

Leclanché announces its full year 2020 financial results and confirms its 2021 growth target

- Audited results in line with the unaudited results published on May 3, 2020 and confirming Revenue growth of 46% in 2020;
- Strong support from Company's largest shareholder SEFAM through an additional commitment to convert CHF 29.7 million of its loans into Equity;
- Thanks to the breakthrough customer wins with some of the world's leading OEMs, the Company has a Contracted Revenue Pipeline exceeding CHF 500 million for delivery over years 2021 to 2026;
- Company to reach giga-scale manufacturing capacity by 2023 to continue its development and reap the benefits of an investment of CHF 110 million over the last five years
- 2021 revenue is expected to nearly double over last year;
- Recent strategic win with Canadian Pacific Railway further strengthens Company's successful push into hydrogen-powered mobility.

YVERDON-LES-BAINS, Switzerland, June 9, 2021 – Leclanché SA (SIX: LECN), one of the world's leading energy storage companies, today announces its results for the full year ending December 31, 2020 and provides further financial strengthening measures.

SEFAM, the long-term majority shareholder of Leclanché, in addition to the funding commitment for the year 2021 for an amount of almost CHF 60 million announced on March 30, 2021, has agreed to convert CHF 29.7 million of its loan to Leclanché SA into Company equity. This capital increase will be submitted to shareholders for voting at the Company's next Annual General Meeting.

Anil Srivastava, CEO of Leclanché said: *"We thank our largest shareholder, SEFAM, for confirming its commitment to convert CHF 29.7 million of its debt into equity well-before its maturity in December 2022. We see this action as a strong endorsement of Leclanché's growth strategy, which will also allow the Company to save significant cash from interest payments and materially strengthen its balance sheet."*

Consolidated total income for the financial year 2020 was CHF 23.9 million, up 46% from CHF 16.3 million in 2019; the EBITDA loss for the year was CHF (61.0) million compared to CHF (58.9) million in 2019. The net loss for the year was CHF (78.2) million compared to CHF (83.4) million in 2019.

The increase in revenues in 2020 stems from the e-Transport Business Unit which delivered batteries for six vessels to Kongsberg Maritime while the Stationary Storage Solutions and Specialty Battery Business Units were slightly behind vs. 2019.

This unprecedented turnover of the e-Transport Business Unit validates Leclanché's strategy to invest massively over the last five years in R&D, production equipment and engineering, to become the battery supplier of choice for world leading OEMs and system integrators. The Company estimates that CHF 110 million can be directly attributed to this investment.

The balance sheet total amounted to CHF 73.2 million compared to CHF 73.1 million in 2019. This stability does not necessarily reflect the positive development of certain items, including a reduction in inventories of CHF 5.5 million and an investment of CHF 5.6 million in new production assets in Willstätt and Yverdon-les-Bains.

In addition, Leclanché SA, the Swiss legal entity, was in a negative equity position as of December 31, 2020 in an amount of CHF 15.5 million. This situation has since been remedied by the capital increase of CHF 33.8 million processed at the end of March 2021.

Anil Srivastava, CEO of Leclanché said: *"Although I appreciate that Leclanché's 2020 performance confirms that the Company is still in a ramp-up mode typical of a high growth scale-up Company, I would like to emphasise to our shareholders and all stakeholders who have supported us over the past years, the technology leadership, industrial capacity ramp-up and commercial developments that have been achieved since 2016. Leclanché is now poised to become a major player in the electrification of the medium and heavy transportation market propelled by a robust order book and a committed pipeline of projects leading to Contracted Revenue exceeding CHF 500 million over 2021 to 2026."*

Thanks to the strong position attained in the fast-growing e-Transport and energy storage system markets, the Company has received interest from new strategic investors over the past six months. After due evaluation, the Board has mandated a leading New York based Investment Bank, which is running a structured process to raise growth capital to support the Company's business plan through to 2023."

Achievement of Technology Leadership thanks to a CHF 110 million investment over the last five years

Lithium Cells: ready to enter the automotive sector

- In addition to cells based on lithium titanate oxide, which are good for ultra-fast charge applications, the Company has developed industry-leading high energy density, medium power cells with long life.
- In Q4 2020, the Company announced the commercial availability of battery cells using technology compatible with the requirements for the automotive industry, thus enabling access to large-scale markets. These cells use high nickel content materials with reduced usage of cobalt and form the basis for future enhancements in energy density in next generation cells. The Company is in advanced discussions to license its technologies to large-scale automotive ventures announced in Europe.
- The company is currently delivering 65Ah/225Wh per Kg cells with 8'000 cycles at 80% Depth of Discharge (DoD). The Company's Ultra-high energy density cells, 270Wh to 300Wh, for the Automotive applications is currently in production tests. These cells will be ready for delivery in 2022.

