



Q3-2016 EARNINGS CALL

NOVEMBER 10, 2016



DISCLAIMER

These materials and the information contained herein are being presented by Etrion Corporation (the “Company”). By attending a meeting where these materials are presented, or by reading them, you agree to be bound by the following limitations and notifications. These materials are strictly confidential and may not be copied, published, distributed or transmitted. Failure to comply with this restriction may constitute a violation of applicable securities laws.

These materials do not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities, nor shall part, or all, of these materials or their distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities. These materials do not constitute any form of commitment or recommendation on the part of the Company.

These materials do not purport to be all-inclusive or to contain all the information that prospective investors may desire in analyzing and deciding whether or not to hold or transact in the Company’s shares. These materials are not a prospectus or an offer document and has not been prepared, approved or registered in accordance with the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) or any other Swedish or foreign law. Accordingly, these materials have not been subject to review or approval by the Swedish Financial Supervisory Authority or any other Swedish or foreign authority.

Recipients of these materials must rely on their own examination of the legal, taxation, financial and other consequences of any possible holding or transaction involving the Company’s shares, including the merits and risks involved. Recipients should not treat the contents of these materials as advice relating to legal, taxation or other matters and are advised to consult their own professional advisors concerning the acquisition, holding or disposal of shares in the Company.

The information provided in these materials has either been obtained from the Company or constitutes publicly available material. Although the Company has endeavored to contribute towards giving a correct and complete picture of the Company, neither the Company, the Managers or any of their respective members, advisors, officers or employees nor any other person can be held liable for loss or damage of any kind, whether direct or indirect, arising from use of these materials or their contents or otherwise arising in connection therewith. More specifically, no information in these materials have been independently verified by the Managers or its advisors and the Company, the Managers or any of their respective members, advisors, officers or employees or any other person assume no responsibility whatsoever and makes no representation or warranty, expressed or implied, for the contents of these materials, including its accuracy, completeness or verification for any other statement made or purported to be made by any of them, or on their behalf.

These materials as well as any other information provided by or on behalf of the Company shall be governed by Swedish law. Any dispute, controversy or claim arising out of or in connection with such information or related matters shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The place of arbitration shall be Stockholm.

FORWARD-LOOKING STATEMENTS

This presentation contains certain “forward-looking information”. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to: solar electricity revenue which is subject to confirmation of both the applicable Feed-in-Tariff (FiT) to which the Company is entitled by the state-owned company Gestore Servizi Energetici and the applicable spot market price by the local utilities for electricity sales to the national grid and statements relating to the Company’s growth plans; the timing and scope of new solar projects anticipated to be developed by the Company; the Company’s intention to pay future dividends; renewable energy production targets of governments in Italy, Chile and Japan and the intention of the Japanese government to take policy actions to encourage renewable energy production; and the revenue, EBITDA and free cash flow anticipated to be provided by the Company’s solar projects) constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company as well as certain assumptions including, without limitation, assumptions with respect to: confirmation of the applicable FiT and spot market price for electricity sales; the ability of the Company to acquire and develop additional renewable energy projects; project and financing costs; and anticipated production from the Company’s current and future solar projects. Forward-looking information is subject to a number of significant risks and uncertainties and other factors that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: the lack of confirmation or reduction of the applicable FiT and the spot market price for electricity sales by the designated entities; the risk that governments may alter their stated goals for the growth of renewable energy production and/or fail to implement anticipated incentives for such production; the risk that the Company may not be able to identify and/or acquire additional renewable energy projects on economic terms; uncertainties with respect to the receipt or timing of all applicable permits for the development of additional renewable energy projects; the possibility of project cost overruns; the risk that the Company may not be able to obtain project financing on anticipated terms; the risk of reductions in FiT and spot market prices for electricity; and the possibility that the Company’s projects will not produce power at the anticipated levels.

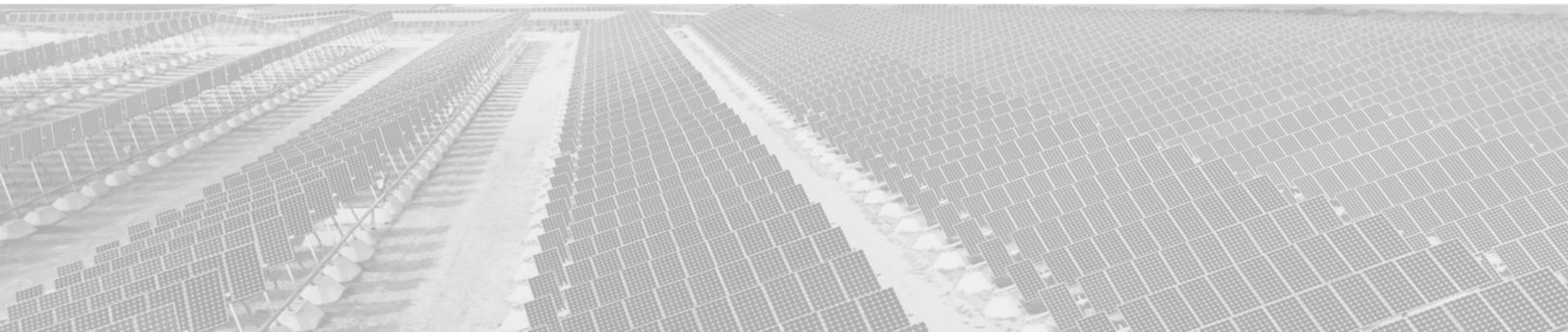
Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Where information in this presentation has been sourced from a third party, the Company confirms that the information has been accurately reproduced and so far as the Company is able to ascertain from information published by that third party, and so far as the Company is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

