Leclanché

Energy Storage Solutions

Leclanché Group

2021 Semi-Annual Report

Leclanché SA
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Interim condensed consolidated financial statements 2021

Condensed consolidated income statements for the period ended 30 June 2021 and 2020 (unaudited)

	Notes	30.06.2021	30.06.2020
		kCHF	kCHF
Revenue from contracts with customers	8 / 9.1	14'199	9'981
Other income	9.2	991	697
Total income		**15'190**	**10'678**
Raw materials and consumables used		-12'104	-11'490
Personnel costs	9.3	-17'544	-16'848
Other operating expenses	9.4	-6'675	-9'172
Net impairment losses on financial and contract assets		-219	-770
Depreciation, amortisation and impairment expenses		-2'991	-2'695
Operating Loss		**-24'343**	**-30'297**
Finance costs	9.5	-7'559	-6'887
Finance income		607	167
Share of net loss of associates accounted for using the equity method		-265	-342
Loss before tax for the period		**-31'560**	**-37'359**
Income tax		-191	-27
Loss for the period of the Group		**-31'751**	**-37'387**
Earnings per share (CHF)			
- basic	21	-0.11	-0.24
- diluted	21	-0.11	-0.24

Condensed consolidated statements of comprehensive income for the period ended 30 June 2021 and 2020 (unaudited)

	30.06.2021	30.06.2020
	kCHF	kCHF
Loss for the period	-31'751	-37'387
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	3'699	-328
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	55	-192
Other comprehensive income/(loss) for the period	3'754	-521
Total comprehensive loss for the period	-27'996	-37'907

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

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Condensed consolidated balance sheets of 30 June 2021 (unaudited) and 31 December 2020 (audited)

	Notes	30.06.2021	31.12.2020
		kCHF	kCHF
ASSETS			
Non-current assets			
Property, plant and equipment		20'936	17'722
Right-of-use assets		16'464	7'634
Intangible assets		5'920	5'377
Financial assets	10	4'241	4'031
Trade and other receivables	11	2'018	3'334
Investments accounted for using the equity method	10	3'371	3'636
TOTAL NON-CURRENT ASSETS		52'950	41'734
Current assets			
Inventories		15'676	14'269
Trade and other receivables	11	14'047	7'799
Advance to suppliers		5'052	3'908
Contract assets		3'509	3'752
Cash and cash equivalents		7'353	1'772
TOTAL CURRENT ASSETS		45'636	31'501
TOTAL ASSETS		98'586	73'234
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	12	29'968	26'007
Share premium		29'695	55'458
Reserve for share-based payment	13	2'182	2'329
Other reserves		4'975	4'975
Translation reserve		-4'401	-4'456
Equity component of warrants and convertible loans	14	894	894
Remeasurements of post-employment benefit obligations		-9'142	-12'842
Accumulated losses		-70'069	-93'884
TOTAL EQUITY		-15'899	-21'518
Non-current liabilities			
Provisions		1'273	819
Defined benefit pension liability		2'825	6'185
Convertible Loans	14	23'085	-
Loans	15	25'411	9'057
Lease liabilities		14'365	5'840
TOTAL NON-CURRENT LIABILITIES		66'958	21'900
Current liabilities			
Provisions		5'850	7'710
Convertible Loans	14	-	3'164
Loans	15	289	27'177
Lease liabilities		2'299	1'950
Trade and other payables	17	32'183	23'369
Contract liabilities		6'905	9'482
TOTAL CURRENT LIABILITIES		47'527	72'851
TOTAL LIABILITIES		114'485	94'752
TOTAL EQUITY AND LIABILITIES		98'586	73'234

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

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Condensed consolidated statement of changes in equity for the period ended 30 June 2021 (unaudited)

	Attributable to equity holders of the parent								
	Issued share capital	Share premium (1)	Reserve for share-based payment	Other reserves	Equity component of convertible loans and warrants	Translation reserve	Remeasure-ments of post-employment benefit obligations	Accumulated losses	Total
	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF	kCHF
Balance at 1 January 2020	15'382	16'587	3'316	4'975	640	-4'343	-17'884	-31'398	-12'725
Loss for the period	-	-	-	-	-	-	-	-37'387	-37'387
Other comprehensive income:									
Remeasurements of post employment benefit obligations	-	-	-	-	-	-	-328	-	-328
Currency translation differences	-	-	-	-	-	-192	-	-	-192
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**-192**	**-328**	**-37'387**	**-37'907**
Reserve for share-based payment	-	-	282	-	-	-	-	-	282
Other adjustment	-	-	-	-	-	19	-	-19	-
Capital increase by loan conversion Yorkville	479	2'188	-	-	-	-	-	-188	2'479
Equity component of warrants	-	-	-	-	185	-	-	-	185
Balance at 30 June 2020	**15'860**	**18'775**	**3'598**	**4'975**	**826**	**-4'516**	**-18'212**	**-68'992**	**-47'686**
Balance at 1 January 2021	26'007	55'458	2'329	4'975	894	-4'456	-12'842	-93'884	-21'518
Loss for the period	-	-	-	-	-	-	-	-31'751	-31'751
Other comprehensive income:									
Remeasurements of post employment benefit obligations	-	-	-	-	-	-	3'699	-	3'699
Currency translation differences	-	-	-	-	-	55	-	-	55
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**55**	**3'699**	**-31'751**	**-27'996**
Cancellation of share premium and other reserves against accumulated losses	-	-55'165	-	-	-	-	-	55'165	-
Reserve for share-based payment	-	-	-147	-	-	-	-	276	129
Capital increase by loan conversion - 30.03.2021	3'961	29'401	-	-	-	-	-	125	33'487
Balance at 30 June 2021	**29'968**	**29'695**	**2'182**	**4'975**	**894**	**-4'401**	**-9'142**	**-70'069**	**-15'899**

