

2020 First Quarter Operations and Finance Update May 11th 2020

etrion

Powered by the Sun

Developing, building and operating solar
power generation plants

Disclaimer

These materials and the information contained herein are being presented by Etrion Corporation (the “Company”).

These materials do not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities, nor shall part, or all, of these materials or their distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities. These materials do not constitute any form of commitment or recommendation on the part of the Company.

These materials do not purport to be all-inclusive or to contain all the information that prospective investors may desire in analyzing and deciding whether or not to hold or transact in the Company's shares. These materials are not a prospectus or an offer document and has not been prepared, approved or registered in accordance with the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) or any other Swedish or foreign law. Accordingly, these materials have not been subject to review or approval by the Swedish Financial Supervisory Authority or any other Swedish or foreign authority.

Recipients of these materials must rely on their own examination of the legal, taxation, financial and other consequences of any possible holding or transaction involving the Company's shares, including the merits and risks involved. Recipients should not treat the contents of these materials as advice relating to legal, taxation or other matters and are advised to consult their own professional advisors concerning the acquisition, holding or disposal of shares in the Company.

Although the Company has endeavored to contribute towards giving a correct and complete picture of the Company herein, neither the Company nor any of its directors, officers, employees or agents nor any other person can be held liable for loss or damage of any kind, whether direct or indirect, arising from use of these materials or their contents or otherwise arising in connection therewith. More specifically, the Company and its directors, officers employees and agents assume no responsibility whatsoever and makes no representation or warranty, expressed or implied, for the contents of these materials, including its accuracy, completeness or verification for any other statement made or purported to be made by any of them, or on their behalf.

These materials as well as any other information provided by or on behalf of the Company shall be governed by Swedish law. Any dispute, controversy or claim arising out of or in connection with such information or related matters shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The place of arbitration shall be Stockholm.

FORWARD-LOOKING STATEMENTS

This presentation contains certain “forward-looking information”. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to: the Company's growth plans; the timing and scope of solar projects under development or new solar projects anticipated to be developed by the Company; anticipated production and revenue from the Company's solar projects; and expected returns from the Company's solar projects in Japan constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company as well as certain assumptions including, without limitation, assumptions with respect to: the ability of the Company to acquire and develop additional renewable energy projects as and when anticipated; project and financing costs; and anticipated production and revenue from the Company's current and future solar projects. Forward-looking information is subject to a number of significant risks and uncertainties and other factors that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: the risk that the Company may not be able to identify and/or acquire additional renewable energy projects on economic terms; uncertainties with respect to the receipt or timing of all applicable permits for the development of current and additional renewable energy projects; the possibility of project cost overruns; the risk that the Company may not be able to obtain project financing on anticipated terms; the risk of reductions in FIT and spot market prices for electricity; and the possibility that the Company's projects will not produce power at the anticipated levels.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Where information in this presentation has been sourced from a third party, the Company confirms that the information has been accurately reproduced and so far as the Company is able to ascertain from information published by that third party, and so far as the Company is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

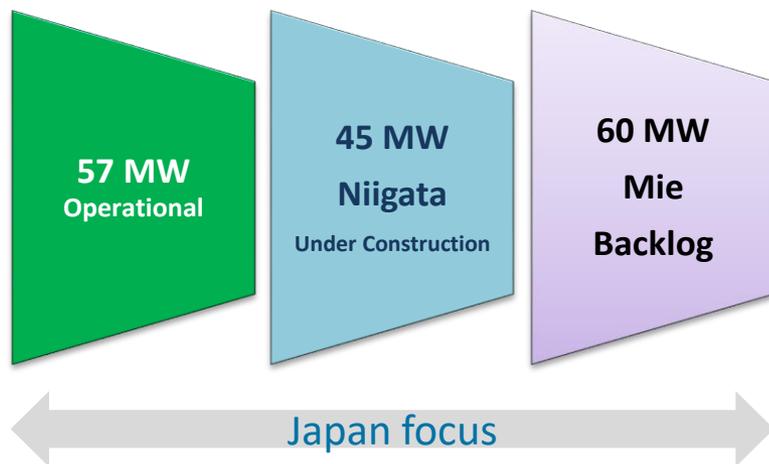
These materials and the information contained herein are not an offer of securities for sale in the United States or elsewhere and are not for publication or distribution to persons in the United States (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the Securities Act)). The securities in the Company have not been and will not be registered under the Securities Act and may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act.

