

PRESS RELEASE

Etrion Releases 2015 Results and 2016 Guidance

March 16, 2016, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), a solar independent power producer, today released its annual consolidated financial statements, related management’s discussion and analysis (“MD&A”) and annual information form (“AIF”) for the year ended December 31, 2015. Etrion also announces the 2016 guidance for project level revenues, EBITDA and electricity production regarding its operational solar parks in Italy, Chile and Japan and fully-funded project under construction in northern Japan.

Operational Highlights

- **Development:** Advanced the development of three projects in Japan for a total capacity of 76 megawatts (“MW”). Management expects to have these backlog projects shovel ready, close the financing and break ground in 2016. The Company is advancing the development of additional projects in Japan which are targeted to be shovel ready in the 2017-2018 time frame.
- **Construction:** The Company is advancing on the construction of the 24.7 MW Shizukuishi project in northern Japan. The project is on budget and on schedule, with estimated connection to the electricity grid in the third quarter of 2016.
- **Operations and Maintenance (“O&M”):** The Company completed the renegotiation of the O&M agreements for all the Group’s Italian and Chilean operating subsidiaries, representing an aggregate capacity of 130 MW, reducing costs by approximately 35% on average and securing annual savings of US\$2.8 million.
- **Production:** Produced approximately 265 Gigawatt hours (“GWh”) in 2015 compared to 100.7 GWh in 2014, from the Company’s 139 MW portfolio comprising 23 solar power plants in Italy, Chile and Japan. When broken down by country, in Italy the Company produced 102.4 GWh (2014: 100.7 GWh), in Chile produced 157.0 GWh (2014: nil) and in Japan produced 5.5 GWh (2014: nil) representing an overall production increase of 163% year-over-year.
- **Corporate:** The Company’s headquarters relocated from Geneva, Switzerland to Miami, Florida, United States and relocated its Italian operations from Rome to Rovereto as part of its cost optimization plan.

Financial Highlights

- **Revenue:** Generated revenues of US\$50.4 million (2014: US\$49.6 million) during the year ended December 31, 2015, from the Company’s 139 MW portfolio comprising 23 solar power plants in Italy, Chile and Japan.
- **EBITDA:** Recognized earnings before interest, taxes, depreciation and amortization (“EBITDA”) of US\$27.4 million (2014: US\$32.5 million) during the year ended December 31, 2015.
- **Cash and Working Capital:** Closed the year ended December 31, 2015 with a cash balance of US\$52.5 million, of which US\$17.6 million is unrestricted (December 2014: US\$95.3 million) and positive working capital of US\$1.5 million (December 2014: US\$36.5 million).
- **VAT Reimbursement:** Fully repaid Project Salvador’s total outstanding VAT credit facility of US\$24 million five months ahead of schedule following cash reimbursement from the Chilean tax authorities for VAT credits accumulated during construction.
- **Italian refinancing:** In December 2015, the Company completed the refinancing of a majority of its Italian solar parks. The refinancing included a project bond listed on the Italian Exchange, a project finance loan and a debt service reserve facility. The Company’s previous outstanding project debt and associated interest rate swap

contracts were repaid and the Company entered into new contracts to hedge 90% of interest payments for both the project bond and loan for the entire new tenor.

Management Comments

Marco A. Northland, the Company’s Chief Executive Officer, commented, “I am very excited about 2016; Japan should continue to be a terrific market for Etrion. Our target is to have over 100 MW of projects connected or under construction and a larger pipeline for realization in subsequent years. Project economics continue to be very attractive and the partnership with Hitachi High-Tech remains very strong. Italy continues to deliver strong cash flows, which were significantly improved through a series of initiatives, including a comprehensive refinancing, introduction of several cost cutting measures and successful commercial activities. We still have additional upside in Italy which we expect to secure. We will communicate this as it is implemented.

In Chile, the team has done a great job by securing a Power Purchase Agreement (“PPA”) for 70 GWh for Project Salvador, starting January 2016. The team continues to work around the clock to secure additional PPAs for the remaining capacity of Project Salvador and our pipeline as well. In summary, our diversification strategy is paying off and I look forward to exiting 2016 with a stronger platform and substantial growth opportunities.”

