PRESS RELEASE

Etrion Releases Second Quarter 2025 Results

August 5, 2025, Geneva, Switzerland – Etrion Corporation ("Etrion" or the "Company", and, together with its subsidiaries, the "Group") released today its condensed consolidated interim financial statements and related management's discussion and analysis ("MD&A") for the three and six months ended June 30, 2025.

Q2-25 HIGHLIGHTS

- Etrion closed the second quarter of 2025 with an unrestricted cash balance of US$1.9 million and positive working capital of US$1.8 million.

- On April 15, 2025, the Company's Board of Directors declared an additional distribution of US$0.011735 (CAD$0.016) per common share to shareholders and holders of restricted stock units. The distribution occurred on May 27, 2025. The distribution was made as a return of capital to shareholders, and the capital of the common shares was reduced accordingly.

Management Comments:

Marco A. Northland, the Company's Chief Executive Officer, commented, "The Company going forward will continue to reduce expenses to preserve cash until final wind-up is complete".

FINANCIAL SUMMARY

	Three months ended		Six months ended	
US$ thousands (unless otherwise stated)	**Q2-25**	**Q2-24**	**Q2-25**	**Q2-24**
Financial performance				
EBITDA	(223)	(528)	(352)	(898)
Net loss	(585)	(547)	(903)	(1,082)

Financial position	**Jun 2025**	**Dec 2024**
Unrestricted cash	1,887	6,251
Working capital	1,839	6,210
Total assets	1,995	6,410

About Etrion

Etrion's largest shareholder is the Lundin family, which owns approximately 36% of the Company's shares directly and through various trusts.

For additional information, please visit the Company's website at www.etrion.com or contact:

Marco Northland – Chief Executive Officer and Chief Financial Officer
mnorthland@etrion.com

The information was submitted for publication on the Company's website *at 11:05 p.m. CET on Aug 5, 2025.*

Non-IFRS Measures:

This press release includes non-IFRS measures not defined under IFRS, specifically earnings before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted operating cash flow. Non-IFRS measures have no standardized meaning prescribed under IFRS and therefore such measures may not be comparable with those used by other companies. EBITDA 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. In addition, EBITDA is useful to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting policy decisions. The most comparable IFRS measure to EBITDA is net income (loss). Refer to Etrion's MD&A for the three and six months ended June 30, 2025, for a reconciliation of EBITDA and adjusted operating cash flow reported during the period.

Forward-Looking Information:

This press release 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, other corporate level liabilities and anticipated expenses to cover continuing operations and windup costs, the possibility of acquiring or commencing an alternative business and the possibility that the Company may proceed to wind up its activities and dissolve following the completion of the sale of its solar assets 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 as to the amount of funds that will be required to satisfy future obligations and costs associated with the dissolution of the Company. 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 have insufficient funds to satisfy its future obligations, the risk that the Company may not be successful in identifying and pursuing an alternative business; and uncertainties with respect to the timing of the any alternative business venture or the windup and the dissolution of the Company.

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.

Management's Discussion and Analysis
Three and Six Months Ended June 30, 2025

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. The Company no longer owns or controls any energy assets or projects and has the intention to wind up in due course. 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**

Contents

In this Report

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 and financial performance. This MD&A, prepared as of August 5, 2025, should be read in conjunction with the Company's condensed consolidated interim financial statements and accompanying notes for the three and six months ended June 30, 2025. Financial information is reported in United States dollars ("$" or "USD"). Exchange rates for the relevant currencies of the Group with respect to the $ and the ¥ are as follows:

	¥/€	**¥/$**	**€/$**
Closing rate at June 30, 2025	0.0059	0.0069	1.17
Closing rate at June 30, 2024	0.0058	0.0062	1.07
Six months average rate 2025	0.0062	0.0067	1.09
Six months average rate 2024	0.0061	0.0066	1.08

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 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.

