

PRESS RELEASE

Etrion Releases Second Quarter 2017 Results

August 7, 2017, Miami, Florida, United States – Etrion Corporation (“Etrion” or the “Company”) (TSX: ETX) (OMX: ETX), a solar independent power producer, today released its condensed consolidated interim financial statements and related management’s discussion and analysis (“MD&A”) for the three and six months ended June 30, 2017.

KEY HIGHLIGHTS

- **Revenue was US\$7.0 million (Q2-17) compared to US\$3.1 million (Q2-16), a 126% increase, driven by Japan**
- **Project EBITDA was US\$4.0 million (Q2-17) compared to US\$1.5 million (Q2-16), a 167% increase, driven by Japan**
- **The Company delivered a significant increase on its installed capacity in Japan, reaching 39.3 megawatts (“MW”) in Q2-17 compared to 9.3 MW (Q2-16). This also increased production in Japan from 3.4 million kilowatt-hours (“kWh”) to 14.9 million kWh**
- **Unrestricted cash balance at the end of Q2-17 was US\$40.8 million**
- **Growth opportunities in Japan remain strong with a pipeline of about 250 MW at different stages of development**

Management Comments

Marco A. Northland, the Company’s Chief Executive Officer, commented, “Japan delivered strong results. We doubled our EBITDA compared to 2016, increased our installed capacity and made significant progress with our pipeline. We continue to have a strong cash position, giving us flexibility on how to fund our growth. I am very excited at the prospects over the next 18 months in this 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, further validating our decision to select Hitachi as best-in-class technology partner to build our projects.”

Operational Highlights

- **Japan construction update:** The construction of the 13.2 MW Komatsu solar project in northern Japan is 25% complete, on budget and on schedule, with estimated connection by second quarter of 2018. In addition, the 9.5 MW Aomori solar project is now fully connected with the last two sites of 4.2 MW connected in July 2017.
- **Production Japan:** Produced 14.9 million kWh of electricity during the three months ended June 30, 2017, from the Company’s 39 MW solar portfolio comprising eight sites in Japan (2016: 3.4 million kWh), representing an overall production increase of 338% quarter-over-quarter.
- **Japan project development:** The Company continues to advance its pipeline of solar development opportunities in Japan. Management is targeting to bring new projects to financial close in 2018 with an aggregate capacity of nearly 50 MW.

Financial Highlights

- **Revenue:** Generated revenues of US\$7.0 million (2016: US\$3.1 million) and US\$12.2 million (2016: US\$6.9 million) during the three and six months ended June 30, 2017, respectively. This represented a 126% and 77% increase over

2016, respectively, from the Company's 109 MW portfolio comprising eight solar power plants in Japan and one solar power plant in Chile.

- **Solar segments performance:** Generated earnings before interest, taxes, depreciation and amortization ("EBITDA") from its solar segments in Japan and Chile of US\$4.0 million (2016: US\$1.5 million) and US\$6.3 million (2016: US\$2.9 million) during the three and six months ended June 30, 2017, respectively. This reported EBITDA represented a 167% and 117% increase, respectively, over 2016.
- **Cash and Working Capital:** Closed the three months ended June 30, 2017 with a cash balance of US\$62.0 million, of which US\$40.8 million is unrestricted (December 2016: US\$61.2 million and US\$42.3 million, respectively) and positive working capital of US\$46.1 million (December 2016: US\$45.3 million).

Results

The Company's solar segment generated positive EBITDA and net income in Japan. However, due primarily to depreciation and financing expenses during the three and six months ended June 30, 2017, the Company generated a consolidated net loss from continuing operations of US\$6.9 million (loss per share of US\$0.018) and US\$14.4 million (loss per share of US\$0.037) compared to a net loss of US\$2.9 million (loss per share US\$0.006) and US\$9.7 million (loss per share US\$0.023) during the comparable periods in 2016, respectively.

Earnings Call

A conference call/webcast to present the Company's second quarter 2017 results will be held on Tuesday, August 8, 2017, at 10:00 a.m. Eastern Daylight Time (EDT) / 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 <https://www.webcaster4.com/Webcast/Page/1297/19085>

In addition, the earnings call presentation, along with the Company's condensed consolidated interim financial statements for the three and six months ended June 30, 2017, and related management's discussion and analysis will be available on the Company's website (www.etrion.com).

A replay of the telephone conference will be available until August 29, 2017.

Replay dial-in details:

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

Pass code for replay: 43069463

About Etrion

Etrion Corporation is an independent power producer that develops, builds, owns and operates utility-scale solar power generation plants. The Company owns 114 MW of installed solar capacity in Chile and Japan. Etrion has 13 MW of solar projects under construction in Japan and is also actively developing additional greenfield solar power projects in Japan. Etrion 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 or +1 (786) 636 6449

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 15:00 Central European Time on August 7, 2017.

Non-IFRS Measures:

This press release includes a non-IFRS measure not defined under IFRS, specifically EBITDA. Non-IFRS measures have no standardized meaning prescribed under IFRS and therefore such measures may not be comparable with those used by other companies.

EBITDA is a useful metric to quantify the Company’s ability to generate cash before extraordinary and non-cash accounting transactions recognized in the financial statements. In addition, EBITDA is useful to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting policy decisions. The most comparable IFRS measure to EBITDA is net income (loss). Refer to Etrion’s MD&A for the three and six months ended June 30, 2017, for a reconciliation of EBITDA reported during the period.

Forward-Looking Information:

This press release contains certain “forward-looking information”. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to 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, 2016 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.