

PRESS RELEASE

Etrion Releases 2017 Results and 2018 Guidance

March 13, 2018, 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, 2017. Etrion also announces 2018 guidance for project level revenues, earnings before interest, taxes, depreciation and amortization (“EBITDA”) and electricity production regarding its operational solar power plants and fully-funded project under construction, all in Japan.

Etrion Corporation delivered strong project-level results in 2017 from its Japanese assets performing above high end of its guidance. Higher installed capacity and electricity production resulted in a significant increase in revenue and project-level EBITDA compared to the same period in 2016.

2017 HIGHLIGHTS

- Strong performance in Japan, with full year results meeting or exceeding the high end of the guidance range.
- Revenues in Japan more than doubled in 2017 compared to 2016.
- Significant project cash distributions in 2017 from the Japanese operating solar power plants.
- Consolidated EBITDA increased significantly in comparison with 2016 and became positive.
- Construction of the 13.2 MW Komatsu solar project in northern Japan 90% complete, on budget, on schedule and expected to be fully operational by the end of the second quarter of 2018.
- Growth opportunities in Japan remain strong with nearly 400 MW of projects in different stages of development, including a backlog of 190 MW and nearly 200 MW of early stage pipeline.
- Successful completion of a partial bond repurchase enabling the Company to further optimize its capital structure.
- Strong unrestricted cash position to support the growth of the business.
- Deconsolidation of the Chilean solar power subsidiary (“Salvador”) resulted in a one-time, non-cash extraordinary gain of US\$41.0 million.

Management Comments

Marco A. Northland, the Company’s Chief Executive Officer, commented, “Japan continues to deliver very strong results. In 2017 we have more than doubled our Japan revenues compared to 2016, increased our installed capacity and made significant development progress on several projects, targeting a minimum of 100 MWs to commence construction within the next 12-18 months. We continue to have a strong cash position with sufficient liquidity to fund our backlog projects. I am very excited at the prospects over the next 12 months in the Japanese market and look forward to bringing new projects to financial close. On the operational side, our plants are performing well above plan, demonstrating superior design, technology and operations. We continue to drive cost down and restructure the business to better support our growth in Japan.”

FINANCIAL SUMMARY

US\$ thousands (unless otherwise stated)	Three months ended		Twelve months ended	
	Q4-17	Q4-16	2017	2016
Electricity production (MWh) ¹	7,485	54,661	149,048	174,618
Japan	7,485	5,984	43,686	15,221
Chile	-	48,677	105,362	159,397
Financial performance ²				
Revenues	2,603	4,979	21,848	15,233
Japan	2,603	2,327	15,323	5,723
Chile	-	2,652	6,525	9,510
EBITDA	(628)	(713)	3,846	(415)
Japan	1,987	1,944	11,674	4,501
Chile	-	923	861	2,442
Corporate	(2,615)	(3,580)	(8,689)	(7,358)
One off significant transactions				
Gain on deconsolidation of Chilean subsidiary	-	-	41,015	-
Salvador impairment	-	-	-	(75,953)
Italian discontinued operation	-	29,018	-	35,960
Net (loss) income	(4,225)	20,981	16,507	(74,418)
Project cash distributions	-	-	7,704	-
Cash flow from (used in) operations	1,700	(6,152)	(1,352)	(3,257)
Adjusted operating cash flow	(1,388)	(1,072)	3,655	(495)
Financial position				
			Dec 17	Dec 16
Unrestricted cash at parent level			30,385	42,286
Restricted cash at project level			12,818	18,888
Working capital			43,611	45,257
Consolidated net debt on a cash basis			136,173	225,700
Corporate net debt (cash)			10,110	(98)
<small>1 MWh-Megawatt-hour 2 2017 financial results include the financial performance of the Chilean subsidiary, PV Salvador SpA until September 30, 2017 when the Group lost control for IFRS purposes.</small>				

2018 Guidance ⁽¹⁾

Etrion prepares and updates on a quarterly basis forecasts for project level production, revenues and EBITDA information regarding its operational and fully-funded solar parks in Japan. The purpose of these forecasts is to provide investors with management's view on the expected performance of the Company's solar assets over the coming fiscal year. Readers are advised to not place undue reliance on this forecasted financial and operational information. Etrion's consolidated project-level forecast for 2018 is in the following ranges:

US\$ million otherwise stated	Low end	High end
Energy generation (GWh)	37.5	41.5
Revenue	12.9	14.3
Project-level EBITDA	8.7	9.6

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

JAPAN

Revenue, project-level EBITDA and production forecast for our Japanese business, incorporated in the above consolidated guidance, are based on Etrion's ownership over the approximately 57 MW operational and under construction Japanese portfolio comprising the Mito, Shizukuishi, Misawa and Komatsu solar parks, and are incorporated on a net basis. These projects benefit from 20-year Power Purchase Agreements with the Japanese public utilities under which they will receive between ¥32 and ¥40 per kWh produced (approximately between US\$0.27 and US\$0.34 per kWh). Komatsu construction-related work began in October 2016, and the solar project is expected to be fully operational by the end of the second quarter of 2018. For the purpose of this guidance and in accordance with Etrion's accounting policies, production and associated revenue and EBITDA will be recognized from the date every individual solar site is commissioned and starts generating economic benefits. In Japan, revenues are received in Japanese yen and

are translated using the ¥/\$ exchange rate of the corresponding period. Consequently, revenues expressed in \$ 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, 2018 based on the assumptions set out below under the “Basis of preparation of the forecasts” section. These forecasts include a financial 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. 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.

Operations and Finance Update call

A conference call webcast to present the Company’s 2017 Operations and Finance update will be held on Tuesday, March 13, 2018, at 10:00 a.m. Eastern Daylight Time (EDT) / 3:00 p.m. Central European Time (CET).

Dial-in details:

North America: +1-647-788-4919 / Toll Free: +1-877-291-4570 / Sweden Toll Free: 02-079-4343

Webcast:

A webcast will be available at <https://www.webcaster4.com/Webcast/Page/1297/23917>

The Operations and Finance update call presentation and the Company’s consolidated financial statements for the year ended December 31, 2017, 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 April 3, 2018.

Replay dial-in details:

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

Pass code for replay: 4385837

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 or contact:

Christian Lacueva – 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 13, 2018.

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, 2017 and 2016. 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 to US dollars using the 2017 average of ¥/US\$ 1:112.16

Assumptions for the forecasts:

The forecasts included herein also reflect assumptions with respect to certain 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 Japan, 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.*

Non-IFRS Measures:

This press release includes non-IFRS measures not defined under IFRS, specifically EBITDA and Adjusted operating cash flow. Non-IFRS measures have no standardized meaning prescribed under IFRS and therefore such measures may not be comparable with those used by other companies. EBITDA is a useful metric to quantify the Company's ability to generate cash before extraordinary and non-cash accounting transactions recognized in the financial statements. In addition, EBITDA is useful to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting policy decisions. The most comparable IFRS measure to EBITDA is net income (loss). In addition, adjusted operating cash flow is used by investors to compare cash flows from operating activities without the effects of certain volatile items that can positively or negatively affect changes in working capital and are viewed as not directly related to a company's operating performance. The most comparable IFRS measure to adjusted operating cash flow is cash flow used in operations. Refer to Etrion's MD&A for the year ended December 31, 2017, for a reconciliation of EBITDA and adjusted operating cash flow reported during the period.

Forward-Looking Information:

This press release contains certain "forward-looking information". All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur

in the future (including, without limitation, statements relating to the Company's projects in Japan under construction and in development) constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company as well as certain assumptions including, without limitation, the ability of the Company to execute on its projects in Japan under construction or in development on economic terms and in a timely manner. Forward-looking information is subject to a number of significant risks and uncertainties and other factors that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to, the risk that the Company may not be able to obtain all applicable permits for the development of projects in Japan and the associated project financing required for the development of such projects on economic terms and the risk of unforeseen delays in the development and construction of its projects under construction or in development. Reference is also made to the risk factors disclosed under the heading "Risk factors" in the Company's AIF for the year ended December 31, 2017 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.