



etrion

Investor Conference Call Presentation

January 7, 2014

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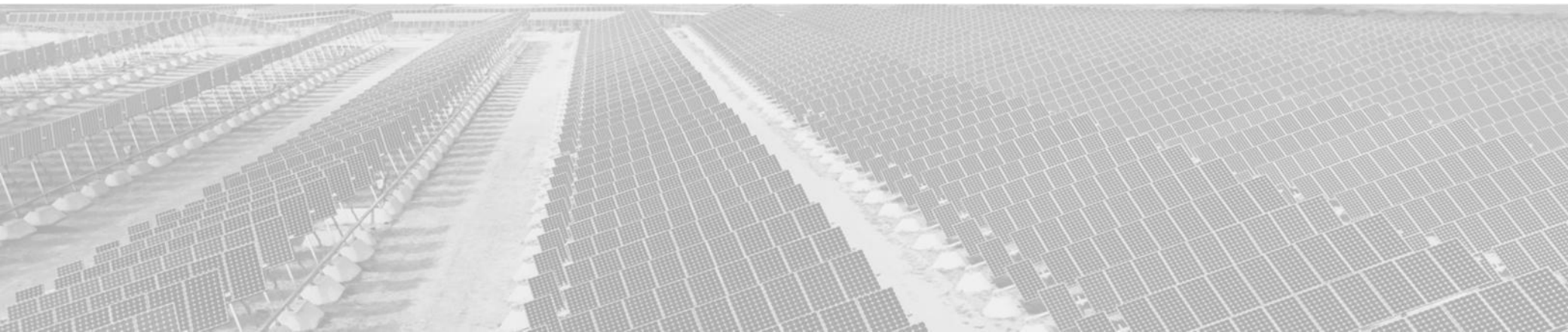
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CORPORATE OVERVIEW

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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
- Over 100 million kilowatt-hours (kWh) of electricity generated in 2012 with more than US\$40 million of EBITDA
- Shovel-ready projects that will almost double installed capacity within 18 months
- Strategy focused on building a global platform with:
 - **Geographic Diversity** - Entering new regions with high electricity prices, large energy demand and abundant renewable resources 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 a platform for dividends to shareholders by 2015
 - **Growth** - Building a large pipeline of renewable energy development projects through key partners like Total and Hitachi Hi-Tech

Financial Summary

Recent Share Price (TSX/OMX: ETX)⁽¹⁾	CAD\$0.64 / SEK 4.05
Shares Outstanding	209.2 million
Market Capitalization	US\$126 million
Net Debt⁽²⁾	US\$363 million
Enterprise Value	US\$489 million
Lundin Family Ownership	25.4%
Other Director/Management Ownership	10.7%



Note:

(1) ETX share price at closing on January 3, 2014

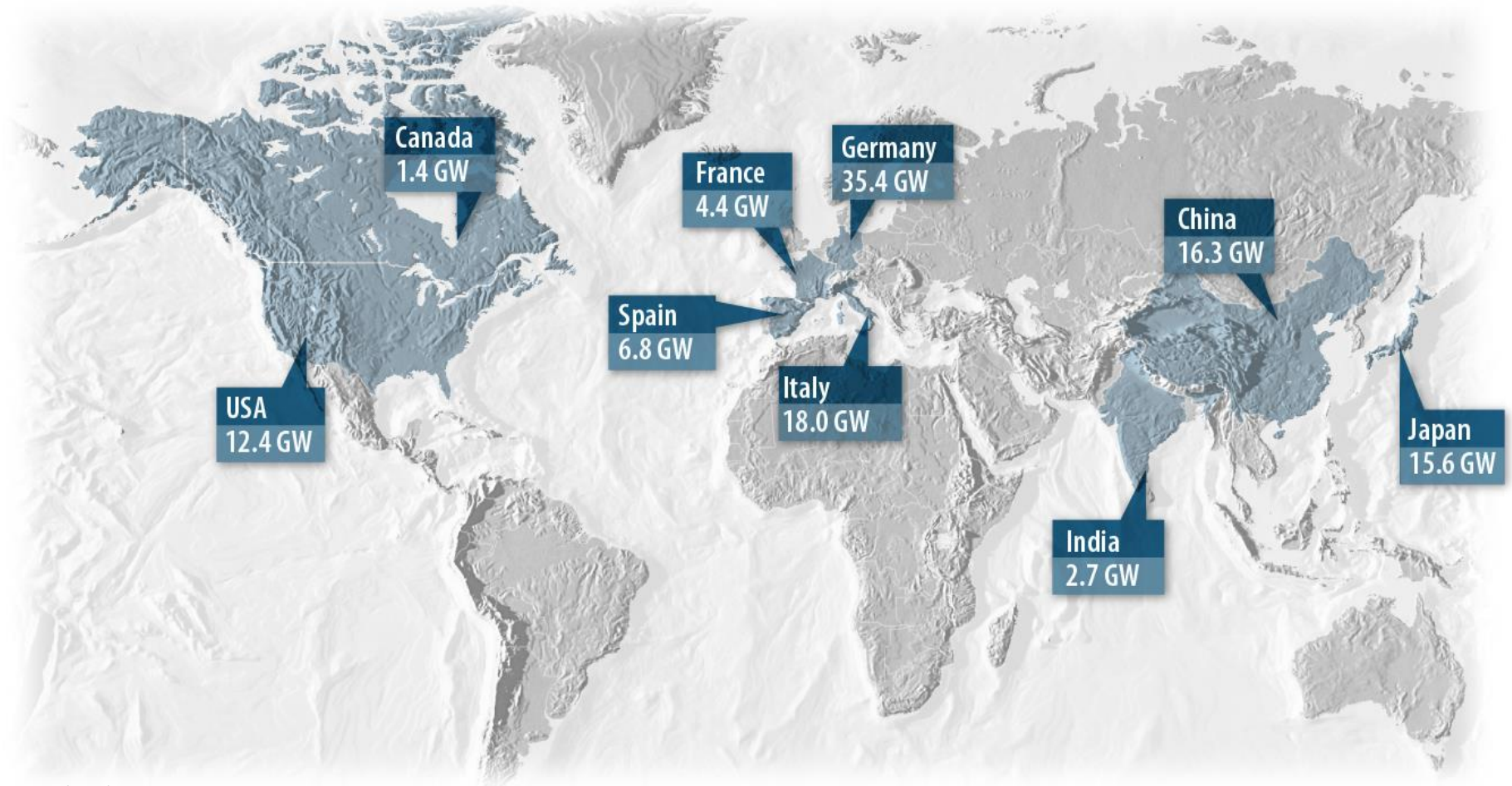
(2) Net debt as of September 30, 2013, includes US\$286 million of non-recourse, project-level debt and US\$77 million corporate debt

ETRION EQUITY RESEARCH COVERAGE

	Broker	Location	Date of Last Report	Target Price (CAD)	Target Price (SEK)	Recommendation
1	ABG Sundal Collier	Stockholm	December 8, 2013	\$0.98	6.00	BUY
2	Cormark Securities	Toronto	November 6, 2013	\$0.85	5.20	BUY
3	Jacob Securities	Toronto	November 7, 2013	\$0.93	5.65	BUY
4	National Bank Financial	Toronto	November 7, 2013	\$0.85	5.20	Sector Perform
5	Paradigm Capital	Toronto	November 8, 2013	\$0.85	5.20	BUY
6	Pareto Securities	Stockholm	December 17, 2013	\$0.82	5.00	BUY

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.

