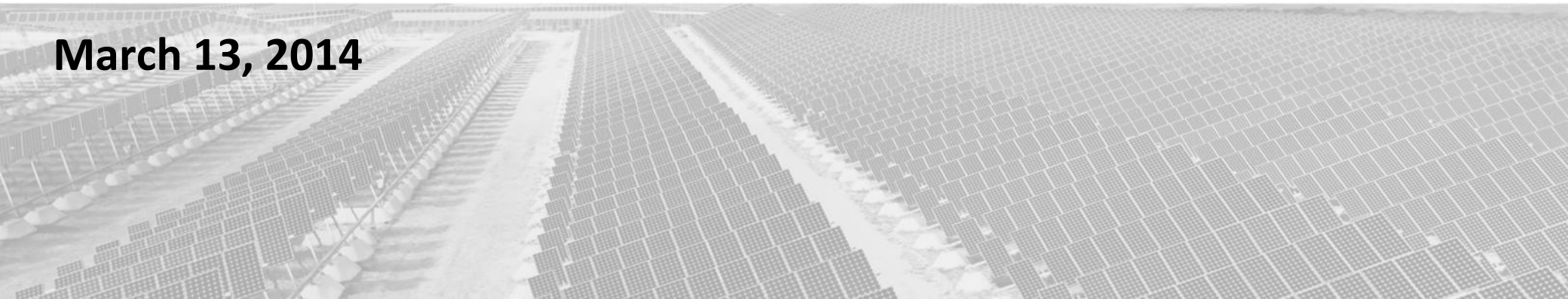




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# 2013 Earnings Call

March 13, 2014



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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.

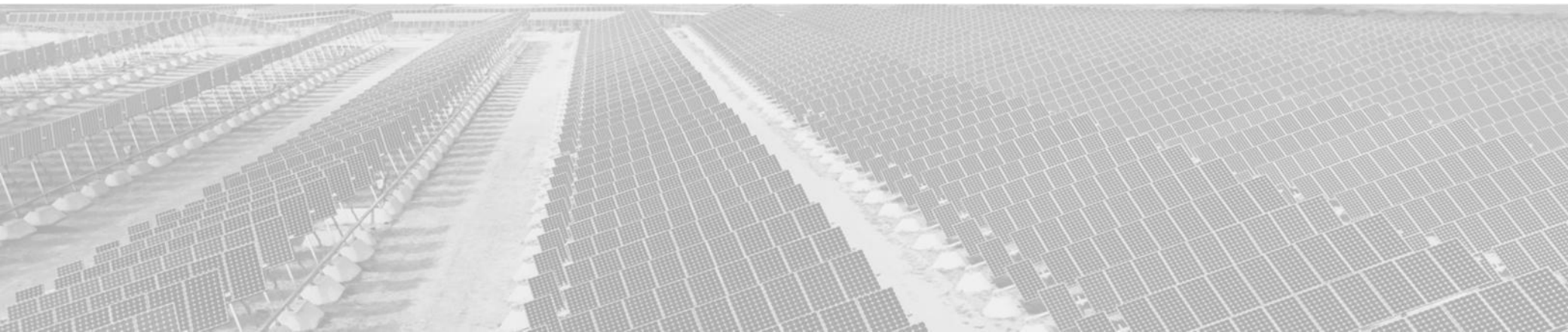
Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. 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.

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# CORPORATE OVERVIEW

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# ETRION CORPORATION

## Company Overview

- Independent power producer (IPP) that owns and operates 60 megawatts (MW) of ground-based solar photovoltaic (PV) power plants in Italy
- Over 100 million kilowatt-hours (kWh) of electricity generated in 2013
- Salvador project under construction in Chile will almost double installed capacity within 12 months
- Strategy focused on building a global platform for:
  - **Geographic Diversity** - Entering new regions with high electricity prices, large energy demand and abundant renewable resources and / or strong mandates to diversify energy mix with attractive government incentives
  - **Contract Diversity** - Complementing Feed-in-Tariff (FiT) revenues with revenues derived from long-term power purchase agreements (PPAs) or spot (merchant) pricing
  - **Yield** - Creating platform for dividends to shareholders by 2015
  - **Growth** - Building a large pipeline of renewable energy development projects with key partners like Total and Hitachi High-Tech

## Financial Summary

<b>Recent Share Price (TSX/OMX: ETX)</b>	CAD 0.71 / SEK 4.15
<b>Shares Outstanding</b>	333.9 million
<b>Lundin Family Ownership</b>	24.3%
<b>Other Director/Management Ownership</b>	6.7%
<b>Revenues 2013A</b>	USD 53.9 million
<b>EBITDA 2013A</b>	USD 40.3 million
<b>Net Debt</b>	USD 344 million
<b>Market Capitalization</b>	USD 215 million
<b>Enterprise Value</b>	USD 559 million