These materials and the information contained herein are not an offer of securities for sale in the United States or elsewhere and are not for publication or distribution to persons in the United States (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the Securities Act)). The securities in the Company have not been and will not be registered under the Securities Act and may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act.

CORPORATE OVERVIEW

etrion



CORPORATE OVERVIEW

COMPANY OVERVIEW

- Independent power producer (IPP) that develops, builds, owns and operates ground-based solar photovoltaic (PV) power generation plants in three key markets (Italy, Chile and Japan)
- 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**
164 megawatts (MW) of solar PV operational in Italy, Chile and Japan with 9.5 MW under construction in Japan
- **Development Pipeline**
66 MW backlog in Japan expected to reach financial close within next 6-9 months and 190 MW in different stages of development of projects in Japan, for a combined target of additional 256 MW



Atacama, Chile – 70 MW Salvador

FINANCIAL SUMMARY

Recent Share Price (TSX/OMX: ETX) C\$0.37 / SEK 2.25

Shares Outstanding 334.1MM

Lundin Family Ownership 24.3%

Other Director/Management Ownership 6.7%

Revenues 2015A US\$50.4MM

EBITDA 2015A US\$27.4MM

Corporate Net Debt US\$77.0MM

Market Capitalization US\$89.5MM

Number of Employees 35

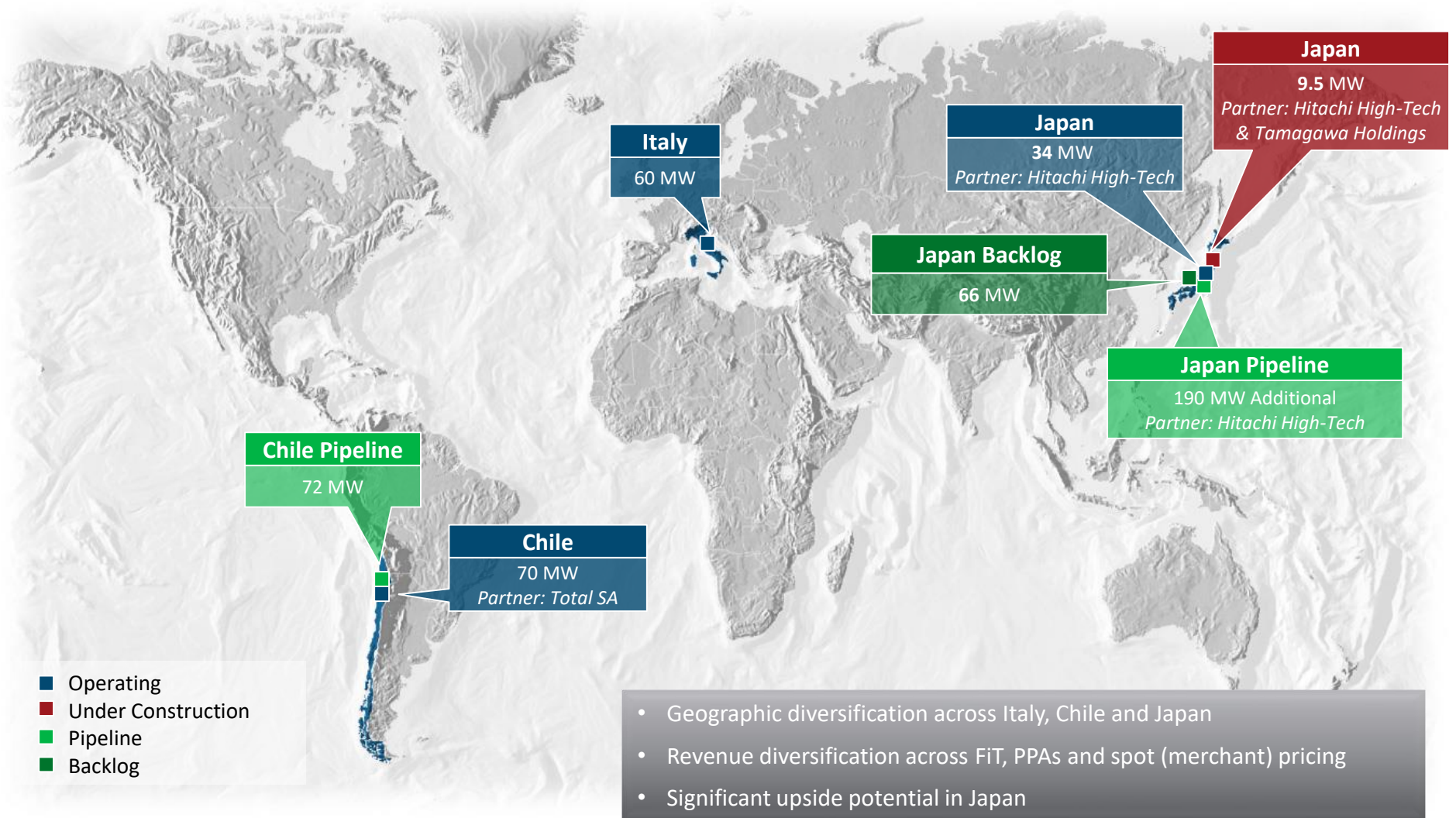
Notes:

