



ROTATING FROM ITALY TO JAPAN

Pareto Securities: Power and Renewable Energy Conference
January 19, 2017



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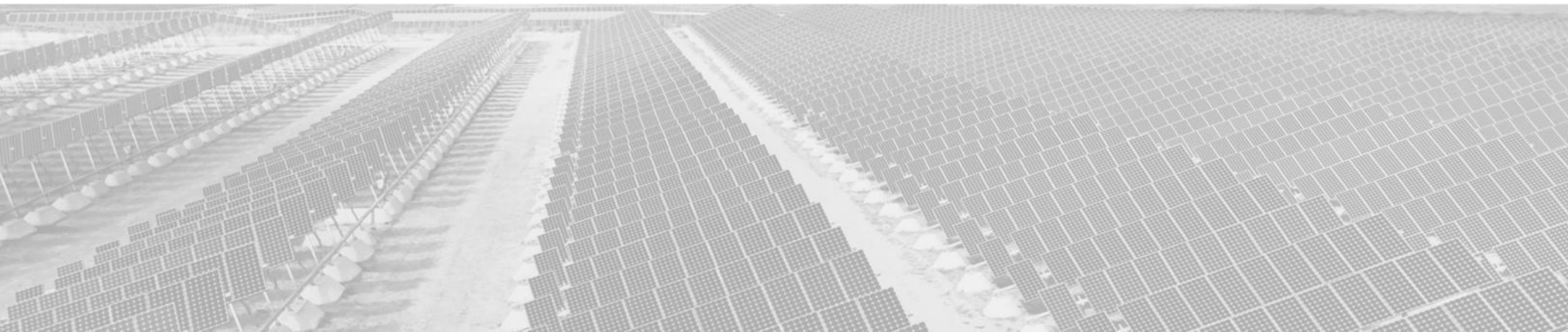
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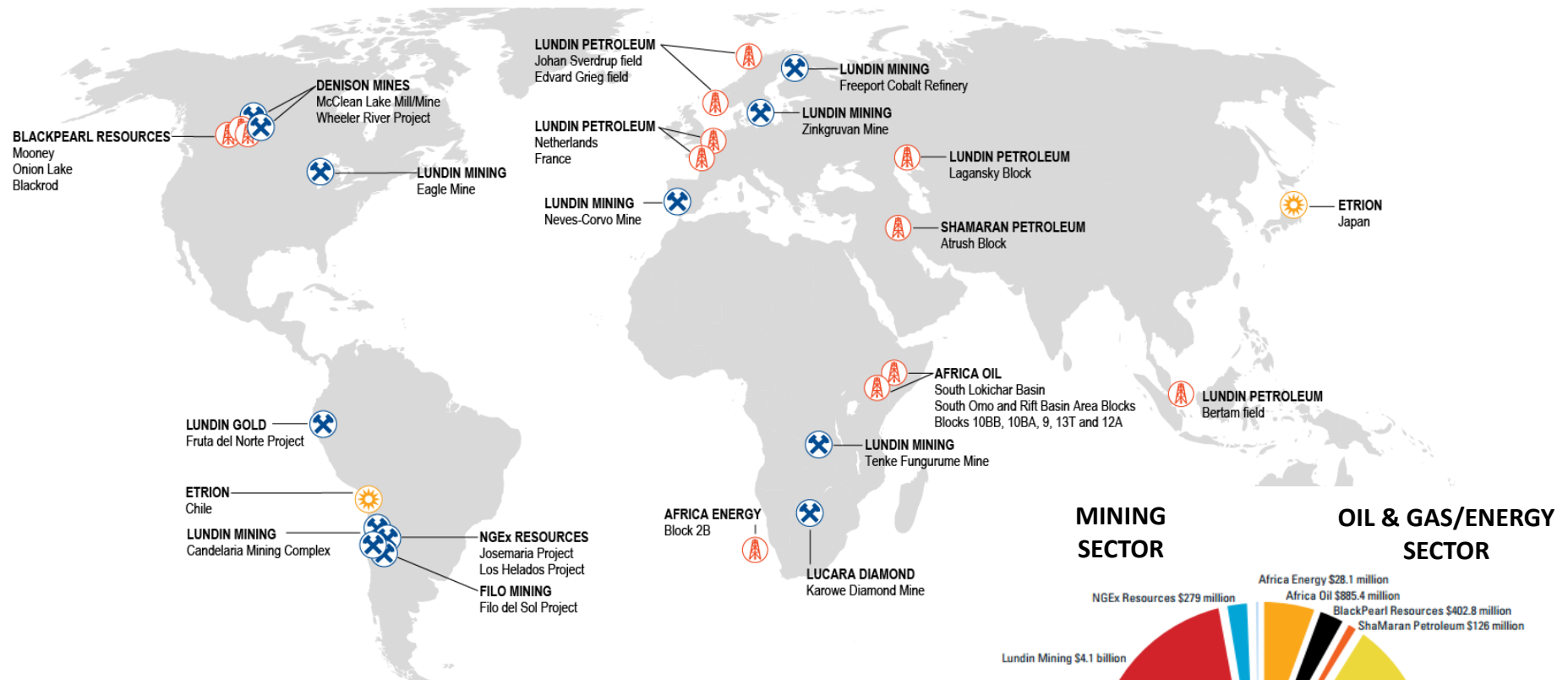
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ETRION OVERVIEW