### Notes:

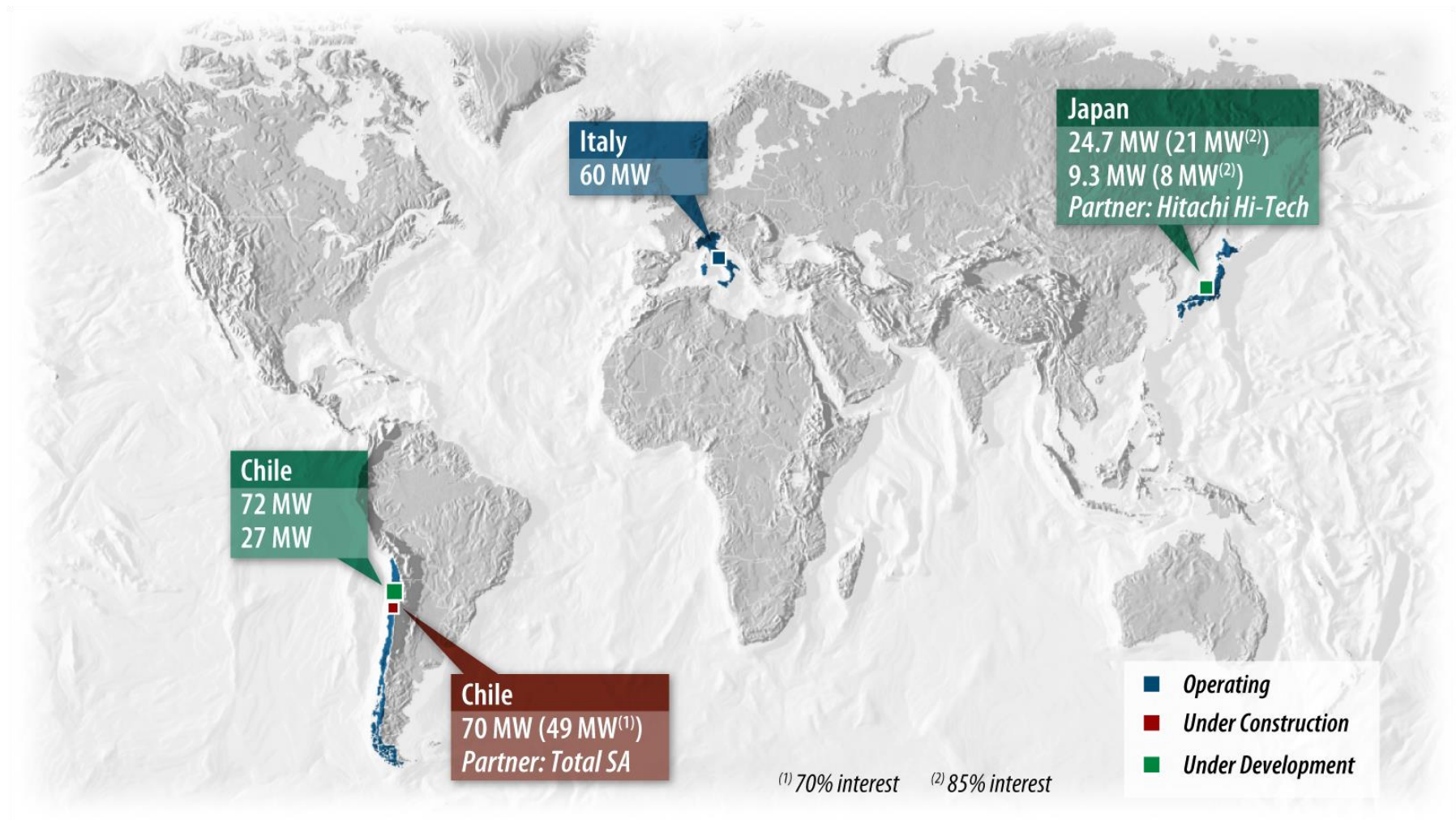
- (1) ETX share price at closing on March 12, 2014.
- (2) Shares outstanding as of March 12, 2014.
- (3) Net debt as of December 31, 2013, includes USD 268m of non-recourse, project-level debt and USD 76m corporate debt.

# ETRION EQUITY RESEARCH COVERAGE

	Broker	Location	Date of Last Report	Target Price (CAD)	Target Price (SEK)	Recommendation
1	ABG Sundal Collier	Stockholm	January 7, 2014	\$1.05	6.00	Buy
2	Paradigm Capital	Toronto	February 4, 2014	\$1.00	5.72	Buy
3	Cormark Securities	Toronto	February 4, 2014	\$1.00	5.72	Buy
4	Canaccord Genuity	Vancouver	February 18, 2014	\$0.90	5.15	Buy
5	National Bank Financial	Toronto	February 3, 2014	\$0.90	5.15	Sector Perform
6	Pareto Securities	Stockholm	January 8, 2014	\$0.89	5.10	Buy
7	Jacob Securities	Toronto	January 20, 2014	\$0.80	4.58	Hold
<b>Consensus</b>				<b>\$0.93</b>	<b>5.35</b>	

*Note: The target prices and recommendations set forth above represent the views of the authors of the applicable reports and not those of Etrion. Readers are encouraged to review the full text of the reports, which are available through the above brokers.*

