

PRESS RELEASE

Etrion Releases First Quarter 2019 Results

May 8, 2019, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), a solar independent 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, 2019.

Etrion Corporation delivered strong project-level results in the first quarter of 2019 from its Japanese assets. Higher installed capacity and electricity production resulted in a significant increase in revenue and consolidated EBITDA compared to the same period in 2018.

Q1-19 HIGHLIGHTS

- Strong performance in Japan with production and revenues up by 52% and 45%, respectively, compared to 2018.
- Consolidated adjusted EBITDA increased significantly compared to 2018, driven by performance in Japan and corporate overhead reduction.
- Etrion secured all permits for the 45 MW Niigata solar project in Japan and have reached ‘Ready-to-build’ stage.

Management Comments

Marco A. Northland, the Company’s Chief Executive Officer, commented, “I am pleased to announce a strong quarterly performance compared to the same period of last year, driven by the additional installed capacity and higher performance of existing assets in Japan. The performance was seen across all major performance metrics. Revenue up by 45%, gross profit was up five times and consolidated EBITDA improved by 160%. We also continued to reduce our general expenses while increasing installed base.

We also made excellent progress on our Niigata 45 MW project. This project has now had all the necessary permits and we are in final stages to secure the financing to begin construction. We are very excited about this project which, once connected, will double our installed capacity in Japan.

Work continues on the development side to bring additional projects to our platform in Japan and remain optimistic of the growth potential this market continues to offer in the near future to us.”

FINANCIAL SUMMARY

US\$ thousands (unless otherwise stated)	Three months ended	
	Q1-19	Q1-18
Electricity production (MWh) ¹	12,301	8,086
Japan	12,301	8,086
Financial performance		
Revenues		
Japan	4,216	2,910
Consolidated EBITDA	1,734	658
Japan	2,570	1,730
Corporate (General and administrative items)	(836)	(1,072)
Net loss	(2,227)	(3,853)
Project cash distributions	-	611
Cash flow from (used) in operations	783	(2,795)
Adjusted operating cash flow	2,004	829
Financial position		
	Mar 19	Dec 18
Unrestricted cash at parent level	6,946	9,328
Restricted cash at project level	16,285	15,399
Working capital	20,291	22,835
Consolidated net debt on a cash basis	150,848	151,918
Corporate net debt	30,796	29,476
<small>1 MWh-Megawatt-hour</small>		

Operations and Finance Update call

A conference call webcast to present the Company's first quarter 2019 Operations and Finance update will be held on Wednesday, May 8, 2019, at 8:00 a.m. Eastern Daylight Time (EDT) / 2:00 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/1297/29698>

The Operations and Finance update call presentation and the Company's condensed consolidated interim financial statements for the three months ended March 31, 2019, 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 29, 2019

Replay dial-in details:

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

Pass code for replay: 5391308

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 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 May 8, 2019.

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 three months ended March 31, 2019, 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 development 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, 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 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. 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.

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.