

2019 Fourth Quarter and Full Year Operations and Finance Update March 10th 2020

The Etrion logo is displayed in white lowercase letters on a red rectangular background in the top right corner of the slide.An aerial photograph of a large solar farm. The solar panels are arranged in neat, parallel rows across a green field. In the background, there are rolling green hills and mountains under a cloudy sky. A small town or village is visible in the distance. A semi-transparent dark box is overlaid on the bottom center of the image, containing the text 'Powered by the Sun' and a subtitle.

Powered by the Sun

Developing, building and operating solar
power generation plants

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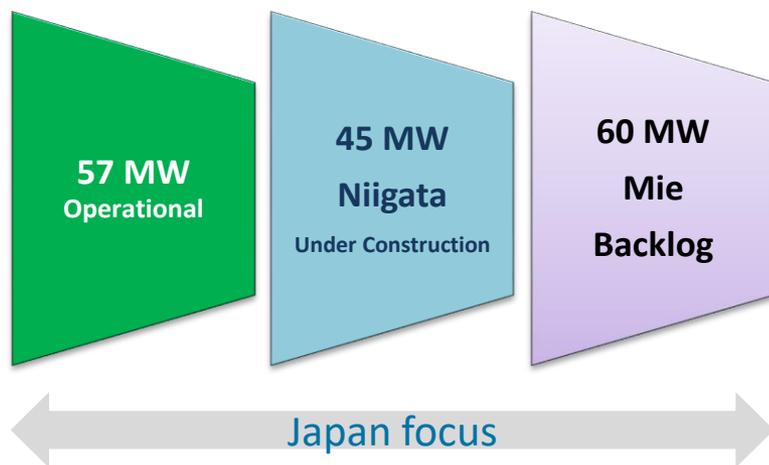
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Etrion Corporation

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
- 60 MW backlog in Japan
- Company fully funded
- 70 MW Operational Chile, being divested

Japan Asset / Pipeline Highlights



Financial Summary

Recent Share Price (TSX/OMX: ETX) ⁽¹⁾ ⁽²⁾	C\$0.22 / SEK 1.43
Shares Outstanding ⁽³⁾	334.1MM
Lundin Family Ownership	36.0%
Other Director/Management Ownership	5.7%
Revenues 2019	US\$21.9 MM
Project-level EBITDA 2019	US\$16.5 M
Restricted / Unrestricted Cash as of December 31, 2019	US\$112.8 MM / \$10.6 MM
Market Capitalization ⁽²⁾	US\$54MM
Number of Employees	17

Notes:

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

(2) ETX share price at closing on March 9, 2020

(3) ETX shares outstanding as of December 31, 2019

Japan – Solar position in the world and growth perspectives

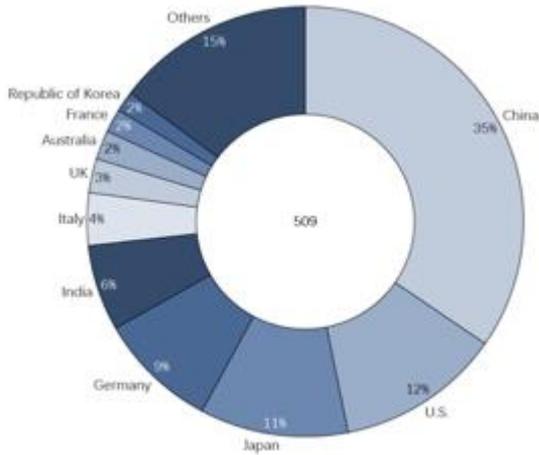


Figure 1: Cumulative solar PV Capacity Globally as of 2018
Source: REN21

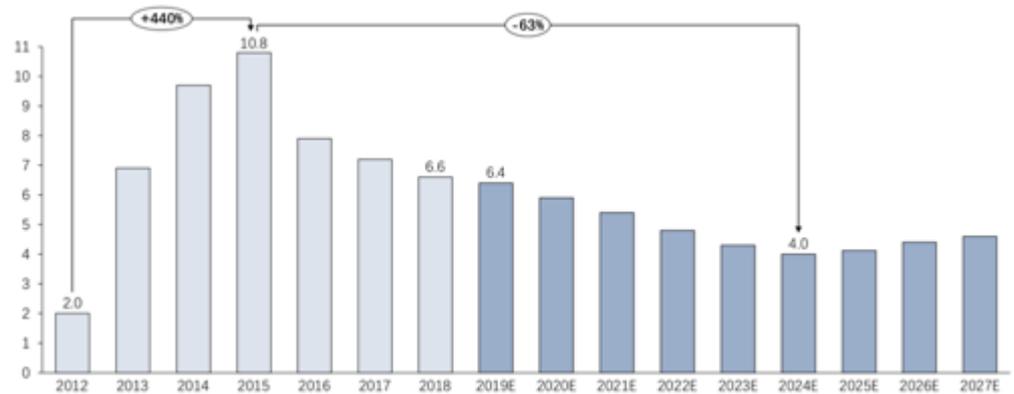


Figure 2: Japan solar PV market growth scenario 2019-2026 (GW)
Source: JPEA

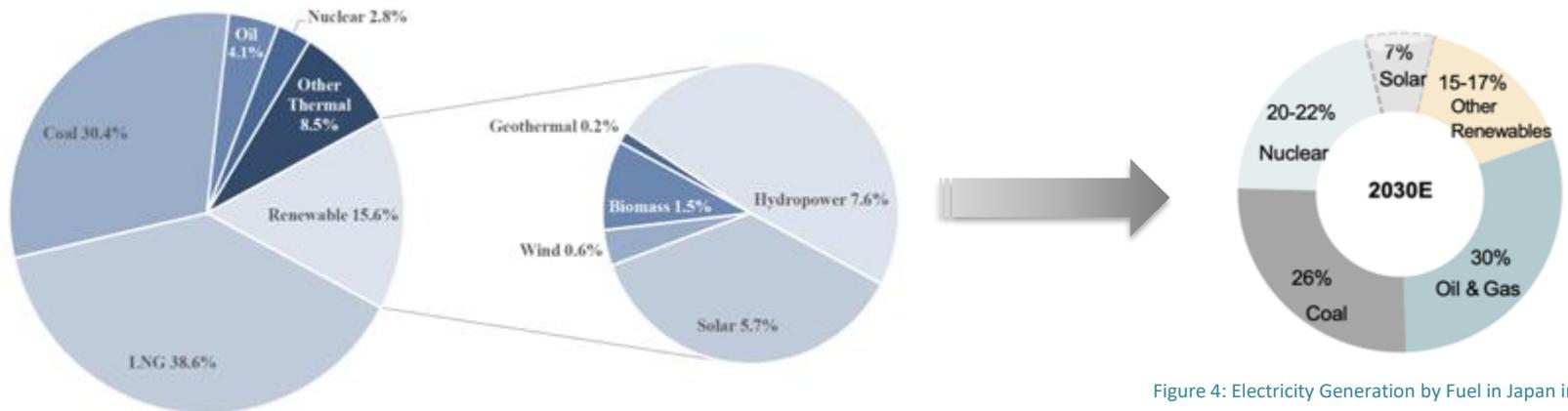


Figure 3: Electricity Generation by Fuel in Japan in 2017
Source: METI

