



Condensed Consolidated Interim
Financial Statements
Three and Nine Months Ended September 30, 2024
UNAUDITED

At a Glance

Etrion Corporation

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. 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

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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, 2024, 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, 2024, and 2023

UNAUDITED

Expressed in US\$'000

	Three months ended		Nine months ended		
	Q3-24	Q3-23	Q3-24	Q3-23	
General and administrative expenses	4	(377)	(660)	(1,036)	(1,446)
Other income	5	1,293	7	1,054	-
Operating income (loss)	916	(653)	18	(1,446)	
Finance income	6	-	20	-	84
Finance costs	6	(557)	(619)	(692)	(10,894)
Net finance costs	(557)	(599)	(692)	(10,810)	
Income (loss) before income tax	359	(1,252)	(674)	(12,256)	
Income tax expense	7	(21)	(10)	(70)	(75)
Net income (loss) for the period	338	(1,262)	(744)	(12,331)	
Other comprehensive income					
Items that may be reclassified to profit and loss:					
Gain (Loss) on currency translation		772	(28)	(84)	7,784
Total other comprehensive income (loss)		772	(28)	(84)	7,784
Total comprehensive net income (loss) for the period	1,110	(1,290)	(828)	(4,547)	
Income (loss) attributable to:					
Owners of the parent		338	(1,292)	(744)	(12,331)
Total	338	(1,292)	(744)	(12,331)	
Total comprehensive income (loss) attributable to:					
Owners of the parent		1,110	(1,290)	(828)	(4,547)
Total	1,110	(1,290)	(828)	(4,547)	
Basic and diluted earnings (loss) per share for the period	8	\$0.00	\$(0.00)	\$(0.00)	\$(0.04)

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

Basic and diluted loss per share is calculated based on net loss for the period attributable to owners of Etrion.

Condensed consolidated interim balance sheet

As at September 30, 2024

UNAUDITED

Expressed in US\$'000

	Note	September 30 2024	December 31 2023
Assets			
Current assets			
Other receivables	10	246	293
Cash and cash equivalents	9	7,137	9,924
Total current assets		7,383	10,217
Total assets		7,383	10,217
Equity			
Attributable to common shareholders			
Share capital	11	2,055	2,055
Contributed surplus		9,461	9,461
Other reserves		(1,350)	(1,266)
Accumulated losses		(3,637)	(2,893)
Total equity		6,529	7,357
Liabilities			
Non-current liabilities			
Trade and other payables		214	219
Total non-current liabilities		214	219
Current liabilities			
Trade and other payables	12	631	2,480
Current tax liabilities	7	9	161
Total current liabilities		640	2,641
Total liabilities		854	2,860
Total equity and liabilities		7,383	10,217

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

Condensed consolidated statement of changes in equity

For the nine months ended September 30, 2024 and 2023

UNAUDITED

Expressed in US\$'000

	Share capital	Contributed surplus	Other reserves	Accumulated (losses) earnings	Total equity
Balance at January 1, 2023	2,055	9,461	(862)	2,374	13,028
Comprehensive loss:					
Loss for the period	-	-	-	(12,331)	(12,331)
Other comprehensive income (loss):					
Currency translation	-	-	7,784	-	7,784
Total comprehensive income (loss)	-	-	7,784	(12,331)	(4,547)
Balance at September 30 2023	2,055	9,461	6,922	(9,957)	8,481
Balance at January 1, 2024	2,055	9,461	(1,266)	(2,893)	7,357
Comprehensive loss:					
Loss for the period	-	-	-	(744)	(744)
Other comprehensive loss					
Currency translation	-	-	(84)	-	(84)
Total comprehensive loss	-	-	(84)	(744)	(828)
Balance at September 30 2024	2,055	9,461	(1,350)	(3,637)	6,529

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, 2024 and 2023

UNAUDITED

Expressed in US\$'000

	Note	Three months ended		Nine months ended	
		Q3-24	Q3-23	Q3-24	Q3-23
Operating activities:					
Net loss for the period		338	(1,262)	(744)	(12,331)
Adjustments for:					
Income tax expense	7	21	10	70	75
Interest expense	6	-	370	-	1,799
Foreign exchange loss	6	541	76	541	8,887
Other expense		-	-	-	-
Sub-total		900	(806)	(133)	(1,570)
Changes in working capital:					
Trade and other receivables		(41)	(108)	47	(20)
Trade and other payables		178	25	(1,854)	(207)
Income tax paid		(64)	-	(137)	-
Total cash flow used in operating activities		973	(889)	(2,077)	(1,797)
Net decreased cash and cash equivalents		973	(889)	(2,077)	(1,797)
Effect of exchange rate changes on cash and cash equivalents		268	(99)	(710)	(1,153)
Cash and cash equivalents at the beginning of the period		5,896	12,236	9,924	14,198
Cash and cash equivalents at the end of the period	9	7,137	11,248	7,137	11,248

The accompanying notes are an integral part of these 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, 2024 and 2023

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.

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 retained a cash reserve to address any potential warranty and damage claims from the sale of the Niigata asset in Japan, corporate obligations, and wind-up cost. In January, 2023, and in May, 2024 all warranties for damages given by the Company to the buyers of the Japanese Niigata solar park expired.

Any cash remaining at the completion of the windup activities, collection of contingent assets and settlement of all liabilities of the Company will be distributed to shareholders.

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 4, 2024.

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, 2023. 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, 2023.

