

# Corporate Presentation

September 2019

etrion

## Powered by the Sun

Developing, building and operating solar  
power generation plants

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# Lundin Group

## Explorers | Builders | Producers

**Lundin**  
Petroleum

Oil and Gas Exploration  
and Production  
Norway  
lundin-petroleum.com

**lundin mining**

Base Metals Production:  
Copper, Zinc, Lead, Nickel  
Sweden, Portugal, USA  
Chile, Brazil  
lundinmining.com

**LUNDIN GOLD**

High-Grade Underground  
Gold Mine Development  
Ecuador  
lundingold.com



Oil and Gas Exploration  
and Production  
Canada, Malaysia,  
France, Netherlands  
international-petroleum.com



**LUCARA**  
DIAMOND

Exceptional Quality  
Diamond Production  
Botswana  
lucaradiamond.com



Copper, Gold and Silver  
Exploration and Development  
Chile/Argentina  
filo-mining.com



Copper and Gold Exploration  
and Development  
Chile, Argentina  
ngexresources.com



Oil and Gas Exploration  
and Development  
Kenya, Ethiopia, Extensive  
Exploration Portfolio  
africaoilcorp.com



**AFRICA  
ENERGY**

Africa Focused Oil and  
Gas Exploration  
South Africa, Namibia  
africaenergycorp.com

**Denison Mines**

Uranium Development  
and Exploration  
Canada  
denisonmines.com



**SHAMARAN**  
petroleum corp

Oil Production  
Kurdistan  
shamaranpetroleum.com

**etron**

Solar Power Generation  
Japan  
etron.com

### MINING



### OIL & GAS SOLAR



330,000  
carats  
**DIAMONDS**  
per year

263,000  
tonnes  
**COPPER**  
per year

157,000  
tonnes  
**ZINC**  
per year

155,000  
boepd  
**OIL**  
per year

330,000  
tonnes  
**NICKEL**  
per year

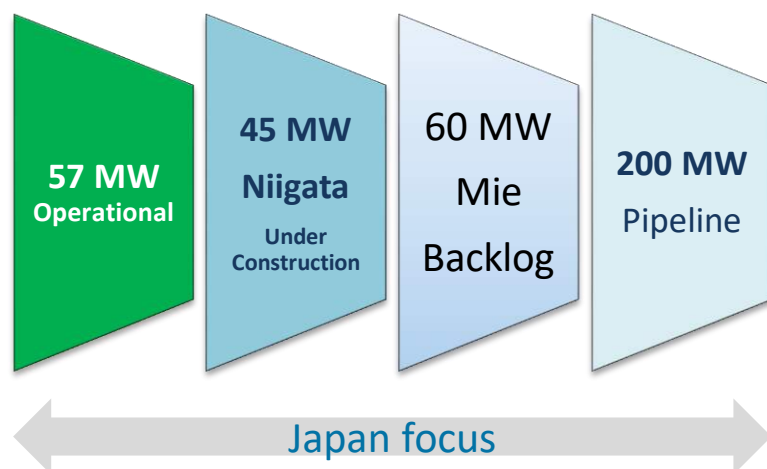
330,000  
GWh  
**SOLAR  
ELECTRICITY**  
per year

# Etrion Corporation

## Company Overview

- Solar development platform focused in Japan, third largest energy market in the world
- 11 solar plants operational and 1 under construction with aggregate capacity of 102 MWs in Japan
- 60 MW backlog and 200 MW pipeline in Japan
- Company fully funded
- 70 MW Operational Chile, being divested

