

VALOE INTERIM REPORT 1 JANUARY – 31 MARCH 2019

SUMMARY

- During the reporting period Valoe continued to invest in research and development, particularly in the cell technology. In 2018, Valoe bought a cell production line from Italy and during the reporting period Valoe agreed to acquire another production line and factory infrastructure from SoliTek R&D JSC (“Solitek”) in Lithuania. Provided that the required funding is available, the transaction will facilitate the development of an IBC cell and related production technology within a time frame where the IBC cell would be at Valoe’s use during the second half of the financial year 2019.
- In March 2019 Valoe disclosed to have been informed that a research project of a consortium which Valoe belongs to has been selected for the European Union’s Horizon 2020 funding. The objective of the research project is to substantially improve the competitiveness of the EU PV manufacturing industry by developing manufacturing solutions for high-performance and low-cost modules with excellent environmental profiles. The project duration is 36 months and the project’s budget totals approximately EUR 15 million. The partners in the consortium include Europe’s leading research institutes specialising in solar energy and related solutions as well as the leading materials technology companies. Valoe is the only solar cell manufacturer in the project. Valoe’s share in the project is approximately EUR two million for which the EU would provide a grant of EUR 1.4 million. The project’s preparation phase is expected to be completed during the last quarter of 2019 when the final project agreement will be signed.
- On 20 January 2018 Valoe disclosed that it has entered into a convertible note facility agreement with Winance concerning a funding arrangement of up to EUR 2,000,000 in convertible loan notes that will be accompanied by share subscription warrants. As per the date of this Interim Report, Valoe has issued one tranche warrant of EUR 500,000 giving access to the convertible notes. After the end of the reporting period on 9 May 2019, Valoe has, in order to implement part of the financing arrangement between the company and Winance, resolved on a share issuance of a total of 1,718,000 new shares to the company itself without consideration and the company has subscribed a total of 1,718,000 shares directed to it.
- In order to strengthen the company’s capital structure, Valoe issued a convertible bond in January 2019. During the subscription period Valoe received subscriptions of approx. EUR 2.8 million in total. During the subscription period of the Convertible Bond new investments of EUR 0.7 million were paid in cash. Out of the subscriptions, a total of approx. EUR 2.1 million was paid by setting the subscription price off against the subscribers’ receivables from the company. One loan share of EUR 50.000 pursuant to the promissory note entitles the promissory note holder to subscribe for 333.333 new shares. Based on the subscriptions made pursuant to the loan shares Valoe shall issue a maximum amount of 18,894,615 new Valoe shares. The loan period and the conversion period expire on 31 May 2022.
- Pursuant to the estimates available to the company, the company’s financial situation and working capital situation continue to be tight in 2019.
- During the reporting period, the net sales of Valoe Group, under the IFRS standards, decreased by 50.6 percent. The net sales were EUR 0.04 million (in 2018 EUR 0.09 million). The EBIT was EUR -0.8 million

(EUR -0.7 million), the profit for the period was EUR -1.3 million (EUR -1.1 million), undiluted earnings per share were EUR -0.08 (EUR -0.09) and the EBITDA EUR -0.4 million (EUR -0.4 million).

- Valoe's Asian customer has ongoing negotiations on arranging financing for a factory delivery in Asia worth EUR 26.5 million. Valoe will enter the order in its order book only after the customer has secured financing for the factory project.
- Valoe will not disclose financial guidance for the financial year 2019.
- 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 Interim Report has been drawn up in compliance with the IAS 34 Interim Financial Reporting standard. In the Interim Report Valoe has applied the same accounting principles as in its Annual Report 2018. The Interim Report has not been audited.

FINANCIAL DEVELOPMENT

In December 2018, Valoe disclosed that it has entered into a convertible note facility agreement with Winance concerning a funding arrangement of up to EUR 2,000,000 in convertible loan notes that will be accompanied by share subscription warrants. Under the Arrangement, Valoe issues convertible notes to Winance. The convertible notes may be drawn down in maximum of 4 sequential tranches of EUR 500,000 each during a period of 24 months from the drawdown of the first tranche provided that the preconditions for each tranche are met. Winance has the right to convert each tranche into the company's newly issued or treasury shares. In addition, Winance will receive Warrants stripped from the convertible notes at the drawdown of each tranche. The warrants entitle Winance to subscribe to additional shares of the company. Valoe has an obligation to draw down a minimum of two tranches of the convertible notes, i.e. a total minimum of EUR 1,000,000. The remainder of the convertible notes, a total of 2 tranches i.e. EUR 1,000,000, may be drawn down by the company at its discretion. As per the date of this Interim Report, Valoe has drawn down one tranche of the convertible notes, i.e. EUR 500,000.

