

Etrion Announces Mailing of Materials for Annual and Special Meeting of Shareholders and Plans Following Completion of Sale of Assets.

April 16, 2021, Geneva, Switzerland – Further to its press releases of March 31 and April 9, 2021, Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), a solar independent power producer, is pleased to announce that it will be mailing next Wednesday the Management Information Circular (the “Circular”) and related meeting materials for an annual and special meeting of shareholders (“Shareholders”) to be held on May 27, 2021 (the “Meeting”). The Circular and other Meeting materials will also be filed on SEDAR at www.sedar.com.

The Meeting is being called to request approval of, in addition to usual annual meeting matters, the previously announced sale of Etrion’s Japanese solar projects (the “Transaction”) that would represent a sale of all or substantially all the Company’s assets or undertaking. Shareholders will also be asked to approve a reduction of capital to facilitate a distribution of proceeds from the Transaction and the voluntary dissolution of the Company, as the Company will not have any significant assets or active business operations following completion of the Transaction. As set out in the Circular, the current plan of the board of directors of the Company (the “Board”) following completion of the Transaction is as follows:

- Upon closing of the Transaction (“Closing”), the Company will cause its subsidiaries to distribute the proceeds thereof, net of applicable expenses, liabilities and taxes, to the Company.
- Within approximately 60 days after Closing, the Company plans to make an initial distribution to Shareholders of approximately CAD\$0.41 (approximately US\$0.32) per share, provided that the actual amount of the distribution will be determined by the Board based on its assessment of the financial position of the Company and its future cash needs. Assuming that Shareholders approve a reduction of capital at the Meeting, such distribution will be made by way of return of capital, which in the circumstances should generally not be taxed as a dividend for Canadian income tax purposes.
- The Company plans to reserve approximately CAD\$20 million to cover for any liabilities that may result from potential warranty claims under the different agreements contemplated as part of the Transaction, other corporate level liabilities and anticipated expenses to cover continuing operations and windup costs.
- After Closing, the Company will be required to provide certain transition services to the purchasers of its projects for a period of 90 days. The Company plans to maintain the minimum resources required to effectively provide such transition services, continue to prosecute the pursuit of its claim for Italian tax credits and complete the windup of its subsidiaries, except as may be required to pursue such credits.
- Subject to the possibility of the Board identifying other potential business opportunities, the Company expects to complete its windup activities and proceed with the dissolution within approximately 24 months after Closing, although it is possible that the dissolution may be extended beyond that time. Any cash remaining at the completion of the windup activities and settlement of all liabilities of the Company will be distributed to shareholders. The Company currently expects the final distribution to be between CAD\$0.04 (approximately US\$0.03) per share and CAD\$0.08 (approximately US\$0.06) per share.

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 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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This information is information that Etrion Corporation is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 5:05 p.m. CET on April 16, 2021.

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 distribution of proceeds therefrom and the possible dissolution of the Company) 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 net proceeds therefrom that will be available to the Company. 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, effect a distribution of proceeds or dissolve the Company and the net proceeds from the Transaction that will be available to the Company after payment of applicable expenses, liabilities and taxes will be less than anticipated. 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.