

VALOE CORPORATION'S FINANCIAL STATEMENT RELEASE 1 JANUARY – 31 DECEMBER 2020

Following the company's financial guidance, Valoe Corporation's net sales for the financial year 2020 were EUR 1.6 million (in 2019 EUR 0.3 million). With the actual net sales, the company's operating profit was EUR -3.3 million (in 2019 EUR -3.7 million).

THE FOURTH QUARTER OF 2020 IN BRIEF

In October-December 2020, the net sales of Valoe Group, under the IFRS standards, increased by 316 per cent. The net sales were EUR 0.5 million (in 2019 EUR 0.1 million). The EBIT was EUR -0.9 million (EUR -1.4 million), the profit for the period was EUR -1.2 million (EUR -1.7 million), undiluted earnings per share were EUR -0.01 (EUR -0.02), diluted earnings per share were EUR -0.01 (EUR -0.02) and the EBITDA EUR -0.4 million (EUR -0.9 million).

There was a lot of customer activity in the fourth quarter, particularly concerning unconventional Odd Form solar modules. At the end of 2020 and after the end of the reporting period, Valoe received several orders for Odd Form modules that fell below the company's disclosure threshold of EUR 400,000. The company has ongoing negotiations for Odd Form module applications and estimates that vehicle integrated solar modules will generate revenue during the financial year 2021. After the end of the reporting period, Sono Motors and Valoe jointly launched an eTrailer with solar modules onto a temperature-controlled trailer at the CES 2021.

During the fourth quarter, Valoe was finalizing the ramp-up of its solar cell plant in Lithuania. The effects of the coronavirus pandemic delayed the start-up of the Lithuanian plant, but in December 2020, solar cell production started. Production volumes will be increased gradually, and according to current estimates, cell deliveries to customers will commence in the first quarter of 2021.

In November 2020, the company disclosed guidance estimating Valoe Group's net sales for 2020 to be approximately EUR 1.5-1.8 million. The net sales target was achieved with Valoe Group's net sales for 2020 amounting to approximately EUR 1.6 million (in 2019 EUR 0.3 million). Further, the Company estimates Valoe Group's operative cash flow to turn positive on a monthly basis during the second quarter of 2021, provided that Covid-19 does not, directly or indirectly, further delay the start of mass production of solar cells at the Lithuanian plant and the start of full-scale deliveries.

At the end of December 2020, Valoe resolved on a share issuance of a total of 18,500,000 new shares to the company itself without consideration and subscribed all the shares directed to it to implement financing arrangements and strengthen the capital structure of the company.

THE YEAR 2020 IN BRIEF

2020 was a year of change in both Valoe's solar module and solar cell production.

Valoe's module plant operated normally in Mikkeli, Finland during January-March 2020. Production at the plant was suspended in April when production equipment was moved to larger facilities in Juva, Finland.

After the move, module production resumed in June. At the Juva plant, the company has continued investing in the production of the Chrystal module family and Odd Form modules.

The construction of the Lithuanian cell plant and its processes was already well underway at the beginning of 2020, but the project still required months of work and testing, which was significantly slowed down by e.g. travel restrictions related to the Covid-19 pandemic. The first compliant IBC test cells were manufactured in May 2020 and the process ramp-up commenced in the summer. However, restrictions related to the coronavirus pandemic continued to delay the start of production until the end of 2020. In December 2020, solar cell production started. Production volumes will be gradually increased. Testing of the processes to maximize cell efficiency continued in January 2021.

During 2020, Valoe solar power plants were installed on several sites across Finland. In the spring, Valoe installed building-integrated solar modules on the wall of a new parking house at Helsinki-Vantaa Airport. Traditional roof installations were made at several industrial buildings and shopping centres, among others.

Valoe's product development focused on the value chain of solar module production including the development and design of cells, modules and production lines. Valoe has collaborated on product development with several customers and has customer projects on delivering photovoltaic systems to challenging special applications e.g. in vehicles. In February 2020, Valoe signed a cooperation agreement with German Sono Motors GmbH to become a Technology Partner for the integrated solar components of the Sion, a Self-Charging electric car with solar integration. In January 2021, Sono Motors and Valoe introduced a new project, an eTrailer, a trailer including a photovoltaic system.

Valoe's year 2020 began in a challenging working capital situation. However, during the second quarter, the company's financial situation improved after the company agreed on a financing facility totalling approximately EUR 6.35 million including a convertible note facility agreement with Winance concerning a funding arrangement of up to EUR 3.0 million; a funding facility totalling EUR 2.5 million signed with Nordic Environment Finance Corporation (NEFCO); and a directed share issue in which Valoe raised a total of EUR 0.85 million in new money.

After the reporting period, in January 2021, the company resolved to issue a convertible bond of up to EUR 3.4 million, which was oversubscribed. The company raised new funding of a total of EUR 2.4 million through the convertible bond and the indebtedness of the company decreased in total by EUR 1.0 million.

More information on principle activities and events during and after the reporting period can be found in the stock exchange releases published on Valoe's website at www.valoe.com. The Financial Statement Release has been drawn up in compliance with the IAS 34 Interim Financial Reporting standard. In the Financial Statement Release Valoe has applied the same accounting principles as in its Annual Report 2019. The Financial Statement Release has not been audited.

MARKET GUIDANCE

Valoe aims for growth in the financial year 2021. The restrictions and other effects of the coronavirus pandemic make it difficult to assess the market situation and thus the company does not provide guidance for its net sales for 2021. As disclosed on 10 November 2020, Valoe still estimates that Valoe Group's operating cash flow to turn positive on a monthly basis during the second quarter of 2021, provided that Covid-19 does not, directly or indirectly, further delay the start of mass production of solar cells at the Lithuanian plant and the start of full-scale deliveries.

THE FUTURE OUTLOOK

The second wave of the coronavirus pandemic has made operations significantly more difficult in areas important to Valoe's operations. Several material suppliers no longer provide schedules for deliveries or delivery times have been extended compared to the past.

There was a lot of customer activity at the end of the financial year 2020 and the beginning of 2021. Sono Motors and Valoe jointly launched a solar-powered trailer for the German market with solar modules integrated onto a temperature-controlled trailer. Valoe estimates that the amount of Vehicle Integrated Photovoltaic (VIPV) applications will increase and the VIPV will generate turnover for Valoe already during the financial year 2021. Valoe's Odd Form technology suits well for such solutions implemented with unconventional modules. These kinds of solutions have usually better margins than in traditional solar power plant installations.