## Japan Asset / Pipeline Highlights



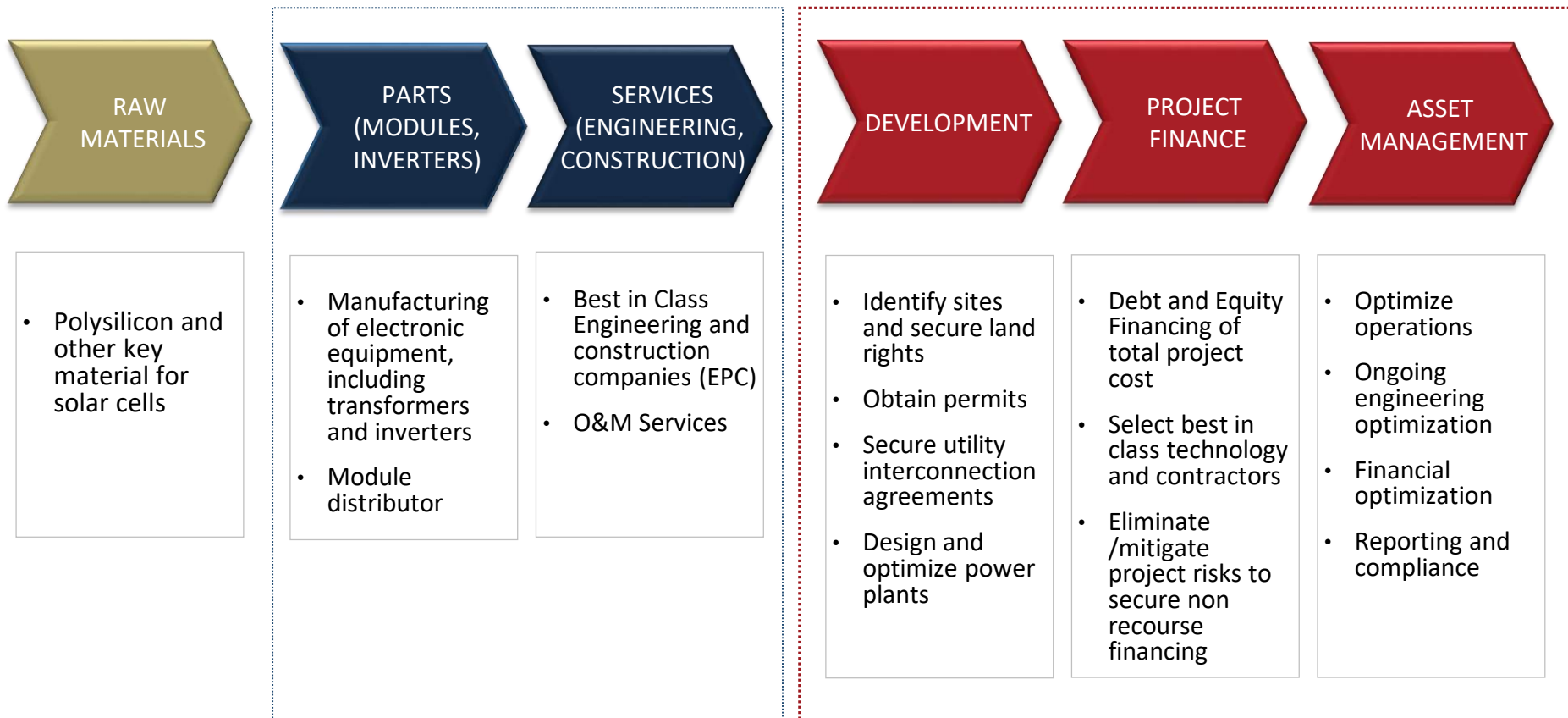
## Financial Summary

Recent Share Price (TSX/OMX: ETX)	C\$0.255 / SEK 1.65
Shares Outstanding	334.1MM
Lundin Family Ownership	36.0%
Other Director/Management Ownership	5.7%
Revenues six months ended June 30 2019	US\$11.9 MM
Project-level EBITDA six months ended June 30 2019	US\$8.8 M
Restricted / Unrestricted Cash as of June 30, 2019	US\$163.2 MM / \$5.3 MM
Market Capitalization	US\$64MM
Number of Employees	22

### Notes:

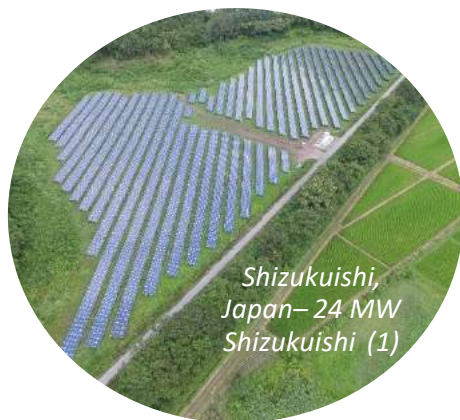
- (1) US\$ refers to US dollars; C\$ refers to Canadian dollars; SEK refers to Swedish krona
- (2) ETX share price at closing on August 30, 2019
- (3) ETX shares outstanding as of June 30, 2019

# Downstream solar developer



# Solar – Sustainable long term asset class

**Goal: Build, own and operate solar electricity plants at lowest cost per kWh**



## Competitive Advantages of Solar Power

### Simplicity

- ✓ Easy to permit
- ✓ Fast to build
- ✓ Easy to operate
- ✓ High flexibility in location

### Economics

- ✓ Lowest marginal cost
- ✓ Competitive at all sizes
- ✓ Low risk
- ✓ Abundant resources

**Already producing kWh at lower cost than coal and natural gas in key markets**

*(1) Projects shown are all Etrion solar PV parks and demonstrate the simplicity of ground-based solar technology.*

# Etrion's commitment to the environment

## Respecting host country's history and nature

- Honoring wildlife – plan construction around the “garuma gull” bird nesting cycle
- Respecting local history - use geophysical survey techniques for the early detection of archaeological sites prior to the construction of solar plants
- Successful landscape integration of solar farms with surroundings



# Corporate responsibility and sustainable investments

## Our approach

- Understanding community and regional needs
- Master the local dynamics
- Demonstrate cultural sensitivity
- Leverage our international expertise complementing local partner know-how



## Examples of community benefits

- We organize tours and educational activities on environmental matters for schools
- Sponsor local sport events for the communities
- Provided financial assistance to rebuild a school destroyed by a natural disaster in north of Chile



# History of Etrion

## Operations



**2009 Nov**  
Partnership with Sun Power to build first 3 MW project in Italy

**2008 Oct**  
Etrion is founded by Marco A. Northland with financing from the Lundin family

**2010**  
**Apr:** Acquisition of solar platform and pipeline in Italy from Deutsche Bank for EUR 10.3m  
**Oct:** Acquisition of 33 MW portfolio of operating solar assets in Italy from Sun Power

