

**The Board of Directors of Electro Power Systems S.A.  
approves the Half-Year Financial Report as of 30 June 2015**

**IPO SUCCESSFULLY COMPLETED ON THE REGULATED MARKET**

**SIGNIFICANT ACCELERATION OF INVESTMENT ACTIVITIES AND AMBITIOUS EXPANSION OF  
CORPORATE STRATEGY**

- **1H15 Revenues and other income grew by 31.5% to 464,450 euros compared to H1 2014**
- **Net financial position of 10.4 million euros at the end of the first half of the year**
- **Investment to support technical and commercial efforts, expanding the team by 70% with a global organization of 52 people based in Europe, South Africa, the USA and Singapore**
- **Strategic partnership with Bryanston Resources, a leading firm in the mining sector, to jointly develop off-grid power solutions in emerging countries**
- **Intellectual property portfolio has grown due to 42 outstanding patents applications now officially granted in the USA, China, Russia and in 38 EU countries**
- **Energy Strategy is phasing-in quicker than expected, with a robust pipeline of industrial-scale and unsubsidized projects, entirely built on the HyESS (*Hybrid Energy Storage System*)**
- **New manufacturing plant in Turin dedicated to HyESS, in order to secure manufacturing capacity of 2MW per month.**

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**Paris, 22 September 2015 - Electro Power Systems S.A.** and its subsidiaries (“EPS”, or the “Group”, listed on Euronext Paris: EPS.PA), technology pioneer of clean energy storage systems, today announced the publication of its Half-Year Financial Report as of 30 June 2015.

## **FINANCIAL RESULTS**

**EPS 1H15 revenues and other income grew by 31.5%** compared to the first half of 2014, to 464,450 euros. Growth came from the Group’s activities related to backup systems only (ElectroSelf™), as HyESS (*Hybrid Energy Storage System*), the system purely dedicated to energy storage that will constitute the backbone of the Group’s product offering and the medium and long term focus of the entire business strategy, will be launched commercially in early 2016.

**Personnel costs increased** to 702,474 euros in the first half of 2015 from 528,108 euros in the first half of 2014, due to the headcount increase to support EPS’ technical and commercial efforts. Compared to the beginning of 2014, EPS expanded its team by 70% and in terms of global organization the Group counted, at 30 June 2015, 52 people including management, VPs and partners, based in Europe, South Africa, the USA and Singapore.

As of 30 June 2015, the Group’s operating losses amounted to 4,953,614 euros, mainly a consequence of IPO-related expenses and the implementation of the stock option plan. More specifically, the result was diminished by 1.7 million euros for the accounting of the stock options and warrants plans, and by 1.5 million euros of nonrecurring expenses mainly related to the IPO process.

On 30 June 2015, EPS had 10.6 million euros in equity, and total assets of 13.5 million euros. At the end of the first half of the year, **the Group had a net financial position of 10.4 million euros.**

The condensed consolidated half year financial statements as of June 30, 2015 have been reviewed by the statutory auditors.

## **H1 HIGHLIGHTS**

On 16 February 2015, EPS announced its new corporate governance framework and the appointment of the new board with 3 independent directors: (i) Luca Dal Fabbro, formerly CEO of EON Italy and Enel Energia, and currently board member at Terna (the largest European grid operator), as Chairman; (ii) Massimo Prelz Oltramonti, a veteran of the

venture capital and private equity sector, formerly with Advent International, board member of several listed companies and now with GMT Communication Partners, as Lead Independent Director; and (iii) Sonia Levy-Odier, specialized in private equity and media, formerly with Cimarosa Communications, Aster and Archimedia.

On 15 April 2015, the Group announced its strategic partnership with Bryanston Resources, a leading firm in the mining and natural resources sector, to jointly develop off-grid power solutions focused on emerging countries.

On 16 July 2015, the Group and Nanyang Technological University of Singapore launched a partnership related to the Asian development of EPS and a new demo site in Singapore.

On 29 July 2015, EPS started works on its new manufacturing plant in Turin dedicated to HyESS, in order to secure manufacturing capacity of 2MW per month.

In 1H15, the Group's intellectual property portfolio significantly increased, as 42 outstanding patents applications have been officially granted in the USA, China, Russia and in 38 European countries

In 1H15, EPS has taken an active stance in the international energy policy debate, particularly with the Energy Commission at the Brazilian Parliament, the World Economic Forum's Future of Electricity Workshops in India and California, the Energy Storage World Forum Europe in Rome and the 2015 EU Sustainable Energy Week Policy Conference in Brussels.

## OUTLOOK

**EPS' Energy Strategy is phasing-in quicker than expected:** despite lower than expected growth in the telecom business, the new HyESS that will be commercially launched in 2016 has sparked **strong interest with major energy industry players in India, Asia Pacific, North America, Africa and Europe. EPS is building up a pipeline of industrial-scale and unsubsidized projects**, in which the HyESS technology is positioned not only as a clean solution, but also as the power generation and storage technology with the lowest generation cost per MWh in its related markets.

**New Manufacturing Plant for HyESS:** in order to prepare for the production scale-up driven by the HyESS solution, EPS is moving manufacturing to a new facility in Turin. Such new premises, with an initial 2,500 sqm and 2MW capacity per month, will be fully scalable. It is expected to open in November 2015. First large scale product deliveries can be scheduled for Q2 2016, in line with expectations and the Group strategy outlined in Q1 2015.

**HyESS development:** testing of individual components of the new technology is in line with objectives and expectations. The testing phase at the component level is expected to be finalized in Q4 2015 while the stress tests of the assembled solution and certification phase will take place in Q1 2016.

**New Product development for Data Centers:** EPS is developing HyESS Data, a product dedicated to Data Centers and System Integrators, which will leverage the integrated electronics and software intelligence embedded in all HyESS solutions. Thanks to HyESS Data, 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.

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*"The first half of 2015 was marked by the significant acceleration of investment activities and an ambitious expansion of corporate strategy, in order to further our technological edge and commercial platform", commented Carlalberto Guglielminotti, CEO. "The Group has set the basis for step-change market penetration over the next several months. Revenues and other income grew by 31.5%, compared to the same period in 2014, and our listing on Euronext Paris in April was a decisive step for the Group's standing and visibility. It allowed us to secure the financial resources necessary to accelerate the deployment of the HyESS technology, now protected by an additional 42 patents. EPS looks forward to the ongoing development of its manufacturing capacity, and the increasing adoption of the HyESS solution".*

The Half-Year Financial Report as of 30 June 2015 in the French and English languages is available on the Company's website [www.electropowersystems.com](http://www.electropowersystems.com) and may be obtained free of charge from Electro Power Systems.

**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) is a forerunner of sustainable energy applications, and specialized in energy storage 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 **Carla Alberto Guglielminotti** as CEO, supported by **Luca Dal Fabbro**, **Giuseppe Artizzu** and **Ilaria Rosso**, is a global organization which counts 52 human resources between Europe, South Africa, USA and Singapore, of which 34 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](http://electropowersystems.com)

**Contacts at Electro Power Systems:**

Investor Relations	Press & Media – France	Press & Media – Italy
Francesca Cocco Tel. +33 (0) 970 467 135 e - m a i l : fc@electropowersystems.com	Anna Adlewska - Astrid Villette (FTI Consulting Strategic Communications) Tel. +33 (0)1 47 03 68 10 e-mail: eps@fticonsulting.com	Roberto Grattagliano – Simone Rossi (MYPR) Tel : +3902-54123452 – +39 338 9291793 e-mail: roberto.grattagliano@mypr.it simone.rossi@mypr.it

**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” 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.