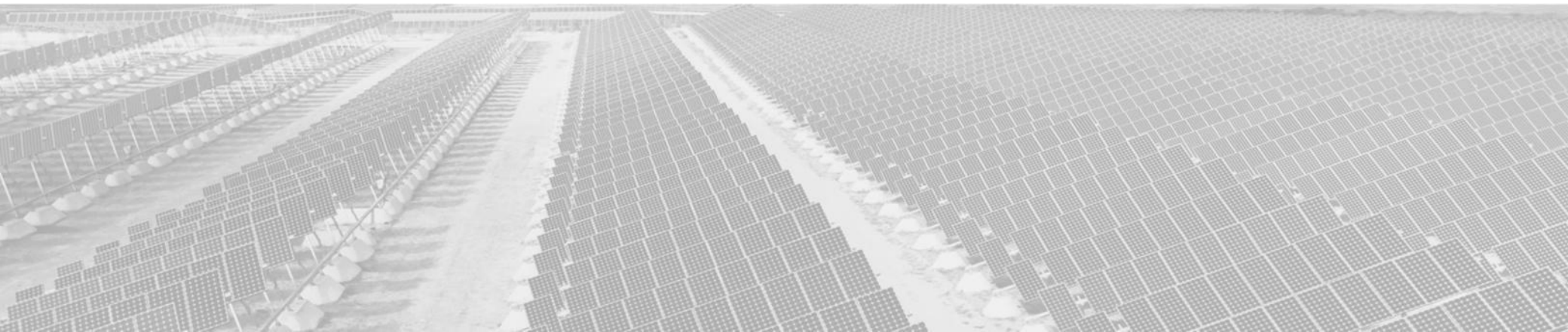
# ETRION'S GLOBAL PLATFORM



- Geographic diversification across Italy, Chile and Japan
- Revenue diversification across Feed-in-Tariffs (FiT), Power Purchase Agreements (PPAs) and spot / merchant pricing
- Etrion is constantly evaluating new opportunities in high-growth regions

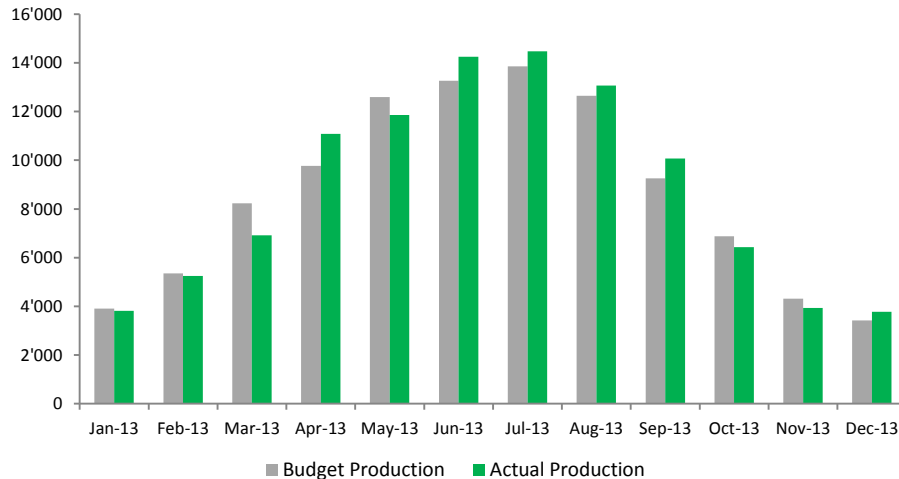
# OPERATING ASSETS: ITALY

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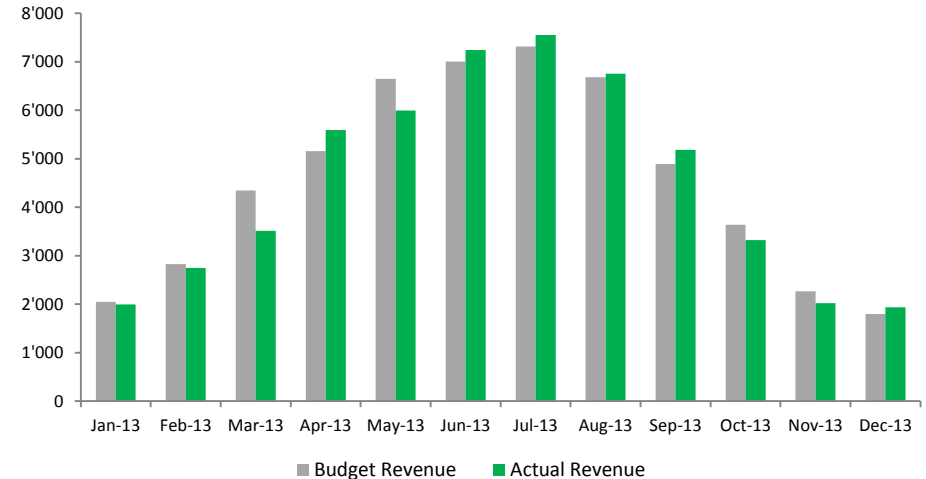


# ITALY – OPERATIONAL PERFORMANCE

**Production (MWh)**



**Revenue (USD '000)**



- Current platform of approximately 60 MW continues to perform at or above budget
- During 2013, Etrion's 17 solar power plants produced 104.9 million kWh of solar electricity, more than 1% above forecast due to better than expected availability and solar irradiation
- As Etrion connects projects in Chile, the effects of seasonality will be reduced due to southern hemisphere operations

*Note: Solar-related revenues are subject to seasonality over the year due to the variability of daily sun hours in the summer versus winter months.*



