

PRESS RELEASE

Leclanché announces interim results for 2018 and reports a doubling of revenues during the first half of the year

- Revenues have more than doubled year on year
- Excluding exceptional items, EBITDA losses have reduced on a like-for-like basis as a percentage of revenues
- On track to double revenue for the full year 2018
- On track to be EBITDA breakeven by 2020
- On track to deliver 100MWh of projects in operation
- Completion of margin accretive acquisition, Energy Management Software (EMS) suite from Integrated Dynamics Inc.

YVERDON LES BAINS, Switzerland, 28 September 2018: Leclanché SA (SIX: LECN), one of the world's leading energy storage solution companies, today announced its interim results for the half year ending 30 June 2018.

Leclanché's revenues have more than doubled year-on-year to CHF 22.3 million from CHF 10.6 million in the six months to 30 June 2018, in line with the Company's previously stated estimate of doubling revenues for the year 2018.

Excluding exceptional items, EBITDA losses for the period have reduced on a like-for-like basis as a percentage of revenues.

Key figures
(in million CHF)

	H1 2018	H1 2017
Revenue	22,297	10,634
EBITDA	-22,788	-9,532
Normalised EBITDA ¹	-17,074	-9,532
Normalised EBITDA Margin	-77%	-89%

We expect the year-end EBITDA loss to reduce as a percentage of revenue. Most of the large projects under construction should be completed or close to be completed by end of the year and will contribute to the improvement of Company's year-end profitability.

In the same period, the related inventories increased from CHF 12.3 million to CHF 23.1 million reflecting the growth in demand for Leclanché's energy storage solutions and the scale of the projects under construction.

Other operating expenses increased due to one-off costs. Personnel costs increased by 10% reflecting the recruitment of over 45 people to increase production and deliver the large scale projects that the Company is delivering.

¹ Excluding one-offs and non-recurring exceptional items

Anil Srivastava, CEO of Leclanché, said

"In the first half of 2018, we launched the JV with Exide Industries, completed the EMS acquisition, have consolidated our debt, and secured a financing programme which will take us to being EBITDA positive in 2020. This places us in a strong position to capitalise on the tremendous opportunities in the fast-growing markets of eTransport and Stationary Energy Storage Solutions.

2018 is a year of transition for Leclanché as we deliver on our stated growth strategy. Thanks to the significant investments made in the past three years under the Growth Plan announced in 2015, the Leclanché team is now demonstrating its solid ability to deliver large-scale landmark projects.

We are on track to hit the milestone of 100 MWh of stationary storage projects in operation by end 2018, and completing tests for Electric Bus Battery Packs in India with Sun Mobility, a leading Electric Vehicle Systems Integrator in India and in Europe with Skoda Electric.

We have been awarded projects which total over 300 MWh for deliveries through to 2019, including Master Supply Agreements in the eTransport Business that envisage more than 150 MWh of recurring annual deliveries. We are particularly encouraged by the rapid electrification trend in the marine market and we are expecting multiple project wins in the near term in this market segment.

We confirm our guidance to double our turnover for the year.

We have recruited key individuals, in particular leaders from the automotive industry, who will ensure that we deliver our projects and mitigate the obvious execution risks during this important phase of growth for Leclanché. Our solid order book and qualified pipeline of projects, underpin our confidence for 2019 and beyond. We have never been in better commercial and operational position than now."

Funding Status

In the first half of 2018, Leclanché secured a significant financing programme which fully funds the business plan through to 2020 when the Company expects to be EBITDA positive.

FEFAM², the Company's largest shareholder², has committed a total of CHF 75 million of corporate funding and an additional CHF 50 million M&A facility to finance acquisitions and joint ventures in e-Transport and Stationary grid-based storage markets. To date, CHF 7.6 million have been drawn down from the M&A facility to finance the JV with Exide Industries in India and the EMS acquisition. In June 2018, Leclanché also converted CHF 16.5 million of its debt into equity after FEFAM received approval from the Swiss Takeover Board to convert that amount into equity. Leclanché and FEFAM are also finalising arrangements to convert a further CHF 53.4 million by Q1 2019, subject to approval by the Swiss Takeover Board.

This conversion will reduce the Company's current debt by 75% and go a very large way towards addressing any going concern risks raised in section 5 of the Interim Condensed Financial Statements 2018. In July 2018, Leclanché began simplifying its debt structure and consolidate its debt with FEFAM, which has recently committed to extend the maturity of its debt to 31 March 2020.

This funding programme strengthened Leclanché's balance sheet and gives the Company enough financial firepower to deliver the large scale projects currently underway and take full

² FEFAM means: AM INVESTMENT SCA, SICAV-SIF - Liquid 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".

advantage of the opportunities in the fast growing markets of eTransport and Stationary Energy Storage Solutions.

Business Highlights

- **Acquisition of EMS software suite from Integrated Dynamics Inc.**

On 27 August 2018, Leclanché completed the acquisition of a full suite of advanced Energy Management Software (EMS) from Integrated Dynamics Inc., a company based in Indiana, USA. The full suite provides flexibility across multiple applications and captures key product margins for the Stationary Storage business. The EMS is expected to increase margin of stationary solutions by an average of 3.5 percentage points or an average of 20% for a typical project.

- **Joint Venture with Exide Industries Limited, India**

Formation and registration of the joint venture is in the final stages. The factory and headquarter site has been leased in Prantij, outside of the city of Gandhinagar, in the state of Gujarat in India. Key executives have been hired to start by end of October 2018.

