
Press Release

Leclanché SA secures CHF 21 million medium term financing - a decisive step forward

- Sufficient Liquidity to implement the 2015 operating and growth plan
- New Organization in line with the Growth Plan presented in the 2014 Half-year announcement
- Financing is linked to an exemption from the Swiss Takeover Board
- Extraordinary Shareholders meeting to be held on 5th January 2015

Yverdon-les-Bains, Switzerland, 8 December, 2014 - Leclanché S.A. (SIX Swiss Exchange : LECN), which specializes in the production of large-format lithium ion cells and energy storage solutions, announces today that it has entered into CHF 21 million credit facility ("Credit Facility") maturing on June 30, 2016 with Recharge ApS in Denmark ("Recharge" or "Lender").

Leclanché believes that this financing will provide it with the necessary working capital to implement its 2015 Operating Plan, and until the Company reaches steady-state cashflow breakeven. Assuming successful implementation of the 2015 Operating Plan, Leclanché believes it can achieve this objective by the end of 2015. In addition, this facility can be used for funding the company's 2015 Growth Plan that includes the expansion investment, together with the associated working capital required, for such growth initiatives.

Commenting on the successful closing of this medium term financing, Mr. Jim Atack, Chairman of Leclanché said: *"We are delighted that the Company has secured this CHF 21million medium term financing. It provides the Company with sufficient liquidity to fund its working capital needs and its first phase of growth capital requirements, as per our communication in the 2014 Half-year announcement on September 4th, 2014. I wish to thank all our shareholders who have supported us during this period, in particular Precept Fund for their valuable investment in July 2013, which helped launch the turnaround plan of the Company, and Bruellan, for their continued commitment to our business. Under the leadership of our CEO, Anil Srivastava and the management team, we can now look forward with confidence to reach our objective of making Leclanché one of the leading players in the energy storage market."*

The Recharge ApS Loan

The Loan has two parts.

Facility A: in the amount of CHF 13,000,000, is to fund the 2015 Operating Plan and in particular to provide working capital funding throughout the course of 2015 as the Company moves towards steady-state cashflow breakeven (meaning EBITDA breakeven adjusted to exclude the effects of any non-cash charges and the negative effects of any activities which are separately funded under the 2015 Growth Plan). Facility A bears an interest rate of 12% per annum payable at maturity.

Drawdowns under Facility A are subject to a number of conditions, including approval of the agenda items as proposed by the Board of Directors to an upcoming extraordinary general meeting and confirmation by the Swiss Takeover Board that neither Recharge nor Precept or Bruellan Corporate Governance Action Fund are subject to an obligation to submit a mandatory tender offer. The Board of Directors unanimously supports the exemption request as this financing is considered the best possible funding option for all stakeholders within the time available.

Facility A is convertible into ordinary shares of the Company at the option of Recharge. The conversion price is the lower of the following: (i) CHF 2.20 (if conversion occurs before October 1, 2015: CHF 1.90), (ii) 85% of the 15-day volume-weighted average price of the Shares, or (iii) the subscription price at which existing shareholders of Leclanché may subscribe for new Shares in any future rights offering.

Facility B: in the amount of CHF 8,000,000 is to fund the first phase of the 2015 Growth Plan, which is considered an integral part of the strategy to deliver a path to sustained profitability and considerable market share gain. Facility B drawdowns will be made available on a case-by-case basis for specific growth objectives upon Business Case approval by Recharge within the 2015 Growth Plan. Facility B is convertible into ordinary shares of the Company at the option of Recharge. The conversion price is the lower of the following: (i) CHF 3.00 (if conversion occurs before 30th September, 2015: CHF 2.50), (ii) 85% of the 15-day volume-weighted average price of the Shares, or (iii) the subscription price at which existing shareholders of Leclanché may subscribe for new Shares in any future rights offering.

Should there be an overall shortfall of the company's cashflow compared to its forecast, Recharge has the right to request that the Company conducts a capital increase in order to raise further capital and to be protected against such shortfalls.

On any amount drawn under Facility A or Facility B, there is an establishment fee of 5% payable at maturity or full conversion. In addition, there is an arrangement fee payable to Recharge for the Facility as a whole in the amount of CHF 325'000.

The Company further announced that Recharge has agreed to purchase the Oakridge Global Energy Solutions, Inc. Convertible Loan. At closing, Recharge will convert such proportion of this as will give them a shareholding of 9.99%.

In order to bridge the Company's short term liquidity needs until the first drawdown under the Facility A, Bruellan Corporate Governance Action Fund and Universal Holdings Investors Ltd have provided Leclanché with loans in the amount of CHF 1,000,000 and CHF 2,000,000, respectively.