Valoe's solar module plant in Juva is prepared to start production of Chrystal and Chrystal Twin modules as soon as deliveries of mass production cells from Lithuania begin. Demand for Chrystal modules remains good. Demand for Odd Form modules is also constantly rising as new companies and industries recognize the opportunities associated with unconventional solar modules. A good example is an order received by Valoe in December for a product development project to develop a new type of Odd Form module for greenhouses. Such a module has considerable market potential, although market development takes time.

In summer 2019, Valoe signed a supply agreement with a US customer. Valoe estimates that the annual value of the agreement is approximately USD 12 million per rolling 12 months from the start of deliveries. Valoe and the customer are currently negotiating the way and schedule by which deliveries can begin.

MANAGING DIRECTOR'S REPORT

Valoe Group's cumulative net sales for the financial year 2020 was approximately EUR 1.6 million. Compared to the previous year the net sales increased by 394 per cent and the loss decreased with the profit for the period being EUR -4.9 million. The net sales for the reporting period of 1 October – 31 December 2020 was EUR 0.5 million. During the financial year 2020, the company's net sales in Finland came mainly from power plant deliveries to domestic customers, development cooperation regarding self-charging electric vehicle with Sono Motors GmbH ("Sono Motors") and occasional component deliveries.

According to the current assessment, the company has sufficient funding available to it until the cash flow from operating activities turns positive. As per the date of this Financial Statement Release, the company estimates that the Valoe Group's operating cash flow turns positive on a monthly basis during the second quarter of 2021. There is currently a great deal of uncertainty about the future due to the Covid-19 pandemic and the unpredictability of pandemic related government regulations. Although Valoe's financial position has constantly improved the company cannot afford to significantly delay estimated cash flows. Valoe's cash flow situation continues to be tight until its cash flow from operating activities turns positive.

Solar module production at the new plant in Juva began in early June 2020. During the reporting period, the company has continued its investments in Juva. The production line for the Chrystal module family is now ready for production as soon as sufficiently large cell deliveries begin. Pre-production of Odd Form modules and production of R&D samples began already at the end of the financial year 2020. The company expects the volumes will start growing in April 2021 when the new Odd Form module production line will be completed.

FINANCIAL RESULT

The following financials include Valoe Group's operations. The figures in brackets are comparison figures for the corresponding period in 2019, unless stated otherwise.

October – December 2020:

- Valoe Group's net sales increased by 316 per cent to EUR 0.5 million (In 2019: EUR 0.1 million).
- EBITDA was EUR -0.4 million (EUR -0.9 million).
- Operating profit was EUR -0.9 million (EUR -1.4 million).
- The profit before taxes was EUR -1.2 million (EUR -1.7 million).
- Profit for the period was EUR -1.2 million (EUR -1.7 million).
- Undiluted earnings per share were EUR -0.01 (EUR -0.02).
- Diluted earnings per share were EUR -0.01 (EUR -0.02).

January – December 2020:

- Valoe Group's net sales increased by 394 per cent to EUR 1.6 million (In 2019: EUR 0.3 million).
- EBITDA was EUR -1.9 million (EUR -2.0 million).
- Operating profit was EUR -3.3 million (EUR -3.7 million).
- The profit before taxes was EUR -4.9 million (EUR -5.8 million).
- Profit for the period was EUR -4.9 million (EUR -5.8 million).
- Undiluted earnings per share were EUR -0.03 (EUR -0.14).
- Diluted earnings per share were EUR -0.03 (EUR -0.14).

Valoe no longer includes the EUR 15.8 million order from Ethiopia in its order book.

VALOE'S STRATEGY

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.

Valoe's strategy is based on the fact that the limitations of solar energy utilization will be resolved in the future. A successful business requires the capability to compete in international markets. Valoe follows closely research and development related to its business and adapts applicable technologies to its product concepts. Valoe's solutions are mainly based on Valoe's own technologies which the company has developed together with the leading experts and research institutes. The company strives for rapid and profitable growth in the future.

Valoe has defined that its strategy is based on the vision according to which solar energy will be the best solution to meet the world's energy needs in the future. Two minutes of the sun provide the world with one year's energy needs of the entire humanity. Solar energy is silent, odourless and the cleanest form of energy. The total volume of the solar energy business, excluding the price of electricity generated worldwide, is approximately EUR 100 billion per year and the business is growing at an annual rate of about 20% (Source: ITRPV 2019). Solar energy contributes to halting climate change and minimizing the carbon footprint of energy production.

Valoe, as a promoter of solar power, is actively involved in the global development of solar applications and later also in storage applications. Valoe's technology partners have a key role in development worldwide.

Valoe's operations in technology development and manufacturing are based on in-depth knowledge of materials technology, knowledge and versatile use of laser technology, and experience as a supplier of automation and robotization applications worldwide.

Based on Valoe's strategy the company has the following four service and product concepts:

1. SALES AND SUPPLY OF PHOTOVOLTAIC MODULES AND SYSTEMS (MODULES)

Sales of modules and small photovoltaic systems are Valoe's most visible product group. All Valoe's PV modules are manufactured at the company's module factory in Juva from June 2020. The modules are delivered to Valoe's distributors and retailers. Further, the company sells and provides solar power plants and systems directly to its customers in Finland and abroad.

Current Status of the MODULES Concept:

ForUs Capital Oy, which specializes in the sales of electricity produced from renewable sources, has been Valoe's most important customer during 2019. ForUs Capital sell solar energy produced with power plants supplied by Valoe to Finnish property owners, production companies and communities.

The cornerstone of Valoe's strategy is the IBC back contact technology and solar cells and modules based on it. The company intends to replace the current Chrome II glass-glass module with Chrystal IBC module family including a Chrystal Twin module, a bifacial module with a nominal efficiency of more than 400 kW. The machinery and equipment at Valoe's module factory will be modernized for the production of the Chrystal module family and Valoe Odd Form modules. Production of these modules is expected to commence during the financial year 2021. After the investment, the Juva module factory will use only IBC cells manufactured at Valoe's plant in Lithuania for its modules.

Outlook for the MODULES Concept:

The company's goal is to introduce lightweight, flexible and efficient odd-form modules with polymer and composite structures into the new solar module market. The company started developing Odd Form modules together with its customers in 2018. Such modules can be used, for example, in vehicles, for off-site energy needs for logistics chains, or in aviation and aerospace applications. In these environments, energy supply problems have generally been solved in very expensive and less environmentally friendly ways, and there is no normal competition in the market. A solar power system must have very high efficiency combined with efficient space usage to succeed in this market. Valoe believes that the company's back contact technology and IBC cells together provide Valoe with good conditions for developing photovoltaic applications for these markets.

