

# Invitation to the upcoming Annual General Meeting of Shareholders to be held on 30th September 2022 at 9:00am Swiss time

- Leclanché SA convenes its Annual Ordinary General Meeting on 30th September 2022
- The Board of Directors proposes the conversion of CHF41.3million of debt owed to SEFAM and Golden Partner into shares of the Company in order to strengthen the balance sheet

**YVERDON-LES-BAINS, Switzerland, 9<sup>th</sup> September, 2022** – Leclanché SA (SIX: LECN), one of the world's leading energy storage companies, is convening its Annual Ordinary General Meeting on 30<sup>th</sup> September 2022 at 9:00 a.m. Swiss time.

## Important information regarding COVID-19

The Ordinance 3 on Measures to Combat the Coronavirus (COVID-19) (COVID-19 Ordinance 3, SR 818.101.24) (the "**Ordinance**") of 19 June 2020, valid until 31 December 2022 states that organizers of company meetings such as annual general meetings, can decide that participants may exclusively exercise their rights (i) in writing or online; or (ii) through an independent proxy by the organizer. As a precautionary measure, the Board of Directors has therefore decided that the shareholders of LECLANCHE SA may exercise their rights at the Annual General Meeting on 30<sup>th</sup> September 2022 exclusively through the independent representative. Personal attendance of shareholders or shareholders' representatives other than the independent representative is not permitted. Please refer to the invitation under section "Representation" for information on how to authorize and instruct the independent representative.

The shareholders are invited to join the live webcast of the Annual General Meeting of shareholders **on 30<sup>th</sup> September 2022 at 9:00 am Swiss time** in English, French or German. Questions can be submitted in writing during the webcast through an online tool and will be answered at the end of the meeting. Further rights (including voting rights) may be exercised exclusively through the independent representative prior to the Annual General Meeting (see section "Representation" below). The link to the webcast is as follows:  
<https://www.leclanche.com/2022-annual-general-meeting/>

## I. AGENDA. 2

1. Annual Report 2021, Consolidated Financial Statements 2021, Statutory Financial Statements 2021 and Compensation Report 2021 of LECLANCHE SA 2

2. Discharge of the Board of Directors 2

3. Appropriation of Losses Resulting from the Balance Sheet 2

4. Elections Board of Directors 2

5. Election of the Auditors 5

6. Election of the Independent Representative 5

7. Partial amendment of the Articles of Association / Modification of the authorized share capital (Art. 3<sup>quater</sup>) 5

8. Partial amendment of the Articles of Association / Creation of Conditional Share Capital (Art. 3<sup>quingies</sup>) 6

9. Partial amendment of the Articles of Association / Election of the Chairman of the Board (Art. 18) 6

10. Ratification of Carve-Out, Amendment of Company's Purpose and Financial Restructuring Measures 6

11. Set-off of Accumulated Losses with Capital Contribution Reserves 10

12. Vote on the compensation of the Board of Directors and the Executive Committee 10

## II. ANNUAL REPORT. 11

## III. PARTICIPATION AND VOTING RIGHTS. 11

## I.AGENDA

Introduction by the Chairman of the Board of Directors.

### **1.Annual Report 2021, Consolidated Financial Statements 2021, Statutory Financial Statements 2021 and Compensation Report 2021 of LECLANCHE SA**

#### **1.1Approval of the Annual Report 2021, Consolidated Financial Statements 2021 and Statutory Financial Statements 2021 of LECLANCHE SA**

**Proposal of the Board of Directors:** to approve the Annual Report 2021, the Consolidated Financial Statements 2021 and the Statutory Financial Statements 2021 of LECLANCHE SA.

#### **1.2Consultative Vote on the Compensation Report 2021**

**Proposal of the Board of Directors:** to approve, on a consultative basis, the Compensation Report 2021.

***Explanation:** In line with the recommendations of the Swiss Code of Best Practice for Corporate Governance, the Board of Directors is seeking your endorsement of the Compensation Report 2021 on a consultative basis.*

### **2.Discharge of the Board of Directors**

**Proposal of the Board of Directors:** to discharge the members of the Board of Directors.

### **3.Appropriation of Losses Resulting from the Balance Sheet**

Loss for the year 2021 CHF -75,108,364.06

Loss carried forward from previous year CHF -41,498,625.09

Total accumulated losses CHF -116,606,989.15

**Proposal of the Board of Directors:**

Dividend for the year 2021 0.00

Balance to be carried forward CHF -116,606,989.15

### **4.Elections Board of Directors**

#### **4.1Elections to the Board of Directors**

**Proposal of the Board of Directors:** to re-elect the following members, each for a term of office until the end of the next Annual General Meeting of shareholders:

