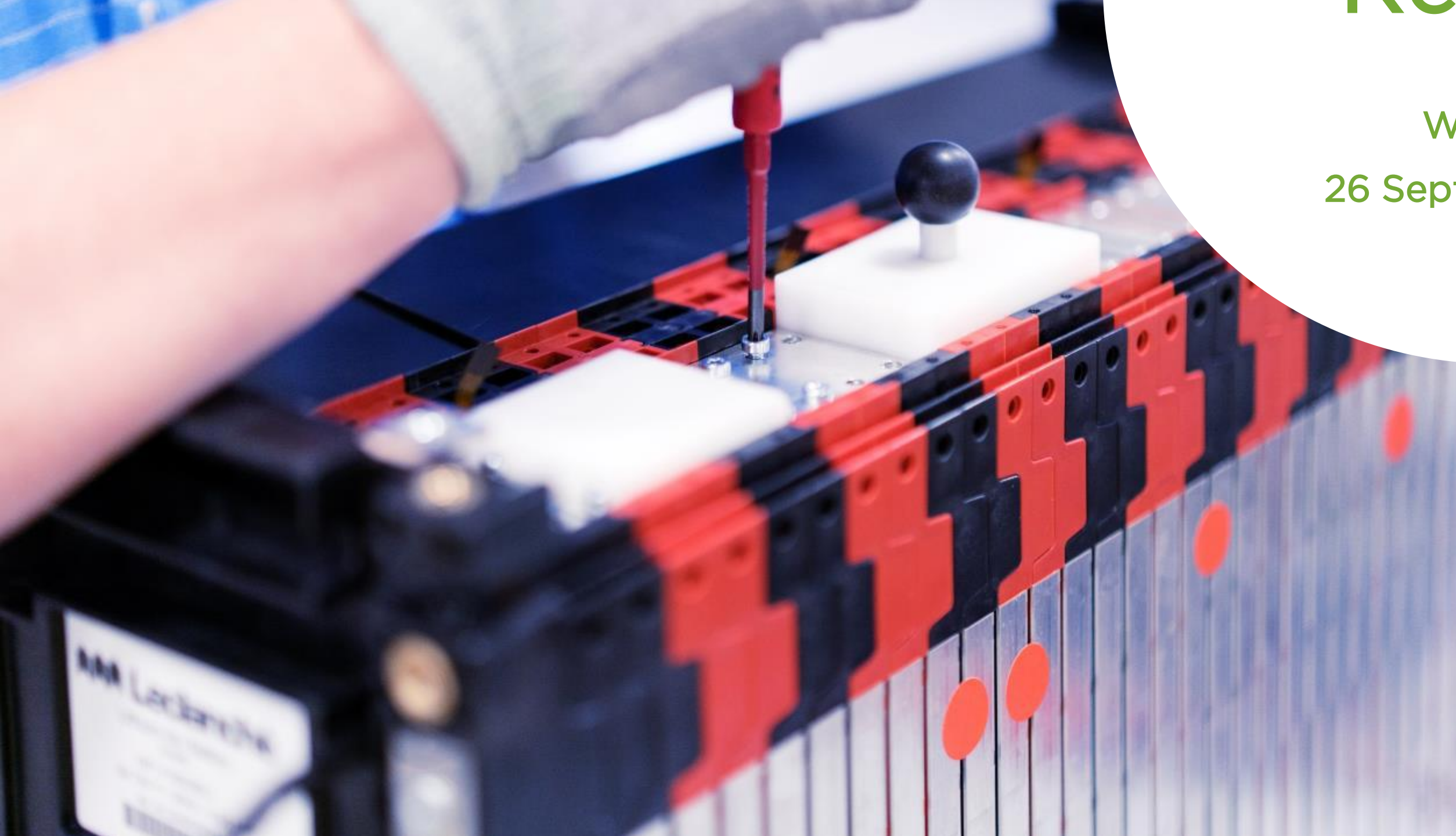




 **Leclanché**
Energy Storage Solutions

2019 Interim Results

Webcast
26 September 2019





2019 Interim Results - Headlines

- Combined order book now exceeds CHF 100 million
- Delayed project financing and longer-than-expected ramp-up phase cause significant revenue deferrals
- Purchase order of USD 57 million expected by year end for solar + storage project in St. Kitts and Nevis
- Strong new orders in the e-Transport business and delivery of a major stationary energy storage project support the Company's strategy
- One of the world's largest train manufacturers selects Leclanché as their preferred supplier for six years, with volumes expected to exceed 90 MWh for the first three years
- Strategic reorganisation of the Company with the three business units operating as standalone investible units from 2020

