



Leclanché Group

2022 Semi-Annual Report



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Interim condensed consolidated financial statements 2022

Condensed consolidated income statements for the period ended 30 June 2022 and 2021 (unaudited)

	Notes	<u>30.06.2022</u> kCHF	<u>30.06.2021</u> kCHF
Revenue from contracts with customers	8 / 9.1	6 456	14 199
Other income	9.2	1 143	991
Total income		<u>7 599</u>	<u>15 190</u>
Raw materials and consumables used		-13 370	-12 104
Personnel costs	9.3	-19 864	-17 544
Other operating expenses	9.4	-7 835	-6 675
Net impairment losses on financial and contract assets	11	-605	-219
Depreciation, amortisation and impairment expenses		-3 738	-2 991
Operating Loss		<u>-37 813</u>	<u>-24 343</u>
Finance costs	9.5	-9 326	-7 559
Finance income		470	607
Share of net loss of associates accounted for using the equity method		-	-265
Loss before tax for the period		<u>-46 669</u>	<u>-31 560</u>
Income tax		-143	-191
Loss for the period of the Group		<u>-46 812</u>	<u>-31 751</u>
Earnings per share (CHF)			
- basic	21	-0.14	-0.11
- diluted	21	-0.14	-0.11

Condensed consolidated statements of comprehensive income for the period ended 30 June 2022 and 2021 (unaudited)

	<u>30.06.2022</u> kCHF	<u>30.06.2021</u> kCHF
Loss for the period	-46 812	-31 751
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	105	3 699
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	-352	55
Other comprehensive income/(loss) for the period	<u>-247</u>	<u>3 754</u>
Total comprehensive loss for the period	<u>-47 058</u>	<u>-27 996</u>

The accompanying notes form an integral part of the interim consolidated financial statements.

Condensed consolidated balance sheets of 30 June 2022 (unaudited) and 31 December 2021 (audited)

	Notes	30.06.2022	31.12.2021
		kCHF	kCHF
ASSETS			
Non-current assets			
Property, plant and equipment		19 714	21 220
Right-of-use assets		23 145	24 615
Intangible assets		5 747	6 294
Financial assets	10	3 127	3 199
Trade and other receivables	11	2 776	2 353
Other non-current assets		-	53
TOTAL NON-CURRENT ASSETS		54 509	57 733
Current assets			
Inventories		7 671	18 872
Trade and other receivables	11	4 731	4 581
Advance to suppliers		5 362	2 882
Contract assets		3 550	2 741
Cash and cash equivalents		2 913	2 870
TOTAL CURRENT ASSETS		24 227	31 946
TOTAL ASSETS		78 736	89 680
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	12	33 520	33 520
Share premium		56 004	56 004
Reserve for share-based payment	13	2 311	2 311
Other reserves		4 975	4 975
Translation reserve		-5 235	-4 883
Equity component of warrants and convertible loans	14	3 342	894
Remeasurements of post-employment benefit obligations		-5 860	-5 965
Accumulated losses		-159 636	-112 824
TOTAL EQUITY		-70 579	-25 968
Non-current liabilities			
Defined benefit pension liability		-	-
Convertible Loans	14	-	-
Loans	15	34 021	34 214
Lease liabilities		20 508	21 887
TOTAL NON-CURRENT LIABILITIES		54 529	56 101
Current liabilities			
Provisions		3 313	7 041
Convertible Loans	14	39 530	-
Loans	15	6 858	13 988
Lease liabilities		3 206	3 000
Trade and other payables	17	32 662	28 727
Contract liabilities		9 217	6 791
TOTAL CURRENT LIABILITIES		94 786	59 547
TOTAL LIABILITIES		149 315	115 648
TOTAL EQUITY AND LIABILITIES		78 736	89 680

The accompanying notes form an integral part of the interim consolidated financial statements.

Condensed consolidated statement of changes in equity for the period ended 30 June 2022 (unaudited)

	Attributable to equity holders of the parent								
	Issued share capital	Share premium (1)	Reserve for share-based payment	Other reserves	Equity component of convertible loans and warrants	Translation reserve	Remeasurements of post-employment benefit obligations	Accumulated losses	Total
	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF
Balance at 1 January 2021	26 007	55 458	2 329	4 975	894	-4 456	-12 842	-93 884	-21 518
Loss for the period	-	-	-	-	-	-	-	-31 751	-31 751
Other comprehensive income:									
Remeasurements of post employment benefit obligations	-	-	-	-	-	-	3 699	-	3 699
Currency translation differences	-	-	-	-	-	55	-	-	55
Total comprehensive loss for the period	-	-	-	-	-	55	3 699	-31 751	-27 996
Cancellation of share premium and other reserves against accumulated losses	-	-55 165	-	-	-	-	-	55 165	-
Reserve for share-based payment	-	-	-147	-	-	-	-	276	129
Capital increase by loan conversion - 30.03.2021	3 961	29 401	-	-	-	-	-	125	33 487
Balance at 30 June 2021	29 968	29 695	2 182	4 975	894	-4 401	-9 142	-70 069	-15 899
Balance at 1 January 2022	33 520	56 004	2 311	4 975	894	-4 883	-5 965	-112 824	-25 968
Loss for the period	-	-	-	-	-	-	-	-46 812	-46 812
Other comprehensive income:									
Remeasurements of post employment benefit obligations	-	-	-	-	-	-	105	-	105
Currency translation differences	-	-	-	-	-	-352	-	-	-352
Total comprehensive loss for the period	-	-	-	-	-	-352	105	-46 812	-47 059
Reserve for share-based payment	-	-	-	-	-	-	-	-	-
Equity component of warrants	-	-	-	-	2 448	-	-	-	2 448
Balance at 30 June 202	33 520	56 004	2 311	4 975	3 342	-5 235	-5 860	-159 636	-70 579

The accompanying notes form an integral part of the interim consolidated financial statements.

