Leclanché
Energy Storage Solutions

Leclanché Group

2024 Annual Report

LECLANCHE SA
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I MANAGEMENT REPORT

1. Board Of Directors’ Message

The Company's commitment to growth and innovation has continued to drive success in the market and build the foundations for future opportunities. The Board is confident on the Company's potential to create value for its shareholders and drive future growth.

In 2024, the Company continued to invest in research and development while developing its order book. Recurring operating losses reflect this continuing effort.

Summary of 2024 Financials

In 2024, we achieved a consolidated income of kCHF 18’433, with customer revenue reaching kCHF 17’357, a significant increase from kCHF 5’283 reported in the year's first half. This growth highlights our ability to drive performance even in a challenging market. Although customer revenue remains almost stable compared to the previous year, the operating loss decreased to kCHF (52’707) compared to kCHF (65’725) in the prior year, demonstrating effective cost management.

While revenue recognised under IFRS remained identical to 2023, it is essential to highlight the kCHF 27 in net deferred revenues on the Balance Sheet. These represent additional invoiced amounts to customers that still need to be recognised as revenue, showcasing our prudent financial management and laying the groundwork for future growth.

Deferred revenue decreased significantly to kCHF 27 in 2024 from kCHF 2’782 in 2023, reflecting improved project delivery timelines and operational efficiency. Despite this reduction, client revenue remained stable year-over-year, underscoring the Company's ability to convert contracts into recognized revenue more swiftly and reliably.

Moreover, our net loss has decreased to kCHF (67’679), marking a 4% improvement from the kCHF (70’532) loss reported on 31 December 2023. These results underscore our commitment to achieving financial stability and growth.

The Company has demonstrated good financial stability, successfully maintaining a robust balance sheet of kCHF 108’937 as of 31 December 2024. This represents a stability as its in line with kCHF 106’054 as of 31 December 2023. This positive trend underscores the Company's effective financial management and strategic growth initiatives, highlighting its commitment to sustaining long-term financial health and shareholder value.

LECLANCHE SA, the Swiss Company, successfully boosted its capital by converting kCHF 84’670 of debt into equity on 10 July 2024. This crucial step is vital to the Company's efforts to enhance its financial stability. Leclanché is actively engaged in advanced discussions with third parties regarding equity financing and has received strong support from its principal investors. Following the July 2024 conversion, these investors have subordinated debt and interest in the total amount of kCHF 44’705 and have committed to convert debt and interest, accumulated up to 30 June 2025 in the amount of approx. kCHF 23’000 subject to such a debt-to-equity conversion being approved by the shareholders' meeting to address the negative equity situation of kCHF 23’800 as of 31 December 2024 for the next 12 months, and to facilitate ongoing discussions with third parties. This positive development will strengthen Leclanché's financial position and pave the way for its future growth and success.

Leclanché
Energy Storage Solutions

2. Leclanché Globally

Leclanché is a fully integrated heavy-duty industrial battery solutions manufacturer with dedicated production lines and R&D capabilities. Our core markets cover 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 31 December 2024, the Group employed 372 full time equivalent across operations in Switzerland, Germany, USA, UK, France, Norway and Finland.

Entity	Full Time Equivalent
Leclanché E-Mobility SA, LECLANCHE SA, LECLANCHE SBS SA	204
Leclanché GmbH, Leclanché Service GmbH	148
Leclanché UK Ltd	4
Leclanché North America Inc.	10
Leclanché Canada Inc.	0
Leclanché France SASU	3
Leclanché Norway AS,	2
Leclanché Finland	1
Leclanché Singapore Pte	0
Leclanché Technologies SA	0
Leclanché (Saint Kitts) Energy Holdings Limited	0
Total Group	**372**

Our core technology expertise ranges from electrochemistry, through to system engineering and a first level of energy management software. Leclanché develops, designs, and manufactures complete battery storage solutions covering the entire technology value 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, improves performance and stability of the cell, while removing the need for the use of harmful PFAS (per-and polyfluoroalkyl substances) components in the cell. With this technology Leclanché is a pioneer at the forefront of the expected regulatory tightening in PFAS emission standards. 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 C02 emissions of supply chain and operations and moving forward 90% of our cell materials are foreseen to be recyclable and recoverable, with a planned 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 (International Railway Industry Standard) certified certified for the design, manufacturing and maintenance related to its hybrid and electric locomotive drive and auxiliary power unit systems. The IRIS standard set by the standardisation Group of the European Rail Supply Industry Association, the Association 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

Following the establishment of two new legal entities, LECLANCHE SBS SA (Specialty Battery Systems) in October 2023, created to give the Specialty Battery business greater independence and more flexibility in forming partnerships and determining its future structure and ownership; and Leclanché Technologies SA in December 2023, formed to consolidate all of the Company's intellectual property rights and patents and to support the revaluation of these assets within an IP box, 2024 has been a year focused on consolidating the operations of these entities in terms of organisation, IT systems, and management.

Today the Company's structure comprises the Group entity, LECLANCHE SA, which includes the Stationary Business Unit as well as the wholly owned subsidiaries: Leclanché E-Mobility SA and Leclanché Specialty Battery Systems SA.

Leclanché E-Mobility: 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.

Stationary Storage Unit: 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: manufactures, sells and supports solutions for customers in the main areas of medical, robotics and defence.

4. Business Update And Perspective

The Company has continued to invest in research and development, and engineering while expanding its customer base in all key markets. These strategic investments have paved the way for significant growth and innovation. Cash and working capital remain crucial drivers for growth and have been the focus of management over the past year. We have implemented several initiatives to enhance our financial position, including optimising client payment conditions, securing growth financing, and refining cost strategies through design-to-cost and purchasing optimisations. As a result, we have identified and implemented numerous cost improvements across materials, components, and manufacturing processes, positioning us to handle the larger sales volumes anticipated in the coming years.

Significant internal optimisations last year have greatly enhanced the Company's value model and financial framework. Furthermore, Leclanché has strengthened its value proposition by introducing PFAS-Free and Niobium Oxide Cells. Amid growing concerns surrounding the impacts of PFAS (per- and poly-fluoroalkyl substances), widely used in producing lithium-ion batteries, Europe plans to restrict its usage. With many suppliers in the battery industry set to be heavily affected by these plans, LECLANCHE SA, which has been using a water-based binder process in its cell production for over 13 years, is well-prepared for these new restrictions.

The Company is attracting interest from industrial players, including automotive OEMs, for its water-based electrode manufacturing and PFAS-free technology. Leclanché is actively evaluating opportunities to supply various partners with fully PFAS-free lithium-ion cells. In parallel, the Company is engaged in discussions with major industrial players regarding potential licensing agreements for this technology.

While our ongoing business plan implementation and development initiatives have led to an increase in strategic investments, these are essential steps for our long-term growth.

A major milestone in Leclanché’s growth journey was achieved in 2024 with the signing of a transformative Framework Partnership Agreement with Pinnacle International Capital. Announced on 23 July 2024, this strategic agreement lays the foundation for a long-term partnership aimed at securing significant expansion funding to support Leclanché’s ambitious industrial roadmap.

The agreement outlines the establishment of a joint venture to develop and operate two large-scale lithium-ion battery production facilities—each with a planned capacity of 2 GWh—one in Germany and the other in the Middle East. Pinnacle has committed to funding the joint venture with an investment of up to kCHF 360’000. In return, Leclanché will contribute key assets and expertise in kind, securing a 50% equity stake in the joint venture. Additionally, Pinnacle has been granted an option to acquire up to a 30% stake in Leclanché through a separate agreement with SEF-Lux[1] , representing a potential further investment of up to kCHF 240’000.

This agreement was initially subject to a due diligence and engineering review process, which formally commenced on 22 July 2024. Following extensive analysis and validation, the partnership reached a critical turning point on 6 February 2025, when a condition precedent (CP) confirmation was issued, officially making the agreement binding.

The partnership with Pinnacle represents a game-changing opportunity for Leclanché. It not only provides the capital required to execute our industrial scale-up but also brings on board an investor aligned with our long-term vision. Once fully implemented, this partnership will enable Leclanché to deliver on its growing pipeline of commercial opportunities and significantly enhance its market position in both Europe and the Middle East.

With this agreement, Leclanché moves into 2025 on a solid financial and strategic footing, ready to scale its operations and accelerate the deployment of advanced battery solutions to meet rising global demand.

4.1 E-Mobility

The year 2024 has seen a significant increase in business development activities, resulting in a further increased customer base and large business wins. Leclanché is partnering with some of the world’s largest marine integrators supplying its battery systems to some of the largest electric and hybrid ferries for end customers. Leclanché has also won several projects in the Megayacht & 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 corporations underscores the significance of the knowledge and intellectual property associated with Leclanché and value it brings.

[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: 21 February 2025.

4.2 Stationary

The second multi-megawatt-hour project in the Stationary backlog utilizing LeBlock™ has encountered delays due to administrative issues related to the customer's permitting process. More broadly, the Stationary business has faced difficulties in gaining market traction with its newly introduced LeBlock™ product, primarily due to intense competition from Chinese suppliers offering comparable solutions at significantly lower prices.

Meanwhile, the Saint Kitts solar-plus-storage project, intended to supply a substantial portion of the island's renewable energy and recognized as the largest initiative of its kind in the Caribbean, was put on hold by the Saint Kitts government following a missed financial close milestone. Negotiations are currently underway with the government to revive the project under revised terms.

4.3 Specialty

The Specialty Battery Systems (SBS) business unit, focused primarily on high-reliability battery solutions for defence and industrial applications, experienced continued market momentum in 2024, particularly within the defence sector. The global market for specialized battery systems demonstrated strong growth, driven by increasing demand for robust, mission-critical energy storage solutions.

Despite this favourable market environment, SBS was constrained in its ability to fully seize emerging opportunities due to broader Group-level financial challenges. Limited access to funding impacted the timely execution of strategic initiatives, including the development of proprietary technologies, expansion into new geographies, and penetration of additional defence-related use cases.

Nevertheless, SBS continued to deliver high-quality, certified solutions to major clients and maintained a solid pipeline of committed and prospective business. With a resolution of the Group's financial constraints anticipated in the near term, SBS is well positioned to resume its growth trajectory in 2026 and beyond, supported by strong market fundamentals, proven technical capabilities, and established strategic partnerships.

5. Research & Development

Leclanché has developed a fully vertically integrated 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 a strong emphasis on the environmental impact of the products we develop. We have focused our technology on water-based electrode manufacturing, thereby removing toxic organic solvents for the electrode manufacturing process, reducing the energy requirements and improving the lifetime of the products. By doing so, we have also introduced technologies that remove PFAS materials (per- and polyfluoroalkyl substances) from the electrodes. This allows us to remove harmful chemicals from the manufacturing and products, while enhancing performance characteristics specific to our main markets with a strong emphasis on heavy duty applications. We have several ongoing projects covering both short-term as well as long-term developments. These developments cover developments on new chemistries for electrodes, new electrode formulations, but also development of new generation battery management systems, work on EIS (electrochemical impedance spectroscopy) in production quality control and in product monitoring. To achieve this, our research and development teams work 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.

Over the last 12 months, we have introduced a number of new technologies into products:

1. High-capacity cathode material NMCA, which is used in our first off-highway applications, and is planned for several marine applications in 2025.

2. New anode material XNO (niobium-based oxide material), which has been developed and for which the first customer sampling and testing started in 2024. This material brings similar characteristics to the cell as does LTO, but with increased energy density and a lower carbon footprint in manufacturing.

3. We have completely removed all remaining PFAS based materials from our standard electrodes and completed the transition to PFAS free electrode manufacturing. While had developed the technology, we had several older electrode formulations used in some applications, that needed to be transitioned to the PFAS free technology. This has been completed and in 2025, we are producing every electrode in a PFAS free configuration.

4. We have completed the development and certification of the functional safe (BMS) battery management system designed for 1200 V applications. This BMS is used in all railway, marine and off-highway applications.

5. We completed the development and certification of the next generation marine rack system, incorporating the latest cell, module and BMS technologies.

Amongst the key short-term projects, which are aiming for product commercialisation within the coming 12 to 24 months, we have been working on the following:

1. High loading of cathodes (thicker electrodes), which will enable approximately 10% capacity improvement at the cell level. We still need to finalise the production trials and product certification. Exact cell performance will be fixed once all these remaining steps are completed.

2. Development of systems using the XNO (niobium) materials. There are multiple applications in railway and mining, where the characteristics of this material could provide substantial advantages in terms of charge and discharge power, cycle life, broader operational temperature range as well as increased safety.

3. Introduction of silicon materials into the graphite anodes: this development is targeting high energy density cells while helping improve fast charge capabilities. Trials are ongoing with several materials.

Aside from the 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.

In addition to our railway and marine systems, we have developed an off-highway battery pack for road applications in trucks. This system has been developed over the last couple of years, and early 2025 completed its certification. Delivery to customers has started, and an upgraded version with a higher capacity is planned for the end of the year.

6. Outlook

In 2024, Leclanché made progress across its core markets, despite ongoing operational and industry challenges. On the rail side, we secured a few new customers who placed initial orders. While these volumes remain modest, they represent early traction and reinforce a solid pipeline of commercial opportunities that we actively maintain throughout the year.

In the Marine sector, we continued to see strong market interest and several project wins. However, some orders were ultimately cancelled due to limitations in our production capacity, an issue we are working to address as part of our broader industrial ramp-up.

Overall, the steady growth in our order book reflects continued market validation of Leclanché's products and solutions. Our strategic positioning in the rapidly evolving battery industry—along with the technological differentiation of our offerings—underlines our long-term potential. Realizing this potential and scaling up next-generation technologies remains resource-intensive and a key priority for the Company.

Leclanché's value proposition is rooted in delivering innovative, high-quality energy storage solutions tailored to the needs of diverse market segments. Leveraging advanced technology, strong R&D capabilities, and a commitment to sustainability, we strive to offer our customers superior performance, reliability, and cost-efficiency. This approach continues to drive market acceptance, reinforce our competitive edge, and support our long-term growth strategy.

6.1 Increased Efficiency

Throughout the first half of 2024, the 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 & specialised truck are all using Leclanché's own cell technology and we are launching an internal review to determine if our in-house technology can be incorporated into the LeBlockTM product for stationary applications as well. In the second half of 2024, Leclanché E-Mobility has started deliveries of its new 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 Effects From Cooperations

Leclanché E-Mobility has been working hard over the last 18 months to embed its products with key market leaders in their relative areas, such as Canadian Pacific Kansas City (CPKC) in the freight locomotives, Alstom, Stadler, and Koncar in passenger rail. Finally, Medha, Schalke, Uromac & Socofer in rail maintenance vehicles. In the marine segment, Leclanché has continued to develop its relationships with the major market leaders such as Viking Cruises and Kongsberg Maritime, despite some lost customers' orders due to cash limitations. It is important to highlight that our orderbook has an increasing amount recurring orders using our standard products, this is key in the scaling up of our business. Continued growth is expected in the Rail and Marine segments as Leclanché continues to increase its global visibility with our current recurring customer base together with additional major partners in Marine and Rail.

6.3 Increased Business Resilience

Leclanché has made significant progress in enhancing our organisation's performance and security. Currently, we are in the process of becoming ISO 21434 certified, reaffirming our commitment to automotive cybersecurity. Our comprehensive cyber strategy and training is actively fortifying our security posture and cultivating a culture of cyber resilience. With the increased utilisation of our recently implemented 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.

6.4 Expansion Of Production Footprint

Leclanché initiated a project to relocate and significantly expand its pack assembly facilities from Yverdon-les-Bains to Willstätt, Germany. 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. First assembled battery packs we released from Willstaett to our customers in H2 2024 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 organisation and implement respective actions to mitigate those risks in order to reduce their negative impact. 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.

Leclanché's risk management process is conducted regularly using ERM software and follows the ISO 31000:2018 Enterprise Risk Management framework. The process incorporates a risk rating matrix that evaluates both the likelihood of each risk occurring and the potential severity of its impact. The process involves key stakeholders from all business units and departments and therefore it raises internal awareness and is embedded in decision-making processes and captured in Leclanché's policies. Managers are responsible for identifying and assessing the risks and for implementing and tracking mitigation plans. Each risk and mitigation plan has its Risk Owner who works with the team to ensure implementation and continuous monitoring. At least annually (last in September 2024), risks and mitigation plans are reviewed and discussed in the workshop. The final results of the workshop are then presented to Leclanché's Audit and Risk Management Committee who discusses the top risks with the individual Risk Owners. Audit and Risk Management Committee reports any material matters to the Board of Directors on a regular basis.

Internal Control System (ICS) is one of the key elements of the governance and management system. The Group's ICS captures various processes managed by the Process Stream Owners and is subject to an internal annual review and interim audit review to ensure that any control weaknesses have been identified and addressed and the likelihood of existing deficiencies can be reduced. Leclanché's ICS aims to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability and integrity of financial reporting and Group's compliance with respective laws and regulations.

7.2 Sustainability

Leclanché publishes its annual Sustainability Report which demonstrates how environmental and social responsibility is integrated in the Company's strategy and operations. In addition to the presentation on the three main ESG Pillars (Environmental, Social and Governance), the report details Leclanché's alignment with the evolving regulatory landscape, including compliance with the latest European sustainability frameworks applicable to the battery industry.

Furthermore, it elaborates on the initiatives undertaken and planned to reduce the environmental footprint associated with Leclanche battery technologies and activities. The report is a transparent account of our commitment to sustainable innovation, regulatory readiness, and stakeholder accountability.

EU taxonomy alignment - Leclanché confirmed its alignment with the EU Taxonomy for Sustainable Activities in 2023 and 2024. This alignment demonstrates that the Company's core business activities substantially contribute to climate mitigation objectives, while complying with strict technical screening criteria, minimum social safeguards, and Do No Significant Harm (DNSH) principles. This recognition reinforces Leclanché's commitment to transparency and sustainable finance and positions the Company among the players actively contributing to Europe's green transition.

Eligibility to ESG investment funds - In order to redirect investment toward more sustainable entities, the European Union has set clear ESG criteria as part of the Sustainable Finance Disclosure Regulation (SFDR). In 2023, Leclanché has validated its eligibility for green investment fund articles 8 and 9 according to the SFDR.

New EU Regulation on Batteries - The EU published a new regulation on batteries in July 2023, setting up a circular economy for the battery industry. This regulation highlights Leclanché's existing initiatives for due diligence, low environmental footprint, and recycling. Leclanché is now actively implementing this new framework.

PFAS Restriction - Discussions in Europe in 2024 revolved around restricting the usage of PFAS (per- and polyfluoroalkyl substances) due to their persistence in the environment and potential health effects. Leclanché has a unique water-based binder process in its cell production, offering PFAS-free alternatives for Li-Ion batteries. This presents an opportunity for Leclanché to scale up its technology in Europe, as they can provide a solution in line with the PFAS restriction.

12R Sustainability Strategy - As part of our long-term commitment to sustainability, Leclanché is proud to present its 12R Sustainability Strategy a comprehensive framework designed to drive circularity, efficiency, and environmental and social responsibility across the battery value chain. The strategy serves as a guiding compass to integrate sustainability into every stage of our operations, from raw material sourcing to end-of-life management. Each "R" represents a key sustainability action area, reflecting our dedication to continuous improvement, innovation, and alignment with the principles of a sustainable and circular economy.

Key principle of the CSRD - Another main step toward sustainability and transparency is the new European Corporate Sustainability Reporting Directive (CSRD). While Leclanché is not yet directly affected by this reporting regulation, it recognizes the importance of following the core principles, performed a complete double materiality assessment, and started to populate the data points requested.

Leclanché Group

II CORPORATE GOVERNANCE

The following section has been prepared in accordance with the Swiss Code of Obligations ("CO") and the SIX Swiss Exchange Directive on Information Relating to Corporate Governance issued by SIX Exchange Regulation. Additional disclosures required by the Directive on Information Relating to Corporate Governance for issuers subject to the provisions of the Company law pursuant to art. 620 – 762 CO can be found in the separate section, Compensation Report, or in LECLANCHE SA's Articles of Association

https://www.leclanche.com/investor-relations/articles-of-association/

Unless otherwise provided by law, the Leclanché's Articles of Association or Organisational Regulations, all areas of management are fully delegated by the Board of Directors to the Executive Committee.

1. Group Structure And Shareholders

Group Structure

LECLANCHE 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 14c, CH-1400 Yverdon-les-Bains. The Company is listed under the Main Market Segment on the SIX Swiss Exchange under Swiss security number 11030311 (ISIN: CH0110303119). The Company is listed under the symbol "**LECN**". As of 31 December 2024, the market capitalisation of the Company was kCHF 157'855 (31 December 2023: kCHF 287'196).

1.1 The Company's subsidiaries, joint-ventures and associates are:

Name and legal form	Note	Registered offices	Country	Curr.	Share capital (LOC)	Ownership interest	Cons. Method
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	100	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	85.3%	C
Leclanché (Saint Kitts) Energy Holdings Limited	6	Bridgetown	Barbados	USD	8’621’832	100%	C
Leclanché Singapore Pte	7	Singapore	Singapore	USD	10’000	100%	C
LECLANCHE 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; E = Equity method

Leclanché E-Mobility SA was incorporated on 16 December 2021 and is fully owned by LECLANCHE SA.

Leclanché Service GmbH was incorporated on 28 May 2019 and is fully owned by Leclanché GmbH.

Leclanché France SASU was incorporated on 26 June 2020 and is fully owned by LECLANCHE SA.

Leclanché Norway AS was incorporated on 15 June 2020 and is fully owned by LECLANCHE SA.

Solec Power Ltd. (Saint Kitts) (“Solec”) was incorporated on 29 March 2019. It is a project Company that will build own and operate a solar PV plant and battery energy storage system on the Caribbean Island of St. Kitts. The interest ownership of LECLANCHE SA was 50% at the end of 2020. In November 2021 Solec has been contributed in kind into Leclanché (Saint Kitts) Energy Holdings Limited.

Leclanché (Saint Kitts) Energy Holdings Limited was incorporated on 26 October 2021 and it is fully owned by LECLANCHE SA, following the wind-up of the partnership with MPC Energy Solutions Latin America Holdings II B.V, dated 16 November 2023

Leclanché Singapore Pte was incorporated 9 June 2022 and it is fully owned by LECLANCHE SA.

LECLANCHE SBS SA was incorporated on 3 October 2023 and is fully owned by LECLANCHE SA.

Leclanché Technologies SA was incorporated on 20 December 2023 and is fully owned by LECLANCHE 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.

The Company and its subsidiaries set forth above (the "**Group**") are dedicated to the design, development and manufacturing of customised and turnkey energy storage solutions for electricity generation and transmission, mass transportation, heavy industrial machines and special low voltage battery systems.

There are no other companies belonging to the Group than those listed above.

The operational structure of the Group corresponds to the segment reporting presented on Note 3 of the consolidated financial statements.

1.2 Significant Shareholders

Based on the disclosures made to the Company by its shareholders in accordance with Article 120 and the following provisions of the Financial Market Infrastructure Act (FMIA), the following shareholders held more than 3% of the Company's voting rights as of 31 December 2024.

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Direct / Indirect Shareholder	AM Investment SCA SICAV-RAIF – Global Growth Sub-Fund, Luxembourg Strategic Equity Fund - Renewable Energy, Luxembourg
Beneficial owner / Persons that can exercise the voting rights at their own discretion	Pure Capital S.A.
Number of Existing Shares (as of 31 December 2024)	773'800'558
Voting rights (%)(1)	64.38%
Number of conversion and purchase rights	-
Conversion and purchase rights (% of total voting rights)	-
Total purchase positions (existing shares and total conversion and purchase rights as a % of total voting rights)	64.38%

(1) The percentages reflected are based on the outstanding share capital of the Company as included in the Commercial Register of the Canton of Vaud (i.e. CHF 77'380'055.80, divided into 773'800'558 fully paid-in issued shares with a nominal value of CHF 0.10 each).

This disclosure notification was published on 11 July 2024.

One (1) disclosure notification according to Article 120 et seqq. of the FMIA was published by the shareholders of the Company on 11 July 2024. This notification (including further details on the above-mentioned notifications) can be accessed at:

https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

The number of shares held by the relevant shareholders may have changed and/or new shareholders with more than 3% of the voting rights may have acquired shares in the Company since 31 December 2024.

1.3 Cross-Shareholdings

The Company has no cross-shareholdings in excess of 5% of the capital or the voting rights with any other shareholders.

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2. Capital Structure

2.1 Share Capital

As of 31 December 2024, the issued share capital of the Company amounts to CHF 77’380’055.80, divided into 773’800’558 fully paid-in issued shares with a nominal value of CHF 0.10 each.

2.2 Conditional Share Capital

Pursuant to Article 3ter and 3quinquies of the Articles of Association, the conditional share capital of the Company represents an aggregate amount of CHF 38’690’027.90 and is divided into the following components:

Conditional capital reserved for Equity Incentive Plans

Pursuant to Article 3ter of the Articles of Association, the Company's share capital may be increased by a maximum aggregate amount of CHF 600'000 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 the Group companies. The pre-emptive rights of existing shareholders are waived. The shares or subscription rights will be granted to employees according to conditions defined by the Board of Directors or, to the extent delegated to it, the Appointments and Remuneration Committee, taking into account performance, functions, levels of responsibility and profitability criteria. Shares or subscription rights may be granted to employees at a price below the stock market price. The exercise of conversion, option, or similar rights as well as the waiver of these rights may be effected electronically or in writing. The new registered shares are subject to the restrictions set forth in Article 4 of the Articles of Association. As of 31 December 2024, no shares were issued on the basis of Article 3ter of the Articles of Association.

Conditional capital reserved for Financing Purposes

Further to the decisions made by the shareholders at the shareholders’ general meeting held on 27 June 2024, pursuant to Article 3quinquies of the Articles of Association, the Company's share capital can be increased by a maximum aggregate amount of CHF 38’090’027.90, 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 it 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 of Directors. The Board of Directors is authorised to exclude or restrict the advance subscription rights of shareholders:

In connection with the financing or refinancing of investments or the Company’s expansion plan.

If the Financial Instruments are issued to investors or strategic partners; or

If the Financial Instruments are issued on national or international stock markets or through a private placement; or

For a company underwriting such Financial Instruments through a banking institution or third party/parties with subsequent public offerings; or

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 3quinquies : 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.

2.3 Capital Band

Further to the decisions made by the shareholders at the shareholders’ general meeting held on 27 June 2024, pursuant to the new Article 3quater of the Articles of Association, the Board of Directors is authorised until 27 June 2029 to (i) increase the Company’ share capital with one or more increases up to a maximum amount of CHF 115’399’163.20 through the issuance of up to 380’191’074 fully paid-in new registered shares with a nominal value of CHF 0.10 each and/or (ii) to reduce the Company’ share capital with one or more decreases to a minimum of CHF 38’913’668.10. A capital reduction can be carried out by cancellation of up to 384’663’877 of registered shares with a nominal value of CHF 0.10 each and/or by reduction of the nominal value.

An increase of the share capital by way of an underwriting by a financial institution, a syndicate of financial institutions or another third party or parties, followed by an offer to the existing shareholders of the Company is permitted.

In case of a capital increase:

a. The Board of Directors 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.

b. The Board of Directors shall have the right to authorise, restrict or withdraw the subscription rights. The Board of Directors 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.

c. 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.

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

   - In connection with the financing and refinancing of the Company’s investments or acquisitions (including part of a business or equity interests) or the financing or refinancing by the Company of acquisitions (through equity or convertible loans); or

   - 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

- 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
- 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
- To issue new shares if the issue price is determined by reference to the market price; or
- 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
- For the granting of shares nationally and internationally to increase the floating shares or to meet listing requirements; or
- For the participation of investors or strategic partners; or
- For financial restructuring, in particular the conversion of debt into equity; or
- To increase capital quickly and flexibly (including private placement 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 of Directors is also authorised 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 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 of Directors 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.

2.4 Changes In The Share Capital Of The Company

During the last three financial years, the following changes in the share capital of the Company have occurred:

i. On 17 November 2022, SEF-Lux, Golden Partner SA, Golden Partner Holding Co. S.à r.l., Golden Partner (Shanghai) Asset Management Co. LTD converted into equity the equivalent amount of kCHF 41'340 due under the following loans and outstanding interests:

a. AM Investment S.C.A. SICAV- FIS – R&D Sub-Fund: kCHF 1'608 representing due interests up to 30 September 2022 under a loan agreement with the Company dated 25 June 2021 (so-called AM St. Kitts Construction Loan);

b. AM Investment SCA SICAV-SIF – Illiquid Assets Sub-Fund: kCHF 3'297 under a loan agreement with the Company dated 31 May 2021 (so-called AM N&G Proceeds Loan) and related interests up to 30 September 2022 for kCHF 361;

c. AM Investment SCA SICAV-SIF – Liquid Assets Sub-Fund: kCHF 20’400 under a loan agreement with the Company dated 4 February 2022 (so-called Working Capital Bridge Loans) and related interests up to 30 September 2022 for kCHF 1’300;

d. Golden Partner FOF Management S.à.r.l.: kCHF 9’600 under three loan agreements dated 18 October 2021, 22 November 2021 and 13 December 2021 (so-called GPFOF Bridge Loan) and related interest up to 30 September 2022 for kCHF 817;

e. Golden Partner Holding Co. Sàrl: kCHF 493 representing due interests under extinguished loan agreement dated 4 February 2021 (so-called Trading Finance Loan 2021);

f. Golden Partner (Shanghai) Asset Management Co. LTD: kCHF 955 representing arrangement fees under loan agreement dated 17 June 2022, 25 June 2022 (so-called Bridge Loans AM) and under loan agreements dated 19 October 2021, 23 November 2021 and 14 December 2021 (so-called GPFOF Loans Agreements);

g. Golden Partner SA: kCHF 28 representing due interests under extinguished loan agreement dated 18 February 2021 (so-called GP N&G Loan Agreement);

h. Strategic Equity Fund – E Money Strategies (EMS): kCHF 605 representing due interests under extinguished loan agreement dated 30 June 2018 (so-called Facility B/C Loans), dated 10 August 2018 (so called ROFO Loans), dated 7 June 2019 (so-called WCL 2019 Loans) and dated 27 December 2019 (so-called WCL 2020 Loans); and

i. Strategic Equity Fund SCA SICAV FIAR (renewable Energy – RE): kCHF 1’875 representing due interests under extinguished loan agreements dated 30 June 2018 (so-called Facility B/C Loans), dated 10 August (so-called ROFO Loans), dated 7 June 2019 (so-called WCL 2019 Loans), dated 27 December 2019 (so-called WCL 2020 Loans) and dated 5 December 2018 (so-called CL and CL Extension Loans).

As part of the conversion of debt into equity, the Company issued 109’617’821 new registered shares. The capital increase was registered in the commercial register of the Canton of Vaud on 18 November 2022.

ii. On 26 June 2023, SEF-Lux, Golden Partner Holding Co. S.à r.l. and Golden Partner SA converted into equity the equivalent amount of kCHF 66’685 due under the following loans and outstanding interests:

a. AM Investment S.C.A. SICAV- FIS – R&D Sub-Fund: kCHF 21’504 under a loan agreement with the Company dated 25 June 2021 (so-called AM St. Kitts Construction Loan) and related interests up to 30 April 2023 for kCHF 1’316;

b. AM Investment SCA SICAV-FIS – Liquid Assets Sub-Fund: kCHF 7’000 under a loan agreement with the Company dated 17 June 2022 (so-called Bridge Loan) and related interests up to 30 April 2023 for kCHF 486;

c. AM Investment SCA SICAV-FIS – Liquid Assets Sub-Fund: kCHF 92 representing remaining due interests up to 30 September 2022 under extinguished loan agreement with the Company dated 4 February 2022 (so-called Working Capital Bridge Loans);

d. AM Investment SCA SICAV-FIS – Illiquid Assets Sub-Fund: kCHF 2'500 under a loan agreement with the Company dated 25 June 2022 (so-called Bridge Loan) and related interests up to 30 April 2023 for kCHF 169;

e. AM Investment SCA SICAV-FIS – Illiquid Assets Sub-Fund: kCHF 2’242 representing remaining due interests up to 30 September 2022 under various extinguished loan agreements;

f. Strategic Equity Fund SCA SICAV RAIF - Renewable Energy: kCHF 27’041 under various loan agreements (so-called Bridge Loans) with the Company dated 19 July 2022, 24 August 2022, 26 September 2022,
26 October 2022, 29 December 2022 and 7 February 2023 and related interests up to 30 April 2023 for kCHF 1’221;

g. Strategic Equity Fund SCA SICAV RAIF – E-Money: kCHF 1’400 under two loan agreements (so-called Bridge Loans) with the Company dated 26 October 2022 and 7 February 2023 and related interests up to 30 April 2023 for kCHF 47;

h. Strategic Equity Fund SCA SICAV RAIF – Multi Asset Strategy: kCHF 800 under two loan agreements (so-called Bridge Loans) with the Company dated 29 December 2022 and 7 February 2023 and related interests up to 30 April 2023 for kCHF 19;

i. Golden Partner Holding Co S.à r.l.: CHF 4'755 under the loan agreement dated 4 February 2021 with the Company dated (so-called Trading Finance Loan 2021); and

j. Golden Partner SA: kCHF 843 representing arrangement fees under loan agreements.