After the end of the reporting period, on 9 May 2019, Valoe has, in order to implement part of the financing arrangement between the company and Winance, resolved on a share issuance of a total of 1,718,000 new shares to the company itself without consideration and the company has subscribed all of the shares directed to it i.e. a total of 1,718,000 shares.

In order to strengthen the company's capital structure, Valoe issued a convertible bond in January 2019. During the subscription period Valoe received subscriptions of approx. EUR 2.8 million in total. During the subscription period of the Convertible Bond new investments of EUR 0.7 million was paid in cash. Out of the subscriptions, a total of approx. EUR 2.1 million was paid by setting the subscription price off against the subscribers' receivables from the company. One loan share of EUR 50.000 pursuant to the promissory note entitles the promissory note holder to subscribe for 333.333 new shares. Based on the subscriptions made pursuant to the loan shares Valoe shall issue a maximum amount of 18,894,615 new Valoe shares. The loan period and the conversion period expire on 31 May 2022.

Valoe has a product development loan from Business Finland (prev. Tekes) in the amount of EUR 4.1 million out of which the company had withdrawn a total of EUR 3.3 million by the end of the reporting period. As per the date of this Interim Report there is still a total of EUR 0.8 million to be withdrawn.

In March 2019 Valoe disclosed to have been informed that a research project of a consortium which Valoe belongs to has been selected for the European Union's Horizon 2020 funding. The objective of the research

project is to substantially improve the competitiveness of the EU PV manufacturing industry by developing manufacturing solutions for high-performance and low-cost modules with excellent environmental profiles. The project duration is 36 months and the project's budget totals approximately EUR 15 million. The partners in the consortium include Europe's leading research institutes specialising in solar energy and related solutions as well as the leading materials technology companies. Valoe is the only solar cell manufacturer in the project. Valoe's share in the project is approximately EUR two million for which the EU would provide a grant of EUR 1.4 million. The project's preparation phase is expected to be completed during the last quarter of 2019 when the final project agreement will be signed.

Although the profit and loss effects of the Ethiopian project was removed from Valoe's books during the financial year 2016, the Ethiopian project is continued in terms of operations and the company will resume recognizing revenue based on percentage of completion when the performance obligations under the IAS have been satisfied. Valoe sees that one of the most important requirements is the opening of a EUR 9.5 million Irrevocable Letter of Credit in a bank approved by Valoe or a significant cash payment from the customer. The company may need to pledge a security for cash payment, as usual in export business.

Valoe's Asian customer has ongoing negotiations on arranging financing for a factory delivery in Asia worth EUR 26.5 million. Valoe will enter the order in its order book only after the customer has secured financing for the factory project. However, the financing negotiations are ongoing, and the outcome is not yet known. Further, Valoe has ongoing sales negotiations for several other production plants.

The following financials include Valoe Group's operations. The figures in brackets are comparison figures for the corresponding period in 2018, unless stated otherwise. During the financial years 2017 and 2018, the company has not reported the discontinued operations in its profit and loss statement but there are liabilities related to the discontinued operations in the company's balance sheet.

January – March 2019:

- Valoe Group's net sales decreased by 50.6 percent to EUR 0.04 million (In 2018: EUR 0.09 million).
- EBITDA was EUR -0.4 million (EUR -0.4 million).
- Operating profit was EUR -0.8 million (EUR -0.7 million).
- The profit before taxes was EUR -1.3 million (EUR -1.1 million).
- Profit for the period was EUR -1.3 million (EUR -1.1 million).
- Undiluted earnings per share were EUR -0.08 (EUR -0.09).

MANAGING DIRECTOR'S REPORT

Due to snowy winter, Valoe did not deliver any solar power plants during the first quarter of 2019. However, the company's research and development operated at full capacity. The development of the IBC cell with ISC Konstanz has begun, and the modification of the equipment at the cell plant in Vilnius, Lithuania, for IBC cell production is proceeding as planned, but slightly behind the schedule. Valoe's objective is to produce the first IBC cell in the new factory in 2019. The new Chrystal module family is scheduled to be introduced in the market at the same time as the IBC cell.