Condensed consolidated statement of cash flows for the period ended 30 June 2022 and 2021 (unaudited)

	<u>30.06.2022</u>	<u>30.06.2021</u>
	kCHF	kCHF
Operating activities		
Loss for the period of the Group	-46 812	-31 751
Non cash adjustments:		
Depreciation and impairment of property, plant and equipment and right-of-use assets	3 065	2 496
Amortisation and impairment of intangible assets	669	487
Net impairment losses on financial and contract assets	605	219
Result on scrapping of fixed assets	-53	2
Non-realised foreign exchange differences	860	355
Non-cash employee benefit expenses - share based payment	-	129
Non-cash employee benefit expenses - pension	158	340
Adjustment on associates	-	265
Finance costs	9 083	7 349
Working capital adjustments:		
(In)/Decrease in trade and other receivables	-1 332	-2 708
(In)/Decrease in contract assets	-809	243
(In)/Decrease in advances to suppliers	-2 479	-1 144
(In)/Decrease in inventories	11 202	-1 407
In/(Decrease) in contract liabilities	2 425	-2 576
In/(Decrease) in trade and other payables	760	1 259
In/(Decrease) in provisions	-3 728	-1 407
Income taxes paid	-201	-241
Interest paid	-255	-125
Net cash used in operating activities	<u>-26 842</u>	<u>-28 215</u>
Investing activities		
Payment for property, plant and equipment	-490	-2 539
Investment in financial assets	26	-516
Payment for intangible assets	-40	-1 028
Net cash used in investing activities	<u>-504</u>	<u>-4 083</u>
Financing activities		
Proceeds from convertible loans	27 400	26 845
Transaction costs on conversion of loan into capital	-	-421
Proceeds from non convertible loans	2 500	12 472
Principal elements of lease payments	-1 409	-930
Repayment of loans	-521	-68
Net cash from financing activities	<u>27 970</u>	<u>37 898</u>
Increase / (Decrease) in cash and cash equivalent	<u>624</u>	<u>5 600</u>
Cash and cash equivalent at 1 January	2 870	1 772
Cash and cash equivalent at 30 June	2 913	7 353
Effect of exchange rate changes	581	19
Variation	<u>624</u>	<u>5 600</u>

The accompanying notes form an integral part of the interim consolidated financial statements.

Notes to the interim consolidated financial statements

1. CORPORATE INFORMATION

Group structure

Leclanché SA (the "**Company**") was incorporated in Yverdon-les-Bains (Switzerland) as a Swiss limited company on 3 August 1909 with the Register of Commerce of the Canton of Vaud. The Company has its corporate legal headquarters at Avenue des Sports 42, CH-1400 Yverdon-les-Bains. The Company is listed under the International Reporting Standard on the SIX Swiss Exchange under Swiss security number 11030311 (ISIN: CH0110303119). The Company is listed under the symbol "**LECN**".

As of 30 June 2022, Leclanché S.A.'s subsidiaries and associates are:

	Registered offices	Country	Currency	Share capital (LOC)	Ownership interest	Consolidation
Leclanché GmbH	Willstätt	Germany	EUR	270'600.00	100%	C
Leclanché Service GmbH	Willstätt	Germany	EUR	25'000.00	100%	C
Leclanché UK Ltd	London	England	GBP	100.00	100%	C
Leclanché North America Inc.	Wilmington, Delaware	USA	USD	0.01	100%	C
Leclanché Canada Inc.	Victoria, British Colombia	Canada	CAD	0.00	100%	C
Leclanché France SASU (1)	Versailles	France	EUR	2'500.00	100%	C
Leclanché Norway AS (2)	Oslo	Norway	NOK	30'000.00	100%	C
Exide Leclanché Energy Private Limited (ELEPL) - Nexcharge (3)	Ahmedabad, Gujarat	India	INR	1'690'702'240	15.10%	E
Solec Power Ltd (4)	Basseterre	Saint Kitts and Nevis	USD	200'000.00	0.0%	E
Leclanché (Saint Kitts) Energy Holdings Limited (5)	Bridgetown	Barbados	USD	15'000'000.00	60%	E
Leclanché E-Mobility SA (6)	Yverdon-les-Bains	Switzerland	CHF	100'000.00	100%	C
Leclanché Singapore PTE. Ltd. (7)	Singapore	Singapore	SGD	1.00	100%	C

Consolidation: C = full consolidation method; E = Equity method

- (1) Leclanché France SASU was incorporated on 26 June 2020 and is fully owned by Leclanché SA
- (2) Leclanché Norway AS was incorporated on 15 June 2020 and is fully owned by Leclanché SA
- (3) Exide Leclanché Energy Private Limited (ELEPL) - Nexcharge was incorporated on 29 September 2018. The ownership interest of Leclanché SA was 15.10% as of 30 June 2022 (16.00% as of 31 December 2021)
- (4) Solec Power Ltd. (Saint Kitts) ("Solec") was incorporated on 29 March 2019. It is a project Company that will build own and operate a solar PV plant and battery energy storage system on the Caribbean Island of St. Kitts. The interest ownership of Leclanché was 50% at the end of 2020. In November 2021, Solec has been contributed in kind into Leclanché (Saint Kitts) Energy Holdings Limited

- (5) Leclanché (Saint Kitts) Energy Holdings Limited was incorporated on 26 October 2021 and is classified as joint arrangements (joint ventures). The contractual agreements between the Company and the other shareholders and the voting rights and other control mechanism embedded therein establish joint control as consent of all parties to the joint venture is needed to direct the relevant activities
- (6) Leclanché E-Mobility SA was incorporated on 16 December 2021 and is fully owned by Leclanché SA
- (7) Leclanché Singapore PTE. Ltd. was incorporated on 9 June 2022 and is fully owned by Leclanché SA. As of 30 June 2022, it has no activity yet.

All subsidiaries' undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

Exide Leclanché Energy Private Limited (ELEPL) – Nexcharge is classified as an associate.

Leclanché (St. Kitts) Energy Holdings Ltd. is classified as joint arrangement (joint venture).

Leclanché SA and its subsidiaries (the "**Group**") are dedicated to the design, development and manufacturing of customised turnkey energy storage solutions for electricity generation and transmission, mass transportation, heavy industrial machines and specialty battery systems.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2022 is prepared in accordance with IAS 34, "**Interim financial reporting.**" The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS.

3. ACCOUNTING POLICIES

The accounting policies applied by the Group in this interim condensed financial information are consistent with those applied in the consolidated financial statements as of and for the year ended 31 December 2021 except as described below.

Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected total annual profit or loss.

The following new standards, amendments to standards and interpretations are mandatory for the financial year beginning on 1 January 2022:

There were no new standards mandatory for the financial year beginning on 1 January 2022, impacting the Group.

There are only a limited number of amendments to the accounting standards that become applicable from 1 January 2022. These amendments have no impact on the Group.

New standards, interpretations to existing standards and standards amendments that are not yet effective:

The Group has not early adopted any other new standards, interpretations to existing standards and standards amendments which need adoption by 1 January 2023 or later. The Group has commenced, but not yet completed, an assessment of the impact of the adoption of these new or amended standards on its consolidated financial statements. The relevant standards and amendments identified by the Group to date are disclosed in the annual financial statements for the year ended 31 December 2021.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim condensed consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021, except for the uncertainties and ability to continue as a going concern (see below).