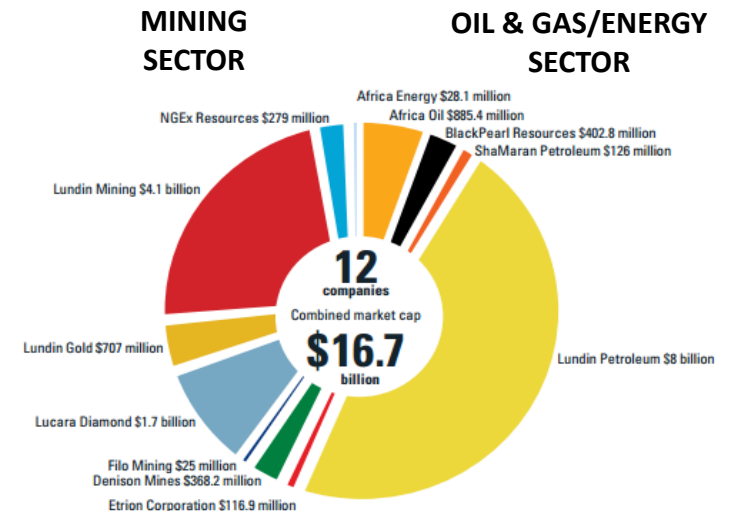
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ETRION-THE RENEWABLE PLATFORM OF THE LUNDIN GROUP



THE LUNDIN GROUP WORLDWIDE OPERATIONS



COMPANY OVERVIEW

- Independent power producer (IPP) that develops, builds, owns and operates ground-based solar photovoltaic (PV) power generation plants with a strong focus in Japan
- Successful strategic partnership with Hitachi High-Technologies Corporation since 2013
- Recently completed the sale of our Italian assets for total cash consideration of up to USD 108 Million
- Listed on the Toronto Stock Exchange in Canada and the NASDAQ OMX Stockholm exchange in Sweden (ticker ETX)

ASSET / PIPELINE HIGHLIGHTS

- **Installed Capacity / Under Construction**
 - 104 megawatts (MW) of solar PV operational
 - Two projects totalling 23 MW under construction in Japan
- **Development Pipeline**
 - Approximately 200 MW backlog in Japan in different stages of development

ETRION CORPORATION

FINANCIAL SUMMARY

Recent Share Price (TSX/OMX: ETX) C\$0.29 / SEK 2.05

Shares Outstanding 334.1MM

Lundin Family Ownership 24.3%

Other Director/Management Ownership 6.7%

Revenues Q3-2016 US\$43.7MM

Adjusted EBITDA Q3-2016 US\$28.7MM

Corporate Net Debt US\$77.0MM

Market Capitalization US\$73.8MM

Number of Employees 34

Notes:

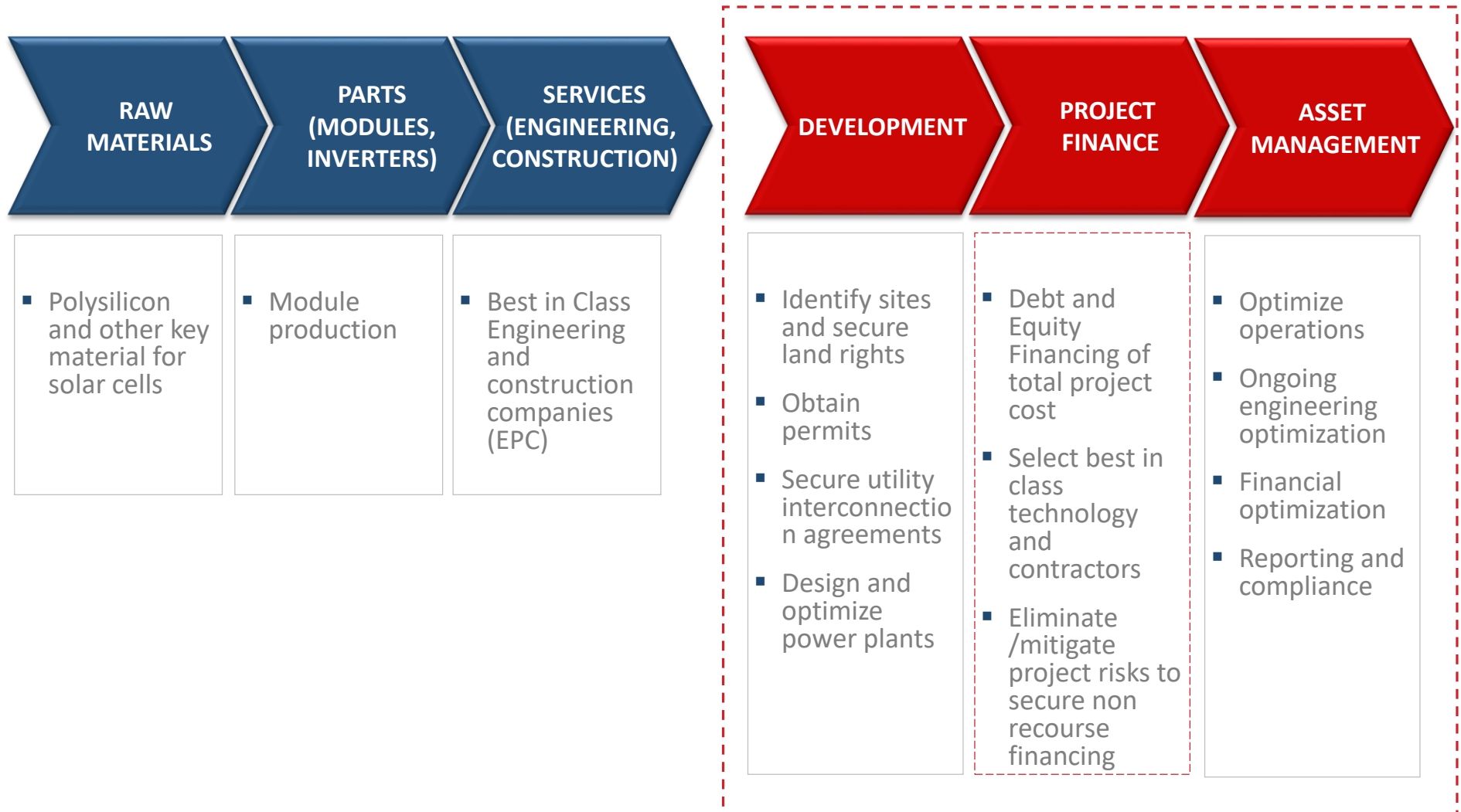
(1) US\$ refers to US dollars; C\$ refers to Canadian dollars; SEK refers to Swedish krona.

