



Condensed Consolidated Interim  
Financial Statements  
Three and Nine Months Ended September 30, 2022  
UNAUDITED

At a Glance

# Etrion Corporation

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Etrion Corporation was created as a renewable energy development company. From our inception we have been committed to contributing to the diversification of the energy mix by leveraging the abundance of renewable resources to generate clean, reliable and cost-effective solar energy.

In 2021, Etrion sold all its operating and under construction solar parks in Japan to two different Japanese consortiums. Subject to the possibility of the Board identifying other potential business opportunities, the Company may deploy the remaining capital into a new venture or complete its windup activities and proceed with the dissolution within approximately 36 months after the sale of the Japanese assets. Any cash remaining at the completion of the windup activities and settlement of all liabilities of the Company will be distributed to shareholders.



For more information about our Company,  
take a look on our website at: [www.etrion.com](http://www.etrion.com)

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# FINANCIAL STATEMENTS

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The accompanying condensed consolidated unaudited interim financial statements of the Company for the three and nine months ended September 30, 2022, have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements. Readers are cautioned that these condensed consolidated unaudited interim financial statements may not be appropriate for their purposes.

## Condensed consolidated interim statement of net loss and comprehensive net loss

For the three and nine months ended September 30, 2022 and 2021

UNAUDITED

Expressed in US\$'000

	Three months ended		Nine months ended		
	Q3-22	Q3-21	Q3-22	Q3-21	
<b>Continuing operations</b>					
General and administrative expenses	6	(226)	(2,104)	(1,829)	(8,348)
Other expense	7	(18)	(5)	(44)	(542)
<b>Operating loss</b>		<b>(244)</b>	<b>(2,109)</b>	<b>(1,873)</b>	<b>(8,890)</b>
Finance income	8	339	-	7	307
Finance costs	8	(18)	(405)	(7,000)	(802)
<b>Net finance costs</b>		<b>321</b>	<b>(405)</b>	<b>(6,993)</b>	<b>(495)</b>
<b>Income (loss) before income tax</b>		<b>77</b>	<b>(2,514)</b>	<b>(8,866)</b>	<b>(9,385)</b>
Income tax expense	9	-	(27)	(86)	2,414
<b>Income (loss) for the period from continuing operations</b>		<b>77</b>	<b>(2,541)</b>	<b>(8,952)</b>	<b>(6,971)</b>
Profit from discontinued operations, net of tax	5	-	8,716	-	112,718
<b>Net income (loss) for the period</b>		<b>77</b>	<b>6,175</b>	<b>(8,952)</b>	<b>105,747</b>
<b>Other comprehensive (loss) income</b>					
<b>Items that may be reclassified to profit and loss:</b>					
Gain (Loss) on currency translation		(1,032)	(65)	4,396	(6,172)
Gain (Loss) on cash flow hedges, net of tax – discontinued operations		-	(19)	-	210
Reclassification adjustment on cash flow hedges - disposed assets		-	1,079	-	12,583
<b>Total other comprehensive (loss) income</b>		<b>(1,032)</b>	<b>995</b>	<b>4,396</b>	<b>6,621</b>
<b>Total comprehensive net (loss) income for the period</b>		<b>(955)</b>	<b>7,170</b>	<b>(4,556)</b>	<b>112,368</b>
<b>Income (loss) attributable to:</b>					
Owners of the parent		77	6,175	(8,952)	105,747
<b>Total</b>		<b>77</b>	<b>6,175</b>	<b>(8,952)</b>	<b>105,747</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Owners of the parent		(955)	7,170	(4,556)	112,368
<b>Total</b>		<b>(955)</b>	<b>7,170</b>	<b>(4,556)</b>	<b>112,368</b>
<b>Total comprehensive loss (income) attributable to owners of the Company:</b>					
Continuing operations		(955)	(2,606)	(4,556)	(13,143)
Discontinued operations		-	9,776	-	125,511
<b>Total</b>		<b>(955)</b>	<b>7,170</b>	<b>(4,556)</b>	<b>112,368</b>
<b>Basic and diluted loss per share from continuing operations</b>	<b>10</b>	<b>\$(0.00)</b>	<b>\$(0.01)</b>	<b>\$(0.03)</b>	<b>\$(0.02)</b>
<b>Basic and diluted (loss) earnings per share for the period</b>	<b>10</b>	<b>\$(0.00)</b>	<b>\$0.02</b>	<b>\$(0.02)</b>	<b>\$0.31</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## Condensed consolidated interim balance sheet

