

***LION E-Mobility AG,***  
***Zug***

*Financial Statements for the year ended  
31 December 2023 and  
Report of the Statutory Auditor*

## **Report of the Statutory Auditor**

To the General Meeting of  
**LION E-Mobility AG, Zug**

## **Report on the Audit of the Financial Statements**

### *Opinion*

We have audited the financial statements of LION E-Mobility AG (the Company), which comprise the statement of financial position as at 31 December 2023 and the profit and loss account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements 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.

### *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 Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that 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.

Furthermore, we confirm that the proposed offset of losses with other reserves and the carry forward of remaining accumulated losses complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

## **Deloitte AG**

Chris Krämer  
Licensed Audit Expert  
Auditor in Charge

Fabian Hell  
Licensed Audit Expert

Zurich, 23 April 2024  
CK/FH

## Enclosures

- Financial statements (balance sheet, profit and loss account and notes)
- Proposal to offset and carry forward accumulated losses

**LION E-Mobility AG**  
**Balance sheet as at December 31, 2023**

	Notes	2023 EUR	2023 CHF	2022 EUR	2022 CHF
<b>Assets</b>					
Cash and cash equivalents		1'348'594	1'253'788	478'082	470'767
Trade accounts receivable					
Due from subsidiaries		1'592'117	1'480'191	785'734	773'712
Other current receivables					
Due from third parties		9'779	9'091	47'512	46'784
Due from subsidiaries		208'960	194'270	167'919	165'350
Accrued income		24'496	22'774	-	-
<b>Current assets</b>		<b>3'183'946</b>	<b>2'960'114</b>	<b>1'479'247</b>	<b>1'456'614</b>
Financial assets					
Due from subsidiaries		17'531'833	16'299'345	10'207'006	10'050'838
Investments	2	10'946'268	10'176'745	9'946'268	9'794'090
Tangible fixed assets		1	1	1	1
<b>Non-current assets</b>		<b>28'478'101</b>	<b>26'476'091</b>	<b>20'153'274</b>	<b>19'844'929</b>
<b>Assets</b>		<b>31'662'047</b>	<b>29'436'205</b>	<b>21'632'521</b>	<b>21'301'543</b>

**LION E-Mobility AG**  
**Balance sheet as at December 31, 2023**

	Notes	2023 EUR	2023 CHF	2022 EUR	2022 CHF
<b>Liabilities and shareholder' equity</b>					
Trade accounts payable					
Due to third parties		42'226	39'257	12'606	12'413
Short-term interest-bearing liabilities					
Due to subsidiaries		-	-	108'756	107'092
Other short-term liabilities					
Due to third parties		1	1	8'560	8'429
Due to management bodies		30'720	28'560	-	-
Accrued expenses		1'110'180	1'032'135	154'450	152'087
<b>Short-term liabilities</b>		<b>1'183'127</b>	<b>1'099'953</b>	<b>284'372</b>	<b>280'021</b>
Long-term interest-bearing liabilities					
Due to third parties	3	10'000'000	9'297'000	-	-
Due to shareholders	4	6'000'000	5'578'200	6'018'000	5'925'925
Provisions		1'215	1'129	8'481	8'351
<b>Long-term liabilities</b>		<b>16'001'215</b>	<b>14'876'329</b>	<b>6'026'481</b>	<b>5'934'276</b>
<b>Liabilities</b>		<b>17'184'343</b>	<b>15'976'282</b>	<b>6'310'853</b>	<b>6'214'296</b>
Share capital	5 / 6	1'451'492	1'607'142	1'451'492	1'607'142
Legal capital reserves					
Reserves from capital contributions	7	20'355'896	22'378'743	20'423'000	22'444'912
Other capital reserves		314'318	339'969	247'215	273'974
Treasury shares	8	-8'400	-9'848	-58'800	-68'937
Accumulated losses					
Losses brought forward		-6'741'238	-7'389'105	-5'728'259	-6'333'978
Loss for the year		-894'364	-869'054	-1'012'978	-1'017'739
Currency translation adjustment CTA			-2'597'924		-1'818'127
<b>Shareholders' equity</b>		<b>14'477'704</b>	<b>13'459'923</b>	<b>15'321'668</b>	<b>15'087'247</b>
<b>Liabilities and shareholders' equity</b>		<b>31'662'047</b>	<b>29'436'205</b>	<b>21'632'521</b>	<b>21'301'543</b>

