

Ad hoc announcement pursuant to Art. 53 LR

Leclanché provides a business update

- *The Company has reached an important milestone with the carve-out of its eTransport Business into a wholly owned Swiss entity, **Leclanché E-Mobility S.A.**, following due process.*
- *The Company now confirms that it has signed a mutually exclusive Letter of Intent with a U.S.-listed Special Purpose Acquisition Company (SPAC) for merging with Leclanché E-Mobility S.A.*
- *The Company is working with its largest shareholder, SEFAM¹, and its investment advisors, to secure funding to run its operations in 2022 until completion of the intended merger of Leclanché eTransport business with the SPAC.*
- *The combination of tight liquidity and global supply chain disruption is resulting in intermittent cell production at Leclanché's German cell plant in Willstätt.*
- *There are continued positive commercial developments in the field of specialized mining, agriculture and defence vehicles.*

YVERDON-LES-BAINS, Switzerland, 23rd December 2021 - [Leclanché SA](#) (SIX: LECN), one of the world's leading energy storage solutions companies, today provides a significant business update.

The carveout of the eTransport Business and its intended merger with a U.S.-listed Special Purpose Acquisition Company (SPAC):

The Company is at a transformational stage with its advancement in business and the implementation of the strategic reorganization that was announced on 15th September 2020. Following this announcement, and the recent update on 29th September 2021, we are pleased to report that an important milestone has been achieved with the incorporation of a new wholly owned Swiss entity, Leclanché E-Mobility S.A., on 16th December 2021. The Company intends to merge this entity with a U.S.-listed SPAC.

- The due process of completing the carve-out and performing the respective actions for transferring assets and liabilities, contracts, etc. is in the final stage with the close of the transaction on 24th December 2021 and legal effectiveness of the transfer on 1st January 2022 at 00:05 a.m. CET.
- The SPAC has around USD 140 million in its trust account which shall be complemented with the funds from a Private Investor in Public Equity (PIPE) to fully fund the five-year business plan of the merged entity. Currently, the parties and the banks appointed by the SPAC are conducting joint marketing for the PIPE.
- If the process to raise capital through the PIPE is deemed satisfactory by the Board of Directors of Leclanché and the SPAC, the parties aim to announce a definitive merger agreement around

¹ 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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mid-February 2022. That shall be followed by completion of the due process and documentation filing required under the Stock Exchange Regulations in the USA. The parties expect the merger to be completed in 2Q 2022.

The Board of Directors and the Executive Committee of Leclanché are convinced that a successful completion of this exciting merger would be good for all Leclanché shareholders, all Leclanché employees, and all other stakeholders such as our customers and suppliers. Further details shall be provided at the time of the announcement of a definitive merger, expected by mid-February 2022.

The business operations temporarily affected by tight liquidity and the disruption of the global supply chain:

- The Company's management is working with SEFAM and its investment advisors to secure funding to run its operation in 2022 until completion of the intended merger of Leclanché E-Mobility with the SPAC, as announced on 29th September 2021. The Company remains confident that a new funding agreement shall be reached by mid-January 2022. The Company is working in parallel with other investors to secure fresh funding. Until such time as funding may be secured, the liquidity position remains tight.
- On 29th September 2021, the Company informed the market that the outlook for the second half of 2021 remained uncertain due to ongoing worldwide supply chain issues. Worsening factory gate prices, the cost at which wholesalers buy materials from producers, transportation choke points and increased shipping times are causing delays across a wide range of businesses worldwide.
- Leclanché has reviewed the current worldwide supply chain situation and its impact on its production capacity including longer lead-times for raw materials; shortage of high-grade plastics parts, such as sensors and connectors; and continued requests from some customers, who are facing the same supply chain issues, to defer their 2022 deliveries. The Company estimates that the current intermittent production will probably last through the end of the first quarter of 2022.
- Consequently, the revenue outlook for 2021 will be essentially flat to small growth over 2020. Guidance for 2022 will be provided in due course.

Continued customer wins and strong growth momentum:

Notwithstanding the ongoing supply chain issues, the Company has recently been selected as a strategic supplier, from several Original Equipment Manufacturers (OEMs), in the fields of specialized mining, agriculture and defense vehicles. The cumulative business from these customers is expected to add more than CHF 150 million of revenue over a period of five years, with engineering services and pilot systems delivery expected from the second half of 2022. These exciting wins further solidify the significant Contracted Revenue Pipeline reported by the Company during the Annual General Meeting (AGM) on 30th June 2021.

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



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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