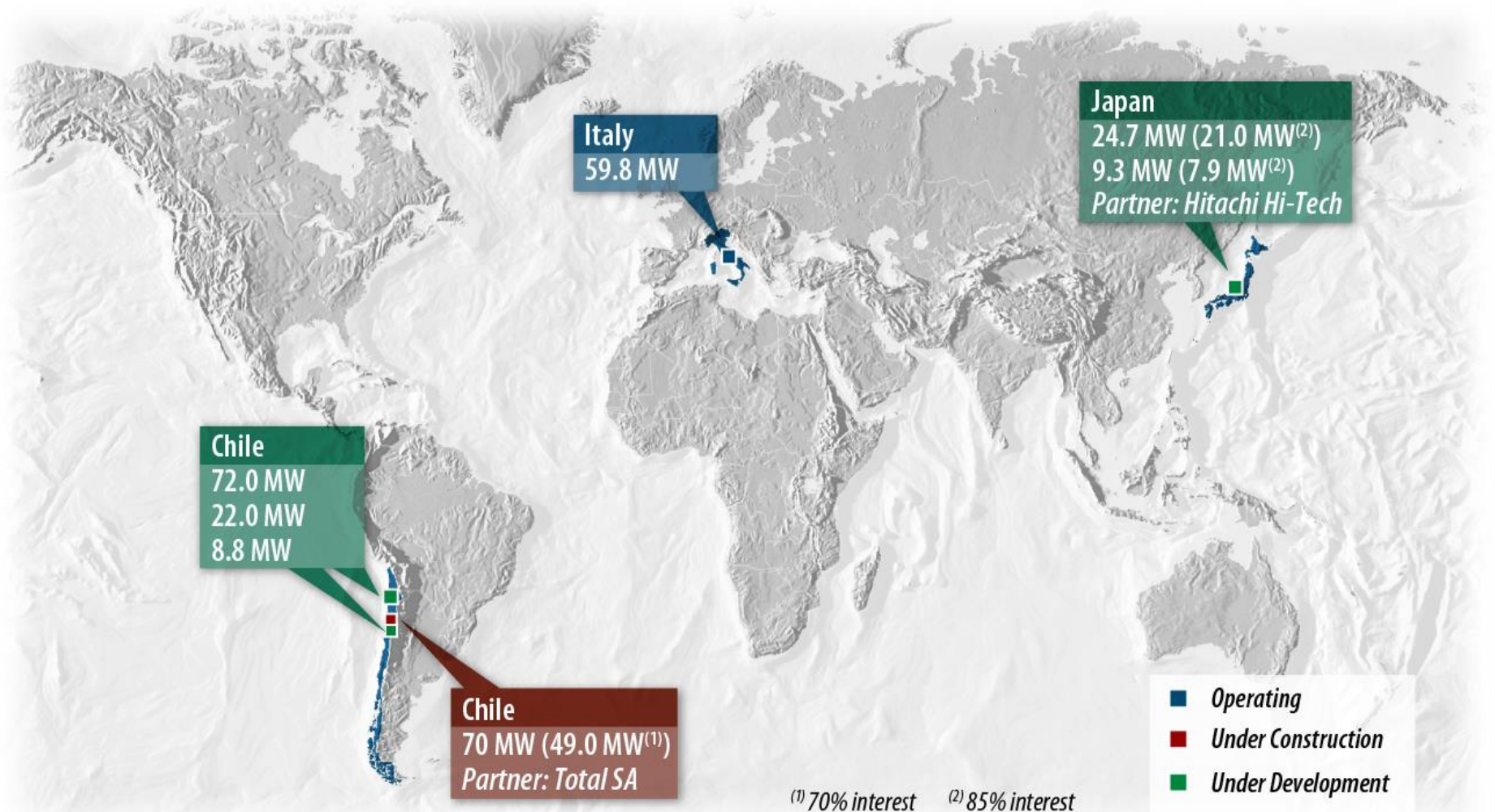
GLOBAL SOLAR INSTALLED CAPACITY (2013)



Source: Bloomberg New Energy Finance




- Total global solar installed capacity of 140 gigawatts (GW) in 2013
- Solar represents less than 3% of global installed power generation capacity
- Annual solar installation growth projected at more than 40 GW

ETRION GLOBAL PLATFORM



- Geographic diversification across Italy, Chile and Japan
- Revenue diversification across FiT, PPA and merchant pricing