# ITALIAN OPERATING ASSETS



Project	MW	Revenue USD'million	EBITDA USD'million
Cassiopea (Montalto, Lazio)	24.0	24.1	20.4
Helios ITA-3 (Brindisi/Mesagne, Puglia)	10.0	7.4	6.5
Centauro (Montalto, Lazio)	8.8	8.2	6.9
Helios ITA (Brindisi/Mesagne, Puglia)	6.4	6.1	5.1
Etrion Lazio (Borgo Piave/Rio Martino, Lazio)	5.3	4.4	3.7
SVE (Matino/Oria/Ruffano, Puglia)	3.0	3.0	2.5
Sagittario (Nettuno, Lazio)	2.6	1.6	1.3
<b>Total Operational</b>	<b>60.0</b>	<b>54.8</b>	<b>46.4</b>

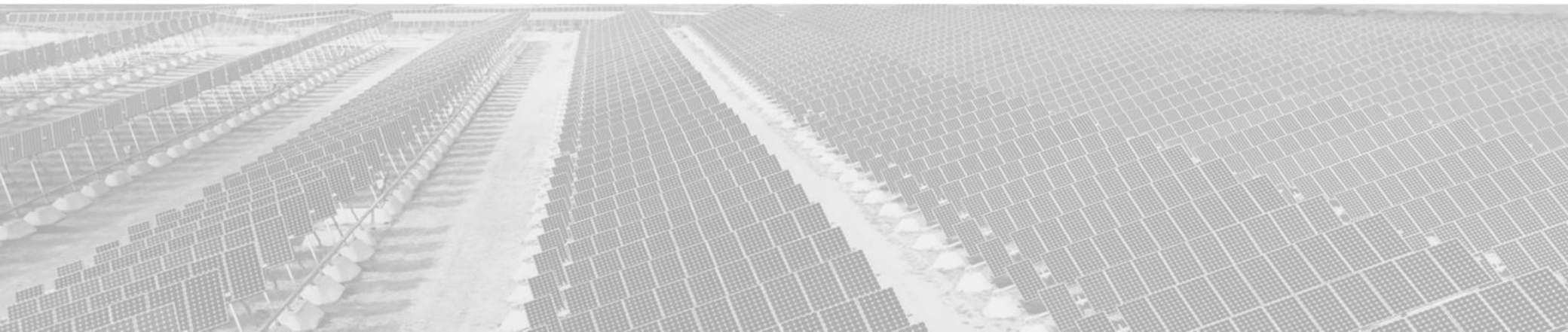
- 20-year FiT contract with 17 years remaining on average
- Produced more than 100 million kWh of electricity in 2013
- 17 power plants consistently performing above plan
- Central monitoring system provides real-time visibility into plant performance (scalable platform for growth)

## Notes:

- (1) All projects are owned 100% by Etrion.
- (2) Power plant capacity is shown in MW on a direct current basis, also referred to as megawatt-peak (MWp).
- (3) Revenues and earnings before interest, taxes, depreciation and amortization (EBITDA) are based on 2014 estimated figures generated in Euros and translated at EUR/USD = 1.36.

# EXPANSION PLANS: CHILE

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# SALVADOR (70 MW) – TOTAL/ETRION PARTNERSHIP

## Overview

- **Project:** 70 MWp solar PV power plant located in the SIC network in central Chile (Atacama), comprised of one site
- **Sponsors:** Etrion (70%) and Total (20%) acting as main sponsors. Developer, Solventus, remains with 10% of the project
- **Senior debt / VAT facility:** 70% of total project cost financed through non-recourse project loan from the Overseas Private Investment Corporation (OPIC) with 19.5-year tenor and hedged interest rate. First disbursement was made in December 2013



Project Details	
Capacity	70 MWp (49 MWp net)
Irradiation Yield	2,916 kWh/kWp
Revenue Stream	Merchant project in the SIC (operating at spot with ability to secure future PPAs)
Production	200 GWh/yr (140 GWh/yr net)
Land	Government concession
Start of Construction	Q4-2013
Completion of Construction	Q1-2015

Indicative Sources and Uses of Funds (USD million)			
Uses of Cash:		Sources of Cash:	
Total Project Cost	201.7	Equity (30%):	60.5
		Senior Debt (70%)	141.2
<b>TOTAL USES</b>	<b>201.7</b>	<b>TOTAL SOURCES</b>	<b>201.7</b>



### Notes:

- (1) Etrion acquired a 70% interest in the project with an expected equity contribution of approximately USD 42 million. Following payback of Etrion's equity contribution, Etrion's ownership will decrease to 50.01%. After 20 years of operations, Etrion's ownership will decrease to zero.
- (2) Notice to proceed with construction was given to SunPower in December 2013, and the solar project is expected to be fully operational by the first quarter of 2015.

# CHILE – SOLAR PIPELINE

#	COUNTRY	REGION	PROJECT NAME	CONTRACT REGIME	SITES	MW	STATUS	PROBABILITY	OWNERSHIP	CONSTRUCTION START
1	Chile	SING (Northern)	Aguas Blancas	Merchant + PPA	3	72	<ul style="list-style-type: none"> <li>- Application for land filed in April 2013</li> <li>- Following confirmation of land, environmental studies will be prepared and filed</li> </ul>	P10	100%	Q1-2015
2	Chile	SIC (Central)	Las Luces	Merchant + PPA	1	27	<ul style="list-style-type: none"> <li>- Application for land filed in April 2013</li> <li>- Following confirmation of land, environmental studies will be prepared and filed</li> </ul>	P10	100%	Q1-2015
					4	99				

