

# **FORSEE** **POWER**

*Société Anonyme à Conseil d'administration* (A public limited company with a board of directors) with a share capital of €7,155,072.70

Registered office : 1 boulevard Hippolyte Marques, 94200 Ivry-sur-Seine

**2024**

**Half-yearly financial report**

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# 1

## **Certificate of the person responsible for the half-yearly financial report**

"I certify that to my knowledge, the condensed consolidated interim financial statements for the six months ended June 30, 2024, have been prepared in accordance with the applicable accounting standards and provide a true and fair view of the net assets, financial position and financial performance of the Company and of all companies included in the scope of consolidation. I equally certify that to my knowledge, the attached half-yearly activity report faithfully represents the significant events that have occurred during the first six months of the financial year and their impact on the financial statements, as well as the main transactions that have taken place with related parties and provide a description of the principal risks and uncertainties associated with the remaining six months of the financial year".

Christophe Gurtner

Chairman and CEO of Forsee Power

Signed in Ivry-sur-Seine, on September 19, 2024

# 2

## Half-yearly business report

## Key performance indicators

The Group uses revenue and adjusted EBITDA as the main performance indicators. These performance indicators are monitored on a regular basis by the Group to analyze and evaluate its activities and their trends, measure their performance, prepare earnings forecasts and make strategic decisions. From December 31, 2023, the Group no longer tracks EBITDA as a performance indicator

### Definition of adjusted EBITDA

The Group considers adjusted EBITDA, a non-GAAP measure, as a performance measure. It corresponds to operating income before amortization and impairment of intangible assets, amortization of right-of-use assets for property, plant and equipment, amortization and impairment of property, plant and equipment and net impairment of assets. It is also restated for share-based payment expenses. The Group considers that these expenses do not reflect its current operating performance, particularly for equity-settled compensation plans, which have no direct impact on cash. The reconciliation of this aggregate with the IFRS financial statements is presented in the table below:

In thousands euros

**HY 2024** **HY 2023**

	<b>HY 2024</b>	<b>HY 2023</b>
<b>Current operating income</b>	<b>(4 002)</b>	<b>(12 322)</b>
- Amortization and impairment of intangible assets	1 249	1 739
- Amortization of rights of use on property, plant and equipment	1 177	998
- Amortization and impairment of property, plant and equipment	1 575	1 770
- Net impairment on inventories and receivables	1 012	3 272
- Share-based payments expenses	266	720
- Employer's contributions for share-based payments	0	134
- Provision for recycling	(442)	45
<b>Adjusted EBITDA (a)</b>	<b>834</b>	<b>(3 778)</b>

a. The Adjusted EBITDA definition was modified in 2023. In HY 2023, according to this new definition, the adjusted EBITDA was (3 778) thousand euros vs (3 822) thousand euros in disclosed financial statements.

## **2.1 Analysis of first-half activity and results**

### **2.1.1 Outlook and trends**

Forsee Power confirms all its short and medium-term financial targets:

- Turnover between €150m-€160m
- Adjusted EBITDA at breakeven.

### **2.1.2 Significant events during the period**

#### **(i) Launch of new product ranges**

Forsee Power has launched a new offering of ultra-high energy density and ultra-modular battery systems for heavy-duty vehicles. This new range is called ZEN Plus. This new product range completes the Group's battery offering.

#### **(ii) Business Development**

During the first half of 2024, the Group signed various contracts, including:

Partnership with Wrightbus, a global leader in zero-emission buses, to equip more than 1000 retrofitted buses over the next 3 years;

Supply of ZEN PLUS high-energy battery systems to Letenda, a Canadian manufacturer of zero-emission buses;

Numerous consultations in the railway sector in the three major regions of the world;

First commercialization of a battery system for the truck powertrain BAE Systems, a leading provider of heavy-duty electric powertrain solutions in North America;

Production and delivery of the first battery systems for Skoda's 100% battery trains

#### **(iii) Dispute with Unu GmbH**

The emergency expertise and substantive legal proceedings opened in 2021 before the Paris Commercial Court did not change significantly in the first half of 2024. In its deliberations of June 22, 2023, the Court stayed the proceedings until the expert report had been submitted. A new emergency expertise procedure was opened in 2022 before the Court of Justice of Lyon, and new legal proceedings were initiated in 2022 before civil courts in Germany. Legal proceedings continued in the first half of 2024.

For further details on the various disputes with Unu GmbH, please refer to note 7.11 of the half-yearly financial statements in this document.

#### **(iv) Impact of the situation in Ukraine and Russia**

The Group is not exposed to the restrictions imposed on Russia as Forsee Power has no employees,

customers or suppliers in that country. However, logistical impacts and increases in raw material costs exist, linked to the geopolitical situation in Ukraine and in the energy sector, but the Group is not directly exposed.

## **(v) Uncertainties related to the current economic and political environment**

The current economic and political environment may create uncertainties regarding the Group's business activities (i.e. inflation, increases in the prices of certain raw materials and energy, a supply chain disruption or a shortage of electronic components, etc.). Nevertheless, the Group closely monitors and manages potential increases in its cost structures (raw material prices, wage inflation and supply chain inflation), and generally includes a price adjustment clause in customer contracts to preserve its margins.

## **2.2 Business commentary**

The following information regarding the financial position and results of Forsee Power shall be read in conjunction with the Group's interim consolidated financial statements as of June 30, 2023, included in this document, which are prepared according to the standard IAS 34 related to the interim financial reporting.

Forsee Power's half-yearly financial statements have been prepared in accordance with IFRS as adopted by the European Union ("EU-IFRS") and were subject to a limited review by the statutory auditors whose limited review report is presented in section 3.2.

Figures in thousands of euros in the tables and analyses in this section have been rounded. As a result, the totals may not correspond to the sum of the separately rounded figures. Similarly, the sum of the percentages, calculated from rounded figures, may not add up to 100%.

Due to the nature of its business and its geographical location, the Group's results are affected by changes in exchange rates. For an analysis of the Group's exposure to foreign exchange risk, please refer to note 7.15.3 of the half-yearly financial statements, in section 3.1 of this document.



In € thousands	HY 2024	HY 2023	Change	Change (as a %)
<b>Revenue</b>	<b>84 401</b>	<b>78 756</b>	+ 5 645	+ 7%
<i>Of which Heavy Vehicles (HeV)</i>	76 444	65 432	+ 9 251	+ 14%
<i>Of which Light Vehicles and Industrial Tech (LeV &amp; Ind Tech)</i>	7 957	13 324	- 3 606	- 27%
<b>Adjusted EBITDA <sup>(a)</sup></b>	<b>834</b>	<b>(3 778)</b>	+ 4 613	- 122%
Adjusted EBITDA margin	1%	(5%)		+ 0%
<b>Current operating income</b>	<b>(4 002)</b>	<b>(12 322)</b>	+ 8 319	+ 68%
<b>Operating income</b>	<b>(4 002)</b>	<b>(12 322)</b>	+ 8 319	+ 68%
<b>Net financial income (expense)</b>	<b>1 938</b>	<b>(3 787)</b>	+ 5 725	+ 151%
<b>Consolidated net income</b>	<b>(3 016)</b>	<b>(16 022)</b>	+ 13 006	+ 81%

a) The adjusted EBITDA indicator is defined and detailed in section 2.1 of this document.

In the first half of 2024, Forsee Power recorded a good sales performance against the backdrop of a slowdown in the electromobility market, with consolidated sales up 7% to 84,401 thousand euros, reflecting in particular:

- booming business in the heavy-duty vehicle market (+14%) ;
- despite a slowdown in the light vehicle segment (-27%).

The Group's adjusted EBITDA increased from (3,778) thousand euros in the first half of 2023 to 834 thousand euros in the first half of 2024, reflecting :

- higher sales than in first-half 2023 (+5,645 thousand euros) ;
- a decrease in purchases consumed, including foreign exchange gains and losses on purchases borne by the Group (- 3,573 thousand euros), due in particular to the lower purchase price of cells (see note 8.3).

Against this backdrop, the adjusted EBITDA margin fell from (5%) in first-half 2023 to 1% in first-half 2024.

Operating income for the first half of 2024 amounted to (4,002) thousand euros. This represents a marked improvement on operating income of (12,322) thousand euros for the first half of 2023. Operating income is analyzed below in section 2.2.5 of this document.

At June 30, 2024, Forsee Power had a substantial net cash position of 24,617 thousand euros. Cash and cash equivalents are analyzed in section 2.4 of this document.

The working capital balance (see note 9.1) at the half-year closing balance sheet represents 35% of sales in the first half of 2024, compared with 55% in the first half of 2023. This 15,603 thousands euro improvement in working capital is mainly due to a lower level of trade receivables (-14,513 thousand euros) resulting from optimized use of the new deconsolidating factoring program. Trade payables fell by 7,314 thousand euros due to lower cell purchase prices, payment for investments in the USA, and credit facilities obtained from certain major Asian suppliers. Other liabilities increased by 9,554

thousand euros, mainly due to customer advances.

Purchases of property, plant and equipment net of advances and deposits amounted to 7,542 thousand euros in the first half of 2024, compared with 2,635 thousand euros in the first half of 2023. As a percentage of sales, purchases of property, plant and equipment net of advances and deposits amounted to 9% at June 30, 2024, compared with 3% at June 30, 2023. This sharp rise in capital expenditure reflects the completion of work on the Columbus plant in the United States.

## 2.2.1 Segment presentation

The Group presents its segment information on the basis of the financial information presented to Group management in its internal reporting, which it reviews regularly in order to make decisions on the allocation of resources to the business segments and the assessment of their performance. The Group's reporting includes two business segments:

- Heavy Vehicles (HeV), which includes the market for solutions adapted to the development of electric or hybrid vehicles for various means of transport (buses, utility and "last mile" vehicles, trams, trains, trucks and marine vessels) and stationary storage (residential, commercial and industrial). Stationary storage is not part of first life but second life.
- Light Vehicles and Industrial Tech (LeV & Ind Tech), which includes the light electric mobility market as well as other electric applications (electric scooters, light vehicles with 2 to 4 wheels, electric bikes, medical equipment, connected objects, home automation, robotics and professional tools).

These business segments are broken down by geographic area: France, Europe (excluding France), Asia, the United States and the rest of the world. Revenue by geographic area is determined based on customer location.

## 2.2.2 Results of operations

### Revenue

The table below shows changes in revenue by business segment and geographic area.

In € thousands	HY 2024	HY 2023	Change
France			
<i>Heavy Vehicles (HeV)</i>	2 256	514	+ 1 742
<i>Light Vehicles and Industrial Tech (LeV &amp; Ind Tech)</i>	5 656	3 972	+ 1 686
<b>Total</b>	<b>7 914</b>	<b>4 486</b>	<b>+ 3 428</b>
As a %	<b>9%</b>	<b>6%</b>	
Europe			
<i>Heavy Vehicles (HeV)</i>	67 548	63 235	+ 4 313
<i>Light Vehicles and Industrial Tech (LeV &amp; Ind Tech)</i>	581	3 459	- 2 878
<b>Total</b>	<b>68 129</b>	<b>66 694</b>	<b>+1 435</b>
As a %	<b>81%</b>	<b>85%</b>	
Asia			
<i>Heavy Vehicles (HeV)</i>	4 298	558	+ 3 740
<i>Light Vehicles and Industrial Tech (LeV &amp; Ind Tech)</i>	1 682	4 529	- 2 847
<b>Total</b>	<b>5 981</b>	<b>5 087</b>	<b>+ 894</b>
As a %	<b>7%</b>	<b>6%</b>	
United States			
<i>Heavy Vehicles (HeV)</i>	0	101	- 101
<i>Light Vehicles and Industrial Tech (LeV &amp; Ind Tech)</i>	35	1 288	- 1 253
<b>Total</b>	<b>35</b>	<b>1 389</b>	<b>- 1 354</b>
As a %	<b>0%</b>	<b>2%</b>	
Rest of the world			
<i>Heavy Vehicles (HeV)</i>	2 341	1 024	+ 1 317
<i>Light Vehicles and Industrial Tech (LeV &amp; Ind Tech)</i>	0	76	- 76
<b>Total</b>	<b>2 341</b>	<b>1 100</b>	<b>+ 1 241</b>
As a %	<b>3%</b>	<b>1%</b>	
<b>TOTAL</b>	<b>84 401</b>	<b>78 756</b>	<b>+ 5 645</b>
<i>Heavy Vehicles (HeV)</i>	<b>76 444</b>	<b>65 432</b>	<b>+ 11 012</b>
<i>Light Vehicles and Industrial Tech (LeV &amp; Ind Tech)</i>	<b>7 957</b>	<b>13 324</b>	<b>-5 367</b>

The Group's consolidated sales amounted to 84,401 thousand euros in June 30, 2024, compared with 78,756 thousand euros at June 30, 2023, up +5,645 thousand euros, or +7%.

This growth was mainly due to the surge in business in the Heavy Vehicles market (+17%), despite the decline in the Light Vehicles segment (-40%).

The Heavy Vehicles (HeV, Rail) business segment remained the largest contributor to Group consolidated sales (91% in H1 2024 vs. 83% in H1 2023).

Sales in this segment totaled 76.4 million euros in H1 2024, up +11 million euros or +17% on H1

2023. This is the result of higher sales to a long-standing Group customer, as well as a significant increase in orders from newer customers.

The Light Vehicles and Industrial Tech (LeV & Ind Tech) segment accounted for 9% of Group sales in H1 2024 (vs. 17% in H1 2023).

Sales in this segment came to 8 million euros, down -5.4 million euros or -40% on H1 2023. This decline was due to a slowdown in orders in the two-wheeler markets

### Current operating income

The table below shows the components of the Group's current operating income, in absolute terms and as a percentage of revenue, for the periods indicated.

	HY ended			
	2024		2023	
	€ thousands	% of revenue	€ thousands	% of revenue
<b>Revenue</b>	<b>84 401</b>	<b>0</b>	<b>78 756</b>	<b>0</b>
Other operating income and expenses	(366)	- 1%	1 198	+ 2%
External services and purchases consumed	(66 360)	- 79%	(67 585)	- 86%
Personnel costs	(15 899)	- 19%	(15 507)	- 20%
Taxes and duties	(566)	- 1%	(522)	- 1%
Amortisation	(4 001)	- 5%	(4 507)	- 6%
Provisions and impairment	(1 211)	- 1%	(4 154)	- 5%
<b>Current operating income (EBIT)</b>	<b>(4 002)</b>	<b>- 5%</b>	<b>(12 322)</b>	<b>- 16%</b>

- **Revenues**

Refer to the analysis above.

- **Other operating income and expenses**

Other operating income and expenses represented an expense of (366) thousand euros for the year ended June 30, 2024, corresponding mainly to (224) thousand euros in directors' fees.

In 2023, the item represented income of 850 thousand euros, mainly in respect of indemnities receivable on a customer protocol for the newly developed business in India (698 thousand euros), proceeds from the disposal of fixed assets (370 thousand euros) and directors' fees (226 thousand euros).

- **External services and purchases consumed**

The breakdown of the item is as follows:

In € thousands	HY 2024	HY 2023
Purchases consumed, including foreign exchange gains and losses on purchases	(56 369)	(59 942)
Fees, external services	(2 884)	(2 728)
Leases, maintenance and insurance	(1 508)	(1 398)
Transport, travel and conference expenses	(1 937)	(1 841)
Study and research costs	(2 146)	(1 093)
Post and telecommunications expenses	(94)	(148)
Subcontracting	(869)	(294)
Other	(553)	(141)
<b>External services and purchases consumed</b>	<b>(66 360)</b>	<b>(67 585)</b>

The decrease in external services and purchases consumed of (1,225) thousand euros, or (1.8)% in the first half of 2024 compared with the first half of 2023, is mainly due to :

- A reduction in purchases of (3,573) thousand euros, mainly due to lower cell costs.
- An increase in fees and outside services of +156 thousand euros, mainly due to greater use of temporary staff.
- An increase of 110 thousand euros in rental, maintenance and insurance costs, mainly due to higher maintenance costs and insurance premiums;
- 96 thousand euros rise in transport, travel and entertainment expenses, mainly due to increased travel between subsidiaries.
- An increase of 1,053 thousand euros in research and development expenses, due to higher activity levels in Research and Development.
- The increase in subcontracting is mainly due to subcontracting of after-sales service for +448 thousand euros.

The cost of battery cells depends in part on the price and availability of raw materials such as lithium, nickel, cobalt and/or other metals.

The prices of these materials fluctuate, and their availability or supply may be unstable, depending on market conditions and global demand, particularly in view of the increasing worldwide production of electric vehicles and energy storage products.

- **Personnel costs**

The very slight increase in personnel expenses of +393 thousand euros compared with the first half of 2023, is due to :

- The limited rise in personnel costs excluding IFRS 2 for an amount of 980 thousand euros, essentially linked to the increase in the average full-time equivalent workforce, from 722 at June 30, 2023 to 732 at June 30, 2024 in line with the increase in activity, and in particular the start of mobilization of the workforce for the American plant;

- a 454 thousand euro reduction in the cost of share-based payments, relating to the deferral of expenses for stock option and bonus share plans validated in previous years.

- **Taxes and duties**

Taxes are up (+44 thousand euros between the first half of 2024 and the first half of 2023) and amount to (566) thousand euros at June 30, 2024. As a percentage of sales, taxes remained unchanged from June 30, 2023 at 0.7%.

- **Non-current operating income**

Similarly to the first half of 2023, there are no non-current operating items for the first half of 2024.

- **Amortisation, provision, and net impairment**

The item breaks down as follows:

In € thousands	HY 2024	HY 2023
Amortisation and impairment of intangible assets	(1 249)	(1 739)
Amortisation of rights of use on property, plant and equipment	(1 177)	(998)
Amortisation and impairment of property, plant and equipment	(1 575)	(1 770)
Provisions for risks and charges	(200)	(881)
Net impairment of inventories and receivables <sup>(a)</sup>	(1 012)	(3 272)
<b>Net charges</b>	<b>(5 212)</b>	<b>(8 661)</b>

(a) Including 704 thousand euros in write-downs on inventories identified as surplus or obsolete at the end of the first half of 2024.

This item decreased from (8,661) thousand euros in the first half of 2023 to (5,212) thousand euros in the first half of 2024, due to lower inventory depreciation, the end-of-life of intangible R&D assets, and a recycling provision reversal of 442 thousand euros, compared with an allocation of 45 thousand euros in the first half of 2023. The contribution as a percentage of sales rose to 6% in first-half 2024, compared with 11% in first-half 2023.

Fixed assets and provisions are discussed in the balance sheet comments in section 2.3 of this document.

### Operating income

Due to the factors set out above, the Group's operating income improved significantly by 8,320 thousand euros to (4,002) thousand euros in first-half 2024 (versus (12,322) thousand euros in first-half 2023).

### Net financial expense

The Group's net financial income rose from (3,787) thousand euros at June 30, 2023 to +1,938 thousand euros at June 30, 2024, an improvement of +5,725 thousand euros.

This results from :

- The change in fair value on the BSA Warrant A, C and E derivative, which in 2024 generated financial income positively impacting net financial income by +1,921 thousand euros, +850 thousand euros and +462 thousand euros respectively. In 2023, the change in fair value of the BEI Warrant A and C warrants had a negative impact of (1,153) thousand euros.
- The discounting of non-current assets/liabilities over 12 months had a positive impact of +1,083 thousand euros on net financial income, compared with an expense of (35) thousand euros in 2023.
- foreign exchange gains on financial transactions impacting net financial income by +298 thousand euros, compared with a loss of -203 thousand euros in 2023.
- the lower effective interest rate (EIR) charge on financial liabilities ((495) thousand euros in 2024 versus (715) thousand euros in 2023).

