



Notes to the financial statements of Lion E-Mobility AG, Baar, as of December 31, 2019

1. Disclosures on the accounting policies applied in the financial statements

These financial statements have been prepared in accordance with the provisions of Swiss law, in particular the articles on commercial accounting and financial reporting of the Code of Obligations (Art. 957 to 962 CO). The amounts included in the financial statements have been rounded to whole euros (EUR) and Swiss francs (CHF). Any differences between amounts reported in separate line items in the financial statements and totals, subtotals or amounts in the notes are due to rounding.

For better comprehensibility, certain figures have been regrouped compared to the previous year's presentation. The previous year's figures have been adjusted accordingly.

The preparation of financial statements requires the Board of Directors to make estimates and judgments that could affect the reported amounts of assets and liabilities and contingent liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. In each case, the Board of Directors decides at its own discretion on the utilization of existing write-downs, value adjustments and provisions in excess of what is operationally necessary within the framework of the principle of prudence.

With the beginning of the financial year 2019, i.e. as of January 1, 2019, the Company changed the currency from CHF to the functional currency, in EUR. The translation was performed at the closing rate as of January 1, 2019 of 1.1269, with subsequent adjustment of items historically acquired in EUR to their original acquisition value or monetary items to their nominal amount in EUR. The resulting translation difference was recognized in extraordinary expenses.

As a consequence of the functional currency changeover, the annual financial statements have also been presented in EUR since the 2019 financial year; CHF values only serve as comparative values. The translation of the annual financial statements from EUR to CHF was carried out as follows as of December 31, 2019:

- Balance sheet items excl. equity at the FTA closing rate as at 31.12.2019 of 1.087 EUR/CHF,
- Income statement with the FTA annual average exchange rate of 1.1269
- Equity at historical rates

This resulted in a translation difference of CHF -355.989 as of December 31, 2019, which is recognized directly in equity under the item "Translation difference".

2. Disclosures, breakdowns and explanations of items in the balance sheet and income statement

2.1. Participations

Direct participation	31.12.2019	31.12.2018
	Share of voting rights/capital in %	Share of voting rights/capital in %
Lion Smart GmbH, DE, Garching	100,00	100,00
LION E-Mobility North America, Inc., USA, Bronxville, New York	100,00	100,00

Indirect participation	31.12.2019	31.12.2018
	Share of voting rights/capital in %	Share of voting rights/capital in %
TÜV Süd Battery Testing GmbH, DE, Garching	30,00	30,00

The investments are recognized at cost less any necessary impairment losses in the event of permanent impairment. In the 2019 financial year, LION E-Mobility AG made capital contributions totaling EUR 3,610,000 (CHF 3,924,070) to the capital reserves of LION Smart GmbH and EUR 100,000 (CHF 108,700) to the capital reserves of LION E-Mobility Inc. LION E-Mobility also holds shares in Inboard Technology Inc, USA (5.04%, PY: 5.04%) and in Park Here GmbH, DE (1.3%, PY: 1.3%). These are impaired to one per-memoria euro and therefore not shown separately in the balance sheet.

2.2. Notes to receivables

Current receivables from governing bodies as of December 31, 2019 of EUR 13.129 (CHF 14.271), (2018: CHF 31.765) consist of receivables from members of the Board of Directors.

Receivables from LION Smart GmbH consist of EUR 62,677 (CHF 68,130), (2018: CHF 0) short-term and EUR 843,844 (CHF 917,258), (2018: CHF 739,411) long-term loans granted

2.3. Explanatory notes on liabilities

The position other current liabilities to governing bodies includes liabilities of the Company to its Board of Directors. These result from the (retrospective) allocation of shares in relation to the financial years 2017, 2018 and 2019, whereby the shares were valued at the stock market price of EUR 3.11 as of December 31, 2019. The expense of EUR 244,017 (CHF 271,462) was recognized in other operating expenses under the item "Board of Directors" in the total amount of EUR 247,692 (CHF 275,551). For further details see disclosure under item 8.

