

Specifications that merit attention regarding Electro Power Systems' 2015 Results

Paris, France 20 April 2016 – Following the 8 April 2016 press release on its 2015 results, Electro Power Systems S.A. (“**EPS**” or the “**Group**”, listed on Euronext Paris EPS:PA) wishes to draw the investors’ attention on the following points:

(1) Clarification of the apparent inconsistency between:

- the Group’s 2015 consolidated revenues under IFRS, which amount to 344 thousand euros, a 53% decrease over the prior year, and
- the 2015 revenues of EPS Italy, the Group’s operational subsidiary, which amount to 1.2 million euros in Italian GAAP, a 53% increase over the prior year.

2015 financial year has been a year of investments to secure a rapid but sustainable growth from 2016 and onwards. As a result, the majority of the sales of goods generated in 2015 (€814,490.47, out of the €1,167,052 total sales generated), corresponds to sales and services rendered under the Technology Partnership Agreements signed at Group level, with two Italian market players in the systems integration for the energy, telecommunication and data center sector.

However, the acquisition of Elvi Energy and MCM has only been completed in 2016, and the vertical integration of the manufacturing process is still ongoing between Rivoli (Turin, Italy), the new site of EPS Italy launched in December 2015, and Delebio (Sondrio, Italy), the historical plant of Elvi Energy. As a result, all purchase orders generated pursuant to the Technology Partnership Agreements have been entirely outsourced.

In light of such outsourcing, in the consolidated 2015 financial statements under IFRS, the revenues generated pursuant to the Technology Partnership Agreements have not been accounted at their gross value of €814,490.47, but rather, in accordance with IAS 18, at their net margin value of €26,255.

Thanks to this accounting treatment, the outsourcing that took place in 2015 has been more clearly outlined, it being specified, however, that (i) the underlying revenues were generated pursuant to new contracts entered into with the Group and reflect properly its commercial effort carried out and its development, (ii) EPS Italy takes on, *vis-à-vis* these clients, the legal, industrial and financial risks associated with the performance of these agreements, and (iii) this situation should be temporary as in 2016 the manufacturing plant has been completed and the Elvi Energy acquisition finalised.

- (2) As IAS 18 has been applied for the first time during the preparation of the 2015 consolidated financial statements, the revenues for the third quarter of 2015 and for the first nine months period ended on 30 September amount to, under to IAS 18, €90,000 and €544,000, respectively, compared to €258,500 and €723,000, respectively, as published in the 12 November 2015 press release on the third quarter results.
- (3) The bridge from the €8.3 million Net Financial Position as at 31 December 2015, to the €10.2 million Pro-forma Net Cash, is as follows:
- 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,
 - the addition of €0.82 million of VAT receivables that will be set-off during the first half of 2016, and
 - the deduction of €0.32 million corresponding to the nominal price paid on 18 December for the acquisition of MCM.

* * *

The 2015 consolidated statement of income, the 2015 consolidated statement of other comprehensive income, the 31 December 2015 consolidated statement of financial position and the 2015 consolidated statement of cash flows, under IFRS are included in the Annex to this press release. The full 2015 consolidated financial statements are available on the Group's website (www.electropowersystems.com).

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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 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 and an international team based in California and Singapore.

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

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APPENDIX

ELECTRO POWER SYSTEMS S.A.

Consolidated financial statements

as at 31 December 2015

The consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of financial position and the consolidated statement of cash flows are prepared in accordance with International Financial Reporting Standards.

The audit procedures on the consolidated financial statements have been performed. The consolidated financial statements as at 31 December 2015 were approved by the Board of Directors on 8 April 2015 and will be submitted for approval to the next shareholders' general meeting.