In the long run, Valoe will include technologies related to energy storages and fuel cells as well as technologies increasing the general usage of solar electricity in the company's offering. Concerning the expertise in these technologies, Valoe will cooperate with its technology partners.

2. DEVELOPMENT AND SALES OF PRODUCTION LINES AND RELATED COMPONENTS (PRODUCTION LINES)

Manufacturers operating in developing markets like China are typical investors for new module manufacturing production lines. These Valoe's potential customers are now manufacturers of traditional H-

patterns modules. According to Valoe's knowledge, many of the manufacturers are going to start manufacturing next-generation back contact modules. In most cases, these customers have used their own module manufacturing recipe and need only single equipment or production lines. Valoe estimates that the typical price of single equipment or a production line for back contact modules is EUR 4 – 8 million. A single production equipment costs EUR 0.3 – 1.0 million.

Outlook for the PRODUCTION LINES Concept:

Valoe continues its development work to increase the efficiency of the production technology for back contact modules. Valoe has enhanced its module production technology sales and established promising contacts with potential customers in connection with the production of Odd Form modules for logistics and building integrated solutions especially. Valoe believes that in the future it will also be able to supply production lines to the customers starting to use Valoe's odd-form modules.

3. MANUFACTURING PARTNER NETWORK (PARTNERS)

Valoe's strategic goal is to sign manufacturing partnership agreements or technology licensing agreements with solar module manufacturers who as newcomers on the market would commit themselves to Valoe's production technology and to using components designed for Valoe's back contact technology. Valoe provides a partner with a turnkey delivery project; secures the availability of components for a partner either by manufacturing components by itself or by procuring required components from elsewhere; and as a technology partner commits itself to minority shareholding in a manufacturing company. Manufacturing partners pursued by Valoe may operate e.g. on developing markets and produce solar energy modules for local and nearby markets. Value of a typical turnkey plant delivery is more than ten million euros.

Current Status of the PARTNERS Concept:

Valoe signed its first manufacturing partnership agreement with Ethiopian LS Corp in 2016. The technology delivery based on the agreement has not yet been executed as per the date of this Annual Report.

Based on the early stages of the Ethiopian project, Valoe has gained valuable information on costs and profitability for future solar plant deliveries and projects. Valoe's manufacturing plant concept, equipment, technology and deliveries are standardized and with the experience gained in the first project, the profitability of the following project deliveries can be expected to be good. Further, each delivered manufacturing plant or production line generates Valoe continuous profitable business through component sales. Valoe's objective is that only Valoe's components are used at the manufacturing plants and production lines Valoe has delivered. The product certificates Valoe has received on behalf of a customer are valid only if the customer uses components approved by Valoe. Valoe's growth strategy is based on signing manufacturing partnership agreements.

On 25 February 2020 Valoe disclosed it has signed a cooperation agreement regarding self-charging electric vehicles with Sono Motors GmbH. This is the second significant cooperation agreement signed by Valoe. If Sono Motors succeeds, Valoe expects the cooperation to start generating significant cash flows. The cash flow for the financial year 2020 is still low and is related to joint product development and verification of technology concepts.

Outlook for the PARTNERS Concept:

Valoe is aiming to sign at least 10 manufacturing partnership contracts. After achieving this amount of partnerships, Valoe's partnership network is so wide that even the biggest solar module manufacturers will

not remarkably benefit from the advantage of economies of scale e.g. in raw materials purchases compared to Valoe's network.

4. MODULE COMPONENTS SALES MAINLY TO MANUFACTURING PARTNERS (COMPONENTS)

Special components are the most important part in Valoe's strategy in terms of net sales potential. Valoe's first component is Conductive Back Sheet (CBS) that has been developed by the company. Based on current estimation, considering price level in the near future, each production line will annually require back sheets worth approximately 5 – 11 million Euros.

In the future, Valoe plans to provide its manufacturing partners and other customers also with the company's solar cells based on the IBC technology and possibly also other special components. According to the company's estimates, a full-sized module factory could buy Valoe cells for EUR 18 - 25 million annually.

Current Status of the COMPONENTS Concept:

As previously disclosed, Valoe has signed its first cell supply agreement for IBC cells to be manufactured in Vilnius with an estimated value of about USD 12 million annually per rolling 12 months from the start of deliveries. Valoe and the customer are currently negotiating the way and schedule by which deliveries can begin.

Outlook for the COMPONENTS Concept:

Given the company's need for cells for its own standard modules and Odd Form modules and customers' orders for cells, Valoe estimates that demand for IBC cells manufactured in its Lithuanian factory may in the future exceed Valoe's production capacity, provided production starts as expected. Valoe should consider and decide which business model would be best for it if demand exceeds the company's production capacity.

MARKET CONDITIONS

The competitiveness of solar electricity, compared to fossil fuels and other renewable energy sources, will continue increasing faster and faster. Already in 2018, the production cost of solar electricity was below the cost of all other electricity production in many geographical areas. According to the ITRPV 2019 report, the annual market now worth around EUR 100 billion, excluding electricity sales, is projected to grow annually by about 20 per cent over the next 30 years. By 2029, the market share of the back contact modules is estimated to grow from a few per cent to about one-third of the total market, i.e. to about EUR 150 billion annually.

The objectives of Valoe's strategy are based on having the cell that is one of the most efficient cells in the growing market and combining it with the back contact technology used by Valoe and gaining more market share.

According to forecasts, the share of solar energy in transport energy consumption will increase significantly. Solar modules will be integrated for example in cars and other vehicles. Valoe develops odd-form modules with IBC cells just for this type of application.

Valoe is prepared for its competitors introducing their own back contact modules and other innovations soon. The companies that will succeed in price competition will continue decreasing the prices of their standard products based on sales volumes and increasing production capacity and will continue worldwide price war.

Valoe is focusing on developing production technology for next-generation cells and modules. In the high-end price categories 's price reduction has not been as remarkable. Valoe views that the most favorable markets for the company are those where the turnover generated is not of interest to major manufacturers and where technological innovations are more important than price. Generally, Valoe's business models are always based on locally generated solar power, whether it concerns a geographical area or electrical equipment. Thus, the natural geographical markets for Valoe are countries and regions with an incomplete or malfunctioning grid. Such areas exist primarily in Africa, but also in Asia and South America. On the other hand, Valoe is aiming to apply its technology by integrating a module into an electrical appliance or even clothing.

Valoe provides production technology to all companies interested in back contact modules, e.g. large and often national solar energy projects; module subcontractors; and/or original equipment manufacturers. However, the tough price competition may hinder a Valoe-sized company to succeed, regardless of quality or technical advantages.

