Q317

ETRION CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2017

CONTENTS

The accompanying condensed consolidated interim financial statements for Etrion Corporation for the three and nine months ended September 30, 2017, have been prepared by management. The Company's independent auditor has not performed a review of these financial statements. Readers are cautioned that these condensed consolidated interim financial statements may not be appropriate for their purposes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF NET INCOME AND COMPREHENSIVE INCOME

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in US$'000

	Note	Three months ended Q3-17	Three months ended Q3-16 (Restated)*	Nine months ended Q3-17	Nine months ended Q3-16 (Restated)*
Continuing operations					
Revenue	7	7,005	3,351	19,245	10,254
Operating expenses	8	(5,801)	(4,899)	(16,892)	(14,180)
Gross profit (loss)		**1,204**	**(1,548)**	**2,353**	**(3,926)**
General and administrative expenses	9	(1,733)	(1,364)	(6,540)	(4,196)
Impairment		-	(75,675)	-	(75,953)
Other expenses		(97)	-	(65)	(17)
Operating loss		**(626)**	**(78,587)**	**(4,252)**	**(84,092)**
Finance income	10	29	20	120	5,246
Finance costs	10	(4,793)	(5,634)	(15,038)	(15,848)
Net finance costs		**(4,764)**	**(5,614)**	**(14,918)**	**(10,602)**
Gain on deconsolidation of subsidiary	5	41,015	-	41,015	-
Income (loss) before income tax		**35,625**	**(84,201)**	**21,845**	**(94,694)**
Income tax expense	11	(464)	(8,439)	(1,113)	(7,646)
Income (loss) for the period from continuing operations		**35,161**	**(92,640)**	**20,732**	**(102,340)**
Income from discontinued operations, net of tax	4	-	4,345	-	6,941
Net income (loss) for the period		**35,161**	**(88,295)**	**20,732**	**(95,399)**
Other comprehensive income (loss)					
Items that may be reclassified to profit and loss:					
Gain (loss) on currency translation		832	553	3,750	(2,973)
Gain (loss) on cash flow hedges, net of tax	20	427	42	(288)	(2,202)
Loss on cash flow hedges, net of tax – discontinued operations		-	(614)	-	(8,647)
Total other comprehensive income (loss)		**1,259**	**(19)**	**3,462**	**(13,822)**
Total comprehensive income (loss) for the period		**36,420**	**(88,314)**	**24,194**	**(109,221)**
Income (loss) income attributable to:					
Common shareholders		36,080	(61,131)	23,717	(66,281)
Non-controlling interest	13	(919)	(27,164)	(2,985)	(29,118)
Total comprehensive income (loss) attributable to:					
Common shareholders		37,250	(60,853)	27,178	(79,353)
Non-controlling interest	13	(830)	(27,461)	(2,984)	(29,868)
Total comprehensive income (loss) income attributable to common shareholders from:					
Continuing operations		37,250	(64,584)	27,178	(77,647)
Discontinued operations		-	3,731	-	(1,706)
Basic and diluted earnings (loss) per share:					
From continuing operations	12	**$0.11**	**$(0.20)**	**$0.07**	**$(0.22)**
From income (loss) of the period	12	**$0.11**	**$(0.19)**	**$0.07**	**$(0.20)**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

* See Note 1 and Note 4 for details regarding the restatement as a result of discontinued operation.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2017

Expressed in US$'000

	Note	September 30 2017	December 31 2016
Assets			
Non-current assets			
Property, plant and equipment	14	137,304	189,599
Intangible assets	15	9,465	15,879
Deferred income tax assets	11	2,895	2,848
Trade and other receivables		6,244	5,964
Total non-current assets		**155,908**	**214,290**
Current assets			
Trade and other receivables		10,299	13,177
Cash and cash equivalents (including restricted cash)	16	61,145	61,174
Total current assets		**71,444**	**74,351**
Total assets		**227,352**	**288,641**
Equity			
Attributable to common shareholders			
Share capital	17	111,304	111,304
Contributed surplus		12,651	11,989
Other reserves		(13,879)	(17,340)
Accumulated deficit		(97,051)	(120,768)
Total attributable to common shareholders		**13,025**	**(14,815)**
Non-controlling interest	13	**908**	**(31,474)**
Total equity		**13,933**	**(46,289)**
Liabilities			
Non-current liabilities			
Borrowings	19	180,673	269,350
Derivative financial instruments	20	9,049	8,347
Provisions		5,341	5,618
Other liabilities		3,359	22,521
Total non-current liabilities		**198,422**	**305,836**
Current liabilities			
Trade and other payables		3,271	10,671
Current tax liabilities	11	898	558
Borrowings	19	9,095	15,427
Derivative financial instruments	20	1,313	1,167
Other liabilities		420	1,271
Total current liabilities		**14,997**	**29,094**
Total liabilities		**213,419**	**334,930**
Total equity and liabilities		**227,352**	**288,641**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in US$'000

		Attributable to common shareholders						
	Note	Share capital	Contributed surplus	Other reserves	Accumulated deficit	Total	Non-controlling interest	Total equity
Balance at January 1, 2016		**111,304**	**11,547**	**(37,782)**	**(78,039)**	**7,030**	**(626)**	**6,404**
Comprehensive loss:								
- Loss for the period		-	-	-	(66,281)	(66,281)	(29,118)	(95,399)
- Other comprehensive loss:								
Cash flow hedges (net of tax)		-	-	(10,164)	-	(10,164)	(685)	(10,849)
Currency translation		-	-	(2,908)	-	(2,908)	(65)	(2,973)
Total comprehensive loss		**-**	**-**	**(13,072)**	**(66,281)**	**(79,353)**	**(29,868)**	**(109,221)**
Transactions with owners in their capacity as owners:								
- Written call options		-	-	203	-	262	-	262
- Share-based payments		-	262	-	-	203	-	203
Capital contributions		-	-	-	-	-	686	686
Balance at September 30, 2016		**111,304**	**11,809**	**(50,651)**	**(144,320)**	**(71,858)**	**(29,808)**	**(101,666)**
Balance at January 1, 2017		**111,304**	**11,989**	**(17,340)**	**(120,768)**	**(14,815)**	**(31,474)**	**(46,289)**
Comprehensive income (loss):								
- Income (loss) for the period		-	-	-	23,717	**23,717**	(2,985)	**20,732**
- Other comprehensive income (loss):								
Cash flow hedges (net of tax)		-	-	(264)	-	**(264)**	(24)	**(288)**
Currency translation		-	-	3,725	-	**3,725**	25	**3,750**
Total comprehensive income (loss)		**-**	**-**	**3,461**	**23,717**	**27,178**	**(2,984)**	**24,194**
Transactions with owners in their capacity as owners:								
- Share-based payments		-	662	-	-	**662**	-	**662**
- Loan conversion and other	13	-	-	-	-	-	17,788	**17,788**
- Deconsolidation of subsidiary	5						17,578	**17,578**
Balance at September 30, 2017		**111,304**	**12,651**	**(13,879)**	**(97,051)**	**13,025**	**908**	**13,933**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

