



30 June 2020

Management Presentation

Business Update

**Annual General
Shareholder Meeting**

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PROFITABLE GROWTH**

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2019 FINANCIAL SUMMARY*

*For complete 2019 Financial Presentation, please see
« 2019 Financial Presentation »

Q2

BUSINESS UPDATE...

...5 years in the making of the
New Leclanché



[Click to see Leclanché eMarine movie](#)

Trusted by fleet electric vehicle customers worldwide

- e-Transport Business is set to grow by 6 to 10 times in the year 2020.
- An order book of CHF 90 million to be delivered between 2020-2022. Recurring revenue trajectory underpinned by Master Supply Agreements.
- Total cost of ownership reduced through our high energy and very high cycle life cells.
- Leading position on maritime battery safety with certified & active fire extinguishing systems.

Marine transport customers



KONGSBERG



wasaline

DAMEN

Trusted by fleet electric vehicle customers worldwide

The Company is among the market leaders in the Marine electrification market

- Unique integrated on-board battery systems and charging infrastructure for Ports/ Harbors.

Marine transport customers



KONGSBERG



wasaline

DAMEN



[Click to see Leclanché railway movie](#)

**1/3 of the global railway network
is still powered by diesel**

Trusted by fleet electric vehicle customers worldwide

- Business revenues of more than 100m € over the next 5 years with Bombardier Transportation.
- Significant momentum in the Truck electrification market leveraging the success with TOYOTA.
- Large opportunities for Bus and Truck fleet retrofit.

Ground transport customers



Trusted by fleet electric vehicle customers worldwide

The Company is now well positioned to address more than 40% of the Train electrification market

- Strategic partnership with Bombardier as the preferred global provider of Battery systems.
- Recently won a large new project with another major European train supplier.

Ground transport customers

TRAIN **BOMBARDIER**

BUS   

TRUCK **TOYOTA**

OFF-HIGHWAY 
Precision in Aircraft Support

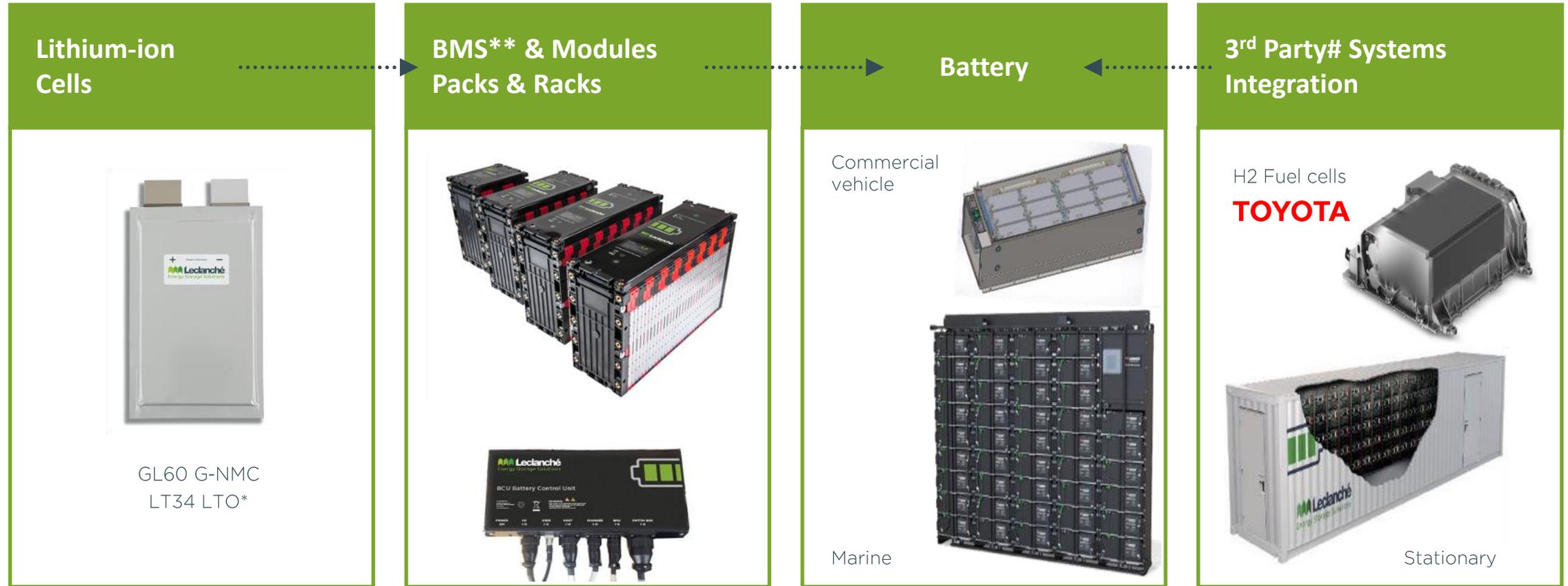
Trusted by utilities and transmission system operators worldwide