(1) Transaction costs are accounted for as a deduction of Share premium in 2021 for 421 KCHF (Semester 1 2020: 27 KCHF)

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

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Condensed consolidated statement of cash flows for the period ended 30 June 2021 and 2020 (unaudited)

	30.06.2021	30.06.2020
	kCHF	kCHF
Operating activities		
Loss for the period of the Group	-31'751	-37'387
Non cash adjustments:		
Depreciation and impairment of property, plant and equipment and right-of-use assets	2'496	2'358
Amortisation and impairment of intangible assets	487	311
Net impairment losses on financial and contract assets	219	770
Result on scrapping of fixed assets	2	56
Non-realised foreign exchange differences	355	763
Non-cash employee benefit expenses - share based payment	129	282
Non-cash employee benefit expenses - pension	340	373
Adjustment on associates	265	342
Finance costs	7'349	6'720
Working capital adjustments:		
(In)/Decrease in trade and other receivables	-2'708	-675
(In)/Decrease in contract assets	243	-1'071
(In)/Decrease in advances to suppliers	-1'144	5
(In)/Decrease in inventories	-1'407	-4'358
In/(Decrease) in contract liabilities	-2'576	4'771
In/(Decrease) in trade and other payables	1'259	4'438
In/(Decrease) in provisions	-1'407	1'112
Income taxes paid	-241	-
Interest paid	-125	-1'656
Net cash used in operating activities	**-28'215**	**-22'843**
Investing activities		
Payment for property, plant and equipment	-2'539	-3'797
Investment in financial assets	-516	881
Investment in associates	-	-1'964
Payment for intangible assets	-1'028	-44
Net cash used in investing activities	**-4'083**	**-4'924**
Financing activities		
Proceeds from convertible loans	26'845	26'813
Transaction costs on conversion of loan into capital	-421	-27
Proceeds from non convertible loans	12'472	10'659
Principal elements of lease payments	-930	-926
Repayment of loans	-68	-593
Net cash from financing activities	**37'898**	**35'926**
Increase / (Decrease) in cash and cash equivalent	**5'600**	**8'159**
Cash and cash equivalent at 1 January	1'772	1'529
Cash and cash equivalent at 31 December	7'353	9'747
Effect of exchange rate changes	19	-59
Variation	**5'600**	**8'159**

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

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Notes to the consolidated financial statements

1. CORPORATE INFORMATION

Group structure

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

As of 30 June 2021, Leclanché S.A.'s subsidiaries and associates are:

	Registered offices	**Country**	**Currency**	**Share capital (LOC)**	**Ownership interest**
Leclanché GmbH	Willstätt	Germany	EUR	270'600.00	100%
Leclanché Service GmbH	Willstätt	Germany	EUR	25'000.00	100%
Leclanché UK Ltd	London	England	GBP	100.00	100%
Leclanché North America Inc.	Wilmington, Delaware	USA	USD	0.01	100%
Leclanché Canada Inc.	Victoria, British Colombia	Canada	CAD	0.00	100%
Leclanché France SASU (1)	Versailles	France	EUR	2'500	100%
Leclanché Norway AS (2)	Oslo	Norway	NOK	30'000	100%
Exide Leclanché Energy Private Limited (ELEPL) - Nexcharge (3)	Ahmedabad, Gujarat	India	INR	1'476'416'530	17.29%
Solec Power Ltd	Basseterre	Saint Kitts and Nevis	USD	100.00	50%

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

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

(3) Exide Leclanché Energy Private Limited (ELEPL) - Nexcharge was incorporated on 29 September 2018. The ownership interest of Leclanché SA was 17.29% as of 30 June 2021 (19.85% as of 31 December 2020).

(4) Solec Power Ltd was incorporated on 29 March 2019. The interest ownership of Leclanché is 50% at the end of June 2021 (50% at the end of 2020).

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

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

2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2021 is prepared in accordance with IAS 34, "**Interim financial reporting**." The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with IFRS.

3. ACCOUNTING POLICIES

The accounting policies applied by the Group in this interim condensed financial information are consistent with those applied in the consolidated financial statements as of and for the year ended 31 December 2020 except as described below.

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

The following new standards, amendments to standards and interpretations are mandatory for the financial year beginning on 1 January 2021:

There were no new standards mandatory for the financial year beginning on 1 January 2021, impacting the Group.

There are only a limited number of amendments to the accounting standards that become applicable from 1 January 2021. These amendments have no impact on the Group.