COUNTRY SNAPSHOT

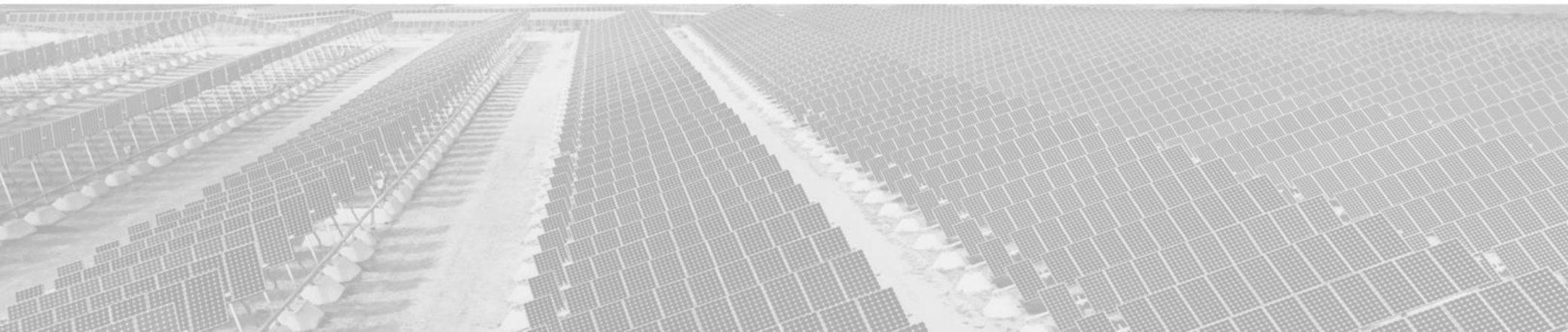
	ITALY	CHILE	JAPAN
			
Sovereign Credit Rating	S&P: BBB Moody's: Baa2 Fitch: BBB+	S&P: AA- Moody's: Aa3 Fitch: A+	S&P: AA- Moody's: Aa3 Fitch: A+
10-Year Bond Yield	4.09%	5.22%	0.74%
Inter-annual CPI (end-2013)	0.7%	2.4%	1.6%
Corporate Income Tax Rate	31.4%	20.0%	38.0%
Solar PV Revenue Scheme	(previous 20-year FiT) Auction mechanism or Spot	PPA or Spot (plus ERNC ⁽²⁾ , CER ⁽³⁾ and Capacity Payments ⁽⁴⁾)	20-year FiT ⁽⁵⁾ (¥36/kWh / US\$0.34/kWh)
National Solar PV Target	17% of total energy consumption to come from renewable sources by 2020	20% of total electricity generation from renewable sources by 2025	28 gigawatts (GW) by 2020 / 25-35% renewable energy by 2030
Average Solar Irradiation	1,750 kWh/kWp	2,800 kWh/kWp	1,050 kWh/kWp
Average Electricity Price	€0.067/kWh / US\$0.090/kWh	SING ⁽⁶⁾ : US\$0.100/kWh SIC ⁽⁶⁾ : US\$0.170/kWh	¥17/kWh / US\$0.16/kWh

Notes:

- (1) The Italian FIT scheme applies to applications made for PV projects between February 2013 and December 2016
- (2) Chile's Renewable and Non-Conventional Energy (ERNC) law requires generating companies to have at least 5% of the total energy supplied derived from renewable energy sources. Renewable companies can sell these attributes. ERNC revenues account for approximately 10% of the total revenues
- (3) Certified Emission Reductions (CER) provides an additional revenue set-out in the Kyoto Protocol applicable to renewable energy generators in developing countries. CER revenues account for approximately 1% of the total revenues
- (4) Capacity payments are made by the system operator to electricity generators based on their expected contribution during peak demand. Capacity payments account for approximately 6% of the total revenues
- (5) The Japan FIT scheme shown here applies to applications made for solar PV projects between April 1, 2013, and March 31, 2014
- (6) Chile's electricity market is divided into two main networks: the Sistema Interconectado Norte Grande (SING) in northern Chile and the Sistema Interconectado Central (SIC) in central Chile. The two networks are not yet connected

