

The logo for Etrion, featuring the word "etrion" in a lowercase, red, sans-serif font. The letter 'e' is stylized with a horizontal bar extending to the left. The background of the page consists of a grid of gray and red rectangular blocks.

Management's Discussion and Analysis  
Three and Nine Months Ended September 30, 2022

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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## Management's discussion and analysis

### Management's discussion and analysis

This management's discussion and analysis ("MD&A") for Etrion Corporation ("Etrion" or the "Company" or, together with its subsidiaries, the "Group") is intended to provide an overview of the Group's operations, financial performance and a description of current and future business opportunities. This MD&A, prepared as of November 10, 2022, should be read in conjunction with the Company's condensed consolidated interim financial statements and accompanying notes for the three and nine months ended September 30, 2022. Financial information is reported in both United States dollars ("\$" or "USD") and in Euros ("€") because the Company's previously outstanding corporate bonds were denominated in the latter currency. In addition, certain material financial information has also been reported in Japanese yen ("¥") because the Company has its main business activities in Japan. Exchange rates for the relevant currencies of the Group with respect to the \$ and the ¥ are as follows:

	€/¥	\$/¥	€/ \$
Closing rate at September 30, 2022	141.90	143.08	0.9748
Closing rate at September 30, 2021	129.84	111.88	1.1579
Nine months average rate 2022	141.88	143.08	0.9904
Nine months average rate 2021	129.66	108.63	1.1967

### Non-IFRS financial measures and forward-looking statements

The terms "adjusted net income (loss)", "earnings before interest, tax, depreciation and amortization" ("EBITDA"), "Adjusted EBITDA", "solar segments EBITDA" and "adjusted operating cash flow", used throughout this MD&A, are non-IFRS measures and therefore do not have standardized meanings prescribed by IFRS and may not be comparable to similar measures disclosed by other companies. The basis for calculation has not changed and has been applied consistently by the Company over all periods presented. Adjusted net income (loss) is a useful metric to quantify the Company's ability to generate cash before extraordinary and non-cash accounting transactions recognized in the financial statements (the most comparable IFRS measure is net income (loss) as reconciled on page 11). EBITDA, including solar segments EBITDA, is useful to analyze and compare profitability between companies and industries because it eliminates the effects of financing and certain accounting policy decisions, while Adjusted EBITDA is also useful because it excludes expenses that are expected to be non-recurring (the most comparable IFRS measure for both EBITDA and Adjusted EBITDA is net income (loss) as reconciled on page 11). In addition, adjusted operating cash flow is used by investors to compare cash flows from operating activities without the effects of certain volatile items that can positively or negatively affect changes in working capital and are viewed as not directly related to a company's operating performance (the most comparable IFRS measure is cash flow used in operations as reconciled on page 11). This MD&A contains forward-looking information based on the Company's current expectations, estimates, projections and assumptions. This information is subject to a number of risks and uncertainties, many of which are beyond the Company's control. Users of this information are cautioned that actual results may differ materially from the information contained herein. For information on material risk factors and assumptions underlying the forward-looking information, refer to the "Cautionary statement regarding forward-looking information" on page 17.

# THIRD QUARTER 2022 HIGHLIGHTS

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## Third quarter 2022 highlights

USD thousands (unless otherwise stated)	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
<b>Electricity production (MWh)<sup>1</sup></b>	-	<b>1,088</b>	-	<b>31,612</b>
<b>Financial results from discontinued operations</b>				
Revenues	-	246	-	10,900
EBITDA	-	20	-	753
Net income (loss)	-	215	-	(2,521)
Gain on sale of subsidiaries	-	9,580	-	127,822
Accumulated hedging losses – disposed assets	-	(1,079)	-	(12,583)
Profit from discontinued operations	-	8,716	-	112,718
<b>Financial results from continuing operations</b>				
EBITDA	(237)	(2,069)	(1,866)	(8,785)
Adjusted EBITDA	(237)	(2,069)	(1,866)	(8,314)
Net income (loss)	77	(2,541)	(8,952)	(6,971)

	September 30 2022	December 31 2021
<b>Balance sheet</b>		
Total assets	14,932	21,163
Unrestricted cash	14,536	20,578
Working capital	13,735	18,835

### Operational highlights

- The Company sold all the solar assets in 2021 and was not developing any new project during the nine months ended September 30, 2022.