The presale of the Chrystal module has started well. Valoe has ongoing negotiations for several deliveries of power plants based on the new module model mainly for the year 2020.

Valoe's bifacial IBC technology will open new doors to both domestic and international markets. The company conducts negotiations on reserving the capacity of the cell factory in Vilnius and developing and delivering new applications based on the IBC cell.

Based on the ongoing negotiations, I am convinced that our strategic choices are proving to be the right ones and as soon as the new products are completed our technology platform is ready. This creates good conditions for the company's growth.

Valoe requires a significant amount of additional funding. As previously disclosed, first the company needs funding to pay for the remaining part of the purchase price of the Lithuanian factory and construction costs, and later in 2019 to meet the company's other strategic goals. Valoe is in financial negotiations which yet must be completed. The sufficiency of working capital remains a challenge until the funding is secured.

VALOE'S STRATEGY

Valoe operates in industries applying clean energy technology and provides products, applications and services 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

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 factory in Mikkeli for the time being. They are mainly delivered to the company's distributors and future manufacturing partners. Further, the company sells and provides solar power plants and systems directly to its customers in Finland and abroad. Valoe has enhanced the sale of its modules and solar systems in Finland by building sales channels for its products systematically. ForUs Capital Oy, which specializes in the sales of electricity produced from renewable sources, has been Valoe's most important customer during 2018 and Valoe has used a major part of its sales resources to support ForUs Capital's sales to Finnish property owners, production companies and communities.

Current capacity of the company's Mikkeli factory is designed to annually produce PV modules worth max EUR 6 – 8 million at the current market prices. Encouraged by good sales prospects, Valoe has taken action to increase its production capacity in Mikkeli, Finland.

During 2018, Valoe has commenced to develop flexible and ultra-light odd form modules. According to Valoe's view there is significant market potential in such modules. This kind of modules can be used, for example, to vehicles, to anywhere energy needs of logistics chains, or to 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 in order to succeed in this market. Valoe believes that the company's back contact technology and IBC cells provide Valoe with good conditions for developing photovoltaic applications for these markets.

2. DEVELOPMENT AND SALES OF PRODUCTION LINES AND RELATED COMPONENTS

Manufacturers operating in the 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 the information available to Valoe many of the manufacturers are going to

start manufacturing next generation back contact modules. In most cases these customers have use their own module manufacturing recipe and need only single equipment or production lines. Valoe estimates that 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.

3. MANUFACTURING PARTNER NETWORK

The cornerstone of Valoe's strategy 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 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 operate mainly 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. Valoe signed its first manufacturing partnership agreement with Ethiopian LS Corp in 2016. However, the technology delivery based on the agreement has not yet been executed as per the date of this Interim Report.

On the basis of 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 to 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 applied for on behalf of a customer are valid only if the customer uses components approved by Valoe. Based on Valoe's experience, the availability of the components is limited elsewhere for the moment.

Valoe's growth strategy is based on signing new manufacturing partnership agreements. 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

Special components, mainly for Valoe's manufacturing partners, are the most important part in Valoe's strategy and most remarkable in terms of net sales potential. Valoe's first component is Conductive Back Sheet (CBS) that has been developed by Valoe and is one of the most important components in a module. One normal size module production plant using back contact technology needs approximately 300,000 – 500,000 conductive back sheets in a year when operating at full capacity. 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. Typically, component deliveries to manufacturing partners can commence, at the earliest, about 12 months from the signing of the manufacturing partnership agreement.

In the future, Valoe plans to provide its manufacturing partners also with the company's solar cells based on the IBC technology as well as other special components. According to the company's estimates, a full-sized module factory could buy Valoe cells for about EUR 18 - 25 million annually. Other components may include for example other manufacturers' smart components, components for energy storage and software for power management and electricity invoicing.

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

MARKET CONDITIONS

The prices of solar modules collapsed and decreased by ca. 70 percent during 2010 – 2012. The prices of low- and middle-priced modules decreased by ca. 30 percent again in 2016 and 2017. Intense price competition followed by decrease in production costs of solar energy and the fall in China's domestic sales volumes further decreased prices outside China, which has led to a rapid increase in solar electricity production worldwide and thus generated strong growth in the solar business.

