

## PRESS RELEASE

### **Leclanché increases revenue by 56% in full year 2016 financial results and achieves key growth plan milestones**

- Market guidance achieved
- Revenue increased by 56%
- 2016 recurring EBITDA loss as percentage of net sales reduced by 54% compared to 2015. Growth investment of CHF 10 million accounts for nearly 40% of the EBITDA loss
- Book to bill (order backlog) increased by more than 100% year-on-year to reach 85 MWh
- The first two sites of the largest stationary energy storage system in Ontario, Canada (13 MW / 53 MWh), to be operational by summer 2017; the battery energy storage system for the Marengo Project, Chicago, has been delivered (23 MW / 10 MWh). These are two of the largest energy storage projects of their kind in the world
- Exclusive agreement with a leading European utility to build a 20MW/ 33MWh project in Northern Germany
- Electric ferry project in Denmark, the largest electric ferry in the world, to be fully operational by fall 2017
- Major capital raise planned in 2017 incorporating strategic alliance with Asian industrial partners to support growth initiatives. On-track for private placement of up to CHF 7 million of new capital
- Annual Report 2016 published today

**YVERDON LES BAINS, Switzerland, 4 April 2017:** Leclanché SA (SIX: LECN), one of the world's leading energy storage solution companies, announced today its annual financial results for the year ending 31 December 2016. Consolidated revenues for fiscal year 2016 were CHF 28.5 million, up by 56% year-on-year; the EBITDA loss for the year amounts to CHF (27.5) million compared with the loss of CHF (26.0) million in 2015. Excluding all one-off, exceptional and non-recurring items the loss was (18.6) million, representing a 54% improvement compared to 2015 in terms of net sales.

**Anil Srivastava, CEO of Leclanché, said: “We are delighted to report that the Company met its financial guidance for the financial year 2016. We continued to substantially increase our revenues and decrease our EBITDA loss, 40% of which was accounted for by growth investment of CHF 10 million. The Company increased its order book by more than 100% in the year to reach 85 MWh and we have a pipeline of awarded and expected projects of over 450 MWh.**

**“2016 was another strong year for Leclanché. We continued to break new ground with our innovative and sustainable solutions across all three of our key markets: utility-scale generation and microgrids; eTransport; and commercial and industrial battery systems. Standout contracts included some of the world’s largest and most advanced utility scale energy storage projects that we are now building in North America and Europe, and the development of the world’s largest fully electric ferry in Denmark.”**

Leclanché has been working with its financial advisers to complete a second round of private placement with existing and new shareholders and expects to add up to CHF 7 million of new capital. This fund raising follows the CHF 11.1 million private placement completed in August 2016.

**Hubert Angleys, CFO of Leclanché, said: “While the company has delivered a revenue growth in line with the market, I am confident that this positive achievement is the first stage of our journey towards EBITDA breakeven, which we still expect to reach above 100 MWh of revenue in 2018.”**

The Company is in advanced discussions with several organisations in China with regards to developing strategic partnerships in technology licensing, low-cost manufacturing and access to the Chinese domestic market, in particular the more than \$100bn e-transport market.

**Angleys added: “We have been working in parallel to solidify a partnership agreement with a Chinese industrial group for that important strategic market and to secure heads of terms for a debt facility of a significant amount for corporate working capital needs and for a deployment of our projects in Canada, Germany and the US. I remain confident that Leclanché will successfully fund its business plan by Q2 2017.”**

Key customer milestones in 2016 included:

- The first two sites of the largest stationary energy storage system in Ontario, Canada, are on track to be operational by summer 2017. The 13 MW / 53 MWh installation is for Independent Electricity System Operator (IESO). In December 2016, Maple Leaf LP, the holding company for the project, secured a construction loan to build and commission these first two sites.
- Partnership with Swiss Green Electricity Management Group (SGEM) for investments into utility-scale energy storage projects, commencing with the 23 MW / 10 MWh Marengo Energy Storage Plant (Chicago), one of the largest projects of its kind in the world. Leclanché is the overall engineering, procurement and construction contractor and turnkey battery energy storage system provider. The battery energy storage system has already been delivered. Leclanché/SGEM has identified a pipeline of other utility-scale projects, globally.
- The Company signed an exclusive agreement with a leading European utility to build a 20MW/ 33MWh project in Northern Germany. The project's colocation with a wind farm will provide vital operating data for effectiveness of energy storage coupled with wind farms.
- The Ærø ferry in Denmark, for which Leclanché was awarded a contract in 2015, will be fully operational by the fall of 2017. It will be the largest electric ferry in the world, delivering energy savings of up to 50% and a substantial reduction in emissions.

In addition, in March 2017 Leclanché received certifications recognising its LTO battery cell's compliance with China's latest standards, a pre-requisite to providing battery solutions to power electric vehicles in China.

According to Navigant Research, the Lithium-ion market for stationary and industrial mobility applications segments in which Leclanché offers its solutions, is forecast to grow 37% annually to 75.5 GWh by 2020: these markets include Residential Energy Storage, Commercial & Industrial Buildings, Micro-grids, Utility-Scale, Buses, Ferries and Materials-Handling Vehicles. According to the same study, Stationary Storage Systems is forecasted to grow 48% annually to 4.2 GWh, while Mobile Storage Systems is expected to grow 37% annually to 6 GWh and Specialty Battery Systems for the commercial and industrial markets to grow 48% annually to 11.3 GWh.

Growth targets are subject to a number of factors, including supply chain capacity and timely access to capital. The company maintains its focus on capital efficiency and limiting shareholder dilution in funding growth.

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## About Leclanché

Leclanché is one of the world's leading fully vertically integrated energy storage solution providers. It delivers a wide range of 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 trusted provider of 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, and is the only listed pure-play energy storage company in the world.

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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## Contacts

### Publication of results

Leclanché SA published today its annual report which is available in pdf format on the Company Web site: [www.leclanche.com/investor-relations/financial-reports-publications/annual-reports](http://www.leclanche.com/investor-relations/financial-reports-publications/annual-reports)

### Analyst and investor webcast

After the AGM scheduled on Wednesday the 3rd of May 2017, a live audio webcast will be accessible for analysts and investors on Monday the 8th of May 2017 at 14:15 CET (13:15 GMT/ 8:15 EST).

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

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