

VALOE CORPORATION'S HALF-YEAR FINANCIAL REPORT 1 JANUARY – 30 JUNE 2022

THE FIRST HALF YEAR OF 2022 IN BRIEF

During the reporting period January – June 2022, the net sales of Valoe Group, under the IFRS standards, was about EUR 0.5 million (in 2021: EUR 1.2 million). The EBITDA was EUR -1.8 million (EUR -0.9 million) and the EBIT EUR -2.7 million (EUR -1.7 million). The profit for the period was EUR -3.7 million (EUR -2.5 million). The undiluted earnings per share were EUR -0.01 (EUR -0.01) and the diluted earnings per share were EUR -0.01 (EUR -0.01).

The working capital situation continued tight throughout the first half of the year 2022. In order to strengthen the working capital situation and the capital structure, we issued the Convertible Bond 1/2022 in April 2022. The Convertible Bond 1/2022 was subscribed for a total of EUR 0.7 million, and the subscriptions were made in new cash investments. After the reporting period, in August 2022, we issued a new convertible bond of EUR 3.0 million, at the most, to further strengthen the capital situation and to prepare for orders we expect from the automotive industry.

In May 2022, EU granted funding for a new Horizon 2020 project called IBC4EU which also Valoe and its subsidiary Valoe Cells participate. Within the project, we develop production methods for efficient solar modules with low environmental footprint. The project will last 36 months, and its total cost estimate is around 17 million euros. EU pays us our share in the form of a grant, the amount of which is around 2.2 million euros in total. Valoe's share of the grant is approximately EUR 0.9 million and Valoe Cells's approximately EUR 1.3 million.

After the reporting period, we signed a contract on the final phases of having the solar cell assemblies for vehicle integration fully tested and ready for mass production with Sono Motors. Upon successful completion of the agreed tasks, Sono Motors pays Valoe a success fee of a total of EUR 1.0 million: EUR 0.4 million in September 2022 and EUR 0.6 million after the long-term testing procedures have been completed in November – December 2022. Sono Motors intends to nominate Valoe as the supplier of solar cell assemblies for its Sion. The vehicles will be manufactured by Valmet Automotive Oy in Uusikaupunki, Finland.

MARKET GUIDANCE

Valoe Group's net sales for the financial year 2022 will clearly increase and loss at the EBITDA level will decrease compared to the previous year.

MANAGING DIRECTOR IIKKA SAVISALO: "We are on the threshold of a strong growth."

We resolved to keep the turnover and profit guidance unchanged for the whole year, despite the minimal net sales for the second quarter and the poor result for the first half of the year 2022. During the first half of 2022, Valoe has done a lot of work for two automotive industry projects for which the revenue is expected to recognize only at the end of 2022. In these projects, payments are linked to the achievement

of specific test results, which, according to our current view, will be achieved this year. One of these projects is Sono Motors' self-charging vehicle, Sion. If the projects are implemented in the expected schedule, our result will improve, and the market guidance will materialize.

We are at a crucial stage in these two automotive industry projects. Long-lasting and demanding testing periods that are typical to the automotive industry are running and will be completed in November – December 2022. If successful, both projects will lead to a mass production agreement for solar components and thus significantly increase Valoe's turnover. The planned production volume of 257,000 Sono Motors Sion vehicles in seven years alone would be enough to make us one of the leading players in the rapidly growing VIPV market segment. But, of course, this requires that our customers meet their published schedules.

The growth requires a lot of success from us in many areas and significant investments compared to previous ones during the next two years. We are currently negotiating our customers' share in the expansion investments at Juva and Vilna factories.

The reporting period January-June 2022 was hectic both in Juva and Vilnius, although it was not yet reflected in the net sales for the reasons mentioned above. We have hired new employees for production, especially for our module factory in Juva. In addition to the above-mentioned car projects in the acceptance phase, we have ongoing paid development projects with several European start-up companies that manufacture so-called last-mile vehicles. The success of these customers would fast bring us growing business, either as a solar panel manufacturing partner or as a supplier of production equipment and later cells.

