

Summary

Etrion Corporation Senior Secured Bond Issue
2018/2021

NO0010823958



Sole Manager:



04.12.2018

Summary

ISIN N00010823958

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
A.1	Warnings	<p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation in its Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Resale and final placement by financial intermediaries	Not applicable. No resale will take place. No financial intermediaries will be used for the final placement of the Bonds.

Section B – Issuer and Guarantor

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
B.1	Legal and commercial name of the Issuer and Guarantor	<p><u>Issuer:</u> The commercial name of the company is Etrion and legal name is Etrion Corporation.</p> <p><u>Guarantor:</u> The Guarantors registered and commercial name is Solar Resources Holding S.à.r.l..</p>
B.2	Domicile and legal form of the Issuer and Guarantors, the legislation under which the Issuer and Guarantors operates and its country of incorporation	<p>Etrion Corporation is a "public company" as defined under the British Columbia Business Corporations Act (the "BCBCA") with registration number C0860958.</p> <p>Solar Resources is a private limited liability company existing under the laws of Luxembourg, specifically the</p>

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		Law of 10 th August 1915 on commercial companies, as amended, and registered with the Luxembourg Trade and Companies' Register under number B131619.
B.4b	Known trends affecting the issuer and the industries in which it operates.	There are none known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's or any Guarantor's prospects for at least the current financial year.
B.5	A description of the group and the Issuer's position within the group.	Etrion Corporation is a holding company, and the operations of the Group are primarily conducted through the Company's Subsidiaries. The Guarantor's sole function is to be a holding company for all of the Company's renewable energy assets.
	<p>The organizational chart shows Etrion Corporation (Canada) at the top, owning 100% of Solar Resources Holding Sarl (Luxembourg). Solar Resources Holding Sarl owns several subsidiaries: Etrion SA (Switzerland, 100%), Etrion Japan K.K. (Japan, 100%), Etrion Chile SpA (Chile, 100%), Etrion Services (Chile) SpA (Chile, 100%), and Etrion Italia srl (Italy, 100%). Etrion SA owns Etrion Services (Suisse) SA (Switzerland, 100%), which in turn owns Etrion Services (Suisse) SA, Inc. (Miami, FL, USA, 100%) and Etrion Holdings SA (Switzerland, 100%). Etrion Services (Japan) K.K. (Japan, 100%) owns Etrion Energy 1 G.K. (Japan, 87%), Etrion Energy 3 G.K. (Japan, 100%), Etrion Energy 4 G.K. (Japan, 85.1%), Etrion Energy 5 G.K. (Japan, 60%), Etrion Energy 6 G.K. (Japan, 100%), and Agano City Yamadera Mega Solar G.K. (Japan, 100%). Etrion Japan K.K. owns Shizukuishi Solar G.K. (Japan, 86.9%) and Etrion Energy 1 G.K. (Japan, 87%). Etrion Chile SpA owns PV Salvador SpA (Chile, 70%), Inti Energia 1 SpA (Chile, 100%), and Inti Energia 3 SpA (Chile, 100%). A legend at the bottom identifies colors: green for Operational Service Companies, orange for Operational SPVs, blue for Active Holding Companies, light green for Dormant Service Companies, yellow for Dormant SPVs, and light yellow for Dormant SPVs in liquidation.</p>	
B.9	Profit forecast or estimate	Not applicable. No forecasts or estimates are made public.
B.10	Qualifications in the audit report	Not applicable. There are no qualifications in the audited financial reports.
B.12	Selected historical financial information, statement regarding no material adverse change and significant changes in the financial or trading position.	There has been no material adverse change in the prospects of the Issuer or Guarantor since the date of their last published audited financial statements or a description of any material adverse change.

