

SpareBank Energy Conference Oslo, March 1st 2018

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Powered by the Sun

Developing, building and operating solar
power generation plants

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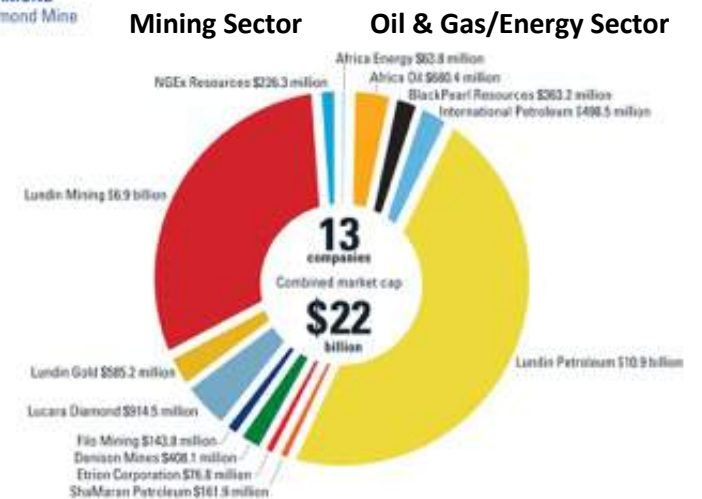
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Corporate Overview

Etrion – The renewable platform of the Lundin Group



THE LUNDIN GROUP WORLDWIDE OPERATIONS

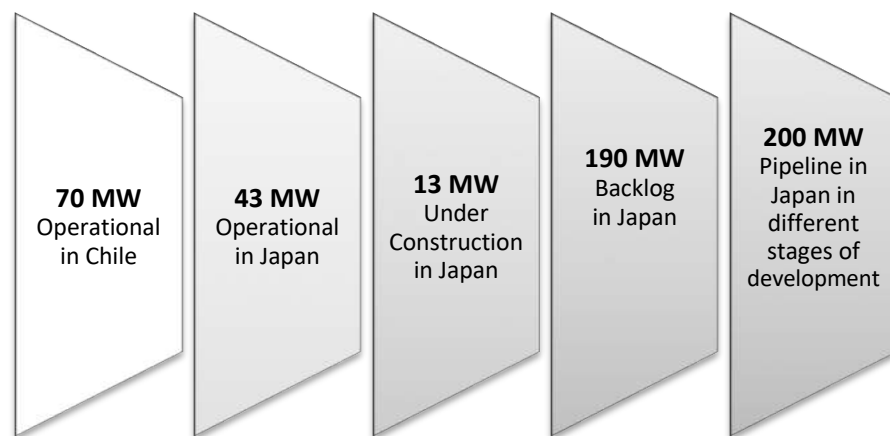


Etrion Corporation

Company Overview

- Japan focused Independent power producer (IPP) that develops, builds, owns and operates ground-based solar photovoltaic (PV) power generation plants
- Successful strategic partnership with Hitachi High-Technologies Corporation since 2013
- Company is fully funded through 2018 to support growth in Japan
- Listed on the Toronto Stock Exchange in Canada and the NASDAQ OMX Stockholm exchange in Sweden (ticker ETX)