Figure 4: Electricity Generation by Fuel in Japan in 2030

Our focus is Japan

1 Among top 5 largest energy markets in the world

2 Solar supported by a Feed-in-Tariff program

3 Among highest electricity prices in OECD

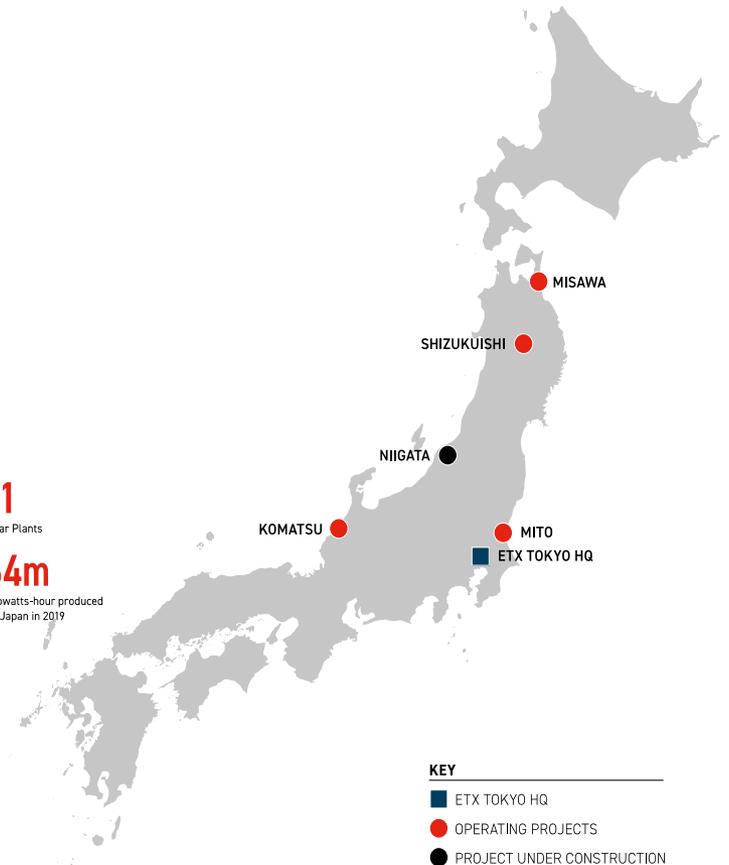
4 Strategic partnerships

5 Low cost financing

6 Energy sector deregulated in 2016

7 Strong institutional demand for yield

11
Solar Plants
64m
Kilowatts-hour produced
for Japan in 2019



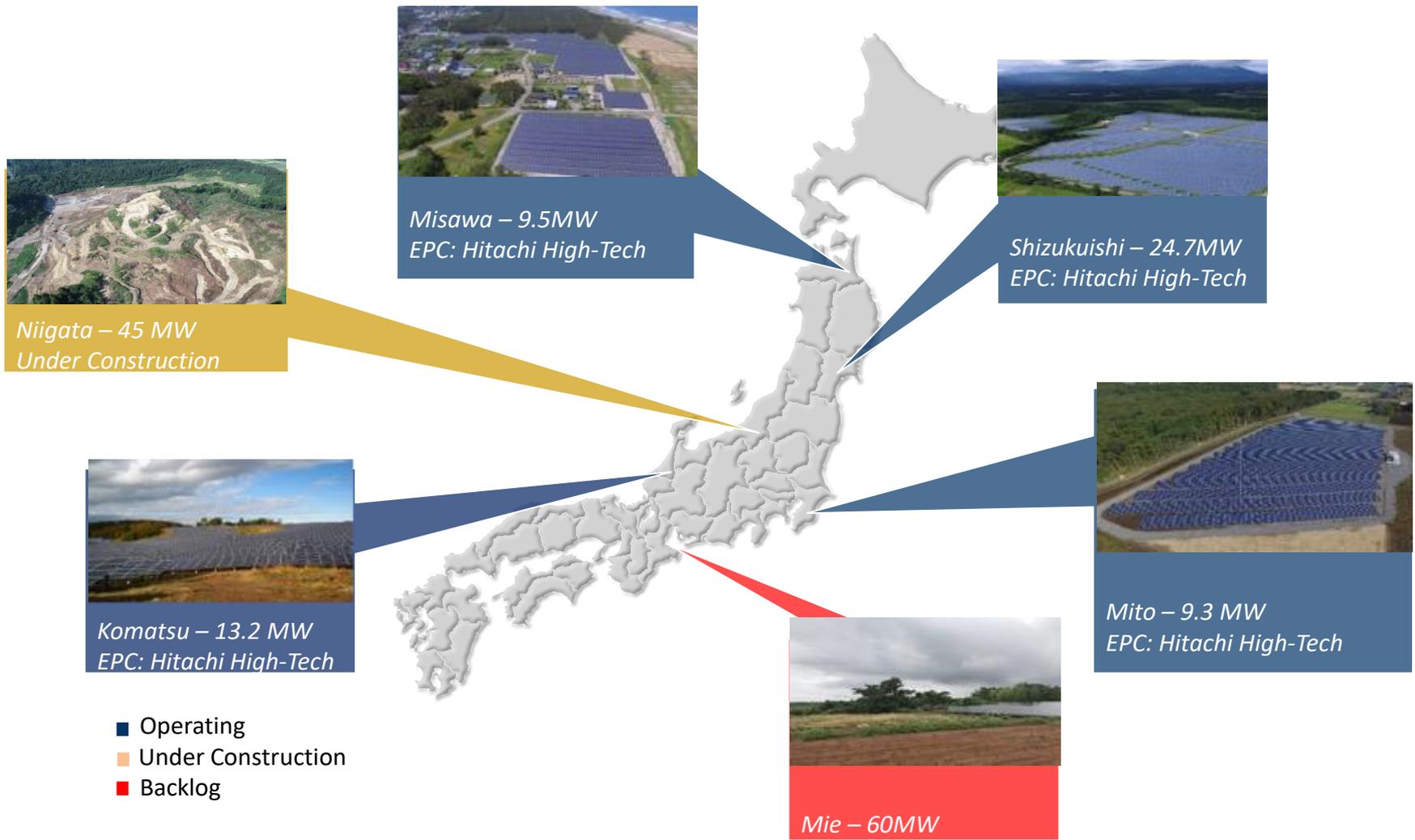
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Operational Update