Valoe views that diversified local production will increase significantly in the near future. However, Valoe is not aiming at becoming a local manufacturer but when the company decides to enter into a new geographical area it always seeks a local partner and an investor for a solar module factory project. Valoe is responsible for production technology, product quality and development. Local investors and partners are responsible for project funding as well as marketing and product sales.

FINANCING

Financing on the Reporting Period October – December 2020

There were no significant new financial transactions in the last quarter of the financial year. The company's financial position was very tight throughout the reporting period and the company reduced its cash deficit by withdrawing convertible notes tranches under the terms and conditions of the financing arrangement between Valoe and Winance announced on 22 April 2020. By the date of this Financial Statement Release, Valoe has withdrawn a total of EUR 1,500,000 from the funding arrangement with Winance amounting to a maximum of EUR 3,000,000.

On 21 December 2020, Valoe resolved on a share issuance of a total of 18,500,000 new shares to the Company itself without consideration to implement financing arrangements and strengthen the capital structure of the company. The company subscribed all the shares directed to it. The shares were registered in the trade register on 22 December 2020 and were listed on the stock exchange list of Nasdaq Helsinki Ltd on 23 December 2020.

Financing Earlier on the Financial Year 2020

In February 2020, Valoe and Winance signed a Bridge Loan Agreement of EUR 500,000. In May 2020, Valoe repaid the loan principal by converting it into the fourth convertible notes tranche of the convertible bond under the terms and conditions of the financing arrangement between Valoe and Winance announced on 20 December 2018. In April 2020, Valoe entered into a new convertible note facility agreement with Winance concerning a funding arrangement of up to EUR 3,000,000 in convertible loan notes as disclosed

on 22 April 2020. Out of this financial facility, Valoe raised a total of EUR 1.5 million during the financial year 2020.

In May 2020, Valoe agreed on a EUR 2.5 million financing facility with Nordic Environment Finance Corporation (NEFCO). The financing facility comprises a EUR 1.25 million loan to Valoe and EUR 1.25 million investment in Valoe's equity in the offering resolved on 5 May 2020.

In the offering resolved on 5 May 2020, the company collected in total EUR 1.25 million new capital (above-mentioned investment made by NEFCO) and the indebtedness of the company decreased in total by EUR 1.35 million.

On 24 June 2020, Valoe resolved on a directed share issue with which the company collected in total EUR 0.85 million new capital and the indebtedness of the company decreased in total by EUR 0.135 million.

As disclosed on 23 July 2020, the company resolved on a EUR 0.4 million subordinated convertible bond that was issued to Global BOD Group SIA to convert the loan principal receivable of Convertible Bond 3/2019 BOD had from the company into a new Convertible Bond 1/2020. EUR 0.1 million of the initial EUR 0.5 million principal of the Convertible Bond 3/2019 was converted into shares in the offering resolved on 5 May 2020.

As disclosed in June 2020, the promissory notes issued under the company's convertible bond 4/2019 were converted into in total 1,155,921 new shares in the company and the subscription price of a share was paid by way of set-off against the unpaid capital and interests of the convertible bond 4/2019.

At the end of September 2020, the Financial Supervisory Authority approved the prospectus relating to admission to trading of in total 89,888,886 shares in the company. The prospectus and the admission to trading of the shares relate to the following share issues resolved on by the Board of Directors: (i) in the aggregate 48,148,148 new shares in the company issued to certain investors and creditors through a decision by the Board of Directors dated 15 May 2020; (ii) in the aggregate 18,240,738 new shares in the Company issued to certain investors and creditors through decisions by the Board of Directors dated 24 June 2020 and 30 June 2020; and (iii) in the aggregate 23,500,000 new shares in the Company issued to the Company as treasury shares through a decision by the Board of Directors dated 16 September 2020. The shares were listed on the stock exchange list of Nasdaq Helsinki Ltd on 1 October 2020.

During the financial year 2020, Valoe has subscribed a total of 23,750,000 new shares in the share issues without consideration directed to the company itself to partly implement the financing agreement with Winance disclosed on 20 December 2018.

On 27 August 2020, Valoe subscribed in total 3,740,000 shares in the share issue without consideration to the company itself resolved on 27 August 2020.

During 2020, the company raised from Business Finland a total of EUR 0.8 million which was the remaining part of the EUR 4.1 million development loan granted by Business Finland in 2015.

Valoe is one of the partners of an about 15-million-euro research project, called HighLite. The project is part of the European Union's Horizon 2020 programme. Valoe is the only party in the project who develops solar cell technology. Valoe conducts development work both in Finland and Lithuania and has raised a total of EUR 1.4 million of the EU's grant by the end of the reporting period. Thus, there is still project-related funding totalling about EUR 0.5 million to be collected.

After the end of the reporting period, in January 2021, the company issued a EUR 3.4 million convertible bond which was oversubscribed. As disclosed on 1 February 2021, out of the approved subscriptions,

approximately EUR 2.4 million are new cash investments and approximately EUR 1.0 million was paid by setting the subscription price off against the subscribers' indisputable receivables from the company.

According to current estimates, the company has sufficient financing until the operating cash flow turns positive. As per the date of this Financial Statement Report, the company estimates Valoe Group's operating cash flow to turn positive on a monthly basis during the second quarter of 2021. However, there is currently a great deal of uncertainty about the future due to the unpredictability of the second wave of the COVID-19 pandemic and related restrictions. Although the company's financial position has improved, it cannot afford to delay the estimated cash flows.

Cash flow from business operations before investments in January – December was EUR -3.9 million (EUR -2.1 million). Trade receivables at the end of the reporting period were EUR 0.06 million (EUR 0.04 million). Net financial items amounted to EUR 1.6 million (EUR 2.1 million). At the end of December, the equity ratio of Valoe Group was -15.4 per cent (-21.1 %) and equity per share was EUR -0.01 (EUR -0.08). The equity ratio including capital loans was 7.9 per cent (4.7 %). At the end of the reporting period, the Group's liquid assets totalled EUR 0.4 million.

Financial Uncertainties

General uncertainty caused by the Covid-19 virus and possible worldwide deep recession increase business-related risks remarkably. Valoe estimates that Valoe Group's operating cash flow to turn positive on a monthly basis during the second quarter of 2021, provided that Covid-19 does not, directly or indirectly, further delay the start of mass production of solar cells at the Lithuanian plant and the start of full-scale deliveries.

Valoe's financial and other risks have been handled in the item "Risk management, Risks and Uncertainties" of this Annual Report.