Expressed in US$'000

	Note	Three months ended Q3-17	Three months ended Q3-16 (Restated)*	Nine months ended Q3-17	Nine months ended Q3-16 (Restated)*
Operating activities:					
Net income(loss)		**35,161**	**(88,295)**	**20,732**	**(95,399)**
Less: income from discontinued operations, net of tax		-	4,345	-	6,941
Income (loss) for the period from continuing operations		**35,161**	**(92,640)**	**20,732**	**(102,340)**
Adjustments for the following non-cash items:					
Depreciation and amortization	8/9	3,138	2,829	8,726	8,438
Gain on deconsolidation of subsidiary	5	(41,015)	-	(41,015)	-
Impairment		-	75,675	-	75,953
Current income tax expense	11	507	(1,253)	1,151	870
Deferred income tax expense	11	(43)	9,692	(38)	6,776
Share-based payment expense	9/18	160	186	662	262
Interest expense	10	4,002	4,907	11,779	14,755
Interest expense relating to interest rate swap contracts	10	313	87	938	87
Amortization of transaction costs	10	154	146	425	427
Foreign exchange loss (gain)	10	260	382	1,689	(5,193)
Fair value changes on derivative financial instruments	10	(2)	424	(71)	407
Other expenses (income)		97	495	65	144
Sub-total		**2,732**	**930**	**5,043**	**586**
Changes in working capital:					
Decrease in trade and other receivables		2,591	(16,195)	2,599	(13,785)
Decrease in trade and other payables		(6,368)	14,527	(9,660)	11,062
Income tax paid		(448)	(402)	(1,034)	(1,282)
Total cash flow used in operating activities		**(1,493)**	**(1,140)**	**(3,052)**	**(3,419)**
Investing activities:					
Purchases of property, plant and equipment	14	(15,617)	(22,914)	(36,190)	(43,117)
Purchases of intangible assets	15	(209)	(1,893)	(825)	(3,411)
Total cash flow used in investing activities		**(15,826)**	**(24,807)**	**(37,015)**	**(46,528)**
Financing activities:					
Interest paid	19	-	(2,628)	(5,206)	(11,752)
Interest relating to interest rate swap contracts		-	-	(684)	-
Proceeds from borrowings	19	17,015	11,436	49,389	55,254
Repayment of borrowings		-	-	(6,079)	(2,101)
Contributions from non-controlling interest		391	-	547	2,054
Total cash flow from financing activities		**17,406**	**8,808**	**37,967**	**43,455**
Net increase (decrease) in cash and cash equivalents		**87**	**(17,139)**	**(2,100)**	**(6,492)**
Effect of exchange rate changes on cash and cash equivalents		1,690	(1,132)	4,655	3,464
Cash from deconsolidated subsidiary	5	(2,584)	-	(2,584)	-
Cash and cash equivalents at the beginning of the period					
From continuing operations		**61,952**	**61,155**	**61,174**	**45,912**
Cash and cash equivalents at the end of the period:					
From continuing operations		61,145	42,884	61,145	42,884
From discontinued operations		-	9,846		9,846
Cash and cash equivalents at the end of the period		**61,145**	**52,730**	**61,145**	**52,730**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

* See Note 1 and Note 4 for details regarding the restatement as a result of discontinued operation.

1. GENERAL INFORMATION

Etrion Corporation ("Etrion" or the "Company" or, together with its subsidiaries, the "Group") is incorporated under the laws of the Province of British Columbia, Canada. The address of its registered office is 1600-925 West Georgia Street, Vancouver, British Columbia V62 3L2, Canada. The Company is listed on the Toronto Stock Exchange in Canada and the NASDAQ OMX Stockholm exchange in Sweden under the same ticker symbol, "ETX".

Etrion is an independent power producer that develops, builds, owns and operates solar power generation plants. The Company owns 114 megawatts ("MW") of installed solar capacity in Japan and Chile. Note 5

The Company has 13.2 MW of solar projects under construction as of the date of approval of this condensed consolidated interim financial statements and 380 MW of solar power projects which it is pursuing in Japan.

These condensed consolidated interim financial statements are presented in United States ("US") Dollars ("$"), which is the Group's presentation currency.

Effective January 1, 2017, The Company's functional currency changed from the Euro ("€") to the Japanese yen ("¥"), following a change in the principal environment where the Group conducts its business. The change has been applied prospectively.

Management believes Japan presents the highest opportunity to create value in a low risk jurisdiction environment. As part of this strategy, the Company successfully completed the divesture of its Italian assets in 2016 to fund the growth in Japan and reduce its corporate debt. Note 4.

However, since the Group is listed in both Canada (Primary) and Sweden (Secondary), certain financial information within the notes to these condensed consolidated interim financial statements has been presented in Canadian dollars ("CAD$"). The Company's Board of Directors approved these condensed consolidated interim financial statements on November 13, 2017.

The Company has restated the disclosures for prior periods presented in the financial statements so that the disclosures relate to all operations that are continuing by the end of the three and nine months ended September 30, 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(a) BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS"). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016. These condensed consolidated interim financial statements have been prepared on the basis of accounting policies, methods of computation and presentation consistent with those applied in the audited consolidated financial statements for the year ended December 31, 2016.

