Leclanché
Energy Storage Solutions

Leclanché Group

2024 Semi-Annual Report

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Leclanché Group

I. MANAGEMENT REPORT

1. Board of Directors' Message

Leclanché continues to demonstrate its unwavering commitment to innovation and setting the foundations for growth, driving market success and laying the groundwork for future opportunities. As a fully integrated Company, we develop and manufacture performance leading products for our key market segments. The board of directors (the "**Board**") and Management remain confident in the Company's ability to create shareholder value and achieve profitability through cutting edge technology and continued innovation in our segments.

The performance in the first half of 2024, characterized by lower losses thanks to an improved gross margin (10.2%), which underscores the effectiveness of Management and Board's strategic initiatives. These results validate Leclanché's unique value proposition, business model, and leading market position.

Market Developments and Strategic Partnerships:

Leclanché is experiencing promising developments in key areas that position the Company for future expansion and profitability. The Company has secured CHF 39.5 million in newly contracted revenue in 2024, including recently signed agreements with industry leaders Canadian Pacific and Skoda. Leclanché develops ground-breaking technology which has the ability to be applied outside of our existing markets, either through expansion of partnerships and licensing. These collaborations are expected to drive technological advancements, enhance Leclanché's market presence, and reinforce its credibility as a global technology leader in energy storage.

Investment Agreement with Pinnacle International Capital:

To further support these initiatives, Leclanché has entered into an investment agreement with Pinnacle International Capital ("**Pinnacle**") and initiated the due diligence process. Subject to successful completion, this transaction will provide Leclanché with long-term financial stability to fulfil the order book obligations and support client growth trajectories. The partnership includes a joint venture for the manufacturing expansion with up to CHF 360 million in funding, with Leclanché taking a 50% stake through a contribution in kind. Pinnacle will acquire approximately 40% stake in Leclanché, with an option to acquire up to 30% additional stake through an agreement with SEF-LUX[1] for up to CHF 240 million.

Expansion of Manufacturing Capabilities:

The collaboration aims to establish two 2 GWh battery production facilities, one in Europe at Leclanché's existing facilities in Germany and another in the Middle East. This expansion will significantly boost Leclanché's manufacturing capabilities and market presence.

Strategic Focus and Future Outlook:

Pinnacle is committed to expanding Leclanché's market presence in key sectors: rail, marine, heavy-duty and stationary businesses. Aligned with Leclanché's current vision, Pinnacle aims to support and enhance the strategic focus on these target sectors to ensure the Company future success. The firm is dedicated to working alongside Leclanché and its existing shareholders to fully realize the Company's potential and create long-term value for all stakeholders.

This partnership not only secures substantial funding for Leclanché's future growth but also reinforces its position as a key player in the transition towards sustainable energy solutions. While the deal is still subject to due diligence, the commitment from both parties underscores the market's recognition of Leclanché's innovative technology and

[1] SEF-LUX refers to: Strategic Equity Fund - Renewable Energy, Luxembourg, AM Investment SCA SICAV RAIF - Global Growth, Sub-Fund, Luxembourg, collectively are in aggregate the main shareholder of Leclanché, hereunder referred to as "SEF-LUX". Pure Capital S.A. being the beneficial owner as per the reporting platform of SIX Exchange Regulation AG's Disclosure Office - Date of publication of the most recent notification: 11 July 2024.

its potential to lead the transformation towards a sustainable energy transition across critical transport and energy generation sectors.

Summary of 2024 Semi-Annual Financials

Performance Overview – First Half of 2024:

In the first half of 2024, Leclanché continued to invest in innovation, research and development while expanding its order book. Although total revenue decreased to CHF 5.6 million compared to the same period in 2023, the Company achieved customer revenue of CHF 5.3 million. A notable highlight is the marked improvement in Earnings Before Interest, Tax, Depreciation and Amortisation ("**EBITDA**"), with losses reduced by approximately 27% to CHF (19.2) million, down from CHF (26.2) million in H1 2023. The net loss also improved by 27%, reducing to CHF (27.2) million from CHF (37.3) million in the previous year.

A key strength for the period is the robust deferred revenue position, which stood at CHF 5.4 million as of 30 June 2024. This reflects customer invoicing that has not yet been recognized as revenue under IFRS, providing a solid backlog and ensuring a future revenue stream as contracts are fulfilled. This highlights continued customer confidence, particularly in Leclanché's heavy-duty battery applications.

Leclanché's gross margin also improved, driven by a reduction in loss provisions compared to December 2023. This figure will be reassessed and audited at year-end.

Balance Sheet and Financial Performance:

Key financial indicators highlight Leclanché's ongoing progress:

EBITDA Loss Reduction (26.6% improvement): The significant reduction in EBITDA loss underscores Leclanché's enhanced operational efficiency and effective cost management, marking progress toward achieving operational profitability.

Net Loss Reduction (27.0% improvement): The substantial improvement in net loss signals a positive trend toward overall profitability, driven by stronger operational performance and more effective management of non-operating expenses.

Total Asset Growth (9.8% increase): The increase in total assets reflects Leclanché's expanding resource base, potentially enabling increased investments and improved liquidity. This growth strengthens Leclanché's foundation for future operations and expansion.

Expanded Order Book: The increase in the order book indicates growing demand for Leclanché's products and services, offering greater visibility into future revenue streams.

Leclanché has made substantial strides in enhancing its financial health and operational efficiency during the first half of 2024. Although challenges remain, the consistent improvement across key financial metrics suggests that the Company's strategic initiatives are yielding positive results, positioning Leclanché for continued progress toward profitability and long-term growth.

Significant Capital Increase:

A pivotal achievement in Leclanché's financial strategy was the successful completion of a CHF 84.7 million capital increase on 11 July2024, through the conversion of existing loans. This strategic move, which received strong support from existing shareholders, particularly SEF-LUX and other investment partners, has significantly strengthened the Company's balance sheet. The capital increase not only addressed the previous negative equity situation but also enhanced Leclanché's overall financial health, positioning it for improved financial flexibility in pursuit of its growth strategy.

Shareholder Support and Vision:

The existing shareholders have demonstrated unwavering support for Leclanché's long-term vision and technological expertise. Their substantial participation in the capital increase underscores their confidence in the Company's intellectual property and technological know-how. This support is crucial for Leclanché's continued innovation and market leadership in energy storage solutions.

Strategic Partnership and Growth:

Leclanché SA has successfully developed and launched XN50, a groundbreaking lithium-ion battery cell featuring innovative niobium-based anode technology. This achievement positions Leclanché at the forefront of energy storage solutions for heavy-duty e-mobility, rail, and marine applications. Key highlights include:

- World's first Li-ion cell with XNO® niobium-based anode material
- 50% higher energy density compared to LTO technologies
- Exceptional longevity with 10,000+ estimated cycle life
- Environmentally friendly design electrodes with no Per- and polyfluoroalkyl substances (“**PFAS**”)”)

This advancement significantly enhances Leclanché's product portfolio and market competitiveness in the energy storage sector.

From a business perspective, Leclanché has made significant progress by finalizing a framework and term sheet agreement with Pinnacle International Capital for expansion funding, subject to successful due diligence. The due diligence process with Pinnacle is advancing favourably, paving the way for a strategic partnership that will drive future growth and expansion. This partnership is expected to deploy funding of up to 360 million CHF, not only securing substantial capital for Leclanché's future growth but also positioning the Company for enhanced market opportunities. The successful completion of this agreement would mark a pivotal moment in Leclanché's corporate development, potentially accelerating its expansion plans and strengthening its competitive position in the energy storage sector.

2. Leclanché Globally

Leclanché is a fully integrated heavy-duty industrial battery manufacturer with expanded production lines and R&D capabilities. Our core markets revolve around marine, rail and industrial e-Mobility Solutions as well as Stationary Solutions. Battery and module production facilities are located in Germany and Switzerland. As of 30 June 2024, the Group employed 390 full time equivalent across operations in Switzerland, Germany, USA, UK, France, Norway and Finland.

Entity	Full Time Equivalent
Leclanché E-Mobility SA, Leclanché SA, Leclanché SBS SA	218
Leclanché GmbH, Leclanché Service GmbH	153
Leclanché UK Ltd	4
Leclanché North America Inc.	10
Leclanché Canada Inc.	0
Leclanché France SASU	3
Leclanché Norway AS,	2
Leclanché Singapore Pte	0
Leclanché Technologies SA	0
Leclanché (Saint Kitts) Energy Holdings Limited	0
Total Group	**390**

Our core technology expertise ranges from electrochemistry, through system engineering to a first level of energy management software. Leclanché develops, designs, and manufactures complete battery storage solutions covering the entire technology chain from cells to pack solutions for Hybrid Electric Vehicles ("**HEVs**") and Battery Electric Vehicles ("**BEVs**"), as well as complete, energy storage solutions for utilities, grid operators and other large scale energy storage applications.

Leclanché is an environmentally conscious manufacturing company with 100% renewable electricity for all of our manufacturing sites. Leclanché manufactures all cell electrodes using patented water-based binder technology which reduces the production energy consumption and improves performance and stability of the cell, while removing the need for the use of harmful PFAS components in the cell. With this technology Leclanché is a pioneer at the forefront of the expected regulatory tightening in potential uses of PFAS materials and in particular the applications that concern the use of the materials in lithium-ion batteries. This makes Leclanché one of the only cell manufacturers incorporating such deep environmental and health considerations in its core technology and manufacturing processes. We have systematic monitoring and reduction of $C0_2$ emissions of supply chain and operations and moving forward 90% of our cell materials will be recyclable and recoverable, with a foreseeable increase in the use of recycled materials in the manufacturing process. Leclanché works in close collaboration with recycling partners to optimise and improve the efficiency of key materials recovery.