RESEARCH AND DEVELOPMENT

The objective of Valoe's product development is that the energy produced by Valoe's solar modules shall be the greenest as well as the cheapest energy on the market. In addition, Valoe's goal is to produce solar modules whose materials are selected to extend the module's economic life by more than 100 years.

The importance of the research and development for Valoe is well illustrated by the human resources allocated to research and development. Valoe Group employs 42 people, out of whom 20 people work on the company's product development projects in Finland and Lithuania.

During recent years, the focus of Valoe's research and development has been on a project relating to cell development and efficiency improvement as well as on the development of IBC cells. In 2019, product development resources were further increased to rapidly introduce Valoe Odd Form modules in the market. Valoe develops flexible and lightweight composite modules for new applications to be used in the automotive, aviation, and aerospace industries. With the introduction of such a new application, Valoe will have an opportunity to cooperate closely with its customer on product development and industrialization. The customer commits and Valoe gets a long-term customer, for example, for its robotic assembly lines. Valoe is also prepared to offer its customers contract manufacturing of the products or components it develops.

In connection with the cooperation for self-charging electric vehicles with Sono Motors GmbH, Valoe has improved and upgraded its product development for developing solar power applications for cars and other vehicles.

In 2019 and 2020, the main challenge for Valoe's research and development was, as the first and according to Valoe's knowledge the only company in Europe so far, to design and build a new type of solar cell plant in Vilnius. The first cells manufactured entirely at the Valoe plant were produced in December 2020. However, the production line did not reach mass production capacity by the end of the financial year. This was due to extended delivery times for critical parts and software upgrades. Valoe estimates that the first cell deliveries to customers will begin in the first quarter of 2021 as previously announced.

In March 2019, a research project called HighLite was selected for the European Union's Horizon 2020 funding. Valoe plays a key role in the project. The project aims to bring Europe back to the forefront of photovoltaic technology. This project is an excellent complement to Valoe's IBC cell plant project. Valoe's task in the project is to improve the performance of solar cells. The project commenced at the beginning of October 2019.

Over the past three years, Valoe has created a global partner network to support the company's own research and development. With the partners, Valoe develops its products and technology to implement the next phase of the company's growth strategy. During the financial year 2018, Valoe signed a development and technology transfer agreement with ISC Konstanz that is one of the leading solar energy research institutes in Europe.

Valoe's other main technology partners include Energy Research Centre of the Netherlands (ECN) that now belongs to TNO, and Fraunhofer Institute for Solar Energy Systems (Fraunhofer ISE). In the Horizon HighLite project Valoe will be able to utilize the knowledge and experience of IMEC in Belgium, CEA and Ines in France, CSEM in Switzerland and leading universities in several countries. Further, Valoe will be able to work with some of the world's most renowned materials technology companies.

Additionally, Valoe's research and development focus on developing the production line concept. Equipment and machinery needed in the automated module manufacturing process are based on Valoe's own innovations and designed by Valoe.

Valoe is aiming at protecting its innovations in all important geographical areas.

The Group's research and development costs during the reporting period amounted to EUR 1.1 million (EUR 1.9 million).

INVESTMENTS

Gross investments in the continuing operations during January – December period amounted to EUR 2.1 million (EUR 4.8 million). The investments on the reporting period were mainly in equipment.

PERSONNEL

At the end of December 2020, the Group employed 42 (32) people, out of which 11 employees worked in Lithuania and the rest in Finland. During the reporting period, the Group's salaries and fees totalled EUR 1.9 million (EUR 1.4 million).

SHARES AND SHAREHOLDERS

At the end of the reporting period, Valoe's share capital amounted to EUR 80,000.00 and the number of shares was 255.359.195. The company has one series of shares, which confer equal rights in the company. On 31 December 2020 Valoe had in total 18.515.616 treasury shares.

The company had a total of 10,759 shareholders at the end of December 2020, and 2.5 per cent of the shares were owned by foreigners. The ten largest shareholders held 50.7 per cent of the company's shares on 31 December 2020.

The largest shareholders on 31 December 2020

	Shares	Percentage
1 SAVCOR TECHNOLOGIES OY	39.470.914	15,5
2 NEFCO	23.148.148	9,1
3 VALOE OYJ	18.515.616	7,2
4 GASELLI GROUP OY	13.098.979	5,1
5 OLLILA JORMA JAAKKO	7.303.417	2,9
6 SAVISALO IIKKA	6.216.709	2,4
7 JOENSUUN KAUPPA JA KONE OY	5.997.777	2,3
8 APTEEKKIEN ELÄKEKASSA	5.550.000	2,2
9 SCI-FINANCE OY	5.406.722	2,1
10 K22 FINANCE OY	4.747.777	1,9
OTHERS	125.903.136	49,3
TOTAL	255.359.195	100,0

The members of the Board of Directors and the President and CEO, either directly or through companies under their control, held a total of 58.529.459 shares in the company on 31 December 2020, representing about 22.9 per cent of the company's shares. At the end of the period Iikka Savisalo, Valoe's Managing Director, either directly or through companies under his control, held a total of 58.261.781 shares in the company.

The price of Valoe's share varied between EUR 0.041 and 0.103 during the January – December period. The average price was EUR 0.062 and the closing price at the end of December EUR 0.064. A total of 153.3 million Valoe shares were traded at a value of EUR 9.6 million during the January – December period. The company's market capitalization at the end of September stood at EUR 16.3 million.

SHARE ISSUE AUTHORIZATIONS IN FORCE

The company has a share issue authorization in force granted by the Annual General Meeting 2020 according to which the Board of Directors is authorized to decide on a share issue with and/or without payment, either on one or on several occasions, including the right to resolve on option rights and other rights entitling to shares pursuant to the Chapter 10, Section 1 of the Finnish Companies Act so that the number of new shares issued based on the authorization or number of shares issued based on option rights and other special rights entitling to the shares pursuant to the Chapter 10, Section 1 of the Finnish Companies Act, would equal to the total maximum amount of 150,000,000 shares. The authorization does not exclude the Board's right to decide also on a directed issue of shares or option rights and other special rights pursuant to the Chapter 10, Section 1 of the Finnish Companies Act. It was resolved that the authorization may be used for important arrangements from the company's point of view e.g. to strengthen the capital structure, to finance investments, for acquisitions and business transactions or other business arrangements, or to expand ownership structure, or for incentive plans, or for other purposes resolved by the Board involving a weighty financial reason for issuing shares or option rights or special rights entitling to shares pursuant to the Chapter 10, Section 1 of the Finnish Companies Act. The share issue may be executed by deviating from the shareholders' pre-emptive subscription right provided the company has a weighty financial reason for that. The authorization is in force until 30 June 2021. By the date of this Financial Statement Release the Board of Directors has resolved on issues of a total of 149.765.000 shares based on the authorization.