In addition, as of December 31, 2019, there are liabilities to the auditors in the amount of EUR 26,340 (CHF 28,632), (2018: CHF 60,676) which are recognized under trade payables.

2.4. Capital contribution reserves

The item capital contribution reserves contain

- 7,952,400 EUR* (8,961,562 CHF) Capital contribution reserves from previous years recognized by the Swiss Federal Tax Administration (FTA) in a letter dated March 22, 2019.
- 4,855,114 EUR* (5,435,748 CHF) capital contribution reserves that arose in the course of the two capital increases in the reporting year. These capital contributions have been reported to the FTA but have not yet been formally recognized by it as of December 31, 2019.

Converted at 1.1269 as of Jan. 1, 2019, or at closing rates of 1.1372 as of April 10, 2019, or of 1.1020 as of Oct. 2, 2019

2.5. Treasury shares

LION E-Mobility AG holds 10,500 treasury shares as of December 31, 2019 (December 31, 2018: 10,500). The treasury shares are disclosed in equity. They were measured in EUR at historical cost in 2018 and in CHF at historical cost using the historical exchange rate.

	31.12.2018		31.12.2019	31.12.2019	31.12.2018
	Number of shares	Share price*	Value EUR	Value CHF	Value CHF
Status as of 01.01.2019	10,500		58,800	68,937	68,937
Access 2019	0		0	0	0
Departure 2019	0		0	0	0
Status as of 12/31/2019	10,500		58,800	68,937	68,937

2.6. Extraordinary, non-recurring or out-of-period expenses

The **extraordinary, non-recurring or out-of-period expense** of EUR 101.815 (CHF 113.226) relates to exchange rate effects from the conversion of the functional currency from CHF to EUR.

This effect is also reflected in the effect of currency translation in the cash flow statement.

3. Number of employees

In the past fiscal year, there was no full-time position on an annual average (2018: 1).

4. Auditor's fee pursuant to Art 961a Ziff 2 OR

	31.12.2019	31.12.2019 *	31.12.2018
	in EUR	In CHF	in CHF
Fee auditing services **	39,402	43,830	112,100
Fee for other services	-	-	5,600

* Converted with 1.1124

** the fees for auditing services also include fees of the preliminary auditor

5. Further information according to Art 663c OR

The share capital was divided into 9,239,992 bearer shares (2018: 7,680,207). As the shareholders are not known at the balance sheet date due to the class of shares, the significant shareholders are disclosed in the notes according to knowledge or last year's Annual General Meeting.

6. Significant shareholders (> 5,00 %)

The only known shareholder holding more than 5% of shares (9,239,992 shares as of 12/31/2019) in LION E-Mobility is (> 462,000 shares):

		31.12.2019	31.12.2018
		Number of shares	Number of shares
Ian Mukherjee		1,740,293	200,292
Tobias Mayer		*	440,625
Total shareholders > 5 %		1,740,293	640,917

* Mr. Mayer holds less than 5% shares in LION E-Mobility as of December 31, 2019.

7. Shareholdings of the Board of Directors *

		31.12.2019	31.12.2018
	Board of Directors since	Number of shares	Number of shares
Ian Mukherjee	03.05.2019	1,740,293	200,292
Tobias Mayer	29.06.2017	453,214	440,625
Alessio Basteri	29.06.2018	0	0
Thomas Hetmann	29.06.2019	0	0
Total		2,193,507	640,917

* The shareholdings of the members of the Executive Board are included in this item.

8. Shareholdings for members of the Board of Directors

The compensation of the members of the Board of Directors is paid in shares on the basis of a proposal by the Compensation Committee, and approval by the Annual General Meeting. Further details can be found in the company's compensation report.