- (1) US\$ refers to US dollars; C\$ refers to Canadian dollars; SEK refers to Swedish krona.
- (2) ETX share price at closing, on November 9, 2016.
- (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.

Q3 – 2016 HIGHLIGHTS

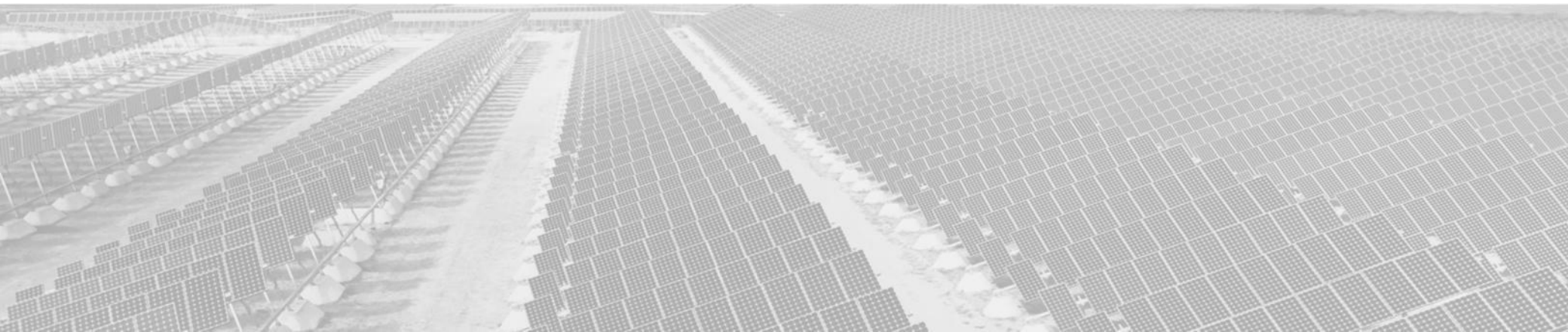
- Overall production increase of 5.5% from Q3 – 2015 due to better performance and irradiation
- Adjusted EBITDA up 15% due to revenue increase and continued G&A improvement
- 24.7 MW Shizukuishi project fully operational as of October 20, 2016
- Given continued negative outlook in Chile, company has decided to take an impairment change of \$75.7 million in Q3
- The company ended the quarter with a positive working capital of \$37.3 million and \$12.4 million of unrestricted cash at the corporate level

ETRION'S GLOBAL PLATFORM



THE PORTFOLIO

etrion



OPERATIONAL AND UNDER CONSTRUCTION ASSETS

Project	Region	Sites	Gross MW	Technology	Connection Date
Cassiopea	Lazio	1	24	Single axis	Nov-09
Helios ITA-3	Puglia	2	10	Single axis	Aug-11
Centauro	Lazio	1	8.8	Single axis	Jul-10
Helios ITA	Puglia	7	6.4	Single axis	Dec-09
Etrion Lazio	Lazio	2	5.3	Fixed-tilt	Apr-11
SVE	Puglia	3	3	Single axis	Dec-10
Sagittario	Lazio	1	2.6	Fixed-tilt	Aug-11
Total Italy		17	60.1		
Salvador	Atacama	1	70	Single axis	Nov-14
Total Chile		1	70		
Mito	Ibaraki	5	9.3	Fixed-tilt	May-15
Shizukuishi	Iwate	1	24.7	Fixed-tilt	Sep-16
Aomori	Tohoku	4	9.5	Fixed-tilt	Q3-2017
Total Japan		10	43.5		
Total Operational / Under Construction		28	173.60		

Italy

- No comment at this time regarding possible sale transaction
- Plants performing well
- No change in positive outlook regarding possible upsides

Japan

- Shizukuishi 24.7 MW fully operational
- Mito plant consistently performing above plan mainly due to higher PR
- Aomori 9.5 MW project financing closed in June. Construction-related work to commence shortly
- Expecting to reach financial close on Komatsu in Q4 – 2016

Chile

- Salvador production in line with expectations
- Electricity market continues to be very weak

SHIZUKUISHI – 24.7 MW – CONNECTED NOVEMBER 1



- A traditional Japanese inaugural ceremony was held at the site on November 1 to bless the commencement of the facility.

