



etrion

Third Quarter 2013 Earnings Call

November 7, 2013

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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) 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, confirmation of the applicable FiT and spot market price for electricity sales. 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 and the risk that the Company may not be able to identify and/or acquire additional renewable energy projects on economic terms.

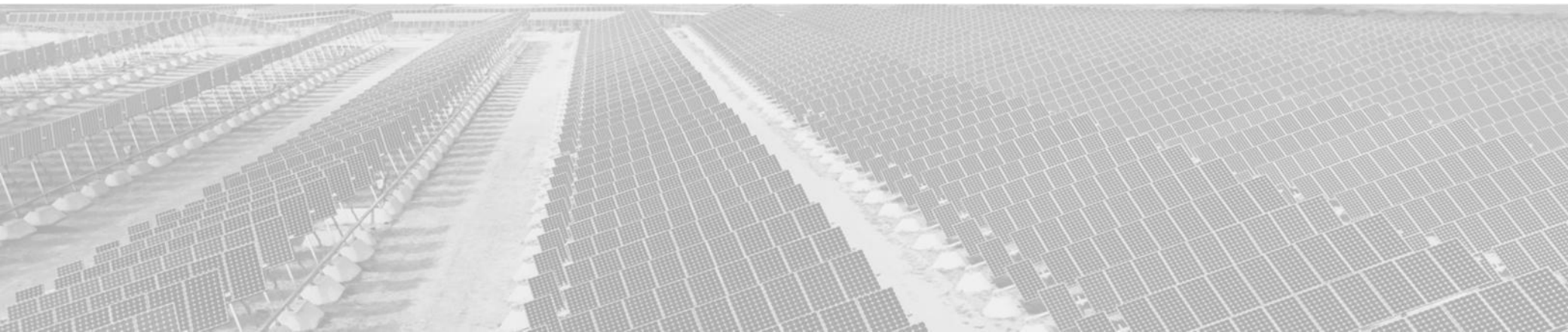
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CORPORATE OVERVIEW

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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 double installed capacity within 18 months
- Strategy focused on building a platform for:
 - **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 platform for dividends to shareholders by 2015
 - **Growth** - Building a large pipeline of renewable energy development projects through key partnerships

Financial Summary

Recent Share Price (TSX/OMX: ETX)⁽¹⁾	CAD\$0.67 / SEK 4.15
Shares Outstanding⁽²⁾	209.2 million
Lundin Family Ownership	25.4%
Other Director/Management Ownership	10.7%
Net Debt⁽³⁾	US\$363 million
Market Capitalization	US\$135 million
Enterprise Value	US\$498 million



Note:

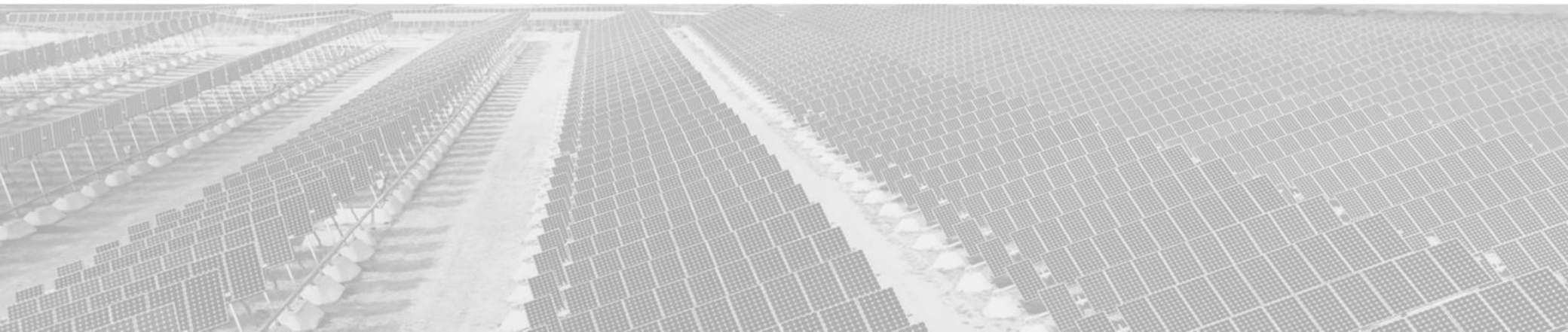
(1) ETX share price at closing on November 6, 2013