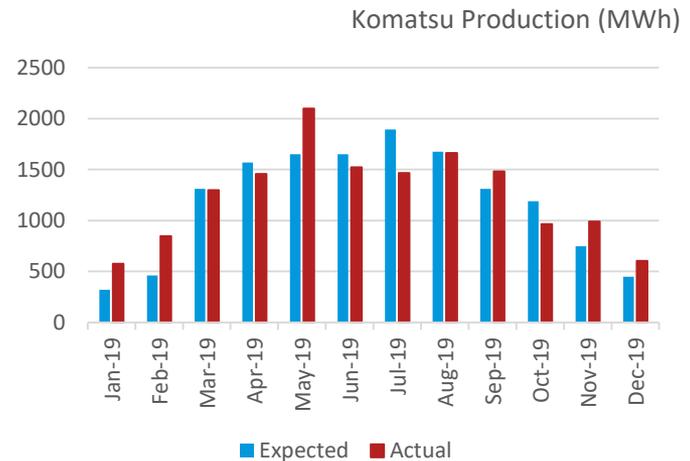
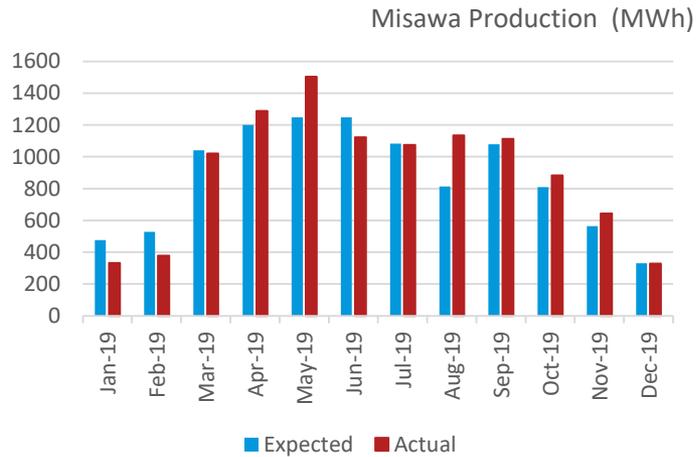
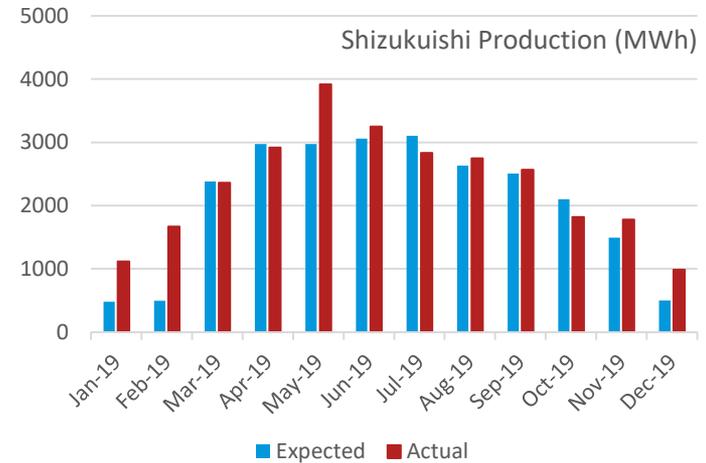
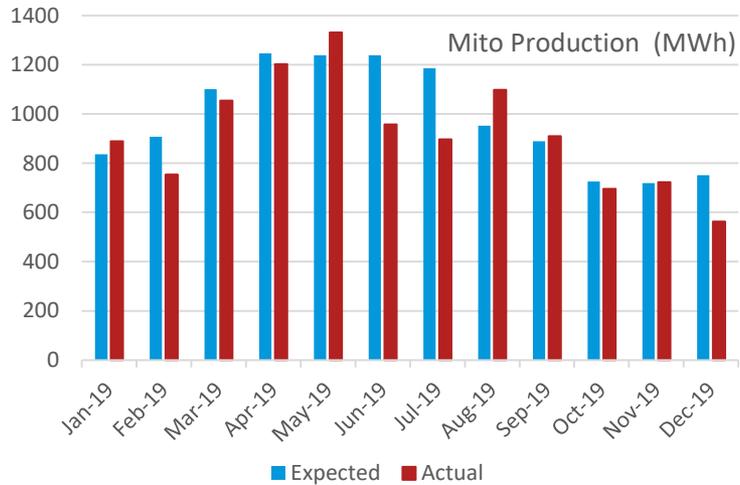
CoronaVirus impact on the business

- All IT systems in place enables the company to run the business remotely. Cloud base accounting, finance, email, file storage and video conference services enables the company to experience minimum disruption and operate business-as-usual
- All employees have been advised to work from home as much as possible
- All travel limited to essential travel only
- Operational assets do not require onsite operators except when a repair is required. O&M contractors operating without disruption
- No impact on revenue stream since all power generation is paid on fixed price.
- Niigata project under construction on track. Delivery of modules (from China) currently not affected. Labor on site currently not affected

Our presence



Full year operational performance of operating assets



Recap Japanese portfolio restructuring

- The minority interest of Hitachi High-technologies and Tamagawa Holdings on our existing operating projects were acquired in Dec-2019
- All O&M contracts were renegotiated and ETX also took full control of the Asset Management Services (AMS) across all plants
- After acquisition, all the SPVs were restructured into a new more efficient corporate structure called TK-GK. It eliminates capital gain tax at Japan level in event of asset sale
- After restructuring the average five-year key metrics were improved as follows

	Before Transaction	After Transaction	Nominal Increase	Percentage Increase
Net Capacity	46.5 MWp	56.8 MWp	+ 10.2 MWp	+22%
Annual production	48.8 GWh	62.4 GWh	+ 13.6 GWh	+28%
Annual revenue	\$16.5 m	\$21.7m	+ \$5.2m	+31%
Annual EBITDA	\$11.2 m	\$15.7m	+ \$4.5m	+40%
Annual FCF	\$2.5m	\$4.9m	+ \$2.5m	+100%

