

## First half results as of 30 June 2018 Continuing double digit growth, while becoming ENGIE Eps

**Revenues up 40% like-for-like confirm the growth trend while pipeline accelerating to EUR 244 million is a confirmation of the strong support of ENGIE as industrial partner.**

**That is why EPS becomes ENGIE Eps, further strengthening integration synergies and the commitment towards a global scale up within the ENGIE group.**

### 2018 first half key figures

**Revenues** amounting to EUR 1.4 million under IFRS 15 increased by 40% to EUR 5.4 million on a *like-for-like* basis according to IAS 11-18, the standard used for comparison with the 2017 first half.

Growth is mainly driven by the deployment of grid-support solutions in Europe: in particular the 20MW storage system in Spain and battery storage systems in Italy and Belgium. In parallel, microgrids and smart islands projects in Italy, Singapore and in the Comoros Islands are under construction and should mainly contribute to the 2018 second half revenues.

**Pipeline** to date increased by 53% to EUR 244 million compared with the 2017 first half – mainly composed of microgrids – of which 66% in Asia Pacific and with ENGIE involved in over two-thirds of the projects, demonstration of its strong support as industrial partner. Approx. EUR 70 million of that pipeline – already secured via signed power agreements with the off-taker – is in the final stage of the project development and due diligence phase.

**Project Backlog** as of today is EUR 20.5 million (EUR 24.5 million under IFRS 15), up 49% on a *like-for-like* basis compared with the 2017 first half, of which EUR 9.5 million of final and irrevocable orders on an EPC basis, and EUR 11 million of projects secured on a Power Purchase Agreements basis, for which financing is currently being structured.

**Gross margin** reduced to 24% and EBITDA according to IAS 11-18 amounts to EUR -2,6 million mainly due to conversion over the period of almost entirely grid-support solutions. During the second half 2018, revenues will derive mainly from the current Project Backlog, 84% of which is constituted by Microgrids, that contribute more positively to gross margin and eventually EBITDA.

**Net Financial Position** stood at EUR -13.2 million, down EUR 0.9 million compared to end December 2017. It does not include the EUR 30.3 million capital increase successfully completed in August 2018.

**R&D investment** amounted to EUR 1.1 million and, including the R&D not capitalized, represents 20% of revenues under IAS 11-18, confirming the strong commitment to continuous innovation, research and development.

### A new identity: EPS is now ENGIE Eps

EPS launches the new corporate brand identity and commercial name, becoming ENGIE Eps. All information will be available at the new corporate website [www.engie-eps.com](http://www.engie-eps.com).



The new identity embodies shared values and heritage: the technological edge of EPS and the ambition of ENGIE of providing energy for everyone and in all cultures.

With this new name, ENGIE Eps reaffirms that everybody shall have access to affordable and reliable renewable energy. In parallel, it merges the global reach of ENGIE with the industrial footprint of EPS, devoted to bring 24/7 renewable and cheaper energy to any city, village, community or island powered by fossil fuels, and provide for a real solution to the 1 billion people that today have no access to electricity.

The acceleration of the integration process represents a bold ambition and the unrelenting drive towards a global scale up, confirmed by the pivotal role played by ENGIE in the huge increase in the pipeline of projects.

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The Half-Year 2018 Financial Report is available in the section Investors of the new corporate website: [engie-eps.com/regulated-information](http://engie-eps.com/regulated-information)

The investor conference call is scheduled on 1 October 2018 at 8:00am, dial-in and the presentation will be available in the new corporate website: [engie-eps.com/financial-calendar](http://engie-eps.com/financial-calendar)

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#### About ENGIE Eps

ENGIE 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 Euronext Paris (EPS:FP), ENGIE 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, ENGIE Eps 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 30 September 2018, ENGIE Eps has installed and has under commissioning energy storage and microgrids that provide energy to over 165,000 customers every day, with a total capacity output of 77MWh systems in 23 countries worldwide, including Europe, Latin America, Asia and Africa.