### Financial highlights

- Etrion closed the third quarter of 2022 with an unrestricted cash balance of \$15.4 million and positive working capital of \$13.7 million.

<sup>1</sup>MWh = Megawatt-hour

# BUSINESS REVIEW

## Business review

### Business overview

Etrion Corporation was created as an independent renewable energy developer. The Company operated 57 MW of installed solar capacity and 45 MW of solar projects under construction, all in Japan. Etrion's largest shareholder is the Lundin family, which owns approximately 36% of the Company's shares directly and through various trusts. Etrion is based in Geneva, Switzerland. As of the date of this MD&A, the Company has a total of 1 employee.

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.

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 of directors of identifying other potential business opportunities, the Company expects to complete its windup activities and proceed with the dissolution of the Company within approximately 36 months, although it is possible that the dissolution may be extended beyond that time. Any cash remaining at the completion of the windup activities and settlement of all liabilities of the Company will be distributed to shareholders.

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.

### Discontinued operations

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:

USD thousands	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>
Finance costs	-	(14)	-	(2,119)
<b>Income (loss) before income tax</b>	-	<b>6</b>	-	<b>(1,366)</b>
Income tax expense (recovery)	-	209	-	(1,155)
<b>Net income (loss) discontinued operations</b>	-	<b>215</b>	-	<b>(2,521)</b>
Gain on sale of subsidiaries		9,580		127,822
Accumulated hedging losses – disposed assets		(1,079)		(12,583)
<b>Profit from discontinued operations</b>	-	<b>8,716</b>	-	<b>112,718</b>



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## Financial review

### Financial results

#### Selected financial information

During the three and nine months ended September 30, 2022, the Group's performance and results were impacted by the sale of all the solar projects. Selected IFRS consolidated financial information, is as follows:

USD thousands (except per share data)	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
Revenue	-	-	-	-
Gross profit	-	-	-	-
Net loss for the period from continuing operations	77	(2,541)	(8,952)	(6,971)
Net income from discontinued operations	-	8,716	-	112,718
<b>Net (loss) income for the period</b>	<b>77</b>	<b>6,175</b>	<b>(8,952)</b>	<b>105,747</b>
Net (loss) income attributable to owners of Etrion	77	6,175	(8,952)	105,747
<b>Basic and diluted loss per share from continuing operations</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>\$0.00</b>	<b>\$0.02</b>	<b>\$(0.03)</b>	<b>\$0.31</b>
<b>Net loss for the period from continuing operations</b>	<b>77</b>	<b>(2,541)</b>	<b>(8,952)</b>	<b>(6,971)</b>
<b>Adjustments to net loss for:</b>				
Net income tax expense	-	27	86	(2,414)
Depreciation and amortization	-	40	-	105
Share-based payment (recovery) expense	-	(569)	-	1,676
Net finance costs	(314)	406	7,000	496
Other expense, net	(19)	-	(44)	-
Changes in working capital	(356)	(5,974)	(1,469)	2,362
<b>Operating cash outflow from continuing operations</b>	<b>(612)</b>	<b>(8,611)</b>	<b>(3,379)</b>	<b>(4,746)</b>

Summarized consolidated balance sheet information, prepared in accordance with IFRS, is as follows:

USD thousands	September 30 2022	December 31 2021
Non-current assets	39	44
Current assets	14,893	21,119
<b>Total assets</b>	<b>14,932</b>	<b>21,163</b>
Non-current liabilities	871	1,422
Current liabilities	1,159	2,284
<b>Total liabilities</b>	<b>2,030</b>	<b>3,706</b>
<b>Net assets</b>	<b>12,902</b>	<b>17,457</b>

#### Segment information

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.