(2) ETX share price at closing on January 13, 2017.

(3) ETX shares outstanding as of September 30, 2016.

(4) Corporate net debt as of September 30, 2016 (cash basis) includes approximately US\$12.4 million of unrestricted cash and US\$89.4 million of corporate bonds.

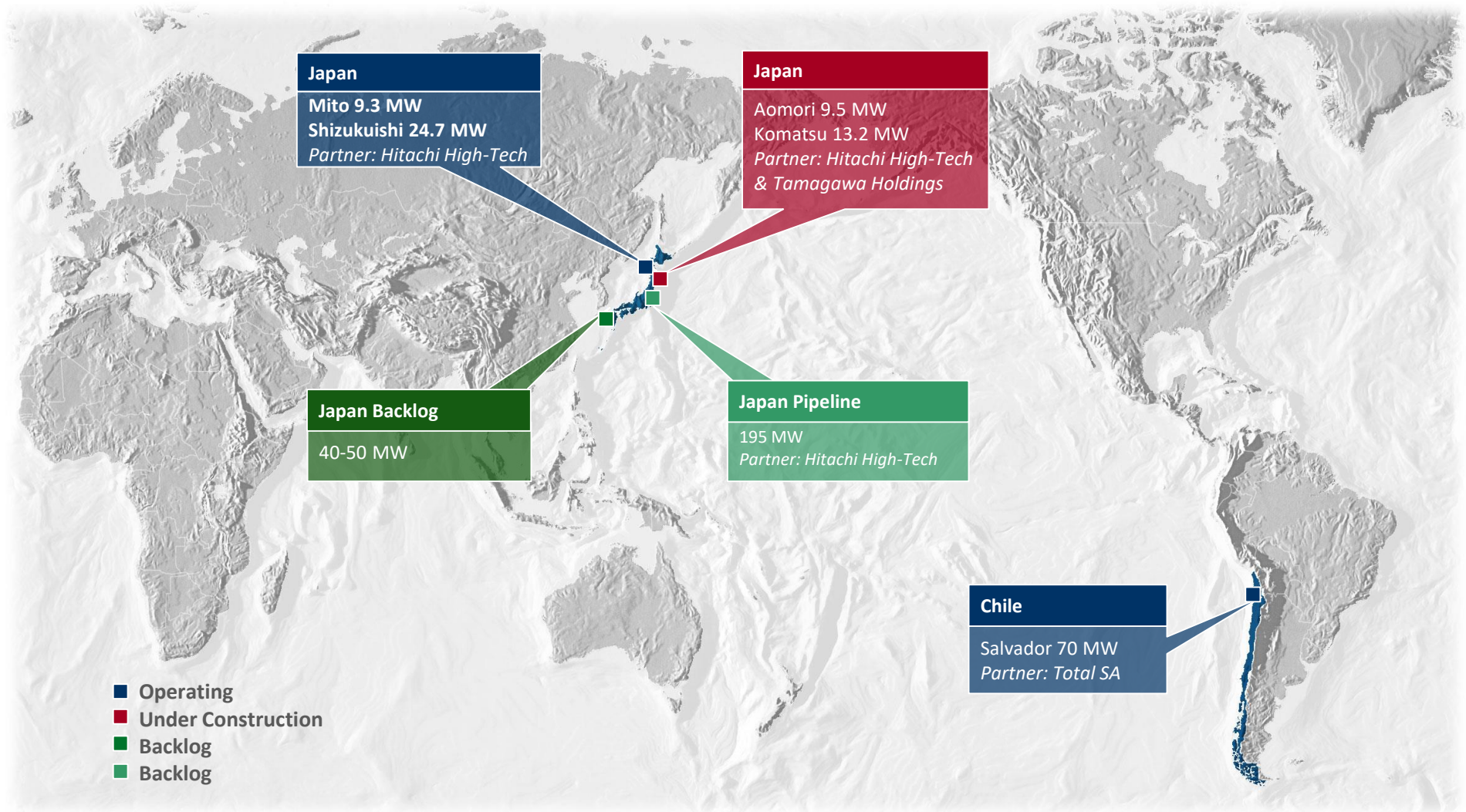
DOWNSTREAM PLAYER IN THE SOLAR MARKET



BUSINESS MODEL – KEY DRIVERS

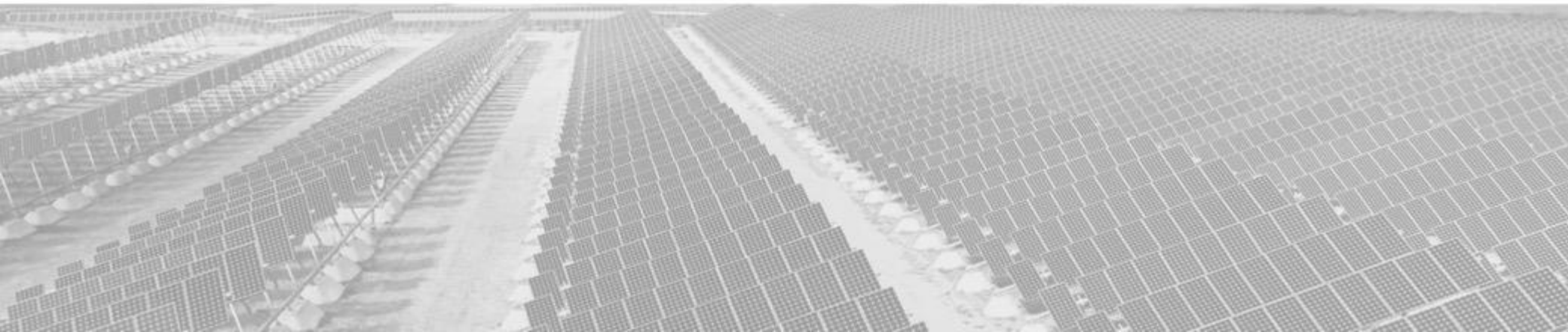
	KEY DRIVERS	RATIONALE
REVENUE	<ol style="list-style-type: none"> 1. Long-term contracts 2. Solar irradiation 3. Wholesale prices 	STABLE REVENUES <ul style="list-style-type: none"> • Premium price for solar electricity generation under long-term contracts (i.e., FiT or PPA) • Annual solar irradiation varies less than 10% per year • Economic growth increasing power demand and wholesale electricity prices
COST	<ol style="list-style-type: none"> 4. Equipment prices 5. Operating costs 	LOW EQUIPMENT AND OPERATING COSTS <ul style="list-style-type: none"> • Cost reduction through increased supply, competition and technological improvements • Fixed-price operations and maintenance (O&M) contracts, including preventive and corrective maintenance • Guaranteed performance on equipment from manufacturer and engineering, procurement and construction (EPC) contractor
FINANCING	<ol style="list-style-type: none"> 6. Debt/equity ratio 7. Cost of debt 	GEARING OF PROJECTS <ul style="list-style-type: none"> • Leveraging total project cost with up to 85% of non-recourse project debt • Attractive long-term financing (i.e., tenor and interest rate) • Long-term interest rate hedging to minimize risk
<ul style="list-style-type: none"> • Bond-like cash flow features • Locked-in financial parameters during the entire life cycle of the project 		

EVOLVING STRATEGY – REFOCUSING FOR GROWTH IN JAPAN



SUMMARY OF OPERATIONS

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ITALIAN ASSETS



- On November 14, 2016 Etrion signed a Share Purchase Agreement to sell 100% of its Italian Portfolio, totalling 60.1 MW, to EF Solare Italia, a joint venture between Enel Green Power and F2i Fund
- On December 12, 2016 Etrion received USD 76 million for the sale of Etrion S.p.A.
- On December 23, 2016 Etrion received an additional USD 5.5 million for the sale of Helios ITA
- Etrion may receive up to an additional USD 25 million in earn-outs