(2) Shares outstanding as of November 6, 2013

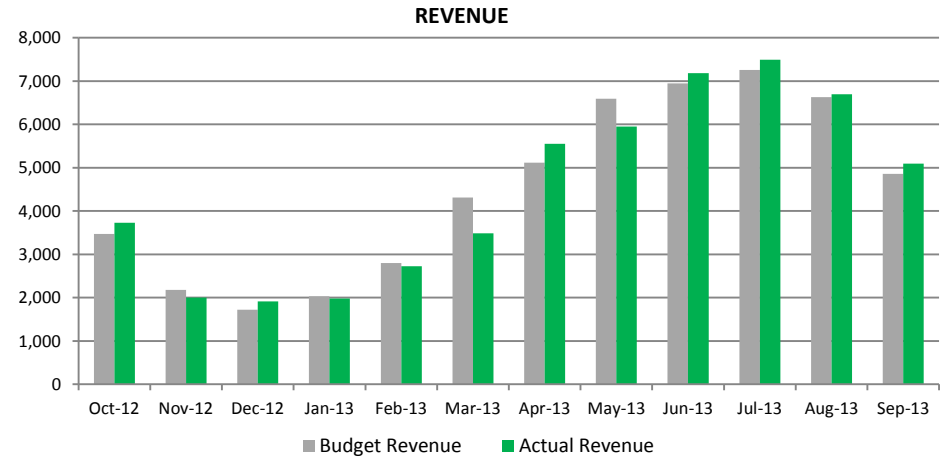
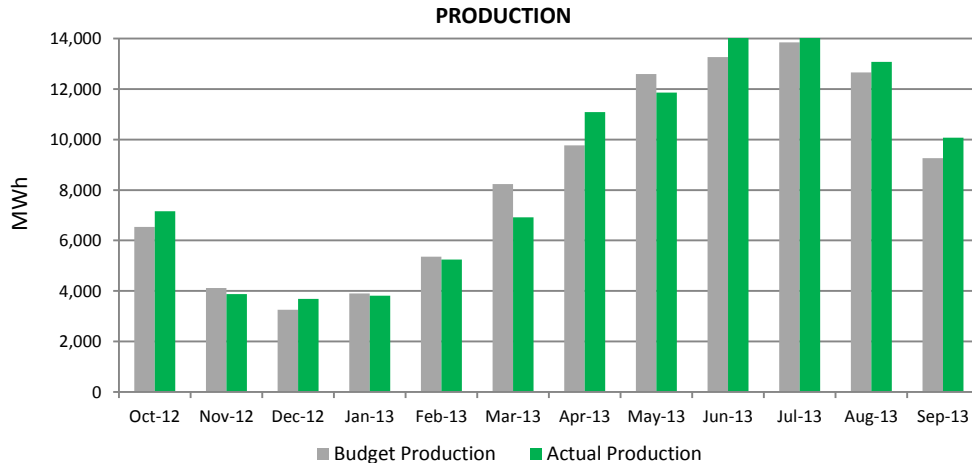
(3) Net debt as of September 30, 2013, includes US\$286 million of non-recourse, project-level debt and US\$77 million corporate debt

OPERATIONS

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OPERATIONAL PERFORMANCE



- The current platform of approximately 60 MW continues to perform above budget, producing approximately 3% more electricity and generating approximately 3% more revenues than budgeted over the last twelve months.
- During the three months ended September 30, 2013, the Company's seventeen solar power plants produced 37.7 million kilowatt hours ("kWh") of solar electricity, approximately 5% above forecast and 6% above the comparable period in 2012 due to a combination of higher availability and solar irradiation.
- Etrion expects to produce over 100 million kWh of solar electricity in 2013.
- As Etrion connects projects in Chile, it will minimize the effects of seasonality.

