

2020 Third Quarter Operations and Finance Update November 12th 2020

The Etrion logo, consisting of the word "etrion" in a white, lowercase, sans-serif font, is centered within a solid red rectangular background.An aerial photograph of a vast solar farm. The solar panels are arranged in neat, parallel rows across a green field. In the background, there are rolling green hills, a small town with buildings, and distant mountains under a blue sky with scattered white clouds.

Powered by the Sun

Developing, building and operating solar
power generation plants

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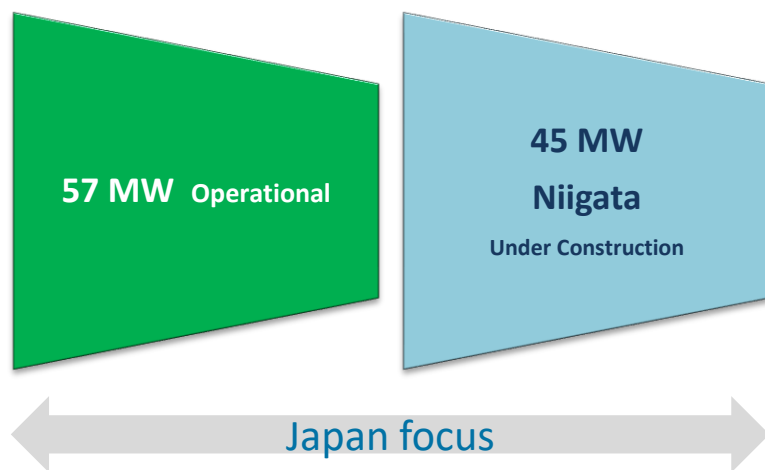
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Etrion Corporation

Company Overview

- Solar development platform focused in Japan, among the top 5 largest energy markets in the world
- 11 solar plants operational and 1 under construction with aggregate capacity of 102 MWs in Japan
- Company fully funded

Japan Asset / Pipeline Highlights



Financial Summary

Recent Share Price (TSX/OMX: ETX) ^{(1) (2)}	C\$0.325 / SEK 2.00
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Shares Outstanding ⁽³⁾	334.1MM
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Lundin Family Ownership	36.0%
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Other Director/Management Ownership	5.7%
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Revenues 2019	US\$21.9 MM
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Revenues nine months ended Sep 30, 2020	US\$17.4 MM
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Project-level EBITDA 2019	US\$16.5 MM
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Project-level nine months ended Sep 30, 2020	US\$13.9 MM
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Restricted / Unrestricted Cash as of September 30, 2020	US\$86.3 MM / \$5.5 MM
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Market Capitalization ⁽²⁾	US\$83.0MM
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Number of Employees	17
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Notes:

(1) US\$ refers to US dollars; C\$ refers to Canadian dollars; SEK refers to Swedish krona