SECOND QUARTER 2025 HIGHLIGHTS

Second quarter 2025 highlights

	Three months ended		Six months ended	
USD thousands (unless otherwise stated)	**Q2-25**	**Q2-24**	**Q2-25**	**Q2-24**
Financial results from continuing operations				
EBITDA	(223)	(528)	(352)	(898)
Adjusted EBITDA	(223)	(289)	(352)	(659)
Net loss	(585)	(547)	(903)	(1,082)

	June 30 2025	December 31 2024
Balance sheet		
Total assets	1,995	6,410
Unrestricted cash	1,887	6,251
Working capital	1,839	6,210

Operational highlights

- The Company sold all the solar assets in 2021 and did not develop any new project during the three and six months ended June 30, 2025.

Financial highlights

- Etrion closed the second quarter of 2025 with an unrestricted cash balance of $1.9 million and positive working capital of $1.8 million.
- On April 15, 2025, the Company's Board of Directors declared an additional distribution of US$0.011735 (CAD$0.016) per common share to shareholders and holders of restricted stock units. The distribution occurred on May 27, 2025. The distribution was made as a return of capital to shareholders, and the capital of the common shares was reduced accordingly.

BUSINESS REVIEW

Business review

Business overview

Etrion Corporation was created as an independent renewable energy developer. 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 no employees.

In 2021, Etrion sold all its operating and under construction solar parks in Japan to two different Japanese consortiums and therefore it has disposed of all of its solar assets. 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.

After the sale of all of the Company's assets and partial return of capital to shareholders, 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 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 favor 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 has lodged an appeal with the Supreme Court. As a consequence of the appeal filed with the Supreme Court, the Company must await the outcome, expected to be issued by end of 2027, before determining its complete entitlement to this refund. The Company has forsaken all other tax claims following unfavourable rulings.

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.

FINANCIAL REVIEW

Financial review

Financial results

Selected financial information

During the three and six months ended June 30,2024, the Group's performance and results were primarily influenced by the absence of business activities and the associated expenses related to operating Etrion as a public company. Selected IFRS consolidated financial information, is as follows:

	Three months ended		Six months ended	
USD thousands (except per share data)	**Q2-25**	**Q2-24**	**Q2-25**	**Q2-24**
Revenue	-	-	-	-
Gross profit	-	-	-	-
Net loss for the period	**(585)**	**(547)**	**(903)**	**(1,082)**
Net loss attributable to owners of Etrion	(585)	(547)	(903)	(1,082)
Basic and diluted loss per share for the period:	**$(0.00)**	**$(0.00)**	**$(0.00)**	**$(0.00)**

Net loss for the period	**(585)**	**(547)**	**(903)**	**(1,082)**
Adjustments to net loss for:				
Net income tax expense	4	39	5	49
Net finance costs	373	(116)	572	-
Changes in working capital	(126)	607	(163)	(1,944)
Income tax paid	-	(19)	(1)	(73)
Operating cash outflow	**(334)**	**(36)**	**(490)**	**(3,050)**

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

USD thousands	**June 30 2025**	**December 31 2024**
Non-current assets	-	-
Current assets	1,995	6,410
Total assets	**1,995**	**6,410**
Non-current liabilities	-	170
Current liabilities	156	200
Total liabilities	**156**	**370**
Net assets	**1,839**	**6,040**

Financial review

Continued

Non-GAAP performance measures

Reconciliation of adjusted net loss to net loss	Three months ended		Six months ended	
USD thousands	Q2-25	Q2-24	Q2-25	Q2-24
Net loss income from operations	(585)	(547)	(903)	(1,082)
Adjustments for non-recurring and non-cash items	-	239	-	239
Adjusted net loss	(585)	(308)	(903)	(843)

Reconciliation of adjusted operating cash flows to operating cash flows	Three months ended		Six months ended	
USD thousands	Q2-25	Q2-24	Q2-25	Q2-24
Operating cash outflow operations	(334)	(36)	(490)	(3,050)
- Changes in working capital	126	(607)	163	1,944
- Income tax paid	-	19	1	73
Adjusted operating cash outflow operations	(208)	(624)	(326)	(1,033)