## Financial review

Continued

### Non-GAAP performance measures

Reconciliation of adjusted net loss to net loss USD thousands	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
<b>Net loss from continuing operations</b>	<b>77</b>	<b>(2,541)</b>	<b>(8,952)</b>	<b>(6,971)</b>
<b>Adjustments for non-recurring and non-cash items:</b>				
VAT write-off and unrecoverable withholding taxes	-	-	-	471
Depreciation and amortization	-	40	-	105
Share-based payment (recovery) expense	-	(569)	-	1,676
<b>Adjusted net loss</b>	<b>77</b>	<b>(3,070)</b>	<b>(8,952)</b>	<b>(4,719)</b>

Reconciliation of adjusted operating cash flows to operating cash flows USD thousands	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
<b>Operating cash outflow from continuing operations</b>	<b>(612)</b>	<b>(8,611)</b>	<b>(3,379)</b>	<b>(4,746)</b>
- Changes in working capital	356	5,974	1,469	(2,362)
<b>Adjusted operating cash outflow from continuing operations</b>	<b>(256)</b>	<b>(2,637)</b>	<b>(1,910)</b>	<b>(7,108)</b>

Reconciliation of continuing operations Adjusted EBITDA to EBITDA USD thousands	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
<b>Net loss from continuing operations</b>	<b>77</b>	<b>(2,541)</b>	<b>(8,952)</b>	<b>(6,971)</b>
Adjustments for:				
Net income tax expense	-	27	86	(2,414)
Net finance costs	(314)	405	7,000	495
Depreciation and amortization	-	40	-	105
<b>EBITDA</b>	<b>(237)</b>	<b>(2,069)</b>	<b>(1,866)</b>	<b>(8,785)</b>
<b>Adjustment for non-recurring items:</b>				
VAT write-off and other	-	-	-	471
<b>Adjusted EBITDA from continuing operations</b>	<b>(237)</b>	<b>(2,069)</b>	<b>(1,866)</b>	<b>(8,314)</b>

## Financial review

Continued

### Quarterly selected financial information

Selected consolidated financial information, prepared in accordance with IFRS, is as follows:

USD thousands (except per share data)	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21	Q1-21	Q4-20
<b>Revenue</b>	-	-	-	-	246	6,710	3,944	3,932
Japan	-	-	-	-	246	6,710	3,944	3,932
<b>Net income (loss)</b>	<b>77</b>	<b>(4,192)</b>	<b>(4,837)</b>	<b>(2,485)</b>	<b>6,175</b>	<b>101,102</b>	<b>(1,530)</b>	<b>(4,477)</b>
Net (loss) income from continuing operations attributable to owners of Etrion	77	(4,192)	(4,837)	(3,795)	(2,541)	(1,977)	(2,453)	(4,263)
Net income (loss) attributable to owners of Etrion	77	(4,192)	(4,837)	1,310	6,175	101,102	(1,530)	(4,477)
<b>Basic and diluted (loss) earnings per share:</b>								
From continuing operations attributable to owners of Etrion	\$0.00	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.00)	\$(0.00)	\$(0.01)

In 2022, the Company is no longer producing electricity and generating revenue, following the sale of all solar assets in 2021. The Group's condensed consolidated interim financial statements are presented in \$, which is the Group's presentation currency. The Company's functional currency is the ¥. The condensed consolidated interim financial statements have been prepared in accordance with IFRS.

## Financial review

Continued

### General and administrative expenses

USD thousands	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 G&amp;A</b>	<b>226</b>	<b>2,104</b>	<b>1,829</b>	<b>8,348</b>

During the three months and nine months ended September 30, 2022, general and administrative expenses decreased by \$1.9 million and \$4.6 million (89% and 78%, respectively), compared with the same period in 2021 due to the reduced activity of the corporation after the sale of Japanese assets. Taxes other than income refers to the net wealth tax expense for the Company's subsidiary Solar Resources Holding, Sarl.

