

TENDER OFFER INITIATED BY ENGIE: REPAYMENT OF THE EIB FINANCING AND POSSIBLE RIGHTS ISSUE

- **ENGIE's mandatory tender offer initiated by ENGIE now extended to the warrants held by the European Investment Bank (EIB).**
- **EPS will proceed with the early repayment of the first €10 million tranche of the EIB financing, and the two other tranches, for a total of €20 million not drawn down, will be cancelled.**
- **Repayment as well as financing and setup of necessary resources for the development of the company will occur upon completion of the tender offer and could be financed through a capital increase with preferential subscription rights (Rights Issue), to which ENGIE would participate as well, for an amount of around €30 million, for which the issuance price would be equal to the tender offer price, i.e. €9.50 per new share, subject to market conditions allowing to setup an issuance price below the share price, and which would take place before expiring of the prepayment period granted by the EIB, thus on 6 September 2018 at the latest.**

Paris-Milan, 30 May 2018 – Electro Power Systems S.A. (**EPS**), technology pioneer in energy storage systems and microgrids, listed on the French-regulated market Euronext Paris (EPS:FP) – in parallel with the filing by ENGIE, through its subsidiary GDF International, of the simplified tender offer – has reached an agreement with EPS, ENGIE and the EIB with respect to the €30 million financing granted by the EIB in 2017.

Following ENGIE's acquisition of around 56.1% of EPS' share capital and voting rights, which closed on 7 March 2018, the EIB considered its support to innovation and growth sectors, in the context of the European Fund for Strategic Investments (EFSI), as accomplished. The EIB has therefore indicated to EPS its intention to exercise the change of control provision and to ask for the early repayment of the first tranche of €10 million drawn-down in June 2017.

This first tranche did not accrue interest but was linked to the issuance of 660,513 warrants to the EIB, each giving the right to subscribe to one EPS share from 1st July 2017. The EIB indicated its intention to tender its warrants to the tender offer, which has therefore been extended by ENGIE to them at a price of €9.30 per warrant (i.e. a price, net of the €0.20 exercise price, equivalent to the €9.50 per EPS share).

While the finance contract provided for a 30-day repayment period, the EIB agreed to extend this period to 120 days for the repayment of the first tranche of €10 million, i.e. until 6 September 2018. The two other tranches, for a total of €20 million not drawn down, will be cancelled.

In order to select the financing solution that best protects the interests of EPS and of all of its shareholders, EPS is contemplating different options. The preferred option is a capital increase with preferential subscription rights (Rights Issue), for an amount of around €30 million, that will allow all the shareholders of EPS and the acquirers of preferential subscription rights to participate to the new financing strategy of the company. The issuance price would be equal to the tender offer price, i.e. €9.50 per new share, subject to market conditions allowing to setup an issuance price below the EPS share price. The capital increase would take place after closing of the tender offer and before expiring of the prepayment period granted by the EIB, thus on 6 September 2018 at the latest.

ENGIE has ensured EPS of its support to take part in the refinancing of the first tranche and therefore contemplates, in case of completion of the abovementioned capital increase, to freely subscribe up to the percentage of the rights that it will hold following the tender offer, for an amount enabling the success of the transaction, it being specified that the subscription by ENGIE for an amount exceeding €10 million remains subject to the internal approval procedures pertaining to the ENGIE group.

Information to the public

A prospectus drafted in French language, comprising (i) the reference document of EPS that will be filed with the *Autorité des Marchés Financiers* (“AMF”) and (ii) a *note d’opération* (including a summary of the prospectus), subject to the AMF visa, will be made available to the public.

EPS draws the attention of the public on the existence of risk factors that will be included in the reference document and the *note d’opération*.

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About EPS

Electro Power Systems (EPS) operates in the sustainable energy sector, specialising in storage solutions and microgrids that enable intermittent renewable sources to be transformed into a stable power source. Listed on the French-regulated market Euronext (EPS:FP), EPS is part of the ENGIE group and is listed in the CAC® Mid & Small and the CAC® All-Tradable indices. Its registered office is in Paris and conducts its research, development and manufacturing in Italy. Thanks to technology covered by 130 patents and applications, combined with more than 10 years of R&D, the Group develops utility scale energy storage systems to stabilize electrical grids that are heavily penetrated by renewable sources in developed countries and microgrids in emerging economies to power off-grid areas at a lower cost than fossil fuels. As of 31 December 2017, EPS has installed and has under commissioning an aggregate of 48 large scale projects, including off-grid hybrid systems powered by renewables and energy storage that provides energy to over 165,000 customers every day, with a total capacity output of 47MWh systems in 21 countries worldwide, including Europe, Latin America, Asia and Africa.

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