Stationary Storage Business Unit

- **Cremzow storage plant, Bradenburg, Germany**

The project's special purpose vehicle (SPV) is 90% owned by Enel Green Power Germany (EGP) and the German wind operator **ENERTRAG AG** owns 10% of the SPV. Leclanché is the turnkey contractor for engineering, procurement and construction (EPC), leading the integration between batteries and power conversion systems and with the energy management software. The first unit of 2MW/ 3.2MWh has been commissioned by Leclanché in April 2018. EGP has signed an agreement to acquire this unit from Leclanché for EUR 1.8 million.

The second tranche of construction work has started. The project is expected to be completed by end of 2018. Once completed, the aggregate final operational size of the Cremzow storage plant will be of 22MW / 34.8MWh and will provide frequency regulation services to the German Primary Control Reserve (PCR) market to rapidly stabilize the grid.

- **SWB Bremen, Germany**

The SWB project has reached the Commissioning milestone and the Commercial Operation Date, with a 15MWh frequency regulation system. Additional customer testing is ongoing.

- **NRStor, Oakville, Ontario, Canada**

Leclanché has delivered a 4MWh system for Global Adjustment Charge reduction purposes for this Commercial and Industrial (C&I) customer. This behind-the-meter project has obtained Commercial Operation Approval and is operating currently. Full approval is expected within October 2018.

- **Marengo, Illinois, USA**

The Marengo project from Leclanché is a 20MW/ 19.5MWh, in PJM market system located in Marengo, Ill., USA. Mechanical Completion will be realized in September 2018, with the Commercial Operation Date (COD) scheduled for October 2018 and Final Approval in November 2018.

- **IESO Basin 1 & Basin 2, Ontario, Canada**
Leclanché is delivering a 13.8 MWh battery storage system for grid ancillary services. The two adjacent 6.9 MWh projects in near downtown Toronto will provide various ancillary services to support grid stabilisation and resiliency. Basin 1 will reach the COD milestone in October 2018 and Basin 2 will reach the same milestone in November 2018.
- **Canadian Solar, Ottawa, Canada**
Leclanché scope of supply includes a 2.75MWh Battery Energy Storage System, Energy Management Software and its integration. Mechanical Completion is scheduled for September 2018, with COD and Final Approval within the 2018 timeframe.
- **NRStor, Ingersoll, Ontario, Canada**
Leclanché will deliver a 1.4MWh C&I system for Global Adjustment Charge reduction purposes for this C&I customer. COD is scheduled for December 2018 with Final Approval to follow in January 2019.
- **NRStor, Woodbridge, Ontario, Canada**
Leclanché will deliver a 4MWh C&I system for Global Adjustment Charge reduction purposes for this C&I customer. The COD milestone will be obtained in February 2019 with Final Approval in March 2019.

eTransport Business Unit

- **Sun Mobility, India**
In February 2018, Leclanché signed a multi-year Master Supply Agreement with Sun Mobility, a leading Electric Vehicle Systems Integrator in India. The agreement includes joint development of swappable battery packs for electric bus, electric commercial vehicles and electric auto rickshaws. The agreement envisages delivery of battery modules and packs with recurring annual volume in the range of 90 to 150 MWh, subject to successful completion of the ongoing pilot tests.

Leclanché has delivered battery modules for ten electric buses and battery cells for 3-wheeler auto rickshaws. Electric bus homologation process is underway, including road trails. The process is expected to be completed by the end of the year 2018.

- **Kongsberg Maritime, Norway**
In May 2018 Leclanché signed a long-term strategic partnership agreement with Kongsberg Maritime to deliver battery solutions that can be found in virtually any modern ship. Kongsberg Maritime integrates these battery packs with their advanced drive train solutions and extensive software suite to deliver a true one-stop shop value proposition to marine customers around the world.

Kongsberg Maritime has selected Leclanché's Marine Battery Rack System for 12 vessels and off-shore rigs, with a combined total of more than 50MWh.

The first project to be jointly executed will be Yara Birkeland, the world's first autonomous and electric container vessel ordered by YARA. Replacing 40,000 truck journeys a year, Yara Birkeland will reduce NOx and CO2 emissions and improve road safety, at the same time reducing noise and dust emissions.

- **Skoda Electric, Czech Republic**

The Joint Development and Supply Agreement that was signed between Skoda Electric and Leclanché in May 2017 has led to the creation of a modular battery pack concept that can power any bus and commercial vehicle. The design has now been completed and battery packs are under construction to be placed in the first vehicle to go through homologation. In December 2018, the first electric bus with a joint Skoda Leclanché solution is scheduled to go into regular commercial service. Upon successful run of the first bus, we expect the partnership to deliver 500 electric vehicles, or an average 100MWh, over four years, in line with the Agreement.

Financial Results

For further details, please refer to the 2018 interim report which is available in pdf format on the Company website: <http://www.Leclanché.com/investor-relations/financial-reports-publications/interim-reports/>

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About Leclanché

Headquartered in Switzerland, Leclanché SA (SIX: LECN) 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 / energy storage innovation. The Company is a trusted provider of energy storage solutions globally, which coupled with the Company's tradition of Swiss precision and highest quality engineering, 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 our electricity networks and advancements in all types of EVs, 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 and is listed on the Swiss Stock Exchange.

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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