

# **Alevo Group SA**

**1936 Verbier CH**

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**Financial Statements**

**December 31, 2013**

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**Balance sheet as of December 31, 2012 and 2013**

		<b>12/31/2013</b>	<b>12/31/2012</b>
<b>ASSETS</b>			
Cash in Bank	CHF	538,321.83	CHF 175,342.05
<b>Cash &amp; Cash Equivalent</b>	"	<b>538,321.83</b>	" <b>175,342.05</b>
Withholding tax to refund	CHF	59.00	CHF 4.10
Prepayments	"	20,000.00	" 20,000.00
<b>Other Current Assets</b>	"	<b>20,059.00</b>	" <b>20,004.10</b>
<b>Current Assets</b>	"	<b>558,380.83</b>	" <b>195,346.15</b>
Investment Fortu Holding AG	CHF	-	CHF 872,474.43
Investment Alevo Inc.	"	7,800,000.00	" 7,800,000.00
Investment Alevo Manufacturing	"	96.08	" -
Investment Victory Truck & Bus Company	"	2,000,000.00	" 2,000,000.00
Investment Alevo Battery Technology GmbH	"	799,153.83	" -
Company establishment fees	"	-	" 50,000.00
<b>Participations in group companies</b>	"	<b>10,599,249.91</b>	" <b>10,722,474.43</b>
Loan to Alevo Inc.	CHF	90,381.30	CHF 0.00
Loan to Victory Truck & Bus Company	"	4,837,347.35	" 0.00
Loan to Alevo Battery Technology GmbH	"	1,389,424.78	" 0.00
<b>Inter-company Loan</b>	"	<b>6,317,153.43</b>	" <b>0.00</b>
Deposit	CHF	889,300.00	CHF 0.00
<b>Other Financial Assets</b>	"	<b>889,300.00</b>	" <b>0.00</b>
<b>Financial Fixed Assets</b>	"	<b>17,805,703.34</b>	" <b>10,722,474.43</b>
Leasehold improvements	CHF	38,534.61	CHF 0.00
Office equipment	"	7,921.18	" 0.00
Furniture & fixtures	"	5,799.00	" 0.00
<b>Tangible Fixed Assets</b>	"	<b>52,254.79</b>	" <b>0.00</b>
Accumulated depreciation - Leasehold improvements	CHF	-9,634.61	CHF 0.00
Accumulated depreciation - Office equipment	"	-1,431.18	" 0.00
Accumulated depreciation - Furniture & fixtures	"	-1,449.00	" 0.00
<b>Accumulated Depreciation - Fixed Assets</b>	"	<b>-12,514.79</b>	" <b>0.00</b>
<b>Tangible Fixed Assets</b>	"	<b>39,740.00</b>	" <b>0.00</b>
Patents	CHF	628,925.00	CHF 200,000.00
<b>Intangible Fixed Assets</b>	"	<b>628,925.00</b>	" <b>200,000.00</b>
<b>Fixed Assets</b>	"	<b>18,474,368.34</b>	" <b>10,922,474.43</b>
<b>Total Assets</b>	<b>CHF</b>	<b><u>19,032,749.17</u></b>	<b><u>CHF 11,117,820.58</u></b>

**Balance sheet as of December 31, 2012 and 2013**

	<b>12/31/2013</b>		<b>12/31/2012</b>	
<b>LIABILITIES</b>				
Accruals	CHF	252,138.89	CHF	18,699.70
<b>Accounts Payable &amp; Accrued Expenses</b>	"	<b>252,138.89</b>	"	<b>18,699.70</b>
Salaries payable	"	45,320.61	"	22,670.00
Payroll taxes payable	"	122,925.61	"	0.00
<b>Employee-Related payables</b>	"	<b>168,246.22</b>	"	<b>22,670.00</b>
Clydemont Finance Ltd, convertible et subordinated loan (promissory note)	"	0.00	"	10,000,000.00
Convertible note	"	9,600,000.00	"	1,006,200.00
Shareholder current account	"	2,933,466.59	"	128,358.53
<b>Liabilities</b>	"	<b>12,533,466.59</b>	"	<b>11,134,558.53</b>
Common stock	CHF	103,598.48	CHF	100,000.00
Reserves from capital contribution	"	11,871,401.52	"	0.00
Balance brought forward previous year	"	(158,107.65)	"	0.00
Result of the year	"	(5,737,994.88)	"	(158,107.65)
Accumulated result as of December 31	"	(5,896,102.53)	"	(158,107.65)
<b>Equity</b>	"	<b>6,078,897.47</b>	"	<b>(58,107.65)</b>
<b>TOTAL Liabilities</b>	<b>CHF</b>	<b><u>19,032,749.17</u></b>	<b>CHF</b>	<b><u>11,117,820.58</u></b>