The competitiveness of the solar electricity, compared to the fossil fuels and other renewable energy sources, will continue increasing faster and faster. The market share of the back contact module technology is now small but is estimated to grow strongly in the next few years. Already in 2018, the production cost of solar electricity was below the cost of traditional electricity production in some geographical areas. Valoe is prepared for its competitors introducing their own back contact modules and other innovations in the near future. 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 believes that innovative companies capable of continuously developing new generation technologies will succeed in the future business environment. Valoe trusts it will be one of these companies.

According to Valoe's view, the prices of low-end modules will unlikely rise. Thus, Valoe is focusing on developing production technology for next generation cells and modules. In the high-end price categories' price reduction has not been remarkable. Valoe views that the most favourable markets for the company are the markets with incomplete or malfunctioning electricity grid, e.g. in Africa but also in Asia and South America. Valoe trusts that it has even better possibilities to succeed if it is a part of the solar electricity value chain including solar electricity storages and smart grids.

According to the information now available to Valoe, there is only one major automation manufacturer, besides Valoe, in the market who provides its customers with turnkey production capacity for back contact modules. Valoe is aware that besides this automation manufacturer, there are companies developing production capacity for a similar application. However, according to Valoe's knowledge, it is the only back contact manufacturer with major existing mass production capacity for the moment.

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. Valoe views that local production will increase significantly in the near future. However, Valoe is not aiming at becoming a local manufacturer but always seeks for 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

During the financial year 2018, Valoe accelerated its product development and has continued to invest in the research and development during the reporting period too. In order to proceed with the development projects Valoe will require new funding. Valoe's current investment plan needs new funding of at least seven million Euros to be materialized, for which Valoe has opened discussions with its major shareholders. Valoe has also entered into funding negotiations with capital investors and industrial companies. One option is to arrange public offering either together with or separately from a directed share issue. Additionally, the company has a product development loan from Business Finland (prev. Tekes) in the amount of EUR 4.1 million out of which there is as per the date of this Interim Report a total of EUR 0.8 million still to be withdrawn. In case the Company manages to collect the intended amount of new capital in the arrangements described above, the company is able to perform its investment plan.

In March 2019 Valoe disclosed to have been informed that a research project of a consortium which Valoe belongs to has been selected for the European Union's Horizon 2020 funding. The objective of the research project is to substantially improve the competitiveness of the EU PV manufacturing industry by developing manufacturing solutions for high-performance and low-cost modules with excellent environmental profiles. The project duration is 36 months and the project's budget totals approximately EUR 15 million. The partners in the consortium include Europe's leading research institutes specialising in solar energy and related solutions as well as the leading materials technology companies. Valoe is the only solar cell manufacturer in the project. Valoe's share in the project is approximately EUR two million for which the EU would provide a grant of EUR 1.4 million. The project's preparation phase is expected to be completed during the last quarter of 2019 when the final project agreement will be signed.

Considering the available financing commitments as well as the cashflow based on increased demand, the Board of Directors of Valoe views that the company has sufficient working capital at least for the next 12 months. However, without additional funding of about seven million Euros the company will not be able to proceed with the investments according to the company's strategy.

Cash flow from business operations before investments in January – March was EUR -0.7 million (EUR -0.7 million). Trade receivables at the end of the reporting period were EUR 0.02 million (EUR 0.02 million). Net financial items amounted to EUR 0.5 million (EUR 0.4 million). At the end of March, the equity ratio of Valoe Group was -60.5 percent (-57.3 %) and equity per share was EUR -0.44 (EUR -0.42). The equity ratio including capital loans was -7.8 percent (-2.0 %). At the end of the reporting period, the Group's liquid assets totaled EUR 0.1 million.

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

RESEARCH AND DEVELOPMENT

Valoe invests heavily in its product 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 a solar module with a life span of over 100 years.

During the reporting period, the focus of Valoe's research and development has been on a project relating to cell development and optimization as well as efficiency improvement.