As at September 30, 2022

UNAUDITED

Expressed in US\$'000

	Note	September 30 2022	December 31 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred income tax assets		39	44
<b>Total non-current assets</b>		<b>39</b>	<b>44</b>
<b>Current assets</b>			
Other receivables	12	357	541
Cash and cash equivalents	11	14,536	20,578
<b>Total current assets</b>		<b>14,893</b>	<b>21,119</b>
<b>Total assets</b>		<b>14,932</b>	<b>21,163</b>
<b>Equity</b>			
<b>Attributable to common shareholders</b>			
Share capital	13	2,055	2,055
Contributed surplus		9,461	9,461
Other reserves		(250)	(4,646)
Retained earnings (accumulated losses)		1,636	10,587
<b>Total equity</b>		<b>12,902</b>	<b>17,457</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employment benefit obligations		871	1,422
<b>Total non-current liabilities</b>		<b>871</b>	<b>1,422</b>
<b>Current liabilities</b>			
Trade and other payables	15	1,102	2,204
Current tax liabilities	9	57	80
<b>Total current liabilities</b>		<b>1,159</b>	<b>2,284</b>
<b>Total liabilities</b>		<b>2,030</b>	<b>3,706</b>
<b>Total equity and liabilities</b>		<b>14,932</b>	<b>21,163</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## Condensed consolidated statement of changes in equity

For the three and nine months ended September 30, 2022 and 2021

UNAUDITED

Expressed in US\$'000

	Share capital	Contributed surplus	Other reserves	Accumulated (losses) earnings	Reserve of disposal group held for sale	Total equity
<b>Balance at January 1, 2021</b>	<b>111,304</b>	<b>13,641</b>	<b>1,916</b>	<b>(92,556)</b>	<b>(12,793)</b>	<b>21,512</b>
Comprehensive income:						
Income for the period	-	-	-	105,747	-	105,747
Other comprehensive income (loss):						
Cash flow hedges (net of tax)	-	-	210	-	-	210
Discontinued operations	-	-	(210)	-	12,793	12,583
Currency translation	-	-	(6,172)	-	-	(6,172)
<b>Total comprehensive (loss) income</b>	<b>-</b>	<b>-</b>	<b>(6,172)</b>	<b>105,747</b>	<b>12,793</b>	<b>112,368</b>
Transactions with owners in their capacity as owners:						
Return of capital	(109,249)	-	-	-	-	(109,249)
Share-based payments	-	(4,180)	-	-	-	(4,180)
<b>Balance at September 30, 2021</b>	<b>2,055</b>	<b>9,461</b>	<b>(4,256)</b>	<b>13,191</b>	<b>-</b>	<b>20,451</b>
<b>Balance at January 1, 2022</b>	<b>2,055</b>	<b>9,461</b>	<b>(4,646)</b>	<b>17,457</b>	<b>-</b>	<b>17,457</b>
Comprehensive loss:						
Loss for the period	-	-	-	(8,952)	-	(8,952)
Other comprehensive income (loss):						
Currency translation	-	-	4,396	4,396	-	4,396
<b>Total comprehensive (loss) income</b>	<b>-</b>	<b>-</b>	<b>4,396</b>	<b>(4,555)</b>	<b>-</b>	<b>(4,555)</b>
<b>Balance at September 30 2022</b>	<b>2,055</b>	<b>9,461</b>	<b>(250)</b>	<b>12,902</b>	<b>-</b>	<b>12,902</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## Condensed consolidated interim statement of cash flow