Leclanché is IRIS certified for the design, manufacturing and maintenance related to its hybrid and electric locomotive power system drive units and auxiliary systems. The IRIS standard set by the standardisation group of UNIFE, the Association of the European Rail Supply Industry, is designed to secure higher quality in the railway industry by enabling railway component suppliers to meet globally recognised levels of quality for their railway components.

3. Organisation Structure

Leclanché SA was founded in 1909 and is headquartered in Yverdon-les-Bains, Switzerland. It has production sites in Switzerland and Germany, and offices in the USA and Norway.

Today the Company structure consists of the group entity Leclanché SA which incorporates the Stationary Business Unit and the wholly owned subsidiaries Leclanché E-Mobility SA, Leclanché Technologies SA and Leclanché Specialty Battery Systems SA.

Leclanché E-Mobility SA develops, manufactures, sells and supports customers requiring storage solutions for heavy duty mobility applications in marine, railway and specialised ground transport. This entity contains the production entities, the R&D (electrochemical, mechanical, thermal and software) entities as well as the main engineering teams.

Leclanché Technologies SA: this subsidiary consolidates all E-Mobility Company's intellectual property rights and patents, facilitating the revaluation of these assets within an IP box, effective from 1 January 2024.

Stationary Storage Unit: designs, sells and supports customers requiring storage solutions with distributed power generation like PV solar/wind/diesel gensets for utility-scale grid ancillary services and micro-grid applications. In the past the focus of the business was to provide EPC (Engineering Procurement Construction) services, as well as BOO (Build Own Operate) models. This has been discontinued with a focus on providing products and services as a product supply only.

Leclanché Specialty Battery Systems SA designs, manufactures and sells tailor-made low-voltage energy solutions for customers mainly in the medical, robotics and defence sectors.

4. Business Update and Perspectives

In recent years, our company has made significant strides in Research and Development and Engineering while successfully expanding our customer base across key markets. This strategic focus has led to a negative cash flow in operating activities during H1 2024. Recognizing the importance of financial stability for sustained growth, Management has been diligently working on various initiatives to optimize our financial position.

<u>Strategic Initiatives:</u>

Our efforts encompass a range of measures, including:

- Refining client payment terms
- Exploring growth financing options
- Implementing cost optimization strategies

These initiatives are designed to enhance our financial flexibility while maintaining our commitment to innovation and market expansion.

<u>Operational Improvements:</u>

We have identified several cost improvement opportunities in materials, components, and manufacturing processes. These enhancements are expected to yield significant benefits as we anticipate increased sales volumes in the coming year.

<u>Future Outlook:</u>

As we continue to implement our ambitious business plan and pursue further development initiatives, we anticipate temporary cash flow challenges. However, we are actively diversifying our funding sources to support our projected revenue growth and aim to achieve positive cash flow in the near future.

<u>Strategic Licensing of technology</u>

A key focus of our current strategic discussions revolves around the possibility of licensing our technology to markets outside of our core activities. In preparation for such agreements and partnerships, we have created Leclanché Technologies, which incorporates all of the Company’s Intellectual Property.

<u>Operational Considerations</u>

While we work towards securing additional funding sources, we are operating with a focus on efficient resource allocation. We remain confident that our strategic initiatives will position us for sustainable growth and improved financial performance in the long term.

4.1. E-Mobility

This year has seen a significant increase in business development activities, resulting in a further increased customer base and exponential business wins. Leclanché is partnering with some of the world’s largest marine integrators with, in some cases, supply of batteries being delayed due to the working capital limitations that the Company is experiencing. Leclanché has also won several projects in the Megayacht and Superyacht space.

The ground transport business has been equally successful in the continuation of its growth in the rail and specialised vehicle market. Leclanché has received repeat business with multiple customers in the rail, locomotive and specialised truck business from customers such as Alstom Rail, Canadian Pacific Kansas City (CPKC), FCC. These customers are using a combination of customer specific and generic battery packs all with Leclanché’s class leading cell, modules and pack designs.

The strong endorsement of Leclanché by prominent customers underscores the strong recognition of technological and performance of the Leclanché products and their relevance in the core markets being addressed by Leclanché in the heavy-duty space.

4.2. Stationary

The Stationary business has seen market acceptance of its newly launched product called LeBlock™, a safe, modular, and scalable battery energy storage solution. Two multi-MWh projects using LeBlock™ have been secured and one already delivered in H1 20242024. Development of the business has been slowed down while we are working on the long-term financing, and this is reflected in the relatively lower level of new orders received by the business unit.

4.3. Specialty

The market showed strong demand for dedicated batteries, which created many new opportunities, particularly in the medical and defence sectors. At the same time, Leclanché SBS moved to a single site at its new headquarters in Yverdon-les-Bains.

5. Research & Development

Leclanché covers the full technology value chain from cell development and manufacturing to the design and manufacturing of complete customer battery storage solutions.

Cell development focuses on the design of products with performance characteristics specific to our main markets with a strong emphasis on heavy duty products. We have a number of ongoing projects covering both short-term as well as long-term developments. Our research and development teamwork both on in-house projects as well as consortium projects with external partners. We typically work on the longer term and more research focused projects within funded projects with external partners, whereas we will do the short-term projects in-house.

Amongst the key short-term projects, which are entering product commercialisation within the coming 12 to 24 months, we have been working on three new electrode materials:

1. High-capacity cathode material NMCA, which has finished the pre-production validation and should enable a 20% capacity improvement at the cell level. We still need to finalize the cell integration into systems and product certification. Exact cell and system performance will be fixed once all these remaining steps are completed. But initial customer sampling of commercial cells has started with the new cathode material.
2. Introduction of Niobium oxide anode materials as an alternative to the LTO technology. Production trials have taken place, and we have been working on certain production process steps optimisations to reach the full performance expectations. We are collaborating with our partners from the material supply side on this and are targeting to start customer sampling by the end of2024. This new material will be used in the cells in combination with the new cathode material mentioned in the previous point. At the time of publication, the first commercial samples have been shipped to customers for ground applications.
3. Introduction of silicon materials into the graphite anodes: this development is targeting high energy density cells while helping improve fast charge capabilities. A number of material combinations are being tested with the aim to go to production trials by the end of 2024.

Aside from specific developments mentioned above, we continue to work on alternative materials to secure the supply chain.

The long-term projects include work on various types of new cells including projects such as solid-state electrolytes and sodium-ion cells. For these projects we participate in several consortiums, both in the roles of advisers as well as partners.

On the system development side, we have continued to develop new products for the marine market with a new version of our Marine Rack System. This new system builds on the previous technology and incorporates many of the developments made on the control electronics and the new modules that are being produced on the large capacity line. We have also been working on the battery system for road applications, also incorporating most of the latest developments ranging from cell to module and electronics, as well as new pack designs for volume production.

6. Outlook

We have seen a growing number of customer and project wins which have contributed to a significant increase in the order book and a market validation of Leclanché's products and solutions. The positioning of Leclanché in the rapidly evolving battery market, the recognition of our technology offering and its advantages over competing technologies and the reaching of industrial scale with new technologies continues to require a significant amount of resources.

6.1. Increased efficiency

Throughout the first half of 2024, Management continued to streamline the complexity of the Company structure and enhance the focus on our key markets (marine, railway and specialised road applications). This will bring increased efficiencies and scale to our business. The segments of marine, railway and specialised truck are using Leclanché's own cell technology, and we are undergoing an internal review to determine if its own cell technology can be incorporated into the LeBlock™ product as well. Leclanché E-Mobility is starting the release its next generation Marine Rack System (MRS 3) which will ensure that Leclanché remains at the forefront of the Marine energy storage business segment with its differentiated product deliverables.

6.2. Increased business resilience

Leclanché has made significant progress in enhancing our organisation's performance and security. Currently, we have an ongoing project of becoming ISO 21434 certified, reaffirming our commitment to automotive standards of cybersecurity. Our comprehensive cyber strategy is actively fortifying our security posture and cultivating a culture of cyber resilience. With the increased utilisation of our ERP system, our data quality has improved significantly. We are now gearing up to expand our project portfolio and optimise our workload management, fuelling our journey towards greater operational excellence.

6.3. Expansion of production footprint

Leclanché has initiated a project to relocate and significantly expand its pack assembly facilities from Yverdon-les-Bains to our Willstätt, Germany. The transfer of production has been initiated and will be done over a period of several months. We are transferring one product at the time, to ensure that the training of the new teams can be done extensively, and that the quality of the products is maintained at all times. This strategic decision allows the expansion of our German facility under the current infrastructure and expertise in the 100% renewable run facility. This also gives the added value of further reducing our carbon footprint. We expect this to be completed next year and allow Leclanché execute pack production with increased efficiency and capacity.

7. Corporate Governance and Sustainability

7.1. Enterprise Risk Management

Enterprise Risk Management ("**ERM**") is an integral part of the day-to-day management processes and the Corporate Governance of the Leclanché Group. The process has been designed to identify and assess principal and emerging risks to the organization and raise internal awareness, reduce risks' negative impact and support decision-making.

The process involves all Group functions and has been carried out annually in ERM software and conducted according to ISO 31000:2018 ERM framework. The participants – Risk Owners are expected to participate in ERM round-table where top risks are assessed and captured with their likelihood, potential impact and mitigation plans. The risks that Leclanché Group is particularly focusing on in 2024 are in the areas of strategy and environmental, social, and governance standards. To support good risk management, Leclanché Group carries out trainings sessions to improve people's awareness to specific risks. Emphasis is placed on health and safety, sustainability risks and cyber security.

The Audit and Risk Management Committee provides important oversight to ERMERM and is aware of and concurs with Leclanché's risk appetite. Leclanché's Audit and Risk Management Committee is responsible for monitoring and maintaining the effectiveness of the Group's risk management activities and internal control processes and reports any material matters to the Board.

7.2. Sustainability

Leclanché published its first Sustainability Report in 2024. This milestone reflects our commitment to transparency and accountability in our sustainability efforts. The report provides a comprehensive overview of our progress and future goals and highlights our initiatives, achievements, and ongoing strategies to drive positive environmental and social impact. The report presents alignment and compliance with the new regulatory frameworks applicable to the European battery industry.

