



**Legend Power Announces Results for Second Quarter 2017
Record Revenue Quarter on Record Unit Sales and Strong Balance Sheet**

Vancouver, Canada, May 25, 2017 - Legend Power Systems Inc. ("Legend" or "the Company") (TSXV: LPS) today reported its second quarter 2017 financial results for the six months ended March 31, 2017. Currency amounts are in Canadian dollars. A complete set of the March 31, 2017 Consolidated Financial Statements and Management's Discussion & Analysis have been filed on SEDAR (www.sedar.com) and are available on Legend's corporate website, <http://legendpower.com/investors/financial-statements/>.

For the three months ended March 31, 2017

- Achieved record quarterly revenue of \$1,001,382 on sale of 19 units
- Blended gross profit margin of 51%
- 11 unique customer transactions
- Committed Orders* for 13 units as at March 31, 2017

"The second quarter of fiscal 2017 was the Company's best ever," said Randy Buchamer, Legend's President & CEO. "The beginning of Legend's Fiscal year marked a transition from startup entity to growth stage company. We added first class talent to the team, strengthened our balance sheet, improved operational capacity, and our product has proven itself a strong performer, offering appreciable value. We have experienced sizable growth in Committed Orders since March 31, 2017 and anticipate this trend to continue even as our sale-to-revenue recognition cycle, shortens. The benefits of our now established five pillar foundation are positively impacting all aspects of our business and should continue to bear fruit as Legend matures as an organization."

The Legend Power sales team continued to increase opportunity flow in core target markets during the quarter. Strategic changes in the sales leadership structure, implemented in the previous quarter, eliminated barriers to success and led to a greater degree of team member empowerment. Several proof-of-concept deals are expected to move to full product rollouts as new opportunities and markets continue to materialize. Organic growth is taking place in key market verticals.

Legend is focused on:

Sales

- Developing and maximizing Ontario revenue potential
 - Added three new sales representatives during Q2 FY
 - Appointed a new sales leader for Ontario
 - Continued to implement strategic changes to improve sales model
- Developing sales capabilities in the north east USA
- Completing and implementing a reseller channel program highlighting a unique "business opportunity" for resellers in distinct geographical regions to represent Legend solutions to their target markets

Marketing

- Conducted a brand audit to assess market positioning and designed a "new look" for the Legend brand
- Improved core value proposition, corporate and product messaging
- Analyzed sales process and cycle: implemented strategic improvements to support sales team and channel expansion plan

Engineering

- Next generation product development on schedule and will be launched October 1, 2017
- Enhancement to core test capabilities ensuring all products are rigorously tested prior to shipment

Operations

- Continued to challenge and improve all business processes
- Integrated new field operations team (three new) to expedite pre-sales assessments and to streamline and increase profitability of installation process
- Implemented inventory and production improvements

Financial summary for the three and six month periods ended March 31, 2017 and 2016

	Three-months ended March 31,			Six-months ended March 31,		
(Cdn\$, unless noted otherwise)	2017	2016	Change	2017	2016	Change
Revenue	1,001,382	914,413	9.5%	1,646,229	1,447,800	13.7%
Cost of sales	489,458	557,686	(12.2)%	859,146	949,847	(9.6)%
Gross margin	511,924	356,727	43.5%	787,083	497,953	58.1%
Gross margin %	51.1%	39.0%	12.1%	47.8%	34.4%	13.4%
Operating expenses ¹	(760,122)	(716,024)	6.2%	(1,509,069)	(1,387,621)	8.8%
Operating expense as % of sales	75.9%	78.3%	(2.4)%	91.7%	95.8%	(4.2)%
Adjusted EBITDA ²	(119,238)	(214,622)	44.4%	(464,952)	(588,062)	20.9%
Net (loss) ³	(248,198)	(359,297)	(30.9)%	(721,986)	(889,668)	(18.9)%

¹ Gross margin is based on a blend of both equipment and installation revenue.

² Adjusted EBITDA; for the three and six month periods ended March 31, 2017 and 2016, we are disclosing Adjusted EBITDA, which is a non-IFRS financial measure, as a supplementary indicator of operating performance. We define Adjusted EBITDA as net income or loss before interest, income taxes, amortization, foreign exchange amounts and non-cash stock based compensation.

³ Before other items.