For the three and nine months ended September 30, 2022 and 2021

UNAUDITED

Expressed in US\$'000

	Note	Three months ended		Nine months ended	
		Q3-22	Q3-21	Q3-22	Q3-21
<b>Operating activities:</b>					
<b>Net income (loss) for the period</b>		<b>77</b>	<b>6,175</b>	<b>(8,952)</b>	<b>105,747</b>
Less: net income from discontinued operations		-	8,716	-	112,718
<b>Loss for the period from continuing operations</b>		<b>77</b>	<b>(2,541)</b>	<b>(8,952)</b>	<b>(6,971)</b>
Adjustments for:					
Depreciation and amortization	6	-	40	-	105
Income tax expense	9	-	27	86	(2,414)
Share-based payment expense	6/14	-	(569)	-	1,676
Interest expense on corporate bonds	8	18	36	68	686
Loss on call option	8	-	-	-	117
Foreign exchange gain	8	(332)	370	6,932	(307)
Other expense		(19)	-	(44)	-
<b>Sub-total</b>		<b>(256)</b>	<b>(2,637)</b>	<b>(1,910)</b>	<b>(7,108)</b>
Changes in working capital:					
Trade and other receivables		(110)	4,952	184	2,570
Trade and other payables		(245)	(10,926)	(1,653)	(208)
<b>Net cash outflow from continuing operations</b>		<b>(612)</b>	<b>(8,611)</b>	<b>(3,379)</b>	<b>(4,746)</b>
Net cash inflow/(outflow) from discontinued operations		-	67	-	(1,909)
<b>Total cash flow used in operating activities</b>		<b>(612)</b>	<b>(8,544)</b>	<b>(3,379)</b>	<b>(6,655)</b>
<b>Investing activities:</b>					
Proceeds from sale of subsidiaries		-	13,395	-	141,479
Proceeds from sale of shareholder loan		-	-	-	1,219
<b>Net cash inflow from continuing operations</b>		<b>-</b>	<b>13,395</b>	<b>-</b>	<b>142,698</b>
Net cash outflow from discontinued operations		-	-	-	(18,445)
<b>Total cash flow generated from investing activities</b>		<b>-</b>	<b>13,395</b>	<b>-</b>	<b>124,253</b>
<b>Financing activities:</b>					
Interest paid		-	3	-	(176)
Corporate bond repayment		-	-	-	(40,316)
Proceeds from Lundin family loan		-	-	-	4,679
Proceeds from Lundin family loan		-	-	-	(4,928)
Settlement of share-based payments		-	(5,009)	-	(5,009)
Share capital refund		-	(109,249)	-	(109,249)
<b>Net cash outflow from continuing operations</b>		<b>-</b>	<b>(114,255)</b>	<b>-</b>	<b>(154,999)</b>
Net cash outflow from discontinued operations		-	-	-	(1,086)
<b>Total cash flow used in financing activities</b>		<b>-</b>	<b>(114,255)</b>	<b>-</b>	<b>(156,085)</b>
<b>Net decreased cash and cash equivalents</b>		<b>(612)</b>	<b>(109,404)</b>	<b>(3,379)</b>	<b>(38,487)</b>
Effect of exchange rate changes on cash and cash equivalents		(1,007)	(241)	(2,663)	(6,951)
Subsidiaries deconsolidation		-	(2,059)	-	(42,274)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>16,155</b>	<b>133,671</b>	<b>20,578</b>	<b>109,679</b>
<b>Cash and cash equivalents at the end of the period</b>	11	<b>14,536</b>	<b>21,967</b>	<b>14,536</b>	<b>21,967</b>
From continuing operations		14,536	21,697	14,536	21,967
From discontinued operations		-	-	-	-

The accompanying notes are an integral part of these condensed consolidated interim financial statements.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2022 and 2021

UNAUDITED

Expressed in US\$'000 unless otherwise stated

### 1. General information

Etrion Corporation ("Etrion" or the "Company" or, together with its subsidiaries, the "Group") is incorporated under the laws of the Province of British Columbia, Canada. The address of its registered office is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, Canada.

