

PRESS RELEASE

Etrion Releases Second Quarter 2021 Results

August 6, 2021, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”, and, together with its subsidiaries, the “Group”) (TSX: ETX) (OMX: ETX) 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, 2021.

Q2-21 HIGHLIGHTS

Corporate

- On May 31, 2021, the Company completed the sale of its interests in the 45 MW Niigata solar project to a consortium led by Renewable Japan Co. Ltd for gross proceeds of JPY6.3 billion (approximately US\$57.7 million).
- On June 22, 2021, the Company completed the sale of its interests in the 13.2 MW Komatsu, 24.7 MW Shizukuishi and 9.3 MW Mito, operating solar energy projects to a Japanese consortium (“Consortium”), for gross proceeds of JPY8.3 billion (approximately US\$74.9 million).
- Subsequent to the end of Q2-21, on August 5, 2021, Etrion announced the distribution of a portion of the net proceeds from the sale of assets. The distribution will be US\$0.327 per common share and will be made as a return of capital to shareholders of record at the close of business on August 17, 2021. The distribution on shares traded on the Toronto Stock Exchange will be paid on August 24, 2021, and the distribution on shares traded on Nasdaq Stockholm will be paid in Swedish kronor on or about August 30, 2021.
- The company plans to retain approximately CAD 20 million in cash to address any potential warranty claims from the sale of its assets in Japan, corporate obligations, and potential claims as well as wind-up cost.

Financial highlights

- Etrion closed Q2-21 with an unrestricted cash balance of US\$131.7 million held at the corporate level and a positive working capital of US\$119.3 million, after excluding the Japanese assets-held-for sale.
- Etrion recognized a group gain on sale of Japanese subsidiaries of JPY12.7 billion (approximately US\$ 118.2 million).

Management Comments

Marco A. Northland, the Company’s Chief Executive Officer, commented, “I am pleased how successfully the Company and its employees managed to close the sale of all our Japanese assets. As a result, and as advised in the Management Information Circular, we will be effecting the distribution of the majority of the net proceeds from the sale of assets to shareholders before the end of August. The Company will make a determination within this quarter whether it will begin a windup process or engage in new businesses. We will communicate our decision once the board review all options.”

FINANCIAL SUMMARY

US\$ thousands (unless otherwise stated)	Three months ended		Six months ended	
	Q2-21	Q2-20	Q2-21	Q2-20
Financial performance from discontinued operations				
Revenues	6,710	7,130	10,654	11,426
EBITDA	(2,028)	5,948	733	9,101
Net income	(3,659)	2,481	(2,736)	2,043
Gain on sale of subsidiaries	118,242	-	118,242	-
Accumulated hedging losses	(11,504)	-	(11,504)	-
Profit from discontinued operations	103,079	2,481	104,002	2,043
Financial performance from continuing operations				
EBITDA	(4,934)	325	(6,716)	(1,351)
Net loss	(1,977)	(870)	(4,430)	(3,010)
Financial position			June 30	December 31
			2021	2020
Unrestricted cash at parent level			131,679	8,956
Restricted cash at parent level			-	37,008
Working capital			119,328	822
Assets-held-for sale, net			3,136	20,610

About Etrion

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:

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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 10:05 p.m. CET on August 6, 2021.

Non-IFRS Measures:

This press release includes non-IFRS measures not defined under IFRS, specifically earnings before interest, taxes, depreciation and amortization ("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. 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, 2021, for a reconciliation of EBITDA reported during the period.