We constantly systematize our operations to meet the strict quality and other requirements of the automotive industry. In June 2022, we reached a significant milestone: the ISO 9000 certificate. The quality systems in the automotive industry are based on ISO 9000. We are now well on our way and believe that we will achieve the automotive industry's quality requirements early next year.

We are preparing to deploy all the capacity already invested in Lithuania. Interest in the IBC cell is strong. However, at the moment, we do not offer our cells as a mass product to third parties but strive to develop our cells for solutions with high added value. Based on our customers' forecasts, the current capacity will be needed for existing projects. This year, when we have secured mass production agreements, we aim to agree on binding capacity reservations for the Lithuanian cell factory for the coming years.

Valoe's biggest challenge is still the financing of its operations. We are preparing large and long-lasting projects. Getting them started and ramped up takes a long time and requires extensive resources. The financing needs continue to grow the closer we get to the production phase. We have come close to our objective with minimal financial contribution. Now in the reporting period, as the goal approaches, we have had to stretch our financial and other resources to the limit. To ensure our funding, we have issued a convertible bond and contacted our most important customers with relatively good success to finance the "last transitional phase". Relying on the support from our customers and shareholders, we believe we can cover our funding shortfall anticipated for the end of this year.

The year's first half has been challenging but at the same time also encouraging, especially considering our resources. Our organization is aware of our opportunities and does an excellent job of achieving our goals.

OPERATING ENVIRONMENT AND MARKET SITUATION

Raw material prices continued rising. The price of silicon wafers, the most important raw material for us, continued rising as well. Supply chains' logistical problems caused by the Ukraine war and the Covid-19 pandemic further deteriorated. At the same time, EU emphasized the importance of solar energy by investing heavily in photovoltaic applications. In May 2022, EU granted funding for the IBC4EU research project which also Valoe and Valoe Cells participate. Our companies receive a grant of a total of EUR 2.2 million to implement the project. Thus, the competitive position of European manufacturers will continue to improve. The global demand for traditional solar panels is high and is expected to further grow.

The interest in vehicle-integrated solar applications increased. In the EU's solar strategy published on 18 May 2022 EU designated the vehicle-integrated solar applications as one of the focus areas in the coming years. Thanks to years of development of our OddForm® components, we feel we are in a good position now as solar electrification of vehicles is now really starting. According to our knowledge, a number of vehicles with solar integration will be launched by well-known brands before 2025. We are also involved in several projects run by smaller electric vehicle manufacturers, which, if successful, will bring solar-powered hybrid vehicles and all-day solar-powered light vehicles to the market.

In 2020, Allied Market Research Inc. disclosed a forecast according to which the emerging market for Vehicle Integrated Photovoltaics (VIPV) will multiply. Allied Market Research estimated that the current, still tiny market will grow to more than USD 4 billion by 2030. Based on the information we have received from our European customers, we are confident that the forecasted trend is correct, but the growth will materialize faster than expected.

The size of our target market in Europe can be estimated using, e.g., published car production volumes: In 2021, according to the European Automobile Manufacturers' Association (ACEA), a total of 12.1 million vehicles were produced in Europe alone in 2021. If, for example, at least one solar energy component was in the future utilized in 50% of vehicles and the estimated average price of one Valoe photovoltaic component, for example, was EUR 500 per vehicle, the value of our European target market alone could be estimated at around EUR 3 billion. Our objective is to be one of the leading suppliers in this market segment.

VALOE'S STRATEGY

We have defined that our 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, odorless, and the cleanest form of energy. The total volume of the global photovoltaic business, excluding the price of the produced electricity, is about 100 billion euros per year, and the business is growing by about 20% annually (source: ITRPV 2019). Furthermore, solar energy contributes to halting climate change and minimizing the carbon footprint of energy production.