### Other expense, net

USD thousands	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
Other	18	5	44	542
<b>Total other expense, net</b>	<b>18</b>	<b>5</b>	<b>44</b>	<b>542</b>

During the nine months ended September 30, 2021, the Company recognized \$0.5 million, associated with unrecoverable VAT and withholding taxes from one of its Japanese subsidiaries.

### Net finance costs

USD thousands	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
Interest expense	18	-	68	64
Loss on call option	-	-	-	117
Loss on debt	-	-	-	435
Foreign exchange loss (gain)	(332)	370	6,932	(307)
Other finance (income) costs	(7)	35	(7)	186
<b>Net finance (income) cost</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).

### Income tax expense

USD thousands	Three months ended		Nine months ended	
	Q3-22	Q3-21	Q3-22	Q3-21
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.

## Financial review

Continued

### Financial position

#### Liquidity and financing

#### Cash position

USD thousands	September 30 2022	December 31 2021
Cash and cash equivalents:		
Unrestricted at parent level	14,536	20,578
<b>Total cash and cash equivalents</b>	<b>14,536</b>	<b>20,578</b>

#### Unrestricted cash analysis

The Group's cash and cash equivalents at September 30, 2022, included unrestricted cash of \$14.5 million. The Company's management is confident that the Group will be able to fund its working capital requirements for at least 12 months from the date of these consolidated financial statements.

#### Working capital

At the date of this MD&A, the Group had no more contractual obligations in regards of project loans and O&M contracts. The only obligations pertain to the trade payables amounting of \$1.1 million as of September 30, 2022 and due within one year.

#### Net equity

During the nine months ended September 30, 2022, total equity attributable to owners of the Company decreased by \$4.6 million from a net asset position of \$17.5 million at December 31, 2021, to a net asset position of \$13.0 million at September 30, 2022. During the period the company recognized a net loss of \$8.9 million.

#### Outstanding share data

At the date of this MD&A, the Company had 334,094,324 common shares (November 8, 2022: 334,094,324). The Company maintains the Restricted Share Unit Plan (the "Plan") pursuant to which employees, consultants, directors, and officers of the Group may be awarded RSUs.

On June 22, 2021, following the completion of the sale of the majority of the Company's Japanese assets, the outstanding RSU grants met the accelerating vesting conditions. Therefore, as of June 22, 2021, all outstanding RSUs have been fully expensed. Consequently, the original treatment was modified from equity-settled to cash-settled, and the board of directors approved the fair value of \$0.327 per RSU at the date of modification. The fair value was measured by reference to the Company's share price at the date of the modification.

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. The Company also 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 December 31, 2021, the number of Company's outstanding RSUs is 15,300,000.

#### Off-balance sheet arrangements

The Group had no off-balance sheet arrangements at September 30, 2022, and December 31, 2021.

#### Capital investments

Following the completion of the sale of its Japanese solar assets, the Group has no required capital investments.

#### Critical accounting policies and estimates

In connection with the preparation of the Company's condensed interim consolidated 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. These 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 consolidated 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 consolidated financial statements for the year ended December 31, 2021.

## Financial review

Continued

### 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 intends 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.

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 to pay any correct due amounts arising from the final assessment.

### Related parties

For the purposes of preparing the Company's condensed interim consolidated 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 directly and through various investment trusts approximately 36% of the Company's common shares. All related party transactions are made on terms equivalent to those made on an arm's length basis. The related party transactions disclosed in the notes to the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2022, are summarized below.

### Related party transactions

#### Lundin Energy AB

The Group receives professional services from Lundin Energy AB, for market and investor relation activities in Sweden and general and administrative expenses, respectively. During the three and nine months ended September 30, 2022, the Group incurred general and administrative expenses of \$nil and \$2 thousand (2021: \$2 thousand and \$6 thousand) from Lundin Energy AB. At September 30, 2022, the Group owed no (December 31, 2021: nil) amounts in relation to these expenses.