(b) EQUITY METHOD

The Company is applying the equity method to account for its investment in the Chilean solar power subsidiary starting September 30, 2017. Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

(c) GOING CONCERN

The Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2017, have been prepared on a going concern basis, which assumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of business as they become due in the foreseeable future. At September 30, 2017, the Group had cash and cash equivalents of $61.1 million, $41.5 million of which was unrestricted and held at the parent level (December 31, 2016: $61.2 million and $42.3 million, respectively) and working capital of $56.5 million (December 31, 2016: $45.3 million). During the three and nine months ended September 30, 2017, the Group recognized net income of $35.2 million and $20.7 million, respectively (2016 net loss: $88.3 million and $95.4 million). The Company's management is confident that the Group will be able to fund its working capital requirements for at least twelve months from the date of these condensed consolidated interim financial statements. These condensed consolidated interim financial statements for the three and nine months ended September 30, 2017, do not include the adjustments that would result if the Group were unable to continue as a going concern.

Expressed in US$'000 unless otherwise stated

(d) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

During the three and nine months ended September 30, 2017, the Group did not adopt any new standards and interpretations or amendments thereto applicable for financial periods beginning on or after January 1, 2017.

New standards and amendments issued and not yet adopted by the Group

The following new standards and amendments, applicable to the Group, available for application and not yet adopted, are as follows:

IFRS 9, Financial Instruments: This standard addresses the classification, measurement and recognition of financial assets and liabilities, replacing IAS 39 Financial Instruments: Recognition and Measurement. Management expects IFRS 9 to affect the Companies' hedge accounting processes and controls. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Group continues with the process of evaluating the impact of the IFRS 9 on the financial statements and on the internal controls and intends to adopt this standard no later than the accounting period beginning on or after January 1, 2018.

IFRS 15, Revenue from contracts with customers: This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 Revenue and IAS 11 Construction Contracts and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted. The Company's revenue generating activities are governed by power purchase agreements with defined standards terms and conditions widely used in the renewable energy industry. The Group continues with the preliminary assessment and full impact of IFRS 15 which are not expected to be material to the Company and intends to adopt this standard no later than the accounting period beginning on or after January 1, 2018.

IFRS 16, Leases: This standard addresses the measurement and recognition of leases which will result in almost all lease contracts being recognized in the balance sheet, as the distinction between operating and finance leases is removed. IFRS 16 is mandatory for financial years commencing on or after January 1, 2019. The Group is in the process of assessing to what extent existing commitments under lease contracts will result in the recognition of an asset and a liability for future payments. There are no other IFRS or interpretations that are not yet effective and that would be expected to have a material impact on the Group.

3. ACCOUNTING ESTIMATES AND ASSUMPTIONS

In connection with the preparation of the Company's condensed consolidated interim financial statements, the Company's management has made assumptions and estimates about future events and applied judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. These assumptions, estimates and judgments are based on historical experience, current trends and other factors that the Company's management believes to be relevant at the time the condensed consolidated interim financial statements are prepared. The Company's management reviews the accounting policies, assumptions, estimates and judgments to assess that the financial statements are presented fairly in accordance with IFRS. However, because future events and their effects cannot be determined with certainty, actual results may differ from the assumptions and estimates, and such differences could be material. There has been no change to the critical accounting estimates and assumptions used in the preparation of the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2017, from those disclosed in the notes to the Company's audited consolidated financial statements for the year ended December 31, 2016.

4. DISCONTINUED OPERATION

In December 2016, the Group completed the sale of Etrion Spa and Helios ITA Srl to EF Solare Italia, a joint venture owned equally by Enel Green Power S.p.A. and Fondi Italiani per le Infrastrutture "F2i". The financial performance relating to the discontinued operations is set out below.

	Three months ended Q3-16	**Nine months ended Q3-16**
Revenue	13,873	33,478
Operating expenses	(1,146)	(3,187)
General and administrative expenses	(142)	(894)
Other income	(495)	(127)
Depreciation and amortization	(3,315)	(9,939)
Finance costs	(3,423)	(9,552)
Income before income tax	**5,352**	**9,779**
Net income tax expense	(1,007)	(2,838)
Income from discontinued operation, net	**4,345**	**6,941**

5. DECONSOLIDATION OF SUBSIDARY

PV Salvador, SpA ("Salvador")

On September 30, 2017 the Group concluded that in accordance with IFRS it no longer has control of Salvador, the 70%-owned subsidiary that owns the licenses and rights to operate the 70 MW solar power project in Northern Chile ("Project Salvador"). As a result of the deemed loss of control the Group will no longer consolidate Salvador's financial position and performance starting from September 30, 2017.

On September 30, 2016, the Company identified indicators of impairment and as a result determined that the recoverable amount of the solar assets was equal to $98.3 million and recorded impairment charges of $75.7 million against property, plant and equipment and intangible assets. The impairment resulted from a sharp decline in the outlook for long term power prices in the Chilean market where Salvador is located. The current and expected Chilean market conditions are so adverse to Salvador's operations that according to management projections, based on third party market price studies, the only party that would be affected by the returns on the project is the project lender bank. Therefore it is no longer appropriate to consolidate Salvador.

Salvador control reassessment

Due to the signing of the forbearance agreement with the Overseas Private Investment Corporation ("OPIC") in March 2017, the capitalization of the shareholder loan in January 2017, the unlikelihood to obtain any positive returns from Salvador (due to negative long-term outlook of the spot market prices in the Chilean market) and the impact of potential debt restructurings, all unfavorable developments, management concluded that it was necessary to perform a reassessment of control in accordance with IFRS 10.

After considering all current material facts and circumstances and the results of the control reassessment exercise, management concluded that the Group meets only two (power and exposure to variable returns) of the three conditions that are necessary to demonstrate control in accordance with IFRS 10. The Group no longer meets the third condition (link between power and variable returns) to continue to demonstrate control. Even though Etrion has all the contractual rights and instruments to lead the decision-making process of the Company, any of the actions it could take would have no impact or affect returns to Etrion.