Valoe is investing in research and development in collaboration with the global leaders in the field of photovoltaic technology. Over the past three years, Valoe has created a partner network with which the company develops its products and technology to implement the next phase of the company's growth strategy. During the reporting period, Valoe signed a development and technology transfer agreement with ISC Konstanz. Valoe's other main technology partners include Energy Research Centre of the Netherlands (ECN) and Fraunhofer Institute for Solar Energy Systems (Fraunhofer ISE). After the reporting period, in February 2019, Valoe agreed on acquiring the business operations of JCS SoliTek R&D, a Lithuanian cell manufacturer, including Solitek's cell manufacturing plant. Valoe's objective is to develop an IBC cell and a bifacial cell BiSoN also based on n-type silicon cell for Valoe's back contact modules. Further, Valoe will modify its current module structure in a way where the exceptionally good features of IBC and BiSoN can be utilized in the best possible way. The cell manufacturing plant in Vilnius will be modernized to produce the latest versions of IBC cells.

Additionally, Valoe focuses on developing the production line concept. Equipment and machinery needed in automated module manufacturing process will increasingly be based on Valoe's own innovations and be designed by Valoe. Valoe is aiming at protecting its innovations in all important geographical areas.

Valoe's module factory in Mikkeli also has a key role in the company's research and development. Valoe's goal is to increase the capacity of the Mikkeli factory and to modify the factory to suit the production of the Chrystal module family in a way that the factory produces enough modules for the market enabling Valoe's development to utilize field experiences to develop technology and ensure competitiveness.

The Group's research and development costs during the reporting period amounted to EUR 0.4 million (EUR 0.3 million).

Valoe has received significant funding for its product development from Business Finland. In addition, in March 2019 Valoe disclosed to have been informed that a research project of a consortium which Valoe belongs to has been selected for the European Union's Horizon 2020 funding. These enable the continuous development of Valoe's IBC cells and related production technology.

INVESTMENTS

Gross investments in the continuing operations during January – March period amounted to EUR 0.1 million (EUR 0.1 million). The investments on the reporting period as well as on the corresponding period were mainly in development costs.

PERSONNEL

At the end of March 2019, the Group employed 25 (18) people, who all worked in Finland. During the reporting period the Group's salaries and fees totaled EUR 0.4 million (EUR 0.3 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 17,136,338. The company has one series of shares, which confer equal rights in the company. On 31 March 2019 Valoe had in total 314,367 treasury shares.

The company had a total of 7,580 shareholders at the end of March 2019, and 12.1 percent of the shares were owned by foreigners. The ten largest shareholders held 60.0 percent of the company's shares on 31 March 2019.

The largest shareholders on 31 March 2019

	Shares	Percent
1 OY HERTTAÄSSÄ AB	1 762 723	10,3
2 SAVCOR COMMUNICATIONS LTD PTY	1 459 235	8,5
3 GASELLI CAPITAL OY	1 356 463	7,9
4 SAVCOR INVEST B.V.	1 323 752	7,7
5 SAVCOR TECHNOLOGIES OY	1 284 701	7,5
6 SAVCOR GROUP OY	1 071 511	6,3
7 OLLILA JORMA JAAKKO	919 528	5,4
8 OY INGMAN FINANCE AB	525 000	3,1
9 VALOE OYJ	314 367	1,8
10 SALMELA VEIJO ENSIO	260 715	1,5
OTHERS	6 858 343	40,0
TOATL	17 136 338	100,00

The members of the Board of Directors and the President and CEO, either directly or through companies under their control, held a total of 4,103,700 shares in the company on 31 March 2019, representing about 23.9 percent of the company's shares. Additionally, the members of the Board of Directors and the President and CEO held a total of 232,540 options connected to the stock option scheme 2015. At the end of the period Ilkka Savisalo, Valoe's Managing Director, either directly or through companies under his control, held a total of 4,067,688 shares in the company and 81,620 options connected to the stock option scheme 2015.

The price of Valoe's share varied between EUR 0.13 and 0.80 during the January – March period. The average price was EUR 0.30 and the closing price at the end of March EUR 0.36. A total of 7.4 million Valoe shares were traded at a value of EUR 2.2 million during the January – March period. The company's market capitalization at the end of March stood at EUR 6.2 million.

SHARE ISSUE AUTHORIZATIONS IN FORCE

The Annual General Meeting 2018 resolved to authorize the Board of Directors of Valoe 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, would equal to the total maximum amount of 49,000,000 shares. 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 2019.

By the date of this Interim Report the Board of Directors has resolved on issues of a total of 48,094,615 shares based on the authorization.