Revenue for the second quarter of 2017 was \$1,001,382, up from \$914,413 in the same period of fiscal 2016. Year to date revenue was \$1,646,229, up from \$1,447,800 in the same period of 2016. The increases in revenue in both periods are attributable to increasing demand for the Company's product combined with particularly strong results realized in the education market vertical.

Gross blended margin % in the second quarter 2017 was 51.1%, an improvement from 39.0% in the same period of 2016. Year to date gross blended margin was 47.8%, significantly improved from 34.4% in 2016. The increases are due primarily to economies of scale achieved through higher volume of units sold and a stronger profit margin contribution from installation services. Management expects gross blended margin to continue to improve with volume, cost optimization, and a strengthened field operations team focused on profitability in our installation services business.

Operating expense as a percentage of revenue in the second quarter 2017 was 75.9% compared with 78.3% in the same quarter of 2016. Year to date operating expense was 91.7%, down from 95.8% in 2016. The decreases in both comparative periods is due primarily to increases in revenue in the current year periods, offset slightly by marginally higher operating expenses as the Company undergoes growth in the current year.



Second quarter 2017 Adjusted EBITDA was negative \$119,238, a significant improvement from negative \$214,622 in 2016. Year to date Adjusted EBITDA was negative \$464,952, an improvement over negative \$588,062 in 2016. The Company was able to realize these improved results in both comparative periods by achieving stronger sales and gross margin, which was offset slightly by higher operating expenses.

Net loss for the second quarter 2017 was \$248,198, down from \$359,297 in 2016 and year to date was \$721,986 down from \$889,668 in 2016.

Included in the second quarter 2017 net loss before other items were several significant non-cash items, which totaled \$128,960, while in the year to date period non-cash items totaled \$257,034.

Legend has scheduled a conference call to provide a business update and discuss its Q2 2017 financial results for Thursday, May 25, 2017 at 10:00am pacific time (1:00pm ET). The call will be hosted by Randy Buchamer, President & Chief Executive Officer and Steve Vanry, Chief Financial Officer.

CONFERENCE CALL DETAILS:

DATE: Thursday, May 25, 2017
TIME: 10:00 am PT (1:00 pm ET)
DIAL-IN NUMBER: Toronto (647) 788-4901
Toll Free – North America (+1)(877) 201-0168
CONFERENCE ID: 25788799
REPLAY: Available at: www.legendpower.com

* The Company is reporting Committed Orders, a non-IFRS measure, which is a supplementary indicator of sales activity. Committed Orders herein are tabulated as of the last day of the prior fiscal quarter as opposed to the date of the MD&A, which was previously utilized in the Company's last reporting period. This measure is being presented based on the belief that it provides the reader a more complete and current understanding of the Company's sales activity. The measure does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company defines Committed Orders as the total number of units committed for purchase by customers, evidenced by either a purchase order, purchase agreement, or both on the last day of the most recently ended fiscal quarter, which had not been recognized in revenue during the proceeding financial periods.

About Legend Power Systems Inc.

Legend Power Systems Inc. (www.legendpower.com) markets a proprietary device, the 'Harmonizer' that helps individual buildings reduce energy consumption through the utility-proven concept of Conservation Voltage Reduction, (CVR). Legend provides customers risk free energy savings, improves the value of their physical assets, and enhances their sustainability efforts. As an application with demand side benefits, Legend is also a key contributor toward utility conservation goals. Legend was recognized as the top performing cleantech company on the TSX Venture Exchange in 2015.



For further information, please contact:

Randy Buchamer, CEO and President

+ 1 778 945 1501

rbuchamer@legendpower.com

Sean Peasgood, Investor Relations

+ 1 416 565 2805

sean@sophiccapital.com

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This Press Release may contain statements which constitute “forward-looking information”, including statements regarding the plans, intentions, beliefs and current expectations of the Company, its directors, or its officers with respect to the future business activities and operating performance of the Company. The words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company, or its management, are intended to identify such forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future business activities or performance and involve risks and uncertainties, and that the Company’s future business activities may differ materially from those in the forward-looking statements as a result of various factors. Such risks, uncertainties and factors are described in the periodic filings with the Canadian securities regulatory authorities, including the Company’s quarterly and annual Management’s Discussion & Analysis, which may be viewed on SEDAR at www.sedar.com. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update these forward-looking statements other than as may be required by applicable law.