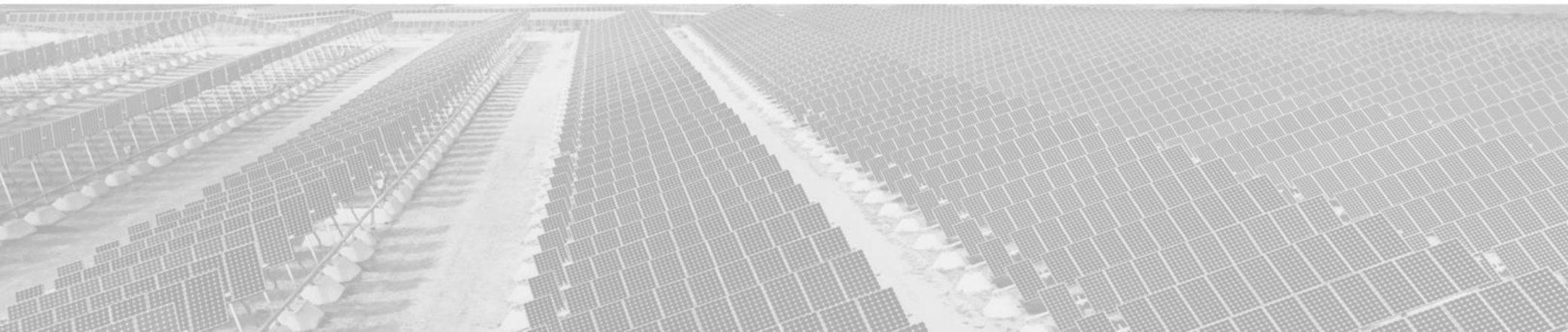
➤ Etrion's project development pipeline in Chile includes an additional 99 MW (beyond the initial project with Total)

*Note: Construction dates may vary depending on development process; dates shown here are Management's best estimates.*



# EXPANSION PLANS: JAPAN

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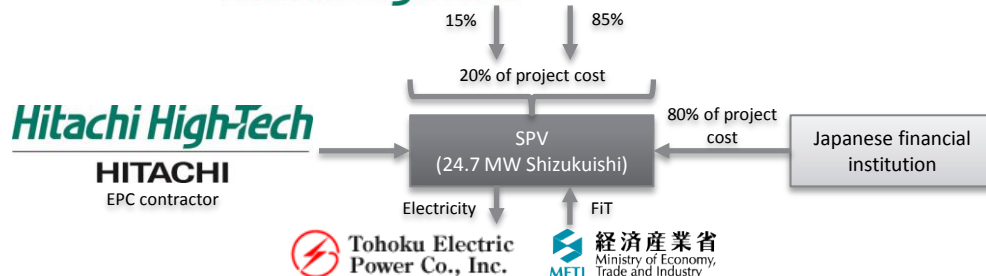


# SHIZUKUISHI (24.7 MW) – HITACHI/ETRION PARTNERSHIP

## Overview

- **Project:** 24.7 MWp solar PV power plant located in northern Japan (Iwate prefecture), comprised of one site
- **Sponsors:** Etrion (85%) and Hitachi High-Tech (15%) acting as main sponsors. The project has been fully developed internally (*greenfield*)
- **Senior debt / VAT facility:** Expect 80% of total project cost to be financed through non-recourse project loan from a Japanese financial institution with 18-year tenor and hedged 3% interest rate
- **EPC:** Hitachi High-Tech will be EPC and O&M contractor

Hitachi High-Tech etrion



### Indicative Sources and Uses of Funds (USD million)

Uses of Cash:		Sources of Cash:	
Total Project Cost	79.4	Equity <sup>(1)</sup> (20%):	15.9
		Senior Debt (80%)	63.5
<b>TOTAL USES</b>	<b>79.4</b>	<b>TOTAL SOURCES</b>	<b>79.4</b>

Project Details	
Capacity	24.7 MW (21.0 MW net)
Irradiation Yield	1,027 kWh/kWp
Revenue Stream	FiT (paid in ¥): ¥40/kWh (US\$0.39/kWh) Term: 20 years
Production	24 GWh / year
Land	Leased from individual landowners
Start of Construction	2H-2014
Completion of Construction	Q4-2015



Notes:

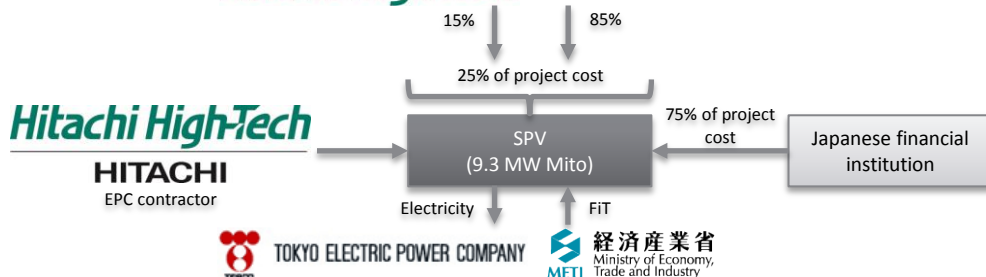
(1) The equity amount shown is gross excluding development fee. Etrion and HHT charge a development fee to the project to reduce the equity contribution.