As part of the conversion of debt into equity, the Company issued 141’299’859 new registered shares. The capital increase was registered in the commercial register of the Canton of Vaud on 27 June 2023.

iii. On 10 July 2024, SEF-Lux, Golden Partner Holding Co. S.à.r.l. and Golden Partner SA converted into equity the equivalent amount of kCHF 84’670 due under the following loans and outstanding interests:

a. AM Investment SCA SICAV-FIS – Illiquid Assets Sub-Fund: kCHF 8’700 under various loan agreements with the Company dated 26 July 2023 and 19 August 2023 and related interests up to 31 May 2024 for kCHF 1’079;

b. Golden Partner Holding Co. S.à.r.l.: kCHF 1’571 under a loan agreement with the Company dated 22 March 2024 and related interests up to 31 May 2024 for kCHF 43;

c. Strategic Equity Fund SCA SICAV RAIF - Renewable Energy: kCHF 67’200 under various loan agreements with the Company dated 07 February 2023, 14 March 2023, 22 March 2023, 21 April 2023, 30 May 2023, 13 July 2023, 17 July 2023, 06 September 2023, 23 October 2023, 22 November 2023, 21 December 2023, 22 January 2024, 21 February 2024, 23 March 2024, 30 April 2024 and 21 May 2024 and related interests up to 31 May 2024 for kCHF 5’620;

d. Golden Partner SA : kCHF 457 representing some claim (arrangement fees).

As part of the conversion of debt into equity, 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.

2.5 Shares

All 773’800’558 shares of the Company are registered shares with a nominal value of CHF 0.10 each and fully paid-in. The Company has one share class only. Each registered share carries one vote at the general meeting. The shares rank *pari passu* in all respects with each other, including voting rights, entitlement to dividends, liquidation proceeds in case of liquidation of the Company and preferential subscription rights.

2.6 Participation And Profit-Sharing Certificates

The Company has not issued any non-voting equity securities such as participation certificates (*bons de participations, Partizipationsscheine*) or profit-sharing certificates (*bons de jouissance, Genussscheine*) nor has it issued preference shares (*actions privilégiées, Vorzugsaktien*).

2.7 Limitations On Transferability And Nominee Registrations

Pursuant to Article 4 (*Transferability of shares*) of the Company's Articles of Association, acquirers of registered shares (with ownership or usufruct rights) are recorded upon demand as shareholders in the share register with voting rights if they expressly declare to have acquired their shares in their own name and for their own account or if they indicate the name, surname, domicile, address and citizenship (registered office for legal entities) of the person in which name or for which account they hold the shares, if they declare that there is no agreement to take back or return the shares concerned and that they bear the economic risk association with the shares. The Board of Directors may, after hearing the person concerned, cancel the entry in the share register with retroactive effect, if such entry was based on untrue or misleading information given by the acquirer. In such case, the person must be informed immediately.

The Articles of Association do not provide for nominee registrations.

2.8 Outstanding Convertible Loans And Option Rights

i. Options Rights

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 selected senior executives and high performer employees within the Group with the opportunity to participate in the Company's long-term success, subject to shareholders' approval 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 employees with those of shareholders.

At the grant date, the Appointments and Remuneration Committee appointed by the Board may use its absolute discretion to select eligible persons holding a contractual relationship with a Group entity to receive a notice of grant setting out, amongst other information, the number of CSOs granted to the eligible persons. The Appointments and Remuneration Committee (on behalf of the Company) shall grant to an eligible employee a number of CSOs; and the Company shall issue a CSO certificate to the grant holder.

CSOs granted in the CSO certificate is categorised into three tranches. At the Vesting Date of each Tranche, unless the Appointments and Remuneration Committee determines otherwise, 100% of CSOs in each Tranche are subject to be vested. The Exercise Price of one CSO shall be equal to the higher of 80% of the average Share Price of the sixty (60) business days (60-day VWAP) preceding the Grant Date, or of the par value per share.

As of 31 December 2024, 4'446'761 options were outstanding (2023: 2'180'000 options), corresponding to 0.57% of the issued share capital (2023: 0.37%).

Options granted under the CSO Plan as of 31 December 2024:

	CSO 2018	CSO 2019	ERA (2021) (plan 1.01)	CSO 2022 (plan 1.02)	CSO 2023 (plan 1.03) Excom	CSO 2024 (plan 1.04) Excom
STOCK OPTION ATTRIBUTION	**2018**	**2019**	**2024**	**2024**	**2023 (1)**	**2024**
Number of options granted	1,565,000	1,755,000	3,750,000	1,722,261	0	0
Grant date	3.12.18	20.09.19	17.09.21	31.12.24	01.01.25	01.01.25
Vesting period	03.12.18 : 33% 03.12.19 : 33% 03.12.20 : 33%	20.09.19 : 33% 20.09.20 : 33% 20.09.21 : 33%	Vesting immediately at grant date	Vesting immediately at grant date	Vesting immediately at grant date	Vesting immediately at grant date
Expiration date	03.12.25	20.09.26	16.09.31	31.12.34	31.12.34	31.12.34
Share price at grant date	1.88	1.56	0.20	0.20	0.20	0.20
Exercise price	1.50	1.26	0.10	0.10	0.10	0.10
Cap	6.00	5.04	n.a.	n.a.	n.a.	n.a.
Volatility (annualized)	55.14%	54.97%	104.41%	104.41%	104.41%	104.41%
Risk free interest rate (annualized)	0.00%	0.00%	0.596%	0.596%	0.596%	0.596%
Fair Value of the option at grant date	0.59	0.50	0.20	0.20	0.20	0.20

On 3 September 2021, the Board of Directors approved the 2021 Employee Retention Plan, under which certain employees, including members of the Executive Committee, were granted stock options. These options are subject to a vesting period or will vest earlier in the event of a change of control, whichever occurs first. The stock options were initially granted on 17 September 2021.

By the end of 2024, the terms of the plan had been finalised, and the stock options were formally granted to the eligible employees. In addition, members of the Management team appointed in December 2022 were granted CSOs, with the first vesting date set for 1 December 2023. These CSOs follow the same exercise conditions as those outlined in the 2021 Employee Retention Plan.

ii. Warrants

- **Talisman warrants**

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

- The Series A Warrants were fully exercised from 2015 to 2017.
- The Series B Warrants have not been exercised and are exercisable into fully paid-up registered shares of the Company at an exercise price of CHF 4.50 per share. The Series B Warrants may be exercised at any time until 15 October 2023. The number of shares to be issued upon exercise of the Series B Warrants, is dependent upon the development of the share price. The formula for the number of shares (N) to be issued upon exercise of Series B Warrants (W) is: N = W 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.

No warrants were exercised in 2023, 2022 and 2021. As of 31 December 2024, there were no outstanding and unexercised Series A Warrants and 594'876 outstanding and unexercised Series B Warrants. Those warrants have expired in October 2023.

- **Yorkville warrants**

On 14 February 2020, the Company signed a warrant agreement (the "**Yorkville Warrant Agreement**") with YA II PN, LTD (the "**Original Investor**" or "**Yorkville**"), a fund belonging to Yorkville Advisors, a US New Jersey-based investment firm offering debt and equity financing to global, small and micro-cap companies. Subject to the terms of this agreement, the Company issues to the warrant holder, Yorkville, 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 the Company, Yorkville is entitled to receive one Company 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 Company 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 under the Yorkville Facility Agreement representing 931'141 Warrants. No additional warrants have been issued in 2021, 2022, 2023 and 2024. As of 31 December 2024, there were no outstanding and unexercised warrants as all Yorkville warrants are expired.

- **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 agreed to provide the lenders and investment advisors with a total of 10 million warrants to purchase LECLANCHE SA shares. These warrants had 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 had been valued at fair value at grant date (kCHF 2'448) using the Binomial Model. Those warrants have expired in February 2024.

iii. Outstanding Loans

a) Convertible loans

- **Strategic Yield Fund (2023), partially assigned to Strategic Equity Fund – Renewable Energy Sub-Fund**

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 of 30 May 2026 and bears interest at a rate of 12% per annum. The above loan has been subordinated as of 30 May 2023. This loan has been partially assigned to Strategic Equity Fund – Renewable Energy Sub-Fund for an amount of kCHF 250. As of 31 December 2024, principal of kCHF 750 and interests of kCHF 139 remain outstanding.

- **Strategic Equity Fund c/o Strategic Equity Fund – Renewable Energy Sub-Fund (formerly GPPE FOF) Bridge Loans (2024)**

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 of 30 May 2026 and bears interest at a rate of 12% per annum. The above loan has been subordinated as of 30 May 2023. This loan has been partially assigned to Strategic Equity Fund – Renewable Energy Sub-Fund for an amount of kCHF 250. As of 31 December 2024, principal of kCHF 250 and interests of kCHF 46 remain outstanding.

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 of 28 June 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 1’500 and interests of kCHF 115 remain outstanding under Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 28 June 2024.

On 10 July 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 1’700, following the convertible loan agreement signed between the parties on 9 July 2024. This loan has a maturity date of 9 July 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 1’700 and interests of kCHF 122 remain outstanding under Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 10 July 2024.

On 19 July 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 3’000, following the convertible loan agreement signed between the parties on 19 July 2024. This loan has a maturity date of 19 July 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 3’000 and interests of kCHF 203 remain outstanding under Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 19 July 2024.

On 24 July 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 180, following the convertible loan agreement signed between the parties on 24 July 2024. This loan has a maturity date of 24 July 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 180 and interests of kCHF 12 remain outstanding under Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 24 July 2024.

On 2 August 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 3’000, following the convertible loan agreement signed between the parties on 2 August 2024. This loan has a maturity date of 2 August 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 3’000 and interests of kCHF 186 remain outstanding under Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 2 August 2024.

On 29 August 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 2’000, following the convertible loan agreement signed between the parties on 29 August 2024. This loan has a maturity date of 29 August 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 2’000 and interests of kCHF 102 remain outstanding Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 29 August 2024.

On 4 October 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 4’500, following the convertible loan agreement signed between the parties on 4 October 2024. This loan has a maturity date of 4 October 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 4’500, interests of kCHF 163 and 2% arrangement fees of kCHF 90 remain outstanding under Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 6 May 2025.

On 15 October 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 250, following the convertible loan agreement signed between the parties on 15 October 2024. This loan has a maturity date of 15 October 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 250, interests of kCHF 8 and 2% arrangement fees of kCHF 5 remain outstanding under Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 6 May 2025.

On 29 October 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 6’600, following the convertible loan agreement signed between the parties on 29 October 2024. This loan has a maturity date of 29 October 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 6’600, interests of kCHF 171 and 2% arrangement fees of kCHF 132 remain outstanding under Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 6 May 2025.

On 29 November 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 5’000, following the convertible loan agreement signed between the parties on 29 November 2024. This loan has a maturity date of 29 November 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 5’000, interests of kCHF 66 and 2% arrangement fees of kCHF 100 remain outstanding under Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 6 May 2025.

On 24 December 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 5‘000, following the convertible loan agreement signed between the parties on 24 December 2024. This loan has a maturity date of 24 December 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 5’000, interests of kCHF 90 and 2% arrangement fees of kCHF 14 remain outstanding under Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 6 May 2025.

b) **Other loans**

- **Eneris Cleantech SA loan**

On 21 May 2020, the Company and Eneris Cleantech SA (“Eneris”) have, amongst other, entered into a Euro denominated loan agreement (the “Agreement”), under which Eneris committed to provide LECLANCHE SA with working capital financing of up to kCHF 42’652, subject to fulfilment of certain conditions. The Eneris LA aimed at funding the Company’s business plan through June 2021. The first kCHF 21’326 was committed with a disbursement through four equal monthly tranches starting from May 2020 and the second instalment of kCHF 21’326 to be discussed and agreed by the parties at a later stage. The Eneris Loan has a maturity date of 31 December 2024 and bears interest at Euro-Libor 3 months + 5% per annum. The Eneris Loan 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 31 December 2024, principal of kCHF 4’747 (31 December 2023: kCHF 4’644) and interests of kCHF 1’384 (31 December 2023: kCHF 1’047) remain outstanding under the Agreement.

Eneris Loan Agreement is currently subject to legal proceedings in Luxembourg, asserting that, due to an alleged breach of partnership agreements with LECLANCHE SA, the loan should be repaid before its contractual maturity date of 31 December 2024. On 3 November 2023, the District Court of Luxembourg ruled in favour of Eneris, ordering the Company to repay kEUR 5’000 plus interest prior to the loan’s maturity. The Company appealed the decision to the Court of Appeal of Luxembourg but lost the case on 1 April 2025.

- **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 Banque Cantonale Vaudoise (BCV) for an amount of kCHF 4’400. This government-backed financing aims at supporting companies’ cash flow in these difficult times. The loan has a maturity date of September 2027, following an extension granted by BCV on 19 March 2021. It is subject to quarterly capital repayment of kCHF 191 which began on 31 March 2022. The loan initially carried annual coupon of 0.7% and since 1 April 2023, bears an annual interest rate of 2.0%.

In July 2024 the Banque Cantonale Vaudoise (BCV) has transferred the Covid-19 loans to Cautionnement Romand net of the bank guarantee, the balance as of 31 December 2024 is kCHF 2’391.

- **Copernic loan**

Under the terms of the Copernic Building Y-Parc lease agreement signed on 22 June 2020 and amended on 16 March 2021, 1 April 2022 and 24 July 2023, LECLANCHE SA as the primary leasehold owner, contracted a loan of kCHF 4'300 payable over 15 years to finance leasehold improvements and other installation costs in its headquarters building in Yverdon-les-Bains (Switzerland), the "Copernic Loan".

In 2024, two new loans were secured in the amounts of kCHF 1,000 and kCHF 808, respectively. Both loans have a 13-year maturity and bear interest at an annual rate of 5%. The financing enables LECLANCHE SBS SA to access expanded premises within the Copernic building, following its relocation from its former facility. The new space also includes additional parking facilities to support the Company's business growth and increasing number of full-time employees. These loans bear an annual interest rate of 5%.

According to the agreements, repayment of the Copernic Loan began in June 2021 and will be completed in 2036, unless extended by mutual agreement.

c) **Outstanding Securities**

All SEF-Lux convertible loans presented above are secured with Leclanché E-Mobility SA's shares, being 10'000'000 registered shares with a par value of CHF 0.01 each, representing 100% of the share capital and voting rights. According to a Release and Confirmation Agreement dated 3 October 2024, shares are pledged for Strategic Yield Fund/ Strategic Equity Fund - Renewable Energy agreements dated 30 May 2023 and for Strategic Equity Fund - Renewable Energy agreements signed on 28 June 2024, 9 July 2024, 19 July 2024, 24 July 2024, 2 August 2024, 29 August 2024, 4 October 2024, 15 October 2024, 29 October 2024, 29 November 2024 and 24 December 2024, pari passu in the first 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 costs and reasonable attorney's expenses arising in connection therewith or with the protection, preservation, or realisation of the security granted.

3. Board Of Directors

3.1 Election To The Board Of Directors And Duration Of Mandate

The Board of Directors is ultimately responsible for the supervision and control of the management of the Company, including the establishment of the general strategies, as well as other matters, which, by law, are under its responsibility. All other areas of management are delegated to the Executive Committee.

The Board of Directors consists of a minimum of three and a maximum of seven members. In accordance with the CO, the general meeting of shareholders elects the members of the Board of Directors and the Appointments and Remuneration Committee as well as the Chairman for a term of office ending after completion of the next annual general meeting. The term is subject to prior resignation or removal. The general meeting elects the members of the Board of Directors individually and elects the Chairman and the members of the Appointments and Remuneration Committee amongst the members of the Board of Directors. Members of the Board of Directors, the Chairman and the members of the Appointments and Remuneration Committee can be re-elected without restrictions. The Board of Directors sets the compensation of its members, subject to approval by the general meeting.

Members of the Board of Directors as per 31 December 2024[2]

Name	Nationality	Position	Initially appointed	Term expires
Lex Bentner (1)	Luxembourgish	Chairman	2024	2025
		Non-executive member	2024	2025
Christophe Manset	Belgian	Non-executive member	2020	2025
Shanu Sherwani (2)	Luxembourgish	Non-executive member	2022	2025
Marc Lepièce	Belgian	Non-executive member	2022	2025

1) Lex Bentner was appointed as a Chairman at the EGM held on 12 January 2024.
2) Shanu Sherwani stepped down on 14 March 2025.

- Alexander Rhea stepped down as Chairman of the Board of Directors as of 31 December 2023 and resigned from the Board of Directors as per 12 April 2024.
- Bernard Pons stepped down on 1 January 2024.
- Abdallah Chatila stepped down on 30 September 2024.

None of the members of the Board of Directors was a member of the Executive Committee of the Company or any Group subsidiary in the past three financial years and has no significant business connections with the Company or any Group subsidiary.

3.2 Biographies Of The Board Of Directors

Lex Bentner, Citizen of Luxembourg, born in 1978 currently serving as the Head of Public Transport at the City of Luxembourg, plays a key role in transforming the city's public transportation system. His primary focus is on transitioning the city's bus fleet and network to an all-electric setup, achieved through EU-wide public tendering and procurement processes. Mr. Bentner also handles complex projects, integrating industry advancements into operational standards. Throughout his career, he has worked at CFL, the Luxembourgish national railway Company, and ArcelorMittal. In 2007, he was appointed Head of Continuous Improvement and Engineering at a Luxembourg-based steel plant, where he concentrated on modernisation efforts. In addition to his professional roles, Mr. Bentner represents Luxembourg at the UITP (Union Internationale des Transports Publics) bus committee and is advising political leaders and national committees on workplace and industry best practices. Lex Bentner holds a master's degree in mechanical and electrical engineering from the University of Edinburgh and is currently pursuing an MBA at Heriot-Watt University's Edinburgh Business School. Lex Bentner was elected as Chairman of the Board of Directors at the extraordinary general meeting on 12 January 2024.

[2] At the extraordinary general meeting on 12 January 2024, the shareholders elected Lex Bentner (Luxembourg citizen) as new Chairman and as non-executive member and Abdallah Chatila (Swiss citizen) as non-executive member of the Board of Directors.

Christophe Manset, Belgian, born in 1985, has over 10 years of experience in the asset management industry in Luxembourg. Until recently he was an associate at LEVeL with focus on Alternative Investment Funds regulated by the Luxembourg supervisory authority. He has a particular expertise in the fields of compliance, risk management, audit, corporate governance and internal organisation. He started his career at EY in 2009 as audit manager in charge of the preparation and conduct of audit missions with a particular focus on complex and specialised issues. In 2016, Mr. Manset joined NN Investment Partners Luxembourg S.A. (NN), a supervised Alternative Investment Fund Manager. At NN, he was responsible for projects impacting the NN Luxembourg funds range and particularly the launch of new investment vehicles. Mr. Manset holds a master's degree in economics from HEC – University of Liège. He joined the Board of Directors on 30 June 2020.

Shanu Sherwani, Citizen of Luxembourg, born in 1975 advises private equity and real estate funds and mid-sized businesses on fund formation, portfolio management, investor relations, as well as M&A and valuation. He was previously the Conducting Officer for Distribution and Valuation at Castik Capital, where he also led Investor Relations. Before that, he worked at Threestones Capital as the Head of Business Development and Investor Relations. He has a wealth of experience in Corporate Finance and Private Equity, having assisted on several major M&A deals in Luxembourg and abroad. Mr. Sherwani joined the Board of Directors on 30 September 2022. He holds a master's degree in international management and corporate Finance from ICHEC Brussels business school and post graduate degrees in private markets and private equity from the University of Oxford and Imperial College of London. Mr. Sherwani completed a post-graduate degree in alternative investments at Harvard Business School.

Marc Lepièce, Belgian, born in 1956 is a senior consultant in management, strategy, business development M&M and change management. Marc Lepièce manages the consultancy firm "Lepièce & Partners" which he created with the goal of transferring knowledge and experience to SMEs wishing to accelerate their growth or optimise their profitability. Previously, he worked at Tractebel for 36 years, including 16 as a member of the Management Committee. He was responsible for strategy, marketing and international development in Latin America, Asia and the Middle East before taking over the management of a Business Unit active in Europe, India and Southeast Asia. Mr. Lepièce joined the Board of Directors on 30 September 2022. He holds a master's degree in civil engineering from the University of Liège and competed a post-graduate degree in business administration at the Solvay Brussels School of Economics and Management.

3.3 External Mandates

According to Article 23decies of the Articles of Association, members of the Board of Directors may not hold more than four additional mandates in companies that are listed on an official stock exchange and seven additional mandates in unlisted companies. The following mandates are not subject to these limitations: (a) mandates in companies which are controlled by the Company; (b) mandates held by instruction and on behalf of the Company or any controlled company, it being understood that such mandates shall not be more than five for each member of the Board of Directors or of the Executive Committee; and c) mandates in associations, foundations, charitable organisations, trusts, pension funds and other comparable structures, provided that such mandates shall not exceed ten per member of the Board of Directors or of the Executive Committee. The term "mandates" shall mean a mandate in a comparable position in other firms with commercial objects.

Information on external appointments of the members of the Board of Directors are set forth in the section 6.3 of the Compensation Report 2024.

3.4 Organisation

a) Meetings

The Chairman chairs the meetings of the Board of Directors and the general meeting and supervises the execution of measures, which the Board of Directors has enacted.

The Board of Directors meets whenever required by business, at least however four times a year. The Board of Directors meets at the invitation of its Chairman. Each member of the Board of Directors may request the Chairman to convene a Board of Directors meeting by stating the reasons for such a request. A meeting of the Board of Directors requires the presence or participation of at least half of the members of the Board of Directors, or, if the Board of Directors consists of an uneven number, a majority of the members of the Board of Directors.

b) Resolutions

The Board of Directors passes its resolutions with a majority of the votes cast, with the Chairman holding a casting vote in case of a tie. Resolutions may be passed in writing by circular resolution, unless a member of the Board of Directors requests oral deliberation. Board resolutions by means of written resolutions require the affirmative vote of a majority of all of the members of the Board of Directors. No quorum is required to record the implementation of a capital increase, to pass resolutions regarding the amendments of the Articles of Association entailed thereby and to adopt the report on the capital increase.

Regular meetings of the Board of Directors usually last between half a day to an entire day and are planned to occur at least twice in every quarter. In 2024, the Board of Directors held six physical meetings, seventeen telephone conferences and organised three circular resolution.

In February 2024, the Board of Directors approved its new Organisational Regulations, which set forth that the Board of Directors may pass resolutions at a meeting with a physical venue (whereas the Board of Directors may provide that members not present at the venue may participate by electronic means (e.g. video conference)), by using electronic means (e.g. video conference) without any physical venue and in writing on paper or in electronic form (e.g. by email) ("**Circular Resolution**"), unless a member requests oral deliberation.

c) Committees

According to Article 18 of the Articles of Association, the Board of Directors constitutes and organises itself and has according to the Organisational Regulations established two permanent committees: the Appointments and Remuneration Committee and the Audit and Risk Management Committee.

The **Appointments and Remuneration Committee** as of 31 December 2024 consists of Christophe Manset (chairman), Lex Bentner and Marc Lepièce. The members of the Appointments and Remuneration Committee are elected by the general meeting for a term of office until the end of the next annual general meeting. The task of the Appointments and Remuneration Committee is to assist the Board of Directors in (i) identifying individuals qualified to become members of the Board of Directors, (ii) proposing to the Board of Directors the appointment and removal of members of the Executive Committee, (iii) proposing to the Board of Directors compensation principles for the Group, the compensation for the Board of Directors and the Executive Committee and amendments to or introduction of new incentive plans, including share based plans, and (iv) addressing governance issues. Regular meetings of the Appointments and Remuneration Committee usually last few hours and are planned to occur at least once every quarter. In 2024, the Appointments and Remuneration Committee held five telephone meetings.

The **Audit and Risk Management Committee** as of 31 December 2024 consist of Lex Bentner, Christopher Manset and Shanu Sherwani. The task of the Audit and Risk Management Committee is to assist the Board of Directors in its oversight of the integrity of the Company's financial statements and financial reporting process, the Company's compliance with legal and regulatory requirements, the system of internal controls, the audit process and the performance, qualification and independence of the Company's independent auditors. The Audit and Risk Management Committee serves as an independent and objective monitor of the Group's financial reporting process and system of internal control, and facilitates ongoing communication between the external auditors, Executive Committee and the Board of Directors with regard to the Group's financial situation. The Audit and Risk Management Committee shall suggest to the full Board of Directors proposals for the general meeting regarding the appointment and removal of the Company's auditors. Regular meetings of the Audit and Risk Management Committee usually last few hours and are planned to occur at least twice a year. In 2024, the Audit and Risk Management Committee held three meetings through telephone conferences.

3.5 Definition Of Areas Of Responsibility

The Board of Directors delegated the operational management of the business of the Company and of the Group to the Executive Committee, unless the law, the Articles of Association or the Organisational Regulations provide otherwise. The scope of tasks for which the Board of Directors has retained responsibility includes in particular the following duties and competencies:

- Ultimate management and direction of the Company and issuance of the necessary directives;
- Signing-off of all SIX related official and ad-hoc communications;
- Determination of the organisation, in particular the adaptation, amendment and change of the Organisational Regulations, resolutions relating to the opening of new branch offices, incorporation and sale of subsidiaries and the sale and acquisition of participations in other companies;
- Organisation of the accounting, the internal control system (ICS), the financial control, the financial planning and assessment and supervision of risk assessment and risk management as well as of the internal audit;
- Appointment and removal of the members of the Executive Committee, and grant of signatory powers;
- Ultimate supervision of the persons entrusted with the management, in particular with respect to compliance with the law, the Articles of Association, the Organisational Regulations and other regulations and directives;
- Preparation of the business report (including the financial statements) as well as of the shareholders meeting, and implementation of its resolutions;
- Proposal of reorganisation measures to the shareholders meeting if half the share capital is no longer covered by the Company's net assets;
- Notification of the judge (filing for bankruptcy) in the case of over-indebtedness;
- Resolutions regarding increases in share capital, as far as they are within the competence of the Board of Directors (art. 651 para. 4 CO) as well as adopt capital increases and amendments to the Articles of Association entailed therewith;
- Assessment of the professional qualifications and requirements of the statutory auditor;

- Decision on agreements relating to mergers, spin-offs, conversions and/or transfer of assets (Vermögensübertragung) pursuant to the Swiss Merger Act (Fusionsgesetz);

- Exercise of voting rights in the general meetings of subsidiaries with respect to the election of Board members and the auditors (if any);

- Incurring financial indebtedness and approval of the granting of loans;

- Approval of real estate acquisitions or sales and encumbrances on real property;

- Decision on initiating and terminating legal proceedings and approval of settlement arrangements;

- Determination of bonuses to Board Members and members of Executive Committee;

- Assessment of the performance of the Board Members and the members of Executive Committee;

Within the management of the Group, the Board of Directors have the following additional powers and responsibilities:

- Determination of the strategy and business policy of the Group;

- Approval of the business plan of the Group, prepared by the Executive Committee based on the strategic goals;

- Review of prospective changes to the Articles of Associations of Group subsidiaries and subsequent proposal to the shareholders meeting of the relevant Group subsidiary;

- Adaptation of the Organisational Regulations;

- Approval and issuance of further internal regulations, general instructions and directives prepared by the Executive Committee;

- Decision on and approval of the basic financial, legal and organisational structure of the Group;

- Review and act upon reports by Audit and Risk Management Committee;

- Discuss the periodical reports of Executive Committee;

- Approval of transactions by Group companies involving a potential conflict of interest of Board Members and members of Executive Committee;

- Approval of material agreements which are outside of the ordinary course of business and decisions on pending and initiation of new legal proceedings involving an amount in excess of CHF 10’000.

- Receive and review update reports on the operational status and progress of the Group, monthly and half year results of the Group and extraordinary business events;

- Approval of the budget and financial planning documentation prepared by the Executive Committee prior to the year-end; in particular cost budgets which include all material costs and forecasted revenues (e.g. salary, investments, leases, sales etc.);

- Approval of budget increases during the financial year in excess of 10%;

- Monitor financial stability of the Group (liquidity, safety and appropriate return).

- Appointment and Removal of the members of the Executive Committee and of other important managers of the Group;
- Determination of the compensation principles and the compensation framework of the Group;
- Approval of the general human resources policy and general employee matters;
- Approval of human resource planning (*Stellenplan*);
- Appointment and removal and determination of the employment conditions for the members of the internal audit.

The Executive Committee is responsible for all areas of management of the Company that are not specifically reserved to the Board of Directors. The Executive Committee has in particular the following duties and competencies:

- Manage the operations of the Company and the Group, implement the strategic business policies and the Organisational Regulations as well as the drawing up of the necessary additional regulations and directives for approval by the Board of Directors as well as implement the approved regulations and directives;
- Manage and oversee all ongoing business activities and transactions of the Company and the Group within the framework of the Organisational Regulations, except for matters of extraordinary importance that require prior approval from the Board of Directors;
- Prepare and supervise compliance with the basic business policies, the operational goals, the annual goals and the budget and the general human resources and compensation policies;
- Determine the guidelines for risk monitoring under Audit and Risk Management Committee's supervision;
- Establish an efficient and structured process Organisation and an efficient internal control system in order to limit and avoid risks of all kinds;
- Prepare and implement the organisational chart;
- Prepare and implement the organisational guidelines;
- Prepare for approval by the Board of Directors and implement the accounting, financial control and the financial planning;
- Prepare the budget for approval by the Board of Directors, which shall include all material cost and forecasted revenues (e.g. salary, investments, leases, sales etc.) and proposals to the Board of Directors regarding budget increases during the financial year in excess of 10 %;
- Prepare and submit of the annual and semi-annual financial statements and of the annual report for approval by the Board of Directors as well as the periodical and statutory reporting to the Board of Directors on the ongoing business state of business of the Group;
- Preparation and implementation of the general human resources policies, employee matters of general concern and the hiring and headcount planning;
- Determination of the salary of the Group's employees (except for those of the Executive Committee);
- Appointment and removal of all authorised signatories up to the level "procuration"/"Prokura";

- Supervision of employees, in particular with respect to compliance with the laws, the Articles of Association, regulations and directives;

- Approval of material agreements which are outside of the ordinary course of business and decisions on pending and initiation of new legal proceedings involving an amount of less than CHF 10’000;

- Immediate information of the Board of Directors (by telephone and in writing) with respect to increased risks in the ongoing business and extraordinary events;

- Inform the chairman of the Company and the chairman of the Group subsidiaries with respect to capital losses and over-indebtedness pursuant to art. 725 CO and any other risk or danger for the Company or the Group subsidiary.

3.6 Information And Control Instruments Vis-À-Vis The Executive Committee

The Board of Directors supervises the Executive Committee and monitors its performance through appropriate reporting and control systems.

At each meeting of the Board of Directors, the Chief Executive Officer (“CEO”) reports on the course of business and important business events. Other instruments that enable the Board of Directors to monitor and control the Executive Committee are:

- Monthly written reports from the Executive Committee featuring key figures with comparison against the previous year and the budget, and information on order intake, order backlog and inventory and liquidity of the Group together with a brief report by the CEO and the Chief Financial Officer (“CFO”);

- Annual strategic analysis of the operating segments together with a plan, amended each year by the Executive Committee, for the next few years;

- Annual revision of the business risk matrix for the Group by the Executive Committee;

- Special reports by the Executive Committee on important investments, acquisitions and cooperative agreements.

The Chairman is regularly (in between meetings of the Board of Directors) briefed by the Chief Executive Officer on the current course of business and is promptly informed about any extraordinary events. The Company's Internal Control System (ICS) consists of seven groups of analysis, which are checked and reviewed on a regular basis. The statutory auditor assesses and reports on the effectiveness of the Internal Control System (ICS) to the Board of Directors once a year.

The Groups of analysis are:

- Finance with a focus on cash and cash equivalents, payment rights, equity and value added tax (VAT);

- Fixed assets with a focus on the registrations of the fixed assets, their correct depreciation and impairments if necessary;

- Inventory with a control of the goods entries and deliveries as well as the correctness of the inventory;

- Information Technology and its recovery plan;

- Payroll and related payment or accounting issues;

- Purchases with a focus on the material resources planning (MRP) and on the adequacy of merchandising entries and accuracy of invoices received;

- Sales with a focus on billing system and accounts receivable survey.

The Company defines and evaluates the most important risks based on a risk map comprising the following categories:

- Strategy with a focus on the market, the competitors and the technology;

- Assets with a focus on industrial accidents and environmental liabilities;

- Supply Chain;

- Products and Services and the setup of the new production line, including suppliers, approvals, deliveries, ramp-up and product quality;

- Projects and Processes;

- Finance and cash control;

- Legal;

- Human Resources;

- Information and Know How with a focus on Information Technology.

Under the oversight of the internal control manager, a risk analysis is processed regularly: risks are assigned to the respective risk owners from various departments who are responsible for their mitigation and a detailed action plan, risks with the highest criticality (likelihood x impact) along with possible measures to prevent and mitigate potential damages, are presented to the Audit and Risk Management Committee once per year. The Enterprise Risk Management is an ongoing process that started in 2016 and from 2021 the risk assessment process has been managed in the new ERM software and according to ISO 31000:2018 ERM framework. The latest update was made in September 2024.

4. Executive Committee

The Executive Committee is responsible for all areas of management of the Company and the Group that are not specifically reserved to the Board of Directors. Members of the Executive Committee are appointed by the Board of Directors. The Executive Committee is chaired by the Chief Executive Officer.

Members of the Executive Committee

Name	Nationality	Position	Initially appointed
Pierre Blanc	Swiss	Group Chief Executive Officer Group Chief Technology and Industrial Officer	2022 2006
Philip Broad	British	Chief Executive Officer Leclanché E-Mobility SA Group Chief Commercial Officer	2022 2019
Hubert Angleys	French	Group Chief Financial Officer	2016 - 2022 2024

Pierre Blanc, Swiss, born in 1970, joined the Company in 2000. He is Group Chief Executive Officer and Group Chief Technology and Industrial Officer. His previous positions include Development Manager of primary cells and Head of the R&D department at LECLANCHE SA between 2004 and 2006. Prior to that, from 2000 to 2004, Mr. Blanc was Chemical Engineer at LECLANCHE SA where he was responsible for the development and manufacturing of battery cells of major brands such as Varta, Energizer, Panasonic and Enersys. Since 2014, Mr. Blanc has been a member of the board (without remuneration) of the German non-profit Kompetenznetzwerk Lithium Ionen Batterien (KLiB). He holds a B.A. Moderatorship Chemistry from Trinity College Dublin.