Nevertheless, the cost of gross financial debt increased, notably due to the €10 million drawdown of tranche C from the EIB at the end of 2023, reaching (2,073) thousand euros in 2024 versus ((1,334) thousand euros in 2023).

### Tax expense

Income tax expense amounted to (874) thousand euros at June 30, 2024, compared with income of +313 thousand euros at June 30, 2023. The theoretical tax charge was 535 thousand euros at June 30, 2023, compared with 4,084 thousand euros at June 30, 2023.

The differences between the theoretical tax charge and the actual tax charge (respectively, 1,410 thousand euros at June 30, 2024 and 3,771 thousand euros at June 30, 2023), result mainly from the impact of the change in the tax charge relating to the tax loss not recognized in the balance sheet (2,416) thousand euros in the first half of 2024 and 3,176 thousand euros in the first half of 2023 and derivatives on financial instruments (808) thousand euros in the first half of 2024 and +447 thousand euros in the first half of 2023.

Details of the tax charge are provided in note 8.9 to the interim financial statements in section 3.1 of this document.

### Net income

Taking into account the factors set out above, consolidated net income represents a loss of (3,016) thousand euros in June 30, 2024, compared with (16,022) thousand euros in June 30, 2023, representing an improvement of +13,006 thousand euros.

## 2.3 Comments on the main statement of financial position items

(In € millions)	30.06.2024	31.12.2023	Change	Change (as a %)
<b>Non-current assets</b>	<b>77 993</b>	<b>68 175</b>	<b>+ 9 818</b>	<b>+ 14%</b>
Of which property, plant and equipment <sup>(1)</sup>	40 537	35 433	+ 5 103	+ 14%
Of which intangible assets <sup>(2)</sup>	28 441	23 024	+ 5 417	+ 24%
Of which investments in equity-accounted companies <sup>(2)</sup>	4 251	4 328	- 77	- 2%
Of which non-current financial assets <sup>(4)</sup>	2 111	2 089	+ 22	+ 1%
<b>Current assets</b>	<b>102 995</b>	<b>119 265</b>	<b>- 16 270</b>	<b>- 14%</b>
Of which inventories <sup>(5)</sup>	45 666	44 481	+ 1 186	+ 3%
Of which cash and cash equivalents <sup>(6)</sup>	24 617	25 902	- 1 284	- 5%
Of which trade receivables <sup>(7)</sup>	13 120	27 633	- 14 513	- 53%
Of which other current assets <sup>(8)</sup>	19 590	21 248	- 1 658	- 8%
	<b>180 987</b>	<b>187 440</b>	<b>- 6 453</b>	<b>- 3%</b>
<b>Of which Equity<sup>(9)</sup></b>	<b>56 263</b>	<b>59 238</b>	<b>- 2 975</b>	<b>- 5%</b>
<b>Of which borrowings and financial liabilities<sup>(10)</sup></b>	<b>64 728</b>	<b>67 104</b>	<b>- 2 375</b>	<b>- 4%</b>
Of which loans from the EIB	32 642	32 324	+ 318	+ 1%
Of which State-guaranteed loans	9 040	12 961	- 3 921	- 30%
Of which right-of-use liabilities	17 195	17 687	- 492	- 3%
Of which Atout loan from BPI	938	2 188	- 1 250	- 57%
Of which accrued interest on financial liabilities	1 477	1 069	+ 408	+ 38%
Of which related-party liabilities	872	694	+ 178	+ 26%
<b>Of which derivative financial instruments<sup>(11)</sup></b>	<b>1 601</b>	<b>4 835</b>	<b>- 3 233</b>	<b>- 67%</b>
<b>Of which Provisions for risks and charges<sup>(12)</sup></b>	<b>9 750</b>	<b>9 550</b>	<b>+ 200</b>	<b>+ 2%</b>
<b>Of which Trade payables<sup>(13)</sup></b>	<b>16 193</b>	<b>23 588</b>	<b>- 7 396</b>	<b>- 31%</b>
<b>Of which other liabilities<sup>(14)</sup></b>	<b>31 436</b>	<b>22 315</b>	<b>+ 9 121</b>	<b>+ 41%</b>
	<b>180 987</b>	<b>187 440</b>	<b>- 6 453</b>	<b>- 3%</b>

1. Details of property, plant and equipment are given in note 7.3 to the interim financial statements - section 3.1 of this document. The increase in this item is due to 7,545 thousand euros of new fixed assets in 2024, mainly dedicated to the Columbus site in the United States. Depreciation and amortization increased by 2,768 thousand euros.

2. The increase in this item is mainly due to the capitalization of development costs (+6,986 thousand euros). This effect is partially offset by the increase in amortization and depreciation linked to the rise in intangible assets (-1,290 thousand euros). Details of intangible assets are given in note 7.2 to the interim financial statements - section 3.1 of this document.

3. Equity-accounted investments relate exclusively to the Group's interest in NCoT Capital, in which the Group holds a 33% stake in June 30, 2024, in partnership with the EDF Group and Mitsui (see note 7.5 to the interim financial statements - section 3.1 of this document).

4. Other non-current financial assets mainly comprise cash collateral amounting to 1,510 thousand euros. As this cash is not immediately available, it is not included in "Cash and cash equivalents" but in "Financial assets", in accordance with IAS 7. Other non-current financial assets also include guarantee deposits and sureties paid in the amount of 512 thousand euros and liquidity contract guarantee deposits in the amount of 139 thousand euros (see note 7.4 to the interim financial statements - section 3.1 of this document).



5. The 1,186 thousand euro increase in inventories is mainly due to growth in the Group's business (see note 7.6 of the interim financial statements - section 3.1 of this document).

6. As of June 30, 2024, cash and cash equivalents comprised sight deposits in euros, US dollars and the local currencies of subsidiaries (Indian rupee, Chinese yuan, Polish zloty, Japanese yen). Cash flows are analyzed in section 2.4 of this document.

7. The €14,513 thousand reduction in trade receivables is mainly due to optimized use of the new deconsolidating factoring program (see note 7.7 to the interim financial statements - section 3.1 of this document).

8. Please refer to note 7.8 of the interim financial statements - section 3.1 of this document.

9. Movements affecting Group shareholders' equity in first-half 2023 and first-half 2024 are detailed in the consolidated statement of changes in shareholders' equity and the associated note (see section 3.1 of this document and the "Consolidated statement of changes in shareholders' equity" table in the interim financial statements).

10. Borrowings are detailed in section 2.5 and note 7.13 of the interim financial statements - section 3.1 of this document.

11. Please refer to note 7.14 of the interim financial statements - section 3.1 of this document.

12. They consist of provisions:

for after-sales service (AS) warranty, to cover the risk of future AS costs arising from Forsee Power's liability for products sold (7,097 thousand euros in the first half of 2023 compared with 6,633 thousand euros at December 31, 2023);

for recycling, set aside to cover the estimated future costs of recycling sold battery systems, for which the Group has a take-back and recycling commitment in the event of batteries being returned by customers (1,955 thousand euros in the first half of 2024 versus 2,397 thousand euros at December 31, 2023), and ; for litigation (698 thousand euros as of June 30, 2024 versus 519 thousand euros as of December 31, 2023);

13. The decrease in trade payables is mainly due to lower purchases (price and volume effect) of lithium cells and to the settlement of invoices for the construction of the plant in the USA.

14. The non-current portion amounts to 4,001 thousand euros in the first half of 2024 (3,396 thousand euros in end December 2023) and the current portion to 27,435 thousand euros in the first half of 2023 (18,919 thousand euros in end December 2022). Other liabilities correspond mainly to advances and down-payments received, social security and tax liabilities, deferred income on specific battery warranty extensions, liabilities on capital increase costs, and benefits granted on zero-interest PGEs maturing between 1 and 5 years. Other liabilities are detailed in note 7.18 to the interim financial statements - section 3.1 of this document.

## 2.4 Group consolidated cash flows

in € thousands	HY 2024	HY 2023	Change
Cash flow from operating activities	17 229	(20 353)	+ 37 582
Cash flow from investing activities	(14 084)	(6 385)	(7 699)
Cash flow from financing activities	(4 465)	42 518	(46 982)
Impact of currency translation	35	(140)	(176)
<b>Change in cash and cash equivalents</b>	<b>17 229</b>	<b>(20 353)</b>	<b>+ 37 582</b>

- **Cash flow from operating activities**

in € thousands	HY 2024	HY 2023	HY 2024
Cash flow from operations before cost of net financial debt and tax <sup>(a)</sup>	566	(6 756)	+ 7 322
Tax expense paid (income received) <sup>(b)</sup>	1 060	(158)	+ 1 218
Change in working capital requirements <sup>(c)</sup>	15 603	(13 440)	+ 29 043
<b>Cash flow from operating activities</b>	<b>17 229</b>	<b>(20 353)</b>	<b>+ 37 582</b>

*a) These acquisitions mainly concern research and development expenses, as well as those allowing the Company to increase its production capacity or improve its production tools in its various factories (refer to the consolidated cash flow table and in note 9.3 of the half-yearly financial statements – section 3.1 of this document).*

Cash flow from investment operations deteriorates mainly due to an increase in capitalized R&D expenses, acquisitions of fixed assets (net of debts and advances paid) linked to the end of construction work on the factory American from Columbus in the USA.

- **Cash flow from financing activities**

in € thousands	HY 2024	HY 2023	Change
Cash capital increase <sup>(a)</sup>	0	49 283	(49 283)
Payment of capital increase or IPO expenses <sup>(b)</sup>	0	0	0
Change in other financial liabilities	0	(1 206)	+ 1 206
New borrowings <sup>(c)</sup>	0	0	0
Repayment of borrowings <sup>(c)</sup>	0	0	+ 0
Debt repayments on leased real estate	(3 164)	(3 746)	+ 582
Factoring financing <sup>(c)</sup>	(1 010)	(610)	(400)
Issue of repayable advances	218	0	+218
Change in financial liabilities with related parties	0	1	(1)
Bank charges paid	223	288	(65)
Financial expenses paid <sup>(c)</sup>	(457)	(452)	(5)
<b>Cash flow from financing activities</b>	<b>(4 465)</b>	<b>42 518</b>	<b>(46 982)</b>

a) In the first half of 2023, these flows are mainly linked to the capital increase carried out on May 9, 2023 for 49.3 million euros.

b) Refer to the analysis of financial debt in section 2.5 of this document.

c) included exchange gains received +498 K€

The decrease in cash from financing operations is mainly explained by the capital increase carried out on May 9, 2023.

## 2.5 Financial debt

The schedule of financial debts is detailed in the table below and in note 7.13 to the consolidated financial statements in section 4.3 of this document.

in € thousands	December 31, 2023	Issuance	Repayments	Debt issuance costs	Interest recognised in respect of interest free loans	Reclassification	Currency translation effects	Effective interest method impact	Net change	Capitalized interest	Fair value	IFRS 16 loan issuance	June 30, 2024
Loan from the EIB	32,324							318					32,324
Atout loan from BPI	938					(938)							
State-guaranteed loan from BPI	2,188												2,188
State-guaranteed loan from BNP	2,963				85	(1,077)							1,971
State-guaranteed loan from HSBC	2,729				96	(938)							1,887
Right-of-use liability - non-current	15,578		(0)			(1,301)	164					337	14,778
Deposits and guarantees received	20												20
Repayable advances – non-current	45	218											263
Related-party liabilities	694	178											872
<b>Long-term financial debt</b>	<b>57,477</b>	<b>396</b>	<b>(0)</b>		<b>181</b>	<b>(4,254)</b>	<b>164</b>	<b>318</b>				<b>337</b>	<b>54,620</b>
Atout loan from BPI	1,250		(1,250)			938							938
State-guaranteed loan from BPI	1,250												1,250
State-guaranteed loan from BNP	1,956		(978)			1,077							2,055
State-guaranteed loan from HSBC	1,875		(936)			938							1,877
Accrued interest on financial liabilities	1,069	463	(56)				1						1,477
Right-of-use liability - current	2,109		(1,010)			1,301	17						2,417
Accrued interests on right of use	39						1						40
Fair value hedges related to foreign exchange risk	77								5	(30)			51
<b>Short-term financial debt</b>	<b>9,625</b>	<b>463</b>	<b>(4,230)</b>			<b>4,254</b>	<b>20</b>		<b>5</b>	<b>(30)</b>			<b>10,108</b>
<b>Gross financial debt</b>	<b>67,104</b>	<b>859</b>	<b>(4,230)</b>		<b>181</b>		<b>184</b>	<b>318</b>	<b>5</b>	<b>(30)</b>		<b>337</b>	<b>64,728</b>
<i>Of which</i>													
Current	9,625	463	(4,230)			4,454	20		6	(30)			10,319
Non-current	57,477	396	(0)		181	(4,454)	164	318	(1)			337	54,409

### • EIB loans

The Company and the EIB entered into a €20.0 million credit agreement in 2017 with provision of the first tranche of €7.5 million in March 2018, the second tranche of €7.5 million in October 2018 and the third and final tranche of €5 million in December 2019. This €20.0 million loan was repaid in full in June 2021.

It was accompanied by 6,857 BSA EIB Warrant A issued on March 15, 2018, still outstanding, and leading in the event of exercise to the issuance of 1,127,387 ordinary shares (OS)<sup>1</sup>.

<sup>1</sup> It is specified that the number of ordinary shares to which the BSA EIB Warrant A and BSA EIB Warrant C entitle their holders was calculated at the date of preparation of the financial statements and consequently adjusted with regard to the "Adjustment Events" (as these terms are defined in the subscription contract for the

A new EIB loan was signed in December 2020 for which tranche A, of €21.5 million, was drawn down on June 16, 2021, for a term of 5 years. This tranche was accompanied by 3,500 BSA EIB Warrant C issued on June 4, 2021, leading in the event of exercise to the issuance of 500,090 ordinary shares. On September 28, 2021, the Company obtained a prior approval requested by the EIB to be able to carry out the various capital restructuring operations prior to the IPO as well as the IPO itself. In consideration for this approval, the capitalised interest rate applicable to tranche A of the EIB loan was increased by 0.5% from 4% to 4.5% per year (applicable retroactively). In addition, the EIB required the payment of a restructuring fee of €1,255 thousand, which was paid in December 2021.

Tranche B was disbursed on October 21, 2021, for an amount of €8.5 million and then fully repaid early in November 2021. Following the waiver agreement dated September 28, 2021, the issue of the tranche B was not accompanied by the issue of 1,000 BSA EIB Warrant D, as initially provided for in the credit agreement.

Tranche C was drawn down on December 18, 2023, for €10 million, for a term of 5 years, bearing annual interest of 3% and capitalized interest of 1.5% payable at maturity on repayment of the principal. The drawdown of this tranche gave rise on December 4, 2023, to the issue to the EIB of 1,000 new BSA EIB Warrant E with an exercise price of €5.78 per warrant, giving the right, if exercised, to subscribe for a maximum of 300,000 new ordinary shares of the Company.

The financial derivatives on the EIB loans (BSA EIB Warrant A and BSA EIB Warrant C) are presented below in paragraph 2.5.2.

The EIB financing is detailed in Notes 3.1.3 and into the consolidated financial statements in section 3.1 of this document.

- **Other bank financing**

In 2020, the Company benefited from bank financing amounting to 25.0 million euros through

- loans guaranteed by the State (PGE), in order to secure its cash flow needs, particularly in the context of delays in its projects and to cope with the consequences of the Covid-19 pandemic. These amount to 20 million euros and are distributed as follows: (i) two loans guaranteed by the State distributed equally between HSBC and BNP Paribas for an amount of 7,500 thousand euros each at the rates respective total workforce of 1.69% and 2.14%, solely for its operating needs in France (HSBC) and for the Company's cash financing to support its activity in France (BNPP); and (ii) an innovation support loan (PGE) granted by Bpifrance for an amount of 5,000 thousand euros at an overall effective rate of 2.35%. In accordance with the legal regime applicable to loans guaranteed by the State, these loans had an initial maturity of one year from their making available. They are not accompanied by any financial covenant. The Company has opted for the option of reimbursing all its EMPs over the longest period.

The PGE with BNP is reimbursed quarterly from September 4, 2022 and until June 4, 2026. The PGE with HSBC is reimbursed quarterly from September 11, 2022 and until June 11, 2025. Finally, the PGE with with the BPI is reimbursed quarterly from September 30, 2022 and until June 30, 2026.

The PGE concluded with BNP Paribas was also the subject of an amendment on March 19, 2021, the main purpose of which was to establish a new rate of 0.75% from the initial maturity date (June 4 2021) of this EMP and to adjust the repayment frequency in quarterly installments in accordance with the terms provided for in the contract. In addition, the EMP concluded with HSBC was also the subject of an amendment in March 2021, bringing the rate to 0.31%.

The declarations and commitments made by the Company under these contracts as well as the cases

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said BSA (i) which have already been carried out by the Company (in particular the capital increase recorded on May 9, 2023) and (ii) those which could be carried out by the Company, on a fully diluted basis (i.e. if all outstanding securities and rights were exercised by their beneficiaries). This "maximum" number may nevertheless be increased in the event of new "Adjustment Events" after the financial statements have been drawn up.

of early repayment stipulated therein comply with market standards for this type of loan (State Guaranteed Loans - PGE) and concern mainly the solvency of the Company, the preservation of its assets, compliance with the terms of the contract concerned, its purpose and the specific granting conditions for loans guaranteed by the State.

- the Atout loan granted by Bpifrance, in the amount of 5 million euros and at an overall effective rate of 5%. This loan benefits from a grace period of one year and will then be repaid quarterly from August 31, 2021 until June 30, 2025 and is not subject to any financial covenant. The declarations and commitments made by the Company under this contract as well as cases of early payment are similar to the above-mentioned PGE.

See note 7.13 to the consolidated financial statements in section 4.3 of this document.

- **Factoring**

As part of its activity, the Group has entered into factoring contracts with Facto France and benefits from the Reverse Factoring contract with Banco Santander set up by one of its main clients, making it possible to accelerate the recovery of customer receivables and cash inflows, by setting up financing secured by customer receivables.

The amount of receivables assigned without recourse and financed (Facto France contract) and which are no longer presented on the balance sheet, amounts to 13,039 thousand euros as of June 30, 2024 (3,175 thousand euros as of December 31, 2023).

As part of the factoring contract included in a client's reverse factoring program, the Group has discounted 3,062 thousand euros of receivables from the banking establishment Banco Santander as of June 30, 2024, the due date of which is after June 30, 2024 (2,036 thousand euros of receivables which were assigned at the end of 2023 and whose maturity date was after December 31, 2023).

The outstanding debt financed by factoring with and without recourse is detailed in the table below and in note 7.7 of the half-yearly financial statements – section 3.1 of this document.

€ thousands	30.06.2024	31.12.2023
Assignment of receivables without recourse	13 039	3 175
<b>Total receivables assigned</b>	<b>13 039</b>	<b>3 175</b>

- **Right-of-use liability**

The right-of-use liability amounted to €17,195 thousand as of June 30, 2024, and €17,687 thousand as of December 31, 2023. The slight increase in this lease liability is essentially due to IFRS 16 new borrowings.