- In-house Energy Management Software (EMS) and Systems Integration expertise.
- Full Battery Energy Storage System provider.
- Turnkey EPC* model for project delivery.
- More than 100MWh of projects commissioned.
- BOO** model for Energy-as-Service.



*- EPC: Engineering, Procurement & Construction. **- BOO- Build-Own-Operate

Technology to products



*LTO was in production by 2014. **BMS = Battery Management System.

#Toyota hydrogen fuel cell (system used in Toyota Mirai car & Kenworth T680 truck); LG Chem/ SDI Battery Systems.

Highest level of certifications

Corporate Certifications

- **ISO 9001:2015**
Quality management System
- **ISO 14001:2015**
Environmental management System
- **ISO 45001:2018**
Occupational health and safety management system



Industry Certifications

- **Marine type approvals**



- **Railways applications**
Stage 1 passed
Stage 2 in progress

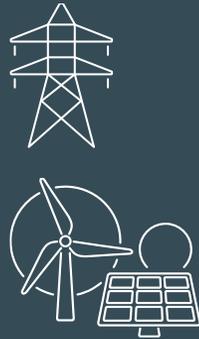


Proven performance in the field



As of April 2020, our systems have completed:

- **more than 36'000 kilometers of marine runtime**
- **more than 700'000 kilometers of road runtime**
- average uptime of more than 99%



More than 57 GWh of energy throughput in battery-based energy storage systems designed and commissioned by the Company with an average uptime of 98%, as of April 2020



Leclanché has secured its position **among the best in the industry in terms of energy density and cycle lifetime** with the introduction of the new G-NMC 60Ah cells

- 210 Wh/kg and 420 Wh/liter; more than 8000 cycles @80% DoD*
- This position will be further strengthened by the launch of M3 Module in early 2021

* Depth of discharge

03

STRATEGIC REORGANIZATION

To deliver profitable growth

Structurally addressing the issues impacting profitability

Energy Storage Business, with in-house production of Lithium Ion Cells, requires *a critical-size* to deliver profitable growth

Simultaneous investment in Production Capacity, Product Portfolio Expansion and Organizational Resources

- **Increasing Capital expenses (Capex) funding need for production capacity expansion**
- **Increasing the Operating expenses (Opex)**
- **Increasing the current cash burn rate**

Need to leap-frog competitor's cost-base to secure good gross margins

- **Substantial investments made in R & D of High Energy Density Cells, Modules and BMS**
- **Increasing the Opex**

Project led business creates uneven growth pattern

- **Agreed Business Plan funding remained partial, except in 2018**

Solid fundamentals to deliver profitable growth

Partnership with Eneris Group secures access to large production capacity to support large and growing order book

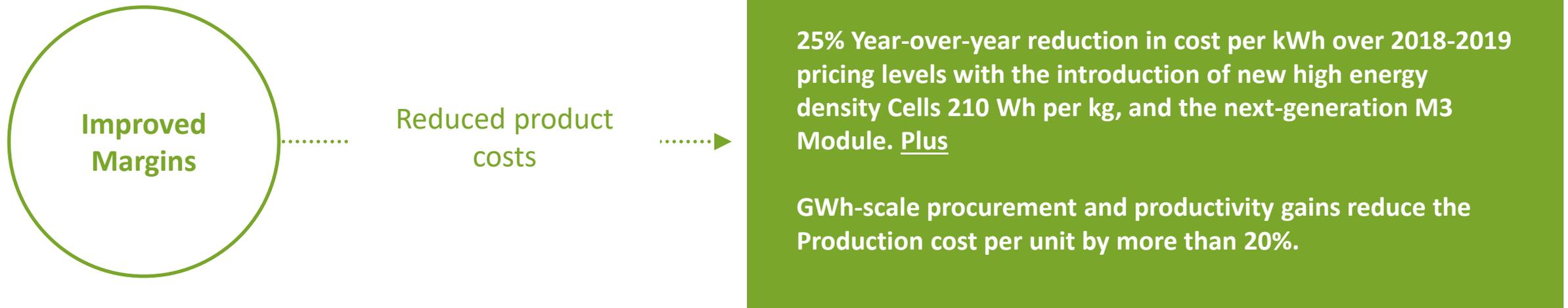
- Eneris to invest CHF 53 million in capacity expansion in Production Joint Ventures (JV) in Germany and Switzerland... [plus](#)
- Access to further capacity through Eneris Poland Cell factory avoiding an additional investment of CHF 60 million in 2022 timeframe.