Accounting upon Salvador deconsolidation

September 30, 2017, is regarded as the date when the Group "loses control" of Salvador as a result of the control reassessment. In accordance with IFRS 10, income and expenses from Salvador are being recognized in the Group's consolidated financial statements until September 30, 2017, when Etrion ceased to control Salvador. After deconsolidation, the retained investment in Salvador is accounted for as an equity investment and recorded at a fair value of zero value. The net present value of Etrion's share in the forecasted shortfall is negative and Etrion does not have any legal obligation to fund Salvador's deficit and has no current commitment or intentions to provide additional financial support to Salvador.

Gain on Salvador deconsolidation

During the three and nine months ended September 30, 2017, the Group derecognized its share in the net liabilities of Salvador, resulting in a non-cash extraordinary gain of US$41.0, and the derecognition of the equity value attributable to non-controlling interests in Salvador of $17.6 million. The financial position below was used as base for calculating the net gain on deconsolidation:

PV Salvador SpA Financial Position $ thousands	**September 30 2017**
Assets	
Property, plant and equipment	84,259
Intangibles	6,959
Trade receivables and other assets	3,577
Cash	2,584
Total assets	**97,379**
Liabilities	
Borrowings	154,015
Trade payables and other	1,957
Total liabilities	**155,972**
Net liabilities	**58,593**
NCI share in net liabilities	**17,578**
Etrion share in net liabilities	**41,015**

Etrion share in net liabilities	41,015
Fair value of retained investment in Salvador	-
Gain on deconsolidation of subsidiary	**41,015**

The non-recourse project loan obtained by Salvador, to finance Project Salvador matures in 2033. The repayment of this credit facility is secured principally by the proceeds from the sale of electricity in the spot market. On March 9, 2017, Salvador signed an amendment to the existing senior finance agreement with OPIC ("Forbearance agreement"), whereby all scheduled interest and principal payments between May 31, 2017 and May 31, 2018 will be deferred and due end of the period, if the debt is not restructured or period extended. Given the terms of the Forbearance Agreement, the Group was not in breach of any of the imposed operational and financial covenants associated with its Chilean project loans.

Expressed in US$'000 unless otherwise stated

6. SEGMENT REPORTING

The Board of Directors considers reportable segments from a geographical perspective and measures performance based on earnings before interest, tax, depreciation and amortization ("EBITDA") and reviews and monitors performance of the Group on this basis. The Company's management identified two reportable segments, solar energy Chile ("Solar Chile") and solar energy Japan ("Solar Japan"). Salvador's income and expenses will be included only in the Group's consolidated financial statements until September 30, 2017, the date when the Group ceased to control this subsidiary. The Group's country of domicile is Canada. However, all revenues from external customers are derived from Japan and Chile. The Group's revenues, EBITDA and results from continuing operations are presented as follows:

Three months ended	**Q3-17**				**Q3-16**			
	Solar Chile	**Solar Japan**	**Corporate**	**Total**	**Solar Chile**	**Solar Japan**	**Corporate**	**Total**
Revenue	**2,138**	**4,867**	**-**	**7,005**	**2,171**	**1,180**	**-**	**3,351**
Operating expenses (Opex)	(1,645)	(1,062)	-	(2,707)	(1,802)	(325)	-	(2,127)
General and administrative (G&A)	(54)	(28)	(1,607)	(1,689)	(48)	(35)	(1,225)	(1,308)
Other income (expenses)	(1)	-	(96)	(97)	-	-	-	-
EBITDA	**438**	**3,777**	**(1,703)**	**2,512**	**321**	**820**	**(1,225)**	**(84)**
Gain on deconsolidation of subsidiary	-	-	41,015	41,015	-	-	-	-
Impairment	-	-	-	-	(75,675)	-	-	(75,675)
Depreciation and amortization	(1,359)	(1,733)	(46)	(3,138)	(2,393)	(381)	(55)	(2,829)
Finance income	28	1	-	29	7	18	(5)	20
Finance costs	(2,607)	(743)	(1,443)	(4,793)	(3,059)	(230)	(2,345)	(5,634)
(Loss) income before income tax	**(3,500)**	**1,302**	**37,823**	**35,625**	**(80,799)**	**227**	**(3,630)**	**(84,202)**
Income tax (expense) recovery	-	(281)	(183)	(464)	(9,688)	(101)	1,351	(8,438)
Net (loss) income for the period	**(3,500)**	**1,021**	**37,640**	**35,161**	**(90,487)**	**126**	**(2,279)**	**(92,640)**

Nine months ended	**Q3-17**				**Q3-16**			
	Solar Chile	**Solar Japan**	**Corporate**	**Total**	**Solar Chile**	**Solar Japan**	**Corporate**	**Total**
Revenue	**6,525**	**12,720**	**-**	**19,245**	**6,858**	**3,396**	**-**	**10,254**
Operating expenses	(5,389)	(2,919)	-	(8,308)	(5,188)	(718)	-	(5,906)
General and administrative	(269)	(157)	(5,972)	(6,398)	(106)	(127)	(3,800)	(4,033)
Other income (expenses)	(6)	43	(102)	(65)	(45)	6	22	(17)
EBITDA	**861**	**9,687**	**(6,074)**	**4,474**	**1,519**	**2,557**	**(3,778)**	**298**
Gain on deconsolidation of subsidiary	-	-	41,015	41,015	-	-	-	-
Impairment	-	-	-	-	(75,675)	-	(278)	(75,953)
Depreciation and amortization	(4,034)	(4,550)	(142)	(8,726)	(7,179)	(1,096)	(163)	(8,438)
Finance income	28	92	-	120	276	19	4,951	5,246
Finance costs	(7,822)	(2,349)	(4,867)	(15,038)	(9,261)	(703)	(5,884)	(15,848)
(Loss) income before income tax	**(10,967)**	**2,880**	**29,932**	**21,845**	**(90,320)**	**777**	**(5,152)**	**(94,695)**
Income tax expense	-	(639)	(474)	(1,113)	(6,854)	(256)	(535)	(7,645)
Net (loss) income for the period	**(10,967)**	**2,241**	**29,458**	**20,732**	**(97,174)**	**521**	**(5,687)**	**(102,340)**

The Group's assets and liabilities can be presented as follows:

	September 30, 2017			**December 31, 2016**			
	Solar Japan	**Corporate**	**Total**	**Solar Chile**	**Solar Japan**	**Corporate**	**Total**
Property, plant and equipment	137,261	43	137,304	87,907	101,555	137	189,599
Intangible assets	5,402	4,063	9,465	7,226	5,558	3,095	15,879
Cash and cash equivalents	19,597	41,548	61,145	4,121	14,767	42,286	61,174
Other assets	10,017	9,421	19,438	3,614	11,079	7,296	21,989
Total assets	**172,277**	**55,075**	**227,352**	**102,868**	**132,959**	**52,814**	**288,641**
Borrowings	141,434	48,334	189,768	148,900	93,769	42,108	284,777
Trade and other payables	2,765	506	3,271	639	6,328	3,704	10,671
Other liabilities	18,501	1,879	20,380	20,599	18,191	692	39,482
Total liabilities	**162,700**	**50,719**	**213,419**	**170,138**	**118,288**	**46,504**	**334,930**

Expressed in US$'000 unless otherwise stated

7. REVENUE

	Three months ended		Nine months ended	
	Q3-17	Q3-16	Q3-17	Q3-16
Feed-in Tariff ("FiT")	4,867	1,180	12,720	3,396
Spot market price	249	418	727	1,443
PPA agreement	1,518	1,485	4,838	4,752
Other utility income	371	268	960	663
Total revenue	**7,005**	**3,351**	**19,245**	**10,254**

In February/July, 2017, the Company connected the four solar park sites of the Group's Misawa solar project in Japan (respectively), representing the 9.5 MW total planned capacity and started recognizing FiT revenues from these solar park sites.

Solar-related production is subject to seasonality over the year due to the variability of daily sun hours in the summer months versus the winter months.

8. OPERATING EXPENSES

	Three months ended		Nine months ended	
	Q3-17	Q3-16	Q3-17	Q3-16
Operating & Maintenance (O&M)	722	638	2,111	1,835
Purchased power	540	643	2,013	2,491
Personnel costs	373	321	976	609
D&A	3,092	2,774	8,584	8,275
Property tax	263	173	774	173
Insurance	126	71	387	242
Land lease	239	49	713	143
Transmission costs	288	337	899	255
Other operating expenses	158	(107)	435	157
Total Opex	**5,801**	**4,899**	**16,892**	**14,180**

O&M costs relate to fees paid in connection with the operation and maintenance activities of the Group's operating solar power projects in Japan and Chile. The Group outsources these O&M services to third parties.

D&A relate to the Group's operating solar power projects producing electricity during the period.

9. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Nine months ended	
	Q3-17	Q3-16	Q3-17	Q3-16
Salaries and benefits	766	570	2,310	1,674
Board of directors fees	39	37	113	112
Share-based payments	160	186	662	262
Professional fees	296	197	1,467	911
Listing and marketing	126	67	567	244
D&A	46	55	142	163
Office lease	96	89	205	308
Office, travel and other	204	163	685	522
Write-off guarantees	-	-	389	-
Total G&A	**1,733**	**1,364**	**6,540**	**4,196**

Expressed in US$'000 unless otherwise stated

10. FINANCE INCOME AND COSTS

	Three months ended		Nine months ended	
	Q3-17	**Q3-16**	**Q3-17**	**Q3-16**
Finance income:				
Changes in fair values of derivative financial instruments:				
- Ineffective portion reclassified from other comprehensive income	2	17	87	17
Foreign exchange gain	-	-	-	5,193
Other finance income	27	3	33	36
Total finance income	**29**	**20**	**120**	**5,246**
Finance costs:				
Interest rate expense:				
- Credit facilities and non-recourse loans Note 19	3,041	3,015	9,103	8,759
- Interest rate swap contracts associated with non-recourse loans	313	87	938	87
- Corporate bond Note 19/21	956	1,786	2,689	5,356
- Credit facility with non-controlling interest	64	465	195	1,336
- Amortization of transaction costs	174	167	469	483
Changes in fair values of derivative financial instruments:				
- Ineffective portion reclassified from other comprehensive income	-	85	16	221
- Written call option	-	-	-	203
Foreign exchange loss	260	382	1,689	-
Other finance costs	65	27	191	155
Total finance costs before deducting amounts capitalized	**4,873**	**6,014**	**15,290**	**16,600**
Amounts capitalized on qualifying assets Note 14	(80)	(380)	(252)	(752)
Total finance costs	**4,793**	**5,634**	**15,038**	**15,848**
Net finance costs	**4,764**	**5,614**	**14,918**	**10,602**

The Group has four floating-rate credit facilities outstanding associated with its operating solar power projects and assets under construction in Japan. These credit facilities are hedged using interest rate swap contracts. In addition, the Group has a fixed-rate credit facility that financed the construction of its solar power plant in Chile. Refer to Note 19 and Note 20 for further details on the Group's credit facilities and derivative financial instruments.

Applicable borrowing costs have been capitalized as assets under construction within property, plant and equipment. Note 14

During the three and nine months ended September 30, 2017, the Group recognized a net fair value gain of $0.4 million and net fair value loss of $0.3 million, respectively (2016: $0.1 million and $2.2 million), net of tax, within other comprehensive income related to the effective portion of the Group's interest rate swap contracts.

Expressed in US$'000 unless otherwise stated

11. INCOME TAXES

(a) INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	Q3-17	**Q3-16**	**Q3-17**	**Q3-16**
Current income tax				
Corporate income tax	(507)	1,253	(1,151)	(870)
Total current income tax	**(507)**	**1,253**	**(1,151)**	**(870)**
Deferred income tax				
Temporary differences	43	(9,692)	38	(6,776)
Total deferred income tax	**43**	**(9,692)**	**38**	**(6,776)**
Total income tax expense	**(464)**	**(8,439)**	**(1,113)**	**(7,646)**

During the three and nine months ended September 30, 2017, the Group recognized an income tax expense of $0.1 million and $0.5 million, respectively (2016: $0.3 million and $0.5 million) associated with its solar power projects in Japan and an income tax expense of $0.4 million and $0.7 million (2016: $1.6 million and $0.4 million) associated with its management services subsidiaries. In addition, the Group recognized a deferred income tax expense of $43 thousand and $38 thousand, respectively (2016: deferred tax expense of $9.7 million and $6.7 million) primarily due to the effect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