Results

During 2015, Etrion reported a net loss of US\$18.7 million (loss per share of US\$0.05) compared to a net loss of US\$16.5 million (loss per share of US\$0.05) during 2014. Despite negative consolidated net results, primarily attributable to lower than expected spot electricity prices, exchange rate movements and the impairment of US\$2.9 million in capitalized development costs, the Company reported a gross profit of US\$16.9 million (2014: US\$25.9 million) and generated adjusted operating cash flow of US\$29.4 million (2014: US\$31.6 million). In addition, the net results for 2015 were adversely impacted by non-cash finance costs of US\$6.6 million of accelerated amortization of transactions costs (associated the previous outstanding project debt) upon completion of the Italian refinancing transaction.

2016 Guidance ⁽¹⁾

Etrion will prepare and update on a regular basis forecasts for project level revenues and EBITDA information regarding its operational and fully-funded solar parks. The purpose of these forecasts is to provide investors with management’s view on the expected performance of the Company’s solar assets. Readers are advised to not place undue reliance on these forecasted financial and operational information because it may not be appropriate to use for purposes other than indicated. Etrion’s consolidated project-level forecast for 2016 is in the following ranges:

US\$ million otherwise stated	Low end	High end
Energy generation (GWh)	219	231
Revenue	50	52
Project-level EBITDA	39	41

(1) Forecasts are presented on a net basis (Net to Etrion’s interest)

ITALY

Revenue, project-level EBITDA and production forecast for the Italian operating platform, incorporated in the above consolidated guidance, are based on Etrion’s 100%-owned, 60 MW solar portfolio in Italy. The weighted average FIT price applicable to the Italian portfolio is €0.30 per kWh for the 15 years remaining contract average life. The Italian spot price, currently €0.05 per kWh, has been projected based on independent third party estimates. Italian project-level EBITDA forecast is net of asset management service fees that are recharged to the operating projects as part of operational expenses. In Italy, revenues are received in Euros and are translated using the €/US\$ exchange rate of the corresponding period. Consequently, revenues expressed in US dollars may fluctuate according to exchange rate variations.

CHILE

Revenue, project-level EBITDA and production forecast for the Chilean platform, incorporated in the above consolidated guidance, are based on Etrion's 70%-owned, 70 MW operational solar park, Project Salvador, located in northern Chile, and are incorporated on a net basis. Electricity production in Chile assumes curtailments on 25% of the total production capacity of the Project Salvador power plant. Revenue has been calculated using the PPA price of US\$0.10 per kWh for the first 70 GWh of production and a spot price forecast prepared by the Chilean grid operator for the remaining electricity production of Project Salvador. Chilean project-level EBITDA is net of asset management service fees that are recharged to the operating project as part of operational expenses. In Chile, revenues are calculated with reference to the US dollar, which is also the reporting currency of the Group and therefore revenues forecast are not subject to exchange rate fluctuations.

JAPAN

Revenue, project-level EBITDA and production forecast for the Japanese platform, incorporated in the above consolidated guidance, are based on Etrion's 87%-owned, 34 MW operational and under construction Japanese portfolio comprising the Mito and the Shizukuishi solar parks, located in central and northern Japan, respectively, and are incorporated on a net basis. These projects benefit from 20-year PPAs with the Japanese public utility, Tokyo Electric Power Company and the Tohoku Electric Power utility, respectively, under which they will receive ¥40 per kWh produced (approximately US\$0.33 per kWh). Shizukuishi construction-related work began in October 2014, and the solar project is expected to connect to the grid in the third quarter of 2016. In Japan, revenues are received in Japanese Yen and are translated using the ¥/US\$ exchange rate of the corresponding period. Consequently, revenues expressed in US dollars may fluctuate according to exchange rate variations.