- Me. Benedict Fontanet

-Mr. Christophe Manset

***Explanation:** Mr. Stefan Müller, Mr. Axel Maschka, Mr. David Suen, Mr. Tianyi Fan and Dr. Lluís M. Fargas do not stand for re-election.*

*Mr. Fontanet and Mr. Manset are proposed for re-election at the request of SEFAM<sup>(1)</sup>.*

#### **4.2New elections to the Board of Directors**

**Proposal of the Board of Directors:** The Board of Directors proposes to elect Mr. Alexander Rhea, Mr. Shanu (Ali) Sherwani, Mr. Bernard Pons and Mr. Marc Lepièce as new members of the Board of Directors.

**Explanation: Messrs. Rhea, Sherwani, Pons and Lepièce have been introduced for election to the Board of Directors by SEFAM<sup>1</sup>.**

### **Bio Alexander Rhea**

*Alexander Rhea has a 25+ year background in Private Equity investing in both Europe and Silicon Valley and is an expert in helping fast growing small cap companies in their global growth.*

*He is currently the Chief Operating Officer of AM Investment SA, the general partner and investment advisor to the Golden Partner regulated funds as well as being very hands-on with Golden Partner's important array of portfolio companies and funds. Prior to joining AM/Golden Partner, Rhea was interim CEO of a 250+ employees belgo-french industrial company for two+ years – the time it took to turn the company around. In 2014, he founded New Angle Capital (NAC Partners), a Luxembourg-based investment advisor for fund-of-funds, corporates and family offices.*

*From 2011 to 2014, Rhea was a Partner at PwC Luxembourg and the CEO of PwC's Accelerator, a pan-European project within the PwC network which aimed to help promising SMEs (turnover from EURO 3m to EURO 100m) become global in scope by developing certain methodologies including systematic approaches.*

*From 2000 to 2011, Rhea was the co-founder and managing partner of Pyramid Technology Ventures, a EURO 120m VC/Cap Dev private equity fund with offices in both Paris and San Francisco. It is during his years at PTV that Rhea developed an expertise in helping European companies become transatlantic in scope.*

*From 1995 to 2000, Rhea was an Investment Director in Paris, France at Iris Capital, at the time the venture capital arm of the Caisse des Dépôts Group (also known as CDC) where he developed a portfolio of U.S. investments. Rhea was first exposed to private equity investing when he was hired in 1993 by GET Capital as a turnaround CEO for one of its portfolio companies. His CEO skills were first proven when he was the CEO of Birkmayer USA, a wholly owned subsidiary of Laborbirkmayer.*

*Rhea graduated from HEC Paris (France) and has received a Bachelor of Engineering in Computing and Electronics from Catholic University (Washington, D.C.)*

### **Bio Shanu (Ali) Sherwani**

*Shanu Sherwani is the Chief Investment Officer at Golden Partner and executive in various private equity funds. He has over 20 years' experience in private equity and any other types of alternative investment funds. Shanu is specialized in private equity, mergers & acquisitions and corporate finance.*

*He has worked for KPMG Corporate Finance, head of M&A and business development at Post Group, as well head of Investor Relations and Business Development at Threestones Capital and Castik Capital. He currently advises several top quartile PERE funds and is a regular columnist on private markets in leading Luxembourg financial publications.*

*He holds a Master's degree in International Management and Corporate Finance from ICHEC Brussels business school and post graduate degrees in Private Markets and Private Equity from University of Oxford and Imperial College of London. Sherwani recently completed a post graduate degree in alternative investments at Harvard Business School.*

### **Bio Mr. Bernard Pons**

*Bernard Pons began his career in 2001 with KBL epb S.A. where he gained experience in credit and equity analysis, fund management and the organisation and management of banking institutions. In late 2003, Bernard joined the Private Equity & Corporate Finance department where he was responsible for KBL epb's proprietary portfolios. In 2005, Pons pursued his career as a fund manager and analyst in the bank's Fund Research & Multi-Management department.*

*In 2010 he left KBL epb to become a founding managing partner of Pure Capital. He is the Chief Risk Officer and is also responsible for the marketing, administration of UCIs and valuation functions.*

*Pons has an MSc degree in Financial Engineering and Economics from the University of Liège (HEC-ULg).*

### **Bio Mr. Marc Lepièce**

*Marc Lepièce completed his studies in Civil Engineering at the University of Liège in 1980. In 1994, he attended post-graduate studies in business administration at the Solvay Brussels School of Economics and Management.*