- **Schedule of financial debts**

The schedule of financial debts is detailed in the table below and in note 7.13 to the consolidated financial statements in section 4.3 of this document.

- **Derivatives on financial instruments**

Derivatives on financial instruments are detailed in the table below and in note 7.14 to the consolidated financial statements in section 4.3 of this document.

in € thousands	Date of issue	Expiry date	Number of BSA instruments	Number of shares subscribed if the BSA are exercised(a)	December 31, 2023	December 31, 2022
BSA Warrant A for EIB (1)	March 18, 2018	March 15, 2028	6,857	1,127,387	948	2,869
BSA Warrant C for EIB (1)	June 4, 2021	June 4, 2041	3,500	500,090	446	1,297
BSA Warrant E for EIB (1)	December 4, 2023	December 4, 2043	1,000	300,000	207	699
<b>Total</b>			<b>11,357</b>	<b>1,927,477 <sup>(a)</sup></b>	<b>1,601</b>	<b>4,835</b>

(1) The company has issued several Share Subscription Warrants (BSA) to the European Investment Bank (EIB):

- 6,857 BSA BEI Warrant A giving access to 1,127,387 ordinary shares (AO) issued on March 18, 2018 in addition to the €20 million financing;
- 3,500 BEI Warrant B BSA giving access to 500,090 ordinary shares (AO), issued on June 4, 2021 in addition to the financing of €21.5 million;
- 1,000 BEI Warrant E BSA giving access to 300,000 ordinary shares (AO), issued on December 4, 2023 in addition to the €10 million financing.

These BSAs are presented and evaluated as a passive derivative instrument for the following reasons:

- These BSAs do not meet the condition of an equity instrument insofar as their settlement cannot result in a fixed number of shares in the company;
- These BSAs are accompanied by a put option allowing the EIB to have a cash reimbursement for the fair value of the shares not received.

(2) The conversion parities of these BSAs did not change over the first half of 2024

The derivatives on financial instruments mature between 1 and 5 years for the BSA Warrant A and in more than five years for the BSA Warrant C and BSA Warrant E.

## 2.6 Investments

### 2.6.1 Main Investments realised

The total amount of investments made by the Group amounted to 14,084 thousand euros in the first half of 2024 compared to 6,716 thousand euros in the first half of 2023.

### 2.6.2 Main investments in progress

Acquisitions of fixed assets net of advances and deposits totalled €7,542 thousand in the first half of 2024, compared with €2,635 thousand in the first half of 2023.

These investments mainly concerned:

- adjustments within the US subsidiary;
- improvements to production lines;

- test equipment and;
- improvements to information systems.

### **2.6.3 Main future investments**

Future capital expenditure will mainly consist of increasing the Group's production capacity, with the aim of bringing it to 8 GWh by 2030. The gradual introduction of new flexible production lines in all the Group's plants to reach this capacity will also be accompanied by expenditure related to site development (infrastructure, IT, etc.), the installation of new production lines and product control equipment (laboratories, testing equipment...), and the launch of a new production site in the United States. At the same time, the Group plans to pursue a sustained effort in the development of new products, as well as research, in order to deploy its continuous product improvement plan at a satisfactory pace. This effort, which also responds to market expectations, will enable the Group to maintain a high-quality product offering in its various market sectors in the years to come.

### **2.7 Subsequent events**

There are no significant events after 30 June 2024.

### **2.8 Main transactions with related parties**

The main transactions with related parties are detailed in note 10.2 to the half-yearly financial statements.

### **2.9 Main risks and uncertainties for the remaining six months**

The main risks and uncertainties to which the Company believes it is exposed as of the date of this half-yearly financial report are detailed in chapter 3 "Risk Factors" of the universal registration document for the year ended 2022, published on April 30, 2024.

The Group does not anticipate any changes in its risks that may have an impact on the second half of the 2024 financial year.



# 3

## **Condensed interim consolidated financial statements as of June 30, 2024**

### 3.1. Consolidated financial statements of the Group as of June 30, 2024

#### 3.1.1. Consolidated statement of financial position

in € thousands	Notes	June 30, 2024	December 31, 2023
<b>Non-current assets</b>		<b>77 993</b>	<b>68 175</b>
Goodwill	7.1	1 523	1 523
Intangible assets	7.2	28 441	23 024
Property, plant and equipment	7.3	40 537	35 433
Non-current financial assets	7.4	2 111	2 089
Investments in equity-accounted companies	7.5	4 251	4 328
Other non-current assets	7.8	926	1 291
Deferred tax assets	7.19	206	488
<b>Current assets</b>		<b>102 995</b>	<b>119 265</b>
Inventories	7.6	45 666	44 481
Trade accounts receivable	7.7	13 120	27 633
Other current assets	7.8	19 590	21 248
Current financial assets	7.4	0	0
Cash and cash equivalents	7.9	24 617	25 902
<b>Total assets</b>		<b>180 987</b>	<b>187 440</b>
<b>Equity</b>		<b>56 263</b>	<b>59 238</b>
<b>Equity attributable to the owners of the parent company</b>		<b>56 263</b>	<b>59 238</b>
Issued share capital	7.10	7 155	7 155
Issue premiums	7.10	177 661	177 661
Translation reserves	7.10.5	(333)	(220)
Reserves	7.10	(125 204)	(97 395)
Net income	7.10	(3 016)	(27 962)
<b>Non-controlling interests</b>		<b>(0)</b>	<b>(0)</b>
<b>Liabilities</b>		<b>124 724</b>	<b>128 202</b>
<b>Non-current liabilities</b>		<b>71 167</b>	<b>76 069</b>
Provision for risks and charges	7.11	9 750	9 550
Employee benefits	7.12	476	499
Non-current financial liabilities	7.13	54 410	57 477
Derivatives on financial instruments	7.14	1 601	4 835
Other non-current liabilities	7.18	4 390	3 396
Deferred tax liabilities	7.19	541	311
<b>Current liabilities</b>		<b>53 557</b>	<b>52 133</b>
Provisions for risks and charges	7.11	0	0
Current financial liabilities	7.13	10 318	9 626
Trade payables	7.17	16 193	23 588
Other current liabilities	7.18	27 046	18 919
<b>Total shareholders' equity and liabilities</b>		<b>180 987</b>	<b>187 440</b>

### 3.1.2. Consolidated statement of income

in € thousands	Notes	June 30, 2024	June 30, 2023
<b>Revenues</b>	8.1	<b>84 401</b>	<b>78 756</b>
Other operating income and expenses	8.2	(366)	1 198
External services and purchases consumed	8.3	(66 360)	(67 585)
Personnel costs	8.4	(15 899)	(15 507)
Taxes and duties	8.5	(566)	(522)
Depreciation and amortization	8.6	(4 001)	(4 507)
Net impairment	8.6	(1 012)	(3 272)
Net provisions	8.6	(200)	(881)
<b>Current operating income</b>		<b>(4 002)</b>	<b>(12 322)</b>
<b>Non-current operating income</b>	8.7	<b>0</b>	<b>0</b>
<b>Operating income (loss)</b>		<b>(4 002)</b>	<b>(12 322)</b>
Financial income	8.8	51	97
Cost of gross financial debt	8.8	(2 073)	(1 334)
Other net financial income and expenses	8.8	3 960	(2 551)
<b>Net financial income (expense)</b>	8.8	<b>1 938</b>	<b>(3 787)</b>
Income in equity-accounted companies	7.5	(77)	(226)
<b>Income before tax</b>		<b>(2 142)</b>	<b>(16 335)</b>
Income tax	8.9	(874)	313
<b>Consolidated net income</b>		<b>(3 016)</b>	<b>(16 022)</b>
<i>Of which share attributable to owners of the parent company</i>		(3 016)	(16 022)
<i>Of which non-controlling interests</i>		(0)	(0)
<b>Net earnings per share</b>	7.10.6	<b>(0,04) €</b>	<b>(0,27) €</b>

### 3.1.3. Statement of other comprehensive income

in € thousands	Notes	June 30, 2024	December 31, 2023
<b>Consolidated net income (A)</b>		<b>(3 016)</b>	<b>(16 022)</b>
<b>Other comprehensive income</b>			
Translation differences over the period	7.10.5	(113)	77
Translation difference on non-monetary assets at the date of the change in functional currency		27	-
<b>Total gains and losses recognized in equity and transferable to the income statement</b>		<b>(86)</b>	<b>77</b>
Change in actuarial gains and losses for defined benefit plans	7.12	(6)	(60)
Tax effect		1	15
<b>Total gains and losses recognized in equity that cannot be transferred to the income statement</b>		<b>(4)</b>	<b>(45)</b>
<b>Total gains and losses recognized in equity, net of tax (B)</b>		<b>(90)</b>	<b>32</b>
<b>Comprehensive income (A) + (B)</b>		<b>(3 106)</b>	<b>(15 990)</b>
<i>Of which share attributable to owners of the parent company</i>		<i>(3 106)</i>	<i>(15 990)</i>

### 3.1.4. Consolidated statement of cash flows

in € thousands	Notes	June 30, 2024	December 31, 2023
Operating income (loss)		(4 002)	(12 322)
<i>Elimination of calculated and other cash flow items</i>		0	
Income from equity-accounted companies		(77)	0
Depreciation, amortization and provisions	9.1	4 155	5 344
(Gains)/Loss on disposal	9.4	0	2
Share-based payments	7.10.3.2	266	720
Income tax expense (income)	8.9	874	0
Research tax credit income charged to operating expenses	9.2	(650)	(500)
<b>Cash flow from operations before cost of net financial debt and tax</b>		<b>566</b>	<b>(6 756)</b>
<b>Change in grants</b>		<b>0</b>	<b>0</b>
Change in income tax receivables and payables (excl. research tax credits)	9.2	(350)	(158)
Tax (expense) / income due	7.8	1 410	-
<b>Tax expense paid</b>		<b>1 060</b>	<b>(158)</b>
Inventories	9.2	(1 051)	(4 187)
Trade receivables	9.2	14 549	(4 448)
Other receivables	9.2	(32)	(2 961)
Trade payables	9.2	(7 417)	(6 029)
Other liabilities	9.2	9 554	4 185
<b>Change in working capital requirement</b>		<b>15 603</b>	<b>(13 440)</b>
<b>Cash flow from operating activities (A)</b>		<b>17 229</b>	<b>(20 353)</b>
Acquisition of fixed assets (net of liabilities and advances paid)	9.3	(14 357)	(6 716)
Set-up of cash pledge	7.4	100	0
Repayment of cash pledge	7.4	0	0
Assets managed under liquidity contract	7.4	(67)	(14)
Realized gains (losses) on liquidity contract	7.4	213	17
Disposal of fixed assets (net of receivables)	5.1	0	0
Proceeds from financial assets	7.4	27	328
Change in scope	9.6	0	0
Cash subscription to the NEOt capital increase	5.1		
<b>Cash flow from investing activities (B)</b>		<b>(14 084)</b>	<b>(6 385)</b>
Capital issue through IPO	7.10	0	49 283
Payment of IPO issue expenses	7.10	0	(1 206)
Change in other financial liabilities	7.13	0	(18)
Debt issues	7.13	0	0
Loan repayments	7.13	(3 164)	(3 746)
Debt repayments on leased assets	7.13	(1 010)	(609)
Factoring financing	7.13	0	1
Payment of EIB loan issuance costs	7.13	218	0
Change in financial liabilities with related parties	7.13	223	288
Bank charges paid	8.8	(457)	(452)
Financial expenses paid	8.8	(274)	(1 040)
<b>Cash flow from financing activities (C)</b>		<b>(4 465)</b>	<b>42 518</b>
Impact of currency translation rates		35	(140)
<b>Change in cash (A) + (B) + (C)</b>		<b>(1 285)</b>	<b>15 640</b>
Net cash at beginning of period	7.9	25 902	31 014
Net cash at end of period	7.9	24 617	46 654
<b>Change in net cash</b>		<b>(1 285)</b>	<b>15 640</b>

### 3.1.5. Consolidated statement of changes in equity

in € thousands	Notes	Issued share capital	Share premium	Translation reserves	Reserve on share-based payments	Treasury shares	Other reserves and comprehensive income	Total attributable to owners of the parent company	Non-controlling interests	Equity
<b>Equity at December 31, 2023</b>		<b>7,155</b>	<b>177,661</b>	<b>(224)</b>	<b>5,966</b>	<b>(430)</b>	<b>(130,893)</b>	<b>59,238</b>	<b>0</b>	<b>59,238</b>
Capital increase	7.10.1							0		0
Issue costs on capital increase	7.10.1							0		0
Share-based payments exercised	7.10.1							0		0
Share-based payments	7.10.1				115		151	266		266
Comprehensive income				(113)			(2 996)	(3 106)		(3 106)
Treasury shares held under liquidity contract	7.10.4					88		88		88
Gains or losses on disposals of treasury shares and change in fair value of treasury shares held	7.4					(223)		(223)		(223)
<b>Equity at June 30, 2024</b>		<b>7,155</b>	<b>177,661</b>	<b>(337)</b>	<b>6,081</b>	<b>(565)</b>	<b>(133,735)</b>	<b>56,238</b>	<b>0</b>	<b>56,238</b>
<b>Equity at December 31, 2022</b>		<b>5,358</b>	<b>132,913</b>	<b>(295)</b>	<b>7,165</b>	<b>(352)</b>	<b>(105,139)</b>	<b>39,650</b>	<b>-</b>	<b>39,650</b>
Capital increase in cash	7.10.1	1,766	47,516	-	-	-	-	49,283	-	49,283
Issuance costs on capital increase	7.10.1	-	(2,697)	-	-	-	-	(2,697)	-	(2,697)
Allocation of free shares	7.14	3	(3)	-	-	-	-	-	-	-
Share-based payments	7.10.3.2	-	-	-	720	-	-	720	-	720
Comprehensive income		-	-	77	-	-	(16,067)	(15,990)	-	(15,990)
Treasury shares held under the liquidity contract	7.10.4	-	-	-	-	9	-	9	-	9
Profit on disposal of treasury shares and change in fair value of treasury shares held	7.4	-	-	-	-	3	-	3	-	3
<b>Equity at June 30, 2023</b>		<b>7,127</b>	<b>177,729</b>	<b>(224)</b>	<b>7,885</b>	<b>(339)</b>	<b>(121,205)</b>	<b>70,979</b>	<b>-</b>	<b>70,979</b>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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## 1. Presentation of the Forsee Power Group

Forsee Power SA, referred to as "Forsee Power Group" or "Group", is a French société anonyme (public limited company) created in February 2007 and registered in the Créteil Trade and Companies Register under number 494 605 488.

Forsee Power S.A.'s registered office is located at 1 Boulevard Hippolyte Marquès in IVRY-SUR-SEINE, 94200.

Forsee Power S.A. is a company operating in the design and integration of specialized batteries in the field:

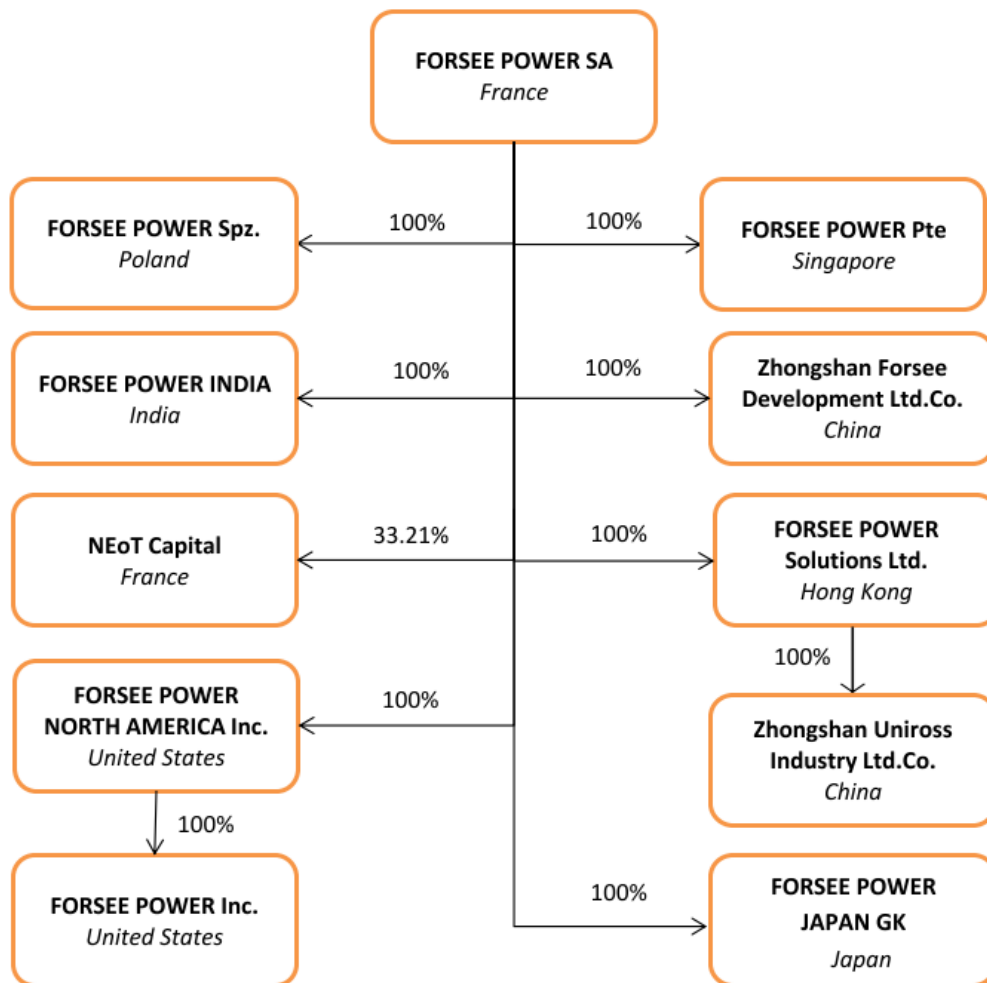
- Of autonomy and mobility (bicycles, scooters, rolling stock, medical facilities, home automation, professional tooling and construction equipment);
- In electric transport (buses, trucks, short supply chain vehicle and rail transport).

The Group was formed through several company creations and acquisitions of Uniross Batteries' businesses (formerly Alcatel Saft) in 2011, Ersé in 2012 and Dow Kokam France (formerly Société de Véhicules Electriques - SVE) in 2013.

The consolidated financial statements have been prepared in accordance with IFRS and were approved by the Board of Directors of Forsee Power S.A. on April 23, 2024.

Forsee Power S.A. has been listed since November 3, 2021, on the regulated market Euronext Paris Compartment B under the number FR0014005SB3.

**Group organization chart as of June 30, 2024:**





## 2. Highlights

The main events of the financial year ended June 30, 2024, are as follows:

- **Launch of new product ranges**

- Partnership with Wrightbus, a world leader in zero-emission buses, to equip more than 1,000 retrofitted buses over the next 3 years;
- Supply of ZEN PLUS high-energy battery systems from Letenda, Canadian manufacturer of zero-emission buses;
- Numerous consultations in the railway sector in the three major regions of the world;
- First commercialization of a battery system for the truck powertrain BAE Systems, leading provider of solutions for heavy-duty electric powertrains in North America.
- Production of the first battery systems for Skoda's 100% battery trains

- **Search for financing**

Management continues to study financing options for its growth strategy in 2024, in debt (banking or not), which could be deployed by the end of the year as well as in 2025 in order to increase its financial flexibility. The costs relating to this search for financing, which was not finalized at the time of closing, are presented in financial income for an amount of €248,000 as of June 30, 2024.