(b) CURRENT INCOME TAX LIABILITIES

	September 30 2017	December 31 2016
Corporate income tax	790	443
Provincial income tax	108	115
Total current income tax liabilities	**898**	**558**

12. EARNING (LOSS) PER SHARE

Basic and diluted earnings (loss) per share is calculated by dividing the net income (loss) for the period attributable to owners of the Company by the weighted average number of shares outstanding during the period. The calculation of basic and diluted earnings (loss) per share is as follows:

	Three months ended		Nine months ended	
	Q3-17	**Q3-16**	**Q3-17**	**Q3-16**
Income (loss) attributable to common shareholders:				
Income (loss) from continuing operations	36,080	(65,476)	23,717	(73,222)
Income from discontinued operations	-	4,345	-	6,941
Total income (loss) for the period attributable to common shareholders	**36,080**	**(61,131)**	**23,717**	**(66,281)**
Weighted average number of thousand shares outstanding	334,094	334,094	334,094	334,094
Basic and diluted earnings (loss) per share:				
From continuing operations	$0.11	$(0.20)	$0.07	$(0.22)
From discontinued operations	-	$0.01	-	$0.02
Total basic and diluted earnings (loss) per share attributable to common shareholders	**$0.11**	**$(0.19)**	**$0.07**	**$(0.20)**

Basic earnings (loss) per share equals diluted earnings (loss) per share, as there is no dilutive effect from the existing stock options since they are all out of the money and conditions of the existing RSUs were not satisfied. Note 18

13. NON-CONTROLLING INTERESTS

The Group's subsidiaries in which there is a non-controlling interest ("NCI") are Shizukuishi Solar GK ("Shizukuishi"), Etrion Energy 1 GK ("Mito"), Etrion Energy 4 GK ("Komatsu"), Etrion Energy 5 GK ("Misawa"), all together the "Japanese entities", and PV Salvador SpA ("Salvador").

The non-controlling interest at September 30, 2017, of $0.9 million (December 31, 2016: negative $31.5 million), represents the value attributable to non-controlling interests in the Japanese project companies.

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Japanese project companies, other than those imposed by the lending banks related to cash distributions.

Expressed in US$'000 unless otherwise stated

Set out below is summarized financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations:

	September 30, 2017			December 31, 2016		
	Current assets	Non-current assets (liabilities)	Net assets (Liabilities)	Current assets (liabilities)	Non-current assets (liabilities)	Net assets (Liabilities)
Shizukuishi	2,415	(3,221)	(806)	3,916	(5,485)	(1,569)
Mito	901	555	1,456	3,658	(3,016)	642
Misawa	3,226	(1,490)	1,736	(2,331)	3,469	1,138
Komatsu	8,299	(7,431)	868	531	1,258	1,789
Salvador Note 5	-	-	-	39	(110,555)	(110,516)
Total net assets (liabilities)	**14,841**	**(11,587)**	**3,254**	**5,813**	**(114,329)**	**(108,516)**

Changes in the net assets (liabilities) position over time of the subsidiaries above are mainly driven by the ability of accumulating positive operating results and changes in the fair value of derivatives instruments (i.e. interest rate swaps)

The summarized income statement for the Japanese entities and Salvador including the portion allocated to NCI for the three months ended September 30, is as follows:

	Q3-17			Q3-16		
	Income (loss) for the period	Comprehensive income (loss) for the period	Comprehensive income (loss) allocated to NCI	Loss for the period	Comprehensive loss for the period	Comprehensive loss allocated to NCI
Shizukuishi	416	664	87	(6)	(181)	(24)
Mito	221	248	33	(112)	(15)	(1)
Misawa	123	163	64	(5)	(502)	(206)
Komatsu	(4)	81	12	-	-	-
Salvador Note 5	(3,500)	(3,500)	(1,115)	(93,215)	(93,497)	(28,048)
Total	**(2,744)**	**(2,344)**	**(919)**	**(93,338)**	**(94,195)**	**(28,279)**

The summarized income statement for the Japanese entities and Salvador including the portion allocated to NCI for the nine months ended September 30, is as follows:

	Q3-17			Q3-16		
	Income (loss) for the period	Comprehensive income (loss) for the period	Comprehensive income (loss) allocated to NCI	Income (loss) for the period	Comprehensive loss for the period	Comprehensive loss allocated to NCI
Shizukuishi	438	840	110	(121)	(2,884)	(375)
Mito	621	788	103	439	(334)	(43)
Misawa	430	548	219	(18)	(515)	(206)
Komatsu	(33)	(1,009)	(126)	-	-	-
Salvador Note 5	(10,967)	(10,967)	(3,290)	(99,903)	(100,185)	(30,056)
Total	**(9,511)**	**(9,800)**	**(2,984)**	**(99,603)**	**(103,918)**	**(30,680)**

The net change in participating non-controlling interests in operating entities is as follows:

	Salvador	Shizukuishi	Mito	Komatsu	Misawa	Total
As at December 31, 2016	**(32,224)**	**(193)**	**127**	**291**	**525**	**(31,474)**
Net (loss) income attributable to NCI	(3,290)	57	81	(5)	172	(2,985)
Other comprehensive (loss) income attributable to NCI	-	44	25	(134)	66	1
Loans conversion	17,936	(13)	(43)	(23)	(69)	17,788
Deconsolidation of subsidiary Note 5	17,578	-	-	-	-	17,578
As at September 30, 2017	**-**	**(105)**	**190**	**129**	**694**	**908**
Interest held by third parties	30%	13%	13%	15%	40%	

On January 13, 2017, Salvador signed an agreement whereby the shareholders waived the outstanding balance of the shareholders loans and accumulated interest of $65.1 million and converted to share capital ($19.5 million attributable to the 30% non-controlling interests). In addition, as of September 30, 2017, the Group completed a control reassessment and derecognized the carrying amount of the 30% non-controlling interest in Salvador of approximately US$17.6 million. Note 5