*Lepièce started his career in 1982 at Tractebel Engineering (Belgium) as Senior Engineer. During the first 7 years, he built up his technical experience and then moved to project management with, as major achievement, the replacement of the Doel 3 steam generators in 1996.*

*In 2001, he was appointed as Mechanical Section Head and in 2003 he became Executive Vice President and member of the Executive Committee. He was successively put in charge of Business Development. He was first responsible for strategy, marketing, external communication and M&A in Latin America, Asia and the Middle East before being responsible of international development through the management of a specific Business Unit active in Europe, India and South East Asia.*

*From 2014 until his retirement at the end of 2018, he was General Manager of Tractebel Engineering for energy (except Nuclear) and infrastructure in Europe, India and South East Asia.*

*Lepièce launched several companies, made sales and acquisitions, and developed cross selling between all business units. His network in the fields of energy and infrastructure is large, both in Belgium and abroad.*

*He founded his own consulting company in January 2019 with the aim of transferring his know-how and experience towards managers wishing to accelerate the growth of their company or to optimize their profitability. He is currently a member of 2 boards:*

- *WeSmart, a SME involved in the creation and management of energy communities*
- *Cluster TWEED (Technologie Wallonne Energie-Environnement et Développement Durable), a Walloon organization gathering more than 100 companies active in the sector of sustainable energy*

#### **4.3 Election of the Chairman of the Board of Directors**

**Proposal of the Board of Directors:** The Board of Directors proposes to elect Mr. Alexander Rhea as Chairman of the Board of Directors for a term of office until the end of the next Annual General Meeting of shareholders.

**Explanation:** *Mr. Stefan A. Müller does not stand for re-election.*

#### **4.4 Elections to the Appointments and Remuneration Committee**

**Proposal of the Board of Directors:** to elect the following members to the Appointments and Remuneration Committee, each for a term of office until the end of the next Annual General Meeting of shareholders:

- Mr. Shanu (Ali) Sherwani

**-Mr. Christophe Manset**

- Mr. Marc Lepièce

#### **5. Election of the Auditors**

**Proposal of the Board of Directors:** to elect MAZARS SA, [Vernier] as statutory auditors for the financial year 2022.

**Explanation:** *PricewaterhouseCoopers SA does not stand for re-election.*

#### **6. Election of the Independent Representative**

**Proposal of the Board of Directors:** To re-elect Me. Manuel Isler, attorney-at-law, Geneva, as Independent Representative until the end of the next Annual General Meeting of shareholders.

#### **7. Partial amendment of the Articles of Association / Modification of the authorized share capital (Art. 3<sup>quater</sup>)**

**Proposal of the Board of Directors:** The Board of Directors proposes to extend the period for exercising the authorisation granted to the Board of Directors to increase the share capital until 30 June 2024 (authorised share capital), and setting the authorised share capital at a maximum of 167,598,544 shares and, in consequence, to amend Article 3<sup>quater</sup> of the Articles of Association as follows:

Current Version	Proposed version (changes underlined)
<p><b>Article 3 quater :</b></p> <p>The Board of Directors is authorized to increase the share capital, at any time until 30 June 2023, by a maximum amount of CHF 6,000,000.00 by issuing a maximum of 60,000,000 fully paid-up shares with a nominal value of CHF 0.10 each. [...]</p> <p><i>[The rest of paragraph 1 as well as paragraphs 2, 3 and 4 remain unchanged.]</i></p>	<p><b>Article 3 quater :</b></p> <p>The Board of Directors is authorized to increase the share capital, at any time until <u>30 June 2024</u>, by a maximum amount of <u>CHF 16'759'854.40</u> by issuing a maximum of <u>167,598,544</u> fully paid-up shares with a nominal value of CHF 0.10 each. [...]</p> <p><i>[The rest of paragraph 1 as well as paragraphs 2, 3 and 4 remain unchanged.]</i></p>

**Explanation:** The provisions regarding the authorized share capital (article 3<sup>quater</sup>) enable the Board of Directors to obtain funding for the Company and raise capital in an efficient, flexible and expeditious manner under specified circumstances and within a clear framework. In order to fully benefit from this flexibility, the Board of Directors proposes on the one hand increasing the authorization to a maximum number of 167,598,544 registered shares and to extend the period of validity of the authorization granted to the Board of Directors until 30 June 2024, in order to keep the flexibility.

