

Leclanché Secures Convertible Loan Facility of up to CHF 39 Million with Yorkville Advisors and additional Convertible Loan Facility of CHF 25 Million with FEFAM

- *Initial CHF 2.9 million tranche under the Convertible Loan Facility with Yorkville Advisors will provide financing for operations and expansion;*
- *Company confirms separate investment of CHF 25 million by FEFAM¹, its largest shareholder.*

YVERDON-LES-BAINS, Switzerland and MOUNTAINSIDE, N.J., 18th February 2020 – Leclanché SA (SIX: LECN), one of the world’s leading energy storage companies, has signed an agreement with Yorkville Advisors Global, LP, a US New Jersey-based investment firm offering debt and equity financing to global, small and micro-cap companies, providing for an unsecured US dollars convertible loan facility with a maximum ceiling of USD 40 million (approx. CHF 39 million). The initial proceeds will be used for Company operations and expansion.

The terms of the agreement with Yorkville Advisors allows it to convert each loan note into Leclanché shares based on the prevailing Investor’s Spot Rate of Exchange at the time of conversion and divided by the prevailing share price at time of conversion. The agreement calls for the drawdowns of the facility within a two-year period. The first tranche of the loan facility is CHF 2.9 million which has already been expended. Additional drawdowns are expected to be in the amount of CHF 1.4 million or an amount determined by both Leclanché and Yorkville Advisors. Any such additional drawdowns by the Company are conditional upon, amongst other, prior loans having been converted into shares and the shares having been traded out by Yorkville Advisors at its sole discretion as well as certain share price and trading volume thresholds being met prior to any additional request for drawdown. Loans drawn down do not carry interest, but trigger certain fees and the allocation of certain warrants to Yorkville Advisors with an initial exercise price of 120% of the closing price on the day prior to the date on which a loan is made. Accordingly, the warrants provide a means of compensation in a scenario in which the share price increases considerably.

Anil Srivastava, CEO of Leclanché, said: *“We are pleased to partner with Yorkville Advisors in this innovative financing arrangement that achieves several key objectives and supports the Company’s previously announced growth plan. Not only are we securing important short-term financing to fund current operations and growth activities, but we are also taking on a financial partner with tremendous expertise in helping to build liquidity for companies’ listed shares. Our agreement provides built-in incentives for all parties to benefit handsomely from this transaction.”*

¹ FEFAM means: AM INVESTMENT SCA, SICAV-SIF - Illiquid 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”.



David Gonzalez, Partner and General Counsel for Yorkville Advisors, said: *“We are delighted to team-up with Leclanché to help it address its financing needs. What Leclanché has accomplished as a world leader in energy storage is impressive. We believe in the company’s going-forward business strategy and we recognize its tremendous long-term growth potential. At the same time, we understand very well the financial issues that growth companies like Leclanché face as a small cap company with challenging liquidity issues. We believe that the convertible loan facility that we have arranged for the company will enable both parties to achieve their intended ROIs.”*

FEFAM, Leclanché’s majority shareholder, has agreed to provide Leclanché with a CHF 25 million working capital financing convertible facility with a fixed draw down schedule. This additional financing from a long-time supportive shareholder of Leclanché brings the total growth funding raised in 2020 to up to approx. CHF 64 million.

Mr. Srivastava said: *“This additional funding now in place will support the implementation of our high-growth business plan and, together with the other financing projects the Company is working on, will help finance the tripling of our manufacturing cell production capacity in Germany to 3 million cells per annum to support delivery of the large order book we have in Leclanché’s eTransport Business. We expect to share more details of the business plan and funding in the coming weeks.”*

For more information, write to info@leclanche.com or visit www.leclanche.com.

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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



About Yorkville Advisors

Based in Mountainside, New Jersey, Yorkville Advisors is an experienced investment firm that focuses on driving shareholder value by providing growth and acquisition capital to small-cap and micro-cap issuers globally. With a significant balance sheet and a broad investment mandate across sectors and geographies, Yorkville Advisors is often the sole investor in a capital raise, which allows for a controlled and disciplined exit strategy.

The Yorkville Advisors' partners have decades of experience structuring micro and small-cap investments and understand and appreciate the volatility inherent to the space. The firm tailors its investments to the unique needs of each issuer working directly with management to implement the proper financing solution. Since its inception in 2001, Yorkville Advisors has completed over 700 company investments totalling more than \$US 4B in value in over 20 countries.

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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