Philip Broad, British, born in 1971, joined LECLANCHE SA in 2018 and was appointed Executive Vice President of e-Transport Solutions in March 2019. His previous position at LECLANCHE SA was Vice President of Commercial Vehicle leading Application Engineering, Programme Management & Sales. Mr. Broad has over 20 years of experience in the commercial vehicle business in both the on and off highway industry. He has a proven track record of winning large global profitable contracts in the commercial vehicle market and has successfully worked with global brands such as Caterpillar / Perkins, Volvo, Scania, MAN and JCB. Mr. Broad has lived and worked in Europe for the last 15 years for Honeywell Turbo Technologies Sarl in Switzerland, where he held various positions in Programme Management, Sales Management and Business Leadership positions in the turbocharger industry. Mr. Broad holds a B. Eng (Hons) in Systems Engineering from the University of Huddersfield in the UK.

Hubert Angleys, French, born in 1958, joined Leclanché in 2016 as Group Chief Financial Officer. He left the Company in April 2022 and came back in October 2024 as Group Chief Financial Officer ad interim. Prior to joining, he has held several Finance Director positions with country, regional and global responsibilities. His career has allowed him to span a diverse range of business sectors, size and functions. Most recently, until August 2014, Mr. Angleys served as the CEO of METALOR Group, a multibillion global corporation headquartered in Neuchâtel (Switzerland). His vast and rich experience includes working as CFO in companies like METALOR, ALCOA Europe – Geneva and SICPA Group – Lausanne.

4.1 External Mandates

According to Article 23decies of the Articles of Association, members of the Executive Committee may hold up to two mandates in quoted or non-quoted companies, subject to approval by the Board of Directors. The term "mandates" shall mean a mandate in a comparable position in other firms with commercial objects.

Information on external appointments of the members of the Executive Committee are set forth in the section 6.3 of the Compensation Report 2024.

a) Management Contracts

As of 31 December 2024, there are no management contracts between the Company and third parties.

b) Compensation, Shareholdings and Loans

See Compensation Report, section II.

c) Shareholder's Participation Rights

Right to Vote ("one share, one vote")

Any shareholder who is registered as a shareholder with voting rights has the right to attend and to vote at the general meeting of shareholders. Each share of the Company entitles its holder to one vote.

d) No restrictions on Voting Rights

Subject to the registration of the shares in the share register, the Articles of Associations do not impose any restrictions on the voting rights of shareholders. Specifically, there is no limitation on the number of voting rights per shareholder.

e) Representation, Independent Representative and Electronic Participation in the General Meeting

Shareholders having the right to vote may be represented at the general meeting by another person authorised by a written proxy, or by a legal representative or by the independent representative. The Board of Directors may also allow other forms of authorisation vis-à-vis the Company other than in writing. Such representative does not need to be a shareholder of the Company.

The Articles of Association contain rules in relation to the independent representative. The general meeting shall elect the independent representative for a term of office ending after completion of the following annual general meeting. The independent representative may be re-elected. If the Company does not have an independent representative, the Board of Directors appoints one for the next annual general meeting.

The Board of Directors may provide, that shareholders who are not present at the venue of the general meeting may exercise their rights by electronic means. In addition, the Board of Directors may also decide that the general meeting shall be held by electronic means without a venue (i.e. virtual general meeting).

f) Quorums required by the Articles of Association

The general meeting constitutes a quorum regardless of the number of shares represented and the number of shareholders present, to the extent that the law does not provide otherwise.

The general meeting passes resolutions and carries out elections by a relative majority of votes, to the extent that the law or the Articles of Association do not provide otherwise. The Articles of Association state that a qualified majority of two-thirds of the share votes represented is required to pass a resolution to amend or repeal Article 4 (*Transferability of shares*), Article 14 (*Votes and elections*) and to revoke more than one third of the members of the Board of Directors.

g) Convocation of General Meetings

The general meeting of shareholders is convened by the Board of Directors or, if necessary, at the request of the auditors. Additionally, the Board of Directors is required to convene an extraordinary general meeting if one or more shareholders, holding in aggregate at least 5% of the Company's share capital or voting rights, submit a written request. This request must specify the agenda items and proposals to be discussed. Upon receiving such a request, the Board of Directors must convene the general meeting within 60 days.

The general meeting of shareholders is convened at least 20 days before the day of the general meeting by means of a notice published in the Swiss Official Gazette of Commerce. Additionally, the invitation to the general meeting is sent by ordinary mail to the address of registered shareholders recorded in the share register.

Inclusion of Items on the Agenda

Shareholder's may request that items may be placed on the agenda if they together hold together at least 0.5 % of the share capital or of the votes.

The general meeting of shareholders can only deliberate on items on the agenda, with the exception of proposals to call an extraordinary general meeting or to carry out a special audit or to appoint an external auditor.

Closing Date for Registration in the Share Register

Only those shareholders with voting rights, whose names were recorded in the Company's share register on the respective closing date, may attend the general meeting and exercise their voting rights. For organisational reasons, the Board of Directors determined that no new registrations will be made in the share register during a period of up to two weeks before a general meeting. There are no exceptions to this rule regarding the closing date.

4.2 Change Of Control And Defence Measures

a) Duty to Submit an Offer

Article 135 of the Swiss Financial Market Infrastructure Act ("**FinMIA**") provides that anyone who, directly, indirectly or acting in concert with third parties, acquires equity securities exceeding 33⅓% of the voting rights of a company - whether or not such rights are exercisable - is required to make an offer to acquire all listed equity securities of that company. A company may raise this threshold to 49% of the voting rights ("opting up") or may, under certain circumstances, waive the threshold ("opting out").

At the general meeting held on 26 July 2017, the shareholders approved the Board of Directors' proposal to modify Article 5 of the Company's Articles of Association and include an "opting up" clause in the Articles of Association of the Company that increased the threshold for a mandatory takeover offer. As a result, under this "opting up" article, an acquirer of the shares is obliged to make a public tender offer pursuant to Article 135 FMIA only if, as a result of the acquisition of shares, the threshold of 49% of the Company's voting rights (whether exercisable or not) is exceeded.

On 9 October 2018, following the agreement in principle between the Company and SEF-Lux and in view of the envisaged Debt-to-Equity-Conversion which would result in a SEF-Lux shareholding of approx. 64.3%, SEF-Lux has filed an application with the Swiss Takeover Board ("**STOB**") for exemption from the requirement to make a public takeover offer upon SEF-Lux exceeding a 49% holding of voting rights and shares in the Company. The STOB has approved the exemption on 27 November 2018, which the Company has disclosed by way of a disclosure on 3 December 2018.

b) Change of Control Clauses

There are no change of control clauses (such as golden parachutes) in agreements or benefit schemes for members of the Board of Directors or the Executive Committee, except under the employee stock option plans approved by the Board of Directors on 3 December 2018 ("**2018 CSO Plan**"), 27 August 2019 ("**2019 CSO Plan**"), and 18 October 2024 ("**ESOP 2021**"). The ESOP 2021 plan was initially approved by the Board of Directors on 3 September 2021, in the form of an Employee Retention Plan, under which certain employees, including members of the Executive Committee, were granted stock options. These stock options were initially granted on 17 September 2021 and their exercise terms ratified by the Board of Directors on 18 October 2024.

For all these plans, in the event of a change of control, the Appointments and Remuneration Committee has full discretion to decide and notify option holders (i) to what extent outstanding CSOs may become vested, and (ii) the specific period—of at least 30 business days from the date of notification—within which the options may be exercised.

Such a change of control occurred on 12 December 2018, when SEF-Lux converted kCHF 54’700 of its debt into equity, increasing its shareholding in Leclanché SA to 64.3%.

5. Auditors

Since 2022, the Company's statutory auditor is Forvis Mazars SA, Avenue Gratta-Paille 2, CH-1018 Lausanne. At the annual general meeting of 27 June 2024, the shareholders reappointed Forvis Mazars SA, in Lausanne, as the statutory auditor for the financial year 2024. Mr. Michael Ackermann holds the position of auditor in charge since 2022. As required by law, the lead auditor has to be changed every seven years. In 2024, the fees of Forvis Mazars SA for the audit of the consolidated and statutory financial statements of the Leclanché Group amounted to kCHF 435 (the fees for 2023 financial audit amount to kCHF 378). Additional fees kCHF 47 were charged for additional services, covering the financial review of LECLANCHE SBS SA, Equal Pay analysis and July 2024 capital increase (2023: kCHF 31 for carve out of SBS business unit, the debt conversion and the Equal Pay analysis).

The Board of Directors evaluates each year the performance of the auditor and decides whether he should be proposed to the annual general meeting for re-election. Criteria applied for the performance assessment of the auditor are the quality of the management letter, technical and operational competence, independent and objective view, sufficient resources employed, focus on areas of significant risk to the Company, willingness to probe and challenge, ability to provide effective, practical recommendations and open and effective communication and coordination with Management.

The auditing body regularly reports to the Board of Directors, by providing updates or insights either by email or attending and presenting at Board of Directors meetings. During 2024, the auditors have participated twice to the Board of Directors’ meetings and once to the Audit and Risk Management Committee meeting.

6. Information Policy

The Company is committed to a policy of open, transparent and continuous information. The Company publishes annual and semi-annual reports. Detailed information is provided at the annual general meeting. Matters affecting the share price are published immediately in accordance with the ad-hoc publicity rules of the SIX Swiss Exchange.

Annual and semi-annual reports, ad-hoc announcements and other press releases, current share price, the corporate calendar as well as general information about the Company can be found on the Company's website: www.leclanche.com.

Interested persons can subscribe to the free e-mail service to receive all ad-hoc announcements and other press releases as well as financial reports via e-mail at https://www.leclanche.com/investor-relations/#register-updates.

Interested persons may also communicate with the Company directly through the following contact:

Pierre Blanc – CEO / Hubert Angleys – CFO
Avenue des Découvertes 14c
Case Postale :CH-1400 Yverdon-les-Bains
T : +41 (0) 24 424 65 00
E-Mail : invest.leclanche@leclanche.com

7. Quiet Periods

In accordance with the Company’s trading policy, the Company and Blocked Persons are prohibited from trading in the Company’s securities or making related recommendations to others during the specified periods, unless prior written approval is obtained from the Chairman of the Board of Directors or the Chief Executive Officer.

“Blocked Persons” refers to:

(i) members of the Board of Directors and the Executive Committee, including their assistants, secretaries, and other personal staff; and

(ii) any other person designated by the CEO or CFO, particularly those involved in the preparation, analysis, review, or communication of the Company’s financial results, or those who have access to such information:

- from 1 March until the lapse of five SIX trading day following the public release of the Company's annual results; and
- from 1 August until the lapse of five SIX trading day following the public release the Company's semi-annual results.

The Chairman and the CEO may each impose a so-called "extraordinary blocked period", where they consider it necessary or appropriate, including where inside information exists or may arise or where restrictions are required or appropriate to comply with regulatory or other requirements. If the disclosure of an ad-hoc announcement is postponed, the CEO or the Chairman must always impose an extraordinary blocked period from the day the decision is made to postpone the ad-hoc announcement until one trading day following the release of the ad-hoc announcement. When an extraordinary blocked period is imposed, the Chairman and CEO must determine the employees of the Company and other persons involved by the Company (such as third-party advisers), who shall be subject to the extraordinary blocked period and the restrictions that will apply (so-called "Special Blocked Persons"). The extraordinary blocked periods last until they have been terminated by the Chairman or the CEO. During the extraordinary blocked periods, the Company or the Special Blocked Persons must not deal in securities of the Company or make respective recommendations to any other person during an extraordinary blocked period.

8. Important Changes Occurred After 31 December 2024

On 7 February 2025 LECLANCHE SA announced that Pinnacle International Capital Limited has completed the legal, financial and technical due diligence of the Leclanché group to its satisfaction, thereby fulfilling a key condition on the way to the implementation of the strategic partnership.

Interested persons may also communicate with the Company directly through the following contact:

Pierre Blanc – CEO / Hubert Angleys – CFO
T : +41 (0) 24 424 65 00
E-Mail : invest.leclanche@leclanche.com

Leclanché Group

III COMPENSATION REPORT 2024

This compensation report provides information on the remuneration of the members of the Board of Directors and Executive Committee, which in the past was presented in the corporate governance report and consolidated financial statements of the Company.

1. Legislation

The legislation and regulations governing the compensation practices of the Group are set out in the following documents:

- Swiss Code of Obligations
- SIX Swiss Exchange Listing Rules
- SIX Swiss Exchange Directive on Information Relating to Corporate Governance
- Swiss Code of Best Practice for Corporate Governance
- Articles of Association of the Company

2. Guiding principles

The Company operates a remuneration system designed to align the interests of the members of the Board of Directors and Executive Committee with those of the Group, shareholders and other stakeholders. The individual components of remuneration consider the Group's sustainable business development in the short and long term. With the objective of attracting and retaining highly qualified executives and professionals, the remuneration system is focused on offering a competitive remuneration package with a fixed and a variable component. The remuneration system is reviewed periodically by the Board of Directors.

3. Compensation system

3.1 Members Of The Board Of Directors

The members of the Board of Directors receive a non-performance related compensation in the form of a Board of Directors fee, which is proposed on an annual basis by the Appointments and Remuneration Committee and decided upon by the entire Board of Directors. The fee amount depends on the exposures and responsibilities and the specific tasks performed by each individual member during the financial year and is paid in cash. The Chairman and the members of the Audit and Risk Management Committee and Appointment and Remuneration Committee are entitled to an additional annual fee.

3.2 Members Of The Executive Committee

The compensation of the members of the Executive Committee is verified and proposed on an annual basis by the Appointments and Remuneration Committee. The total compensation, which comprises fixed and variable components, is decided upon by the entire Board of Directors.

The members of the Executive Committee receive a base salary commensurate with the job profile, experience and skills of the employee, as well as a performance-related cash bonus. The base salary is assessed annually against responsibility and experience and is adjusted when needed. A target cash bonus is defined for each member of the Executive Committee at the beginning of the financial year and this forms the basis for the calculation of the cash bonus actually paid shortly after the end of the financial year. The 2016 cash bonus was not paid in 2017. It was paid in cash in the first quarter of 2018. The 2017 cash bonus was paid in the fourth quarter of 2018. The 2018 bonuses have been paid in the second quarter of 2022, the 2019 and 2020 bonuses have been paid in the fourth quarter of 2022. Due to the ongoing challenging financial situation of the Group, the Board of Directors resolved not to pay bonus for the years 2021, 2022 and 2023. The Bonus 2024 have been provisioned and remain unpaid at the date of this report. Accordingly, all relevant provisions have been reversed. Generally, the amount of bonus actually paid is determined by considering Company and individual objectives and may vary according to a matrix ranging from 0% to 120% of the target amount. From November 2022, bonuses are split 50% in cash and 50% in shares.

3.3 Equity Incentive Plans

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 eligible employees within the Group with the opportunity to participate in the Company's long-term success, subject to shareholders' approval and in compliance with the Minder Initiative. The CSO 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 employees with those of shareholders.

At the grant date, the Appointments and Remuneration Committee may use its absolute discretion to select eligible persons holding a contractual relationship with a Group entity to receive a notice of grant setting out, amongst other information, the number of CSOs granted to the eligible persons. The Appointments and Remuneration Committee (on behalf of the Company) shall grant to an eligible employee a number of CSOs and the Company shall issue a CSO certificate to the grant holder.

CSOs granted in the CSO certificate are categorised into three tranches. At the vesting date of each tranche, unless the Appointments and Remuneration Committee determines otherwise, 100% of CSOs in each tranche are subject to be vested. The exercise price of one CSO shall be equal to the higher of 80% of the average share price of the sixty (60) business days (60-day VWAP) preceding the grant date, or of the par value per share.

On 3 September 2021 the Board of Directors approved the 2021 Employee Special Recognition Plan, granting certain employees, including employees who are members of the Executive Committee, rights to equity participations. The Company has informed the concerned employees about the Special Recognition Plan on 17 September 2021. The terms of the plan had been finalised by the year-end 2024 and the employees have been given the opportunity to exercise the stock options received in September 2021.

Following the completion of the 2021 CSO Plan, the 2022 CSO Plan, which includes stock options, was successfully concluded by the end of 2024. Selected senior executives and high-performing employees were granted stock options as a reward for their performance and as an incentive for retention.

In 2023, the Board of Directors introduced a share-based compensation plan specifically for members of the Executive Committee, implemented through their respective employment contracts, with the aim of aligning their interests with those of the shareholders. The initial grant date for the first tranche was set for 1 November 2023. However, in the fourth quarter of 2024, the Board of Directors decided to postpone the grant date to 1 January 2025. This adjustment to the stock option plan is reflected in the 2024 financial statements.

4. Provisions of the Articles of the Associations of the Company regarding Remuneration

According to article 23quater of the Articles of Association the remuneration of the members of the Executive Committee includes fixed and variable components. The fixed remuneration consists of the base salary and may include other remuneration elements and services. Variable remuneration may include short-term and long-term remuneration elements and is capped according to predetermined multipliers in relation to the respective target levels.

Short-term remuneration elements are governed by performance indicators that consider the performance of the Company and/or a portion thereof, comparable individual objectives, and whose achievement is generally measured over a one-year period. The annual target level of the short-term remuneration elements is determined as a percentage of the base salary; depending on the performance achieved, the compensation may reach a predetermined multiplier amount in relation to the target level.

Long-term remuneration elements are governed by performance indicators that take into account the company's strategic objectives, the achievement of which is generally measured over a multi-year period. The annual target level of long-term remuneration elements is determined as a percentage of the base salary; depending on the performance achieved, remuneration may reach a predetermined multiplier amount in relation to the target level.

The Board of Directors or the Appointments and Remuneration Committee, when this task is delegated to it, determines the performance indicators and target levels and their achievement.

Remuneration may be paid or granted in cash, shares, other benefits or in kind; remuneration for members of the Executive Committee may also be paid or granted in financial instruments or similar units. The Board of Directors or Appointments and the Remuneration Committee, if delegated the task, determines the conditions for the granting, vesting, blocking, exercise and forfeiture of these forms of remuneration; they may prescribe the continuation, acceleration or cancellation of vesting or exercise conditions for the payment or granting of remuneration assuming the achievement of targets, or forfeiture in the case of predetermined events, such as the termination of an employment contract or mandate.

The Board of Directors assesses the remuneration according to the principles that apply to the compensation report.

According to articles 23^{quinquies} of the Articles of Association, the general meeting approves annually and separately the proposals of the Board of Directors concerning the maximum total amount of:

1. the remuneration of the Board of Directors until the next annual general meeting;

2. the remuneration of the Executive Committee for the following financial year.

The Board of Directors may submit different or additional proposals to the general meeting for approval for the same or a different period. If the general meeting does not approve a proposal of the Board of Directors, the Board of Directors shall determine, considering all relevant criteria, new amounts of total and/or partial remuneration, as the case may be, and submit them for approval to the same general meeting, a subsequent extraordinary general meeting or the next annual general meeting. Notwithstanding the foregoing paragraphs, the Company, or any other company it controls or mandates, may pay remuneration prior to approval by the general shareholders' meeting, subject to subsequent approval.

According to article 23^{sexies} of the Articles of Associations, the Company, or any other company controlled by it, is authorised to grant and pay additional remuneration to any member of the Executive Committee appointed during a period for which the approval of the general shareholders' meeting has already been given.

The total additional remuneration may not exceed 40% of the total amount of fixed and variable remuneration approved by the general shareholders' meeting for the relevant period.

According to article 23[nonies], loans may only be granted to members of the Executive Committee with the approval of the Board of Directors, under customary market conditions and to the extent that the total amount of loans granted to members of the Executive Committee does not exceed 30% of the total amount of annual compensation approved by the previous shareholders' meeting. No loans shall be granted to members of the Board of Directors in office.

5. Compensation in fiscal year 2024

This section of the compensation report provides information on the compensation offered by the Company in the fiscal year 2024 to the Board of Directors, Chief Executive Officer and Executive Committee, as required by the CO and the SIX Directive on Information Relating to Corporate Governance.

5.1 Board Of Directors

The members of the Board of Directors are external to the Company and not part of its payroll, unless they are Swiss tax resident. Accordingly, the Company compensates them through invoiced fees only. In the fiscal year 2024, the aggregate cash compensation paid to the Board of Directors amounted to kCHF 337 (2023: kCHF 345). As the members of the Board of Directors are not employees, there were no additional costs related to pensions, insurance, or other perquisites.

Detailed information on the compensation of the members of the Board of Directors in 2024:

Name	Position	Base cash compensation (kCHF)
Lex Bentner	Chairman (and member of the Appointment and Remuneration Committee and the Audit and Risk Management Committee)	111
Shanu (Ali) Sherwani (2)	Member (and member of the Audit and Risk Management Committee)	58
Marc Lepièce	Member (and member of the Appointment and Remuneration Committee)	58
Christophe Manset	Member (and member of the Appointment and Remuneration Committee and the Audit and Risk Management Committee)	65
Abdallah Chatila (2)	Member	33
Alexander Rhea (2)	Member	13
Bernard Pons (2)	Member	-
TOTAL		**337**

Of which amount due at year-end -- **202**

(1) New Entries in Board of Directors :

Lex Bentner appointed as Chairman on 12 January 2024.

(2) Exit from Board of Directors :

Alexander Rhea stepped down as Chairman of the Board of Directors on 31 December 2023 and resigned from the Board of Directors on 12 April 2024.

Bernard Pons stepped down on 1 January 2024.

Abdallah Chatila stepped down on 30 September 2024.

Shanu Sherwani stepped down on 14 March 2025.

Detailed information on the compensation of the members of the Board of Directors in 2023:

2023 Board in kCHF

Name	Position	Base cash compensation (kCHF)	Consulting fee (kCHF)	Options (kCHF)	Social charges (kCHF)	Total (kCHF)
Alexander Rhea (2)	Chairman	100	-	-	-	100
Shanu Sherwani	Member (and member of the Appointments and Remuneration Committee and the Audit and Risk Management Committee)	65	-	-	-	65
Bernard Pons (2)	Member (and member of the Audit and Risk Management Committee)	58	-	-	-	58
Marc Lepièce	Member (and member of the Appointments and Remuneration Committee)	58	-	-	-	58
Christophe Manset	Member (and member of the Appointments and Remuneration Committee and the Audit and Risk Management Committee)	65	-	-	-	65
TOTAL		**345**	**-**	**-**	**-**	**345**
Of which amount due at year-end						**43**

(1) New Entries in Board of Directors :

None

(2) Exit from Board of Directors :

Alexander Rhea stepped down as Chairman of the Board of Directors as of 31 December 2023.

5.2 Executive Committee

In the fiscal year 2024, the aggregate overall cash compensation of the Executive Committee amounted to kCHF 964 (2023 kCHF 978). This amount includes the compensation paid to the Executive Committee members during their respective executive functions.

The 2018 bonuses have been paid in the second quarter of 2022, the 2019 and 2020 bonuses have been paid in the fourth quarter of 2022. Mr. Anil Srivastava, former Group Chief Executive Officer's bonuses for 2019 in the amount of kCHF 118 and 2020 in the amount of kCHF 211 have been paid in two equal tranches, on 24 December 2024 and on 31 March 2025. Due to the ongoing challenging financial situation of the Group, the Board of Directors resolved not to pay bonus for the years 2021, 2022 and 2023. The Bonus 2024 have been provisioned and remain unpaid at the date of this report. The total cost to the Company of Executive Committee remuneration, including capped stock option grants, pension, insurance and perquisites amounted to kCHF 1'101 (2023: kCHF 1'113).

The Group's Chief Executive Officers ("CEO"), Mr. Pierre Blanc, and the Leclanché E-Mobility SA CEO, Mr. Philip Broad, receive equal compensation for their professional services. Any differences in their final compensation are due to individual circumstances affecting social charges, such as family allowances.

In fiscal year 2024, the highest total compensation within the Group was earned by Mr. Philip Broad. His total cash compensation, consisting of a fixed annual base salary, amounted to kCHF 333 (2023: kCHF 362 for Mr. Pierre Blanc).

The total cost to the Company for Mr. Broad's compensation package—including capped stock option grants, pension contributions, insurance, and other benefits—amounted to kCHF 382 in 2024 (2023: kCHF 412 for Mr. Pierre Blanc.

The employment contracts with members of the Executive Committee do not contain any severance payments. There are no employment contracts with members of the Executive Committee with notice periods of more than six months.

All amounts in kCHF	Base Salary	Bonus 2024	Bonus 2023	**Total Cash Compensation (paid)**	Options	Social charges	**Total Compensation**
Global compensation	964	0	0	**964**	292	137	**1,393**
of which highest compensation to Phil Broad (E-Mobility CEO)	**333**	**0**	**0**	**333**	**114**	**49**	**496**

5.3 Service Benefits And Benefits In Kind

No service benefits and benefits in kind have been granted to members of the Board of Directors or to members of the Executive Committee in the year under review.

5.4 Sign-On Bonuses

No sign-on payments have been granted to members of the Board of Directors or to members of the Executive Committee in the year under review.

5.5 Loans, Guarantees, Guarantee Obligations, Pledges In Favour Of Third Parties And Other Securities

No loans, guarantees, guarantee obligations, pledges in favour of third parties and other securities have been granted to present or past members of the Board of Directors or to present or past members of the Executive Committee including persons related to them in the year under review, and no such loans, guarantees, guarantee obligations, pledges in favour of third parties and other securities are outstanding.

5.6 Loan Waivers

No Group companies waived repayment of any loan obligations due by a member of the Board of Directors or of the Executive Committee in the year under review.

5.7 Fees Or Compensation For Any Additional Services

In the year under review there was no additional project performed by the members of Board of Directors and members of the Executive Committee. None of those members received any fees or compensation for any additional services rendered to any Group companies.

5.8 Former Members Of Management

No compensation was paid to persons who ceased to be a member of the Board of Directors, nor to parties related to them, beyond that due to them during their tenure. Mr. Anil Srivastava, former Group Chief Executive Officer's bonuses for 2019 in the amount of kCHF 118 and 2020 in the amount of kCHF 211 have been paid in two equal tranches, on 24 December 2024 and on 31 March 2025.

5.9 Related Parties

In the year under review, no compensation was paid to related parties of the Board of Directors or of the Executive Committee.

6. Shareholdings In The Company

Detailed information about the participations of the members of the Board of Directors and of the Executive Committee including their related parties through shares and option rights in the Company.

6.1 Board Of Directors

Name	Position	Number of Shares	Number of Options	% of voting rights
Lex Bentner	Chairman	0	0	0
Marc Lepièce	Non-executive member	0	0	0
Shanu Sherwani	Non-executive member	0	0	0
Christophe Manset	Non-executive member	0	0	0

6.2 Executive Committee

Name	Position	Number of Shares	Number of Options
Pierre Blanc	Group Chief Executive Officer, and Group Chief Technology, and Industrial Officer	0	743’423
Phil Broad	Chief Executive Officer Leclanché E-Mobility SA, and Group Chief Commercial Officer	0	533’243
Hubert Angleys	Group Chief Financial Officer	0	275’000
Pasquale Foglia (1)	Chief Financial Officer Leclanché	0	82’500

1) Pasquale Foglia stepped down as Chief Financial Officer as of 31 October 2024.

6.3 External Appointments Of The Members Of The Board Of Directors And Management

Detailed information about the external appointments of the members of the Board of Directors and of the Executive Committee:

- **Board of Directors**

Name	Position	External Appointments and Function
Lex Bentner (as per 12 January 2024)	Chairman Non-executive member	• The City of Luxembourg (Head of Public Transport)
Christophe Manset	Non-executive member	• Golden Partner Holding Co S.à.r.l. (Manager) • Golden Partner FOF Management S.à.r.l. (Manager) • Golden Partner Fund (Director) • Avia Partners S.à.r.l. (Manager) • AM Investment Management sA (Director) • AINA Investment Fund (Manager) • USGEM Inc. (Director)
Shanu Sherwani	Non-executive member	• Golden Partner Holding Co S.à.r.l. (Manager) • Golden Partner FOF Management S.à.r.l. (Manager) • AM Investment Management S.A. (Director) • Golden Partner Fund (Director) • Golden Partner International S.A. SPF (Director) • Strategic Equity Partners S.à r.l. (Manager) • Stone2Cap GP S.à r.l. (Manager) • First National Real Estate Lux GP S.à r.l. (Manager) • Avia Partners S.à r.l. (Manager) • Strategic Yield Partners S.à r.l. (Manager) • B Collective (Board Member or Manager) • Haeres Capital Properties (Board Member or Manager)
Marc Lepièce	Non-executive member	• Cluster TWEED (Technologie Wallonne Energie-Environnement et Développement Durable) (member of Board of Directors)

1) Alexander Rhea stepped down as Chairman of the Board of Directors on 31 December 2023 and resigned from the Board of Directors on 12 April 2024.
2) Bernard Pons stepped down on 1 January 2024.
3) Shanu Sherwani stepped down on 14 March 2025.

- **Executive Committee**

Name	**Position**	**External Appointments and Function**
Pierre Blanc	Group Chief Executive Officer, and Group Chief Technology and Industrial Officer	none
Philip Broad	Chief Executive Officer Leclanché E-Mobility SA, and Group Chief Commercial Officer	none
Hubert Angleys (1)	Group Chief Financial Officer	none

1) Pasquale Foglia stepped down as Chief Financial Officer as of 31 October 2024.

Leclanché Group

IV REPORT OF THE STATUTORY AUDITOR ON THE COMPENSATION REPORT

LECLANCHE SA
Yverdon-les-Bains

Report on the Audit
of the Compensation Report
according to Art. 734a – 734f CO

Report on the Audit of the Compensation Report according to Art. 734a-734f CO

Report of the statutory auditor to the General Meeting of LECLANCHE SA, Yverdon-les-Bains

Opinion

We have audited the accompanying compensation report of LECLANCHE SA (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked of the compensation report (pages 44 to 52).

