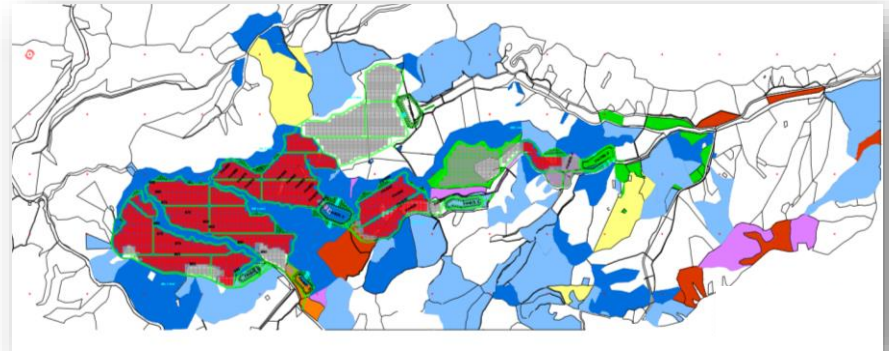


Komatsu	
Utility	Hokoriku
Capacity	13.2 MW
Ownership	85%
Technology	Fixed-tilt
Module	Canadian Solar
Inverters	Hitachi
EPC / O&M	Hitachi High-Tech
Irradiation Yield	1,087 kWh/kWp
Revenue Stream	FIT: ¥32/kWh Term: 20 years
Production	14.2 GWh/year
Total Project Cost	¥4.3 Bn

JAPAN – KUMAMOTO IN BACKLOG

Size	40-50 MWp
Region	Kyushu
Revenue	FIT: ¥36/kWh
Stage of Development	Advanced
Irradiation	1,140 kWh/kWp
ETX share	85%
Expected NTP / COD	NTP: 2018
METI	FIT secured
Utility: Hokuriku	Grid connection approved
Site Control: Leased	A portion of the land contracts have been signed
Permits	Forest development and agriculture conversion – under 2nd Due Diligence