OPERATING ASSETS: ITALY

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ITALIAN OPERATING ASSETS



Project ⁽¹⁾	MW ⁽²⁾	Revenue ⁽³⁾ US\$'million	EBITDA ⁽³⁾ US\$'million
Cassiopea (Montalto, Lazio)	23.9	24.0	21.0
Helios ITA-3 (Brindisi/Mesagne, Puglia)	10.0	7.3	6.4
Centauro (Montalto, Lazio)	8.7	8.1	7.0
Helios ITA (Mesagne/Brindisi, Puglia)	6.4	6.1	5.1
Etrion Lazio (Borgo Piave/Rio Martino, Lazio)	5.2	4.3	3.7
SVE (Matino/Ruffano/Oria, Puglia)	3.0	3.0	2.5
Sagittario (Nettuno, Lazio)	2.6	1.6	1.2
Total Operational	59.8	54.4	47.0

- 20-year FiT contract with 17 years remaining on average
- Produced more than 100 million kWh of electricity in 2012
- 17 power plants consistently performing above plan and exceeding project finance covenant obligations
- Central monitoring system provides real-time visibility into plant performance (scalable platform for growth)

Notes:

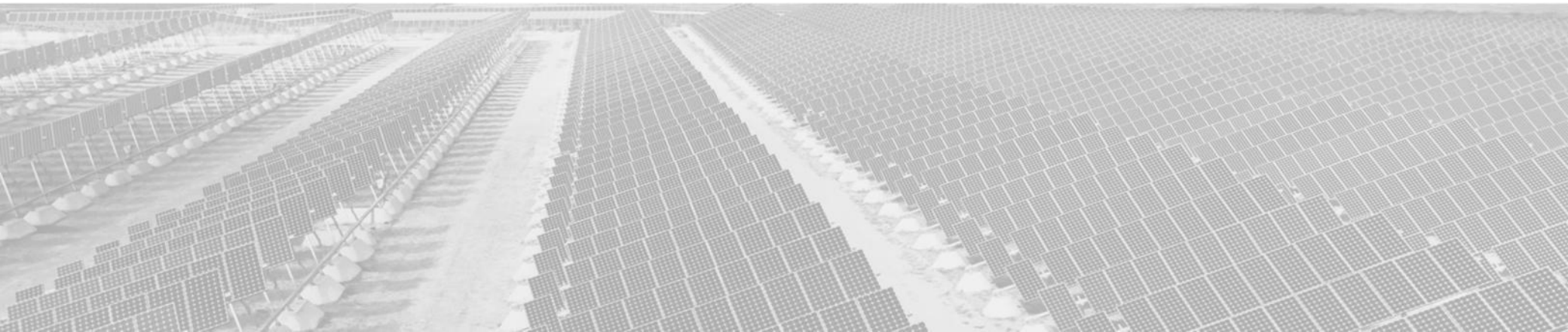
(1) All projects are owned 100% by Etrion

(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 2013 expected results generated in Euros and translated at EUR/US\$ = 1.34

UNDER CONSTRUCTION AND DEVELOPMENT: CHILE

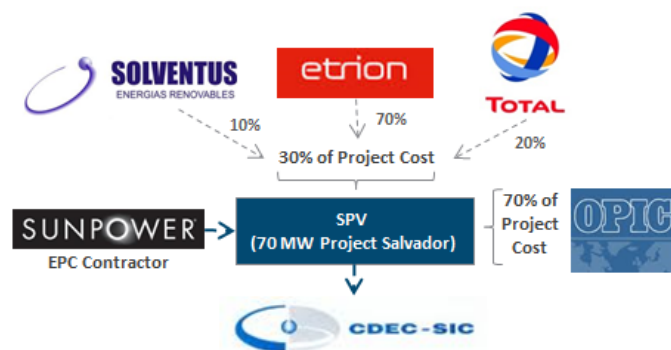
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PROJECT SALVADOR (70 MW) – TOTAL/ETRION PARTNERSHIP

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 all-in interest rate. The financing was recently signed, and first disbursement was made in December 2013