Our strategy is based on the fact that the limitations of solar energy utilization will be resolved in the future. We compete in global markets. We follow closely research and development related to our business and adapt applicable technologies to our product concepts. Our solutions are mainly based on our technologies, which we have developed with leading experts and research institutes. One example of the practical implementation of our strategy is our key role in the HighLite project in the European Union's Horizon program. We cooperate with leading research institutes and companies to improve Europe's competitiveness by developing photovoltaic applications.

As a solar power promoter, we are actively involved in the global development of solar applications and later also in the global development of hydrogen-based storage applications. Our technology partners play a key role in the development worldwide.

Already in 2021, we chose to focus on transport applications. Transport is changing and we plan to take advantage of its rapidly progressing electrification.

FINANCIAL RESULT

Valoe Group's cumulative net sales for the first half of 2022 were about EUR 0.5 million. The net sales decreased significantly, and the loss, EUR -3.65 million, increased compared to the previous year.

The following financials include Valoe Group's operations. The figures in brackets are comparison figures for the corresponding period in 2021 unless stated otherwise.

April - June 2022:

- Valoe Group's net sales was to EUR 0.03 million (In 2021: EUR 1.0 million).
- EBITDA was EUR -1.2 million (EUR 0.2 million).
- Operating profit was EUR -1.6 million (EUR -0.3 million).
- Profit for the period was EUR -2.1 million (EUR -0.7 million).

January – June 2022:

- Valoe Group's net sales decreased significantly to EUR 0.5 million (In 2021: EUR 1.2 million).
- EBITDA was EUR -1.8 million (EUR -0.9 million).
- Operating profit was EUR -2.7 million (EUR -1.7 million).
- The profit before taxes was EUR -3.7 million (EUR -2.5 million).
- Profit for the period was EUR -3.7 million (EUR -2.5 million).
- Undiluted earnings per share were EUR -0.01 (EUR -0.01).
- Diluted earnings per share were EUR -0.01 (EUR -0.01).

FINANCING

In April 2022, we issued a convertible bond of a maximum of EUR 3.0 million at the most which included two tranches. The convertible bond is a capital loan. The convertible bond was subscribed for a total of EUR 0.7 million. The subscriptions were made for the first tranche in new cash investments. The company discontinued the subscription period of the second tranche on 10 August 2022 and no subscriptions were made for the second tranche. One loan share of EUR 100,000 pursuant to the Promissory Note entitles the Promissory Note Holder to subscribe for 1,428,571 new shares or treasury shares held by the company. Based on the subscriptions made pursuant to the loan shares Valoe shall issue a maximum amount of 10,000,000 new Valoe shares. The conversion period shall begin on 1 October 2022 and expire on 31 December 2022. The loan period ends on 30 June 2024. The terms of the Convertible Bond are attached to the stock exchange release disclosed on 26 April 2022 with amendments disclosed on 24 May 2022.

As the working capital situation continued tight and as we were preparing for the orders we expect from the automotive industry, we issued a convertible bond 2/2022 of EUR 3.0 million at the most as disclosed on 10 August 2022. The convertible bond is a capital loan. The subscription period of the convertible bond commenced on 10 August 2022 and ends on 15 September 2022. The loan period expires on 30 June 2024.

An annual interest of six percent shall be paid to the capital of the Convertible Bond. The convertible bond can be converted into the shares of the company during the Conversion Period I which begins on 31 March 2023 and expires on 30 April 2023, and during the Conversion Period II which begins on 1 June 2024 and expires on 30 June 2024. When converting the convertible bond into the shares of the company during the Conversion Period I the subscription price of one share of the company shall be (i) EUR 0.07 per share or (ii) the two-month volume weighted average stock trading price prior to 30 March 2023, less 15 percent, depending on which of the above options (i) or (ii) results to a larger number of shares. When converting the convertible bond into the shares of the company during the Conversion Period II the subscription price of one share of the company is the two-month volume weighted average stock trading price prior to 31 May 2024, less 15 percent. Based on the subscriptions made pursuant to the loan shares, the company shall issue a maximum amount of 42,857,142 new shares or treasury shares of the company. However, if, as described above, the subscription price of one share of the company is less than EUR 0.07 per share, the company will increase the maximum number of new shares or treasury shares so that the entire loan amount can be converted into shares of the Company at the subscription price described above.