**2013 Oct**  
Company divests remaining non-core oil and gas assets in Venezuela



**2014**  
**Jan:** JV with Hitachi High-Technologies to enter Japan  
**Oct:** Construction starts of first two projects in Japan - Mito and Shizukuishi  
**Nov:** 70 MW PV Salvador project enters into operations in Chile

**2015**  
**May:** Power Purchase Agreement signed for 15 years in Chile for PV Salvador project  
**Aug:** First solar park in Japan is connected - 9.3 MW Mito project

**2016**  
**Jul:** Misawa project construction  
**Nov:** Connection of Company's largest solar park in Japan - Shizukuishi project  
**Dec:** Sale of 60 MW Italian portfolio to Enel, doubling initial investment

**2017 Jul**  
Third solar park in Japan is connected - 9.5 MW Misawa project

**2019 Jul**  
Start of construction of Niigata, 45 MW project

**2018 May**  
Fourth solar park in Japan is connected - 13.2 MW Komatsu project

2008 2009 2010 2011 2013 2014 2015 2016 2017 2018 2019

**2009 Sep**  
Etrion is listed on Toronto Stock Exchange



**2010 Aug**  
Completion of CAD 15m equity private placement



**2011 Apr**  
First corporate bond in Norway is issued for EUR 60m



**2011 Oct**  
Company dual lists on OMX



**2013 Nov**  
USD 500m in aggregate project finance transactions is reached

**2014 Jan**  
Equity private placement of USD 80m



**2014 Apr**  
Issue of EUR 80m senior secured bonds in Norway



**2015 Dec**  
Refinance of Italian 54 MW portfolio with a combination of project finance loan and bond

USD 900m in project finance transactions since inception is reached



**2016**  
**Nov:** Project financing of JPY 3.6bn and construction starts for Komatsu project  
**Dec:** Repurchase of EUR 40m of corporate bonds

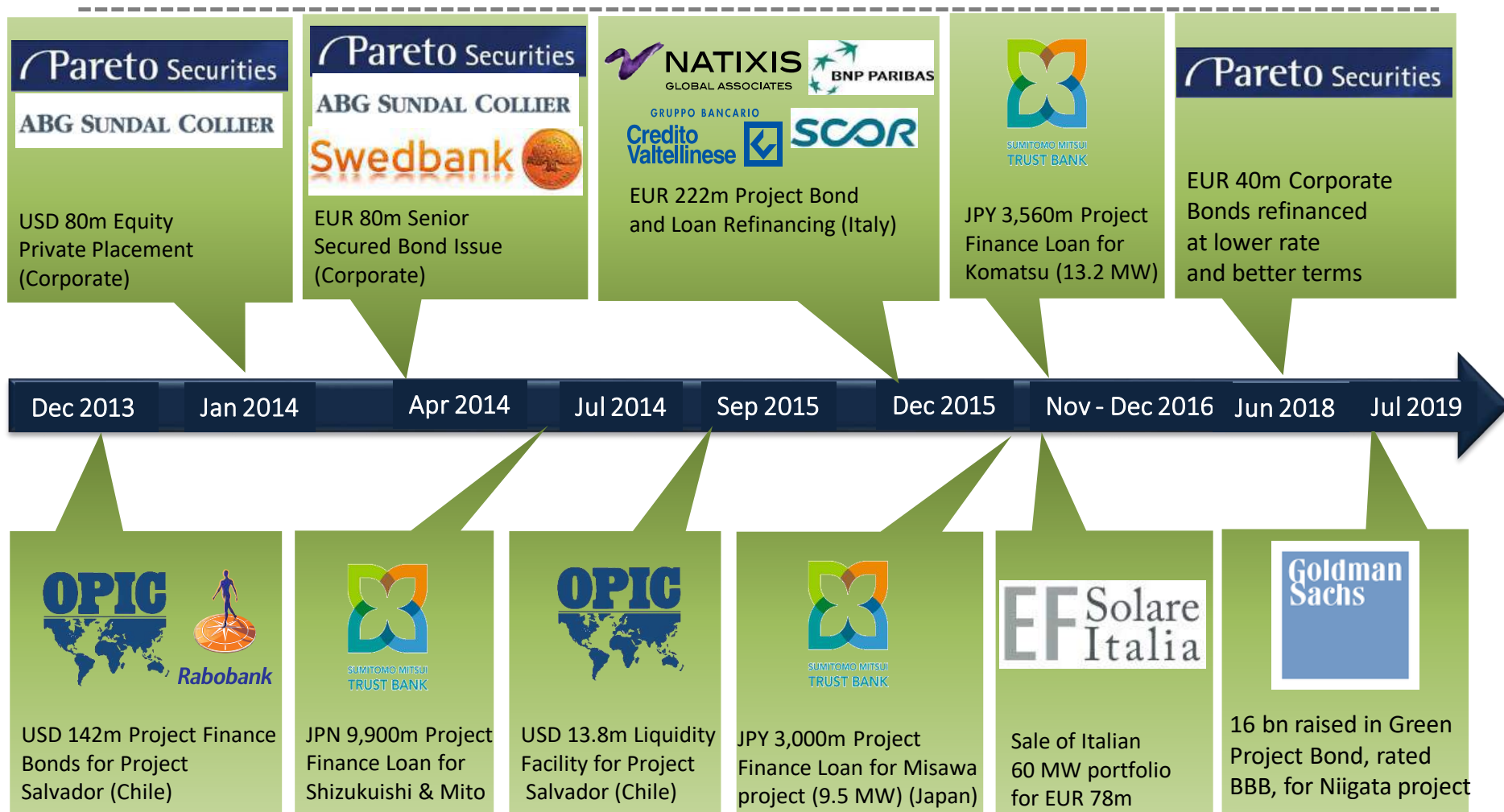
**2017 Oct**  
Repurchase of EUR 6.3m of corporate bonds