(2) ETX share price at closing on November 11, 2020

(3) ETX shares outstanding as of September 30, 2020

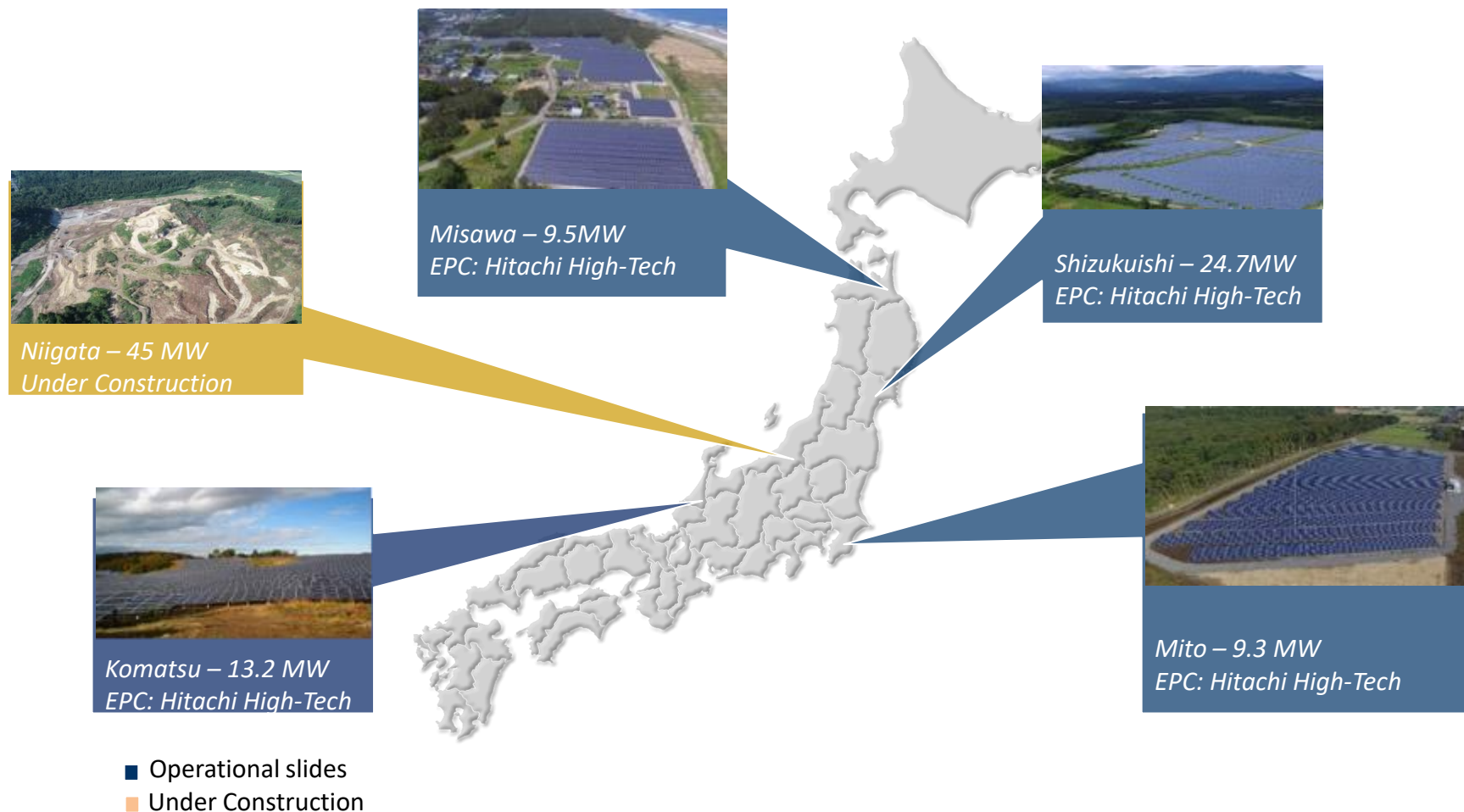
Q3-20 Highlights

- Etrion completed sale of the Mie 60 MW investment rights, collecting an aggregate amount of \$41.6 million
- The company maintains its full year guidance for 2020
- The 45 MW Niigata solar project under construction:
 - is on schedule and budget; modules being delivered on site with first stage of installation under way
- Strong cash position of approximately \$47.1 million as of Nov 10, 2020 providing options to significantly reduce its corporate bond
- Company retained Mitsubishi UFJ Morgan Stanley Securities Co., Ltd (“MUMSS”) to sale all its Japanese assets
 - Company expects to receive binding offers by the end of the year and, if acceptable, proceed to closing in Q1-2021, after shareholders’ approval
 - Significant interest from institutional investors received