Integrating Environmental, Social, and Governance ("ESG") framework in Leclanché: We are advancing ESG integration into our business model and strategy, enhancing our sustainability efforts. ESG provides clear criteria and metrics to turn sustainability goals into actionable steps. This integration helps us meet regulatory requirements, manage risks, officially report performance, and pursue responsible growth. Integrating ESG principles ensures compliance with the **EU Battery Regulation** (2023/1542) by providing a structured approach to meeting its strict criteria on resource efficiency, recycling, and carbon reduction. Additionally, ESG integration enhances our transparency and reporting capabilities, aligning with Sustainable Finance Disclosure Regulation ("**SFDR**") requirements, and ensuring eligibility for **Article 9** and **EU Taxonomy** standards. This strategic move strengthens our regulatory compliance and enhances our attractiveness to sustainable investors. ESG plays a central role in reporting for both the Corporate Sustainability Reporting Directive ("**CSRD"**) and SFDR, as these regulations require companies to enhance transparency and accountability in their sustainability practices, embedding environmental, social, and governance factors into their reporting and operations.

ESG fund - Article 9 and EU taxonomy. To redirect investments toward more sustainable entities, the European Union ("**EU**") has set clear ESG criteria as part of the SFDR. Leclanché has validated its eligibility for **Article 9**, the "dark green" classification under SFDR, which certifies that our ESG initiatives are aligned with the most stringent sustainability criteria. By also validating Leclanché's' alignment with the **European Taxonomy** for sustainable activities, we ensure our activities meet environmentally sustainable criteria, particularly in battery production and lifecycle management. This alignment boosts transparency positioning us as a leader in sustainable energy and strengthens our appeal to ESG-focused investors.

New EU Battery regulation Leclanché's 6R concept is fully aligned with the new **European Battery Regulation (EU 2023/1542),** which sets strict targets to promote a circular economy by mandating higher recycling rates, extending battery lifespans, and enforcing sustainable sourcing practices. To meet these requirements, we are proactively preparing across several departments to ensure compliance with each new target as it comes into effect. In the present year, our Sustainability and Purchasing teams are enhancing due diligence and traceability processes to ensure compliance with EU and Swiss regulation standards, guaranteeing responsible sourcing and total supply chain transparency.

PFAS. There has been growing concern around PFAs due to their environmental and health impacts. Leclanché has a unique water-based technology, offering a PFAS-free cell. This safer and more sustainable option reduces reliance on harmful chemicals while maintaining high performance and efficiency standards. This innovative approach presents a potential alternative to the traditional lithium-ion battery sector and an opportunity for Leclanché to scale up its technology in Europe, offering a solution in line with the PFAS restriction.

We have been actively participating in workgroups to discuss the potential PFAS restrictions and explore sustainable solutions.

Key principle of the CSRD The **Corporate Sustainability Reporting Directive ("CSRD")** is a new European regulation that enhances companies' sustainability and ESG reporting requirements, aiming to provide more comprehensive, comparable, and transparent data on environmental and social impacts.

While we are not directly affected by the CSRD, we proactively follow its core principles. We have already begun collecting and populating relevant data to align with these standards, ensuring that we are prepared for future compliance and continue demonstrating our commitment to transparency and sustainability.

Leclanché Low Carbon Transition Plan It is now in development "**Leclanché's low-carbon transition plan**", which focuses on reducing emissions and improving resources and energy efficiency. This plan is further strengthened by the new EU Battery Regulation (2023/1542), which sets stricter environmental standards and promotes mandatory sustainable practices throughout the battery lifecycle. Additionally, the plan is built upon our ESG framework, ensuring a structured, accountable approach to sustainability, and aligning with global environmental, social, and ethical goals.

II. CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2024 (unaudited)

1. Condensed consolidated income statements for the period ended 30 June 2024 and 2023

	Notes	30/06/2024	30/06/2023
		kCHF	kCHF
Revenue from contracts with customers	6.5.1	5,283	7,784
Other income	6.5.2	311	1,091
Total income		**5,593**	**8,874**
Raw materials and consumables used		-5,013	-4,115
Personnel costs	6.5.3	-20,894	-19,635
Other operating expenses	6.5.4	-7,030	-7,407
Net impairment losses on financial and contract assets	*	-802	-1
Depreciation, amortisation and impairment expenses		4,538	-7,903
Operating Loss		**-23,607**	**-30,186**
Finance costs	6.5.5	-9,910	-8,336
Finance income		6,190	1,499
Loss before tax		**-27,327**	**-37,023**
Income tax		85	-288
Loss of the Group		**-27,242**	**-37,311**
Earnings per share (CHF)			
- basic		-0.05	-0.08
- diluted		-0.05	-0.08

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.
- Net impairment losses on financial and contract assets include the bad debt amortization.

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2. Condensed consolidated statements of comprehensive income for the period ended 30 June 2024 and 2023

	30/06/2024	30/06/2023
	kCHF	kCHF
Loss for the period	-27,242	-37,311
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligatio	-863	-935
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	704	-140
Other comprehensive income/(loss) for the period	**-159**	**-1,075**
Total comprehensive loss for the period	**-27,401**	**-38,386**

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

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3. Condensed consolidated balance sheets of 30 June 2024 and 31 December 2023

	Notes	30/06/2024	31/12/2023
		kCHF	kCHF
ASSETS			
Non-current assets			
Property, plant and equipment		27,070	26,506
Right-of-use assets		25,174	20,931
Intangible assets		15,037	12,865
Financial assets	6.6	1,842	1,821
Trade and other receivables	6.7	1,776	1,665
TOTAL NON-CURRENT ASSETS		**70,898**	**63,788**
Current assets			
Inventories		24,168	21,368
Trade and other receivables		4,801	4,803
Advance to suppliers		10,356	7,949
Contract assets		4,275	5,338
Cash and cash equivalents		1,939	2,809
TOTAL CURRENT ASSETS		**45,539**	**42,267**
TOTAL ASSETS		**116,437**	**106,055**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	6.8	58,612	58,612
Share premium		294	294
Reserve for share-based payment	6.9	666	574
Other reserves		4,975	4,975
Translation reserve		-4,688	-5,393
Equity component of warrants and convertible loans		894	3,342
Remeasurements of post-employment benefit obligations		-7,940	-7,077
Accumulated losses		-137,536	-112,741
Equity attributable to equity holders of the parent		**-84,724**	**-57,414**
Non-controlling interests		1,564	2,663
TOTAL EQUITY		**-83,160**	**-54,751**
Non-current liabilities			
Defined benefit pension liability		5,433	2,748
Convertible Loans	6.10	82,815	57,545
Loans	6.10	10,880	11,285
Lease liabilities		22,959	18,779
TOTAL NON-CURRENT LIABILITIES		**122,087**	**90,358**
Current liabilities			
Provisions		21,865	28,865
Loans	6.11	1,658	2,323
Lease liabilities		3,247	2,672
Trade and other payables	6.13	31,671	23,364
Contract liabilities		9,444	8,121
Deferred revenue		9,626	5,103
TOTAL CURRENT LIABILITIES		**77,511**	**70,448**
TOTAL LIABILITIES		**199,598**	**160,806**
TOTAL EQUITY AND LIABILITIES		**116,437**	**106,055**

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

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4. Condensed consolidated statement of changes in equity for the period ended 30 June 2024

	Notes	Attributable to equity holders of the parent									NCI	Total
		Issued share capital	Share premium (1)	Reserve for share-based payment	Other reserves	Equity component of convertible loans and warrants	Translation reserve	Remeasure-ments of post-employment benefit obligations	Accumulated losses	Subtotal related to Parent company	Non-controlling interest	Total
		kCHF	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF
Balance at 1 January 2023		**44,482**	**30,672**	**955**	**4,975**	**3,342**	**-5,198**	**-944**	**-132,366**	**-54,083**	**-**	**-54,083**
Balance at 30 June 2023		**58,612**	**53,400**	**861**	**4,975**	**3,342**	**-5,338**	**-1,879**	**-132,911**	**-18,939**	**-**	**-18,939**
Balance at 1 January 2024		**58,612**	**294**	**574**	**4,975**	**3,342**	**-5,393**	**-7,077**	**-112,741**	**-57,414**	**2,663**	**-54,751**
Loss for the period		-	-	-	-	-	-	-	-27,242	**-27,242**	-	**-27,242**
Other comprehensive income:										**-**		**-**
Remeasurements of post employment benefit obligations		-	-	-	-	-	-	-863	-	**-863**	-	**-863**
Currency translation differences		-	-	-	-	-	704	-	-	**704**	-	**704**
Total comprehensive loss		**-**	**-**	**-**	**-**	**-**	**704**	**-863**	**-27,242**	**-27,401**	**-**	**-27,401**
Reserve for share-based payment	6.9	-	-	91	-	-	-	-	-	91	-	**91**
Equity component of warrants (expiration)	6.10.2	-	-	-	-	-2,448	-	-	2,448	-	-	**-**
Equity acquisition (controlling shares in St Kitts Energy)		-	-	-	-	-	-	-	-	-	-1,099	**-1,099**
Balance at 30 June 2024		**58,612**	**294**	**666**	**4,975**	**895**	**-4,688**	**-7,940**	**-137,535**	**-84,724**	**1,564**	**-83,160**