Etrion Corporation*(consolidated)*

INCOME STATEMENT	31 Dec 2017	31 Dec 2016	30 September 2018	30 September 2017
<i>(Amounts in USD thousand)</i>	<i>audited</i>	<i>audited</i>	<i>unaudited</i>	<i>unaudited</i>
Operating revenue	21 848	15 233	15,452	19,245
Operating expenses	(19 456)	(18 799)	(9,510)	(16 892)
Profit (loss) before tax	17 632	(102 928)	(4,862)	21 845
Profit (loss) for the period	16 507	(74 418)	(6,052)	20 732

BALANCE SHEET*(Amounts in USD thousand)*

Total non-current assets	153 751	214 290	160,773	155 908
Total current assets	58 384	74 351	44,655	71 444
Total assets	212 135	288 641	205,428	227 352
Total equity	9 847	(46 289)	5,792	13 933
Total non-current liabilities	187 515	305 836	181,754	198 422
Total liabilities	202 288	334 930	199,636	213 419
Total equity and liabilities	212 135	288 641	205,428	227 352

CASH FLOW STATEMENT*(Amounts in USD thousand)*

Net cash flow from operating activities	(1 352)	(3 257)	6,625	(3 052)
Net cash flow from investing activities	(45 232)	31 800	(13,063)	(37 015)
Net cash flow from financial activities	24 612	(11 512)	(5,955)	37 967
Net change in cash and cash equivalents	(21 972)	17 031	(12,393)	(2 100)
Cash and cash equivalents by the end of the period	43 203	61 174	30,421	61 145

Basic and diluted earnings (loss) per share from continuing operations	0.06	(0.24)	(0.019)	0.07
Basic and diluted earnings (loss) per share from income (loss) of the period	0.06	(0.13)	(0.019)	0.07

Solar Resources Holding S.a.r.l.

INCOME STATEMENT	31 Dec 2017	31 Dec 2016	30 June 2018	30 June 2017
<i>(Amounts in Euros thousand)</i>	<i>audited</i>	<i>audited</i>	<i>unaudited</i>	<i>unaudited</i>
Operating expenses	(232)	(254)	(13)	(150)
Gain on sale of subsidiaries	-	39,079	-	-
Impairment of investment in subsidiaries	(345)	(1,972)	-	-
Other (expenses) income	(26)	545	-	(20)
Net finance income (costs)	5	(1,602)	(1)	11
(Loss) profit for the period	(598)	35,796	(14)	(159)

BALANCE SHEET*(Amounts in Euros thousand)*

Total non-current assets	1,086	1,553	1,086	1,086
Total current assets	68	642	36	68
Total Assets	1,154	2,195	1,122	1,154
Total equity	1,128	1,726	1,114	1,128
Total liabilities	26	469	8	26
Total equity and liabilities	1,154	2,195	1,122	1,154

CASH FLOW STATEMENT*(Amounts in Euros thousand)*

Net cash flow from operating activities	(707)	194	(37)	(630)
Net cash flow from investing activities	116	85,060	-	116
Net cash flow from financial activities	-	(85,020)	-	-
Net change in cash and cash equivalents	(591)	234	(37)	(514)
Cash and cash equivalents in end of period	51	642	14	128

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B.13	Recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.	Not applicable - There are no recent events in particular to the Issuer or Guarantor which are to a material extent relevant to the evaluation of the Issuer's or Guarantor's solvency.												
B.14	Description of dependencies upon other entities within the group	The Company and the Guarantor are dependent on cash flow generated by the operating Subsidiaries in order to distribute funds by way of dividends, interest and/or repayment of share-holder loans, so that the Company and the Guarantor recover their equity investment and realize a reasonable return. As a result, the Company's ability to satisfy its financial obligations depends on the ability of its Subsidiaries to generate profits from operations and making such available for distribution to the Company.												
B.15	A description of the issuer's principal activities.	<p>Etrion Corporation is an independent power producer that develops, builds, owns and operates utility-scale solar power generation plants.</p> <p>The Company is a holding company, and the operations of the Group are primarily conducted through the Company's Subsidiaries. The Guarantor's sole function is to be a holding company for all of the Company's renewable energy assets.</p> <p>The Company and the Guarantor operate as investment vehicles for solar power projects in various international jurisdictions. The Company and the Guarantor make investments by acquiring shares in solar power legal entities and by providing shareholder loans to these entities on market terms.</p>												
B.16	Description of ownership of the company.													
	<p>The shareholders in Etrion as per October 2018:</p> <table> <tr> <td>Lundin family</td> <td>120 686 620</td> <td>36.1 %</td> </tr> <tr> <td>Other directors/management</td> <td>22 456 711</td> <td>6.7 %</td> </tr> <tr> <td>Others</td> <td>190 950 993</td> <td>57.2 %</td> </tr> <tr> <td>Total number of shares</td> <td>334 094 324</td> <td>100.00 %</td> </tr> </table> <p>The Guarantor is a wholly-owned subsidiary of the Issuer.</p>		Lundin family	120 686 620	36.1 %	Other directors/management	22 456 711	6.7 %	Others	190 950 993	57.2 %	Total number of shares	334 094 324	100.00 %
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Others	190 950 993	57.2 %												
Total number of shares	334 094 324	100.00 %												
B.17	Credit ratings	Not applicable. Neither the Company, the Guarantor nor the Bonds have been rated by an official rating agency.												
B.18	Nature and scope of the guarantee	The guarantee is an unconditional and irrevocable on-demand guarantee from the Guarantor securing the Issuer's obligations under the Bond Agreement and any other of the Finance Documents.												