Layout

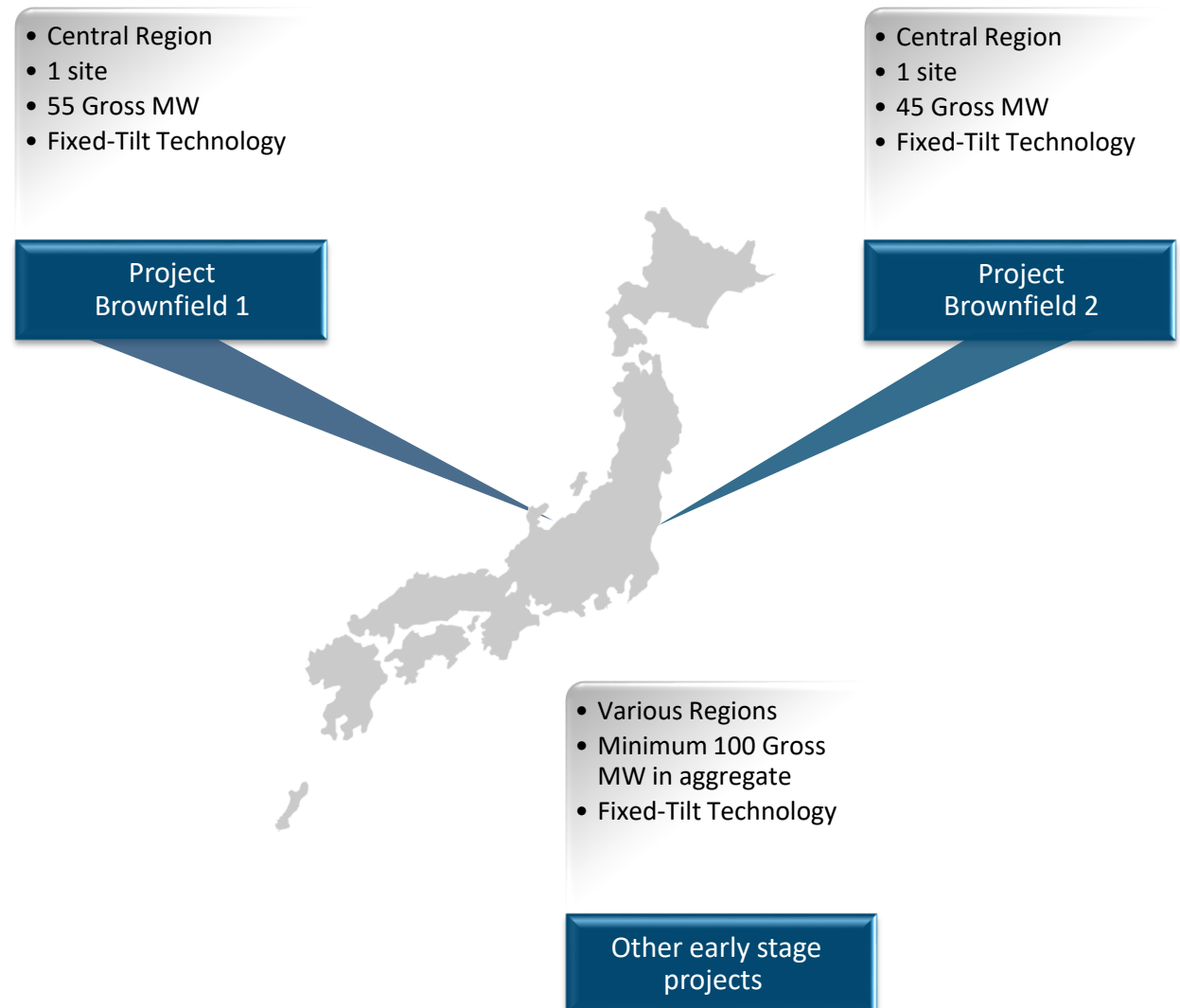


Project Development Status

ISSUE	STATUS
Land Contract	Advance discussions to complete land acquisition
Utility interconnection line	Grid connection contract with the utility signed in July 2016
Land Permits	Forest development to be filed once all land is secured
EPC & Lender	Ongoing

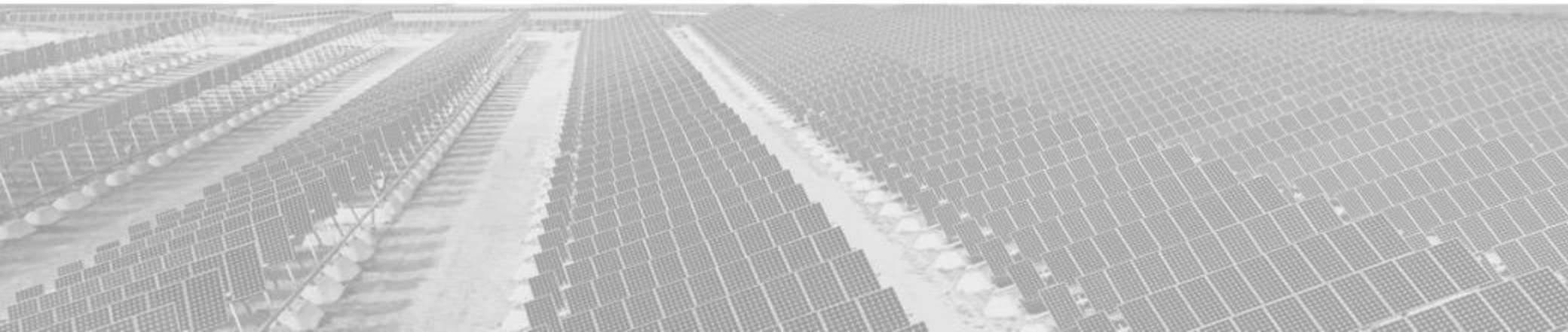
PIPELINE UPDATE

- FiT program in Japan remains attractive for Etrion. Multiple opportunities to advance existing projects to completion over the next 36 months
- As projects pass development milestones they will be disclosed in more detailed to the market
- Projects in the pipeline typically have FiT locked
- Etrion preparing to participate in the first auction process in November 2017. Results to be announced by Jan 2018