- Etrion believes that recycling capital through the sale represents the best source of funding for its growth

CHILEAN ASSETS



- During Q3 2016, the company decided to take an impairment charge of USD 75.7 million, effectively eliminating any further negative exposure to its equity value in Chile
- The company is reviewing, along with its partners, its options with respect to Project Salvador
- Etrion does not anticipate making any further investments in the Chilean solar market at this time

FINANCIAL REVIEW

USD million	YE-14	YE-15	Q3-15	Q3-16
	12m	12m	9m	9m
Financial Results				
Revenues	49.6	50.5	43.4	43.7
Gross profit	25.9	17.0	18.1	16.4
EBITDA	32.5	27.4	24.8	(46.4)
Adjusted EBITDA	33.1	30.5	27.7	28.7
Adjusted EBITDA margin	67%	61%	64%	66%
Net loss	(16.5)	(18.8)	(16.9)	(95.4)
Adjusted net income	4.4	9.4	4.5	7.3
Cash flow				
Project cash distributions	5.4	6.4	3.5	9.0
Cash flow from (used in) operations	(11.1)	21.7	(4.5)	13.9
Adjusted operational cash flow	31.6	29.4	27.9	29.6

- Curtailments and lower than expected spot prices in Chile and Italy have impacted Revenue, Gross profit and EBITDA over the last three quarters
- Positive consolidated adjusted EBITDA with increasing trend due to the extraordinary performance of the Japanese asset as well as Opex and G&A savings
- Net loss mainly due to financing costs, depreciation expenses and impairment charges
- Etrion is generating positive adjusted operating cash flows
- Increase in cash distributions following the debt refinancing and restructuring transactions in Italy

FINANCIAL REVIEW *(Cont.)*

USD million	YE-14	YE-15	Q3-15	Q3-16
Balance Sheet Items	12m	12m	9m	9m
Total assets	668.1	613.3	657.0	582.9
Operational assets	307.1	457.7	479.7	385.5
Unrestricted cash at parent level	33.9	17.6	22.9	12.4
Restricted cash at project level	61.6	34.9	50.7	40.3
Working capital	36.5	1.5	53.1	37.3
Net debt cash basis	413.9	489.0	445.2	553.6
Corporate net debt cash basis	63.2	69.5	66.7	76.9

- Positive working capital and significant amount of unrestricted cash ready to invest
- The results do not reflect the material subsequent events that occurred during Q4-16, specifically the sale of our Italian business and repurchase of EUR 40 MM of our outstanding corporate bond at par plus accrued interest (see following slide for details)

PRO FORMA ADJUSTMENTS *(Unaudited)*

(USD mm)