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\$0.24 / SEK 1.48
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 March 31, 2020	US\$99.1 MM / \$9.7 MM
Market Capitalization ⁽²⁾	US\$58MM
Number of Employees	19

Notes:

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

(2) ETX share price at closing on May 8, 2020

(3) ETX shares outstanding as of March 31, 2020

Japan – Solar position in the world and growth perspectives

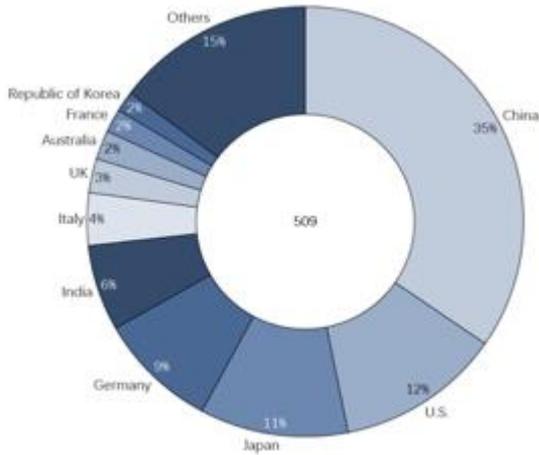


Figure 1: Cumulative solar PV Capacity Globally as of 2018
Source: REN21

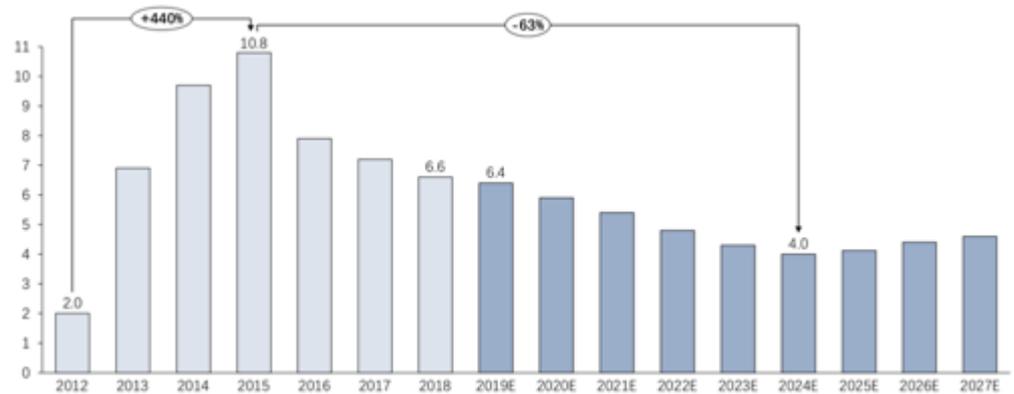


Figure 2: Japan solar PV market growth scenario 2019-2026 (GW)
Source: JPEA

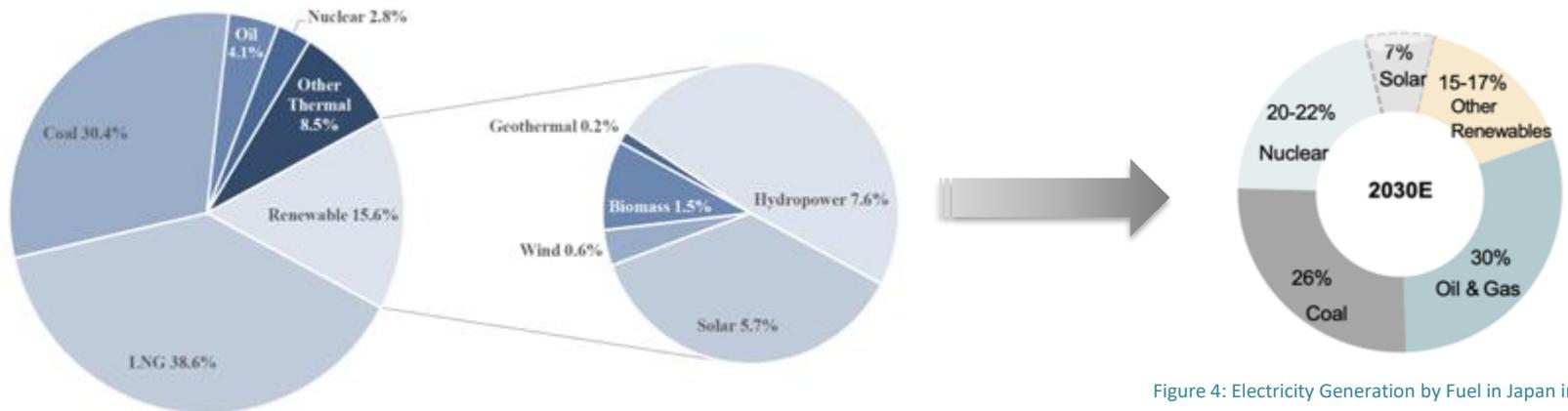


Figure 3: Electricity Generation by Fuel in Japan in 2017
Source: METI