- **Tax and customs inspection**

The company Forsee Power was subject to a tax audit in the first half of 2023 covering the period from January 1, 2020 to December 31, 2021. The conclusions of this audit were transmitted to the company and relate to two points including one is not subject to a tax adjustment. The contested element concerns a rejection of the deduction of a provision of €3.2 million which impacts the company's tax loss carryforward which stands at €196.9 million as of December 31, 2023. Management has decided not to dispute this point.

The company transmitted to the Customs Administration the elements requested as part of a customs control on July 26, 2022.

On June 10, 2024, the company Forsee Power was notified of an adjustment of €52,014 including €15,899 in customs duties and €36,115 in VAT which were paid on the date of this report.

- **Unu GmbH Dispute**

Note 7.11 presents in detail the various disputes with the company Unu GmbH.

Forsee Power was informed on November 23, 2023 of the placement in receivership of the company Unu GmbH before the Berlin Charlottenburg Court. A judicial administrator has been appointed. This German receiver must decide both on the continuation of the activity of the company Unu GmbH and on the advisability of maintaining the ongoing legal proceedings.

The judicial proceedings for summary judgment and on the merits opened in 2021 before the Paris Commercial Court have not evolved significantly in the 2023 financial year. The Court, in its deliberations of June 22, 2023, suspends its ruling until the filing of the expert report. Persistent disagreements over the content of the expert assessments to be carried out, Forsee Power contacted the expert review judge on November 22, 2023 in order to order the experts to begin their expert assessments without delay and to set a reasonable timetable. During the hearing on December 21, 2023, the expert control judge ordered the legal experts to begin their expert assessments with a view to submitting their report by the end of 2024.

New legal proceedings were initiated in July, August, November and December 2023 before civil courts in Germany by the company Unu GmbH following proceedings initiated by victims of various disasters. These proceedings are similar to those initiated in 2022 before other civil courts in Germany.

The summary-expertise procedure opened in 2022 before the Lyon Judicial Court, and the legal proceedings initiated since 2022 before civil courts in Germany continued their course over the 2024 financial year.

On May 2, 2024, the assets of Unu GmbH were purchased by the company EMCO to the exclusion of all disputes, the work of the receiver therefore continuing on this point.

- **Impact linked to the situation in Ukraine and Russia**

The Group is not exposed to the restrictive measures imposed on Russia as Forsee Power does not have any employees, customers or suppliers in this country.

On the other hand, logistical impacts and increases in material costs, linked to the geopolitical situation in Ukraine and in the energy sector, exist but the Group is not directly exposed.

- **Uncertainties related to the current economic and political environment**

The current economic and political environment may create uncertainties regarding the Group's commercial activities (i.e., inflation, the increase in the prices of certain raw materials and energy, a supply chain disruption or a shortage of electronic components, etc.).

Nevertheless, the Group closely monitors and manages the potential increase in its cost structures (raw material prices, wage inflation and supply chain inflation), and generally includes a price adjustment clause in customer contracts, such that it has only limited exposure to changes in raw material prices.

### **3. Accounting standards, consolidation methods, valuation methods and rules**

#### **Basis of preparation of the interim consolidated financial statements**

##### **3.1.1. Accounting standards**

The accounting policies used in the preparation of the condensed interim consolidated financial statements comply with IFRS (International Financial Reporting Standards) as published by the IASB (International Accounting Standard Board) and adopted by the European Union as of June 30, 2024. This framework incorporates international accounting standards (IAS and IFRS) and Standard Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) interpretations.

These standards and interpretations are applied consistently over the periods presented.

The consolidated financial statements presented at June 30, 2024, are condensed interim consolidated financial statements in accordance with IAS 34 relating on interim financial reporting. In accordance with IAS 34, only a selection of significant explanatory notes is included in these condensed financial statements at June 30, 2024. These notes do not contain all the information required for the complete annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023, included in the Universal Registration Document (URD) registered by the *Autorité des Marchés Financiers* on April 30, 2024, under number D.24-0383.

The Group has not applied in advance the standards and interpretations published by the IASB and adopted by the European Union but whose application is not mandatory as of June 30, 2024. In an initial analysis, the Group does not expect any significant effect from the application of these texts on its financial statements and on the information to be presented.

The standards and interpretations published by the IASB but not yet adopted by the European Union will only enter into force as from this adoption and are therefore not applied by the Group as of June 30, 2024.

The presentation currency for the consolidated financial statements and the notes to the financial statements is the euro.

##### **3.1.2. Significant accounting estimates and judgments used by Management for the interim financial statements at June 30, 2024**

The preparation of the Group's financial statements, in compliance with international accounting standards, requires Management to make estimates and assumptions that affect the application of the accounting methods, the amounts of assets and liabilities, income and expenses, and the disclosure of assets and contingent liabilities.

The estimates and underlying assumptions are established according to the information available when the financial statements were prepared. These estimates may be reviewed if circumstances on which they were based change or as a result of new information. Actual future results may differ from these estimates. Management is required to revise these estimates based on past experience and its view of the market. When an estimate is revised, it does not constitute a correction of an error.

In preparing these condensed interim consolidated financial statements, the accounting estimates that require management to make assumptions are the same as those described in the consolidated financial statements for the year ended December 31, 2023.

In the absence of applicable standards or interpretations, the Group uses accounting policies that will provide relevant and reliable information so that the financial statements present an accurate view of the Group's financial position, financial performance and cash flows.

As of June 30, 2024, no judgments were made, except for the estimates presented above, that required specific treatment in the process of applying the accounting policies.

- **Going concern**

The consolidated financial statements as of June 30, 2024, have been prepared on a going concern basis considering the following items:

- The level of cash available as of June 30, 2024, which amounts to €24.6 million, a very slight decrease compared to the level of cash at the end of December 2023 (€25.9 million) thanks to optimization of the working capital requirement of the company (€+15.6 million) and despite significant investment efforts (€14.4 million).
- The outlook for cash flows linked to the Group's activity over the next 12 months;
- The Group has an order book which gives it good visibility on its sales for the months to come.

Since December 21, 2023, the Group has also had a new non-recourse factoring program with Facto France, with an uncapped amount of receivables in euros and dollars (within the limits per customer set by the credit insurer). This trade receivables assignment program replaces the factoring program with HSBC, capped at €2.1 million for euro receivables and \$2.9 million for other receivables. However, this new factoring contract with Facto France has no impact on December 31, 2023, since the first assignments of trade receivables were made in January 2024. Forsee Power also has a factoring contract as part of a reverse factoring program with Banco Santander.

Management is also considering options for financing its growth strategy, in equity or debt (bank and non-bank), which could be implemented to increase its financial flexibility.

Given these factors, the Group believes that it currently has sufficient financial resources for the next 12 months.

- **Consideration of climate change risks**

The Group is potentially impacted by the effects of climate change and is implementing measures to reduce them through a CSR strategy in all areas of its business (see the non-financial performance statement in chapter 5 in the Universal Registration Document 2024).

These risks are operational, i.e., linked to the physical impacts of climate change.

The impacts of climate change in the consolidated financial statements were immaterial as of June 30, 2024.

- **Consolidation methods**
  - **Reporting date and annual financial statements of the consolidated companies**

These consolidated financial statements have been prepared on the basis of the individual financial statements of the subsidiaries of Forsee Power SA. All these financial statements cover a period of 6 months.

The interim financial statements used for comparative information are those for the year ended December 31, 2023, for the statement of financial position and those for the 6-month period ended June 30, 2023, for the statement of income and the cash flow statement.

The interim financial statements of the consolidated companies for the periods presented have been prepared in accordance with the accounting principles and valuation methods used by the Group. They have been restated to bring them into line with the accounting principles and the IFRS framework used to prepare the consolidated financial statements.

### 3.2.1. Foreign currency translation

The translation rates used to prepare the consolidated financial statements for the periods presented are as follows:

Currency	Currency code	Rate on June 30, 2024 €1 = currency	Average rate 6-month June 30, 2024 €1 = currency	Rate on December 31, 2023 €1 = currency	Average rate 12-month December 31, 2023 €1 = currency	Average rate 6-month June 30, 2023 €1 = currency
Hong Kong Dollar	HKD	8.35940	8.45404	8.63140	8.46497	8.47089
Chinese Yuan Renminbi	CNY	7.77480	7.80111	7.85090	7.66002	7.48943
Polish Zloty	PLN	4.30900	4.31688	4.33950	4.54197	4.62441
Indian Rupee	INR	89.24946	89.98624	91.90450	89.30011	88.84427
Singapore Dollar	SGD	1.45130	1.45606	1.45910	1.45232	1.44403
United States Dollar	USD	1.07050	1.08125	1.10500	1.08127	1.08066
Japanese Yen	JPY	171.94007	164.46124	156.33000	151.99027	145.76039

### Accounting methods and valuation rules

The accounting methods and valuation rules used to prepare the consolidated financial statements for the six months ended June 30, 2024, are identical to those used to prepare the annual consolidated financial statements for the year ended December 31, 2023.

#### 4. Information on the scope of consolidation

The scope of consolidation for the periods presented is as follows:

Company	Location	Currency	June 30, 2024			December 31, 2023		
			% control	% ownership	Consolidation method	% control	% ownership	Consolidation method
1 - Forsee Power SA	France	Euro	100%	100%	Parent company	100%	100%	FC
2 - Forsee Power Solutions Ltd.	Hong Kong	Hong Kong dollar	100%	100%	FC	100%	100%	FC
3 - Zhongshan Forsee Power Industry Co. Ltd.	China	Yuan renminbi	100%	100%	FC	100%	100%	FC
4 - Zhongshan Forsee Power Development Co Ltd.	China	Yuan renminbi	100%	100%	FC	100%	100%	FC
5 - Forsee Power Spz	Poland	Zloty	100%	100%	FC	100%	100%	FC
6 - Forsee Power India Private Ltd.	India	Indian rupee	100%	100%	FC	100%	100%	FC
7 - Forsee Power Pte Ltd.	Singapore	Singapore dollar	100%	100%	FC	100%	100%	FC
8 - NEoT Capital	France	Euro	33.21%	33.21%	EM	33.21%	33.21%	EM
9 - Forsee Power North America Inc	United States	United States Dollar	100%	100%	FC	100%	100%	FC
10 - Forsee Power Inc	United States	United States Dollar	100%	100%	FC	100%	100%	FC
11 - Forsee Power Japan GK	Japan	Japanese Yen	100%	100%	FC	100%	100%	FC

The consolidation scope used by the Group's parent company (1) comprises nine companies that are fully consolidated (FC) and one company that is accounted for using the equity method (EM) on June 30, 2024.

The identification of the entities is as follows:

- (2) Forsee Power Solutions Ltd, a company under Hong Kong law whose registered office is located at Flat/RM 2806, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, and registered under number 58025949-000-03-18-0 with the Hong Kong Trade and Companies Register;
- (3) Zhongshan Forsee Power Industry Co. Ltd, company under Chinese law whose registered office is located at 1<sup>st</sup> and 2<sup>nd</sup> floors, No.39 Gongye Da Dao Zhong, Industry District, Xiao LanTown, Zhong Shan in the People's Republic of China, and registered under number 9144200075451119XY with the Zhongshan Administration for Market Regulation;
- (4) Zhongshan Forsee Power Development Co. Ltd, a company under Chinese law whose registered office is located at 1<sup>st</sup> floor, No.39 Gongye Da Dao Zhong, Industry District, Xiao LanTown, Zhong Shan in the People's Republic of China, and registered under number 91442000MA52PUYC0T with the Zhongshan Administration for Market Regulation;
- (5) Forsee Power Spz, a company under Polish law whose registered office is located at ul. Prosta 27a, 55-114 Ligota Piekna, Poland, registered under number 0000256591 in the National Court Register;
- (6) Forsee Power India Private Ltd, a company under Indian law whose registered office is located at 4th Floor, Wolrd Mark 3, Asset 7, Aerocity, NH-8, Delhi, South West Delhi, Delhi, India, 110037, registered under number U51909DL2020FTC365683 in the New Delhi Trade and Companies Register;
- (7) Forsee Power PTE Ltd, a company under Singapore law whose registered office is located at 1 Georges Street, n°10-01, One Georges Street, Singapore (049145), and registered under number 201838879C in the Singapore Trade and Companies Register;
- (8) NEoT Capital, a *société par actions simplifiée* (simplified joint stock company) under French law whose registered office is located at 49 rue de Ponthieu, 75008 Paris, France and registered under number 821 239 670 in the Paris Trade and Companies Register;
- (9) Forsee Power North America Inc., a company incorporated under US law created in 2022, whose registered office is located at 1209 Orange Street, Wilmington, Delaware (19801), New Castle County, and registered under number EIN 88-2706910 with the Delaware trade and companies register;
- (10) Forsee Power Inc. a company incorporated under US law created in 2022, whose registered office is located at 4555 Lyman Drive, Hilliard (43026), Ohio, and registered under number EIN 88-2794171 with the Columbus trade and companies register.
- (11) Forsee Power Japan GK, a company incorporated under Japanese law in 2023, whose registered office is located at 3-7-1 Minatomirai, Nishi-ku, Yokohama, Japan, and registered under number 7020003023279 with the Yokohama Trade and Companies Registry.

All these subsidiaries are included in the books of Forsee Power SA, a company incorporated under French law, whose registered office is located at 1 Boulevard Hippolyte Marquès in Ivry-sur-Seine, and which is registered under number 494 605 488 in the Créteil Trade and Companies Register.

## 5. Information about comparability of the financial statements

### Change in the scope of consolidation for the period

There is no change in the scope of consolidation for the period ended June 30, 2024.

### Change in scope for the previous year

- **Creation of a company in Japan**

Forsee Power has created Forsee Power Japan GK, registered in Yokohama, Japan.

- **Change in the NEOt Capital stake**

On July 26, 2023, Forsee Power signed a Share purchase and investment agreement with EDF Pulse and Mitsui concerning the NEOt Capital stake.

On November 2, 2023, in accordance with this investment agreement, Forsee Power and EDF Pulse completed: the joint sale of their respective 4.01% stakes worth €370 thousand each; authorized a cash capital increase of €3,500 thousand, fully subscribed by Mitsui; authorized individual investors to acquire shares in NEOt Capital; and approved a plan to grant free preference shares to NEOt Capital employees.

Following the completion of these transactions, Forsee Power, EDF Pulse and Mitsui each hold a 33.21% stake in NEOt Capital.

The completion of these transactions on November 2, 2023 led to a reduction in Forsee Power's stake from 50% to 33.21%, resulting in the recognition of dilution income of €356 thousand, shown under "Income from equity-accounted companies".

NEOt Capital will continue to be accounted for using the equity method in 2023.

### Changes in presentation and accounting methods

There were no changes in presentation or accounting policies for the period ended June 30, 2024 compared with the published financial statements for the year ended December 31, 2023.



## 6. Information by business segment and geographical area

Management has defined the business segments on the basis of the reporting which it analyses on a regular basis to make decisions regarding the allocation of resources to the segments and the assessment of their performance.

The Chairman and Chief Executive Officer (CEO) and the Executive Committee of Forsee Power SA are the Group's main operational decision-makers.

The Group's reporting has two business segments called:

- "Light Vehicles and Industrial Tech" (LeV & Ind Tech): covers the light electric mobility market as well as other electric applications (e-scooters, 2- to 4-wheeled light vehicles, e-bikes, medical equipment, Internet of Things, home automation, robotics and professional tooling);
- "Heavy Vehicles" (HeV): covers the market for solutions adapted to the development of vehicles with electric or hybrid engines for various means of transport (buses, commercial and "last-mile" vehicles, trams, trains, trucks and marine) and the market for stationary storage (residential, commercial and industrial).

### Information by business segment

Information by business segment is tracked in internal management reporting at the revenue level only.

Information on income by business segment, including operating income, has not been monitored until now by Management given the limitations of its internal information system in the allocation of costs by business segment. The presentation of net income information by business segment limited solely to the presentation of revenues comply with IFRS 8, given the absence of any other more detailed internal management reporting available.

in € thousands	Light Vehicles and Industrial Tech (LeV & Ind Tech)	Heavy Vehicles (HeV)	June 30, 2024
<b>Total revenue</b>	<b>7 957</b>	<b>76 444</b>	<b>84 401</b>
<i>Breakdown in %</i>	<i>9.4%</i>	<i>90.6%</i>	<i>100%</i>

in € thousands	Light Vehicles and Industrial Tech (LeV & Ind Tech)	Heavy Vehicles (HeV)	June 30, 2023
<b>Total revenue</b>	<b>13,324</b>	<b>65,432</b>	<b>78,756</b>
<i>Breakdown in %</i>	<i>16.9%</i>	<i>83.1%</i>	<i>100%</i>

The amount of revenues generated with customers representing individually more than 10% of revenues was €61.8 million in the *HeV (Heavy Vehicles)* segment on June 30, 2024.

Revenue from customers in the *LeV & Ind Tech (Light Vehicles and industrial tech)* segment individually represent less than 10% of revenues as of June 30, 2024.