**2018**  
**June:** Completed EUR 40m new Corporate Bonds Issue  
**July:** Redeemed EUR 40m of previous Corporate Bonds  
**Dec:** Listing of EUR 40m Corporate bonds on the Oslo Børs

**2019 Jul**  
15.9bn (\$150m) Green Project Bond, rated BBB, arranged in Japan by Goldman Sachs to finance 45 MW Niigata project

## Financing

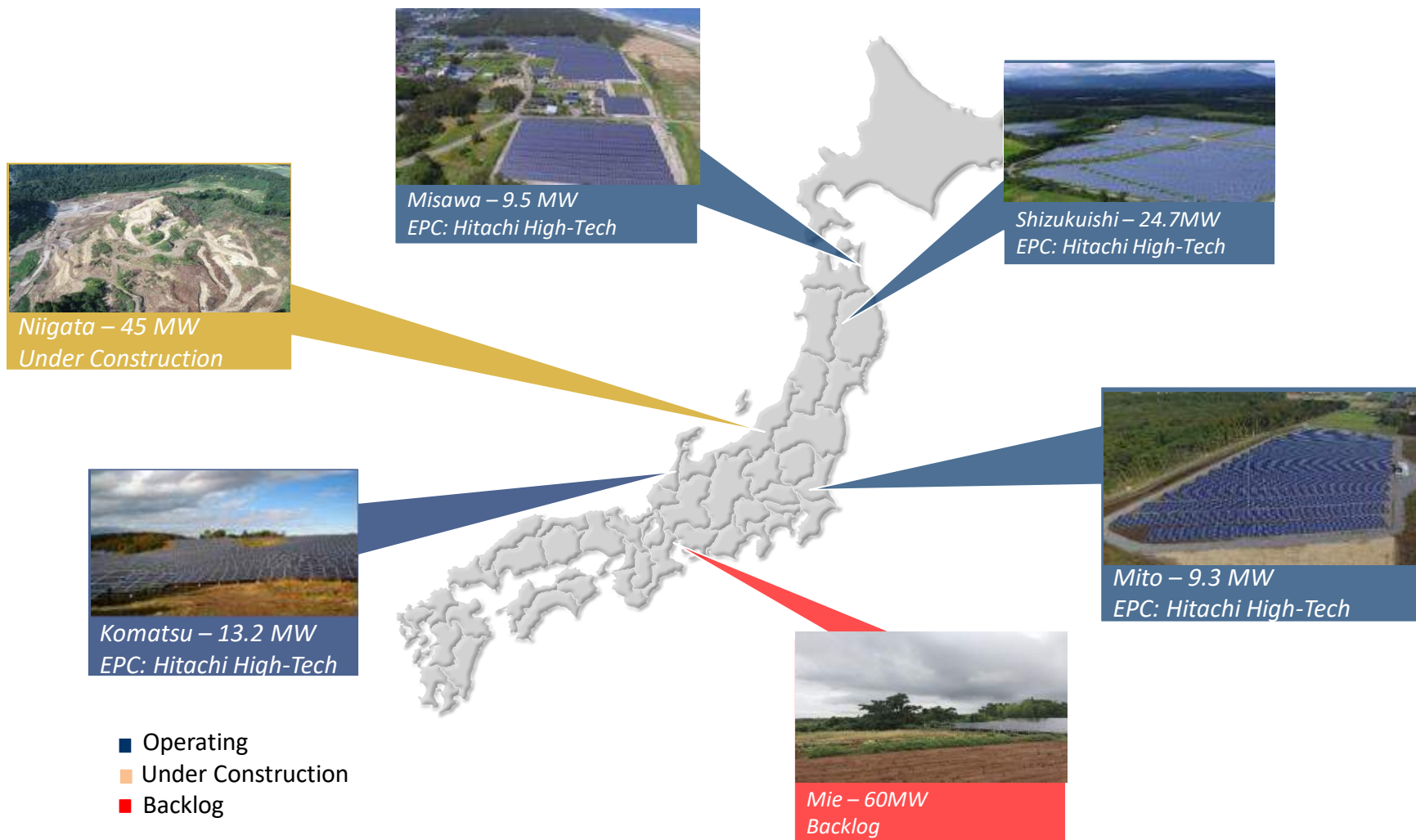
# Success in capital raising



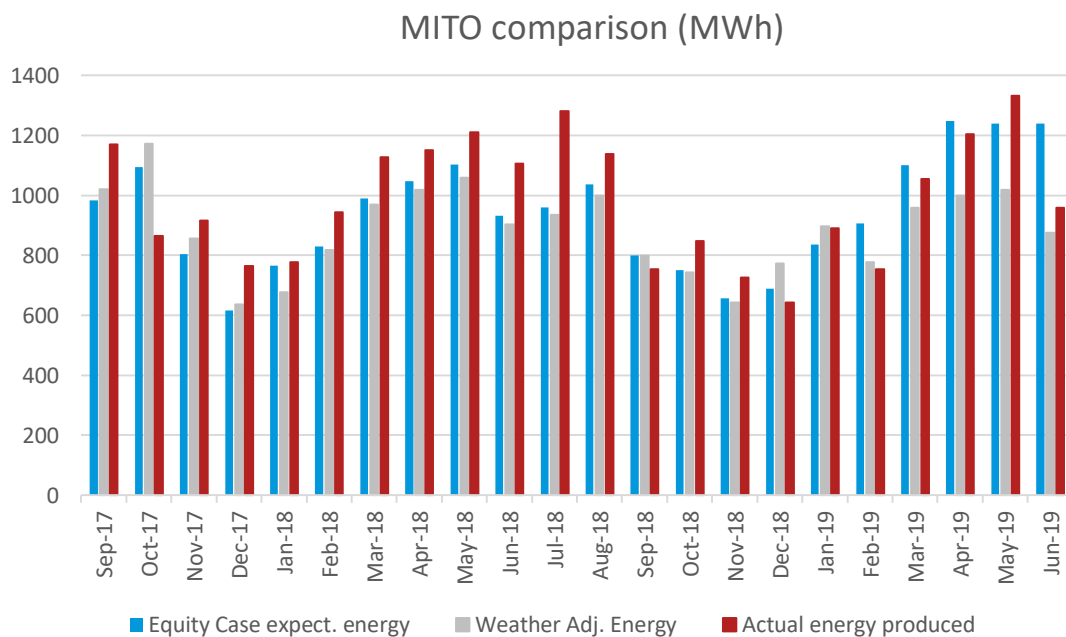