5. UNCERTAINTIES AND ABILITY TO CONTINUE AS A GOING CONCERN

On 16 December 2021, the Company incorporated a new wholly-owned subsidiary, Leclanché E-Mobility SA ("**LEMSA**"). The company purpose of LEMSA is the design, development and assembly of electrical energy storage systems, as well as the distribution of batteries and electrical accessories, and anything else directly or indirectly related to the electrical industry and, in particular, the fields of and/or relating to electric transportation and electric vehicles. With an asset transfer and contribution agreement dated 21 December 2021 (the "**ATCA**"), the Company transferred and contributed with legal effective date as of 1 January 2022, all assets and liabilities of the e-Transportation business by way of a single asset transfer with individual transfers and assumptions, including the shares in Leclanché GmbH, Leclanche UK Ltd, Leclanchè Norway A.S and in Exide Leclanché Energy Private Limited, into the reserves of LEMSA (the "**Carve-Out**"). The Company and LEMSA continue to collaborate with the finalisation of the implementation of the Carve-Out, which includes, amongst other tasks, the updating of patent registers and registering LEMSA as the new patent holder.

The intention of the Company was to pursue after the Carve-Out a merger between LEMSA and a U.S. listed special purpose acquisition company ("**SPAC**"). The merger process with the SPAC has not been initiated, and the Company has opened discussions with other SPACs and/or companies for a potential business combination with LEMSA or strategic investment in LEMSA. As of the date of publication of these interim consolidated financial statements, these discussions are ongoing.

Existing liabilities as of 31 December 2021 had been subordinated in early 2022, for a total amount of kCHF 41'237 (including accrued interest).

In terms of financing, the Group raised additional funds from its majority shareholders, SEFAM and GP, between 4 February 2022 and early November 2022, for a total amount of kCHF 54'641, of which kCHF 38'900 were subordinated.

Furthermore, on 16 June 2022, SEFAM provided a comfort letter to the Group ensuring that under certain conditions SEFAM will provide the funding requirements determined by the Board of the Company no later than 30 September 2022 and up to an amount of kCHF 50'000. This letter has been invoked.

In addition, as a financial restructuring measure and to improve the balance sheet situation, at the annual general meeting held on 30 September 2022, the conversion of CHF 41.3 million of existing debt (including accrued interest) contracted with SEFAM and Golden Partners ("GP") into equity through an ordinary capital increase was approved by the shareholders.

The Board of Directors is confident that, based on the signature of the comfort letter from SEFAM, on the above debt-to-equity conversion planned for mid-November 2022, and taking into account the current discussions with various investors, the Group will be able to meet all of its obligations for at least the next twelve months as they

fall due, and the interim consolidated financial statements have therefore been prepared on a going concern basis.

If the Group is unable to raise sufficient additional funds, it will have to develop and implement a plan to further extend payables, reduce costs, or scale back its current business plan until sufficient additional liquidity is raised to support further operations. There can be no assurance that such a plan will be successful. The availability of sufficient additional financing, in particular in the form of equity or subordinated debt to comply with Swiss minimum equity requirements, and the success of the current funding options are therefore of crucial importance for the continuation of the Group as a going concern.

These elements indicate the existence of a material uncertainty that may cast significant doubts as to whether Leclanché can remain a going concern.

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of 31 December 2021.

There have been no changes in the risk management or in any risk management policies since 31 December 2021.

7. SEASONALITY OF OPERATIONS

The Group's business activities are not subject to any pronounced seasonal fluctuations.

8. SEGMENT INFORMATION

From a product perspective, Management assesses the performance of the operating segments based on a measure of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). The impact on personnel costs related to IAS 19 / IFRIC 14 and finance income and charges are not included in the result of each operating segment.

The operating business is organised in 3 segments:

- **Stationary Business Unit** sells customised systems to support customers in both electricity generation markets (such as renewable energy integration, micro-grid or distributed power) and in transmission and distribution markets (so-called grid ancillary services).
- **E-Mobility Business Unit** sells customised systems to support customers in the mass marine, road and rail transportation.
- **Specialty Battery Business Unit** develops and delivers both turn-key customised solutions and off-the-shelf solutions incorporating battery storage and/or charging solutions utilising both in-house and third-party technologies for civil, military, medical and industrial machineries markets.

All costs that cannot be allocated directly to the three Business Units ("BU") above are grouped under Corporate, and are kept under regular review by the Executive Committee.

The information on reportable segments is as follows:

<i>in kCHF</i>	E-Mobility Business Unit		Stationary Business Unit		Specialty Business Unit		Corporate Costs		Total	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021
<i>Timing of revenue recognition:</i>										
<i>At a point in time</i>	503	-	928	358	830	1 309	-	5	2 261	1 673
<i>Over time</i>	2 747	7 528	1 448	4 997	-	-	-	-	4 195	12 525
Revenue from contracts with customers	3 250	7 528	2 376	5 356	830	1 309	-	5	6 456	14 199
EBITDA	-18 699	-12 341	-1 139	-2 271	-711	-272	-13 525	-5 801	-34 075	-20 685
EBIT	-21 367	-14 602	-1 478	-3 208	-1 101	-416	-13 866	-6 117	-37 813	-24 343

Corporate costs include impact of intermittent cell production in the first six months of 2022.

A reconciliation of total EBITDA to net loss for the period is provided as follows:

Reconciling items	30.06.2022	30.06.2021
	kCHF	kCHF
EBITDA reportable segment	-26 272	-14 883
Corporate costs	-7 803	-5 801
Depreciation, amortisation and impairment expenses	-3 738	-3 658
Finance revenue	470	607
Finance costs	-9 326	-7 559
Share of net loss of associates accounted for using the equity method	-	-265
Income tax	-143	-191
Loss for the period	-46 812	-31 751

9. REVENUES AND EXPENSES

9.1 REVENUE FROM CONTRACT WITH CUSTOMERS

The Group has the following types of revenues:

Revenue	30.06.2022	30.06.2021
	kCHF	kCHF
Projects	4 195	12 525
Sales of goods & services	2 261	1 673
	6 456	14 199
At a point in time	2 261	1 673
Over time	4 195	12 525
	6 456	14 199

In the first six months of 2022, the Group realised 53.4% of its revenue with three E-Mobility business unit customers. Comparatively, in the first six months of 2021, the Group realised 58.1% of its revenue with three E-Mobility business unit customers and one Stationary business unit customer.

9.2 OTHER INCOME

Other income encompasses mainly grants of Covid-19 loans in Switzerland with interest below market rate for kCHF 497 (2021: kCHF 490), insurance reimbursements for kCHF 264, as well as income related to prior years taxes for kCHF 208.

