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Ad hoc announcement pursuant to Art. 53 LR

### Leclanché reports 2021 half-year results with 42% revenue growth year over year

- Revenue increased by 42.1% compared to H1-2020
- Operating loss percentage of revenue improved by 43.5%
- Significant reduction of debt after the 9 September 2021 conversion
- Full year 2021 revenue still uncertain due to global supply chain slowdown and funding issues
- The ongoing capital raise through BTIG is progressing well

(in million CHF)	H1 2021	H1 2020	V%
Revenue	15.2	10.7	+42.1%
Operating Loss	-24.3	-30.3	-19.8%
Operating Loss % of Revenue	-160%	-283%	-43.5%
Financial Income and Expense + Income Tax	-7.5	-7.1	+5.6%
Net Loss for the Period	-31.8	-37.4	-15.0%

**YVERDON-LES-BAINS, Switzerland, 29<sup>th</sup> September 2021** – Leclanché SA (SIX: LECN), one of the world's leading energy storage companies, today announced half-year revenues of CHF 15.2 million for the six months ended 30<sup>th</sup> June 2021, a 42.1% increase compared to the same period the year before.

#### Revenue growth:

Revenue in the first half of 2021 confirms the key trend the Company had announced in its Annual General Meeting presentation:

- The e-Transport business unit, with revenues of CHF 7.5 million, is set on a course of exponential growth. The growth in the first half of the year is primarily driven by deliveries in the Marine segment to Kongsberg Maritime and to the Damen Shipyards Group. We have successfully delivered and commissioned three Grimaldi vessels, which are currently in operation and one Damen ferry;
- The Stationary business unit reported revenues of CHF 5.4 million thanks to the delivery of the Noord Holland project to S4 Energy and the Damen Amherst fast charging station as announced on 16<sup>th</sup> September 2021;
- The Specialty Battery business unit reported revenues of CHF 1.3 million mainly in the Defence and Material Handling Equipment (AGV) segments.



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### **Operating Loss:**

The operating loss for the period under review amounted to CHF 24.3 million, of which CHF 3.2 million was due to non-cash items, including depreciation and amortization. This loss is partly stemming from ramp-up delays of the cell production capacity in Willstätt (Germany). However, the operating loss in percentage of revenue improved by 43.5% compared to the first half of June 2020.

The company made remarkable efforts to reduce the net loss for the period to CHF 31.8 million, saving approximately CHF 3 million in interest through the conversion of CHF 29.7 million of debt into equity by SEFAM<sup>1</sup> and related parties on 9<sup>th</sup> September 2021. This conversion also improved the Company's financial position by significantly reducing its debt to approximately CHF 36 million, including a USD 24 million construction loan from SEFAM to finance the stationary project in St Kitts and Nevis. The above activities resulted in the payment in shares of placement and conversion fees of CHF 5.6 million and an interest expense of CHF 1.9 million.

Leclanché has continued to take a number of actions to monitor and prevent the effects of the Covid-19 such as health and safety measures for its employees, including physical distancing and the wearing of masks in production areas.

Given the overall decline in demand in various industries as a result of the Covid-19 pandemic, Leclanché is negatively impacted in its commercial expansion to a varying degree between the Business Units. Management is continuously modelling and assessing the situation to adapt and minimize impacts linked to the Covid-19 pandemic.

### **Cost reduction:**

The cost reduction plan launched in September 2020 combined with a tight control of Operating Expenses has allowed the Company to deliver a 27% reduction, excluding Personnel Expenses, which have increased by 4% over the same period.

In electrochemistry R&D, we have continued to focus primarily on cost reduction and are on track to achieve a decrease in cell costs by 2022 through material innovation and process engineering. With the successful launch of the new G-NMC 65 Ah, 220 Wh/kg cells, Leclanché cells are among the best in the industry in terms of combination of energy density and life-cycle.

Further improvements in cell energy density and cost reductions are being addressed through the development of the next generation with higher nickel content cathode materials accompanied by a reduction in cobalt content. These materials are being screened in our laboratories and we have

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<sup>1</sup> SEFAM means: AM INVESTMENT SCA, SICAV-SIF - Illiquid Assets Sub-Fund and AM INVESTMENT SCA, SICAV-SIF – R&D Sub-Fund, together with STRATEGIC EQUITY FUND - Renewable Energy Sub-Fund, STRATEGIC EQUITY FUND - Multi Asset Strategy Sub-Fund, STRATEGIC 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 “SEFAM.”



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started the pre-production testing which should lead to first production samples in the first half of 2022. In addition to the new cathode materials, we are working on the incorporation of silicon in the anodes to further improve their capacity and energy density.

In the eTransport Business Unit, with the launch of the next-generation battery modules and its automated assembly plant on 15<sup>th</sup> June 2021, the Company has taken a significant step forward in materially increasing the production capacity and reducing cost. The new line allows the Company to reduce the manufacturing labour costs by 80% due to the higher levels of automation and the higher line output. The production capacity will increase sixfold compared to our current capacity, and will, when in full operation, reach an annual output of an estimated 500 MWh (will depend on module configurations and cell chemistries used). This timely expansion will allow for the continuous growth in the rail and specialized commercial vehicle markets where Leclanché is actively securing incremental long-term projects.

In the Stationary Business Unit, with the launch of LeBlock™ product, the Company has taken the lead in safe and cost-effective Energy Storage Systems enclosures. LeBlock has been designed from its earliest concept stage with the highest demands of safety at both a system level as well as for its operators. Recent industrywide fire incidents emphasize the need for the safe and smart design of battery enclosures. LeBlock's partitioned architecture mitigates a potential fire risk. Beyond that the system is equipped with several state-of-the-art features to ensure the highest level of safety.

Despite the recent commercial successes announced previously, the perspective for the second half of 2021 remains uncertain. Leclanché anticipates delayed deliveries due to:

- The worldwide shortage in electrical and electronic components, cables and plastics with lead time raising from six to 18 months and blockage in the finalization of certain product specifications.
- The request of several key customers who are facing the same supply chain issues. In the Marine segment, a lot of shipyards had to delay their deliveries due to the pandemic.
- Delayed funding: Although Golden Partner and SEFAM are making every effort to fund the Company until the BTIG-led fundraising initiative is completed, the approved financing structure for 2021 under the Facilitation Agreement announced on 30<sup>th</sup> March 2021, could not be delivered according to the agreed upon schedule due to technical reasons. In addition, the funding included in the Company's budget from other sources has not yet been completed.

Consequently, we believe that achieving the CHF 31 to 35 million revenue guidance issued in June 2021 will be challenging, which could force us to adjust the organisation of our production shifts at the German and Swiss plants.

### **Significant progress in the ongoing capital raise process**

As communicated at the AGM on 30<sup>th</sup> June 2021, Leclanché is in active process of raising capital to fully finance its business. We are pleased to report that the Company has received interest from



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Special Purpose Acquisition Companies (“SPAC”) in the USA for its eTransport business. The Company is in the process to receive Letters of Intent (“LoI”) from U.S.-listed SPACs in the coming weeks. The Company will provide a separate detailed update, if the Board decides to sign a LOI and grant a limited period of exclusivity to the selected SPAC.

For further details please refer to our 2021 Semi-Annual Report accessible through the following link:  
<https://www.leclanche.com/investor-relations/financial-reports/>



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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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