In 2021, Etrion sold all its operating and under construction solar parks in Japan to two different Japanese consortiums and therefore is no longer owning and operating any solar projects. On August 24, 2021, the Company distributed \$109.2 million to the shareholders as a return of capital, and the share capital was reduced accordingly. [Note 13](#)

Further to the sale of all of the Company's assets and the return of capital to shareholders, and in order to minimize the costs and management time associated with the listing of the Corporation's common shares on the Toronto Stock Exchange (the "TSX") and Nasdaq Stockholm stock exchange (the "Nasdaq"), the Company applied to voluntarily delist the common shares. Such delisting from the TSX became effective after the close of trading on September 17, 2021 and from the Nasdaq after the close of trading on January 4, 2022.

The Company plans to retain approximately CAD\$20 million in cash to address any potential warranty claims from the sale of its assets in Japan, corporate obligations, and potential claims as well as wind-up cost.

Subject to the possibility of the Board identifying other potential business opportunities, the Company expects to complete its windup activities and proceed with the dissolution within approximately 36 months after Closing. The Company will make a determination during this period of 36 months whether it will begin a windup process or engage in new businesses.

These condensed consolidated interim financial statements are presented in United States ("US") Dollars ("\$"), which is the Group's presentation currency. The Company's Board of Directors approved these condensed consolidated interim financial statements on November 10, 2022.

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

#### (a) Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS"). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021. These condensed consolidated interim financial statements have been prepared on the basis of accounting policies, methods of computation and presentation consistent with those applied in the audited consolidated financial statements for the year ended December 31, 2021.

#### (b) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. There are no other IFRS or interpretations that are not yet effective and that would be expected to have a material impact on the Group.

### 3. Accounting estimates and assumptions

In connection with the preparation of the Company's condensed consolidated interim financial statements, the Company's management has made assumptions and estimates about future events and applied judgments that affect the reported values of assets, liabilities, revenues, expenses and related disclosures. The assumptions, estimates and judgments are based on historical experience, current trends and other factors that the Company's management believes to be relevant at the time the condensed consolidated interim financial statements are prepared.

On a regular basis, the Company's management reviews the accounting policies, assumptions, estimates and judgments to ensure that the consolidated financial statements are presented fairly in accordance with IFRS. However, because future events and their effects cannot be determined with certainty, actual results could differ from these assumptions and estimates, and such differences could be material. There has been no change to the critical accounting estimates and assumptions used in the preparation of the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2022, from those disclosed in the notes to the Company's audited consolidated financial statements for the year ended December 31, 2021.

#### 4. Segment reporting

In 2022, there is no longer segment reporting information, following the sale of the Company's only segment (Solar Japan) in 2021. The Solar Japan segment was classified as discontinued operations since September 2020. [Note 5](#)

#### 5. Discontinued operations and assets held for sale

In 2020, Etrion engaged Mitsubishi UFJ Morgan Stanley Securities Co., Ltd as financial advisor to assist with the sale of the Company's 57-megawatt operating solar portfolio and its 45-megawatt solar park under construction in Japan. The Company's 100% participation in the shares of the Japanese subsidiaries and the shareholder loan outstanding from these entities were both acquired by two consortiums for JPY16.0 billion (\$148.3 million) and JPY131 million (\$1.2 million), respectively.

The results of the Solar Japan discontinued operations for the period are presented below:

	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
Revenue	-	246	-	10,900
Operating expenses	-	(35)	-	(2,192)
General and administrative expenses	-	(144)	-	(6,914)
Other expense	-	(47)	-	(1,041)
<b>EBITDA</b>	-	<b>20</b>	-	<b>753</b>
Depreciation and amortization	-	-	-	-
Finance costs	-	(14)	-	(2,119)
<b>Income (loss) before income tax from discontinued operations</b>	-	<b>6</b>	-	<b>(1,366)</b>
Income tax expense (recovery)	-	209	-	(1,155)
<b>Net income (loss) for the period from discontinued operations</b>	-	<b>215</b>	-	<b>(2,521)</b>
Gain on sale of subsidiaries	-	9,580	-	127,822
Reclassification adjustment on cash flow hedges – disposed assets	-	(1,079)	-	(12,583)
<b>Profit from discontinued operations</b>	-	<b>8,716</b>	-	<b>112,718</b>