THE MAJOR EVENTS DURING THE REPORTING PERIOD

On 10 November 2020 Valoe disclosed a profit warning and lowered its financial guidance for 2020 and announced that the Covid-19 situation postpones the start of cell production at the Vilnius factory until December 2020.

On 9 December 2020 Valoe announced that the production of solar cells started at Valoe's plant in Lithuania.

On 21 December 2020 Valoe disclosed that the company has resolved on a share issuance of a total of 18,500,000 new shares to the company itself without consideration and the company has subscribed a total of 18,500,000 shares directed to it.

THE MAJOR EVENTS AFTER THE REPORTING PERIOD

On 19 January 2021 Valoe disclosed that to strengthen Valoe's working capital situation and capital structure the company issues a subordinated convertible bond of EUR 3.0 million at the most. On 29 January 2021, the company increased the maximum amount of the convertible bond 1/2021 to EUR 3.4 million.

On 1 February 2021 Valoe announced that the convertible bond 1/2021 had been oversubscribed and the Board of Directors of the company had approved subscriptions for the maximum amount of the convertible bond i.e. EUR 3.4 million.

RISK MANAGEMENT, RISKS AND UNCERTAINTIES

Valoe's Board of Directors is responsible for the control of the company's accounts and finances. The Board is responsible for internal control, while the President and CEO handles the practical arrangement and monitors the efficiency of internal control. Business management and control are taken care of using a Group-wide reporting and forecasting system.

The purpose of risk management is to ensure that any significant business risks are identified and monitored appropriately. The company's business and financial risks are managed centrally by the Group's financial department, and reports on risks are presented to the Board of Directors as necessary.

Due to the small size of the company and its business operations, Valoe does not have an internal auditing organization or an audit committee.

Risks Related to Financial Situation and Financing

There are significant risks related to Valoe's financing. These risks have also been described in section Financing, risk related paragraph.

The company's most significant risk is that the operating cash flow does not materialize as planned. Although the company estimates that the Valoe Group's operating cash flow will turn positive on a monthly basis during the second quarter of 2021, travel restrictions related to Covid-19 pandemic and difficulties in the delivery of materials and services due to the pandemic may slow down the start of mass production of cells and the start of deliveries to customers and thus hinder the expected positive turn in the operating cash flow. If the cash flow from operations does not materialize as planned, this may have a significant negative effect on the company's operating result and/or financial position.

Valoe has agreed on a financing facility with Winance Investment. The company has been granted funding relating to EU's HighLite project. If, for example, due to the Covid-19 pandemic or other unforeseeable reasons, the company fails to utilize its existing financing facilities or replace them with at least equivalent new financing agreements, this could have a significant negative effect on the company's operating result and/or financial position.

Failure to realize the assumptions related to the company's cash flow forecasts could lead to a situation where the company's impairment tests would indicate the need to write down the company's intangible and tangible assets or goodwill. In such a situation, impairment of intangible and tangible assets could have a material adverse effect on the company's financial position. A detailed description of the company's impairment testing can be found in Note 12 to the consolidated financial statements.

The Covid-19 virus has caused general uncertainty and exceptional circumstances in the world, which significantly increase business risks. The Company estimates Valoe Group's operating cash flow to turn positive on a monthly basis during the second quarter of 2021, provided that Covid-19 pandemic does not, directly or indirectly, further delay the start of mass production of solar cells at the Lithuanian plant and the start of full-scale deliveries. Should the turn in cash flow be postponed, for example, due to contraction in the market of Valoe's U.S. customer the new financing facilities may prove insufficient.

In exceptional circumstances, banks or public or private funding organizations may face unpredictable pressures that could slow the payment of already agreed funding to Valoe. Such a situation could, in some circumstances, cause the company's working capital situation to tighten again.

Risks Related to the Strategy, Business Operations, New Technologies, and Manufacturing

Valoe develops solar module and solar cell technology. The development and commercialization of new technologies always involve uncertainties and significant risks. If the company's product development projects were not successful, or the business environment or market situation changed, the company's ability to provide its customers with competitive products or services could be threatened. In such a situation, the company's profitability could be lower than expected which could have a significant effect on the company's profitability and financial situation.

If Valoe was not able to meet the quality or quantity requirements for IBC cells in cell production at the Lithuanian plant, it could affect the IBC cell deliveries to a US customer. On 15 August 2019, Valoe announced that it has signed a supply agreement with a US customer. The company has estimated the agreement's annual value is approximately USD 12 million per rolling 12 months from the start of deliveries. If the agreed delivery times, quality or quantity requirements were not met, the customer might not accept the deliveries on a price level that guarantee profitability. The number of cells needed by the customer could also be negatively affected by the Covid-19 pandemic in the ways mentioned in the section on Covid-19 risks below.

The company uses components from international suppliers and subcontractors to produce its products. The main raw materials and factors of production used in the components are plastics and metals, the market prices of which vary according to market conditions. The main raw materials in solar power modules are silicon and silver. The most important component in cell production is the wafer. Should the market prices of these main materials rise, it could affect negatively the company's profitability and financial situation if the company fails to pass on any rising procurement costs of the components and raw materials to its customer prices.

The Covid-19 pandemic can be assumed to influence the world market prices and availability of the components. Further, travel restrictions related to the Covid-19 pandemic and difficulties in the delivery of materials and services due to the pandemic have slowed down Valoe's module production and have hindered the start of production of solar cells and the start of deliveries to Valoe's US and other customers. At the moment, it is impossible to estimate the final effect pandemic has on Valoe.

Risks Related to the Operations in Emerging Markets

The company is using part of its resources to market and sell its technology in emerging markets. Risks associated with operating in emerging markets may arise from, for example, customer liquidity, uncertainties related to production factors, initiation or implementation of foreign exchange control, or other changes in legislation that could effectively prevent the company from repatriating potential profits, selling assets and exiting from the market.

Administrative and Legal Risks

Public funding and investment subsidies have a significant incentive effect in the solar energy business. In Finland in particular, changes in public funding or investment subsidies for solar power projects that are unfavourable from the manufacturers' point of view could significantly reduce the domestic market. The possible negative effects of such factors on the company's business, results and/or financial position cannot be foreseen or excluded with certainty.