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

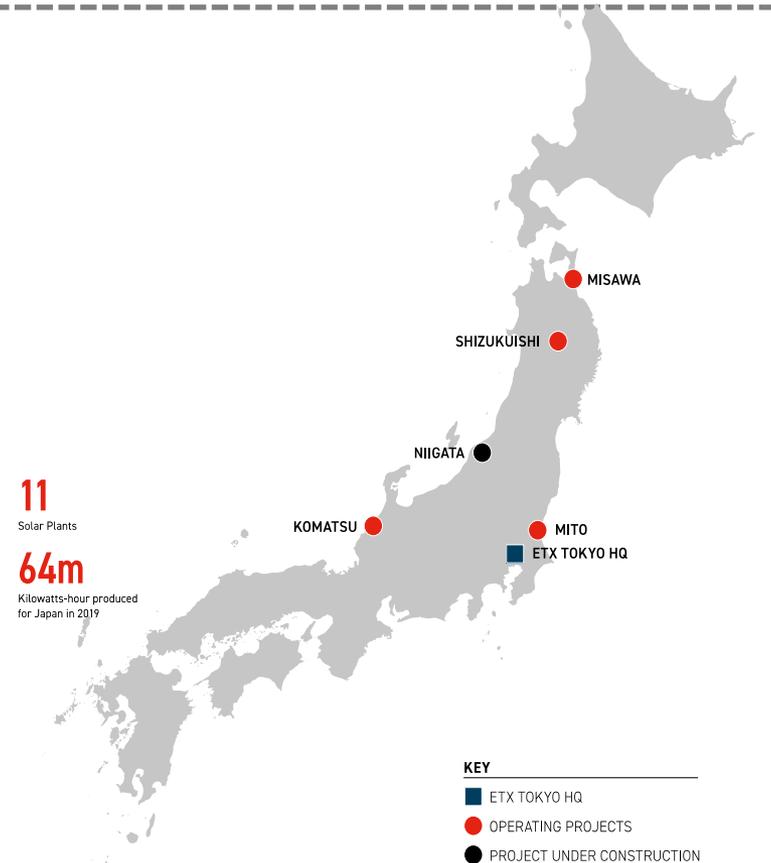
3 Among highest electricity prices in OECD

4 Strategic partnerships

5 Low cost financing

6 Energy sector deregulated in 2016

7 Strong institutional demand for yield



• In April 2020, Etrion’s Niigata green bond was recognized as “The Best Structured Product of 2019” by J-Money, the Japanese financial journal (former Euromoney Japan). The robust financing structure, including a backup contractor, was a deciding factor in the award selection, among other criteria such as size, execution and impact on the market. This award highlighted another innovative financing by Etrion, which has successfully executed more than US\$1 billion of solar project finance loans and bonds across three continents over the past decade