# MITO (9.3 MW) – HITACHI/ETRION PARTNERSHIP

## Overview

- **Project:** 9.3 MWp solar PV power plant located in central Japan (Ibaraki prefecture), comprised of five sites
- **Sponsors:** Etrion (85%) and Hitachi High-Tech (15%) acting as main sponsors. The project has been fully developed internally (*greenfield*)
- **Senior debt / VAT facility:** Expect 75% of total project cost to be financed through non-recourse project loan from a Japanese financial institution with 18-year tenor and hedged 3% interest rate
- **EPC:** Hitachi High-Tech will be EPC and O&M contractor

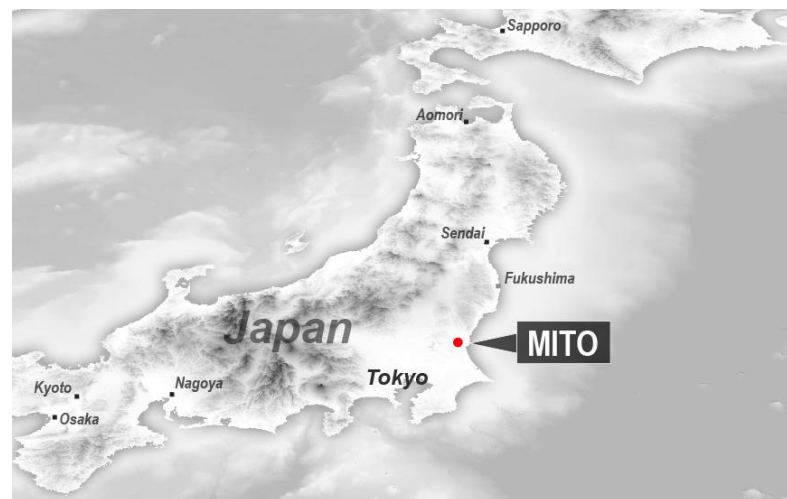
Hitachi High-Tech etrion



### Indicative Sources and Uses of Funds (USD million)

Uses of Cash:		Sources of Cash:	
Total Project Cost	29.7	Equity <sup>(1)</sup> (25%):	7.4
		Senior Debt (75%)	22.3
<b>TOTAL USES</b>	<b>29.7</b>	<b>TOTAL SOURCES</b>	<b>29.7</b>

Project Details	
Capacity	9.3 MW (7.9 MW net)
Irradiation Yield	1,128 kWh/kWp
Revenue Stream	FiT (paid in ¥): ¥40/kWh (US\$0.39/kWh) Term: 20 years
Production	10 GWh / year
Land	Leased from individual landowners
Start of Construction	Q3-2014
Completion of Construction	1H-2015

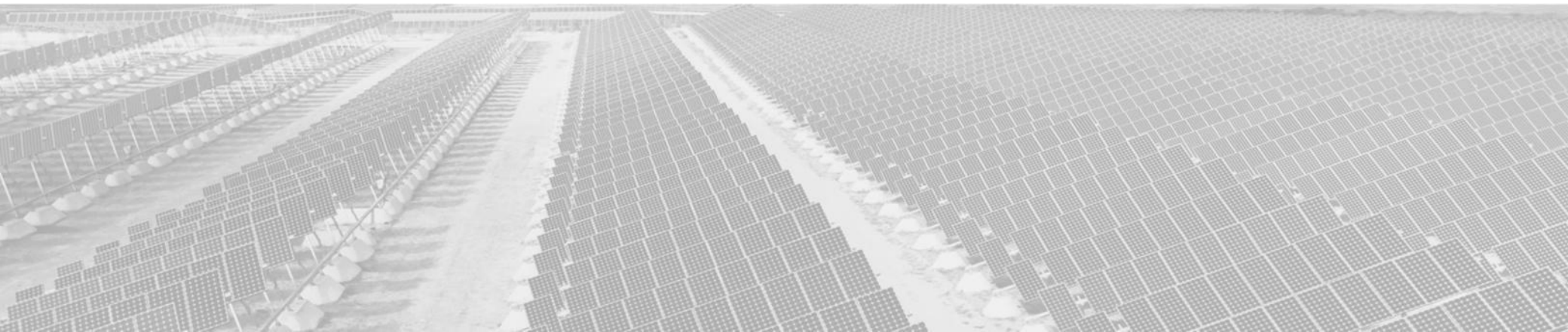


Notes:

(1) The equity amount shown is gross excluding development fee. Etrion and HHT charge a development fee to the project to reduce the equity contribution.

# 2013 FINANCIAL REVIEW

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# FINANCIAL RESULTS

- Etrion's Italian assets have performed solidly since 2011
- EBITDA margin has stabilized around 70% in recent quarters
- Net loss mainly due to Etrion's leveraged business model

	Three months ended		Twelve months ended	
	December	December	December	December
	2013	2012	2013	2012
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	7,761	7,385	53,911	55,662
Operating expenses	(2,165)	(2,114)	(8,359)	(6,320)
General and administrative expenses	(3,859)	(1,628)	(8,261)	(8,162)
Other income	3,700	(67)	3,081	1,951
<b>EBITDA</b>	<b>5,437</b>	<b>3,576</b>	<b>40,372</b>	<b>43,131</b>
Depreciation and amortization (D&A)	(5,374)	(5,057)	(20,491)	(19,896)
Net finance costs	(7,967)	(6,578)	(28,021)	(27,648)
Income tax expense	2,238	767	(2,164)	(4,045)
<b>Net loss</b>	<b>(5,666)</b>	<b>(7,292)</b>	<b>(10,304)</b>	<b>(8,458)</b>

**EBITDA  
margin  
of 70%**

**EBITDA  
margin  
of 75%**

## Notes:

- (1) Please refer to the MD&A 'Financial Review – Financial Results' section on pages 15 to 19 for a complete review and variance analysis relating to Etrion's annual consolidated financial information for the three and twelve months ended December 31, 2013, compared to the same periods of 2012.