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Section C – The Bonds

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
C.1	Type and class of securities being offered / security identification numbers	Senior secured bonds with fixed rate - ISIN NO0010823958.
C.2	Currency	EUR
C.5	Restrictions on free transferability	<p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <p>(i) bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.</p> <p>Without limiting the generality of the foregoing bondholders located in the United States will not be permitted to transfer the Bonds except: (A) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; (B) in an “offshore transaction” satisfying the requirements of Rule 904 under the U.S. Securities Act; (C) in accordance with Rule 144 (if available); (D) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act; or (E) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction; and</p> <p>(ii) notwithstanding the above, a bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Agreement.</p>
C.8	A description of the rights including ranking and limitations to those rights attached to the Bonds.	<p>The Bond Agreement has been entered into between the Issuer and the Bond Trustee. The Bond Agreement regulate the Bondholder’s rights and obligations in relation to the issue. The Bond Trustee enters into the Bond Agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement.</p> <p>When Bonds are subscribed / purchased, the Bondholder has accepted the Bond Agreement and is bound by the terms of the Bond Agreement.</p>

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		<p>The Bonds shall constitute senior debt obligations of the Issuer. The Bonds shall rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.</p> <p>The Bonds, including accrued but unpaid interest, costs and expenses, shall be secured by the Security Interests.</p> <p>The Bond Agreement include descriptions of rights and any limitations of those rights, such as:</p> <ul style="list-style-type: none"> • Call Option • The Issuer`s special redemption • Put Option Event • Events of default
C.9	Information on the interest rate, interest payment dates, installments and representative of the bondholders	<p>The Issuer shall pay interest on the Face Value of the Bonds from, and including, the Issue Date at a fixed rate of seven point twenty five per cent (7.25%) per annum.</p> <p>Interest Payment Date are 15 December and 15 June each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention.</p> <p>The Bonds shall mature in full on the Maturity Date, and shall be repaid at par (100%) by the Issuer.</p> <p>Upon the occurrence of a Put Option Event, each Bondholder shall have the right to require that the Issuer redeems its Bonds (a "Put Option") at a price of 100% of the Face Value plus accrued interest.</p> <p>The Issuer may on one occasion each calendar year make partial voluntary prepayments of the Bonds in an amount corresponding to the maximum of ten (10) per cent of the initial issue amount (EUR 40,000,000), and if applicable, plus ten per cent (10%) of any Tap Issue amount(s). The prepayment price for each Bond shall be equal to the Call Option premium for the relevant period together with accrued but unpaid interest on the amounts subject to voluntary prepayment.</p> <p>The Bond Trustee is Nordic Trustee AS.</p>
C.10	In case the Bonds have a derivative component in the interest payment, a description of potential impacts on the Bonds value is affected by the value of the underlying instrument.	Not applicable. The Bonds have no derivative component in the interest payment.
C.11	An indication whether the Bonds will be listed on a regulated market.	An application for listing will be sent Oslo Børs.