2019 Interim Results - CHF 100+ million Order Book



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SPECIALTY BATTERY SYSTEMS

Business Unit <i>All figures in CHF millions</i>	Amount in the Order book for delivery in 2019-2020	Qualified Pipeline Projects, as of 2nd September 2019, for delivery in 2020-2023
Stationary Storage	70	38
eTransport Solutions	45	123
Specialty Battery Systems	5	5
Total	120	166

Stationary Storage business:

- Large qualified pipeline of projects
- 44.2 MWh / USD 57 million solar generation-plus-energy storage project awarded in St Kitts and Nevis in the Caribbean
- Due diligence with a major American infrastructure investment fund to be completed by mid-October. Project will be kicked-off early November
- Part of the 57 million revenue should be recognized in 2019

2019 Interim Results – CHF 100+ million Order Book



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E-Transport Solutions business:

- **e-Marine business:** the combined value of purchase orders for delivery in 2019-2021 exceeds CHF 35 million. These cover a large range of marine vessels including passenger ferries, and those used for cargo and oil and gas to be delivered to shipyard leaders (Kongsberg, Damen...)
- **Commercial Vehicles business:** We have delivered battery packs for a range of electric vehicles including buses, trains, trucks, off-road and airport vehicles.

2019 Interim Results - CHF 100+ million Order Book



Business Unit <i>All figures in CHF millions</i>	Amount in the Order book for delivery in 2019-2020	Qualified Pipeline Projects, as of 2nd September 2019, for delivery in 2020-2023
Stationary Storage	70	38
eTransport Solutions	45	123
Specialty Battery Systems	5	5
Total	120	166

Specialty Battery Systems business:

- Comprises custom-designed battery packs for robotics, defense and medical applications.
- We have delivered battery packs to market leaders for Automated Guided Vehicles (AGV) for warehouse applications and robotics, for submarines in both defense and civil applications.
- Key customers include Armasuisse, RUAG, Safran and ECA. The current order book with deliveries in 2020 and 2021 exceed CHF 10 million.

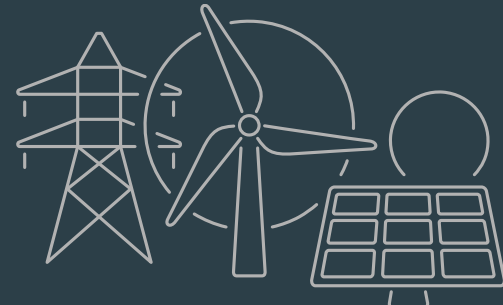


2019 Interim Results – Operations Update

- **Cost reduction:** Electrochemistry R&D focus, on track to achieve a 55% cost reduction in cell production by 2020 thanks to the successful development of the 6-2-2 cathode and the introduction of the new G-NMC 55 Ah, 200 Wh cells.
- **Precautionary quality and safety measures:** Following issues that have affected a major supplier, we conducted a comprehensive review of its cell manufacturing processes to ensure that the highest standards of quality and safety are being met. Cell production had to be stopped for four weeks and resumed in the third week of August.
- **Leclanché’s joint venture with Exide Industries Limited in India,** is expected to be in operation by end of 2019. Nexcharge is currently in negotiations with large customers in India for electric buses and cars.



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2019 Interim Results – Strategic Reorganisation

- The Board of Directors of Leclanché has decided to reorganise the operating model of the Company as the current business units have reached a critical size in terms of personnel, revenue and customer contracts.
- The new business units will operate as standalone units with their own P&L from 2020.
- We intend to open the capital of these units to seek long-term strategic shareholders who would provide the growth capital and balance sheet support to fully develop the potential of these businesses.
- Existing shareholders will have the option of investing in these units on preferential terms, based on Fair Market Valuation (FMV).



2019 Interim Results – Funding Update

- In April 2019, the Company signed a working capital loan of CHF 35 million with FEFAM¹, its majority shareholder
- In addition, the Company still has an amount of approximately CHF 34 million to be recovered by the end of the year, including the JV's licensing revenues in India, outstanding trade receivables and the partial financing of the stationary project in St Kitts and Nevis.
- Moreover, we are working on additional financing facilities in the coming months that will strengthen the Company's capacity to fund its growth.

¹ 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”.