Reconciliation of Adjusted EBITDA to EBITDA	Three months ended		Six months ended	
USD thousands	Q2-25	Q2-24	Q2-25	Q2-24
Net loss from operations	(585)	(547)	(903)	(1,082)
Adjustments for:				
Net income tax expense	4	39	5	49
Net finance costs	358	(20)	546	135
EBITDA	(223)	(528)	(352)	(898)
Adjustment for non-recurring items:				
Other expenses	-	239	-	239
Adjusted EBITDA	(223)	(289)	(352)	(659)

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)	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23
Revenue	-	-	-	-	-	-	-	-
Net (loss) income	(585)	(318)	53	338	(547)	(535)	7,064	(1,262)
Net (loss) income from operations attributable to owners of Etrion	(585)	(318)	53	338	(547)	(535)	7,064	(1,262)
Net income (loss) attributable to owners of Etrion	(585)	(318)	53	338	(547)	(535)	7,064	(1,262)
Basic and diluted (loss) earnings per share:								
From operations attributable to owners of Etrion	$(0.00)	$(0.00)	$0.00	$0.00	$(0.00)	$(0.00)	$0.02	$(0.00)

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

	Three months ended		Six months ended	
USD thousands	**Q2-25**	**Q2-24**	**Q2-25**	**Q2-24**
Board of Directors fees and expenses	20	42	33	68
Professional fees	138	155	199	317
Listing and marketing	57	54	88	66
Office lease	2	3	5	6
Office, travel and other	5	35	23	62
Taxes other than income	1	-	4	140
Total G&A	**223**	**289**	**352**	**659**

During the three and six months ended June 30, 2025, general and administrative expenses decreased by 23% and 47%, compared with the same period in 2024 due to the reduced activity of the corporation after the sale of Japanese assets.

Other expense

	Three months ended		Six months ended	
USD thousands	**Q2-25**	**Q2-24**	**Q2-25**	**Q2-24**
Other expense, net	-	239	-	239
Total other expense	**-**	**239**	**-**	**239**

Net finance costs

	Three months ended		Six months ended	
USD thousands	**Q2-25**	**Q2-24**	**Q2-25**	**Q2-24**
Foreign exchange loss	373	(123)	572	(7)
Interest expense	-	101	-	135
Other finance cost, net	(15)	2	(26)	7
Net finance cost	**358**	**(20)**	**546**	**135**

During the three and six months ended June 30, 2025, the Group recognized an unrealized foreign exchange loss of $0.4 million (2024: gain of $0.1 million) and $0.5 million (2024: gain $7 thousand).

Income tax expense

	Three months ended		Six months ended	
USD thousands	**Q2-25**	**Q2-24**	**Q2-25**	**Q2-24**
Income tax	4	39	5	49
Total income tax expense	**4**	**39**	**5**	**49**

During the three and six months ended June 30, 2024, the Group recognized an income tax expense of $4 thousand (2024: $39 thousand) and $5 thousand (2024: $49 thousand) associated with its management services subsidiaries.

Financial review

Continued

Financial position

Liquidity and financing

Cash position

USD thousands	June 30 2025	December 31 2024
Cash and cash equivalents	1,887	6,251
Total cash and cash equivalents	**1,887**	**6,251**

Unrestricted cash analysis

The Group's cash and cash equivalents at June 30, 2025, included unrestricted cash of $1.9 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 $0.1 million as of June 30, 2025, due within one year. All of the contractual obligations will be funded from existing cash available, with no additional capital investments to be made by the Group.

Net equity

During the six months ended June 30, 2025, total equity attributable to owners of the Company decreased by $4.2 million from a net asset position of $6.0 million at December 31, 2024, to a net asset position of $1.8 million at June 30, 2025. During the period the company recognized a net comprehensive loss of $1.1 million and a return of capital to shareholders of $3.9 million.

Outstanding share data

At the date of this MD&A, the Company had 334,094,324 common shares (July 31, 2023: 334,094,324).

Off-balance sheet arrangements

The Group had no off-balance sheet arrangements at June 30, 2025, and December 31, 2024.