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 ⁽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)

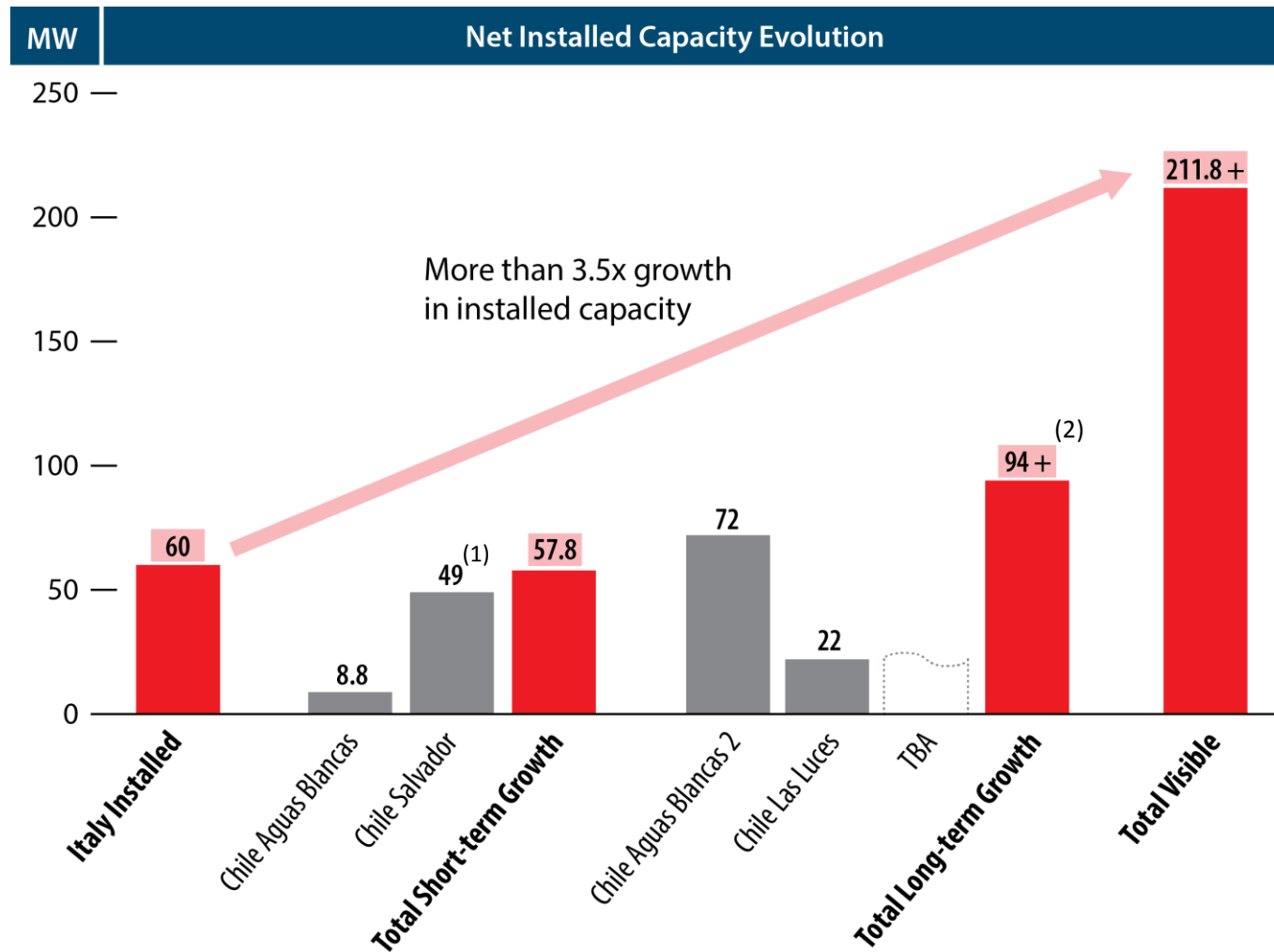
Notes:

(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

POTENTIAL GROWTH



Notes:

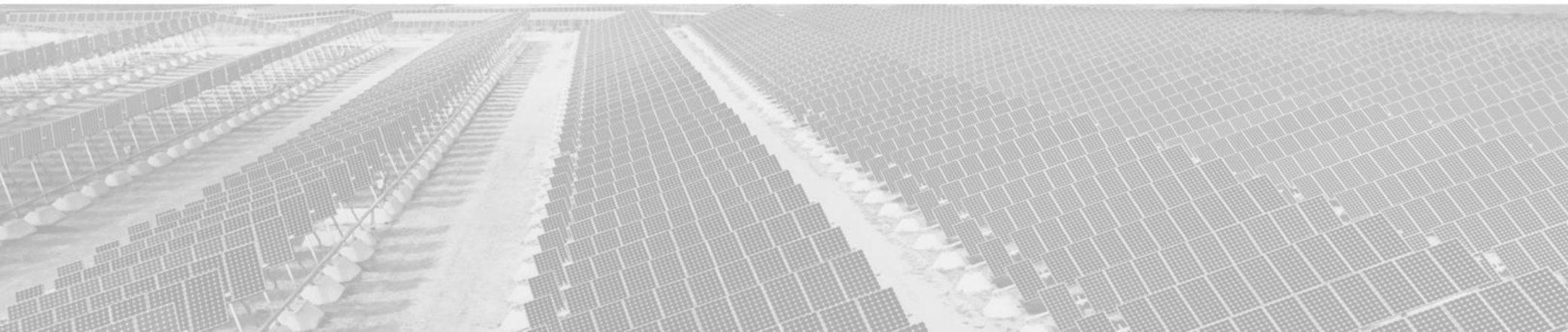
(1) Etrion's net capacity in 70MWp project

(2) Total long-term growth represents Etrion's potential organic growth plan; long-term pipeline shown here may be substituted with other projects within the next 12 months

(3) TBA = third market to be announced in next 3-6 months

Q3 2013 FINANCIAL REVIEW

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FINANCIAL RESULTS

(US\$'000)	Q3-2013 ⁽¹⁾ (Three months)				Q3-2013 ⁽¹⁾ (Nine months)			
	2013	2012	Variance		2013	2012	Variance	
Revenue	19,414	18,341	1,073		46,150	48,277	(2,127)	
Operating expenses	(2,128)	(1,702)	(426)		(6,194)	(4,206)	(1,988)	
General and administrative ("G&A") expenses	(1,412)	(2,257)	845	EBITDA margin of 82%	(4,402)	(6,534)	2,132	EBITDA margin of 76%
Other income/(expenses)	7	27	(20)		(620)	2,018	(2,638)	
EBITDA	15,881	14,409	1,472		34,934	39,555	(4,621)	
Depreciation and amortization	(5,022)	(4,850)	(172)		(15,117)	(14,839)	(278)	
Net finance costs	(6,542)	(6,880)	338		(20,054)	(21,070)	1,016	
Income tax expense	(3,261)	(2,300)	(961)		(4,401)	(4,812)	411	
Net income/(loss)	1,056	379	677		(4,638)	(1,166)	(3,472)	
Adjustments for non-recurring and non-cash items:								
- Other (income)/expenses (non-recurring)	(7)	(27)	20		620	(2,018)	2,638	
- Depreciation and amortization (non-cash)	5,022	4,850	172		15,117	14,839	278	
- Unrealized fair value movements (derivatives) (non-cash)	179	246	(67)		(111)	301	(412)	
- Share-based payment (non-cash)	125	143	(18)		445	302	143	
Adjusted net income after non-recurring and non-cash items	6,375	5,591	784		11,433	12,258	(825)	

Notes:

- (1) Please refer to the MD&A 'Financial Review – Financial Results' section on pages 9 to 13 for a complete review and variance analysis relating to Etrion's condensed consolidated interim financial information for the three and nine months ended September 30, 2013, compared to the same periods of 2012.

