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Ideal Power to Commercialize and Market Next Generation Variable Frequency Drives Based on PPSA Technology

Successfully Demonstrates Superior Performance Over Legacy Technology

AUSTIN, TX -- (Marketwired) -- 03/16/16 -- Ideal Power Inc., (NASDAQ: IPWR), a developer of innovative power conversion technologies, successfully tested and demonstrated a new Variable Frequency Drive (VFD) based on its award-winning, patented Power Packet Switching Architecture™ (PPSA). Variable frequency drives are part of the broader power conversion marketplace where Ideal Power's PPSA technology is rapidly gaining market acceptance.

Ideal Power's next generation VFD is expected to raise the bar for performance and system reliability for a wide range of applications in the global VFD market which is projected to reach $37 billion by 2026, according to Future Market Insights. Variable frequency drives control the speed of electric motors used in HVAC (heating, ventilating and air conditioning) compressors and blowers, conveyor motors, cranes, pumps, and a wide range of other products. Patents for the unique controls and method of operation are pending. The company plans to initially target low voltage AC drives, which make up 71 percent of the addressable market, through licensing and alliance partnerships.

"The development of our VFD products will open doors to large, mainstream global markets where there has been limited innovation for quite some time," said Dan Brdar, CEO of Ideal Power. "Our variable frequency drives are anticipated to extend product life and bring performance improvements and cost reductions to the industry."

After undergoing months of testing by independent researchers at theUniversity of Texas Center for Electromechanics (CEM) alongside a popular product from one of the world's leading VFD manufacturers, Ideal Power's PPSA-based VFD yielded superior performance results over the existing technology. UT CEM's testing, research and comparison demonstrated that Ideal Power's VFD had very low output distortion which results in quiet motor operation and preserves overall motor life. The high output distortion of a traditional VFD will degrade a motor's life when compared to the low output distortion of an Ideal Power VFD.

"The combination of low input harmonics, compatibility with standard motors, compact size, light weight, and high efficiency makes our VFD an excellent solution for both newly installed

HVAC chiller drives and HVAC chiller drive retrofits, just one of the major segments of the broader VFD market where Ideal Power will focus," commented Bill Alexander, chief technology officer and founder of Ideal Power.

About Ideal Power Inc.
Ideal Power Inc. (NASDAQ: IPWR) has developed a novel, patented power conversion technology called Power Packet Switching Architecture™ (PPSA). PPSA improves the size, cost, efficiency, flexibility and reliability of electronic power converters. PPSA can scale across several large and growing markets, including commercial grid storage, combined solar and storage, microgrids, and electrified vehicle charging. Ideal Power also has a capital-efficient business model that can enable it to address these markets simultaneously. Ideal Power has won multiple grants for its PPSA technology, including a $2.5 million grant from the Department of Energy's Advanced Research Projects Agency - Energy (ARPA-E) program, and market-leading customers are incorporating PPSA as a key component of their systems. For more information, visit www.IdealPower.com.

Safe Harbor Statement
All statements in this release that are not based on historical fact are "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. While management has based any forward looking statements included in this release on its current expectations, the information on which such expectations were based may change. These forward looking statements rely on a number of assumptions concerning future events and are subject to a number of risks, uncertainties and other factors, many of which are outside of our control that could cause actual results to materially differ from such statements. Such risks, uncertainties, and other factors include, but are not limited to, whether the patents for our technology provide adequate protection and whether we can be successful in maintaining, enforcing and defending our patents, whether a demand for energy storage products will grow, whether demand for our products, which we believe are disruptive, will develop and whether we can compete successfully with other manufacturers and suppliers of energy conversion products, both now and in the future, as new products are developed and marketed. Furthermore, we operate in a highly competitive and rapidly changing environment where new and unanticipated risks may arise. Our various remarks concerning the potential performance and efficiencies of, and markets for, commercially available variable frequency drives manufactured with our technology are based on laboratory tests that may not be replicable in commercial production. No assurance can be given that our technology will achieve market acceptance, or that competitive solutions offered by others might not be adopted by our target customers instead of our solutions. No assurance can be given that the market will achieve the projected growth cited by research numbers in this release. Accordingly, investors should not place any reliance on forward-looking statements as a prediction of actual results. We disclaim any intention to, and undertake no obligation to, update or revise forward-looking statements.

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