- Etrion raised so far almost USD 1.2 bn in project finance loans and bonds, USD 310m of which was in Japan, including a Green Project Bond rated BBB and arranged by Goldman Sachs to finance 95% of Niigata 45MW cost

## Japan Market

# Our presence



# 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



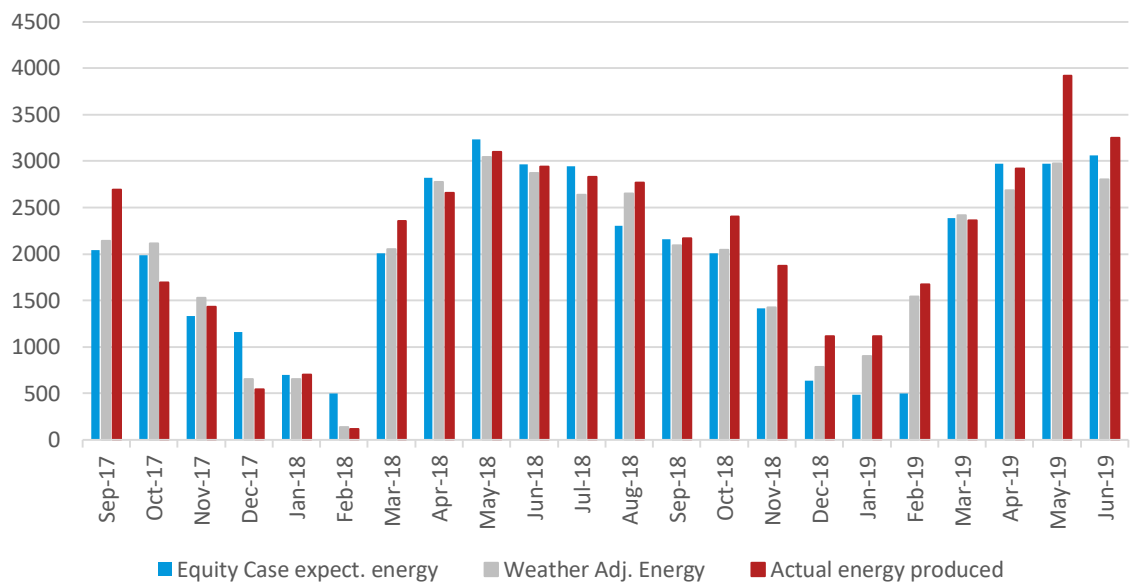
Mito site 2



Mito site 3

# Shizukuishi – 24.7 MW operational

Shizukuishi comparison (MWh)



Shizukuishi	
Utility	Tohoku
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