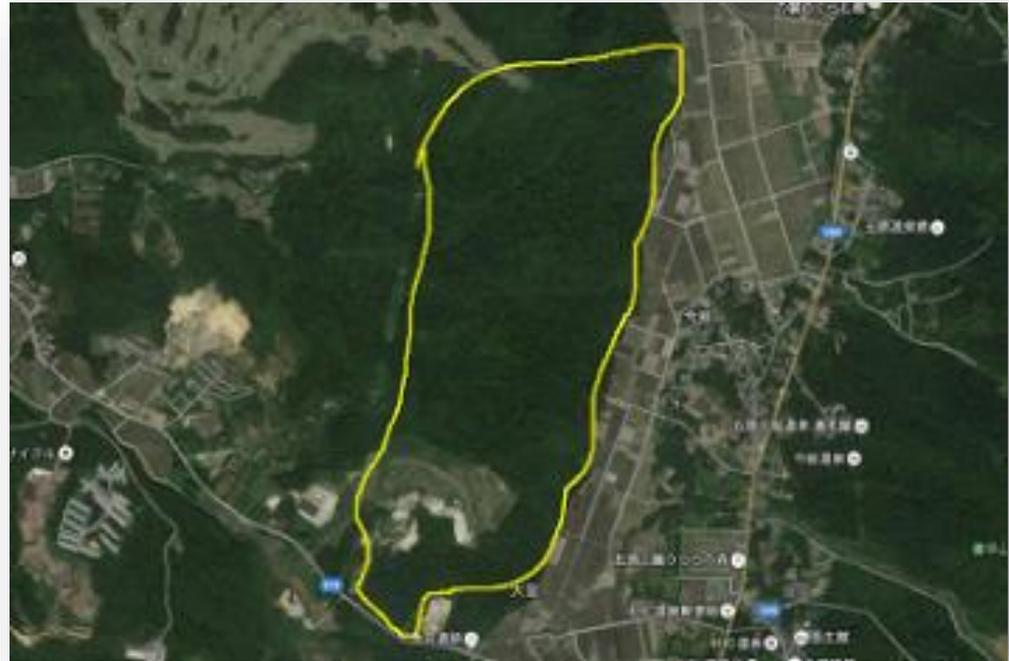
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Niigata