#### Lundin SA

During the three and nine months ended September 30, 2022, the Group recognized expenses of \$nil and \$2 thousand (2021: \$nil and \$30 thousand) under the service agreement with Lundin SA to make available fully staffed and equipped premises to serve members of its Board of Directors. The contract is renewed automatically, unless terminated by either party.

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The key management of the Group include members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer, Marco A. Northland.

During the three and nine months ended September 30, 2022, the Group recognized within general and administrative expenses, \$ 0.2 million and \$0.6 million (2021: \$0.7 million and \$1.7 million) associated with the remuneration of key management personnel, related to salaries and short-term benefits, pension costs, fees paid to the Board of Directors and share-based payment expenses. At September 30, 2022, the Company recognised an amount of \$0.5 million payable to the entitled employees under the RSUs plan.

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## Other disclosures

### Risks and uncertainties

Following the completion of the sale of its solar projects, the only material risks to which the Group is exposed are the risk of warranty claims and uncertainties with respect to the outcome of its litigation with a former employee. The Company plans to reserve approximately CAD\$20 million to cover for any liabilities that may result from potential warranty claims under the sale and purchase agreements pursuant to which its solar projects were sold, other corporate level liabilities and anticipated expenses to cover continuing operations and windup costs.

### Disclosure controls and internal control over financial reporting

In accordance with National Instrument 52-109 Certification of Disclosures in Issuers' Annual and Interim Filings, the Company's Chief Executive Officer and Chief Financial Officer are required to:

- design or supervise the design and evaluate the effectiveness of the Group's disclosure controls and procedures ("DC&P"); and
- design or supervise the design and evaluate the effectiveness of the Group's internal controls over financial reporting ("ICFR").

The Company's Chief Executive Officer and Chief Financial Officer have not identified any material weakness in the Group's DC&P and ICFR.

### Cautionary statement regarding forward-looking information

Forward-looking information and statements are included throughout this MD&A and include, but are not limited to, statements with respect to the possibility that the Company may pursue an alternative business venture or proceed to wind up its activities and dissolve following the completion of the sale of its solar assets and the anticipated distribution of remaining available funds to shareholders in connection with the dissolution of the Company. The above constitute forward-looking information, within the meaning of applicable Canadian securities legislation, which involves risks, uncertainties and factors that could cause actual results or events to differ materially from current expectations, including, without limitation: uncertainties with respect to the Company's ongoing activities following the completion of such sale; the risk that the Company may have insufficient funds to satisfy its future obligations, including without limitation warranty claims under the agreements pursuant to which its projects were sold and uncertainties with respect to the outcome of its current litigation; uncertainties with respect to the determination of whether the Company will pursue an alternative business venture or proceed with dissolution and winding-up; uncertainties with respect to the timing of any such determination; in the case of a determination to proceed with an alternative business, the nature of such business; and, in the case of the dissolution and winding-up of the Company, the amount of funds that will be available for distribution at the time of dissolution. All such forward-looking information is based on certain assumptions and analyses made by the Company in light of

its experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate in the circumstances. In addition to the assumptions set out elsewhere in this MD&A, such assumptions include, but are not limited to assumptions as to the amount of funds that will be required to satisfy potential warranty claims under the sale agreements, other corporate level liabilities and anticipated expenses to cover continuing operations and windup costs. Actual results, performance or achievements could differ materially from those expressed in, or implied by, such forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or, if any of them do so, what benefits will be derived therefrom. Investors should not place undue reliance on forward-looking information. Except as required by law, Etrion does not intend to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. The information contained in this MD&A is expressly qualified by this cautionary statement.

### Additional information

Additional information regarding the Company, including its Annual Information Form, may be found on the SEDAR website at [www.sedar.com](http://www.sedar.com) or by visiting the Company's website at [www.etrion.com](http://www.etrion.com)