Asset / Pipeline Highlights



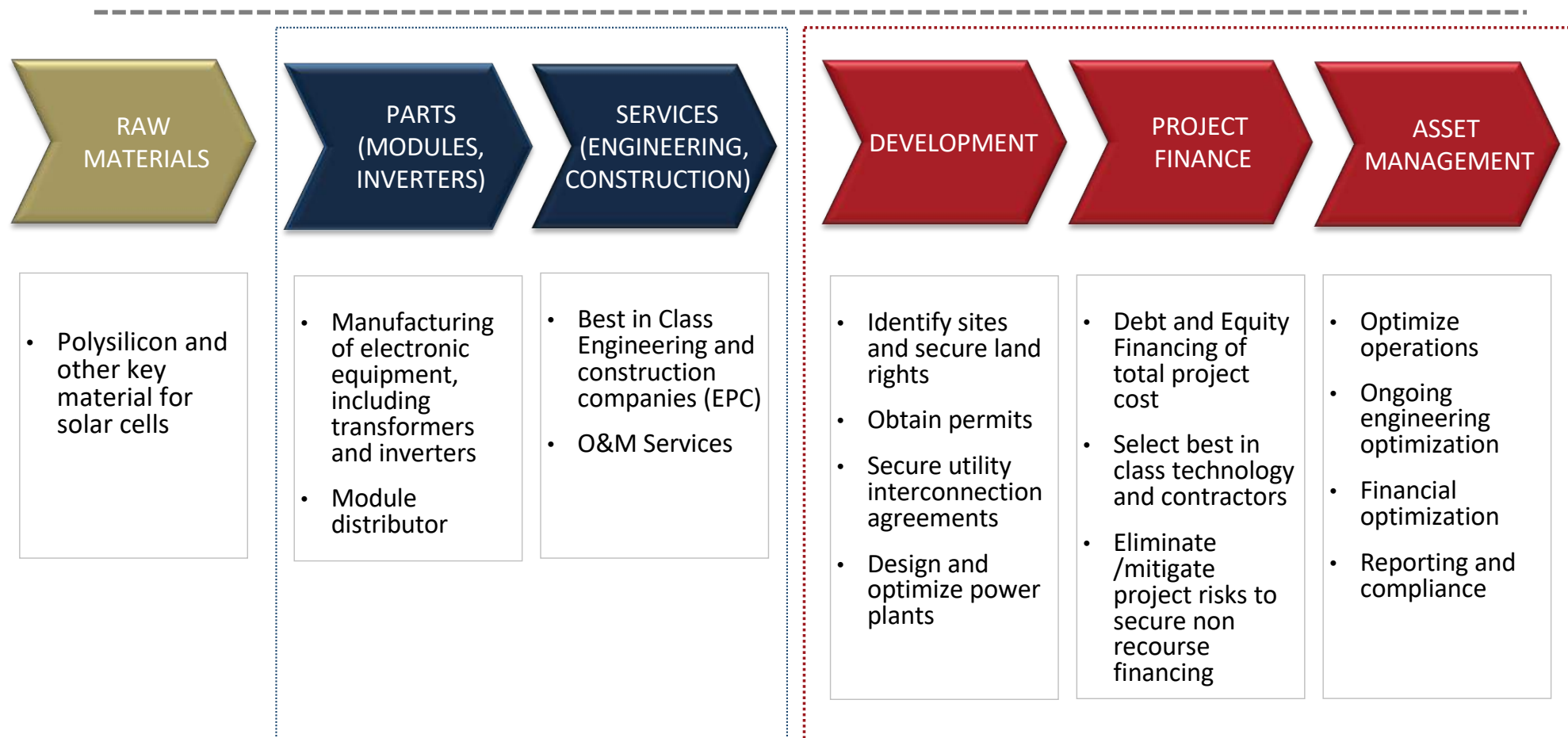
Financial Summary

Recent Share Price (TSX/OMX: ETX)	C\$0.23 / SEK 1.66
Shares Outstanding	334.1MM
Lundin Family Ownership	24.3%
Other Director/Management Ownership	6.7%
Revenues as of December 31, 2017 (Unaudited)	US\$21.8MM
Project-level EBITDA as of December 31, 2017 (Unaudited)	US\$12.6MM
Restricted / Unrestricted Cash as of December 31, 2017 (Unaudited)	US\$12.8MM / \$30.4MM
Market Capitalization	US\$60.6MM
Number of Employees	23

Notes:

- (1) US\$ refers to US dollars; C\$ refers to Canadian dollars; SEK refers to Swedish krona.
- (2) ETX share price at closing on February 23, 2018.
- (3) ETX shares outstanding as of December 31, 2017.
- (4) Unaudited Revenue and project-level EBITDA for the twelve months ended December 31, 2017

Our Focus in Japan



Downstream Focus Enables Fund Deployment with Predictable Economic Returns

Renewable energy market in Japan

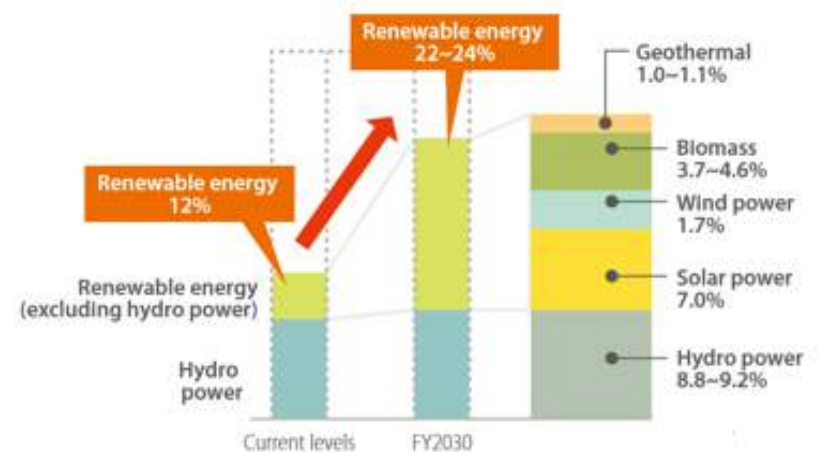
Category	Installed Capacity (MWp)	Approved Capacity (MWp)	Balance (MWp)
PV Solar (House)	5,588	6,459	871
PV Solar (Industrial)	33,824	60,459	26,635
Wind	929	8,200	7,271
Biomass	1,000	14,612	13,612

Note: Approved capacity is adjusted after dropping 35.5 GW cancelled by METI.
 Source: METI August 2017.

26.6 GW represents the total aggregated solar projects which have been awarded a FiT but have not yet reached COD. A large portion of this capacity is still being held by developers seeking investors, like Etrion, to bring them to NTP.

Renewable energy

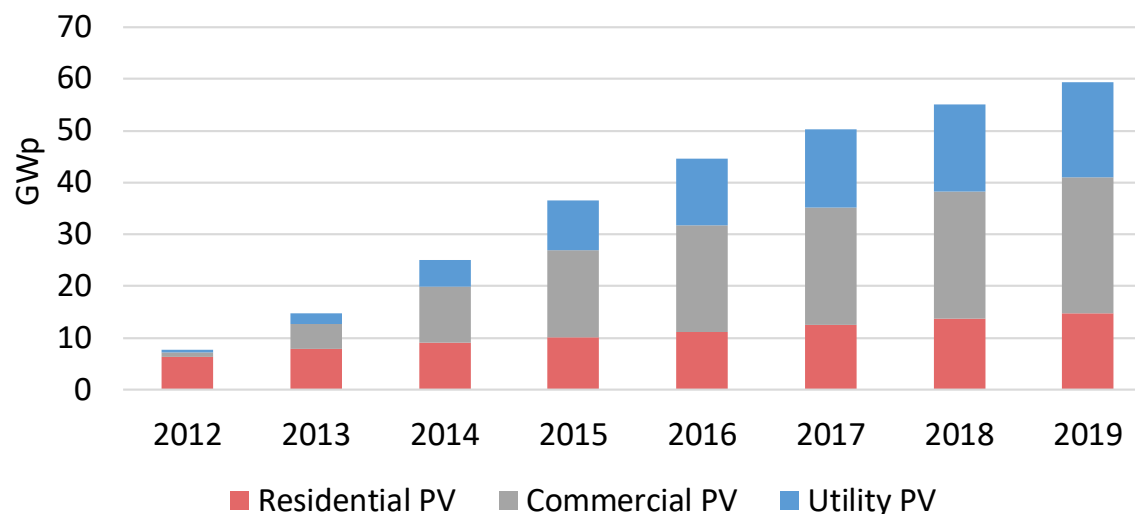
Two-fold increase from current levels (from 12% to 22-24%)



Etrion position in Japan

#	Name	MW
1	Orix Corporation	520
2	SB Energy	278
3	Eurus Energy HD	237
4	Mitsui & Co.	232
5	Marubeni Corp.	202
6	NTT Facilities	200
7	Mitsubishi Corp.	136
8	Pacifico Energy	131
9	Japan Renewable Energy	123
10	Renova	121
11	Tokio Marine Asset Management Co.	111
12	Sharp Corporation	111
13	C-tech Corporation	110
14	NRE	102
15	Fuyo General Lease Co Ltd	100
16	Kyocera TCL Solar	98
17	Daiwa House Industry Co	90
18	Sky Solar Japan	88
19	Obayashi Corporation	83
20	Shibaura Group Holdings	80
21	Japan Asia Group Ltd	75
22	Canadian Solar	58
23	X-Elio	56
24	Ichigo ECO Energy Co	52
25	Sojitz Corporation	51
31	Etrion	35