SHIZUKUISHI – 24.7 MW – CONNECTED NOVEMBER 1



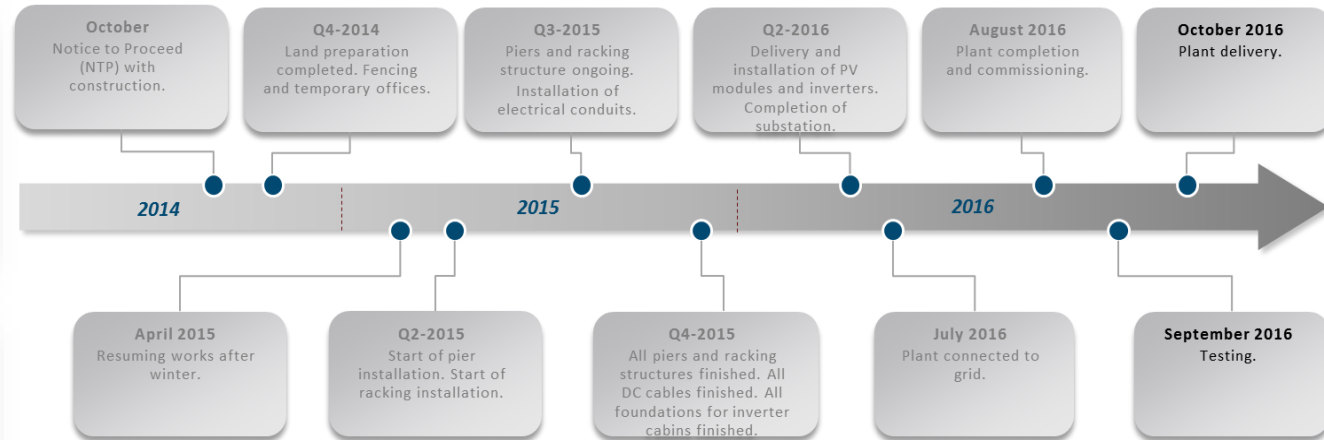
View of the SW section of the plant



View of the NW section of the plant.



General aerial view of full plant



Shizukuishi	
Status	Operating
Sites	1
Region	North (Iwate)
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
Start of Construction	Q3-2014
End of Construction	Q3-2016

