

## PRESS RELEASE

### **Etrion Releases 2018 Results and 2019 Guidance**

March 13, 2019, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), a solar independent power producer, released today its annual consolidated financial statements and related management’s discussion and analysis (“MD&A”) and annual information form (“AIF”) for the year ended December 31, 2018. Etrion also announces 2019 guidance for project-level revenues, earnings before interest, taxes, depreciation and amortization (“EBITDA”) and electricity production from its operational solar power plants in Japan.

**Etrion Corporation delivered strong project-level results in 2018 from its Japanese assets, performing above the high end of guidance. Higher installed capacity and electricity production, combined with a material reduction in corporate overhead resulted in a significant increase in revenue and consolidated EBITDA compared to the same period in 2017.**

#### **2018 HIGHLIGHTS**

- Strong performance in Japan with production and revenues up by 30% and 27%, respectively, compared to 2017.
- Consolidated adjusted EBITDA increased significantly compared to 2017, driven by performance in Japan and corporate overhead reduction.
- Connected the 13.2 megawatt (“MW”) Komatsu solar project to the grid. The project was fully operational in May 2018, ahead of schedule and on budget.
- Completed the refinancing of the Company’s corporate bonds with strong demand from Nordic investors, extending the maturity and reducing the interest rate.

#### **Management Comments**

Marco A. Northland, the Company’s Chief Executive Officer, commented, “Japan continues to deliver very positive results. Cost-cutting measures taken in 2017 delivered significant savings in 2018 and, when combined with a higher installed capacity compared to the same period last year, resulted in material consolidated EBITDA improvements.

We are on target to meet a very important milestone over the next three months with the expected financial close and beginning of construction of our 45 MW Niigata project. Niigata will double our installed capacity and position the Company among the largest solar developers in Japan.”

## FINANCIAL SUMMARY

US\$ thousands (unless otherwise stated)	Three months ended		Twelve months ended	
	Q4-18	Q4-17	2018	2017
<b>Electricity production (MWh) <sup>1</sup></b>	<b>12,190</b>	<b>7,485</b>	<b>56,786</b>	<b>149,048</b>
Japan	12,190	7,485	56,786	43,686
Chile	-	-	-	105,362
<b>Financial performance <sup>2</sup></b>				
<b>Revenues</b>	<b>4,048</b>	<b>2,603</b>	<b>19,500</b>	<b>21,848</b>
Japan	4,048	2,603	19,500	15,323
Chile	-	-	-	6,525
<b>EBITDA</b>	<b>510</b>	<b>(628)</b>	<b>7,553</b>	<b>3,846</b>
Japan	2,946	1,987	14,647	11,674
Chile	-	-	-	861
Corporate (General and administrative items)	(2,436)	(2,615)	(5,800)	(8,689)
Corporate (Additional termination fee)	-	-	(1,294)	-
<b>Adjusted EBITDA</b>	<b>(22)</b>	<b>(628)</b>	<b>8,036</b>	<b>4,723</b>
<b>Net (loss) income</b>	<b>(2,566)</b>	<b>(4,225)</b>	<b>(8,618)</b>	<b>16,507</b>
<b>Project cash distributions</b>	<b>-</b>	<b>-</b>	<b>2,135</b>	<b>7,704</b>
<b>Cash flow from (used) in operations</b>	<b>2,171</b>	<b>1,700</b>	<b>8,795</b>	<b>(1,352)</b>
<b>Adjusted operating cash flow</b>	<b>1,360</b>	<b>(1,388)</b>	<b>7,958</b>	<b>3,655</b>
<b>Financial position</b>			<b>Dec 18</b>	<b>Dec 17</b>
Unrestricted cash at parent level			9,328	30,385
Restricted cash at project level			15,399	12,818
Working capital			22,835	43,611
Consolidated net debt on a cash basis			151,918	136,173
Corporate net debt			29,476	10,110

<sup>1</sup> MWh-Megawatt-hour

<sup>2</sup> 2017 financial results include the financial performance of the Chilean subsidiary, PV Salvador SpA until September 30, 2017 when the Group lost control for IFRS purposes.