Japan – Cumulative PV Market Capacity

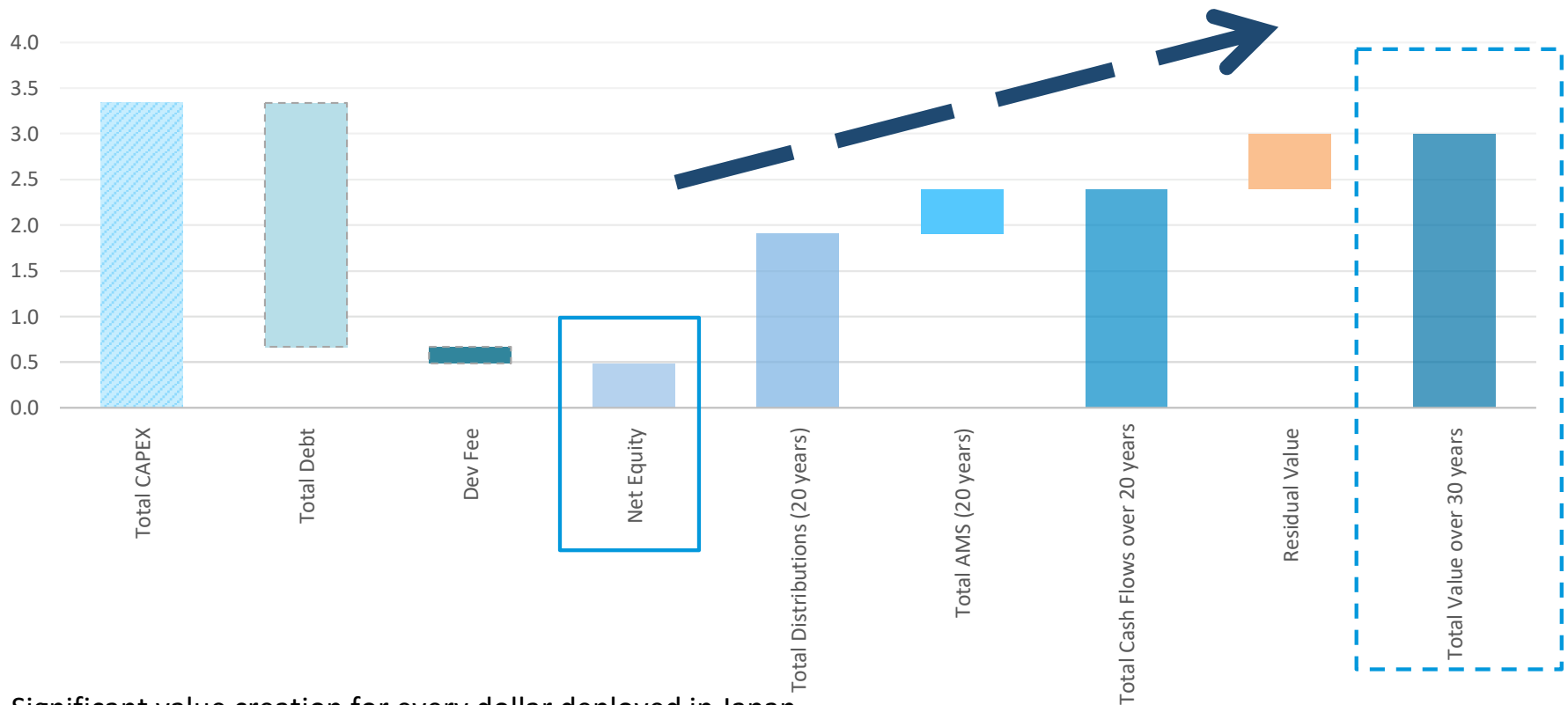


- Japan Solar Market remains very fragmented with a large number of projects with FiT still to be developed
- Strong consolidation, driven by demand for yield from Solar REIT, IPPs, infrastructure funds and utilities seeking to expand their coverage after liberalization
- With Komatsu and backlog Etrion has the potential to become among top 10 solar players in Japan

Source: Solarplaza International, www.solarassetmanagement.asia, as of May 12, 2017