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying compensation report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibility for the Audit of the Compensation Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the tables marked "audited" in the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors and/or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors and/or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Forvis Mazars SA

Michael Ackermann Licensed audit expert (Auditor in charge)	Issam Kacem Licensed audit expert

Lausanne, 30 June 2025

Attachments:

i. Compensation report

Forvis Mazars SA, Bloom, Avenue Gratta-Paille 2, CH-1018 Lausanne
Tel +41 21 310 49 49, forvismazars.com/ch

Leclanché Group

V CONSOLIDATED FINANCIAL STATEMENTS 2024

1. Consolidated Income Statement For The Year Ended 31 December 2024

	Notes	31/12/2024	31/12/2023
		kCHF	kCHF
Revenue from contracts with customers	6.6.1	17,357	17,199
Other income	6.6.2	1,076	1,516
TOTAL INCOME		**18,433**	**18,716**
Raw materials and consumables used	6.6.3	-17,494	-13,536
Personnel costs	6.6.4	-38,200	-33,470
Other operating expenses	6.6.5	-14,586	-19,252
Net impairment losses on financial and contract assets	6.6.6	-5,071	-47
Depreciation, amortisation and impairment expenses	6.6.7	4,210	-18,135
OPERATING LOSS		**-52,707**	**-65,725**
Finance costs	6.6.8	-20,497	-17,591
Finance income	6.6.9	5,217	13,305
LOSS BEFORE TAX		**-67,986**	**-70,010**
Income tax		307	-522
LOSS OF THE GROUP		**-67,679**	**-70,532**
Earnings per share (CHF)			
- basic		-0.09	-0.13
- diluted		-0.09	-0.13

2. Consolidated Statement Of Comprehensive Loss For The Year Ended 31 December 2024

	31/12/2024	31/12/2023
	kCHF	kCHF
Loss for the period	-67,679	-70,532
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	-8,718	-6,133
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	1,273	-194
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**-7,445**	**-6,327**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**-75,124**	**-76,860**
Loss attributable to:		
Equity holders of the parent	-67,672	-70,532
Non-controlling interests	-7	-
LOSS OF THE GROUP	**-67,679**	**-70,532**
Total comprehensive loss attributable to:		
Equity holders of the parent	-75,117	-76,860
Non-controlling interests	-7	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**-75,124**	**-76,860**

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

3. Consolidated Balance Sheet As Of 31 December 2024

	Notes	31/12/2024	31/12/2023
		kCHF	kCHF
ASSETS			
Non-current assets			
Property, plant and equipment	6.8	24,740	26,506
Right-of-use assets	6.9	23,772	20,931
Intangible assets	6.10	18,311	12,865
Financial assets	6.11	1,783	1,821
Trade and other receivables	6.13	360	1,665
TOTAL NON-CURRENT ASSETS		**68,967**	**63,788**
Current assets			
Inventories	6.12	17,691	21,368
Trade and other receivables	6.13	6,036	4,803
Advance to suppliers		6,230	7,949
Contract assets		4,837	5,338
Cash and cash equivalents		5,175	2,809
TOTAL CURRENT ASSETS		**39,970**	**42,267**
TOTAL ASSETS		**108,937**	**106,055**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	6.14	77,380	58,612
Share premium	6.14	294	294
Reserve for share-based payment	6.15	1,336	574
Other reserves		4,975	4,975
Translation reserve		-4,120	-5,393
Equity component of warrants and convertible loans		-0	3,342
Remeasurements of post-employment benefit obligations	6.16	-15,795	-7,077
Accumulated losses		-108,998	-112,741
Equity attributable to equity holders of the parent		**-44,928**	**-57,414**
Non-controlling interests		1,122	2,663
TOTAL EQUITY		**-43,807**	**-54,751**
Non-current liabilities			
Defined benefit pension liability	6.16	12,250	2,748
Convertible Loans	6.18	42,295	57,545
Loans	6.19	11,295	11,285
Lease liabilities	6.9	19,189	18,779
TOTAL NON-CURRENT LIABILITIES		**85,028**	**90,358**
Current liabilities			
Provisions	6.17	24,271	28,865
Loans	6.19	1,299	2,323
Lease liabilities	6.9	5,737	2,672
Trade and other payables	6.21	31,598	28,468
Deferred revenue (Contract liabilities)		4,810	8,121
TOTAL CURRENT LIABILITIES		**67,715**	**70,448**
TOTAL LIABILITIES		**152,744**	**160,806**
TOTAL EQUITY AND LIABILITIES		**108,937**	**106,055**

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

4. Consolidated Statement Of Changes In Equity For The Year Ended 31 December 2024

		Attributable to equity holders of the parent									NCI	Total
	Notes	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**
Loss for the period		-	-	-	-	-	-	-	-70,532	**-70,532**	-	**-70,532**
Other comprehensive income:										**-**		**-**
Remeasurements of post employment benefit obligations	6.16	-	-	-	-	-	-	-6,133	-	**-6,133**	-	**-6,133**
Currency translation differences		-	-	-	-	-	-194	-	-	**-194**	-	**-194**
Total comprehensive loss		**-**	**-**	**-**	**-**	**-**	**-194**	**-6,133**	**-70,532**	**-76,860**	**-**	**-76,860**
Cancellation of share premium and other reserves against accumulated losses		-	-30,378	-	-	-	-	-	30,378	**-**	-	**-**
Reserve for share-based payment	6.15	-	-	-381	-	-	-	-	381	**-**	-	**-**
Equity component of warrants		-	-	-	-	-	-	-	-	**-**	-	**-**
Equity acquisition (controlling shares in St Kitts Energy)		-	-	-	-	-	-	-	-	**-**	2,663	**2,663**
Transaction cost reversal		-	552	-	-	-	-	-	-	**552**	-	**552**
Capital increase by debt conversion - 26 Jun 2023	6.14.3	14,130	52,555	-	-	-	-	-	6,293	**72,977**	-	**72,977**
Cancellation of share premium (debt conversion Jun23) and other reserves against accumulated losses		-	-53,107	-	-	-	-	-	53,107	**-**	-	**-**
Balance at 31 December 2023		**58,612**	**294**	**574**	**4,975**	**3,342**	**-5,393**	**-7,077**	**-112,741**	**-57,414**	**2,663**	**-54,751**
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		-	-	-	-	-	-	-	-67,672	**-67,672**	-7	**-67,679**
Other comprehensive income:										**-**		**-**
Remeasurements of post employment benefit obligations		-	-	-	-	-	-	-8,718	-	**-8,718**	-	**-8,718**
Currency translation differences		-	-	-	-	-	1,273	-	-	**1,273**	-	**1,273**
Total comprehensive loss		**-**	**-**	**-**	**-**	**-**	**1,273**	**-8,718**	**-67,672**	**-75,117**	**-7**	**-75,124**
Reserve for share-based payment	6.15	-	-	761	-	-	-	-	-607	**155**	-	**155**
Equity component of warrants (expiration)	6.18.2	-	-	-	-	-3,342	-	-	3,342	**-**	-	**-**
Equity depreciation (controlling shares in St Kitts Energy)		-	-	-	-	-	-	-	-	**-**	-1,206	**-1,206**
Reversal of capital contribution		-	-	-	-	-	-	-	-	**-**	-328	**-328**
Transaction cost reversal		-	-	-	-	-	-	-	-	**-**	-	**-**
Capital increase by debt conversion - 10 July 2024	6.14.3	18,769	65,901	-	-	-	-	-	2,779	**87,449**	-	**87,449**
Set-off of share premium against accumulated losses		-	-65,901	-	-	-	-	-	65,901	**-**	-	**-**
Balance at 31 December 2024		**77,380**	**294**	**1,335**	**4,975**	**0**	**-4,120**	**-15,795**	**-108,998**	**-44,928**	**1,122**	**-43,807**

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

5. Consolidated Statement Of Cash Flows For The Year Ended 31 December 2024

	Notes	31/12/2024	31/12/2023
		kCHF	kCHF
LOSS OF THE GROUP		**-67,679**	**-70,532**
OPERATING ACTIVITIES			
Non cash adjustments:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	6.8; 6.9	5,399	5,904
Amortisation and impairment of intangible assets	6.10	1,191	2,188
Net impairment losses on financial and contract assets	6.11	1,559	-534
Net release to provision on inventories	6.12	2,727	-120
Net allocation to provisions	6.17	23,915	14,496
Result on scrapping of fixed assets	6.8	3,195	59
Non-realised foreign exchange differences		-1,012	1,727
Non-cash employee benefit expenses - share based payment		155	-
Non-cash employee benefit expenses - pension	6.16	784	141
Finance costs	6.6.7	17,401	11,480
Working capital adjustments:			
(In)/Decrease in trade and other receivables	6.13	-1,095	2,423
(In)/Decrease in contract assets		501	-1,893
(In)/Decrease in advances to suppliers		1,719	-1,717
(In)/Decrease in inventories	6,12	950	-7,659
In/(Decrease) in contract liabilities		-3,311	697
In/(Decrease) in deferred revenue		-	
In/(Decrease) in trade and other payables	6.21	3,526	1,403
Release of provisions	6.17	-28,098	-1,519
Use in provisions	6.17	-410	-1,396
Interest paid		-481	-397
NET CASH USED IN OPERATING ACTIVITIES		**-39,065**	**-45,249**
INVESTING ACTIVITIES			
Payment for property, plant and equipment	6.8	-2,836	-10,777
Investment in financial assets	6.11	38	835
Payment for intangible assets	6.10	-6,635	-5,401
NET CASH USED IN INVESTING ACTIVITIES		**-9,433**	**-15,343**
FINANCING ACTIVITIES			
Proceeds from convertible loans	6.18	54,501	60,700
Transaction costs on conversion of loan into capital		-0	1,081
Proceeds from non convertible loans	6.19	1,095	1,567
Acquisition of NCI	6.2c	-1,534	2,663
Principal elements of lease payments	6.9	-2,371	-3,119
Repayment of loans	6.19	-770	-790
NET CASH FROM FINANCING ACTIVITIES		**50,920**	**62,101**
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT		**2,422**	**1,509**
Cash and cash equivalent at 1 January		2,809	1,362
Cash and cash equivalent at 31 December		5,175	2,809
Effect of exchange rate changes		56	63
VARIATION		**2,422**	**1,509**

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

6. Notes To The Consolidated Financial Statements 2024

6.1 Corporate Information

Group structure

LECLANCHE 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 14c, CH-1400 Yverdon-les-Bains. The Company is listed under the Main Standard on the SIX Swiss Exchange under Swiss security number 11030311 (ISIN: CH0110303119). The Company is listed under the symbol "**LECN**".

LECLANCHE SA's subsidiaries, joint ventures and associates are:

Name and legal form	Note	Registered offices	Country	Curr.	Share capital (LOC)	Ownership interest	Cons. method
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	100	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	85.3%	C
Leclanché (Saint Kitts) Energy Holdings Limited	6	Bridgetown	Barbados	USD	8'621'832	100%	C
Leclanché Singapore Pte	7	Singapore	Singapore	USD	10'000	100%	C
LECLANCHE 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; E = Equity method

(1) Leclanché E-Mobility SA was incorporated on 16 December 2021 and is fully owned by LECLANCHE 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 LECLANCHE SA.

(4) Leclanché Norway AS was incorporated on 15 June 2020 and is fully owned by LECLANCHE 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 St. Kitts. The interest ownership of LECLANCHE 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 it is fully owned by LECLANCHE SA, following the wind-up of the partnership with MPC Energy Solutions Latin America Holdings II B.V, dated 16 November 2023.

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

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

(9) Leclanché Technologies SA was incorporated on 20 December 2023 and is fully owned by LECLANCHE 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.

The Company and its subsidiaries set forth above (the "**Group**") are dedicated to the design, development and manufacturing of customised and turnkey energy storage solutions for electricity generation and transmission, mass transportation, heavy industrial machines and special low voltage battery systems.

There are no other companies belonging to the Group than those listed above.

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.

LECLANCHE 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 of Directors on 25 June 2025, but they are subject to approval by the general meeting of shareholders.

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

6.2 Significant Events Of The Period

a) Pinnacle due diligence

A major milestone in Leclanché's growth journey was achieved in 2024 with the signing of a transformative Framework Partnership Agreement with Pinnacle International Capital. Announced on 23 July 2024, this strategic agreement lays the foundation for a long-term partnership aimed at securing significant expansion funding to support Leclanché's ambitious industrial roadmap.

The agreement outlines the establishment of a joint venture to develop and operate two large-scale lithium-ion battery production facilities—each with a planned capacity of 2 GWh—one in Germany and the other in the Middle East. Pinnacle has committed to funding the joint venture with an investment of up to kCHF 360'000. In return, Leclanché will contribute key assets and expertise in kind, securing a 50% equity stake in the joint venture.

Additionally, Pinnacle has been granted an option to acquire up to a 30% stake in Leclanché through a separate agreement with SEF-Lux, representing a potential further investment of up to kCHF 240’000.

This agreement was initially subject to a due diligence and engineering review process, which formally commenced on 22 July 2024. Following extensive analysis and validation, the partnership reached a critical turning point on 6 February 2025, when a condition precedent (CP) confirmation was issued, officially making the agreement binding.

The partnership with Pinnacle represents a game-changing opportunity for Leclanché. It not only provides the capital required to execute our industrial scale-up but also brings on board an investor aligned with our long-term vision.

b) Debt into equity conversion

On 10 July 2024, SEF-Lux, Golden Partner Holding Co. Sàrl and Golden Partner SA converted into equity the equivalent amount of kCHF 84’670 due under the following loans and outstanding interests , for details see Note 6.14 Share capital

As part of the conversion of debt into equity, 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.

c) Change in Key Management and Board Leadership

During the financial year, the Group undertook important leadership transitions to support its continued growth and strategic direction.

As of October 2024, Hubert Angleys succeeded Pasquale Foglia as Group Chief Financial Officer (CFO).

Additionally, there was a change in the Chairmanship of the Board of Directors. Lex Bentner was appointed as President of the Board, succeeding Alexander Rhea during the Extraordinary General Meeting held on 12 January 2024.

d) Subordination of the loans

In 2024, to strengthen the Company’s financial position, the majority shareholder provided several loans (refer to Note 6.18.1k Convertible Loans). As at 31 December 2024, existing liabilities amounting to kCHF 33,470 were fully subordinated.

For further details refer to the Note 6.4.1 a) Uncertainties and ability to continue as a going concern

6.3 Significant Accounting Policies

6.3.1 Basis Of Preparation

The consolidated financial statements of LECLANCHE SA have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC Interpretations.

The policies set out below have been consistently applied to all the years presented. These consolidated financial statements have been prepared under the historical cost convention, except for items to be recorded at fair value.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 6.4.

6.3.2 New And Amended Accounting Standards And IFRIC Interpretations

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 2024 (unless otherwise stated). The Group has not early adopted any other standard or amendment that has been issued but is not yet effective

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 January 1, 2024. The revised Standards did not have a material effect on these financial statements.

- Amendments to IAS 1 "Presentation of financial statements" on classification of liabilities as current or non-current and non-current.
- Amendment to IFRS 16 "Leases" on lease liability in a sale-and-leaseback transaction.
- Amendment to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" on disclosure of supplier finance arrangements.

c) IFRS Standards and Interpretations issued and not yet adopted

Certain new or amended Standards and Interpretations that may be relevant for the Group's financial statements have been issued but are not yet mandatory for the current reporting period. The Group has not early adopted them. They are not expected to have a material impact on the Group's financial results or position.

- Amendment to IAS 21 'The effects of changes in foreign exchange rates' on lack of exchangeability, effective from January 1, 2025.
- Amendment to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' on the classification and measurement of financial instruments, effective from January 1, 2026.
- Annual Improvements to IFRS Accounting Standards – Volume 11, effective from January 1, 2026.
- IFRS 18 'Presentation and Disclosure in Financial Statements', which replaces IAS 1 'Presentation of Financial Statements', effective from January 1, 2027.

6.3.3 Consolidation

The annual closing date of the individual financial statements of all Group companies is 31 December.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from **the** date that control ceases.

The Group applies the **acquisition method** to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the **business combination** is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any **contingent consideration** to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration if classified either as equity or financial liability. Amounts classified as financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

The excess of the consideration transferred, the amount of any **non-controlling interest** in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired and liabilities assumed, is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint Ventures are all entities over which the contractual agreements between the Group and the other shareholders and the voting rights and other control mechanism embedded therein establish a joint control. Consent of all parties to the joint venture is needed to direct the relevant activities. Joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

6.3.4 Foreign Currency Translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Swiss Franc "**CHF**", which is the Group's presentation currency.

b) Transactions and balances

The local currency is generally used as the reporting currency throughout the world. In the respective entity financial statements, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at the balance sheet date. Transactions are recorded using the prevailing exchange rate at the time of the transaction. All resulting foreign exchange transaction gains and losses are recognised in each subsidiary's income statement.

c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency, are translated into the presentation currency as follows:

i. assets and liabilities for each balance sheet presented are translated at the closing rates at the date of that balance sheet;

ii. income and expenses for each income statement are translated at average exchange rates; and

iii. all resulting exchange differences are recognised in other comprehensive income, under "Translation reserve".

On consolidation, exchange difference arising from the translation of the net investment in foreign operations, as well as from long-term internal financing, are taken to "Cumulative translation adjustment" in other comprehensive income. On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation), all of the exchange differences accumulated in equity (in other comprehensive income) in respect of that operation attributable to the equity holders of the Company are reclassified to the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

6.3.5 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee and to the Board of Directors.

6.3.6 Revenue Recognition

Revenue consists of sales of goods and services produced in the course of the Group's core business.

The Group applies IFRS 15 according to which a promised good or service will have to be recognised separately as revenue if it is "discrete", i.e. if both of the following conditions are met:

i. The services are distinct in nature: the customer can benefit from the good or service in isolation or in combination with other readily available resources,

ii. The benefits are contractually distinct: the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

For each identified performance obligation, the entity determines at the inception of the contract whether the performance obligation is satisfied:

i. Ongoing: revenue is recognised using the percentage of completion method,

ii. At a specific date: revenue is recognised on completion.

A performance obligation is satisfied on an ongoing basis if it meets at least one of the following three criteria:

i. The customer receives the benefits of the service as the entity fulfils its performance obligation,

ii. The customer receives control of the asset as the entity builds it,

iii. The asset has no alternative use and the entity has an enforceable right to payment for the value of the work performed to date at any time (dual condition), If none of these criteria are met, the performance obligation is considered to be satisfied at a given date.

In the case of long-term services to be performed over different periods, where the performance obligation must be recognised using the percentage of completion method under IFRS 15, the Group applies the percentage of completion method. Revenue is determined by applying the ratio of "costs incurred for work performed to date to total estimated contract costs" to total contract revenue.

Any probable loss on completion is recognised immediately in operating income for the period. Work in progress on long-term contracts is recognised at selling price and does not include administrative or selling expenses.

Work in progress is recognised in the balance sheet either under "Trade and other receivables" if positive (invoice to be issued) or under "Other liabilities" if negative (deferred income). It is calculated based on the performance obligation by applying the percentage of completion to the total sales forecast in the contract, less invoices issued to the customer at the balance sheet date. The financial percentage of completion corresponds to the ratio between the costs incurred for work performed up to the balance sheet date and the estimated total contract costs.

Revenue includes the fair value from the sale of goods and services, net of value-added tax, rebates, discounts, and sales commissions and after eliminating sales within the Group.

a) Sale of goods

Sale of goods is recognised when controls of the goods are transferred to the customer and collection of the related receivables is highly probable. Sale of goods may include delivery of batteries, rechargeable batteries, systems for electrical storage device and some accessories.

b) Projects

Projects consists in the delivery and installation of an energy storage solution. Leclanché applies the Input method for measuring progress over time for projects.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the measurement of progress of the transaction at the end of the reporting period. Under this method, revenue is recognised in the accounting periods in which the services are rendered.

To be able to estimate the outcome of a transaction reliably, the entity must be able to make a reliable estimate of total transaction revenue, the measurement of progress and the costs to complete the transaction. The measurement of progress is determined as the proportion of the transaction costs incurred for services rendered to date compared to the estimated total transaction costs.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by Management.

c) Licence sale

Revenue from licensing arrangements is recognised upon commencement of the term of the license or when the renewal term begins, as applicable. Sales of a licence technology without further sellers' obligation is recognised at a point of time.

6.3.7 Warranty Provision

Since Leclanché sells battery packs with a standard 24-month warranty, under IFRS rules, Company is required to set-up warranty provisions to cover for upcoming warranty costs.

IFRS 15 contains quite good guidance about warranties. It specifies that there are two basic types of warranties:

i. Assurance-type warranties – those are warranties that promise to customer that the delivered product is as specified in the contract and will work as specified in the contract.

   These warranties do not give rise to a separate performance obligation, and the Company accounts for a provision for warranty repairs under IAS 37.

ii. Service-type warranties – those are warranties that provide something additional to the mere assurance, for example – they provide some extra services.

   These warranties give rise to a separate performance obligation because they provide additional service to the customers and they are accounted under IFRS 15.

Before Company starts accounting for warranties, it needs to determine what type of warranty it is proposing. Currently the Company only has assurance type warranties as per IFRS guidance, this does not mean that service type warranties will not be proposed in the future. Therefore, all current warranty provisions are considered assurance type warranties.

The development of warranty provision process is as follows:

- List the current commissioned projects.
- For each project gather information from after-sales department of interventions or part replacement under warranty.
- Based on previously gathered information calculation the yearly average number of interventions per project as well as the average yearly number of modules replaced.
- Create a formula that considers those two figures.
- Update the formula on a bi-annual basis (6 months) to consider the latest numbers coming from the field.

6.3.8 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Government grants related to intangible asset shall be presented in the statement on financial position by deducting the grant in arriving at the carrying amount. The grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

6.3.9 Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or a liability in a transaction other than a business combination which at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

6.3.10 Property, Plant And Equipment

All property, plant and equipment are shown at cost, less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repair and maintenance expenditures are charged to the income statement during the financial period in which they are incurred.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and in the condition necessary for it to be capable of operating in the manner intended by Management and is calculated on a straight-line basis over the useful life, according to the following schedule:

Property, plant and equipment	Useful life	Method
Buildings and leashold improvements	3 - 10 years	straight-line
Machinery, installations and tools	3 - 10 years	straight-line
Furniture and computers	2 – 5 years	straight-line
Vehicles	5 years	straight-line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is impaired immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal or retirement of tangible fixed assets are determined by comparing the proceeds received with the carrying amounts and are included in the consolidated income statements.

6.3.11 Intangible Assets

a) Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development. They have a finite useful life (5 to 6 years) and are subsequently carried at cost less accumulated amortisation (amortisation on a straight-line method) and impairment losses.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

b) Patents, licences and rights of use

The patents have been acquired as part of a business combination. The useful life (7 to 12 years) assigned to the patents is based on the maturity of the patents and the value was assessed based on estimated economic benefit that such patents rights can provide.

Separately acquired rights of use are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation (amortisation on a straight-line method) and impairment losses.

c) Know-how and software

Separately acquired know-how and software are shown at historical cost. Know-how and software acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life (3 to 5 years) and are subsequently carried at cost less accumulated amortisation (amortisation on a straight-line method) and impairment losses.

6.3.12 Financial Assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss and amortised cost.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets – fair value through profit and loss (FVPL)

Financial assets at FVPL are recognised initially at fair value. Financial assets at FVPL are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

b) Financial assets – amortised cost

Financial assets at amortised cost are non-derivative financial assets held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement they are carried at amortised cost using the effective interest method, when maturity is over one year. Carrying amount is after consideration of an allowance for impairment. Gains and losses are recognised in profit or loss when financial assets at amortised cost are derecognised or impaired.

6.3.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the FIFO (First In First Out) method. The cost of work in progress and manufactured finished goods comprises direct production costs and an appropriate proportion of production overheads and factory depreciation. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Furthermore, inventories which are no longer part of production and sales plans are directly written off from the gross value of inventories. A valuation adjustment is booked for slow-moving and obsolete inventories.

6.3.14 Trade, Other Receivables And Contract Assets

Trade receivables are amounts due from customers for services performed or goods delivered in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as trade receivables.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. In addition, a provision for impairment is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

Non-current trade receivables represent balances expected to be recovered after 12 months.

6.3.15 Cash And Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. Cash and cash equivalents include cash in hand and highly liquid investments with original maturities of three month or less. This position is readily convertible to known amounts of cash. Bank overdrafts are shown within short-term financial debt in current liabilities on the balance sheet.

6.3.16 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business, reduce the proceeds from the equity issue and are recognised directly in equity.

6.3.17 Loans And Borrowings

Interest bearing loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. A financial liability is derecognised when the obligation is discharged or cancelled or expires.

Compound financial instruments issued by the Group comprise convertible loans that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method whereas the equity component is not re-measured.

For convertible loans issued by the Group with an embedded derivative, the embedded derivative liability fair value is recognised first and the residual value is assigned to the host liability component. Subsequent to initial recognition, the host liability component is measured at amortised cost using the effective interest method whereas the embedded derivative is remeasured at fair value.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Where loans are made available through Covid-19 relief packages with interest rates below market, the Group recognizes a portion of the proceeds as a government grant. The grants are initially deferred and recognized in earnings on a systematic basis over the term of the loan as "Other income".

6.3.18 Trade And Other Payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are non-interest bearing and are normally settled on 30 to 60-day terms. Other payables are non-interest bearing and have an average term of six months. Trade accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

6.3.19 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events; it is more likely than not, that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

6.3.20 Employee Benefits

a) Pension obligations

The Group operates various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange of these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancies, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

c) Share-based payments

The Group operates three equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

6.3.21 Leases

The Group leases various offices, warehouses and cars. Rental contracts are typically made for fixed periods of one to five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value in a similar economic environment with similar terms and conditions. IAS1(117) IFRS16(24).

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs. IFRS16(60)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of twelve months or less. Low-value assets comprise IT equipment and low value office furniture items.

Extension and termination options are included in a number of property leases throughout the Group. These extension and terminations options being exercisable by the lessor and the lessee.

6.4 Critical Accounting Estimates And Judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6.4.1 Critical Accounting Estimates And Assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. Management also needs to exercise judgement in applying the new Group's accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Uncertainties and ability to continue as a going concern

Leclanché's ongoing commitment to growth and innovation continues to drive market success and lay the groundwork for future opportunities. The Company's Board of Directors (the "Board") remains confident in Leclanché's potential to create long-term shareholder value and deliver sustained growth.

In 2024, Leclanché continued to invest in research and development while building its order book. These ongoing efforts are reflected in recurring operating losses. As a result, the Company was overindebted as of 31 December 2024 and continues to face limited access to liquidity.

On 25 June 2025, SEF-Lux provided a comfort letter (the "Comfort Letter") confirming its intention, under certain conditions, to fund up to kCHF 40'000 in tranches between 30 May and 31 August 2025, based on the funding requirements determined by the Board.

The company also implemented financial restructuring measures, including a debt-to-equity conversion through an increase in conditional share capital of KCHF 25'409, as approved by the Board of Directors on 10 June 2025.In the comfort letter mention above SEF-Lux committed to convert the first tranches of additional funding in a total amount of kCHF 17'700 into equity as an ordinary capital increase during 2025 AGM. To support the Company's financial position, existing liabilities as of 31 December 2024 were subordinated in the amount of kCHF 35'077.

In parallel, Leclanché continues to actively collaborate with Pinnacle International Venture Capital ("Pinnacle") to finalize the long-term funding agreement initially announced on 27 June 2024. This agreement was formalized through the signing of a framework agreement (the "Framework Agreement") on 16 July 2024 and a Side Letter on 6 February 2025. These documents make Pinnacle's investment binding and establish the structure for a joint venture, through which Pinnacle is expected to invest up to kCHF 360'000 to finance the construction of a gigafactory in Germany, adjacent to Leclanché's existing facility in Willstätt, for the production of cells, modules, and packs. The portion of Pinnacle's investment not allocated to capital expenditures will support the Company's working capital until it reaches cash flow breakeven.

As per the Framework Agreement, Pinnacle is currently conducting an engineering review, expected to be completed by 8 August 2025. Subject to the satisfactory outcome of this review, the Company anticipates accessing Pinnacle's funding in October or November 2025.

Additionally, the Company has received a term sheet for a kCHF 65'000 share subscription facility. This facility would be drawn in tranches of kCHF 5'000, with the provider agreeing to fund up to kCHF 17'500 without trading volume constraints. If approved by 30 June 2025, this would give Leclanché access to kCHF 5'000 in July, kCHF 5'000 in August, and kCHF 7'500 in September.

The Board is confident that, based on the Comfort Letter, the share subscription facility proposal, and the significant progress made with Pinnacle since the Side Letter was signed, the Group will be able to meet all of its obligations for at least the next twelve months. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

However, if some of the funding options mentioned above do not materialize, it may be required to implement contingency measures such as extending payables, reducing costs, or scaling back its business plan until adequate liquidity is secured. There is no assurance that such measures would be successful. The availability of sufficient additional financing, particularly in the form of equity or subordinated debt to comply with Swiss minimum equity requirements, is therefore critical to the Group's ability to continue as a going concern. These circumstances indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

b) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations is undertaken, Management must estimate the expected cash flows from the asset and choose a suitable discount rate. The realisation of the projects is a key assumption of the impairment testing performed.

In 2024 the Company recognised some impairments of financial and contract assets.

Refer to Note 6.6.6 Net Impairment Losses on Financial and Contract Assets and 6.11 for Financial Assets for more details.

c) Pension benefits

The present value of the pension obligations (see Note 6.16) depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The independent actuary of the Group uses statistical based assumptions covering future withdrawals of participants from the plan and estimates on life expectancy. The actuarial assumptions used may differ materially from actual results due to changes in market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants. These differences could significantly impact the amount of pension income or expenses recognised in future periods.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions.

d) Revenue recognition for projects

Revenue arising from the provision of services in projects is recognised by reference to measurement of progress of the transaction at the end of the reporting period. This method requires that the entity be able to make a reliable estimate of total transaction revenue, the measurement of progress and the costs to complete the transaction. Under the input method for measuring progress over time, contract revenue is recognised as revenue in the income statement in the accounting periods in which the work is performed. In 2024, the amount of revenue subject to the Input method for measuring progress over time is of kCHF 10'234 (2023: CHF 10'974) (see Note 6.6 Revenues and Expenses).

The input method for measuring progress overtime involves:

- Estimating the outcome of the contract reliably;
- Determining the revenue and costs attributable to the stage of completion of the contract; and
- Determining the profit attributable to the stage of completion.

Leclanché determines the measurement of progress through measuring the costs incurred for work performed to date compared to the total estimated costs.

6.4.2 Critical Judgements In Applying The Entity's Accounting Policies

a) Valuation of Convertible Loans

Based on the conversion mechanism, the various convertible loans (see Note 6.18 Convertible Loans) have been accounted for as a debt instrument with an embedded derivative for the conversion elements (when it leads to a variable number of shares). The host has been subsequently accounted for at amortised cost, whereas the embedded derivative has been fair valued with changes recorded to profit and loss. Commonly accepted pricing models have been used to fair value the Embedded derivative (level 2).

Various non-convertible loans became convertible during 2024 (see Note 4.6.19 Loans). The new convertible instruments have been fair valued at the time they became convertible using accepted pricing models (level 2). The difference between the fair value and the carrying amount of the extinguished loan has been recognised in profit and loss.

b) Deferred income tax asset

Deferred income tax assets are recognised for all unused tax losses only to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Judgement is required from Management to determine the amount of tax asset that can be recognised, based on forecasts and tax planning strategies. Given the uncertainty in the realisation of future taxable profits, no tax asset has been recognised as of 31 December 2024. Had the Group estimated that all available tax losses could be used, the effect would have been an additional income of kCHF 87’122 as of 31 December 2024 (2023: kCHF 79’857).

6.5 Segment Information

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

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 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 Business Unit		Corporate Costs		Total	
	31/12/24	31/12/23	31/12/24	31/12/23	31/12/24	31/12/23	31/12/24	31/12/23	31/12/24	31/12/23
Timing of revenue recognition:										
Point in time	*4,270*	*2,719*	*347*	*576*	*3,036*	*2,930*	-	-	***7,653***	***6,225***
Over time	*6,505*	*7,545*	*3,155*	*2,640*	*44*	*790*	-	-	***9,704***	***10,974***
Revenue from contracts with customers	**10,775**	**10,263**	**3,502**	**3,216**	**3,080**	**3,720**	**-**	**-**	**17,357**	**17,199**
EBITDA :										
EBITDA Adjusted	**-12,030**	**-27,297**	**219**	**-6,865**	**-1,070**	**-4,146**	**-17,164**	**-10,555**	**-30,045**	**-48,863**
EBITDA	-23,053	-36,877	219	-6,865	-1,070	-4,146	-17,164	-10,555	**-41,068**	**-58,443**
EBIT	-26,590	-55,402	-1,341	-6,221	-1,106	-1,699	-23,671	-2,403	**-52,707**	**-65,725**
Segment assets	177,329	81,468	9,676	16,452	2,748	3,512	-80,816	4,622	**108,937**	**106,054**
Depreciation, amortisation and Impairment	-3,537	-18,525	-1,560	644	-36	2,447	-6,506	8,152	**-11,639**	**-7,282**
Acquisitions of tangible and intangible assets	9,420	5,842	18	10,336	34	-	-	-	**9,472**	**16,178**

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

	31/12/24	**31/12/23**
	kCHF	kCHF
EBITDA	**-41,068**	**-58,443**
Under utilization/ No production costs	-11,023	-9,580
EBITDA Adjusted	**-30,045**	**-48,863**
EBITDA reportable segment	-23,904	-47,888
Corporate costs	-17,164	-10,555
Depreciation and amortisation	-6,569	-7,235
Net impairment losses on financial and contract assets	-5,071	-47
Finance income	5,217	13,305
Finance costs	-20,497	-17,591
Income tax	307	-522
LOSS FOR THE PERIOD	**-67,679**	**-70,532**

For geographical information, sales are allocated based on where the customer is located.

Revenue	2024	2023	% of total
	kCHF	kCHF	
Canada	4,755	1,552	*27%*
Norway	4,022	-	*23%*
Germany	2,075	8,809	*12%*
France	1,520	807	*9%*
Croatia	1,243	262	*7%*
Italy	958	146	*6%*
Denmark	702	352	*4%*
Switzerland	648	2,012	*4%*
Spain	170	195	*1%*
Slovakia	101	437	*1%*
Netherlands	86	2,147	*0%*
United States	-70	203	*0%*
Others	1,149	423	*7%*
REVENUE	**17,357**	**17,199**	

Non-current assets	2024	2023
	kCHF	kCHF
Switzerland	29,842	23,479
Germany	5,140	5,501
North America	8,068	10,267
UK	0	2
NON-CURRENT ASSETS	**43,051**	**39,250**

6.6 Revenues And Expenses

6.6.1 Revenue From Contract With Customers

The Group has the following types of revenues:

	31/12/2024	31/12/2023
	kCHF	kCHF
Projects (Over Time)	9,704	10,974
Sales of goods & services (Point in Time)	7,653	6,225
REVENUE	**17,357**	**17,199**

In 2024, the Group generated 23% of its revenue from a single customer belonging to the LEM Marine Group. The second-largest revenue stream came from a Stationary client, contributing 16% of the year's revenue. The significant majority, however, was generated by e-Mobility clients, accounting for 62% of the total project revenue of kCHF 17'357.

In 2023, the Leclanché Group made 41% of its annual revenue with clients belonging to the same German Group, through its E-Mobility Business Unit. Speciality and Stationary BU each made 15% and 12% respectively of Group annual revenue with one main client.

In the reference to IFRS 15.110 to IFRS 15.129 the Group recognises the following types of revenue from customer: over the time (OVT) and point in time (PIT) based on 5 steps revenue recognition criteria. Additional information in the Note 6.3.6 Revenue Recognition.

- **Specific information on each activity carried out**

For each project the input information is coming from the client contract. Information is gathered and first analysis performed by the responsible team based on internally developed IFRS decision tree. Several compliance criteria are taken into account and are adjusted to Leclanché core business. Each OVT project has its project dashboard to follow the financial data. Predefined responsibilities for updating and ownership of data quality are assigned. Regular meetings, follow up action plan and escalation to Management criteria are set up.

- **Information provided on key judgements (progress method)**

The Group is using progress method. Several phases are actioned for the projects, like kick-off meeting, regular check points for IFRS compliance, review of past and future progress of contract development, financial information from internal financial system is assessed regularly for variances and its impacts on termination. Responsible team are following the project budget evolution based on point of completion on monthly meetings.

- **Main contributing contracts (transaction price, duration, customer)**

The Group has multiple projects ongoing at any one time across all three Business Units. Projects often span for several years. The largest by budgeted revenue and time span is E-Mobility project, which started in 2021 and is estimated to finish in 2030. The sum of its forecast revenue is over kCHF 100,000.

- **Performance obligation under customer contracts**

The Group aims to fulfil in quality, communication and timing with contractual right and obligation for its clients. It targets to deploy efficiently the order to pay and invoice to cash principles all along the supply chain and during the complete life cycle of the project. The Group is assessing the risks and protects its rights and reputation as well as obligation toward the customer.

