

Etrion Releases First Quarter 2017 Results

May 10, 2017, Geneva, Switzerland – 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 months ended March 31, 2017.

Operational Highlights

- Japan project development: Advanced on the development of the Kumamoto project in Japan with a total capacity of 45 megawatts (“MW”). Management expects to reach financial close for this backlog project in the fourth quarter of 2017. The Company is also advancing the development of additional projects in Japan with an expected capacity of 200 MW.
- Japan construction update: The Company is advancing on the construction of the 13.2 MW Komatsu project in northern Japan. The project is on budget and on schedule, with estimated connection to the electricity grid in the second quarter of 2018. In addition, it connected the first two solar park sites of the Aomori solar project in Japan in February 2017, representing 5.3 MW of the 9.5 MW total planned capacity. The remaining two solar park sites are currently under construction and expected to be completed by the third quarter of 2017.
- Production Japan: Produced 7.4 million kilowatt-hours (“kWh”) of electricity from the Company’s 39 MW portfolio comprising 8 solar power plant sites in Japan (2016: 2.7 million kWh), representing an overall production increase of 174% quarter-over-quarter.
- Production Chile: Produced 42.5 million kWh of electricity from the Company’s 70 MW solar power plant in Chile (“Project Salvador”) (2015: 45.9 million kWh), a decrease of 7.6% quarter-over-quarter.

Financial Highlights

- Revenue: Generated revenues of US\$5.2 million (2016: US\$3.8 million) during the three months ended March 31, 2017, a 38% increase over 2016, from the Company’s 109 MW portfolio comprising eight solar power plants in Japan and one solar 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\$2.3 million (2016: US\$1.4 million) during the three months ended March 31, 2017, an approximately 67% increase over 2016.
- Cash distributions: During the first quarter of 2017, the Mito Japanese solar operational projects made its first cash distribution of ¥373 million (\$3.3 million), net to Etrion.
- Cash and Working Capital: Closed the three months ended March 31, 2017 with a cash balance of US\$73.2 million, of which US\$43.0 million is unrestricted (December 2016: US\$61.2 million and US\$42.3 million, respectively) and positive working capital of US\$52.6 million (December 2016: US\$45.3 million).

Management Comments

Marco A. Northland, the Company's Chief Executive Officer, commented, "We continue to make significant progress on our existing development activities in Japan as well as expanding new opportunities. We also increased slightly our cash position quarter over quarter as we begin to benefit from Japanese cash distributions. On the operational side, we are working on several initiatives to leverage our scale in Japan to reduce operational expenses per MW and reduce corporate expenses. We will provide updates as these initiatives are implemented."

Results

During the three months ended March 31, 2017, the Company generated a net loss from continuing operations of US\$7.6 million (loss per share of US\$0.02) compared to a net loss of US\$6.8 million (loss per share US\$0.02) during the comparable period in 2016. While the Company's solar segments generated positive EBITDA and positive net results in Japan, depreciation expenses, finance costs in Chile and corporate overhead impacted net results.

Earnings Call

A conference call/webcast to present the Company's first quarter 2017 results will be held on Monday, May 15, 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 <http://www.investorcalendar.com/IC/CEPage.asp?ID=175520>

In addition, the earnings call presentation, along with the Company's condensed consolidated interim financial statements for the three months ended March 31, 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 June 5, 2017.

Replay dial-in details:

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

Pass code for replay: 43064927

About Etrion

Etrion Corporation is an independent power producer that develops, builds, owns and operates utility-scale solar power generation plants. The Company owns 109 MW of installed solar capacity in Chile and Japan. Etrion has 17 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 + (786) 636 64 49

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 May 10, 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 months ended March 31, 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.