

Leclanché announces its unaudited 2019 key figures

YVERDON-LES-BAINS, Switzerland, May 18th, 2020 – In its decision of April 29th, 2020, SIX Exchange Regulation AG had approved an extension of the publication deadline of Leclanché’s 2019 annual report until June 15th, 2020, and had requested Leclanché (SIX: LECN), one of the world’s leading providers of energy storage solutions, to publish its 2019 key figures until May 18th, 2020.

Unaudited consolidated income for the financial year 2019 were CHF 16.3 million, down from CHF 48.7 million in 2018; the unaudited EBITDA loss for the year was CHF (58.9) million compared to CHF (39.1) million in 2018; the unaudited net loss for the year was CHF (83.4) million compared to CHF (50.7) million in 2018.

The decrease in revenues in 2019 is mainly due to (i) delays in funding of the St. Kitts and Nevis project, (ii) the decision by Leclanché to build this project under a “Build-Own-Operate” (BOO) business model, which has resulted in no revenue recognition for the period as required under IFRS accounting rules, (iii) delays in the financing of growth capital, which affected the completion of several projects and investments in an increase in production capacity at Leclanché’s cell facility of Willstätt in Germany. While the above-mentioned reasons had a negative impact on 2019 revenues of approximately CHF 50 million, the decision to build projects such as St. Kitts under a BOO model, aims at providing long-term profitability improvements from 2022 onwards.

The unaudited balance sheet total amounted to CHF 73.1 million compared to CHF 87.3 million in 2018, this decline stemming essentially from a reduction in other receivables, contracts and cash and cash equivalents. In addition, Leclanché SA, the Swiss legal entity, was in a negative equity situation as of December 31st, 2019 in the amount of CHF 2.1 million. Leclanché announced on May 4th, 2020 that it had addressed this over-indebtedness situation by obtaining a subordination of CHF 29.8 million of the debt provided by FEFAM¹, Leclanché’s majority shareholder, and that it was in active negotiations to obtain commitments from other potential investors.

Anil Srivastava, CEO of Leclanché said: *"The technical nature of the revenue shift from 2019 doesn't affect our business fundamentals. It is also important to note that no projects have been lost and the revenue not recognized in 2019 will be recognized in 2020. The combined order book, excluding St. Kitts project, now exceeds CHF 90 million, for delivery over the years 2020 to 2021."*

After reviewing the return on investments in the Stationary Storage business over the last few years, the Company has taken the profound decision to create a “Build-Own-Operate” projects business line for selected stationary projects which have long-term Power Purchase Agreements (PPA) and/or Offtake Agreements with local customers. This change will add significant positive EBITDA to the Company’s financial results for many years from the operation of the PPA Projects. The first project we will build under this new model will be in St. Kitts and Nevis.

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”.



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In the electric transport segment, we have already signed multi-year agreements with international partners, notably in India with a major automotive integrator, in Europe with Bombardier and another strategic rail customer, with Skoda Electric in the field of electric buses and with Kongsberg Maritime and other renowned shipyards. Moving beyond the trial and test phases, this market is growing substantially worldwide as governments are setting increasingly clear guidelines to steer the industry towards green technologies.

A detailed letter to the shareholders shall be published shortly covering further details of the “Build-Own-Operate” business model, the strategic reorganization announced on September 26th, 2019 and funding of the business plan.”

The Company remains confident that it will be able to publish its full 2019 annual report before or on June 15th, 2020.

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

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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