Customers individually representing more than 10% of the Group's revenues are as follows:

in € thousands	Business segment concerned	June 30, 2024	% of revenues	June 30, 2023	% of revenues
Customer 1	HeV	41 299	48.9%	32,536	35.2%
Customer 2	HeV	20 486	24.3%	29,155	40.1%
<b>Total</b>		<b>61 785</b>	<b>73.2%</b>	<b>61,691</b>	<b>75.3%</b>
<b>Total Revenue</b>	<b>HeV</b>	<b>76 444</b>	<b>90.6%</b>	<b>65,432</b>	<b>84.9%</b>

in € thousands	Light Vehicles and Industrial Tech (LeV & Ind Tech)	Heavy Vehicles (HeV)	Inter-sector and other	June 30, 2024
Non-current segment assets	10 347	48 199	19 447	77 994
Current segment assets	3 585	60 305	39 104	102 994
Non-current segment liabilities	(2 125)	(15 666)	(53 349)	(71 141)
Current segment liabilities	(2 648)	(40 912)	(10 023)	(53 583)
<b>Total</b>	<b>9 159</b>	<b>51 926</b>	<b>(4 821)</b>	<b>56 263</b>
Capitalization of R&D costs	264	4 549	2 182	6 995
Acquisition of fixed assets	92	7 412	387	7 891
Other non-current capital expenditure	0	0	0	0
<b>Total</b>	<b>356</b>	<b>11 961</b>	<b>2 569</b>	<b>14 886</b>

in € thousands	Light Vehicles and Industrial Tech (LeV & Ind Tech)	Heavy Vehicles (HeV)	Inter-sector and other	December 31, 2023
Non-current segment assets	13,128	41,532	13,516	68,175
Current segment assets	74,526	183,595	(138,857)	119,265
Non-current segment liabilities	(13,082)	(15,202)	(47,784)	(76,069)
Current segment liabilities	(47,501)	(182,915)	178,281	(52,133)
<b>Total</b>	<b>27,071</b>	<b>27,010</b>	<b>5,156</b>	<b>59,238</b>
Capitalization of R&D costs	-	10,854	-	10,854
Acquisition of fixed assets	3,209	-	10,558	13,767
Other non-current capital expenditure	-	-	-	-
<b>Total</b>	<b>3,209</b>	<b>10,854</b>	<b>10,558</b>	<b>24,621</b>

## Information by geographical area

in € thousands	Light Vehicles and Industrial Tech (LeV & Ind Tech)	Heavy Vehicles (HeV)	June 30, 2024	Distribution %
France	5 658	2 256	<b>7 914</b>	9,4%
Europe	581	67 549	<b>68 130</b>	80,7%
Asia	1 682	4 289	<b>5 981</b>	7,1%
United States	35		<b>35</b>	0,04%
Rest of the world		2 340	<b>2 340</b>	2,8%
<b>Total Revenue</b>	<b>7 957</b>	<b>76 444</b>	<b>84 401</b>	

in € thousands	Light Vehicles and Industrial Tech (LeV & Ind Tech)	Heavy Vehicles (HeV)	June 30, 2023	Distribution %
France	3,972	514	<b>4,486</b>	5.7%
Europe	3,459	63,235	<b>66,694</b>	84.7%
Asia	4,529	558	<b>5,087</b>	6.5%
United States	1,288	101	<b>1,389</b>	1.8%
Rest of the world	76	1,024	<b>1,100</b>	1.4%
<b>Total Revenue</b>	<b>13,324</b>	<b>65,432</b>	<b>78,756</b>	<b>100%</b>

in € thousands	June 30, 2024	December 31, 2023
France	53 313	52,777
Europe	522	161
Asia	7 126	2,592
United States	17 033	12,442
Rest of the world	0	0
<b>Total non-current Assets</b>	<b>77 994</b>	<b>67,972</b>

in € thousands	June 30, 2024	December 31, 2023
France	8 250	14,257
Europe	93	28
Asia	1 470	3,181
United States	4 544	7,154
Rest of the world	0	0
<b>Total Investments</b>	<b>14 357</b>	<b>24,620</b>

## 7. Information relating to items in the consolidated statement of financial position

### Goodwill

Goodwill is presented in note 7.1 to the consolidated financial statements on December 31, 2023, and breaks down into the following CGUs:

in € thousands	June 30, 2024	December 31, 2023
Goodwill from Ersé activities in Poland in 2012 (1)	219	219
<b><i>Light Vehicles and Industrial Tech CGU goodwill</i></b>	<b>219</b>	<b>219</b>
Goodwill from the Dow Kokam activities in France in 2013 (2)	1,304	1,304
<b><i>Heavy Vehicles CGU goodwill</i></b>	<b>1,304</b>	<b>1,304</b>
<b>Total</b>	<b>1,523</b>	<b>1,523</b>

No indication of impairment was identified on June 30, 2024, in respect of these two cash-generating units to which goodwill is allocated.

## Intangible assets

in € thousands	December 31, 2023	Increase Allocations	Decrease Reversals	Reclassification	Currency translation effects	June 30, 2024
<b>Gross intangible assets</b>						
Development costs	15 407				19	15 426
Ongoing development costs	17 561	6 995	(697)			23 859
Software and patents	3 072					3 072
Other intangible assets	531	49			5	585
Intangible assets in progress	1 034	338				1 373
<b>Total</b>	<b>37 604</b>	<b>7 385</b>	<b>(697)</b>		<b>25</b>	<b>44 314</b>
<b>Amortization and impairment</b>						
Development costs	(12 017)	(1 036)			(1)	(13 054)
Software	(2 282)	(192)				(2 474)
Other intangible assets	(281)	(61)			(3)	(345)
<b>Total</b>	<b>(14 580)</b>	<b>(1 290)</b>				<b>(15 873)</b>
<b>Net intangible assets</b>	<b>23 024</b>	<b>6 093</b>	<b>(697)</b>		<b>21</b>	<b>28 441</b>

A review of ongoing intangible assets and more particularly ongoing development costs led to the write-off of €697,000 of unidentified or abandoned projects.

Uncapitalized research and development costs amount to €5,995 thousand as of June 30, 2024.

## Property, plant and equipment

Property, plant and equipment in € thousands	December 31, 2023	Expired leases	Increase in allocations	Decrease in reversals	Reclassification	Currency translation effects	New leases (1)	June 30, 2024
<b>Gross property, plant and equipment</b>								
Buildings	162	0	3	0	0	4	0	170
Right-of-use asset, property (2) (3)	21 812	0				218	83	22 113
Technical installations, equipment and tools	17 947	0	393	(7)	1 382	61	0	19 777
Other property, plant and equipment	5 672	0	44	0	10 398	125	0	16 239
Right-of-use asset, other property, plant and equipment	662	(113)	0	0	0	0	225	773
Property, plant and equipment in progress	8 843	0	7 064	(875)	(11 397)	146	0	3 781
Advances and prepayments on property, plant and equipment	1 018	0	41	0	0	0	0	1 059
<b>Total</b>	<b>56 116</b>	<b>(113)</b>	<b>7 545</b>	<b>(882)</b>	<b>383</b>	<b>555</b>	<b>308</b>	<b>63 911</b>
<b>Depreciation and impairment</b>								
Buildings	(69)	0	(11)	0	0	(2)	0	(81)
Right-of-use asset, property	(6 026)	0	(1 063)	0	0	(37)	30	(7 097)
Technical installations, equipment and tools	(11 502)	0	(1 090)	7	(41)	(28)	0	(12 654)
Other property, plant and equipment	(2 797)	0	(475)	0	41	(7)	0	(3 238)
Right-of-use asset, other property, plant and equipment	(288)	113	(129)	0	0	(0)	0	(304)
<b>Total</b>	<b>(20 683)</b>	<b>113</b>	<b>(2 768)</b>	<b>7</b>	<b>0</b>	<b>(74)</b>	<b>30</b>	<b>(23 375)</b>
<b>Net property, plant and equipment</b>	<b>35 433</b>	<b>0</b>	<b>4 777</b>	<b>(875)</b>	<b>383</b>	<b>481</b>	<b>337</b>	<b>40 537</b>

- 1) The new leases for 2023 concern: the extension of industrial and storage premises in Zhongshan (China) by 3,500 m<sup>2</sup> from February 1, 2023 for a period of 2 years; the extension of office premises at the Ivry sur Seine site from April 1, 2023; new office premises in Pune (India) from April 1, 2023 for a period of 18 months, the direct takeover of the leasing contract for the industrial premises of 1,700 m<sup>2</sup> industrial premises in Pune (India) with effect from October 1, 2023 for a period of 5 years; a 108 m<sup>2</sup> technical facility in Kawasaki City (Japan) from June 19, 2023 and offices in Yokohama (Japan) with effect from June 1, 2023 for the subsidiary Forsee Power Japan Limited Liability Co; and the new 1,992 m<sup>2</sup> premises in Dardilly (Lyon) with effect from October 1, 2023.

The terms of the leases at Zhongshan (China) for the 5,200 m<sup>2</sup> industrial premises for which the lease has been renewed from February 29, 2024 to February 28, 2025, for the 3,500 m<sup>2</sup> industrial premises for which the lease expires on January 31, 2025, and for the storage premises for which the lease expires on January 31, 2025, have been set until June 30, 2025, taking into account the lessor's expected renewals of these leases and Management's development projects in China.

- 2) The right-of-use asset for property include the lease agreement signed on July 25, 2022 for a 12,820 m<sup>2</sup> industrial building located in Hilliard on the outskirts of the city of Columbus, Ohio. This lease is for an initial term of 11 years, from 1 November 2022 to 31 January 2033 and may be renewed twice for a period of 5 years. The period used to assess the right-of-use asset for this property corresponds to the minimum duration of the lease contract, i.e., until January 31, 2033.

The development work on this site was completed in the second quarter of 2024. This work will be essentially borne by Forsee Power in return for a lease with favorable long-term financial conditions, the owner will assume responsibility for part of the work as agreed in the lease and the Ohio region will also reimburse certain expenses for the refurbishment and adaptation of the building to Forsee Power's business.

Forsee Power is also examining the possibility of funding/subsidies the work by the US Federal Government under the Inflation Reduction Act, the terms of which were published in 2023.

This lease is secured by a stand-by letter of credit signed on July 25, 2022 by a French bank for a maximum amount of \$1 million and covering the period until November 1, 2032. This guarantee is accompanied by the establishment of an interest-bearing cash pledge of €1 million from July 25, 2022 until July 25, 2025.

- 3) The tenancy-at-will lease on the site occupied in Ecully following the takeover on July 21, 2021 of part of the business and assets of Holiwatt (formerly Centum Adetel Transportation), whose initial term was April 30, 2022, was extended until October 31, 2022, and then until August 31, 2023 pending receipt of new 1,992 m<sup>2</sup> premises in Dardilly (Lyon). This lease agreement in Ecully is not valued in accordance with IFRS 16 given the initial term of less than 12 months inherent in the precarious status of the commercial lease signed with the lessor. This lease was not renewed following delivery of the new 1,992 m<sup>2</sup> premises in Dardilly (Lyon), with a lease effective from October 1, 2023.

No indication of impairment of property, plant and equipment has been identified as of June 30, 2024.

## Financial assets

in € thousands	December 31, 2023	Increase in allocations	Decrease reversals	Reclassification	Translation and discounting effects	June 30, 2024
<b>Financial assets</b>						
Financial instruments not held for trading	0	0	0	0	0	0
Other fixed assets	0	0	0	0	0	0
Assets and securities held under liquidity agreements (1)	72	200	(133)	0	0	139
Deposits and guarantees paid	407	130	(77)	0	2	462
Pledge on cash (2)	1 610	0	(100)	0	0	1 510
<b>Total</b>	<b>2 089</b>	<b>330</b>	<b>(310)</b>	<b>0</b>	<b>2</b>	<b>2 111</b>
<i>Of which</i>						
<i>Current</i>	0	0	0	0	0	0
<i>Non-current</i>	2 089	330	(310)	0	2	2 160

- (1) On November 26, 2021, the company signed a liquidity and stabilization contract with an independent investment services (ISP) company to trade on the Euronext Paris market with a view to ensure the liquidity of transactions and regular trading of Forsee Power shares. In March 7, 2024, call for funds for €200k

The breakdown and change in the liquidity contract on the first half of 2024 are as follows:

in € thousands	Number of shares	June 30, 2024	December 31, 2023
<b>Total liquidity portion presented in financial assets at beginning of year</b>	<b>105 284</b>	<b>72</b>	<b>147</b>
Purchase of Forsee Power shares	434 479	(616)	(700)
Sale of Forsee Power shares	(333 453)	480	626
<b>Total liquidity portion presented as financial assets at the end of the reporting period</b>		<b>139</b>	<b>72</b>
Forsee Power shares held under liquidity contract	206 310	211	289
Change in fair value		25	(15)
<b>Total shares held, deducted from shareholders' equity</b>		<b>187</b>	<b>274</b>
<b>Total Liquidity Agreement</b>		<b>325</b>	<b>346</b>

- (2) Interest-bearing cash pledge of €1 million from July 25, 2022 until July 25, 2027 under the SBLC (stand-by letter of credit) for a maximum amount of \$1 million in favor of the owner of the industrial building leased in Hilliard in the USA.

Interest-bearing cash pledge for an amount of €650 thousand from July 10, 2023 to July 10, 2025 under the SBLC (stand-by letter of credit) in favor of the Indian bank ICICI Bank on behalf of the subsidiary Forsee Power India Private Limited in order to guarantee an overdraft facility and a customs guarantee for 45 million Indian rupees (€490k thousand).

Non-current non-interest-bearing financial assets were discounted by €60 thousand on June 30, 2024 based on the maturity of the asset (1 year or 5 years).

## Investments in equity-accounted companies

The item "Equity-accounted investments" only includes NEO T Capital, in which Forsee Power holds 33.21% of the share capital as of December 31, 2023, in partnership with the EDF Group and Mitsui (see Note 3.2.2.2 of the consolidated financial statements for the year ended December 31, 2023).

Changes in the NEO T Capital stake over the first half of 2024 were as follows:

in € thousands	NEoT CAPITAL
Stake as of January 1, 2024	4 328
Share of net income	(77)
Share of comprehensive income (OCI)	-
<b>Total equity-accounted investment on June 30, 2024</b>	<b>4 251</b>



NEoT Capital's summarized financial statements on June 30, 2024, are as follows:

in € thousands	June 30, 2024
Fixed assets	1 045
Trade receivables	857
Other receivables	113
Cash	3 684
<b>Total assets (A)</b>	<b>5 699</b>
Financial liabilities	1 254
Provisions for risks and charges	38
Trade payables	233
Other liabilities	471
<b>Total Liabilities (B)</b>	<b>1 996</b>
<b>Equity (A) - (B) = (C)</b>	<b>3 703</b>
<b>Share of equity (C) x rate of ownership = D</b>	<b>1 231</b>
<b>Goodwill (E)</b>	<b>3 020</b>
<b>Total equity-accounted investment D+E</b>	<b>4 251</b>

The share of profit or loss of the equity-accounted investment in NEoT Capital was an expense of €(72) thousand as of June 30, 2024.

There is no impairment to be recognized as of June 30, 2024 on the NEoT Capital investment.

## Inventories

in € thousands	June 30, 2024	December 31, 2023
Inventories of raw materials (1)	34 787	29 577
Inventories of products in production (2)	5 079	7 106
Inventories of finished products (3)	16 249	17 524
Impairment of inventories (4)	(10 448)	(9 727)
<b>Net inventories</b>	<b>45 666</b>	<b>44 481</b>

- (1) Including €24 034 thousand in France and €20 791 thousand in China on June 30, 2024, compared with €20,791 thousand in France and €7,401 thousand in China at December 31, 2023;
- (2) Including €4,357 thousand in France and €722 thousand in China on June 30, 2024, compared with €5,311 thousand in France and €1,796 thousand in China at December 31, 2023;
- (3) Including €12,848 thousand in France and €904 thousand in China on June 30, 2024, compared with €15,885 thousand in France and €1,639 thousand in China at December 31, 2023;
- (4) Including €583 thousand in impairment losses recognized in 2024 in France and €138 thousand in impairment losses recognized in 2023 in China.

The gross value of inventories as of June 30, 2024 amounts to €56.1 million, with an impairment loss of €10.4 million.

## Trade receivables

in € thousands	June 30, 2024	December 31, 2023
Trade receivables	13 841	28 092
Impairment of trade receivables	(834)	(527)
Assets on customer contracts (invoices to be issued)	113	68
<b>Trade receivables</b>	<b>13 120</b>	<b>27 633</b>

The Group has set up programs to assign operating receivables to banks:

- Receivables assigned without recourse (HSBC contract), and which are no longer presented in the statement of financial position totaled €13,175 thousand at June 30, 2024 (€3,175 thousand at December 31, 2023);
- Under the factoring contract included in a customer's reverse factoring program, the Group has as of June 30, 2024 discounted with Banco Santander receivables totaling €3,062 thousand with a maturity date later than June 30, 2024, compared with €2,036 thousand of receivables sold as at December 31, 2023 and whose maturity date was later than December 31, 2023.
- The first assignments of trade receivables to Facto France under the new factoring contract took place in January 2024.

The amount of expected credit losses is not material and is not recognized as of June 30, 2024.

The maturity of due trade receivables is as follows:

in € thousands	June 30, 2024	December 31, 2023
<b>Due trade receivables</b>	<b>13 224</b>	<b>27 606</b>
Trade receivables due, not past due	6 581	23 389
Trade receivables due, past due	6 643	4 217

Past due receivables do not present any particular risk of non-recovery or of an increase in the level of expected credit losses.

## Other assets

in € thousands	June 30, 2024	December 31, 2023
Trade payables - Advances and deposits paid	5 806	6 760
Social security receivables	83	119
Tax receivables	5 541	5 419
Factoring accounts and reserves on assignments of trade receivables (1)	2 589	4 107
Shareholder loans	0	6
Other receivables (2)	681	1 305
Prepaid expenses (3)	2 309	1 631
Impairment of other current assets	(530)	(530)
<b>Other receivables presented in WCR</b>	<b>16 477</b>	<b>18 816</b>
Borrowing costs in the process of being issued at the reporting date	0	(0)
Trade payables - Advances paid on fixed assets	0	0
Corporate income tax receivables (4)	4 039	3 723
<b>Other assets</b>	<b>20 516</b>	<b>22 539</b>
<i>Of which</i>		
<i>Current</i>	19 590	21 248
<i>Non-current</i>	926	1 291

1) Retention of collateral and financing reserves with the factor Facto France amounted to €2,589K as of June 30, 2024. As of December 31, 2023, the last sales of trade receivables to the HSBC factor were sold but not mobilized (financed) for €3,573K. Retention payments from HSBC amounted to €534K as of December 31, 2023

2) Including €184K in credit notes and discounts receivable as of June 30, 2024 from suppliers compared to €221K as of December 31, 2023.

3) Mainly made up of annual insurance bills, 3rd quarter rents for the Ivry and Lyon sites and annual IT license bills.;

4) Research tax credit receivables amounted to €4 162 thousand before the discounting effect at June 30, 2024. Research tax credit receivables have been discounted for a total amount of €785 thousand at the Euribor rate depending on the maturity of the repayment of the receivable. Research tax credit receivables amounted to €4,916 thousand in December 31, 2023 before the discounting effect.

## Cash

in € thousands	June 30, 2024	December 31, 2023
Cash equivalents	336	435
Cash	24 281	25 466
<b>Cash and cash equivalents</b>	<b>24 617</b>	<b>25 902</b>

in € thousands	June 30, 2024	December 31, 2023
Cash and cash equivalents	24 617	25 902
Bank overdrafts (cash liability)	0	0
<b>Net cash presented in the consolidated statement of cash flows</b>	<b>24 617</b>	<b>25 902</b>

Cash consists of sight deposits in euros (€), in US Dollars (\$), and in the local currency of the subsidiaries (Chinese Yuan, Indian Rupee, Polish Zloty).

The currency breakdown of cash is as follows:

in € thousands	June 30, 2024	December 31, 2023
Cash in euros (€)	21 098	17 572
Cash denominated in US Dollars (\$)	479	5 689
Cash denominated in other currencies (Chinese Yuan, Indian Rupee, Polish Zloty, Japanese Yen)	3 040	2 641
	<b>24 617</b>	<b>25 902</b>

## Equity

### 7.10.1. Share capital and issue premium

The change in share capital and issue premium during the year was as follows:

in € thousands	<i>Number of shares and units</i>	<i>Par value</i>	<i>Amount of the share capital</i>	<i>Amount of issue premium net of expenses</i>
<b>On December 31, 2022</b>	<b>53 572 003</b>	<b>0,10 €</b>	<b>5 357</b>	<b>132 913</b>
Capital increase of May 9, 2023	17 664 108	0,10 €	1 766	44 780
Capital increase of June 20, 2023	32 000	0,10 €	3	(3)
Capital increase of October 15, 2023	282 616	0,10 €	28	(28)
<b>On 31 December, 2023</b>	<b>71 550 727</b>	<b>0,10 €</b>	<b>7 155</b>	<b>177 661</b>

The number of outstanding shares in Forsee Power SA as of June 30, 2024, is 71 550 727 with a par value of €0.10, i.e., a total amount of the share capital of €7 155 072.70.

Forsee Power's share capital has not changed over the first half of 2024.

### 7.10.2. Dividends

Forsee Power SA did not pay any dividend in 2024 relating to the financial year ended December 31, 2023, nor on the last two previous years.

The company does not intend to pay a dividend for the financial year ended December 31, 2024.