Section D – Risks

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
D.2	Key information on the key risks that are specific to the issuer.	<p>The Company and the Guarantor are dependent on cash flow generated by the operating Subsidiaries in order to distribute funds by way of dividends, interest and/or repayment of share-holder loans, so that the Company and the Guarantor recover their equity investment and realize a reasonable return. As a result, the Company's ability to satisfy its financial obligations depends on the ability of its Subsidiaries to generate profits from operations and making such available for distribution to the Company. The renewable energy sector is subject to extensive government regulation. These regulations are subject to change based on the current and future economic or political conditions. Specifically, reductions in the Feed-in-Tariffs (FIT) payable to the Group on its existing solar power projects in Japan well as other legislative or regulatory changes could impact the profitability of the Group's future solar power projects. The Group's operations require licenses and permits from various governmental authorities that may be subject to changes in regulation and operating circumstances.</p> <p>All of Etrion's operating solar power plants are located in Japan with the exception of Project Salvador located in Chile, which is held by PV Salvador SpA, a subsidiary that was deconsolidated as of September 30, 2017. Significant concentration of investments in any one sector or jurisdiction may result in greater volatility in the value of the Group's investments and may consequently materially and adversely affect the performance of the Group.</p> <p>Etrion's anticipated growth and development activities, such as construction and acquisition of additional projects, will depend inter alia on the Group's ability to secure additional financing</p> <p>In addition, Etrion's level of indebtedness from time to time could impair its ability to obtain additional financing and to take advantage of business opportunities as they arise.</p>
D.3	Key information on the key risks that are specific to the Bonds.	<p><i>General risks related to investments in interest bearing securities</i></p> <p>Illiquidity may result in the Bondholder incurring a loss. The Bonds have been established at a fixed interest rate, and, consequently, the coupon does not vary with changes in interest rate levels. Credit risk is the risk that the Issuer fails to make the required payments under the Bonds and market risk is the risk that the value of the Bonds will decrease due to the change in value of the market risk factors.</p> <p><i>Risks related to the Bonds</i></p> <p>The Group may eventually be required to refinance certain or all of its outstanding debt, including the Bonds. The Group's ability to successfully refinance its</p>

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		<p>debt is dependent on the conditions of the capital markets and its financial condition at such time.</p> <p>The terms and conditions governing the Bonds and as described, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date.</p> <p>The development of market prices of the Bonds depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the Bond. The Bondholders are therefore exposed to the risk of an unfavourable development of market prices of their Bonds which materialise if the Bondholders sell the Bonds prior to the final maturity.</p> <p>The Bonds are denominated in Euro. If Euro represents a foreign currency to a Bondholder, such Bondholder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of the Bonds in the currency of the Bondholder.</p>
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Section E – Offer

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
E.2b	Use of proceeds.	The net proceeds of the Bonds (net of legal costs, fees to the Manager and the Bond Trustee and any other agreed costs and expenses) shall exclusively be applied towards (i) refinancing of the Existing Bonds in full (including, without limitation, any costs and expenses incurred by the bond trustee under the Existing Bonds and any additional early redemption costs) and (ii) any remaining amount shall be employed for other general corporate purposes of the Group, including development of new projects. The employment of the proceeds of the Bond Issue shall upon request be evidenced to the satisfactory of the Bond Trustee.
E.3	Terms and conditions of the offer	Not Applicable – The Bonds have not been subject to a public offer, it is already issued and settled.
E.4	Material interests in the offer	<p>Etrion Corporation is not aware that there is any interest, nor conflicting interests that is material to the issue.</p> <p>Pareto Securities AB was mandated by Etrion Corporation as Manager for the Bond issue. The Manager has acted as advisor and manager to Etrion Corporation in relation to the transaction. The Manager and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note and may perform or seek to perform financial advisory or banking services related to such instruments.</p>
E.7	Estimated expenses charged to the investor	Not Applicable – The investor of the Bonds were not charged any expenses due to the issuance of the Bonds.