

### THE THIRD QUARTER OF 2021

- In July – September 2021, the net sales of Valoe Group, under the IFRS standards, were EUR about 0.5 million (in 2020 EUR 0.4 million). The EBIT was ca. EUR -0.9 million (EUR -0.9 million), the profit for the period was ca. EUR -1.3 million (EUR -1.4 million). The EBITDA was about EUR -0.5 million (EUR -0.6 million). At the end of the reporting period, Valoe Group's equity ratio including capital loans was 15.9 percent (8.4 %).
- In July 2021, Valoe signed a framework agreement on a three year financing facility of up to EUR 30 million ("Financing Facility") with RiverFort Global Opportunities PCC Limited ("RiverFort"). The parties have agreed on two advances totalling EUR 3.0 million. Valoe withdrew the first advance in August and the second one in September. In connection with the drawdown of each advance, RiverFort will be granted warrants to subscribe for shares in Valoe. Valoe has issued a total of 8,396,110 warrants to RiverFort. Valoe has disclosed the terms and conditions of the Financing Facility on 30 July 2021.
- In August 2021, Valoe resolved to partially convert the loan shares of the Company's convertible bond 1/2020 into the Company's shares and partially pay the loan shares in cash. Based on the conversion request submitted to the Company by the promissory note holder, BOD Global Group SIA ("BOD"), EUR 300,000 of the Convertible Bond 1/2020 capital and interest on the entire loan capital was converted into Company shares and EUR 100,000 of the Convertible Bond 1/2020 capital was paid to BOD in cash. Valoe transferred a total of 4,521,524 treasury shares to the promissory note holder. The subscription price of one share in the Company was EUR 0.073 per share. The subscription price of the shares was entered in entirety into the Company's invested non-restricted equity fund.
- On 26 February 2021, Valoe agreed with ISC Bioheat Oy on a separate fee of EUR 50,000 as compensation for the services provided by ISC Bioheat to Valoe under the consulting agreement between the parties and issued a promissory note ("Promissory Note") to ISC Bioheat to pay the separate fee. In August 2021, Valoe and ISC Bioheat Oy agreed on converting the Promissory Note to shares in Valoe. As a result, Valoe transferred a total of 555,556 treasury shares to ISC Bioheat. The subscription price for one (1) share was EUR 0.09. ISC Bioheat Oy with Matts Kempe as the company's CEO has been cooperating with Valoe in sales and marketing since 2019.
- During the reporting period, Valoe disclosed that it has signed a Memorandum of Understanding with ICON Advanced Co. Ltd for establishing a Joint Venture Company in Saudi Arabia. After the end of the reporting period, in October 2021, the parties signed an agreement for establishing the Joint Venture Company where ICON has a 60% and Valoe a 40% ownership. The Joint Venture Company is planning to build in Saudi Arabia a Back Contact Solar Module manufacturing plant that Valoe engineers, builds, and delivers.
- Interest in Valoe's OddForm technology and vehicle integrated solar applications especially continued growing. During the reporting period, Valoe disclosed cooperation with Clean Motion AB, a Swedish electric car manufacturer. Furthermore, after the review period, Valoe signed a collaboration agreement with a German Neuber GmbH for the development, prototyping, pre-production, and mass production of a vehicle integrated PV System (VIPV). Neuber GmbH develops,

manufactures, and sells renewable energy solutions, especially for logistics.

- At Valoe’s solar cell plant in Lithuania, the main focus was on improving cell quality. As per the date of this Report, the cell quality targets have reached an acceptable level. We are continuously working to enhance cell quality, and our main objective is to increase production volume.
- Valoe’s negotiations with the U.S. customer regarding the supply agreement signed by the parties in the summer of 2019 are still ongoing.