### 7.10.3. Share-based payments

#### 7.10.3.1. Share subscription warrants

The company Forsee Power has issued Share Subscription Warrants (BSA) to the benefit of the European Investment Bank (EIB) which are presented in Note 7.10.3.1 of the financial statements for the financial year ending December 31, 2023.

No new share subscription was issued on the first half of 2024.

#### 7.10.3.2. Stock options and Free Shares

The table below shows the Stock Options (SO) granted in previous financial years as of June 30, 2024:

	Grant date	Number of SO granted	Number of SO cancelled	Number of outstanding SO	Number of shares subscribed when the SO are exercised	Vesting period of rights	Last date for exercising stock options
Stock options (SO 2018) (1) (3)	April 02, 2019	600,000	0	600,000	600,000	4 years	December 20, 2033
Stock options (SO 2018) (1) (3)	January 28, 2020	180,000	(75,000)	105,000	105,000	4 years	December 20, 2033
Stock options (SO 2018) (1) (3), (4)	November 13, 2020	75,000	(75,000)	0	0	4 years	December 20, 2033
Stock options (SO 2021) (2) (3)	August 12, 2021	1,500,000	0	1,500,000	1,500,000	2 months	August 5, 2036
<b>Total Stock-Options (SO)</b>		<b>2,355,000</b>	<b>(150,000)</b>	<b>2,205,000</b>	<b>2,205,000</b>		

- (1) Grants under the 2018 Stock Option Plan (SO 2018) authorized by the shareholders' meeting of December 21, 2018. These 2018 SOs include a vesting period set at 4 years with a presence requirement ending between April 2, 2023 and November 13, 2024. The grants were made to the Chairman, members of the Management Board and employees considered key to the company Forsee Power SA.
- (2) Following authorization by the Annual General Meeting of August 5, 2021, 1,500,000 stock options (SO 2021) giving access to 1,500,000 ordinary shares were granted on August 12, 2021 to the Chairman of the Board of Directors as compensation for services rendered. These 1,500,000 SO include "off-market" performance conditions (conversion of the OC5 and finalization of the acquisition of the Holiwatt assets) which were lifted on September 27 and 28, 2021. These 1,500,000 stock options include an initial lock-in period of 2 years ending on August 12, 2023 and can be exercised over a period extending from the 2nd year to the 15th year following the date of grant. At the date of grant, Management estimated the expected exercise schedule for these 1,500,000 options, which is between 2023 and 2025.
- (3) The number of options has been adjusted following the division by 100 of the par value of Forsee Power SA shares decided by the Extraordinary General Meeting of October 15, 2021.
- (4) The departure of a beneficiary in the first half of 2024 leads to the lapse of 75,000 SO 2018 as of June 30, 2024

The table below shows the free shares (AGA) allocated, as of June 30, 2024 and previous financial years :

	Grant date	Number of AGA granted	Number of AGA cancelled	Number of outstanding AGA	Number of shares subscribed when the AGA are exercised	Vesting period of rights	Vesting date for AGA
Free shares (AGA 2021) (1) (3)	September 14, 2021	382,000	(20,000)	362,000	362,000	1 year	September 14, 2022
Free shares (AGA R 2021) (2)	October 15, 2021	282,616	0	282,616	282,616	2 years	October 15, 2023
Free shares (AGA 2022) (4) (5)	September 14, 2022	64,000	(32,000)	32,000	32,000	1 year	September 14, 2023
Free shares (AGA 2022) (6), (7)	December 21, 2023	208,000	(12,000)	196,000	208,000	1 year	December 21, 2024
<b>Total free shares (AGA)</b>		<b>936,616</b>	<b>(64,000)</b>	<b>872,616</b>	<b>872,616</b>		

- (1) The Board of Directors awarded 382,000 free shares (2021 free share grants) on September 14, 2021 to members of the Executive Committee and to employees considered as key to Forsee Power SA. These 2021 free share grants have a vesting period of one year with a presence requirement ending on September 14, 2022.

On September 14, 2022, the Board of Directors recorded the definitive vesting of 362,000 free shares for beneficiaries and authorized a capital increase on September 15, 2022 by issuing 362,000 new ordinary shares deducted from issue premiums.

- (2) On October 15, 2021, the Board of Directors, acting on a delegation of authority from the shareholders' meeting of the same day, decided to grant the Chairman of the Board of Directors, in addition to his compensation for the 2021 financial year, a maximum of 1,000,000 free shares and/or stock options, to be definitively allocated by June 30, 2022. On April 6, 2022, the Board of Directors finally definitively allocated a number of 282,616 free shares (2021 free shares grant R) following the recommendation of the Appointments and Remuneration Committee on April 1, 2022. This allocation of 282,616 free share grants as part of the Chairman's 2021 variable compensation is subject to a two-year presence requirement ending on October 15, 2023, followed by an obligation to retain the shares subscribed for a limited period. The expense relating to these 282,616 free shares is recognized in the financial statements for the 2021 and 2022 financial years, pro rata to the beneficiary's attendance requirement.

These 282,616 free shares vested on October 15, 2023 and were exercised on the same day by the issue of 282,616 new ordinary shares.

- (3) The number of free shares has been adjusted following the division by 100 of the par value of the shares of Forsee Power SA decided by the Extraordinary General Meeting of October 15, 2021.
- (4) The Board of Directors awarded 64,000 free shares (AGA 2022) on September 14, 2022 to members of the Executive Committee of Forsee Power SA. These 2022 free share awards have a one-year vesting period and a presence requirement that ends on September 14, 2023.
- (5) 32,000 definitively vested 2022 free share grants were exercised on June 20, 2023 by the issue of 32,000 new ordinary shares.
- (6) The Board of Directors granted 208,000 free shares (2022 free share grant plan) on December 21, 2023 to members of the Executive Committee and employees of Forsee Power SA and its subsidiaries. These 2022 free share grants have a one-year vesting period with a presence requirement ending on December 21, 2024.
- (7) The departure of a beneficiary in the first half of 2024 leads to the lapse of 75,000 SO 2018 as of June 30, 2024

The expense recognized in the periods presented for share-based transactions is as follows:

in € thousands	June 30, 2024	December 31, 2023
<b>Costs recognized as a specific reserve at the start of the period</b>	<b>5,966</b>	<b>7,165</b>
Expenses recognized in profit or loss for the period (services rendered)	266	1,092
Cancellation of past costs of options that lapsed over the period: forfeit linked to the presence condition	(151)	(107)
Costs of options exercised during the period: vested related to the exercise of options	0	(2,184)
<b>Specific reserve costs at the end of the period</b>	<b>6,081</b>	<b>5,966</b>
Expense to be recognized in future years	250	589
<b>Total probable cost of grants estimated at the reporting date</b>	<b>6,331</b>	<b>6,555</b>

The IFRS 2 expense recognized in profit or loss for the 2024 and 2023 financial years breaks down as follows:

in € thousands	June 30, 2024	December 31, 2023
Stock options (SO 2018)	5	201
Stock options (SO 2021)	0	0
Free shares (AGA 2021)	0	0
Free shares (AGA R 2021)	0	808
Free shares (AGA 2022)	261	82
<b>Total</b>	<b>266</b>	<b>1,092</b>

The IFRS 2 expense to be recognized in future years breaks down as follows:

in € thousands	June 30, 2024	December 31, 2023
2024	250	589
2025	0	0
<b>Total</b>	<b>250</b>	<b>589</b>

The expense to be recognized in future financial years by SO and AGA plan breaks down as follows:

in € thousands	June 30, 2024	December 31, 2023
Stock options (SO 2018)	0	47
Stock options (SO 2021)	0	0
Free shares (AGA 2021)	0	0
Free shares (AGA R 2021)	0	0
Free shares (AGA 2022)	250	542
<b>Total</b>	<b>250</b>	<b>589</b>

The table below summarizes the data used in the stock option valuation model.

	Grant date	Assumptions used to determine fair value at PER under IFRS 2 (Black & Scholes)				Unit valuation under IFRS 2 (1)	IFRS 2 probable cost at the grant date	Residual probable cost on June 30, 2024
		Strike price in € (1)	Risk-free rate	Risk premium	Expected volatility		in € thousands	in € thousands
Stock options (SO 2018)	April 2, 2019	€ 3.40	-0.44%	10.0%	69.6%	€2.39	1,432	1,432
Stock options (SO 2018)	January 28, 2020	€ 3.40	-0.59%	10.0%	70.8%	€2.40	252	252
Stock options (SO 2018)	November 13, 2020	€ 3.40	-0.74%	10.0%	80.4%	€2.56	192	0
Stock options (SO 2021) (2)	August 12, 2021	€ 6.50	-0.72%	0.0%	71.7%	€2.94	4,122	4,122
		€ 6.50	-0.71%	0.0%	68.5%	€2.87		
		€ 6.50	-0.60%	0.0%	65.7%	€3.14		
Free shares (AGA 2021) (4)	September 14, 2021	- €	-0.68%	0.0%	65.9%	€6.50	2,353	0
Free shares (AGA R 2021) (3)	October 15, 2021	- €	-0.67%	0.0%	71.5%	€7.25	2,049	0
		- €	-0.58%	0.0%	69.0%	€7.25		
		- €	-0.38%	0.0%	65.6%	€7.25		
Free shares (AGA 2022) (5)	September 14, 2022	- €	1.31%	0.0%	52.9%	€4.21	270	0
Free shares (AGA 2022) (6)	December 21, 2023	- €	3.24%	0.0%	36.1%	€2.68	557	525
Actions gratuites (AGA 2024) (7)	25 juin 2024							
<b>Total</b>							<b>11,227</b>	<b>6,331</b>

(1) 100-fold split of the par value of the share decided by the Extraordinary Shareholders' meeting of October 15, 2021.

(2) The probable cost of the 1,500,000 Stock Options granted on August 12, 2021 has been estimated on the basis of an expected option exercise schedule between 2023 and 2025.

(3) The probable cost of the 282,616 Free Shares granted on October 15, 2021 has been estimated on the basis of an expected exercise schedule for the options which extends from 2023 to 2025. The valuation of the option takes into account a Forsee Power share value of €7.25 as retained for the capital increase decided by the Combined General Meeting on 15 October 2021.

These 282,616 free share grants definitively vested on October 15, 2023 and were exercised on the same day by the issue of 282,616 new ordinary shares.

(4) The 2021 free share awards were definitively vested on September 14, 2022 and were exercised on September 15, 2022 by the issue of 362,000 new ordinary shares.

(5) 32,000 definitively vested 2022 free share grants were exercised on June 20, 2023 by the issue of 32,000 new ordinary shares.

(6) Grant on December 21, 2023 of 208,000 free share grants with a one-year vesting period.



#### 7.10.4. Treasury shares

Treasury shares consist of Forsee Power SA shares held by the Group through an independent investment services company (Kepler Cheuvreux) in charge of the liquidity contract (see Notes 3.3.13 to the consolidated financial statements for the year ended December 31, 2023 and 7.4).

Under this liquidity contract, the Group held 206,310 Forsee Power SA shares at June 30, 2024, representing a value of €211 thousand, less a fair value adjustment of (55) K€, i.e., 187 K€.

Treasury shares held under the liquidity contract are recognized as a deduction from consolidated equity.

#### 7.10.5. Translation reserves

The translation reserve by currency is as follows:

in € thousands		June 30, 2024	December 31, 2023
Hong Kong Dollar	HKD	128	17
Chinese Yuan Renminbi	CNY	(224)	(168)
Polish Zloty	PLN	(24)	(22)
Indian Rupee	INR	(127)	(102)
Singapore Dollar	SGD	(1)	(1)
United States Dollar	USD	(42)	62
Japanese Yen	JPY	(43)	(10)
<b>Currency translation reserve - Group share</b>		<b>(333)</b>	<b>(224)</b>

#### 7.10.6. Earnings per share

	June 30, 2024	June 30, 2023
Consolidated net income	(3 016)	(16 022)
Weighted average number of shares outstanding	71 550 727	58 650 937
<b>Earnings per share</b>	<b>(0,04) €</b>	<b>(0,27) €</b>

Under IAS 33, diluted earnings per share are equal to earnings per share if there is a loss.

## Provisions for risks and charges

The changes over the 2024 and 2023 financial years are as follows:

in € thousands	December 31, 2023	Additions	Reversals	Of which used	Reclassification	Currency translation effects	June 30, 2024
Provisions for after-sales service cover	6 633	2 159	(1 695)	(1 695)			7 097
Provisions for recycling	2 397		(442)				1 955
Provisions for disputes	270	254	(62)				462
Provision for dispute with Unu GmbH	249		(13)	(13)			236
<b>Provisions</b>	<b>9 550</b>	<b>2 413</b>	<b>(2 212)</b>	<b>(1 708)</b>			<b>9 750</b>
<i>Of which</i>							
<i>Current</i>	-	254					254
<i>Non-current</i>	9 550	2 159	(2 212)	(1 708)			9 496

The main provisions for risks and charges are detailed below:

- The provision for after-sales service guarantees** recognized as of June 30, 2024 amounts to €7,097 thousand compared with €6,633 thousand as of December 31, 2023). This provision was made to cover the risk of future after-sales service costs due to Forsee Power's liability for the products sold (undertaking to repair or replace any defective components of the battery systems sold). This guarantee is a legal obligation, is not optional to the agreement, and usually lasts from four to five years. Given the random nature of the probability of the occurrence of a defect, this provision is measured in accordance with IAS 37 on a statistical basis according to the products sold and is adjusted according to the after-sales costs actually incurred by the Group during the financial year.
- The provision for recycling** of €1,955 thousand on June 30, 2024 (€2,397 thousand at December 31, 2023) was established to cover the estimated future costs of recycling battery systems sold and which the Group has a commitment to take back and recycle in the event of return of batteries by customers. This provision is calculated according to the number of systems sold concerned by the recovery commitment and valued according to the external recycling cost of the different types of batteries. The Group regularly updates these external recycling costs in order to take into account improvements in the treatment costs of this relatively recent channel.

The recovery of 442 thousand euros is due to a significant drop in the cost per ton of battery recycling.

- **Provisions for disputes** represent a total amount of €462 thousand on June 30, 2024 (€270 thousand at December 31, 2023), and correspond to the valuation of other risks, such as risks of customer penalties, disputes, excluding the dispute with Unu GmbH presented separately below for €236 thousand.

#### **Disputes with Unu GmbH:**

- At the end of 2023

The company Unu GmbH was placed in receivership before the Berlin Charlottenburg Court according to information brought to the attention of Forsee Power on November 23, 2023.

Following the opening of this receivership procedure in Germany, a German receiver was appointed. This German receiver must decide both on the continuation of the activity of the company Unu GmbH and on the advisability of maintaining the legal proceedings in progress in France and Germany.

- As of June 30, 2024

On May 2, 2024, the assets of Unu GmbH were purchased by the company EMCO to the exclusion of all disputes, the work of the receiver therefore continuing on this point.

Forsee Power does not have information at the closing date of the accounts on June 30, 2024 to assess whether or not the legal proceedings initiated in France and Germany will continue.

#### ***The referral procedure in Paris:***

- At the end of 2023

On March 12, 2021, Unu GmbH summoned Forsee Power and its former insurer, the Generali company, before the Paris Commercial Court for a request for judicial expertise. Unu GmbH takes action against the Company on the basis of defective product liability and common law contractual liability, alleging that the batteries have defects and do not meet the technical characteristics agreed between the parties under the terms of the agreement of supply of July 23, 2016 and its amendment of June 29, 2018. The Company did not oppose this request for legal expertise but indicated that it should also relate to scooters produced by the company Unu GmbH, whose characteristics do not comply with the initial contractual specifications are the cause of battery malfunctions.

By an order of March 31, 2021, the judge ordered the appointment of a legal expert whose mission relates to both the study of batteries and that of scooters in order to qualify the origin of the malfunctions, disorders partners and therefore responsibilities. The expert initially appointed having withdrawn, the judge ordered the appointment of a new expert by an order of April 16, 2021.

The expert has heard, as of May 5, 2021, the various arguments presented by the Parties but has not yet designated a laboratory to carry out the necessary tests on batteries and scooters. However, the latter has noted on numerous occasions the difficulties of cooperation with Unu GmbH, which refuses to communicate certain key documents for the expertise, in particular the test reports for its scooters.

On December 31, 2021 Unu GmbH summoned Forsee Power in summary proceedings before the Paris Commercial Court for the purpose of replacing the legal expert appointed in April 2021. Unu GmbH considers that the expert shows manifest bias and that the -he does not

have sufficient skills to carry out the legal expertise. On January 26, 2022, the Company responded to these arguments by indicating that the summary judge was not competent and that the case should be brought before the Supervisory Judge. The Company also rejects the arguments of Unu GmbH regarding the alleged bias or incompetence of the expert.

The summary judge of the Paris Commercial Court declared himself, by judgment of March 18, 2022, incompetent in the request of the company Unu GmbH to replace the legal expert appointed in April 2021.

The Supervising Judge retained the legal expert and appointed a co-judicial expert.

Persistent disagreements on the content of the expert tests to be carried out, Forsee Power contacted the expert control judge on November 22, 2023 in order to order the experts to begin their expert assessments without delay and to set a reasonable timetable.

• As of June 30, 2024

In an order dated January 29, 2024, the supervisory judge confirmed that the testing protocol could be started as is and ordered the experts to submit a report by the end of 2024.

#### ***The trial proceedings:***

On November 2, 2021, despite the expert's report, Unu sued the Company before the Commercial Court of Paris, ruling as a judge on the merits, on the same grounds, claiming €15,845 thousand for material damages and €50 thousand for immaterial damages.

In its deliberations of June 22, 2023, the court stayed the proceedings until the expert report had been submitted.

#### ***Expert assessment summary proceedings in Lyon:***

On May 25, 2022, Unu GmbH summoned the Company to appear before the Lyon Court as part of a request for a judicial expert appraisal made by the insurer and the family of an individual who died in a fire at home in August 2021. The circumstances of this fire have not been established: the fire started, according to the insurer, at the garage door and the garage contained a Piaggio thermal scooter and an Unu electric scooter. Against this background, the insurer summoned Unu GmbH to appoint a legal expert to determine the cause of the fire.

Investigations have not begun and at this stage, no cause is preferred. The judge in summary proceedings ordered the extension of the expert assignment on August 1, 2022. An initial expert meeting took place on October 18, 2022. A second expert meeting took place on May 21, 2024. At the end of this meeting, the expert indicated in a note to the parties that the battery status did not reveal internal firing tracks, and that it was unlikely that it started the fire. The residues of the battery were sent to be analyzed and the appraisals are still going on.

In the event that the accident was indeed caused by the scooter, the said accident would not be covered by the Company's new insurer since it would then be a new serial incident linked to the Unu batteries. As the risk was identified in 2019, it would also be covered by the policy entered into with the Company's former insurer.

At the same time, an investigation was carried out by the Lyon Public Prosecutor's Office but it was closed, with no further action taken. This does not preclude the possibility of the victim's family lodging a civil party petition with an investigating judge at a later date.

- As of June 30, 2024

A second expert meeting took place on May 21, 2024. At the end of this meeting, the expert indicated in a note to the parties that the condition of the battery did not reveal any traces of internal ignition, and that it was therefore unlikely that it was the cause of the fire. The residues of this have, however, been sent for analysis and the expertise is continuing.

***Proceedings opened before civil courts in Germany:***

On September 15 and 29 and November 9, 2022, Forsee Power received summons for a compulsory intervention before three civil courts in Germany (*Landgericht* in Flensburg, Munich and Coburg) by Unu GmbH in proceedings initiated by the victims of the various claims.

