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BDO Ltd
Place du Midi 36
1950 Sion

To the General Meeting of

ALEVO GROUP SA
Martigny

Report of the Statutory Auditor on the Consolidated Financial Statements for the year 2015 in accordance with CO

(for the year ended 31.12.2015)

11 May 2016

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BDO Ltd
Place du Midi 36
1950 Sion

REPORT OF THE STATUTORY AUDITOR

To the General Meeting of ALEVO GROUP SA, Martigny

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements of ALEVO GROUP SA, which comprise the consolidated balance sheet as at 31 December 2015 and the consolidated statement of income, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles as set out in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2015 comply with Swiss law and the consolidation and valuation principles as set out in the notes.

Emphasis of Matter

We also draw attention to Note 14 to the financial statements describing the fact that the going concern assumption used in the financial statements was based on the assumption that the shareholders continue to support the company, in particular by making available, when needed, the necessary cash in order to allow the company to assure its current commitments. Our opinion is not qualified in respect of this matter.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In the course of our audit performed in accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we noted that an internal control system for the preparation of the financial statements designed according to the instructions of the Board of Directors exists, with the following qualification: there are some processes that are not fully documented.

We recommend that the consolidated financial statements submitted to you be approved.

Sion, 11 May 2016

BDO Ltd

Nigel Le Masurier	Bastien Forré
	Auditor in Charge
Licensed Audit Expert	Licensed Audit Expert

Enclosures
Consolidated financial statements

Consolidated Balance Sheet

CHF	Note	31/12/2015	31/12/2014
Assets	**Note**		
Current Assets		**13 220 460**	**15 154 179**
Cash and cash equivalents		806 577	13 874 873
Prepayments		476 021	96 289
Trade and other receivables		118 920	1 039
Inventories	3	10 823 842	212 391
Current tax assets		0	688 001
Other current assets		995 100	281 586
CURRENT ASSETS		**13 220 460**	**15 154 179**
Property, plant and equipment	**4**	**145 992 201**	**97 388 760**
Land and Buildings		2 401 299	1 501 086
Financial Lease		70 803 630	72 931 151
Leasehold improvements		1 292 008	1 104 618
Office equipment		637 574	17 191
Machinery & Equipment		12 506 489	5 413 609
Assets under Construction		58 351 200	16 421 104
Intangible assets	**5**	**43 218 284**	**43 394 982**
Patents and trademarks		1 313 480	1 427 768
Developed technology and know-how		22 550 000	22 550 000
Software licenses		236 010	298 420
Goodwill		18 139 794	18 139 794
Other Intangible Assets		979 000	979 000
Financial assets		**12 291 600**	**5 224 750**
Deferred tax assets	**6**	**374 167**	**0**
NON-CURRENT ASSETS		**201 876 253**	**146 008 492**
TOTAL ASSETS		**215 096 713**	**161 162 671**

Consolidated Balance Sheet

CHF	Note	31/12/2015	31/12/2014
Equity and Liabilities	**Note**		
Current Liabilities			
Accrued expenses		5 067 662	1 442 928
Trade and other payables		35 110 073	7 168 470
Employee benefits		1 279 104	240 589
Short-term Loan		826 425	814 305
Short-term Loan - Financial Lease		628 436	537 184
Convertible Notes	7	41 829 607	9 925 385
Current tax liabilities		2 213 961	764 683
Shareholder Loan		0	243 581
Other current liabilities		828 564	0
CURRENT LIABILITIES		**87 783 833**	**21 137 124**
Non-Current Liabilities			
Long-term liabilities		2 460 797	329 761
Long-term liabilities - Financial Lease		72 986 759	72 064 420
NON-CURRENT LIABILITIES		**75 447 556**	**72 394 181**
TOTAL LIABILITIES		**163 231 389**	**93 531 305**
Equity	**8**		
Share Capital		120 328	116 278
Share Premium		122 964 408	82 477 625
Other reserves		29 996 250	29 996 250
Translation Reserve		-970 417	-1 029 494
Accumulated Losses		-43 929 294	-10 377 419
Loss for the period		-56 315 951	-33 551 875
TOTAL EQUITY		**51 865 324**	**67 631 365**
TOTAL EQUITY & LIABILITIES		**215 096 713**	**161 162 670**

