

FIRST QUARTER 2018 RESULTS REVENUES DOUBLE AND INSTALLATIONS IN THREE CONTINENTS

- Revenues up 134% *like-for-like*¹, Project Backlog² at €21.6 million and €150 million of Pipeline³
- Completed production and testing for the 20MW system in Spain, construction site started
- Under development microgrids and smart islands projects (Italy and the Comoros), storage systems (Italy and Belgium) and hydrogen systems (Singapore)
- Liquidity⁴ at € 5.3 million thanks to the constant support of Intesa Sanpaolo with new credit lines

Paris-Milan, 15 May 2018 – The Board of Directors of Electro Power Systems S.A. (“EPS”), technology pioneer in energy storage systems and microgrids, listed on the French-regulated market Euronext Paris (EPS:FP), today approved the consolidated group sales and cash position (unaudited) for the first quarter 2018.

Revenues increased by 134%, amounting to € 0.5 million on IFRS 15 basis and € 3.6 million according to IAS 11, the standard used for comparison with the first quarter 2017. Although from 1 January 2018 the application of the new accounting standard IFRS 15 is mandatory, the comparison of the *like-for-like* results with respect to 2017 will take place on a proforma basis with the IAS 11 standard for the whole of 2018.

This growth is mainly driven by the success of grid-connected storage solutions deployed in Europe. These positive developments are also attributable to the Group's credibility obtained thanks to projects with Enel, Terna, Edison and Endesa. In particular, production and tests for the 20MW storage system with Endesa have been completed and the site construction in Spain for commissioning has already been started. In parallel, EPS has under development microgrids and smart islands projects in Italy and in the Comoros Islands, battery storage systems for grid support and conventional power generation in Italy and Belgium, as well as a hydrogen-based storage system in Singapore.

The Project Backlog at the date of this press release is € 21.6 million⁵, of which € 6.6 million of final and irrevocable orders on an EPC basis, and € 15 million of projects secured on a Power Purchase Agreements basis, for which financing is currently being structured. The pipeline to date is essentially stable and stands at over € 150 million, which means that the projects converted into Project Backlog have been replaced by new opportunities under development.

At 31 March 2018, Net Financial Position⁶ amounted to € -13.9 million compared to € -12.3 million at 31 December 2017. This result is mainly due to the increase in revenues and the order backlog and the related increase of working capital, as well as continuous investments in research and development, aimed at implementing the potential of EPS technology.

The Cash Position at 31 March 2018, represented by liquid assets, amounted to € 5.3 million compared to € 4.2 million at the end of 2017, in particular thanks to the continued support of Intesa Sanpaolo to finance working capital and the growth of EPS.

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¹ Like-for-like: based on a comparable scope of consolidation under IAS 11.

² Project Backlog means, as of the date of this press release, the estimated revenue and other income attributable to (1) purchase orders received, contracts signed and projects awarded as of the date hereof, and (2) projects secured on a Power Purchase Agreement basis, therefore where the agreed value is a price per kWh of electricity and an amount of MW to be installed.

³ Data as of the date of this press Release, in line with the 2017 annual results (28 March 2018)

⁴ “Liquidity” means the “Cash Position”, which is represented by liquid assets, cash and cash equivalents

⁵ On a IAS 11 basis *like-for-like*

⁶ “Net Financial Position” means the difference between the Group's total cash position (cash, cash equivalents and marketable securities) net of total financial debt (bank overdrafts, current portion of long-term debt and long-term debt).

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.

BASIS OF PREPARATION

Effective 1 January 2015, French Law n°2014-1662, dated 30 December 2014, in transposing the European Directive 2013/50/EU, removed the reporting obligation to French-listed companies 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 performance and business prospects, considering the disclosure policy followed by our energy peers.

The financial information (unaudited) for the three months ending 31 March 2018 consists of Revenues, Project Backlog, Cash and Net Financial Position. Revenues are presented on a consolidated basis for the three months of 2018. Project Backlog is presented as of the date of this press release, i.e. 15 May 2018. Information on liquidity and the Net Financial Position relates to the end of the period as of 31 March 2018 and 31 December 2017, in line with the 2017 Consolidated Financial Statements.

The 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 19 July 2002. These criteria, except for the application of IFRS 15 which is mandatory since 1 January 2018, are unchanged from the 2017 Consolidated Financial Statements published on 28 March 2018, which investors are urged to read. The financial information of Electro Power Systems S.A. for the first three months of 2018 consists of this press release. All legally required disclosures, including the 2017 Annual Financial Report and the 2016 Registration Document are available on the Group's website (www.electropowersystems.com) under "*Financial Information*" and are published by Electro Power Systems pursuant to the provisions of Article L. 451-1-2 of the French Monetary and Financial Code, as well as to Article 222-1 and follows the General Regulation of the French Financial Markets Authority (AMF).

FORWARD-LOOKING STATEMENT

This press release contains forward-looking statements, i.e. assessments and assumptions which relate to future events and circumstances, particularly regarding the Project Backlog and pipeline, which are assessed based on the parameter described in the presentation of the Strategic Plan 2020, published at www.electropowersystems.com. Inherent in these statements are risk factors that are described in greater detail in our regulatory filings, including the 2017 Consolidated Financial Statements and the 2016 Registration Document. All figures are approximations based on the management's current beliefs and assumptions, and our actual results could differ from those presented above.

This announcement includes statements that are, or may be deemed to be, forward-looking statements. These 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 intentions. These 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 regarding 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 industry in which the Group operates may differ materially from those described in, or suggested by, the statements contained in this announcement. In addition, even if the Group's results regarding operations, our financial position and growth, as well as the development of the markets and industry in which the Group operates, are consistent with the 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 the results and developments of the Group to differ materially from those expressed or implied by forward-looking statement including, without limitation, general economic and business conditions, 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 business strategy and political and economic uncertainty. The forward-looking statements herein speak only of the date of this announcement.

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