Indicative Sources and Uses of Funds (US\$ million)			
Uses of Cash:		Sources of Cash:	
Total Project Cost	201.7	Equity (30%):	60.5 ⁽¹⁾
		Senior Debt (70%)	141.2
TOTAL USES	201.7	TOTAL SOURCES	201.7

Indicative Project Economics	
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)
Net Production ⁽³⁾	141 GWh/year
Land	Concession with the government
Start of Construction ⁽²⁾	Q4-2013
Net Revenue ⁽³⁾	US\$26.5 million
Net EBITDA ⁽³⁾	US\$22.5 million
Net Free Cash Flow ⁽³⁾	US\$11.2 million



Notes:

- (1) Etrion is acquiring a 70% interest in the project with an equity contribution of approximately US\$42 million. Following payback of Etrion's equity contribution, Etrion's ownership will decrease to 50.01% (expected in September 2018). 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.
- (3) Production, revenue, EBITDA and free cash flow presented here represent the amounts expected for the first full year of operation net to Etrion's 70% interest in the project.

CHILE SOLAR PIPELINE

#	COUNTRY	REGION	PROJECT NAME	CONTRACT REGIME	PROJECTS	MW	STATUS	PROBABILITY	OWNERSHIP	CONSTRUCTION DATE
1	Chile	SING (North)	Aguas Blancas	PPA (Atacama Minerals)	1	8.8	<ul style="list-style-type: none"> - PPA signed with Atacama Minerals S.C.M., a wholly-owned subsidiary of Sirocco Mining - Project lender pre-selected - EPC and O&M contractor pre-selected 	P75	100%	Q1-2015
2	Chile	SING (North)	Aguas Blancas 2	Merchant + PPA	4	72	<ul style="list-style-type: none"> - Application for land filed in April 2013 - Following confirmation of land, environmental studies will be prepared and filed 	P10	100%	Q1-2015
3	Chile	SIC (Central)	Las Luces	Merchant + PPA	1	22	<ul style="list-style-type: none"> - Application for land filed in April 2013 - Following confirmation of land, environmental studies will be prepared and filed 	P10	100%	Q1-2015
					6	102.8				

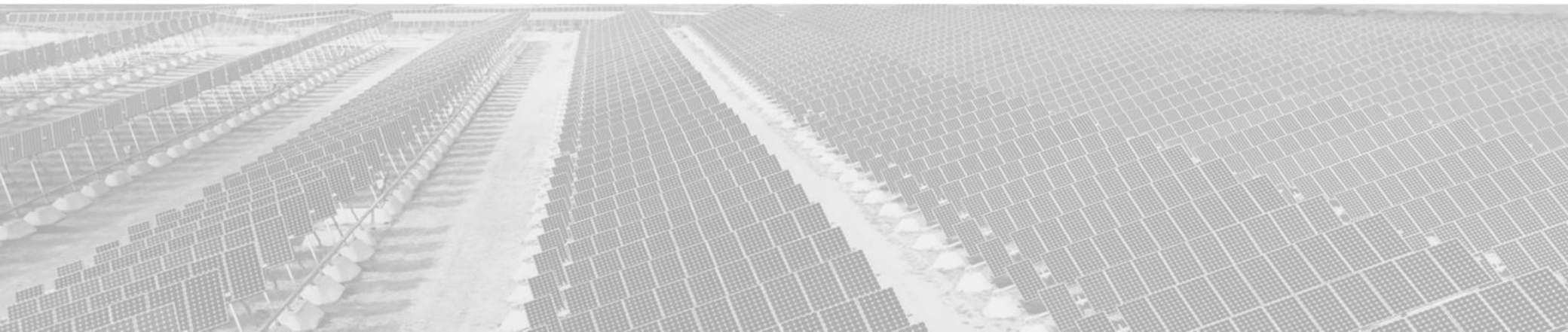
➤ Etrion's pipeline includes an additional 100 MW in Chile beyond the initial project with Total

Note:

(1) Construction dates may vary depending on development process; dates shown here are Management's best estimate

