

LION E-MOBILITY AG, BAAR

Financial Statements for the year ended
31 December 2022 and Report of the
Statutory Auditor

Report of the Statutory Auditor

To the General Meeting of
LION E-MOBILITY AG, BAAR

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 2022 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.

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, 30 May 2023
CKR/FHE/amo

Enclosures

- Financial statements (balance sheet, profit and loss account and notes)

BALANCE SHEET

LION E-Mobility AG

Lindenstrasse 16, 6340 Baar

| | Note | 2022 | | 2021 | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| | | CHF | EUR | CHF | EUR |
| ASSETS | | | | | |
| Cash and cash equivalents | | 470,767 | 478,082 | 114,905 | 110,896 |
| Account receivables | 2.1 | 773,712 | 785,734 | - | - |
| Other current receivables | 2.2 | 212,135 | 215,431 | 4,209 | 4,062 |
| CURRENT ASSETS | | 1,456,614 | 1,479,247 | 119,114 | 114,958 |
| Financial assets | 2.3 | 10,050,838 | 10,207,006 | 911,407 | 879,609 |
| Participations | 2.4 | 9,794,090 | 9,946,268 | 10,973,227 | 10,110,766 |
| Tangible fixed assets | 2.5 | 1 | 1 | 259 | 250 |
| NON-CURRENT ASSETS | | 19,844,929 | 20,153,274 | 11,884,893 | 10,990,625 |
| TOTAL ASSETS | | 21,301,543 | 21,632,521 | 12,004,007 | 11,105,583 |
| LIABILITIES & SHAREHOLDERS' EQUITY | | | | | |
| Trade payables | | 12,413 | 12,606 | 194,022 | 187,253 |
| <i>towards third parties</i> | | 12,413 | 12,606 | 97,466 | 94,066 |
| <i>towards direct participations</i> | | - | - | 96,556 | 93,187 |
| Current interest bearing liabilities | 2.6 | 107,092 | 108,756 | 448,344 | 432,703 |
| Other current liabilities | 2.7 | 8,429 | 8,560 | 9,105 | 8,787 |
| Accrued expenses | | 152,087 | 154,450 | 207,439 | 200,194 |
| CURRENT LIABILITIES | | 280,021 | 284,372 | 858,910 | 828,937 |
| Non-current interest bearing liabilities | 2.8 | 5,925,925 | 6,018,000 | 448,344 | 432,703 |
| Other non-current liabilities | 2.9 | 8,351 | 8,481 | 9,105 | 8,787 |
| NON-CURRENT LIABILITIES | | 5,934,276 | 6,026,481 | 858,910 | 828,937 |
| TOTAL LIABILITIES | | 6,214,296 | 6,310,853 | 858,910 | 828,937 |
| Share capital | | 1,607,142 | 1,451,492 | 1,304,242 | 1,162,236 |
| Statutory capital reserves | | 22,444,912 | 20,423,000 | 16,429,697 | 14,678,906 |
| Statutory retained earnings | | 273,974 | 247,215 | 248,159 | 222,564 |
| Accumulated losses | | (7,351,717) | (6,741,238) | (6,333,978) | (5,728,260) |
| <i>Loss brought forward</i> | | (6,333,978) | (5,728,259) | (5,477,350) | (4,896,828) |
| <i>Loss for the year</i> | | (1,017,739) | (1,012,978) | (856,628) | (831,432) |
| Own shares as negative items | | (68,937) | (58,800) | (68,937) | (58,800) |
| Currency translation adjustment | | (1,818,127) | - | (434,086) | - |
| SHAREHOLDERS' EQUITY | | 15,087,247 | 15,321,668 | 11,145,097 | 10,276,646 |
| TOTAL LIABILITIES & SHAREHOLDERS' EQUITY | | 21,301,543 | 21,632,521 | 12,004,007 | 11,105,583 |

