

PRESS RELEASE

For Immediate release

Leclanché announces Interim Results for 2016 and reports a 65% increase in revenue during the first half of the year. The Company is poised to deliver significant growth going forward to 2018 and beyond.

- **Thirty-fold increase in confirmed projects totaling 75 MWh of Energy Storage Solutions (ESS) business;**
- **Near tenfold increase in MWh delivered over 5MWh in 2015;**
- **Order backlog target for the year 2017 increased to 85 MWh;**
- **Signed a breakthrough investment partnership with independent owner & operator of energy storage assets to develop and finance projects globally;**
- **Four new major institutional investors participated in the successful completion of CHF 11.1 million first-round of the capital raise;**
- **Completed organizational transformation into a vertically integrated energy storage system (ESS) solutions provider;**
- **Full 2016 yearly revenues forecasted to grow by 55% above 2015;**
- **EBITDA breakeven in 2018 or sooner.**

Yverdon-les-Bains, Switzerland, 7.09.2016 – Leclanché SA (SIX Swiss Exchange: LECN), the vertically integrated battery energy storage solution provider for industrial scale applications, today announced its interim results for the half year ending 30 June 2016.

Anil Srivastava, Leclanché CEO, said, “Leclanché is one of the fastest-growing companies in the world operating in the industrial-scale energy storage market. I am pleased to report that the Company has achieved key milestones that were set out in the Growth Plan endorsed by a vast majority of our shareholders during the AGM held on 4 May 2016. Our Revenue, Order Intake and Sales pipeline continues to grow faster than the addressable market growth @37% CAGR¹. We intend to cement Leclanché as one of the leaders in this field, and our activities are specifically undertaken with this in mind.”

Building Momentum

The Company has delivered significant growth in the first half of the year:

- Growth in revenue, 65% year-over-year.
- Growth in order-intake with an unprecedented 75 MWh order backlog for delivery from Q4 2016 through 1H 2017.
- A 30-fold increase in confirmed projects with the Company securing 145 MWh of Energy Storage Systems (ESS) business, comprising of 75 MWh of confirmed projects and a further qualified pipeline of 70 MWh projects.
- Current portfolio of projects sets the foundation for the Company’s long-term growth in different market segments, and diversified geographies as exemplified by the creation of project teams in USA and soon India.

Growth Figures in Context

Full year 2016 revenues will be approximately CHF 28 million, which is an increase of 55% over 2015. The difference between this and the 100% planned uplift under the Growth Plan is largely attributable to (i) a delay in financial closing of the IESO Canadian Project implying a delay in shipping of goods and (ii) a fire at the Company's cell manufacturing facility in Germany.

"The delay in financial closing of our Canadian IESO project was unfortunate, but we have lost no business and this revenue will be recognized in H1 2017," Srivastava explained. "We are positioned at an inflection point to execute on our growth, and to manage a broader and more stable project pipeline from a position of financial strength rather than being reliant on individual projects."

Leclanché is on track to achieve EBITDA breakeven in 2018 or sooner, and confirm as communicated during the AGM held on 4 May 2016 that the breakeven-volume is approximately 100MWh of delivery and commissioning on an annualized basis.

Major customer wins

"We are very pleased to report that the Company has achieved a major milestone in **that we now have working reference projects in all of our addressable markets**. This has been achieved within 18-months of the launch of the Growth Plan, and can be used to demonstrate our ability to execute on time and under budget." Srivastava declared.

Utility-scale generation and micro grid applications - forecast to grow 48% annually to 4.2 GWh¹.

- In January 2016, Leclanché announced securing one of the largest grid ancillary services projects in the world. The IESO project, a 120 MW / 53 MWh Energy Storage Solution, is under construction. The Company is on track to commission the first site by Q4 2016
- In June 2016, Leclanché was selected in the USA, as the turnkey EPC contractor for a 20 MW / 10 MWh project, with an option to add an additional 20 MW / 10 MWh project. The project should be announced in the course of the month.
- The Company has submitted bids around the world for more than 100 MWh worth of additional projects.

Commercial & industrial battery systems – forecast to grow 48% annually to 11.3 GWh¹

- The Specialized Battery Systems business, core of Leclanché's commercial & industrial business, won significant contracts in this period.
 - a) 2 major projects won to supply Battery Pack for Automated Guided Vehicles (AGVs) used in respective warehouses of two Global Multi-National companies.
 - b) 2 big tenders of CHF 2 million and CHF 3 million with ArmaSuisse on the development of Ni-Mh batteries for radio telecommunication systems.
 - c) A 5-year contract has been signed with ECA, a submarine and terrestrial drone manufacturer, for €400K annually.

eTransport (including buses, ferries, forklifts, trains and industrial material handling) – forecast to grow 37% annually to 6 GWh¹.