More information on [www.engie-eps.com](http://www.engie-eps.com)

#### Forward looking statement

This release may contain forward-looking statements. These statements are not undertakings as to the future performance of ENGIE Eps. Although ENGIE Eps considers that such statements are based on reasonable expectations and assumptions at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual performance to differ from those indicated or implied in such statements. These risks and uncertainties include without limitation those explained or identified in the public documents filed by ENGIE Eps with the French Financial Markets Authority (AMF), including those listed in the "Risk Factors" section of the ENGIE Eps (ex EPS) Registration Document filed with the AMF on 13 July 2018 (under number R.18-057). Investors and ENGIE Eps shareholders should note that if some or all of these risks are realized they may have a significant unfavorable impact on ENGIE Eps.

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 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 ENGIE Eps' intentions,

beliefs or current expectations concerning, among other things, the ENGIE Eps' 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. In addition, even if the ENGIE Eps' results of operations, financial position and growth, and the development of the markets and the industry in which ENGIE Eps 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. The forward-looking statements herein speak only at the date of this announcement. ENGIE Eps does not have the obligation and undertakes no obligation to update or revise any of the forward-looking statements.

<b>CONSOLIDATED INCOME STATEMENT (amounts in Euro)</b>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>30/06/2017</b>
Revenues	1,428,893	9,898,994	3,881,390
Other Income	42,792	107,371	13,394
<b>TOTAL REVENUES AND OTHER INCOME</b>	<b>1,471,685</b>	<b>10,006,365</b>	<b>3,894,784</b>
Cost of goods sold	(1,094,152)	(6,030,347)	(2,397,671)
<b>GROSS MARGIN FROM SALES</b>	<b>377,532</b>	<b>3,976,018</b>	<b>1,497,114</b>
% on Revenues	26%	40%	39%
Personnel costs	(2,186,498)	(3,503,332)	(2,222,127)
Other operating expenses <sup>(1)</sup>	(712,701)	(2,102,364)	(855,141)
Other costs for R&D and industrial operations	(248,793)	(115,026)	(47,295)
<b>EBITDA excluding Stock Option and Incentive Plans expenses <sup>(2)</sup></b>	<b>(2,770,459)</b>	<b>(1,744,704)</b>	<b>(1,627,449)</b>
Amortization and depreciation	(634,923)	(1,276,156)	(614,323)
Impairment and write down	(63,166)	(65,174)	26,106
Non recurring income and expenses	(1,506,077)	(2,576,662)	(872,289)
Stock options and Incentive plans	(1,165,957)	(331,539)	(246,917)
<b>EBIT</b>	<b>(6,140,582)</b>	<b>(5,994,235)</b>	<b>(3,334,872)</b>
Net financial income and expenses	(797,998)	(747,538)	(147,809)
Revaluation of European Investment Bank warrants liabilities (IFRS 2) and other impacts of EIB loan prepayment	3,777,134	(3,086,219)	0
Income Taxes	53,163	818,482	47,960
<b>NET INCOME</b>	<b>(3,108,282)</b>	<b>(9,009,510)</b>	<b>(3,434,721)</b>
<b>Attributable to:</b>			
Equity holders of the parent company	(3,108,282)	(9,009,510)	(3,434,721)
Non-controlling interests	0	0	0
<b>Basic earnings per share</b>	<b>(0.35)</b>	<b>(1.10)</b>	<b>(0.43)</b>
Weighted average number of ordinary shares outstanding	8,816,135	8,155,295	7,941,955
<b>Diluted earnings per share <sup>(3)</sup></b>	<b>(0.35)</b>	<b>(1.10)</b>	<b>(0.43)</b>

<sup>(1)</sup> In order to be clear and comprehensive, in the Notes to the Consolidated Financial Statements, Installation costs incurred in 2017

<sup>(2)</sup> EBITDA excluding Stock Option and Warrant Plans expenses is not defined by IFRS.