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

5. Condensed consolidated statement of cash flows for the period ended 30 June 2024 and 2023

	30/06/2024	30/06/2023
	kCHF	kCHF
Operating activities		
Loss of the Group	-27,242	-37,311
Non cash adjustments:		
Depreciation and impairment of property, plant and equipment and right-of-use assets	2,953	2,059
Amortisation and impairment of intangible assets	1,062	843
Net impairment losses on financial and contract assets	974	-74
Net release to provision on inventories	-173	-255
Net allocation to provisions	20,780	-10,330
Result on scrapping of fixed assets	29	285
Non-realised foreign exchange differences	-1,248	-262
Non-cash employee benefit expenses - pension	1,822	37
Finance costs	6,313	7,263
Working capital adjustments:		
(In)/Decrease in trade and other receivables	-1,088	350
(In)/Decrease in contract assets	1,063	-1,167
(In)/Decrease in advances to suppliers	-2,407	-5,984
(In)/Decrease in inventories	-2,627	-8,486
In/(Decrease) in contract liabilities	1,323	3,407
In/(Decrease) in deferred revenue	4,523	2,345
In/(Decrease) in trade and other payables	4,299	3,979
Release of provisions	-27,421	-
Use in provisions	-359	20,660
Interest paid	-244	-256
Net cash used in operating activities	**-17,577**	**-22,897**
Investing activities		
Payment for property, plant and equipment	-433	-346
Investment in financial assets	-20	583
Payment for intangible assets	-3,232	-1,889
Net cash used in investing activities	**-3,686**	**-1,651**
Financing activities		
Proceeds from convertible loans	23,258	26,000
Transaction costs on conversion of loan into capital	-	1,081
Proceeds from Mandatory Convertible Note	-	-
Proceeds from non convertible loans	68	-
Acquisition of NCI	-1,099	-
Principal elements of lease payments	-1,407	-1,201
Repayment of loans	-384	-380
Net cash from financing activities	**20,435**	**25,500**
Increase / (Decrease) in cash and cash equivalent	**-828**	**952**
Cash and cash equivalent at 1 January	2,809	1,362
Cash and cash equivalent at 30 June	1,939	2,303
Effect of exchange rate changes	42	11
Variation	**-828**	**952**

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

6. Notes to the interim consolidated financial statements

6.1 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 Découvertes 14, 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**".

Leclanché S.A.'s subsidiaries and associates are:

Name and legal form	Note	Registered offices	Country	Currency	Share capital (LOC)	Ownership interest	Consolidation
Leclanché E-Mobility SA	1	Yverdon-les-Bains	Switzerland	CHF	100'000	100%	C
Leclanché GmbH		Willstätt	Germany	EUR	270'600	100%	C
Leclanché Service GmbH	2	Willstätt	Germany	EUR	25'000	100%	C
Leclanché UK Ltd		Matlock	England	GBP	100	100%	C
Leclanché North America Inc.		Wilmington, Delaware	USA	USD	0.01	100%	C
Leclanché Canada Inc.		Victoria, British Colombia	Canada	CAD	0	100%	C
Leclanché France SASU	3	Versailles	France	EUR	2'500	100%	C
Leclanché Norway AS	4	Oslo	Norway	NOK	30'000	100%	C
Solec Power Ltd	5	Basseterre	Saint Kitts and Nevis	USD	200'000	0.0%	C
Leclanché (Saint Kitts) Energy Holdings Limited	6	Bridgetown	Barbados	USD	15'000'000	100%	C
Leclanché Singapore Pte	7	Singapore	Singapore	USD	10'000	100%	C
Leclanché SBS SA	8	Yverdon-les-Bains	Switzerland	CHF	100'000	100%	C
Leclanché Technologies SA	9	Yverdon-les-Bains	Switzerland	CHF	100'000	100%	C

Consolidation: C = full consolidation method

(1) Leclanché E-Mobility SA was incorporated on 13 December 2021 and is fully owned by Leclanché SA.

(2) Leclanché Service GmbH was incorporated on 28 May 2019 and is fully owned by Leclanché GmbH

(3) Leclanché France SASU was incorporated on 26 June 2020 and is fully owned by Leclanché SA

(4) Leclanché Norway AS was incorporated on 15 June 2020 and is fully owned by Leclanché SA

(5) 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 Saint. Kitts and Nevis. The interest ownership of Leclanché SA was 50% at the end of 2020. In November 2021 Solec has been contributed in kind into Leclanché (Saint Kitts) Energy Holdings Limited.

(6) 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.

(7) Leclanché Singapore Pte was incorporated on 9 June 2022, and it is fully owned by Leclanché SA

(8) Leclanché SBS SA was incorporated on 3 October 2023 and is fully owned by Leclanché SA

(9) Leclanché Technologies SA was incorporated on 11 December 2023 and is fully owned by Leclanché E-Mobility SA

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.

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.

The Group consolidated financial statements have been authorised for issue by the Board on 28 October 2024.

The main activities of the Group are described in Note 6.5.

6.2 Significant Events of the Period

a) Pinnacle Framework Agreement

On 23 July 2024, Leclanché signed a framework agreement with Pinnacle International Capital to secure expansion funding. The signed Framework Agreement builds on the binding terms already agreed on 27 June 2024 to define a partnership to expand Leclanché's manufacturing footprint with the establishment of two 2 GWh facilities in Europe and the Middle East.

These new facilities will not only boost production capacity but also enhance Leclanché's ability to meet growing global demand for high-performance energy storage solutions. Under the terms of the agreement, Pinnacle and Leclanché will establish a joint venture company funded by Pinnacle for an amount of up to CHF 360 million.

Leclanché will take a 50% stake in the joint venture company through a contribution in kind, through which Pinnacle will gain approximately 40% shareholding of Leclanché. Pinnacle will be granted a further option to acquire up to 30% additional stake in Leclanché through an agreement with SEF-LUX in the amount of up to CHF

240 million, with the exact amount and percentage between primary and secondary transactions to be determined during the due diligence.

The agreement is subject to the successful completion of a standard due diligence by Pinnacle and an exemption from the Swiss Takeover Board.

To this day, Pinnacle confirms that the financial, technical, and legal due diligence process is progressing smoothly. Both teams are working efficiently, underscoring Pinnacle's commitment to thoroughly evaluating Leclanché's operations. This collaboration reflects a shared confidence in Leclanché's market position and the strong cooperation between the teams.

Once implemented, this strategic partnership will fully fund Leclanché business plan and the expansion of its operations. With growing demand for Leclanché storage solutions, this partnership will provide a solid basis for the business to accelerate its growth, representing a significant injection of capital that is expected to solidify Leclanché's financial foundation, while driving competitive advantages in large-scale energy storage projects across key markets.

b) Debt Into Equity Conversion

On June 27, 2024, during the Annual General Meeting ("**AGM**"), SEF-LUX, Golden Partner SA, and Golden Partner Holding Co. Sàrl agreed to an increase of capital through the conversion of outstanding loans and accrued interest totalling kCHF 84,670 into equity. For further details, please refer to Note 6.18 Subsequent Events.

As part of this capital increase, the Company issued 187,685,789 new registered shares. The increase in capital was officially registered in the Commercial Register of the Canton of Vaud on 10 July2024.

6.3 Significant Accounting Policies

6.3.1 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2024 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 2023, which have been prepared in accordance with IFRS.

6.3.2 New and amended accounting standards and IFRIC interpretations

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 2023 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.

a) Information on how the Group adopted IFRS

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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b) **New and revised IFRS Standards and Interpretations**

In the current year, the Group has applied the following new or amended Standards that became effective from 1 January 2023. The revised standards did not have a material effect on these financial statements.

- IFRS 17 Insurance Contracts;
- Amendments to IFRS 17 initial application of IFRS 17 and IFRS 9 - Comparative Information;
- Amendments to IAS 1 and IFRS Practice Statement 2;
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' on definition of accounting estimates; and
- Amendments to IAS 12 'Income taxes' on deferred tax related to assets and liabilities arising from a single transaction and on international tax reform (Pillar Two Model Rules).

c) **IFRS also published the following new standards and amendments that are not yet effective at the date of issuance of the financial statements**

Certain new Standards and Interpretations have been issued that are not mandatory for the current reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group's overall results and financial position.

i. **Effective and applied from 1 January**

- Amendment to IAS 7 and IFRS 7 on disclosure of Supplier Finance Arrangements;
- Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1);
- Amendment to IFRS 16 'Leases' on lease liability in a sale-and-leaseback.

ii. **Effective and applied from January 1, 2025**

- Amendment to IAS 21 'The effects of changes in foreign exchange rates' on lack of exchangeability.

6.3.3 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 2023, except for the uncertainties and ability to continue as a going concern (see below).

a) **Uncertainties and ability to continue as a going concern**

The Company has demonstrated strategic foresight by investing in innovation, research and development while expanding its order book, positioning itself for future growth and market competitiveness. While these investments have resulted in short-term financial challenges, they are expected to yield significant long-term benefits as the Company's order book continues to expand.

As of 31 December 2023, the Company faced a temporary over indebtedness situation. However, swift and decisive actions were taken to address this challenge and strengthen the Company's financial position:

i. **Liability Restructuring:**

A total of kCHF 59,757 in existing liabilities as of 31 December 2023, were successfully subordinated, significantly improving the Company's debt profile.

ii. **Additional Funding:**

The Company's majority shareholder, SEF-LUX, demonstrated strong confidence in the business by providing additional funding of kCHF 27,046 (including accrued interest) between 1 January and 30 June 2024. This brings the total subordinated amount to kCHF 86,803, effectively addressing the negative equity situation for the upcoming 12-month period.

iii. **Financial Commitment:**

On 31 May 2024, SEF-LUX further reinforced its support by issuing a comfort letter, pledging up to kCHF 57,500 in additional funding, subject to certain conditions. This commitment provides a robust financial safety net for the Company.

iv. **Increase of Capital:**

In a strategic move to strengthen the balance sheet, shareholders approved a significant increase of capital at the AGM on 27 June 2024. This initiative involved the conversion of kCHF 84,670 of existing debt (including accrued interest) into equity through an ordinary capital increase, substantially improving the Company's capital structure and reducing its debt burden.

The Board and Management are proactively implementing measures to enhance cash flow, including intensifying efforts to secure customer payments and exploring diverse third-party funding options. The Board expresses confidence in the Company's ability to meet all its financial obligations for at least the next twelve months, based on the recent financial commitments and ongoing discussions with potential investors.