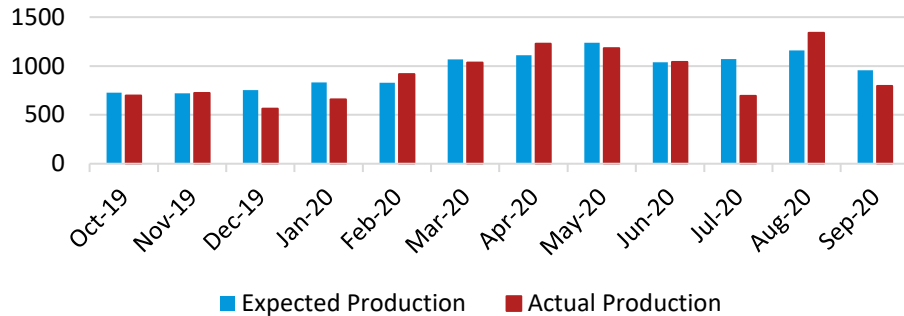
Operational Update

Our presence

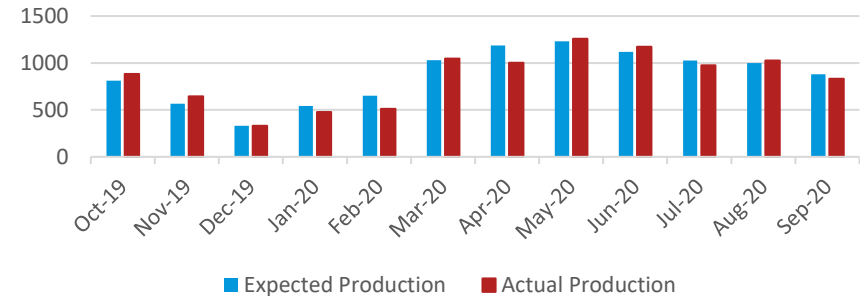


12 months historical performance to Q3-2020

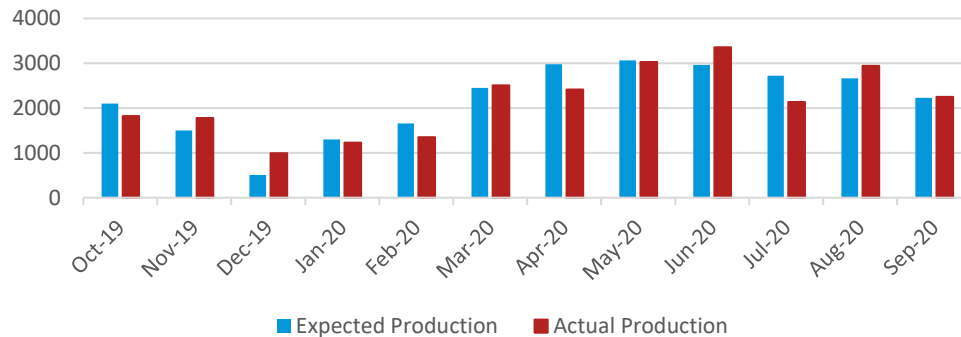
MITO comparison (MWh)



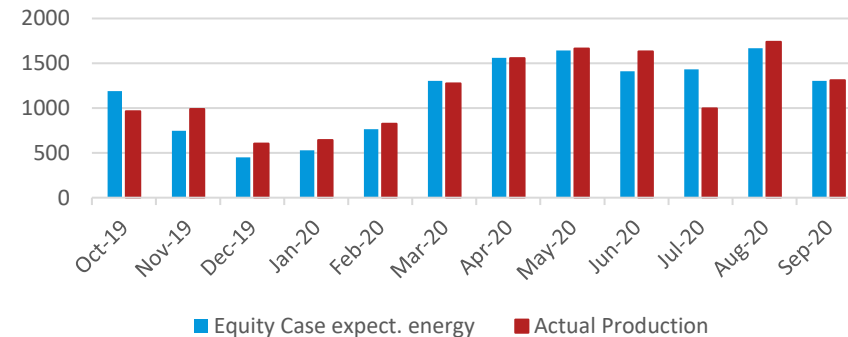
MISAWA comparison (MWh)



Shizukuishi comparison (MWh)



Komatsu comparison (MWh)



- ❑ Systems are performing slightly better than last year but we have less sun hours.
- ❑ YTD delta in POA is c.8% and YTD delta in performance comparing to 2019 is c.7%. Overall, the production is c.3% less than expected.

The background of the slide features a grayscale photograph of a wind farm. Several wind turbines are visible, their three-bladed rotors and towers extending across the landscape. The image is slightly blurred, giving it a sense of depth and movement.