Niigata – 45 MW

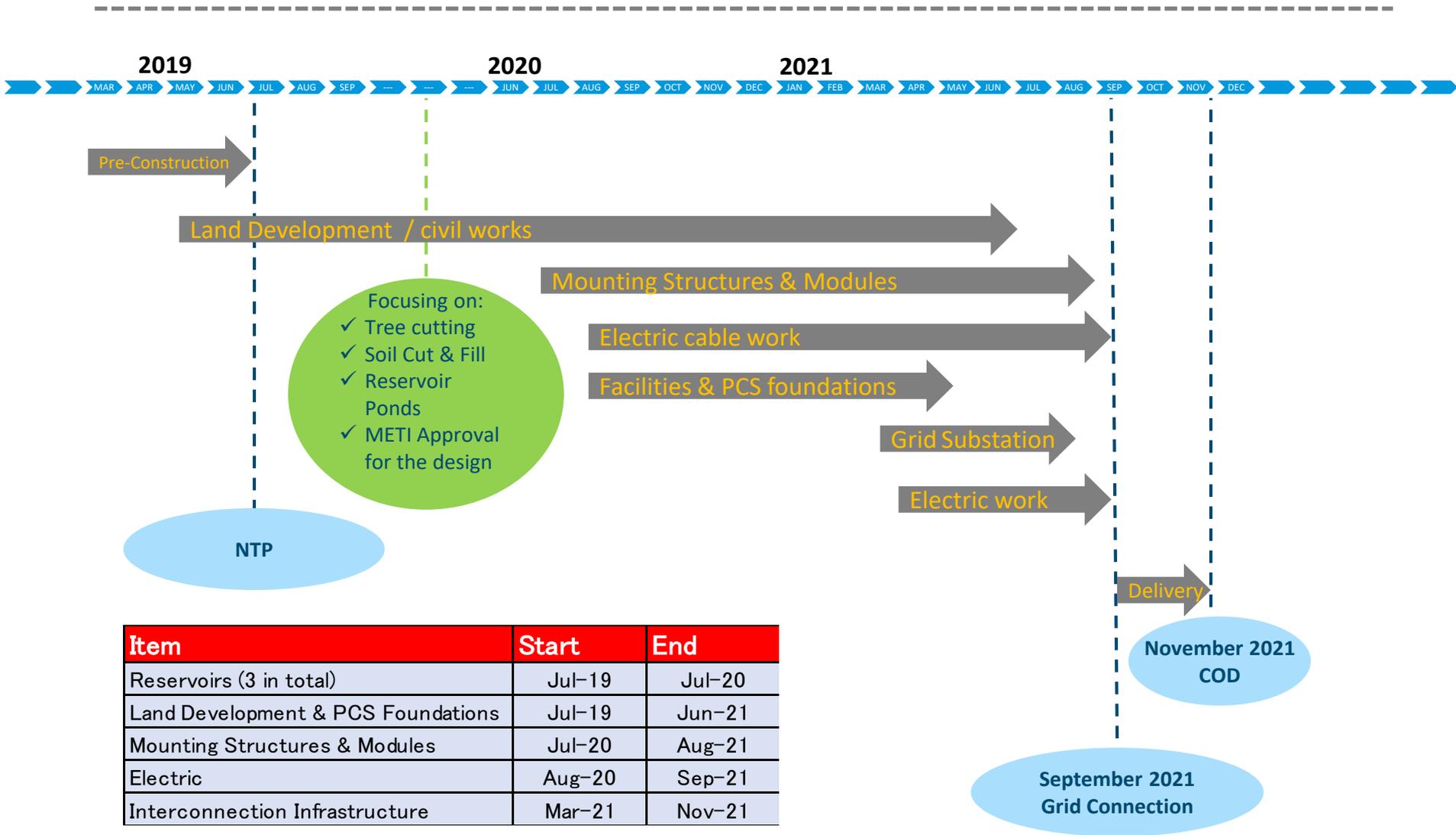
Key project metrics

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

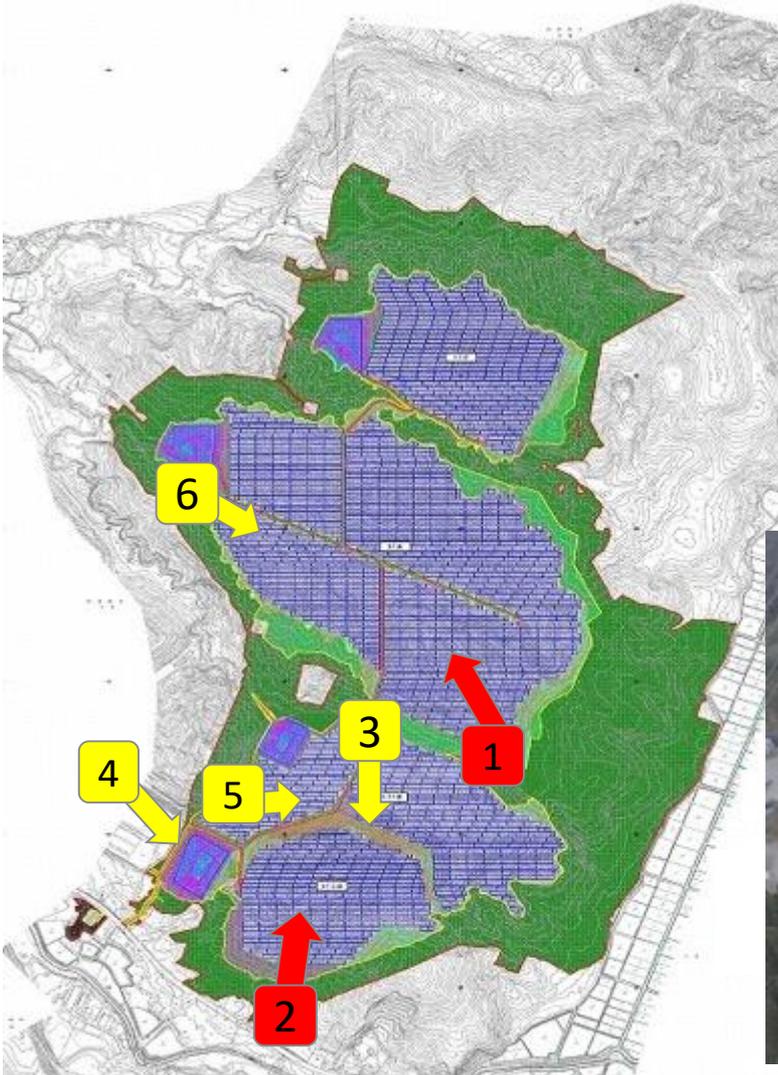


⁽¹⁾ Average refers to the first 5 years of operations based on historical weather forecast. Actual results will depend on actual weather conditions and other operational matters.

Niigata Project timeline



Sites construction status photo (Jan 2020)



Sites construction status photo (Jan 2020)



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Business Development Update

Growth Opportunity

- MIE 60 MW Project.
 - Etrion has a development agreement in place with local developer. Terms of agreement outlines responsibility of the parties to develop the project. Under this contract, Etrion to take 100% ownership once project reaches ready to build status
 - Etrion commenced litigation in Q4-2018. Management is cautiously optimistic that litigation will be favorable to Etrion and regain full control of the project
 - Expected resolution by later part of 2020 unless settlement agreement is reached with developer prior to the completion of the legal process
- Additional growth opportunities
 - The Company continue to pursue new opportunities in Japan and remains evaluating different brownfield FiT projects
 - Beyond FiT the Company is exploring bilateral agreements for PPA contracts as well as exploring to enter the wind market

