

## PRESS RELEASE

### Etrion Releases First Quarter 2021 Results

May 7, 2021, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”, and, together with its subsidiaries, the “Group”) (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, 2021.

#### Q1-21 HIGHLIGHTS

##### Corporate

- On March 31, 2021, subsidiaries of the Company signed the first formal agreements to sell their interests in the Company’s 13.2 MW Komatsu, 24.7 MW Shizukuishi and 9.3 MW Mito operating solar energy projects to a Japanese consortium for an aggregate net purchase price of approximately JPY 8.252 billion (or US\$74.9 million). The Company is currently negotiating the sale of the Company’s fourth operating project, Misawa, which is currently undergoing repairs from winter storms to a fourth purchaser associated with the same consortium. The Company expects to close the sale of these projects before the end of June 2021.
- On April 9, 2021, the Company announced the signature of agreements to sell the Group’s interests in the 45 MW Niigata solar project under construction for an aggregate net purchase price of approximately JPY 6.3 billion (approximately US\$57.7 million), subject to certain adjustments at closing. The Company expects to close the sale of this project before the end of June 2021.
- An annual and special meeting of shareholders of the Company to consider the sale of the Group’s Japanese projects, among other things, has been scheduled for May 27, 2021. The notice of meeting and Management Information Circular for such meeting has been posted on SEDAR and mailed or made available to shareholders.

##### Financial highlights from Continuing Operations

- During Q1-21, the Group’s corporate segment generated negative earnings before interest, taxes, depreciation and amortization (“EBITDA”) of US\$1.8 million and a net loss of US\$2.5 million, compared to a negative EBITDA of US\$1.7 million and a net loss of US\$2.1 million, respectively, in the same period in 2020. Net results were affected in 2021 by expenses associated with the sale process of the Japanese assets and lower capitalized development costs.
- Etrion closed Q1-21 with an unrestricted cash balance of US\$4.9 million held at the corporate level and a negative working capital of US\$1.6 million, after excluding the Japanese assets-held-for sale.

##### Operational highlights from Discontinued Operations

- Etrion produced 11.2 Gigawatt-hours (“GWh”) of electricity from the Company’s 57-megawatt (“MW”) portfolio comprising 11 solar power plant sites in Japan, a 10.4% decrease in production compared with the same period in 2020, due to heavy snowfalls causing significant damage to the Misawa solar park and adverse weather conditions which impacted the overall performance of the solar plants.
- Construction of the 45 MW Niigata solar project in central Japan is approximately 78% complete with estimated connection to the electricity grid in the fourth quarter of 2021. Project is on schedule and on budget.
- During January and February 2021, the Misawa solar park suffered from heavy snowfalls resulting in damage 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 damage and

agreeing the business interruption claim with the insurer. The Company expects to have the parks fully restored by June of this year.

- 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\$3.9 million, were 8.2% lower relative to the same period in 2020.
- Etrion’s solar segment EBITDA from the Japanese discontinued operation of US\$2.8 million, was 12.4% lower relative to the same period in 2020.
- Revenue and EBITDA decreased due to heavy snowfalls causing significant damage to the Misawa solar park and adverse weather conditions which impacted the overall performance of the solar plants. Nevertheless, the Group’s Japanese segment generated a net income of \$0.9 million, in comparison with a net loss of \$0.4 million for the same period in 2020 mainly as an effect of IFRS 5 application since the depreciation of the assets held for sale (solar plants) ceased from September 30, 2020, the date of the new classification.

### Management Comments

Marco A. Northland, the Company’s Chief Executive Officer, commented, “I am pleased with the progress we have made on the negotiations to sell the Japanese assets. While these are very complex transactions, I am confident we will achieve the closing of these transactions before the end of June 2021”.

### FINANCIAL SUMMARY

US\$ thousands (unless otherwise stated)	Three months ended	
	Q1-21	Q1-20
<b>Electricity production (MWh)<sup>1</sup></b>	<b>11,168</b>	<b>12,463</b>
<b>Financial performance from discontinued operations</b>		
Revenue	3,944	4,296
EBITDA	2,761	3,153
Net income (loss)	923	(439)
<b>Financial performance from continuing operations</b>		
EBITDA	(1,782)	(1,676)
Net loss	(2,453)	(2,139)
<b>Financial position</b>		
	<b>March 31</b>	<b>December 31</b>
	<b>2021</b>	<b>2020</b>
Unrestricted cash at parent level	4,865	8,956
Restricted cash at parent level	-	37,008
Working capital	(1,641)	822
Assets-held-for sale, net	20,754	20,610

### 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

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

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 May 7, 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 months ended March 31, 2021, for a reconciliation of EBITDA 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, the construction and operation of the Niigata project and the restoration of the Misawa solar 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 and the timing of such sale 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 or the completion of such sales may take longer than anticipated, the restoration of the Misawa project may take longer than anticipated, 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 and the risk factors set out in the Management Information Circular for the annual and special general meeting of the shareholders of the Company to be held on May 27, 2021, both of which have 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.*