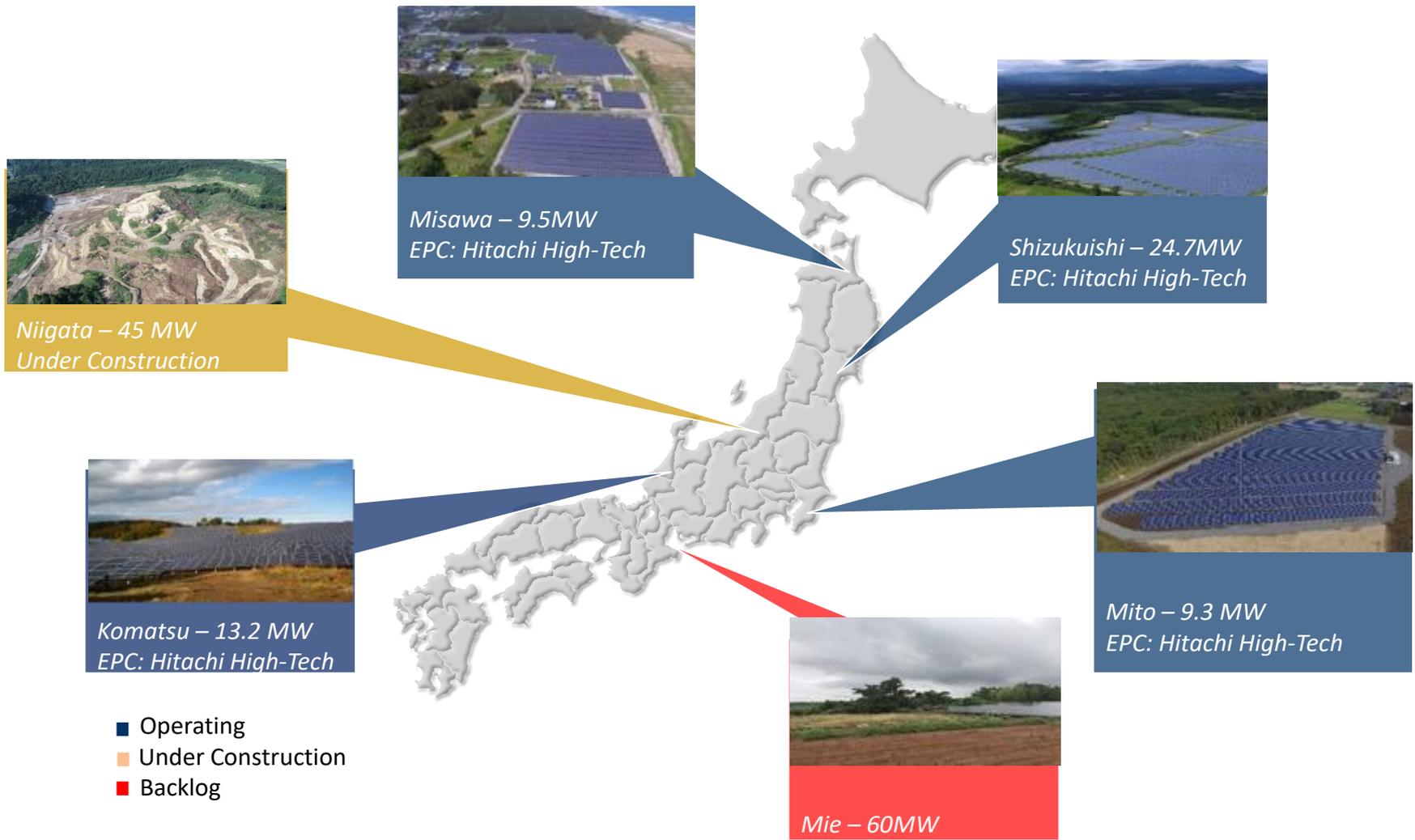
etrion

Operational Update

Company snapshot

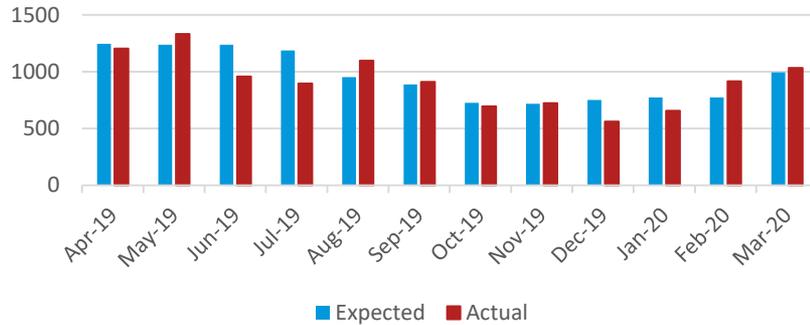
- Etrion has demonstrated to have a resilient solar platform in Japan, operating without interruption during the global pandemic. Our solar plants continue to deliver predictable revenues and EBITDA with strong positive results.
- The company maintains its full year guidance for 2020
- The 45 MW Niigata solar project under construction:
 - is on schedule and budget. The company has taken very strict measures on the construction site to reduce COVID-19 risks.
 - Delivery of modules (from China) currently not affected.
 - Labor on site currently not affected.
- On the development side, our team continues to advance on various initiatives to source new projects. I am optimistic about our growth potential and our ability to maximize shareholders' value in the near-term.
- All employees continue to work from home as much as possible with all travel limited to essential only.

Our presence

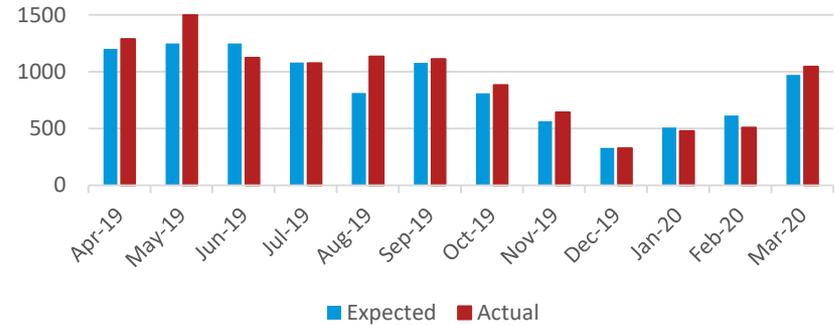


Full year operational performance of operating assets

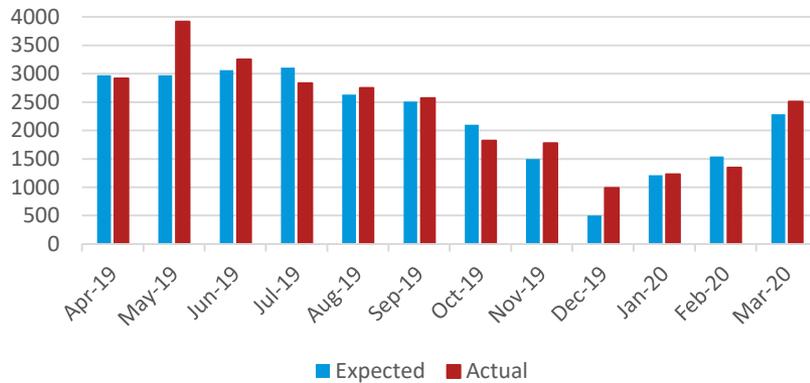
MITO Production (MWh)



