

PRESS RELEASE

Etrion Releases First Quarter 2020 Results

May 8, 2020, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), an independent renewable power producer, released today its condensed consolidated interim financial statements and related management’s discussion and analysis (“MD&A”) for the three months ended March 31, 2020.

Etrion delivered strong project-level results in the first quarter of 2020 from its Japanese assets. The optimization of the Japanese corporate structure and renegotiation of the operations and maintenance (“O&M”) contracts resulted in increased project-level EBITDA compared to the same period in 2019.

Q1-20 HIGHLIGHTS

Operational

- Etrion produced 12.5 Gigawatt-hours (“GWh”) of electricity from the Company’s 57 megawatt (“MW”) portfolio comprising 11 solar power plant sites in Japan, a 1.3% increase in production compared with the same period in 2019.
- Construction of the 45 MW Niigata solar project in central Japan is approximately 42% complete with estimated connection to the electricity grid in the fourth quarter of 2021. Once completed, this project will generate an estimated 45 GWh per year and approximately US\$3.6 million of free cash flow per year while nearly doubling our net installed capacity to 102 MW.
- The potential disruption and magnitude of the coronavirus (“COVID-19”) outbreak on the Company’s business operations will depend on certain developments, including the duration, spread and severity of the COVID-19 outbreak in Japan. The Company is actively monitoring and implementing specific precautionary measures to mitigate any potential disruptions. As of the date hereof, none of the Company’s operating or development projects has been adversely affected.

Financial

- Etrion’s consolidated revenues were US\$4.3 million, 1.9% higher relative to the same period in 2019.
- Etrion’s solar segment EBITDA was US\$3.2 million, 22.7% higher relative to the same period in 2019.
- Etrion closed the first quarter of 2020 with a cash balance of US\$108.8 million, US\$9.7 million of which was unrestricted and held at the corporate level, and working capital of US\$91.4 million.
- On March 13, 2020, the Company’s project subsidiary, Mito, entered into an amendment of the senior loan credit facility with the original lender bank Sumitomo Mitsui Trust Bank (“SMTB”) to increase the size of the non-recourse Mito project loan size by ¥295 million, with the existing tenor and a slightly lower interest rate.

Management Comments

Marco A. Northland, the Company’s Chief Executive Officer, commented, “Etrion has 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. Our 45 MW Niigata solar project under construction is on schedule and budget. We have taken very strict measures on site to reduce COVID-19 risks. On the development side, our team continues to advance on various initiatives to source new projects for the platform. I am optimistic about our growth potential and our ability to maximize shareholder value in the near-term.”

FINANCIAL SUMMARY

US\$ thousands (unless otherwise stated)	Three months ended	
	Q1-20	Q1-19
Electricity production (MWh) ¹	12,463	12,301
Financial performance		
Revenues	4,296	4,216
Consolidated EBITDA	1,477	1,734
Net loss	(2,578)	(2,227)
Cash flow from operations	1,221	783
Adjusted operating cash flow	1,976	2,004
Financial position		
Unrestricted cash at parent level	9,712	10,596
Restricted cash at project level	99,069	112,786
Working capital	91,368	109,655
Consolidated net debt on a cash basis	209,204	193,143
Corporate net debt	27,294	27,201

Operations and Finance Update call

A conference call webcast to present the Company's first quarter 2020 Operations and Finance update will be held on Monday, May 11, 2020, at 10:00 a.m. Eastern Standard Time (EST) / 4:00 p.m. Central European Time (CET).

Dial-in details:

Conference ID: 2070058

North America: +1-647-788-4919 / Toll Free: +1-877-291-4570 / Sweden Toll Free: 02-079-4343

Webcast:

A webcast will be available at <https://www.webcaster4.com/Webcast/Page/1297/33371>

The Operations and Finance update call presentation and the Company's condensed consolidated interim financial statements for the three months ended March 31, 2020, as well as the related documents, will be available on the Company's website (www.etrion.com)

A replay of the telephone conference will be available until May 18, 2020.

Replay dial-in details:

North America: +1-416-621-4642 / Toll Free: +1-800-585-8367

Pass code for replay: 2070058

About Etrion

Etrion Corporation is an independent power producer that develops, builds, owns and operates utility-scale solar power generation plants. The Company owns and operates 57 MW of solar capacity and owns the 45 MW Niigata project under construction, all in Japan. The Company is listed on the Toronto Stock Exchange in Canada and the NASDAQ OMX Stockholm exchange in Sweden under ticker symbol "ETX". 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:

Christian Lacueva – Chief Financial Officer

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¹ MWh-Megawatt-hour

Note: The capacity of power plants in this release is described in approximate megawatts on a direct current (“DC”) basis, also referred to as megawatt-peak (“MWp”).

Etrion discloses the information provided herein pursuant to the Swedish Securities Market Act. The information was submitted for publication at 8:05 a.m. CET on May 8, 2020.

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). 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 to adjusted operating cash flow is cash flow used in operations. Refer to Etrion’s MD&A for the three months ended March 31, 2020, 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, statements relating to the construction and operation of the Niigata project) 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, the ability of the Company to execute on its development projects in Japan on economic terms and in a timely manner. 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’s solar projects may not produce electricity or generate revenues and earnings at the levels expected, the risk that the Company may not be able to obtain all applicable permits for the development of projects in Japan and the associated project financing required for the development of such projects on economic terms, uncertainties with respect to the potential impact of the current COVID-19 pandemic on the Company’s operations, the risk that the litigation regarding the Company’s backlog project may not produce a favorable outcome and the risk of unforeseen delays in the development and construction of its projects. Reference is also made to the risk factors disclosed under the heading “Risk factors” in the Company’s AIF for the year ended December 31, 2019 which has been filed on SEDAR and is available under the Company’s profile at www.sedar.com.

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.