The Group has contracted payment terms in place and warranties embedded in the contract with the customers. In the case when the contract becomes onerous the contract might be put on hold or even impaired.

- **Method of accounting for assets and liabilities**

For the assets the Group is using input method based on costs at point of completion and posting of accrued revenue recognition accordingly.

For the liabilities the Group is using input method based on costs at point of completion and posting of deferred revenue recognition accordingly. If necessary, a provision to cover negative margin at termination is posted.

The Group has recognised the following assets and liabilities related to contracts with customers:

Revenue from contract with customers

	31/12/2024	31/12/2023
	kCHF	kCHF
Contract Revenue	17,357	17,199

The net balance sheet position for ongoing contracts is as follows:

Deferred revenue	-4,810	-8,121
Contract assets	4,837	5,338
NET	**27**	**-2,782**
Contract liabilities	-10,623	-5,103

Contract assets have decreased in 2024 by kCHF 501 to kCHF 4’837 (2023: kCHF 5’338) due to more time efficient completion of the projects under construction (Over the time) compared to 31 December 2023.

Contract liabilities have doubled in 2024 in comparison to 2023, rising to kCHF 10’623 from kCHF 5’103 which is a result of tight liquidity and clients prepaying their projects to enable smoother production.

6.6.2 Other Income

	31/12/2024	31/12/2023
	kCHF	kCHF
Government grants	791	1,188
Other income	286	329
OTHER INCOME	**1,076**	**1,516**

Government grants relate mainly to:

- Covid-19 loans granted in Switzerland with interest below market rate for kCHF 424 (2023: kCHF 517). See also Note 6.19 Loans
- European Commission (European Climate, Infrastructure and Environment Executive Agency (CINEA) granted kEUR 2’150 Funds for the Leclanche Group to develop the battery system with latest cell Swappable Container Waterborne Transport Battery. During the period of 2024 LGmbH have spent kCHF 365 from the EU Project fund and recognised it as other income. The total budgeted amount from European Commission is kEUR 2’150 and the remainder will be used in the next years project realisation.

Other Income:

- Income from reimbursements under insurance policies in LGmbH of kCHF 220 (2023: kCHF 503 in LEM and LGmbH together) and the reminder of kCHF 66 relates to other income from group subsidiaries.

6.6.3 Raw Materials And Consumables Used

	31/12/2024	31/12/2023
	kCHF	kCHF
Raw materials, semi & finished goods	13,907	19,108
External services	677	1,350
Variation of raw materials	2,909	-6,921
RAW MATERIALS AND CONSUMABLES	**17,494**	**13,536**

6.6.4 Personnel Costs

	31/12/2024	31/12/2023
	kCHF	kCHF
Salaries	30,659	27,638
Social charges and pension costs	5,279	4,286
Defined benefit plan	2,262	1,545
PERSONNEL COSTS	**38,200**	**33,470**

The Group's headcount continued to grow in 2024, with the number of full-time equivalent employees (FTEs) increasing to 372 as of 31 December 2024, up from 362 a year earlier. This increase was primarily due to the transfer of temporary agency staff to Leclanché employment contracts. Tight control over headcount remains in place, particularly within the engineering and corporate services functions, to ensure efficiency and cost discipline.

Personnel costs also increased in 2024, primarily due to the reversal of a bonus provision in 2023, which resulted in a lower comparison base. The Company continues to operate under a salary and bonus freeze. Additionally, changes in pension cost assumptions had an adverse impact on personnel expenses.

For more details see Note 6.16.

6.6.5 Other Operating Expenses

	31/12/2024	31/12/2023
	kCHF	kCHF
Finance and Legal costs	5,554	3,179
Building utilities	1,543	1,235
Consulting and IP costs	1,454	1,811
Administration costs	1,239	1,328
Manufacturing costs	1,178	1,266
IT costs	1,121	1,147
Travel costs	937	1,200
Rental and storage costs	935	950
Transport and packaging	587	838
Insurances	510	499
Commissions on financing	425	50
Sales & marketing costs	367	348
Sundry duties and capital taxes	94	270
Miscellaneous	-903	5,517
OTHER OPERATING EXPENSES	**15,042**	**19,638**
Allowance for bad debt	-456	-386
OTHER OPERATING EXPENSES (NET OF BAD DEBT)	**14,586**	**19,252**

6.6.6 Net Impairment Losses on Financial And Contract Assets

	31/12/2024	31/12/2023
Impairment on Investments	2,489	65
Impairment on Loan	2,126	-404
Allowance for bad debt	456	386
NET IMPAIRMENT LOSSES	**5,071**	**47**

In 2024, the Group recognised an impairment charge of kCHF 2,489 related to battery modules initially allocated to its entity Solec Power Ltd in Saint Kitts. These modules were deemed obsolete and no longer usable for the intended project, resulting in a full write-off.

Furthermore, the Group reviewed its intercompany loans to USGEM, SGEM, and Maple Leaf, considering foreign exchange fluctuations and interest rate impacts. As a result, impairment losses were recorded as follows: kCHF 1,000 for USGEM, kCHF 197 for SGEM, and kCHF 928 for Maple Leaf (2023: gain of kCHF 404). For further details on these impaired loans, refer to Note 6.13 – Trade and Other Receivables.

In line with the Group’s policy, a release of the provision for expected credit losses was recorded, amounting to kCHF 456 in 2024 (2023: kCHF 386).

6.6.7 Depreciation, Amortisation And Impairment Expenses

		31/12/2024	31/12/2023
		kCHF	kCHF
Depreciation PP&E		5,378	5,659
Amortization Intangible Assets		1,191	1,576
Depreciation and amortisation	A	**6,569**	**7,235**
Reversal of inventory provision		2,727	268
Project Loss at Termination		-13,506	10,633
PROJECT DEPRECIATION / IMPAIRMENT	**B**	**-10,779**	**10,900**
DEPRECIATION, AMORTISATION (PPE) AND PROJECT	**A + B**	**-4,210**	**18,135**
Impairment on loans		2,126	-339
Impairment on Investments and loans		2,489	0
Allowance for bad debt		456	386
NET IMPAIRMENT LOSSES ON FINANCIAL AND CONTRACT AS	**C**	**5,071**	**47**
Depreciation and amortisation		6,569	7,235
Net impairment losses on financial and contract assets		5,071	47
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**A + C**	**11,639**	**7,282**

6.6.8 Finance Costs

	31/12/2024	31/12/2023
	kCHF	kCHF
Finance costs - convertible loans	10,252	10,212
Finance costs - loans	1,099	2,189
Finance costs - leasing	418	328
Variation of derivative	5,705	-
Finance fees	-	763
Other finance costs	170	-16
Realised and unrealised exchange differences	2,803	4,069
Bank charges	49	46
FINANCE COSTS	**20,497**	**17,591**

Additional information on conversions in note 6.18 Convertible Loans and Warrants.

6.6.9 Finance Income

	31/12/2024	31/12/2023
	kCHF	kCHF
St Kitts purchase & reversal of impairment	2,229	6,367
Interests income	410	423
Realised and unrealised exchange differences	2,578	4,547
Variation of derivative	-	1,968
FINANCE INCOME	**5,217**	**13,305**

6.6.10 Research And Development Expenses

Research and development expenditures recognised as an expense in the year 2024 amount to kCHF 10’034 (2023: kCHF 7’881). The nature of these expenses are material costs and operating expenses.

6.6.11 Income Tax Expense

This note provides an analysis of the Group's income tax expenses and shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

	2024	2023
	kCHF	kCHF
Current income tax	-307	522
(Decrease)/Increase in deferred income tax	-	-
Income tax expenses/(income)	**-307**	**522**

The Group's expected tax expenses for each year is based on the applicable tax rate in each individual jurisdiction where the Group operates, which in 2024 ranged between 14% and 30% (same as in 2023). The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2024	2023
	kCHF	kCHF
Loss before income tax	-67,986	-70,010
Tax calculated at tax domestic rates	-9,150	-9,350
Tax effects of:		
- temporary differences and tax losses for	9,818	9,589
- expenses not deductible for tax purposes	-359	12
- income not subject to tax	0	0
- Utilisation of previously unrecognised tax losses	-473	-440
- Adjustment for current tax of prior periods	-354	229
- Others	212	482
Total	**-307**	**522**

The weighted average applicable tax rate of the tax rates prevailing in Switzerland, Germany, UK, Canada, USA, France and Norway was 13.3% (2022: 13.5%).

The split of deferred tax assets and deferred tax liabilities is as follows:

	2024	2023
	kCHF	kCHF
Deferred tax liability (long -term)		
Intangible assets	-	-
Defined benefit assets	1,801	984
Property, plant and equipment	-	-
	1,801	**984**
Deferred tax assets		
Unused tax losses carried forward	1,801	984
	1,801	**984**
Net tax asset / liability after offsetting	**-**	**-**

Deferred income tax assets were recognised to the extent that the realisation of the related tax benefit through future taxable profits was probable. The Group did not recognize deferred income tax asset of kCHF 87'122 (2023 : kCHF 71'329), in respect of losses of kCHF 560'083 (2023: kCHF 446'322) that can be carried forward against future taxable income, due to the volatility of the results of the Group companies benefiting from tax losses. The Group has tax losses available in Switzerland until 2028 and in Germany (non-perishable) to offset against future taxable profits of the German entity.

The maturity table hereafter shows the tax losses for which no deferred tax assets are recognised:

	31/12/2024	31/12/2023
Maturity Date	kCHF	kCHF
2024	-	42,433
2025	44,464	44,464
2026	76,951	76,951
2027	79,138	79,138
2028	75,108	75,108
2029	60,547	60,547
2030	18,606	18,605
2031	156,524	-
Non perishable tax losses	48,745	49,076
Total	**560,083**	**446,322**

In 2024, unused tax losses amounting to kCHF 44’464 have expired (2023: kCHF 42’433).

6.7 Earnings Per Share

6.7.1 Basic

Basic earnings per share amounts are calculated by dividing the net result attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

6.7.2 Diluted

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares issued to assume conversion of all dilutive potential ordinary shares. The existing potential ordinary shares relating to the stock option plan (Note 6.15 Share Based Payments), to the warrants and to the convertible loans (Note 6.18 Convertible Loans and Warrants) do not affect the diluted loss per share, since they would be anti-dilutive.

	31/12/2024	31/12/2023
	kCHF	kCHF
Net loss attributable to ordinary equity holders of the parent	-67,672	-70,532

	31/12/2024	31/12/2023
Weighted average number of ordinary shares in issue	687,119,496	523,939,724

	31/12/2024	31/12/2023
Earnings per share	CHF	CHF
- basic	-0.10	-0.13
- diluted	-0.10	-0.13

6.8 Property, Plant And Equipment

	Machinery, installations and tools, land	Furniture and computers	Vehicles	Construction in progress	Total	Right-of-use asset - IFRS 16
	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF
GROSS VALUES :						
As of 01.01.2023	42,941	3,171	14	1,111	47,236	30,936
Additions	84	257	110	10,327	10,777	2,419
Scrapping	-1	-18	-0	-	-19	-
Transfer	-	-	-	-41	-41	-
Exchange differences	-1,331	-1,065	-13	-160	-2,569	-
As of 31.12.2023	**41,693**	**2,346**	**110**	**11,237**	**55,385**	**33,355**
ACCUMULATED DEPRECIATION AND IMPAIRMENT:						
As of 01.01.2023	25,477	2,026	12	-	27,514	9,031
Depreciation	2,091	571	105	-	2,767	3,305
Impairment	-1	-16	-0	-	-17	-
Exchange differences	-514	-904	34	-	-1,384	-2
As of 31.12.2023	**27,053**	**1,676**	**150**	**-**	**28,880**	**12,334**
NET VALUE AS OF 31.12.2023	**14,640**	**669**	**-40**	**11,237**	**26,506**	**21,020**
GROSS VALUES :						
As of 01.01.2024	41,693	2,346	110	11,237	55,385	33,355
Additions	2,430	252	-	155	2,836	5,759
Scrapping	-16	-52	-56	-3,196	-3,320	-
Reclassification	-	-	-	-	-	-
Exchange differences	256	1,055	13	831	2,155	-8
As of 31.12.2024	**44,363**	**3,600**	**67**	**9,026**	**57,056**	**39,105**
ACCUMULATED DEPRECIATION AND IMPAIRMENT:						
As of 01.01.2024	27,053	1,676	150	-	28,880	12,334
Depreciation	2,011	397	1	-	2,409	2,990
Scrapping	-16	-53	-56	-	-125	-
Reclassification	0	-0	-	-	-	-
Exchange differences	348	837	-32	-	1,152	9
As of 31.12.2024	**29,396**	**2,857**	**63**	**-**	**32,316**	**15,333**
NET VALUE AS OF 31.12.2024	**14,967**	**743**	**4**	**9,026**	**24,740**	**23,772**

As of 31 December 2024 there was no impairment in the Group (2023: kCHF 17 impairment of furniture and computers in Germany).

6.9 Leases

The balance sheet shows the following amounts relating to leases:

	31/12/2024	31/12/2023
	kCHF	kCHF
Right-of-use assets		
Properties	22,822	20,023
Motor vehicles	48	33
Intangible assets	902	875
RIGHT-OF-USE ASSETS	**23,772**	**20,931**
Lease liabilities		
Current	5,737	2,672
Non-current	19,189	18,779
LEASE LIABILITIES	**24,926**	**21,451**

The statement of profit or loss shows the following amounts relating to leases:

	2024	2023
	kCHF	kCHF
Depreciation charge of right-of-use assets		
Properties	2,903	2,930
Motor vehicles	42	28
Intangible assets	46	86
DEPRECIATION CHARGE OF RIGHT-OF-USE ASSETS	**2,990**	**3,044**
Interest expense (included in finance cost)	418	328
Expense relating to short-term leases	269	30
Expense relating to leases of low-value assets	18	14

Leclanché
Energy Storage Solutions

Right-of-use assets	Properties	Motor vehicles	Intangible assets	Total
	kCHF	kCHF	kCHF	kCHF
COST				
As at 01.01.2023	30,573	363	**0**	30,936
Additions	0	0	962	962
Lease modifications	882	0	0	882
Exchange differences	0	-3	0	-3
AS AT 31.12.2023	**31,455**	**360**	**962**	**32,777**
Additions	5,606	54	0	5,661
Lease modifications	99	0	0	99
Exchange differences	0	0	81	81
AS AT 31.12.2024	**37,160**	**415**	**1,043**	**38,617**
ACCUMULATED DEPRECIATION				
As at 01.01.2023	8,734	299	0	9,033
Depreciation charge	2,930	28	86	3,044
Lease modifications	-227	0	0	-227
Exchange differences	-4	0	0	-4
AS AT 31.12.2023	**11,433**	**327**	**86**	**11,846**
Depreciation charge	2,903	42	46	2,990
Lease modifications	0	0	0	0
Exchange differences	0	0	9	9
AS AT 31.12.2024	**14,336**	**369**	**141**	**14,845**
NET BOOK AMOUNT				
AS AT 31.12.2023	**20,023**	**33**	**875**	**20,931**
AS AT 31.12.2024	**22,825**	**46**	**902**	**23,772**

Additions to the right-of-use assets in the 2024 financial year were kCHF 5’661 (2023: kCHF 962) and correspond to new rent leases for LECLANCHE SA at Avenue des Découvertes in Yverdon-les-Bains, one car lease for Leclanché E-Mobility SA and two new car leases for Leclanché GmbH.

The lease rent for the offices for Leclanché North America Inc. have not been renewed and is hence considered as short-term lease (outside of the IFRS 16 scope).

Lease liabilities	Total
	kCHF
As at 01.01.2023	22,389
Additions	1,033
Lease modifications	1,139
Cash outflow (including interest)	-3,448
Interest	328
Exchange differences	9
AS AT 31.12.2023	**21,451**
Additions	5,661
Lease modifications	99
Cash outflow (including interest)	-2,789
Interest	418
Exchange differences	87
AS AT 31.12.2024	**24,925**

	31/12/2024	31/12/2023
Lease liabilities	kCHF	kCHF
Current	5,737	2,672
Non-current	19,189	18,779
TOTAL LEASE LIABILITIES	**24,926**	**21,451**

6.10 Intangible Assets

	Internally generated projects	Patents and licences	Know-how and Software	Total
	kCHF	kCHF	kCHF	**kCHF**
GROSS VALUE :				
As of 01.01.2023	14,380	11,003	329	**25,712**
Additions	5,397	-	4	**5,401**
Exchange differences	-40	-	-19	**-59**
As of 31.12.2023	**19,737**	**11,003**	**314**	**31,053**
ACCUMULATED DEPRECIATION AND IMPAIRMENT:				
As of 01.01.2023	5,907	9,919	230	**16,056**
Amortisation	1,490	655	44	**2,188**
Exchange differences	-57	-	1	**-56**
As of 31.12.2023	**7,340**	**10,574**	**275**	**18,188**
NET VALUE AS OF 31.12.2023	**12,397**	**429**	**39**	**12,865**
GROSS VALUE :				
As of 01.01.2024	19,737	11,003	314	**31,053**
Additions	6,635	-	-	**6,635**
Scrapping	-981	602	-4	**-383**
Exchange differences	-	-	8	**8**
As of 31.12.2024	**25,391**	**11,605**	**318**	**37,313**
ACCUMULATED DEPRECIATION AND IMPAIRMENT:				
As of 01.01.2024	7,340	10,574	275	**18,188**
Amortisation	726	426	39	**1,191**
Scrapping	-981	602	-4	**-383**
Exchange differences	-	-	6	**6**
As of 31.12.2024	**7,085**	**11,602**	**316**	**19,002**
NET VALUE AS OF 31.12.2024	**18,306**	**3**	**2**	**18,311**

As of 31 December 2024, there was no impairment of intangible assets (same as of 31 December 2023). The scrapping amounts in 2024 relate to fully amortized items from previous years.

Internally generated projects

The Group has recognised and capitalised the following major projects:

a. Project **e-Transport** recognised as of 31 December 2015 for kCHF 637. Availability for use started in 2016 with a useful life of 5 years. Project is fully amortised as of 31 December 2020.

b. Project **Development of Graphite cells**, recognised as of 31 December 2015 for kCHF 1'025. Availability for use started in 2015 with a useful life of 5 years. Project is fully amortised as of 31 December 2020.

c. Project Development of new generation of **cells 6.2.2** recognised as of 31 December 2018 for kCHF 2'462. Availability for use started in 2019 with a useful life of 5 years.

d. Project **Int-53** was recognised as of 31 December 2022 for kCHF 278. The product is now being delivered in commercial volumes to customers in rail, with deliveries to clients already taking place and in commercial utilization. The product has been classified as a standard product, and further customer orders have been received for this product from new clients. Thus, the technical feasibility has been demonstrated, the development has been completed and the use of the asset is confirmed through purchase orders and deliveries. The usefulness of the asset is clear from the customer demands, and the asset comes with a complete Bill of Material for the costing aspect. The Intangible Asset has been fully depreciated by the year-end 2023.

e. Project **Development M3 Module** recognised as of 31 December 2024 for kCHF 475 (2023: kCHF 1'201). This project was substantially completed as of 31 December 2020 and Phase I of the project started its depreciation in 2021 and was fully amortized by 31 December 2023. The Phase II (started in 2022) is being depreciated over the useful project life of 5 years.

f. Project **Functional Safe BMS** additional costs of kCHF 2'690 incurred during the year 2024 have been capitalized resulting in the net value for 31 December 2024 as kCHF 9'792 (2023: kCHF 7'102). The project is finished and will start its depreciation from 2025 with a useful life of 5 years.

g. Project **Cells Scale Up or High Nickel Cathode Cells** recognised as of 31 December 2024 for kCHF 1'226 (2023: kCHF 759). Availability for use started in mid-2022.

h. Project **Dennis Eagle** recognised as of 31 December 2024 for kCHF 2'754 (2023: kCHF 1'434). The pack design freeze has been approved and the feasibility is demonstrated by a set of validation tests and simulations. Several packs have already been delivered to the customer and being used today for vehicle testing. The battery pack homologation is now in the last stage and expected to be completed in Q2 2025. The customer has committed to taking significant volumes of the product over the next 10 years targeting a start of serial production by end of 2025.

i. Project **MRSX** recognised as of 31 December 2024 for kCHF 3'951 (2023: kCHF 1'797). This is the next generation marine rack system. The product has been in development since Q2 2022 and incorporates the M3 module with the latest BMS. Product has received an official approval from the following classification bodies: DNV, LR and BV, which demonstrates that it meets the requirements. The approval from TA, ABS and RINA are still pending. First deliveries of the system are planned for second half of 2025, with all customer orders for marine applications using the system from end of this year onwards. Useful life of 5 years.

6.11 Financial Assets

With the reference to the Note 6.1 on Corporate information of the Group structure and as per IFRS 10 Consolidation of Financial Statements the fully owned subsidiaries have been eliminated on consolidation as investment in subsidiary.

The group holds financial assets not eliminated at consolidation, due to lack of control, which are not disclosed in the note below due to the nil balance at the year-end 2024.

Financial assets that remain are:

	31/12/2024	31/12/2023
	kCHF	kCHF
Restricted cash at bank	-	15
Other deposits	1,783	1,807
TOTAL FINANCIAL ASSETS	**1,783**	**1,821**

6.11.1 Financial Assets: Cash And Deposits

The investments consist in:

a. The participation of 11.51% (2023: 11.51%) of LECLANCHE SA, for a net amount of kCHF 0 (in 2023: kCHF 0) in the equity of a Special Purpose Vehicle ("**SPV**"), Maple Leaf Storage LP ("**Maple Leaf**"). This structured entity registered in Canada is dedicated to the IESO Ontario Stationary Storage project in Canada. Revenues generated by this SPV amounted to kCHF 0 in 2024 (2023: kCHF 0). This investment was fully impaired as of 31 December 2019, resulting in a loss of kCHF 502, in connection with the low profitability of the project/site and the lack of visibility on the sale of the project/site.

b. An equity investment in **Fast Charge** (trans-Canadian highway project) for an amount of kCHF 0 (2023: kCHF 0). This investment has been fully impaired as of 31 December 2020 resulting in a loss of kCHF 480, in connection with the abandonment of the project.

c. **Restricted cash at bank** 2024: kCHF 0 (2023: kCHF 15 corresponds to bank guarantee of Stationary project Griffin Tauron).

d. **Other deposits:** 2024: kCHF 1’783 (2023: kCHF 1’807) correspond to various guarantees, mainly to rent guarantee of Headquarters building kCHF 712 and other UBS guaranties. During the year 2024 the bank guarantee for kCHF 660 related to the Covid-19 loan, securing the portion of the loan not covered by the Swiss government has been used as a repayment of the Covid Loan to BCV and the balance has been transferred to Cautonnement Romand, see Note 6.19 for details.

6.12 Inventories

	31/12/2024	31/12/2023
	kCHF	kCHF
Raw material	1,985	2,397
Work in progress	19,590	20,967
Finished goods	1,457	618
Provision for inventories	-5,341	-2,614
INVENTORIES	**17,691**	**21,368**

The inventories write-down and valuation adjustments recognised as an expense/(profit) amount to kCHF 2’727 (variance between 2023 and 2024) (2023: kCHF 267) and is included in raw materials and consumables used.

Leclanché
Energy Storage Solutions

6.13 Trade And Other Receivables

	31/12/2024	31/12/2023
	kCHF	kCHF
Short-term		
Trade receivables - gross	*5,769*	4,165
Loss allowance	*-1,653*	-1,194
Trade receivables, net of provision for impairment	*4,116*	2,970
Loans - gross	234	369
Short-term loans	234	369
Other receivables	*1,686*	1,463
TRADE AND OTHER RECEIVABLES - SHORT TERM	**6,036**	**4,803**
Long-term		
Loans - gross	*11,999*	11,006
Loss allowance	*-11,638*	-9,341
Long-term loans	360	1,665
TRADE AND OTHER RECEIVABLES - LONG TERM	**360**	**1,665**
TRADE AND OTHER RECEIVABLES	**6,397**	**6,468**
Contract assets	**4,837**	**5,338**
Advances to suppliers	**6,230**	**7,949**

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

	31/12/2024	31/12/2023
	kCHF	kCHF
LOANS:		
Maple Leaf Loan	10,441	9,341
USGM loan	1,000	1,084
SGEM loan	197	-
Other loans	360	582
LONG TERM LOANS	**11,999**	**11,006**
IMPAIRMENTS:		
Maple Leaf Loan	-10,441	-9,341
USGM loan	-1,000	-
SGEM loan	-197	-
LONG TERM LOANS IMPAIRMENTS	**-11,638**	**-9,341**

As of 31 December 2024, LECLANCHE SA loan of kCHF 10’441 (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 amount provided in 2024 has been impaired for kCHF 928 (2023: kCHF 612).

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 31 December 2024, this resulted in an allowance of kCHF 1'653 (2023: kCHF 1'194).

	31/12/2024	31/12/2023
	kCHF	kCHF
As of 1 January	1,194	1,077
Increase / (decrease) of provision	397	475
Use of provision	157	-349
Recoveries	-95	-8
AS AT 31 DECEMBER	**1,653**	**1,194**

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	31/12/2024	31/12/2023
	kCHF	kCHF
CHF Swiss francs	89	402
EUR Euros	3,271	1,587
USD US dollars	653	926
CAD Canadian dollars	103	56
	4,116	**2,970**

6.14 Share Capital

6.14.1 Ordinary Share Capital

As of 31 December 2024, the issued share capital of the Company amounts to kCHF 77'380 (2023: kCHF 58'611), divided into 773'800'558 (2023: 586'114'769) fully paid-in issued shares with a nominal value of CHF 0.10 each (2023: CHF 0.10).

Share capital

Number of Shares	**31/12/2024**	**31/12/2023**
	Unit	Unit
Ordinary shares, nominal value CHF 0.10	773,800,558	586,114,769

Number of Shares	**31/12/2024**	**31/12/2023**
	Unit	Unit
As at 1 January	586,114,769	444,814,910
Shares issued	187,685,789	141,299,859
As at 31 December	**773,800,558**	**586,114,769**

6.14.2 Significant Shareholders

As per share register:

	%	31/12/2024	%	31/12/2023
		Unit		Unit
SEF-LUX (registered shar	64.4%	498,079,136	80.0%	468,780,705
Sum of all other shareho	35.6%	275,721,422	20.0%	117,334,064
Total shares issued	100.0%	**773,800,558**	100.0%	**586,114,769**

6.14.3 Changes In Share Capital

During the last two financial years, the following changes in the share capital of the Company have occurred:

i. On 26 June 2023, SEF-Lux, Golden Partner Holding Co. Sàrl and Golden Partner SA converted into equity the equivalent amount of kCHF 66'685 due under the following loans and outstanding interests:

a. AM Investment S.C.A. SICAV- FIS – R&D Sub-Fund: kCHF 21'504 under a loan agreement with the Company dated 25 June 2021 (so-called AM St. Kitts Construction Loan) and related interests up to 30 April 2023 for kCHF 1'316;

b. AM Investment SCA SICAV-FIS – Liquid Assets Sub-Fund: kCHF 7'000 under a loan agreement with the Company dated 17 June 2022 (so-called Bridge Loan) and related interests up to 30 April 2023 for kCHF 486;

c. AM Investment SCA SICAV-FIS – Liquid Assets Sub-Fund: kCHF 92 representing remaining due interests up to 30 September 2022 under extinguished loan agreement with the Company dated 4 February 2022 (so-called Working Capital Bridge Loans);

d. AM Investment SCA SICAV-FIS – Illiquid Assets Sub-Fund: kCHF 2'500 under a loan agreement with the Company dated 25 June 2022 (so-called Bridge Loan) and related interests up to 30 April 2023 for kCHF 169;

e. AM Investment SCA SICAV-FIS – Illiquid Assets Sub-Fund: kCHF 2'242 representing remaining due interests up to 30 September 2022 under various extinguished loan agreements;

f. Golden Partner Holding Co. Sàrl: kCHF 5 representing due interests under extinguished loan agreement dated 4 February 2021 (so-called Trading Finance Loan 2021);

g. Strategic Equity Fund SCA SICAV RAIF - Renewable Energy: kCHF 27'041 under various loan agreements (so-called Bridge Loans) with the Company dated 19 July 2022, 24 August 2022, 26 September 2022, 26 October 2022, 29 December 2022 and 7 February 2023 and related interests up to 30 April 2023 for kCHF 1'221;

h. Strategic Equity Fund SCA SICAV RAIF – E-Money: kCHF 1'400 under two loan agreements (so-called Bridge Loans) with the Company dated 26 October 2022 and 7 February 2023 and related interests up to 30 April 2023 for kCHF 47;

i. Strategic Equity Fund SCA SICAV RAIF – Multi Asset Strategy: kCHF 800 under two loan agreements (so-called Bridge Loans) with the Company dated 29 December 2022 and 7 February 2023 and related interests up to 30 April 2023 for kCHF 19;

j. Golden Partner SA: kCHF 843 representing arrangement fees under loan agreements.

As part of the conversion of debt into equity, the Company issued 141’299’859 new registered shares. The capital increase was registered in the Commercial Register of the Canton of Vaud on 27 June 2023.

ii. On 10 July 2024, SEF-Lux, Golden Partner Holding Co. Sàrl and Golden Partner SA converted into equity the equivalent amount of kCHF 84’670 due under the following loans and outstanding interests:

a. AM Investment SCA SICAV-FIS – Illiquid Assets Sub-Fund: kCHF 8’700 under various loan agreements with the Company dated 26 July 2023 and 19 August 2023 and related interests up to 31 May 2024 for kCHF 1’079;

b. Golden Partner Holding Co. Sàrl: kCHF 1’571 under a loan agreement with the Company dated 22 March 2024 and related interests up to 31 May 2024 for kCHF 43;

c. Strategic Equity Fund SCA SICAV RAIF - Renewable Energy: kCHF 67’200 under various loan agreements with the Company dated 07 February 2023, 14 March 2023, 22 March 2023, 21 April 2023, 30 May 2023, 13 July 2023, 17 July 2023, 06 September 2023, 23 October 2023, 22 November 2023, 21 December 2023, 22 January 2024, 21 February 2024, 23 March 2024, 30 April 2024 and 21 May 2024 and related interests up to 31 May 2024 for kCHF 5’620;

d. Golden Partner SA : kCHF 457 representing some claim (arrangement fees).

As part of the conversion of debt into equity, 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.

6.14.4 Conditional Share Capital

Pursuant to Article 3ter and 3quinquies 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 3ter 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 of Directors 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 of Directors 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 31 December 2024, no shares were issued on the basis of Article 3ter of the Articles of Association.

b) Conditional Capital Reserved For Financing Purposes

Further to the decisions made by the shareholders at the shareholders’ general meeting held on 27 June 2024, pursuant to Article 3quinquies 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 it 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 of Directors. The Board of Directors is authorised to exclude or restrict the advance subscription rights of shareholders:

- In connection with the financing or refinancing of investments or the Company’s expansion plan.
- If the Financial Instruments are issued to investors or strategic partners; or
- If the Financial Instruments are issued on national or international stock markets or through a private placement; or
- For a company underwriting such Financial Instruments through a banking institution or third party/parties with subsequent public offerings; or
- 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 3quinquies : 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.

6.14.5 Capital Band

Further to the decisions made by the shareholders at the shareholders’ general meeting held on 27 June 2024, pursuant to the new Article 3quater of the Articles of Association, the Board of Directors is authorised until 27 June 2029 to (i) increase the Company’ share capital with one or more increases up to a maximum amount of kCHF 115’399 through the issuance of up to 380’191’074 fully paid-in new registered shares with a nominal value of CHF 0.10 each and/or (ii) to reduce the Company’ share capital with one or more decreases to a minimum of kCHF 38’914. A capital reduction can be carried out by cancellation of up to 384’663’877 of registered shares with a nominal value of CHF 0.10 each and/or by reduction of the nominal value.

An increase of the share capital by way of an underwriting by a financial institution, a syndicate of financial institutions or another third party or parties, followed by an offer to the existing shareholders of the Company is permitted.

In case of a capital increase:

a. The Board of Directors 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.

b. The Board of Directors shall have the right to authorise, restrict or withdraw the subscription rights. The Board of Directors 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.

c. 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.

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

- In connection with the financing and refinancing of the Company's investments or acquisitions (including part of a business or equity interests) or the financing or refinancing by the Company of acquisitions (through equity or convertible loans); or
- 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
- 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
- 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
- To issue new shares if the issue price is determined by reference to the market price; or
- 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
- For the granting of shares nationally and internationally to increase the floating shares or to meet listing requirements; or
- For the participation of investors or strategic partners; or
- For financial restructuring, in particular the conversion of debt into equity; or
- To increase capital quickly and flexibly (including private placement 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 of Directors is also authorised 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 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 of Directors 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.

6.15 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 eligible senior executives and high performer employees within the Group with the opportunity to participate in LECLANCHE SA long-term success, subject to shareholders' approval 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 employees with those of shareholders.

At the grant date, the Appointments and Remuneration Committee may use its absolute discretion to select eligible persons holding a contractual relationship with a Group entity to receive a notice of grant setting out, amongst other information, the number of CSOs granted to the eligible persons. The Appointments and Remuneration Committee (on behalf of the Company) shall grant to an eligible employee a number of CSOs and the Company shall issue a CSO certificate to the grant holder.

CSOs granted in the CSO certificate is categorised into three tranches. At the vesting date of each tranche, unless the Appointments and Remuneration Committee determines otherwise, 100% of CSOs in each tranche are subject to be vested. The exercise price of one CSO shall be equal to the higher of 80% of the average share price of the sixty (60) business days (60-day VWAP) preceding the grant date, or of the par value per share.