	<b>7-9/2021</b>	<b>7-9/2020</b>	<b>1-9/2021</b>	<b>1-9/2020</b>	<b>1-12/2020</b>
Net Sales	467	371	1 694	1 130	1 621
Operating Profit	-867	-914	-2 602	-2 371	-3 277
EBITDA	-485	-637	-1,426	-1 500	-1 863
Profit for the Period	-1 288	-1 370	-3 770	-3 703	-4 922

## VALOE’S FUTURE OUTLOOK

### Market Guidance

The company’s market outlook remains unchanged as follows: Valoe's net sales for the financial year 2021 will clearly increase compared to the previous year. The result for the financial year will also improve, but EBITDA will be negative on an annual basis. There is currently a great deal of uncertainty about the future due to the unpredictability of the Covid-19 pandemic and related changes in world trade.

### Markets

Since the end of 2020, the prices of all raw materials have continued rising. There has been a particularly sharp rise in prices of silicon wafers which are the most important raw material for Valoe. Due to silicon wafers’ rising prices and continued strong demand, the prices of other manufacturers’ conventional solar modules rise for the first time in years.

In our OddForm module-based business, the silicon wafer price is not critical. Following the increase in the standard module prices, the increase in the silicon wafer prices could be compensated by increasing the prices of IBC cells sold to third parties.

### New Development at the Juva Solar Module Plant

Valoe has used many resources to expand and reorganize the production of the Juva module plant. We closed the Chrome II module production at the end of the 2020 fiscal year as planned. The production of the next module generation, i.e., IBC cell-based Chrystal module, required modifications and equipment modernization and the start of mass production took longer than planned. As a result, we began Chrystal Twin module deliveries only after the end of the reporting period, in the last quarter of 2021.

At the Juva plant, implementing an entirely new HAMA line designed for solar module production commenced in the third quarter. The new HAMA production line is designed and manufactured by Valoe. With the new production line, we can manufacture conventional solar modules as well as OddForm modules. In addition, the HAMA line will serve as a test platform for several future technology concepts.

During the review period, we introduced an advanced solar panel testing environment at the Juva plant, which is also suitable for testing the performance and structures of our OddForm panels.

### **Vehicle-Integrated Photovoltaic**

The global market for automotive-related photovoltaic solutions is still small, but it is estimated to grow rapidly. According to research carried out by Allied Market Research in 2020, the global solar-powered vehicle market is expected to be USD 330 million in 2023 and is projected to reach USD 4,088 million by 2030, registering an annual growth rate of 43.3%. Our OddForm modules are ideally suited to this market, and the company aims to be a significant technology supplier in this market segment. Valoe has already signed several co-operation agreements for VIPV applications.

MANAGING DIRECTOR IIKKA SAVISALO:

During the reporting period, the volume and the result from Valoe's operations did not meet our expectations. Development-oriented activities and investments have been financed with shareholder equity and equity-based instruments. However, I strongly believe that we are on the right track.

We specialise more and more in the utilisation of solar energy to reduce CO2 emissions from transport. Customer activity remained brisk also during the third quarter. We continued our work to convince new vehicle manufacturers that Valoe's technology could be applied to their products. We have ongoing negotiations with several traditional car manufacturers and their OEM partners to establish collaboration. With small but very important agreements introducing Valoe's concept, we aim to secure our position so that as new manufacturers draw up technical and marketing plans Valoe's VIPV products will be chosen for as many future vehicles as possible. In terms of such projects, our development project with Sono Motors GmbH is the most advanced.

Valoe signed an agreement with Swedish Clean Motion AB to design a photovoltaic system for the Revolt vehicle launched by Clean Motion in September. This agreement is one example of the success of Valoe's strategy. Clean Motion's vehicle represents a class of light and energy independent cars which is important for Valoe. According to Valoe's view, the need for energy-independent vehicles will increase soon as India and Thailand, among others, begin to electrify their large fleet of light tuk-tuk vehicles. Furthermore, the large vehicle fleet and poor charging infrastructure require vehicles to be self-sufficient in energy. According to Valoe, self-sufficiency can only be achieved by utilising solar energy.