2019	Number of shares	Share price *	Remuneration EUR	Withholding tax**EUR	Remuneration CHF
Tobias Mayer	9,600	3.11	29,856	7,464	40,567
Thomas Hetmann	9,600	3.11	29,856	7,464	40,567
Alessio Basteri	9,600	3.11	29,856	7,464	40,567
Total	28,800	3.11	89,568	22,292	121,701

* Valuation shares or stock options: 3.11 EUR = lowest traded price at the stock exchanges MUC FRA HAM XET on the last trading day of the month December 2019 (28.12.2019) converted with EUR/CHF of 31.12.2019 = 1.087

** Withholding tax in the amount of 25% (2019)

*** Mr. Alessio Basteri received an additional expense allowance of EUR 5,393 for 2019.

2018	Number of shares	Share price *	Remuneration EUR	Remuneration CHF
Tobias Mayer	9,600	3.11	29,856	32,453
Roland Bopp	4,800	3.11	14,928	16,227
Michael Geppert	9,600	3.11	29,856	32,453
Total	24,000	3.11	74,640	81,133

* Valuation shares or stock options: 3.11 EUR = lowest traded price on the stock exchanges MUC FRA HAM XET on the last trading day of the month December 2019 (28.12.2019) converted with EUR/CHF of 31.12.2019 = 1.087

2017	Number of shares	Share price *	Remuneration EUR	Remuneration CHF
Tobias Mayer	9,600	3.11	29,856	32,453
Daniel Quinger	9,600	3.11	29,856	32,453
Hany Magour	9,600	3.11	29,856	32,453
Total	28,800	3.11	89,568	97,360

* Valuation shares or stock options: 3.11 EUR = lowest traded price on the stock exchanges MUC FRA HAM XET on the last trading day of the month December 2019 (28.12.2019) converted with EUR/CHF of 31.12.2019 = 1.087

As for the fiscal year 2019, the remuneration of the members of the Board of Directors for the years 2017 and 2018 has been recognized in other operating expenses (EUR 247,692) (CHF 275,551). Withholding tax for 2017-2019 in the amount of EUR 70,000 (CHF 77,873) is also included in other operating expenses.

The compensation of the Board of Directors in the prior year in the amount of CHF 6,000 in other operating expenses only included expense allowances.

* Due to the consideration of different exchange rates, there are deviations here compared to the above presentation based on the closing rate as of December 31, 2019 (1,087 EUR/CHF). The total based on the above conversion is EUR 253.776 (CHF 275.853) (excluding withholding tax for 2019)

9. Shareholdings for members of the Board of Directors and employees

	31.12.2019		31.12.2019	31.12.2019	31.12.2018
	Number of shares *	Share price **	Remuneration EUR	Remuneration CHF	Remuneration CHF
Allocated to Board of Directors	28.800	3,11	89.568	97.360	89.235
Assigned to employees **	23.529	3,11	73.175	79.541	100.541
Total	52.329		162.743	176.901	189.776

* Based on proposal of the Compensation Committee

** Valuation of shares or stock options: EUR 3.30 = lowest traded price on the stock exchanges MUC FRA HAM XET on the last trading day of December 2019 (28.12.2019) converted with EUR/CHF of 31.12.2019 = 1.087

** Employees of LION Smart GmbH - 100% subsidiary of LION E-Mobility AG. The expense related to this allocation is recognized in the financial statements of LION Smart GmbH.

The Board of Directors

Date: June 3, 2020

Alessio Basteri
President

Tobias Mayer
CEO

Ian Mukherjee

Thomas Hetmann
CFO

Balance sheet as of December 31	Appendix	2019	2019	2018
			*	
		EUR	CHF	CHF
ASSETS				
Current assets				
Cash and cash equivalents				
Cash and cash equivalents		1,559,758	1,695,457	1,020,960
Total cash and cash equivalents		1,559,758	1,695,457	1,020,960
Other current receivables				
Current account with governing bodies	2.2	13,129	14,271	31,765
Short-term loans to participations	2.2	0	68,130	0
Current receivables from investments		62,677	0	112,690
Other current receivables from third parties		2,276	2,475	11,287
Total other current receivables		78,082	84,876	155,742
Prepaid expenses				
Prepaid expenses		0	0	23,478
Total Prepaid expenses		0	0	23,478
Total current assets		1,637,840	1,780,333	1,200,180