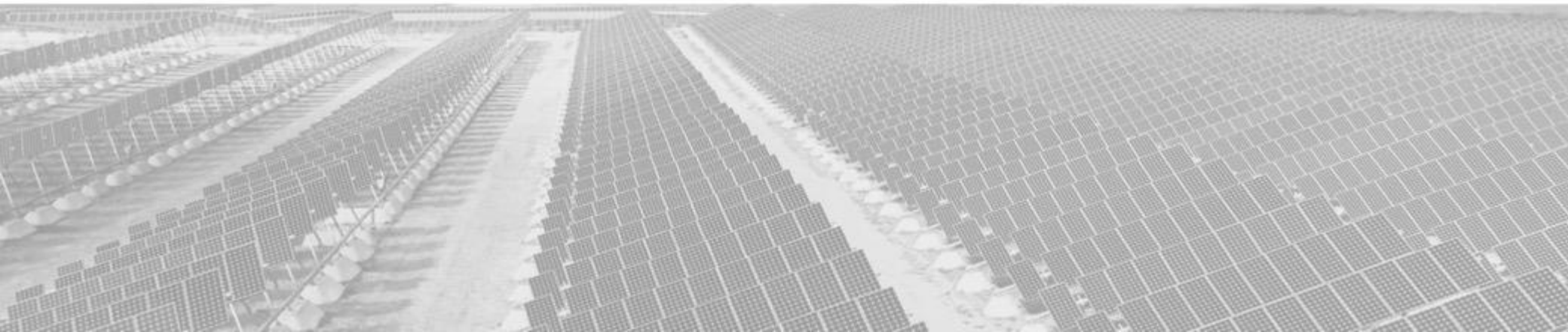
	Q3-2016 REPORTED	ITALIAN PORTFOLIO	PRO FORMA (UNAUDITED)
Q3-2016			
Total Revenues	43.7	(33.5)	10.2
Total Assets	582.9	(300.6)	282.3
Adjusted EBITDA	28.7	(28.8)	(0.1)
Net Debt on a cash basis	553.6	(246.2)	307.4
Q3-2016			
	Q3-2016 REPORTED	CORPORATE BOND	PRO FORMA (UNAUDITED)
Unrestricted cash at parent	12.4	40.0 ⁽¹⁾	52.4
Corporate Bond	91.3	(41.7) ⁽²⁾	49.6

NOTE: (1) Gross proceeds from the Italian sale net of Bond repurchase (EUR 78.4 m – EUR 40 m) = 38.4 x EUR/USD 1.0422 = USD \$40 mm

