

Ad hoc announcement pursuant to Art. 53 LR

## Leclanché Publishes its Annual Report 2023 and Non-financial ESG Report

- Audited results are in line with unaudited preliminary results published on April 30, 2024.
- In 2023, Leclanché achieved a consolidated income of CHF 18.7 million, with customer revenue reaching CHF 17.2 million, increasing from CHF 7.8 million in the first half of the year.
- Net loss has decreased to CHF 70.5 million, a 18% improvement from the CHF 85.6 million loss reported on December 31, 2022.
- On June 26, 2023, the Company increased its capital by converting CHF 66.7 million of debt into equity. Principal investors have also committed to convert CHF 85.7 million of debt and interest (accumulated up to May 31, 2024), subject to shareholder approval. The Company is engaged in advanced discussions with third parties regarding equity financing.
- The Company's balance sheet improved from CHF 90.8 million in 2022 to CHF 106.1 million in 2023. The Company has a strong business plan for the next five years backed with a growing pipeline driven by its three main markets: marine, railways and special road vehicles.
- The Company published its first non-financial report illustrating its commitment to environmental stewardship, aligned with circular economy and future restrictions on PFAS. The Company has also achieved Article 9 compliance under the European SFDR, making it eligible for investment by ESG-focused funds due to its adherence to stringent environmental and sustainability standards.

**YVERDON-LES-BAINS, Switzerland, May 31, 2024** – [Leclanché SA](#) (SIX: LECN), one of the world's leading manufacturers of industrial heavy-duty batteries, today announces its results for the full year ending December 31, 2023 and informs that further financial strengthening measures were undertaken.

### Summary of 2023 Financials:

In 2023, Leclanché had a consolidated income of CHF 18.7 million, with customer revenue reaching CHF 17.2 million, a significant increase from CHF 7.8 million reported in the year's first half. Despite a 4% reduction in customer revenue compared to the previous year, growth in a challenging market shows the Company's ability to drive performance in adverse conditions. The operating loss of CHF (65.7) million, compared to CHF (65.8) million in 2022, highlights Leclanché's effective cost management.

The acquisition of the remaining 40% of Leclanché (Saint Kitts) Energy Holdings Limited and its subsequent consolidation into the Leclanché Group contributed an additional CHF 6.4 million in financial income. It positions the Company for future growth and delivering long-term value to its stakeholders.

A modest revenue decline was recognised under IFRS compared to 2022. CHF 2.8 million in net deferred revenues on the Balance Sheet represent additional invoiced amounts to customers yet to be recognised as revenue. This showcases Leclanché's prudent financial management and lays the groundwork for future growth.

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The Company's net loss has decreased to CHF 70.5 million, marking a 18% improvement from the CHF 85.6 million loss reported on December 31, 2022.

The Company has demonstrated financial stability with a robust balance sheet of CHF 106.1 million as of December 31, 2023, improving from CHF 90.8 million as of December 31, 2022.

Leclanché S.A increased its capital by converting CHF 66.7 million of debt into equity on June 26, 2023. This crucial step is vital to the Company's efforts to enhance its financial stability. Leclanché is actively engaged in advanced discussions with third parties regarding equity financing and has received strong support from its leading investors, who have committed to subordinating and subsequently converting CHF 85.3 million of debt and interest, accumulated up to May 31, 2024, subject to shareholder approval, to address the negative equity situation of CHF (7.0) million as of December 31, 2023, and to facilitate ongoing discussions with third parties.

### Business Update:

Leclanché has made strategic investments in manufacturing, R&D, and engineering. These efforts have expanded the Company's customer base. Management's focus on cash flow and working capital has led to initiatives that enhance Leclanché's financial position, such as optimising client payments, securing growth financing, and refining cost strategies. These efforts have yielded cost improvements across materials, components, and processes, positioning the company for increased sales volumes and reinforcing its financial stability.

Leclanche has successfully met the stringent requirements for investment by funds focused on Environmental, Social, and Governance (ESG) objectives, as stipulated by the European Sustainable Finance Disclosure Regulation (SFDR). Achieving this classification signifies Leclanché's strong adherence to rigorous environmental and sustainability standards. Notably, Leclanché is among the limited number of companies worldwide that are Article 9 compliant, making it eligible for investment by these specialised ESG funds.