Movements in the number of awards outstanding and their related weighted average strike prices are as follows:

	31/12/2024		**31/12/2023**	
	Average strike price per share	**Number of awards**	**Average strike price per share**	**Number of awards**
At the beginning of the year	4.72	2,180,000	2.80	1,785,000
Prior year correction (1)		-1,430,000		
		750,000		
Options kept (2)		82,500		
Granted (1)	0.10	5,472,261	0.10	-
Forfeited	0.10	-1,858,000	1.41	-1,035,000
Expired		-		-
At the end of the year	**2.39**	**4,446,761**	**4.72**	**750,000**
Prior year correction (1)			*0.1*	*1,430,000*
				2,180,000

(1) Correction to the Stock Option 2023 attribution: 1) the number of options granted (from 1'430'000 to NIL); 2) grant date from 1 December 2023 to 1 January 2025; 3) vesting period from the spread over 4 years to vesting immediately; 4) expiration date from 1 December 2026 to 1 December 2032 The historical annualised volatility used for the valuation of the Capped Stock Options has been calculated based on the standard deviation of the monthly returns of the underlying share (LECN) over a 3-year period preceding the grant.

(2) The previous CFO stock options granted in 2023 of 82,500 options remain granted.

The fair value of the grants under the CSO plan was estimated using the Monte Carlo valuation model with the following assumptions and issues:

	CSO 2018	CSO 2019	ERA (2021) (plan 1.01)	CSO 2022 (plan 1.02)	CSO 2023 (plan 1.03) Excom	CSO 2024 (plan 1.04) Excom
STOCK OPTION ATTRIBUTION	**2018**	**2019**	**2024**	**2024**	**2023 (1)**	**2024**
Number of options granted	1,565,000	1,755,000	3,750,000	1,722,261	0	0
Grant date	3.12.18	20.09.19	17.09.21	31.12.24	01.01.25	01.01.25
Vesting period	03.12.18 : 33% 03.12.19 : 33% 03.12.20 : 33%	20.09.19 : 33% 20.09.20 : 33% 20.09.21 : 33%	Vesting immediately at grant date	Vesting immediately at grant date	Vesting immediately at grant date	Vesting immediately at grant date
Expiration date	03.12.25	20.09.26	16.09.31	31.12.34	31.12.34	31.12.34
Share price at grant date	1.88	1.56	0.20	0.20	0.20	0.20
Exercise price	1.50	1.26	0.10	0.10	0.10	0.10
Cap	6.00	5.04	n.a.	n.a.	n.a.	n.a.
Volatility (annualized)	55.14%	54.97%	104.41%	104.41%	104.41%	104.41%
Risk free interest rate (annualized)	0.00%	0.00%	0.596%	0.596%	0.596%	0.596%
Fair Value of the option at grant date	0.59	0.50	0.20	0.20	0.20	0.20

On 3 September 2021 the Board of Directors approved the 2021 Employee Retention Plan, granting certain employees, including employees who are member of the Executive Committee, stock options, which will vest after a certain vesting period or when there is a change of control, whatever comes first. Whilst the list of selected employees and the terms of the plan have not been finalised by the year-end 2023 and not formally granted to employees, the Management appointed as of December 2022 has been granted the CSO with the first vesting period on 1 December 2023.

Number of Options at y-e		31/12/2024						
Excom	**Entity**	**CSO 2018**	**CSO 2019**	**ERA (2021) (plan 1.01)**	**CSO 2022 (plan 1.02)**	**CSO 2023 (plan 1.03)**	**CSO 2024 (plan 1.04)**	**Total Plan**
Pierre Blanc	LSA	100,000	200,000	275,000	168,423	-	-	743,423
Phil Broad	LEM	-	100,000	275,000	158,243	-	-	533,243
Hubert Angleys	LSA	-	-	275,000	-	-	-	275,000
Pasquale Foglia	LEM	-	-	-	-	82,500	-	82,500
		100,000	**300,000**	**825,000**	**326,666**	**82,500**	**-**	**1,634,166**

Number of Options at y-e (ALL Ees, incl. ExCom)							
LSA	115,000	230,000	660,000	382,587	-	-	1,387,587
LEM	75,000	315,000	1,265,000	1,284,674	82,500	-	3,022,174
SBS	-	15,000	-	22,000	-	-	37,000
	190,000	**560,000**	**1,925,000**	**1,689,261**	**82,500**	**-**	**4,446,761**

ExCom		**1,634,166**
Ees - non ExCom		**2,812,595**
	Total	**4,446,761**

Reserve for share-based payment

The movement of the Reserve for share-based payment is as follows:

	31/12/2024	31/12/2023
	kCHF	kCHF
As at 1 January	**408**	**955**
Capped stock option plan - options granted	-	-
Capped stock option plan - options vested	723	17
Capped stock option plan - options forfeited	-	-564
Capped stock option plan - options expired	-	-
As at 31 December	**1,131**	**408**
Prior year correction (1 & 2)	*166*	*166*
Prior year correction (1 & 2)	39	-
	1,335	***574***

6.16 Pensions And Other Post-Employment Benefit Plans

The Group has one defined benefit pension plan, covering all its Swiss employees, which requires contributions to be made to separately administrated funds. Both the employer and the employees contribute to the plan, the employer paying half of the total contributions. The pension plan provides lifetime pensions determined based on cumulative savings of the individual plan member and converted into an annual pension at fixed conversion rate. Lump sum payments are possible if conditions are respected.

In 2022, LECLANCHE SA changed its pension plan: the former Caisse de Retraite LECLANCHE SA (autonomous foundation) was liquidated and the employees and their funds have been transferred to AVENA, a collective pension fund which is the current plan for all employees.

The Swiss defined benefit plan scheme is valued by independent actuaries every year using the projected unit credit method. The latest actuarial valuation was carried out as of 31 December 2024.

The associated risk exposure of the plan is:

- Discount rate: a decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings

- Market and liquidity risks: these are the risks that the investments do not meet the expected returns over the medium to long term. This also encompasses the mismatch between assets and liabilities. In order to minimize the risks, the structure of the portfolios is reviewed on a regular basis.

The movement in the net defined benefit (asset) / liability over the year and over previous year are as follows:

	Present value of obligations	Fair value of plan assets	Total
	kCHF	kCHF	kCHF
As at 1 January 2023	39,121	-42,647	-3,526
Pension costs			
Current service cost	2,906	-	2,906
Interest expense/(income)	896	-1,008	-112
Employee contributions	-	-1,327	-1,327
Impact of plan amendment	-	-	0
	3,802	**-2,335**	**1,468**
Remeasurements			
Change in demographic assumptions	-	-	-
Change in financial assumptions	6,631	-	6,631
Other actuarial (gain) / losses	-380	-	-380
(Gain) / losses on plan assets	-	-118	-118
	6,251	**-118**	**6,133**
Contribution			
Company contributions	-	-1,327	-1,327
Benefits payments	-302	302	-
As at 31 December 2023	**48,872**	**-46,125**	**2,748**

	Present value of obligations	Fair value of plan assets	Total
	kCHF	kCHF	kCHF
As at 1 January 2024	48,872	-46,125	2,748
Pension costs			
Current service cost	3,618	-	3,618
Interest expense/(income)	657	-639	19
Employee contributions	-	-1,461	-1,461
Impact of plan amendment	69	-	69
	4,344	**-2,099**	**2,245**
Remeasurements			
Change in demographic assumptions	-2,996	-	-2,996
Change in financial assumptions	5,652	-	5,652
Other actuarial (gain) / losses	6,078	-	6,078
(Gain) / losses on plan assets	-	-15	-15
	8,733	**-15**	**8,718**
Contribution			
Company contributions	-	-1,461	-1,461
Benefits payments	-7,073	7,073	-
As at 31 December 2024	**54,876**	**-42,627**	**12,250**

The impact of the plan amendment in 2024 is related to the change of the retirement age for women from 64 to 65.

The change in demographic assumptions is due to the change, in the assumptions, of the capital option from 20% to 50%.

The change in financial assumptions, in 2024 and 2023, is related to the decrease in the discount rate and the increase of the interest credited rate.

The large benefits payments are explained by the fact that the Caisse de Retraite LECLANCHE SA, further to its liquidation, has distributed a part of the free funds in 2024 as follows:

- Active members who have left between June.2022 and December 2024: CHF 812’000
- Pensioners: kCHF 1’996 (paid as a lump sum)
- Active members who were still employed at 31 December 2024 (transferred as an increase of the savings accounts): kCHF 2’086.

The amounts recognised in the balance sheet are as follows:

	31/12/2024	31/12/2023
	kCHF	kCHF
Present value of funded obligations	54,876	48,872
Fair value of plan assets	-42,627	-46,125
Deficit of funded plans	**12,250**	**2,748**

As of the last valuation date, the present value of the defined benefit obligations was related to 205 active employees (2023: 199).

The overall expected rate of return on assets is determined based on the market prices prevailing on the date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining pension benefit obligations for the Group's plan are shown below:

	31/12/2024	31/12/2023
Discount rate	0.95%	1.45%
Salary growth rate	2.00%	2.00%
Pension growth rate	1.00%	1.00%

Assumptions regarding future mortality experience are set based on advice in accordance with published statistics and experience in each territory.

Mortality assumptions for Switzerland are based on the mortality generational table (LPP 2020).

The sensitivity of the defined benefit obligations to changes in key weighted assumptions is as follows:

		31/12/2024		31/12/2023	
Impact of defined benefit obligation	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	-6.9%	7.9%	-7.0%	8.0%
Salary growth rate	0.5%	0.9%	-0.9%	0.8%	-0.8%
Pension growth rate	0.5%	4.9%	-4.4%	5.3%	-4.9%

The sensitivity analysis above is based on changing one assumption while keeping all other assumptions identical. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. To calculate the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as for the calculation of the pension liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Effective employer contributions to defined benefit plan for the year ending 31 December 2025 amount to kCHF 1’476 (2024: kCHF 1’327).

The weighted average duration of the defined benefit obligation is 14.9 years (2023: 15.2 years).

6.16.1 Funding Levels

As of 31 December 2024, the legal coverage (art. 44 OPP2) of the new collective pension fund was 109.1% (2023: 104%).

6.16.2 Investments By Asset Class

The major categories of plan assets are as follows:

	31/12/2024	**31/12/2023**
	kCHF	kCHF
Cash	1,066	1,153
Swiss Bonds	8,525	9,225
Foreign Bonds	6,820	7,380
Swiss Shares	5,115	5,535
Foreign Shares	7,247	7,841
Real estates	8,525	9,225
Alternative investments	5,328	5,766
Fair value of plan assets	**42,626**	**46,125**

All assets are listed, except Cash and Buildings within the category Real estates.

6.16.3 Defined Contribution Plan

No material costs for Defined Contribution Plan are recognised in the income statement.

6.17 Provisions

	Onerous contracts	Litigation	Other provisions	Total
	kCHF	kCHF	kCHF	**kCHF**
As of 1 January 2023	**16,811**	**474**	**-**	**17,285**
Allocation to provision	12,029	2,074	392	**14,496**
Release of provision	-	-1,519	-	**-1,519**
Use of provision	-1,396	-	-	**-1,396**
As of 31 December 2023	**27,443**	**1,029**	**392**	**28,865**
As of 1 January 2024	**27,443**	**1,029**	**392**	**28,865**
Allocation to provision	21,488	166	2,261	**23,915**
Release of provision	-27,443	-655	-	**-28,098**
Use of provision	-	-18	-392	**-410**
As of 31 December 2024	**21,488**	**523**	**2,261**	**24,271**
Current 2023	27,443	1,029	392	**28,865**
Non-current 2023	-	-	-	**-**
Total	**27,443**	**1,029**	**392**	**28,865**
Current 2024	21,488	523	2,261	**24,271**
Non-current 2024	-	-	-	**-**
Total	**21,488**	**523**	**2,261**	**24,271**

The provisions for onerous contracts represent the difference between the estimated costs to complete the contract and the contract revenue to be recognised in the future at the balance sheet date.

The Litigation provisions as at 31 December 2024 amount to kCHF 523 (2023: 1'029). The details of the movements for some litigations cases are described below:

- A litigation with a former employees occurred in 2019 for kCHF 40. The provision had been increased to kCHF 90 in 2020, then further increased to kCHF 122 and released during the year after the settlement in December 2023.
- A provision for litigation for client Deltro Group (St Kitts project) raised during 2022 and was decreased from kCHF 334 to kCHF 76 after discussions with the lawyers and the exit of MPC from St Kitts investment. See Note 6.2 Significant events of the period
- A provision raised during 2022 for litigation case with Allaqua GmbH for kCHF 50 was raised to kCHF60 during 2023 and finally liquidated after amicable settlement for kCHF 60.
- A few litigations related to labour law have been provisioned during the year 2023, one of them has been finalised and the remaining ones are provisioned in total of kCHF 230 as at 31 December 2023.
- A personal litigation with the former CEO remains open at the date of this report, in the amount kCHF 446.

6.18 Convertible Loans And Warrants

6.18.1 Convertible Loans

As of 31 December, the composition of the convertible loans is as follows:

	31/12/2024	31/12/2023
	kCHF	kCHF
Host liability- non-current liabilities	12,648	22,415
Embedded derivatives	29,648	35,130
CONVERTIBLE LOANS - NON-CURRENT LIABILTIES	**42,295**	**57,545**
CONVERTIBLE LOANS - CURRENT LIABILITIES	**-**	**-**
VALUE OF CONVERTIBLE LOANS AT THE END OF THI	**42,295**	**57,545**

As of 31 December 2024, the convertible loans have been presented in the current liabilities for the ones carrying a maturity date before 31 December 2025 and in non-current liabilities for the ones carrying a maturity date beyond 31 December 2025. The same principle is applied to comparative years.

a) Right of first refusal loan ("SEF-Lux ROFO Agreement")

On 16 March 2018, LECLANCHE SA and SEF-Lux signed a certain financing agreement, which grants SEF-Lux a right of first refusal facility of up to kCHF 50'000 (the "**SEF-Lux ROFO Loan**") seeking to provide the Company with the funds required to finance Merger and Acquisition (M&A), joint venture projects and performance bonds.

On 11 December 2018, as part of a financial restructuring plan, the shareholders approved at the Extraordinary General Meeting ("**EGM 2018**") the proposed ordinary capital increase in the form of a Debt-to-Equity-Conversion. Effective 12 December 2018, kCHF 54'692 were converted into equity, including the ROFO for kCHF 7'600.

In 2019, kCHF 5'500 were drawn down and as of 31 December 2019 kCHF 9'890 remained outstanding under the SEF-Lux ROFO Agreement (principal and interests).

On 8 January 2020, KCHF 2'000 were drawn down under the SEF-Lux ROFO Agreement. On 16 September 2020, the remaining amount of kCHF 11'500 under the ROFO was fully converted into equity.

As of 31 December 2021, interests for kCHF 630 remained outstanding under the ROFO. kCHF 532 out of these interests of kCHF 630 were converted in the context of the conversion of loans and interests into equity for a total amount of kCHF 41'300 on 17 November 2022. As of 31 December 2022, interests for kCHF 98 remained outstanding under the ROFO loan: they were converted in the context of the conversion of loans and interests into equity for a total amount of kCHF 66'700 on 26 June 2023.

b) 2020 Working Capital Line ("2020 WCL")

The external Alternative Investment Fund Manager ("AIFM") of SEF-Lux agreed to provide LECLANCHE SA with a kCHF 25'000 convertible loan (the "2020 WCL") until 31 March 2020, with a 31 December 2021 maturity in accordance with a Facilitation Agreement ("2020 Facilitation Agreement") signed on 23 December 2019 by LECLANCHE SA, Golden Partner (Shanghai) Asset Management Co. Ltd and Golden Partner SA.

At the end of June 2020, the Company has fully drawn down the 2020 WCL under the 2020 Facilitation Agreement for kCHF 25’000. On 16 September 2020, kCHF 21’828 were converted into equity under the 2020 WCL.

On 30 March 2021, the outstanding amount of kCHF 3’164 has been converted. Consequently, the totality of the 2020 WCL has been converted into equity.

As of 31 December 2021, interests for kCHF 1’091 remained outstanding. Out of these interests of kCHF 1’091, kCHF 685 were converted in the context of the conversion of loans and interests into equity for a total amount of kCHF 41’300 on 17 November 2022. As of 31 December 2022, interests for kCHF 406 remained outstanding under the 2020 WCL loan: they were converted in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700 on 26 June 2023.

c) 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 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 kCHF 41’300.

As of 31 December 2023, interests for kCHF 16 remained outstanding under the GPFOF Bridge Loans: they were converted in the context of the conversion of loans and interests into equity for a total amount of kCHF 84’700 on 10 July 2024 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

d) Working Capital Bridge Loan (“WCBL”) - AM Investment SCA SICAV – FIS – Liquid Assets Sub-Fund

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

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

SEF-Lux converted the various loans granted in 2022 for a total amount of kCHF 21’700 (principal plus accrued interest of kCHF 1’300) on 17 November 2022, in the context of the conversion of loans and interests into equity for a total amount of kCHF 41’300.

As of 31 December 2022, interests for kCHF 92 remained outstanding under the WCBL Loans: they were converted in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700 on 26 June 2023.

e) AM Investment S.C.A. SICAV - FIS

On 16 June 2022, AM Investment S.C.A. SICAV - FIS – Liquid Assets Sub-Fund granted a financing of kCHF 7’000 to LECLANCHE SA, as a short-term convertible bridge loan. This loan had a maturity date to 15 June 2023 and bore interest at a rate of 8% per annum. This loan has been subordinated in full. This loan, as well as accrued related interests up to 30 April 2023 amounting to kCHF 486, were fully converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700.

On 26 June 2023, the outstanding amount of host liability and embedded derivatives of kCHF 1’076 were converted into equity.

f) Strategic Equity Fund SCA Sicav RAIF

On 19 July 2022, Strategic Equity Fund SCA Sicav RAIF – Renewable Energy granted a financing of kCHF 5’600, following the convertible loan agreement signed between the parties on 13 July 2022. This loan had a maturity date to 13 January 2023 and bore interest at a rate of 8% per annum. This loan has been subordinated on 13 July 2022. This loan, as well as accrued related interests up to 30 April 2023 amounting to kCHF 350 and fees (5%) amounting to kCHF 280, were fully converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700.

On 29 August 2022, Strategic Equity Fund – Renewable Energy granted a financing of kCHF 3’400, following the convertible loan agreement signed between the parties on 24 August 2022. This loan had a maturity date to 25 August 2025 and bore interest at a rate of 8% per annum. This loan has been subordinated in full on 21 September 2022. This loan, as well as accrued related interests up to 30 April 2023 amounting to kCHF 182, were fully converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700.

On 28 September 2022, Strategic Equity Fund c/o Strategic Equity Fund – Renewable Energy granted a financing of kCHF 3’741, following the convertible loan agreement signed between the parties on 26 September 2022. This loan had a maturity date to 27 September 2025 and bore interest at a rate of 8% per annum. This loan, as well as accrued related interests up to 30 April 2023 amounting to kCHF 175 and fees (5%) amounting to kCHF 187, were fully converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700.

On 28 October 2022, Strategic Equity Fund c/o Strategic Equity Fund – E-Money granted a financing of kCHF 1’000, following the convertible loan agreement signed between the parties on 26 October 2022. This loan had a maturity date to 26 October 2025 and bore interest at a rate of 8% per annum. This loan, as well as accrued related interests up to 30 April 2023 amounting to kCHF 40, were fully converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700.

On 2 November 2022, Strategic Equity Fund c/o Strategic Equity Fund – Renewable Energy granted a financing of kCHF 11’000, following the convertible loan agreement signed between the parties on 26 October 2022. This loan had a maturity date to 26 October 2025 and bore interest at a rate of 8% per annum. This loan, as well as accrued related interests up to 30 April 2023 amounting to kCHF 432, were fully converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700.

On 30 December 2022, Strategic Equity Fund c/o Strategic Equity Fund – Multi Asset Strategy granted a financing of kCHF 500, following the convertible loan agreement signed between the parties on 29 December 2022. This loan had a maturity date to 29 December 2025 and bore interest at a rate of 8% per annum. This loan, as well as accrued related interests up to 30 April 2023 amounting to kCHF 13 and fees amounting to kCHF 10, were fully converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700.

On 3 January 2023, Strategic Equity Fund c/o Strategic Equity Fund – Renewable Energy granted a financing of kCHF 3’000, following the convertible loan agreement signed between the parties on 29 December 2022. This loan had a maturity date to 29 December 2025 and bore interest at a rate of 8% per annum. This loan, as well as accrued related interests up to 30 April 2023 amounting to kCHF 77 and fees amounting to kCHF 60, were fully converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700.

On 8 February 2023, Strategic Equity Fund c/o Strategic Equity Fund – E-Money granted a financing of kCHF 400, following the convertible loan agreement signed between the parties on 7 February 2023. This loan had a maturity date to 7 February 2026 and bore interest at a rate of 8% per annum. This loan, as well as accrued related interests up to 30 April 2023 amounting to kCHF 7 and fees amounting to kCHF 8, were fully converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66'700.

On 8 February 2023, Strategic Equity Fund c/o Strategic Equity Fund – Multi Asset Strategy granted a financing of kCHF 300, following the convertible loan agreement signed between the parties on 7 February 2023. This loan had a maturity date to 7 February 2026 and bore interest at a rate of 8% per annum. This loan, as well as accrued related interests up to 30 April 2023 amounting to kCHF 5 and fees amounting to kCHF 6, were fully converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66'700.

On 26 June 2023, the outstanding amount of host liability and embedded derivatives of kCHF 1'884 were converted into equity.

g) 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 had a maturity date to 7 February 2026 and bore interest at a rate of 8% per annum. Related arrangement fees, in line with Pure Capital regulated funds, amounting to kCHF 20, were converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66'700. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 105, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84'700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

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 had a maturity date to 14 March 2026 and bore interest at a rate of 12% per annum. Related arrangement fees, in line with Pure Capital regulated funds, amounting to kCHF 20, were converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66'700. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 145, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84'700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

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 had a maturity date to 23 March 2026 and bore interest at a rate of 12% per annum. Related arrangement fees, in line with Pure Capital regulated funds, amounting to kCHF 130, were converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66'700. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 930, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84'700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

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 had a maturity date to 24 April 2026 and bore interest at a rate of 12% per annum. Related arrangement fees, in line with Pure Capital regulated funds, amounting to kCHF 116, were converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66'700.

This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 768, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84’700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

The above loans had been subordinated as of 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 had a maturity date to 30 May 2026 and bore interest at a rate of 12% per annum. This loan had been subordinated as of 30 May 2023. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 778, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84’700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

As of November 30, 2023, the above five loans, totalling kCHF 21’000, had been 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 had a maturity date to 13 July 2026 and bore interest at a rate of 15% per annum. This loan had been subordinated on 13 July 2023. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 132, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84’700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

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 had a maturity date to 17 July 2026 and bore interest at a rate of 15% per annum. This loan had been subordinated on 17 July 2023. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 66, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84’700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

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 had a maturity date to 6 September 2026 and bore interest at a rate of 15% per annum. This loan had been subordinated on 6 September 2023. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 845, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84’700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

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 had a maturity date to 23 October 2026 and bore interest at a rate of 15% per annum. This loan had been subordinated on 7 November 2023. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 648, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84’700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

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 had a maturity date to 22 November 2026 and bore interest at a rate of 15% per annum.

This loan had been subordinated on 22 November 2023. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 412, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84’700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

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 had a maturity date to 21 December 2026 and bore interest at a rate of 15% per annum. This loan had been subordinated on 21 December 2023. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 285, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84’700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

On 10 July 2024, the outstanding amount of host liability and embedded derivatives of kCHF 1’928 were converted into equity.

h) Strategic Yield Fund (2023), partially assigned to Strategic Equity Fund – Renewable Energy Sub-Fund

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. The above loan has been subordinated as of 30 May 2023. This loan has been partially assigned to Strategic Equity Fund – Renewable Energy Sub-Fund for an amount of kCHF 250. As of 31 December 2024, principal of kCHF 750 and interests of kCHF 139 remain outstanding.

As of 31 December 2024, host liability and embedded derivative amounting to kCHF 217 remain outstanding.

i) 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 had a maturity date to 26 July 2026 and bore interest at a rate of 15% per annum. 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. These two loans had been subordinated on 25 September 2023. These 2 loans, as well as accrued related interests up to 31 May 2024 amounting to kCHF 1’079, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84’700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

On 10 July 2024, the outstanding amount of host liability and embedded derivatives of kCHF 339 were converted into equity.

j) 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. This loan has been subordinated on 22 March 2024. This loan (equivalent to kCHF 1’571), as well as accrued related interests up to 31 May 2024 amounting to kCHF 43, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84’700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

On 10 July 2024, the outstanding amount of host liability and embedded derivatives of kCHF 38 were converted into equity.

k) Strategic Equity Fund – Renewable Energy Sub-Fund (2024)

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. The above loan has been subordinated as of 30 May 2023. This loan has been partially assigned to Strategic Equity Fund – Renewable Energy Sub-Fund for an amount of kCHF 250. As of 31 December 2024, principal of kCHF 250 and interests of kCHF 46 remain outstanding.

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 had a maturity date to 22 January 2027 and bore interest at a rate of 15% per annum. This loan had been subordinated on 22 January 2024. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 224 were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84'700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 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 had a maturity date to 21 February 2027 and bore interest at a rate of 15% per annum. This loan had been subordinated on 21 February 2024. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 142, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84'700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 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 had a maturity date to 26 March 2027 and bore interest at a rate of 15% per annum. This loan had been subordinated on 26 March 2024. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 42, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84'700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 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 had a maturity date to 30 April 2026 and bore interest at a rate of 15% per annum. This loan had been subordinated on 30 April 2024. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 66, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84'700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 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 had a maturity date to 21 May 2026 and bore interest at a rate of 15% per annum. This loan had been subordinated on 21 May 2024. This loan, as well as accrued related interests up to 31 May 2024 amounting to kCHF 18, were fully converted on 10 July 2024, in the context of the conversion of loans and interests into equity for a total amount of kCHF 84'700 (with a 25% discount at a conversion price of 75% of the VWAP calculated over the 60 days preceding 31 May 2024).

On 10 July 2024, for the above 5 loans granted in 2024, the outstanding amount of host liability and embedded derivatives of kCHF 473 were converted into equity.

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 31 December 2024, principal of kCHF 1’500 and interests of kCHF 115 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 28 June 2024.

On 10 July 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 1’700, following the convertible loan agreement signed between the parties on 9 July 2024. This loan has a maturity date to 9 July 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 1’700 and interests of kCHF 122 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 10 July 2024.

On 19 July 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 3’000, following the convertible loan agreement signed between the parties on 19 July 2024. This loan has a maturity date to 19 July 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 3’000 and interests of kCHF 203 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 19 July 2024.

On 24 July 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 180, following the convertible loan agreement signed between the parties on 24 July 2024. This loan has a maturity date to 24 July 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 180 and interests of kCHF 12 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 24 July 2024.

On 2 August 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 3’000, following the convertible loan agreement signed between the parties on 2 August 2024. This loan has a maturity date to 2 August 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 3’000 and interests of kCHF 186 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 2 August 2024.

On 29 August 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 2’000, following the convertible loan agreement signed between the parties on 29 August 2024. This loan has a maturity date to 29 August 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 2’000 and interests of kCHF 102 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 29 August 2024.

On 4 October 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 4’500, following the convertible loan agreement signed between the parties on 4 October 2024. This loan has a maturity date to 4 October 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 4’500, interests of kCHF 163 and 2% arrangement fees of kCHF 90 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 6 May 2025.

On 15 October 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 250, following the convertible loan agreement signed between the parties on 15 October 2024. This loan has a maturity date to 15 October 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 250, interests of kCHF 8 and 2% arrangement fees of kCHF 5 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 6 May 2025.

On 29 October 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 6’600, following the convertible loan agreement signed between the parties on 29 October 2024. This loan has a maturity date to 29 October 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 6’600, interests of kCHF 171 and 2% arrangement fees of kCHF 132 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 6 May 2025.

On 29 November 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 5’000, following the convertible loan agreement signed between the parties on 29 November 2024. This loan has a maturity date to 29 November 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 5’000, interests of kCHF 66 and 2% arrangement fees of kCHF 100 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 6 May 2025.

On 24 December 2024, Strategic Equity Fund – Renewable Energy Sub-Fund granted a financing of kCHF 5‘000, following the convertible loan agreement signed between the parties on 24 December 2024. This loan has a maturity date to 24 December 2027 and bears interest at a rate of 15% per annum. As of 31 December 2024, principal of kCHF 5’000, interests of kCHF 90 and 2% arrangement fees of kCHF 14 remain outstanding on the Strategic Equity Fund – Renewable Energy Sub-Fund. This loan has been subordinated on 6 May 2025.

As of 31 December 2024, for the above 11 loans and the part of the 2023 loan to SYF assigned to SEF-RE, host liability and embedded derivatives amounting to kCHF 8’348 remain outstanding.

All of these 11 loans (which remain outstanding as at 31 December 2024) granted by SEF RE between June and December 2024 in addition to a loan originally issued by SYF in May 2023, were subordinated, comprising kCHF 33’730 in drawn loan amounts.

l) 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. According to a Release and Confirmation Agreement dated 3 October 2024, shares are being pledged as follows: for the Strategic Yield Fund/ Strategic Equity Fund - Renewable Energy agreements dated 30 May 2023, for the Strategic Equity Fund - Renewable Energy agreements signed on 28 June 2024, 9 July 2024, 19 July 2024, 24 July 2024, 2 August 2024, 29 August 2024, 4 October 2024, 15 October 2024, 29 October 2024, 29 November 2024 and 24 December 2024, pari passu in the first 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.

6.18.2 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 may be exercised at any time until 15 October 2023. The number of shares to be issued upon exercise of the Series B Warrants, is dependent upon the development of the share price.

The formula for the number of shares (N) to be issued upon exercise of Series B Warrants (W) is: N = W 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 2023. As of 31 December 2023, there were 0 outstanding and unexercised Series A Warrants and 594'876 (2022: 594'876) outstanding and unexercised Series B Warrants.

These Warrants, considered to be directly attributable transaction costs for the capital raise, had 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) had been entirely reattributed to equity component for kCHF 640. As those warrants have expired in October 2023, the equity component has been reclassed from “Equity component of convertible loans and warrants” to “Accumulated losses”.

b) Yorkville Warrant Agreement

On 14 February 2020, LECLANCHE 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 LECLANCHE SA, Yorkville is entitled to receive or, respectively, receives one LECLANCHE 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 LECLANCHE 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 (kCHF 254) 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 agreed to provide the lenders and investment advisors with a total of 10 million warrants to purchase LECLANCHE SA shares. These warrants had 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 had 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”.

6.19 Loans

	31/12/2024	31/12/2023
	kCHF	kCHF
Current loans	1,299	2,323
Non-current loans	11,295	11,285
	12,594	**13,608**

a) SEF-Lux loans

On 30 March 2017, a bridge loan of kCHF 2’704 (kEUR 2’500) was granted by SEF-Lux (“EUR Bridge Loan Agreement”). The loan had an interest of 12% per annum and had a maturity of 60 days from drawdown. On 15 February 2018, a Funding Agreement was entered into by and between SEF-Lux and the Company that contemplated (i) an extension of the maturity of the bridge loan to 31 March 2020 and (ii) a reduction of the annual interest to 6%, payable on a quarterly basis. In 2017, the parties also agreed to capitalize the past due interests thus increasing the loan to an amount of kCHF 2’807. On 28 February 2020, a Letter Agreement was signed between LECLANCHE SA and AM Investment to extend the maturity of the loan to 31 December 2021. On 12 March 2021, a Conversion Agreement had been signed between SEF-Lux and the Company making this loan convertible. This loan had been fully converted on 30 March 2021. As of 31 December 2022, only interests for kCHF 253 remained outstanding under the SEF-Lux EUR Bridge Loan: they were converted in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700 on 26 June 2023.

On 2 February 2018, a non-convertible loan was provided by Golden Partner International SA SPF to the Company in the amount of kCHF 3’000 ("CHF 3 million Bridge Loan"). The loan had an annual interest rate of 6% and a 31 March 2020 maturity. Effective 1 November 2019, this loan was transferred from Golden Partner International SA SPF to AM Investment SCA, SICAV-SIF - Illiquid Assets Sub-Fund, with unchanged loan characteristics. On 28 February 2020, a Letter Agreement had been signed between LECLANCHE SA and AM Investment to extend the maturity to 31 December 2021. On 12 March 2021, a Conversion Agreement had been signed between SEF-Lux and the Company making this loan convertible. This loan had been fully converted on 30 March 2021. As of 31 December 2022, only interests for kCHF 218 remained outstanding under the SEF-Lux CHF 3 million Bridge Loan: they were converted in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700 on 26 June 2023.

On 23 April 2019, a bridge loan in the amount of kCHF 1’270 was granted by SEF-Lux to the Company ("CHF 1.270 million Bridge Loan"), bearing interest of 10% per annum. On 28 February 2020, a Letter Agreement was signed between LECLANCHE SA and AM Investment to extend the maturity of this loan to 31 December 2021. On 12 March 2021, a Conversion Agreement had been signed between SEF-Lux and the Company making this loan convertible. This loan had been fully converted on 30 March 2021. As of 31 December 2022, only interests for kCHF 186 remained outstanding under the SEF-Lux CHF 1.270 Bridge Loan: they were converted in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700 on 26 June 2023.

b) e-Mobility Bridge Loan

On 4 September 2020, a bridge loan in the amount of kCHF 34’000 was granted by SEF-Lux to the Company ("E-Mobility Bridge Loan"), bearing interest of 9 to 12% per annum. On 12 March 2021, a Conversion Agreement had been signed between SEF-Lux and the Company making convertible the kCHF 23’500 already drawn down under the E-Mobility Bridge Loan at this date. This amount had been fully converted on 30 March 2021.