**LION E-Mobility AG**  
**Income statement from January 1, 2023 to December 31, 2023**

	Notes	2023 EUR	2023 CHF	2022 EUR	2022 CHF
Revenue		1'114'525	1'082'984	785'734	789'427
<b>Operating income</b>		<b>1'114'525</b>	<b>1'082'984</b>	<b>785'734</b>	<b>789'427</b>
Personnel expenses		-144'775	-140'678	-35'368	-35'535
Rent expenses		-7'775	-7'555	-8'736	-8'777
Property insurances, dues and charges		-9'805	-9'528	-6'777	-6'809
Management consulting fees		-1'056'344	-1'026'450	-1'123'158	-1'128'437
Accounting and audit expenses		-313'113	-304'252	-118'632	-119'189
Tax consulting fees		-68'552	-66'612	-28'000	-28'132
Legal fees		-246'609	-239'630	-122'585	-123'161
Administration expenses		-161'538	-156'966	-173'280	-174'095
<b>Total other operating expenses</b>		<b>-2'008'511</b>	<b>-1'951'671</b>	<b>-1'616'536</b>	<b>-1'624'134</b>
<b>Operating result before depreciation, financial result and taxes</b>		<b>-893'986</b>	<b>-868'687</b>	<b>-830'802</b>	<b>-834'707</b>
Impairment losses on investments		-	-	-189'546	-190'437
Depreciation on tangible fixed assets		-	-	-249	-250
<b>Total impairment losses on investments and depreciation on tangible fixed assets</b>		<b>-</b>	<b>-</b>	<b>-189'795</b>	<b>-190'687</b>
<b>Operating result before financial result and taxes</b>		<b>-893'986</b>	<b>-868'687</b>	<b>-1'020'597</b>	<b>-1'025'394</b>
Financial income		1'350'144	1'311'935	77'876	78'242
Financial expenses		-1'355'785	-1'317'416	-70'258	-70'588
<b>Financial result</b>		<b>-5'641</b>	<b>-5'481</b>	<b>7'618</b>	<b>7'655</b>
<b>Loss before taxes</b>		<b>-899'627</b>	<b>-874'168</b>	<b>-1'012'978</b>	<b>-1'017'739</b>
Direct taxes		5'263	5'114	-	-
<b>Loss for the year</b>		<b>-894'364</b>	<b>-869'054</b>	<b>-1'012'978</b>	<b>-1'017'739</b>

**LION E-Mobility AG**  
**Notes to the financial statements 2023**

**1.1 General aspects**

LION E-Mobility AG, Zug is a company, which has the purpose of holding and financing a group of companies.

These annual financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

As the annual financial statements were newly structured in the reporting year, the prior year figures were respectively adjusted.

**1.2 Treasury shares**

Treasury shares are recognized at acquisition cost and deducted from shareholders equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expense.

**1.3 Share-based payments**

Should treasury shares be used for share-based payment programs for board members and employees of the group companies, the difference between the acquisition costs and any consideration paid by the employees at grant date is recognized as personnel expenses.

**1.4 Foregoing a cash flow statement and additional disclosures in the notes**

As LION E-Mobility AG has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.

**1.5 Foreign currency exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. For translation of the financial statements from the company's functional currency EUR to its presentation currency CHF the following FX-rates were used:

	<b>2023</b>	<b>2022</b>
	EUR/CHF	EUR/CHF
Balance sheet	0.9297	0.9847
Shareholders Equity	historical rate	historical rate
Income statement	0.9717	1.0047

The translation differences are included in CTA (Cumulative Translation Adjustment).

**LION E-Mobility AG**  
**Notes to the financial statements 2023**

**2 Investments**

		Capital		Share in voting and capital rights (in %)	
		2023	2022	2023	2022
<u>Direct investments:</u>					
LION Smart GmbH, Garching (DE)	EUR	129'500	129'500	100	100
LION Smart Production GmbH, Hilburghausen (DE)	EUR	1'025'000 *	25'000	100	100
LION Smart North America Inc., Delaware (US)	USD	50	50	100	100
LION E-Mobility North America Inc., California (US)	USD	249'374	249'374	100	100
Inboard Technology Inc., California (US)	USD	-	-	5	5
ParkHere GmbH, München (DE)	EUR	34'623	34'623	1	1
<u>Indirect investments:</u>					
TÜV SÜD Battery Testing GmbH, Garching (DE)	EUR	50'000	50'000	30	30

\* In the reporting year LION Smart Production GmbH made a capital increase in the amount of EUR 1'000'000.

**3 Long-term interest-bearing liabilities due to third parties**

In the reporting year 2023 the company has requested and received a long-term loan from a bank. The maturity of the loan is 2027 (with the option for extension of the maturity by one year). As part of the loan agreement, all group companies jointly and unconditionally guarantee the loan to the bank.

**4 Long-term interest-bearing liabilities due to shareholders**

The long-term loan to the shareholder is structured as a convertible loan. Under certain conditions, the lender has the right to have part or all of the loan (including accrued and unpaid interest at the time of the request) converted into share capital.

**5 Share capital and capital band**

	Number of shares	Share capital
(Registered shares at a nominal value of CHF 0.13 each)		
Balance as at 1.1.2022	10'032'633	1'304'242
Increase of share capital	2'330'000	302'900
Balance as at 31.12.2022	12'362'633	1'607'142
Balance as at 1.1.2023	12'362'633	1'607'142
Increase of share capital	-	-
Balance as at 31.12.2023	12'362'633	1'607'142

In accordance with the Company's Article of Association, the Board of Directors is entitled to increase the share capital to a maximum of CHF 1'997'142.29 at any time until June 28, 2028 by issuing up to 3'000'000 registered shares with a nominal value of CHF 0.13 each, which are to be fully paid up.