Consolidated income statement

CONSOLIDATED INCOME STATEMENT (in euros)	31/12/2015	31/12/2014
Revenues from sales	355,266	761,774
Margin from technology partnership agreements	26,255	0
Other income	266,495	807,030
Cost of goods sold	(135,357)	(379,204)
GROSS MARGIN FROM SALES	512,659	1,189,600
Other costs for product development	(595,890)	
Personnel costs	(1,720,150)	(1,103,157)
Other operating expenses	(1,348,270)	(1,553,800)
EBITDA¹	(3,151,651)	(1,467,357)
Stock option and warrant plans	(4,646,452)	0
Amortization and depreciation	(86,259)	(54,269)
Impairment and write down	80,369	(335,214)
Non recurring income and expenses	(2,850,353)	1,657,035
EBIT¹	(10,654,346)	(199,805)
Net financial income and expenses	(7,984)	(9,446)
Income taxes	64,806	(84,738)
NET INCOME (LOSS)	(10,597,524)	(293,989)
Weighted average number of ordinary shares	5,487,201	1,182,320
BASIC EARNINGS PER SHARE	(1.93)	(0.25)

¹ EBITDA and EBIT are not defined by IFRS. They are defined in, respectively, notes 4.7 and 4.12.

Consolidated statement of other comprehensive income

OTHER COMPREHENSIVE INCOME (in euros)	2015	2014
NET INCOME (LOSS)	(10,597,524)	(293,989)
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)</i>		
Exchange differences on translation of foreign operations	(5,448)	69
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)</i>		
Actuarial gain and (losses) on employee benefits	(2,973)	(24,447)
Other comprehensive income (loss) for the year, net of tax	(8,421)	(24,378)
Total comprehensive income for the year, net of tax	(10,605,945)	(318,367)
Attributable to Equity holders of the parent	(10,605,945)	(318,367)

Consolidated statement of financial position

ASSETS (in euros)	31/12/2015	31/12/2014
Property, plant and equipment	748,115	76,241
Intangible assets	820,243	145,269
Other non-current financial assets	65,582	0
TOTAL NON CURRENT ASSETS	1,633,940	221,510
Trade receivables	1,152,197	535,967
Inventories	938,933	699,661
Other current assets	3,602,430	1,274,926
Cash and cash equivalent	8,573,811	667,913
TOTAL CURRENT ASSETS	14,267,371	3,178,467
TOTAL ASSETS	15,901,311	3,399,977

EQUITY AND LIABILITIES (in euros)	31/12/2015	31/12/2014
Issued capital	1,576,470	1,004,255
Share premium	18,082,718	696,054
Other reserves	4,394,821	(183,724)
Retained earnings	(1,029,060)	(720,571)
Profit (Loss) for the year	(10,597,524)	(293,989)
TOTAL EQUITY	12,427,425	502,025
Severance indemnity reserve	336,403	292,683
TOTAL NON CURRENT LIABILITIES	336,403	292,683
Trade payables	2,111,877	1,178,720
Other current liabilities	1,025,606	1,342,600
Income tax payable	0	19,579
Current deferred tax liabilities	0	64,370
TOTAL CURRENT LIABILITIES	3,137,483	2,605,269
TOTAL EQUITY AND LIABILITIES	15,901,311	3,399,977

Consolidated statement of cash flows

CASH FLOW STATEMENT (in euros)	2015	2014
Operating activities		
Net profit (Loss)	(10,597,524)	(293,989)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Amortization and depreciation	86,259	54,269
Impairment and write down	(80,369)	335,214
Stock option and warrant plan accrual	4,646,452	0
Defined Benefit Plan	31,956	0
Income related to composition with creditors	(235,933)	(1,693,105)
Working capital adjustments		
Decrease (increase) in trade and other receivables and prepayments	(3,790,569)	(911,096)
Decrease (increase) in inventories	(158,903)	(235,175)
Increase (decrease) in trade and other payables	745,226	155,593
Increase (decrease) in non-current liabilities	11,764	35,258
Net cash flows from operating activities	(9,341,641)	(2,553,031)
Investments		
Net Decrease (Increase) in intangible assets	(706,846)	(12,790)
Net Decrease (Increase) in tangible assets	(726,261)	(9,596)
Net cash flows from investments activities	(1,433,107)	(22,386)
Financing		
Reimbursement of Financial Loans	0	(186,124)
Increase (decrease) in bank debts	0	(8,631)
Shareholders cash injection	0	3,167,441
Purchase of treasury shares	(63,772)	
Warrants	4,397	0
Net proceeds from increases of Capital	17,921,769	0
Receipt of government grants	781,253	0
Net cash flows from financing activities	18,643,647	2,972,686
EPS S.A. net cash and cash equivalent at January 1	37,000	0
Net Cash and cash equivalent at January 1	667,913	270,644
Net Cash and cash equivalent at December 31	8,573,811	667,913

Discussions on the financial results for 2015

The following table presents the principal items of the consolidated income statement for the financial years ended on 31 December 2015 and on 31 December 2014.