<sup>(3)</sup> Considering the negative net result, Diluted earnings per share has been aligned to Basic earnings per share

<b>CONSOLIDATED INCOME STATEMENT</b>			
<b>IAS 11 and IAS 18 comparable</b>	<b>30/06/2018 <sup>(1)</sup></b>	<b>31/12/2017</b>	<b>30/06/2017</b>
<b>(amounts in Euro)</b>			
Revenues	5,420,566	9,898,994	3,881,390
Other Income	42,792	107,371	13,394
<b>TOTAL REVENUES AND OTHER INCOME</b>	<b>5,463,358</b>	<b>10,006,365</b>	<b>3,894,784</b>
Cost of goods sold	(4,178,469)	(6,030,347)	(2,397,671)
<b>GROSS MARGIN FROM SALES</b>	<b>1,284,888</b>	<b>3,976,018</b>	<b>1,497,114</b>
% on Revenues	24%	40%	39%
Personnel costs	(2,186,498)	(3,503,332)	(2,222,127)
Other operating expenses	(712,701)	(2,102,364)	(855,141)
Other costs for R&D and industrial operations	(1,033,944)	(115,026)	(47,295)
<b>EBITDA excluding Stock Option and Incentive Plans expenses <sup>(2)</sup></b>	<b>(2,648,254)</b>	<b>(1,744,704)</b>	<b>(1,627,449)</b>
Amortization and depreciation	(634,923)	(1,276,156)	(614,323)
Impairment and write down	(63,166)	(65,174)	26,106
Non recurring income and expenses	(1,506,077)	(2,576,662)	(872,289)
Stock options and Incentive plans	(1,165,957)	(331,539)	(246,917)
<b>EBIT</b>	<b>(6,018,378)</b>	<b>(5,994,235)</b>	<b>(3,334,872)</b>
Net financial income and expenses	(797,998)	(747,538)	(147,809)
Revaluation of European Investment Bank warrants liabilities (IFRS 2) and other impacts of EIB loan prepayment	3,777,134	(3,086,219)	0
Income Taxes	53,163	818,482	47,960
<b>NET INCOME</b>	<b>(2,986,079)</b>	<b>(9,009,510)</b>	<b>(3,434,721)</b>

<sup>(1)</sup> Like-for-Like, based on a comparable scope of accounting standards under IAS 11 and IAS 18

<sup>(2)</sup> EBITDA excluding Stock Option and Warrant Plans expenses is not defined by IFRS.

<b>OTHER COMPREHENSIVE INCOME</b>			
<b>(amounts in Euro)</b>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>30/06/2017</b>
<b>NET INCOME</b>	<b>(3,108,282)</b>	<b>(9,009,510)</b>	<b>(3,434,721)</b>
Exchange differences on translation of foreign operations and other differences	8,484	(23,095)	(18,942)
Actuarial gain and (losses) on employee benefits	5,867	44,263	61,251
Other comprehensive income (loss) for the year, net of tax	14,350	21,168	42,310
Total comprehensive income for the year, net of tax	(3,093,932)	(8,988,342)	(3,392,411)
<b>Attributable to Equity holders of the parent company</b>	<b>(3,093,932)</b>	<b>(8,988,342)</b>	<b>(3,392,411)</b>