### 2019 Guidance <sup>(1)</sup>

Etrion prepares and updates on a quarterly basis forecasts for project level production, revenues and EBITDA information regarding its operational and fully-funded solar parks in Japan. The purpose of these forecasts is to provide investors with management's view on the expected performance of the Company's solar assets over the coming fiscal year. Readers are advised to not place undue reliance on this forecasted financial and operational information. Etrion's consolidated project-level forecast for 2019 is in the following ranges:

US\$ million otherwise stated	Low end	High end
Energy generation (GWh)	46.8	51.8
Revenue	15.9	17.6
Project-level EBITDA	12.0	13.3

(1) Forecasts are presented on a net basis (net to Etrion's interest)

### JAPAN

Revenue, project-level EBITDA and production forecast for our Japanese business, incorporated in the above consolidated guidance, are based on Etrion's ownership over the approximately 57 MW operational Japanese portfolio comprising the Mito, Shizukuishi, Misawa and Komatsu solar parks, and are incorporated on a net basis. These projects benefit from 20-year Power Purchase Agreements with Japanese public utilities under which they will receive between ¥32 and ¥40 per kWh produced (approximately between US\$0.27 and US\$0.34 per kWh). In Japan, revenues are received in Japanese yen and are translated using the ¥/\$ exchange rate of the corresponding period. Consequently, revenues expressed in \$ may fluctuate according to exchange rate variations.

### **Operations and Finance Update call**

A conference call webcast to present the Company's 2018 Operations and Finance update will be held on Wednesday, March 13, 2019, at 11:00 a.m. Eastern Daylight Time (EDT) / 4:00 p.m. Central European Time (CET).

#### Dial-in details:

North America: +1-647-788-4991 / 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/1297/29697>

The Operations and Finance update call presentation and the Company's consolidated financial statements for the year ended December 31, 2018, as well as the related documents, will be available on the Company's website ([www.etrion.com](http://www.etrion.com))

A replay of the telephone conference will be available until April 3, 2019

#### Replay dial-in details:

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

Pass code for replay: 6288529

### **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 in Japan. Etrion also has several projects in the backlog and pipeline at different stages of development 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](http://www.etrion.com) or contact:

Christian Lacueva – Chief Financial Officer

Telephone: +41 (22) 715 20 90

*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 March 13, 2019.*

### *Project Economics Forecasts*

*Etrion has forecasted revenue, EBITDA and electricity production at the project level for the fiscal year ending December 31, 2019 based on the assumptions set out below under the “Basis of preparation of the forecasts” section. These forecasts include a financial measure not defined under IFRS, specifically EBITDA. Non-IFRS measures have no standardized meaning prescribed under IFRS and therefore such measures may not be comparable with those used by other companies. Such forecasted financial information provides a financial outlook on the basis and for the year described above, and this information may not be appropriate for any other purposes.*

### *Basis of preparation of the forecasts:*

*The revenue forecasts have been prepared on a basis consistent with the accounting policies that are expected to be used in the Group’s consolidated financial statements for the year to be then ended. These policies are consistent with those set out in the accounting policies in the Group’s consolidated financial statements for the years ended December 31, 2018 and 2017, including the impact of the IFRS 16 adoption effective January 1, 2019. Electricity production forecasts have been prepared using the installed production capacity of the solar power plants, the guaranteed availability and irradiation levels based on historical data from the various solar park locations. Revenue and project-level EBITDA forecasts have been prepared using the project currency and translated to US dollars using the 2018 average of ¥/US\$ 1:110.40*

### *Assumptions for the forecasts:*

*The forecasts included herein also reflect assumptions with respect to certain factors outside the influence or control of management:*

- There will be no major event or other circumstances which would cause a significant delay in the construction, completion and connection to the grid of new solar power plants.*
- There will be no material change in the current management team, ownership of and control over the project level companies.*
- There will be no material change in legislation or regulatory requirements impacting the Group’s operations or its accounting policies.*
- There will be no material differences between the actual or past recent weather and irradiation conditions and those anticipated or projected by management.*
- There will be no material changes to general trading and economic conditions and no downturn in economic activity in Japan, from that which is currently prevailing and/or anticipated by management which would cause a material change in levels of energy production and demand.*
- There will be no major or international natural disasters, outbreaks of hostilities, terrorist attacks or other circumstances which would cause a material change in levels of energy production and demand.*
- There will be no business interruptions that materially affect the Group, its major suppliers or its major customers.*
- There will be no material change in interest rates from those currently prevailing, hedged and/or anticipated by management.*
- There will be no material changes to the prices of energy electricity forecasted by the Group’s projects.*

### *Factors within the influence or control of management:*

- There will be no loss of revenue due to underperformance of the solar projects which will have a material impact on the forecast.*
- There will be no acquisitions and disposals by the Group which will have a material impact on the forecast.*

### *Non-IFRS Measures:*

*This press release includes non-IFRS measures not defined under IFRS, specifically 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 year ended December 31, 2018, 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 Company's projects in Japan under construction and in development) 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 projects in Japan under construction or in development 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 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 and the risk of unforeseen delays in the development and construction of its projects under construction or in development. 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, 2018 which has been filed on SEDAR and is available under the Company's profile at [www.sedar.com](http://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.*