The production of samples for the pre-series and product development of Valoe's OddForm products began at the end of 2020. Since then, production volumes have stabilized at the levels required for pre-series production. Based on current estimates, several customers planning to use Valoe's OddForm modules will have their mass production capacity ready by the end of 2021 or in 2022.

The production of Chrystal and Chrystal Twin modules did not start to the desired extent in the third quarter. The production volume was hindered by the slow ramp-up of the Lithuanian cell plant and by the poor availability of spare parts needed for modernising the production line for Chrystal and Chrystal Twin

module production. The first power plant built entirely of Chrystal Twin modules was delivered to ForUs Capital only after the review period, in November 2021.

The Chrystal module family is manufactured and sold primarily for product development purposes. Factory projects abroad are strongly based on our expertise in robotics and automation as well as advanced products based on the back contact technology used in Valoe's modules.

The coronavirus pandemic continues to hamper our operations significantly. In addition to the direct effects of Covid-19, other changes in world trade caused by the pandemic are hampering industrial operations. Valoe's operations are particularly affected by difficulties in the delivery of silicon wafers, glass, certain plastics, and spare parts, as well as their arisen prices. Many material suppliers no longer provide schedules for deliveries or delivery times have been steadily extended.

In general, our business models are always based on generating solar electricity in places where the electricity is used, whether it is a geographical area or an electric appliance. Thus, natural geographic market areas for Valoe include countries and regions where the electricity grid is not comprehensive or deficient. Furthermore, a hot climate or the sand that constantly flies in the air requires solar modules to deliver exceptional performance in many places. The Arabian Peninsula is an excellent example of such an area.

#### EVENTS AFTER THE REPORTING PERIOD

In October 2021, Valoe and ICON Advanced Co. Ltd ("ICON"), a Saudi Limited Liability Company fully owned by Salem Balhamer Holding, signed an agreement for establishing a joint venture company in Saudi Arabia. Valoe shall own 40 percent and ICON 60 percent of the joint venture company. The joint venture company is planning to build in Saudi Arabia a Back Contact Solar Module manufacturing plant that Valoe would engineer, build, and deliver.

As Valoe disclosed on 18 October 2021, Valoe and Ilmarinen Mutual Pension Insurance Company, the Promissory Note Holder of the Convertible Bond 2/2018, agreed on rearranging the loan and converting it to a new subordinated convertible bond. Accordingly, Valoe issued a Convertible Bond 2/2021 totalling EUR 2,885,993.25, which Ilmarinen Mutual Pension Insurance Company subscribed for.

On 3 November 2021, Valoe disclosed that it had signed an Agreement for the development, prototyping, pre-production, and mass production of a vehicle integrated PV System (VIPV) with a German company called Neuber GmbH.

#### RISKS AND UNCERTAINTIES

##### **The COVID-19 Pandemic Can Further Delay Cash Flows and Increase Risks**

Valoe's business is strongly focused on international markets. There is currently a great deal of uncertainty about the future due to the unpredictability of the COVID-19 pandemic and supply and logistics difficulties related to the pandemic.

Valoe's financial situation involves significant risks. Although the company's financial position has improved, we cannot afford to delay the estimated cash flows. Valoe's cash position will remain tight until the cash flow from operating activities turns permanently positive.

Certain statements in this Business Review, market guidance, and especially the non-binding estimations in Valoe's strategy are targeted to the future and based on the management's current estimations. They involve risks and uncertainty by their nature and may be affected by changes in the general financial situation or business environment.

These and other risks have been described in detail in the company's Financial Statement Release of 24 February 2021, Annual Report disclosed on 22 April 2021, and Half-Year Report disclosed on 25 August 2021 that are available on the company's web pages [www.valoe.fi](http://www.valoe.fi).

In Mikkeli 17 November 2021

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.