Consolidated Income Statement

CHF	Note	31/12/2015	31/12/2014
Revenue		**126 615**	**5 062**
Revenue		133 202	5 062
(Sales Rebates & Discounts)		-6 587	0
Factory Installation Costs		**-528 754**	**0**
Manufacturing Expenses		**-7 997 357**	**-1 872 660**
Indirect Manufacturing Labor		-3 250 674	-296 944
Repairs & Maintenance		-1 558 147	-856 346
Freight Out		-418 494	-22 469
Travel Expenses		-39 760	-38 436
Other Indirect Manufacturing Expenses		-2 730 283	-658 465
GROSS LOSS		**-8 399 496**	**-1 867 598**
Selling and Distribution Expenses		**-4 373 618**	**-1 392 020**
Sales & Marketing Personnel		-2 875 213	-467 176
Marketing		-134 311	-625 353
Other Sales & Marketing Expenses		-1 364 094	-299 491
General & Administrative Expenses		**-23 713 067**	**-25 335 828**
General & Administrative Personnel		-9 988 388	-5 468 110
Rent and Office Expenses		-1 873 963	-3 621 615
Information & Communications Technology		-797 691	-491 542
Insurance		-1 653 508	-365 675
Commissions & Professional Fees		-6 291 061	-13 131 508
Other General & Administrative Expenses		-3 108 457	-2 257 378
Research & Development Expenses		**-6 635 691**	**-5 593 494**
R&D Personnel		-4 457 731	-1 855 110
R&D Subcontracting		-658 525	-2 153 583
Other R&D Expenses		-1 519 435	-1 584 801
EBITDA		**-43 121 873**	**-34 188 940**
Depreciation & Amortization Expenses		-3 577 435	-730 611
OPERATING LOSS		**-46 699 308**	**-34 919 551**
Net Finance Cost	11	**-8 317 126**	**657 652**
Other Non-operating Incomes		71 338	1 417 159
Other Non-operating expenses		-45 359	-315 684
LOSS BEFORE TAX		**-54 990 455**	**-33 160 424**
Income Tax Expense		-1 685 290	-391 451
Deferred Income Tax		359 794	0
LOSS AFTER TAX		**-56 315 951**	**-33 551 875**

Consolidated Cash Flow Statement

CHF	Note	31/12/2015	31/12/2014
LOSS AFTER TAX		**-56 315 951**	**-33 551 875**
Depreciation		3 577 436	730 610
Unrealized forex		-1 999 264	-2 365 036
Deferred taxes		-359 794	0
Capitalized interests		2 089 937	325 385
(increase / decrease) Change In Working Capital		**24 272 925**	**7 168 100**
Current Asset		**-10 609 770**	**-284 090**
Prepayments		-379 732	33 659
Trade and other receivables		-117 881	146 080
Inventories		-10 086 643	-138 861
Current tax assets		688 001	-589 317
Other current assets		-713 514	264 349
Current Liabilities		**34 882 695**	**7 452 189**
Accrued expenses		3 624 734	956 634
Trade and other payables		27 941 604	5 937 400
Employee benefits		1 038 515	-206 527
Current tax liabilities		1 449 278	764 683
Other current liabilities		828 564	0
OPERATING CASH FLOW		**-28 734 711**	**-27 692 817**
(increase / decrease) Change In Investment Activity		**-57 016 334**	**-29 094 945**
Acquisition of PP&E		-49 948 917	-23 669 879
Acquisition of intangible assets		-566	-1 089 615
Deposit		-7 066 850	-4 335 450
Acquisition of business net of cash acquired		0	312 908
FREE CASH FLOW		**-85 751 045**	**-56 787 761**
(increase / decrease) Change In Financing Activities		**72 682 748**	**67 517 584**
Issue of share capital		33 517 382	67 198 831
Issue of convertible notes		37 571 514	0
Issue of loans		2 131 036	1 144 065
Repayment of financial lease		-537 184	-825 312
CASH VARIATION		**-13 068 297**	**10 729 823**
Opening cash position		13 874 873	1 473 946
Closing cash position		806 577	13 874 873

