

PRESS RELEASE

Etrion Releases 2020 Results

March 12, 2021, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), a solar independent power producer, released today its annual consolidated financial statements, related management’s discussion and analysis (“MD&A”) and annual information form (“AIF”) for the year ended December 31, 2020.

2020 HIGHLIGHTS

Corporate

- The Company engaged Mitsubishi UFJ Morgan Stanley Securities Co., Ltd (“MUMSS”) in summer of 2020 as financial advisor to assist with the potential sale of the Japanese solar assets. During the third quarter of 2020, the Company received several non-binding proposals from strategic and financial investors regarding the potential purchase of the solar projects and a short-listed group of interested parties were selected to engage in detailed due diligence of the subject assets. Following such due diligence, the Company received various binding offers and in the fourth quarter the Board of Directors selected two preferred bidders, one for the four operating solar projects and another one for Project Niigata. Following the selection of the preferred bidders, the Company entered into negotiation of formal transaction agreements. Formal agreements are expected to be signed between end of March and end of April 2021, although no assurance can be given in this regard. Completion of the sale of the Japanese assets will be subject to all necessary shareholder and regulatory approvals as applicable. Since September 30, 2020, the Company’s management has concluded that the Japanese solar assets and the entire Solar Segment have met the definition of assets held-for-sale and discontinued operation as per IFRS 5.

Financial highlights from Continuing Operations

- Etrion’s consolidated EBITDA from continuing operations of US\$26.8 million, was significantly higher relative to 2019 due to the sale the non-core Chilean asset and of the Mie 60 MW solar project.
- On October 23, 2020, the Company completed the sale of its interest in the Mie 60 MW solar project and received a total of ¥3.4 billion (approximately US\$32.2 million) and a development fee of JPY 300 million (approximately US\$2.8 million). On October 6, 2020, the Company also received a payment of ¥700 million (approximately US\$6.6 million) as reimbursement of advances given to the Mie 60 MW solar project developer, including ¥64 million (approximately US\$0.6 million) as interest. In aggregate, Etrion received a total of JPY 4.4 billion (approximately US\$41.6 million) on this Mie 60 MW final agreement. USD equivalents were calculated using the actual transaction date exchange rate.
- On May 14, 2020, the Company recognised an income from arranging the sale of PV Salvador in exchange of cash proceeds of US\$3.3 million.
- Etrion closed 2020 with an unrestricted cash balance of US\$8.9 million and a restricted cash balance of US\$37.0 million for bond repayment and working capital of US\$0.8 million, after excluding the Japanese assets-held-for sale.

Operational highlights from Discontinued Operations

- Etrion produced 60.6 Gigawatt-hours (“GWh”) of electricity from the Company’s 57-megawatt (“MW”) portfolio comprising 11 solar power plant sites in Japan, a 4.7% decrease in production compared with 2019.
- Construction of the 45 MW Niigata solar project in central Japan is approximately 72% complete with estimated connection to the electricity grid in the fourth quarter of 2021.

- As of today, the Company has not been adversely affected by COVID-19. The Company has implemented very rigorous guidelines to ensure the wellbeing of its employees while at the same time maintaining minimal business disruptions.

Financial highlights from Discontinued Operations

- Etrion's consolidated revenues from the Japanese discontinued operation of US\$21.4 million, were 2.3% lower relative to 2019.
- Etrion's solar segment EBITDA from the Japanese discontinued operation of US\$16.6 million, was 0.8% higher relative to 2019. The optimization of the Japanese corporate structure and renegotiation of the O&M contracts partially offset the impact of lower solar irradiation levels compared to 2019.

Management Comments

Marco A. Northland, the Company's Chief Executive Officer, commented, "I am pleased with the achievements obtained in 2020, including the upside from the Chilean asset and backlog projects in Japan. I am also pleased with the progress we have made on the negotiations to sell the remaining of the Japanese assets. While these are very complex transactions, I am confident we will reach agreement with our counterparties for the sale of these assets by end of April. On the operational side, our solar plants continue to deliver steady revenues and EBITDA with positive results."

FINANCIAL SUMMARY

US\$ thousands (unless otherwise stated)	Three months ended		Twelve months ended	
	Q4-20	Q4-19	2020	2019
Electricity production (MWh)¹	10,619	10,396	60,650	63,631
Financial performance from discontinued operations				
Revenue	3,932	3,599	21,369	21,876
EBITDA	2,777	2,443	16,635	16,504
Net (loss) income	(214)	(668)	3,041	2,132
Financial performance from continuing operations				
EBITDA	(3,560)	(2,344)	26,823	(2,308)
Net (loss) income	(4,263)	(5,581)	19,545	(6,820)
Financial position				
			Dec 20	Dec 19
Unrestricted cash at parent level			8,956	10,596
Restricted cash at parent level			37,008	-
Restricted cash at project level			-	112,786
Working capital			822	109,655
Consolidated net debt on a cash basis			(4,532)	193,143
Corporate net debt on a cash basis			(4,532)	27,201
Assets-held-for sale, net			20,610	-

¹ MWh = Megawatt-hour

Operational highlights from Discontinued Operations 2021

During January and February 2021, the Misawa solar park suffered from heavy snowfalls resulting in damages to the solar modules on sites three and four. The production of electricity was partially interrupted, and the total damage is currently under assessment. The solar project company has property and business interruption insurance policies. The project company will be assessing the insurance claim with the insurer after confirming the level of damages and the agreeing the business interruption claim with the insurer. The Company expects to have the park fully restored by June of this year.

Operations and Finance Update call

A conference call webcast to present the Company's 2020 Operations and Finance update will be held on Monday, March 15, 2021, at 11:00 a.m. Eastern Standard Time (EST) / 4:00 p.m. Central European Time (CET).

Dial-in details:

North America: +1-647-788-4919 / Toll Free: +1-877-291-4570 / Sweden Toll Free: 02-001-23522

Conference ID: 2598191

Webcast:

A webcast will be available at <https://www.webcaster4.com/Webcast/Page/1297/40175>

The Operations and Finance update call presentation and the Company's consolidated financial statements for the year ended December 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 March 25, 2021.

Replay dial-in details:

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

Passcode for replay: 2598191

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

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 11:05 p.m. CET on March 12, 2021.

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 year ended December 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 Company's proposed sale of its Japanese solar assets and 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 complete the sale of the Japanese assets or, if such sale does not proceed, 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 complete the sale of the Japanese assets, 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 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, 2020 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.