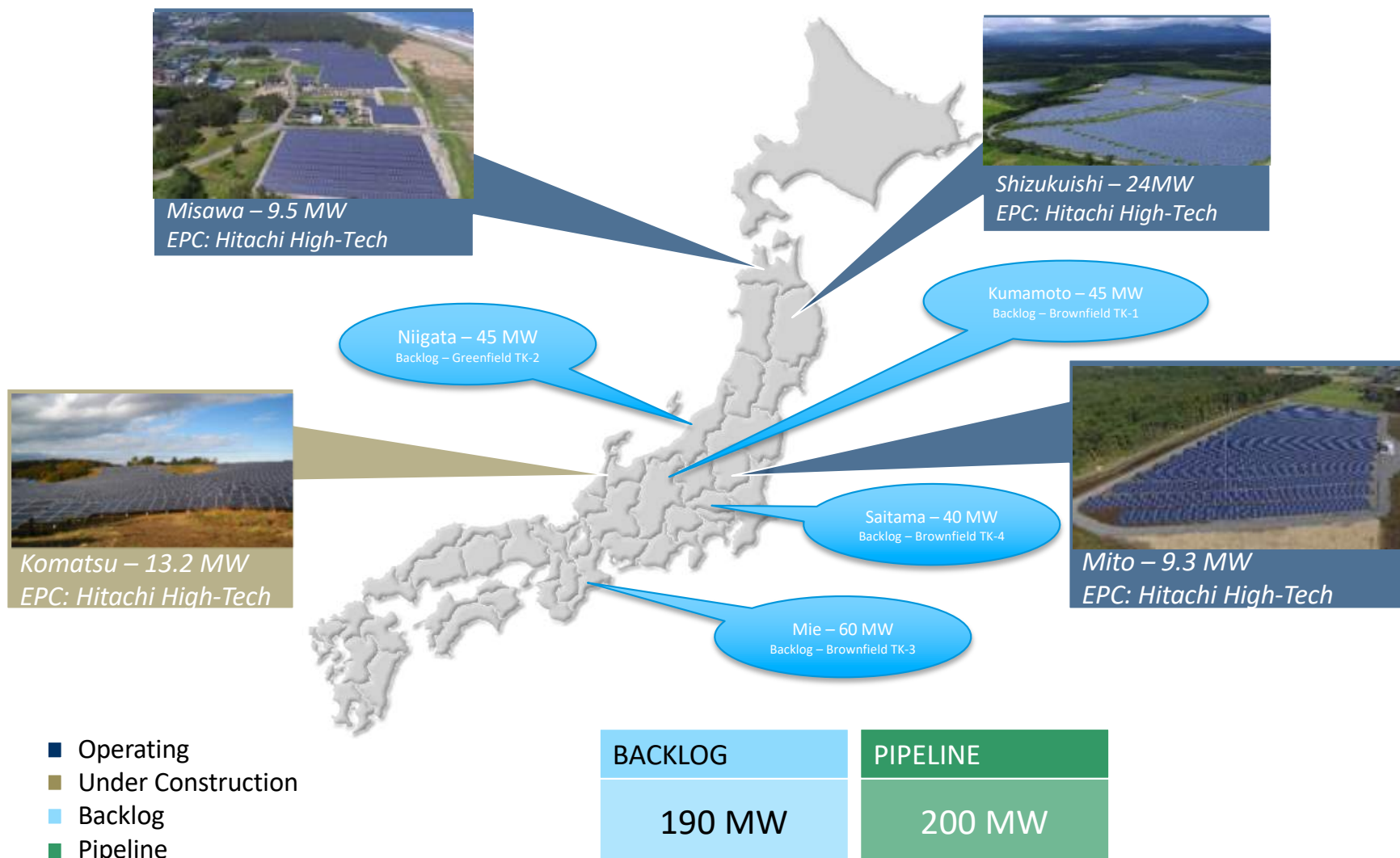
Building Value in Japan

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 in Japan
- Minimum equity needs due high leverage and recharge of structuring and development fees
- Each \$1 invested in Japan typically creates around \$5 in total cash flows to Etrion over 20 years of operations and around \$6 assuming a typical residual value of 25%
- When discounting at a market discount rate of 5%, each \$1 invested created around \$2.5-\$3.0 of value over 20 years

Our Presence



Etrion's partnership with Hitachi-High Technologies

Partnership Highlights

- Partnership since 2013
- Working together through the full development cycle
- Brings invaluable contributions when dealing with:
 - Land owners
 - Utilities
 - Government authorities
- Hitachi provides
 - Best in class technology
 - Construction, operations and maintenance services
- Partners committed to 300MW target portfolio by 2018

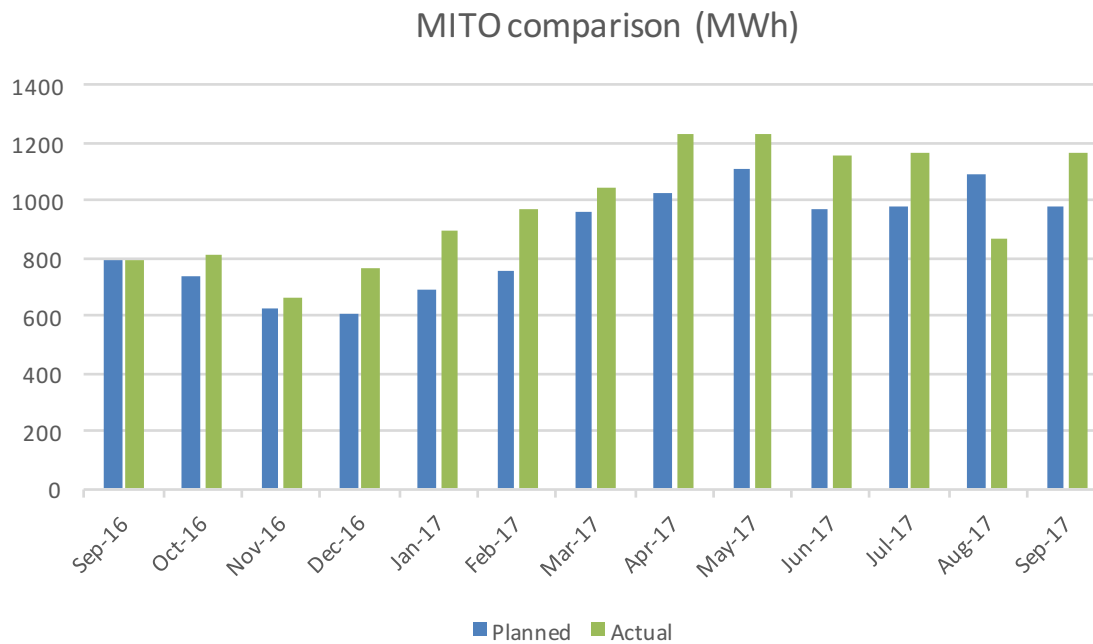


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Asset Description

Mito – 9.3 MW Operational



Mito	
Utility	Tepco
Capacity	9.3 MW
Ownership	87%
Technology	Fixed-tilt
Module	Canadian Solar
Inverters	Hitachi
EPC / O&M	Hitachi High-Tech
Irradiation Yield	1,120 kWh/kWp
Revenue Stream	FiT: ¥40/kWh Term: 20 years
Production	10.3 GWh/year
Total Project Cost	¥3.4Bn
Commencement of Operation	Aug-15