Notes to the 2015 consolidated financial statements

1 Background and operations

ALEVO GROUP SA was registered in Verbier, Valais, Switzerland, on the 29th June 2012 and moved its registered address to Martigny, Valais, Switzerland on 16th December 2015.

The Group is engaged in developing energy storage solutions for industrial applications through the Alevo battery-powered systems.

2 Accounting principles

These consolidated financial statements have been prepared in accordance with the provisions of the Swiss Code of Obligations. The significant accounting policies adopted by the Group are described below.

2.1 *Principles of consolidation*

The consolidated financial statements have been prepared using the full consolidation method. According to this method, assets, liabilities, income and expenses of all companies included in the scope of consolidation are entirely included in the Group's consolidated financial statements.

All intercompany balances, transactions and margins between companies included in the consolidation are eliminated.

2.2 *Scope of consolidation*

The consolidation includes all companies where Alevo Group SA has an interest of 50% or more of the voting rights controlled directly or indirectly.

The scope of consolidation includes the following entities:

Company	Registered office	Share capital		Share in capital and voting rights	
				31.12.2015	31.12.2014
Alevo Group SA	Martigny, Switzerland	CHF	120 328	Parent company	Parent company
Alevo Inc.	Boca Raton, USA	USD	100	100%	100%
Alevo Manufacturing Inc.	Concord, USA	USD	100	100%	100%
Victory Truck & Bus Company, Co.	Boca Raton, USA	USD	1 000	100%	100%
Alevo Battery Technology GmbH	Bruchsal, Germany	EUR	25 000	100%	100%
Alevo Norway AS	Oslo, Norway	NOK	125 000	100%	100%
Alevo Research AG	Zug, Switzerland	CHF	50 000	100%	100%
Alevo Analytics Inc	Boca Raton, USA	USD	100	100%	100%
Victory Industrial Park, Inc.	Boca Raton, USA	USD	1 000	100%	100%
Alevo International SA	Martigny, Switzerland	CHF	100 000	100%	0%

2.3 *Foreign currency translation*

Foreign currency transactions are translated to the respective functional currencies of the Group companies at the exchange rate prevailing on the transaction date. At each closing date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the rates prevailing at the balance sheet date. Translation differences arising on retranslation are recognized in the income statement.

In the 2014 consolidated financial statements, the translation differences were recognized on the income statement in case of a loss, and deferred in the balance sheet in the case of a gain. To facilitate comparison, the presentation of the figures reported for 2014 in these consolidated financial statements have been adjusted according to the new principle of recognition of translation differences.

This change resulted in the following adjustments:

CHF	31.12.2014 Presented	Adjustment	31.12.2014 Adjusted
Consolidated balance sheet			
Other current assets	360 484	(78 898)	281 586
Trade and other payables	(9 612 404)	2 443 934	(7 168 470)
Loss for the period	(35 916 911)	2 365 036	(33 551 875)
Consolidated income statement			
Net finance cost	(1 707 384)	2 365 036	657 652
Loss after tax	(35 916 911)	2 365 036	(33 551 875)

These consolidated financial statements are presented in Swiss Francs, which is the functional currency of the Group. To prepare the consolidated financial statements, assets and liabilities of Group companies denominated in foreign currencies are converted into Swiss Francs at the closing rate of each balance sheet date. Income and expenses are translated at the average currency exchange rate of the financial year. Translation differences are recognized under the currency translation reserve in the shareholders' equity, without any impact to the income statement.