In July 2021, we signed a framework agreement on a three-year financing facility of up to EUR 30 million with RiverFort Global Opportunities PCC Limited ("RiverFort"). Under this financing agreement, we have withdrawn a total of EUR 4.05 million by the date of this Report, out of which we have repaid EUR 0.95 million.

In April 2020, we entered into a new convertible note facility agreement with Winance concerning a funding arrangement of up to EUR 3,000,000 in convertible loan. Out of this financial facility, we raised the last tranche in March 2022. Out of the loan a total of EUR 0.35 million has not yet been converted into shares.

Cash flow from business operations before investments in January – June was EUR -0.7 million (EUR -2.4 million). Trade receivables at the end of the reporting period were EUR 0.4 million (EUR 0.3 million). Net financial items amounted to EUR 1.0 million (EUR 0.7 million). At the end of June, the equity ratio of Valoe Group was -23.1 per cent (-7.1 %) and equity per share was EUR -0.003 (EUR -0.004). The equity ratio including capital loans was 0.7 per cent (14.7 %). At the end of the reporting period, the Group's liquid assets totalled EUR 0.01 million.

Valoe's financial and other risks have been handled in this Report's item "Risks and Uncertainties".

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. The importance of research and development for Valoe is well illustrated by the human resources allocated to research and development. Valoe Group employs 58 people, out of whom 30 work on the company's product development projects in Finland and Lithuania.

During recent years, the focus of our research and development has been on cell development and efficiency improvement as well as on the development of the IBC cells. In 2019, we started and have continued to increase product development resources to bring Valoe OddForm® modules fast to the market. We have registered the trademark OddForm®. Valoe's OddForm® module is a flexible and lightweight composite module that suits new applications in the automotive, aviation, and aerospace industries very well.

In May 2022, EU granted funding for a three-year project called IBC4EU for developing IBC-based photovoltaic technology. The project is run by EURECA Alliance (European Rear Contact Alliance), in which Valoe Oyj and UAB Valoe Cells are partners among many leading European Institutes and companies. The project budget is approximately EUR 17 million. Valoe's share of the grant is approximately EUR 0.9 million and Valoe Cells' approximately EUR 1.3 million. The project is the logical continuation of the Horizon 2020 project Highlite Valoe is partnering with in 2019 -2023. The new project commences in the autumn 2022 and lasts for three years.

The target of the project is to develop and demonstrate at a pilot line level cost-competitive and sustainable industrial production of IBC based PV products along the value chain from ingots and wafers to solar cells and modules in Europe. In the IBC4EU project, Valoe's task is to implement the innovations in the development of cells and modules and their production methods with ambitious cost, performance, and environmental impact reduction targets. With the lowest production costs and the lowest environmental footprint to be demonstrated by the IBC4EU project, IBC technology will retain its position as one of the leading PV technologies.

Over the past years, we have created a global partner network to support our research and development. With the partners, we develop products and technology to implement the next phase of our growth strategy. The development and technology transfer collaboration with ISC Konstanz has been steadily deepening, now in its fourth year. ISC Konstanz is one of the leading solar energy research institutes in Europe.

Valoe's other primary 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, we have been able to utilize also the knowledge and experience of IMEC in Belgium, CEA and Ines in France, CSEM in Switzerland, each of them being the leading institute in their country, and other leading universities in several countries. Further, Valoe will be able to work with some of the world's most renowned materials technology companies.

We protect our innovations in every critical geographical area.

The Group's research and development costs amounted to EUR 1.4 million (EUR 1.1 million) during the reporting period.

INVESTMENTS

Gross investments in the continuing operations during January – June period amounted to EUR 0.6 million (EUR 0.7 million). The investments on the reporting period were mainly in equipment.

