

THE AUDITORS'S REPORT OF VALOE

Valoe's auditor has today given his report for the company's Financial Statements for 2015.

AUDITOR'S REPORT

To the Annual General Meeting of Valoe Oyj

We were engaged to audit the accounting records, the financial statements, the report of the Board of Directors, and the administration of Valoe Oyj for the year ended 31 December, 2015. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view 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 company's internal control. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

Because of the significance of the matter described in the “Basis for Disclaimer of Opinion on the consolidated financial statements and consolidated financial statements information included in the report of the Board of Directors” section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements.

Opinion on the company’s financial statements and the company’s financial statements information included in the report of the Board of Directors

In our opinion, the financial statements of Valoe Oyj (parent company) and the parent company’s financial statements information included in the report of the Board of Directors, give a true and fair view of the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The parent company information in the report of the Board of Directors is consistent with the information in the financial statements.

Basis for Disclaimer of Opinion on the consolidated financial statements and consolidated financial statements information included in the report of the Board of Directors

The section “Financial development” in the report of the Board of Directors describes both the situation and potential impacts of the Beijing subsidiary to the consolidated financial position of Valoe. No accounting records have been kept for the Beijing subsidiary for financial year 2015 for reasons described in the report by Board of Directors. As a result, we were not able to verify the correctness of receivables, bank account or debt of the Beijing subsidiary.

Disclaimer of Opinion

Due to the significance of the matter described in the Basis for Disclaimer of Opinion, we have not been able to obtain sufficient audit evidence to provide a basis for an audit opinion. Accordingly, we do not express opinion on the consolidated financial statements or consolidated financial statements information included in the report of the Board of Directors.

Auditor’s remark

The interim report 1.1.-30.6.2015 prepared by the board of directors includes a revenue of EUR 0.7 million recognized based on a claim raised by Valoe. Further, the section “Financial development” in the report of the Board of Directors describes the accounting treatment of both the claim and the related costs as basis for the claim during financial year 2015.

In our opinion, the recognized revenue of EUR 0.7 million based on a claim is not in accordance with IFRS. As described in the report of the Board of Directors, the tax cost of EUR 0.7 million was recognized in the Beijing subsidiary in the last quarter of 2015. Taking into consideration the above mentioned, the cost of EUR 0.7 million should have been included in the interim report 1.1.-30.6.2015.

We refer to the Securities Market Act, Chapter 7 section 8 subsection 2 and make a remark that interim report for the period 1.1.-30.6.2015 has not been prepared in accordance with the laws and regulations governing the preparation of the Interim report.

Emphasis of matter

We draw attention both to the report of the Board of Directors section “Risk management, Risks and Uncertainties” and to the Note 29 “Financial risk management”. As described in these paragraphs, the financial situation of the company is severe and the financing arrangements of the company are unfinished. As a result, there are significant risks in the adequacy of 12 months financing and in the ability of the company to continue its operations on a going concern basis.

The financial statements of the company are prepared based on a going concern assumption. If the conditions for going concern cannot be secured, the values of assets in the financial statements of the company may need to be changed.

Helsinki, 29 April 2016

KPMG OY AB
(signed)
Petri Kettunen

Valoe will release its annual report and the financial statements for 2015 today on 29 April 2016.

In Mikkeli 29 April 2016

Valoe Corporation
Board of Directors

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Valoe Corporation specializes in the clean energy, especially in photovoltaic solutions. Valoe provides automated production technology for solar modules based on the company's own technology; production lines for modules; solar modules and special components for solar modules. Valoe's head office is located in Mikkeli, Finland.