

Ad hoc announcement pursuant to Art. 53 LR

## Leclanché Announces 2023 Semi-Annual Results and Update on Strategic Initiatives

**YVERDON-LES-BAINS, Switzerland, 31 October 2023** –[Leclanché SA](#) (SIX: LECN), one of the world’s leading energy storage companies, today announced half-year results for the six months ending 30 June 2023 (the Period), reflecting the new management’s strategic focus to position itself for future growth. In the reporting period, the Company continued to make significant investments in its manufacturing capacity as well as incurring research and development expenses, all while developing its order book. Recurring operating losses reflect this continuing effort.

<i>(in million CHF)</i>	<b>H1 2023</b>	<b>H1 2022</b>
Income	8.9	7.6
EBITDA loss	-27.0	-34.1
Net loss for the Period	-37.3	-46.8

In H1 2023, Leclanché reported a consolidated income of CHF 8.9 million, marking a significant increase of approximately 17% compared to CHF 7.6 million in the same period of 2022. This growth is attributed to the successful expansion and execution of customer orders, in the strategic focus area of marine, rail, and specialised trucks. An additional net deferred revenue of CHF 5.0 million underscores invoiced amounts yet to be recognised under IFRS. The EBITDA loss for the first half of 2023 amounted to CHF (27.0) million, showcasing an improvement from CHF (34.1) million the previous year, with recurring operating losses reflecting the persistent capex.

Despite a net loss of CHF (37.3) million in the first half of 2023, Leclanché maintains a stable financial position, with a balance sheet totalling CHF 105.5 million as of June 30, 2023, compared to CHF 90.8 million on December 31, 2022. This reflects a strategic move to convert CHF 66.7 million in debt into equity through a capital increase on June 26, 2023. This initiative has mitigated the negative equity situation of CHF (51.0) million as of June 30, 2022, with the subordination of CHF 22.1 million in debt and interests provided by Leclanché’s main shareholders, reinforcing the Company’s financial stability.

**Pierre Blanc, CEO of Leclanché SA, said:** *“Our half-year results speak to a positive uptick in revenues driven by our growing order book and strong product offering. This is also the result of our focus on the added value approach in marine, rail, and specialised trucks and our ongoing commitment to meeting customer demand in this part of the market. Our recently streamlined organisational structure positions us well, enabling us to navigate market dynamics effectively and seek opportunities for growth.”*

In line with the strategic focus announced in 2022 by the new management team, in H1 2023 Leclanché has continued to sharpen its approach and focused on target markets where the company brings technological, performance and Total Cost of Ownership (TCO) benefits to the end clients and where, as a result, it has the strongest current value add for its clients. This is achieved through the ability of the company to control the entire value chain from developing and manufacturing products to meeting the specific market performance requirements.

Leclanché is committed to delivering products that have a positive environmental impact, whether it be through a reduction of the carbon footprint, removal of harmful chemicals, or the sustainability of the energy used for manufacturing. Leclanché continuously aims to be and remain a leader in sustainable battery manufacturing.

This, combined with the strategic refocusing of the Company under its new management, has resulted in a reduction of 20 % in net loss and an increase of 21% in revenues and EBITDA compared to the same period for the previous year.

In H1 2023, Leclanché's E-Mobility segment secured major partnerships for electric and hybrid ferries, contributing to overall revenue growth. It continued to record robust order intake. Noteworthy repeat orders in the ground transport business from key players like Alstom Rail and Canadian Pacific Kansas City and market acceptance of the Stationary business's LeBlock™, securing two multi-MWh projects, further enhanced revenue streams and market recognition.

The Specialty Business unit experienced increased market demand, strategically preparing for a carveout in autumn. Opportunities in the medical and defence sectors and the upcoming consolidation at the new headquarters in Yverdon-les-Bains in early 2024 position the Specialty unit for strategic growth, reflecting Leclanché's commitment to operational efficiency and long-term growth.

In H1 2023, Leclanché streamlined operations launched the next-gen Marine Rack System (MRS-3™) and partnered with Cummins Inc. in marine and rail projects. Ongoing initiatives, including ISO 21434 certification and pack assembly relocation to Germany, are expected to enhance efficiency and sustainability, fortifying Leclanché's position for continued growth and operational excellence.

Despite recent negative cash flow from continued strategic investments in manufacturing and market expansion, Leclanché remains committed to optimizing cash and working capital. Initiatives, including improved client payment terms and cost optimization, align with the substantial increase in the order book and market validation, underscoring the success of Leclanché's products and its dedication to long-term financial stability. Anticipating continued negative cash flows due to ongoing business plan implementation, the Company seeks to diversify structured funding sources to achieve positive cash flow in the near term. Furthermore, the majority shareholder has also expressed their intention to maintain the status of the convertible loan without immediate conversion to safeguard the interests of minority shareholders.

**Post-Period Note:**

As of October, Leclanché has taken steps to position itself for future growth. The carve out of the Company's Specialty business into a standalone entity Leclanché SBS SA (Specialty Battery Systems) - a fully owned subsidiary of Leclanché SA - signifies a strategic move to enhance the unit's independence and flexibility in partnerships, structure, and shareholding amidst industry-specific challenges. The carve-out will allow SBS to concentrate on key markets, pursue a growth plan, and progress on its path towards achieving breakeven.

The current company structure as of 3 October 2023 is as follows:

- Leclanché SA: The group entity incorporating the Stationary Business Unit.
- Leclanché E-Mobility SA: A fully owned subsidiary of Leclanché SA, develops, manufactures, and supports storage solutions for heavy-duty mobility applications.
- Leclanché SBS SA: A newly formed entity, a fully owned subsidiary of Leclanché SA, focusing on medical and defence sectors.

Full financials can be accessed on <https://www.leclanche.com/financial-reports/> (Interim Report).

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## 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).

## 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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