The following exchange rates used for the consolidated financial statements are as follows:

	31.12.2015		31.12.2014	
	Closing rate	Average rate	Closing rate	Average rate
1 EUR	1.0874	1.0681	1.2024	1.2024
1 USD	1.0010	0.9626	0.9936	0.9936
1 NOK	0.1131	0.1195	0.1325	0.1325

2.4 *Cash and cash equivalents*

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments, which are convertible to a known amount of cash and bear an insignificant risk of change in value.

2.5 *Inventories*

Inventories are valued at the lower of cost (acquisition or manufacturing cost) and net realisable value. Cost comprises all directly attributable costs of materials and production, and overheads necessary to bring the inventories to their present location and condition. Cost is determined using the weighted average method. Net realisable value is the estimated selling price less the estimated cost to completion and the estimated selling cost. Impairment charges are made for unsellable inventory or inventory with a low turnover.

2.6 *Property, plant and equipment*

Property, plant and equipment are valued at acquisition or manufacturing costs less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the following estimated useful lives. As soon as there are indicators that book values may be overstated, these are reviewed and ajusted if necessary.

Assets under construction are not depreciated until construction is completed and the assets are ready for their intended use.

Property & plant	20 - 30 years
Leasehold improvements	5 - 10 years
Machinery & equipment	5 - 10 years
Office equipment and computers	3 - 5 years

Asset under construction is not depreciated until construction is completed and ready for its intended use.

2.7 *Intangible assets*

Intangible assets acquired separately are measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the following estimated useful lives. As soon as there are indicators that book values may be overstated, these are reviewed and adjusted if necessary.

Research and development costs are recorded separately. Research costs are expensed as incurred. Development costs are monitored where possible on a product/project basis. The relevant costs for developers' time & materials are capitalised for the most part on a project by project basis. Some development work can benefit a number of projects/products. All development costs are depreciated on a straight-line basis.

Patents and trademarks	not amortized
Developed technology and know-how	not amortized
Software licenses	5 years
Goodwill	not amortized
Non-compete agreement	not amortized

2.8 *Leases*

Leasing transactions are recognized in the balance sheet according to a substance over form basis. For this, leasing agreements and rental leases are classified as finance leases if essentially all of the risks and benefits related to the ownership of the leased object have been transferred to the company. All other leasing transactions are considered as operating leases.

Assets held under finance leases are initially capitalised at the lower of the present value of the lease payments and fair value. The related outstanding finance lease obligations are presented under liabilities. Lease installments are broken down into interest and repayment amounts. The leased asset is depreciated over the shorter of the lease term and the estimated life of the asset.

Payments made under operating leases are recognized directly in the income statement.

2.9 *Financial assets*

Financial assets include long-term deposits on capital leases as well as other deposits. They are valued at their acquisition cost adjusted for impairment losses.

2.10 *Impairment of long-lived assets*

Impairment of financial assets, property, plant and equipment and intangible assets is recognized when events or changes in circumstances indicate that the carrying amount of the asset, or related groups of assets, may not be recoverable and the Group's estimate of discounted cash flows over the assets' remaining estimated useful life are less than the carrying value of the assets. Measurement of the amount of impairment may be based on appraisal, market values of similar assets or estimated discounted future cash flows resulting from the use and ultimate disposal of the asset.

2.11 *Revenue from sale of goods and services*

Sales are recognized when risks and rewards are transferred to the client or a service has been provided. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.12 *Income taxes*

Income tax expenses represent the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates at the reporting date in each country of operations.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

3 Inventories

CHF	31.12.2015	31.12.2014
Raw materials inventory	7 427 340	212 391
Supplies inventory	409 449	
Work in progress inventory	2 987 053	
Total inventories	**10 823 842**	**212 391**

4 Property, plant and equipment

The movements in the net book value during the year are explained below:

CHF	Opening balance, net of accumulated depreciation	Additions	Transfer	Depreciation	FX differences	Total 31.12.2015
Land and Buildings	1 501 086	854 865		0	45 348	2 401 299
Financial Lease	72 931 151	0		(2 535 777)	408 256	70 803 630
Leasehold improvements	1 104 618	313 256		(113 156)	(12 709)	1 292 008
Office equipment	17 191	717 026		(112 294)	15 651	637 574
Machinery & Equipment	5 413 609	1 878 903	5 984 788	(753 966)	(16 846)	12 506 489
Assets under Construction	16 421 104	46 184 867	(5 984 788)		1 730 017	58 351 200
Total property, plant and equipment	**97 388 759**	**49 948 917**	**0**	**(3 515 192)**	**2 169 716**	**145 992 201**

CHF	Opening balance, net of accumulated depreciation	Additions	Transfer	Depreciation	FX differences	Total 31.12.2014
Land and Buildings	0	1 501 086			0	1 501 086
Financial Lease	0	73 413 484		(482 333)	0	72 931 151
Leasehold improvements	496 144	642 637		(25 955)	(8 208)	1 104 618
Office equipment	49 121	24 356		(55 483)	(804)	17 191
Machinery & Equipment	4 350	5 572 912		(163 653)	0	5 413 609
Assets under Construction	0	16 421 104				16 421 104
Total property, plant and equipment	**549 615**	**97 575 580**	**0**	**(727 424)**	**(9 012)**	**97 388 759**

5 Intangible assets

CHF	Opening balance, net of accumulated depreciation	Additions	Transfer	Depreciation	FX differences	Total 31.12.2015
Patents and trademarks	1 427 768				(114 288)	1 313 480
Developed technology and know-how	22 550 000					22 550 000
Software licenses	298 420	566		(62 244)	(732)	236 010
Goodwill	18 139 794					18 139 794
Other Intangible Assets	979 000					979 000
Total intangible assets	**43 394 982**	**566**	**0**	**-62 244**	**-115 020**	**43 218 284**

CHF	Opening balance, net of accumulated depreciation	Additions	Transfer	Depreciation	FX differences	Total 31.12.2014
Patents and trademarks	628 925	798 843				1 427 768
Developed technology and know-how	0	22 550 000				22 550 000
Software licenses	11 042	290 772		(3 186)	(208)	298 420
Goodwill	11 712 669	6 427 125				18 139 794
Non-compete agreement	0	979 000				979 000
Total intangible assets	**12 352 636**	**31 045 740**	**0**	**-3 186**	**-208**	**43 394 982**

Goodwill is the result of the purchase of Alevo, Inc., Alevo Manufacturing, Inc. and Victory Truck & Bus Company by Alevo Group SA on September 14, 2012 as well as the merger of Alevo Analytics, Inc with Data Scientia, Inc. on October 28, 2014 .

6 Deferred tax assets

Deferred tax assets of CHF 374'167 recognized at 31 December 2015 relates to temporary deductible differences in the subsidiary Alevo Manufacturing Inc.

As of 31 December 2015, deferred tax assets have not been recognized in respect of tax losses of CHF 62'701'301 of the subsidiary Alevo International SA. Management has determined that the recoverability of these tax losses (Expiry in 2022) is still in doubt because a trend of profitable margin in the subsidiary has not been fully established.

7 Convertible notes

CHF	31.12.2015	31.12.2014
Balance at 1st January	**9 925 385**	**9 600 000**
New issues	37 815 095	0
Capitalized interests	1 062 579	325 385
Conversion in share capital	-6 973 452	0
Balance at 31 December	**41 829 607**	**9 925 385**
- Including convertible notes from shareholders	**36 420 326**	**0**

In 2015, CHF 6'973'452 of convertible notes were converted into 160'633 ordinary shares of Alevo Group SA.

8 Shareholders' equity

Share capital in the amount of CHF 120'328 consists of 12'032'777 registered shares at a par value of CHF 0.01 each.

During 2015, the Company made five authorized share capital increases in total from CHF 116'278 to CHF 120'327 by issuing 405'009 ordinary shares at a nominal value of CHF 0.01 each with a share premium of CHF 40'486'784.