## 8. Partial amendment of the Articles of Association / Creation of Conditional Share Capital (Art. 3<sup>quinquies</sup>)

**Proposal of the Board of Directors:** The Board of Directors proposes to increase the existing conditional share capital and to amend Article 3<sup>quinquies</sup> of the Company's Articles of Association as follows:

Current Version	Proposed Version (changes underlined)
<p><b>Article 3 quinquies:</b></p> <p>The share capital may be increased in an amount not to exceed CHF 3,366,925.80 through the issuance of up to 33,669,258 fully paid-up shares with a nominal value of CHF 0.10 per share. [...]</p> <p><i>[The rest of paragraph 1 as well as paragraphs 2, 3, 4 and 5 remain unchanged.]</i></p>	<p><b>Article 3 quinquies:</b></p> <p>The share capital may be increased in an amount not to exceed <u>CHF 16'159'854.40</u> through the issuance of up to <u>161,598,544</u> fully paid-up shares with a nominal value of CHF 0.10 per share. [...]</p> <p><i>[The rest of paragraph 1 as well as paragraphs 2, 3, 4 and 5 remain unchanged.]</i></p>

**Explanation:** The provisions regarding the authorized share capital (article 3<sup>quater</sup>) and conditional share capital (article 3<sup>ter</sup> and 3<sup>quinquies</sup>) enable the Board of Directors to obtain funding for the Company and raise capital in an efficient, flexible and expeditious manner under specified circumstances and within a clear framework. In order to fully benefit from this flexibility, the Board of Directors proposes to increase the conditional share capital.

## 9. Partial amendment of the Articles of Association / Election of the Chairman of the Board (Art. 18)

According to Art. 2 § 1 of the Swiss Federal Ordinance against excessive compensation ("ExCompO", SR 221.331), the chairman of the board of directors must be elected by the General Shareholders Meeting. Art. 18, second sentence of the articles of association does not comply anymore with this regulation and must be corrected as follows:

Current Version	Proposed Version (changes
-----------------	---------------------------

<b>Article 18:</b>	<b><u>Article 18:</u></b>
The Board of Directors constitutes and organizes itself within the limits of the law and the statutes. It appoints its Chairman and Secretary [...]	The Board of Directors constitutes and organizes itself within the limits of the law and the statutes. It appoints its <del>Chairman and</del> Secretary [...]
<i>[The rest of paragraph 1 as well as paragraphs 2 remain unchanged.]</i>	<i>[The rest of paragraph 1 as well as paragraph 2, remain unchanged.]</i>

## 10. Ratification of Carve-Out, Amendment of Company's Purpose and Financial Restructuring Measures

### 10.1 Overview

As per 31 December 2021, the Company was and still is over-indebted according to art. 725 para. 2 Swiss Code of Obligations ("**CO**"), but has sufficient subordinations in place to cover the negative equity. During 2022, debt owed to SEFAM in the aggregate amount of approx. CHF 77,574,893 was subordinated, which improved the balance sheet situation of the Company temporarily.

As a financial restructuring measure and for optimizing the group structure in view of a potential strategic transaction, the Board of Directors evaluated suitable measures and the Company has carved-out its eTransport business into a wholly owned Swiss entity, Leclanché E-Mobility SA, with legal effectiveness as per January 1, 2022 (the "**Carve-Out**"). As one strategic option, there was the intention to merge Leclanché E-Mobility SA with a Special Purpose Acquisition Company (SPAC) (e.g. based abroad and listed at a stock exchange in the USA) or to enter into a business combination agreement with another investor. In connection with the Carve-Out, Leclanché E-Mobility took over assets in the amount of CHF 65,882,000 and liabilities in the amount of CHF 40,283,000 [21] of the eTransport business from the Company. The Carve-Out was implemented as a contribution ("reprise de biens") and took place without consideration. Following the Carve-Out, the eTransport business has been and is fully operated and managed by Leclanché E-Mobility SA and, therefore, the Board of Directors suggests that this structural change shall also be reflected in the description of the purpose of the Company in the Articles of Association.

Given the financial distress situation of the Company, further financial restructuring measures are proposed, which are aimed at improving the balance sheet situation. Specifically, the Board of Directors proposes a conversion of existing debt in the amount of CHF 41,339,957.31 into equity through an ordinary capital increase. In order to address this situation, the Board of Directors has agreed with SEFAM and Golden Partner ("**GP**") to convert a portion of the debt owed to SEFAM and GP in the aggregate amount of CHF 41,339,957.31 ("**SEFAM and GP Debt**") into 109,618,116 [3] registered shares of the Company with a par value of CHF 0.10 each, subject to fulfilment of the requirements pursuant to Swiss law and subject to approval of the shareholders' meeting of the Company (the "**Debt-to-Equity-Conversion**").

