Press Releases

Leclanché provides a substantial business update

• The Company confirms that it has secured CHF 20.4 million bridge loan from SEFAM to run its operations until completion of the intended merger of Leclanché E-Mobility S.A. with a U.S.-listed Special Purpose Acquisition Company (SPAC), as per the announcement on 23 December 2021.
• SEFAM has also agreed to subordinate CHF 40 million of its loans to remedy the Company's negative equity position at the end of the year 2021 and until May/June 2022, at which time the merger of Leclanché E-Mobility S.A. with the SPAC is expected to complete.
• The tight liquidity and global supply chain disruption continues to impact cell and systems production, thus significantly reducing deliveries to customers in the short term.
• In preparation of the expected merger of Leclanché E-Mobility S.A. with the SPAC, the Company is restructuring its operating model. The current CFO has elected to leave the Company in the coming months.
• SEFAM has committed up to USD 50 million investment in the PIPE to support the intended merger.
• There are continued positive commercial developments leading to winning new and recurring business from customers worldwide. Compared to the announcement in June 2021, the year-to-date Contracted Revenue3 in the eTransport business (now Leclanché E-Mobility) has grown by 38% to reach USD 477 million.

YVERDON-LES-BAINS, Switzerland, February 24, 2022 -Leclanché SA (SIX: LECN), one of the world's leading energy storage solutions companies, today provides a significant business update.

Securing continued strong support from its major shareholder, SEFAM

The Company is thankful to SEFAM for its continued support and investment at this transformational stage.

- SEFAM has granted the Company a CHF 20.4 million bridge loan allowing it to run its operations until completion of the intended merger of Leclanché E-Mobility S.A. with the SPAC as per the announcement on 23 December 2021.
- Though the bridge loan is very helpful, the liquidity position remains tight which is causing delay in payment to suppliers from time to time. Thus, the Company is continuing its efforts to secure further funds to remedy this situation at the earliest possible time.
- The agreement to subordinate CHF 40 million loan by SEFAM is very helpful to ensure positive equity for the Company both to close the audit of 2021 accounts and smooth the merger process.

Anil Srivastava, CEO of Leclanché, said: *"we sincerely appreciate the bridge loan provided by SEFAM. The Company is in discussion with other investors/lenders to augment its working capital. In the interim, I want to place my sincere appreciation for the understanding of our key suppliers when, regrettably, some payments are late from time to time. Thanks to the bridge loan and the ongoing capital raise, the Company is confident to bring all due payments to normal level in the coming months. We look forward to reinforcing our business relationships even further in the coming months as the ongoing merger completes."*

Implementation of the new operating model

Following the announcement made on 23 December 2021 referring to the carveout of the eTransport Business into a new Swiss legal entity Leclanché E-Mobility S.A., and its intended merger with a U.S.-listed SPAC, the Company's board of directors has approved a new operating model for day-today operations to ensure a smooth transition at the time of the merger and allowing for the development of a focused growth plan for all businesses within Leclanché SA Group. Two independent operating units are:

1. Leclanché S.A. focused on Stationary Energy Storage Solutions and Specialty Battery Systems;

2. Leclanché E-Mobility S.A. focused on eTransport business.

Independent of the above-mentioned restructuring, **Hubert Angleys**, the CFO has decided to leave the company and pursue other opportunities. He will stay on for a period of time to ensure completion of the audit work of 2021 accounts and a smooth handover and implementation of the new organization. The company has appointed **Fabrizio Pauletti** as an interim CFO until completion of the merger. He will work closely with Hubert Angleys during this transition period.

Fabrizio Pauletti has graduated and gained his PhD degree in economics at the University of Basel and is a certified Financial Analyst and Portfolio Manager (CIIA). He has served as a member of the board of directors in various companies in the finance and manufacturing sectors. He is a lecturer for corporate finance at the Controller Academy in Basel and Zurich.

Dr. Lluís M. Fargas, as head of the audit and risk management committee, will be helping and guiding the interim CFO during the merger process.

Stefan Müller, Chairman of the board of directors of Leclanché, said:*"I would like to thank Hubert Angleys for all his contributions and hard work in support of the growth of the Company over the past six years. His dedication and*

professionalism have been a great asset to the Company, and I sincerely wish him success in his new professional venture. I would also like to extend my heartfelt thanks to him for the minutes of all the board meetings and calls he has patiently handled as secretary to the board of directors."

Anil Srivastava, CEO of Leclanché, said: *"Hubert Angleys has been invaluable in developing the business for the new Leclanché. He has truly been a great business partner and colleague. I have enjoyed working with him and truly appreciate his integrity and multi-tasking skills. We wish him all the best in his future endeavors."*

Good progress with the SPAC process, though delayed by few weeks

In our announcement on 23 December 2021, we had mentioned that we were expecting to announce the definitive merger by mid-February 2022. The due diligence by the SPAC is still ongoing. We anticipate this process to complete within six to eight weeks. Thus, we expect to make the announcement of the definitive merger by end-April 2022. We would like to reiterate that the SPAC process, though delayed, is going well.

The crucial support from our largest shareholder, by committing up to USD 50 million investment in the PIPE, shall significantly complement the amount in the SPAC's trust and shall ensure the highest possible net cash injection for the merged company.

Continued customer wins and strong growth momentum

Notwithstanding the ongoing supply chain issues, the Company continues to make strides in winning new customers worldwide. The Company is pleased to report repeat business from a leading train and locomotive operator in North America. This yet again confirms the competitive and differentiated value of Leclanché products and solutions, and above all critical customer trust.

- The year-to-date cumulative order book (backlog) for Leclanché Group is in excess of USD 51 million; of this Leclanché E-Mobility is USD 33 million or 62% of the total.

For more information, write to info@leclanche.com or visit www.leclanche.com

About Leclanché

Headquartered in Switzerland, Leclanché SA is a leading global provider of high-quality energy storage solutions designed to accelerate our progress towards a clean energy future. Leclanché's history and heritage is rooted in over 100 years of battery and energy storage innovation. This coupled with the Company's culture of German engineering and Swiss precision and quality, continues to make Leclanché the partner of choice for both disruptors, established companies and governments who are pioneering positive changes in how energy is produced, distributed and consumed around the world. The energy transition is being driven primarily by changes in the management of our electricity networks and the electrification of transport, and these two end markets form the backbone of our strategy and business model. Leclanché is at the heart of the convergence of the electrification of transport and the changes in the distribution network. Leclanché is organised in three business units: energy storage solutions, e-Mobility solutions and specialty battery systems. Leclanché is listed on the Swiss Stock Exchange (SIX: LECN).

SIX Swiss Exchange: ticker symbol LECN | ISIN CH 011 030 311 9

Disclaimer

This press release contains certain forward-looking statements relating to Leclanché's business, which can be identified by terminology such as "strategic", "proposes", "to introduce", "will", "planned", "expected", "commitment", "expects", "set", "preparing", "plans", "estimates", "aims", "would", "potential", "awaiting", "estimated", "proposal", or similar expressions, or by expressed or implied discussions regarding the ramp up of Leclanché's production capacity, potential applications for existing products, or regarding potential future revenues from any such products, or potential future sales or earnings of Leclanché or any of its business units. You should not place undue reliance on these statements. Such forward-looking statements reflect the current views of Leclanché regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee that Leclanché's products will achieve any particular revenue levels. Nor can there be any guarantee that Leclanché, or any of the business units, will achieve any particular financial results.

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