*Alevo Group SA*

**Profit and loss accounts for 2012 and 2013**

	<b>2013</b>		<b>2012</b>	
			(29.06.-31.12.)	
<b>Income</b>				
Interest on subsidiaries loan's	CHF	18,312.99	CHF	12.00
<b>Total Income</b>	<b>CHF</b>	<b>18,312.99</b>	<b>CHF</b>	<b>12.00</b>
<b>Charges</b>				
Salaries	CHF	611,427.00	CHF	48,000.00
Social charges	"	113,121.88	"	7,009.70
Car expense	"	1,135.45	"	0.00
Travel, hotel and restaurant expense	"	80,141.87	"	31,680.00
Phone & internet	"	20,199.70	"	1,219.10
Office rent	"	24,000.00	"	4,000.00
Office rent expense	"	3,018.35	"	618.80
Office supplies	"	707.70	"	0.00
Accounting and administration fees	"	20,216.00	"	1,620.00
Audit fees	"	11,944.80	"	0.00
Legal fees	"	776,173.01	"	0.00
Tax advice fees	"	12,312.00	"	0.00
Consulting fees	"	596,000.86	"	0.00
Other general & administrative expense	"	750,000.00	"	0.00
Other R&D expenses	"	71,689.30	"	0.00
Interest and bank charges	"	450.35	"	6,390.57
Interest on loan	"	135,026.44	"	0.00
Interest penalty	"	0.00	"	14,239.20
Acquisition expense on investment	"	405,981.15	"	29,800.00
Loss on disposal of assets	"	1,945,481.25	"	0.00
Exchange difference	"	113,525.97	"	0.00
Depreciation	"	12,514.79	"	13,532.05
Amortization	"	50,000.00	"	0.00
Taxes	"	1,240.00	"	10.00
<b>Total Charges</b>	<b>CHF</b>	<b>5,756,307.87</b>	<b>CHF</b>	<b>158,119.42</b>
<b>Net Result</b>	<b>CHF</b>	<b>-5,737,994.88</b>	<b>CHF</b>	<b>-158,107.42</b>

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**Notes to the Financial Statements 2012 and 2013**

	<b>2013</b>	<b>2012</b>
	<b>CHF</b>	<b>CHF</b>
<b>1 Promissory note</b>	<b>0</b>	<b>10,000,000</b>
<b>2 Employee pension fund debt as of 31.12.2013</b>	<b>107,735</b>	<b>5,023</b>
<b>3 Investment - art. 665 CO</b>		
Fortu Holding AG, 13.1 % EUR 725'000.-	<b>0</b>	<b>872,474</b>
Alevo Inc., 100%	<b>7,800,000</b>	<b>7,800,000</b>
Alevo Manufacturing, 100% USD 100	<b>96</b>	<b>0</b>
Victory Truck & Bus Co, 100%	<b>2,000,000</b>	<b>2,000,000</b>
Alevo Battery Technology GmbH, 100% EUR 645'000	<b>799,154</b>	<b>0</b>
<b>4 Loans</b>		
Loan to Alevo Inc, USD 100'000	<b>USD 101'740</b>	<b>90,381</b>
Loan to Victory Truck & Bus Company, USD 5'425'000	<b>USD 5'439'500</b>	<b>4,837,347</b>
Loan to Alevo Battery Technology GmbH, USD 1'131'681.55	<b>EUR 1'133'762</b>	<b>1,389,425</b>
<b>5 Risk analysis</b>		
The main risks of the company are identified and known by the management and the Board of Directors. However, because the activity and size of the company, a documented risk analysis has not been performed.		
<b>6 Exchange rate use</b>		
Exchange rate use at December 31 - EUR 1	<b>CHF 1.2255</b>	<b>CHF 1.2068</b>
Exchange rate use at December 31 - USD 1	<b>CHF 0.8893</b>	<b>CHF 0.9154</b>

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