In order to implement the Debt-to-Equity-Conversion, the pre-emptive rights of shareholders will have to be excluded in connection with the required capital increase, which requires shareholders' approval with a qualified majority.

The following legal entities belonging to SEFAM and GP are parties to the relevant financing agreements and shall be part of the proposed Debt-to-Equity-Conversion (the "**Creditors**"), and they have committed to convert the below amounts into equity:

- AM Investment S.C.A. SICAV - FIS - R&D Sub-Fund ("**AM R&D**") will convert claims of maximum CHF 1,608,393.86 against the Company representing due interests up to 30 Sep 2022 under loan agreement dated 25 June 2021, as amended from time to time (the "**AM St. Kitts Construction Loan**");
- AM Investment SCA SICAV-SIF - Illiquid Assets Sub-Fund ("**AM Illiquid**") will convert claims of CHF 3,297,000.00 against the Company under a loan agreement with the Company dated 31 May 2021, as amended from time to time (the "**AM N&G Proceeds Loan**") and related interests up to 30 Sep 2022 for CHF 360,873.17;
- AM Investment SCA SICAV-SIF - Liquid Assets Sub-Fund ("**AM Liquid**") will convert claims of CHF 20,400,000.00 against the Company under a loan agreement with the Company dated 4 February 2022, as

amended from time to time (the "**Working Capital Bridge Loans** ") and related interests up to 30 Sep 2022 for CHF 1,300,305.71;

- Golden Partner FOF Management Sàrl will convert claims of CHF 9,600,000.00 against the Company under three loan agreements dated 18 October 2021, 22 November 2021 and 13 December 2021 as amended from time to time (the "**GPFOF Bridge Loan Agreements**") and related interests up to 30 Sep 2022 for CHF 817,080.53;
- Golden Partner Holding Co. Sàrl will convert claims of maximum CHF 492,888.88 against the Company representing due interests under loan agreement a dated 4 February 2021 as amended from time to time (the "**Trading Finance Loan 2021**")
- Golden Partner Shangai will convert claims of maximum CHF 954,999.76 against the Company representing arrangement fees under loan agreements dated 17 June 2022, 25 June 2022 as amended from time to time (the "**Bridge Loans AM** ") and under loan agreements dated 19 October 2021, 23 November 2021, 14 December 2021 as amended from time to time (the "**GPFOF Bridge Loan Agreements**")
- Golden Partner SA will convert claims of maximum CHF 28,182.01 against the Company representing due interests under the loan agreement dated 18 February 2021 (the "**GP N&G Loan Agreement**");
- Strategic Equity Fund - E Money Strategies (EMS) ("**SEF EMS**") will convert claims of maximum CHF 605,297.94 against the Company representing due interests under extinguished loans agreement dated 30 June 2018, as amended from time to time (the "**Facility B/C Loans**"), dated 10 August 2018, as amended from time to time (the "**ROFO Loans**"), dated 7 June 2019, as amended from time to time (the "**WCL 2019 Loans**"), dated 27 December 2019, as amended from time to time (the "**WCL 2020 Loans**").
- Strategic Equity Fund SCA SICAV FIAR (renewable Energy - RE) ("**SEF RE**") will convert claims of maximum CHF 1,874,938.15 against the Company representing due extinguished loans agreement dated 30 June 2018, as amended from time to time (the "**Facility B/C Loans**"), dated 10 August 2018, as amended from time to time (the "**ROFO Loans**"), dated 7 June 2019, as amended from time to time (the "**WCL 2019 Loans**"), dated 27 December 2019, as amended from time to time (the "**WCL 2020 Loans**"), dated 5 December 2018 as amended from time to time (the "**CL and CL Extension Loans**").

The SEFAM and GP Debt to be converted at Volume Weighted Average Price (VWAP) calculated over the 10 days preceding 2<sup>nd</sup> September 2022 for:

- Working Capital Bridge Loans converted at 75% of VWAP
- GPFOF Bridge Loans converted at 80% of VWAP
- All other Loans at 85% of VWAP

The proposed Debt-to-Equity-Conversion shall serve to improve the financial status of the Company and its balance sheet position.

If approved by the Annual General Meeting 2022, the Board of Directors will have to implement the Debt-to-Equity-Conversion within three months after the shareholders' meeting. The implementation requires meeting SIX Swiss Exchange's requirements with respect to listing of new shares. Ratification of Carve-Out and amendment of Company's purpose.