#### 6. General and administrative expenses

	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
Salaries and benefits	15	2,057	443	4,004
Board of Directors' fees	28	7	70	72
Share-based payments	-	(569)	-	1,676
Professional fees	60	407	379	1,448
Listing and marketing	37	28	104	181
Depreciation and amortization	-	40	-	105
Office lease	6	53	50	164
Taxes other than income	61	-	485	464
Office, travel and other	19	81	298	234
<b>Total general and administrative expenses</b>	<b>226</b>	<b>2,104</b>	<b>1,829</b>	<b>8,348</b>

Taxes other than income refers to the net wealth tax expense for the Company's subsidiary Solar Resources Holding, Sarl.

#### 7. Other expense

	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
Unrecoverable VAT and other	18	5	44	542
<b>Total other expense</b>	<b>18</b>	<b>5</b>	<b>44</b>	<b>542</b>

## Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2022 and 2021

UNAUDITED

Expressed in US\$'000 unless otherwise stated

### 8. Net finance costs

	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
<b>Finance income:</b>				
Foreign exchange gain	332	-	-	307
Other finance income	7	-	7	-
<b>Total finance income</b>	<b>339</b>	<b>-</b>	<b>7</b>	<b>307</b>
<b>Finance costs:</b>				
Foreign exchange loss	-	370	6,932	-
Interest expense	-	-	-	64
Loss on call option	-	-	-	117
Loss on debt extinguishment	-	-	-	435
Other finance costs	18	35	68	186
<b>Total finance costs</b>	<b>18</b>	<b>405</b>	<b>7,000</b>	<b>802</b>
<b>Net finance costs</b>	<b>321</b>	<b>405</b>	<b>6,993</b>	<b>495</b>

During the three and nine months ended September 30, 2022, the Group recognized an unrealized foreign exchange gain of \$0.3 million and a foreign exchange loss of \$6.9 million associated with intercompany loans with the subsidiary in Luxembourg denominated in Euros (2021: foreign exchange loss of \$0.4 million and foreign exchange gain of \$0.3 million).

### 9. Income taxes

#### (a) Income tax expense

	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
<b>Income tax expense:</b>				
Corporate income tax (expense) recovery	-	(27)	(86)	2,414
<b>Total income tax (expense) recovery</b>	<b>-</b>	<b>(27)</b>	<b>(86)</b>	<b>2,414</b>

During the three and nine months ended September 30, 2022, the Group recognized an income tax expense of nil and \$86,000 thousand (2021: Income tax expense of \$27 thousand and Income tax recovery of \$2.4 million) of associated with its management services subsidiaries. The tax recovery was triggered by a change in the estimate tax impact in connection with the sale of the Japanese assets.

#### (b) Current income tax liabilities

	September 30	December 31
	2022	2021
Corporate income tax	57	80
<b>Total current income tax liabilities</b>	<b>57</b>	<b>80</b>

## 10. Loss per share

Basic and diluted loss per share is calculated by dividing the net loss for the period attributable to owners of the Company by the weighted average number of shares outstanding during the period. The calculation of basic and diluted loss per share is as follows:

	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
<b>Income attributable to common shareholders:</b>				
Loss from continuing operations	77	(2,541)	(8,952)	(6,971)
Income from discontinued operations	-	8,716	-	112,718
<b>Total (loss) income attributable to common shareholders</b>	<b>77</b>	<b>6,175</b>	<b>(8,952)</b>	<b>105,747</b>
Weighted average number of thousand shares outstanding	334,094	334,094	334,094	334,094
<b>Basic and diluted (loss) earnings per share:</b>				
Loss from continuing operations	\$0.00	\$(0.01)	\$(0.03)	\$(0.02)
Income from discontinued operations	-	\$0.03	-	\$0.33
<b>Total basic and diluted (loss) earnings per share</b>	<b>\$0.00</b>	<b>\$0.02</b>	<b>\$(0.03)</b>	<b>\$0.31</b>

## 11. Cash and cash equivalents

The Group's cash and cash equivalents are held in banks in Canada, Luxembourg, Switzerland, the United States and Japan with high and medium grade credit ratings assigned by international credit agencies. The fair value of cash and cash equivalents approximates their carrying value owing to short maturities.