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

The Group has not early adopted any other new standards, interpretations to existing standards and standards amendments which need adoption by 1 January 2022 or later. The Group has commenced, but not yet completed, an assessment of the impact of the adoption of these new or amended standards on its consolidated financial statements. The relevant standards and amendments identified by the Group to date are disclosed in the annual financial statements for the year ended 31 December 2020.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

In preparing these interim condensed consolidated financial statements, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020, except for the uncertainties and ability to continue as a going concern (see below).

5. UNCERTAINTIES AND ABILITY TO CONTINUE AS A GOING CONCERN

On 24 March 2021, the Group signed a Facilitation Agreement with Golden Partner, advisor to SEFAM[1]. Under this agreement, amongst other, SEFAM agreed to provide Leclanché in 2021 with an aggregate financing of around kCHF 57'600 in the form of several loan facilities and to convert up to a minimum of kCHF 30'000 of these

[1] SEFAM means : AM INVESTMENT SCA, SICAV-SIF - Illiquid Assets Sub-Fund and AM INVESTMENT SCA, SICAV-SIF – R&D Sub-Fund , together with STRATEGIC EQUITY FUND - Renewable Energy Sub-Fund, STRATEGIC EQUITY FUND - Multi Asset Strategy Sub-Fund, STRATEGY EQUITY FUND – E Money Strategies Sub-Fund (also called Energy Storage Invest) and, all these funds being in aggregate the main shareholder of Leclanché, hereunder referred to as "SEFAM" (Crestbridge Management Company being the beneficial owner as per the reporting platform of SIX Regulation AG's Disclosure Office). Date of publication of most recent notification: 20 January 2021.

loans into equity. As of 27 September 2021, the Group has drawn down kCHF 48’585 out of the kCHF 57’600 committed and is working in close collaboration with Golden Partner as financial advisor to SEFAM to address the technical issues that may prevent the latter from providing the remaining funding.

On 20 May 2021, AM Investment S.C.A. SICAV - FIS - R&D Sub-Fund granted a financing of kCHF 11’721 to Leclanché, under a construction loan agreement signed on the same day to finance the construction of the St Kitts and Nevis Stationary project. On 25 June 2021, this loan has been terminated and replaced by a kCHF 21’943 loan (kUSD 24’000) to the Group. The kCHF 21’943 is included in the kCHF 57’600 committed amount mentioned above and in the kCHF 48’585 drawn down as of 27 September 2021.

Although Leclanché’s 2020 and 2021 performance confirms that the Group is still in a ramp-up mode typical of a high growth scale-up Group, the technology leadership, industrial capacity ramp-up and commercial developments are endorsing the strategic decisions that have been made by the Board of Directors since 2016. The Group has received interest from new strategic investors over the past six months in the fast growing e-Transport and energy storage system markets.

The Group is evaluating different funding options and is currently in active discussions with various investors, including Golden Partner and SEFAM with an objective to raise significant additional funds in the coming months. This funding seeks to support Leclanché’s Growth Plan and is essential for the continued operations in late 2021 and beyond.

Subject to a successful conclusion of the funding efforts, especially for the fourth quarter of 2021, and the continuing availability of sufficient equity, the Board of Directors believes that the Group will be able to meet all of its obligations for at least the next twelve months as they fall due, and the consolidated financial statements have therefore been prepared on a going concern basis.

However, despite the recent commercial and funding successes, there remain significant execution risks over the turnaround and Growth Plan of the Group, which may cast significant doubts on the Group’s ability to continue as a going concern.

6. FINANCIAL RISK MANAGEMENT

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

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as of 31 December 2020.

There have been no changes in the risk management or in any risk management policies since 31 December 2020.

7. SEASONALITY OF OPERATIONS

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

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8. SEGMENT INFORMATION

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

The operating business is organised in 3 segments:

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

The segment information for the reportable segment is as follows:

in kCHF	e-Transport Business Unit		Stationary Business Unit		Specialty Business Unit		Corporate Costs		**Total**	
	30.06.2021	**30.06.2020**	**30.06.2021**	**30.06.2020**	**30.06.2021**	**30.06.2020**	**30.06.2021**	**30.06.2020**	**30.06.2021**	**30.06.2020**
Timing of revenue recognition:										
At a point in time	*-*	*-*	*358*	*-*	*1'309*	*2'112*	*5*	*-*	*1'673*	*2'112*
Over time	*7'528*	*6'570*	*4'997*	*1'301*		*-*	*-*		*12'525*	*7'870*
Revenue from contracts with customers	7'528	6'570	5'356	1'301	1'309	2'112	5	-	14'199	9'981
EBITDA	-12'341	-8'851	-2'271	-6'252	-272	-1'223	-5'801	-10'495	-20'685	-26'832
EBIT	-14'602	-9'573	-3'208	-8'616	-416	-1'318	-6'117	-10'878	-24'343	-30'386

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

Reconciling items	**30.06.2021**	**30.06.2020**
	kCHF	kCHF
EBITDA reportable segment	**-14'883**	**-16'336**
Corporate costs	-5'801	-10'495
Depreciation, amortisation and impairment expenses	-3'658	-3'465
Finance revenue	607	167
Finance costs	-7'559	-6'887
Share of net loss of associates accounted for using the equity method	-265	-342
Income tax	-191	-27
Loss for the period	**-31'751**	**-37'387**

9. REVENUES AND EXPENSES

9.1 REVENUE FROM CONTRACT WITH CUSTOMERS

The Group has the following types of revenues:

Revenue	**30.06.2021**	**30.06.2020**
	kCHF	kCHF
Projects	12'525	7'870
Sales of goods & services	1'673	2'112
	14'199	**9'981**
At a point in time	1'673	2'112
over time	12'525	7'870
	14'199	**9'981**

In the first six months of 2021, the Group realised 58.1% of its revenue with three e-Transport business unit customers and one Stationary business unit customer. Comparatively, in the first six months of 2020, the Group realised 59.3% of its revenue with two e-Transport business unit customers.