Balance sheet as of December 31	Appendix	2019	2019	2018
			*	
Fixed assets				
Financial assets				
Loans to participations	2.2	843,845	917,258	739,411
Loans		0	0	0
Total financial assets		843,845	917,258	739,411
Shareholdings				
Shareholdings	2.1	7,693,721	8,363,075	4,637,302
Total Shareholdings		7,693,721	8,363,075	4,637,302
Mobile property, plant and equipment				
Movables		1,250	1,359	2,349
Total property, plant and equipment		1,250	1,359	2,349
Total fixed assets		8,538,816	9,281,692	5,379,062
Total Assets		10,176,656	11,062,025	6,579,242

* converted at 1.087 EUR/CH

Balance sheet as of December 31	Appendix	2019	2019	2018
			*	
		EUR	CHF	CHF
Liabilities				
Current liabilities				
Trade accounts payable				
Trade accounts payable		26,340	28,632	60,676
Total trade accounts payable		26,340	28,632	60,676
Other current liabilities				
Other current liabilities to third parties		15,447	16,791	21,355
Other current liabilities to governing bodies	2.3	253,776	275,855	0
Total other current liabilities		269,223	292,646	21,355
Deferred income				
Deferred income		341,900	371,645	241,560
Total Deferred income		341,900	371,645	241,560
Total current liabilities		637,463	692,923	323,591
Total liabilities		637,463	692,923	323,591

Balance sheet as of December 31	Appendix	2019	2019	2018
			*	
		EUR	CHF	CHF
Equity				
Share capital		1,067,380	1,201,199	998,427
Total share capital		1,067,380	1,201,199	998,427
Statutory capital reserve				
Capital contribution reserves	2.4	12,807,515	14,397,310	8,961,562
Other capital reserves		164,166	184,999	184,999
Total legal capital reserves		0	-355,989	0
Total legal capital reserves		12,971,681	14,226,320	9,146,561
Accumulated losses				
Statutory and resolution-based retained earnings (accumulated losses)		-3,390,184	-3,820,400	-1,620,550
Annual loss		-1,050,884	-1,169,080	-2,199,850
Total accumulated losses		-4,441,068	-4,989,480	-3,820,400
Treasury shares		-58,800	-68,937	-68,937
Total treasury shares		-58,800	-68,937	-68,937
Total equity		9,539,193	10,369,102	6,255,651
Total Liabilities		10,176,656	11,062,025	6,579,242

* converted at 1.087 EUR/CH

Income statement from 01.01.-31.12	Appendix	2019	2019	2018
			*	
		EUR	CHF	CHF
Salary expense				
Wages, salaries		0	0	116,801
Other social security		212	236	57,446
Total personnel expenses		212	236	174,247
Other operating expenses				
Legal advice		93,740	104,283	152,803
Management Consulting		218,194	242,735	276,280
Accounting & Administration & Rent		28,397	31,591	45,198
Stock exchange listing		73,074	81,293	90,756
Board of Directors 2017, 2018, 2019	2.3	247,692	275,551	6,000
Tax consulting & auditing		39,402	43,834	177,100
Other operating expenses		249,269	277,305	294,153
Total other operating expenses		949,768	1,056,592	1,042,290
EBITDA		949,980	1,056,828	1,216,537
Depreciation				
Write-downs of financial assets		0	0	994,178
Depreciation of property, plant and equipment		834	928	1,566
Total depreciation and amortization		834	928	995,744
EBIT		950,814	1,057,756	2,212,281
Financial expenses		24,575	27,340	92,147
Financial income		-26,626	-29,621	-104,953
Financial result		-2,050	-2,281	-12,806
Non-operating, extraordinary expenses	2.6	101,815	113,266	0
Non-operating, extraordinary expenses		101,815	113,266	0
EBT		1,050,579	1,168,741	2,199,475
direct taxes		305	339	375
Annual loss		1,050,884	1,169,080	2,199,850

* converted at 1.1124 EUR/CHF