9.3 PERSONNEL COSTS

	<u>30.06.2022</u>	<u>30.06.2021</u>
	kCHF	kCHF
Salaries	16 744	14 597
Social charges	2 274	1 869
Recognised expense for stock option plans	-	129
Pension costs (defined benefit plan)	846	949
	<u>19 864</u>	<u>17 544</u>

9.4 OTHER OPERATING EXPENSES

	<u>30.06.2022</u>	<u>30.06.2021</u>
	kCHF	kCHF
Consulting & IP costs	2 584	1 308
Legal costs	176	742
Rental and storage costs	364	147
Building utilities	786	733
Travel costs	580	350
IT costs	315	318
Manufacturing costs	348	431
Sales & marketing costs	315	206
Transport and packaging	477	966
Administration costs	430	244
Sundry duties and capital taxes	278	162
Insurances	293	267
Commissions on financing	-7	37
Miscellaneous	894	764
	<u>7 835</u>	<u>6 675</u>

9.5 FINANCE COSTS

	<u>30.06.2022</u>	<u>30.06.2021</u>
	kCHF	kCHF
Finance costs - convertible loans	5 046	1 159
Finance costs - loans	1 499	647
Finance costs - leasing	170	108
Finance costs - warrants	2 448	-
Finance fees	125	5 604
Bank charges	39	41
	<u>9 326</u>	<u>7 559</u>

10. FINANCIAL ASSETS

	<u>30.06.2022</u>	<u>31.12.2021</u>
	kCHF	kCHF
Investments	-	-
Restricted cash at bank	1 959	1 959
Other deposits	1 168	1 240
Total financial assets	<u>3 127</u>	<u>3 199</u>
Investment in associate Exide Leclanché Energy Private Limited - Nexcharge	-	-
Investment in joint venture Leclanché (Saint Kitts) Energy Holdings Limited	-	-
investments accounted for using the equity method	<u>-</u>	<u>-</u>

(a) Financial assets

Restricted cash at bank corresponds to performance guarantees on current projects under construction and a letter of credit for the construction of a new formation line at Leclanché GmbH in Germany.

Other deposits correspond mainly to various guarantees for rent and a guarantee for the Covid-19 loan provided by Banque Cantonale Vaudoise ("BCV"), corresponding to the portion of the loan not covered by the Swiss government.

(b) Investments accounted for using the equity method

Investments accounted for using the equity method relate to:

- An equity investment in the associate Exide Leclanché Energy Private Limited (ELEPL) - Nexcharge at 15.10% (31 December 2021: 16.00%). Through the shareholder agreement, the Group is guaranteed one seat on the Board of ELEPL and participates in all significant financial and operating decisions. The Group has therefore determined that it has significant influence over this entity, even though it only holds 15.10% of the voting rights. As this Indian associate is a private entity there is no quoted price available. As of 31 December 2021, this investment was fully impaired given the recurring losses and the lack of visibility in future earnings of the associate
- An equity investment in the joint venture Leclanché (Saint Kitts) Energy Holdings Limited at 60.00%. As this associate is a Barbados private entity there is no quoted price available. As of 31 December 2021, this investment was fully impaired given delays in its financing and the uncertainties of the future earnings of the project for the Group stake.

11. TRADE AND OTHER RECEIVABLES

	<u>30.06.2022</u>	<u>31.12.2021</u>
	kCHF	kCHF
Short-term		
<i>Trade receivables - gross</i>	3 264	2 313
<i>Loss allowance</i>	-340	-194
Trade receivables, net of provision for impairment	2 924	2 119
<i>Loans - gross</i>	411	411
<i>Loss allowance</i>	-	-
Short-term loans	411	411
Other receivables	1 396	2 051
Total trade and other receivables - short term	<u>4 731</u>	<u>4 581</u>
Long-term		
<i>Trade receivables - gross</i>	360	-
Trade receivables, net of provision for impairment - long term	360	-
<i>Loans - gross</i>	12 548	11 880
<i>Loss allowance</i>	-10 132	-9 527
Long-term loans	2 416	2 353
Total trade and other receivables - long term	<u>2 776</u>	<u>2 353</u>
Total trade and other receivables	<u>7 507</u>	<u>6 934</u>

Trade receivables are non-interest bearing and are generally on 30 to 90-day terms.

As of 30 June 2022, Leclanché loan of kCHF 10'132 (31 December 2021: kCHF 9'527) against Maple Leaf to finance the "IESO" project is fully impaired due to the low profitability of the project/site and the lack of visibility on the sale of the project. The amount provided in the six-month period 2022 has been impaired for kCHF 605.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. As of 30 June 2022, this resulted in an allowance of kCHF 9 (2021: kCHF -448).

12. SHARE CAPITAL

As of 30 June 2022, the share capital amounts to kCHF 33'520, consisting of 335'197'089 issued and fully paid-in registered shares with a nominal value of CHF 0.10.

	<u>30.06.2022</u>	<u>31.12.2021</u>
	Unit	Unit
Number of Shares		
Ordinary shares, nominal value CHF 0.10	<u>335 197 089</u>	<u>335 197 089</u>

13. SHARE BASED PAYMENTS

From 2014, the Company introduced a performance related Capped Stock Option ("CSO") Plan for senior executives and high performer employees. The purpose of the Plan is to provide the selected eligible employees within the Group with the opportunity to participate in Leclanché's long-term success, subject to the approval of the Leclanché Board of Directors and in compliance with the Minder Initiative. The Plan is designed to direct the focus of such employees on the long-term share price appreciation, promote the long-term financial success of the Group and generally align the interests of the employees with those of the shareholders.

As of 30 June 2022, there are 3'545'000 outstanding options of this CSO Plan. The related reserve for share-based payment amounts to kCHF 2'311 (31 December 2021: kCHF 2'311). The related expenses in the first semester 2022 is nil (2021: kCHF 276).

14. CONVERTIBLE LOANS AND WARRANTS

A) Convertible loans

As of 30 June 2022, the composition of the convertible loans is as follows:

	<u>30.06.2022</u>	<u>31.12.2021</u>
	kCHF	kCHF
Host liability- non-current liabilities	-	-
Embedded derivatives	-	-
Convertible loans - non-current liabilities	-	-
Host liability - current liabilities	25 536	-
Embedded derivatives	13 994	-
Convertible loans - current liabilities	39 530	-
Value of Convertible Loans at the end of the period	<u>39 530</u>	<u>-</u>

As of 31 December 2021, there was no outstanding convertible loan. As of 30 June 2022, the convertible loans have been presented in the current liabilities for the ones carrying a maturity date before 30 June 2023 and in non-current liabilities for the ones carrying a maturity date beyond 30 June 2023.