Extraordinary Shareholders meeting to be held on 5th January 2015

The Company will invite shareholders to an extraordinary general meeting to be held on 5th Jan 2015. At the extraordinary general meeting shareholders will be asked to approve (i) the creation of conditional capital for convertible loans and bonds in the maximum amount of up to CHF 11,985,900 consisting of up to 7,990,600 registered shares of CHF 1.50 nominal value each (ii) the increase of the conditional capital reserved for employee participation purposes up to a maximum amount of CHF 4,500,000, consisting of up to 3,000,000 registered shares at CHF 1.50 nominal value each, (iii) the creation of authorized share capital up to a maximum amount of CHF 16,485,900 by issuing a maximum of 10,990,600 fully paid up registered shares with a nominal value of CHF 1.50 each with the ability to exclude preemptive rights in favor of Recharge or other financing providers, (iv) the election of Scott Campbell Macaw and Robert Aron Robertsson to the Board of Directors, and (v) an ordinary capital increase up to the maximum amount of CHF 4,500,000, consisting of up to 3,000,000

registered shares of CHF 1.50 nominal value each. The proposals under the agenda items (i), (iii) and (iv) are interdependent in the sense that they may only collectively be either approved or rejected.

Based on the fixed conversion prices for Facility A and Facility B and assuming full conversion at maturity of the Recharge Facility (i.e. principal, interest and fees), together with full conversion of the Oakridge Global Energy Solutions, Inc.' Facility, Recharge would have a shareholding in the company of 39%, whilst the participation of Precept would be reduced to 33%.

The invitation with the respective agenda items and proposals will be published in due course.

Commenting on the successful closing of this medium term financing, Scott Macaw and Robert Robertsson, Directors of Recharge ApS, said: *"This financing increases Leclanché team's motivation and focus to deliver its state-of-the-art Battery Energy Storage Systems to customers worldwide. It is also certainly reassuring for Leclanché' customers, trading partners and suppliers to know that the future of Leclanché is secured and that the company is a partner they can rely on. We look forward to supporting the Company in its mission to deliver sustainable profitable growth. We believe in the company and look forward to participating in its exciting future prospects."*

The 2015 Operating Plan sets out the strategy, key objectives and actions to complete the turnaround plan commenced already in 2013 to deliver a path to sustained profitability, and incorporates the 2015 Growth Plan, which positions the Company as a complete Battery Systems Provider with the ability to address the full spectrum of power-intensive and high energy-density applications. For this purpose, the 2015 Growth Plan requires: (a) the acquisition or licensing of Battery Module designs and best-in-class Battery Management Systems software, widely known as BMS (b) the addition of high energy-density lithium-ion chemistries such as LFP or graphite/NMC, coupled with the Company's Titanate chemistry to address power-intensive applications, (c) the provision of packaged Energy Storage Solutions for electricity markets, focused on Diesel-coupled systems, PV-coupled systems and Grid-coupled ancillary services, and (d) the provision of packaged solutions for Electrified Transport and Industrial Machinery sectors, such as buses, marine systems and materials handling equipment.

New Organization

Anil Srivastava, CEO, added: *"This funding puts the Company on a solid footing to swiftly implement the 2015 Operating and Growth Plans in line with the above-mentioned strategy. We are determined to establish Leclanché as a profitable market leader. We have been preparing the Organization over the course of last few months and as a result of that, effective from Jan 2015, the Company shall be organized around three Business Units (BU)":*

Stationary Storage Systems BU will deliver Storage solutions coupled with Distributed Power Generation like PV Solar/ Wind/ Diesel Gensets and Grid Ancillary Services.

Specialty Battery Systems BU will combine current Portable and Distribution businesses to bring even greater focus to deliver Customized Battery Systems to its Customers.

Mobile Storage Systems BU will deliver Storage solutions for mass transport networks like hybrid/ full electric fleet of Bus/ Trams/ Trains/ Ferries; and Industrial Machineries like Automated Guided Vehicles (AGVs) etc.

"I am pleased to announce that Mr. Martti Ukkonen has joined the Company as an Executive Vice President to lead its newly formed Mobile Storage Systems Business Unit. Martti brings a rich experience in this sector, which includes his leadership role in European Batteries OY as its CFO and he is a member of the Company's Executive Committee," concluded M. Srivastava.

About Leclanché

Leclanché's strategy is to become one of the leading lithium-ion cell producers and solution providers for energy storage systems. Its strategic priorities are to develop and market energy storage products for home, industrial markets, grid applications, mass-transport markets and to grow its existing businesses of developing portable energy storage systems for military, medical and industrial applications.

Through a unique, patented ceramic separator technology and focus on lithium-titanate technology, Leclanché manufactures large-format lithium-ion cells, optimized for safety and cycle-life, in a fully automated production process. The newly installed production line will have an annual capacity of one million cells or 76 MWh.

Leclanché was founded in 1909 in Yverdon-les-Bains. Through the integration of a spin-off from the Fraunhofer-Gesellschaft in 2006, the company evolved from a traditional battery manufacturer to become a leading developer and manufacturer of lithium-ion cells in Europe. Leclanché currently employs more than 100 staff and is listed on the SIX Swiss Exchange (LECN). The company has its headquarters in Yverdon-les-Bains (Switzerland) and production facilities in Willstätt (Germany).

www.leclanche.eu

Media contact:

Christophe Lamps, Dynamics Group S.A.: Telephone: +41 79 476 26 87, cla@dynamicsgroup.ch

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.