Mito site 1



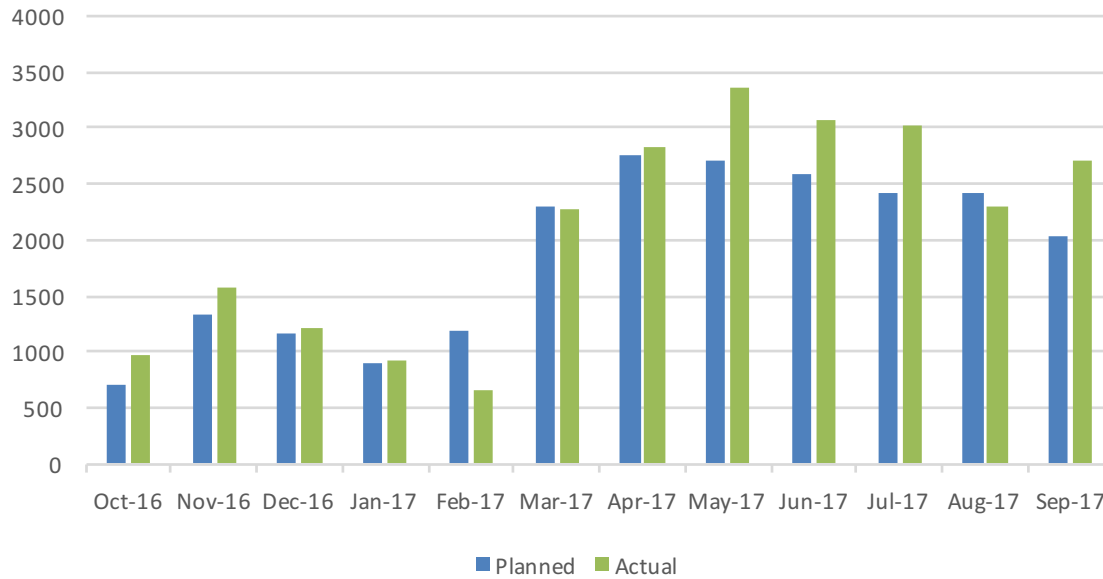
Mito site 2



Mito site 3

Shizukuishi – 24.7 MW Operational

Shizukuishi comparison (MWh)



Shizukuishi	
Utility	Tohuko
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
Commencement of Operation	Oct-16



General aerial view of full plant



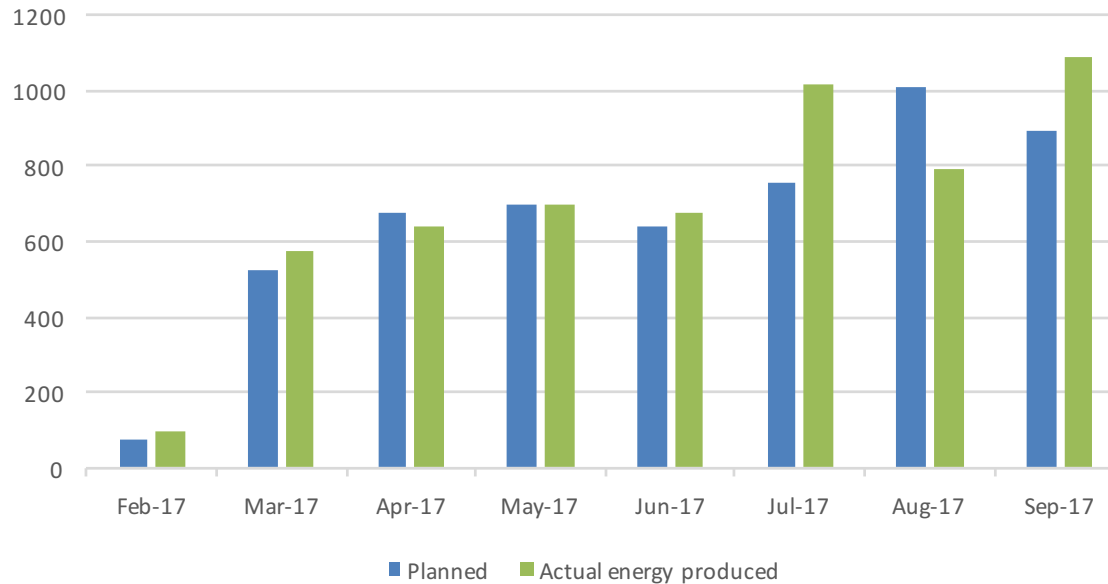
View of the SW section of the plant



View of the NW section of the plant.

Misawa – 9.5 MW Operational

MISAWA comparison (MWh)



Misawa	
Utility	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
Commencement of Operation	Feb-2017