AOMORI – 9.5 MW UNDER CONSTRUCTION



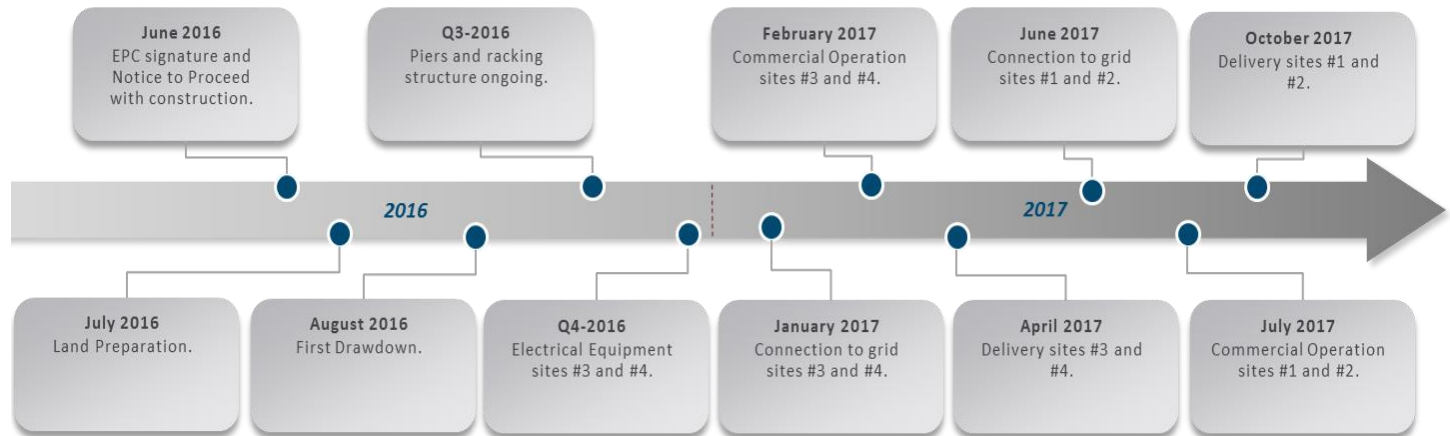
Site 1 & 2



Site 3



Site 4

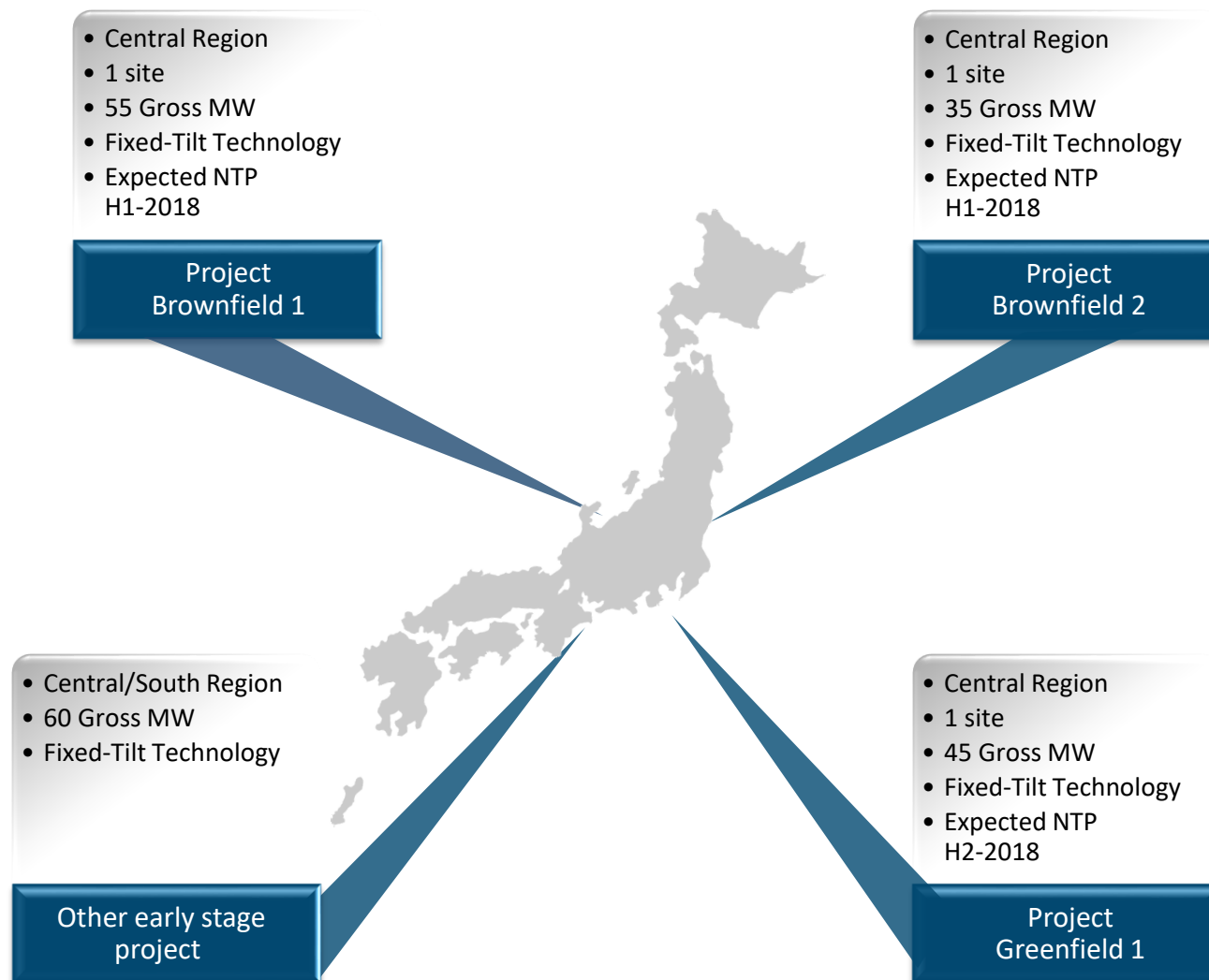


Aomori	
Status	Under Construction
Sites	4
Region	Tohoku
Capacity	9.5 MW
Ownership	60%
Technology	Fixed-tilt
Module	AOU
Inverters	Hitachi
EPC / O&M	Hitachi High-Tech
Irradiation Yield	1,126 kWh/kWp
Revenue Stream	FIT: ¥36/kWh Term: 20 years
Production	10.7 GWh/year
Total Project Cost	¥3.5Bn
Start of Construction	Q3-2016
End of Construction	Q3-2017