GPFOF Bridge Loans

On 18 October 2021, 22 November 2021 and 10 December 2021 respectively, three bridge loan agreements (“GPFOF Bridge Loans”) have been signed between the Company and Golden Partner FOF Management Sàrl (“GPFOF”) granting to the Company kCHF 2'500, kCHF 3'000 and kCHF 4'100 respectively. On 14 February 2022 and 17 May 2022 respectively, Golden Partner FOF Management Sàrl signed subordination agreement with the Group, in which it agreed to subordinate kCHF 5'500 and kCHF 4'100 respectively of existing claims against the Group. The three above GPFOF Bridge Loans bear interest of 9 to 12% per annum and have a maturity date to 31 December 2022.

SEFAM committed to convert a portion of the various debts for a total amount of CHF 41.3 million (principal plus accrued interest), including the claims under the GPFOF Bridge Loans, into shares of the Company, with a par value of CHF 0.10 each and at an issue price of the VWAP calculated over the 10 days preceding 2nd September 2022, at a specific discount rate. On 30 September 2022, the AGM approved the ordinary capital increase of the Company by way of a debt-to-equity conversion. The “GPFOF Bridge Loans” will be converted with a 20% discount at a conversion price of 80% of the VWAP calculated over the 10 days preceding 2nd September 2022.

As of 30 June 2022, host liability and embedded derivative amounting to kCHF 2'966 remain outstanding.

Working Capital Bridge Loan (“WCBL”) - AM Investment S.C.A. SICAV - SIF and Golden Partner SA

On 4 February 2022, the Group signed a Working Capital Bridge Loan (“WCBL”) Term Sheet with AM Investment S.C.A. SICAV - SIF and Golden Partner SA. Through this agreement, amongst other, the parties have agreed to provide Leclanché with an aggregate financing of kCHF 20'400 between January and April 2022. This loan bears interest of 12% per annum and has a maturity date to 30 April 2022.

The following tranches were paid:

- On 24 January 2022: kCHF 5'000
- On 24 February 2022: kCHF 5'000
- On 21 March 2022: kCHF 7'500
- On 26 April 2022: kCHF 2'900

On 22 February 2022, AM Investment S.C.A. SICAV - FIS signed a subordination agreement with the Group, in which it agreed to subordinate kCHF 30'240 of existing and future claims against the Group.

SEFAM committed to convert a portion of the various debts for a total amount of CHF 41.3 million (principal plus accrued interest), including the claims under the WCBL loans, into shares of the Company, with a par value of CHF 0.10 each and at an issue price of the VWAP calculated over the 10 days preceding 2nd September 2022, at a specific discount rate. On 30 September 2022, the AGM approved the ordinary capital increase of the Company by way of a debt-to-equity conversion. The "WCBL loans" will be converted with a 25% discount at a conversion price of 75% of the VWAP calculated over the 10 days preceding 2nd September 2022.

As of 30 June 2022, host liability and embedded derivative amounting to kCHF 7'850 remain outstanding.

AM Investment S.C.A. SICAV - FIS – liquid Assets Sub-Fund

On 16 June 2022, AM Investment S.C.A. SICAV - FIS – Liquid Assets Sub-Fund granted a financing of kCHF 7'000 to Leclanché, as a short-term bridge loan. This loan has a maturity date to 15 June 2023 and bears interest at a rate of 8% per annum. This loan has been subordinated in full.

As of 30 June 2022, host liability and embedded derivative amounting to kCHF 3'178 remain outstanding.

Securities

All SEFAM/GP convertible loans and loans presented in Notes 14 and 15 are secured as follows:

For the SEFAM/GP loan agreements dated 16 June 2022, 24 August 2022, 26 September 2022 and 26 October 2022, all shares in Leclanché E-Mobility SA, being 10'000'000 registered shares with a par value of CHF 0.01 each, representing 100% of the share capital and voting rights, are being pledged in the first rank according to a Share Pledge Agreement dated 16 June 2022, and in the second rank according to a Share Pledge Agreement dated 24 August 2022, 26 September 2022 and 26 October 2022 (each with SEF-EMS and SEF-RE). Leclanché, as pledgor, secures for the payment and discharge for any and all monies, liabilities and all claims and obligations the pledgee may be entitled to or have now or in the future against the issuer under or in relation to the loan agreement, including all interest and commissions due or to become due thereon, as well as all costs, fees and expenses, including court or reasonable out-of-court cost and reasonable attorney's expenses arising in connection therewith or with the protection, preservation, or realisation of the security granted.

The SEFAM loan agreement dated 13 July 2022 is secured by a first ranking pledge all of the shares in Leclanché (St. Kitts) Energy Holdings Limited representing 60% of the shares and all 60 Class A shares in Leclanché (St. Kitts) Energy Holdings Limited according to a share pledge agreement dated 13 July 2022. Leclanché, as pledgor, secures for the payment for all monies, liabilities and all claims and obligations the pledgee may be entitled to have or have now or in the future against the issuer under or in relation to the loan agreement, including all interest and commissions due or to become due thereon, as well as all costs, fees and expenses, including court or reasonable out-of-court cost and reasonable attorney's expenses arising in connection therewith or with the protection, preservation, or realisation of the security granted.

A security package, which secured some earlier loans (SEFAM/GP convertible loans), consisting of (i) the same security package that secured the Oakridge Convertible Loan and the Recharge Convertible Loan (albeit on amended terms), namely an assignment of rights for security purposes of all our present and future receivables, claims from intra-group loans and bank accounts claims and a first ranking pledge over our registered patents

and patent applications filed and trademarks, (ii) securities granted by Leclanché GmbH (i.e., a global assignment agreement, a security transfer agreement and an account pledge agreement), (iii) a first ranking share pledge agreement over the shares of Leclanché GmbH, (iv) a first ranking pledge over all Account Balances, all Intercompany Receivables and all Trade Receivables and (v) new assets to be acquired by the Company with the funds made available under the various convertible and non-convertible Loans, was released on 7 March 2022 with the security release agreement (*Vereinbarung zur Freigabe von Sicherheiten*) and on 7 March 2022 with the Swiss release agreement.

(B) Warrants

Talisman Warrants

On 31 October 2013, the Company issued 832'827 Series A Warrants and 594'876 Series B Warrants to Talisman Infrastructure International Ltd ("**Talisman**") as compensation for non-regulated services rendered to the Company in connection with capital raise from Precept.