These decisive actions have not only addressed the immediate financial challenges but have also laid a solid foundation for sustainable growth. The Company is now better positioned to capitalize on its investments, leverage its expanded manufacturing capacity, and convert its growing Order Book into profitable revenue streams.

Although Leclanché’s 2023 and H1 2024 performance confirms that the Group is still in a ramp-up mode typical of a high growth scale-up Group, the technology leadership, industrial capacity ramp-up and commercial developments are endorsing the strategic decisions that have been made by the Board of Directors since 2016.

However, 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 plan will be successful. The availability of sufficient additional financing, in particular in the form of equity and subordinated debt to comply with Swiss minimum equity requirements, and the success of the current funding options with Pinnacle 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 SA can remain as a going concern.

b) 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 2023.

There have been no changes in the risk management or in any risk management policies since 31 December 2023.

c) Seasonality of operations

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

6.4 Segment Information

From a product perspective, Management assesses the performance of the operating segments based on a measure of 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.

Since 1 January 2018, 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 low voltage battery storage and/or charging solutions utilising both in-house and third-party technologies for civil, military, medical and industrial machinery 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:

in kCHF	e-Mobility Business Unit		Stationary Business Unit		SBS (ex Specialty) Business Unit		Corporate Costs		Total	
	30/06/24	30/06/23	30/06/24	30/06/23	30/06/24	30/06/23	30/06/24	30/06/23	30/06/24	30/06/23
Timing of revenue recognition:										
At a point in time	*2,543*	*901*	*74*	*370*	*967*	*1,066*	*-*	*87*	***3,585***	***2,424***
Over time	*912*	*4,127*	*741*	*639*	*45*	*594*	*-*	*-*	***1,698***	***5,359***
Revenue from contracts with customers	**3,456**	**5,028**	**815**	**1,009**	**1,012**	**1,659**	**-**	**87**	**5,283**	**7,784**
EBITDA :										
EBITDA Adjusted	**-3,159**	**-12,659**	**-152**	**-3,339**	**-1,083**	**-2,775**	**-10,400**	**-4,763**	**-14,793**	**-23,536**
EBITDA	-7,576	-15,287	-152	-3,339	-1,083	-2,775	-10,400	-4,763	**-19,210**	**-26,164**
EBIT	-10,892	-16,473	-1,256	-3,568	-1,122	-2,799	-10,336	-12,394	**-23,607**	**-35,235**

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

	30/06/24	30/06/23
	kCHF	kCHF
EBITDA	**-19,210**	**-26,164**
Under utilization/ No production costs	-4,417	-2,628
EBITDA Adjusted	**-14,793**	**-23,536**
EBITDA reportable segment	-8,811	-21,401
Corporate costs	-10,400	-4,763
Depreciation and amortisation	-3,595	-3,140
Net impairment losses on financial and contract assets	-802	-883
Finance income	6,190	1,499
Finance costs	-9,910	-8,336
Share of net loss of associates accounted for using the	-	-
Income tax	85	-288
Loss for the period	**-27,242**	**-37,311**

6.5 Revenues And Expenses

6.5.1 Revenue from contract with customers

The Group has the following types of revenues:

	30/06/2024	30/06/2023
	kCHF	kCHF
Projects	3,585	5,359
Sales of goods & services	1,698	2,424
Total	**5,283**	**7,783**
Over time	3,585	5,359
At a point in time	1,698	2,424
Total	**5,283**	**7,783**

In the first six months of 2024, the Group realised 68% of its revenue with one e-Mobility business unit customer. Comparatively, in the first six months of 2023, the Group realised 58% of its revenue also with one e-Mobility.

6.5.2 Other income

Other income amounts to kCHF 311 as of 30 June 2024 (30 June 2023: kCHF 1’091) and it encompasses mainly grants of Covid-19 loans in Switzerland with interest below market rate for kCHF 227 (2023: kCHF 272), insurance reimbursements for kCHF 76 as well as income related to prior years taxes.

6.5.3 Personnel costs

	30/06/2024	30/06/2023
	kCHF	kCHF
Salaries	16,082	16,934
Social charges and pension costs	2,272	1,968
Defined benefit plan	2,541	733
Total	**20,894**	**19,635**

6.5.4 Other operating expenses

	30/06/2024	30/06/2023
	kCHF	kCHF
Finance and Legal costs	1,321	1,425
Consulting and IP costs	945	1,125
Building utilities	676	614
Manufacturing costs	651	538
IT costs	570	634
Travel costs	496	552
Rental and storage costs	469	499
Administration costs	410	611
Sales & marketing costs	239	173
Insurances	208	134
Commissions on financing	173	7
Transport and packaging	96	391
Sundry duties and capital taxes	-84	-8
Miscellaneous	922	712
Other operating expenses	**7,091**	**7,407**
Allowance for bad debt	-62	-882
Other operating expenses (net of bad debt)	**7,030**	**6,525**
Net impairment losses on financial and contract assets	802	883

6.5.5 Finance costs

	30/06/2024	30/06/2023
	kCHF	kCHF
Finance costs - convertible loans	7,937	5,786
Finance costs - loans	586	1,127
Finance costs - leasing	207	222
Finance fees	-	605
Other finance costs	-173	-
Realised and unrealised exchange differences	1,328	578
Bank charges	25	18
	9,910	**8,336**

6.6 Financial Assets

	30/06/2024	31/12/2023
	kCHF	kCHF
Restricted cash at bank	14	15
Other deposits	1,828	1,807
Total financial assets	**1,842**	**1,821**

a) Restricted cash at bank corresponds to performance guarantees on current projects under construction.

b) Other deposits correspond mainly to various guarantees for rent (Copernic building kCHF 712) 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.

6.7 Trade And Other Receivables

	30/06/2024	31/12/2023
	kCHF	kCHF
Short-term		
Trade receivables - gross	*3,673*	4,165
Loss allowance	*-1,259*	-1,194
Trade receivables, net of provision for impairment	*2,413*	2,970
Loans - gross	193	369
Short-term loans	193	369
Other receivables	*2,195*	1,464
Total trade and other receivables - short term	**4,801**	**4,803**
Long-term		
Loans - gross	*12,026*	11,006
Loss allowance	*-10,250*	-9,341
Long-term loans	1,776	1,665
Total trade and other receivables - long term	**1,776**	**1,665**
Total trade and other receivables	**6,577**	**6,469**
Contract assets	**4,275**	**5,338**
Advances to suppliers	**10,355**	**7,949**

Trade receivables are non-interest bearing and are generally on 30-90 days' terms.

As of 30 June 2024 Leclanché loan of kCHF 10'250 (31 December 2023: kCHF 9'341) 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 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 2024 this resulted in an allowance of kCHF 1'259 (31 December 2023: kCHF 1'194).

6.8 Share Capital

6.8.1 Ordinary Share capital

As of 30 June 2024, the issued share capital of the Company amounts to kCHF 58'611 (2023: kCHF 58'611), divided into 586'114'769 (2023: 586'114'769) fully paid-in issued shares with a nominal value of CHF 0.10 each (2023: CHF 0.10).

Number of Shares	30/06/2024	31/12/2023
	Unit	Unit
Ordinary shares, nominal value CHF 0.10	586,114,769	586,114,769

Number of Shares	30/06/2024	31/12/2023
	Unit	Unit
As at 1 January	586,114,769	444,814,910
Shares issued	-	141,299,859
As at 30 June / 31 December	**586,114,769**	**586,114,769**

6.8.2 Conditional share capital

Pursuant to Article 3^{ter} and $3^{quinquies}$ of the Articles of Association, the conditional share capital of the Company represents an aggregate amount of kCHF 38’690 and is divided into the following components:

a) Conditional capital reserved for Equity Incentive Plans

Pursuant to Article 3^{ter} of the Articles of Association, the Company's share capital can be increased by a maximum aggregate amount of kCHF 600 through the issuance of a maximum of 6’000’000 fully paid-in registered shares with a nominal value of CHF 0.10 each, by the issuance of new shares to employees of the Company and Group companies. The pre-emptive rights of the shareholders are excluded. The shares or rights to subscribe for shares shall be issued to employees pursuant to one or more regulations to be issued by the Board or, to the extent delegated to it, the Appointments and Remuneration Committee, taking into account performance, functions, levels of responsibility and profitability criteria. The Board determines the issue price. Shares or subscription rights may be issued to employees at a price lower than that quoted on the stock exchange. The new registered shares are subject to the restrictions set forth in Article 4 (Transferability of shares) of the Articles of Association. As of 30 June 2024, no shares were issued on the basis of Article 3^{ter} of the Articles of Association.

b) Conditional capital reserved for financing purposes

Further to the decisions made by the shareholders at the AGM held on 27 June 2024, pursuant to Article $3^{quinquies}$ of the Articles of Association, the Company's share capital can be increased by a maximum aggregate amount of kCHF 38’090, by issuing a maximum of 380’900’279 fully paid-in registered shares with a nominal value of CHF 0.10 each. The increase is effected through the exercise of conversion rights and/or options and/or similar rights granted in connection with new options or options that have already been issued, similar securities, loans or any other financial instruments or contractual securities of the Company or one of its group companies, and/or the exercise of option rights issued by the Company or one of its group companies ("Financial Instruments").

The exercise of conversion, option, or similar rights as well as the waiver of these rights may be effected electronically or in writing. Shareholders' subscription rights are excluded in relation to the issue of Financial Instruments. The then current holders of the Financial Instruments are entitled to subscribe for the new shares.

The terms of the Financial Instruments shall be determined by the Board. The Board is authorised to exclude or restrict the advance subscription rights of shareholders:

1. In connection with the financing or refinancing of investments and the Company's expansion plan;
2. If the Financial Instruments are issued to investors or strategic partners; or
3. If the Financial Instruments are issued on the national or international stock market or through a private placement; or
4. For a company underwriting such Financial Instruments through a banking institution or third party/parties with subsequent public offerings; or
5. For financial restructuring, in particular for the conversion of debt into equity.

