

Q1 2016 outstanding results: revenues in the first quarter are 8 times the Q1 2015 revenues

- **Q1 2016 consolidated revenues grew 8x compared to Q1 2015 to €1.1 million**
- **Solid orders backlog increasing to €2.4 million, with flagship projects in East Africa, Asia Pacific and Italy**
- **New agreement in partnership with Toshiba to provide 1MW storage system for a Hybrid Power Plant to a mining site in Australia**
- **Strong credentials and unique positioning: framework agreement with Enel and new HyESS projects in progress leveraging a track record of 44.3MWh energy storage in 5 continents and a leading technology now compliant with the latest standards CEI 016**

Paris - Milano, 13 May 2016 – The Board of Directors of Electro Power Systems S.A. (“**EPS**” or the “**Group**”, listed on Euronext Paris EPS:PA) technology pioneer of clean energy storage systems, chaired by Massimo Prelz Oltramonti, has examined and approved today the group results for the first quarter of 2016 (unaudited).

“We are very satisfied with the results posted for the first quarter of 2016, which show the strategic role of the Elvi Energy acquisition and the soundness of our two-step business strategy to accelerate the growth, starting from micro grid storage systems to hydrogen enabled systems. A major contribution to this performance came from the expansion of our off-grid installations, such as those in East Africa and Asia-Pacific, which boast abundant renewable resources. Thanks to our strategy of geographical and technological diversification and with financial discipline and strong execution we accelerated our development and strengthened the foundations for future growth”. – commented Caralberto Guglielminotti, Chief Executive Officer of the Group.

FINANCIAL HIGHLIGHTS

In the first quarter of 2016 consolidated revenues amounts to 1,050,253 euros, **representing 8x the revenues of the Q1 2015**. Growth came from the Group’s activities related to the **off-grid hybrid power plants in Asia-Pacific and East Africa** and from a **grid support project in Sardinia within the Terna network**.

The current Group’s orders backlog¹ increased to 2.4 million euros. The conversion of the pipeline, built with the business strategy effort carried out in 2015 and led by Giuseppe Artizzu, Executive Director of the Group, has already started, as proven by the agreement just signed for a 1MW storage system for a Hybrid Power Plant in Australia in partnership with Toshiba, whose construction will start in Q3 2016.

At the Group level, and compared to the previous year, the current 2016 backlog has a deeper diversification in terms of customer base and confirms the effectiveness of the business strategy carried out and the effort made in 2015 to focus on the **energy sector, i.e. utilities, grid operators and commercial and industrial**

¹ Backlog means (i) invoices already issued in 2016 but not yet recorded as “Revenues” in Q1, plus (ii) purchase orders received as at the date hereof, plus (iii) revenues already contracted or expected to be generated in 2016 based on current arrangements with customers.

users.

In terms of geography, after a 2015 mainly focused on Italy, the current **backlog and the pipeline have a global and far broader reach than the year before, namely in 17 countries and in all continents.**

At the end of the first quarter of 2016, the Group had a Net Financial Position at €5.4 million with Pro-forma Net-Cash² at €7.6 million, as a result of the significant investments in R&D to support the expansion strategy and the cash outlay for the MCM Energy Lab acquisition.

EPS Group at the same time reduced net trade working capital exposure in the first quarter of 2016 to €0.2 million from €1.0 million at the end of FY2015.

OPERATING HIGHLIGHTS

In the first quarter of 2016 major success was achieved in the off-grid markets with flagship projects in East Africa and in the Maldives, where the Group put the first pillar of its rollout plan.

Leveraging a track record of 44.3MWh energy storage in 5 continents, the Group has achieved a unique positioning: its leading technology, now compliant with the latest standards CEI 016 All. N-bis, adds a further competitive advantage.

In June 2016 the Group is expected to finalize the commissioning of the **Hybrid Power Plant in Tasmania and a 2MW Hybrid Power Plant for a luxury resort in the Maldives.**

The credibility established with fully-commercial hybrid energy solutions already in operation in Sub-Saharan Africa and South Asia makes EPS a concrete technology leader in emerging countries, with a growing pipeline of projects across South America, Africa and South-East Asia, where the Group positions as turnkey supplier for utilities, final users and infrastructure investment funds.