Modules: crucial building block to design a wide range of solutions for electric vehicles

- The Company has been producing a record level of almost 5'000 modules in 2020 and has reached the capacity limitation of its existing line. The largest portion of the modules it manufactures has been used for marine applications.
- A new generation of modules has been developed and designed for high volume production in a simultaneous engineering process with our partner, Comau Spa. This line, which will be inaugurated on June 15, 2021, will address our capacity limitations and provide up to six times the current capacity on a highly automated production line. This assembly line also includes the latest technologies in terms of quality and process control, as well as taking a first step in the direction of Industry 4.0 principles.

Battery Management System (BMS): complete software and systems for all kinds of electric vehicles

- The Company has been expanding its BMS portfolio with low voltage systems, as well as master/slave configuration for applications up to 1'200 V. The latest development will provide a product meeting the functional safe requirements for railroads, and in a second step, automotive applications.
- In addition to the BMS, the Group has developed a new Graphic User Interface (GUI) compatible with all in-house BMS solutions, as well as all third-party products using CAN Open communication protocols.
- As a higher-level monitoring system, a new IoT platform has been developed for our BMS families and is now being implemented in its first field applications.

Battery Packs and Racks: a complete integrated system on 100% in-house technologies

- New packs have been developed for several applications ranging from busses and trucks to railroads. These are in addition to the existing marine rack systems.

Energy Management Software (EMS)

- Subsequent to the acquisition made in 2018, Leclanché has greatly enhanced its software suite to industrial grade and will continue to add multiple IoT-connected applications including Microgrid, Fast EV Charging, Fleet Controls and Asset Management. Leclanché EMS is now at the heart of industry leading projects including Solar + Storage project in St. Kitts, and with EV Network and bp pulse to develop new rapid and ultrafast charging e-forecourts and hubs across the UK.

Certifications: at the leading edge in the Industry

- The Company has achieved the highest level of certifications in the Marine sector. In 2020, Leclanché expanded its certification portfolio to include International Railway Industry Standard (IRIS) and comprising the ISO/TS 22163:2017 business management standard.

Industrial Capacity Ramp-up: Giga capacity by 2023

- More than CHF 25 million has been invested in Capex since 2016, with an additional 60 million Swiss francs for planned expansions once the necessary fundraising is finalised.
- Cells: The cell production facility is planned to reach its full capacity by Q4 2021 after completion of the work to replace the formation system damaged during the fire accident in April 2016. The Company will then be able to deliver more than 200 MWh annually, and its plans are for a further expansion of capacity in the existing infrastructure to reach nearly 1 GWh by 2023.
- Modules: A new line will be operational in Q2 2021 and will provide capacity of up to 0.5 GWh annually. The ramp-up of this line will take place in Q3 and Q4 of 2021, with first commercial deliveries taking place in early Q3 2021. In addition to this new line, Leclanché will continue to operate the existing line for several projects and will be transitioning all production to the new line by the end of 2022.
- Packs and Racks: As the volume for packs start to increase in Q2 and Q3 2021, Leclanché is implementing

assembly lines at its site in Switzerland for initial volumes. The Company expects that as volumes increase, it will move the assembly of the packs to lower cost areas either through partnerships or subcontracting.

Commercial Developments

- The Company's customers include world leading OEMs, System Integrators, Utilities, and Service Providers such as Alstom (formerly Bombardier Transport), Kongsberg Maritime, Damen Shipyards, La Compagnie Générale de Navigation (CGN), Canadian Pacific Railway, Enel, bp pulse (British Petroleum group)- among many others.
- Leclanché has delivered/commissioned more than 430 high-capacity marine racks and commercial vehicle battery packs to customers since the start of commercial operations in 2019. These include systems for key global OEM manufacturers in the marine, railroad, truck and bus sectors.
- In total, Leclanché has delivered/commissioned nearly 150 MWh of energy storage systems worldwide.
- Leclanché has a qualified pipeline of projects that underpins a Contracted Revenue exceeding CHF 500 million for delivery over years 2021 to 2026.
- Revenues in 2021 are expected to almost double to CHF 38-44 million compared to 2020.
- In addition to the technology leadership in end-to-end lithium battery systems, the Company continues to win business in hydrogen-powered long-haul mobility through its innovative battery packs smartly integrated with hydrogen fuel cells using its powerful in-house Energy Management Software. In addition to the win with Canadian Pacific Railways for retrofitting a diesel locomotive, the Company has already delivered its Battery Packs integrated with fuel cells for trucks in California, USA; and for a marine vessel in Scotland, UK.

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

About Leclanché

Headquartered in Switzerland, Leclanché SA is a leading 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 and the Company is a trusted provider of energy storage solutions globally. 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 the only listed pure play energy storage company in the world, organised along three business units: stationary storage solutions, e-Transport solutions and specialty batteries systems. Leclanché is listed on the Swiss Stock Exchange (SIX: LECN).

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

Disclaimer

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