Source: Company filings.

# FINANCIAL POSITION

- Etrion's projects are financed mainly by non-recourse debt at the project level

	December 2013 US\$'000	December 2012 US\$'000	December 2011 US\$'000
<b>Non-current assets</b>	<b>401,410</b>	<b>385,166</b>	<b>408,144</b>
Property, plant and equipment and intangible assets	389,090	366,827	377,778
Available for sale investments	-	2,061	2,061
Other (trade and other receivables and deferred tax)	12,320	16,278	28,305
<b>Current assets</b>	<b>116,841</b>	<b>67,611</b>	<b>59,432</b>
Trade and other receivables	21,927	29,861	19,776
Cash and cash equivalents (including restricted cash)	94,914	37,750	39,656
<b>Total assets</b>	<b>518,251</b>	<b>452,777</b>	<b>467,576</b>
<b>Non-current liabilities</b>	<b>460,209</b>	<b>417,515</b>	<b>425,696</b>
Borrowings	417,432	369,747	390,825
Other liabilities (derivatives, deferred income tax and provisions)	42,777	47,768	34,871
<b>Current liabilities</b>	<b>69,380</b>	<b>49,908</b>	<b>39,318</b>
Borrowings	21,152	30,024	16,030
Trade and other payables	35,360	6,990	12,791
Other (derivatives, income tax and provisions)	12,868	12,894	10,497
<b>Total liabilities</b>	<b>529,589</b>	<b>467,423</b>	<b>465,014</b>
Non-controlling interest	956	-	-
<b>Total net equity</b>	<b>(11,338)</b>	<b>(14,646)</b>	<b>2,562</b>
Working capital	47,461	17,703	20,114

## Borrowings

- Unsecured corporate bond (USD 83.9 million) with 9% annual interest and 4-year maturity (April 2015)
- Non-recourse project loans (USD 354.6 million)

## Net Equity

- Positive net equity following USD 80 million private placement completed in January 2014

## Notes:

- (1) Please refer to the MD&A 'Financial Review – Financial Position' section on pages 19 to 23 for a complete review relating to Etrion's annual consolidated financial information as of December 31, 2013, compared to the same period of 2012.

Source: Company filings.

# CASH FLOW STATEMENT

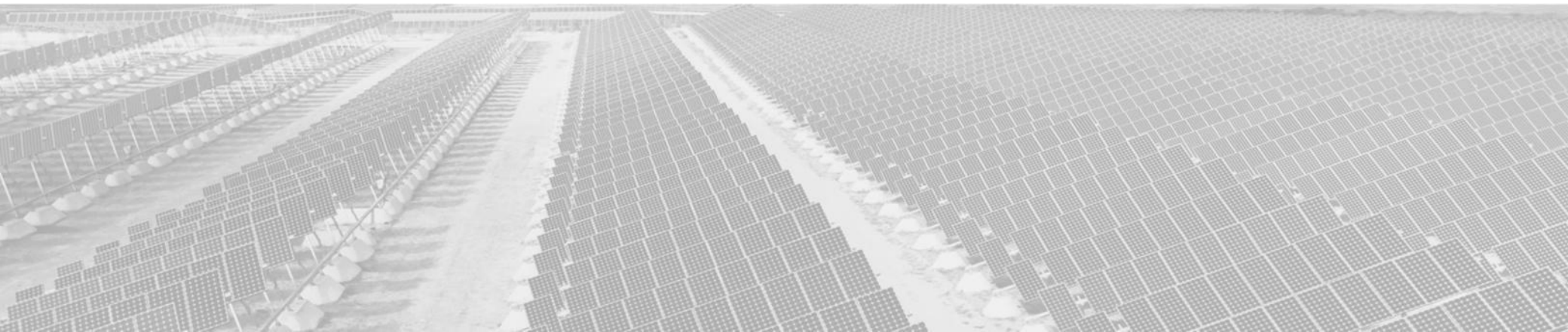
- Strong operating cash flow of more than 90% of EBITDA

	Twelve months ended	
	December 2013 US\$'000	December 2012 US\$'000
Cash flow from (used) operating activities	44,499	40,570
Cash flow from used in investing activities	(8,166)	(2,034)
Cash flow (used) from financing activities	19,183	(41,200)
<b>Total cash flow for the period</b>	<b>55,516</b>	<b>(2,664)</b>
Effect of exchange rates differences	1,648	758
Cash and cash equivalents at the beginning of the period	37,750	39,656
<b>Cash and cash equivalents at the end of the period</b>	<b>94,914</b>	<b>37,750</b>

Source: Company filings.