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Effective January 1st, 2015, the French Law n°2014-1662 dated December 30th, 2014, transposing the European Directive 2013/50/EU, has removed for French-listed companies the reporting obligation to disclose quarterly financial results. Therefore, this press release has been prepared on a voluntary basis in line with EPS' policy to provide the market and investors with regular information about the Group's financial and operating performances and business prospects considering the disclosure policy followed by energy peers.

Results are presented for the first quarter of 2016 and for the first quarter of 2015. Information on liquidity and capital resources relates to end of the periods as of March 31, 2016, and December 31, 2015.

Accounts set forth herein have been prepared in accordance with the evaluation and recognition criteria set by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set forth in Article 6 of the European Regulation (CE) No. 1606/2002 of the European Parliament and European Council of July 19, 2002. These criteria are unchanged from the 2015 Annual Financial Report filed to the AMF on April 29, 2016, which investors are urged to read. The financial information of Electro Power Systems SA for the first quarter 2016 consists of this press release. All legally required disclosures, including the FY2015 annual financial report is available on the Group website (www.electropowersystems.com) under "Financial Information" and is published by Electro Power Systems SA pursuant to the provisions of Article L. 451-1-2 of the French Monetary and Financial Code and to the article 222-1 and following of the General Regulation of the French Financial Markets Authority (AMF).

About Electro Power Systems

Electro Power Systems (EPS) is the pioneer of technology-neutral, integrated hybrid energy storage solutions for grid support in developed economies and off-grid power generation in emerging countries. The Group's mission is to unlock the energy transition, by

² The bridge from the €5.4 million Net Financial Position as at 31 March 2016, to the €7.6 million Pro-forma Net Cash results from (i) the addition of the €1.4 million capital increase reserved to the former Elvi Energy shareholders and current management, which will take place in 2016 and will be financed by the portion of the proceeds of the Elvi Energy acquisition which has been put in escrow for this purpose, and (ii) the addition of €0.82 millions of VAT receivables that will be set-off during the first half of 2016.

mastering the intermittency of renewable energy sources. Through the seamless integration of the world best battery technologies to provide flexibility, and the Group's unique hydrogen and oxygen storage platform suitable for longer autonomy without resorting to diesel or gas-fueled generators, the group's technologies enable renewable energies to power 24/7 communities in a completely cleaner and less expensive solution.

EPS is today listed on the French regulated market of Euronext, and part of the CAC[®] Mid & Small and CAC[®] All-Tradable indices: with headquarters in Paris, R&D and manufacturing in Italy.

The Group has installed in aggregate 3MW of hydrogen systems, 8.7MW of Hybrid Power Plants, and 44.3MWh of energy storage capacity, for a total power output of 21.1MW deployed in 21 countries worldwide, including Europe, USA, Australia, China, Asia and Africa.

For more information www.electropowersystems.com

Forward looking statements

This announcement includes statements that are, or may be deemed to be, forward looking statements. These forward looking statements can be identified by the use of forward looking terminology, including the verbs or terms "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "build-up", "under discussion" or "potential customer", "should" or "will", "projects", "backlog" or "pipeline" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear throughout this announcement and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of business development, operations, financial position, prospects, financing strategies, expectations for product design and development, regulatory applications and approvals, reimbursement arrangements, costs of sales and market penetration.

By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward looking statements are not guarantees of future performance and the actual results of the Group's operations, and the development of the markets and the industry in which the Groups operates, may differ materially from those described in, or suggested by, the forward looking statements contained in this announcement. In addition, even if the Group's results of operations, financial position and growth, and the development of the markets and the industry in which the Group operates, are consistent with the forward looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments of the Group to differ materially from those expressed or implied by the forward looking statements including, without limitation, general economic and business conditions, the global energy market conditions, industry trends, competition, changes in law or regulation, changes in taxation regimes, the availability and cost of capital, the time required to commence and complete sell cycles, currency fluctuations, changes in its business strategy, political and economic uncertainty. The forward-looking statements herein speak only at the date of this announcement.

Media Relations

Alessia Di Domenico

Head of Global Media Relations

Tel. +39 02 45435516

Mobile +39 337 1645567

e-mail: add@eps-mail.com

Investor Relations

Francesca Cocco

Vice President Investor Relations

Tel. +33 (0) 970 467 135 –

Mobile +39 347 7056719

e-mail: fc@eps-mail.com

Press & Media - France

Caroline Lesage

e-mail : clesage@actus.fr

Alexandra Prisa

Tel. +33 1 53673679 /+ 33 1 53673690

e-mail : aprisa@actus.fr