THE MAJOR EVENTS DURING THE REPORTING PERIOD

18 January 2019: VALOE ISSUES A CONVERTIBLE BOND

In order to strengthen Valoe Corporation's capital structure the company issues a convertible bond of EUR 3.8 million at the most. The Convertible Bond is a capital loan. The convertible bond can be converted to max. 25,333,333 new shares of the company. The subscription price is EUR 0.15 per share.

The convertible bond is issued in deviation from the shareholders' pre-emptive subscription rights to the parties separately approved by the Board of Directors.

The minimum amount of subscription of the convertible bond shall be EUR 50,000.00 entitling the convertible bond holder to subscribe for 333,333 new shares of the company. The Convertible Bond can also be subscribed against indisputable loan receivable the Subscriber has from the Company at the time of subscription by converting the loan capital and/or interest receivable into the Convertible Bond in accordance with the terms of this Convertible Bond if the Subscriber simultaneously subscribes the Convertible Bond with a cash payment of minimum EUR 50,000.00 too.

The loan period shall commence on the payment date and expire on 31 May 2022 on which date the convertible bond shall expire to be repayable in its entirety in accordance with the terms of the loan. The subscription period of the shares under the convertible bond shall begin on 15 March 2019 and expire on 31 May 2022.

The subscription period of the convertible bond shall expire on 15 February 2019 at 6:00 p.m. The board of directors of the company has the right to approve the subscriptions at any time during the subscription period. In the event the convertible bond shall be oversubscribed, the board of directors of the company shall resolve on the allocation between the subscribers. The board of directors of the company has the right to discontinue the subscription period of the convertible bond at any time. The board of directors shall also have the right to decide on extending the subscription period.

For the moment, the company has received subscription commitments of approx. EUR 2.2 million for the Convertible Bond. Out of the subscription commitments a total of EUR 0.6 million shall be paid in cash and approx. EUR 1.6 million shall be subscribed by setting off loans.

The shareholders' pre-emptive subscription rights are deviated from in connection with the issue of convertible bond to secure financing required to strengthen the capital structure of the company cost effectively and considering the size of the financing and to rearrange the Company's existing loans in an economical way from the Company's point of view. Thus, there is from the company's point of view a weighty financial reason to issue the special rights.

The company has one (1) class of shares.

The terms of the convertible bond are attached to the stock exchange release.

18 February 2019: THE RESULT OF THE CONVERTIBLE BOND I /2019 OF VALOE CORPORATION

Valoe Corporation has during the subscription period received subscriptions of approx. EUR 2.8 million in total for the Convertible Bond I/2019 disclosed on 18 January 2019. During the subscription period of the Convertible Bond new investments of EUR 0.7 million was paid in cash. Out of the subscriptions, a total of approx. EUR 2.1 million was paid by setting the subscription price off against the subscribers' receivables from the company.

The Board of Directors of Valoe has approved all subscriptions for the Convertible Bond.

One loan share of EUR 50.000 pursuant to the Promissory Note entitles the Promissory Note Holder to subscribe for 333.333 new shares. Based on the subscriptions made pursuant to the loan shares Valoe shall issue a maximum amount of 18,894,615 new Valoe shares. The loan period and the conversion period expire on 31 May 2022.

The terms of the convertible bond are attached to stock exchange release Valoe disclosed on 18 January 2019.

19 February 2019: VALOE STARTS ITS OWN IBC SOLAR CELL PRODUCTION IN LITHUANIA. THE COMPANY ACQUIRED SOLITEK'S SOLAR CELL PRODUCTION BUSINESS FROM GLOBAL BOD GROUP

Valoe Corporation ("Valoe") has agreed to acquire from Lithuanian Global BOD Group SIA ("BOD") the solar cell production business of JCS SoliTek R&D ("SoliTek"), a fully owned subsidiary of BOD. Valoe's objective is to modify a plant, located in Vilnius, Lithuania, for production of Interdigitated Back Contact ("IBC") cells. The first production cells are estimated to be manufactured in the second half of 2019 provided Valoe will be able to arrange financing of approx. EUR 5 million required to finish the project. The sum includes the remaining part of the purchase price of the business acquired from SoliTek i.e. approx. EUR 3.2 million.

According to Valoe's view, the company's solar cell plant will be one of the few production plants in the world where IBC or similar cells can be manufactured. Valoe estimates that the annual capacity at the company's new solar cell plant will be approx. 60 MW at the first stage and the capacity can be doubled to approx. 120 MW with minor investments.