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2019 Interim Results – Financial Results

<i>All Figures in kCHF</i>	30-Jun-19	30-Jun-18
Revenue	7,021	22,297
Operating Expenses	-35,607	-44,038
EBITDA Loss	-28,586	-21,741
	-407%	-98%
Operating Loss	-31,371	-23,199
Financial Income and Expense	-2,234	-1,993
Income Tax	-49	29
Net Loss	-33,654	-25,163

EBITDA loss:

- low level of revenue which is stemming from deferred funding, adverse impact of production stop for safety reasons, delay in the launch of the project in St Kitts and in the recognition of the revenue of the Indian JV licensing fee.
- increase in personnel expenses required to carry out ongoing projects in the two main business units
- underutilization of the Willstätt plant, which we estimate at CHF 4.4 million, (CHF 3.8 million in H1-2018) reducing our "normalized" EBITDA loss to CHF 24.2 million.

Net Loss: CHF 2.5m of financial expenses due to the interest on Leclanché's debt to FEFAM and CHF 2.8 million of depreciation, are part of the 33.7m net loss of the reported period.



2019 Interim Results – Financial Results (cont’d)

The main changes reported in the Balance sheet compared to 31 December 2018 are the following:

- Adjustments on adoption of IFRS 16, which requires us to recognise in the balance sheet the operating lease commitments and the right to use the leased assets. Impact is circa CHF 6 million additional liability as well as an additional asset of the same amount;
- Acquisition of an Energy Management Software amounting to CHF 2.1 million;
- Reduction of contract assets receivable and cash, both amounting in total to CHF 8.8 million;
- Reduction of Company’s debt by CHF 17 million;
- Share capital increase reflecting the CHF 36 million debt conversion into equity made in May 2019.



2019 Interim Results - Going Forward

- The Company has a strong order book of more than CHF 100 million and is ramping up the delivery in all areas.
- The focus is on maximising revenues in 2019 and delivering a better 2020.
- Key dependencies for revenue recognition in 2019 include the deliveries of St Kitts hardware equipment and the rescheduling of e-Marine shipments following the production stoppage during the Company's quality, health, environment and safety review.

Given these constraints, the Company will not provide any guidance for 2019 at this time.

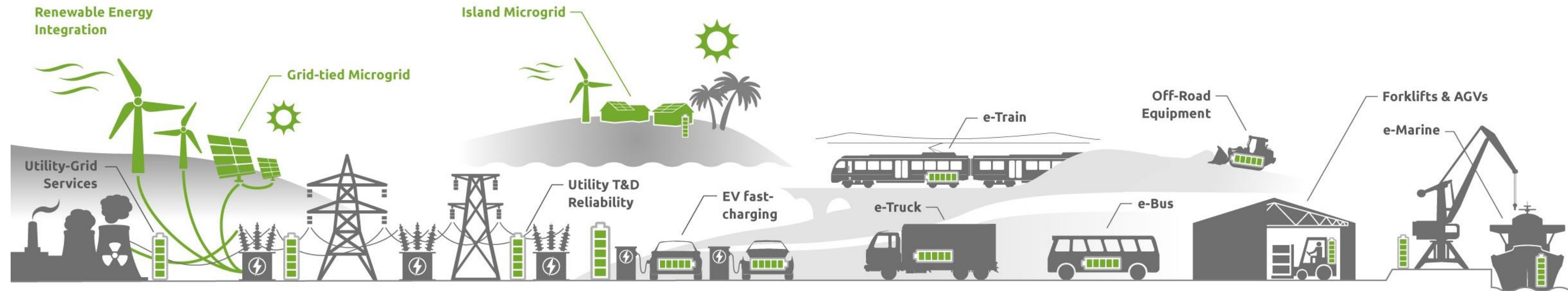
Our Value Proposition



- Grid Ancillary Services
- Solar/Wind + Storage
- Microgrid Systems
- C&I Solutions
- Community Storage
- EV Charging Stations



- Electric Buses
- Electric Ferries
- Warehouse Equipment
- Industrial Marine
- Electrification/Hybridisation
- Fleet Trucks
- Rail & Off-highway



Analysis & Optimization

- System Modeling and Opportunity Analysis
- Project Optimization
- FEED

Flexible Sales Structure

- Turnkey EPC
- Supply & Commissioning
- PPA & Project Finance

System Control & Operation

- Multi-Application Energy Management System (EMS)
- System Degradation and Replenishment
- Remote Monitoring and Service

Total Integration

- Full process control: from in-house cell production to complete packs
- Infrastructure such as chargers and connectivity
- Fully integrated electric drive trains
- Homologation & Certification

