

## PRESS RELEASE

### **Leclanché announces interim results for 2017 and reports an 84% increase in revenue during the first half of the year**

- *Full year 2017 revenues forecast to be in line with or slightly above 2016*
- *EBITDA breakeven anticipated in late 2018/ H12019*
- *Launching Rights Offering to raise CHF 40 million to finance growth plan*
- *The business outlook remains solid*

**YVERDON LES BAINS, Switzerland, 13th October 2017:** Leclanché SA (SIX: LECN), one of the world's leading energy storage solution companies, today announced its interim results for the half year ending 30 June 2017.

Leclanché's revenue grew by 84% year-on-year to CHF 10.6 million (from CHF 5.7 million) in the six months to 30 June of 2017.

The Company's loss for the period reduced by 31% to CHF 11.9 million from CHF 17.3 million. Personnel costs declined by 10% year-on-year reflecting the restructuring and cost reduction measures taken in late 2016 and early 2017. Other operating expenses increased by 21% due to due diligence costs associated with the implementation of a debt facility.

Leclanché reduced its convertible debt to CHF 17 million from CHF 23 million thanks to conversions completed in September and October 2017. A further CHF 5 million reduction is expected upon completion of a Rights Offering, intended to raise CHF 40 million. The Company's major shareholders have agreed to subscribe amounts proportional with their current shareholdings amounting to some 65%. The fund raising is due to be finalised by the end of December 2017.

The funding delay in the first half of the year will have an adverse impact on revenue recognition in the second half. However, the Company still expects its full year 2017 revenues to be equivalent or slightly above its 2016 results, and it is on track to achieve EBITDA breakeven in late 2018/ H12019.

Anil Srivastava, Leclanché CEO, said: *"In spite of the funding delay at the start of 2017, we are delighted to report the Company's strong performance in the first half of the year and to provide a positive outlook. Energy storage is one of the most dynamic, high growth industries in the world, driven by the shift from fossil fuels to clean energy sources, and we are proud to be at the forefront of innovation in our market."*

*"As stated at our AGM in July, our confirmed orderbook grew from 95 MWh to 115 MWh, and in the coming weeks we expect to announce some significant customer project wins. We are delivering on some of the world's largest stationary storage projects, in particular in North America; and in the last six months we have agreed very exciting deals in the electric vehicle space, including a Joint Development Agreement and a Framework Purchase Contract to supply Skoda Electric's buses with battery solutions, agreements to develop storage solutions*

*for fast charging stations solutions across Canada and in the Netherlands, and the delivery of our technology into the world's first fully electric ferry, in Denmark."*

### **Business highlights**

The Company has more than 70 MW / 55 MWh of projects under construction and has a pipeline of more than 700 MWh of awarded and expected projects, with a 110 MWh backlog through 2018.

Leclanché's transformational eTransport contracts of H12017 should lead to an annual business unit volume of more than 200 MWh by 2019, contributing over USD 45 million per annum.

### **Funding and growth strategy**

Leclanché's growth plan is fully supported by its strategic investors. In July, Golden Partner invested CHF 27.5 million and Bruellan invested CHF 3.0 million, and in April, Baring Asset Management invested CHF 2.7 million and Bruellan CHF 1.0 million.

In addition to its planned rights issue, Leclanché is reviewing a potential second listing in Q22018, in a fast-growing energy storage market.

Leclanché is also negotiating an off-balance sheet project finance facility of more than USD 200 million.

In line with its growth strategy, Leclanché appointed three new directors to its Board at its AGM: Mr. Pierre-Alain Graf, a well-known industry leader in Switzerland and Europe; and Mr. Tianyi Fan and Ms. Cathy Wang from Golden Partner, both experienced finance professionals.

The Company is undergoing further internal reorganisation to realise its plans, including new structures for its Stationary Storage and eTransport businesses, and plans to make an announcement in Q42017. Leclanché is also reviewing the acquisition of an energy management software company, which is expected to add 3.5% points to the gross margin of the stationary storage business.

Jim Atack, Chairman of Leclanché, said: *"The board of directors wish to thank Anil Srivastava and his team for the continued success of Leclanché. The Company's financial results are very encouraging and we are excited about the huge opportunities ahead for Leclanché as it consolidates its leading position in global energy storage, a market which is set for long-term high growth."*

Srivastava added: *"We are very grateful for the ongoing support and dedication of all our stakeholders and look forward to continuing to deliver on our growth plan."*

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### **Publication of results**

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

<http://www.leclanche.com/investor-relations/financial-reports-publications/interim-reports/>

## 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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