CONSOLIDATED INCOME STATEMENT (in euros)	31/12/2015	31/12/2014
Revenues from sales	355,266	761,774
Margin from technology partnership agreements	26,255	0
Other income	266,495	807,030
Cost of goods sold	(135,357)	(379,204)
GROSS MARGIN FROM SALES	512,659	1,189,600
Other costs for product development	(595,890)	
Personnel costs	(1,720,150)	(1,103,157)
Other operating expenses	(1,348,270)	(1,553,800)
EBITDA	(3,151,651)	(1,467,357)
Stock option and warrant plans	(4,646,452)	0
Amortization and depreciation	(86,259)	(54,269)
Impairment and write down	80,369	(335,214)
Non-recurring income and expenses	(2,850,353)	1,657,035
EBIT	(10,654,346)	(199,805)
Net financial income and expenses	(7,984)	(9,446)
Income taxes	64,806	(84,738)
NET INCOME (LOSS)	(10,597,524)	(293,989)

Revenues, other revenues and proceeds

Financial year 2015 has been a year of investments to secure a rapid but sustainable growth on and from 2016. As a result, the majority of the sales of goods generated in 2015, of a nominal gross amount of €814,490.47, correspond to sales and services rendered under the Technology Partnership Agreements signed at Group level, with two Italian market players in the systems integration for the energy, telecommunication and in data center sector, namely Advance Devices S.p.A. (“**AD**”) and MGH Systems Ltd, UK (“**MGH**”).

Sales of goods (in € and in %)	31/12/2015	Change in %	31/12/2014
Total Sales	1,169,756	34.9%	761,774

However, the acquisition of Elvi Energy and MCM has been completed in 2016 and the vertical integration of

the manufacturing process is still in course between Rivoli (Turin, Italy), new site of EPS Italy launched in December 2015, and Delebio (Sondrio, Italy), historical plant of Elvi Energy. As a result, all purchase orders generated towards the EPS Group by MGH and AD have been entirely outsourced.

For that reason, to ensure a clearer representation of such outsourcing, revenues have not been accounted at their gross nominal value of €814,490.47 but rather at their net margin value of €26,255 in accordance with IAS18.

Revenues and Net Margin / IAS 18 (in € and in %)	31/12/2015	Change in %	31/12/2014
Revenues from sales	355,266	-107 %	761,774
Margin from technology partnership agreements	26,255	n.s.	0
Other income	266,495	-203 %	807,030

In this respect, the acquisition of Elvi Energy and MCM (see Section 5), coupled with the completion in December 2015 of the new manufacturing plant, will play a pivotal role as thanks to that vertical integration, the Company will be able to manufacture internally any Smart Energy Integrated Technology securing target margins and therefore enabling the accounting at the gross nominal value of the revenues generated in accordance with IAS18.

One of such Technology Partnership Agreements has been executed with AD, a leading technology company that designs and manufactures electronic devices such as energy conversion systems, analysing and measuring systems, automatic monitoring devices and energy saving instruments. Our partner, who has always invested also in research and development for renewable energy systems such as fuel cells, wind power plants, solar plants and cogeneration systems in combustion engines, is specialized, inter alia, in tele-monitoring systems, distribution and remote orders control designed and manufactured internally, composed by one or more of the peripheral monitoring systems and by supervision software. AD is particularly active in the telecommunications world (Telecom Italia, Wind) and in the energy sector (Enel), having systems installed in Latin America (Chile and Bolivia) as well as in Italy. AD constitutes also one of the Italian excellence examples qualified by Enel and Symbola Fondazione in a report presented at COP 21.

The Group signed another strategic technology partnership with MGH. The agreement appointed Electro Power Systems as exclusive technology provider for the MGH Group, with particular focus to supplying goods, services and developing a worldwide technology infrastructure devoted to any data centre and infrastructure developed by MGH. More particularly, with the new platform “HyESS Data” already announced with the publication of the Half-Year Financial Report as of 30 June 2015, EPS will be able to integrate any storage technology, including UPS and diesel generators, but also any Smart Energy Integrated Technology, i.e. technology infrastructures devoted to mission critical applications, building energy and/or safety management systems.