<b>ASSETS</b> (amounts in Euro)	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>30/06/2017</b>
Property, plant and equipment	732,618	753,412	793,919
Intangible assets	6,723,850	6,264,545	4,714,958
Other non current financial assets	74,287	73,757	164,779
<b>TOTAL NON CURRENT ASSETS</b>	<b>7,530,755</b>	<b>7,091,714</b>	<b>5,673,656</b>
Trade receivables	2,171,071	7,930,919	5,694,505
Inventories	8,942,062	997,352	1,205,901
Other current assets	1,154,696	3,184,393	1,524,459
Cash and cash equivalent	3,900,009	4,237,540	11,393,329
<b>TOTAL CURRENT ASSETS</b>	<b>16,167,838</b>	<b>16,350,204</b>	<b>19,818,194</b>
<b>TOTAL ASSETS</b>	<b>23,698,593</b>	<b>23,441,918</b>	<b>25,491,850</b>
<b>EQUITY AND LIABILITIES</b> (amounts in Euro)	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>30/06/2017</b>
Issued capital	1,915,029	1,687,926	1,605,943
Share premium	20,550,878	19,451,395	18,082,718
Other Reserves	5,753,829	6,431,264	6,260,799
Retained Earnings	(30,297,493)	(20,198,389)	(20,156,287)
Profit (Loss) for the period before Revaluation of European Investment Bank warrants liabilities (IFRS 2)	(6,885,416)	(5,923,291)	(3,434,722)
<b>Total Equity before European Investment Bank variation (IFRS 2)</b>	<b>(8,963,172)</b>	<b>1,448,905</b>	<b>2,358,451</b>
Revaluation of European Investment Bank warrants liabilities (IFRS 2) - Impact on Net Profit	3,777,134	(3,086,219)	0
<b>TOTAL EQUITY</b>	<b>(5,186,038)</b>	<b>(1,637,314)</b>	<b>2,358,451</b>
Severance indemnity reserve and Employees' benefits	2,075,652	688,821	650,432
Non current financial liabilities	2,313,179	13,403,102	14,236,478
Other financial liabilities - Revaluation of European Investment Bank warrants liabilities (IFRS 2)	0	3,086,219	0
Non current deferred tax liabilities	61,890	107,285	152,681
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>4,450,721</b>	<b>17,285,427</b>	<b>15,039,591</b>
Trade payables	3,952,702	3,073,080	3,704,318
Other current liabilities	5,658,747	1,546,769	1,234,148
Current financial liabilities	14,822,462	3,154,739	3,155,342
Income tax payable	0	19,218	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>24,433,911</b>	<b>7,793,806</b>	<b>8,093,808</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,698,593</b>	<b>23,441,918</b>	<b>25,491,850</b>

<b>ASSETS</b>			
<b>IAS 11 and IAS 18 comparable</b>	<b>30/06/2018 <sup>(1)</sup></b>	<b>31/12/2017</b>	<b>30/06/2017</b>
<b>(amounts in Euro)</b>			
Property, plant and equipment	732,618	753,412	793,919
Intangible assets	6,723,850	6,264,545	4,714,958
Other non current financial assets	74,287	73,757	164,779
<b>TOTAL NON CURRENT ASSETS</b>	<b>7,530,755</b>	<b>7,091,714</b>	<b>5,673,656</b>
Trade receivables	7,907,210	7,930,919	5,694,505
Inventories	1,236,476	997,352	1,205,901
Other current assets	1,154,696	3,184,393	1,524,459
Cash and cash equivalent	3,900,009	4,237,540	11,393,329
<b>TOTAL CURRENT ASSETS</b>	<b>14,198,391</b>	<b>16,350,204</b>	<b>19,818,194</b>
<b>TOTAL ASSETS</b>	<b>21,729,146</b>	<b>23,441,918</b>	<b>25,491,850</b>
<b>EQUITY AND LIABILITIES</b>			
<b>IAS 11 and IAS 18 comparable</b>	<b>30/06/2018 <sup>(1)</sup></b>	<b>31/12/2017</b>	<b>30/06/2017</b>
<b>(amounts in Euro)</b>			
Issued capital	1,915,029	1,687,926	1,605,943
Share premium	20,550,878	19,451,395	18,082,718
Other Reserves	5,753,829	6,431,264	6,260,799
Retained Earnings	(29,222,930)	(20,198,389)	(20,156,287)
Profit (Loss) for the period before Revaluation of European Investment Bank warrants liabilities (IFRS 2)	(6,763,211)	(5,923,291)	(3,434,722)
<b>Total Equity before European Investment Bank variation (IFRS 2)</b>	<b>(7,766,405)</b>	<b>1,448,905</b>	<b>2,358,451</b>
Revaluation of European Investment Bank warrants liabilities (IFRS 2) - Impact on Net Profit	3,777,134	(3,086,219)	0
<b>TOTAL EQUITY</b>	<b>(3,989,271)</b>	<b>(1,637,314)</b>	<b>2,358,451</b>
Severance indemnity reserve and Employees' benefits	2,075,652	688,821	650,432
Non current financial liabilities	2,313,179	13,403,102	14,236,478
Other financial liabilities - Revaluation of European Investment Bank warrants liabilities (IFRS 2)	0	3,086,219	0
Non current deferred tax liabilities	61,890	107,285	152,681
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>4,450,721</b>	<b>17,285,427</b>	<b>15,039,591</b>
Trade payables	3,952,702	3,073,080	3,704,318
Other current liabilities	2,492,532	1,546,769	1,234,148
Current financial liabilities	14,822,462	3,154,739	3,155,342
Income tax payable	0	19,218	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>21,267,696</b>	<b>7,793,806</b>	<b>8,093,808</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21,729,145</b>	<b>23,441,918</b>	<b>25,491,850</b>