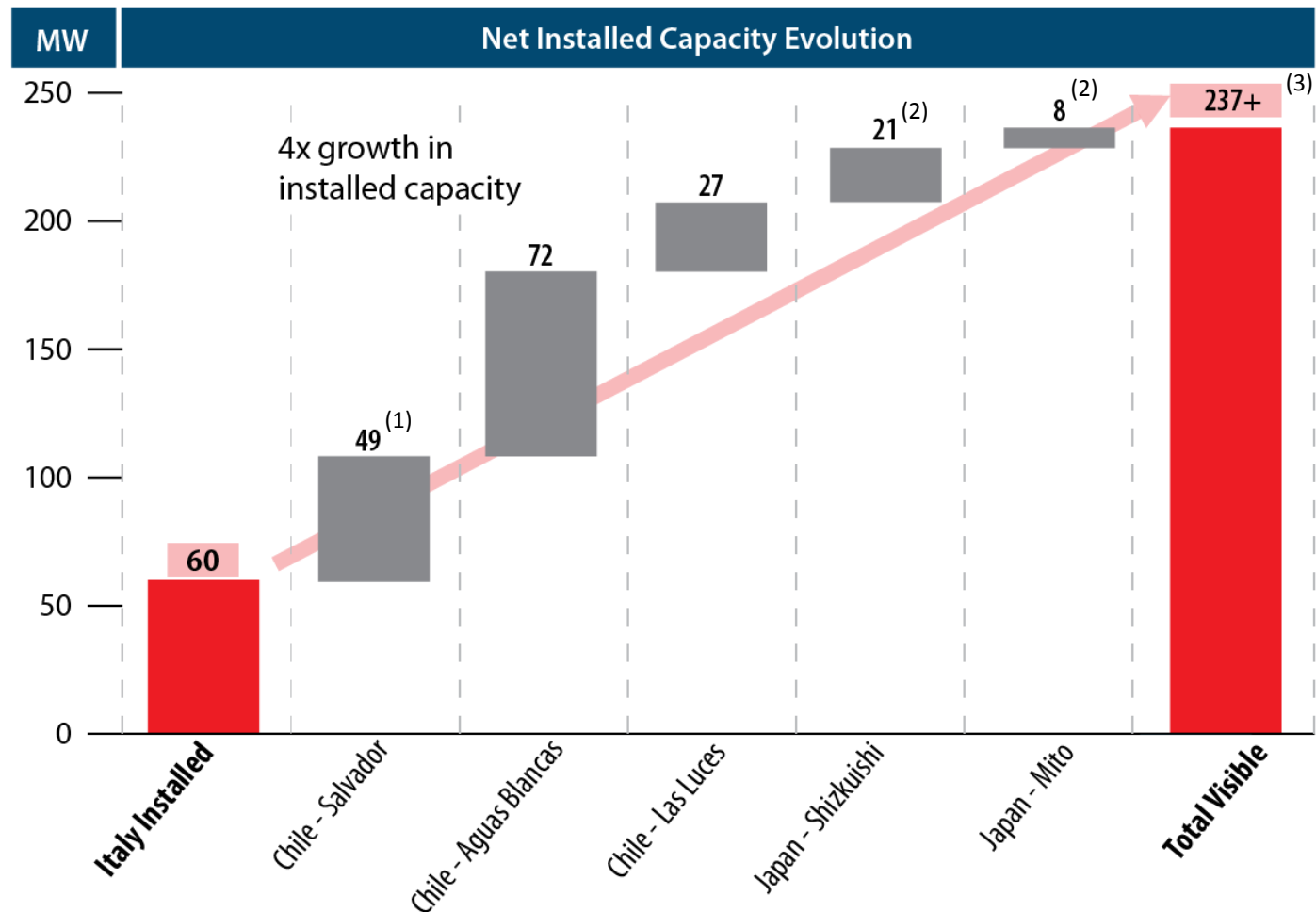
# SUMMARY

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# OVERALL PROJECT PORTFOLIO – POTENTIAL GROWTH



**Notes:**

(1) Etrion's initial net capacity in 70 MW project.

(2) Etrion's net capacity in first two Japanese projects. Etrion's goal is to build a pipeline in Japan of at least 100 MW of shovel-ready or under construction projects by 2015.

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

# CONCLUSION

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## Attractive returns in downstream solar power generation sector

### ➤ Global Platform

- Well positioned to expand within Europe, Asia and the Americas
- Systems in place to effectively manage operations across multiple jurisdictions
- Proven ability to secure high-return projects and attract best-in-class partners to leverage growth

### ➤ Solid Capital Structure

- Non-recourse project finance from banks with 70-85% leverage
- Corporate bonds (EUR 60 million senior unsecured bond listed in Oslo with April 2015 maturity)
- Lundin financial support (recent USD 42 million unsecured bridge loan repaid January 2014)
- Canadian and Swedish stock exchange listings (recent USD 80 million private placement)

### ➤ Strong Management

- Operational know-how with over 250 MW of solar parks built in major EU markets
- Completed 60 MW Etrion Italian solar portfolio in 18 months
- Track record in corporate/project finance, as well as mergers and acquisitions
- Extensive experience building successful international businesses

### ➤ Yield Plus Growth Plan

- Yield – clear path to dividends by 2015 with stable revenue and EBITDA
- Diversity – in terms of geography (Italy/Chile/Japan) and contract regime (FiT/PPA/Merchant)
- Critical mass – gaining scale in terms of MW, EBITDA, market cap and trading volume
- Growth – almost doubling installed capacity in next 12 months with large pipeline for future growth

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