Remaining revenues are linked to the provision of services deriving mainly from maintenance and supply services included in the agreements formalised with clients of the Group for the sale of technology assets to major telecom providers, in Italy and abroad.

Total revenues from operations (including technology agreements margin) decreased by € 380,253 or 50%, from € 761,774 for the financial year 2014 to € 381,521 for the financial year 2015.

Sales of assets moved down by € 455,512 or 94%, from € 486,389 for the financial year 2014 to € 30,877 for the financial year 2015.

Provision of services slightly increased by € 75,259 or 27%, rising from € 275,385 during the financial year ended on 31 December 2014 to € 350,644 during the financial year ended on 31 December 2015.

The following table presents the geographical allocation of sales by destination:

Geographical allocation (in € and in %)	Financial year ended on 31 December 2015		Financial year ended on 31 December 2014	
Italy	378,817	99.3 %	619,018	81.2 %
United States and Canada	2,704	0,7 %	135,302	17.8 %
Rest of the World	0	0 %	6,801	0.9 %
Europe	0	0 %	653	0.1 %
Total	381,521	100.0 %	761,774	100.0 %

Other income

Other income decreased by € 540,535 or 67% due to the strategical decision of being “unsubsidized”, from € 807,030 during the financial year 2014 to € 266,495 during the financial year 2015. The following table presents the detail of this item for the two financial years:

Other Income (in € and in %)	Financial year ended on 31 December 2015	Change in %	Financial year ended on 31 December 2014
Government grants	265,817	66 %	785,958
Miscellaneous	678	97 %	21,072
Total	266,495	67 %	807,030

Costs of goods sold

Purchases of raw materials, consumables and finished products

Purchases of raw materials, consumables and finished products, including the changes in inventories increased by € 544,388, more than 100%, from € 379,204 for the financial year 2014 to € 923,592 for the financial year 2015.

The following table presents the detail of the purchases of raw materials, consumables and finished products:

Purchase of raw materials, consumables, finished products (in € and in %)	Financial year ended on 31 December 2015	Change in %	Financial year ended on 31 December 2014
Raw materials, consumables and finished products	(1,078,547)	75.6 %	(614,379)
Change in inventories (consumption and obsolescence)	154,955	(34.1) %	235,175
Total	(923,592)	62.2 %	(379,204)

Raw material, consumables and finished products increased by € 464,168, more than 75%, from € 614,379 for the financial year 2014 to € 1,078,547 for the financial year 2015. Changes in inventories had a positive impact of € 154,955 during the financial year 2015 while it was already positive but of € 235,175 during the financial year 2014.

The main reason of this change is due to the fact that the company has developed, in the second half of the year, the mentioned partnership agreements with MGH and AD in order to participate both in the initial phase of purchase of goods and services, both for the development and processing of raw materials and electronic components used by our customers in complex development projects like data centers and facilities and infrastructures.

As done when commenting the revenue section, to ensure a clearer representation of such outsourcing, costs of goods sold have not been accounted at the gross nominal value of €923,592 but rather at their net value of €135,357 in accordance with IAS18.

Cost of Goods sold (in € and in %)	Financial year ended on 31 December 2015	Change in %	Financial year ended on 31 December 2014
Raw materials and components	(290,312)	53 %	(614,379)
Change in inventories	154,955	34 %	235,175
TOTAL COST OF GOOD SOLD	(135,357)	64 %	(379,204)

Other costs for products development

In order to be clear and comprehensive in reporting corporate events that characterized 2015, it was decided to introduce a new item of costs reclassification that the company incurred during the year for research and development of new products that in the Company strategy will be sold in future years. Obviously this is that part of the costs that, for their nature, have not been recognized to be capitalized in accordance with IFRS. It is therefore costs of goods and services whose economic and financial effectiveness has been limited during the year and that is prudentially have been booked at cost during the financial year 2015 as from an economic and finance perspective they won't have impact in subsequent years.

Other costs for products development, consisting in raw materials, components and consumables goods, totaled € 595,890 for the financial year 2015 while null had been reported in the financial year 2014.