If the advance subscription rights are excluded on the basis of this article 3^{quinquies}: in the case of "conditional share capital for financing", the following shall apply:

- The Financial Instruments will be issued in accordance with the prevailing market conditions, taking into account the financing and operational position of the Company, the share price and/or other similar instruments with a market value.
- The issue price below the market price of the shares is possible.
- Conversion/options rights may be exercised for a maximum period of 10 years, from the issue date.
- The new registered shares are subject to the transferability restrictions set out in article 4 of the Articles of Association of the Company.

c) Capital band

Following Swiss corporate law reform, the Articles of Association have been amended, as the authorised share capital has been replaced in the new law by the introduction of a capital band.

Further to the decisions made by the shareholders at the AGM held on 27 June 2024, pursuant to the new Article 3^{quater} of the Articles of Association, the Board is authorised until 28 June 2029 to (a) increase the share capital (by means of one or several increases) up to a maximum amount of kCHF 115’399 through the issue of a maximum of 384’663’887 fully paid-in registered shares with a nominal value of CHF 0.10 each and/or (b) reduce the share capital (by means of one or several reductions) down to a minimum of kCHF 38’466. A capital reduction can take place by the cancellation of maximum 384’663’877 registered shares with a nominal value of CHF 0.10 each and/or by the reduction of the nominal value.

The Board may issue new shares by means of a firm underwriting through a banking institution or a syndicate of banking institutions or a third party/third parties and a subsequent offer of these shares to the current shareholders.

The Board shall determine the date of issue, the issue price, the type of contributions, the time at which the right to dividends arises, the conditions for the exercise of subscription rights, and the allocation of unexercised subscription rights.

The Board shall have the right to authorise, restrict or withdraw the subscription rights. The Board may cancel unexercised subscription rights or may allocate such rights and/or shares on market terms or use them in any other way in the interest of the Company.

(A pay-up by conversion of freely disposable equity capital (including by means of contribution reserves to the Company's capital) in accordance with art. 652d CO is possible up to the full issue price of each share.

The Board cancel or limit the subscription rights and may allocate them to individual shareholders or third parties in the following cases:

1. In connection with the financing and refinancing of the Company's investments or acquisitions (including the purchase of a business or equity interests) or the financing or refinancing of acquisitions by the Company (through equity or convertible loans); or
2. For the purpose of granting an over-allotment option (Greenshoe) of up to 20% of the total number of shares in a placing or sale of shares to the initial purchaser or subscriber; or
3. To use the shares as consideration for mergers, acquisitions or investments of the Company and/or in relations to options granted to strategic/financial investors/joint venture partners; or
4. For the issuance of shares or conversions under convertible debt instruments, bonds, loans and similar forms of financing of the Company or of a subsidiary company, which are being issued for the purposes of investments or acquisitions; or
5. To issue new shares if the issue price is determined by reference to the market price; or
6. To broaden the shareholder base in financial and institutional markets or in connection with the issue of new shares on the domestic or foreign stock market; or
7. For the granting of shares nationally and internationally to increase the floating shares or to meet listing requirements; or
8. For the participation of investors or strategic partners; or
9. For financial restructuring, in particular the conversion of debt into equity; or
10. To increase capital quickly and flexibly (including private placements for raising equity capital) which could hardly succeed without the exclusion of the subscription rights of the current shareholders.

Within the limits of this capital band, the Board is also authorized to carry out capital reductions by means of a reduction in nominal value once or several times per year and to pay out the reduction amount to the shareholders after adjusting the Articles of Association.

The new registered shares are subject to the transferability restrictions set out in article 4 of the Company's Articles of Association.

The Board is entitled to permit, to restrict or to exclude the trade with subscription rights. It may permit the expiration of subscription rights that have not been duly exercised, or it may place such rights or shares as to which subscription rights have been granted, but not duly exercised, at the same terms to one or several investors, place them otherwise at market conditions or may use them otherwise in the interest of the Company.

6.9 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 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 2024 there are 2'180'000 outstanding options of this CSO Plan (31 December 2023: 2'180'000). The related reserve for share-based payment amounts to kCHF 757 (31 December 2023: kCHF 574). The related expenses in the first semester 2024 is kCHF 0 (31 December 2023: kCHF 563).

6.10 Convertible Loans and Warrants

6.10.1 Convertible loans

As of 30 June 2024, the composition of the convertible loans is as follows:

	30/06/2024	31/12/2023
	kCHF	kCHF
Host liability- non-current liabilities	35,522	22,415
Embedded derivatives	47,293	35,130
Convertible loans - non-current liabilties	**82,815**	**57,545**
Convertible loans - current liabilities	**-**	**-**
Value of Convertible Loans at the end of the period	**82,815**	**57,545**

As of 30 June 2024, the convertible loans have been presented in the current liabilities for the ones carrying a maturity date before 30 June 2025 and in non-current liabilities for the ones carrying a maturity date beyond 30 June 2025 (as of 31 December 2023, the convertible loans have been presented in the current liabilities for the ones carrying a maturity date before 31 December 2024 and in non-current liabilities for the ones carrying a maturity date beyond 31 December 2024).

a) GPFOF Bridge Loans (2021)

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 a 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 bore interest of 9 to 12% per annum. These three bridge loans became convertible through the signature of a "Conversion agreement" ("WCBLT Term Sheet") on 4 February 2022. These three loans, as well as accrued related interests amounting to kCHF 817, have been fully converted on 17 November 2022, in the context of the conversion of loans and interests into equity for a total amount of

CHF 41.3 million. The "GPFOF bridge loans" have been 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 2024, interests for kCHF 16 remain outstanding under the GPFOF Bridge Loans.

b) Strategic Equity Fund c/o Strategic Equity Fund – Renewable Energy Sub-Fund (formerly GPPE FOF Bridge) Loans (2023)

On 9 February 2023, Golden Partner Private Equity FOF granted a financing of kCHF 1'000, following the convertible loan agreement signed between the parties on 7 February 2023. This loan has a maturity date to 7 February 2026 and bears interest at a rate of 8% per annum. Related arrangement fees, in line with Pure Capital regulated funds, amounting to kCHF 20, have been converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of CHF 66.7 million (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 30 April 2023). As of 30 June 2024, principal of kCHF 1'000 and interests of kCHF 105 remain outstanding on the Golden Partner Private Equity FOF – Bridge loan.

On 17 March 2023, Golden Partner Private Equity FOF granted a financing of kCHF 1'000, following the convertible loan agreement signed between the parties on 14 March 2023. This loan has a maturity date to 14 March 2026 and bears interest at a rate of 12% per annum. Related arrangement fees, in line with Pure Capital regulated funds, amounting to kCHF 20, have been converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of CHF 66.7 million (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 30 April 2023). As of 30 June 2024, principal of kCHF 1'000 and interests of kCHF 145 remain outstanding on the Golden Partner Private Equity FOF – Bridge loan.

On 23 March 2023, Golden Partner Private Equity FOF granted a financing of kCHF 6'500, following the convertible loan agreement signed between the parties on 23 March 2023. This loan has a maturity date to 23 March 2026 and bears interest at a rate of 12% per annum. Related arrangement fees, in line with Pure Capital regulated funds, amounting to kCHF 130, have been converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of CHF 66.7 million (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 30 April 2023). As of 30 June 2024, principal of kCHF 6'500 and interests of kCHF 930 remain outstanding on the Golden Partner Private Equity FOF – Bridge loan.

On 24 April 2023, Golden Partner Private Equity FOF granted a financing of kCHF 5'800, following the convertible loan agreement signed between the parties on 24 April 2023. This loan has a maturity date to 24 April 2026 and bears interest at a rate of 12% per annum. Related arrangement fees, in line with Pure Capital regulated funds, amounting to kCHF 116, have been converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of CHF 66.7 million (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 30 April 2023). As of 30 June 2024, principal of kCHF 5'800 and interests of kCHF 768 remain outstanding on the Golden Partner Private Equity FOF – Bridge loan.

The above loans have been subordinated on 27 May 2023.

On 13 June 2023, Golden Partner Private Equity FOF – RAIF – Privilege Invest Sub-Fund granted a financing of kCHF 6'700, following the convertible loan agreement signed between the parties on 30 May 2023. This loan has a maturity date to 30 May 2026 and bears interest at a rate of 12% per annum. As of 30 June 2024, principal of kCHF 6'700 and interests of kCHF 778 remain outstanding on the Golden Partner Private Equity FOF – RAIF – Privilege Invest Sub-Fund. This loan has been subordinated on 30 May 2023.

As of 30 November 2023, the above five loans, totalling kCHF 21’000, were assigned from Golden Partner Private Equity FOF – RAIF – Privilege Invest Sub-Fund to Strategic Equity Fund c/o Strategic Equity Fund – Renewable Energy Sub-Fund.

On 14 July 2023, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 1’000, following the convertible loan agreement signed between the parties on 13 July 2023. This loan has a maturity date to 13 July 2026 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 1’000 and interests of kCHF 132 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 13 July 2023.

On 17 July 2023, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 500, following the convertible loan agreement signed between the parties on 17 July 2023. This loan has a maturity date to 17 July 2026 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 500 and interests of kCHF 66 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 17 July 2023.

On 7 September 2023, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 7’700, following the convertible loan agreement signed between the parties on 6 September 2023. This loan has a maturity date to 6 September 2026 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 7’700 and interests of kCHF 845 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 6 September 2023.

On 25 October 2023, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 7’200, following the convertible loan agreement signed between the parties on 23 October 2023. This loan has a maturity date to 23 October 2026 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 7‘200 and interests of kCHF 648 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 7 November 2023.