Expressed in US$'000 unless otherwise stated

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Solar power projects	Assets under construction	Other PPE	Total
Cost:					
At December 31, 2016	**2,577**	**189,929**	**12,210**	**4,187**	**208,903**
Additions	-	346	34,388	579	35,313
Deconsolidation of subsidiary Note 5	-	(103,457)	-	(1,000)	(104,457)
Reclassification	-	23,091	(23,091)	-	-
Disposals	-	-	-	(254)	(254)
Exchange differences	53	3,389	502	815	4,759
At September 30, 2017	**2,630**	**113,298**	**24,009**	**4,327**	**144,264**
Accumulated depreciation:					
At December 31, 2016	**-**	**18,374**	**-**	**930**	**19,304**
Depreciation	-	7,771	-	20	7,791
Deconsolidation of subsidiary Note 5	-	(20,099)	-	(99)	(20,198)
Reclassification	-	474	-	(474)	-
Disposals	-	-	-	(62)	(62)
Exchange differences	-	105	-	20	125
At September 30, 2017	**-**	**6,625**	**-**	**335**	**6,960**
Net book value:					
At December 31, 2016	2,577	171,555	12,210	3,257	189,599
At September 30, 2017	2,630	106,673	24,009	3,992	137,304

As of September 30, 2017, the Group completed a control reassessment and derecognized the net carrying amount of the Salvador solar power plant and asset retirement obligation of US$84 million. Note 5. In addition, during the nine months ended September 30, 2017, the Group capitalized as assets under construction $34.1 million (2016:$26.6 million) of incurred capital expenditures associated with the solar power projects in Japan. In February and July 2017, the Group's 9.5 MW Japanese solar power project (Aomori) achieved commercial operation date and the Company reclassified the associated construction costs to solar power project in accordance with the Group's accounting policies. In addition, during 2017, the Group capitalized $0.3 million (2016: $0.8 million) of borrowing costs associated with credit facilities obtained to finance the construction of Aomori and Komatsu projects. Note 10 and Note 19

15. INTANGIBLE ASSETS

	Licenses and permits	Internally generated development costs and other	Total
Cost:			
At December 31, 2016	**15,751**	**4,294**	**20,045**
Additions	35	790	825
Deconsolidation of subsidiary Note 5	(9,330)	-	(9,330)
Exchange differences	300	337	637
At September 30, 2017	**6,756**	**5,421**	**12,177**
Accumulated amortization:			
At December 31, 2016	**2,984**	**1,182**	**4,166**
Amortization	719	113	832
Deconsolidation of subsidiary Note 5	(2,371)	-	(2,371)
Exchange differences	40	45	85
At September 30, 2017	**1,372**	**1,340**	**2,712**
Net book value:			
At December 31, 2016	12,767	3,112	15,879
At September 30, 2017	5,384	4,081	9,465

As of September 30, 2017, the Group completed a control reassessment and derecognized the net carrying amount of the Salvador licenses and permits of US$6.9 million. Note 5. During the nine months ended September 30, 2017, general and administrative expenses of $0.8 million (2016: $2.0 million) representing internally-generated costs of $0.8 million (2016: $ 1.7 million) and third-party costs of $ nil (2016: $0.3 million) were capitalized during the period within intangible assets as they directly related to the Group's development activities in Japan.

Expressed in US$'000 unless otherwise stated

16. CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents (including restricted cash) are held in banks in with high and medium grade credit ratings assigned by international credit agencies. The fair value of cash and cash equivalents approximates their carrying value due to short maturities. Included within cash and cash equivalents is restricted cash relating to the Group's solar power projects as follows:

	September 30 2017	December 31 2016
Unrestricted cash at parent level	41,548	42,286
Restricted cash at project level	19,597	18,888
Total	**61,145**	**61,174**

Restricted cash relates to cash and cash equivalents held at the project level that are restricted by the lending banks for future repayment of interest and principal and working capital requirements related to each project. Restricted cash and cash equivalents can be distributed from the Group's projects, subject to approval from the lending banks, through repayment of shareholder loans, payment of interest on shareholder loans or dividend distributions.

17. SHARE CAPITAL

The Company has authorized capital consisting of an unlimited number of common shares, of which 334,094,324 are issued and outstanding at September 30, 2017 (December 31, 2016: 334,094,324). In addition, the Company is authorized to issue an unlimited number of preferred shares, issuable in series, none of which have been issued. The common shares of the Company have no par value, are all of the same class, carry voting rights, and entitle shareholders to receive dividends as and when declared by the Board of Directors. No dividends were declared during the nine months ended September 30, 2017 and 2016. Restricted Share Unit (RSUs) exercised during the nine months ended September 30, 2017 were settled in cash. Note 18

18. SHARE-BASED PAYMENTS

The Company maintains a RSU award plan for employees, consultants, directors and officers. RSUs have a contractual term of approximately four years and have time-based and performance-based vesting conditions that are market and non-market based. In addition, the Company also maintains an equity-settled stock option awards scheme for employees, consultants, directors and officers.

During the three and nine months ended September 30, 2017, the Group recognized share-based payment expenses of $0.2 million and $0.7 million, respectively (2016: $0.2 million and $0.3 million) related to its stock option and RSU award schemes. Note 9.

Changes in the Company's outstanding stock options and RSUs are as follows:

	Number of share options	Weighted average exercise price CAD$
At December 31, 2016	**3,202,000**	**0.43**
Expired	(2,577,000)	0.49
Forfeited	(350,000)	0.34
At September 30, 2017	**275,000**	**0.98**
Stock options exercisable:		
At December 31, 2016	**3,202,000**	**0.43**
At September 30, 2017	**275,000**	**0.98**

The Company recognizes an expense within general and administrative expenses when stock options are granted to employees, consultants, directors and officers using the fair value method at the date of grant. Share-based compensation is calculated using the Black-Scholes option pricing model for stock options and the grant date share fair value for RSUs with service and non-market performance conditions. For RSUs with market-based performance conditions share-based compensation is calculated using an adjusted grant date share fair value calculated with a valuation model that incorporates all the variables included in the market vesting conditions.