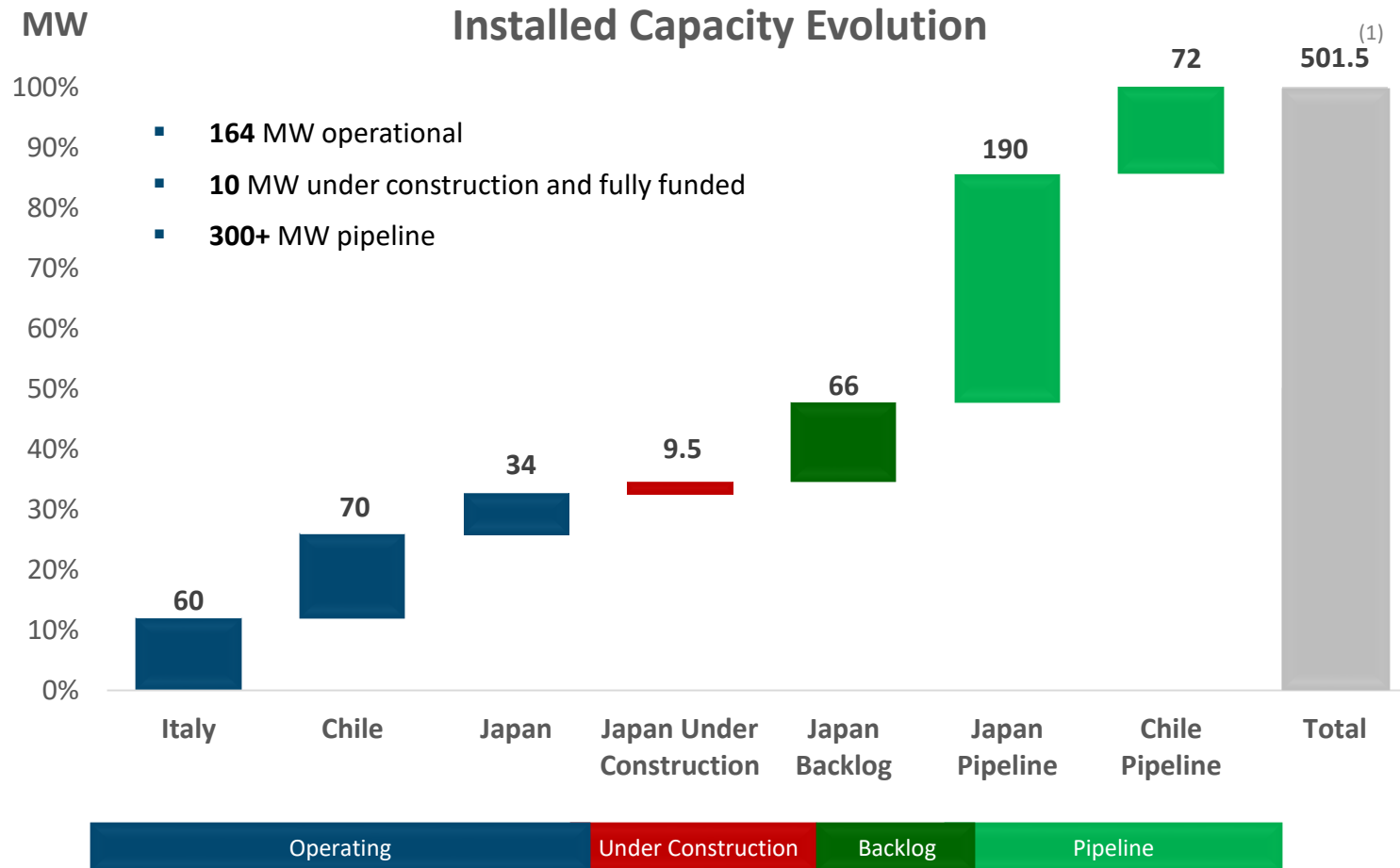
PIPELINE UPDATE

Japan

- FiT program in Japan remains attractive for Etrion to advance new projects to completion over the next 24-48 months
- Etrion continues to strengthen its development opportunities, working in close partnership with Hitachi
- Japan continues to deliver the strongest value creation for the company with project after-tax equity IRRs in the mid-teens and with options to exit at COD at IRRs within the 5-7% range, driven by the extended low yield environment