Project economics forecasts

Etrion has forecasted revenue, EBITDA and electricity production at the project level for the fiscal year ending December 31, 2016 based on the assumptions set out below. These forecasts include financial measures 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. Such forecasted financial information provides a financial outlook on the basis and for the year described above, and this information may not be appropriate for any other purposes.

Basis of preparation of the forecasts

The revenue forecasts have been prepared on a basis consistent with the accounting policies that are expected to be used in the Group's consolidated financial statements for the year to be then ended. These policies are consistent with those set out in the accounting policies in the Group's consolidated financial statements for the years ended December 31, 2015 and 2014.

The project-level EBITDA forecasts have been prepared using a non-IFRS widely accepted methodology which consist of earnings before interest, tax, depreciation and amortization and is useful to analyze and compare profitability between companies and industries because it eliminates the effects of financing and certain accounting policy decisions.

Electricity production forecasts have been prepared using the installed production capacity of the solar power plants, the guaranteed availability and irradiation levels based on historical data from the various solar park locations.

Revenue and project-level EBITDA forecasts have been prepared using the project currency and translated, where applicable, to US dollars using the expected prevailing exchange rate of €/US\$ 1:1.099 and ¥/US\$ 1:121.2 based on projections made by the Company.

Assumptions for the forecasts

Factors outside the influence or control of management:

- There will be no major event or other circumstances which would cause a significant delay in the construction, completion and connection to the grid of new solar power plants.
- There will be no material change in the current management team, ownership of and control over the project level companies.
- There will be no material change in legislation or regulatory requirements impacting the Group's operations or its accounting policies.
- There will be no material differences between the actual or past recent weather and irradiation conditions and those anticipated or projected by management.
- There will be no material changes to general trading and economic conditions and no downturn in economic activity in Italy, Chile or in Japan, in each case, from that which is currently prevailing and/or anticipated by management which would cause a material change in levels of energy production and demand.
- There will be no major or international natural disasters, outbreaks of hostilities, terrorist attacks or other circumstances which would cause a material change in levels of energy production and demand.
- There will be no business interruptions that materially affect the Group, its major suppliers or its major customers.
- There will be no material change in interest rates from those currently prevailing, hedged and/or anticipated by management.
- There will be no material changes to the prices of energy electricity forecasted by the Group's projects.

Factors within the influence or control of management:

- There will be no loss of revenue due to underperformance of the solar projects which will have a material impact on the forecast.
- There will be no acquisitions and disposals by the Group which will have a material impact on the forecast.

Earnings Call

A conference call webcast to present the Company's 2015 results will be held on Wednesday, March 16, 2016, at 11:00 a.m. Eastern Daylight Time (EST) / 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 <http://www.investorcalendar.com/IC/CEPage.asp?ID=174541>

The earnings call presentation and the Company's 2015 consolidated annual financial statements for the year ended December 31, 2015, as well as the related documents, will be available on the Company's website (www.etrion.com).

A replay of the telephone conference will be available until March 16, 2017.

Replay dial-in details:

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

Pass code for replay: 58911777

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 a 25 MW solar project under construction in Japan and is also actively developing solar power projects in Japan and Chile. 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 or contact:

Paul Rapisarda – Chief Financial Officer

Telephone: +41 (22) 715 20 90

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 March 16, 2016.

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. 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 such as value added taxes paid during construction of the Company's solar power plants as they are viewed as not directly related to a company's operating performance. Refer to Etrion's MD&A for the year ended December 31, 2015, 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 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, expected reductions in O&M expenses in Italy, the Company's development pipeline in Japan and the Company's forecast production and financial results for 2016) 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, expected reductions in O&M expenses in Italy, the ability of the Company to execute on its development pipeline in Japan and Chile on economic terms and in a timely manner and the assumptions with respect to 2016 results set forth elsewhere in this press release. 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 realize reductions in O&M expenses in the amount anticipated, 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 on economic terms for the development of such projects, the risk of unforeseen delays in the development and construction of such projects and the risk that the Company's operational projects in Italy, Japan and Chile may not produce electricity or generate revenues and earnings in the amounts 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, 2015 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.