- In May 2016, Leclanché announced the launch of BB Green the "the world's fastest 100% electric commuter vessel". Leclanché supplied a 200 kWh LTO energy storage

¹ Navigant Research

system enabling it to operate at high speed for over 30 minutes with a 14 nautical mile (26 km) range. At each stop, it benefits from ultra-fast charging for 15-20 minutes.

- Leclanché LTO cells-based module is undergoing quality certification testing in Beijing, China. Upon successful testing, it will open access to the electric bus market in China.

Strengthening execution capabilities

- *Strengthened balance sheet.* In June, Recharge A/S (formally Recharge ApS) and Bruellan, two of Leclanché's current major shareholders, completed the conversion of their entire loan facilities into shares of Leclanché SA.
- *Access to off-balance sheet non-recourse project finance which will, over time, reduce equity based funding needs.* On 14 July 2016, Leclanché signed a breakthrough investment partnership with an independent owner & operator of energy storage assets to finance its projects globally. This Term Sheet has a Right-Of-First-Offer for Leclanché ESS projects. Further details about this partnership will be announced very shortly.
- *New growth capital raised on 16 August 2016.* The Company successfully completed the first tranche of the capital raise including CHF 11.1 million of new equity issuance and a conversion of CHF 4.1 million of the convertible loan by ACE & Company and Jade Crest Limited. The existing shareholders Bright Cap SICAV SA and Recharge A/S made further investments in the Company as part of the first tranche of the capital raise. This is the first tranche of CHF 50 million to CHF 70 million capital raise announced during the AGM held on 4 May 2016. This raise has helped the Company to diversify and enrich its shareholder base by addition of four new institutional shareholders.
- *Better use of capital.* The Company is exploring ways to reduce capital intensity in the business by exploring strategic partnership/joint venture for cell manufacturing and/or implementing IP licensing agreements
- *Better margin from project businesses.* The team to execute the growth plan is now substantially in place. The Company has attained a critical mass with headcount of 163 personnel, compared to 105 in 1H 2015. This 55% increase in headcount, as already reported during the AGM, has provided a critical mass for the Company to implement its software and systems integration model. As the projects reach commercial operation in 2017, thanks to this investment, the Company will realize high-margin revenue associated with Engineering, Procurement and Construction (EPC) turnkey contracts.

Jim Atack, Chairman added: "The board of directors wish to thank Anil Srivastava, the CEO, and his team for the excellent results in the first half of the year. The Company is on course to deliver sustained growth and aims to achieve EBITDA breakeven in 2018 or sooner. The Company is increasingly recognized as the preferred provider of industrial-scale energy storage systems for the European and North American markets."

"We sincerely thank our shareholders, suppliers and employees for their support, trust and dedication. I am excited about the solid foundation on which our growth is built." Anil Srivastava concluded.

Publication of results

Leclanché SA published today its 2016 interim report which is available in pdf format on the Company Web site:

www.leclanche.com/investor-relations/financial-reports-publications/annual-reports

Analyst and investor call

Leclanché will discuss its first half-year 2016 financial results during a live audio webcast taking place on Wednesday, September 7 at 3:00pm CET.

The presentation will be accessible here: <http://www.audio-webcast.com/>; password: leclanche0916

Agenda:

1. Company presentation (1 hour)
2. Q & A session (30 minutes)

The conference call will be held by Anil Srivastava, CEO, and Hubert Angleys, CFO

Details: Wednesday 7th of September 2016, 3.00pm CET

Dial in:

Location	Conference ID	Phone Number
Belgium, Brussels	7697137	+32 (0)2 404 0659
China, Beijing	7697137	+86 10 5904 5462
Denmark, Copenhagen	7697137	+45 35 15 80 49
Finland, Helsinki	7697137	+358 (0)9 7479 0361
France, Paris	7697137	+33 (0)1 76 77 22 74
Germany, Frankfurt	7697137	+49 (0)69 2222 13419
Hong Kong, Hong Kong	7697137	+852 3018 8767
Luxembourg, Luxembourg	7697137	+352 2786 1395
Switzerland, Geneva	7697137	+41 (0)22 567 5729
United Kingdom, London	7697137	+44 (0)203 043 2003
United States, Colorado Springs	7697137	+1 719-325-4746

Analysts and investors wishing to ask questions during the conference are invited to register with the investor relation team by email: investors@leclanche.com

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About Leclanché

Leclanché is a fully vertically integrated battery energy storage solution provider. It delivers a wide range of turnkey energy storage solutions for homes, small offices, large industries, electricity grids, as well as hybridization for mass transport systems such as bus fleets and ferries. Established in 1909, Leclanché has been a reliable partner for battery energy storage solutions for over 100 years. Founded in the tradition of Georges Leclanché, the inventor of the dry cell battery, Leclanché today has a rich portfolio of Battery Energy Storage Systems (BESS) that include bespoke battery systems from industry leading lithium-ion solutions.

Leclanché is listed on the Swiss stock exchange. 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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