Solid fundamentals to deliver profitable growth

Leclanché innovation, in partnership with Eneris Group, maximizes the gross margin

- Second strong industrial endorsement, after Exide Industries Limited for India JV : Eneris to license Leclanché technologies for its factory in Poland with a payment of up to CHF 32 million
- Giga-scale production drives down costs further



Solid fundamentals to deliver profitable growth

Strategic reorganization, in partnership with Eneris Group, ensures predictable growth

- Securing working capital: Eneris has confirmed CHF 21 million in working capital loan. Terms for the second loan of CHF 21 million still to be agreed upon.
- Introduction of a new Build-Own-Operate (BOO) business line for projects with long term Power Purchase Agreement/ Offtake Agreements, including the St. Kitts project.



Order book of CHF 90 million and growing!

Projects under BOO model are expected to add circa CHF 8 million of recurring annual positive EBITDA.

Access to nearly 1 GWh of capacity by 1Q 2022 to super charge the recurring growth from the eTransport business lines.

Solid fundamentals to deliver profitable growth

Strategic reorganization pivots the Company to software and systems integration business model boosting the profitability

- New Leclanché would have nearly 40% of its staff in Research & Innovation and Engineering
- Clear operating model for investors- different businesses financed differently:
 - Upstream business in Joint Venture with an Industrial Partner, Eneris Group;
 - BOO Project business in Joint Venture with a large US-based Infrastructure Fund.



04

**GOING
FORWARD**

The new Leclanché Journey goes into Giga-scale business now...



We are committed to delivering profitable growth. We are thankful for the patient investment by all shareholders.

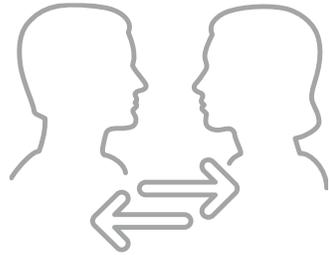
We continue to build the business undeterred by current challenges



Being realistic about the current Covid-19 situation, we shall not provide any guidance for the year 2020

- On an average production capacity reduced by nearly 1/3 during the lock down period.
- Nearly CHF 11 million business deferred, but not lost.
- We see a considerable slowdown in new bids/ request for quotes in the marketplace.

The new Leclanché Journey goes into Giga-scale business now...



- The decision to add BOO business line shall add material positive EBITDA to the Company's financial results from 2022 onward. Thus, making the Company more investable by strategic and institutional partners.
- In addition to the Working Capital Loan from Eneris, the Company shall still raise about CHF40 million of fresh capital in Q1 2021 timeframe to fully fund its 2021 Business Plan.

We continue to build the business undeterred by current challenges



- The Agreement with Eneris is good for all Leclanché Shareholders and Customers.
- Even under these difficult times, the Company has raised up to CHF 95 million in a non-dilutive manner for all shareholders.

Thank You for your patient Investment and the continued Trust
We are on a clear path to deliver profitable growth.