PERSONNEL

At the end of June 2022, the Group employed 58 (44) people, out of which 19 employees worked in Lithuania and the rest in Finland. During the reporting period, the Group's salaries and fees totalled EUR 1.2 million (EUR 1.1 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 393.359.195. The company has one series of shares, which confer equal rights in the company. On 30 June 2022 Valoe had 23,838,259 treasury shares.

The company had a total of 16,074 shareholders at the end of June 2022, and 2.9 per cent of the shares were owned by foreigners. The ten largest shareholders held 43.4 per cent of the company's shares on 30 June 2022.

The largest shareholders on 30 June 2022

1 SAVCOR TECHNOLOGIES OY	44.448.414	11,3
2 VALOE OYJ	23.838.259	6,1
3 NEFCO	23.148.148	5,9
4 SAVISALO IIKKA	17.811.158	4,5
5 SAVISALO HANNU	12.021.735	3,1
6 OLLILA JORMA	11.053.417	2,8
7 APTEEKKIEN ELÄKEKASSA	10.550.000	2,7
8 JOENSUUN KAUPPA JA KONE OY	9.622.527	2,4
9 KAKKONEN KARI	9.447.777	2,4
10 JOCER OY AB	8.750.000	2,2
OTHERS	222.667.760	56,61
TOTAL	393.359.195	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 82.455.707 shares in the company on 30 June 2022, representing about 21 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 70.166.294 shares in the company.

The price of Valoe's share varied between EUR 0.06 and 0.13 during the January – June period. The average price was EUR 0.09 and the closing price at the end of June EUR 0.07. A total of 106.0 million Valoe shares were traded at a value of EUR 9.3 million during the January – June period. The company's market capitalization at the end of June stood at EUR 26.0 million.

SHARE ISSUE AUTHORIZATIONS IN FORCE

The company has a share issue authorization in force granted by the Annual General Meeting 2022 according to which the Board of Directors is authorized to decide on a share issue with and/or without payment, either in one or in several occasions, including 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, could increase by a total maximum amount of 150,000,000 shares. The authorization does not exclude the Board's right to decide also on directed issue of shares or option rights and other special rights pursuant to the Chapter 10, Section 1 of the Finnish Companies Act. 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, 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 2023.

By the date of this Report the Board of Directors has resolved on issues of a total of 47,624,510 shares based on the authorization.

RISKS AND UNCERTAINTIES

Risks Related to Financial Situation and Financing

The cash flow from our operations is still low and is not sufficient to cover our investments. Increasing difficulties in raw material supply and continuously rising prices may further hamper the increase in solar cell production volumes, which could have a material adverse effect on the company's results and/or financial situation.

The Covid-19 pandemic slowed down our operations throughout 2021. The consequences of the COVID-19 pandemic and the effects of the war in Ukraine and related sanctions on global supply chains and logistics together with raising raw material and energy prices hamper our solar module production. We use components sourced from international material suppliers and subcontractors in our production. The main raw materials include silicon wafers, silver, other metals, plastics, and glass. All these materials now have longer delivery times and higher prices. It is impossible to assess the ultimate impact of the pandemic and the war in Ukraine and related sanctions on our operations. If we cannot pass on higher purchasing costs to our customer prices, the increase in prices may have a significant negative effect on our profitability and financial situation.

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 in the Annual Report 2021.

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

The development and commercialization of new technologies always involve uncertainties and significant risks. If our product development projects were unsuccessful, or the business environment or market situation changed, our ability to provide its customers with competitive products or services could be threatened. In such a situation, the profitability could be lower than expected, which could significantly affect our profitability and financial situation.

In the uncertain global environment created by Covid-19 and the war in Ukraine and related sanctions, supply chains involve specific risks. Their impact on the availability and pricing of materials and services, and thus on the company's financial situation and operations, cannot be assessed. Such critical raw materials include, e.g., special plastics, metals, glass and silicon wafers, spare parts and components for machines and equipment, and professional services related to operations. Our supply chains mainly include European and some individual Asian suppliers. The components and raw materials we purchase from these suppliers are critical to our business. Due to the uncertainty caused by Covid-19, the war in Ukraine and related sanctions, raw material and energy prices have already risen. In addition, the delivery times for components, silicon wafers, silver, other metals, plastics, and glass used in our production have been extended. Should the availability of critical components and raw materials continue to decline or the prices continue to rise, this could further slowdown the production of our products, delay our deliveries to customers and reduce our profitability. This could have an adverse effect on our business, profit, financial situation, and the value of the company's securities.

