

## PRESS RELEASE

### Leclanché reports 2020 half-year results with 52% revenue growth year over year

- Revenue increased by 52.1% compared to H1-2019
- Longer-than-expected production ramp-up phase caused revenue deferrals
- Operating loss percentage of revenue improved by 36.5%
- Significant reduction of debt after the 17<sup>th</sup> September 2020 conversion
- Full year 2020 revenue to be significantly above 2019

<i>(in million CHF)</i>	H1 2020	H1 2019	V%
Revenue	10.7	7.0	+52.1%
Operating Loss	-30.3	-31.4	-3.4%
<i>Operating Loss % of Revenue</i>	-284%	-447%	-36.5%
Financial Income and Expense	-7.1	-2.2	+219.9%
Net Loss for the Period	-37.4	-33.7	+11.1%

**YVERDON-LES-BAINS, Switzerland, 29 September 2020** – Leclanché SA (SIX: LECN), one of the world's leading energy storage companies, today announced half-year revenues of CHF 10.7 million for the six months ended 30 June 2020, a 52.1% increase compared to the same period the year before.

#### Revenue growth:

Revenues in the first half of 2020 confirms the key trend the Company had announced in its Annual General Meeting presentation:

- The e-Transport business unit, with revenues of CHF 6.6 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. We have successfully delivered and commissioned the first (of nine) Grimaldi vessels, which is currently completing sea trials in China before sailing to Europe;
- The Stationary business unit reported revenues of only CHF 1.2 million due to the postponement of two projects to the second half of 2020. The start of construction of St. Kitts project is delayed until the Covid-19 related restrictions are lifted, as well as completion of the tax waiver approval from the government;
- The Specialty Battery business unit reported revenues of CHF 2.1 million mainly in the defence segment.

After-sales-service revenues of CHF 0.8 million stems from the invoicing of maintenance fees for Stationary energy storage systems in operation.



## PRESS RELEASE

### **Operating Loss:**

The operating loss for the period under review amounted to CHF 30.3 million, of which CHF 3.5 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 36.5% compared to the first half of June 2019.

The net loss for the period of CHF 37.4 million is affected by CHF 7 million of finance costs stemming mainly from placement and conversion fees (CHF 3 million), paid to Golden Partner in the form of shares through the capital increase of 17<sup>th</sup> September 2020, with no cash impact on the Company, and interest (CHF 3 million) reflecting the high level of Leclanché's indebtedness. This situation has since been addressed by the conversion of CHF 61.6 million of debt into equity carried out by FEFAM<sup>1</sup> and Golden Partner on 17<sup>th</sup> September 2020, which resulted in a significant reduction of the Company's debt to approximately CHF 30 million.

Leclanché has taken 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 and securing the supply of materials that are essential to its production process. At this stage, and despite the re-evaluation of the partnership agreement with the Eneris Group and the postponement of some projects, the impact on Company's business and results remains limited.

As part of the financing support provided by the Swiss Confederation, Leclanché was granted a loan of CHF 4.9 million. This government-backed financing had a positive effect on Leclanché's cash flow in these difficult times.

### **Cost reduction:**

In electrochemistry R&D, we have focused primarily on cost reduction and are on track to achieve a 41% decrease in cell production costs by 2021 through innovation and engineering. With the successful development of the 6-2-2 cathode and the introduction of the new G-NMC 60 Ah, 220 Wh cells, Leclanché cells are among the best in the industry in terms of combination of energy density and cycle-life.

The Company has also launched a cost reduction plan to save at least 10% of its controllable OPEX. These cost reductions are anticipated to have their full effect in 2021. Additional savings are expected upon formation of the large-scale cell manufacturing Joint Venture for which the process is underway.

The perspective remains positive with a combined order book in excess of CHF 90 million for delivery over the years 2020 to 2022.

For further details please refer to our 2020 Semi-Annual Report accessible through the following link: <https://www.leclanche.com/investor-relations/financial-reports/>

---

<sup>1</sup> 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".



## PRESS RELEASE

### 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.

### Contacts

#### Media Switzerland /Europe:

Thierry Meyer

T: +41 (0) 79 785 35 81

E-mail: [tme@dynamicsgroup.ch](mailto:tme@dynamicsgroup.ch)

#### Media North America:

Rick Anderson

T: +1-718-986-1596

Henry Feintuch

T: +1-914-548-6924

E-mail: [leclanche@feintuchpr.com](mailto:leclanche@feintuchpr.com)

#### Media Germany:

Christoph Miller

T: +49 (0) 711 947 670

E-mail: [leclanche@symptra.de](mailto:leclanche@symptra.de)

#### Investor Contacts:

Anil Srivastava / Hubert Angleys

T: +41 (0) 24 424 65 00

E-mail: [invest.leclanche@leclanche.com](mailto:invest.leclanche@leclanche.com)