OVERALL PROJECT PORTFOLIO – POTENTIAL GROWTH

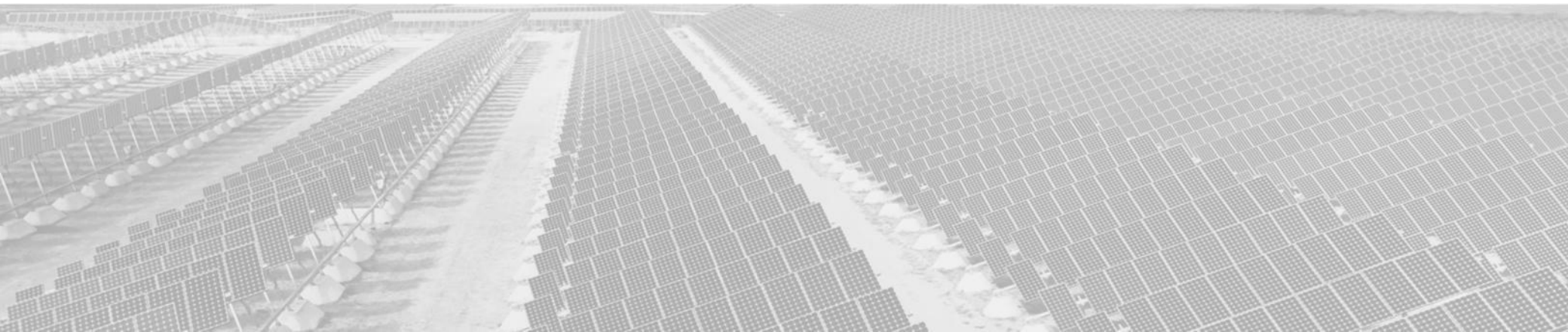


Notes:

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

Q3-2016 FINANCIAL REVIEW

etrion



FINANCIAL RESULTS

US\$'000	3-months	
	Q3-16	Q3-15
Revenues ⁽¹⁾	17.2	15.9
Operating expenses ⁽²⁾	-3.3	-2.7
G&A expenses ⁽³⁾	-1.4	-2.9
Other income	-0.5	0.1
Impairment	-75.7	-0.4
EBITDA	-63.7	10.1
Depreciation and amortization	-6.1	-6.1
Net finance costs ⁽⁴⁾	-9.0	-8.1
Income before taxes	-78.8	-4.2
Tax expense ⁽⁵⁾	-9.4	-0.2
Net results	-88.3	-4.4
<hr/>		
EBITDA margin	n/a	63%
<hr/>		
EBITDA	-63.7	10.1
Impairment	75.7	0.4
Adjusted EBITDA	12.0	10.5
Adjusted EBITDA margin	70%	66%

1. Revenues – increased relative to Q3-15 due to better irradiation in Italy and Chile and positive performance in Japan partially offset by lower market prices.
2. Operating expenses – increased relative to Q3-15 due to additional costs related to the Mito project and PPA nodal costs, partially offset by the O&M costs reductions in Italy and Chile.
3. G&A – decreased primarily due to higher costs capitalized and recharged to the Japanese development pipeline and an overall reduction of professional fees.
4. Net finance costs – increased mainly due to FX gain/loss variations and other non-cash items. However, debt-related finance costs decreased due to lower cost of debt in Italy, following the refinancing transaction completed in December 2015 and the restructuring transaction of Helios ITA completed in June 2016.
5. Net income tax expense – increased by US\$9.2 million mainly as a result of the derecognition of the net deferred tax assets of Salvador, following the negative impact that long-term price projections have caused to future taxable profits for this solar project in Chile.

Note:

(1) Other non-recurring items include US\$75.7 million of impairment charge associated with Project Salvador.

FINANCIAL POSITION

US\$'000	Sep-16	Dec-15
Assets		
Non-current assets		
Property plant and equipment	444,021	480,973
Intangible assets	24,666	27,637
Deferred tax assets	17,848	19,809
Derivative financial instruments	0	702
Trade and other receivables	8,567	2,256
Total non-current assets	495,102	531,377
Current assets		
Trade and other receivables	35,102	29,444
Cash and cash equivalents	52,730	52,499
Total current assets	87,832	81,943
Total assets	582,934	613,320
Liabilities		
Non-current liabilities		
Borrowings	572,099	485,372
Derivative financial instruments	28,124	10,639
Deferred tax liabilities	389	400
Provisions and other liabilities	33,482	30,021
Total non-current liabilities	634,094	526,432
Current liabilities		
Trade payables	10,095	27,379
Current tax liabilities	3,835	672
Borrowings	30,779	47,688
Derivative financial instruments	4,130	3,230
Provisions and other liabilities	1,667	1,515
Total current liabilities	50,506	80,484
Total liabilities	684,600	606,916
Total equity	-101,666	6,404