(2) Partial bond repayment = EUR 40 m x EUR/USD 1.0422 = USD \$ 41.7 mm

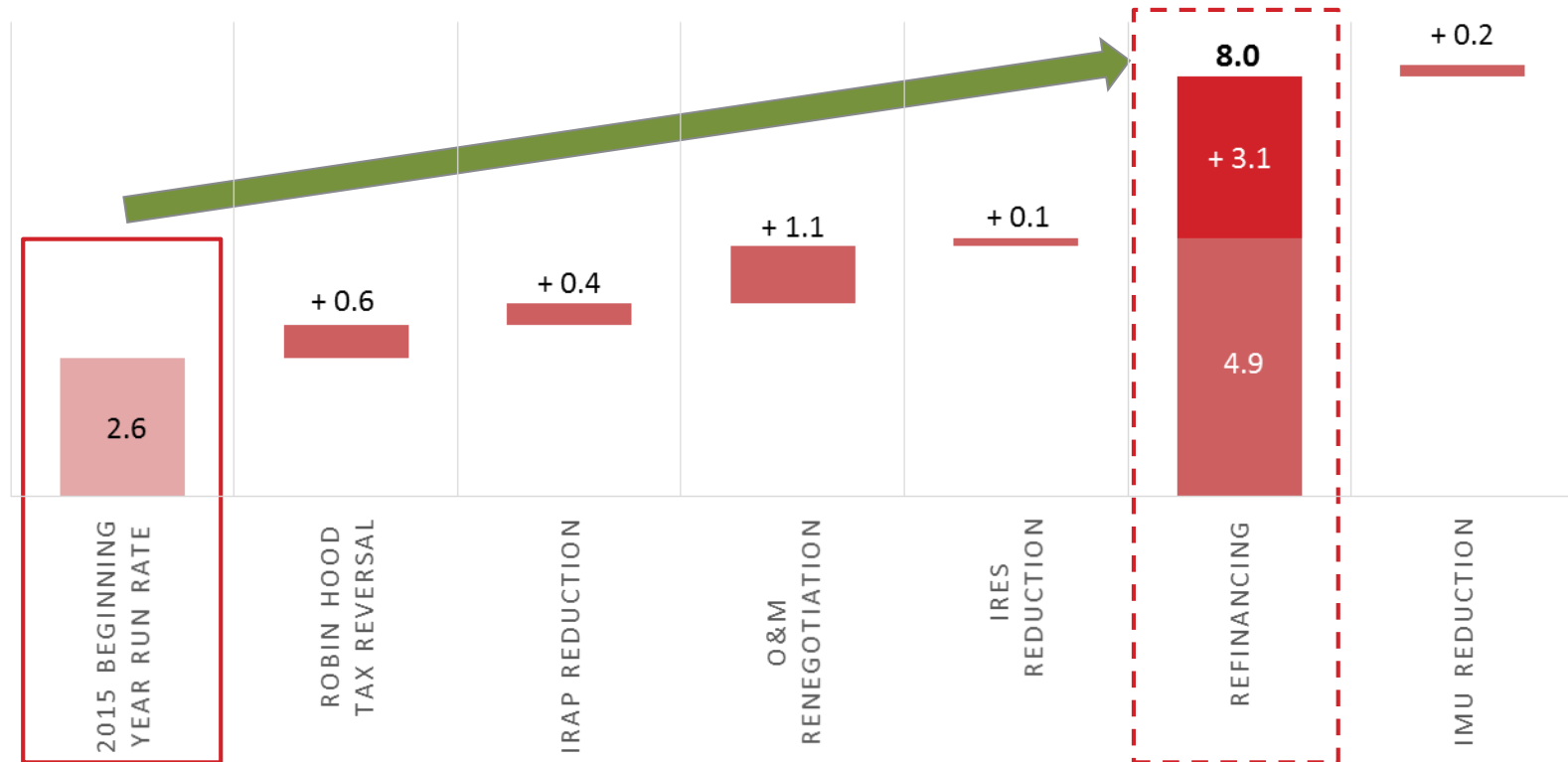
UPDATE ON STRATEGY

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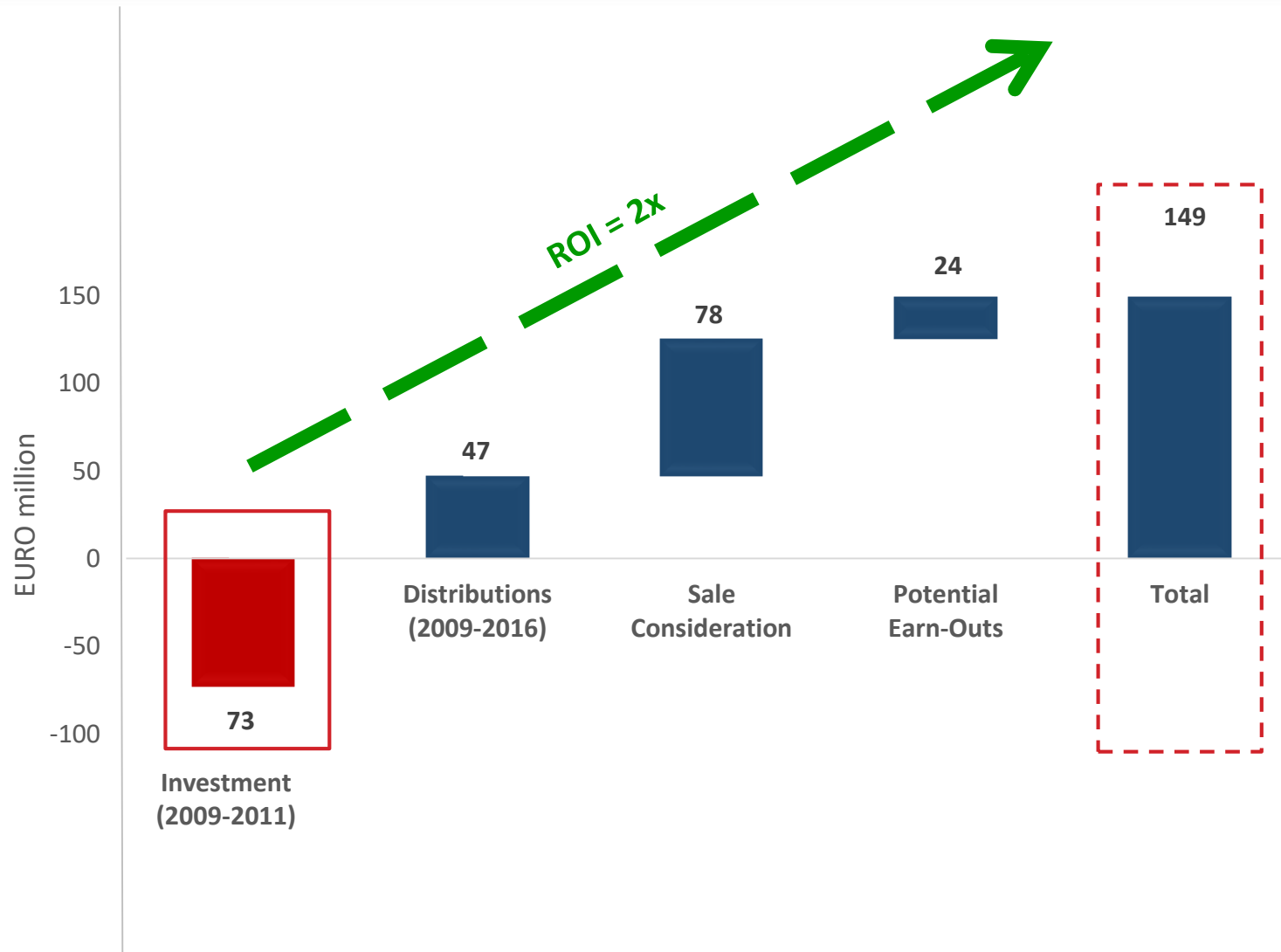
ITALIAN PORTFOLIO OPTIMIZATION

Pro forma annual cash distributions from 60 MW Italian solar portfolio (EUR million)



- Cash flow from operations increased from EUR 2.6M to EUR 8M per year as a result of (a) Financial Engineering, (b) Operational Optimization and (c) Tax / restructuring improvements