Site 1

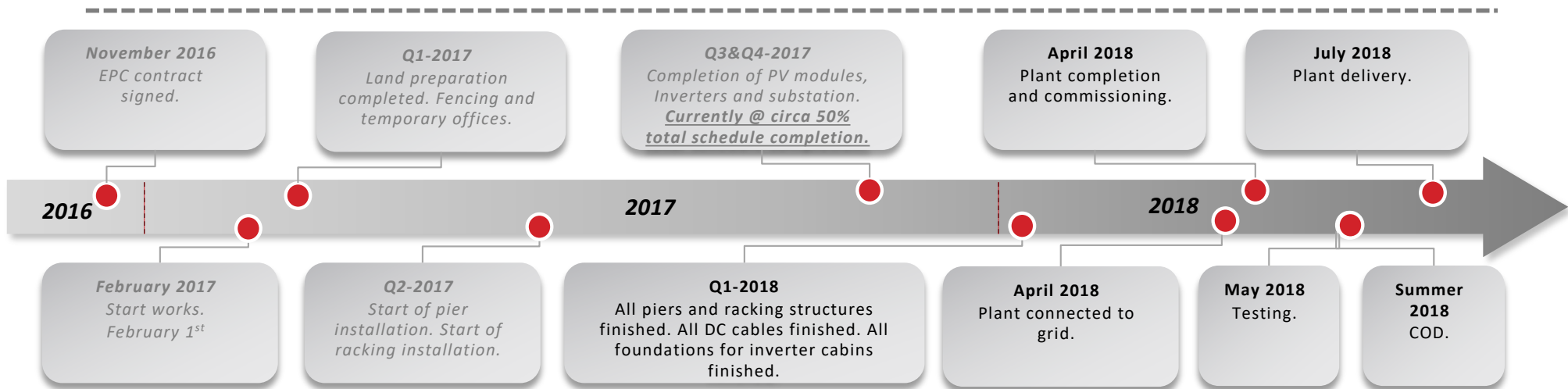


Site 2



Site 4

Komatsu – 13.2 MW Under Construction

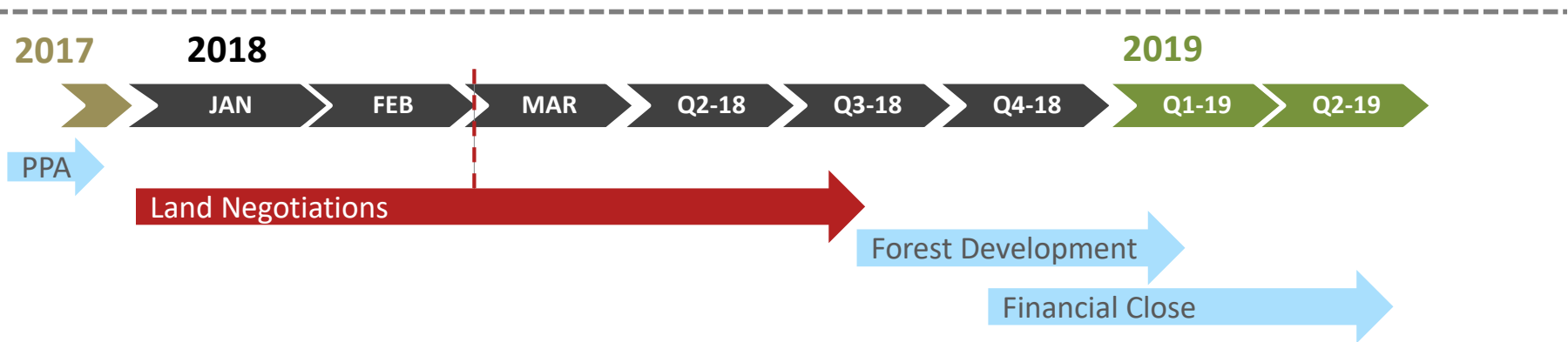


Komatsu	
Utility	Hokoriku
Capacity	13.2 MW
Ownership	85%
Technology	Fixed-tilt
Module	Canadian Solar
Inverters	Hitachi
EPC / O&M	Hitachi High-Tech
Irradiation Yield	1,087 kWh/kWp
Revenue Stream	FiT: ¥32/kWh Term: 20 years
Production	14.2 GWh/year
Total Project Cost	¥4.3 Bn

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Backlog and Pipeline Projects

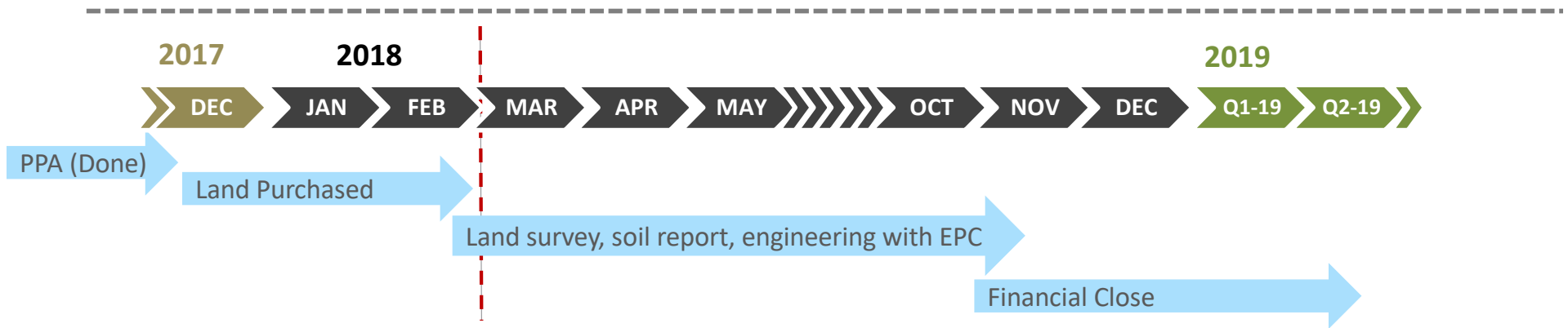
45 MW – Kumamoto Prefecture - Brownfield TK-1



PROJECT HIGHLIGHTS			
Size	45 MWp	ETX share	85%
Region	Nagano Prefecture, Japan	Expected: NTP / COD	NTP: Q4-2018 COD: Q4-2020
Revenue	FIT: ¥36/kWh	Development Period	Since Q2 2015
METI	FIT secured	EPC Contractor	Hitachi High technologies
COD Rule	Not subject to 3 year rule	O&M Contractor	Hitachi High technologies
Curtailment	30 day rule	Utility	Kyushu Electric Power Utility

- Critical path for this project remains the resolution of land acquisition. Ongoing discussion with landowner expected to bear fruit this summer
- Once land is secured, forest develop would file completing all permits to reach ready to build status

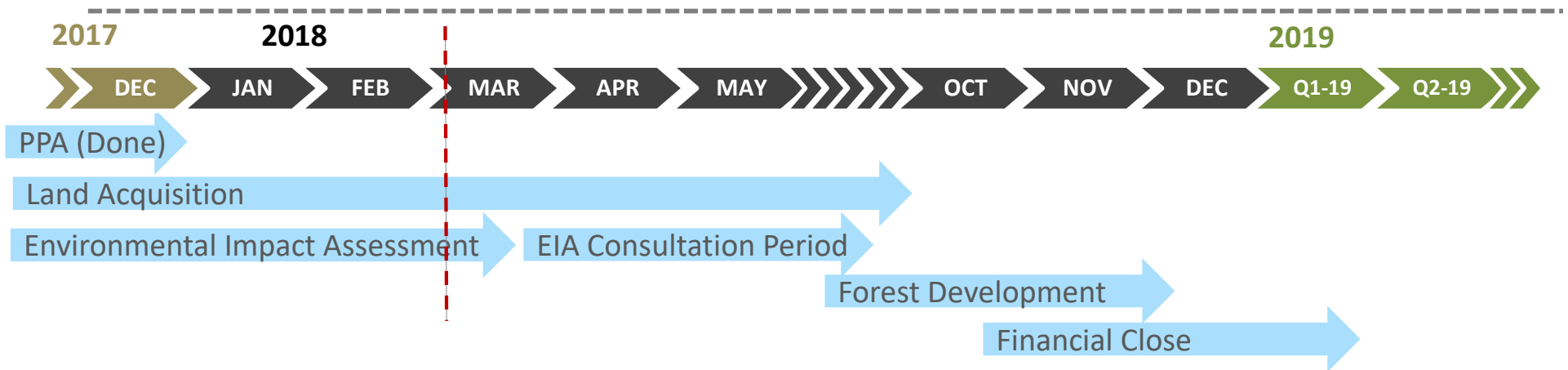
45 MW – Niigata Prefecture - Greenfield TK-2



PROJECT HIGHLIGHTS			
Size	45 MWp	ETX share	85%
Region	Niigata Prefecture - Japan	Expected: NTP / COD	NTP: Q1-2019 COD: Q4-2021
Revenue	FIT: ¥36/kWh	Development Period	Since Q2 2016
METI	FiT secured	EPC Contractor	RFP issued – selection Q2-18
COD Rule	3 year rule applies	O&M Contractor	RFP issued – selection Q2-18
Curtailement	30 day rule	Utility	Tohoku Electric Power Utility