#### **10.1.1 Proposal of the Board of Directors: The Board of Directors proposes that the shareholders meeting approves and ratifies the Carve-Out.**

**Explanation:** The Board of Directors decided and implemented the Carve-Out as a financial restructuring measure and as a corporate reorganization to optimize the group structure in view of a potential strategic transaction. In connection with the Carve-Out Leclanché E-Mobility SA took over assets in the amount of CHF 65,882,000 and liabilities in the amount of CHF 40,283,000<sup>4</sup> of the eTransport business from the Company. The Carve-Out was implemented as a contribution ("reprise de biens") and took place without consideration.

#### **10.1.2 Proposal of the Board of Directors: The Board of Directors proposes that the shareholders' meeting approves to amend Article 2 of the Company's Articles of Association (Purpose of the Company) as follows:**

Current Version	Proposed Version (changes underlined/strikethrough)
	<p><b>Article 2:</b></p> <p>The purpose of the Company is <u>the direct and indirect acquisition, management, and sale of</u></p>

<p><b>Article 2:</b></p> <p>The purpose of the document is the design, development, and assembly of electrical storage systems, as well as the distribution of the batteries and electrical accessories, and anything else directly or indirectly related to the electrical industry.</p> <p>The Company may set up branch offices in Switzerland and abroad, participate in, acquire, or set up companies of the same kind, buy or sell real estate, acquire and market immaterial rights or know-how, carry out any operation and conclude any contracts directly or indirectly related to its purpose or capable of furthering its realization.</p>	<p><u>participations in domestic and foreign, listed, and non-listed companies in the electrical industry as well as the design, development, and assembly of electrical energy storage systems, as well as the distribution of the batteries and electrical accessories, and anything else directly or indirectly related to the electrical industry.</u></p> <p><u>The Company may set up branch offices in Switzerland and abroad, participate in, acquire, or set up companies of the same kind, buy or sell real estate, with the exception of transactions prohibited by the Federal Act on the Acquisition of Real Estate by Persons Abroad, acquire, and market immaterial rights or know-how, carry out any operation and conclude any contracts directly or indirectly related to its purpose or capable of furthering its realization.</u></p>
--	---

**Explanation:** *The Company has transferred its eTransport business to Leclanché E-Mobility SA, with legal effectiveness as per January 1, 2022 with the Carve-Out. The Articles of Association shall reflect this structural change, that the eTransport business is now operated by a wholly owned subsidiary of LECLANCHE SA, i.e. Leclanché E-Mobility SA. Therefore, the purpose of the Company as set forth in article 2 of the Articles of Association, shall be amended so that the new main purpose of the Company shall be the direct and indirect acquisition, management and sale of participations in domestic and foreign, listed and non-listed companies, in particular companies in the electrical industry. As the specialty and stationary business shall continue to be operated by the Company, the Company's purpose shall also hold, that the subsidiary purpose of the Company is the designing, developing and assembling electronic storage systems. The Board of Directors proposes to amend the wording of the purpose of the Company in a broad way, to ensure that the Company has the required flexibility for a strategic transaction (such as a sale or other business combination).*

## 10.2 Ordinary Capital Increase for Debt-to-Equity-Conversion

**Proposal of the Board of Directors:** The Board of Directors proposes to increase the Company's share capital in the amount of CHF 10,961,811.60, to bring it from CHF 33,519,708.90 to CHF 44,481,520.50<sup>3</sup> by way of an ordinary capital increase as follows:

- Entire nominal amount by which the share capital is to be increased: CHF 10,961,811.60<sup>3</sup>
- Amount of contributions to be made: CHF 41,339,957.31<sup>3</sup>
- Number, nominal value and type of new shares: 109,618,116 registered shares at a nominal value of CHF 0.10 each
- Preferential rights of individual categories: None
- Issue amount: Volume Weighted Average Price (VWAP) calculated over the 10 days preceding 2<sup>nd</sup> September 2022 for: Working Capital Bridge Loans converted at 75% VWAP (0.36129 CHF); GPFOF Bridge Loans converted at 80% VWAP (0.38538 CHF); All other Loans at 85% VWAP (0.40946 CHF) (and in any case not lower than CHF 0.10) for 109,618,116<sup>3</sup> registered shares
- Start of eligibility of dividends: Entry date of the capital increase in the Commercial Register
- Type of contribution: CHF 41,339,957.31<sup>3</sup> by way of set-off against claims for 109,618,116<sup>3</sup> fully paid-up registered shares at an issue price Volume Weighted Average Price (VWAP) calculated over the 10 days preceding 2<sup>nd</sup> September 2022 for: Working Capital Bridge Loans converted at 75%; GPFOF Bridge Loans converted at 80% ; All other Loans at 85% (and in any case not lower than CHF 0.10) for 109,618,116<sup>3</sup> registered shares
- Special benefits: None
- Restriction on transferability: As per the Articles of Association

10. Pre-emptive rights: The entire nominal increase of CHF 10,961,811.60<sup>3</sup> will be subscribed by the Creditors, which is why the pre-emptive rights of shareholders for all newly issued shares in the amount of 109,618,116<sup>3</sup> are excluded.