- The Series A Warrants were fully exercised from 2015 to 2017.
- The Series B Warrants have not been exercised and are exercisable into fully paid-up registered shares of the Company at an exercise price of CHF 4.50 per share. The Series B Warrants may be exercised at any time until 15 October 2023. The number of shares to be issued upon exercise of the Series B Warrants, is dependent upon the development of the share price. The formula for the number of shares (N) to be issued upon exercise of Series B Warrants (W) is: $N = W \times ((\text{Average Closing Price} - \text{Exercise Price}) / \text{Average Closing Price})$ provided that the maximum number of shares to be issued as a result of the exercise of Series A Warrants does not exceed 2.5% of the fully diluted share capital, after taking into account the number of shares that would be issued if the Precept Loan was fully converted into shares of the Company. The Average Closing Price is the closing price averaged over the preceding 10 business days.

These Warrants, issued in connection with a capital raise from Precept, were valued at fair value at grant date using the Black Scholes Model and incorporating the same underlying assumptions as for the valuation of the Precept convertible loan, as they are considered to be directly attributable transaction costs of the convertible loan provided by Precept (and of any shares issued resulting from conversion of the loan).

No Warrants were exercised in 2021 and 2020. As of 31 December 2021, there were 0 (2020: 0) outstanding and unexercised Series A Warrants and 594'876 (2020: 594'876) outstanding and unexercised Series B Warrants.

These Warrants, considered to be directly attributable transaction costs for the capital raise, have been valued on the same basis as the related Precept convertible loan and following the full conversion of the Precept loan in 2014, the outstanding amount (the Series B warrants) has been entirely reattributed to equity component for kCHF 640 (2020: kCHF 640).

Yorkville Warrant Agreement

On 14 February 2020, Leclanché signed a warrant agreement with Yorkville (the "**Yorkville Warrant Agreement**"). Subject to the terms of the Yorkville Warrant Agreement, the Company issues to Yorkville, the warrant holder, on each facility utilisation date, a number of warrants (0.25 multiplied by the converted relevant loan amount and divided by the exercise price). Upon exercise of a warrant and payment of the then-current exercise price to Leclanché, Yorkville is entitled to receive or, respectively, receives one Leclanché share for each warrant exercised. The warrants may be exercised at any time during the applicable exercise period, i.e. the period commencing on the issue date of the warrants and ending on the third anniversary of such issue date. Each warrant shall be exercisable at the then-current exercise price, a price equal to 1.2 multiplied by the closing price of one Leclanché share one trading day immediately preceding the facilitation utilisation date relating to the relevant warrants.

In 2020, the Company has issued three series of warrants to Yorkville alongside the tranches drawn down under the Yorkville Facility Agreement representing 931'141 Warrants. These Warrants have been valued at fair value at grant date (kCHF 254) using the Black Scholes Model.

WCBL Warrants

As mentioned under above section A (Convertible loans), on 4 February 2022, the Group signed a Working Capital Bridge Loan ("WCBL") Term Sheet with AM Investment S.C.A. SICAV - SIF and Golden Partner SA. Subject to the terms of the WCBL term sheet, as a compensation attached to the WCBL, the Company agrees to provide the lenders and investment advisors with a total of 10 million warrants to purchase Leclanché shares. These warrants will have an exercise price of the prevailing 60-day VWAP of the execution date of the WCBL Tranche 1 loan agreement (CHF 0.6360). The warrants will have a maturity of two years from the execution date of the WCBL agreement (being 4 February 2022). These warrants have been valued at fair value at grant date (kCHF 2'448) using the Binomial Model.

15. LOANS

	<u>30.06.2022</u>	<u>31.12.2021</u>
	kCHF	kCHF
Current loans	6 858	13 988
Non-current loans	<u>34 021</u>	<u>34 214</u>
	<u>40 879</u>	<u>48 203</u>

Nice & Green Share Purchase Program ("SPP") – AM Investment

On 31 May 2021, AM Investment SCA, SICAV-SIF and the Company signed a loan agreement, the "**AM-LSA Loan Agreement Nice & Green Proceeds**", regarding the grant of a loan in an amount of 90% of the net proceeds from the sale of certain Company shares held by the Lender. This loan bears interest of 3% per annum and has a maturity date to 31 December 2022.

As of 30 June 2022, principal for kCHF 3'297 (31 December 2021: kCHF 3'297) and interests for kCHF 93 (31 December 2021: kCHF 44) remain outstanding under the AM-LSA Loan Agreement Nice & Green Proceeds.

SEFAM committed to convert a portion of the various debts for a total amount of CHF 41.3 million (principal plus accrued interest), including the claims under the AM-LSA Loan Agreement Nice & Green Proceeds, into shares of the Company, with a par value of CHF 0.10 each and at an issue price of the VWAP calculated over the 10 days preceding 2nd September 2022, at a specific discount rate. On 30 September 2022, the AGM approved the ordinary capital increase of the Company by way of a debt-to-equity conversion. The "AM-LSA Loan Agreement Nice & Green Proceeds" will be converted with a 15% discount at a conversion price of 85% of the VWAP calculated over the 10 days preceding 2nd September 2022.

AM Investment S.C.A. SICAV - FIS – illiquid Assets Sub-Fund

On 14 June 2022, AM Investment S.C.A. SICAV - FIS – illiquid Assets Sub-Fund granted a financing of kCHF 2'500 to Leclanché, as a short-term bridge loan. This loan has a maturity date to 31 December 2022 and bears interest at a rate of 8% per annum. This loan has been subordinated in full.

Eneris loan

On 21 May 2020, the Company and Eneris have, amongst other, entered into a Euro denominated loan agreement ("Eneris LA"), under which Eneris committed to provide Leclanché with working capital financing of

up to kCHF 42'652, subject to fulfilment of certain conditions. The Eneris LA aimed at funding the Company's business plan through June 2021. The first kCHF 21'326 was committed with a disbursement through four equal monthly tranches starting from May 2020 and the second instalment of kCHF 21'326 to be discussed and agreed by the parties at a later stage. The Eneris Loan has a maturity date of 31 December 2024 and bears interest at Euro-libor 3 months + 5% per annum. The Eneris loan will be secured, thus benefiting from the security package of the same rank (pari passu) as that granted to secure certain debts to SEFAM. Eneris' obligation to timely fund the subsequent instalments is conditional upon fulfilment of certain conditions precedent, amongst others: (i) adhesion of Eneris to the security package, or (ii) perfection of the technology escrow, as per art. 3.4 of the Eneris Technology License Agreement.

As of 30 June 2022, principal of kCHF 4'991 (31 December 2021: kCHF 5'177) and interests of kCHF 483 (31 December 2021: kCHF 371) remain outstanding under the Eneris LA.

Covid-19 loans

As part of the financing support provided by the Swiss Confederation to mitigate the effects of the Covid-19 pandemic, the Company received a loan of kCHF 500 on 3 April 2020 from Banque Nationale Suisse (BNS) through Banque Cantonale Vaudoise (BCV). This loan has September 2027 as maturity date (an extension of the maturity was granted by BCV on 29 March 2021), is subject to quarterly capital repayment of kCHF 22 (since 31 March 2022) and bears no interest.

