

PRESS RELEASE

**Etrion Releases Third Quarter 2017 Results**

November 14, 2017, Miami, Florida, United States – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), a solar independent power producer, today released its condensed consolidated interim financial statements and related management’s discussion and analysis (“MD&A”) for the three and nine months ended September 30, 2017.

**Etrion Corporation delivered strong project-level results in the third quarter of 2017 driven by the Japanese assets. Higher installed capacity and electricity production resulted in a significant increase in revenue and project-level EBITDA compared to the same period in 2016.**

**THIRD QUARTER 2017 HIGHLIGHTS**

- Strong performance in Japan, with full year results expected to be at or above to the high end of the guidance range.
- Revenue more than doubled for this third quarter compared to same period last year.
- Significant project cash distributions, enabling the Company to further optimize its capital structure by reducing the amount of its corporate bonds outstanding, while maintaining a strong unrestricted cash position to support the growth of the business.
- Deconsolidation of the Chilean solar power subsidiary resulted in a one-time, non-cash extraordinary gain of US\$41.0 million.
- Construction of the 13.2 MW Komatsu solar project in northern Japan 75% complete, on budget and on schedule, with estimated connection during the second quarter of 2018.
- Growth opportunities in Japan remain strong with further projects of 190 MW (on a gross basis) targeted to reach financial close in the next 24 months.

**Management Comments**

Marco A. Northland, the Company’s Chief Executive Officer, commented, “Japan continues to deliver very strong results. We more than doubled our revenues compared to 2016, increased our installed capacity and made significant progress on several projects with aggregate capacity of 190 MW (on a gross basis). We continue to have a strong cash position, giving us flexibility on how to fund our growth. I am very excited at the prospects over the next 24 months in this market and look forward to bringing new projects to financial close. On the operational side, our plants are performing well above plan, demonstrating superior design, technology and operations. We continue to drive cost down and restructure the business to better support our growth in Japan.”

**FINANCIAL SUMMARY**

US\$ thousands (unless otherwise stated)	Three months ended		Nine months ended	
	Q3-17	Q3-16	Q3-17	Q3-16
<b>Electricity production (MWh) <sup>1</sup></b>	<b>49,174</b>	<b>41,705</b>	<b>141,563</b>	<b>119,957</b>
<b>Financial performance <sup>2,3</sup></b>				
Revenues	7,005	3,351	19,245	10,254
EBITDA	2,512	(84)	4,474	298
Net income (loss) from continuing operations	35,161	(92,640)	20,732	(102,340)
Project cash distributions	4,362	-	7,704	-
Cash flow used in operations	(1,493)	(1,140)	(3,052)	(3,419)
Adjusted operating cash flow	2,732	930	5,043	586
<b>Financial position</b>			<b>Sep 17</b>	<b>Dec 16</b>
Unrestricted cash at parent level			41,548	42,286
Restricted cash at project level			19,597	18,888
Working capital			56,451	45,257
Consolidated net debt on a cash basis			126,989	225,700
Corporate net debt (cash)			5,691	(98)

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

<sup>2</sup> Q3-17 financial results include the financial performance of the Chilean subsidiary, PV Salvador SpA until September 30, 2017 when the Group lost control for IFRS purposes.

<sup>3</sup> 2016 comparative figures have been restated to exclude the discontinued Italian operation

## Management Change

Effective January 1, 2018, the Company has appointed Christian Lacueva as Chief Financial Officer. Mr. Lacueva replaces Paul Rapisarda, who is resigning to pursue other interests. Mr. Rapisarda has been CFO of Etrion since November 2015. Mr. Lacueva has been Etrion's Vice President of Asset Management Services and Corporate Treasurer since 2014 and held other finance positions within the Company since 2010. Etrion's CEO, Marco A. Northland, commented "I am very pleased to appoint Christian as CFO. He has intimate understanding of the business and will play an instrumental role in the Company's next growth phase. I also want to extend my gratitude to Paul for his invaluable leadership and contributions to the Company, including the successful sale of our Italian assets and restructuring of our Chilean operations. I wish him great success in his future endeavors."

Also, effective January 1, 2018, the Company has promoted Martin Oravec to the position of Chief Investment Officer. Mr. Oravec joined Etrion in 2009 and has been responsible for financing all the solar projects developed by the Company, in an aggregate amount of nearly one billion dollars since inception.

## Earnings Call

A conference call/webcast to present the Company's third quarter 2017 results will be held on Tuesday, November 14, 2017, at 10:00 a.m. Eastern Daylight Time (EDT) / 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: 02-079-4343

### Webcast:

A webcast will be available at <https://www.webcaster4.com/Webcast/Page/1297/19086>

In addition, the earnings call presentation, along with the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2017, and related management's discussion and analysis 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 December 5, 2017.

### Replay dial-in details:

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

Pass code for replay: 43070958

## About Etrion

Etrion Corporation is an independent power producer that develops, builds, owns and operates utility-scale solar power generation plants. The Company owns 114 MW of installed solar capacity in Chile and Japan. Etrion has 13 MW of solar projects under construction in Japan and is also actively developing additional greenfield solar power projects in Japan. Etrion 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 24% 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:

Paul Rapisarda – Chief Financial Officer

Telephone: +41 (22) 715 20 90 or +1 (786) 636 6449

*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 and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication in Sweden at 08:05 Central European Time on November 14, 2017.*

*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, 2017, 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 projects in Japan under construction and in development) 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 projects in Japan under construction or in development 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 under construction or in development. 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, 2016 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.*