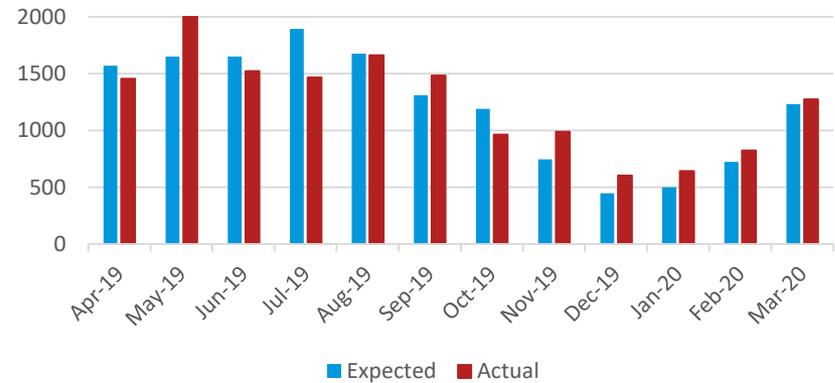
MISAWA Production (MWh)



Shizukuishi Production (MWh)



Komatsu Production (MWh)



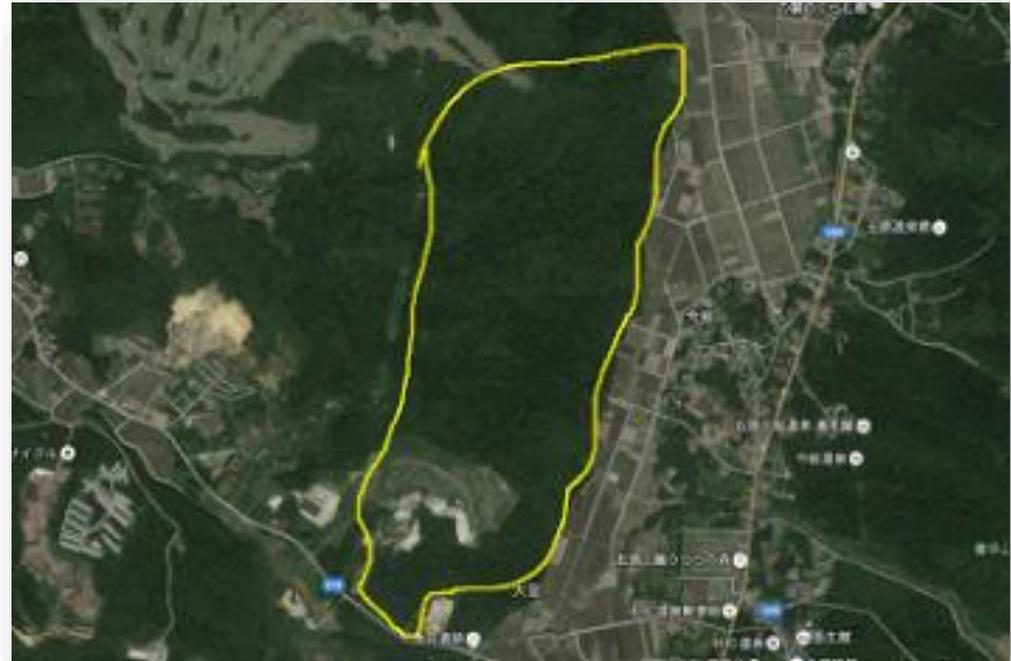
etrion

Niigata

Niigata – 45 MW

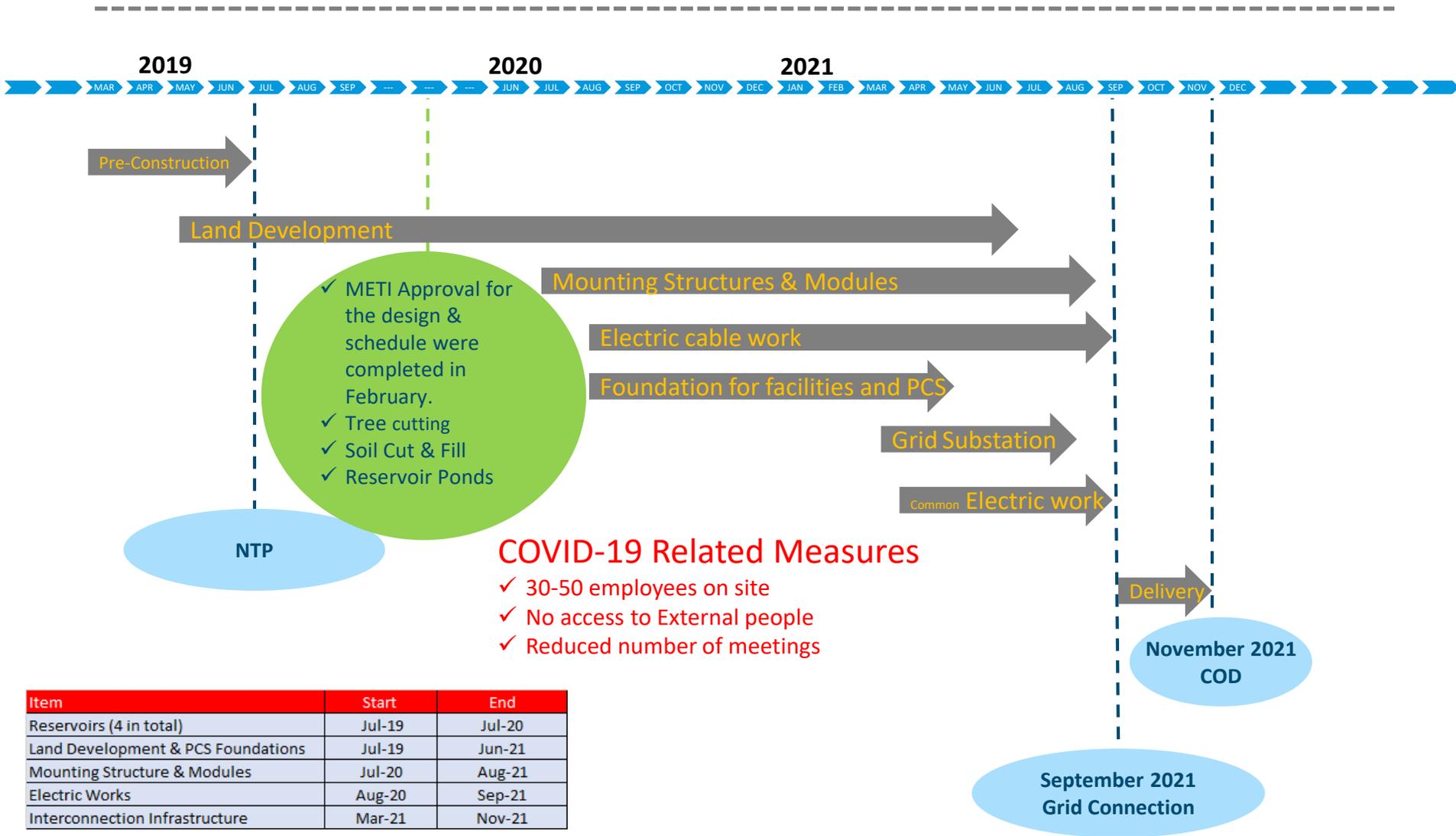
Key project metrics

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

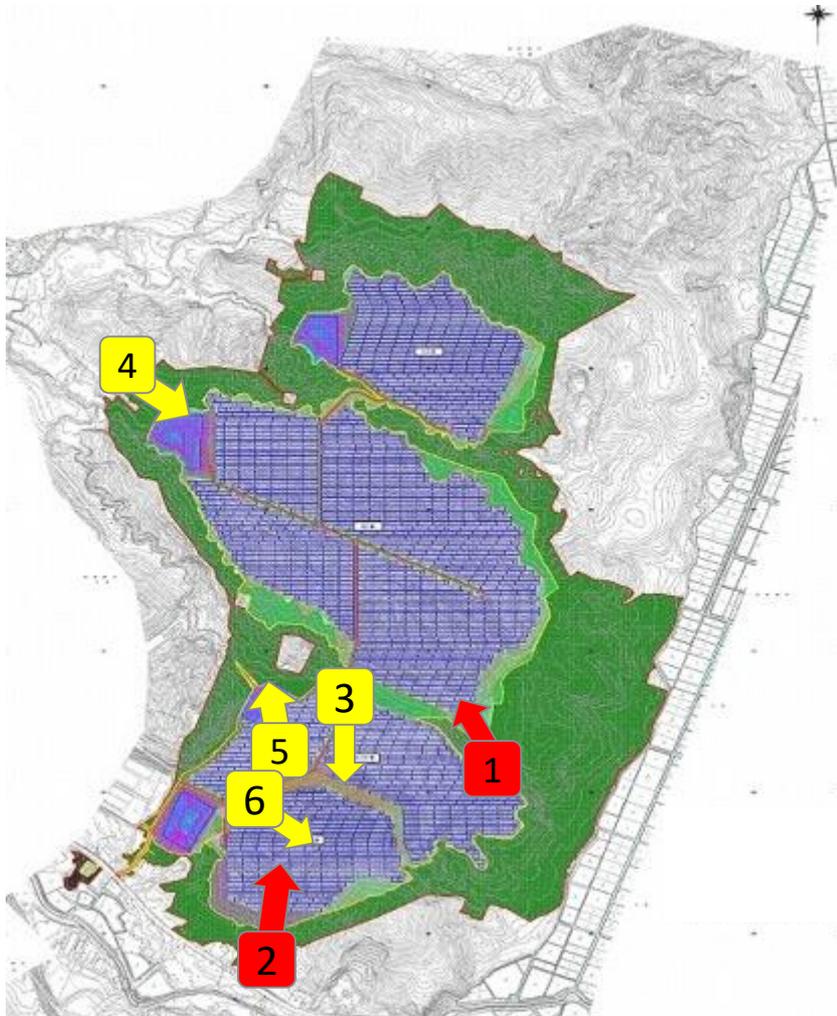


⁽¹⁾ Average refers to the first 5 years of operations based on historical weather forecast. Actual results will depend on actual weather conditions and other operational matters.

NIIGATA PROJECT TIMELINE (Planned = Actual; 42% WIP)



Sites Construction photos (Mar 2020)



Sites Construction photos



etrion

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