Risks Due to the Covid-19 Pandemic

The company cannot assess whether the Covid-19 pandemic, with its official regulations and guidelines, will directly or indirectly further change the company's current estimates of cell deliveries to customers. Should the Covid-19 pandemic cause a substantial delay in the start of mass production and cell deliveries at the cell plant in Lithuania from the current assessment and thus a postponement of positive cash flow, it could, if continued, jeopardize the adequacy of the company's liquid assets.

The certain statements in this Financial Statement Release 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.

THE PROPOSAL FOR DIVIDEND AND ANNUAL GENERAL MEETING

The Board of Directors proposes to the Annual General Meeting that no dividend from the financial year 2020 will be paid. The company's annual general meeting will be held on 20 May 2021.

In Mikkeli, 24 February 2020

Valoe Corporation
Board of Directors

Consolidated statement of comprehensive income

(unaudited)

1 000 EUR	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Net sales	491	118	1 621	328
Cost of sales	-907	-535	-2 621	-1 147
Gross profit	-416	-417	-1 000	-818
Other operating income	55	37	68	177
Product development expenses	-226	-695	-1 055	-1 873
Sales and marketing expenses	-142	-137	-542	-467
Administrative expenses	-177	-168	-747	-649
Other operating expenses	0	-45	0	-45
Operating profit	-906	-1 425	-3 277	-3 674
Financial income	0	0	0	0
Financial expenses	-313	-300	-1 646	-2 097
Profit before taxes	-1 219	-1 725	-4 922	-5 771
Income taxes	0	0	0	0
Profit/loss for the period	-1 219	-1 725	-4 922	-5 771
Profit/loss attributable to:				
Shareholders of the parent company	-1 219	-1 725	-4 922	-5 771
Earnings/share (basic), eur	-0,01	-0,02	-0,03	-0,14
Earnings/share (diluted), eur	-0,01	-0,02	-0,03	-0,14
Total comprehensive income for the period	-1 219	-1 725	-4 922	-5 771
Total comprehensive income attributable to:				
Shareholders of the parent company	-1 219	-1 725	-4 922	-5 771

Consolidated statement of financial position

(unaudited)

1 000 EUR	31.12.2020	31.12.2019
ASSETS		
Non-current assets		
Property, plant and equipment	9 858	8 996
Consolidated goodwill	441	441
Other intangible assets	3 720	4 325
Available-for-sale investment	9	9
Non-current receivables	672	672
Total non-current assets	14 701	14 443
Current assets		
Inventories	444	833
Trade and other non-interest-bearing receivables	905	429
Cash and cash equivalents	435	7
Total current assets	1 784	1 268
Total assets	16 485	15 712
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the parent company		
Share capital	80	80
Other reserves	26 930	21 243
Retained earnings	-29 535	-24 607
Total equity	-2 525	-3 284
Non-current liabilities		
Non-current loans	8 121	4 934
Non-current subordinated loans	3 821	4 013
Other non-current liabilities	283	686
Total non-current liabilities	12 225	9 632
Current liabilities		
Current interest-bearing liabilities	2 431	3 723
Trade and other payables	4 128	5 391
Current provisions	226	249
Total current liabilities	6 785	9 363
Total liabilities	19 010	18 995
Equity and liabilities total	16 485	15 712

In its Financial Statements for 2019 Valoe recategorized equipment that was previously incorrectly categorized in the balance sheet as part of its product development costs. The cumulative effect of the adjustment for the financial year 2019 was EUR 4.1 million.

Consolidated statement of cash flows

(unaudited)

1 000 EUR	1-12/2020	1-12/2019
Cash flow from operating activities		
Income statement profit/loss before taxes	-4 922	-5 771
Non-monetary items adjusted on income statement		
Depreciation and impairment	+ 1 413	1 699
Unrealized exchange rate gains (-) and losses (+)	+/- -2	2
Other non-cash transactions	+/- -640	-130
Other adjustments	+/- -269	0
Change in provisions	+/- -23	-58
Financial income and expense	+ 1 648	2 095
Total cash flow before change in working capital	-2 795	-2 163
Change in working capital		
Increase (-) / decrease (+) in inventories	3	-56
Increase (-) / decrease (+) in trade and other receivables	-440	17
Increase (+) / decrease (-) in trade and other payables	27	-136
Change in working capital	-409	-174
Adjustment of financial items and taxes to cash-based accounting		
Interest paid	- 325	-223
Other financial items	- 401	30
Financial items and taxes	-726	193
NET CASH FLOW FROM BUSINESS OPERATIONS	-3 930	-2 144
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	- 1 847	1 152
Acquisition of subsidiaries and other business units	- 1 062	1 938
Grants received	+ 1 382	0
NET CASH FLOW FROM INVESTMENTS	-1 527	-3 090
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue	+ 1 854	3 159
Financing arrangement with Bracknor Investment	+ 1 957	1 000
Proceeds from non-current borrowings	+ 2 330	1 010
Proceeds from current borrowings	+ 1 069	2 112
Repayment of current borrowings	- 1 325	2 062
NET CASH FLOW FROM FINANCING ACTIVITIES	5 885	5 219
INCREASE (+) OR DECREASE (-) IN CASH FLOW	428	-15

Consolidated statement of changes in equity

(unaudited)

1 000 EUR	Share capital	Distributable non- restricted equity fund	Retained earnings	Total equity
31.12.2019	80	21 243	-24 607	-3 284
Profit/loss for the period	-	-	-4 922	-4 922
Translation difference, comprehensive income	-	-	0	0
Transactions with owners:				
Sale of own shares - Winance	0	2 243	0	2 243
Share issues	0	3 689		3 689
Share issue expenses		-246	-	-246
Own equity component of the convertible bond	0	0	-6	-6
31.12.2020	80	26 930	-29 535	-2 525

1 000 EUR	Share capital	Distributable non- restricted equity fund	Retained earnings	Total equity
31.12.2018	80	11 804	-18 927	-7 044
Profit/loss for the period	-	-	-5 771	-5 771
Translation difference, comprehensive income	-	-	0	0
Transactions with owners:				
Sale of own shares				
Bracknor Investment and Winance	0	1 186	0	1 186
Share issue	0	8 254		8 254
Own equity component of the convertible bond	0	0	91	91
31.12.2019	80	21 243	-24 607	-3 284

Key figures

(unaudited)