In 2023, Leclanché demonstrated its unwavering commitment to sustainability by completing key strategic enhancements. These included transforming its speciality business unit into the fully-owned subsidiary Leclanché SBS SA and establishing Leclanché Technologies SA. This new subsidiary consolidates all intellectual property rights and patents, facilitating the revaluation of these assets within an IP box, effective January 1, 2024. Additionally, Leclanché reorganised its involvement in a major solar and storage project in St. Kitts through Leclanché St Kitts Energy Holding Ltd., becoming the sole owner of this special purpose company. All contracts and agreements for the St. Kitts project, the largest in the Caribbean, are finalised. This project will combine solar and storage to meet a substantial part of the island's energy needs sustainably.

Leclanché has also strengthened its value proposition by introducing PFAS-Free and Niobium Oxide Cells. As Europe plans to restrict PFAS (per and poly-fluoroalkyl substances) due to environmental concerns, many suppliers in the battery industry will face significant challenges. However, Leclanché is exceptionally

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well-prepared, having used a water-based binder process in cell production for over 13 years. The company attracts strong interest from industrial players, including automotive OEMs, for its innovative water-based electrode manufacturing and PFAS-free technology. Leclanché will supply various partners with lithium-ion cells that are entirely PFAS-free, with the first samples scheduled for delivery in the coming weeks. Additionally, Leclanché is in advanced discussions with major industrial players regarding licensing agreements for this cutting-edge technology, positioning itself as a leader in sustainable battery technology ready to meet the evolving market demands.

Leclanché has also seen increased business development activities and significant business wins in the marine, rail, and specialised vehicle markets. The Stationary business has achieved market acceptance of its newly launched product, LeBlock™, resulting in increased demand.

On the operational side, Leclanché is expanding its production footprint by relocating and expanding its pack assembly facilities in Germany. The company has observed a growing number of customer and project wins, leading to a significant increase in the order book and validating the market for Leclanché's products and solutions.

Leclanché SA's Board is confident in the company's potential to generate shareholder value and foster sustained growth.

### Sustainability report:

Leclanché is pleased to present its first sustainability report for the year 2023. This comprehensive document not only details how Leclanché integrates sustainability into its governance but also shares critical performance indicators, including greenhouse gas emissions. It further elaborates on the initiatives implemented to reduce the environmental footprint associated with its battery technologies. This underscores Leclanché's proactive alignment with new regulations on sustainable reporting, such as the European Battery Regulation, the circular economy, and future restrictions on PFAS. By integrating sustainability into its reporting framework, Leclanché demonstrates a commitment to environmental stewardship, instilling confidence in regulatory bodies.

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**Pierre Blanc, Group CEO of Leclanché said:** *“Despite the challenges of 2023, our team's resilience and our unwavering commitment to innovation and customer satisfaction have kept us on track. We remain confident in our strategic direction, optimistic about the future, and are experiencing strong growth in our pipelines. Our sustainable production processes and integrated European production provide a unique market position.*

*We deeply appreciate our investors for their continued support and trust. In 2023, our revenues were in line with those of 2022, and we saw strong growth in firm orders, particularly in our key E-Mobility market segments. Leclanché SA is dedicated to growth and innovation, creating a robust foundation for future opportunities”.*

For more information, write to [info@leclanche.com](mailto:info@leclanche.com) or visit [www.leclanche.com](http://www.leclanche.com).

Full financials as well as sustainability report can be accessed on <https://www.leclanche.com/financial-reports/>.

### About Leclanché

Leclanché is a world leading provider of low-carbon footprint energy storage solutions based on lithium-ion cell technology. Established in 1909 in Yverdon-les-Bains, Switzerland, Leclanché's history and heritage is rooted in battery and energy storage innovation. The company's Swiss culture for precision and quality, together with its production facilities in Germany, make Leclanché the partner of choice for companies seeking the very best in battery performance and who are pioneering positive changes in how energy is produced, distributed and consumed around the world. Leclanché is organised into three business units: energy storage solutions, e-Mobility solutions and specialty battery systems. The company currently employs over 350 people with representative offices in eight countries around the world. 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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