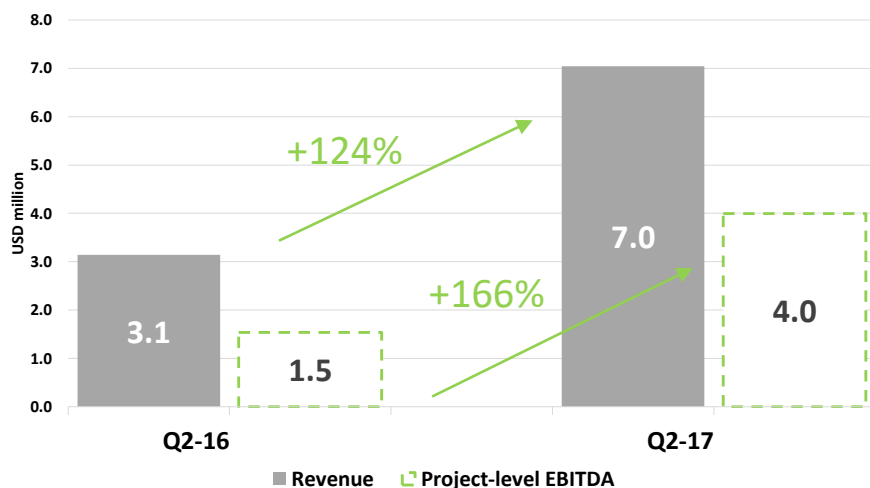


Q2-2017 FINANCIAL REVIEW

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FINANCIAL RESULTS



Q2-17 Income statement by segment

US\$ million	Chile	Japan	Corp	TOTAL
Revenues	1.7	5.3		7.0
Operating expenses	(1.5)	(1.2)		(2.8)
G&A expenses	(0.2)	(0.1)	(2.1)	(2.4)
EBITDA	-	4.0	(2.1)	1.9
Depreciation and amortization	(1.4)	(1.5)	(0.1)	(2.9)
Net finance costs	(2.6)	(0.8)	(1.9)	(5.3)
(Loss) income before taxes	(3.9)	1.6	(4.0)	(6.4)
Tax expense		(0.4)	(0.2)	(0.6)
Net (loss) income	(3.9)	1.2	(4.2)	(6.9)
EBITDA margin (%)	14%	76%		

- Revenues and project-level EBITDA up relative to Q2-16 due to positive performance and additional production in Japan.
- In Q2-17 electricity production in Japan increased 337% quarter-over-quarter as a result of the new Shizukuishi and Aomori (2 out of 4 sites) solar projects, relative to Q2-16.
- Japan continues to drive the positive project performance for Etrion. During Q2-17 it generated 76% and 100% of the Group's revenues and project-level EBITDA respectively.
- During Q2-17, the EBITDA margin in Japan was 76%. This is expected to increase, as the second quarter is typically one period subject to the seasonality effect on production while operating expenses are fixed in nature.
- During Q2-17, Etrion recognized \$0.3 million of extraordinary and one-time corporate G&A expenses.
- Consolidated net loss of \$6.9 million was primarily impacted by the net loss contributed by Chile and also due to FX losses at the corporate level.
- Despite minimum value assigned to Chile, its net loss results are consolidated as required per IFRS standards.

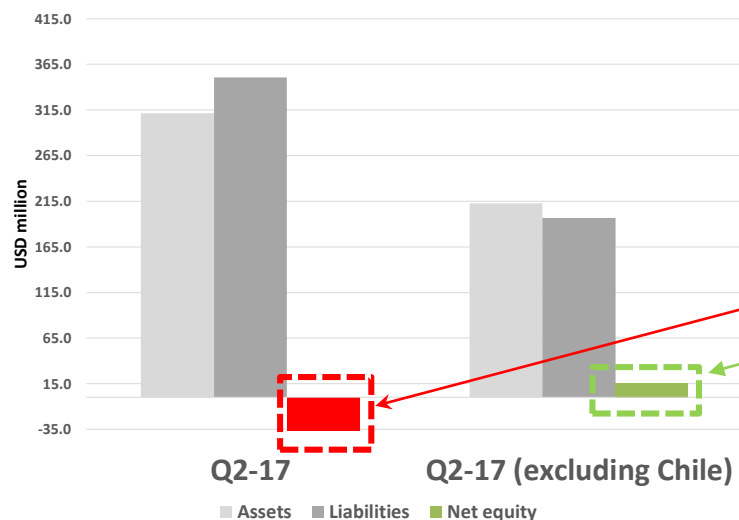
Excluding net loss from Chile the Group would have reported a positive net result at the project level, driven by the strong success of Etrion in Japan.