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Financial results

2019 Highlights

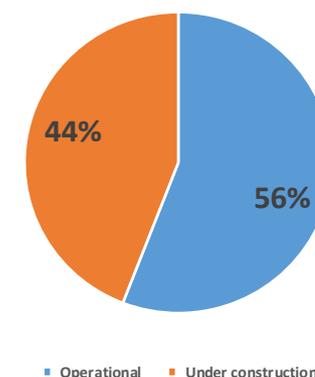
US\$ mm <small>otherwise indicated</small>	Q4-19	Q4-18	2019	2018
	3-m	3-m	12-m	12-m
Production KWh mm	10.4	12.2	63.6	56.8
Revenue	3.6	4.0	21.9	19.5
Project-EBITDA	2.4	2.9	16.5	14.6
Consolidated EBITDA	0.1	0.5	14.2	7.6
Depreciation	(2.3)	(2.2)	(9.3)	(7.9)
Finance cost	(4.2)	(0.9)	(7.3)	(7.1)
Income tax	0.2	-	(2.3)	(1.2)
Net loss	(6.2)	(2.6)	(4.7)	(8.6)

- 2019 production (+12%), revenue (+12%) and project-EBITDA (+13%) vs 2018 driven by higher electricity production from the Komatsu solar park
- Full year Consolidated EBITDA improvements due to US\$2.8 million cash collections from the sale of rights of the Kumamoto project and Project-level EBITDA improvements
- 2019 Net loss of US\$4.7 million driven by Corporate G&A, Depreciation and Finance costs
- Q4-19 production (-15%), revenue (-11%) and project-EBITDA (-17%) vs Q4-18, due Mito's cable thefts.
- Q4-19 Net loss of US\$6.2 million driven by non-cash unrealized FX losses

2019 Highlights

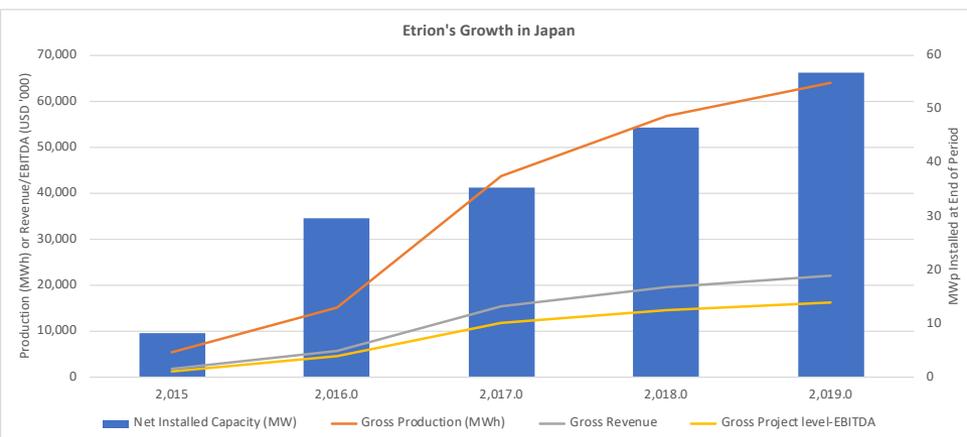
- 100% asset ownership after US\$4.3 million HHT and Tamagawa interest acquisition in December 2019
- 45 MW Niigata project 36% completed at the end of 2019
- Project green bond of US\$150 million secured in June 2019
- Development fee and anticipated land lease cash collections of US\$9.8 million from the Niigata project in 2019

102 MW Solar power assets



Financial results

Etrion consolidated results



2019 Segment information			
US\$ millions	Japan	Corp	TOTAL
Revenues	21.9	-	21.9
Operating expenses	(5.3)	-	(5.3)
G&A expenses	(0.4)	(5.1)	(5.5)
Additional termination fee	-	-	-
Other income	0.3	2.8	3.1
EBITDA	16.5	(2.3)	14.2
Depreciation and amortization	(9.2)	(0.1)	(9.3)
Net finance costs	(4.7)	(2.5)	(7.2)
Income (loss) before taxes	2.6	(5.0)	(2.3)
Tax expense	(0.5)	(1.9)	(2.3)
Net income (loss)	2.1	(6.8)	(4.7)
EBITDA margin (%)	75%		

Revenues and consolidated EBITDA continues to increase driven by organic growth and good performance of the solar assets