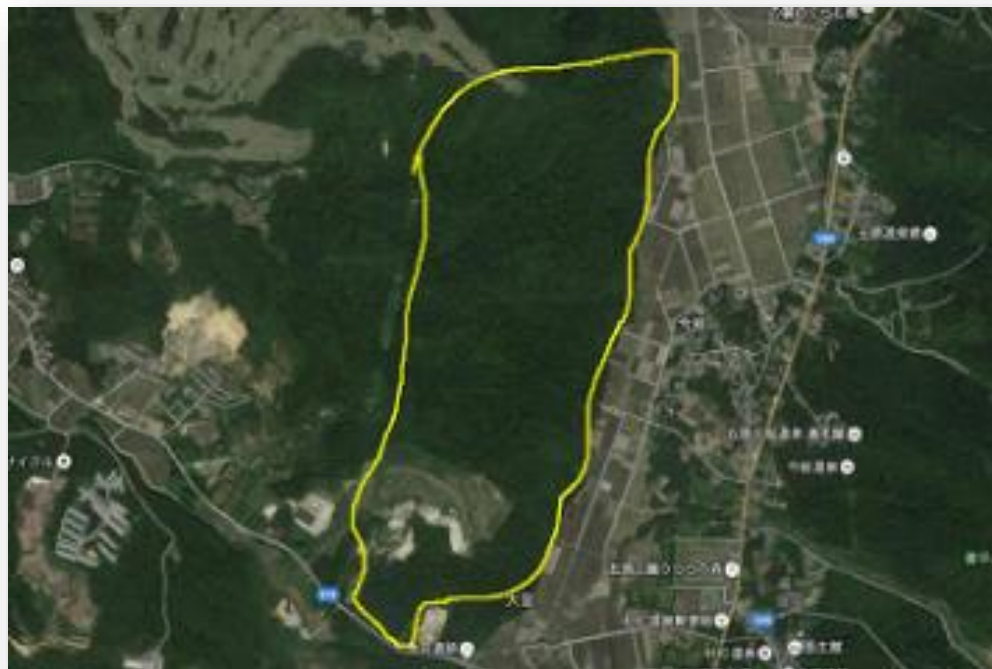
etrion

Niigata

Niigata – 45 MW

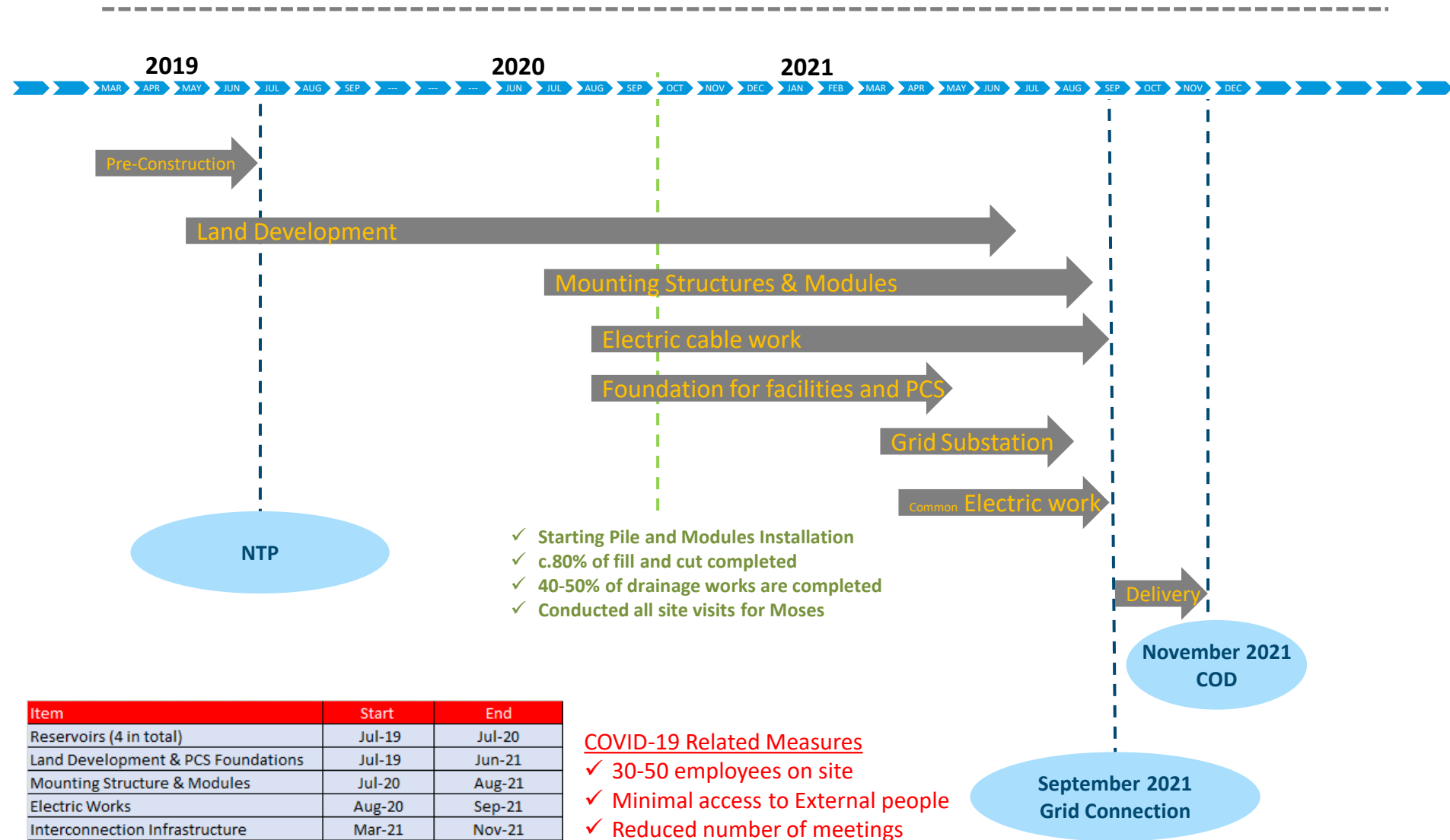
Key project metrics

Ownership	100% ETX
Capacity	45 MW
Region / Utility	Tohoku
PPA Price	¥36/kWh - FiT until March 2040
Irradiation	1,050 kWh/kWp
Total Capex	US\$ 154.2M
Finance Structure	BBB Green Project Bond, US\$ 146.5M (JPY 15.9 billion)
Debt tenor	Construction period plus 16.8 years.
Interest rate	All-in non-recourse project loan interest rate of 1.2%
Total Equity	US\$ 7.7M
EPC Contractor	Toyo Engineering
O&M Contractor	TMEIC / TAG
AMS Provider	Etrion
COD Target	Q4-2021
Average ⁽¹⁾ Revenue	US\$ 15.5 m/year
Average EBITDA	US\$ 13.7 m/year
Average free cash flow at project level	US\$ 3.6m/ year