Share premium include the premium for capital increases made since 2012.

A revaluation of investment in Alevo Analytics Inc. was recognized for CHF 29'996'250 in 2013 in accordance with art. 670 of Swiss Code of Obligation.

The movements of the changes in shareholders' equity are explained below:

CHF	Share capital	Share premium	Other reserves	Translation reserve	Accumulated losses	Total
Balance at 1st January 2012						
Issue of capital	100 000					100 000
Profit / (loss) for the year					(846 000)	(846 000)
Balance at 31 December 2012	**100 000**	**0**	**0**	**0**	**(846 000)**	**(746 000)**
Capital increase	3 598	11 871 402				11 875 000
Profit / (loss) for the year					(9 531 419)	(9 531 419)
Balance at 31 December 2013	**103 598**	**11 871 402**	**0**	**0**	**(10 377 419)**	**1 597 582**
Capital increase	12 680	70 606 223				70 618 902
Profit / (loss) for the year					(33 551 875)	(33 551 875)
Reevaluation of intangible assets			29 996 250			29 996 250
Translation differences				(1 029 494)		(1 029 494)
Balance at 31 December 2014	**116 278**	**82 477 625**	**29 996 250**	**(1 029 494)**	**(43 929 294)**	**67 631 364**
Capital increase	4 050	40 486 784				40 490 834
Profit / (loss) for the year					(56 315 951)	(56 315 951)
Translation differences				59 076		59 076
Balance at 31 December 2015	**120 328**	**122 964 408**	**29 996 250**	**(970 417)**	**(100 245 245)**	**51 865 324**

9 Authorized share capital, not issued

The Board of Directors may increase the company's share capital by an amount of CHF 50'000 by issuing a maximum of 5'000'000 registered shares of CHF 0.01 each. The Board may use this authorization on one or several occasions within the limits of the maximum amount authorized. This authorization is valid until 16 December 2017.

The preferred right of subscription of the shareholders may be suppressed for at least one of the following reasons:

- The takeover of enterprises, parts of enterprises or shareholdings through the exchange of shares
- Financing of the acquisition of enterprises, parts of enterprises or shareholdings
- The purpose of strategic partnerships or strategic investors

10 Personnel expenses

CHF	2015	2014
Salaries & social charges	21 100 760	8 087 340
Total personnel expenses	**21 100 760**	**8 087 340**

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 250.

11 Net finance cost

CHF	2015	2014
Interest income	7 913	0
Interest expenses	(9 950 444)	(3 066 983)
Foreign exchange gains/(losses)	(373 859)	1 359 599
Unrealized foreign exchange gains/(losses)	1 999 264	2 365 036
Total net finance cost	**(8 317 126)**	**657 652**

12 Options on shares for members of the board and employees

In 2015, no options on shares were allocated to members of the board or to employees. The following information relates to the allocation in 2014:

		Stock options	
CHF	Maturity date	Quantity	Strike price
Allocated to members of the board	1 July 2020	50 000	71
Allocated to employees	1 July 2020	242 000	71
Total allocated in 2014		**292 000**	

13 Collateral provided for liabilities of third parties

Alevo Group SA has provided comfort letters to the following subsidiaries, Alevo Manufacturing Inc, $21,200,000.00 (CHF 21,221,200.00) and Alevo Inc., $20,000,000.00 (CHF 20,020,000.00).

14 Going Concern

The Alevo Group will have large capital requirements in the future in order to fund the continued development of the Group's operations. It will be necessary to obtain these funds from outside resources and existing shareholders. In this respect, the group is dependent on raising additional financing to continue as a going concern.

15 Significant events after the balance sheet date

At the beginning of April 2016, Alevo Group SA converted loans through authorized share capital increase for a total amount of CHF 7'265.89 by issuing 726'589 ordinary shares at a nominal value of CHF 0.01 each with a share premium of CHF 71'377'702.