System Engineering

- Scalable lithium-ion battery packs with thermal management
- State-of-art DNV-GL type approved battery racks for marine applications
- Battery packs engineered to operate faultlessly on majority of vehicles

Fleet Management

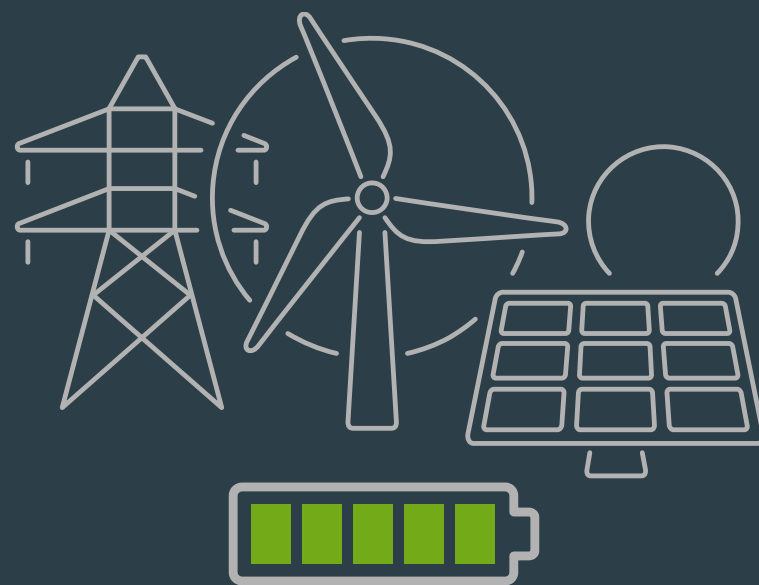
- Dynamic route simulation
- System planning
- Remote monitoring of all system components via a cloud service



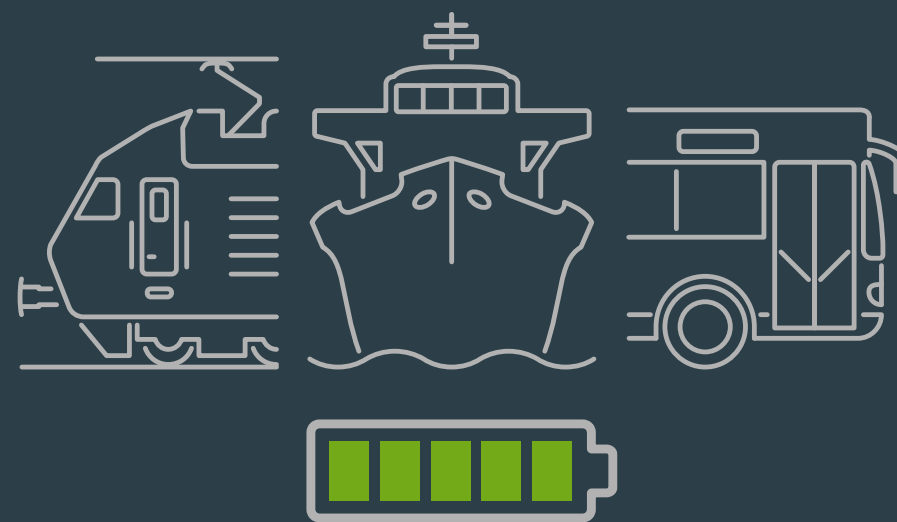
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Energy Storage Solutions

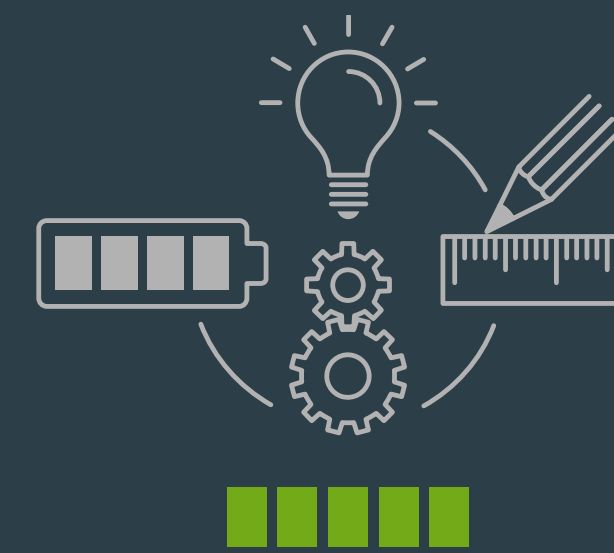
Thank you



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