9.2 OTHER INCOME

Other income encompasses mainly Covid-19 loans granted in Switzerland with interest below market rate for kCHF 490 and subsidies granted for the finalisation of the e-ferry project (kCHF 275).

9.3 PERSONNEL COSTS

	30.06.2021	**30.06.2020**
	kCHF	kCHF
Salaries	14'597	13'618
Social charges	1'869	1'707
Recognised expense for stock option plans	129	565
Pension costs (defined benefit plan)	949	959
	17'544	**16'848**

9.4 OTHER OPERATING EXPENSES

	30.06.2021	**30.06.2020**
	kCHF	kCHF
Consulting & IP costs	1'308	2'419
Legal costs	742	1'889
Rental and storage costs	147	166
Building utilities	733	642
Travel costs	350	538
IT costs	318	415
Manufacturing costs	431	313
Sales & marketing costs	206	84
Transport and packaging	966	1'119
Administration costs	244	311
Sundry duties and capital taxes	162	381
Insurances	267	392
Commissions on financing	37	-63
Miscellaneous	764	566
	6'675	**9'172**

9.5 FINANCE COSTS

	30.06.2021	30.06.2020
	kCHF	kCHF
Finance costs - convertible loans	1'159	2'857
Finance costs - loans	647	347
Finance costs - leasing	108	24
Finance fees	5'604	3'022
Realised and unrealised exchange losses	-	42
Bank charges	41	596
	7'559	**6'887**

10. FINANCIAL ASSETS

	30.06.2021	31.12.2020
	kCHF	kCHF
Restricted cash at bank	3'009	2'969
Other deposits	1'232	1'062
Total financial assets	**4'241**	**4'031**
investment in associate Nexcharge	3'371	3'636
investments accounted for using the equity method	**3'371**	**3'636**

(a) Financial assets

Restricted cash at bank corresponds to performance guarantees on current projects under construction, a letter of credit for the construction of a new formation line at Leclanché GmbH in Willstätt, Germany and a guarantee for the Covid-19 loan provided by Banque Cantonale Vaudoise ("**BCV**").

Other deposits correspond mainly to various guarantees for rent and a bank guarantee for kCHF 660 related to the Covid-19 loan, corresponding to the portion of the loan not covered by the Swiss government.

(b) Investments accounted for using the equity method

Investments accounted for using the equity method, relate to an equity investment in the associate Exide Leclanché Energy Private Limited (ELEPL) - Nexcharge at 17.29% (30 June 2020: 25.01%). As this Indian associate is a private entity, there is no quoted price available.

11. TRADE AND OTHER RECEIVABLES

	30.06.2021	31.12.2020
	kCHF	kCHF
Short-term		
Trade receivables - gross	*8'180*	*5'481*
Loss allowance	*-207*	*-656*
Trade receivables, net of provision for impairment	7'973	4'825
Loans - gross	*1'182*	*1'118*
Short-term loans	1'182	1'118
Other receivables	4'892	1'857
Total trade and other receivables - short term	**14'047**	**7'799**
Long-term		
Trade receivables - gross	*445*	*1'731*
Trade receivables, net of provision for impairment - long term	445	1'731
Loans - gross	*10'916*	*10'187*
Loss allowance	*-9'344*	*-8'584*
long-term loans	1'573	1'603
Total trade and other receivables - long term	**2'018**	**3'334**
Total trade and other receivables	**16'065**	**11'133**

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

As of 30 June 2021, Leclanché loan of kCHF 9’344 (2020: kCHF 8’584) against Maple Leaf to finance the IESO project is fully impaired due to the low profitability of the project/site and the lack of visibility on the sale of the project.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. As of 30 June 2021, this resulted in an allowance of kCHF -448 (2020: kCHF 656).

12. SHARE CAPITAL

As of 30 June 2021, the share capital amounts to CHF 29’967’882.90, consisting of 299’678’829 issued and fully paid-in registered shares with a nominal value of CHF 0.10.

Number of Shares	30.06.2021	31.12.2020
	Unit	Unit
Ordinary shares, nominal value CHF 0.10	299'678'829	260'069'479

13. SHARE BASED PAYMENTS

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

As of 30 June 2021, the 3’545’000 outstanding options of this CSO Plan, represent an expense of kCHF 129 during the first semester 2021 (355’000 options being forfeited for kCHF 276). The related reserve for share-based payment amounts to kCHF 2’182.

