

VALOE HAS RECEIVED LOAN COMMITMENTS OF EUR 1.3 MILLION. VALOE MAKES A WRITE-DOWN IN THE MOTHER COMPANY'S FINANCIAL STATEMENTS FOR 2015 AND UPDATES THE SITUATION OF ITS FINANCING NEGOTIATIONS

Valoe has resolved to write down a revenue of EUR 0.7 million recognized on the first quarter of 2015 based on a claim against Australian Savcor Group Ltd Creditors Trust (former Savcor Group Ltd), in the financial statements for 2015. The claim was based on the share and asset sale agreement, signed in 2009, regarding the factories in China between Savcor Group Ltd and Cencorp Corporation (now Valoe Corporation). Valoe claimed Savcor Group Ltd Creditors Trust to pay taxes provided for in China that were recognized during Savcor Group Ltd's ownership. According to the information Valoe has received it has become clear that Savcor Group Ltd Creditors Trust which is under Australian liquidation process does, in Valoe's opinion, no longer have enough assets or income to pay the compensation even if the claim would be successful. In the last quarter of 2015 Valoe recognized a tax cost of EUR 0.7 million related to the above mentioned claim. This one-off cost related to the Beijing factory was based on afterwards changed taxation of equipment imported in 2018.

Since the end of the financial year the company's financing situation has declined. Valoe has to arrange an advance payment guarantee that is typical of export business and financing of ca. EUR 2.0 – 4.0 million for building period for the Ethiopian order from its suppliers and financiers. By the disclosure of this release Valoe has received loan commitments of ca. EUR 1.3 million for building period financing for the EUR 15.8 million order from Ethiopia from the company's shareholders and promissory note holders. Valoe views that this financing will enable the company to continue with the delivery with maximum effort and provides time to arrange additional funding and guarantees. Negotiations for additional funding and advance payment guarantee are ongoing but not yet finished.

On 5 April 2016 Valoe announced that Savcor Communications Pty Ltd has notified Valoe that it has agreed with EMEFCY Group Ltd (former Savcor Group Ltd.), an Australian company, that Valoe's loan of ca. EUR 0.8 million with interests has been transferred from the Australian company, former Savcor Group Ltd to Savcor Communications on 5 April 2016. The loan shall fall due on 31 December 2016 unless the parties agree otherwise. The interest rate of the loan is 10.75%. There is no guarantee provided for the loan. Valoe has started negotiations with Savcor Communications Pty Ltd for new loan terms. Valoe's object is to agree with Savcor Communications Pty Ltd on converting the loan to a subordinated loan.

For the moment Valoe negotiates with debtors connected to the Beijing factory and with the related company of the Savisalo family. Should the negotiations have positive outcome Valoe would be released of all or at least major part of the liabilities related to the operations of the Beijing factory, which would improve Valoe Group's result and balance sheet.

Until above mentioned financing arrangements, guarantees and other arrangements have been secured Valoe's financing situation continues to be tight and until then the sufficiency of the company's financing and working capital for the next twelve months involve very significant risks. If the company does not succeed to secure sufficient financing for the building period of the order from Ethiopia, the continuity of the company's operation may be jeopardized. If the above mentioned financing and guarantee for the order from Ethiopia would be delayed or if the market situation gets worse it may take longer time to turn

orders into revenue. This would affect significantly the schedule in which cash flow before investments would turn positive. In such a case the company's financing situation would further tighten.

Valoe will disclose the company's Annual Report for 2015 including the financial statements, the Directors's Report and the Corporate Governance Statement latest on 30 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.