STATIONARY SOLUTIONS



e-TRANSPORT SOLUTIONS



SPECIALTY BATTERY SYSTEMS



05

SUPPLEMENTARY INFORMATION

The 3 agreements with Eneris Group



JOINT VENTURES



LOAN AGREEMENT

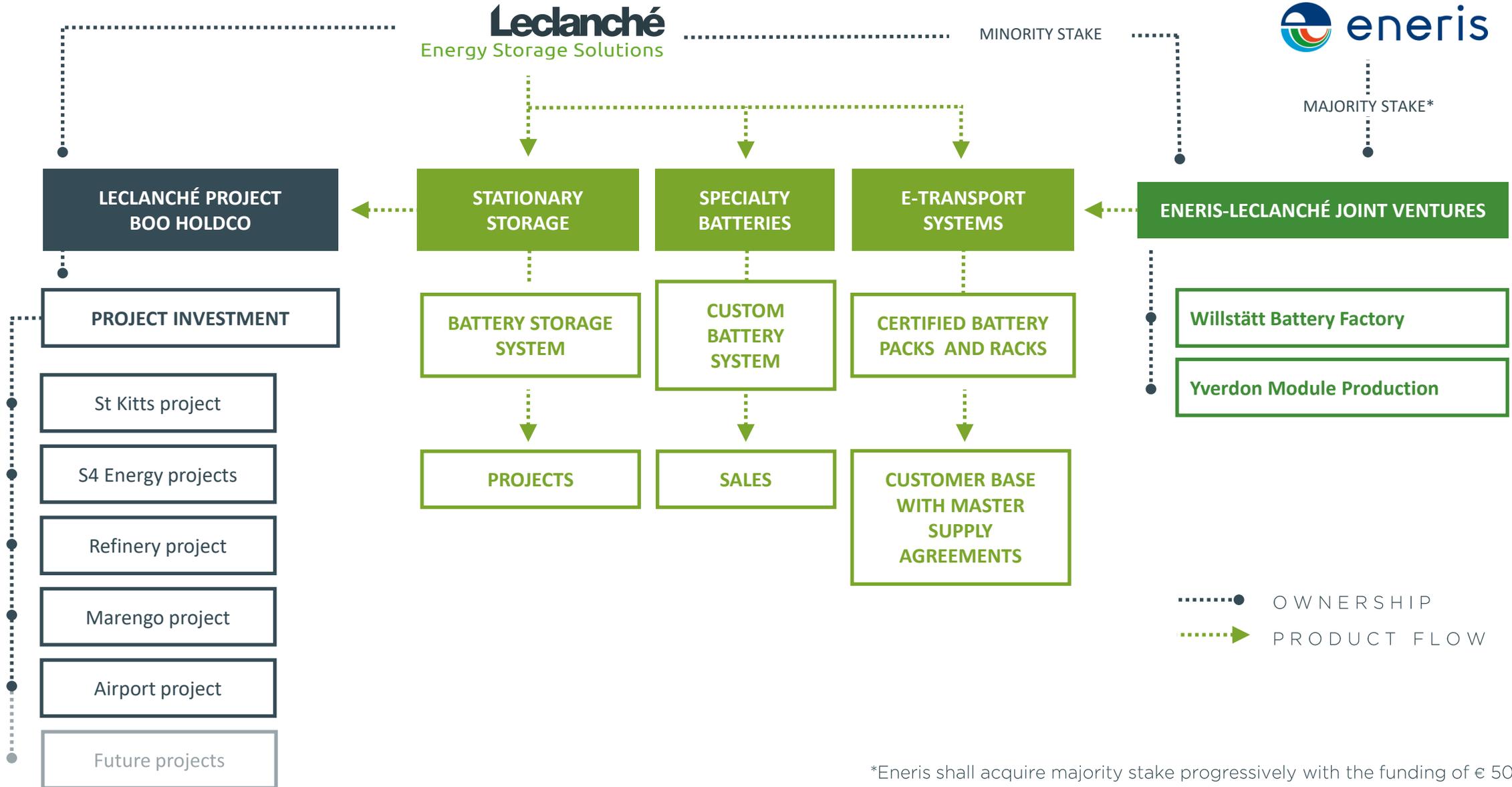
Providing working capital financing of up to CHF 42 million to fully fund the business plan through June 2021

INDUSTRIAL AGREEMENT

- Progressive investments of CHF 53 million for a capacity expansion program
- Exclusive Leclanché technologies and production by the JV

TECHNOLOGY AGREEMENT

- Licensing of Leclanché's technology to Eneris against payment of a royalty fee of up to CHF 32 million
- Leclanché will retain full ownership of its technology



● OWNERSHIP
 ► PRODUCT FLOW

*Eneris shall acquire majority stake progressively with the funding of € 50 million

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