14. CONVERTIBLE LOANS AND WARRANTS

A) Convertible loans

Right of first refusal loan (“**SEFAM ROFO Agreement**”)
On 16 March 2018, Leclanché SA and SEFAM signed a certain financing agreement not included in the aforementioned Funding Agreement, which granted SEFAM a right of first refusal facility of up to kCHF 50’000 (the "**SEFAM 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”**) 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, host liability and embedded derivative amounting to kCHF 9’845 remain outstanding.

On 8 January 2020, KCHF 2’000 were drawn down under the SEFAM ROFO Agreement. On 16 September 2020, the remaining amount of kCHF 11’500 under the ROFO has been fully converted into equity.

2019 Working Capital Line (“**2019 WCL**”)
On 26 March 2019, Leclanché SA and Golden Partner related parties (“**GP related parties**”) signed a Facilitation Agreement (“**2019 Facilitation Agreement**”). Amongst others, Golden Partner agreed to provide Leclanché with a CHF 35 million non-convertible loan (the "**2019 Working Capital Line**"), with a 31 December 2021 maturity. On 3 April 2019, a Request for Binding Commitment was signed by the parties confirming that the 2019 Working Capital Line (“**2019 WCL**”) carries a coupon of 8% per annum. On 9 April 2019, an Addendum to Request for Binding Commitment was signed by the parties stating that under a Third-Party Agreement a third-party investor (including SEFAM but not the GP related parties) has the option to convert the portion of the 2019 Working Capital Line invested into shares with a conversion at 85% of the prevailing 60-day VWAP, always provided that the conversion price shall have a floor at the par value per share. On 5 June 2019, a Third-Party Agreement was signed between the Company and SEFAM.

On 24 October 2019, the shareholders approved at the EGM the proposed ordinary capital increase in the form of a Debt-to-Equity-Conversion as part of a financial restructuring plan. With the implementation of the Debt-to-Equity-Conversion, the 2019 WCL was converted for an amount of kCHF 17’280.

As of 31 December 2019, the Company has fully drawn down the 2019 WCL under the 2019 Facilitation Agreement for kCHF 35’000, host liability and embedded derivative amounting to kCHF 17’038 remain outstanding.

On 16 September 2020, the totality of the principal (kCHF 17’600) has been converted into equity.

2020 Working Capital Line (“**2020 WCL**”)
On 23 December 2019, Leclanché SA, Golden Partner (Shanghai) Asset Management Co. Ltd and Golden Partner SA (“**GP**”) have signed a Facilitation Agreement (“**2020 Facilitation Agreement**”). Amongst others, Golden Partner agreed to advise SEFAM and any other party to provide Leclanché with a CHF 25 million convertible loan (the "**2020 Working Capital Line**") until 31 March 2020, with a 31 December 2021 maturity. The 2020 WCL carries a coupon of 8% per annum and is convertible at the option of the holder into shares with a conversion at 85% of the prevailing 60-day VWAP, always provided that the conversion price shall have a floor at the par value per share.

In 2019 the Company has drawn kCHF 3’852 under the 2020 Facility agreement. As of 31 December 2019, host liability and embedded derivative amounting to kCHF 3’577 remain outstanding.

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 has been converted into equity under the 2020 WCL.

On 30 March 2021, the outstanding host liability and embedded derivative amount of kCHF 3’164 has been converted. Consequently, the totality of the convertible loan has been converted into equity.

SEFAM loans

On 30 March 2017, a bridge loan of kCHF 2’704 (kEUR 2’500) was granted by SEFAM (“**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 SEFAM 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 Leclanché and AM Investment to extend the maturity of the loan to 31 December 2021. As of 30 June 2021, interests for kCHF 253 remain outstanding under the EUR Bridge Loan Agreement.

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 has 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 has been signed between Leclanché and AM Investment to extend the maturity to 31 December 2021. As of 30 June 2021, interests for kCHF 218 remain outstanding under the CHF 3 million Bridge Loan.

On 23 April 2019, a bridge loan in the amount of kCHF 1’270 was granted by SEFAM 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 Leclanché and AM Investment to extend the maturity of this loan to 31 December 2021. As of 30 June 2021, interests for kCHF 186 remain outstanding under the CHF 1.270 million Bridge Loan.

On 12 March 2021, a Conversion Agreement has been signed between SEFAM and the Company making the three above loans convertible. These three loans have been fully converted on 30 March 2021.

e-Transport Bridge Loan

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

The Company has then received the last three instalments for a total of kCHF 10’500, and on 28 April 2021, AM Investment SCA SICAV-SIF – Illiquid Assets Sub-Fund has undertaken to convert this remaining amount into equity. This conversion has been approved by the Annual General Meeting (“**AGM**”) of shareholders on 30 June 2021 and has been implemented through an ordinary capital increase on 9 September 2021.

Trading Finance Loan 2021

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

The Company has received the totality of the loan for kCHF 10'700, and on 28 April 2021, GP Holding has undertaken to convert this amount into equity. This conversion has been approved by the AGM of shareholders on 30 June 2021 and has been implemented through an ordinary capital increase on 9 September 2021.

Nice & Green Share Purchase Program ("**SPP**") – GP Geneva

The SPP between GP, SEFAM and Nice & Green has been setup to provide liquidity to the Company in the form of a loan provided by GP Geneva and SEFAM. The SPP will also allow GP Geneva and SEFAM to reduce their stake in the Company's share capital and is intended to protect the share price and improve the liquidity of the Company's share in the interest of the Parties and all shareholders. GP Geneva and SEFAM undertook to ensure that the aggregate loan amount to be received by the Company in 2021 from GP Geneva and SEFAM under such arrangement shall not be less than kCHF 32'900.