These proceedings were supplemented by new summons received on July 19, July 31, August 22, November 30 and December 29, 2023, before four other civil courts in Germany (Landgericht of Cologne, Hamburg, Essen and Aachen) from Unu GmbH in proceedings initiated by the victims of the various claims.

The Company made the same arguments as those developed in the proceedings opened in France and asked for a stay of proceedings pending the results of the legal expert appraisal opened in France.

***Risk assessment and provision:***

The provision recorded in the consolidated financial statements for the period ended June 30, 2024, in the amount of €236 thousand (€249 thousand at December 31, 2023) therefore includes the fees of the Company's legal counsel as well as those of the legal expert and external experts used by the Company. The provision was reversed and used in the amount of €13 thousand for the 2024 financial year in connection with the expenses recognized for the financial year, mainly for appraisal and legal expenses.

The Company considers the claims of Unu GmbH to be unfounded and intends to assert its rights and legal arguments, which at this stage of the proceedings justifies the absence of a provision for risks in excess of the mentioned legal costs.

## **Post-employment benefits and Long-service awards**

The net liability on post-employment and on other long-term employee defined benefits is reviewed on June 30, 2024.

### 7.12.1. Defined contribution plan

An expense of €830 thousand has been recognized as of June 30, 2024 (€1,624 thousand as of December 31, 2023) for defined contribution plans in France.

### 7.12.2. Defined benefit plans

The Group does not have any defined benefit plans other than retirement benefits for French employees, the details of which are as follows:

in € thousands	June 30, 2024	December 31, 2023
Retirement bonuses	476	499
Long-service awards	0	0
<b>Total</b>	<b>476</b>	<b>499</b>

in € thousands	June 30, 2024	December 31, 2023
<b>Commitments at the beginning of the period</b>	<b>499</b>	<b>379</b>
Costs of services rendered	48	10
Interest on debt	(93)	15
Actuarial gains and losses on changes in financial and demographic assumptions (experience gains)	16	95
Actuarial gains and losses on departures of plan beneficiaries	5	0
Retirement benefits	0	0
<b>Commitments at end of period</b>	<b>476</b>	<b>499</b>

#### Actuarial assumptions

For the retirement benefits plan, the basic assumptions (staff turnover rate, salary increase) for these calculations have been determined on the basis of the Group's forecasting and historical policy.

The assumptions used for the valuations consist of:

	June 30, 2024	December 31, 2023
<b>Financial assumptions</b>		
Discount rate	3.67%	3.23%
Salary growth rate	3%	2.20%
Rate of social security charges, management	50%	48.73%
Rate of social security charges, non-management	37.36%	37.30%
<b>Demographic assumptions</b>		
Employee turnover aged under 35	21.49%	7.50%
Employee turnover aged between 36 and 45	15.54%	5.00%
Employee turnover aged over 46	3.30%	2.50%
Age of retirement used for management	64 years	64 years
Age of retirement used for non-management	64 years	64 years
Mortality table	INSEE 2024	INSEE 2022

The discount rates applied are based on the rate of return on bonds issued by leading companies with a maturity equivalent to the duration of the plans being valued, which is approximately ten years. The rate was determined based on market indices for AA-rated bonds available at end of June, 2024.

The Sensitivity analyses of the commitment have been performed as of June 30, 2024 on the following key assumptions:

	Gross impact on commitments as of June 30, 2024	% of total commitments as of June 30, 2024
<b>Discount rate</b>		
Change in discount rate of -0.25%	11	2.2%
Change in discount rate of +0.25%	(10)	(2.2)%
<b>Turnover rate</b>		
-1.00% change in employee turnover	27	5.7%
+1.00% change in employee turnover	(24)	(5.1)%
<b>Salary increase rate</b>		
Change of +1.00%	45	9.5%
Change of +1.50%	70	14.7%

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<b>Retirement age</b>		
Departure at age 63	5	1.1%
Departure at age 65	(30)	(6.3)%

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## Borrowings and financial liabilities

in € thousands	December 31, 2023	Issuance	Repayments	Debt issuance costs	Interest recognized in respect of interest free loans	Reclassification	Currency translation effects	Effective interest method impact	Net change	Capitalized interest	Fair value	IFRS 16 loan issuance	June 30, 2024
Loans from the EIB (1)	32 324							318					32 642
Atout loan from Bpi (3)	938					(938)							
State-guaranteed loan from BPI (2)	2 188												2 188
State-guaranteed loan from BNP (2)	2 963				85	(1 077)							1 971
State-guaranteed loan from HSBC (2)	2 729				96	(938)							1 887
Right-of-use liability - non-current	15 578		(0)			(1 301)	164					337	14 778
Deposits and guarantees received	20												20
Repayable advances - non-current	45	218											263
Related-party liabilities	694	178											872
<b>Long-term financial debt</b>	<b>57 477</b>	<b>396</b>	<b>(0)</b>		<b>181</b>	<b>(4 254)</b>	<b>164</b>	<b>318</b>				<b>337</b>	<b>54 620</b>
Atout loan from Bpi (3)	1 250		(1 250)			938							938
State-guaranteed loan from BPI (2)	1 250												1 250
State-guaranteed loan from BNP (2)	1 956		(978)			1 077							2 055
State-guaranteed loan from HSBC (2)	1 875		(936)			938							1 877
Accrued interest on financial liabilities	1 069	463	(56)				1						1 477
Right-of-use liability - current	2 109		(1 010)			1 301	17						2 417
Accrued interest on right of use	39						1						40
Fair value hedges related to foreign exchange risk (4)	77								5		(30)		51
Accrued interest not yet due													
<b>Short-term financial debt</b>	<b>9 625</b>	<b>463</b>	<b>(4 230)</b>			<b>4 254</b>	<b>20</b>		<b>5</b>		<b>(30)</b>		<b>10 108</b>
<b>Gross financial debt</b>	<b>67 104</b>	<b>859</b>	<b>(4 230)</b>		<b>181</b>		<b>184</b>	<b>318</b>	<b>5</b>		<b>(30)</b>	<b>337</b>	<b>64 728</b>
<i>Of which</i>													
<i>Current</i>	9 626	463	(4 230)			4 464	20		6		(30)		10 319
<i>Non-current</i>	57 477	396	(0)		181	(4 464)	164	318	(1)			337	54 409

### 1) EIB financing

An EIB loan was signed in December 2020 for which tranche A of €21.5 million, was disbursed on June 16, 2021 for a period of 5 years. This tranche was accompanied by 3,500 BSA<sub>EIB Warrant C</sub> issued on June 4, 2021, leading in the event of exercise to the issuance of 500,090 ordinary shares.

Tranche C of the EIB loan was drawn down on December 18, 2023 for €10 million and a 5-year term. This tranche is accompanied by 1,000 share subscription warrants called BSA<sub>EIB Warrant E</sub> issued on December 4, 2023, resulting in the issue of 300,000 ordinary shares (OS) if exercised.

The financial derivatives on the EIB loans (BSA<sub>EIB Warrant A</sub> and BSA<sub>EIB Warrant C</sub>) are presented below in Note 7.14.

### 2) The State-guaranteed loans (PGE) from BNP for €7.5 million and HSBC for €7.5 million were granted in June 2020 at 0%, and renegotiated in March 2021 at 0.75% and 0.31%, respectively. The State-guaranteed loan from BNP is repaid quarterly from September 4, 2022 until June 4, 2026. The State-guaranteed loan from HSBC is repaid quarterly from September 11, 2022 until June 11, 2025.

In June 2020, Forsee Power SA also took out a "PGE – Innovation Support" loan with BPI for €5 million at a rate of 2.35%. The State-guaranteed loan from BPI is repaid quarterly from September 30, 2022 until June 30, 2026.

### 3) In June 2020, Forsee Power took out an "Atout" loan with BPI of €5 million at a rate of 5%. This loan is repaid quarterly over 4 years until 30 June 2025 after a one-year grace period that ended on August 31, 2021.

### 4) Foreign exchange swap contracts for a notional amount of €3.4 M (\$3.7 M) as of June 30, 2024 against €3.4 M (\$3.7 M) as of December 31, 2023, to hedge over the first half of 2024, settlements in United States Dollar (\$) with several suppliers.

The financial debt maturity schedule is as follows:

in € thousands	June 30, 2024	Due in up to 1 year	Due in 1 to 5 years	Due in more than 5 years	Covenant
EIB loans	32 642		32 642		Yes
Atout loan from BPI					
State-guaranteed loan from BPI	2 188		2 188		No
State-guaranteed loan from BNP	1 971		1 971		No
State-guaranteed loan from HSBC	1 887		1 887		No
Debts on leased real estate	14 778		7 699	7 079	No
Deposits and guarantees received	20		20		No
Repayable advances	263		263		No
Related-party liabilities	872		872		No
<b>Long-term financial debt</b>	<b>54 620</b>		<b>47 541</b>	<b>7 079</b>	
Atout loan from BPI	938	938			No
State-guaranteed loan from BPI	1 250	1 250			No
State-guaranteed loan from BNP	2 055	1 974			No
State-guaranteed loan from HSBC	1 877	1 877			No
Accrued interest on financial liabilities	1 477	1 477			No
Debts on leased real estate	2 417	2 417			No
Accrued interest on right of use	40	40			No
Fair value hedges related to foreign exchange risk	51	51			No
<b>Short-term financial debt</b>	<b>10 106</b>	<b>10 106</b>			
<b>Gross financial debt</b>	<b>64 726</b>	<b>10 106</b>	<b>47 541</b>	<b>7 079</b>	

## Derivatives on financial instruments

in € thousands	Date of issue	Expiry date	Number of BSA instruments	Number of shares subscribed if the BSA are exercised (2)	June 30, 2024	December 31, 2023
BSA Warrant A for EIB (1)	March 18, 2018	March 15, 2028	6 857	1 127 387	948	2 869
BSA Warrant C for EIB (1)	June 4, 2021	June 4, 2041	3 500	500 090	446	1 297
BSA Warrant E for EIB (1)	December 4, 2023	December 4, 2023	1 000	300 000	207	669
<b>Total</b>			<b>11 357</b>	<b>1 927 477</b>	<b>1 601</b>	<b>4 835</b>

(1) The company has issued several warrants to the European Investment Bank (EIB):

- 6,857 BSA<sub>EIB Warrant A</sub> giving access to 1,127,387 ordinary shares (AO) issued on March 18, 2018 in addition of the €20 million financing;
- 3,500 BSA<sub>EIB Warrant A</sub> giving access to 500,090 ordinary shares (AO) issued on June 4, 2021 in addition of the €21.5 million financing.
- 1,000 BSA<sub>EIB Warrant E</sub> giving access to 300,000 ordinary shares (AO) issued on December 4, 2023 in addition of the €10 million financing.

These share subscription warrants are presented and measured as a derivative liability for the following reasons:

- These share subscription warrants do not fulfil the condition of an equity instrument as far as their settlement cannot result in a fixed number of company shares;
- These share subscription warrants come with a put option allowing the EIB to have a cash reimbursement for the fair value of the shares not received.

(2) No change of parity in H1 2024

The maturity of derivatives on financial instruments is as follows:

in € thousands	Due in up to 1 year	Due in 1 to 5 years	Due in more than 5 years	Total
BSA Warrant A for EIB		948		948
BSA Warrant C for EIB			446	446
BSA Warrant E for EIB			207	207
<b>Total</b>	<b>0</b>	<b>948</b>	<b>653</b>	<b>1 601</b>

Changes in the fair value of the derivatives based on the key assumption of the Forsee Power share price impact the financial statements as follows:

	BSA Warrant A for EIB	BSA Warrant C for EIB	BSA Warrant E for EIB	Gross impact on fair value as of June 30, 2024
Forsee Power share price down (25)%	694	334	146	1,174
Forsee Power share price up 10%	1,050	492	231	1,773

## Risk management for financial assets and liabilities

### 7.15.1. Credit risk management

Credit risk management is presented in note 7.15.1 to the consolidated financial statements at December 31, 2023.

There were no significant changes in credit risk in the first half of 2024 compared with December 31, 2023.

The Group is exposed to limited credit risk as of June 30, 2024 given the financial quality of its main customers and the use of a 1st rank credit insurer hedging the entire customer portfolio.

### 7.15.2. Liquidity risk management

Liquidity risk management is presented in note 7.15.2 to the consolidated financial statements for the year ended December 31, 2023.

There were no significant changes in liquidity risk in the first half of 2024 compared with December 31, 2023.

At June 30, 2024, Forsee Power had several financing instruments to ensure the continuity of its liquidity:

- 1) A new financing agreement with the EIB was signed in December 2020, making available a loan of €21.5 million (Tranche A), of €8.5 million (Tranche B) and two new financing lines (Tranche C), both with bullet repayment of the principal five years after the drawdown date.

Tranche A and B of the financing agreement were used and repaid for Tranche B only.

The subscription to Tranche C for €10 million was subject to covenants concerning the level of revenue that the Group had already achieved by the end of the 2020 financial year. Tranche C of €10 million was also conditional on the completion of a €10 million capital increase by one or more shareholders, was carried out in November 2021 with the company's IPO. Hence, Tranche C was drawn down on December 4, 2023 in compliance with these two conditions.

- 2) A new non-recourse factoring contract was signed with Facto France on December 21, 2023. This new factoring contract covers outstandings with an indefinite term and an uncapped amount up to the amount insured by the credit insurer. This new factoring contract replaces the factoring contract signed with HSBC Factoring France. The first assignments of trade receivables under this new factoring contract took place in January 2024.

- 3) By experience, the banks and financial partners have consistently supported the Group in its organic growth and financing needs.
- 4) The company's shareholders have always provided financial support for its financing. It has thus benefited from several shareholder loan injections and financial recapitalizations in previous years.

in € thousands	June 30, 2024	December 31, 2023
Overdraft authorization	0	0
<b>Sub-total credit facilities (a)</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents	24 617	25 902
Bank overdrafts - Cash liability	0	0
<b>Net liquidity (b)</b>	<b>24 617</b>	<b>25 902</b>
<b>Total liquidity position (a) + (b)</b>	<b>24 617</b>	<b>25 902</b>

### 7.15.3. Market risk management

The Group is exposed to the variation of price of raw materials and energy observed on the international market. However, the Group has countermeasures presented in Note 2 "Significant events" to limit this risk.

The Group has a balanced volume of purchases of goods and sales of batteries in US Dollar, in Chinese Yuan and in Japanese Yen. Management applies a currency risk management policy aimed at defending budget rates. The hedging tools used are forward contracts and fx swap contracts on the US Dollar, Chinese yuan and Japanese yen, based on purchasing and sales forecasts at the various industrial sites.

As of June 30, 2024, the fair value of the currency hedging instruments amounts to -51 thousand euros.

### 7.15.4. Capital management

Capital management is presented in note 7.15.4 to the consolidated financial statements for the year ended December 31, 2023.

The cash made available to the investment services company initially of €500 thousand was increased to €700 thousand.

## **Information about fair value of financial assets and liabilities**

### **7.16.1. Cash, loans and receivables**

The Group considers that the carrying amount of cash, trade receivables, other receivables, accounts payable, other liabilities and various deposits and sureties is a good approximation of the market value as of June 30, 2024, due to the high degree of liquidity of these items and their maturity of less than one year.

### **7.16.2. Assets at fair value**

The Group does not hold any marketable securities as of June 30, 2024.

### **7.16.3. Derivative and hedging financial instruments**

The Group does not hold any trading derivatives as of June 30, 2024.

At June 30, 2024, the Group had a currency hedges in US Dollar, Chinese yuan and Japanese yen to hedge part of its cash inflows and outflows for the second half of 2024.

### **7.16.4. Financial liabilities at amortized cost**

The Group considers that the carrying amount of trade payables is a good approximation of the market value due to the high degree of liquidity of these items.

The market value of long-term and short-term financial debt is determined using the value of estimated future cash flows disbursed, discounted using the interest rates observed by the Group at the end of the period for instruments with similar conditions and maturities.

### **7.16.5. Financial instrument report**

The market values of financial assets and liabilities measured at fair value correspond to the price that would be received for the sale of an asset or paid for the transfer of a liability in an arm's-length transaction recognized in the principal or most advantageous market on the measurement date. The valuation methods used for financial assets and liabilities by level are as follows:

- Level 1: fair value measured exclusively by reference to prices in active markets;
- Level 2: fair value measured by a model using directly or indirectly observable market parameters;
- Level 3: fair value measured by a model incorporating certain unobservable market parameters;

in € thousands	June 30, 2024	Fair value	Level 1 Unadjusted prices and prices	Level 2 Observable data	Level 3 Unobservable data
Cash and cash equivalents	24 617	24 617	24 617		
Financial instruments not held for trading	0				0
<b>Financial assets at fair value</b>	<b>24 617</b>	<b>24 617</b>	<b>24 617</b>	<b>0</b>	<b>0</b>
Deposits and guarantees paid	512	512			512
Other financial assets	1 510	1 510			1 510
Trade accounts receivables	13 120	13 120			13 120
Other assets	20 516	20 516			20 516
<b>Assets at amortized cost</b>	<b>35 658</b>	<b>35 658</b>	<b>0</b>	<b>0</b>	<b>35 658</b>
Derivatives on financial instruments	1 601	1 601		1 601	
Currency hedging derivative	-				
<b>Financial liabilities at fair value</b>	<b>1 601</b>	<b>1 601</b>	<b>0</b>	<b>1 601</b>	<b>0</b>
Long-term financial debt	54 410	54 410			54 410
Short-term financial debt	10 318	10 318			10 318
Trade payables presented in WCR	16 274	16 274			16 274
Other liabilities	31 354	31 354			31 354
<b>Liabilities at amortized cost</b>	<b>112 356</b>	<b>112 356</b>	<b>0</b>	<b>0</b>	<b>112 356</b>

The following methods and assumptions used to estimate the fair value of financial assets and liabilities are presented in Note 3.3.7 of the consolidated financial statements for the year ended December 31, 2023.

## Trade payables

in € thousands	June 30, 2024	December 31, 2023
Suppliers	16 274	23 588
<b>Trade payables presented in WCR</b>	<b>16 274</b>	<b>23 588</b>
<b>Trade payables</b>	<b>16 274</b>	<b>23 588</b>

## Other liabilities

in € thousands	June 30, 2024	December 31, 2023
Customers - Advances and deposits received	12 994	7 727
Social security liabilities	7 611	7 485
Tax liabilities	3 597	1 035
Liabilities related to customer contracts (1)	4 559	3 889
Other miscellaneous current liabilities (2)	2 107	1 293
Benefit granted on PGE loans with off-market rates	363	544
<b>Other liabilities presented in WCR</b>	<b>31 231</b>	<b>21 973</b>
Income tax liability	123	341
Debts on ACA issuance costs (3)	0	0
Liabilities on acquisitions of fixed assets	1	0
<b>Other liabilities</b>	<b>31 354</b>	<b>22 314</b>
<i>Of which</i>		
<i>Current</i>	27 435	18 919
<i>Non-current</i>	4 001	3 396

- 1) Of which €3,319 thousand on June 30, 2024 in deferred income on specific battery guarantee extensions (€2,618 thousand at December 31, 2023).