- Land acquisition from 132 landowners completed last four weeks.
- RFP issued to select EPC contractor and Civil works company
- Land survey and soil report under way
- Preparation of forest development application works through the summer
- Ongoing consultation with local communities

60 MW – Mie Prefecture Brownfield TK-3

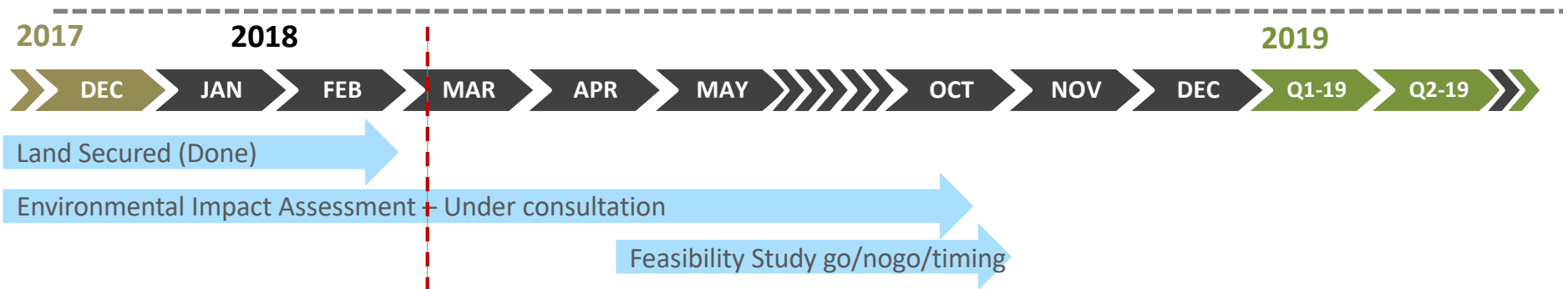


PROJECT HIGHLIGHTS

Size	60 MWp	ETX share	50%
Region	Mie Prefecture - Japan	Expected: NTP / COD	NTP: Q4-2018 COD: Q2-2021
Revenue	FIT: ¥36/kWh	Development Period	Since Q2 2016
METI	FiT secured	EPC Contractor	RPF to be issued by Q2-18
COD Rule	3 year rule does not apply	O&M Contractor	RPF to be issued by Q2-18
Curtailment	30 day rule	Utility / PPA	Chubu Electric Power Utility

- Land option extended through the summer. By then land to be acquired by project partner
- Environmental Impact Assessment published. Ongoing discussions with all stakeholders prior to submitting Forest development.
- RFP to select EPC contractor and Civil works company to be issued by Q2-18
- Ongoing consultation with local communities

40 MW – Saitama Prefecture Brownfield TK-4



PROJECT HIGHLIGHTS

Size	40 MWp	ETX share	60% - 100%
Region	Saitama Prefecture, Japan	Expected: NTP / COD	NTP: Open Depends on EIA
Revenue	FIT: ¥36/kWh	Development Period	Since 2016
METI	FIT secured	EPC Contractor	Open
COD Rule	3 year rule applies	O&M Contractor	Open
Curtailment	30 day rule	Utility / PPA	Tepco Electric Power Utility

Main challenge remains outcome of consultation with prefecture on Environmental Impact Assessment and complexity of Civil works required to deploy this project

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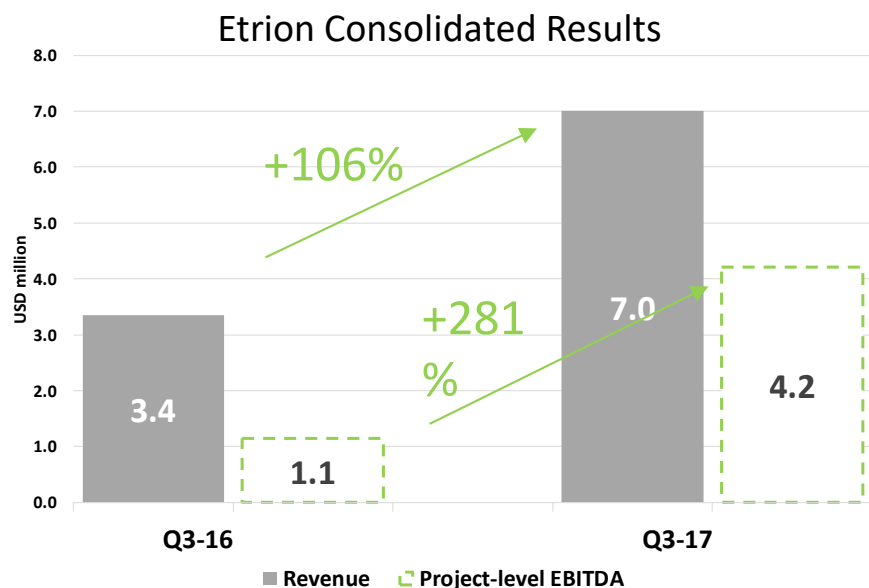
Financial Results & 2017 Guidance Results

2017 Guidance and Actual Results (Unaudited)

Net to Etrion's interest USD million otherwise stated	Low end guidance	Actual Results	High end guidance
Energy generation (MWh)	33,500	36,018	35,200
Revenue	11.5	12.7	12.7
Project-level EBITDA	7.8	9.2	8.6

- Japanese production, revenue and project-level EBITDA in 2017 met or exceeded the high end guidance.
- Production was 2.3% above the high end and , revenue at the high end of the guidance and EBITDA 6.5% above the high end
- Production increased as a result of Misawa project completion ahead of schedule and unseasonal higher irradiation in the summer