- Working capital of US\$37.3 million and cash on hand of US\$52.7 million (US\$12.4 million unrestricted at the corporate level).
- PP&E – lower due to Project Salvador's impairment of US\$70.0 million and depreciation of operational assets in Italy, Chile and Japan, partially offset by construction costs associated with the 24.7 MW Shizukuishi and 9.5 MW Aomori projects in Japan.
- Intangible assets – lower due to Project Salvador's impairment of US\$5.7 million and amortization of intangible assets in Italy and Chile partially offset by development costs capitalized during the period.
- Long-term trade and other receivables – higher mainly due to a reclassification of an advance made to a local developer in Japan (Yokkaichi) from short-term to long-term.
- Short-term trade and other receivables – higher mainly due seasonality of sale receivables and VAT credit accumulated during the period.
- Borrowings – net increase due to additional funds drawn under the Shizukuishi and Aomori credit facilities.
- Derivative financial instruments – higher mainly due to the decrease in Euribor/TIBOR 6-month interest rate affecting interest rate swaps for Italian and Japanese project loans (Project Salvador in Chile has fixed-rate debt).
- Net equity – decreased mainly due to net loss YTD-16, including the US\$75.7 million impairment charge of Salvador and changes in the fair value of the derivatives. Before the accumulated non-cash losses in the hedging reserve and impairment charge, the net equity would have been positive US\$23.4 million.

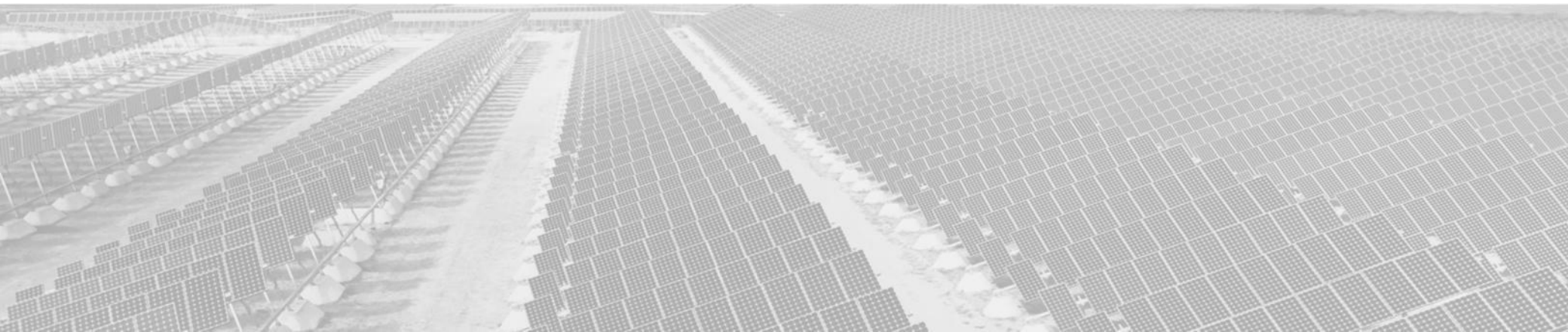
CASH FLOW STATEMENT

US\$'000	Restricted Cash	Unrestricted Cash	Total
December 31, 2015	34.9	17.6	52.5
Project level EBITDA	33.1		33.1
Project cash distributions	-9.0	9.0	0.0
Corporate G&A		-3.5	-3.5
Sub-total	24.1	5.4	29.6
Taxes paid	-0.3	-1.0	-1.3
Aomori development fee	-2.9	1.7	-1.2
Working capital	-12.2	-1.0	-13.2
Operating cash flow	8.7	5.2	13.9
Capital expenditures	-43.1	-3.4	-46.5
Proceeds from bank loans	55.3		55.3
Project loans interest	-12.9		-12.9
Repayment of bank loans	-11.5		-11.5
Interest on corporate bond		-3.6	-3.6
Etrion's equity contributions to Aomori	3.1	-3.1	0.0
Contributions from non-controlling interests	2.1		2.1
Financing cash flow	36.1	-6.7	29.4
Exchange rate differences	3.7	-0.2	3.5
September 30, 2016	40.3	12.5	52.7

- Etrion's unrestricted cash balance decreased by 29% mainly due to G&A expense, capital contributions and development costs incurred.
- Etrion's restricted cash increased by 15% mainly due to positive cash flow from operations and additional funds drawn from the credit facilities in Japan.
- During the first nine months of 2016, US\$9.0 million was distributed from the Italian projects.

SUMMARY

etrion



SUMMARY

- **Japan - Near-Term Growth**

- Japan continues to deliver strong economics and presents highest exit value
- Expect to begin construction on next 2 solar projects within the next 6-9 months with an aggregate capacity of 66 MW
- The strong Etrion-Hitachi partnership is expected to expand our pipeline for projects in 2017-2018

- **Italy**

- Projects performing well

- **Chile**

- Current commercial development on hold until electricity prices improve

- **Financial Outlook**

- We are focused on using our available cash to satisfy our current obligations and executing on our plan in Japan
- We are maintaining our 2016 Guidance, including
 - Energy Generation (GWh) 219 – 231
 - Revenues (USD mm) 50 – 52
 - Project Level Ebitda (USD mm) 39 – 41

CONTACTS DETAILS

Etrion Corporation

40 SW 13 Street

PH-1

Miami, FL 33130

USA

Phone: +1 786-636-6449

Email: info@etrion.com

Website: www.etrion.com