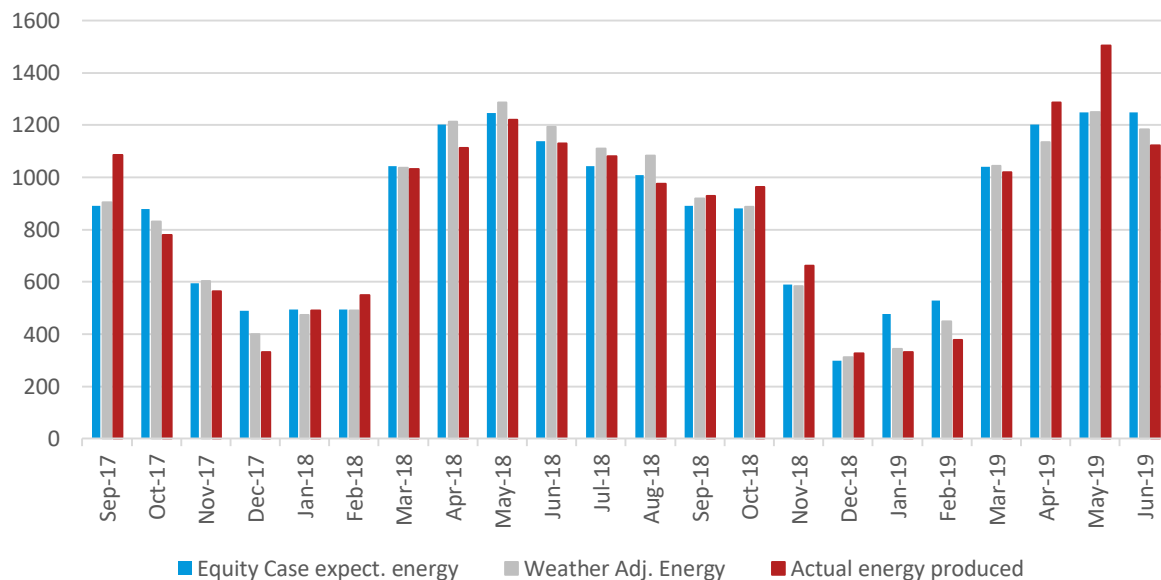
View of the SW section of the plant



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



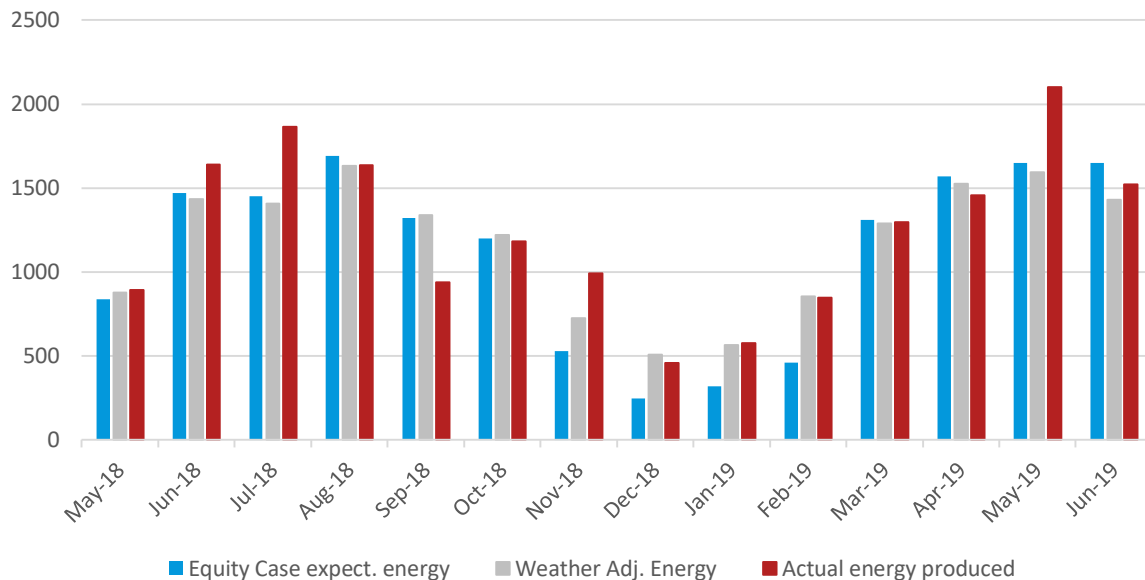
Site 2



Site 4

# Komatsu – 13.2 MW operational

Komatsu comparison (MWh)



Komatsu	
Utility	Hokuriku
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
Commencement of Operation	May-2018





## Niigata 45 MW project Under Construction

# Niigata 45 MW – Project green bond

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Project secures BBB green project bond for financing its 45 MW project. Attractive financing terms delivering strong project economics

- Tenor: Construction period + 16.5 years
- All in cost: 1.2%
- Debt size: JPY 16.5 billion (US\$ 154 million)
- Sponsor: 100% Etrion Corporation
- Payback: 2 years from COD



*Ground breaking event with Shinto blessing ceremony at the site. In the photo : Shinto priest, Mr [ ] Mayor of [ ], Mrs [ ] Minister Counsel of Sweden and M Northland CEO Etrion.*