Personnel costs

The following table details personnel costs and their evolution over the two relevant financial years:

Personnel costs (in € and in %)	Financial year ended on 31 December 2015	Change in %	Financial year ended on 31 December 2014
Wages and salaries	(1,310,102)	56 %	(838,129)
Social security contributions	(305,960)	47 %	(208,576)
Benefits subsequent to employment	(67,230)	19 %	(56,452)
Other costs	(36,858)	100 %	0
Total	(1,720,150)	56 %	(1,103,157)

Total personnel costs increased by € 616,994, or 56%, from € 1,103,157 for the financial year 2014 to € 1,720,150 for the financial year 2015.

From 2014 onwards, reimbursements of travel and other costs incurred by employees, which were recorded under "Other costs", are recorded under the item "Wages and salaries". Wages and Salaries increased by € 471,973, or 56%, from € 838,129 for the financial year 2014 to € 1,310,102 for the financial year 2015. Major increase is of course due to the increase in the number of personnel that was 29 in 2014 while becomes 42 in 2015, resulting 13 human resources more than at year end 2014.

As a consequence of the higher number of employees, “Social security contributions” costs increased by € 97,384, or more than 47%, from € 208,576 in the financial year 2014 to € 305,960 in the financial year 2015.

The same trend can be observed for “Benefits subsequent to employment”, that increased by € 10,778, or 19%, from € 56,452 in the financial year 2014 to € 67,230 in the financial year 2015. Within the item “Other costs”, € 30,750k of costs for personnel reorganization and departure incentives are included, as well as € 6,108 of extraordinary costs related to the newly hired personnel of EPS INC (US).

Other operating expenses

The other operating expenses represented € 1,553,800 during the financial year 2014 and € 1,348,271 during the financial year 2015, reducing by 205,529 or 13%.

The following table details the operating expenses over the two relevant financial years.

Other operating expenses (in €)	Financial year ended on 31 December 2015	Change in %	Financial year ended on 31 December 2014
Consultants (legal and other)	(423,340)	(6.7) %	(453,918)
Miscellaneous	(289,919)	(23.1) %	(369,114)
Remuneration of the board of directors	(147,703)	(56.8) %	(341,611)
Installation costs	(210,648)	58.3 %	(133,075)
Accounting services	(58,182)	(39.1) %	(95,522)
Rents	(73,717)	18.2 %	(90,082)
Auditors	(60,136)	14.2 %	(24,330)
Insurance	(58,990)	200.7 %	(19,615)
Banking costs	(20,091)	67.1 %	(12,021)
Maintenance costs	(6,750)	(40.1) %	(11,263)
Taxes and duties	(4,796)	(47.6) %	(3,249)
Total	(1,348,270)	13.2 %	(1,553,800)

The reduction of total operating expenses reflects the continuation of the savings plan implemented by EPS Group overall its operation and support structure. Since 2015 has been a significant year for the research and development effort, both in products development and manufacturing consolidation, as well as for the completion of the engineering and management team, with new highly qualified human resources recruited, the item “Other operating expenses” has been focused only on recurring costs and expenses that may occur in the coming years. A specific line in the P&L has been added to properly allocate all costs and expenses related to the extraordinary events occurred in 2015.

Overall the “single exposure” category included in the item “Other operating expenses” is lower or aligned to what reported in 2014. The Board of Directors’ compensation reduced by € 193,908 compared to 2014, because in 2014 an exceptional remuneration was attributed to the directors for the role they played in the Financial and Industrial Restructuring. The compensation of the Board member CEO and the CO-CEO, it is not included in “Other Operating Expenses”, but it has been reclassified in the item “Personnel costs”, on account of the executive role that both Directors performed in business development.

Stock Option and Warrant plans

This item refers to the accrual made against equity, in accordance with IFRS 2, for the two stock option and

warrant plans described in the previous paragraph “Stock option and warrant plans”.

In order to compare the results, two valuation models have been selected: Black & Scholes and Cos, Ross & Rubinstein. The following tables provide details of the main assumptions as well as a summary of the average weighted unitary and total valuation for the two outstanding options / warrants plans.

However, it has to be outlined that:

- the first allocation resulted in 709,948 options and warrants vested on 6 March 2016, but the main assignees² confirmed to the Board of Directors, held on 8 April 2016 for the approval of the FY2015 accounts, that they will be locked-up until 23 September 2016.
- all the other options and warrants are subject to a 4-year vesting period with 18-months cliff-vesting from the relevant allocation.