(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, 2023. 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, 2024, from those disclosed in the notes to the Company's audited consolidated financial statements for the year ended December 31, 2023.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

UNAUDITED

Expressed in US\$'000 unless otherwise stated

4. General and administrative expenses

	Three months ended		Nine months ended	
	Q3-24	Q3-23	Q3-24	Q3-23
Salaries and benefits	-	70	-	70
Board of Directors' fees	10	33	78	92
Professional fees	284	225	601	685
Listing and marketing	14	14	80	72
Office lease	3	3	8	8
Office, travel and other	66	22	128	146
Taxes other than income	-	293	141	373
Total general and administrative expenses	377	660	1,036	1,446

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

5. Other income

	Three months ended		Nine months ended	
	Q3-24	Q3-23	Q3-24	Q3-23
Other income				
Assets sale earn-out	1,168	-	1,168	-
Gain on sale of wind project permits	167	-	167	-
Other expense, net	(42)	7	(281)	-
Total other income	1,293	7	1,054	-

6. Net finance costs

	Three months ended		Nine months ended	
	Q3-24	Q3-23	Q3-24	Q3-23
Finance income:				
Foreign exchange gain	-	-	-	-
Other finance income	-	20	-	84
Total finance income	-	20	-	84
Finance costs:				
Foreign exchange loss	541	76	541	8,887
Interest expense	5	370	140	1,799
Other finance costs	11	173	11	208
Total finance costs	557	619	692	10,894
Net finance (income) costs	557	559	692	10,810

7. Income taxes

(a) Income tax expense

	Three months ended		Nine months ended	
	Q3-24	Q3-23	Q3-24	Q3-23
Income tax expense:				
Corporate income tax expense	21	10	70	75
Total income tax expense	21	10	70	75

During the three and nine months ended September 30, 2024, the Group recognized an income tax expense of \$19 thousand (2023: \$10 thousand) and \$68 thousand (2023: \$75 thousand) associated with its management services subsidiaries.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

UNAUDITED

Expressed in US\$'000 unless otherwise stated

(b) Current income tax liabilities

	September 30 2024	December 31 2023
Corporate income tax	9	161
Total current income tax liabilities	9	161

8. Earnings (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	
	Q3-24	Q3-23	Q3-24	Q3-23
Income attributable to common shareholders:				
Income (loss) from the period	338	(1,262)	(744)	(12,331)
Total income (loss) attributable to common shareholders	338	(1,262)	(744)	(12,331)
Weighted average number of thousand shares outstanding	334,094	334,094	334,094	334,094
Basic and diluted earnings (loss) per share:	\$0.00	\$(0.00)	\$(0.00)	\$(0.04)

9. Cash and cash equivalents

The Group's cash and cash equivalents are held in banks in Canada, Luxembourg, Switzerland, 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 2024	December 31 2023
Cash and cash equivalents	7,137	9,924
Total	7,137	9,924

10. Other receivables

	September 30 2024	December 31 2023
VAT account receivables	67	118
Advances paid and prepaid expenses	53	122
Other current assets	126	53
Total other receivables	246	293

11. 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, 2024 (December 31, 2023: 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.

12. Trade and other payables

	September 30 2024	December 31 2023
Financial liabilities		
Trade payables	212	73
Total financial liabilities	212	73
Accrued expenses	401	246
Interest payable	-	2,150
Other payables	232	230
Total trade and other payables	845	2,699
Current portion	631	2,480
Non-current portion	214	219

13. 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 (2023: 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, 2024, the Group entered into the following transactions with related parties:

	Three months ended		Nine months ended	
	Q3-24	Q3-23	Q3-24	Q3-23
General and administrative expenses:				
Luna Capital Holding LLC	22	45	66	180
Orrön Energy AB	-	-	-	2
Total transactions with related parties	22	45	66	182

There were no amounts outstanding to related parties at September 30, 2024 and December 31, 2023.

There were no amounts outstanding from related parties at September 30, 2024 and December 31, 2023.

Lundin Group of companies

The Group receives professional services from various companies belonging to the Lundin Group, including Orrön Energy AB (Formerly Lundin Energy AB) and Lundin Energy SA.

Luna Capital Holding LLC agreement

On January 1, 2024, the Company signed a new consulting agreement with Mr. Northland, through his wholly owned Company, Luna Capital Holdings, LLC, for Mr. Northland to continue to render the services of a Chief Executive Officer and Chief Financial Officer. The contract may be terminated by either party giving at least thirty days advance written notice to the other party. The total amount under this contract is CHF 6,500 per month.

14. Financial assets and liabilities

	September 30, 2024			December 31, 2023		
	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
Financial assets						
Current						
Cash and cash equivalents	7,137	-	7,137	9,924	-	9,924
Total financial assets	7,137	-	7,137	9,924	-	9,924

	June 30, 2024			December 31, 2023		
	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
Financial liabilities						
Current						
Trade payables	212	-	212	73	-	73
Total financial liabilities	212	-	212	73	-	73

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

	September 30 2024	December 31 2023
Financial assets		
Level 1: Cash and cash equivalents (including restricted cash)	7,137	9,924
Total financial assets	7,137	9,924

15. Contingencies

(a) Tax reimbursement claim

The Company has been 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 favour of the Company and recognized the right of refund of EUR 6 million (gross) for the 2010-2013 tax years. However, the Rome tax authority subsequently lodged an appeal with the Supreme Court. As a consequence of the appeal filed with the Supreme Court, the Company must await the outcome, a process that could span from two to five years, before determining its complete entitlement to this refund. The company will not pursue all other tax claims following the outcome of the legal rulings.