etrion

Financial results

Q1-20 highlights

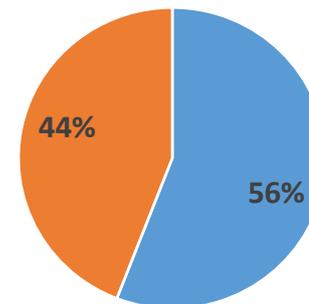
US\$ million <small>otherwise indicated</small>	Q1-20	Q1-19
	3-m	3-m
Production KWh million	12.5	12.3
Revenue	4.3	4.2
Project-EBITDA	3.2	2.6
Consolidated EBITDA	1.5	1.7
Depreciation	(2.3)	(2.3)
Finance cost	(1.6)	(1.2)
Income tax	(0.1)	(0.5)
Net loss	(2.6)	(2.3)

- Q1-20 production (+1.3%), revenue (+1.9%) and project-EBITDA (+22.7%) vs Q1-19 driven by higher electricity production and Opex reduction
- Consolidated EBITDA decrease due to lower G&A capitalization and recognition of US\$0.4 million Italian tax reassessment
- Q1-20 net loss of US\$2.6 million driven by Corporate G&A, Depreciation and Finance costs

Q1-20 Highlights

- 45 MW Niigata project 42% completed end Q1-20
- Cash balance of US\$108.8 million (US\$9.7 million unrestricted)
- Mito increased the size of the non-recourse Mito project loan size by ¥295 million

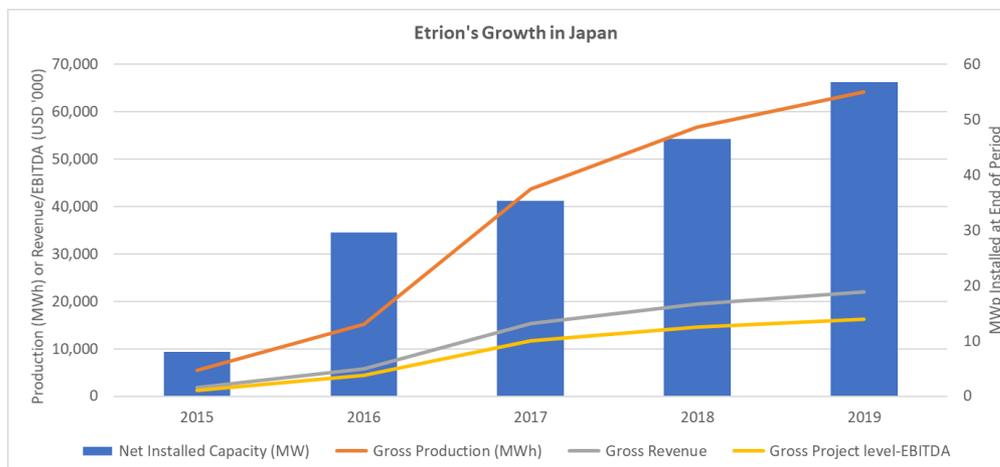
102 MW Solar power assets



■ Operational ■ Under construction

Financial results

Etrion consolidated results



Q1-20 Segment information			
US\$ millions	Japan	Corp	TOTAL
Revenues	4.3	-	4.3
Operating expenses	(1.1)	-	(1.1)
G&A expenses	(0.1)	(1.2)	(1.3)
Other income	0.0	(0.5)	(0.5)
EBITDA	3.1	(1.7)	1.5
Depreciation and amortization	(2.3)	(0.0)	(2.3)
Net finance costs	(1.1)	(0.5)	(1.6)
Loss before taxes	(0.2)	(2.2)	(2.5)
Tax expense	(0.2)	0.1	(0.1)
Net loss	(0.4)	(2.1)	(2.6)