Risks Related to the Operations in Emerging Markets

We are using part of our resources to market and sell our technology in emerging markets. Risks associated with operating in emerging markets may arise from, for example, political and social changes, 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 on the solar energy business. In particular, in Finland, 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 our business, results and/or financial position cannot be foreseen.

Market Guidance and Strategy Related Risks

The statements, projections and market guidance in this Report and in Valoe's strategy are targeted to the future and based on the management's current estimates. Therefore, they involve risks and uncertainty by their nature and may be affected by changes in the general financial situation and in Valoe's and its customers' business environment.

In Mikkeli, 24 August 2022

Valoe Corporation
Board of Directors

Consolidated statement of comprehensive income

(unaudited)

1 000 EUR	1-6/2022	1-6/2021	1-12/2021
Net sales	494	1 227	2 148
Cost of sales	-1 086	-835	-1 964
Gross profit	-592	392	185
Other operating income	81	5	538
Product development expenses	-1 399	-1 057	-2 028
Sales and marketing expenses	-330	-293	-601
Administrative expenses	-424	-393	-831
Other operating expenses	0	-391	-435
Operating profit	-2 665	-1 735	-3 173
Financial income	0	1	2
Financial expenses	-986	-748	-1 605
Profit before taxes	-3 651	-2 482	-4 776
Income taxes	0	0	0
Profit/loss for the period	-3 651	-2 482	-4 776
Profit/loss attributable to:			
Shareholders of the parent company	-3 651	-2 482	-4 776
Earnings/share (basic), eur	-0,01	-0,01	-0,02
Earnings/share (diluted), eur	-0,01	-0,01	-0,02
Total comprehensive income for the period	-3 651	-2 482	-4 776
Total comprehensive income attributable to:			
Shareholders of the parent company	-3 651	-2 482	-4 776

The cost of sales include a one-off write-down of approximately EUR 0.2 million in inventories mainly related to the Chrome module family during the year 2021 and appr. 0.1 million during 1-6/2021.

THE SECOND QUARTER OF 2022

1 000 EUR	4-6/2022	4-6/2021	1-12/2021
Net sales	28	959	2 148
Operating profit	-1 616	-298	-3 173
EBIDTA	-1 193	167	-1 580
Profit/loss for the period	-2 081	-652	-4 776

Consolidated statement of financial position

(unaudited)

1 000 EUR	30.6.2022	30.6.2021	31.12.2021
ASSETS			
Non-current assets			
Property, plant and equipment	10 466	10 032	10 447
Consolidated goodwill	441	441	441
Other intangible assets	2 380	3 149	2 798
Available-for-sale investment	9	9	9
Non-current receivables	672	672	672
Total non-current assets	13 969	14 304	14 368
Current assets			
Inventories	327	374	465
Trade and other non-interest-bearing receivables	1 719	1 188	2 334
Cash and cash equivalents	10	28	15
Total current assets	2 055	1 590	2 814
Total assets	16 024	15 894	17 182
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the parent company			
Share capital	80	80	80
Other reserves	33 655	30 804	32 771
Retained earnings	-37 434	-32 006	-33 887
Total equity	-3 698	-1 122	-1 036
Non-current liabilities			
Non-current loans	5 482	8 090	7 080
Non-current subordinated loans	3 217	3 458	2 567
Other non-current liabilities	54	285	62
Total non-current liabilities	8 753	11 833	9 709
Current liabilities			
Current interest-bearing liabilities	7 372	2 013	5 737
Current subordinated loans	592	0	528
Trade and other payables	2 917	3 067	2 154
Current provisions	89	102	89
Total current liabilities	10 970	5 183	8 509
Total liabilities	19 722	17 016	18 218
Equity and liabilities total	16 024	15 894	17 182