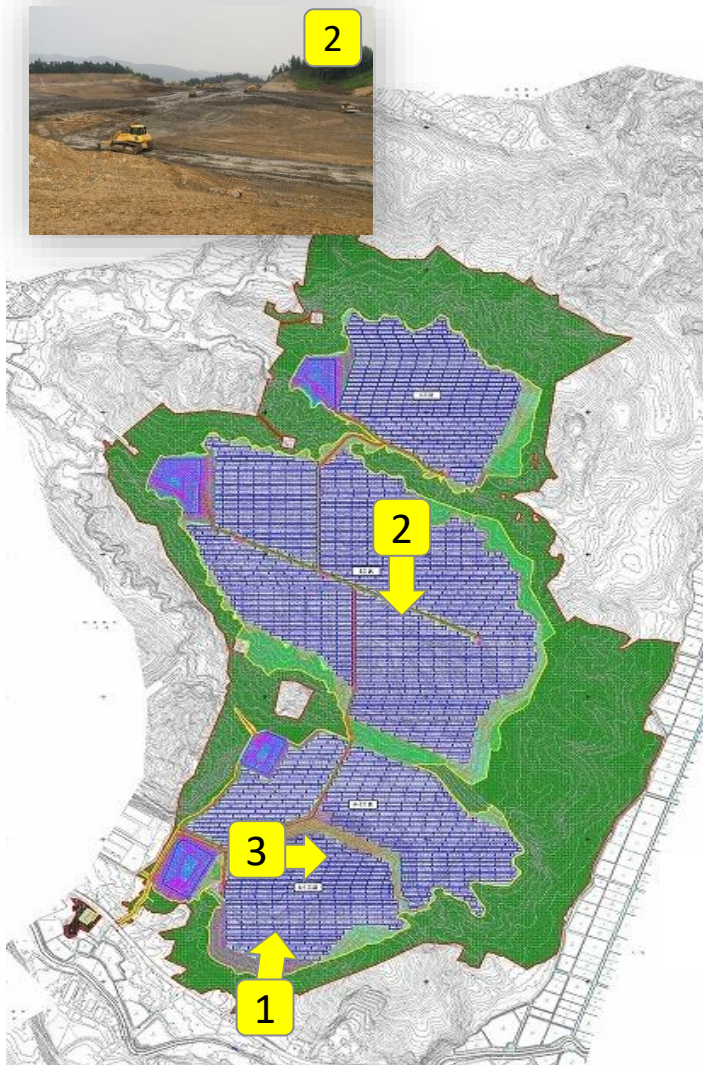


⁽¹⁾ Average refers to the first 5 years of operations based on historical weather forecast. Actual results will depend on actual weather conditions and other operational matters.

NIIGATA PROJECT TIMELINE (Planned = Actual; 59.3% WIP)



WIP YTD is on time and budget 59.3%



Financial results

Q3-20 highlights

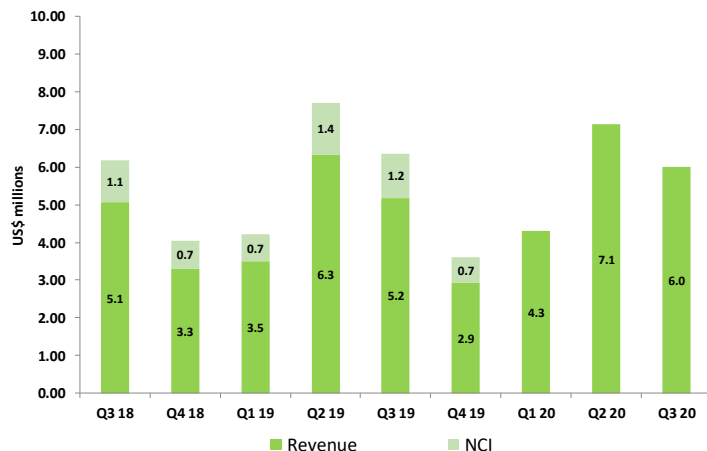
US\$ millions <small>otherwise indicated</small>	Q3-20	Q3-19	Q3-20	Q3-19
	Three months		Nine months	
Production KWh millions	17.0	18.4	50.0	53.2
Discontinued operations				
Revenue	6.0	6.4	17.4	18.3
Project-EBITDA	4.8	5.3	13.9	14.1
Depreciation and amortization	(2.4)	(2.4)	(6.9)	(6.9)
Net finance costs	(1.1)	(1.2)	(3.3)	(3.6)
Net income tax	(0.08)	(0.09)	(0.3)	(0.8)
Net income	1.2	1.6	3.3	2.8
Continuing operations				
Gain on sale of project rights	33.4	1.8	33.4	2.8
Gain on disposal of investment	-	-	3.3	-
Corporate G&A	(1.3)	(0.9)	(4.6)	(2.9)
Other expenses	(0.4)	-	(1.8)	-
Corporate-EBITDA	31.7	0.9	30.3	(0.1)
Net finance costs	(1.7)	1.8	(3.4)	0.6
Net income tax	(3.2)	(1.1)	(3.1)	(1.7)
Net income	26.8	1.6	23.8	(1.2)