The change in contract-related liabilities is as follows:

	June 30, 2024	December 31, 2023
<b>Contract liabilities at the beginning of the period</b>	<b>3 889</b>	<b>2 668</b>
- Liabilities on contracts assumed following the fulfilment of performance obligations over the period	(54)	(65)
- Liabilities on contracts cancelled following cancellation of the contract	0	0
+ Performance obligations not achieved on new contracts during the period	745	1 275
+/- Discount and translation effects	21	11
<b>Liabilities on contracts at end of period</b>	<b>4 559</b>	<b>3 889</b>

The performance obligations mainly correspond to extensions of guarantees and are carried out over a period of between 1 and 4 years.

- 2) Of which €1.4 million euros of credit note to be issued

- 3) Issue costs relating to the capital increase carried out on May 9, 2023 amounted to €2,697 thousand and were paid in full in 2023.

Other liabilities have a maturity of less than 12 months with the exception of the benefit granted on interest-free state-guaranteed loans maturing between 1 and 5 years and contract liabilities. Non-current liabilities are discounted.



## Deferred taxes

Deferred taxes are broken down by timing differences as follows:

in € thousands	June 30, 2024	December 31, 2023
Temporary tax differences	154	65
Provisions for retirement benefits	126	132
Lease liabilities on lease contracts	4 218	4 408
Rights of use on lease contracts	(4 015)	(4 272)
Borrowing costs at effective interest rate	(882)	0
Internal margins on inventory	7	8
Other temporary differences	175	124
Recognition of tax loss carryforwards	(118)	(288)
<b>Total net deferred taxes</b>	<b>(335)</b>	<b>177</b>

Since December 31, 2021, the Group has limited the recognition of deferred tax assets (DTA) on tax loss carryforwards of tax entities, based on recovery prospects over a three-year horizon. The Group previously limited the recognition of DTAs on tax loss carryforwards based on the probability of recovery over a five-year horizon.

The amount of tax loss carryforwards not recognized in the financial statements for Forsee Power amounted to €205,785 thousand (i.e., €51,446 thousand in unrecognized DTA) on June 30, 2024 compared with €197,954 thousand (i.e., €49,488 thousand in unrecognized DTA) on December 31, 2023.

Changes in deferred taxes recognized in profit or loss and in equity are as follows:

in € thousands	June 30, 2024	December 31, 2023
<b>Deferred tax assets at beginning of year</b>	<b>488</b>	<b>323</b>
Expense recognized in comprehensive income	(499)	290
DTAs on capitalized leases	0	36
DTA/DTL offset by tax entity	228	134
Other	(12)	(296)
<b>Deferred tax assets at end of year</b>	<b>206</b>	<b>488</b>
<b>Deferred tax liabilities at beginning of year</b>	<b>311</b>	<b>178</b>
Expense recognized in comprehensive income	7	173
DTA/DTL offset by tax entity	228	134
Other	(5)	(173)
<b>Deferred tax liabilities at end of year</b>	<b>541</b>	<b>311</b>

in € thousands	June 30, 2024	December 31, 2023
<b>Deferred taxes at beginning of year</b>	<b>0</b>	<b>0</b>
Deferred tax on capital increase costs	0	(684)
Deferred tax not recognized in OCI	0	684
<b>Deferred tax at end of year</b>	<b>0</b>	<b>0</b>

## 8. Information relating to items in the consolidated statement of comprehensive income

### Revenue

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Sales of goods	83 193	77 961
Service delivery	1 066	619
Other activities	142	176
<b>Total</b>	<b>84 401</b>	<b>78 756</b>

The amount of the order book (unfulfilled firm orders) and the projected schedule for completion of unfulfilled performance obligations is as follows:

in € thousands	June 30, 2024	December 31, 2023
<b>Order book at the beginning of the period</b>	<b>133 346</b>	<b>117 031</b>
- Opening commitments whose services were performed over the period and recognized as revenues	67 693	(117 031)
- Opening commitments for which the services were not provided during the period as they were cancelled (cancellation of order)	0	0
+ Firm offers signed over the period	47 377	187 553
- Firm offers signed during the period recognized as revenues	16 704	(54 207)
<b>Order book at end of period</b>	<b>96 326</b>	<b>133 346</b>
<b>Provisional timetable for revenue recognition</b>		
Expected completion in 2023	71 419	124 401
Expected completion in 2024	20 415	8 945
Completion expected in 2025 and beyond	4 493	0
<b>Total order book at end of period</b>	<b>96 326</b>	<b>133 346</b>

## Other operating income and expenses

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Stored production	-	-
Operating grants	0	-
Gains or losses on disposals of fixed assets	(0)	(2)
Directors' fees	(224)	(226)
Miscellaneous management expenses (income) (1)	(141)	1 425
<b>Other operating income and expenses</b>	<b>(366)</b>	<b>1 198</b>

(1) Of which €698 thousand in indemnities receivable under a protocol agreement signed in 2023 with a customer in India.

## External services and purchases consumed

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Purchases consumed, including foreign exchange gains and losses on purchases (1)	(56 369)	(59 942)
Fees, external services	(2 884)	(2 728)
Leases, maintenance and insurance	(1 508)	(1 398)
Transport, travel and conference expenses	(1 937)	(1 841)
Study and research costs	(2 146)	(1 093)
Post and telecommunications expenses	(94)	(148)
Subcontracting (1)	(869)	(294)
Other	(553)	(141)
<b>External services and purchases consumed</b>	<b>(66 360)</b>	<b>(67 585)</b>

(1) Part of the Research Tax Credit (CIR) income is presented as a deduction from purchases for €187 thousand as of June 30, 2024 and for €165 thousand as of June 30, 2023.

Part of the Research Tax Credit (CIR) income is presented as a deduction from the subcontracting expense for €39 thousand as of December 31, 2023 and for €14 thousand on June 30, 2022.

## Personnel costs and headcount

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
<b>Personnel costs</b>		
Remuneration (1)	(11 273)	(11 156)
Social security contributions (2)	(4 025)	(3 399)
Other short-term benefits	(381)	(143)
Defined benefit plan service costs	45	45
Costs of share-based payments	(266)	(720)
Employer contributions on share-based payments	0	(134)
Employee profit-sharing	0	0
<b>Total</b>	<b>(15 899)</b>	<b>(15 507)</b>

(1) Part of the Research Tax Credit (CIR) income is presented as a deduction from the remuneration expense for €221 thousand as of June 30, 2024 and for €379 thousand as of June 30, 2023.

(2) Part of the Research Tax Credit (CIR) income is presented as a deduction from social security charges for €160 thousand as of June 30, 2024 and for €292 thousand as of June 30, 2023.

The average full-time equivalent workforce is as follows:

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Management	316	228
Non-management	417	493
<b>Total</b>	<b>733</b>	<b>722</b>

## Taxes and duties

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Taxes based on salaries	(283)	(241)
Other taxes	(283)	(281)
<b>Taxes and duties</b>	<b>(566)</b>	<b>(522)</b>

## Depreciation, amortization and provisions allocations and reversals

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Amortization and impairment of intangible assets	(1 249)	(1 739)
Depreciation of right-of-use assets for property, plant and equipment	(1 177)	(998)
Depreciation and impairment of property, plant and equipment	(1 575)	(1 770)
Provisions for risks and charges	(200)	(881)
Net impairment of inventories and receivables (1)	(1 012)	(3 272)
<b>Net charges</b>	<b>(5 212)</b>	<b>(8 661)</b>

(1) Of which €704 thousand in impairment of inventory identified as surplus or obsolete as of June 30, 2024 and for €1,358 thousand as of June 30, 2023.

## Non-current operating income

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Non-capitalized expenses on capital increase and IPO	0	0
Other non-current income and expenses	(0)	0
<b>Non-current operating income</b>	<b>0</b>	<b>0</b>

There is no non-current operating income over the first half of 2024 and 2023.

## Net financial income (expense)

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Financial income received on financial assets	51	90
Uncollected financial income	0	7
<b>Financial income</b>	<b>51</b>	<b>97</b>
Interest expense on borrowings (1)	(1 578)	(1 334)
<b>Cost of gross financial debt</b>	<b>(1 578)</b>	<b>(1 334)</b>
Foreign exchange gains and losses	298	(203)
Net impairment of financial assets measured at amortized cost	(29)	0
Change in fair value of derivatives (2)	3 229	(1 153)
Discounting expense on non-current assets and liabilities or over 12 months	1 083	(35)
Charge for effective interest rate on financial liabilities (EIR) (3)	(495)	(715)
Interest expense on lease liabilities	(357)	(312)
Bank charges and fees	(457)	(452)
Other financial income	(277)	320
Benefit granted on PGE loans with off-market rates	471	0
<b>Other net financial income and expenses</b>	<b>3 960</b>	<b>(2 551)</b>
<b>Net financial income (expense)</b>	<b>1 938</b>	<b>(3 787)</b>

- (1) Including, at June 30, 2024, €(353) thousand of interest on the EIB Tranche A loan and €(150) thousand of interest on the EIB Tranche C loan. Part of the interest was paid in June 2023 to the EIB for €841 thousand.
- (2) Including at June 30, 2024 for €+1 921 thousand change in fair value on the BSA<sub>EIB Warrant A</sub> derivative and €+850 thousand change in fair value on the BSA<sub>EIB Warrant C</sub> derivative and €+462 thousand change in fair value on the BSA<sub>EIB Warrant E</sub> derivative (see Note 7.14), and €(812) thousand change in fair value on the BSA<sub>EIB Warrant A</sub> derivative and €(341) thousand change in fair value on the BSA<sub>EIB Warrant C</sub> derivative at June 30, 2023.
- (3) Including, at June 30, 2024 for €(262) thousand in financial expenses related to the impact of the original effective interest rate of the EIB Tranche A loan, €(56) thousand in financial expenses related to the original effective interest rate of the EIB Tranche C loan and for €(666) thousand in financial expenses related to the impact of the original effective interest rate of the EIB Tranche A loan at June 30, 2023.

## Corporate income tax

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Current taxes	(367)	(141)
Deferred taxes	(507)	453
<b>Tax expense</b>	<b>(874)</b>	<b>313</b>

The tax proof for the periods presented is as follows:

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Theoretical tax expense (at the rate in force)	535	4 084
Actual tax expense	(874)	313
<b>Difference</b>	<b>1 410</b>	<b>3 771</b>
Permanent differences on share-based payments	60	180
Other permanent differences	291	18
Tax credits (CIR)	(650)	(125)
Derivatives on financial instruments	(808)	447
Non-deductible and unrecognized financial expenses		0
Tax loss for the period not recognized on the balance sheet	2 416	3 176
Use of prior tax losses not recognized on the balance sheet		0
Difference in rates between countries	44	83
Other differences	(10)	(8)
<b>Total</b>	<b>1 410</b>	<b>3 771</b>



## 9. Information relating to items in the consolidated statement of cash flows

### Depreciation, amortization, provisions and impairment

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Net allocations to fixed assets	2 824	3 509
Net allocations to right-of-use assets for property, plant and equipment	1 177	998
Net allocations to provisions for risks and charges	200	881
Charges to defined benefit plan service costs	(45)	(45)
<b>Net charges</b>	<b>3 155</b>	<b>6 344</b>

### Working capital requirement

in € thousands	Notes	December 31, 2023	WCR	Discounting effects and other non-cash effects in WCR	Currency translation effects	June 30, 2024
Net inventories	7.6	44 481	1 051	0	135	45 666
Net trade receivables	7.7	27 633	(14 549)	0	36	13 120
Other assets	7.8	18 816	32	(505)	(487)	17 857
Trade payables	7.17	(23 588)	7 417	(2)	(101)	(16 274)
Other liabilities	7.18	(21 973)	(9 554)	328	(32)	(31 231)
<b>Total</b>		<b>45 369</b>	<b>(15 603)</b>	<b>(179)</b>	<b>(449)</b>	<b>29 139</b>

in € thousands	Notes	December 31, 2023	Change and impact on income	Discounting effects and other non-cash effects in WCR	Currency translation effects	June 30, 2024
Change in deferred tax	7.19	177	(506)	(1)	(5)	(335)
Change in corporate tax receivables and payables (1) of which CIR	7.8 and 7.18	3 382	(538)	1 074	(2)	3 916
Tax expenses recognized	8.9	(411)	874	0	0	(874)
<b>Total changes in tax</b>			<b>588</b>	<b>(1)</b>	<b>(7)</b>	

(1) Including €4,037 thousand in research tax credits (2021, 2022, 2023 and 2024) as of June 30, 2024. The CIR receivable relating to the 2019 and 2020 financial years were collected in June 2024 for an amount of €1,410 thousand.

## Cash flow used in acquisitions of fixed assets

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Acquisition of intangible assets	(6 685)	(4 001)
Acquisition of property, plant and equipment net of advances and prepayments	(7 542)	(2 635)
Acquisition of financial assets	(130)	(81)
<b>Total investments</b>	<b>(14 357)</b>	<b>(6 716)</b>
Debt on acquisition of fixed assets	0	0
<b>Net cash flows used in acquisition of fixed assets</b>	<b>(14 357)</b>	<b>(6 716)</b>

## Capital gains/losses on disposals of fixed assets

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Proceeds from the disposal of intangible assets	0	0
Proceeds from the disposal of property, plant and equipment	0	0
Proceeds from the disposal of financial assets	0	0
Net carrying amount of intangible assets sold	0	0
Net carrying amount of property, plant and equipment sold	0	0
Net carrying amount of financial assets sold	0	0
<b>Capital gains/losses on disposals of fixed assets</b>	<b>0</b>	<b>0</b>

## Cash flows from disposals of fixed assets

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Disposals of intangible assets	0	0
Disposals of property, plant and equipment	0	0
Disposals of financial assets	0	0
Receivable on disposal of non-current assets	0	0
<b>Net cash flows from fixed asset disposals</b>	<b>0</b>	<b>0</b>

## Cash flows from changes in the scope of consolidation

in € thousands	Half-year ended	
	June 30, 2024	June 30, 2023
Acquisition on 31 May 2022 of NEoT Capital shares from Mitsubishi Corporation		-
<b>Net cash flows from changes in the scope of consolidation</b>	<b>0</b>	<b>0</b>

## 10. Other information

### Events after June 30, 2024

There is no significant event after the closing date of June 30, 2024.

### Relations with related parties

#### 10.2.1. Compensation paid to management

Remuneration paid to management is disclosed in note 10.2.1 to the consolidated financial statements for the year ended December 31, 2023.

The Ordinary General Meeting approved in its session of June 21, 2024 the remuneration policy for corporate officers, in particular on an annual compensation package for officers for a maximum amount (fixed + variable) of €480,000 for the 2024 financial year.

The Board of Directors approved in its session of June 25, 2024 the conditional allocation of a maximum amount of 1,970,842 free shares subject to collective and individual performance conditions to be met.

#### 10.2.2. Transactions with related parties

The main related parties and related party transactions are defined and presented in notes 3.3.32 and 10.2.2 to the consolidated financial statements at December 31, 2023.

The note below sets out the main transactions and balances for the first half of 2024:

in € thousands	June 30, 2024	June 30, 2023
Receivable from NEoT CAPITAL	1	71
Trade receivables with shareholders	0	0
Financial debt to shareholders	(916)	(979)
<b>Total statement of financial position items</b>	<b>(915)</b>	<b>(908)</b>
Salaries and other short-term benefits	(1 979)	(1 810)
Share-based payments	(266)	(710)
Fees	(5)	(162)
Other expenses	(491)	(226)
Revenue	151	87
Purchases	(45)	-
Interest income on receivables with NEoT CAPITAL		67
<b>Total income statement items</b>	<b>(2 635)</b>	<b>(2 754)</b>

## Off-balance sheet commitments

The commitments at June 30, 2024 are as follows:

- ***SBLC letter of credit to a real estate lessor and cash pledge***

On July 25, 2022, Forsee Power obtained an SBLC (stand-by letter of credit) credit letter from a French bank for a maximum amount of \$1 million in favor of the owner of the industrial building leased in Hilliard in the United States. The amount guaranteed by this SBLC declines annually by 10% until November 1, 2032. The company made a partial early repayment request for €100,000 on April 7, 2024.

This SBLC is accompanied by a cash pledge for an amount of €1 million from July 25, 2022 to July 25, 2027.

- ***SBLC letter of credit for Indian customs and cash pledge***

On July 07, 2023, Forsee Power obtained a stand-by letter of credit (SBLC) from a French bank for a maximum amount of €650,000 in favor of an Indian bank, enabling the issue of a bank guarantee in favor of the Indian customs authorities.

This SBLC is accompanied by an interest-bearing cash pledge for an amount of €650 thousand until January 18, 2025 of which €100 thousand were redeemed early.

- ***Parent company guarantee in favor of a Chinese supplier***

Forsee Power issued a parent company guarantee to a Chinese supplier in the amount of 90 million Chinese yuan allowing an extension of payment terms for its Chinese subsidiary.

- ***Pledge of the business to the EIB***

A pledge of purchased goodwill in favor of the EIB was granted at the time of the drawdown of the €21.5 million Tranche A in June 2021.

- ***Guarantees granted to Mitsui & Co***

Pursuant to a contract called the Investment Agreement entered into on December 18, 2017, Forsee Power SA has granted guarantees in favor of Mitsui & Co., Ltd. If any statement in the guarantee proves to be inaccurate, Forsee Power SA has undertaken to compensate Mitsui & Co., Ltd. for the damage suffered through either (i) a payment or (ii) a share issue reserved for Mitsui, upon exercise of the BSA<sub>G</sub> held by Mitsui (up to a maximum of 52,748 new shares). Following the cancellation of the BSA<sub>G</sub> by decision of the Shareholders' Meeting of September 28, 2021, Mitsui & Co, Ltd. could only seek compensation for any damage caused through the payment by the Company of an indemnity to its benefit. No such claim has been received by Forsee Power SA as of the date of approval of the financial statements (April 23, 2024). The maximum amount of compensation that could be due by Forsee Power SA is capped at €4.5 million. However, this ceiling is rather theoretical as Forsee Power SA's indemnification commitment expired in June 2019 for most of the matters covered by the guarantee. Only losses arising from breaches of declarations relating to tax, anti-corruption or environmental matters remain covered until their limitation period plus 30 days (i.e., until January 31, 2021 for most tax matters and until the expiration of a 30-year period running since December 2017 for anti-corruption and environmental matters).

### **3.2. Statutory auditors' limited review report**

# **FORSEE POWER**

Société Anonyme

1, boulevard Hippolyte Marquès

94200 – Ivry sur Seine

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## **Statutory Auditors' Review Report on the Half-yearly Financial Information**

For the period from January 1 to June 30, 2024

**FORSEE POWER**

Société Anonyme

1, boulevard Hippolyte Marquès

94200 – Ivry sur Seine

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**Statutory Auditors' Review Report on the Half-yearly  
Financial Information**

For the period from January 1 to June 30, 2024



## **FORSEE POWER**

Société Anonyme

1, boulevard Hippolyte Marquès

94200 – Ivry sur Seine

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# **Statutory Auditors' Review Report on the Half-yearly Financial Information**

For the period from January 1 to June 30, 2024

*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the Shareholders of Forsee Power SA,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("*code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of the company, for the period from January 1 to June 30, 2024 ,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

### **1. Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRS on Interim Financial Reporting issued by the International Accounting Standard Board (IASB) as adopted in the European Union.

### **2. Specific verification**

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense and Paris, 19 September 2024

The Statutory Auditors

French original signed by

Deloitte & Associés

BDO Paris

Thierry QUERON

Arnaud TONNET