Consolidated statement of cash flows

(unaudited)

1 000 EUR		1-6/2022	1-6/2021	1-12/2021
Cash flow from operating activities				
Income statement profit/loss before taxes		-3 651	-2 482	-4 776
Non-monetary items adjusted on income statement				
Depreciation and impairment	+	846	794	1 593
Unrealized exchange rate gains (-) and losses (+)	+/-	0	0	-1
Other non-cash transactions	+/-	0	0	-503
Other adjustments	+/-	-42	-93	-177
Change in provisions	+/-	0	-123	-137
Financial income and expense	+	986	747	1 604
Total cash flow before change in working capital		-1 861	-1 157	-2 397
Change in working capital				
Increase (-) / decrease (+) in inventories		138	-65	-191
Increase (-) / decrease (+) in trade and other receivables		443	-286	-868
Increase (+) / decrease (-) in trade and other payables		747	-459	-145
Change in working capital		1 328	-809	-1 203
Adjustment of financial items and taxes to cash-based accounting				
Interest paid	-	186	204	373
Interest received	+	0	0	1
Other financial items	-	30	188	411
Financial items and taxes		-216	-392	-784
NET CASH FLOW FROM BUSINESS OPERATIONS		-749	-2 358	-4 384
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in tangible and intangible assets	-	626	749	1 989
NET CASH FLOW FROM INVESTMENTS		-626	-749	-1 989
CASH FLOW FROM FINANCING ACTIVITIES				
Financing arrangement with Bracknor Investment	+	1 050	750	750
Proceeds from non-current borrowings	+	700	2 390	6 110
Repayment of non-current borrowings	-	0	0	100
Proceeds from current borrowings	+	98	124	188
Repayment of current borrowings	-	478	564	995
NET CASH FLOW FROM FINANCING ACTIVITIES		1 370	2 700	5 952
INCREASE (+) OR DECREASE (-) IN CASH FLOW		-5	-407	-420

Consolidated statement of changes in equity

(unaudited)

1 000 EUR	Share capital	Distributable non-restricted equity fund	Retained earnings	Total equity
31.12.2021	80	32 771	-33 887	-1 036
Profit/loss for the period	-	-	-3 651	-3 651
Translation difference, comprehensive income	-	-	0	0
Transactions with owners:				
Sale of own shares - Winance, Riverfort etc.	0	884	0	884
Own equity component of the convertible bond	0	0	105	105
30.6.2022	80	33 655	-37 434	-3 698

1 000 EUR	Share capital	Distributable non-restricted equity fund	Retained earnings	Total equity
31.12.2020	80	26 930	-29 535	-2 525
Profit/loss for the period	-	-	-2 482	-2 482
Translation difference, comprehensive income	-	-	0	0
Transactions with owners:				
Sale of own shares - Winance	0	474	0	474
Share issue	0	3 400	0	3 400
Own equity component of the convertible bond	0	0	11	11
30.6.2021	80	30 804	-32 006	-1 122

Key figures

(unaudited)

1 000 EUR	1-6/2022	1-6/2021	1-12/2021
Net sales	494	1 227	2 148
Operating profit	-2 665	-1 735	-3 173
% of net sales	-539,6 %	-141,4 %	-147,7 %
EBITDA	-1 819	-941	-1 580
% of net sales	-368,3 %	-76,7 %	-73,6 %
Profit before taxes	-3 651	-2 482	-4 776
% of net sales	-739,3 %	-202,3 %	-222,3 %
Balance Sheet value	16 024	15 894	17 182
Equity ratio, %	-23,1 %	-7,1 %	-6,0 %
Net gearing, %	neg.	neg.	neg.
Gross investments	569	680	1 701
% of net sales	115,2 %	55,4 %	79,2 %
Research and development costs	1 399	1 057	2 028
% of net sales	283,3 %	86,2 %	94,4 %
Order book	260	1 625	820
Personnel on average	55	43	47
Personnel at the end of the period	58	44	52
Non-interest-bearing liabilities	2 917	3 067	2 154
Interest-bearing liabilities	16 716	13 846	15 976
Share key indicators			
Earnings/share (basic)	-0,01	-0,01	-0,02
Earnings/share (diluted)	-0,01	-0,01	-0,02
Equity/share	-0,003	0,00	-0,003
P/E ratio	-7,11	-9,44	-5,48
Highest price	0,13	0,16	0,16
Lowest price	0,06	0,06	0,06
Average price	0,09	0,12	0,11
Closing price	0,07	0,09	0,08
Market capitalisation, at the end of the period, MEUR	26,0	33,2	32,6