EXITING ITALY AT SIGNIFICANT PREMIUM

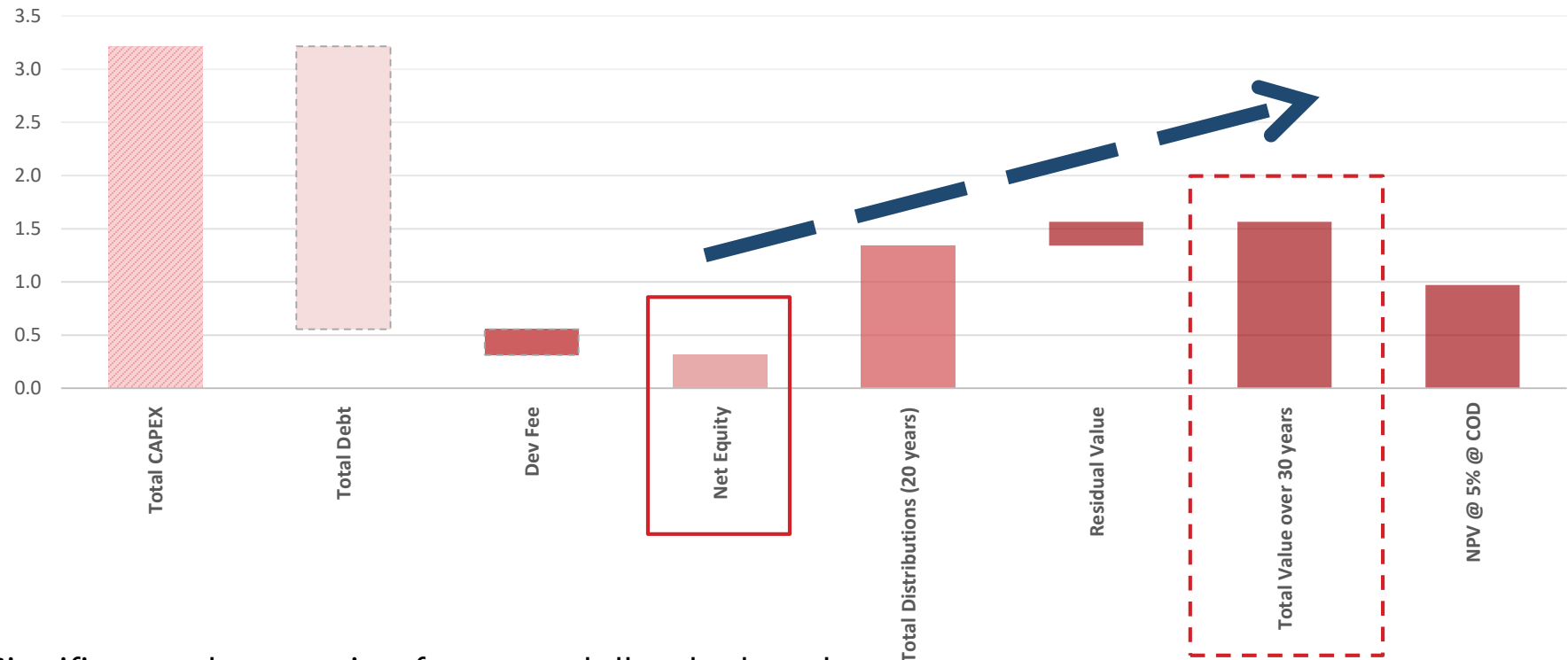


TRANSACTION RATIONAL

- Etrion optimized the Italian portfolio, operationally and financially
- Company has significant growth opportunities in Japan with very attractive economics
- Recent regulatory changes in Japan have accelerated the need to deploy capital to lock in favorable project returns
- Recycling capital currently represents the best source for funding Etrion's growth in the near future while avoiding dilution
- Etrion has demonstrated a clear record of success in Italy and is targeting to replicate it in Japan
- The transaction also provided liquidity to the company to enable it to significantly reduce corporate debt