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 six months ended June 30, 2025, from those disclosed in the notes to the Company's consolidated financial statements for the year ended December 31, 2024.

Financial review

Continued

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 six months ended June 30, 2024, are summarized below.

Related party transactions

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 Chief Financial Officer, Marco A. Northland.

Luna Capital Holding LLC

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. During the three and six months ended June 30, 2025, the Group incurred general and administrative expenses of $22 thousand (2024: $44 thousand) and $44 thousand (2024: $44 thousand) under the Luna Capital agreements.

OTHER DISCLOSURES

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 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, 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 a 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 or by visiting the Company's website at www.etrion.com

Condensed Consolidated Interim
Financial Statements
Three and Six Months Ended June 30, 2025
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. The Company no longer owns or controls any energy assets or projects and has the intention to wind up in due course. 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**

Contents

In this Report

FINANCIAL STATEMENTS

The accompanying condensed consolidated unaudited interim financial statements of the Company for the three and six months ended June 30, 2025, 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 six months ended June 30, 2025, and 2024
UNAUDITED
Expressed in US$'000

		Three months ended		Six months ended	
		Q2-25	Q2-24	Q2-25	Q2-24
General and administrative expenses	4	(223)	(289)	(352)	(659)
Other expense	5	-	(239)	-	(239)
Operating loss		**(223)**	**(528)**	**(352)**	**(898)**
Finance income	6	20	123	34	7
Finance costs	6	(378)	(103)	(580)	(142)
Net finance costs		**(358)**	**20**	**(546)**	**(135)**
Loss before income tax		**(581)**	**(508)**	**(898)**	**(1,033)**
Income tax expense	7	(4)	(39)	(5)	(49)
Net loss for the period		**(585)**	**(547)**	**(903)**	**(1,082)**
Other comprehensive income					
Items that may be reclassified to profit and loss:					
Gain (loss) on currency translation		399	(441)	623	(856)
Total other comprehensive income		**399**	**(441)**	**623**	**(856)**
Total comprehensive net loss for the period		**(186)**	**(988)**	**(280)**	**(1,938)**
Loss attributable to:					
Owners of the parent		(585)	(547)	(903)	(1,082)
Total		**(585)**	**(547)**	**(903)**	**(1,082)**
Total comprehensive loss attributable to:					
Owners of the parent		(186)	(988)	(280)	(1,938)
Total		**(186)**	**(988)**	**(280)**	**(1,938)**
Basic and diluted loss per share for the period	8	**$(0.00)**	**$(0.00)**	**$(0.00)**	**$(0.00)**

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 June 30, 2025
UNAUDITED
Expressed in US$'000

	Note	June 30 2025	December 31 2024
Assets			
Current assets			
Other receivables	10	108	159
Cash and cash equivalents	9	1,887	6,251
Total current assets		**1,995**	**6,410**
Total assets		**1,995**	**6,410**
Equity			
Attributable to common shareholders			
Share capital	11	4,134	2,055
Contributed surplus		3,461	9,461
Other reserves		(1,269)	(1,892)
Accumulated losses		(4,487)	(3,584)
Total equity		**1,839**	**6,040**
Liabilities			
Non-current liabilities			
Trade and other payables		-	170
Total non-current liabilities		**-**	**170**
Current liabilities			
Trade and other payables	12	156	200
Total current liabilities		**156**	**200**
Total liabilities		**156**	**370**
Total equity and liabilities		**1,995**	**6,410**