The operating profit and the profit for the period include a one-off write-down of approximately EUR 0.2 million in inventories mainly related to the Chrome module family during the year 2021 and appr. EUR 0.1 million during the period 1-6/2021.

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	1-6/2022	1-6/2021	1-12/2021
Sales of goods and services			
Savcor Oy - production services	1	7	22
SCI Invest Oy - production services	0	0	7
Total	1	7	30
Purchases of goods and services			
SCI Invest Oy - rent	24	24	48
Basso J., business management services in Lithuania	59	60	119
SCI-Finance Oy - marketing and administration services	40	36	104
Savcor Technologies Oy - marketing and admin services	51	57	106
Savcor Oy - financial management services	10	5	10
Other	26	26	52
Total	210	208	440
Interest income			
Savcor Oy	0	0	1
Interest expenses and other financial expenses			
SCI-Finance Oy	72	40	92
Savcor Technologies Oy	0	2	3
Savcor Oy	2	0	0
SCI Invest Oy	0	0	0
Others	3	7	10
Total	76	48	105
Non-current convertible subordinated loan from related parties	0	64	63
Current convertible subordinated loan from related parties	63	0	0
Other current liabilities to related parties	51	44	0
Current interest payable to related parties	7	12	3
Trade payables and other non-interest-bearing liabilities to related parties	194	196	43
Trade and other current receivables from related parties	19	14	47

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.

1 000 EUR	1-6/2022	1-6/2021	1-12/2021
Wages and remuneration			
Salaries of the management and Board	258	259	515

Fair values

(unaudited)

1 000 EUR	Carrying amount 30.6.2022	Fair value 30.6.2022
Financial assets		
Available-for-sale investments	9	9
Trade and other receivables	1 719	1 719
Cash and cash equivalents	10	10
Financial liabilities		
R&D loans, non-current	5 442	5 442
Non-current subordinated loans	3 217	3 217
Other non-current loans	40	40
Other non-current liabilities	54	54
Current subordinated loan	592	592
Loans from financial institutions, current	5 076	5 076
Other loans, current	321	321
Other liabilities, current	529	529
Trade payables and other non-interest-bearing liabilities	1 154	1 154

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 0.4 million of liabilities arising from the IFRS 16 standard.

EUR 1.2 million out of trade payables, other current liabilities and accruals was overdue at the end of the reporting period. In addition, EUR 0.3 million of loan repayments were overdue.

Change in intangible and tangible assets

(unaudited)

1 000 EUR	30.6.2022	30.6.2021	31.12.2021
Includes tangible assets, consolidated goodwill and other intangible assets			
Carrying amount, beginning of period	13 686	13 842	13 842
Depreciation and impairment	-846	-660	-1 422
Additions	447	439	1 266
Disposals	0	0	0
Carrying amount, end of period	13 287	13 622	13 686

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	30.6.2022	30.6.2021	31.12.2021
Assets pledged for the company			
Loans from financial institutions	4 666	1 899	5 007
Other liabilities	190	279	209
Promissory notes secured by pledge	2 060	2 060	2 060
Other securities provided	2 826	2 076	3 019
Operating lease liabilities			
Payable within one year	15	161	93
Payable over one year	0	202	108