**Explanation:** The Company has a negative equity and is over-indebted in the sense of art. 725 para. 2 CO. For improving the financial status of the Company and its balance sheet position, the Debt-to-Equity-Conversion is proposed. In order to implement the Debt-to-Equity Conversion and to issue the required number of new shares to the Creditors, it is necessary to increase the Company's share capital in the nominal amount of CHF 10,961,811.60<sup>3</sup>, thereby excluding the pre-emptive rights of shareholders.

Given the Company's situation, the need to obtain a proportionate underwriting commitment from all shareholders and the reluctance of financial institutions supporting the Company in this exercise to attract new investors, the Board of Directors concluded that organizing a rights issue open to all shareholders was and still is not a viable option.

## **11.Set-off of Accumulated Losses with Capital Contribution Reserves**

**Proposal of the Board of Directors:** The Board of Directors proposes to set-off accumulated losses and the loss of year 2021 in the total amount of CHF 55,710,392.54 with capital contribution reserves.

**Explanation:** The Board of Directors proposes to set-off accumulated losses with capital contribution reserves, thereby partly eliminating the existing loss of capital.

## **12.Vote on the compensation of the Board of Directors and the Executive Committee**

### **12.1Compensation for the Board of Directors**

**Proposal of the Board of Directors:** Approval of the maximum aggregate amount of compensation of the Board of Directors for the term until the 2023 Annual General Meeting of CHF 600,000.00. This amount is identical to that of prior year.

**Explanation:** The enclosed Annex 1 sets out further details in relation to the proposed votes on compensation amounts for the Board of Directors.

### **12.2Compensation for the Members of the Executive Committee**

**Proposal of the Board of Directors :** Approval of the maximum aggregate amount of the Executive Committee for the financial year 2023 of CHF 4,700,000.00. This amount is identical to that approved for financial year 2022.

**Explanation:** The enclosed Annex 1 sets out further details in relation to the proposed votes on compensation amounts for the Executive Committee.

## **II.ANNUAL REPORT**

The Annual Report 2021 which contains the Consolidated Financial Statements, the Statutory Financial Statements as well as the Auditor's Report and the Compensation Report 2021 are available to shareholders at the Company's headquarters. The Annual Report and the Compensation Report are also available on Leclanché's website at <https://www.leclanche.com/investor-relations/financial-reports/>.

## **III.PARTICIPATION AND VOTING RIGHTS**

Shareholders registered with voting rights in the share register as of September 20<sup>th</sup> 2022 at 17:00 Swiss time, will be authorised to vote at the shareholders' meeting.

From September 20<sup>th</sup> 2022 at 17:00 Swiss time to September 30<sup>th</sup> 2022, no entries will be made in the share register which would create a right to vote at the shareholders' meeting. Shareholders who sell part or all of their shares during this period are no longer entitled to vote to that extent.

## **IV.REPRESENTATION**

Based on art. 27 of the Ordinance and as a precautionary measure, shareholders are not permitted to attend the Annual General Meeting in person. Shareholder voting rights can only be exercised by the Independent Representative.

Me. Manuel Isler, attorney-at-law, c/o BMG Avocats, 8C, avenue de Champel, P.O. Box 385, CH-1211 Geneva, acts as the Independent Representative. The proxy form with the completed and signed powers of attorney should be submitted to Areg.ch ag at the address indicated in paragraph V. below.

## V.VOTING INSTRUCTIONS

The enclosed proxy form may be used as power of attorney to the Independent Representative and for voting instructions. Both have to be returned by enclosed envelope not later than Wednesday 28<sup>th</sup> September 2022 to Areg.ch ag, Fabrikstrasse 10, 4614 Hägendorf, Switzerland. To the extent the shareholder does not provide specific instructions to the Independent Representative, he instructs the Independent Representative to vote his shares in favour of the proposals of the Board of Directors with respect to the items listed on the agenda. The same shall apply for additional or alternative proposals to the agenda items included in this invitation and for new agenda items.

Alternatively, shareholders have the possibility to cast their votes by issuing electronic proxies and voting instructions to the Independent Representative via netVote: <https://leclanche.netvote.ch>. Shareholders may provide or change any voting instructions which they have communicated electronically until but not later than Wednesday 28<sup>th</sup> September 2022 at 11:59 am Swiss time.