Additionally, on 11 June 2020, the Company signed a loan agreement with Banque Cantonale Vaudoise (BCV) for an amount of kCHF 4'400. This government-backed financing aims at supporting companies' cash flow in these difficult times. The loan has September 2027 as maturity date (an extension of the maturity was granted by BCV on 19 March 2021), is subject to quarterly capital repayment of kCHF 191 (since 31 March 2022) and bears an average annual coupon of 0.7%.

St Kitts construction loan

On 20 May 2021, AM Investment S.C.A. SICAV - FIS - R&D Sub-Fund granted a financing of kCHF 11'721 to Leclanché, under a construction loan agreement signed on the same day to finance the construction of the St Kitts and Nevis Stationary project.

On 25 June 2021, this loan has been terminated and replaced by a loan established in USD (USD 24'000'000) for an equivalent of kCHF 21'943, the "**St Kitts construction loan**" with a maturity date of 25 June 2041 and with annual interest rate at 7%.

Copernic loan

Under the terms of the Copernic Building Y-Parc lease agreement signed on 22 June 2020 and amended on 16 March 2021, Leclanché has contracted a kCHF 4'300 loan payable over 15 years to finance leasehold improvements and other installation costs, the "**Copernic loan**". This loan bears an annual interest rate of 5%. As per contract, the repayment of the Copernic loan has started in June 2021.

16. NET DEBT RECONCILIATION

	30.06.2022	30.06.2021
	kCHF	kCHF
Cash and cash equivalents	2 913	7 353
Convertible loans - repayable within one year	-39 530	-
Convertible loans - repayable after one year	-	-23 085
Loans - repayable within one year	-6 858	-289
Loans - repayable after one year	-34 021	-25 411
Lease liabilities -short term	-3 206	-2 299
Lease liabilities - long term	-20 508	-14 365
Net Debt	-101 210	-58 097
Cash and liquid investments	2 913	7 353
Gross debt - fixed interest rates	-104 123	-65 449
Net Debt	-101 210	-58 097

	Cash and cash equivalents	Convertible loans	Loans	Lease liabilities	Total
	kCHF	kCHF	kCHF	kCHF	kCHF
Net Debt as of 1 January 2021	1 772	-3 164	-36 234	-7 789	-45 415
Transfer from Loans to Convertible Loans	-	-27 076	27 076	-	-
Cash inflow	-	-26 845	-12 472	-	-39 317
Cash outflow (+) for liabilities, (-) for assets	5 600	-	68	930	6 598
Acquisition - leases	-	-	-	-9 805	-9 805
Conversion to equity	-	33 907	-	-	33 907
Finance costs	-	-1 159	-647	-108	-1 914
Convertible loans issue costs	-	-	-	-	-
Interests paid	-	-	18	108	125
Interests accrued for	-	1 287	630	-	1 916
Foreign exchange adjustments	-19	-35	-73	-	-127
Covid-19 subsidies	-	-	234	-	234
Other non cash movements	-	-	-4 300	-	-4 300
Net Debt as of 30 June 2021	7 353	-23 085	-25 700	-16 664	-58 097
Net Debt as of 1 January 2022	2 870	0	-48 203	-24 887	-70 220
Transfer from Loans to Convertible Loans	-	-9 600	9 600	-	-
Cash inflow	-	-27 400	-2 500	-	-29 900
Cash outflow (+) for liabilities, (-) for assets	624	-	521	1 409	2 555
Acquisition - leases	-	-	-	-	-
Conversion to equity	-	-	-	-	-
Finance costs	-	-5 046	-1 484	-170	-6 700
Convertible loans issue costs	-	283	-	-	283
Interests paid	-	-	85	170	255
Interests accrued for	-	2 233	1 414	-	3 647
Foreign exchange adjustments	-581	-	185	-	-396
Covid-19 subsidies	-	-	-497	-	-497
Other non cash movements	-	-	-	-237	-237
Net Debt as of 30 June 2022	2 913	-39 530	-40 879	-23 715	-101 210

17. TRADE AND OTHER PAYABLES

	<u>30.06.2022</u>	<u>31.12.2021</u>
	kCHF	kCHF
Trade payables	12 072	12 077
Other payables:	20 590	16 650
Accruals	13 508	11 035
Payroll and social charges	7 080	5 611
Other payables	2	4
	<u>32 662</u>	<u>28 727</u>

18. FINANCIAL INSTRUMENTS

Fair values

Due to their current nature, the carrying amount of the financial assets and financial liabilities is a reasonable approximation of their fair value.

The different levels have been defined as follows:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices);
- (c) Level 3: inputs for the asset or liability that are not based on observable market data.

There were no transfers between the respective levels during the period.

For financial assets at FVTPL (Fair Value Through Profit and Loss), the cost value is still the best evidence of the fair value. It consists of investments in structured entities. For additional information, see Note 10.

Embedded derivatives

Movements and fair value of embedded derivatives (level 2) are as follows:

	<u>30.06.2022</u>	<u>31.12.2021</u>
	kCHF	kCHF
At 1 January	-	560
Embedded derivatives disposed	-	-560
Embedded derivatives acquired	13 994	-
At the end of the period	<u>13 994</u>	<u>-</u>

Recognised fair value measurement

Commonly accepted pricing model (Binomial Model) has been used to calculate the fair value of the embedded derivatives and warrants (level 2).

19. COMMITMENTS AND CONTINGENCIES

The Group's principal contingent liabilities arise from property rental guarantees and performance guarantees.

Since 2022, the Group is subject to claims and threatening litigations related to various projects:

- Eneris : the Eneris partnership was built around three inter-related agreements, of which two were terminated. The Company has been asserted claim damages and debt collection requests, formally rejected by the Company
- Maple Leaf has difficulties to fulfil its ongoing obligations and the Company has been asserted several related claims

The Group has also contingent liabilities in respect of legal claims arising in the ordinary course of business. These matters mainly include the risks associated with personnel litigation, taxes and contractual disputes.

As of 30 June 2022, the guarantees in issue were kCHF 2'007 (31 December 2021: kCHF 3'199).

Although an estimate of the future financial effects cannot be reliably and precisely calculated at the reporting date, it is not anticipated that any material liabilities, except as described in the paragraph below, will arise from these contingent liabilities other than those provided for in "Provisions".

20. RELATED PARTY DISCLOSURES

The following transactions were carried out with related parties.