On 18 February 2021, GP Geneva and the Company have signed a loan agreement, the "**GP-LSA Loan Agreement Nice & Green Proceeds**", regarding the grant of a loan in an amount of 80% of the net proceeds from the sale of certain Company shares held by the Lender and in an amount of no less than kCHF 32'900.

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.

On 28 April 2021, GP Geneva has undertaken to convert the amounts already drawn down into equity. This conversion has been approved by the AGM of shareholders on 30 June 2021 and has been implemented through an ordinary capital increase on 9 September 2021.

At the end of June 2021, kCHF 2'145 has been received under the GP-LSA Loan Agreement Nice & Green Proceeds.

Securities

All SEFAM convertible loans above and SEFAM loans presented below in section "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.

Yorkville convertible loan

On 14 February 2020, the Company signed an 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, providing for an unsecured US dollars convertible loan facility with a maximum ceiling of kCHF 39'000 (the "**Yorkville Facility Agreement**")

In 2020, the Company has drawn down a total of kCHF 4'617 in three tranches. The three drawdowns have been fully converted into shares during the 2020 fiscal year. As of 31 December 2020, there is no outstanding amount under the Yorkville convertible loan.

As of 30 June 2021, the composition of the convertible loans is as follows:

	30.06.2021	31.12.2020
	kCHF	kCHF
Host liability- non-current liabilities	18'968	-
Embedded derivatives	4'117	-
Convertible loans - non-current liabilties	23'085	-
Host liability - current liabilities	-	2'604
Embedded derivatives	-	560
Convertible loans - current liabilities	-	3'164
Value of Convertible Loans at the end of the period	**23'085**	**3'164**

As of 30 June 2021, all convertible loans are carrying a 31 December 2022 or beyond maturity date and have been included in non-current liabilities.

(B) Warrants

Talisman warrants

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

- The Series A Warrants were fully exercised from 2015 to 2017.
- The Series B Warrants have not been exercised and are exercisable into fully paid up registered shares of the Company at an exercise price of CHF 4.50 per share. The Series B Warrants may be exercised at any time until 15 October 2023. The number of shares to be issued upon exercise of the Series B Warrants, is dependent upon the development of the share price. The formula for the number of shares (N) to be issued upon exercise of Series B Warrants (W) is: N = W 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 2020 and 2019. As of 31 December 2020, there were 0 (2019: 0) outstanding and unexercised Series A Warrants and 594’876 (2019: 594’876) outstanding and unexercised Series B Warrants.

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

Yorkville Warrant Agreement

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

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

15. LOANS

	30.06.2021	31.12.2020
	kCHF	kCHF
Current loans	289	27'177
Non-current loans	25'411	9'057
	25'700	36'234

Eneris loan

On 21 May 2020, the Company and Eneris have, amongst other, entered into a Euro denominated loan agreement (“**Eneris LA**”), under which Eneris committed to provide Leclanché with a 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 was intended to be secured, thus benefiting from the security package of the same rank (pari passu) as that granted to secure certain debts to SEFAM. Eneris' obligation to timely fund the subsequent instalments is conditional upon fulfilment of certain conditions precedent, amongst others: (i) adhesion of Eneris to the security package, or (ii) perfection of the technology escrow, as per art. 3.4 of the Eneris Technology License Agreement. Until the end of June 2021, Eneris provided Leclanché only the first of four tranches.

As of 30 June 2021, principal of kCHF 5’484 and interests of kCHF 270 remain outstanding under the Eneris LA.

Covid-19 loans
As part of the financing support provided by the Swiss Confederation to mitigate the effects of the Covid-19 virus, the Company has received a loan of kCHF 500 on 3 April 2020 from Banque Nationale Suisse ("**BNS**") through BCV. This loan has a maturity date extended to 30 September 2027 and bears no interest.

Additionally, on 11 June 2020, the Company signed a loan agreement with BCV for an amount of kCHF 4,400. This government-backed financing aims at supporting companies' cash flow in these difficult times. The loan has an extended term to 30 September 2027 with a capital repayment from 31 March 2022 (kCHF 191 per quarter) and an average annual coupon of 0.7%.

Leclanché North America was granted a loan (Paycheck Protection Program Promissory Note) on 30 April 2020 for a total amount of kCHF 425. The interest rate is 1% with a maturity of two years from the disbursement date. At the end of December 2020, a US law (the Covid-related Tax Relief Act of 2020) was passed confirming the forgiveness of this loan.

Nice & Green Share Purchase Program ("**SPP**") – AM Invest
The SPP between GP, SEFAM and Nice & Green has been setup to provide liquidity to the Company in the form of a loan provided by GP Geneva and SEFAM. The SPP will also allow GP Geneva and SEFAM to reduce their stake in the Company's share capital and is intended to protect the share price and improve the liquidity of the Company's share in the interest of the Parties and all shareholders. GP Geneva and SEFAM undertakes to ensure that the aggregate loan amount to be received by the Company in 2021 from GP Geneva and SEFAM under such arrangement shall not be less than kCHF 32'900.