The remaining kCHF 10’500 had been drawn down during 2021. The E-Mobility bridge loan became convertible through the signature of a conversion agreement on 30 August 2021 with a conversion at 85% of the prevailing 60-day VWAP. The conversion took place through an ordinary capital increase on 9 September 2021.

As of 31 December 2022, interests for kCHF 1’325 remained outstanding under the E-Mobility Bridge Loan: they were converted in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700 on 26 June 2023.

c) Trading Finance Loan 2021

In order to provide the Company with the amount of financing it required to continue as a going concern, Golden Partner Holding S.à r.l. – Luxembourg has granted the Company a loan (“Trading Finance Loan 2021”) in the amount of kCHF 10’700. On 4 February 2021, Golden Partner Holding S.à r.l. and the Company signed the Trading Finance Loan 2021 Agreement.

As of 31 December 2021, the Company had received the totality of the loan for kCHF 10’700. The Trading Finance Loan 2021 had become convertible through the signature of a conversion agreement on 30 August 2021 with a conversion at 85% of the prevailing 60-day VWAP. The conversion took place through an ordinary capital increase on 9 September 2021.

As of 31 December 2021, interests for kCHF 479 remained outstanding under the Trading Finance Loan 2021. These interests, amounting to kCHF 493 at conversion date, were converted in the context of the conversion of loans and interests into equity for a total amount of kCHF 41’300 on 17 November 2022. Due to a calculation error in connection with the Conversion Agreement, the interest claim used for the conversion was mistakenly too low by an amount of kCHF 5. As of 31 December 2022, interests for kCHF 5 remained outstanding under the Trading Finance Loan 2021: they were converted in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700 on 26 June 2023.

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

On 31 May 2021, AM Investment SCA, SICAV-SIF and the Company signed a loan agreement, the "AM-LSA Loan Agreement Nice & Green Proceeds", regarding the grant of a loan in an amount of 90% of the net proceeds from the sale of certain Company shares held by the Lender. This loan bore interest of 3% per annum. This loan became convertible through the signature of a conversion commitment letter on 2 September 2022.

This loan, principal for kCHF 3’297, as well as the accrued related interests amounting to kCHF 361, had been fully converted on 17 November 2022. Due to a calculation error in connection with the Conversion Agreement, the interest claim used for the conversion was mistakenly too high by an amount of kCHF 243. This amount had been deducted from the amounts converted in relation with AM Investment S.C.A. SICAV - FIS – illiquid Assets Sub-Fund in the context of the conversion of loans and interests into equity for a total amount of KCHF 66’700 on 26 June 2023.

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

On 14 June 2022, AM Investment S.C.A. SICAV - FIS – illiquid Assets Sub-Fund granted a financing of kCHF 2’500 to LECLANCHE SA, as a short-term bridge loan. This loan had a maturity date to 31 December 2022 and bears interest at a rate of 8% per annum. This loan had been subordinated in full. This loan, as well as accrued related interests up to 30 April 2023 amounting to kCHF 169, were fully converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of kCHF 66’700.

e) Eneris loan

On 21 May 2020, the Company and Eneris Cleantech SA (“**Eneris**”) have, amongst other, entered into a Euro denominated loan agreement (the “Agreement”), under which Eneris committed to provide LECLANCHE SA with working capital financing of up to kCHF 42’652, subject to fulfilment of certain conditions. The Eneris loan 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 31 December 2024, principal of kCHF 4’747 (31 December 2023: kCHF 4’644) and interests of kCHF 1’384 (31 December 2023: kCHF 1’047) remain outstanding under the Agreement.

Eneris LA is currently subject to legal proceedings in Luxembourg, asserting that, due to an alleged breach of partnership agreements with LECLANCHE SA, the loan should be repaid before its contractual maturity date of 31 December 2024. On 3 November 2023, the District Court of Luxembourg ruled in favour of Eneris, ordering the Company to repay kEUR 5’000 plus interest prior to the loan’s maturity. The Company appealed the decision to the Court of Appeal of Luxembourg but lost the case on 1 April 2025.

f) 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 Banque Cantonale Vaudoise (BCV) for an amount of kCHF 4’400. This government-backed financing aims at supporting companies’ cash flow in these difficult times. The loan has September 2027 as maturity date (an extension of the maturity was granted by BCV on 19 March 2021), is subject to quarterly capital repayment of kCHF 191 (since 31 March 2022). It bores an average annual coupon of 0.7%. Since 1 April 2023, it bears an annual interest rate of 2.0%.

In July 2024 the Banque Cantonale Vaudoise (BCV) has transferred the Covid-19 loans to Cautionnement Romand net of the bank guarantee, the balance as of 31 December 2024 is kCHF 2’391.

g) St Kitts construction loan

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

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

As of 31 December 2021, interests for kCHF 775 remained outstanding. These interests, amounting to kCHF 1’608 at conversion date, were converted in the context of the conversion of loans and interests into equity for a total amount of KCHF 41’300 on 17 November 2022. As of 31 December 2022, interests for kCHF 727 remained outstanding under the St-Kitts construction loan.

This loan, as well as accrued related interests up to 30 April 2023 amounting to kCHF 1’316, were fully converted on 26 June 2023, in the context of the conversion of loans and interests into equity for a total amount of KCHF 66’700.

h) Copernic loan

Under the terms of the Copernic Building Y-Parc lease agreement signed on 22 June 2020 and amended on 16 March 2021, 1 April 2022 and 24 July 2023, LECLANCHE SA as the primary leasehold owner, contracted a loan of kCHF 4'300 payable over 15 years to finance leasehold improvements and other installation costs in its headquarters building in Yverdon-les-Bains (Switzerland), the "**Copernic Loan**".

In 2024, two new loans were secured in the amounts of kCHF 1,000 and kCHF 808, respectively. Both loans have a 13-year maturity and bear interest at an annual rate of 5%. The financing enables LECLANCHE SBS SA to access expanded premises within the Copernic building, following its relocation from its former facility. The new space also includes additional parking facilities to support the Company's business growth and increasing number of full-time employees. These loans bear an annual interest rate of 5%.

According to the agreements, repayment of the Copernic Loan began in June 2021 and will be completed in 2036, unless extended by mutual agreement.

6.20 Net Debt Reconciliation

	31/12/2024	31/12/2023
	kCHF	kCHF
Cash and cash equivalents	5,175	2,809
Convertible loans - repayable after one year	-42,295	-57,545
Loans - repayable within one year	-1,299	-2,323
Loans - repayable after one year	-11,295	-11,285
Lease liabilities -short term	-5,737	-2,672
Lease liabilities - long term	-19,189	-18,779
NET DEBT	**-74,639**	**-89,795**
Cash and liquid investments	5,175	2,809
Gross debt - fixed interest rates	-79,815	-92,604
NET DEBT	**-74,639**	**-89,795**

	Cash and cash equivalents	Convertible loans	Loans	Lease liabilities	Total
	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	-	-60,700	-	-	**-60,700**
Cash outflow (+) for liabilties, (-) for assets	1,509	-	790	3,119	**5,419**
Acquisition - leases	-	-	-1,567	-2,172	**-3,738**
Conversion to equity	-	47,203	25,246	-	**72,448**
Finance costs	-	-8,243	-2,189	-328	**-10,761**
Convertible loans issue costs	-	-763	-	-	**-763**
Interests paid	-	-	69	328	**397**
Interests accrued for	-	160	361	-	**521**
Foreign exchange adjustments	-63	-	742	-	**680**
Other non cash movements	-	-	-738	-10	**-748**
NET DEBT AS OF 31 DECEMBER 2023	**2,809**	**-57,545**	**-13,608**	**-21,452**	**-89,795**
NET DEBT AS OF 1 JANUARY 2024	**2,809**	**-57,545**	**-13,608**	**-21,452**	**-89,795**
Transfer from Loans to Convertible Loans	-	-	-	-	**-**
Cash inflow	-	-54,501	-1,095	-	**-55,596**
Cash outflow (+) for liabilties, (-) for assets	2,422	-	770	2,371	**5,563**
Acquisition / Drepreciation - leases	-	-	-	-5,759	**-5,759**
Conversion to equity	-	86,992	457	-	**87,449**
Finance costs	-	-15,958	-1,099	-418	**-17,474**
Convertible loans issue costs	-	-	-	-	**-**
Interests paid	-	-	63	418	**481**
Interests accrued for	-	-1,283	586	-	**-697**
Foreign exchange adjustments	-56	-	671	-87	**528**
Other non cash movements	-	-	643	-	**643**
NET DEBT AS OF 31 DECEMBER 2024	**5,176**	**-42,295**	**-12,612**	**-24,926**	**-74,639**

6.21 Trade And Other Payables

		31/12/2024	31/12/2023
		kCHF	kCHF
TRADE PAYABLES	**A**	**11,497**	**12,596**
OTHER PAYABLES			
Accruals	B	5,582	7,539
Contract liabilities & Advances paid by (	C	10,623	5,103
Subtotal	D=B+C	**16,205**	**12,643**
Payroll and social charges	E	2,509	2,067
Other payables	F	1,386	1,161
Other payables (and accruals)	**G=D+E+F**	**20,101**	**15,871**
TRADE & OTHER PAYABLES	**A+G**	**31,598**	**28,468**
Reclass of Contract liabilities & Advances paid by Clients			
Contract liabilities & Advances paid by Clients		10,623	5,103
Deferred revenue		4,810	8,121
CONTRACT LIABILITIES & DEFERRED REVENUE		**15,433**	**13,224**

6.22 Financial Instruments

6.22.1 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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).
- Level 3: inputs for the asset or liability that are not based on observable market data.

There were no transfers between the levels during the year.

For financial assets at Fair Value Through Profit and Loss (“FVTPL”) cost value is still the best evidence of the fair value. It consists of investments in structured entities. For additional information, see Note 6.11 Financial Assets.

6.22.2 Embedded Derivatives

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

	31/12/2024	31/12/2023
	kCHF	kCHF
At 1 January	35,130	17,497
Embedded derivatives disposed	-35,130	-17,497
Embedded derivatives acquired	29,648	35,130
At 31 December	**29,648**	**35,130**

6.23 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).

6.24 Financial Risk Management

6.24.1 Risk Assessment

The Board of Directors has delegated the implementation of risk management to the Executive Committee. The Executive Committee is responsible for designing and implementing an effective risk management system across the Leclanché Group companies. Under the oversight of the Risk Manager, a regular risk analysis is conducted. Each identified risk is assigned to a specific individual responsible for its mitigation, and a detailed catalogue of mitigating measures is maintained.

The most significant risks, along with proposed preventive and corrective measures, are presented annually to the Audit and Risk Management Committee. Since May 2016, an annual audit of key risks has been conducted, with a comprehensive risk assessment exercise performed every two years. The most recent risk analysis update was completed in September 2024, and the next full assessment is scheduled for Q2 2025.

Additionally, the Board of Directors reviews most of the key risk categories at each of its meetings, thereby ensuring ongoing oversight and monitoring of the Group's risk exposure.

6.24.2 Financial Risk Factors

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. See also Note 6.4 Critical Accounting Estimates And Judgments – uncertainties and ability to continue as a going concern. The Group's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not use derivative financial instruments to hedge these exposures.

6.24.3 Foreign Currency Risks

Transaction exposure arises because the amount of local currency paid or received in transactions denominated in foreign currencies may vary due to exchange rates fluctuations. The Group operates internationally and is exposed to foreign exchange risk arise from various currency exposures, primarily with respect to Euros and US dollars and to a lesser extent to British pounds and Canadian dollars. Foreign exchange risks arises from:

- forecast revenue and costs denominated in a currency other than the entity's functional currency;
- recognised assets and liabilities; and
- net investments in foreign operations.

The foreign currency transaction exposure is limited by aligning as much as possible the revenue streams to currencies that match the cost base. The convertible loans and borrowings are mainly denominated in CHF and consequently do not expose the Group to any significant foreign exchange rate risk.

The following table demonstrates the sensitivity of reasonably possible changes in EUR and USD exchange rate on the Group net result (operating activities) and equity.

	Change in rate		Impact on loss		Impact on equity	
				kCHF		kCHF
2024	+/-	5%	+/-	2,637	+/-	3,827
2023	+/-	5%	+/-	140	+/-	962
2022	+/-	5%	+/-	3,009	+/-	2,944
2021	+/-	5%	+/-	166	+/-	841

6.24.4 Interest Rate Risk

Interest rate risk arises from movements in interest rates which could have adverse effects on the Group's net income or financial position. Changes in interest rates cause variations in interest income and expenses on interest-bearing assets and liabilities.

The Group's net income and financial position are independent of changes in market interest rates as the Group has only interest-bearing assets and liabilities with fixed rates. Actually, the Group's fixed rate borrowings and receivables are carried at amortised cost. They are therefore subject to interest rate risk only at the time of refinancing as defined in IFRS 7.

6.24.5 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables.

The Group determines the creditworthiness of any prospective or existing customer at the initial phase of each bid process. Assessment of credit risk is mainly based on assessing the creditworthiness of customers through external ratings, and in the case of existing customers, through Company’s past experience.

In addition, trade receivables are monitored on an ongoing basis. The Group's exposure to bad debt is considered insignificant, owing to the high quality of Leclanché's customer base and the multiple prepayments customers have made to support the Company's working capital needs. The maximum exposure is the carrying amount of trade and other receivables as per Note 6.13 Trade and Other Receivables.

There is no specific concentration of clients and the credit risk related to trade receivables is considered low. The few most significant outstanding amounts at the year-end relate to the clients from the countries where there is no specific financial risk.

The Group has recognised provisions against some receivables where the likelihood of receiving those receivables might be impacted.

As of 31 December 2024, trade receivables from four key clients (3 LEM and 1 from LSA) totaled kCHF 3'051, representing 53% of the total trade receivables balance of kCHF 5,769. The outstanding amounts were relatively evenly distributed among these clients. Despite this concentration, no increased credit risk was identified for the 2024 reporting period.

As of 31 December 2024, the credit risk exposure on the Group's receivables and contract assets is as follows:

	31/12/2024	31/12/2023
	kCHF	kCHF
Expected credit loss rate	15.6%	13.1%
receivables	5,769	4,165
contract assets	4,837	4,960
Provision for credit losses	-1,653	-1,194

The Group's exposure to credit risk from balances due from its customer is limited. Therefore, the Group has applied the expected credit loss rate calculated above to the overall receivable and contract asset balances without using a grouping criteria and hence a provision matrix is not presented for disclosure purposes.

With respect to credit risk arising from the financial assets, the Group's exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new customers before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments, loans and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

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6.24.6 Liquidity Risk

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at Group level. See also Note 2 "Critical accounting estimates and judgments – uncertainties and ability to continue as a going concern.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Trade and other payables due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Total
Year ended 31 December 2024				
Trade and other payables	23,690	1,320	6,588	**31,598**
Convertible loans	-	-	42,295	**42,295**
Loans	325	974	11,295	**12,594**
Lease liabilities	1,434	4,303	19,189	**24,926**
Year ended 31 December 2023				
Trade and other payables	21,986	4,998	1,482	**28,467**
Convertible loans	-	-	57,545	**57,545**
Loans	713	1,610	11,285	**13,608**
Lease liabilities	678	1,994	18,779	**21,451**

6.25 Capital Management

The Group considers equity as equivalent to the IFRS equity on the balance sheet.

See Notes 6.14 Share Capital, 6.18 Convertible Loans and Warrants regarding fund raises executed during the year.

In 2024, the Company restructured its balance sheet by converting existing loans and outstanding interests in the amount of kCHF 84'670 into equity through an ordinary capital increase on 10 July 2024.

The Company anticipates that, subject to the continued successful implementation of the Growth Plan and timely payments from major customer, current funding facilities in place and facilities implemented in 2024 will satisfy the Company's working capital requirements until the end of Q2 2025. See also Note 6.4 Critical Accounting Estimates and Judgments – uncertainties and ability to continue as a going concern.

6.26 Commitment And Contingencies

The Group's principal contingent liabilities arise from property rental guarantees and performance guarantees. The Group has 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 31 December 2024, the guarantees in issue were kCHF 3'223 (2023: kCHF 3'992).

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 Note 6.16 Pensions and Other Post-Employments Benefit Plans.

6.27 Assets Pledged

See Note 4.6.18a regarding the assets pledged as collateral for SEF-Lux's convertible and non-convertible loans.

6.28 Related Party Disclosures

The following transactions were carried out with related parties.

6.28.1 Key Management Compensation

The compensation to key Management is shown below:

	31/12/2024	31/12/2023
	kCHF	kCHF
Salaries and other short-term employee benefits	964	978
Share-based payments	230	179
KEY MANAGEMENT COMPENSATION	**1,195**	**1,157**

For additional information, see sections Corporate Governance and Compensation Report.

6.28.2 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.

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6.28.3 P&L Transactions

Finance costs		
- from SEF-Lux	15,877	8,813
- from SEF-Lux Advisors	81	-
	15,958	**8,813**
Finance income		
- to USGEM / SGEM	38	39
	38	**39**

6.28.4 Year-End Balances

	31/12/2024	**31/12/2023**
	kCHF	kCHF
- short term loan from Solec Power Ltd	-	-
- long term loan from USGEM	1,000	893
- long term loan from SGEM	197	191
- receivable from Marengo	292	107
- receivable from SGEM	360	360
	1,850	**1,551**
Included in current and non-current liabilities:		
- loans & fees due to SEF-Lux	35,077	59,911
- trade and other payables due to SEF-Lux advisors	18	827
- trade and other payables due to Silveron	20	17
	35,115	**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.

6.29 Equal Pay For Men And Women

LECLANCHE SA conducted the equal pay analysis according to the Equal Pay Act (LEg) using the "L&M-ABA-R" test procedure for the reference month of May 2025. Landolt & Mächler Consultants AG has confirmed that LECLANCHE SA complies with the principle of equal pay for work of equal value within the limits of the Federal Act on public markets (LMP) and the Equal Pay Act (LEg).

In accordance with Art. 13d of the Equal Pay Act, Leclanché SA still needs to have this equal pay analysis verified by an accredited auditing company and currently in the process of being audited.

6.30 Subsequent Events

a) On 3 February 2025, the Group has received an additional financing of kEUR 1'500 from Golden Partner Holding CO Sàrl, following the convertible loan agreement signed between the parties on 31 January 2025.

b) On 7 February 2025, Leclanché announced that Pinnacle International Capital Limited has completed the legal, financial and technical due diligence of the Leclanché Group to its satisfaction, thereby fulfilling a key condition on the way to the implementation of the strategic partnership.

c) On 7 February 2025, the Group has received an additional financing of kEUR 500 from Golden Partner Holding CO Sàrl, following the convertible loan agreement signed between the parties on 5 February 2025.

d) On 28 February 2025, the Group has received an additional financing of kCHF 8'060 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties on 28 February 2025.

e) On 25 March 2025, Strategic Equity Fund – Renewable Energy Sub-Fund and Strategic Yield Fund converted into equity the equivalent amount of kCHF 23'519 due under various loans and outstanding interests. Further to this conversion, certain share pledges have fallen away. As part of the conversion, the Company issued 235'193'379 new registered shares. The capital increase was not yet registered in the Commercial Register of the Canton of Vaud as at the date of this report.

f) On 28 March 2025, the Group has received an additional financing of kCHF 4'700 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties on 28 March 2025.

g) On 1 April 2025, the Court of Appeal of Luxembourg rejected the Company's appeal against the District Court's decision, which had ordered Leclanché to repay the loan of EUR 5,000 plus interest to Eneris Cleantech SA prior to its contractual maturity. A payment summons is expected imminently. In line with the cash flow forecast, the Company has allocated resources to address this obligation, ensuring minimal impact on its financial strategy..

h) On 24 April 2025, Golden Partner Holding Co. Sàrl converted into equity the equivalent amount of kCHF 1'890 due under various loans and outstanding interests. Further to this conversion, certain share pledges have fallen away. As part of the conversion, the Company issued 14'964'959 new registered shares. The capital increase was not yet registered in the Commercial Register of the Canton of Vaud as at the date of this report.

i) On 29 April 2025, the Group has received an additional financing of kCHF 4'600 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties on 29 April 2025.

j) On 30 May 2025, the Group has received an additional financing of kCHF 3'800 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties on 30 May 2025.

k) On 12 June 2025, the Group has received an additional financing of kCHF 5'900 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties on 12 June 2025. This claims to be confirmed by the next shareholder's meeting

l) On 25 June 2025, LECLANCHE SA, SEF-Lux and Pure Capital its Alternative Investment Fund Manager signed a comfort letter in which SEF-Lux commits to provide a bridge loan in an amount of up to kCHF 40'000 paid in different monthly instalments until 31 August 2025. The kCHF 3'800 and kCHF 5'900 mentioned above are included in the kCHF 40'000.

m) On 30 June 2025, the Group has received an additional financing of kCHF 7'370 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties. This amount represents the third instalment of the committed kCHF 40'000.

n) On 1 July 2025, the Group expects to receive an additional financing of kCHF 630 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties. This amount represents the third instalment of the committed kCHF 40’000.

Leclanché Group

VI REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

LECLANCHE SA
Yverdon-les-Bains

Report of the Statutory Auditor
to the General Meeting
on the consolidated financial statements
for the year ended 31 December 2024

Report of the statutory auditor to the General Meeting of LECLANCHE SA, Yverdon-les-Bains

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of LECLANCHE SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, consolidated income statement, the statement of comprehensive loss, the consolidated balance sheet, the consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 58 to 133) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's Responsibilities for the Audit of the Consolidated Financial Statements” section of our report.

We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw your attention to note 6.4.1 to the consolidated financial statements, which states that the company is facing challenges to finance the growth plan and therefore continues to face limited access to liquidity. This, along with other matters as described in note 6.4.1 indicates the existence of a material uncertainty which may cast significant doubt about the ability of the company to continue as a going concern. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the “Material uncertainty related to going concern” section, we have determined the matter described below to be the key audit matter to be communicated in our report.

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Revenue recognition for "projects"

Areas of focus

Revenues resulting from "projects" (see note 6.6.1) amounted to KCHF 9 704, representing 56 % of total revenues for the year end 31 December 2024. There are two critical judgements made by management relating to these revenues 1) the assessment of whether project contracts comprise one or multiple performance obligations and 2) whether the method and estimates used in the measurement of progress calculations and provisions for expected losses are appropriate.

Performance obligations (see note 6.3.6)

Management analysed the related revenue guidance to determine if the individual promises in project contracts meet the definition of distinct goods or services and concluded that the contracts include one performance obligation: delivery of an energy storage solution. Management has assessed that the criteria required to conclude that performance obligations are satisfied or have been met.

Measurement of revenue recognition over time (see note 6.3.6)

The input method based on costs for measuring progress over time for projects has been used. This process involves a certain degree of estimation and judgement notably concerning the provision for expected losses, as explained in note 6.4, "critical accounting estimates and judgements".

Our audit response

We obtained an understanding of the nature of the projects delivered by the Group through enquiries with management.

We reviewed the accounting policies for project revenue and evaluated whether they are compliant with IFRS 15 and appropriate based on our understanding of the nature of the Group's business.

We obtained a detailed analysis of the projects and verified its mathematical accuracy. We assessed the detailed analysis in light of our understanding of the business, discussions with management and review of the minutes of the Board of Directors.

For a sample of projects, we performed the following:

- We agreed project aspects to signed contracts and details.
- In relation to the cost of materials we verified on a sample basis the accuracy and the allocation of costs to the project.
- We discussed and assessed with the project managers and finance managers the stage of completion of the work and the future costs and accruals until completion of the project.
- We agreed revenue and expenses recognised for the year as well as amounts due to and from customers to the financial statements.
- We assessed the need to recognise provisions for expected losses based on enquiries with management and our understanding of the contract.

Based on our procedures, we deemed the judgements made by management to be reasonable and management's accounting approach for the project's revenue to be appropriate.

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Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a
true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse’s website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

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Report on Other Legal and Regulatory Requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss auditing Standard 890, we noted that an internal control system which has been designed in accordance with the instructions of the Board of Directors for the preparation of the consolidated financial statements is adequately documented but has not been implemented in all material respects for the group financial reporting process.

In our opinion, except for the matter described in the preceding paragraph, an internal control system exists which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Additionally, we draw your attention to the fact that the Annual General Meeting for the financial statements for the year ended 31 December 2024, has not been held within six months following the balance sheet date, contrary to article 699 paragraph 2 of the Swiss Code of Obligations.

Forvis Mazars SA

Michael Ackermann
Licensed audit expert
(Auditor in charge)

Issam Kacem
Licensed audit expert

Lausanne, 30 June 2025

Attachments:

iii. Consolidated Financial Statements (income statement, statement of comprehensive loss, balance sheet, statement of changes in equity and statement of cash flow and notes)

Leclanché
Energy Storage Solutions

LECLANCHE SA

VII STATUTORY FINANCIAL STATEMENTS 2024

Leclanché
Energy Storage Solutions

1. Balance Sheet As Of 31 December 2024

Assets	**Notes**	**31/12/2024**	**31/12/2023**
		kCHF	kCHF
Current assets			
Cash and cash equivalents		3,307	1,450
Trade receivables		825	241
due from third parties		*2,183*	*1,326*
due from group companies		-	-
Allowance on trade receivables (third parties)		*-1,358*	*-1,085*
Other current receivables		276	906
due from third parties		*276*	*906*
due from shareholders		-	-
Allowance on other current receivables		-	-
Inventories	5.1	-	-
Accrued income and prepaid expenses		377	252
Advances to suppliers		154	1,299
Loans to external parties	5.3	189	369
Total current assets		**5,128**	**4,517**
Non-current assets			
Financial assets	5.3	26,042	58,472
Loans to group companies		*132,283*	*90,527*
Loans to external parties		*9,742*	*8,875*
Allowance on loan to group companies		*-107,723*	*-34,800*
Allowance on loan to external parties		*-9,336*	*-7,210*
Other financial assets	*5.4*	*1,076*	*1,079*
Investments		203	12,130
Investment in subsidiaries and associates		*10,509*	*12,130*
Other investments		*504*	*504*
Allowance on investment in subsidiaries and associates	*5.14*	*-10,307*	-
Allowance on other investments		*-504*	*-504*
Property, plant and equipment		15	19
Intangible assets	5.2	-	185
Total non-current assets		**26,260**	**70,806**
Total assets		**31,388**	**75,323**

Leclanché
Energy Storage Solutions

Balance sheet as of 31 December 2024

Liabilities	**Notes**	**31/12/2024**	**31/12/2023**
		kCHF	kCHF
Short-term liabilities			
Trade payables		3,877	5,122
due to third parties		*3,877*	*5,122*
Short-term interest-bearing liabilities -		710	1,066
due to third parties		*710*	*1,066*
Other short-term liabilities		188	1,035
due to third parties		*188*	*1,035*
Accrued expenses and deferred income		4,591	6,592
Advances from customers		718	-
Short-term provisions		629	977
Total short-term liabilities		**10,713**	**14,791**
Long-term liabilities			
Long-term interest-bearing liabilities -		44,500	67,503
due to third parties		*6,428*	*7,006*
due to group companies		*4,342*	*3,797*
due to shareholders (subordinated)	5.11	*33,730*	*56,700*
Total long-term liabilities		**44,500**	**67,503**
Total liabilities		**55,213**	**82,294**
Shareholders' equity			
Share capital	5.9	77,380	58,611
Reserves from capital contribution	5.9	0	-
Other reserves	5.9	-26,944	-26,944
Accumulated losses	5.9	27,263	-28,713
Net result for the period	5.9	-101,524	-9,926
Total shareholders' equity		**-23,825**	**-6,971**
Total liabilities		**31,388**	**75,323**

2. Income Statement For The Year Ended 31 December 2024

	Notes	31/12/2024	31/12/2023
		kCHF	kCHF
Sales of goods and services	5.12	5,686	7,072
Other income		174	2,543
Cost of materials		-1,831	-4,480
Inventory variations		-	-2,348
Personnel costs		-2,365	-2,581
Other operating expenses	5.13	-10,546	-12,038
Depreciation, amortisation and impairment		-188	-473
Impairment on financial assets	5.14	-89,856	2,104
Operating loss		**-98,924**	**-10,201**
Financial income	5.15	1,874	2,353
Financial expenses	5.16	-6,711	-8,867
Net result for the period		**-103,761**	**-16,714**
Extraordinary Income Out-of-Period	5.17	2,627	9,896
Extraordinary Expenses Out-of-Period	5.17	-389	-3,107
Net result		**-101,524**	**-9,926**
Earnings before interest, taxes, depreciation and amortisation		**-8,880**	**-11,833**

3. General Information

3.1 Corporate Information

LECLANCHE 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 14c, CH-1400 Yverdon-les-Bains. The Company is listed under the Main Standard on the SIX Swiss Exchange under Swiss security number 11030311 (ISIN: CH0110303119). The Company is listed under the symbol “LECN”.

LECLANCHE SA subsidiaries, joint ventures and associates are:

						31/12/2024		31/12/2023		
Name and legal form	Note	Registered offices	Country	Currency	Share capital (LOC)	Capital	Vote	Capital	Vote	
Leclanché E-Mobility SA	1	Yverdon-les-Bains	Switzerland	CHF	100’000	100%	100%	100%	100%	S
Leclanché North America Inc.		Wilmington, Delaware	USA	USD	0.01	100%	100%	100%	100%	S
Leclanché Canada Inc.		Victoria, British Colombia	Canada	CAD	100	100%	100%	100%	100%	S
Leclanché France SASU	2	Versailles	France	EUR	2’500	100%	100%	100%	100%	S
Leclanché (Saint Kitts) Energy Holdings Limited	3	Bridgetown	Barbados	USD	8’621’832	100%	100%	100%	100%	S
Leclanché Singapore Pte	4	Singapore	Singapore	USD	10’000	100%	100%	100%	100%	S
Leclanché SBS SA	6	Yverdon-les-Bains	Switzerland	CHF	100’000	100%	100%	100%	100%	S

* S = 100% owned subsidiary, A = associate; JV = joint venture

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

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

(3) Leclanché (Saint Kitts) Energy Holdings Limited was incorporated on 26 October 2021 and in 2022 was classified as joint venture (JV). On 16 November 2023 Leclanché purchased remaining 40% of shares and gained the control over the Leclanché (Saint Kitts) Energy Holdings entity, becoming 100% owned.

(4) Leclanché Singapore was incorporated on 9 June 2022 and is fully owned by LECLANCHE SA.

(5) LECLANCHE SBS SA was incorporated on 25 September 2023 and is fully owned by LECLANCHE SA.

As part of its ongoing corporate structuring, Leclanché SA carved out Leclanché E-Mobility SA (LEM) on 13 December 2021, with operations commencing on 1 January 2022.

Similarly, Leclanché SBS SA (SBS) was incorporated on 25 September 2023 following the spin-off of the Speciality Business Unit from LECLANCHE SA.

The 2023 financial statements of Leclanché SA include results up to 31 July 2023 for the SBS unit, after that date the results include only the activities of all subsidiaries, joint ventures, and associates listed in the table above.

As of 2024, the financial statements of Leclanché SA exclude the results of both LEM and SBS.

3.2 Significant Events Of The Period

a) Pinnacle due diligence

A major milestone in Leclanché's growth journey was achieved in 2024 with the signing of a transformative Framework Partnership Agreement with Pinnacle International Capital. Announced on 23 July 2024, this strategic agreement lays the foundation for a long-term partnership aimed at securing significant expansion funding to support Leclanché's ambitious industrial roadmap.

The agreement outlines the establishment of a joint venture to develop and operate two large-scale lithium-ion battery production facilities—each with a planned capacity of 2 GWh—one in Germany and the other in the Middle East. Pinnacle has committed to funding the joint venture with an investment of up to kCHF 360'000. In return, Leclanché will contribute key assets and expertise in kind, securing a 50% equity stake in the joint venture. Additionally, Pinnacle has been granted an option to acquire up to a 30% stake in Leclanché through a separate agreement with SEF-Lux, representing a potential further investment of up to kCHF 240'000.

This agreement was initially subject to a due diligence and engineering review process, which formally commenced on 22 July 2024. Following extensive analysis and validation, the partnership reached a critical turning point on 6 February 2025, when a condition precedent (CP) confirmation was issued, officially making the agreement binding.

The partnership with Pinnacle represents a game-changing opportunity for Leclanché. It not only provides the capital required to execute our industrial scale-up but also brings on board an investor aligned with our long-term vision.

b) Debt into Equity conversion

On 10 July 2024, SEF-LUX, Golden Partner Holding Co. Sàrl and Golden Partner SA converted into equity the equivalent amount of kCHF 84'670 due under the following loans and outstanding interests , for details see Note 5.9 Share capital

As part of the conversion of debt into equity, 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.

c) Change in Key Management and Board Leadership

During the financial year, the Group undertook important leadership transitions to support its continued growth and strategic direction.

As of October 2024, Hubert Angleys succeeded Pasquale Foglia as Group Chief Financial Officer (CFO).

Additionally, there was a change in the Chairmanship of the Board of Directors. Lex Bentner was appointed as President of the Board, succeeding Alexander Rhea during the Extraordinary General Meeting held on 12 January 2024.

d) Subordination of the loans

In 2024, to strengthen the Company's financial position, the majority shareholder provided several loans (refer to Notes 5.6 Assets Used To Secure Own Liabilities And Assets Under Reservation Of Ownership and 5.11 Loans). As of 31 December 2024, existing liabilities totaling kCHF 33'700, along with kCHF 1'300 in accrued interest, were fully subordinated. For further details refer to the Note 4.12 a) Uncertainties and ability to continue as a going concern.