FINANCIAL POSITION

June 30, 2017 Financial position by segment

US\$ million	Chile	Japan	Corp	TOTAL
Property, plant and equipment	85.4	125.3	0.1	210.8
Intangible assets	7.0	5.5	3.9	16.4
Cash and cash equivalents	2.3	18.9	40.8	62.0
Other assets	3.8	9.2	9.1	22.1
Total assets	98.5	158.9	53.9	311.3
Borrowings	151.4	124.6	45.6	321.6
Trade and other payables	1.2	5.3	0.9	7.4
Other liabilities	1.1	18.8	1.8	21.7
Total liabilities	153.8	148.7	48.3	350.7
Net assets (liabilities)	(55.2)	10.21	5.61	(39.4)

- Etrion has working capital of \$46.1 and a cash position of \$62.0 million, of which \$40.8 million is unrestricted at the corporate level.
- Etrion continues to expand in Japan and has increased its asset base in the country with positive results. As at June 30, 2017, the Japanese assets represented approximately 51% of consolidated assets of the Group.
- The Group is reporting net liabilities of \$55.2 million in Chile, mainly as a result of the Project Salvador's impairment recognized in 2016.
- Despite being a subsidiary with a non-recourse project loan, Etrion fully consolidates and reports Project Salvador for a value that exceeds its original investment, as per IFRS standards.



Excluding net liabilities from Chile the Group would have reported a positive consolidated equity.

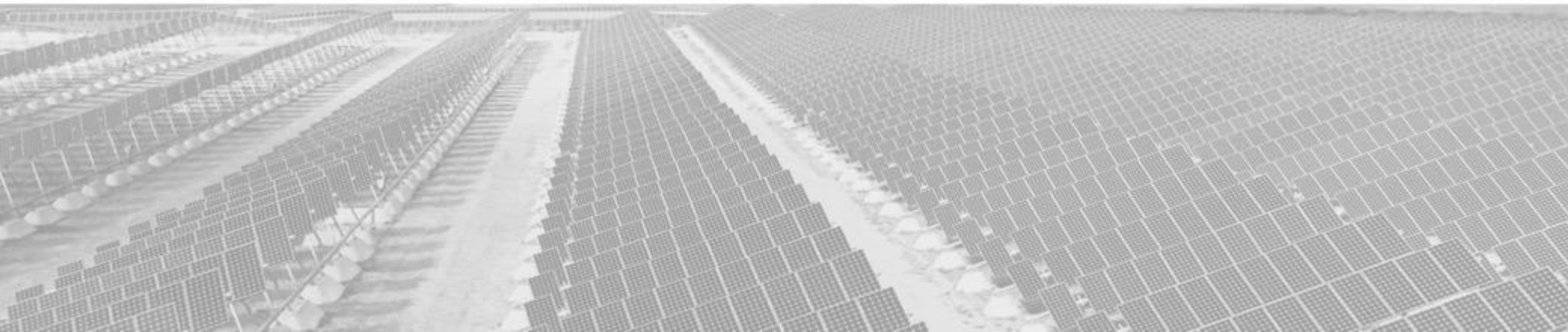
CASH FLOW STATEMENT

US\$'000	Restricted	Unrestricted	Total
December 31, 2016	18.9	42.3	61.2
Project level EBITDA	5.8		5.8
Project cash distributions	-3.3	3.3	0.0
Corporate G&A		-3.5	-3.5
Taxes paid	-0.2	-0.4	-0.6
Komatsu development fee	-2.4	2.0	-0.4
Working capital	-1.9	-1.0	-2.9
Operating cash flow	-2.0	0.5	-1.6
Capital expenditures	-20.6	-0.6	-21.2
Investing activities cash flow	-20.6	-0.6	-21.2
Proceeds from bank loans	32.4		32.4
Project loans interest	-6.0		-6.0
Repayment of bank loans	-6.1		-6.1
Contributions from non-controlling interests	0.2		0.2
Financing activities cash flow	20.6	0.0	20.6
Exchange rate differences	4.3	-1.3	3.0
June 30, 2017 (1+2+3+4+5)	21.2	40.8	62.0

- Etrion's unrestricted cash balance remained largely unchanged and was positively impacted by the first Mito cash distribution of US\$3.3 million.
- Etrion's restricted cash increased mainly due to additional funds drawn from the credit facilities in Japan partially offset by cash flow from operations and Capex investments.

SUMMARY

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WELL POSITIONED FOR GROWTH

- Fully funded through 2018
- Project finance market in Japan remains highly liquid and offering attractive terms for developers with proven track record such as Etrion
- Visible and quantifiable pipeline to execute over the next several quarters
- Team exploring a variety of new market opportunities to accelerate growth
 - Development of portfolio of smaller projects (2MW and below) which continue to receive favorable FiT treatment and can be brought to NTP quickly
 - Bi-lateral transaction with large corporate off-taker
- Japanese operating portfolio performing above initial targets
- Financial flexibility to repay or refinance outstanding corporate bond



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