

**EPS: BOARD OF DIRECTORS APPROVES RESULTS AT 30 SEPTEMBER 2016.
CONTINUING REVENUES GROWTH AND 33 MW OF MICROGRIDS UNDER COMMISSIONING**

- **Revenues for the first 9 months of 2016 are at €4 million, and orders backlog increases to €5.8 million**
- **Solid growth of projects in the pipeline, and average size of potential opportunities increases to €5 million**
- **New long term credit line from Banca Sella, bringing 2016 financing raised to €10 million**
- **4 MW microgrid in the Maldives commissioned, 33 MW of microgrids under commissioning in H1 2017**

Paris, 14 November 2016 - The Board of Directors of **Electro Power Systems S.A.** ("EPS" or the "Group"; EPS:PA), a technology pioneer in clean-energy storage solutions chaired by Massimo Prezl Oltramonti, has examined and approved financial results (not certified) as of 30 September 2016 and updated its guidance for 2016 revenues.

CEO Carlalberto Guglielminotti says, "*The first nine months of the year confirmed the market's expected growth and enabled us to increase guidance on 2016 revenues announced in September. We continue to work to convert projects in the pipeline into orders backlog, with the aim of strengthening our partnership with the main international players and developing an effective commercial network.*"

FINANCIAL HIGHLIGHTS

The Group's revenues in the first nine months of 2016 equalled €3,953,806, an increase of more than nine times over the €456,505¹ for the same period in 2015.

The Group's net financial position as of 30 September 2016 is €2,267,269².

In addition to credit lines totalling €9 million with Intesa Sanpaolo and Unicredit, a new medium-long term credit line of €1 million was approved by Banca Sella on 9 November, bringing aggregate debt financing raised by the Group in 2016 to €10 million, of which €6.5 is in medium-long term and 2 million already drawdown, with an average spread of 3.66%.

NEW GUIDANCE ON 2016 RESULTS AND 2017 GROWTH EXPECTATIONS

The Group's orders backlog³ is at €5.8 million, the pipeline of potential projects and tenders on which EPS has been bidding exceeds €100 million and the average project size has gradually increased from €0.5 million in 2016 to €5 million in 2017–2018. To date, 50% of the pipeline consists of projects ranging from €4 million to €20 million, of which more than 60% are located in emerging economies, particularly in sub-Saharan Africa.

Those achievements were made possible by the accreditation and qualification that the Group undertook immediately after its listing in April 2015 and through projects, installations, and partnerships undertaken with leading international players in the energy sector, including Enel, Terna, Toshiba, and General Electric.

Finally, solid operational strength and order growth have enabled the Group to update its guidance⁴ on consolidated revenues for 2016, which now ranges from €6.5 – €6.9 million, up from €6.1 – €6.7 million announced during the H1 2016 results presentation.

NEW CREDENTIALS IN MICROGRIDS

In October 2016, the Group completed commissioning of the microgrid in the Maldives with a total installed power of 4 MW, enabling a reduction in diesel consumption of 275,000 litres and of CO₂ emissions of 165 tons per year.

This project is the first microgrid equipped with a photovoltaic system distributed throughout the island in eight installations for a total of 700 kWp, 4 generation and cogeneration groups for a total of 3 MVA that produce heat for sanitary hot water of the resort and 250 kW of storage that controls the spinning reserve and the microgrid's stability.

"*This microgrid is an important technological milestone toward competitiveness in off-grid energy generation,*" says Nicola Vaninetti, EPS Vice President, who coordinated the commissioning led by Francesco Del Curto and Martino Bosetti.

¹ € 456,505 refers exclusively to revenues and excludes other income (subsidies), amounting to €266,495, which leads to the €723,000 reported in the financial results as of 30 September 2015.

² The Net Financial Position of €2,267,269 excludes €125,417 in own shares and cash equivalent as per the Liquidity Agreement.

³ Backlog means (i) invoices already issued in 2016 but not yet recorded as revenues under IAS/IFRS; (ii) purchase orders already received as of the date of this press release, and (iii) revenues already contracted or expected to be generated in 2016 and following years based on the agreements currently in place.

