

PRESS RELEASE

**Etrion announces 2017 results compared to guidance and Japanese backlog progress update**

February 27, 2018, Geneva, Switzerland – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX / OMX: ETX), a solar independent power producer, announces certain financial results (unaudited) for the year ended December 31, 2017 compared to previous guidance and an update on the Japanese project backlog.

**2017 Guidance results**

On March 13, 2017, Etrion issued a production, revenue and project-level EBITDA forecast for the fiscal year ending December 31, 2017. Given the decision in 2017 to deconsolidate the Chilean operating subsidiary (“Salvador”), Etrion issued on November 13, 2017, a revised production, revenue and project-level EBITDA 2017 forecast based on the Company’s Japanese assets only. Actual results from the Japanese operations in comparison with the guidance are shown in the table below:

<b>Net to Etrion’s interest</b> USD million otherwise stated	<b>Low end</b> <b>guidance</b>	<b>Actual</b> <b>Results</b>	<b>High end</b> <b>guidance</b>
Energy generation (MWh) <sup>(1)</sup>	33,500	36,018	35,200
Revenue	11.5	12.7	12.7
Project-level EBITDA	7.8	9.2	8.6

(1) Megawatt-hour

Japanese production, revenue and project-level EBITDA in 2017 met or exceeded the high end of the revised guidance provided on November 13, 2017. Production was 2.3% above the high end, revenue at the high end and project-level EBITDA 6.5% above the high end of the revised guidance.

**Management Comments**

Marco A. Northland, the Company’s Chief Executive Officer, commented, “I am very pleased with the performance of the Japanese assets in 2017, which delivered strong results at or above our high-end guidance. On the development side, we have made excellent progress, moving closer to beginning construction on 100 megawatts (“MW”) (net 75 MW) capacity in Japan within the next 9-12 months. We also made excellent progress with land acquisitions and environmental authorizations during the past three months. In addition to our backlog, our team remains very active on securing new opportunities expanding our pipeline and look forward to providing further update once they reach backlog stage. Project economics continue to be very attractive with ample sources of capital for project level limited-recourse financing at very attractive rates.”

**Japanese Backlog**

Etrion has continued to make significant progress in the development of its backlog projects. The table below provides an update on management’s view about estimated dates for these projects to commence construction (NTP):

<b>Project</b>	<b>Prefecture</b>	<b>Sites</b>	<b>MW</b> <b>Gross</b>	<b>Ownership</b>	<b>Target</b> <b>NTP</b>
Brownfield Tk-1	Kumamoto	1	45	85-100%	H1-19
Greenfield Tk-2	Niigata	1	45	100%	Q1-19
Brownfield Tk-3	Mie	1	60	50%	H1-19
Brownfield Tk-4	Saitama	1	40	60-100%	TBD
<b>Total backlog</b>		<b>4</b>	<b>190</b>		

45 MW Brownfield Tk-1. This project, located in Kumamoto prefecture Japan, benefits from a 20 year power purchase agreement (“PPA”) with Kyushu Electric Power utility for ¥36/kWh. Etrion would own between 85% and 100%. The Company continues to make progress on land acquisition which is expected to take an additional 4-6 months. Assuming successful land rights are secured the Company plans to file for forest development authorization, a process that typically takes additional 4-6 months. The Company is targeting to complete all permits, secure all land and finalize the private line easement rights and reach ready to build status within first half of 2019.

45 MW Greenfield Tk-2. This project, located in Niigata prefecture Japan, benefits from a 20 year PPA with Tohoku Electric Power utility for ¥36/kWh. Etrion would own 100% of this project. The Company completed the acquisition of all the required land, from 132 landowners, this past month. The Company is advancing on the selection of an engineering, procurement and construction contractor and civil works company and completing site measurements and soil surveying, all activities required to file for forest development permits. The project is expected to reach ready to build status by Q1-2019.

60 MW Brownfield Tk-3. This project, located in Mie prefecture Japan, benefits from a 20 year PPA with Chubu electric power utility for ¥36/kWh. Etrion would retain 50% ownership of this project. The project received this past month the Environmental Impact Assessment report and the Company is now in consultation with local communities and authorities to file for the forest development. The Company is targeting this project to be shovel ready by first half of 2019.

40 MW Brownfield Tk-4. This project, located in Saitama prefecture Japan, benefits from a 20 year PPA with Tepco electric power utility for ¥24/kWh. Etrion will own between 60% and 100% of this project. Discussions continue with Etrion’s development partner to define the timing due to Environmental Impact Assessment needs and extensive civil works requirements. The Company is closely monitoring these developments to assess the impact on the schedule and feasibility. The Company expects to have further clarity by the summer of 2018.

## **About Etrion**

Etrion Corporation is an independent power producer that develops, builds, owns and operates utility-scale solar power generation plants. The Company owns and operates 44 MW of solar capacity and 13 MW solar project under construction, all in Japan. Etrion also has several projects in the backlog and pipeline at different stages of development in Japan. 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 (“DC”) basis, also referred to as megawatt-peak (“MWp”).*

*Etrion discloses the information provided herein pursuant to the Swedish Securities Market Act. The information was submitted for publication at 08:05 Central European Time (CET) on February 27, 2018.*

### Non-IFRS Measures:

*This press release includes non-IFRS 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.*

*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).*

*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 Etrion believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to unaudited production, revenue and project-level EBITDA for the year ended December 31, 2017 and , the anticipated timing for the commencement of construction of certain of Etrion's Japanese development projects). This forward-looking information reflects the current expectations or beliefs of Etrion based on information currently available to it as well as certain assumptions (including assumptions that Etrion's audited results for the year ended December 31, 2017 will be the same as those disclosed in this press release and assumptions as to the timing of receipt of necessary permits for the Japanese development projects and as to the project costs and financing requirements for the Japanese development projects). Forward-looking information is subject to a number of significant risks and uncertainties and other factors that may cause actual results 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, Etrion. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to, the risks that Etrion's audited production, revenue and project-level EBITDA for the year ended December 31, 2017 will differ from those disclosed in this press release, Etrion may not be able to obtain all applicable permits for the development of the Japanese development projects, Etrion may not be able to obtain the necessary financing for such projects on economic terms and the development costs for such projects may be higher than anticipated.*

*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, Etrion 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 Etrion 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 thereof.*