Q3-20 Highlights

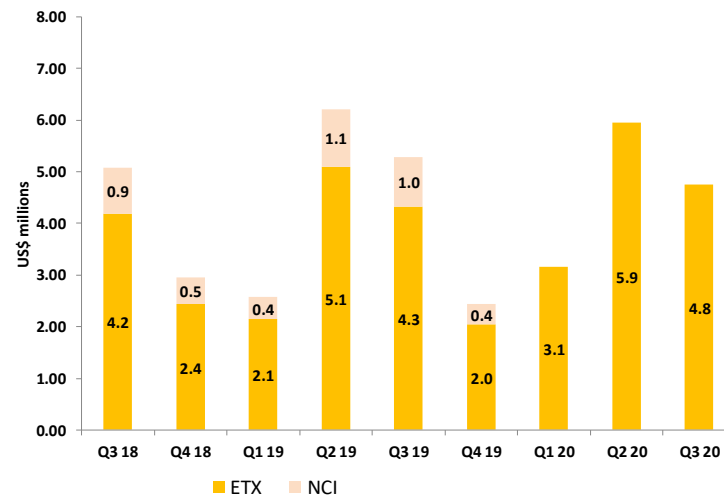
- Q3-20 financials are presented as per IFRS 5 assets held for sale and discontinued operations
- Q3-20 production (-7.2%), revenue (-5.4%) and project-EBITDA (-9.9%) vs Q3-19 driven by lower solar irradiation
- Q3-19 project-level EBITDA also included US\$0.3 m of business interruption compensation – none in Q3-20
- Q3-20 was positively impacted by the sale of the Yokkaichi project rights. Net gain of US\$ 33.4 m recognised.
- Corporate G&A is significantly higher than prior year due to lower capitalized development costs for the Yokkaichi project.
- YTD Corporate G&A affected by reclassification from B/S to P&L of accumulated legal and personnel costs in connection with the Yokkaichi litigation (\$0.7 million) during Q2 2020
- 45 MW Niigata project approximately 60% completed end Q3-20
- Income tax increased due to the accrued tax on the gain of the Yokkaichi deal

Performance of Japanese assets

Revenue from electricity sales



Project-level EBITDA



- Steady revenue and project-level EBITDA in Japan
- Strong performance quarter after quarter only impacted by seasonality
- Q3-19 project-level EBITDA included US\$0.3 m of business interruption insurance reimbursement

Non-controlling interest (NCI) = Hitachi and Tamagawa

Financial results

Etrion consolidated results

Q3-20 Segment information (3M)			
US\$ millions	Japan	Corp	TOTAL
Revenues	6.0	-	6.0
Operating expenses	(1.1)	-	(1.1)
G&A expenses	(0.1)	(1.3)	(1.5)
Gain on sale of solar project rights	-	33.4	33.4
Other income	0.0	(0.4)	(0.3)
EBITDA	4.8	31.7	36.5
Depreciation and amortization	(2.4)	(0.0)	(2.4)
Net finance costs	(1.1)	(1.7)	(2.8)
Loss before taxes	1.3	30.0	31.3
Tax expense	-	(3.2)	(3.2)
Net income (loss)	1.3	26.8	28.1

Net gain on sale of
Mie 60 MW solar project rights

- Steady revenue and project-level EBITDA in Japan
- Significant corporate-level EBITDA and net income

Financial position

Consolidated Balance Sheet

September 30, 2020			
US\$ millions	Japan	Corp	TOTAL
Property, plant and equipment	224.4	0.0	224.4
Intangible assets	12.0	1.1	13.1
Cash and cash equivalents	86.3	5.5	91.8
Other assets	13.5	43.8	57.3
Total assets	336.2	50.3	386.5
Borrowings	276.9	40.3	317.2
Trade and other payables	11.9	1.4	13.2
Other liabilities	26.8	4.3	31.1
Total liabilities	315.6	46.0	361.5
Net equity	20.64	4.4	25.0

- Etrion has a working capital at corporate level of \$4.2 million and a consolidated unrestricted cash position of \$5.5 million
- Following the collection of the proceeds from the Mie 60 MW solar project rights sold, the unrestricted cash position increased to \$47.1 million

Summary

Summary

- Strong financial performance in all key operating metrics demonstrating excellent execution in all operational activities
- Fully funded with no additional capital required to complete construction of the Niigata project
- Management anticipates receiving one or more binding offers by end of the year and expects to close a sale by the end of the first quarter in 2021, subject to the negotiation of final agreements and the receipt of any required shareholder and regulatory approvals.

Contact Information

Christian Lacueva
Chief Financial Officer
clacueva@etrion.com

Marco A. Northland
Chief Executive Officer
mnorthland@etrion.com

Martin Oravec
Chief Investment Officer
moravec@etrion.com

Etrion Corporation
Rue du Commerce 4
1204 Geneva, Switzerland
info@etrion.com
www.etrion.com

