

## Etrion Releases Second Quarter 2016 Results

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August 11, 2016, 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 six months ended June 30, 2016.

### Operational Highlights

- **Construction:** The Company is progressing on the construction of the 24.7 megawatts (“MW”) Shizukuishi project in northern Japan. The project is on budget and on schedule, with estimated connection to the electricity grid by September 2016. In addition, pre-construction activities started for the 9.5 MW Aomori project in northern Japan, with estimated connection to the electricity grid by July 2017.
- **Development:** Advanced the backlog of two projects in Japan with a total capacity of 66 MW. Management expects to reach financial close for these backlog projects within the next 6-9 months. The Company is advancing the development of additional projects in Japan with a combined capacity of 190 MW.
- **Production:** Produced approximately 64.9 million kilowatt-hours (“kWh”) of electricity during the three months ended June 30, 2016, (2015: 72.5 million kWh), from the Company’s 139 MW portfolio comprising 23 solar power plants (2015: 136 MW comprising 21 solar plants) in Italy, Chile and Japan. When broken down by country, the Company produced 35.4 million kWh (2015: 36.7 million kWh) in Italy, 26.1 million kWh (2015: 35.1 million kWh) in Chile and 3.4 million kWh (2015: 0.6 million kWh) in Japan.

### Financial Highlights

- **Revenue:** Generated revenues of US\$16.6 million (2015: US\$17.1 million) and US\$26.5 million (2015: US\$27.4 million) during the three and six months ended June 30, 2016, respectively.
- **EBITDA:** Recognized earnings before interest, taxes, depreciation and amortization (“EBITDA”) of US\$12.8 million (2015: US\$9.2 million) and US\$17.3 million (US\$14.7 million) during the three and six months ended June 30, 2016, respectively.
- **Net results:** Generated a net income of US\$1.4 million (2015: net loss of US\$10.1 million) during the three months ended June 30, 2016, mainly due to positive performance of the solar power plant in Japan and one-time foreign exchange gains recognized during the period.
- **Cash and Working Capital:** Closed the three months ended June 30, 2016 with a cash balance of US\$66.6 million (December 2015: US\$52.5 million), of which US\$9.6 million is unrestricted cash at parent level and positive working capital of US\$37.5 million (December 2015: US\$1.5 million).
- **Financing Italy:** completed the debt restructuring of the Italian subsidiary Helios ITA, SpA (“Helios ITA”). The Helios ITA restructuring completes the management initiative to renegotiate the non-recourse project loans of its entire portfolio of solar assets in Italy. The Helios ITA restructuring included the extension of the final maturity, optimization of the debt repayment schedule and improvements to cash distributions going forward.
- **Financing Japan:** reached financial close for a new solar project in Japan, securing an approximately US\$29 million non-recourse facility with Sumitomo Mitsui Trust Bank (“SuMi Trust”) to finance the construction of the 9.5 MW Aomori project.

## Management Comments

Marco A. Northland, the Company's Chief Executive Officer, commented, "Japan continues to be a terrific market for Etrion. We are on track to reach over 100 MW of projects operating and/or under construction within the next 12 months with an additional nearly 200 MW in different stages of development. Our partnership with Hitachi continues to strengthen; we are very well positioned in this market and believe that Japan will continue to provide the highest value creation for our shareholders. At this point, we will continue to focus our resources on Japan.

I am delighted with the significant operational and financial improvements achieved this year in Italy, which have further enhanced the value from these best in-class assets. We are continuing to pursue our efforts for the recovery of certain tax benefits as well as the reversal of the Feed-in Tariff ("FiT") cut. In Chile, we have significantly reduced our commercial activities until the electricity markets improve."

## Results

During the three months ended June 30, 2016, Etrion reported a net income of US\$1.4 million (earnings per share of US\$0.007) compared to a net loss of US\$10.1 million (loss per share of US\$0.028) for the comparable period in 2015. These positive results in the second quarter of 2016 were primarily attributable to the positive performance of the solar power plant in Japan and also due to significant foreign exchange gains recognized during the period.

During the six months ended June 30, 2016, Etrion reported a net loss of US\$7.1 million (loss per share of US\$0.015) compared to a net loss of US\$12.5 million (loss per share of US\$0.032) for the comparable period in 2015. The net results in the first half of 2016 were adversely impacted by lower than expected electricity production and market prices in Chile and Italy but largely offset by the performance of the Japanese assets.

## Earnings Call

A conference call/webcast to present the Company's second quarter results will be held on Thursday, August 11, 2016, at 10:00 a.m. Eastern Daylight Time (EDT) / 4:00 p.m. Central European Summer 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 <http://www.investorcalendar.com/IC/CEPage.asp?ID=174543>

In addition, the earnings call presentation, along with the Company's condensed consolidated interim financial statements for the three and six months ended June 30, 2016, 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 September 11, 2016.

### Replay dial-in details:

North America: +1-416-621-4642 / Toll Free: +1-800-585-8367  
Pass code for replay: 83632714

## About Etrion

Etrion Corporation is an independent power producer that develops, builds, owns and operates utility-scale solar power generation plants. The Company owns 139 MW of installed solar capacity in Italy, Chile and Japan. Etrion has 34 MW of solar projects under construction in Japan and is also actively developing solar power projects primarily in this country. 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 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:

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*Note: The capacity of power plants in this release is described in approximate megawatts on a direct current basis, also referred to as megawatt-peak.*

*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 August 11, 2016.*

*Non-IFRS Measures:*

*This press release includes a non-IFRS measure not defined under IFRS, specifically 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. Refer to Etrion's MD&A for the three and six months period ended June 30, 2016, 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 solar electricity revenue which with respect to the Company's Italian projects is subject to confirmation of both the applicable feed-in-tariff ("FiT") to which the Company is entitled by the state-owned company Gestore Servizi Energetici and the applicable spot market price by the local utilities for electricity sales to the national grid and the Company's anticipated development pipeline in Japan and Chile) 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, confirmation of the applicable FiT and spot market price for electricity sales in Italy and the ability of the Company to execute on its development pipeline in Japan and Chile 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 lack of confirmation or reduction of the applicable FiT and the spot market price for electricity sales by the designated Italian entities, the risk that the Company may not be able to obtain all applicable permits for the development of projects in Japan and Chile and the associated project financing on economic terms for the development of such projects, the risk that the Company may not be able to source additional PPAs in Chile and the risk of unforeseen delays in the development and construction of such projects.*

*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.*