	Number of shares	Share capital
(Capital band at a nominal value of CHF 0.13 each)		
Balance as at 28.6.2023 *	3'000'000	390'000
Increase/decrease of capital band	-	-
Balance as at 31.12.2023	3'000'000	390'000

\* With the revision of the Articles of Association in accordance with the Annual General Meeting on June 28, 2023, the authorised capital was cancelled and a capital band was introduced instead.



**LION E-Mobility AG**  
**Notes to the financial statements 2023**

**6 Conditional share capital**

In accordance with the Company's Articles of Association, the conditional share capital can be increased by a maximum of CHF 101'475.92 by issuing up to 780'584 registered shares with a nominal value of CHF 0.13 each, which are to be fully paid up. The conditional share capital can be issued by exercising rights to subscribe to new shares solely owed to the employees of the company as well as any future subsidiaries, both domestically and abroad.

(Conditional share capital at a nominal value of CHF 0.13 each)	<b>Number of shares</b>	<b>Share capital</b>
Balance as at 1.1.2022	780'584	101'476
Increase/decrease of conditional share capital	-	-
Balance as at 31.12.2022	<u>780'584</u>	<u>101'476</u>
Balance as at 1.1.2023	780'584	101'476
Increase/decrease of conditional share capital	-	-
Balance as at 31.12.2023	<u>780'584</u>	<u>101'476</u>

Additionally, in accordance with the Company's Articles of Association the conditional share capital can be increased by a maximum of CHF 56'121.52 by issuing up to 431'704 registered shares with a nominal value of CHF 0.13 each, which are to be fully paid up. The exercising conversion and/or option rights can be granted in connection with the issue of convertible bonds, bonds with warrants or other financial instruments of the company.

(Conditional share capital at a nominal value of CHF 0.13 each)	<b>Number of shares</b>	<b>Share capital</b>
Balance as at 1.1.2022	431'704	56'122
Increase/decrease of conditional share capital	-	-
Balance as at 31.12.2022	<u>431'704</u>	<u>56'122</u>
Balance as at 1.1.2023	431'704	56'122
Increase/decrease of conditional share capital	-	-
Balance as at 31.12.2023	<u>431'704</u>	<u>56'122</u>

**7 Reserves from capital contributions**

The reserves from capital contributions include the premium from capital increases in the years 2012 to 2022, minus the costs related to the capital increase.

From a fiscal point of view, any distributions made from reserves from capital contributions are treated the same as a repayment of share capital. The Swiss Federal Tax Administration (SFTA) has confirmed that it will recognize disclosed reserves from capital contributions as a capital contribution as per Article 5<sup>1bis</sup> Withholding tax act.

**8 Treasury shares**

(Number of registered shares)	<b>2023</b>	<b>2022</b>
Balance as at 1.1.	10'500	10'500
Acquisition	-	-
Sale	-	-
Allocation to board members	-9'000 *	-
Balance as at 31.12.	<u>1'500</u>	<u>10'500</u>

The purchase and sale prices of treasury shares always corresponded to market prices. The purchase price of the 10,500 treasury shares acquired in the year 2018 was at EUR 5.60 each.

\* Due to an adjustment in the reporting year, the inventory of treasury shares has been adjusted by 9'000 shares. These shares were allocated to the board members and employees in the year 2022 at a sales price of EUR 3.50 each, but have not been recorded in the accounts.

**LION E-Mobility AG**  
**Notes to the financial statements 2023**

**9 Shares for members of the board and Management**

The board members receive shares, which are to be approved by the Annual General Meeting. Further explanations in this respect may be found in the Remuneration Report.

Details of the allocation:	<u>Number of shares</u>		<u>Value (in EUR)</u>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Allocated to members of the Board of Directors	8'000	2'000	30'720	5'100

**10 Full-time equivalents**

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 10.

**11 Subsequent events**

With regard to the share-based remuneration for the reporting year, a conditional capital increase was carried out at the beginning of 2024.

**LION E-Mobility AG**  
**Proposed offset and carry forward of accumulated losses 2023**

	<b>2023</b> EUR	<b>2023</b> CHF	<b>2022</b> EUR	<b>2022</b> CHF
<b>Other capital reserves</b>	<b>314'318</b>	<b>339'969</b>	<b>247'215</b>	<b>273'974</b>
Accumulated losses	-6'741'238	-7'389'105	-5'728'259	-6'333'978
Loss for the year	-894'364	-869'054	-1'012'978	-1'017'739
Currency translation adjustment CTA	-	-2'597'924	-	-1'818'127
<b>Accumulated losses 31.12.</b>	<b>-7'635'602</b>	<b>-10'856'083</b>	<b>-6'741'238</b>	<b>-9'169'844</b>
Offset against Other capital reserves	314'318	339'969	-	-
To carry forward:				
<b>Other capital reserves</b>	<b>-</b>	<b>-</b>	<b>247'215</b>	<b>273'974</b>
<b>Accumulated losses</b>	<b>-7'321'284</b>	<b>-10'516'114</b>	<b>-6'741'238</b>	<b>-9'169'844</b>