Already approx. 20 MW of the new plant's annual production capacity has been sold for the next two years from the start of the production. Considering the current world market price, the value of the order with defined quality requirements is EUR 8 – 12 million depending on the cell type concerned and development of the world market prices. Valoe commences modification of the solar cell plant together with International Solar Energy Research Center Konstanz e.V. ("ISC Konstanz") immediately. In the technology transfer agreement signed in May 2018 ISC Konstanz commits to certain quality requirements for the IBC cells which e.g. the above-mentioned order is subject to.

Part of the plant's capacity will be used to produce cells for Valoe's own Chrystal modules. Valoe estimates that the capacity of the company's 60 IBC cell module will be approx. 320-340 Wpe and of a bifacial IBC module over 400 Wpe. The efficiency of Valoe's current modules with monocrystalline cells is approx. 300 Wpe and the efficiency of the most common polycrystalline modules available in the Finnish market is approx. 260 – 280 Wpe.

Considering the above-mentioned order, the ongoing negotiations with other potential IBC cell buyers and Valoe's own need for the cells as well as the estimated market price level of the IBC cells, Valoe trusts that the cell production plant will be profitable right from the start and the operative cashflow is positive.

likka Savisalo, Valoe's CEO:" Our own solar cell production and especially production of the IBC cells is an achievement that we could only dream about couple of years ago. So far, this deal is the most important step for Valoe to meet its strategic goals. Now, Valoe has a chance to get to the same technology level with LG, Sunpower and Panasonic. We trust that we are able to compete in terms of both quality and price. Valoe's back contact module, having a glass-glass structure and IBC cells that have longer economic lifetime, is expected to last more than 40 years. We are now one step closer to our goal to provide technology for generating solar energy with the lowest cost over its lifetime, Levelized Cost of Energy (LCOE)."

Before the completion of the deal, SoliTek's solar cell production business will be demerged into a new Lithuanian company that Valoe's new subsidiary to be established in Lithuania will acquire at the completion of the deal. SoliTek will transfer all the assets, knowhow and the key personnel related to its current solar cell production business to the new company to be established through the demerger.

The purchase price shall be EUR 3.5 million provided that the net debt and the net working capital of the new company to be established through the demerger are EUR 0 at the completion of the demerger.

Valoe has paid an initial purchase price of EUR 0.3 million. Further, Valoe has agreed to pay another tranche of the purchase price of EUR 0.5 million after SoliTek's solar cell production business has been transferred into the new company to be established through the demerger, which is estimated to take place in April 2019. The remaining part of the purchase price shall be paid at the completion of the deal which is estimated to take place in May 2019. The deal is subject to normal conditions of a business acquisition.

Should Valoe fail to pay the remaining part of the purchase price or should the deal be cancelled for any other reason, Valoe and BOD are together committed to sell the modified cell production plant for which the assets concerned in the aforesaid transaction as well as the solar cell production line Valoe bought from Italian Megacell S.r.l.; under liquidation, in May 2018, and was then transferred to SoliTek's premises in Lithuania are used. Out of the sale price, Valoe shall first receive such amount which corresponds to the amount of the initial payments Valoe has actually paid prior to the cancellation, added by the amount of new investments Valoe may have made for the new cell production line. The remaining part of the sale price shall be distributed among BOD and Valoe with shares of 3.5 (BOD)/2.5 (Valoe).

For about one year, Valoe has cooperated closely with SoliTek in relation to the development of own polycrystalline MWT cell.

In May 2018 Valoe disclosed that it has signed a development and technology transfer agreement with German ISC Konstanz. The objective of the cooperation is to develop, for Valoe's modules, an IBC cell as well as to modify Valoe's current module structure in a way where the features of an n-type IBC cell with better energy generating capabilities compared to a conventional p-type solar cell can be utilized in the best possible way.

Additionally, Valoe and ISC Konstanz have agreed on licensing the abovementioned cell types to Valoe and its future manufacturing partners.

