

## PRESS RELEASE

### Etrion Releases Third Quarter 2019 Results

November 15, 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 and nine months ended September 30, 2019.

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

#### Q3-19 HIGHLIGHTS

##### Operational

- Etrion produced 18.4 million kilowatt-hours (“kWh”) of electricity from the Company’s 57-megawatt (“MW”) portfolio comprising 11 solar power plant sites in Japan.
- Construction of the 45 MW Niigata project in central Japan is approximately 20% complete with estimated connection to the electricity grid in the fourth quarter of 2021.
- Etrion continues to advance in the development of a backlog solar power project in Japan with estimated capacity of 60 MW on a gross basis. This project remains at risk due to ongoing litigation with developer and may continue to experience delays or abandonment if the Company encounters issues that cannot be resolved.

##### Financial

- Consolidated revenues of US\$6.4 million were 3% higher relative to Q3-18.
- Solar segment EBITDA of US\$5.3 million was 4% higher relative to Q3-18.
- The Group collected ¥200 million (US\$1.8 million) associated with the final payment from the sale of the rights of the 45 MW Kumamoto solar power project.
- Etrion closed the third quarter of 2019 with a cash balance of US\$143.9 million, US\$18.2 million of which was unrestricted and held at corporate level and working capital of \$137.9 million.
- The Company received a VAT reimbursement of ¥300 million (US\$2.8 million) associated with the Komatsu project and repaid the outstanding amount of the VAT credit facility for the same amount.
- On July 1, 2019, Etrion charged the Niigata project with a net development fee of approximately ¥600 million (US\$5.6 million) and anticipated land lease for ¥459 million (US\$4.2 million).

##### 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. With the 45 MW Niigata project now fully financed and under construction, we are set to double Etrion’s installed capacity in Japan. Work continues on the development side to bring additional projects to our platform in Japan and we 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		Nine months ended	
	Q3-19	Q3-18	Q3-19	Q3-18
Electricity production (MWh) <sup>1</sup>	18,359	18,355	53,235	44,596
<b>Financial performance</b>				
Revenues	6,356	6,185	18,277	15,452
Consolidated EBITDA	6,221	4,131	14,097	7,043
Net income (loss)	3,242	(1,453)	1,561	(6,052)
Project cash distributions	180	1,524	2,030	2,135
Cash flow from operations	7,926	3,854	12,965	6,625
Adjusted operating cash flow	6,288	3,259	14,253	6,598
<b>Financial position</b>				
			<b>Sep 19</b>	<b>Dec 18</b>
Unrestricted cash at parent level			18,171	9,328
Restricted cash at project level			125,769	15,399
Working capital			137,916	22,835
Consolidated net debt on a cash basis			178,060	151,918
Corporate net debt			20,893	29,476

### Operations and Finance Update call

A conference call webcast to present the Company's third quarter 2019 Operations and Finance update will be held on Monday, November 18, 2019, at 9:00 a.m. Eastern Standard Time (EST) / 3:00 p.m. Central European Time (CEST).

#### Dial-in details:

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/1297/29702>

The Operations and Finance update call presentation and the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2019, 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 November 27, 2019

#### Replay dial-in details:

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

Pass code for replay: 7485547

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

## **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. 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:

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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 8:05 a.m. CET on November 15, 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 and nine months ended September 30, 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](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.*