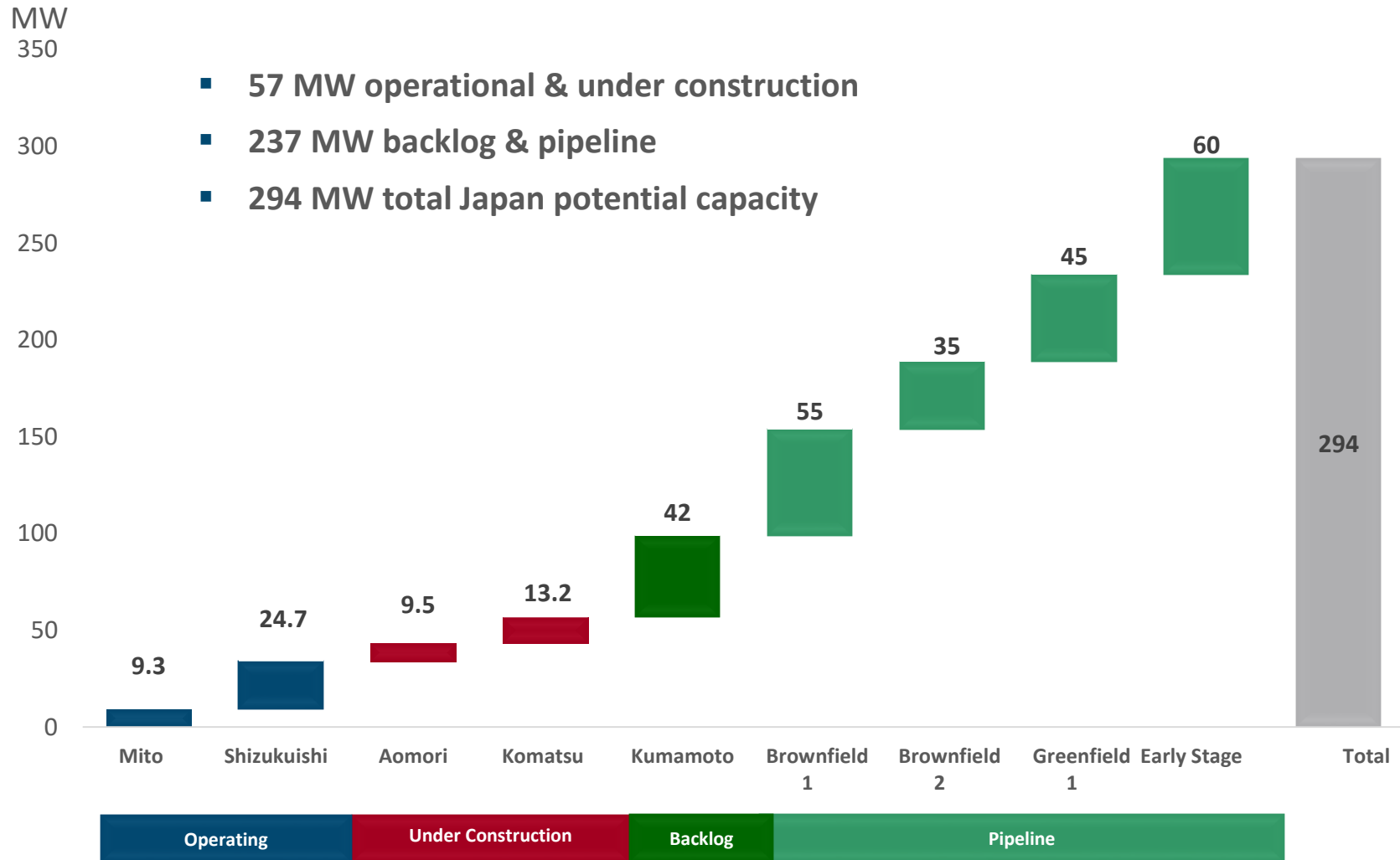
BUILDING VALUE IN JAPAN

Example of Leveraged PV Project Value Creation – Undiscounted Cash Flows per 1 MWp Installed over Lifetime in Japan (in USD Million)



- Significant value creation for every dollar deployed
- Minimum equity needs due in part to payment of structuring and development fees
- Each \$1 invested in Japan typically creates \$5 in total cash flows to Etrion over 30 years of operations, or around 3x times Etrion's initial investment assuming market discount rate of 5%

CURRENT VISIBILITY FOR POTENTIAL GROWTH IN JAPAN



Notes:

(1) Numbers shown in gross MW

(2) These projects represent Etrion's potential growth plan; pipeline shown here may be replaced by other projects within the next 12 months.

EVOLVING FiT PROGRAM IN JAPAN

- **Background**

- FiT Program launched in Japan in July 2012
- 88 GW of projects approved by METI
- Only 31 GW (35%) commissioned. Solar represents 95% of this
- Initial FiT price set at JPY 42/ kwh. Most recent price JPY 27/ kwh

- **Recent changes announced by METI**

- Imposition of COD cutoff date
- FiT price adjustment for changes to panels
- Objective is to squeeze out speculative projects and accelerate development of viable ones

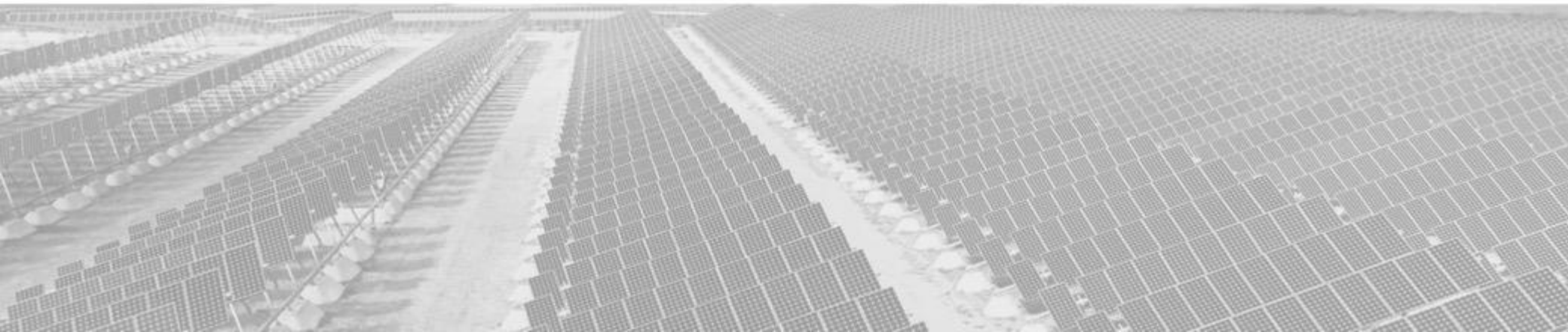
EVOLVING FiT PROGRAM IN JAPAN (Cont.)

- **Launch of Auction Scheme**

- Announced December 13, 2016
- First auction for 500 MW to be held in October 2017
- Bid ceiling of JPY 21/kwh
- Two additional auctions planned (total additional 1000 MW) pending results of first auction
- Etrion's position in the market
 - Pursuing additional brownfield projects with secured FiT
 - Evaluating strategy of acquiring clusters of smaller projects (FiT remains in place for projects under 2 MW)
 - Working with HHT to develop competitive solution for initial auction

CONCLUSION

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WELL POSITIONED FOR 2017

- Exit 2016 with strong balance sheet after closing the sale of Italy
- Well positioned and committed to accelerate growth in Japan where we have highest economic returns per dollar invested and strong local relationships
- Unique partnership with Hitachi, one of the most recognized and reputable technology companies in Japan
- Visible and quantifiable pipeline to execute over the next several quarters
- Fully funded through 2017
- Proven management track record in Japan delivering
 - 5 solar parks already operational
 - 5 solar parks under construction
 - An exciting pipeline
 - Excellent relationship with lenders, technology partners and local developers



CONTACTS DETAILS

Etrion Corporation

40 SW 13 Street

PH-1

Miami, FL 33130

USA

Phone: +1 786-636-6449

Email: info@etrion.com

www.etrion.com