	Number of RSUs
At December 31, 2016	**30,018,607**
Exercised	(55,980)
Forfeited	(3,664,296)
At September 30, 2017	**26,298,331**

Expressed in US$'000 unless otherwise stated

19. BORROWINGS

	Corporate bond	Project loans	Total
At January 1, 2017	**42,108**	**242,669**	**284,777**
Deconsolidation of subsidiary Note 5	-	(154,015)	(154,015)
Proceeds from loans	-	49,389	49,389
Repayment of loans and interest	(1,653)	(9,692)	(11,345)
Accrued interest	2,689	9,099	11,788
Amortization of transaction costs	228	(384)	(156)
Exchange difference	4,962	4,368	9,330
At September 30, 2017	**48,334**	**141,434**	**189,768**
- Current portion	**1,657**	**7,438**	**9,095**
- Non-current portion	**46,677**	**133,996**	**180,673**

At September 30, 2017, the Group was not in breach of any of the imposed operational and financial covenants associated with its corporate borrowings and non-recourse project loans.

(a) CORPORATE BORROWINGS

At September 30, 2017, the Group had €40 million of corporate bonds outstanding. The bond was issued by the Company in April 2014 at 8.0% annual interest with a 5-year maturity. The carrying amount of the corporate bond as at September 30, 2017, including accrued interest net of transaction costs, was $46.7 million (December 31, 2016: $42.1 million). On October 24, 2017, the Company purchased a nominal amount of approximately €6.3 million of its outstanding corporate bonds. Note 24

(b) NON-RECOURSE PROJECT LOANS

Japanese subsidiaries

During the nine months ended September 30, 2017, the Group's Japanese subsidiaries with solar power projects under construction drew down a total of ¥5,113 million ($45.5 million) and ¥423 million ($3.8 million) under the senior financing agreements and under the VAT credit facility, respectively (2016: ¥4,710 and ¥299, respectively). At September 30, 2017, the combined undrawn gross amount under all the Japanese credit facilities amounted to ¥525 million ($4.6 million) (2016: nil). At September 30, 2017, the fair value of the non-recourse project loans approximated their carrying values as the loans bear floating interest rates. All the Japanese interest rate swap contracts qualified for hedge accounting at September 30, 2017, and December 31, 2016. On March 24, 2017, Shizukuishi received a cash reimbursement of ¥501 million ($4.5 million) from the Japanese tax authorities associated with VAT credits accumulated during the construction of its solar power plant. On September 30, 2017, the Company's subsidiary repaid ¥435 million ($3.8 million) to the lender bank in relation to the associated VAT credit facility.

Chilean subsidiaries

As of September 30, 2017, the Group completed a control reassessment and derecognized the net carrying amount of the Salvador non-recourse project loan of US$154 million. Note 5.

20. DERIVATIVE FINANCIAL INSTRUMENTS

	September 30 2017	December 31 2016
Derivative financial liabilities:		
Interest rate swap contracts		
- Current portion	1,313	1,167
- Non-current portion	9,049	8,347
Total derivative financial liabilities	**10,362**	**9,514**

Interest rate swap contracts

The Group enters into interest rate swap contracts in order to hedge against the risk of variations in the Group's cash flows as a result of floating interest rates on its non-recourse project loans in Japan. The fair value of these interest rate swap contracts is calculated as the present value of the estimated future cash flows, using the notional amount to maturity as per the interest rate swap contracts, the observable TIBOR interest rate forward yield curves and an appropriate discount factor. At September 30, 2017, all of the Group's derivative financial instruments qualified for hedge accounting with fair value movements accounted for within equity, except for the ineffective portion that is recorded into finance income/costs.

Expressed in US$'000 unless otherwise stated

21. RELATED PARTIES

For the purposes of preparing the Company's condensed consolidated interim financial statements, parties are considered to be related if one party has the ability to control the other party, under ordinary control, or if one party can exercise significant influence over the other party in making financial and operational decisions. The Company's major shareholder is the Lundin family, which collectively owns through various trusts approximately 24.3% of the Company's common shares (2016: 24.3%).

RELATED PARTY TRANSACTIONS

During the three and nine months ended September 30, 2017, and 2016, the Group entered into the following transactions with related parties:

	Three months ended		Nine months ended	
	Q3-17	**Q3-16**	**Q3-17**	**Q3-16**
General and administrative expenses:				
Lundin Services BV	-	3	5	11
Lundin Petroleum AB	6	7	19	21
Lundin SA	30	30	90	59
Finance costs:				
Lundin family:				
- Interest expense	145	222	410	664
- Transaction costs	13	24	35	47
Total transactions with related parties	**194**	**286**	**559**	**802**

Amounts outstanding to related parties at September 30, 2017 and 2016 are as follows:

	September 30 2017	**December 31 2016**
Current liabilities:		
General and administrative expenses	-	1
Lundin family share in corporate bond	253	98
Key management personnel	-	500
Total current liabilities	**253**	**599**
Non-current liabilities:		
Lundin family share in corporate bond	7,111	6,323
Total non-current liabilities	**7,111**	**6,323**
Total amounts outstanding	**7,364**	**6,922**

There were no amounts outstanding from related parties at September 30, 2017 and 2016.

22. COMMITMENTS

Contractual commitments

The Group enters into engineering, procurement and construction agreements with large international contractors that design, construct, operate and maintain utility-scale solar photovoltaic power plants. As of September 30, 2017, the Group had a contractual obligation to acquire construction services in the amount of $8.7 million related to the construction of the 13.2 MW Komatsu solar power projects in Japan. This contractual obligation will be funded from existing cash available at the project company level.

23. CONTINGENT LIABILITIES

On August 10, 2015, the Group received a litigation notice from a former employee alleging unreconciled labor-related differences. The Company's directors believe the claim is without merit, and the Group intends to vigorously defend itself. Given the stage of the legal process, the Company is unable to make a reliable estimate of the financial effects of the litigation and has not included a provision for liability under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, in these condensed consolidated interim financial statements.

24. SUBSEQUENT EVENTS

Bonds repurchase

On October 24, 2017, purchased a nominal amount of approximately €6.3 million ($7.4 million) of its outstanding corporate bonds at par value, from certain existing bondholders (The Lundin family sold to the Company a nominal amount of approximately €5.7 million ($6.7 million)). These Bonds will be held by the Company and will not be cancelled.