On 24 November 2023, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 5’300, following the convertible loan agreement signed between the parties on 22 November 2023. This loan has a maturity date to 22 November 2026 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 5’300 and interests of kCHF 412 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 22 November 2023.

On 22 December 2023, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 4’300, following the convertible loan agreement signed between the parties on 21 December 2023. This loan has a maturity date to 21 December 2026 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 4’300 and interests of kCHF 285 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 21 December 2023.

On 22 January 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 4’200, following the convertible loan agreement signed between the parties on 22 January 2024. This loan has a maturity date to 22 January 2027 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 4’200 and interests of kCHF 224 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 22 January 2024.

On 22 February 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 3’500, following the convertible loan agreement signed between the parties on 21 February 2024. This loan has a maturity date to 21 February 2027 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 3’500 and interests of kCHF 142 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 21 February 2024.

On 28 March 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 1’600, following the convertible loan agreement signed between the parties on 26 March 2024. This loan has a maturity date to 26 March 2027 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 1’600 and interests of kCHF 42 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 26 March 2024.

On 02 May 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 5’500, following the convertible loan agreement signed between the parties on 30 April 2024. This loan has a maturity date to 30 April 2026 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 5’500 and interests of kCHF 66 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 30 April 2024.

On 23 May 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 5’400, following the convertible loan agreement signed between the parties on 21 May 2024. This loan has a maturity date to 21 May 2026 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 5’400 and interests of kCHF 18 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 21 May 2024.

On 28 June 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 1’500, following the convertible loan agreement signed between the parties on 28 June 2024. This loan has a maturity date to 28 June 2027 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 1’500 and interests of kCHF 1 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 28 June 2024.

As of 30 June 2024, host liability and embedded derivative amounting to kCHF 2’437 remain outstanding.

c) Strategic Yield Fund (2023)

On 14 June 2023, Strategic Yield Fund granted a financing of kCHF 1’000, following the convertible loan agreement signed between the parties on 30 May 2023. This loan has a maturity date to 30 May 2026 and bears interest at a rate of 12% per annum. As of 30 June 2024, principal of kCHF 1’000 and interests of kCHF 126 remain outstanding on the Strategic Yield Fund. This loan has been subordinated as of 30 May 2023.

As of 30 June 2024, host liability and embedded derivative amounting to kCHF 44 remain outstanding.

d) AM Investment SCA SICAV – FIS – Illiquid Assets Sub-Fund (2023)

On 26 July 2023, AM Investment SCA SICAV – FIS – Illiquid Assets Sub-Fund granted a financing of kCHF 4’000, following the convertible loan agreement signed between the parties on 26 July 2023. This loan has a maturity date to 26 July 2026 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 4’000 and interests of kCHF 510 remain outstanding on the AM Investment SCA SICAV – FIS – Illiquid Assets Sub-Fund. This loan has been subordinated on 26 July 2023.

On 10 August 2023, AM Investment SCA SICAV – FIS – Illiquid Assets Sub-Fund granted a financing of kCHF 4’700, following the convertible loan agreement signed between the parties on 10 August 2023. This loan has a maturity date to 10 August 2026 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kCHF 4’700 and interests of kCHF 570 remain outstanding on the AM Investment SCA SICAV – FIS – Illiquid Assets Sub-Fund. This loan has been subordinated on 10 August 2023.

As of 30 June 2024, host liability and embedded derivative amounting to kCHF 339 remain outstanding.

e) Golden Partner Holding Co Sàrl

On 26 March 2024, Golden Partner Holding Co Sàrl granted a financing of kEUR 1’600, following the convertible loan agreement signed between the parties on 22 March 2024. This loan has a maturity date to 22 March 2027 and bears interest at a rate of 15% per annum. As of 30 June 2024, principal of kEUR 1’600 equivalent to kCHF 1’558 and interests of kCHF 43 remain outstanding on the Golden Partner Holding Co Sàrl. This loan has been subordinated on 22 March 2024.

As of 30 June 2024, host liability and embedded derivative amounting to kCHF 38 remain outstanding.

f) Securities

All SEF-LUX convertible loans presented above are secured with 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. Shares are being pledged as follows: for the Strategic Equity Fund - Renewable Energy (previous creditor, Golden Partner Private Equity FOF, merged into Strategic Equity Fund SICAV RAIF as of 30 November 2023) loan agreement dated 7 February 2023, in the sixth rank; for the Strategic Equity Fund Renewable Energy (previous creditor, Golden Partner Private Equity FOF, merged into Strategic Equity Fund SICAV RAIF as of 30 November 2023) loan agreements dated 14 March 2023, 22 March 2023, 21 April 2023 and 30 May 2023, pari passu in the tenth rank; for the Strategic Yield Fund loan agreement signed 30 May 2023, in the eleventh rank; for the Strategic Equity Fund - Renewable Energy agreements signed 13 July 2023 and 17 July 2023, pari passu in the twelfth rank; for the AM Investment SCA SICAV – RAIF – Global Growth Sub-Fund (previous Creditor, AM Investment S.C.A. SICAV – FIS – Illiquid Assets Sub-Fund, merged into AM Investment S.C.A. SICAV – RAIF – Global Growth Sub-Fund as of 30 November 2023) loan agreements signed 26 July 2023 and 10 August 2023, pari passu in the thirteenth rank; for the Strategic Equity Fund - Renewable Energy agreements dated 6 September 2023, 23 October 2023, 22 November 2023, 21 December 2023, 21 February 2024, 26 March 2024, 30 April 2024, 21 May 2024 and 28 June 2024, pari passu in the fifth rank; for the Golden Partner Holding Co Sàrl loan agreement dated 22 March 2024, pari passu in the fifth rank; for the Strategic Equity Fund - Renewable Energy agreement dated 22 January 2024, in the eleventh rank.

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.

6.10.2 Warrants

a) 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 could have been 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 x ((Average Closing Price – Exercise Price) / 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 2024 and 2023. As of 30 June 2024, there were 0 (2023: 0) outstanding and unexercised Series A Warrants and 594'876 (2023: 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 (2023: kCHF 640).

b) Yorkville Warrant Agreement

On 14 February 2020, Leclanché SA signed a warrant agreement with YA II PN, LTD ("**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 SA, Yorkville is entitled to receive or, respectively, receives one Leclanché SA 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 SA 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 using the Black Scholes Model. No additional warrant has been issued in 2023 and 2024.

c) WCBL Warrants

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. This loan of kCHF 20'400 was converted on 2 September 2022. 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 SA shares. These warrants 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 had 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. As those warrants have expired in February 2024, the equity component has been reclassed from "Equity component of convertible loans and warrants" to "Accumulated losses".

6.11 Loans

	30/06/2024	31/12/2023
	kCHF	kCHF
Current loans	1,658	2,323
Non-current loans	10,880	11,285
	12,538	**13,608**

a) Eneris loan

On 21 May 2020, the Company and Eneris Cleantech SA (“**Eneris**”) have, amongst other, entered into a Euro denominated loan agreement (“**Eneris LA**”), under which Eneris committed to provide Leclanché SA with a Euro denominated working capital financing of up to kCHF 42’652 equivalent, 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 is secured, thus benefiting from the security package of the same rank (pari passu) as that granted to secure certain debts to SEF-LUX. 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 2024, principal of kCHF 4’428 (31 December 2023: kCHF 4’644) and interests of kCHF 1’263 (31 December 2023: kCHF 1’047) remain outstanding under the Eneris LA. Eneris LA is currently subject to legal proceedings in Luxemburg. On 3 November 2023, the District Court of Luxembourg decided that the Company has to pay kEUR 5’000 plus interest to Eneris. The Company has appealed this decision to the Court of Appeal of Luxembourg.

b) 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). It bore no interest until 31 March 2023. Since 1 April 2023, it bears an annual interest rate of 1.5%.

Additionally, on 11 June 2020, the Company signed a loan agreement with 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). It bores an average annual coupon of 0.7%. Since 1 April 2023, it bears an annual interest rate of 2.0%.

c) 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 E-Mobility SA has contracted a kCHF 4’300 (subsequently adjusted to kCHF 4’175) 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.

6.12 Net Debt Reconciliation

	30/06/2024	31/12/2023
	kCHF	kCHF
Cash and cash equivalents	1,939	2,809
Convertible loans - repayable after one year	-82,815	-57,545
Loans - repayable within one year	-1,658	-2,323
Loans - repayable after one year	-10,880	-11,285
Lease liabilities -short term	-3,247	-2,672
Lease liabilities - long term	-22,959	-18,779
Net Debt	**-119,620**	**-89,795**
Cash and liquid investments	1,939	2,809
Gross debt - fixed interest rates	-121,559	-92,604
Net Debt	**-119,620**	**-89,795**

	kCHF	kCHF	kCHF	kCHF	kCHF
Net Debt as of 1 January 2023	**1,362**	**-35,202**	**-36,322**	**-22,389**	**-92,550**
Transfer from Loans to Convertible Loans	-	-	-	-	-
Cash inflow	-	-26,000	-	-	-26,000
Cash outflow (+) for liabilties, (-) for assets	952	-	380	1,201	2,533
Acquisition - leases	-	-	-	-	-
Conversion to equity	-	47,203	25,246	-	72,448
Equity component of convertible loans & warrants	-	-	-	-	-
Finance costs	-	-5,866	-1,092	-222	-7,180
Convertible loans issue costs	-	-763	-	-	-763
Interests paid	-	-	35	222	256
Interests accrued for	-	-1,630	-455	-	-2,086
Foreign exchange adjustments	-11	-	439	-	428
Covid-19 subsidies	-	-	-	-	-
Other non cash movements	-	-	-905	385	-520
Net Debt as of 30 June 2023	**2,303**	**-22,258**	**-12,675**	**-20,803**	**-53,434**
Net Debt as of 1 January 2024	**2,809**	**-57,545**	**-13,608**	**-21,535**	**-89,879**
Transfer from Loans to Convertible Loans	-	-	-	-	**-**
Cash inflow	-	-23,258	-68	-	**-23,325**
Cash outflow (+) for liabilties, (-) for assets	-828	-	384	1,407	**964**
Acquisition - leases	-	-	-	-5,652	**-5,652**
Conversion to equity	-	-	-	-	**-**
Equity component of convertible loans & warrants	-	-	-	-	**-**
Finance costs	-	-5,808	-586	-207	**-6,601**
Convertible loans issue costs	-	-	-	-	**-**
Interests paid	-	-	36	207	**244**
Interests accrued for	-	3,796	323	-	**4,119**
Foreign exchange adjustments	-42	-	215	-	**174**
Covid-19 subsidies	-	-	-	-	**-**
Other non cash movements	-	-	765	-427	**338**
Net Debt as of 30 June 2024	**1,940**	**-82,815**	**-12,539**	**-26,207**	**-119,620**