1 000 EUR	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Net sales	491	118	1 621	328
Operating profit	-906	-1 425	-3 277	-3 674
% of net sales	-184,5 %	-1203,1 %	-202,2 %	-1118,9 %
EBITDA	-363	-860	-1 863	-1 975
% of net sales	-74,0 %	-725,9 %	-115,0 %	-601,4 %
Profit before taxes	-1 219	-1 725	-4 922	-5 771
% of net sales	-248,3 %	-1456,8 %	-303,7 %	-1757,4 %
Balance Sheet value	16 485	15 712	16 485	15 712
Equity ratio, %	-15,4 %	-21,1 %	-15,4 %	-21,1 %
Net gearing, %	neg.	neg.	neg.	neg.
Gross investments	599	4 215	2 050	4 767
% of net sales	122,0 %	3559,9 %	126,5 %	1451,8 %
Research and development costs	226	695	1 055	1 873
% of net sales	46,1 %	587,2 %	65,1 %	570,3 %
Order book	352	17 187	352	17 187
includes Ethiopia	0	15 834	0	15 834
Personnel on average	46	29	38	26
Personnel at the end of the period	42	32	42	32
Non-interest-bearing liabilities	4 128	5 391	4 128	5 391
Interest-bearing liabilities	14 656	13 355	14 656	13 355
Share key indicators				
Earnings/share (basic)	-0,01	-0,02	-0,03	-0,14
Earnings/share (diluted)	-0,01	-0,02	-0,03	-0,14
Equity/share	-0,01	-0,03	-0,01	-0,08
P/E ratio	-12,54	-5,43	-2,38	-0,69
Highest price	0,07	0,16	0,10	0,80
Lowest price	0,05	0,07	0,04	0,07
Average price	0,06	0,10	0,06	0,15
Closing price	0,06	0,10	0,06	0,10
Market capitalisation, at the end of the period, MEUR	16,3	11,4	16,3	11,4

Valoe no longer includes Ethiopian order of EUR 15.8 million in its order book.

Calculation of Key Figures

EBITDA, %:	$\frac{\text{Operating profit + depreciation + impairment}}{\text{Net sales}}$
Equity ratio, %:	$\frac{\text{Total equity} \times 100}{\text{Total assets - advances received}}$
Net gearing, %:	$\frac{\text{Interest-bearing liabilities - cash and cash equivalents and marketable securities} \times 100}{\text{Shareholders' equity + non-controlling interests}}$
Earnings/share (EPS):	$\frac{\text{Profit/loss for the period to the owner of the parent company}}{\text{Average number of shares adjusted for share issue at the end of the financial year}}$
Equity/share:	$\frac{\text{Equity attributable to shareholders of the parent company}}{\text{Undiluted number of shares on the balance sheet date}}$
P/E ratio:	$\frac{\text{Price on the balance sheet date}}{\text{Earnings per share}}$

Related party transactions

(unaudited)

The Group has sold and purchased goods and services from companies in which the majority holding and/or power of decision granting control of the company is held by members of the Group's related parties. Sales of goods and services carried out with related parties are based on market prices.

The Group entered into the following transactions with related parties:

1 000 EUR	1-12/2020	1-12/2019
Sales of goods and services		
Savcor Oy - production services	9	3
Total	9	3
Purchases of goods and services		
SCI Invest Oy - rent	48	48
Basso J., business management services in Lithuania	141	0
SCI-Finance Oy - marketing and administration services	82	59
Savcor Technologies Oy - marketing and admin services	106	61
Savcor Oy - financial management services	10	8
Oy Marville Ab - legal services	0	8
Aurinkolahden Tilintarkastus Oy	4	0
Other	48	0
Total	440	183
Interest expenses and other financial expenses		
SCI-Finance Oy	108	112
Savcor Technologies Oy	72	292
Savcor Oy	12	28
SCI Invest Oy	1	0
Others	76	137
Total	270	569
Non-current convertible subordinated loan from related parties	461	415
Non-current other subordinated loan from related parties	141	1 160
Current convertible subordinated loan from related parties	0	0
Other current liabilities to related parties	399	565
Current interest payable to related parties	184	429
Trade payables and other non-interest-bearing liabilities to related parties	458	468
Trade and other current receivables from related parties	19	14

Savcor Face Ltd, Savcor Technologies Oy, Savcor Oy and SCI-Finance Oy are companies under control of Iikka Savisalo, Valoe's CEO and Hannu Savisalo, Valoe's Chairman of the Board.

SCI Invest Oy is a company under control of Iikka Savisalo, Valoe's CEO.

Oy Marville Ab is a company under control of Ville Parpola, Valoe's Vice chairman of the Board.

Aurinkolahden Tilintarkastus Oy is a company under control of Tuomas Honkamäki, Valoe's Member of the Board.

1 000 EUR	1-12/2020	1-12/2019
Wages and remuneration		
Salaries of the management and Board	509	491

Fair values

(unaudited)

1 000 EUR	Carrying amount 31.12.2020	Fair value 31.12.2020
Financial assets		
Available-for-sale investments	9	9
Trade and other receivables	905	905
Cash and cash equivalents	435	435
Financial liabilities		
R&D loan, non-current	6 558	6 558
Non-current subordinated loan	3 821	3 821
Other non-current loans	1 563	1 563
Other non-current liabilities	283	283
Convertible bond, current	20	20
Loans from financial institutions, current	864	864
Other loans, current	669	669
Other liabilities, current	878	878
Trade payables and other non-interest-bearing liabilities	1 698	1 698

The fair value of non-current liabilities is expected to correspond to the carrying amount and recognized to their fair value when recorded. There has been no significant change in common interest rate after the withdrawal of the loans.

Other non-current and other current liabilities include EUR 0.75 million of liabilities arising from the IFRS 16 standard.

EUR 1.9 million out of trade payables, other current liabilities and accruals was overdue at the end of the reporting period. In addition, convertible bonds of EUR 0.02 million were overdue.

Change in intangible and tangible assets

(unaudited)

1 000 EUR	31.12.2020	31.12.2019
Includes tangible assets, consolidated goodwill and other intangible assets		
Carrying amount, beginning of period	13 762	10 381
Depreciation and impairment	-1 148	-1 699
Acquisition of a subsidiary	0	3 433
Additions	2 050	998
Adoption of a new Standard (IFRS 16)	0	649
Disposals	-645	0
Carrying amount, end of period	14 019	13 762

The assets and liabilities of the contracts have been recognized in IFRS 16 leases and properties at the date of transition 1 Jan 2019.

Commitments and contingent liabilities

(unaudited)

1 000 EUR	31.12.2020	31.12.2019
Assets pledged for the company		
Loans from financial institutions	390	450
Other liabilities	618	764
Promissory notes secured by pledge	3 405	4 700
Operating lease liabilities		
Payable within one year	161	500
Payable over one year	201	1 000