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

Condensed consolidated statement of changes in equity

For the three months ended June 30, 2025 and 2024
UNAUDITED
Expressed in US$'000

		Share capital	Contribut ed surplus	Other reserves	Accumulated (losses) earnings	Total equity
Balance at January 1, 2024		**2,055**	**9,461**	**(1,266)**	**(2,893)**	**7,357**
Comprehensive loss:						
Loss for the period		-	-	-	(1,081)	**(1,081)**
Other comprehensive loss						
Currency translation		-	-	(856)	-	**(856)**
Total comprehensive loss		**-**	**-**	**(856)**	**(1,081)**	**(1,937)**
Balance at June 30 2024		**2,055**	**9,461**	**(2,122)**	**(3,974)**	**5,420**
Balance at January 1, 2025		**2,055**	**9,461**	**(1,892)**	**(3,584)**	**6,040**
Capital increase	11	6,000	(6,000)	-	-	**-**
Return of capital	11	3,921	-	-	-	**(3,921)**
Comprehensive loss:						
Loss for the period		-	-	-	(903)	**(903)**
Other comprehensive loss						
Currency translation		-	-	623	-	**623**
Total comprehensive loss		**-**	**-**	**623**	**(903)**	**(280)**
Balance at June 30 2025		**4,134**	**3,461**	**(1,269)**	**(4,487)**	**1,839**

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

Condensed consolidated interim statement of cash flow

For the three months ended June 30, 2025 and 2024
UNAUDITED
Expressed in US$'000

		Three months ended		Six months ended	
	Note	Q2-25	Q2-24	Q2-25	Q2-24
Operating activities:					
Net loss for the period		**(585)**	**(547)**	**(903)**	**(1,082)**
Adjustments for:					
Income tax expense	7	4	39	5	49
Foreign exchange loss	6	373	(116)	572	-
Sub-total		**(208)**	**(624)**	**(326)**	**(1,033)**
Changes in working capital:					
Trade and other receivables		32	283	51	88
Trade and other payables		(158)	324	(214)	(2,032)
Income tax paid		-	(19)	(1)	(73)
Total cash flow used in operating activities		**(334)**	**(36)**	**(490)**	**(3,050)**
Financing activities:					
Return of capital		(3,921)	-	(3,921)	-
Total cash flow used in financing activities		**(3,921)**	**-**	**(3,921)**	**-**
Net decreased cash and cash equivalents		**(4,255)**	**(36)**	**(4,411)**	**(3,050)**
Effect of exchange rate changes on cash and cash equivalents		21	(398)	47	(978)
Cash and cash equivalents at the beginning of the period		**6,121**	**6,330**	**6,251**	**9,924**
Cash and cash equivalents at the end of the period	9	**1,887**	**5,896**	**1,887**	**5,896**

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2025 and 2024
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 will complete its windup activities and proceed with the dissolution of all the Company's legal entities. 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. Effective January 1, 2025, the Company's functional currency changed from the Japanese yen ("¥") to the US Dollar, following a change in the principal environment where the Group conducts its business. The change has been applied prospectively. The Company's Board of Directors approved these condensed consolidated interim financial statements on August 5, 2025.

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, 2024. 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, 2024.

(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, 2024. 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 six months ended June 30, 2025, from those disclosed in the notes to the Company's audited consolidated financial statements for the year ended December 31, 2024.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2025 and 2024
UNAUDITED
Expressed in US$'000 unless otherwise stated

4. General and administrative expenses

	Three months ended		Six months ended	
	Q2-25	Q2-24	Q2-25	Q2-24
Board of Directors' fees and expenses	20	42	33	68
Professional fees	138	155	199	317
Listing and marketing	57	54	88	66
Office lease	2	3	5	6
Office, travel and other	5	35	23	62
Taxes other than income	1	-	4	140
Total general and administrative expenses	**223**	**289**	**352**	**659**

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

5. Other expense

	Three months ended		Six months ended	
	Q2-25	Q2-24	Q2-25	Q2-24
Other expense				
Other expense, net	-	239	-	239
Total other expense	**-**	**239**	**-**	**239**

6. Net finance costs

	Three months ended		Six months ended	
	Q2-25	Q2-24	Q2-25	Q2-24
Finance income:				
Foreign exchange gain	-	123	-	7
Other finance income	20	-	34	-
Total finance income	**20**	**123**	**34**	**7**
Finance costs:				
Foreign exchange loss	373	-	572	-
Interest expense	-	101	-	135
Other finance costs	5	2	8	7
Total finance costs	**378**	**103**	**580**	**142**
Net finance costs (income)	**358**	**(20)**	**546**	**135**

7. Income taxes

(a) Income tax expense

	Three months ended		Six months ended	
	Q2-25	Q2-24	Q2-25	Q2-24
Income tax expense:				
Corporate income tax expense	4	39	5	49
Total income tax expense	**4**	**39**	**5**	**49**

During the three and six months ended June 30, 2024, the Group recognized an income tax expense of $4 thousand (2024: $39 thousand) and $5 thousand (2024: $49 thousand) associated with its management services subsidiaries.