# Niigata – 45 MW - Key project metrics

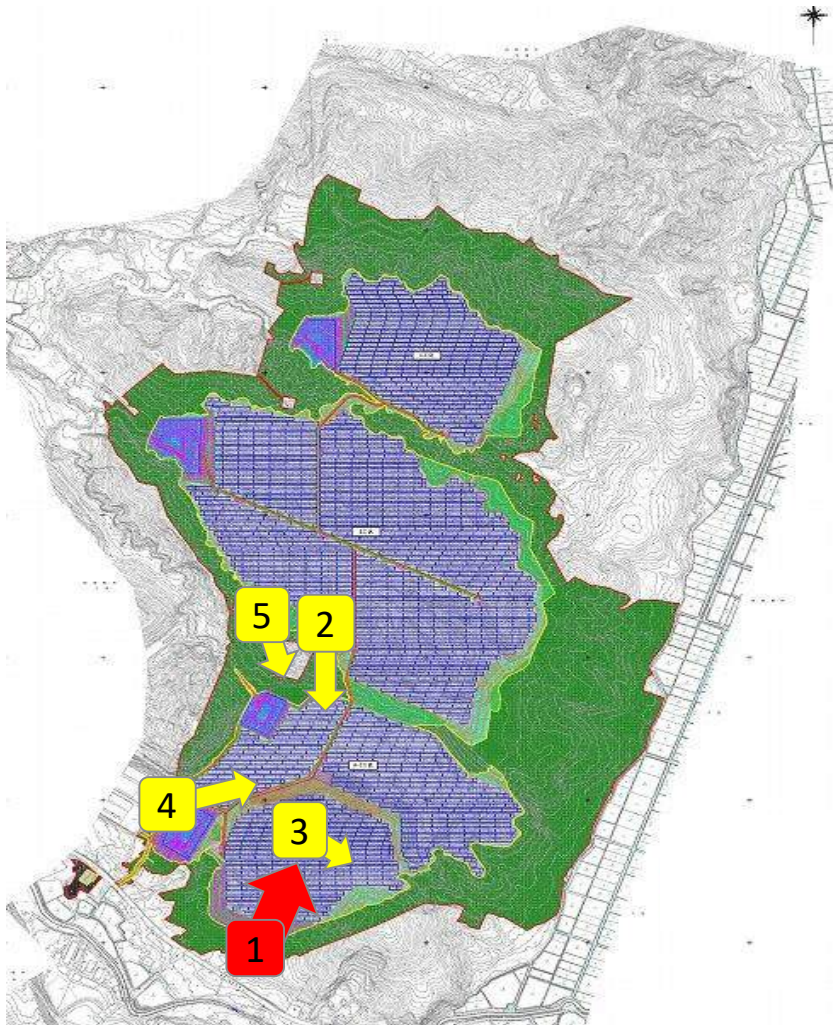
Size	45.0 MWp
Region / Utility	Tohoku
PPA price	FIT: ¥36/kWh
Irradiation	1,050 kWh/kWp
O&M Contractor	TAG
EPC Contractor	Toyo Engineering
Ownership share	100%
Expected: NTP / COD	Q2-2019 / Q4-2021
Finance Arranger	Goldman Sachs
Finance structure	BBB project bond
Revenue*	USD 15.5 m / year
EBITDA*	USD 13.7 m / YEAR
Free Cash Flow SPC*	USD 3.6 / year
Total CAPEX	USD 154.2 m
Total Equity	USD 7.7 m



\* These represent first five year average based on historical weather / sun irradiation

