

## PRESS RELEASE

### Leclanché concludes its Annual General Meeting

Significant debt to equity conversion strengthens the balance sheet

EBITDA loss trend reversed and revenues at a 22-year high in 2018

Major projects in operation in the Stationary Solutions business and solid pipeline of orders in the e-Transport business provide critical scale and put the Company on track towards profitability

Bénédict Fontanet and Lluís Fargas join the Board of Directors

**YVERDON LES BAINS, Switzerland, May 9, 2019:** Leclanché SA (SIX: LECN), one of the world's leading energy storage solutions companies, today announced that the Company's shareholders approved all but one of the proposals of the Board of Directors at its 2019 Annual General Meeting (EGM) held today in Yverdon-les-Bains.

The debt to equity conversion of CHF 36 million of debt contracted with FEFAM<sup>1</sup>, the Company's main shareholder, was approved by shareholders. This restructuring measure shall reduce the Company's debt level to CHF 10.5 million. The strengthened balance sheet shall drive increased investment interest in the Company at this time of strong growth in Leclanché's order book in the fast-growing e-Transport sector.

The Board regrets that the resolution to reduce the nominal value of the shares from CHF 1.50 to CHF 0.10 was not approved by the majority of shareholders. The Board will review the options to restructure the balance sheet as a matter of priority.

The Board is pleased to announce that Bénédict FONTANET and Lluís M. FARGAS have been elected to the Board of Directors.

Mr. Fontanet is the chairman of the board of directors of Golden Partner SA in Geneva – an investment advisor to FEFAM, the Company's main shareholder – and was introduced to the Board of Directors by Golden Partner. A former President of the Geneva Christian Democratic Party and former Member of the Grand Council, Mr. Fontanet is a lawyer and director of several companies and brings his vast experience to Leclanché.

Mr. Fargas joined Alcoa Inc. in 1994, after five years spent as Senior Manager at Coopers & Lybrand in Barcelona, Spain. Since November 2016, Mr. Fargas has held the role of Vice President Tax, Controller and Corporate Development Europe at Arconic, which retained the rolling, plating, precision casting and fastening operations of Alcoa Inc. Mr. Fargas manages the European Tax and Country Controllershship function, and is responsible for running the corporate development strategy of Arconic in Europe. Mr. Fargas is a visiting Professor at the University of Lausanne – UNIL Switzerland, and he frequently lectures at international seminars and workshops. Mr. Fargas will bring his vast finance, tax and merger & acquisition experience to Leclanché, as well as his strong network across the aerospace, automotive and banking industries.

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<sup>1</sup> FEFAM means: AM INVESTMENT SCA, SICAV-SIF - Liquid Assets Sub-Fund, together with FINEXIS EQUITY FUND - Renewable Energy Sub-Fund, FINEXIS EQUITY FUND - Multi Asset Strategy Sub-Fund, FINEXIS EQUITY FUND - E Money Strategies Sub-Fund (also called Energy Storage Invest) and, all these funds being in aggregate the main shareholder of Leclanché, hereunder referred to as "FEFAM".

## **Commercial breakthroughs**

In his address to shareholders, Anil Srivastava, CEO of Leclanché, outlined the progress made by the Company since implementing the Growth Plan announced in 2015. In 2018, Leclanché recorded its highest revenues in 22 years, almost tripling its turnover to CHF 48.7 million. Commercial breakthroughs have allowed Leclanché to enter the Indian market via the establishment of Nexcharge, a joint-venture with Exide Industries, India's leading acid battery producer, and to sign significant orders in the e-Marine business with world leading Maritime Systems Integrator, Kongsberg, which is based in Norway.

With the constant and steady support of all shareholders, in particular FEFAM, its major shareholder who converted CHF 71 million into capital, Leclanché has been able to meet its growth targets while reversing the EBITDA loss trend.

## **Stationary Solutions: in operation throughout the world**

With projects in operation in eight countries throughout the world, the Stationary Solutions business is solidly pivoted towards profitable integrated systems and software solutions for renewable energies. This month will see the inception of the Cremzow lithium-ion storage facility east of Berlin, Germany, with a 22 MW/34 MWh capacity, with leading European energy company Enel. In the EV Charging business, Leclanché has signed an agreement with EV Networks UK to supply charging stations in Britain. The first ten sites have been identified and pilot testing will start before year end. Finally, an agreement has been signed with a Caribbean national government for a large solar and storage project, with delivery to be completed in Q3 2020.

## **e-Transport: firm order book of CHF 42 million**

In e-Transport (heavy duty, public transport vehicles and marine vessels), Leclanché is making history with its pioneering European partners as the world's first fully electrical-powered ferry is currently undergoing live tests before commercial operation begins next month. Moreover, Leclanché has accumulated a confirmed e-Marine order book valued at CHF 42 million for delivery in 2019-20. In a further strengthening of upcoming orders, modules for 35 e-Buses battery packs to Ashok Leyland in India, through a master supply agreement with Sun Mobility, have been delivered. Other planned projects, including pilot testing in California to power a hybrid e-Truck and systems integrator solution for a world leading electric train manufacturer, should steadily increase revenues in this trendsetting business.

## **Towards critical scale and profit**

Looking ahead to 2020, a strong pipeline and recurring orders from the e-Transport business of more than 135 MWh or CHF 54 million and more than 90 MWh or CHF 45 million from the Stationary Solutions business, will ensure the Company's continued growth, bring Leclanché closer to critical scale and on track to profitability.

On the costs side, thanks to the strong order book in the e-Transport business, the cell production facility will reach near-full capacity utilization by the end of 2019. This will reduce the scrap rate significantly, which will enable the Company to reach profitable production levels.

Expected revenues should reach CHF 55 million to CHF 60 million, representing 13% to 23% annual growth. We will update our guidance in September as the final 2019 revenues depend on the delivery and implementation schedule of a key Solar PV + Storage project in the Caribbean, which is currently in final negotiations.

**Anil Srivastava, CEO of Leclanché, said:** *"In 2018, Leclanché has turned the corner with a steady increase in revenue and firm orders that further strengthen the growth of the Company's business. Our continued success in e-Marine, and the Company's selection by world leading bus, truck and rail manufacturers, are a testament to Leclanché's strategy to focus its technology and products towards fleet vehicles and to be a leading contributor to a more efficient and greener energy world. I am grateful to our shareholders for their continued support and strong commitment to fulfilling this pioneering strategy."*

## 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

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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