

EIB GRANTS A 30 MILLION EUROS FINANCING TO EPS

- **The European Investment Bank has signed a equity-linked financing up to EUR 30 million with Electro Power Systems**
- **The EIB financing is guaranteed under the European Fund for Strategic Investments, the heart of the Investment Plan for Europe, and will support the EPS growth, continuous research, development and innovation activities, and further product commercialization**

Paris, 13 April 2017 – Electro Power Systems S.A. (“**EPS**”), technology pioneer in energy storage systems and microgrids listed on the French-regulated market Euronext Paris (EPS:FP), today announces the signature of a equity-linked financing up to €30 million with the European Investment Bank (“**EIB**”), backed by the European Fund for Strategic Investments (“**EFSI**”).

The EFSI-backed financing will support the company in its growth, continuous research, development and innovation (“**RDI**”) activities and further product commercialization, as EPS operates in the sustainable energy sector, specializing in hybrid-storage solutions and micro-grids that enable intermittent renewable sources to be transformed into a stable power source.

In particular, investments in RDI will be devoted to:

- hybrid energy storage solutions to stabilize electrical grids heavily penetrated by renewable sources in developed countries; and
- off-grid power generation solutions in emerging economies, to power off-grid areas at a lower cost than fossil fuels without the need for any subsidy or incentive scheme.

Dario Scannapieco, EIB Vice-president responsible for Italy and equity and equity-type products, commented: *“This loan to EPS Italy allows to the EIB to broaden the range of financial instruments available to companies of any size in order to support their investment plans. In details, with this new quasi-equity financing for the first time applied in Italy, the bank of the European Union is able to take more risk for a more value added with medium-size and small corporates in the energy sector”.*

Carlalberto Guglielminotti, Chief Executive Officer of the EPS Group, commented *“The strength of our technology, based on a solid installed base with top-tier utilities and grid operators, and our position in the fast growing storage and microgrid markets, have enabled us to secure this long term EIB financing backed by EFSI, the heart of the Investment Plan for Europe”.*

“This equity-linked facility strengthen our long term cash position and provide us with the flexibility to support both potential acquisition strategies and the organic growth of the business as we increase our momentum, particularly in the microgrid deployment in emerging economies and grid-scale storage systems in Europe”.

The financing is an unsecured five-year loan available to EPS Elvi Energy S.r.l. (“**EPS Italy**”), the wholly owned Italian subsidiary of the EPS group. The financing to EPS Italy is guaranteed by EPS, and is divided into three tranches. The first one, equal to €10 million will not accrue any interest, and will be available upon satisfaction of customary condition precedents and the issue by the EPS’ Extraordinary General Meeting of warrant instruments to the EIB which represent 6.3% of the fully diluted share capital of EPS.

The other two tranches, of €10 million each, will be available for draw-down for a 30-month period upon satisfaction of customary condition precedents and the achievement of commercial milestones in terms of sales and order intake. The second and third tranche will bear a fixed interest rate of 7% and 5% respectively.

The finance documents related to the EIB financing include customary covenants, undertakings, representation and warranties, including a negative pledge, debt incurrence and acquisition covenants and a maximum 4x net-debt/equity leverage ratio.

On 11 April 2017 the Board of Directors of EPS has called an ad hoc extraordinary shareholders' meeting ("**EGM**") to approve the issuance of warrants to the EIB. The EGM has been called for 23 May 2017 and the closing of the EIB financing with the draw-down of the first tranche and subscription of the warrants by EIB is expected on or about 5 June 2017.

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EPS in a nutshell

EPS operates in the sustainable energy sector, specializing in hybrid-storage solutions and micro-grids that enable intermittent renewable sources to be transformed into a stable power source.

Listed on the French-regulated market Euronext, EPS is part of the CAC® Mid & Small and the CAC® All-Tradable indices and has registered office in Paris and research, development and manufacturing in Italy.

Thanks to technology covered by 125 patents and applications, combined with more than 10 years of R&D, the Group has developed hybrid energy storage solutions to stabilize electrical grids heavily penetrated by renewable sources in developed countries and, in emerging economies, to power off-grid areas at a lower cost than fossil fuels without the need for any subsidy or incentive scheme.

EPS has installed and has under commissioning in aggregate 36 large scale projects, including off-grid hybrid systems powered by renewables and energy storage totalizing over 35 MW of installed power that provides energy to over 165,000 customers every day, in addition to more than 18 MW of grid support systems, for a total capacity output of 47 MWh of systems in 21 countries worldwide, including Europe, Latin America, Asia and Africa.

For more information, visit www.electropowersystems.com.

Investor Relations

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