Key Management compensation

The compensation to key Management is shown below:

	<u>30.06.2022</u>	<u>30.06.2021</u>
	kCHF	kCHF
Salaries and other short-term employee benefits	1 226	1 082
Post-employment benefits	148	148
Share-based payments	-	88
Total	<u>1 374</u>	<u>1 318</u>

Related parties

Related parties are defined as follows:

- **Golden Partner**, is an international investment group advising SEFAM. SEFAM is a shareholder of Leclanché SA. SGEM and USGEM are companies partially owned by SEFAM.
- **Marengo**, is the Special Purpose Vehicle ("SPV") created to manage a utility scale generation project in Illinois, USA. This SPV is operated by USGEM.
- **Nexcharge** (Exide Leclanché Energy Private Limited (ELEPL)) is an Indian company created in 2018 by Exide Industries Ltd. and Leclanché SA to build lithium-ion batteries and commercialise energy storage systems for India's electric vehicle market. As part of the Joint Venture (JV) agreement, at 30 June 2022, Exide Industries has a majority stake of 84.90% (31 December 2021: 84.00%) and Leclanché 15.10% (31 December 2021: 16.00%).
- **Silveron Capital Partners**, is a Dallas-based boutique investment banking and stationary projects advisory firm, owned by Mr. Bryan Urban. Mr. Bryan Urban was the Executive Vice President of Stationary Business

Unit until the recruitment of his successor in July 2020 and is also the principal partner of Silveron. Mr. Bryan Urban left the Company in April 2021 and re-hired in August 2022.

Transactions

	<u>30.06.2022</u>	<u>30.06.2021</u>
	kCHF	kCHF
Revenues		
- to USGEM on Marengo project	-	417
- to Nexcharge	-	93
	<u>-</u>	<u>510</u>
Other operating expenses purchased:		
- from Golden Partner	38	29
	<u>38</u>	<u>29</u>
Finance costs		
- from Golden Partner & SEFAM	8 459	6 794
	<u>8 459</u>	<u>6 794</u>
Finance income		
- to USGEM / SGEM	21	21
- to Solec Power Ltd	-	18
	<u>21</u>	<u>40</u>

Year-end balances

	<u>30.06.2022</u>	<u>31.12.2021</u>
	kCHF	kCHF
Included in current and non-current assets:		
- long term loan from USGEM	963	904
- long term loan from SGEM	181	178
- receivable from Marengo	322	696
- receivable from SGEM	360	360
	<u>1 826</u>	<u>2 138</u>
Included in current and non-current liabilities:		
- loans & fees due to SEFAM advisors	10 501	9 146
- loans due to SEFAM	63 556	31 556
- trade and other payables due to SEFAM advisors	949	924
- trade and other payables due to Silveron	319	319
	<u>75 325</u>	<u>41 945</u>

On 30 March 2021, the Group and Marengo / USGEM / SGEM have signed a repayment plan for all outstanding invoices and loans. The repayment will be made in monthly instalments between CHF 85'000 and CHF 100'000 until November 2023.

21. EARNING PER SHARE

	<u>30.06.2022</u>	<u>30.06.2021</u>
	kCHF	kCHF
Net loss attributable to ordinary equity holders of the parent	-46 812	-31 751
	<u>30.06.2022</u>	<u>30.06.2021</u>
Weighted average number of ordinary shares in issue	335 197 089	279 089 479
	<u>30.06.2022</u>	<u>30.06.2021</u>
Earnings per share	CHF	CHF
- basic	-0.14	-0.11
- diluted	-0.14	-0.11

Basic profit per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

The diluted profit per share is equivalent to the basic profit per share, as there are no dilutive elements to be taken into consideration.

22. SUBSEQUENT EVENTS

The evolution in terms of financing is as follows:

- On 10 June 2022, a master loan agreement has been signed between the Company and a Special Situations Investor (the “SSI”). Under this agreement, amongst other, the SSI agreed to lend funds up to 55% of the current market value of 58’275’058 LECN shares (equivalent to kCHF 15’000). This agreement has been terminated in the meantime.
- On 16 June 2022, SEFAM provided a comfort letter to the Company ensuring that under certain conditions SEFAM will provide the funding requirements determined by the Board of the Group no later than 30 September 2022 and up to an amount of kCHF 50’000. This letter has been invoked.
- On 19 July 2022, the Company has received an additional financing of kCHF 5’600 from Strategic Equity Fund SCA Sicav RAIF – Renewable Energy, following the convertible loan agreement signed between the parties on 13 July 2022. This loan has been subordinated on the same date.
- On 29 August 2022, the Company has received an additional financing of kCHF 3’400 from Strategic Equity Fund – Renewable Energy, following the convertible loan agreement signed between the parties on 24 August 2022. This loan has been subordinated in full on 21 September 2022.
- On 28 September 2022, the Company has received an additional financing of kCHF 3’741 from Strategic Equity Fund c/o Strategic Equity Fund – Renewable Energy, following the convertible loan agreement signed between the parties on 26 September 2022.
- On 28 October 2022, the Company has received an additional financing of kCHF 1’000 from Strategic Equity Fund c/o Strategic Equity Fund – E-Money, following the convertible loan agreement signed between the parties on 26 October 2022.
- On 2 November 2022, the Company has received an additional financing of kCHF 11’000 from Strategic Equity Fund c/o Strategic Equity Fund – Renewable Energy, following the convertible loan agreement signed between the parties on 26 October 2022.

At the annual general meeting held on 30 September 2022, the shareholders of Leclanché approved the following Board of Directors' resolutions:

- The conversion of CHF 41.3 million of debt contracted with SEFAM and Golden Partner ("GP") into equity. This restructuring measure, negotiated with SEFAM and GP, will strengthen the balance sheet and drive continued investment interest in the Company during a period of strong growth in Leclanché's order book in the fast-growing E-Mobility sector. The Board of Directors has to implement the debt-to-equity conversion within three months after the shareholders' meeting.
- The authorisation granted to the Board of Directors to increase the share capital any time until 30 June 2024 (authorised share capital), and setting the authorised share capital at a maximum of 167'598'544 fully paid-up shares with a nominal value of CHF 0.10 each
- The existing conditional share capital to be increased in an amount not to exceed CHF 16'159'854.40 through the issuance of up to 161'598'544 fully paid-up shares with a nominal value of CHF 0.10 per share.

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Leclanché S.A. shares are listed on the SIX Swiss Exchange, Zurich (ISIN code: CH0110303119).

<https://www.six-group.com/fr/products-services/the-swiss-stock-exchange/market-data/shares/share-explorer/share-details.html?valorId=CH0110303119CHF4#/>

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The Semi-Annual Report contains forward looking statements which reflect Management's current views and estimates. The forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures, and regulatory developments.