

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA AND JAPAN

Oversubscription of the €30.3 million capital increase

PARIS – August 6, 2018 - Electro Power Systems S.A. (“**EPS**”) a technology pioneer in energy storage systems and microgrids, listed on the regulated market of Euronext in Paris (EPS:FP), announces the successful completion of its capital increase with shareholders’ preferential subscription rights (the “**Rights**”) with the subscription period running from July 20, 2018 to July 30, 2018 (the “**Rights Issue**”).

The final gross proceeds of the transaction amount to €30,321,292.50, corresponding to the issuance of 3,191,715 new shares.

Total demand for this Rights Issue amounted to approximately €48.6 million, i.e. a subscription rate of approximately of 160.3% (or €36.4 million, i.e a subscription rate of 120.2%, excluding Engie reducible order described below):

- 3,104,659 new shares were subscribed on an irreducible basis (“à titre irréductible”), representing approximately 97.3% of the number of new shares to be issued;
- orders subject to reduction (“à titre réductible”) amounted to 2,012,090 new shares and will, as a result, only be partly allocated, in the amount of 87,056 new shares.

ENGIE (through its subsidiary GDF International), which owned 59.89% of the capital and voting rights of EPS at the date of the Prospectus and had irrevocably committed to subscribe on an irreducible basis (“à titre irréductible”) to the Rights Issue for 1,911,552 new shares and on a reducible basis (“à titre réductible”) for 1,280,163 new shares, in order to ensure that subscription to the Rights Issue would reach 100%, has eventually subscribed for a total number of 1,986,796 new shares.

EPS’ share capital, following the Rights Issue, will amount to €2,553,372, represented by 12,766,860 shares with a par value of €0.20 each. ENGIE (through its subsidiary GDF International) will own 60.5% of the capital and voting rights of EPS.

Capital and voting rights following the Rights Issue:

	Number of shares	% of capital and voting rights
ENGIE (through its subsidiary GDF International)	7,721,453	60.50 %
Public and institutional investors	5,045,407	39.50 %
Total	12,766,860	100 %

The net proceeds of the Rights Issue will be used to reimburse financings coming due in the amount of €12.4 million (including the first tranche of €10 million due under the EIB Loan Reimbursement), with the remainder intended to finance, together with EPS’ cash on hand and bank financing sources, additional working capital needs (in the amount of €11 million over the next twelve months), and in particular the 2020 strategic plan (notably investment in R&D and technology) and complementary activities in relation to the implementation of project development (including implementation of necessary commercial infrastructure).

The settlement-delivery and the listing of the new shares on the regulated market of Euronext in Paris (“**Euronext Paris**”) are expected to occur on August 8, 2018. The new shares will carry full rights (*jouissance courante*) and will entitle their holders, from the date of their issuance, to any dividends decided by EPS from this date. They will be immediately fungible with EPS’ existing shares and will be traded on the same listing line under the ISIN code FR0012650166.

EPS has committed to a lock-up period ending 180 calendar days after the date of settlement-delivery of the Rights Issue (subject to certain exceptions).

Société Générale is acting as Global Coordinator and Joint Bookrunner of the Rights Issue. Gilbert Dupont is acting as Joint Bookrunner of the Rights Issue.

Information available to the public

The prospectus, filed with the *Autorité des marchés financiers* (the “**AMF**”) under number 18-314 dated July 13, 2018 (the “**Prospectus**”) consisting of the registration document (the “**Registration Document**”) of EPS registered with the AMF on July 13, 2018 under number R.18-057 and a securities note (the “**Securities Note**”), including a summary of the Prospectus, may be obtained free of charge from EPS’ registered office (13, avenue de l’Opéra, 75001 Paris, France) and is also available on EPS’ website (www.electropowersystems.com) and the AMF’s website (www.amf-france.org).

EPS draws investors’ attention to the risk factors described in chapter 4 of the Registration Document as well as in section 2 of the Securities Note.

Upcoming events

Half-Year 2018 Results: 27 September 2018

Disclaimer

This announcement does not, and shall not, in any circumstances constitute a public offering nor an invitation to the public in connection with any offer.

The distribution of this document may be restricted by law in certain jurisdictions. Persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

*This announcement is an advertisement and not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the “**Prospectus Directive**”).*

With respect to the member States of the European Economic Area which have implemented the Prospectus Directive, no action has been undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in any relevant member State other than France. As a result, the securities have not been offered in any relevant member State other than France except in accordance with the exemptions set forth in Article 3(2) of the Prospectus Directive, if they have been implemented in that relevant member State, or under any other circumstances which do not require the publication by EPS of a prospectus pursuant to Article 3 of the Prospectus Directive and/or to applicable regulations of that relevant member State.

For the purposes of the provisions above, the expression “offer to the public” in relation to any securities in any relevant member State, means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offering and on the securities to be offered, thereby enabling an investor to decide to purchase or subscribe for the securities, as the same may be varied in that relevant member State.

These selling restrictions with respect to relevant member States apply in addition to any other selling restrictions which may be applicable in the relevant member States.

*This document may not be distributed, directly or indirectly, in or into the United States of America. This document is not an offer of securities for sale nor the solicitation of an offer to purchase securities in the United States of America or any other jurisdiction where such offer may be restricted. Securities may not be offered or sold in the United States of America absent registration under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or an exemption from registration. The securities of EPS have not been registered under the Securities Act, and EPS did not make an offer of its securities in the United States of America.*

*This document is only being distributed to, and is only directed at, persons in the United Kingdom that (i) are “investment professionals” falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Article 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**Relevant Persons**”). This document is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document relates is available only to Relevant Persons and is engaged in only with Relevant Persons. Any person other than a Relevant Person should not act or rely on this document or any of its content.*

Any investment decision to buy securities must be made solely on the basis of publicly available information regarding EPS.

This document may not be distributed, directly or indirectly, in or into the United States of America, Australia, Canada or Japan.

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 Euronext Paris (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 30 June 2018, EPS has installed and has under commissioning an aggregate of 55 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 67MWh systems in 22 countries worldwide, including Europe, Latin America, Asia and Africa.

More information on www.electropowersystems.com.



NOT FOR DISTRIBUTION IN THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA AND JAPAN

PRESS RELATIONS

Image Building
eps@imagebuilding.it

INVESTORS RELATIONS

Francesca Cocco, Vice President Investor Relations
francesca.cocco@eps-mail.com