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LAUNCH OF AN INCREASE IN SHARE CAPITAL BY WAY OF A PRIVATE PLACEMENT OF A MAXIMUM AMOUNT OF 10% OF ITS SHARE CAPITAL

Paris, 3 December 2015 – Electro Power Systems S.A. (“**EPS**”, listed on Euronext Paris: EPS.PA), technology pioneer of clean energy storage systems, announced the launch of an increase in share capital up to a maximum amount of 10% of its share capital and approximately 5 million Euros, with suppression of the shareholders’ preferential right of subscription, by means of a private placement to institutional investors (the “**Private Placement**”).

This increase in share capital has been authorized by the Board of Directors on 12 November 2015 in accordance with the delegations of competence granted to it by the 13th and 14th resolutions of the extraordinary general shareholders’ meeting of EPS dated 6 March 2015.

The net proceeds of the capital increase shall be used by EPS for general corporate purposes and further expansion of the Group in the system integration business to accelerate growth.

The increase in share capital shall be limited to the issuance of up to a maximum number of 718,030 new shares, each with a nominal value of 0.20€, representing in total maximum 10% of the share capital of EPS at the present date. The issue price will be set within the limits set forth by the shareholders in the 14th resolution of the extraordinary general shareholders’ meeting of EPS dated 6 March 2015.

The transaction consists of a Private Placement to qualified investors in the European Union and, as the case may be, other institutional investors outside of the European Union, in transactions not involving a public offering, via the issuance of a new ordinary shares, without preferential subscription rights. The Private Placement will be effected on the basis of public information. The Private Placement will commence immediately and it can be closed at any time during the book-building process.

Intermonte is acting as Placement Agent, and Société Générale Securities Services, as EPS’s Registrar.

The final number of new shares issued and the final subscription price of such new shares shall be determined by EPS at the end of the accelerated book-building process. The final terms of the Private Placement shall therefore be announced as soon as possible after closing of the process, and no later than 4 December 2015, before the opening of the markets.

The settlement-delivery and the admission of the new shares on Euronext Paris (on the same line of the Company’s existing shares) are expected to take place on 8 December 2015.

The transaction is not subject to a prospectus to be approved by the French Financial Market Authority (*Autorité des marchés financiers* - AMF). Detailed information on EPS, including its business, results, perspectives and related risk factors appear in the Company’s *Prospectus d’admission* registered by the AMF on 7 April 2015 under number 15-0142, which is available together with all the press releases and other regulated information about the Company, at the Company’s website (www.electropowersystems.com).

About Electro Power Systems

Founded in 2005 as spin-off of the Politecnico of Turin (Italy) and pioneer of hydrogen technologies, Electro Power Systems (EPS) today operates in the sustainable energy sector and specializes in integrated energy storage solutions and systems. The main areas of focus of the Group are integrated solutions for energy and backup applications in the ICT and data center industry, grid support in countries with heavy penetration of renewables sources, and off-grid power generation in emerging economies. In a nutshell, clean energy storage solutions, at a lower cost, with no need for subsidies.

EPS is today listed on the French regulated market of Euronext, with headquarters in Paris, R&D and Manufacturing in Italy (Turin) and premises in the USA (California and Michigan). In 2010 EPS started the development of the first oxygen and hydrogen battery worldwide, a system able to store massive amounts of energy at a cost lower than any other solution in the market. This innovative technology, covered by 123 patents and patents applications worldwide, is able to store energy exploiting exclusively the water cycle, without any emission or toxic or heavy metals. Since 2012 the product has been pre-commercialized and so far EPS has installed in aggregate 579 systems, 31.7 MWh of energy stored in 18 countries worldwide, including Europe, USA, Australia, China, Indonesia, India and South Africa.

The Group led by **Carlaberto Guglieminotti** as CEO, supported by **Luca Dal Fabbro**, **Giuseppe Artizzu** and **Ilaria Rosso**, is a global organization which counts 61 human resources between Europe, South Africa, USA and Singapore, of which 37 people involved in research and development projects.

The huge effort in R&D enabled the development of a unique technology, covered by patents in 48 countries worldwide, granting to the Group the possibility to be named "World Technology Pioneer" by the World Economic Forum, included in the 100 Cleantech Global by the Cleantech Group but also selected between the worldwide excellences by the Cleantech Forum in San Francisco and Rotterdam.

To enhance the phase of development and global commercialization, the Group has successfully completed in April 2015, with the support of Société Générale as Global Coordinator, the Initial Public Offering of its shares on the regulated market Euronext Paris with a market capitalization of Euro 52 million euros.

For more information electropowersystems.com

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This announcement is not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of November 4th, 2003, as amended, in particular by Directive 2010/73/UE (together, the "Prospectus Directive").

With respect to the member states of the European Economic Area which have implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of the securities referred to herein requiring the publication of a prospectus in any Relevant Member State. As a result, the securities may not and will not be offered in any Relevant Member State except in accordance with the exemptions set forth in Article 3(2) of the Prospectus Directive, or under any other circumstances which do not require the publication by EPS of a prospectus pursuant to Article 3 of the Prospectus Directive and/or to applicable regulations of that Relevant Member State.

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The accelerated bookbuilt offering is exclusively reserved to "Qualified Investors" (as defined in Consob Regulation n. 11971 of 14 May 1999, as subsequently amended) and foreign institutional investors (including US qualified institutional buyers, as defined in, pursuant to and in accordance with Rule 144A of the US Securities Act of 1933, as amended).

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