Stock option/Warrant number and conditions for each allocation:

1. Board Resolution dated 6 March 2015 exercise price 0.20€ allocated nr. 349,058
2. Board Resolution dated 21 April 2015 exercise price 5.11€ allocated nr. 331,965
3. Board Resolution dated 26 November 2015 exercise price 5.81€ allocated nr. 166,340

<i>Key Assumptions</i>	2015-1	2015-2/1	2015-2/2
Evaluation date	March 6, 2015	April 21, 2015	November 26, 2015
Duration	3.5 years	5.9 years	5.9 years
Risk-free interest rate	-0.14 %	0.00 %	0.00%
Underlying assets unitary value	7.30 €	7.30 €	6.90
Expected dividends	0.00	0.00	0.00
Expected volatility	75 %	40 %	40%

<i>2015-1</i>		NUMBER	WEIGHTED AVERAGE UNIT VALUATION	EXERCISE PRICE:
Board Members	Options / Warrants	638,952	7.10	0.20
Executive Committee	Options	29,582	7.10	0.20
Other	Warrants	41,414	7.10	0.20
TOTAL		709,948	5,040,631	

² Namely, Luca Dal Fabbro (board member up to 8th April 2016), Emanuela Paola Banfi, Carlalberto Guglielminotti and Davide Peiretti totalling 638,952 options and warrants, i.e. 90% of such allocation.

2015 -2 1		NUMBER	WEIGHTED AVERAGE UNIT VALUATION	EXERCISE PRICE:
Board Members	Options / Warrants	308,959	3.51	5.11
Executive Committee	Options / Warrants	49,302	3.51	5.11
Employees	Options	52,587	3.51	5.11
TOTAL		410,848	1,442,076	

2015 -2 2		NUMBER	WEIGHTED AVERAGE UNIT VALUATION	EXERCISE PRICE:
Board Members	Options / Warrants	45,236	3.09	5.81
Executive Committee	Options / Warrants	126,104	3.09	5.81
Employee	Options	0	3.09	5.81
TOTAL		171,340	529,441	

In terms of assessment of value linked to the assignment of both the stock option plans as per December 2015, the cost included in P&L item is € 4,646,452. At year end 2014, there was no stock option plan to allocate, so the figures are not comparable with those of 2015.

Allocations to amortisation and depreciation

Amortization and Depreciation (in euros)	2015	Change in %	2014
Amortization	(47,363)	137 %	(20,020)
Depreciation	(38,896)	14 %	(34,249)
Total	(86,259)	59 %	(54,269)

Amortisation and depreciation increased by € 31,990, or 59%, from € 54,269 for the financial year 2014 to € 0 for the financial year 2015. The increase in allocations to amortisation and depreciation for the financial year 2015 is explained by the amount of capitalised expenses inherent to the development of the Rivoli (Turin, Italy) production site, machinery and furnishings: total investment is equal to € 713,740. This development took place during last quarter 2015, and the impact on P&L of provisions, is taken pro-quota and based on a 6 years renting contract.

Impairment and write down

Impairment and write down is positive by € 80,369 for the financial year 2015 in accordance with an improved outlook for future production and business continuity. In 2014, before the IPO process, raw materials, consumables and work-in-progress products valuation suffered a negative outlook and uncertainty for the

upcoming year.

Non-recurring income and expenses

Non Recurring Income and Expenses (in euros)	2015	2014
Income related to the 2013-2014 restructuring plan		1,693,105
Penalties		177,565
Expenses related to the 2013-2014 restructuring plan		(213,635)
IPO costs	(1,595,572)	
Facilities / Technical & extraordinary expenses for new manuf. plant	(487,918)	
Non-recurring Legal Accounting & Certification	(546,231)	
Non recurring expenses for R&D activities	(212,637)	
Non recurring Travel, Communication and Road show expenses	(350,872)	
Non recurring settlement	342,887	
TOTAL NON RECURRING INCOME AND EXPENSES	(2,850,343)	1,657,035

Non-recurring and income expenses are negative at year end 2015 for € 2,850,343 while at same period in 2014 reported a gain of € 1,657,035, basically due to proceeds from the debt waiver granted by suppliers as part of the Financial and Industrial Restructuring.