See notes to the financial statements

PROFIT AND LOSS ACCOUNT
LION E-Mobility AG
 Lindenstrasse 16, 6340 Baar

| | Note | 2022 | | 2021 | |
|--|------|--------------------|--------------------|------------------|------------------|
| | | CHF | EUR | CHF | EUR |
| Revenue | | 789,427 | 785,734 | - | - |
| GROSS PROFIT I | | 789,427 | 785,734 | - | - |
| Staff costs | | (40,262) | (40,073) | (39,997) | (37,000) |
| GROSS PROFIT II | | (40,262) | (40,073) | (39,997) | (37,000) |
| Rental costs | | (8,777) | (8,736) | (8,827) | (8,166) |
| Property insurances, dues and charges | | (6,809) | (6,777) | (7,014) | (6,489) |
| Administration costs | | (1,484,797) | (1,477,851) | (602,667) | (596,503) |
| Other operational costs | | (83,489) | (83,099) | (17,975) | (16,628) |
| Other operational costs | | (1,583,872) | (1,576,463) | (636,483) | (627,786) |
| OPERATING RESULT BEFORE INTERESTS, TAXES, DEPRECIATION AND AMORTISATIONS (EBITDA) | | (834,707) | (830,802) | (676,480) | (664,786) |
| Impairment charge on participations | | (190,437) | (189,546) | (188,357) | (174,241) |
| Depreciation on tangible fixed assets | | (250) | (249) | (541) | (500) |
| Depreciation and valuation adjustments on fixed asset items | | (190,687) | (189,795) | (188,898) | (174,741) |
| OPERATING RESULT BEFORE INTERESTS AND TAXES (EBIT) | | (1,025,394) | (1,020,597) | (865,378) | (839,527) |
| Financial costs | 2.10 | (70,588) | (70,258) | (10,089) | (9,333) |
| Financial income | 2.11 | 78,242 | 77,876 | 19,726 | 18,248 |
| OPERATING RESULT BEFORE TAXES (EBT) | | (1,017,739) | (1,012,978) | (855,741) | (830,612) |
| Direct taxes | | - | - | (887) | (820) |
| Loss for the year | | (1,017,739) | (1,012,978) | (856,628) | (831,432) |

1 Principles of financial reporting

The accounting principles applied preparing these financial statements are in accordance with the provisions of the Swiss accounting law (chapter 32 of the Code of Obligations), in particular with the articles of the Code of Obligations about accounting and financial reporting (article 957 to 962).

When preparing financial statements, the Board of Directors is required to make estimations and assumptions that could affect the reported amounts of assets, liabilities and contingent liabilities at the balance sheet date, as well as income and costs for the reporting period. We have prepared the statutory financial statements in accordance with the accounting principles as set out in Art. 957 to Art. 963b of the Swiss Code of Obligations ("CO"). Since we have prepared our consolidated financial statements in accordance with the Swiss Code of Obligation, a recognized accounting standard, we have, in accordance with the CO, elected to forego presenting the statement of cash flows, the additional disclosures and the management report otherwise required by the Presentation of certain prior year comparatives have been adjusted as required.

The main accounting and valuation principles used, which are not already specified by the Code of Obligations, are described as follows:

Cash and cash equivalents

Cash and cash equivalents include cash holdings and time deposits. They are recorded at their nominal value.

Participations

Participations are valued not higher than the acquisition costs. Upon the existence of specific indicator of an impairment, the carrying values are reassessed and adjusted if necessary.

Foreign-currency translations

All assets and liabilities at year-end, excluding equity balances, are converted to EUR from CHF using the year-end exchange rate of 1 EUR: 0,9847 CHF (2021: 1 EUR: 1,0362 CHF). Equity balances are converted at the historical foreign exchange rate. Transactions in the profit and loss account are converted into the reporting currency using the average exchange rate for the year of 1 EUR: 1,0047 CHF (2021: 1 EUR: 1,0810 CHF).