4. Accounting Principles Applied In The Preparation Of The Financial Statements

4.1 Basis Of Preparation

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO,). LECLANCHE SA renounced to prepare additional information in the Notes to the financial statements and a cash flow statement as the entity prepares consolidated financial statements in accordance with a recognised financial reporting standard.

4.2 Loans And Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Carrying amount is after consideration of an allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired.

4.3 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the FIFO (First In First Out) method. The cost of work in progress and manufactured finished goods comprises direct production costs and an appropriate proportion of production overheads and factory depreciation. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Furthermore, inventories which are no longer part of production and sales plans are directly written off from the gross value of inventories. A valuation adjustment is booked for slow-moving and obsolete inventory.

4.4 Recognition Of Revenue

Revenue includes the fair value from the sale of goods and services, net of value-added tax, rebates, discounts and sales commissions and after eliminating sales within the Group.

Revenue consists of sales of goods and services produced in the course of the Group's core business.

The Group applies revenue recognition method according to which a promised good or service will have to be recognised separately as revenue if it is "discrete", i.e. if both of the following conditions are met:

i. The services are distinct in nature: the customer can benefit from the good or service in isolation or in combination with other readily available resources,

ii. The benefits are contractually distinct: the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

For each identified performance obligation, the entity determines at the inception of the contract whether the performance obligation is satisfied:

i. Ongoing: revenue is recognised using the percentage of completion method,

ii. At a specific date: revenue is recognised on completion.

A performance obligation is satisfied on an ongoing basis if it meets at least one of the following three criteria:

i. The customer receives the benefits of the service as the entity fulfils its performance obligation,

ii. The customer receives control of the asset as the entity builds it,

iii. The asset has no alternative use and the entity has an enforceable right to payment for the value of the work performed to date at any time (dual condition), If none of these criteria are met, the performance obligation is considered to be satisfied at a given date.

In the case of long-term services to be performed over different periods, where the performance obligation must be recognised using the percentage of completion method, the Group applies the percentage of completion method. Revenue is determined by applying the ratio of "costs incurred for work performed to date to total estimated contract costs" to total contract revenue.

Any probable loss on completion is recognised immediately in operating income for the period. Work in progress on long-term contracts is recognised at selling price and does not include administrative or selling expenses.

Work in progress is recognised in the balance sheet either under "Trade and other receivables" if positive (invoice to be issued) or under "Other liabilities" if negative (deferred income). It is calculated based on the performance obligation by applying the percentage of completion to the total sales forecast in the contract, less invoices issued to the customer at the balance sheet date. The financial percentage of completion corresponds to the ratio between the costs incurred for work performed up to the balance sheet date and the estimated total contract costs.

a) Sale of goods

Sale of goods is recognised when control of the goods are transferred to the customer and collection of the related receivables is highly probable. Sale of goods may include delivery of batteries, rechargeable batteries, systems for electrical storage device and some accessories.

b) Projects

Projects consists in the delivery and installation of an energy storage solution. LECLANCHE SA applies the Input method for measuring progress over time for projects.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the measurement of progress of the transaction at the end of the reporting period. Under this method, revenue is recognised in the accounting periods in which the services are rendered.

To be able to estimate the outcome of a transaction reliably, the entity must be able to make a reliable estimate of total transaction revenue, the measurement of progress and the costs to complete the transaction. The measurement of progress is determined as the proportion of the transaction costs incurred for services rendered to date compared to the estimated total transaction costs.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by Management.

4.5 Licence Sale

Revenue from licensing arrangements is recognised upon commencement of the term of the license or when the renewal term begins, as applicable. Sales of a licence technology without further sellers' obligation is recognised at a point of time.

4.6 Property, Plant And Equipment

All property, plant and equipment are shown at cost, less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repair and maintenance expenditures are charged to the income statement during the financial period in which they are incurred.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by Management and is calculated on a straight-line basis over the useful life, according to the following schedule:

Property, plant and equipment	Useful life	Method
Buildings and leashold improvements	3 - 10 years	straight-line
Machinery, installations and tools	3 - 10 years	straight-line
Furniture and computers	2 – 5 years	straight-line
Vehicles	5 years	straight-line

4.7 Intangible Assets

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefits. During the period of development, the asset is tested for impairment annually.

4.8 Leased Assets

All leases are classified as operating leases and the rentals payable are expensed on a straight-line basis over the lease term.

4.9 Reserves From Capital Contribution

The reserves from capital contribution consist in the difference between the net proceeds of the share capital increase and the nominal amount, i.e. share premium. The direct costs attributable to a capital increase with a share premium is deducted from accumulated losses.

4.10 Investments In Subsidiaries And Affiliates

Investments in subsidiaries and affiliates are shown at cost, less subsequent impairment. Cost includes expenditure that is directly attributable to the acquisition of the subsidiary.

4.11 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

4.12 Critical Accounting Estimates And Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. Management also needs to exercise judgement in applying the new Group's accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Uncertainties and ability to continue as a going concern

Leclanché's ongoing commitment to growth and innovation continues to drive market success and lay the groundwork for future opportunities. The Company's Board of Directors (the "Board") remains confident in Leclanché's potential to create long-term shareholder value and deliver sustained growth.

In 2024, Leclanché continued to invest in research and development while building its order book. These ongoing efforts are reflected in recurring operating losses. As a result, the Company was overindebted as of 31 December 2024 and continues to face limited access to liquidity.

On 25 June 2025, SEF-Lux provided a comfort letter (the "Comfort Letter") confirming its intention, under certain conditions, to fund up to kCHF 40'000 in tranches between 30 May and 31 August 2025, based on the funding requirements determined by the Board.

The Company also implemented financial restructuring measures, including a debt-to-equity conversion through an increase in conditional share capital of KCHF 25'409, as approved by the Board of Directors on 10 June 2025. In the comfort letter mention above, SEF-Lux committed to convert the first tranches of additional funding in a total amount of kCHF 17’700 into equity as an ordinary capital increase during 2025 AGM. To support the Company’s financial position, existing liabilities as of 31 December 2024 were subordinated in the amount of kCHF 35’077.

In parallel, Leclanché continues to actively collaborate with Pinnacle International Venture Capital (“Pinnacle”) to finalize the long-term funding agreement initially announced on 27 June 2024. This agreement was formalized through the signing of a framework agreement (the “Framework Agreement”) on 16 July 2024 and a Side Letter on 6 February 2025. These documents make Pinnacle’s investment binding and establish the structure for a joint venture, through which Pinnacle is expected to invest up to kCHF 360’000 to finance the construction of a gigafactory in Germany, adjacent to Leclanché’s existing facility in Willstätt, for the production of cells, modules, and packs. The portion of Pinnacle’s investment not allocated to capital expenditures will support the Company’s working capital until it reaches cash flow breakeven.

As per the Framework Agreement, Pinnacle is currently conducting an engineering review, expected to be completed by 8 August 2025. Subject to the satisfactory outcome of this review, the Company anticipates accessing Pinnacle’s funding in October or November 2025.

Additionally, the Company has received a term sheet for a kCHF 65’000 share subscription facility. This facility would be drawn in tranches of kCHF 5’000, with the provider agreeing to fund up to kCHF 17’500 without trading volume constraints. If approved by 30 June 2025, this would give Leclanché access to kCHF 5’000 in July, kCHF 5’000 in August, and kCHF 7’500 in September.

The Board is confident that, based on the Comfort Letter, the share subscription facility proposal, and the significant progress made with Pinnacle since the Side Letter was signed, the Group will be able to meet all of its obligations for at least the next twelve months. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

However, if some of the funding options mentioned above do not materialize, it may be required to implement contingency measures such as extending payables, reducing costs, or scaling back its business plan until adequate liquidity is secured. There is no assurance that such measures would be successful. The availability of sufficient additional financing, particularly in the form of equity or subordinated debt to comply with Swiss minimum equity requirements, is therefore critical to the Group’s ability to continue as a going concern. These circumstances indicate the existence of material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern.

b) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, Management must estimate the expected cash flows from the asset and choose a suitable discount rate. The realisation of the projects is a key assumption of the impairment testing performed.

c) Revenue recognition for projects

Revenue arising from the provision of services in projects is recognised by reference to measurement of progress of the transaction at the end of the reporting period. This method requires that the entity be able to make a reliable estimate of total transaction revenue, the measurement of progress and the costs to complete the transaction. Under the input method for measuring progress over time, contract revenue is recognised as revenue in the income statement in the accounting periods in which the work is performed. See Note 5.10

The input method for measuring progress overtime involves:

- Estimating the outcome of the contract reliably;
- Determining the revenue and costs attributable to the stage of completion of the contract; and

- Determining the profit attributable to the stage of completion.

LECLANCHE SA determines the measurement of progress through measuring the costs incurred for work performed to date compared to the total estimated costs.

5. Details, Analyses And Explanations To The Financial Statement

5.1 Inventories

kCHF	31/12/2024	30/12/2023
Raw materials	4,083	1,523
Provision for inventories	-4,083	-1,523
Total	**-**	**-**

5.2 Intangible Assets

kCHF	31/12/2024	30/12/2023
Gross value	8,682	8,682
Accumulated amortisation	-8,682	-8,497
Net value	**-**	**185**

5.3 Financial Assets

kCHF	31/12/2024	31/12/2023
Loans and equity investment to LEM	131,820	89,341
Impairment on Intercompany loans LEM	-107,371	-
Subtotal on Financial assets to LEM	**24,449**	**89,341**
Loans and equity investment to other group companies	463	1,187
Impairment on Intercompany loans to other group companies	-351	-34,800
Subtotal on Financial assets to other group companies	**112**	**-33,613**
Loans to external parties	9,742	8,875
Impairement on loand to external parties	-9,336	-7,210
Subtotal on Financial assets to external parties	**406**	**1,665**
Other financial assets	1,076	1,079
Total (non-current) financial assets	**26,042**	**58,472**
Total (current) financial assets	**189**	**369**
Total financial assets	**26,231**	**58,841**

5.4 Other Financial Assets - Warranties In Favour Of Third Parties

The amount of warranties in favour of third parties is kCHF 1’076 (2023: kCHF 1’079) mainly relating to new guarantee for the rent of the headquarters building (kCHF 711) and other bank warranties. They are included in the balance sheet under “Financial assets”.

5.5 Pension Liabilities

On 31 December 2024, the liability to the pension scheme amounted to kCHF 41 (2023: kCHF 0).

5.6 Assets Used To Secure Own Liabilities And Assets Under Reservation Of Ownership

As at 31 December 2024 the SEF-Lux convertible and not convertible loans, included in “Short-term interest-bearing liabilities due to shareholders” and “Long-term interest-bearing liabilities due to shareholders” for kCHF 33’730 (2023: kCHF 56’438) (SEF-Lux convertible loans and SEF-Lux non-convertible loans) are secured by:

(i) the same security package that secured the Oakridge Convertible Loan and the Recharge Convertible Loan (albeit on amended terms), namely an assignment of rights for security purposes of all our present and future receivables, claims from intra-group loans and bank accounts claims and a first ranking pledge over our registered patents and patent applications filed and trademarks,

(ii) securities granted by Leclanché GmbH (i.e., a global assignment agreement, a security transfer agreement and an account pledge agreement),

(iii) a first ranking share pledge agreement over the shares of Leclanché GmbH,

(iv) a first ranking pledge over all Account Balances, all Intercompany Receivables and all Trade Receivables and

(v) new assets to be acquired by the Company with the funds made available under Convertible Loan.

The Convertible Loan provides for the following obligations, among others, which in case of breach would trigger an event of default:

(i) a negative pledge pursuant to which neither the Company nor any of the Group companies shall be permitted to grant, create or permit to subsist any security, including personal security such as surety and guarantees and any security over any of the present or future assets, except for certain permitted securities as specified in the ACE Convertible Loan;

(ii) neither the Company nor any of the Group companies shall be permitted to incur any financial indebtedness other than kCHF 500 in the aggregate;

(iii) neither the Company nor any of the Group companies shall be permitted to make loans or permit to subsist any credit to any third party, including shareholders, Board members and employees of the Group, except for loans to third parties of up to kCHF 100 in the aggregate;

(iv) neither the Company nor any of the Group companies shall be permitted to, directly or indirectly, enter into any transaction, inter alia, to purchase or acquire any properties, assets, shares, securities, to enter into a merger, de-merger or a transfer of assets and liabilities or similar transactions with third parties or to enter into, invest in or acquire any shares, securities or other interests in any joint venture entity, except for capital expenditures in the ordinary course of business;

(v) neither the Company nor any of the Group companies shall, directly or indirectly, sell, transfer, lease or otherwise dispose of any of its properties or assets that is not provided for in the 2015 Operating Plan unless the aggregate fair market value of all properties and assets subject to disposal does not exceed kCHF 500;

(vi) neither the Company nor any of the Group companies make material changes to the accounting principles, except if required by law, by IFRS or by the guidelines and regulations of the SIX Stock Exchange; and

(vii) neither the Company nor any of the Group companies make changes to its legal structure of the legal structure of the Group if such change could result in a material adverse change.

5.7 Shares Held By Management, Administrative Bodies And Employees

Number of Options at y-e		31/12/2024				
Excom	**Entity**	**CSO 2018**	**CSO 2019**	**ERA (2021) (plan 1.01)**	**CSO 2022 (plan 1.02)**	**Total Plan**
Pierre Blanc	LSA	100,000	200,000	275,000	168,423	743,423
Phil Broad	LEM	-	100,000	275,000	158,243	533,243
Hubert Angleys	LSA	-	-	275,000	-	275,000
Pasquale Foglia	LEM	-	-	-	-	-
		100,000	**300,000**	**825,000**	**326,666**	**1,551,666**
Number of Options at y-e (ALL Ees, excl. ExCom)						
Employees	LSA	15,000	30,000	110,000	214,164	369,164

Number of Options at y-e		31/12/2023				
Excom	**Entity**	**CSO 2018**	**CSO 2019**	**ERA (2021) (plan 1.01)**	**CSO 2022 (plan 1.02)**	**Total Plan**
Pierre Blanc	LSA	100,000	200,000	550,000	-	850,000
Phil Broad	LEM	-	100,000	550,000	-	650,000
Hubert Angleys	LSA	-	-	-	-	-
Pasquale Foglia	LEM	-	-	330,000	-	330,000
		100,000	**300,000**	**1,430,000**	**-**	**1,830,000**
Number of Options at y-e (ALL Ees, excl. ExCom)						
Employees	LSA					390,000

The options were granted free of charge. Each option entitles the holder to acquire from the Company one share against payment in cash of the exercise price. The granted options forfeit if, prior to the end of the restriction period, (i) the holder terminates the employment contract other than for valid reasons, retirement at normal retirement age as may be agreed between the option holder and the Group, death or disability, or (ii) the Group terminates the employment contract for valid reason. Except under certain circumstances (e.g. tender offer or death), the options are not transferable.

- CSO 2018: Grant date: 3 December 2018; exercise price: 1.50; exercise period: 3 December 2018 - 3 December 2025.
- CSO 2019: Grant date: 20 September 2019; exercise price: 1.259; exercise period: 20 September2019 - 20 September 2026.
- ERA 2021 (plan 1.01): Grant date: 17 September 2021; exercise price : 0.10 ; exercise period : 17 September 2021 – 16 September 2031.
- CSO 2022 (plan 1.02): Grant date: 31 December 2024; exercise price : 0.10 ; exercise period : 31 December 2024 – 31 December 2034.

- CSO 2023 (plan 1.03) (1) : Grant date: 1 January 2025; exercise price : 0.10 ; exercise period : 1 January 2025 – 31 December 2032.

- CSO 2024 (plan 1.04): Grant date: 1 January 2025; exercise price : 0.10 ; exercise period : 1 January 2025 – 31 December 2034.

1) CSO 2023 : Correction to the Stock Option 2023 attribution: 1) the number of options granted (from 1'430'000 to NIL); 2) grant date from 01/12/2023 to 01/01/2025; 3) vesting period from the spread over 4 years to vesting immediately; 4) expiration date from 01/12/2026 to 01/12/2032.

Mr Stephane Muller who has been a member of the Board of Directors until 30 September 2022 owns 8,090 LECN shares on his own.

5.8 Commitments

The lease commitments for LECLANCHE SA are kCHF 23'431 (2023: kCHF 454).

The commitments are based on:

- A lease contract for the lease of a Copernic building and parking places in Yverdon-les-Bains, Switzerland. The lease commenced on 1 March 2021 for a period of 15 years (ending 2036).

- The lease was recognised in the LEM subsidiary until the 31 December 2024 for kCHF 454. From 1 January 2025 onwards the lease liability is to be recognised in LECLANCHE SA accounts (kCHF 23'431), according to contract.

- Parking spaces near the Copernic office building in Yverdon-les-Bains,

- Car leasing contracts ended during 2023.

In 2023 the lease commitments related to lease of a Copernic building.

5.9 Share Capital

During the last two financial years, the following changes in the share capital of the Company have occurred:

a) On 26 June 2023, SEF-LUX, Golden Partner SA, Golden Partner Holding Co. Sàrl, converted into equity the equivalent amount of kCHF 66'685 of due loans and outstanding interests. As part of the conversion of debt into equity, the Company issued 141'299'859 new registered shares. The capital increase was registered in the Commercial Register of the Canton of Vaud on 29 June 2023.

b) On 10 July 2024, SEF-LUX, Golden Partner Holding Co. Sàrl and Golden Partner SA converted into equity the equivalent amount of kCHF 84'670 due under the following loans and outstanding interests:

    - AM Investment SCA SICAV-FIS – Illiquid Assets Sub-Fund: kCHF 8'700 under various loan agreements with the Company dated 26 July 2023 and 19 August 2023 and related interests up to 31 May 2024 for kCHF 1'079;

    - Golden Partner Holding Co. Sàrl: kCHF 1'571 under a loan agreement with the Company dated 22 March 2024 and related interests up to 31 May 2024 for kCHF 43;

    - Strategic Equity Fund SCA SICAV RAIF - Renewable Energy: kCHF 67'200 under various loan agreements with the Company dated 07 February 2023, 14 March 2023, 22 March 2023, 21 April 2023, 30 May 2023, 13 July 2023, 17 July 2023, 06 September 2023, 23 October 2023, 22

November 2023, 21 December 2023, 22 January 2024, 21 February 2024, 23 March 2024, 30 April 2024 and 21 May 2024 and related interests up to 31 May 2024 for kCHF 5'620;

- Golden Partner SA: kCHF 457 representing some claim (arrangement fees).

As part of the conversion of debt into equity, the Company issued 187,685,789 new registered shares, resulting in an increase in share capital of CHF 18,768,579. The capital increase was formally registered in the Commercial Register of the Canton of Vaud on 10 July 2024. In accordance with applicable Swiss tax regulations, the share premium of CHF 65,901,446.40—representing the portion of equity exceeding the nominal value—was directly offset against the Company's accumulated losses. This treatment was required to meet the conditions for obtaining an exemption from the 1% Swiss stamp duty. The decision and approval of the debt into equity conversion as well as the appropriation of 2024 LSA losses was made during the General Assembly on 27 June 2024.

	Share capital	Reserves from capital contribution	Other reserves	Accumulated losses	Total
	kCHF	kCHF	kCHF	kCHF	kCHF
Balance at 1 January 2023	44,481	30,378	-26,944	-112,198	-64,282
Loss for the year	-	-	-	-9,926	-9,926
Cancellation of Other Reserves (debt conversion Nov22) against accumulated losses (AGM 26 Jun 2023)	-	-30,378	-	30,378	-
Transaction cost reversal (prior years)	-	552	-	-	552
Capital increase by debt conversion (26 Jun 2023)	14,130	52,555	-	-	66,685
Cancellation of Other Reserves (debt conversion Jun23) against Accumulated Losses	-	-53,107	-	53,107	-
Balance at 31 December 2023	**58,611**	**-**	**-26,944**	**-38,639**	**-6,971**
Balance at 1 January 2024	58,611	-	-26,944	-38,639	-6,971
Loss for the year	-	-	-	-101,524	-101,524
Cancellation of Other Reserves (debt conversion Jun 2023) against accumulated losses (10 Jul 2024)	-	-	-	-	-
Capital increase by debt conversion (10 Jul 2024)	18,769	65,901	-	-	84,670
Cancellation of Other Reserves (debt conversion Jul24) against Accumulated Losses	-	-65,901	-	65,901	-
Balance at 31 December 2024	**77,380**	**-**	**-26,944**	**-74,261**	**-23,825**

5.10 Significant Shareholders

As per share register:

	%	31/12/2024	%	31/12/2023
		Unit		Unit
SEF-LUX (registered shares)	64.4%	498,079,136	80.0%	468,780,705
Sum of all other shareholders below 5 %	35.6%	275,721,422	20.0%	117,334,064
Total shares issued	100.0%	**773,800,558**	100.0%	**586,114,769**

5.11 Subordinated Loans

As of 31 December 2024, a total of 11 loans had been granted by SEF RE between June and December 2024, in addition to a loan originally issued by SYF in May 2023, which was partially reassigned to SEF RE in August 2024. All of these loans were subordinated, comprising kCHF 33’730 in drawn loan amounts and kCHF 1’347 in accrued interest recognized under accrued expenses and deferred income, amounting to a total of kCHF 35’077.

5.12 Sales of goods and services

kCHF	2024	2023
Projects (Over Time)	2,882	2,640
Sales of goods & services (Point in Time)	347	576
Total revenue	**3,229**	**3,216**
Other intercompany service revenue	2,457	3,855
Total income	**5,686**	**7,072**

5.13 Other Operating Expenses

kCHF	31/12/2024	31/12/2023
Rental and storage costs	-2,772	-2,845
Intercompany reinvoicing	-2,749	-4,057
Finance and Legal costs	-2,806	-2,475
Miscellaneous	-642	-796
Manufacturing costs	-392	-347
Commissions on financing	-307	-135
Insurances	-200	-185
Building facilities	-186	-180
Travel costs	-159	-241
Administration costs	-155	-131
Transport, packaging and custom duties	-116	-303
IP and IT costs	-57	-44
Sales & marketing costs	-22	-61
Sundry duties and capital taxes	-6	-46
Consulting costs	23	-192
Total	**-10,546**	**-12,038**

Loss on doubtful debtors for 2024 of kCHF 273 (2023: kCHF 400) has been classified as deduction to sales of projects.

5.14 Impairment On Financial Assets

During the year ended 31 December 2024, LECLANCHE SA provided funding to E-Mobility with amounting to kCHF 42’479 (2023: 41’862). The Management assessed the recoverability of the outstanding balance and decided to impaire the debt via a mechanism of debt waiver for a total amount of kCHF 77’423. In 2023 a part of the provision for the amount kCHF 1’700 was reversed from the previous year 2022 annual closing.

In 2024, LECLANCHE SA fully wrote down its investment in Leclanché (Saint Kitts) Energy Holdings, recognizing an impairment of kCHF 10’307. This decision was based on uncertainties regarding the timing and value of the potential recovery of this investment.

Management also conducted an impairment review of its financial assets. As a result, loans and investments related to the Maple Leaf project which had already been impaired in 2019, led to a foreign exchange loss of kCHF 928 in 2024 (2023: FX gain of kCHF 404).

For other investments in subsidiaries and associates, along with their related loans, an additional impairment expense of kCHF 2’126 was recognised (2023: impairment reversal of kCHF 404, as mentioned above).

kCHF	31/12/2024	31/12/2023
Impairment on loan to group companies:	**-87,730**	**-**
- Leclanché E-Mobility	-77,423	
- Leclanché St Kitts:		
Leclanché St Kitts Energy Holdings	-7,818	-
Leclanché Solec/St-Kitts	-2,489	-
	-10,307	
Impairment / (Reversal) on investments in subsidiaries:	**-**	**1,700**
- Leclanché E-Mobility	-	1,700
Impairment on other investments:	**-**	**-**
- Maple Leaf	-	-
Impairment on other loans:	**-2,126**	**404**
- Maple Leaf	-928	404
- USGEM	-1,000	
- SGEM	-197	
Total Impairment / (Reversal)	**-89,856**	**2,104**

5.15 Financial Income

kCHF	31/12/2024	31/12/2023
Interests	408	554
Realised and unrealised exchange gain	1,466	1,800
Total	**1,874**	**2,353**

5.16 Financial Expenses

kCHF	31/12/2024	31/12/2023
Bank charges	-7	-17
Interests & fees	-5,679	-6,278
Realised and unrealised exchange loss	-1,025	-2,572
Total	**-6,711**	**-8,867**

5.17 Extraordinary Results Out Of Period

Detail Extraordinary Income out of period

kCHF	31/12/2024	31/12/2023
Other borrowing prior year adjustment	827	-
Supplier prior year write off	536	-
Advance to suppliers adjustment	395	368
SBS carve out adjustments	381	-
VAT prior years adjustment	223	-
Journals correction	214	-
Customer reimbursement prior year	29	-
Insurance reimbursement prior year	21	-
Reveral of Impairment of St Kitts	-	8,136
Reversal of unrealised exchange gain	-	568
Reversed prov for pot litigations Deltro-Groupe	-	334
Reversal of provision for LNA services	-	319
Eneris interests adjustment	-	157
Reversal of Griffin Group Guarantee	-	14
Total	**2,627**	**9,896**

Detail Extraordinary Expenses out of period

kCHF	31/12/2024	31/12/2023
SBS carve out adjustments	-364	-140
Social charges	-25	-
VAT prior years adjustment	-	-966
Journals correction	-	-20
Canadian VAT prior year adjustment	-	-1,178
Invoices reclass	-	-279
Foreign exchange adjustment	-	-185
Reversal of bank guarantees	-	-202
Stamp Duty on capital increase on 17.11.2022	-	-110
Capital tax 2021	-	-25
Credit cards adjustemnt	-	-1
Total	**-389**	**-3,107**

5.18 Full Time Equivalent

The number of full-time equivalents did not exceed 250 on an annual average basis.

5.19 Equal Pay For Men And Women

LECLANCHE SA conducted the equal pay analysis according to the Equal Pay Act (LEg) using the "L&M-ABA-R" test procedure for the reference month of May 2025. Landolt & Mächler Consultants AG has confirmed that LECLANCHE SA complies with the principle of equal pay for work of equal value within the limits of the Federal Act on public markets (LMP) and the Equal Pay Act (LEg).

In accordance with Art. 13d of the Equal Pay Act, LECLANCHE SA still needs to have this equal pay analysis verified by an accredited auditing company and currently in the process of being audited.

5.20 Subsequent Events Occurring After The Balance Sheet Date

a) On 3 February 2025, the Group has received an additional financing of kEUR 1’500 from Golden Partner Holding CO Sàrl, following the convertible loan agreement signed between the parties on 31 January 2025.

b) On 7 February 2025, Leclanché announced that Pinnacle International Capital Limited has completed the legal, financial and technical due diligence of the Leclanché Group to its satisfaction, thereby fulfilling a key condition on the way to the implementation of the strategic partnership.

c) On 7 February 2025, the Group has received an additional financing of kEUR 500 from Golden Partner Holding CO Sàrl, following the convertible loan agreement signed between the parties on 5 February 2025.

d) On 28 February 2025, the Group has received an additional financing of kCHF 8’060 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties on 28 February 2025.

e) On 25 March 2025, Strategic Equity Fund – Renewable Energy Sub-Fund and Strategic Yield Fund converted into equity the equivalent amount of kCHF 23’519 due under various loans and outstanding interests. Further to this conversion, certain share pledges have fallen away. As part of the conversion, the Company issued 235’193’379 new registered shares. The capital increase was not yet registered in the Commercial Register of the Canton of Vaud as at the date of this report.

f) On 28 March 2025, the Group has received an additional financing of kCHF 4’700 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties on 28 March 2025.

g) On 1 April 2025, the Court of Appeal of Luxembourg rejected the Company’s appeal against the District Court’s decision, which had ordered Leclanché to repay the loan of EUR 5,000 plus interest to Eneris Cleantech SA prior to its contractual maturity. A payment summons is expected imminently, requiring the Company to settle the loan within two to three weeks.

h) On 24 April 2025, Golden Partner Holding Co. Sàrl converted into equity the equivalent amount of kCHF 1’890 due under various loans and outstanding interests. Further to this conversion, certain share pledges have fallen away. As part of the conversion, the Company issued 14'964'959 new registered shares. The capital increase was not yet registered in the Commercial Register of the Canton of Vaud as at the date of this report.

i) On 29 April 2025, the Group has received an additional financing of kCHF 4’600 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties on 29 April 2025.

j) On 30 May 2025, the Group has received an additional financing of kCHF 3’800 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties on 30 May 2025.

k) On 12 June 2025, the Group has received an additional financing of kCHF 5’900 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties on 12 June 2025. This claims to be confirmed by the next shareholder’s meeting

l) On 25 June 2025, LECLANCHE SA, SEF-Lux and Pure Capital its Alternative Investment Fund Manager signed a comfort letter in which SEF-Lux commits to provide a bridge loan in an amount of up to kCHF 40’000 paid in different monthly instalments until 31 August 2025. The kCHF 3’800 and kCHF 5’900 mentioned above are included in the kCHF 40’000.

m) On 30 June 2025, the Group has received an additional financing of kCHF 7’370 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties. This amount represents the third instalment of the committed kCHF 40’000.

n) On 1 July 2025, the Group expects to receive an additional financing of kCHF 630 from Strategic Equity Fund – Renewable Energy Sub-Fund, following the convertible loan agreement signed between the parties. This amount represents the third instalment of the committed kCHF 40’000.

o) A debt waiver of kCHF 115’000 was executed at Leclanché E-Mobility SA to restore positive equity as of both December 31, 2024, and May 31, 2025. Similarly, a waiver of kCHF 4’500 was carried out at Leclanché SBS SA to ensure positive equity on the same dates.

LECLANCHE SA

VIII REPORT OF THE STATUTORY AUDITOR

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LECLANCHE SA
Yverdon-les-Bains

Report of the Statutory Auditor
to the General Meeting
on the financial statements
for the year ended 31 December 2024

Report of the statutory auditor to the General Meeting of LECLANCHE SA, Yverdon-les-Bains

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LECLANCHE SA (the Company), which comprise the balance sheet as at 31 December 2024, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (page 141 to 160) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw your attention to note 4.12 to the financial statements, which states that the company is facing challenges to finance the growth plan and therefore continues to face limited access to liquidity. This, along with other matters as described in note 4.12, indicates the existence of a material uncertainty which may cast significant doubt about the ability of the company to continue as a going concern. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the "Material uncertainty related to going concern" section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue recognition for "projects"

Areas of focus

Revenues resulting from "projects" (see note 5.12) amounted to KCHF 2 882, representing 50 % of total revenues for the year end 31 December 2024. There are two critical judgements made by management relating to these revenues 1) the assessment of whether project contracts comprise one or multiple performance obligations and 2) whether the method and estimates used in the measurement of progress calculations and provisions for expected losses are appropriate.

Performance obligations (see note 4.4)

Management analysed the related revenue guidance to determine if the individual promises in project contracts meet the definition of distinct goods or services and concluded that the contracts include one performance obligation: delivery of an energy storage solution. Management has assessed that the criteria required to conclude that performance obligations are satisfied or have been met.

Measurement of revenue recognition over time (see note 4.4)

The input method based on costs for measuring progress over time for projects has been used. This process involves a certain degree of estimation and judgement notably concerning the provision for expected losses, as explained in note 4.12, "critical accounting estimates and judgements".

Our audit response

We obtained an understanding of the nature of the projects delivered by the Group through enquiries with management.

We reviewed the accounting policies for project revenue and evaluated whether they are compliant with the Swiss Code of Obligation and appropriate based on our understanding of the nature of the Group's business.

We obtained a detailed analysis of the projects and verified its mathematical accuracy. We assessed the detailed analysis in light of our understanding of the business, discussions with management and review of the minutes of the Board of Directors.

For a sample of projects, we performed the following:

- We agreed project aspects to signed contracts and details.
- In relation to the cost of materials we verified on a sample basis the accuracy and the allocation of costs to the project.
- We discussed and assessed with the project managers and finance managers the stage of completion of the work and the future costs and accruals until completion of the project.
- We agreed revenue and expenses recognised for the year as well as amounts due to and from customers to the financial statements.
- We assessed the need to recognise provisions for expected losses based on enquiries with management and our understanding of the contract.

Based on our procedures, we deemed the judgements made by management to be reasonable and management's accounting approach for the project's revenue to be appropriate.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss auditing Standard 890, we noted that an internal control system which has been designed in accordance with the instructions of the Board of Directors for the preparation of the financial statements is adequately documented but has not been implemented in all material respects for the financial reporting process.

In our opinion, except for the matter described in the preceding paragraph, an internal control system exists which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

Furthermore, we draw attention to the fact that the financial statements of LECLANCHE SA disclose an excess of liabilities over assets in accordance with article 725 b CO. Due to the fact that the company took financial cure measures including two debt-to-equity conversions. The first one of KCHF 25,409 approved by the Board of Directors on 10 June 2025 and a second one of KCHF 17,700 to be confirmed by the coming shareholder's meeting (see note 4.12), the Board of Directors has refrained from notifying the court.

Additionally, we draw your attention to the fact that the Annual General Meeting for the financial statements for the year ended 31 December 2024, has not been held within six months following the balance sheet date, contrary to article 699 paragraph 2 of the Swiss Code of Obligations.

Forvis Mazars SA

Michael Ackermann Licensed audit expert (Auditor in charge)	Issam Kacem Licensed audit expert

Lausanne, 30 June 2025

Attachments:

iv. Financial statement (balance sheet, income statement and notes)

CONTACTS AND DISCLAIMER

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LECLANCHE SA shares are listed on the SIX Swiss Exchange, Zurich (ISIN code: CH0110303119).

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

Disclaimer

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