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.

At the end of June 2021, kCHF 751 has been received under the AM-LSA Loan Agreement Nice & Green Proceeds.

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

On 25 June 2021, this loan has been terminated and replaced by a loan established in USD for an equivalent of kCHF 21'943 with a maturity term at 25 June 2041 and with annual interests rate at 7%. As of 30 June 2021, the amount drawn down was kCHF 11'721.

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

As per contract, the repayment of the loan has started in June 2021.

Leclanché
Energy Storage Solutions

16. NET DEBT RECONCILIATION

	30.06.2021	30.06.2020
	kCHF	kCHF
Cash and cash equivalents	7'353	9'747
Convertible loans - repayable after one year	-23'085	-54'040
Loans - repayable within one year	-289	-100
Loans - repayable after one year	-25'411	-15'886
Lease liabilities -short term	-2'299	-1'796
Lease liabilities - long term	-14'365	-2'312
Net Debt	**-58'097**	**-64'387**
Cash and liquid investments	7'353	9'747
Gross debt - fixed interest rates	-65'449	-74'134
Net Debt	**-58'097**	**-64'387**

	Cash and cash equivalents	Convertible loans	Loans	Lease liabilities	**Total**
	kCHF	kCHF	kCHF	kCHF	**kCHF**
Net Debt as of 1 January 2020	1'529	-31'003	-7'208	-5'033	**-41'717**
Cash inflow	-	-26'813	-10'659	-	**-37'472**
Cash outflow (+) for liabilties, (-) for assets	8'159	543	50	925	**9'677**
Conversion to equity	-	2'219	-	-	**2'219**
Equity component of convertible loans & warrants	-	185	-	-	**185**
Finance costs	-	-874	-347	-24	**-1'245**
Interests paid	-	999	287	24	**1'309**
Interests accrued for		704	-26	-	**678**
Foreign exchange adjustments	59	-	-50	-	**9**
Other non cash movements	-	-	1'967	-	**1'967**
Net Debt as of 30 June 2020	**9'747**	**-54'040**	**-15'986**	**-4'108**	**-64'387**
Net Debt as of 1 January 2021	**1'772**	**-3'164**	**-36'234**	**-7'789**	**-45'415**
Transfer from Loans to Convertible Loans	-	-27'076	27'076	-	**-**
Cash inflow	-	-26'845	-12'472	-	**-39'317**
Cash outflow (+) for liabilties, (-) for assets	5'600	-	68	930	**6'598**
Acquisition - leases	-	-	-	-9'805	**-9'805**
Conversion to equity	-	33'907	-	-	**33'907**
Finance costs	-	-1'833	-647	-108	**-2'588**
Convertible loans issue costs	-	674	-	-	**674**
Interests paid	-	-	18	108	**125**
Interests accrued for	-	1'287	630	-	**1'916**
Foreign exchange adjustments	-19	-35	-73	-	**-127**
Covid-19 subsidies	-	-	234	-	**234**
Other non cash movements	-	-	-4'300	-	**-4'300**
Net Debt as of 30 June 2021	**7'353**	**-23'085**	**-25'700**	**-16'664**	**-58'097**

17. TRADE AND OTHER PAYABLES

	30.06.2021	31.12.2020
	kCHF	kCHF
Trade payables	**10'096**	**10'559**
Other payables:	**22'087**	**12'811**
Accruals	15'924	7'974
Payroll and social charges	6'182	4'835
Other payables	-19	1
	32'183	**23'369**

18. FINANCIAL INSTRUMENTS

Fair values

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

The different levels have been defined as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices);

(c) Level 3: inputs for the asset or liability that are not based on observable market data.

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

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

Embedded derivatives

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

	30.06.2021	31.12.2020
	kCHF	kCHF
At 1 January	560	5'474
Embedded derivatives disposed	-560	-5'474
Embedded derivatives acquired	4'120	560
At 30 June	**4'120**	**560**

Recognised fair value measurement

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

19. COMMITMENTS 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 30 June 2021, the guarantees in issue were kCHF 4'241 (2020: kCHF 4'031).

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

Leclanché signed a purchase order with a supplier in August 2016 to produce 26.1 MWH of modules (“**Lot 3**”). The production of Lot 3 was conditional upon Leclanché raising at least kCHF 25’000 in capital. The supplier initiated legal action to claim damages for a potential loss of margin due to the non-production of Lot 3. At the same time, Leclanché initiated legal action against the supplier for a lack of capacity of the delivered modules. In 2020, by court decision, a settlement was proposed and accepted by the parties, resulting in the payment of kCHF 1’083 by the Group to the supplier. At the end of December 2020, the procedure was completed.

The Group’s principal contingent assets arises from an insurance proceed to receive following the fire incident that occurred in September 2020 at Griffin Tauron project. Discussions with the parties and the insurance company are still ongoing at the date of the publication of the report.

20. RELATED PARTY DISCLOSURES

The following transactions were carried out with related parties.