FINANCIAL POSITION

(US\$'000)	Q3-2013 ⁽¹⁾	YE-2012	Variance
Non-current assets	377,694	385,166	(7,472)
Property, plant and equipment ("PP&E") and intangible assets	361,972	366,827	(4,855)
Available for sale investments	2,061	2,061	-
Other (trade and other receivables and deferred tax)	13,661	16,278	(2,617)
Current assets	63,856	67,611	(3,755)
Trade and other receivables	38,621	29,861	8,760
Cash and cash equivalents (including restricted cash)	25,235	37,750	(12,515)
Total assets	441,550	452,777	(11,227)
Non-current liabilities	400,127	417,515	(17,388)
Borrowings	364,698	369,747	(5,049)
Other liabilities (derivatives, deferred income tax and provisions)	35,429	47,768	(12,339)
Current liabilities	50,288	49,908	380
Borrowings	23,688	30,024	(6,336)
Trade and other payables	5,784	6,990	(1,206)
Other (derivatives, income tax and provisions)	20,816	12,894	7,922
Total liabilities	450,415	467,423	(17,008)
Total equity	(8,865)	(14,646)	5,781
Working capital (i.e., current assets less current liabilities)	13,568	17,703	(4,135)

Borrowings: US\$388.4 million
 ➤ Corporate bond (US\$84.0 million) with 9% annual interest and 4-year maturity
 ➤ Project loans (US\$304.4 million)

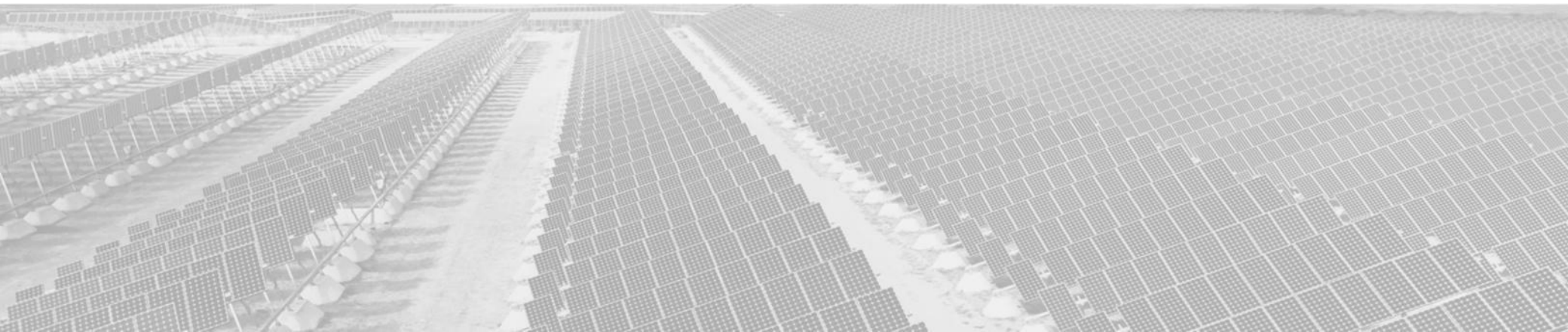
Negative equity position:
 Includes unrealized fair value losses associated with derivative financial instruments (that will not be realized). Excluding these losses, net equity would have been positive US\$3.5 million

Notes:

- (1) Please refer to the MD&A 'Financial Review – Financial Position' section on pages 13 to 15 for a complete review relating to Etrion's condensed consolidated interim financial information for the three and nine months ended September 30, 2013, compared to the same periods of 2012.

CONCLUSION

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CONCLUSION

Attractive returns in downstream solar power generation sector

➤ **Stable, Diverse Cash Flow**

- Significant revenue and EBITDA
- Solar parks performing more than 5% above expectations
- Future diversity in terms of geography (Italy/Chile) and contract regime (FiT/PPA/Merchant)
- Future counter-seasonal revenues

➤ **Unique Capital Structure**

- Non-recourse project finance from banks with 80-85% leverage
- Lundin financial support
- Corporate bonds

➤ **Strong Management**

- Operational know-how with over 250 MW of solar parks built in major EU markets
- Completed 60 MW Etrion solar portfolio in Italy 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 Platform**

- Yield – clear path to dividends in 2015
- Growth – doubling installed capacity in next 18 months and building large pipeline for future growth
- Critical mass – gaining scale in terms of MW, EBITDA, market cap and trading volume

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