(b) Current income tax liabilities

	June 30 2025	December 31 2024
Corporate income tax	-	-
Total current income tax liabilities	**-**	**-**

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2025 and 2024
UNAUDITED
Expressed in US$'000 unless otherwise stated

8. 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		Six months ended	
	Q2-25	Q2-24	Q2-25	Q2-24
Income attributable to common shareholders:				
Loss from the period	(585)	(547)	(903)	(1,082)
Total loss attributable to common shareholders	**(585)**	**(547)**	**(903)**	**(1,082)**
Weighted average number of thousand shares outstanding	334,094	334,094	334,094	334,094
Basic and diluted loss per share:	**$(0.00)**	**$(0.00)**	**$(0.00)**	**$(0.00)**

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.

	June 30 2025	December 31 2024
Cash and cash equivalents	1,887	6,251
Total	**1,887**	**6,251**

10. Other receivables

	June 30 2025	December 31 2024
VAT account receivables	36	36
Advances paid and prepaid expenses	11	38
Other current assets	61	85
Total other receivables	**108**	**159**

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 June 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. On May 13th, 2025, the board of directors resolved the conversion of $6 million of the contributed surplus of the Corporation into capital of common shares by increasing the stated capital maintained for the common shares by $6 million. On May 27th, 2025, the Company distributed $0.117 per share to the shareholders as a return of capital for a total amount of $3.9 million, and the share capital was reduced accordingly.

12. Trade and other payables

	June 30 2025	December 31 2024
Financial liabilities		
Trade payables	96	61
Total financial liabilities	**96**	**61**
Accrued expenses	60	138
Other payables	-	171
Total trade and other payables	**156**	**370**
Current portion	**156**	**200**
Non-current portion	**-**	**170**

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 (2024: 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 six months ended June 30, 2025, the Group entered into the following transactions with related parties:

	Three months ended		Six months ended	
	Q2-25	Q2-24	Q2-25	Q2-24
General and administrative expenses:				
Luna Capital Holding LLC	22	22	44	44
Total transactions with related parties	**22**	**22**	**44**	**44**

There were no amounts outstanding to related parties at June 30, 2025 and December 31, 2024.

There were no amounts outstanding from related parties at June 30, 2025 and December 31, 2024.

Luna Capital Holding LLC/ Marco A. Northland

On January 1, 2024, the Company entered into a new consulting agreement with Mr. Northland, through his wholly owned company, Luna Capital Holdings, LLC, for the continued provision of his services as Chief Executive Officer and Chief Operating Officer. On August 30, 2024, the Company executed a new consulting agreement directly with Mr. Northland, replacing the prior agreement with Luna Capital Holdings, LLC. The agreement may be terminated by either party with a minimum of thirty (30) days' written notice. The total compensation under the new agreement remained unchanged at CHF 6,500 per month.

14. Financial assets and liabilities

	June 30, 2025			December 31, 2024		
	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	1,887	-	1,887	6,251	-	6,251
Total financial assets	**1,887**	**-**	**1,887**	**6,251**	**-**	**6,251**

	June 30, 2025			December 31, 2024		
	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	96	-	96	61	-	61
Total financial liabilities	**96**	**-**	**96**	**61**	**-**	**61**

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

	June 30 2025	December 31 2024
Financial assets		
Level 1: Cash and cash equivalents (including restricted cash)	1,887	6,251
Total financial assets	**1,887**	**6,251**

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, expected to be issued by end of 2027, before determining its complete entitlement to this refund. The company will not pursue all other tax claims following the outcome of the legal rulings.