Within the item, are included all costs that are considered extraordinary and related to specific restructuring, rebranding, and reorganizing Company phases. Total IPO costs amount to € 2,653,927 and in accordance with IAS 32 have been split in IPO direct costs (€ 1,058,355) related to the capital increase and accounted for in deduction of Equity and IPO indirect costs (€ 1,595,573) related to the listing process of existing shares and included in “Non-recurring income and expenses”.

Remaining non recurrent expenses for € 1,597,658 are linked to several notaries, legal, administrative, media/marketing/communication, rebranding, financial market research advisors and brokers, occurred during 2015 and are strictly due to the extraordinary needs for new business and technology positioning strategy.

Non-recurring income and expenses amounting to €342,887 also include and are mainly related to a final settlement agreement with a creditor for € 243,437 and related to a dispute started in 2014.

EBIT

EBIT loss amounted to € 10,654,346 for the financial year 2015 and to €199,805 for the financial year 2014. Restated 2015 vs 2014 EBIT for the non-recurrent items detailed and the impact of updated valuation of Stock Option and Warrant plans, the operating loss for the financial year 2015 is € 3,157,541 basically incomparable with the loss of € 1,856,480 of financial year 2004, when the public sector subsidies received were € 807,030 and there were no relevant costs in the P&L for products development.

EBIT Restated (in € and %)	2015	Change in %	2014
EBIT	(10,654,346)	(98.1) %	(199,805)
Stock Option and Warrant Plans	4,646,452	n.s.	0
Non recurring income and expenses	2,850,353	158.1 %	(1,657,035)
EBIT Restated	(3,157,541)	(41.2)	(1,856,840)

A significant portion of the revenues and cash flow of the Group derived, during 2013 and 2014 financial years, from public sector subsidies granted within the context of the participation of the Group in projects financed or co-financed by public sector entities. The pursuing from 2015 of a completely “unsubsidized business model”, entailed a dramatic reduction in 2015 of the proceeds from such subsidized activities. In addition, the evaluation of the highlighted restated result shown above should take into account that at the end of 2015 the Company had (i) a new manufacturing plant, while in 2014 a capacity of 2MW-month for the size of the new technology was unachievable; (ii) an appropriate organization; (iii) € 8.6 million cash and cash equivalents; and (iv) was listed on the French regulated market of Euronext.

Net Financial Income

The item includes interests and charges on bank account, exchange rate differences on extra CEE trades.

Net Financial Income and Expense (in € and %)	2015	Change in %	2014
Financial income	72	(98.6) %	143
Financial expenses	(7,625)	(16.0) %	(8,842)
Impairment on investment in other companies	0	0 %	0
Net exchange differences	(431)	273.3 %	(747)
TOTAL NET FINANCIAL INCOME AND EXPENSES	(7,984)	18.3 %	(9,446)

Taxes

Taxes (in € and %)	2015	Change in %	2014
Current taxes		n.s.	
IRES	0	n.s.	0
IRAP	0	n.s.	(19,579)
Other income taxes	0	n.s.	(789)
Deferred taxes		n.s.	
IRES	56,375	200 %	(56,375)
IRAP	7,995	200 %	(7,995)
Total Taxes	64,370	231.6 %	(84,738)

IRES CUMULATED TAX LOSSES (in euros)	2015	2014
Statutory before tax losses	0	0
Non deductible costs	0	0
Other deductible costs	0	0
TAXABLE AMOUNT	0	0
IRES Tax Rate	27.50 %	27.50 %
CURRENT TAXES	0	-
Cumulated tax losses as at the beginning of the year	(16,227,450)	(16,282,369)
Cumulated tax losses as at the end of the year	(19,463,444)	(16,227,450)
IRES	27.5 %	27,5 %
Deferred tax asset	5,352,477	4,462,549

The income reported in 2015 is due to the reversal of deferred tax liabilities calculated at the end of 2014 on accrued IPO costs related to preparatory activities performed in 2014, on the share listing project finalized in April 2015.

Net profit

The net loss amounted to € 10,597,524 for the financial year 2015 and to € 293,989 for the financial year 2014. Restated the non-recurrent items above, the net loss for the financial year 2015 is € 7,747,171 while it was € 1,951,024 in 2014.