<sup>(1)</sup> Like-for-Like, based on a comparable scope of accounting standards under IAS 11 and IAS 18

<b>CASH FLOW STATEMENT</b> <b>(amounts in Euro)</b>	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>30/06/2017</b>
Net Income or Loss	(3,108,282)	(9,009,510)	(3,434,722)
Revaluation of European Investment Bank warrants liabilities (IFRS 2) and other impacts of EIB loan prepayment	(3,777,134)	3,086,219	0
Amortisation and depreciation	634,923	1,276,156	614,323
Impairment and write down	63,166	65,173	(26,106)
Stock option and incentive plans impact	643,962	331,539	246,917
Defined Benefit Plan	147,364	0	61,251
Non-cash variation in bank debts	88,904	486,276	0
<b>Working capital adjustments</b>			
Decrease (increase) in tax assets	714,203	(719,765)	0
Decrease (increase) in trade and other receivables and prepayments	5,410,135	(4,684,855)	(879,527)
Decrease (increase) in inventories	(4,108,592)	146,800	(61,749)
Increase (decrease) in trade and other payables	2,340,922	(1,259,936)	(915,140)
Increase (decrease) in non current assets and liabilities	(820,065)	697,176	(17,075)
<b>Net cash flows from operating activities</b>	<b>(1,770,494)</b>	<b>(9,584,726)</b>	<b>(4,411,828)</b>
<b>Investments</b>			
Net Decrease (Increase) in intangible assets	(992,234)	(2,581,110)	(568,770)
Net Cash flow deriving from business combination	0	0	7,165
Net Decrease (Increase) in tangible assets	(81,199)	(147,741)	10,832
<b>Net cash flows from investments activities</b>	<b>(1,073,433)</b>	<b>(2,728,851)</b>	<b>(550,773)</b>
<b>Financing</b>			
Increase (decrease) in bank debts	1,179,811	9,524,186	10,844,441
Shareholders cash injection	1,326,586	1,480,243	29,581
Purchase of treasury shares	0	62,294	(2,486)
Warrants	0	6,605	6,605
<b>Net cash flows from financing activities</b>	<b>2,506,397</b>	<b>11,073,328</b>	<b>10,878,141</b>
<b>Net cash and cash equivalent at the beginning of the period</b>	<b>4,237,540</b>	<b>5,477,790</b>	<b>5,477,790</b>
<b>NET CASH FLOW FOR THE PERIOD</b>	<b>(337,530)</b>	<b>(1,240,249)</b>	<b>5,915,540</b>
<b>NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3,900,009</b>	<b>4,237,540</b>	<b>11,393,330</b>