Yverdon-les-Bains, September 8<sup>th</sup> 2022

For the Board of Directors

The Chairman

Stefan A. Müller

### Annex 1: Explanations to Agenda Item 12

As required by the Ordinance against Excessive Compensation in Listed Stock Corporation (OaEC) and the Articles of Association, the Board of Directors will propose for shareholders' approval:

1. the maximum aggregate amount of Board of Directors' compensation for the period until the next AGM in 2023<sup>[4]</sup>
2. the maximum aggregate amount of the Executive Committee's compensation for the financial year 2023<sup>[5]</sup>

The proposed amounts submitted for approval at this year's Annual General Meeting of shareholders are aligned with our compensation policy.

Also, we have given you the opportunity to vote under agenda item 1.2 on a consultative basis on the Compensation Report 2021.

### **Explanations Concerning the Proposed Maximum Compensation Amount of the Board of Directors (Agenda Item 12.1)**

The proposed aggregate maximum compensation amount of CHF 600,000.00 is payable to the Board of Directors and, as an indication, consists of fixed fees. This amount is identical to that of the prior period.

In addition, the Company pays compulsory social security insurance contributions to Board of Directors who get paid through the Swiss payroll, as required by law. No variable compensations or pension benefits are awarded to members of the Board of Directors.

### **Explanations Concerning the Proposed Maximum Compensation Amount of the Executive Committee for the Financial Year 2022 (Agenda Item 12.2)**

The Board of Directors is seeking approval for CHF 4,700,000.00 as the maximum aggregate amount of the Executive Committee's compensation for the financial year 2023. This amount is identical to that approved for financial year 2022.

In accordance with the Articles of Association, the Board of Directors submits at each year to the Annual General Meeting of shareholders for approval the maximum compensation of the Executive Committee for the next financial year. The proposed aggregate maximum compensation amount includes the base salary, the variable short-term compensation (bonus) as well as the variable long-term compensation paid or awarded in that year.

As disclosed in the Compensation Report 2021, the compensation of the Executive Committee amounted to CHF 1,795,000 in the financial year 2021. The proposed aggregate maximum compensation amount is in line with the Company's current compensation policy.

The aggregate maximum compensation amount is a budget and based on the assumption that each member of the Executive Committee and the Company will have fully achieved all target objectives. It should not be regarded as the compensation amount that will be actually paid or awarded.

In addition, the Company pays compulsory social security insurance contributions as required by law.

## **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.

## **Contacts**

### **Media Switzerland /Europe:**

Thierry Meyer

T: +41 (0) 79 785 35 81

E-mail: [tme@dynamicsgroup.ch](mailto:tme@dynamicsgroup.ch)

### **Media North America:**

Henry Feintuch / Ashley Blas

T: +1-646-753-5710 / +1-646-753-5713

E-mail: [leclanche@feintuchpr.com](mailto:leclanche@feintuchpr.com)

### **Media Germany:**

Christoph Miller

T: +49 (0) 711 947 670

E-mail: [leclanche@sympra.de](mailto:leclanche@sympra.de)

### **Investor Contacts:**

Anil Srivastava / Pasquale Foglia

T: +41 (0) 24 424 65 00

E-mail: [invest.leclanche@leclanche.com](mailto:invest.leclanche@leclanche.com)

---

[1] SEFAM means: STRATEGIC EQUITY FUND - Renewable Energy Sub-Fund, STRATEGIC EQUITY FUND - Multi Asset Strategy Sub-Fund and STRATEGY EQUITY FUND - E Money Strategies Sub-Fund (also called Energy Storage Invest) referred to as "SEF", together with AM INVESTMENT SCA, SICAV-SIF - Illiquid Assets Sub-Fund, referred to as "AM". SEF and AM are in aggregate the main shareholder of Leclanché, hereunder referred to as "SEFAM".

[2] The figures are book values based on an indicative pro-forma balance sheet, which was prepared for the Carve-Out of the eTransport business as per 30 June 2021.

[3] The debt to be converted in connection with the Debt-to-Equity-Conversion is convertible at Volume Weighted Average Price (VWAP) calculated over the 10 days preceding 2nd September 2022 for: Working Capital Bridge Loans converted at 75% of VWAP; GPFOF Bridge Loans converted at 80% of VWAP; All other Loans converted at 85% of VWAP.

[4] This amount does not include compulsory social charges contributions, estimated to approximately CHF 7,500.00.

[5] This amount does not include compulsory social charges contributions, estimated to approximately CHF 650,000.00.

---