| 2 Information, breakdowns and explanations relating to items on the balance sheet and profit and loss account | | 2022 | | 2022 | |
|---|--|-------------------|-------------------|-------------------|-------------------|
| | | CHF | EUR | CHF | EUR |
| | Trade receivables from direct participations | 773,712 | 785,734 | 911,407 | 879,609 |
| 2.1 | Trade receivables | 773,712 | 785,734 | 911,407 | 879,609 |
| | Receivables from direct participations | 165,350 | 167,919 | 1,868 | 1,802 |
| | Receivables from tax authorities | 34,607 | 35,145 | 2,341 | 2,260 |
| | Other current receivables from third parties | 12,177 | 12,366 | - | - |
| 2.2 | Other current receivables | 212,135 | 215,431 | 4,209 | 4,062 |
| | Loans receivable from direct participations | 10,050,838 | 10,207,006 | 911,407 | 879,609 |
| 2.3 | Financial assets | 10,050,838 | 10,207,006 | 911,407 | 879,609 |
| 2.4 | Direct Participations | 9,794,090 | 9,946,268 | 10,973,227 | 10,110,766 |
| | Direct Participations | | | | |
| | LION Smart GmbH, DE, Garching | | | | |
| | Share capital: EUR 129,500.- | | | | |
| | Capital share: 100% | | | | |
| | Voting share: 100% | | | | |
| | Book value: | 9,769,422 | 9,921,217 | 10,736,787 | 9,921,217 |
| | Inboard Technology Inc., USA, California | | | | |
| | Share capital: 0.- | | | | |
| | Capital share: 5,04% | | | | |
| | Voting share: 5,04% | | | | |
| | Book value: | 1 | 1 | 1 | 1 |
| | ParkHere GmbH, DE, München | | | | |
| | Share capital: EUR 34,623.- | | | | |
| | Capital share: 1,3% | | | | |
| | Voting share: 1,3% | | | | |
| | Book value: | 1 | 1 | 1 | 1 |
| | LION E-Mobility North America, Inc., USA, NY | | | | |
| | Share capital: USD 249,373.82 | | | | |
| | Capital share: 100% | | | | |
| | Voting share: 100% | | | | |
| | Book value: | 1 | 1 | 236,439 | 189,547 |
| | LION Smart Production GmbH, DE, Jena | | | | |
| | Share capital: EUR 25,000.- | | | | |
| | Capital share: 100% | | | | |
| | Voting share: 100% | | | | |
| | Book value: | 24,618 | 25,000 | 236,439 | 189,547 |
| | LION Smart North America Inc., USA, Delaware | | | | |
| | Share capital: USD 50.- | | | | |
| | Capital share: 100% | | | | |
| | Voting share: 100% | | | | |
| | Book value: | 47 | 48 | 236,439 | 189,547 |
| | Office machines and computer systems | 1 | 1 | 259 | 250 |
| 2.5 | Tangible fixed assets | 1 | 1 | 259 | 250 |
| | Interest bearing liabilities towards direct participations | 107,092 | 108,756 | 448,344 | 432,703 |
| 2.6 | Current interest bearing liabilities | 107,092 | 108,756 | 448,344 | 432,703 |
| | Liabilities towards tax authorities | 8,429 | 8,560 | 9,105 | 8,787 |
| 2.7 | Other current liabilities | 8,429 | 8,560 | 9,105 | 8,787 |

| | | | | | |
|-------------|---|------------------|------------------|-----------------|----------------|
| | Interest bearing liabilities towards shareholders* | 5,925,925 | 6,018,000 | - | - |
| 2.8 | Non-current interest bearing liabilities | 5,925,925 | 6,018,000 | - | - |
| | *At any time the shareholder has the right to request the conversion of the whole or parts of the loan (including accrued and unpaid interest at the time of the request) into share capital. | | | | |
| | Liabilities towards tax authorities | 8,351 | 8,481 | - | - |
| 2.9 | Other non-current liabilities | 8,351 | 8,481 | - | - |
| | Interest on liabilities towards direct participants | (29,706) | (29,567) | (2,921) | (2,702) |
| | Foreign exchange losses | (26,101) | (25,979) | (5,431) | (5,024) |
| | Other financial costs | (14,781) | (14,712) | (1,737) | (1,607) |
| 2.10 | Financial costs | (70,588) | (70,258) | (10,089) | (9,333) |
| | Income from loans receivable from direct participations | 77,761 | 77,397 | 19,726 | 18,248 |
| | Foreign exchange profits | 481 | 479 | - | - |
| 2.11 | Financial income | 78,242 | 77,876 | 19,726 | 18,248 |
| 3 | Number of full-time positions on annual average | | none | | none |
| 4 | Significant events occurring after the balance sheet date | | | | |
| | There are no subsequent events after the balance sheet date. | | | | |