6.13 Trade And Other Payables

	30/06/2024	31/12/2023
	kCHF	kCHF
Trade payables	**14,620**	**12,596**
Other payables:		
Accruals	10,884	7,539
Payroll and social charges	4,937	2,067
Other payables	1,229	1,162
Other payables	**17,051**	**10,769**
Total	**31,671**	**23,364**
Contract liabilities	9,444	5,103
Deferred revenue	9,626	8,121
Total	**19,070**	**13,224**

6.14 Financial Instruments

6.14.1 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 Fair Value Through Profit and Loss ("**FVTPL**"), the cost value is still the best evidence of the fair value. It consists of investments in structured entities.

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6.14.2 Embedded derivatives

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

	30/06/2024	31/12/2023
	kCHF	kCHF
Host liability- non-current liabilities	35,522	22,415
Embedded derivatives	47,293	35,130
Convertible loans - non-current liabilties	**82,815**	**57,545**
Convertible loans - current liabilities	**-**	**-**
Value of Convertible Loans at the end of the period	**82,815**	**57,545**

6.14.3 Recognised fair value measurement

Commonly accepted pricing models (Black & Scholes and Monte Carlo) have been used to fair value the Embedded derivatives and WCBL warrants (level 2).

6.15 Commitments and Contingencies

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

As of 30 June 2024, 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. Eneris has asserted claims and damages against the Company which the Company has formally rejected. In December 2022, Eneris has filed a lawsuit against the Company in the District Court of Luxembourg over kEUR 5'000 plus interest. On 3 November 2023, the District Court of Luxembourg decided that the Company had to pay kEUR 5'000 plus interest to Eneris. The Company has appealed this decision to the Court of Appeal of Luxembourg.
- Maple Leaf has difficulties to fulfil its ongoing obligations. The Company is a limited partner of Maple Leaf. The Company has claims against Maple Leaf, and it has been asserted several related claims. The Company had entered an agreement with Strategic Yield Fund RAIF in May 2023, a creditor of Maple Leaf, for the assignment of a loan to the Company against Maple Leaf. The Company has filed a lawsuit against Maple Leaf at the Ontario Superior Court of Justice to enforce the loan.

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 2024 the guarantees in issue were kCHF 1'842 (31 December 2023: kCHF 1'821), which correspond to various guarantees, mainly to rent guarantee of Headquarters building kCHF 712, and a bank guarantee for kCHF 660 related to the Covid-19 loan, securing the portion of the loan not covered by the Swiss government

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".

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Energy Storage Solutions

6.16 Related Party Disclosures

The following transactions were carried out with related parties:

6.16.1 Key Management compensation

The compensation to key Management is shown below:

	30/06/2024	30/06/2023
	kCHF	kCHF
Salaries and other short-term employee benefits	453	363
Share-based payments	91	-
Total	**544**	**363**

6.16.2 Related parties

Related parties are defined as follows:

- **Marengo**, is the Special Purpose Vehicle ("**SPV**") created to manage a utility scale generation project in Illinois, USA. This SPV is operated by USGEM.
- **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 was hired back in August 2022.

6.16.3 Transactions

	30/06/2024	30/06/2023
	kCHF	kCHF
Finance costs		
- from SEF-Lux	5,727	7,374
	5,727	**7,374**
Finance income		
- to USGEM / SGEM	19	-
	19	**-**

6.16.4 Year-end balances

	30/06/2024	31/12/2023
	kCHF	kCHF
Included in current and non-current assets:		
- long term loan from USGEM	973	893
- long term loan from SGEM	197	191
- receivable from Marengo	116	107
- receivable from SGEM	360	360
	1,646	**1,551**

Included in current and non-current liabilities:		
- loans & fees due to SEF-Lux advisors	86,965	59,911
- trade and other payables due to SEF-Lux advisors	827	827
- trade and other payables due to Silveron	19	17
	87,811	**60,756**

The receivable from Marengo shall be paid according to an agreed timeline based on the achievement of specific milestones, as per the terms of the Engineering, Procurement & Construction (EPC) contract. The outstanding balance is not covered by any structured financial guarantee.

On 30 March 2021, the Group and Marengo / USGEM / SGEM have signed a repayment plan for all outstanding invoices and loans until November 2023. The Management is making the effort to have this loan receivable repaid.

6.17 Earnings per Share

	30/06/2024	30/06/2023
	kCHF	kCHF
Net loss attributable to ordinary equity holders of the parent	-27,242	-37,311

	30/06/2024	30/06/2023
Weighted average number of ordinary shares in issue	586,114,769	448,739,906

	30/06/2024	30/06/2023
Earnings per share	CHF	CHF
- basic	-0.05	-0.08
- diluted	-0.05	-0.08

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.

6.18 Subsequent Events

6.18.1 Financing

The evolution in terms of financing is as follows:

- On 10 July 2024, the Company has received an additional financing of kCHF 1'700 from Strategic Equity Fund – Renewable Energy, following the convertible loan agreement signed between the parties on 09 July 2024.
- On 19 July 2024, the Company has received an additional financing of kCHF 3'000 from Strategic Equity Fund – Renewable Energy, following the convertible loan agreement signed between the parties on 19 July 2024.
- On 24 July 2024, the Company has received an additional financing of kCHF 180 from Strategic Equity Fund – Renewable Energy, following the convertible loan agreement signed between the parties on 24 July 2024.
- On 02 August 2024, the Company has received an additional financing of kCHF 3'000 from Strategic Equity Fund – Renewable Energy, following the convertible loan agreement signed between the parties on 02 August 2024.
- On 29 August 2024, the Company has received an additional financing of kCHF 2'000 from Strategic Equity Fund – Renewable Energy, following the convertible loan agreement signed between the parties on 29 August 2024.

The above loans totalling kCHF 9'880 have all been subordinated.

As of 27 August 2024, Strategic Yield Fund financing of kCHF 1'000 was partially assigned from Strategic Yield Fund to Strategic Equity Fund c/o Strategic Equity Fund – Renewable Energy Sub-Fund for kCHF 250.

6.18.2 Debt to Equity Conversion

On 27 June 2024, Golden Partner FOF Management Sàrl, Strategic Equity Fund – Renewable Energy Sub-Fund, Strategic Yield Fund, AM Investment SCA SICAV – FIS – Illiquid Assets Sub-Fund and Golden Partner Holding Co. Sàrl converted into equity the equivalent amount of kCHF 84'670 due under the following loans and outstanding interests (the "**Conversion**"):

- Golden Partner FOF Management Sàrl: kCHF 16 representing remaining due interests up to 30 September 2022 under extinguished loan agreement with the Company dated 4 February 2022 (so-called GPFOF Bridge Loans);
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 1'000 under a loan agreement with the Company dated 07 February 2023 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 105;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 1'000 under a loan agreement with the Company dated 14 March 2023 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 145;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 6'500 under a loan agreement with the Company dated 23 March 2023 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 930;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 5'800 under a loan agreement with the Company dated 24 April 2023 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 768;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 6'700 under a loan agreement with the Company dated 30 May 2023 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 778;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 1'000 under a loan agreement with the Company dated 13 July 2023 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 132;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 500 under a loan agreement with the Company dated 17 July 2023 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 66;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 7'700 under a loan agreement with the Company dated 06 September 2023 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 845;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 7'200 under a loan agreement with the Company dated 23 October 2023 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 648;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 5'300 under a loan agreement with the Company dated 22 November 2023 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 412;

- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 4’300 under a loan agreement with the Company dated 21 December 2023 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 285;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 4’200 under a loan agreement with the Company dated 22 January 2024 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 224;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 3’500 under a loan agreement with the Company dated 22 February 2024 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 142;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 1’600 under a loan agreement with the Company dated 26 March 2024 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 42;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 5’500 under a loan agreement with the Company dated 30 April 2024 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 66;
- Strategic Equity Fund – Renewable Energy Sub-Fund: kCHF 5’400 under a loan agreement with the Company dated 21 May 2024 (so-called Bridge loan) and related interests up to 31 May 2024 for kCHF 18;
- AM Investment SCA SICAV-FIS – Illiquid Assets Sub-Fund: kCHF 4’000 under a loan agreement with the Company dated 26 July 2023 (so-called Bridge Loan) and related interests up to 31 May 2024 for kCHF 510;
- AM Investment SCA SICAV-FIS – Illiquid Assets Sub-Fund: kCHF 4’700 under a loan agreement with the Company dated 10 August 2023 (so-called Bridge Loan) and related interests up to 31 May 2024 for kCHF 570;
- Golden Partner Holding Co. Sàrl: kEUR 1’600 (equivalent to kCHF 1’571) under a loan agreement with the Company dated 22 March August 2024 (so-called Bridge Loan) and related interests up to 31 May 2024 for kCHF 43;
- Golden Partner SA: kCHF 457 representing payment in kind to settle VAT claim.

Further to the Conversion of the above loans, certain share pledges have fallen away.

As part of the Conversion, the Company issued 187’685’789 new registered shares. The capital increase was registered in the Commercial Register of the Canton of Vaud on 10 July 2024.

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

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