Financial position

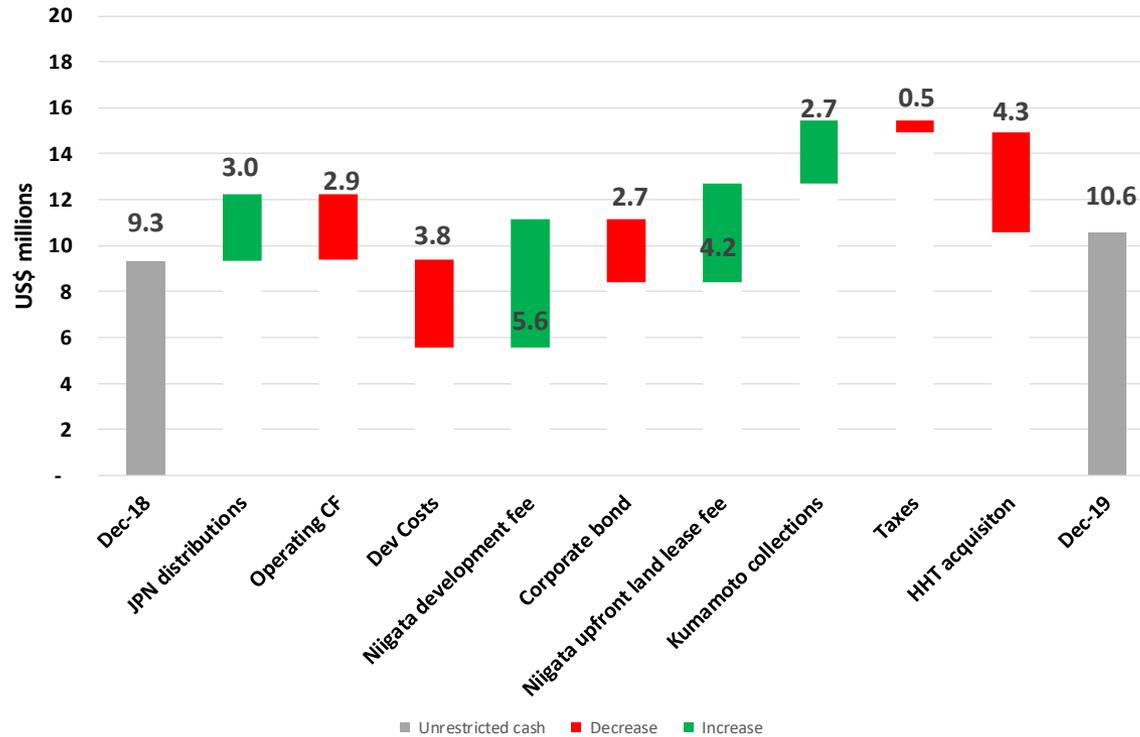
Consolidated Balance Sheet

December 31, 2019			
US\$ millions	Japan	Corp	TOTAL
Property, plant and equipment	191.7	0.1	191.8
Intangible assets	12.5	2.3	14.8
Cash and cash equivalents	112.8	10.6	123.4
Other assets	9.3	7.7	17.0
Total assets	326.4	20.6	347.0
Borrowings	271.5	37.6	309.1
Trade and other payables	9.6	3.3	12.9
Other liabilities	25.6	2.6	28.1
Total liabilities	306.7	43.4	350.1
Net equity	19.67	(22.8)	(3.1)

- Etrion has a working capital of \$109.7 million and a consolidated cash position of \$123.4 million, of which \$10.6 million is unrestricted at corporate level
- Etrion continues to expand in Japan and has increased its asset base in this country with positive results. As at December 31, 2019, the Japanese assets represent approximately 94% of consolidated assets of the Group

Cash and liquidity

Unrestricted cash reconciliation



Liquidity to fund the growth of the business in Japan in 2020

2019 Actual vs Guidance

LOW END GUIDANCE

Energy generation (GWh)	46.8
Revenue (US\$ m)	15.9
Project-level EBITDA (US\$ m)	12.0

ACTUAL RESULTS 2019

Energy generation (GWh)	52.6
Revenue (US\$ m)	18.1
Project-level EBITDA (US\$ m)	13.4

HIGH END GUIDANCE

US\$ million otherwise stated

Energy generation (GWh)	51.8
Revenue (US\$ m)	17.6
Project-level EBITDA (US\$ m)	13.3

- In 2019, Etrion's production and revenue were higher than the high end of the guidance due to overall better than expected weather conditions and excellent performance of all operational assets.
- While Mito robberies hit production numbers, the revenue and EBITDA stayed unchanged due to full coverage by insurance, collected in 2019.
- In 2019, Etrion's project level EBITDA was higher than the high end of the guidance, mainly due to the combination of higher than expected production and optimization of the contingency budgets

2020 Guidance

LOW END GUIDANCE

Energy generation (GWh)	59.9
Revenue (US\$ m)	20.6
Project-level EBITDA (US\$ m)	15.0

HIGH END GUIDANCE

Energy generation (GWh)	66.2
Revenue (US\$ m)	22.8
Project-level EBITDA (US\$ m)	16.5

The high end and low end guidance for year 2020 are based on the following assumptions

- Capacity: Based on 100% capacity of each project, acquired from minority shareholders on December 27, 2019
- Production and Revenue: In line with bank models
- Opex: the same as bank models, based on new O&M contracts and preventive and corrective maintenance contracts by third party contractors.
- FX rate: FX rate of 109 JPY / USD

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Summary

Summary

- Etrion well positioned for continued growth in one of the largest solar markets in the world
- Strong 2019 financial performance in all key operating metrics demonstrating excellent execution in all operational activities
- Restructuring in 2019 increased net operational capacity by 22%, improved maintenance contracts, simplified corporate structure and optimized future cash flows. Niigata 45 MW project on track to be connected by Q4-21
- Fully funded with no additional capital required to build Niigata project
- Significant upside beyond Niigata with resolution of 60 MW Mie project litigation, Italian tax refund and potential realization of additional pipeline projects
- No expectations of downside risk due to the Coronavirus

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