Key Management compensation

The compensation to key Management is shown below:

	30.06.2021	30.06.2020
	kCHF	kCHF
Salaries and other short-term employee benefits	1'082	1'072
Post-employment benefits	148	148
Share-based payments	88	191
Total	**1'318**	**1'411**

Related parties

Related parties are defined as follows:

- **Golden Partner SA**, is a global investment management group headquartered in Switzerland advising SEFAM. SEFAM is a shareholder of Leclanché SA. SGEM and USGEM are companies fully owned by SEFAM.
- **Marengo**, is the Special Purpose Vehicle (“**SPV**”) created to manage a utility scale generation project in Illinois, USA. This SPV is operated by USGEM.
- **Nexcharge** (Exide Leclanché Energy Private Limited (ELEPL)) is an Indian company created in 2018 by Exide Industries Ltd. and Leclanché SA to build lithium-ion batteries and commercialise energy storage systems for India’s electric vehicle market. As part of the Joint Venture (JV) agreement, Exide Industries has a majority stake of 82.71% (2020: 80.15%) and Leclanché 17.29% (2020: 19.85%).
- **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.
- **Solec Power Ltd** is a Saint Kitts and Nevis company created to manage a utility scale generation project in St Kitts and Nevis. Leclanché SA has a stake of 50% in this company.

Transactions

	30.06.2021	30.06.2020
	kCHF	kCHF
Revenues		
- to USGEM on Marengo project	417	-639
- to Nexcharge	93	-
	510	**-639**
Other operating expenses purchased:		
- from Golden Partner	29	29
	29	**29**
Finance costs		
- from Golden Partner & SEFAM	6'794	6'311
	6'794	**6'311**
Finance income		
- to USGEM / SGEM	21	22
- to Solec Power Ltd	18	-
	40	**22**

Year-end balances

	30.06.2021	31.12.2020
	kCHF	kCHF
Included in current and non-current assets:		
- short term loan from Solec Power Ltd	984	882
- long term loan from Marengo	902	845
- long term loan from SGEM	176	172
- receivable from Marengo	1'027	1'370
- receivable from Nexcharge	-	65
- receivable from SGEM	360	360
- investment in associate Nexcharge	3'371	3'636
	6'819	**7'331**
Included in current and non-current liabilities:		
- bridge loans due to SEFAM	13'163	7'615
- loans & fees due to Golden Partner	7'074	-
- other loans due to SEFAM	16'768	6'446
- trade and other payables due to Golden Partner	411	383
- trade and other payables due to Silveron	319	319
	37'735	**14'762**

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

21. EARNING PER SHARE

	30.06.2021	30.06.2020
	kCHF	kCHF
Net loss attributable to ordinary equity holders of the parent	-31'751	-37'387

	30.06.2021	30.06.2020
Weighted average number of ordinary shares in issue	279'089'479	154'830'195

	30.06.2021	30.06.2020
Earnings per share	CHF	CHF
- basic	-0.11	-0.24
- diluted	-0.11	-0.24

Basic profit per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period.
The diluted profit per share is equivalent to the basic profit per share, as there are no dilutive elements to be taken into consideration.

22. IMPACT OF COVID-19

On 11 March 2020, the World Health Organization designated a new coronavirus disease (Covid-19) as a global pandemic. In response, governments around the world have implemented various public health and social measures to slow the transmission of the virus, including stay-at-home or work-from-home orders, closure of non-essential businesses, cancellation of events, and restrictions on domestic and international travel. The outbreak of the Covid-19 pandemic and measures taken by governments to limit its impact have had a significant impact on global markets and, as a consequence, impact on the environment of Leclanché and the Group itself.

The Group has taken a number of measures to minimize the Covid-19 impact by ensuring people safety first (such as physical distancing, the wearing of masks in all areas, work from home policy) while running business continuity. Production has been affected by stringent safety and contingency measures that has generated a decrease in production capacity.

Given the overall decline in demand in various industries as a result of the Covid-19 pandemic, Leclanché has been negatively impacted in its commercial expansion to a varying degree between the Business Units. Management is continuously modelling and assessing the situation to adapt and minimize impacts linked to the Covid-19 pandemic.

The Group has also assessed the consequences of the Covid-19 pandemic on the Consolidated Financial Statements, specifically considering the impacts on key judgements and significant estimates as detailed on note 2 of the 2020 Consolidated Financial Statements of Leclanché Group. The Group will continue to monitor these areas of increased risk for material changes.

23. SUBSEQUENT EVENTS

On 30 June 2021, the shareholders approved at the AGM 2021, as part of a financial restructuring plan, the proposed ordinary capital increase for implementing the kCHF 29’683 Debt-to-Equity-Conversion. With the implementation of the kCHF 29’683 Debt-to-Equity-Conversion, previously existing indebtedness of the Company vis-à-vis certain creditors belonging to SEFAM, GP Holding and GP Geneva has been converted into equity of the Company with effect from 9 September 2021.

On 5 August 2021, to facilitate the Griffin Tauron project reconstruction that suffered a fire incident in September 2020, an advance payment has been received from the insurer for KCHF 500 (refer to Note 19).

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Leclanché S.A. shares are listed on the SIX Swiss Exchange, Zurich (ISIN code: CH0110303119).
https://www.six-group.com/fr/products-services/the-swiss-stock-exchange/market-data/shares/share-explorer/share-details.html?valorId=CH0110303119CHF4#/