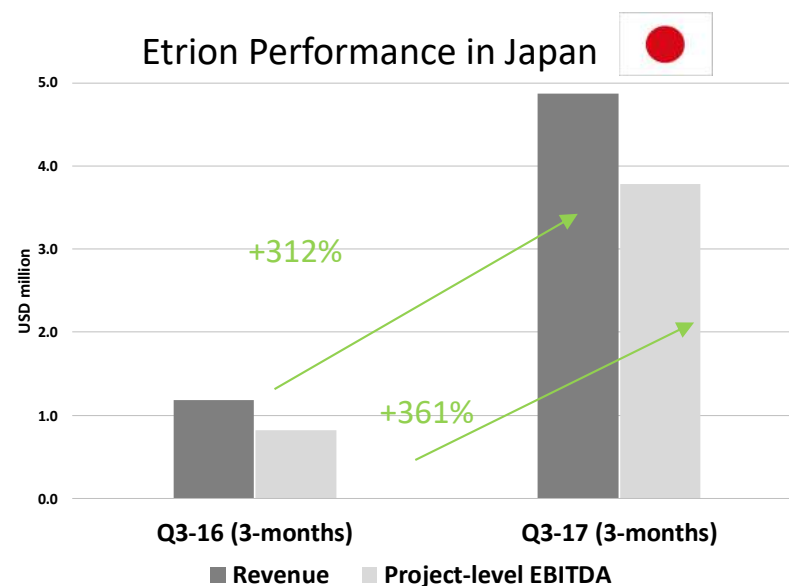
Financial Results



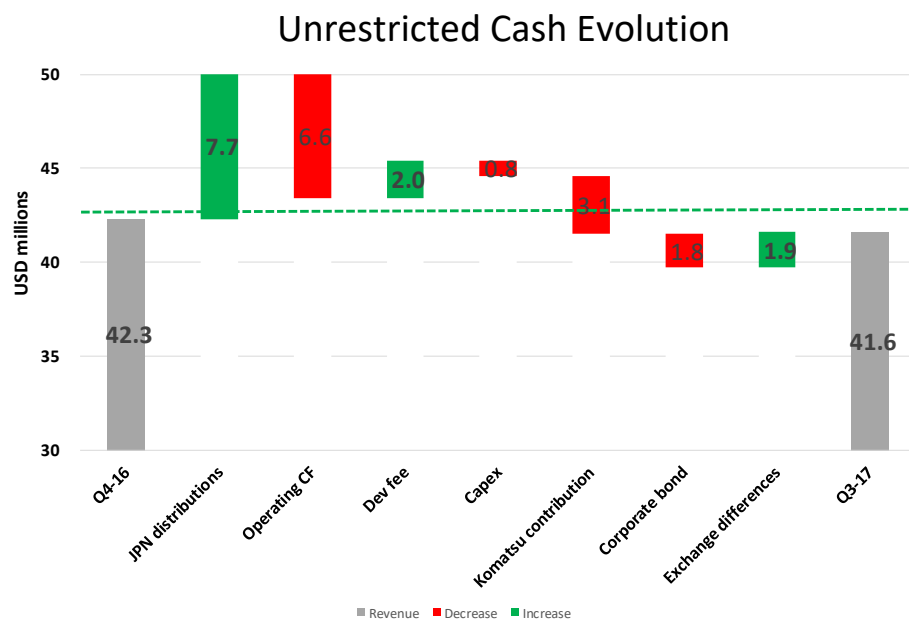
Q3-17 Income statement by segment (3-months)				
US\$ million	Chile	Japan	Corp	TOTAL
Revenues	2.1	4.9		7.0
Operating expenses	(1.7)	(1.1)		(2.7)
G&A expenses	(0.1)	(0.0)	(1.6)	(1.7)
EBITDA	0.4	3.8	(1.7)	2.5
Gain on deconsolidation			41.0	41.0
Depreciation and amortization	(1.4)	(1.7)	(0.1)	(3.1)
Net finance costs	(2.6)	(0.7)	(1.4)	(4.8)
Income (loss) before taxes	(3.5)	1.3	37.8	35.6
Tax expense		(0.3)	(0.2)	(0.5)
Net income (loss)	(3.5)	1.0	37.6	35.2
EBITDA margin (%)	21%	78%		

Etrion will consolidate the Salvador net results up to September 30, 2017

- Revenues and project-level EBITDA up relative to Q3-16 due to positive operating performance and additional production in Japan.
- In Q3-17 electricity production in Japan increased 350% quarter-over-quarter as a result of the new Shizukuishi and Misawa solar projects, relative to Q3-16.
- Japan continues to drive the positive project performance for Etrion. During Q3-17 it generated 70% and 90% of the Group's revenues and project-level EBITDA respectively.
- Consolidated net income of \$35.2 million was driven by the non-cash gain on deconsolidation of Salvador.



Cash Flow Statement



US\$ million	Restricted	Unrestricted	Total
December 31, 2016	18.9	42.3	61.2
Project level EBITDA	10.0		10.0
Project cash distributions	(8.9)	7.7	(1.2)
Corporate G&A		(4.9)	(4.9)
Taxes paid	(0.3)	(0.7)	(1.0)
Komatsu development fee	(2.4)	2.0	(0.4)
Working capital	(4.5)	(1.0)	(5.5)
Operating cash flow	(6.1)	3.1	(3.1)
Capital expenditures	(36.2)	(0.8)	(37.0)
Investing activities cash flow	(36.2)	(0.8)	(37.0)
Proceeds from bank loans	49.4		49.4
Project loans interest	(4.0)		(4.0)
Repayment of bank loans	(6.1)		(6.1)
Interest repayment of corporate bond		(1.8)	(1.8)
Etrion's equity contributions to Komatsu	3.1	(3.1)	-
Contributions from non-controlling interests	0.5		0.5
Financing activities cash flow	42.9	(5.0)	38.0
Exchange rate differences	2.7	2.0	4.7
Cash from deconsolidated subsidiary	(2.6)		(2.6)
September 30, 2017	19.6	41.6	61.1

- Etrion's unrestricted cash position has been stable at US\$42 million during 2017 and provides liquidity to fund the growth of the business in Japan.
- Unrestricted cash was positively impacted by the Mito and Shizukuishi cash distributions to Etrion totaling US\$7.7 million.
- Etrion's restricted cash increased mainly due to additional funds drawn from the project credit facilities in Japan partially offset by cash flow from operations and Capex investments.

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Summary

Well positioned for growth

- Fully funded through 2018 with ample access to very competitive project level debt
- Significant project cash distributions in 2017 and corporate debt reduction strengthening Etrion's financial position
- Strong growth potential with target to reach NTP between 100 – 150 MW within the next 18 months
- Additional healthy pipeline of 200 MWs to complement existing backlog and fuel further growth opportunities
- Strong performance in Japan, with full year results at or above the high end of the guidance range
- Cost savings initiatives implemented in Q4-17 which shall produce meaningful savings starting Q1-18
- Well positioned to refinance the corporate bond in 2018



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