# Sites Construction status photo (June 2019)

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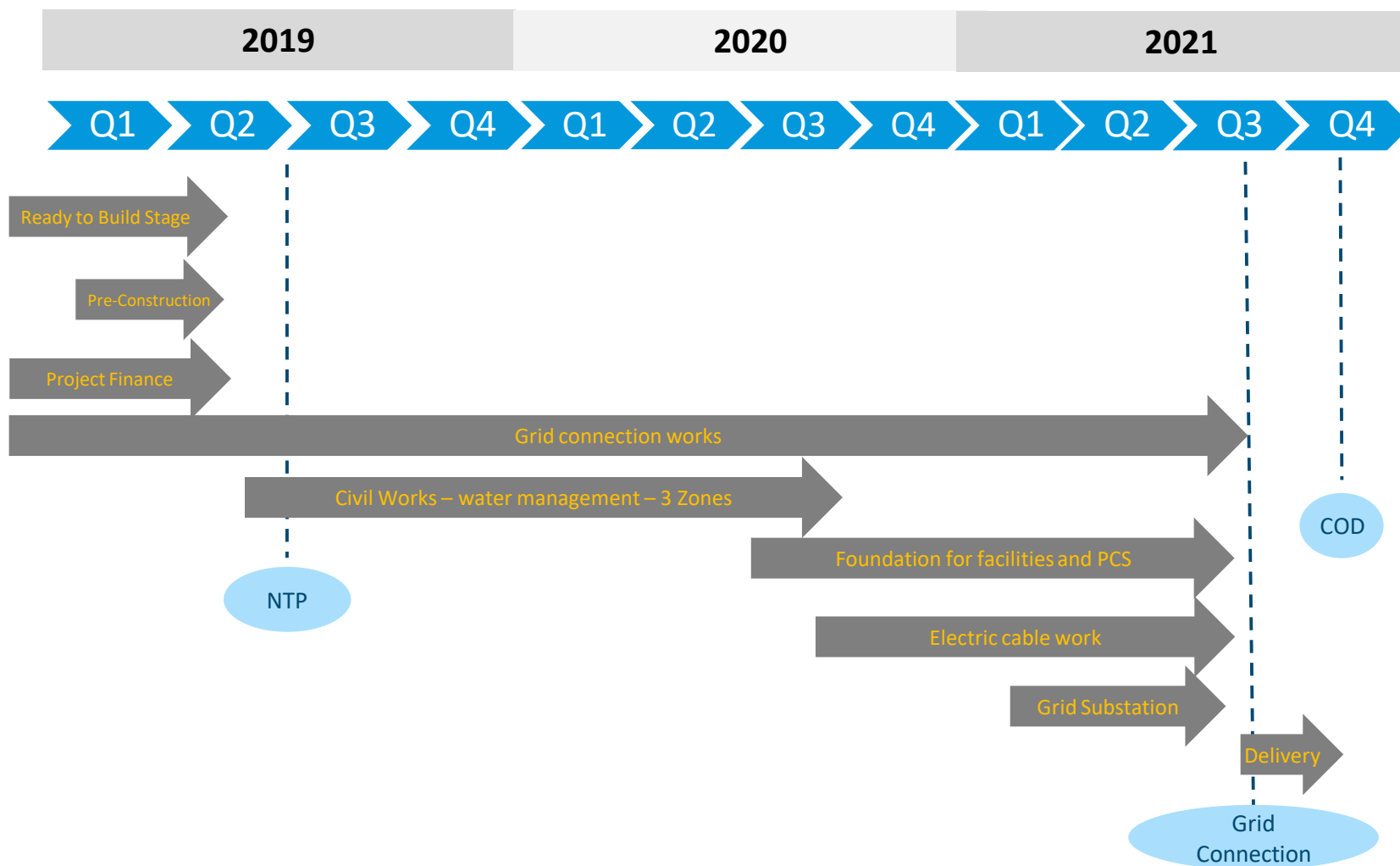


# Sites Construction status photo (June 2019)

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# Niigata Project Timeline



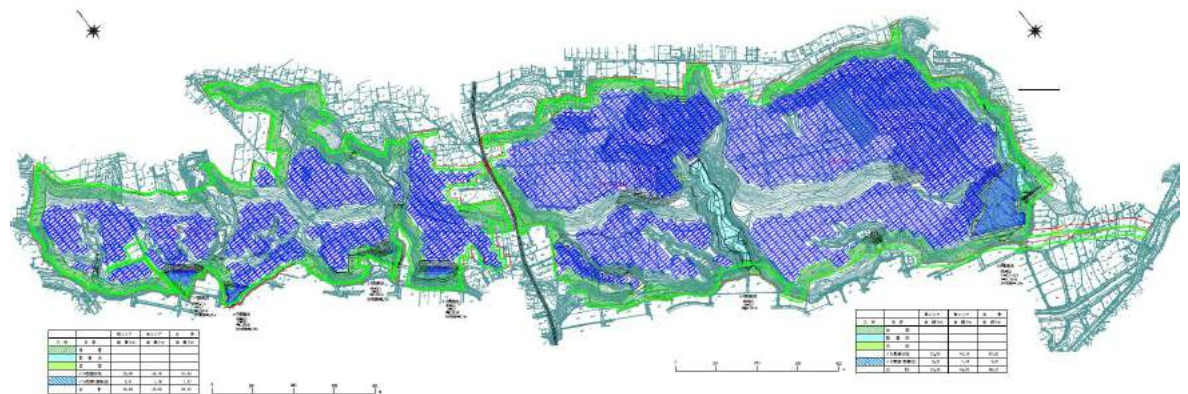


# Business Development Update

# Mie 60 MW - Backlog

- Project reached ready to build status by Q1-2019. EIA and forest development concluded. Land secured
- ETX is litigation with local developer since Q4-18 who refused to release shares of SPV
- Management cautiously optimistic to obtain positive judgement and regain full control of the project by summer of 2020
- Developer involved in similar litigation with other investors.

Size	54-64 MWp
Region / Utility	Chubu EPCO
PPA price	FIT: ¥36/kWh
Irradiation	1,204 kWh/kWp
Ownership share	100%
Expected: NTP / COD	Q3-2020 / Q4-2022
Land	100 Ha. Long term lease



# Growth Opportunity

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- The Company continue to pursue new opportunities in Japan and remains working on different opportunities with aggregate capacity of about 200 MW
- Given latest FiT changes, several projects with FiT awarded still under development are at risk of losing FiT
- This situation has created increased competition to acquire good projects. Window remains open for next 18 months to secure additional FiT projects
- Beyond FiT the company is exploring:
  - bilateral agreements for PPA contracts. PPA market is at very early stage but should become a strong source of growth post FiT market
  - On-shore wind opportunities in Japan

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