	September 30 2022	December 31 2021
Unrestricted cash at parent level	14,536	20,578
<b>Total</b>	<b>14,536</b>	<b>20,578</b>

## 12. Other receivables

	September 30 2022	December 31 2021
<b>Current portion:</b>		
VAT account receivables	97	257
Advances paid and prepaid expenses	161	139
Other current assets	99	145
<b>Total other receivables</b>	<b>357</b>	<b>541</b>

## 13. Share capital

The Company has authorized capital consisting of an unlimited number of common shares, of which 334,094,324 shares are issued and fully-paid and outstanding at September 30, 2022 (December 31, 2021: 334,094,324). In addition, the Company is authorized to issue an unlimited number of preferred shares, issuable in series, none of which have been issued. The common shares of the Company have no par value, are all the same class, carry voting rights, and entitle shareholders to receive dividends as and when declared by the Board of Directors.

On August 24, 2021, the Company distributed \$0.327 per share to the shareholders as a return of capital for a total amount of \$109.2 million, and the share capital was reduced accordingly. No dividends were declared during the three and nine months ended September 30, 2022 and 2021.

## 14. Share-based payments

The Company maintains a Restricted Share Unit (RSU) award plan for employees, consultants, directors, and officers. During the three and nine months ended September 30, 2022, the Group recognized share-based payment of \$nil (2021: income \$0.6 million and expense \$1.6 million) related to its RSUs scheme. [Note 6](#)

Since June 22, 2021, all outstanding RSUs have been fully expensed, following the completion of the sale of the majority of the Company's Japanese assets. On August 24, 2021, the Company settled the RSUs in cash and distributed \$0.327 per RSU to the holders of the RSUs for a total amount of \$5.0 million. The holders of the RSUs will be entitled to additional payments in the event that further distributions of net proceeds from the sale of the Company's assets and/or certain tax refunds are made to shareholders. As of September 30, 2022, the number of Company's outstanding RSUs is 15,300,000.

## Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2022 and 2021

UNAUDITED

Expressed in US\$'000 unless otherwise stated

### 15. Trade and other payables

	September 30 2022	December 31 2021
<b>Financial liabilities</b>		
Trade payables	142	364
<b>Total financial liabilities</b>	<b>142</b>	<b>364</b>
Accrued expenses	278	1,234
Other payables	682	606
<b>Total trade and other payables</b>	<b>1,102</b>	<b>2,204</b>

Total trade and other payables include the severance provision payable to entitled employees and the net wealth tax provision from the Group's subsidiary Solar Resources Holding Sàrl. Other payables include the future estimated RSUs excess value payable to entitled employees.

### 16. Related parties

For the purposes of preparing the Company's condensed consolidated interim financial statements, parties are considered to be related if one party has the ability to control the other party, or if one party can exercise significant influence over the other party in making financial and operational decisions. The Company's major shareholder is the Lundin family, which collectively owns through various trusts approximately 36% of the Company's common shares (2021: 36%). Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed below. Details of transactions between the Group and other related parties are disclosed below.

#### (a) Related party transactions

During the three and nine months ended September 30, 2022, the Group entered into the following transactions with related parties:

	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
<b>General and administrative expenses:</b>				
Lundin Energy AB	-	2	2	6
Lundin SA	-	-	1	30
<b>Finance costs</b>				
Lundin family:				
- Interest expense	-	-	-	2
<b>Total transactions with related parties</b>	<b>-</b>	<b>2</b>	<b>3</b>	<b>38</b>

There were no amounts outstanding to related parties at September 30, 2022 and December 31, 2021.

There were no amounts outstanding from related parties at September 30, 2022 and December 31, 2021.