TODAY'S ANNOUNCEMENT: JAPAN

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JAPANESE SOLAR MARKET

Overview

- Japan to become among the top-three largest solar markets in the world, expected to represent nearly 25% of global solar market growth, or 10 GW, in 2014
- Japan has instituted a strong mandate to increase the use of renewable energy in its energy mix in order to reduce the country's dependence on nuclear power to support the world's third largest economy

Market Validation

- Key drivers for success:
 - ✓ Stable revenues (through attractive FiT regime)
 - ✓ Strong local partner (Hitachi Hi-Tech)
 - ✓ Increasing energy demand (with strong mandate to increase renewable sources in energy mix)
 - ✓ Available long-term, low-cost financing
- ***Consistent with Etrion's business model and proven track record of success***

Japanese Market



- Plans to increase power supply from renewable sources from 10% in 2011 to 25-35% by 2030
- Attractive FiT regime: ¥40 JPY per kWh (US\$0.38 per kWh) for projects secured by March 31, 2013 and ¥36 per kWh (US\$0.34 per kWh) for projects secured the following year
- The government has also taken / intends to take various other policy actions, including regulatory easing, tax incentives and energy sector reforms

HITACHI HI-TECH/ETRION PARTNERSHIP

Partnership Scope

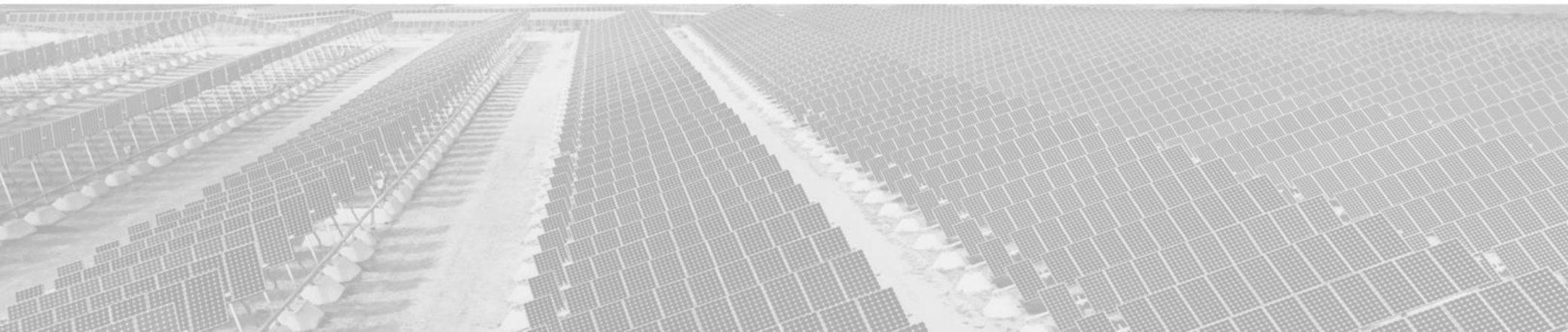
- Development agreement to build an IPP business in Japan
- Target of at least 100 MWp shovel-ready or under construction by 2015
- Hitachi Hi-Tech to provide:
 - Technology
 - EPC and O&M services
 - Relationship with utilities and local communities
- Etrion to provide:
 - Project development platform
 - Asset management services
- Partners to jointly provide:
 - Full project development cycle
 - Bank relationships
 - Long-term asset ownership

Current Status

- Joint team operating for more than one year to fully validate the business model
- Development process validated and under execution
- Economics validated
- Confirmation of long-term, non-recourse financing from leading Japanese banks
- Pursuing several opportunities, two of which have secured the FiT of ¥40 per kWh (US\$0.38 per kWh) for an initial combined capacity of 34 MWp

CONCLUSION

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CONCLUSION

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

➤ Unique Capital Structure

- Non-recourse project finance from banks with 70-85% leverage
- Corporate bonds
- Lundin financial support
- Canadian and Swedish stock exchange listings

➤ 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 businesses in Europe and the Americas

➤ Yield Plus Growth Plan

- Yield – clear path to dividends in 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 18 months with large pipeline for future growth

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