- Increase in Q1-20 driven by good performance of the solar assets
- Project-level EBITDA improvement due to lower O&M and AMS following the portfolio optimization completed in December 2019

Financial position

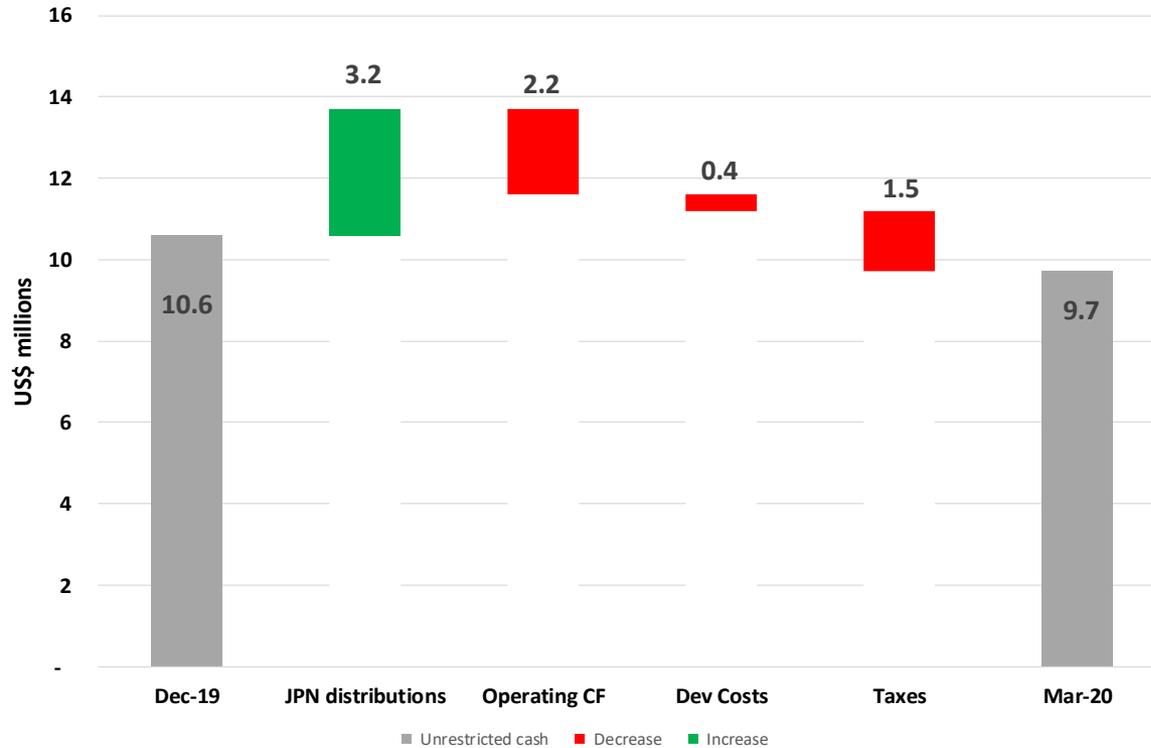
Consolidated Balance Sheet

March 31, 2020			
US\$ millions	Japan	Corp	TOTAL
Property, plant and equipment	205.3	0.1	205.4
Intangible assets	12.2	2.6	14.8
Cash and cash equivalents	99.1	9.7	108.8
Other assets	13.8	9.1	22.9
Total assets	330.4	21.4	351.8
Borrowings	272.8	37.4	310.2
Trade and other payables	16.8	3.0	19.8
Other liabilities	26.3	1.2	27.5
Total liabilities	315.8	41.6	357.4
Net equity	14.63	(20.2)	(5.6)

- Etrion has a working capital of \$91.4 million and a consolidated cash position of \$108.8 million, of which \$9.7 million is unrestricted at corporate level
- As at March 31, 2020, the Japanese assets represent approximately 94% of consolidated assets of the Group

Cash and liquidity

Unrestricted cash reconciliation



etrion

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

Contact Information

Christian Lacueva
Chief Financial Officer
clacueva@etrion.com

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

Martin Oravec
Chief Investment Officer
moravec@etrion.com

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