## 17. Financial assets and liabilities

	September 30, 2022			December 31, 2021		
	Financial assets at amortized cost	Fair value recognized in profit and loss	Total	Financial assets at amortized cost	Fair value recognized in profit and loss	Total
<b>Financial assets</b>						
<b>Current</b>						
Cash and cash equivalents	14,536	-	14,536	20,578	-	20,578
<b>Total financial assets</b>	<b>14,536</b>	<b>-</b>	<b>14,536</b>	<b>20,578</b>	<b>-</b>	<b>20,578</b>

	September 30, 2022			December 31, 2021		
	Financial and other liabilities at amortized cost	Fair value recognized in profit and loss	Total	Financial and other liabilities at amortized cost	Fair value recognized in profit and loss	Total
<b>Financial liabilities</b>						
<b>Current</b>						
Trade payables	142	-	142	364	-	364
<b>Total financial liabilities</b>	<b>142</b>	<b>-</b>	<b>142</b>	<b>364</b>	<b>-</b>	<b>364</b>

The Group's financial instruments carried at fair value are classified at the following levels within a measurement hierarchy that is based on the valuation technique used to estimate fair values:

Level 1: includes fair value measurements derived from quoted prices in active markets for identical assets or liabilities. The fair values of financial instruments traded in the active market are based on quoted market prices at the balance sheet date. At September 30, 2022 and December 31, 2021, the Group's cash and cash equivalents were classified as Level 1.

Level 2: includes fair value measurements derived from inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly. The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques that maximize the use of observable market data, where it is available, and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. At September 30, 2022 and December 31, 2021, the Group had no financial instruments classified as Level 2.

Level 3: includes fair value measurements derived from valuation techniques that include inputs for assets or liabilities that are not based on observable market data. At September 30, 2022 and December 31, 2021, the Group had no financial instruments classified as Level 3.

The Group's assets that are measured at fair value are as follows:

	September 30 2022	December 31 2021
<b>Financial assets</b>		
Level 1: Cash and cash equivalents (including restricted cash)	14,536	20,578
<b>Total financial assets</b>	<b>14,536</b>	<b>20,578</b>

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## 18. Contingencies

On August 10, 2015, the Group received a litigation notice from a former employee alleging unreconciled labor-related differences. The Company's Directors believe the claim is without merit, and the Group continues to vigorously defend itself. Given the current stage of the legal process, the Company is unable to make a reliable estimate of the financial effects of the litigation and has not included a provision for liability under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, in these consolidated financial statements.

## 19. Subsequent events

### (a) Tax assessment Chile

On October 28, 2022, the Group's Chilean subsidiary under liquidation, Etrion Services Chile, received a tax assessment from the local tax office of approximately US\$0.5 million. The tax assessment is related to certain deductions made in the 2020 fiscal year associated with the termination of the Asset Management Service contract with a local solar developer. The Company is assessing with its tax advisors the validity of the claim and aims the correct due amounts arising from the final assessment.

### (b) Tremonti ambiente

As previously mentioned and most recently in the April 15th, 2021 Management Information Circular to shareholders, the Company has been in the last few years actively pursuing reimbursement of certain tax payments (Tremonti Ambiente) in Italy regarding years 2010-2013, 2014-2015 and 2016-2017 before the Italian Courts. On July 27th, 2022, the Regional Tax Court in Rome ruled partially in favor of the Company and recognized the right of refund of EUR 6 million (gross) for the 2010-2013 tax years. However, on November 2nd, 2022 the Italian Tax Authority appealed the ruling of the Regional Tax Court before the Supreme Court. The Counterclaim of the Company will be filed within 40 days from the official notification of the claim of the Italian Tax Authority. As already anticipated in the previous communication, this circumstance will delay the final resolution by some years. In addition, on July 13, 2022 a negative ruling was issued by the First Instance Tax Commission of Rome on the refund for the tax years 2016-2017, which the Company is appealing in these days. On the whole, litigation for the 2014-2015 and 2016-2017 years continues at various stages before the Courts and the Company will inform should positive developments arise.