⁴ The year-end revenues guidance represents a forward looking statement, whose details are better described at the end of this press release.

Press Office

Chiara Cartasegna, Head of Global Media Relations
Tel. +39 02 45435516
E-mail: chiara.cartasegna@eps-mail.com

Investor Relations

Francesca Cocco, Vice President Investor Relations
Tel. +33 (0) 970 467 135
e-mail: fc@eps-mail.com

"This achievement was possible thanks to the exclusive use of storage to stabilize the microgrid and to mastering the intermittency of renewable energy resources without the need for oversized storage, which is provided for by our unique technology."

With this new cutting-edge installation, the Group has strengthened the technological accreditation process it undertook in April 2015 after its IPO.

In the grid-support market, EPS completed the commissioning of the Terna project, approved by the Ministry of Economic Development (MiSE), in March 2016. In this project, the Group participated as systems provider for Toshiba and General Electric. The project has a total installed power of 3 MW and successfully passed all testing stages.

In addition, EPS is completing many projects in the markets for off-grid power generation and microgrids, for a total of more than 33 MW of installed power in various countries, including the following.

- The Maldives: 2 microgrids with combined installed power of 10.2 MW, hybridized with 1.8 MW of solar, and 0.6 MWh of storage. Commissioning of this project was completed in October 2016;
- Somalia: 2 microgrids with a combined installed power of 8.1 MW, hybridized with 3 MWh of storage, 1.5 MWp of solar, and 750 kW of wind power. The first plant was inaugurated in Garowe in early 2016, and its extension currently under construction is expected to be commissioned in H1 2017;
- Australia: HyESS of 1 MW connected in a microgrid with a total installed power of 12 MW, hybridized with 1 MW of storage, 3 MWp of solar, and 2 MW of wind power. This project is expected to be completed by the end of 2016 and commissioned in H1 2017;
- Tasmania: HyESS of 500 kVA connected in a hybridized microgrid with a total installed power of 3 MW, 0.3 MWh of storage, and 0.5 MWp of solar. This project is expected to be completed by the end of 2016 and commissioned in H1 2017; and
- Chile: microgrid of 125 kW, composed of HyESS with 1.1 MWh of storage integrated with capacity provided by the hydrogen module and 125 kWp of solar. This project is expected to be completed by the end of 2016 and commissioned in H1 2017.

*** **

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 nine months of 2016 and for the first nine months of 2015. Information on liquidity and capital resources relates to end of the periods as of September 30, 2016, and September 30, 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 S.A. for the first nine months of 2016 consists of this press release. All legally required disclosures, including the FY2015 annual financial report and H1 2016 Condensed Financial Statements are available on the Group website (www.electropowersystems.com) under "Financial Information" and is published by Electro Power Systems 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).

Guidance and Forward looking statement

This guidance for the full year reflects current business indicators and planning of Factory Acceptance Tests. Inherent in this guidance are risk factors that are described in greater detail in our regulatory filings and in the 2015 Annual Financial Report. All figures are approximations based on management's current beliefs and assumptions and our actual results could differ from those presented above.

This press release contains guidance for the full year results and others forward looking statements, i.e. assessments and assumptions which relate to future events and circumstances, particularly on the pipeline, which is assessed based on the parameter better described in the presentation of the Half Year 2016 Results published at www.electropowersystems.com.

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

Press Office

Chiara Cartasegna, Head of Global Media Relations
Tel. +39 02 45435516
E-mail: chiara.cartasegna@eps-mail.com

Investor Relations

Francesca Cocco, Vice President Investor Relations
Tel. +33 (0) 970 467 135
e-mail: fc@eps-mail.com

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 sale 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.

Press Office

Chiara Cartasegna, Head of Global Media Relations
Tel. +39 02 45435516
E-mail: chiara.cartasegna@eps-mail.com

Investor Relations

Francesca Cocco, Vice President Investor Relations
Tel. +33 (0) 970 467 135
e-mail: fc@eps-mail.com