27 March 2019: VALOE TAKES PART IN A EUR 15 MILLION EU HORIZON 2020 RESEARCH

Valoe Corporation ("Valoe") has today been informed that a research project of a consortium which Valoe belongs to has been selected for the European Union's Horizon 2020 funding. The objective of the research project is to substantially improve the competitiveness of the EU PV manufacturing industry by developing manufacturing solutions for high-performance and low-cost modules with excellent environmental profiles. The project duration is 36 months and the project's budget totals approximately EUR 15 million. The partners in the consortium include Europe's leading research institutes specialising in solar energy and related solutions as well as the leading materials technology companies. Valoe is the only solar cell manufacturer in the project. Valoe's share in the project is approximately EUR two million for which the EU would provide a grant of EUR 1.4 million.

At the project's preparation phase the parties agree on practical measures such as final roles and responsibilities between the parties. The preparation phase is expected to be completed during the last quarter of 2019 when the final project agreement will be signed.

likka Savisalo, CEO of Valoe: "This project is very important for Valoe and the EU funding supports the company's strategy. Valoe's long-term development work and its results have been acknowledged by Europe's leading specialists and other operators within the industry, which is even more important for us. We do our best to leverage the project and the new partnerships within the consortium in order to accelerate Valoe's commercial success!"

THE MAJOR EVENTS AFTER THE REPORTING PERIOD

26 April 2019: THE AUDITOR'S REPORT OF VALOE

Valoe Corporation's auditor has given her report for the company's Financial Statements for 2018 on 25 April 2019. The Auditor's report includes so called emphasis of matter relating to the measurement of development costs.

The Auditor's Report has been published on a stock exchange release of 25 April 2019.

9 May 2019: CANCELLATION OF VALOE'S SHARES AND ISSUE OF NEW SHARES IN VALOE WITHOUT CONSIDERATION TO THE COMPANY ITSELF

Cancellation of Valoe's Shares

In connection with the Financing Agreement signed on 19 April 2017 between Valoe Corporation (the "Company") and Bracknor Investment, Valoe has previously resolved on issuances of the Company's shares to the Company itself without consideration. In accordance with the resolutions, the new shares may be used solely to the implementation of the financing arrangement. To the extent it is not necessary to issue new shares subscribed by the Company to Bracknor Investment, the Company shall annul the shares. The Financing Agreement between the Company and Bracknor Investment has expired on 19 October 2018. The Company still holds 314,367 shares issued for the Financing Agreement and subscribed by the Company. The Board of Directors of the Company has resolved to annul the shares issued for the Financing Agreement and still held by the Company, totaling 314,367 shares. It is estimated that the cancellation of the shares will be registered in the trade register on 15 May 2019. After the cancellation of the shares, the total number of shares in the Company is 16,821,971.

Issue of New Shares in Valoe Corporation without Consideration to the Company Itself

The Board of Directors of Valoe has, on the basis of the financing arrangement between the Company and Winance approved on 19 December 2018, resolved on a share issuance of a total of 1,718,000 new shares to the Company itself without consideration and the Company has subscribed a total of 1,718,000 shares directed to it.

The share issue without consideration to the Company itself is conducted in order to implement part of the financing arrangement referred to above. The new shares may be used solely to the implementation of the financing arrangement so that the Company may issue the new shares held by it to Winance when Winance subscribes shares on the basis of the convertible loans and warranties granted to it under the said financing arrangement. To the extent it is not necessary to issue new shares subscribed by the Company to Winance, the Company shall annul the shares.

The new shares are of the same class as the Company's other shares and entitle to the same shareholder rights as the Company's old shares after their registration.

After the registration of the subscribed shares in the trade register (taking into account the cancellation of the shares referred to above), the total number of the shares in the Company is 18,539,971 shares of which 1,718,000 shares are held by the Company.

The subscribed shares are estimated to be registered in the trade register approximately on 15 May 2019 and the Company shall apply for the admission of the subscribed shares to public trading on the stock exchange list of Nasdaq Helsinki Ltd approximately on 16 May 2019.

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.

Pursuant to the estimates available to the company, the company's financial situation and working capital situation continue to be tight in 2019. Considering the company's working capital need, available financing commitments as well as cashflow based on increased demand, the Board of Directors of Valoe views that the company has sufficient working capital at least for the next 12 months.

In order to materialize its investment plan Valoe has opened financing discussions with its major shareholders, capital investors and industrial companies. One option is to arrange public offering either together with or separately from a directed share issue. The outcome of the negotiations is not known. Further, it is not yet certain if a share issue will be arranged or not and what the outcome would be.

The company's most significant risks are lack of funding the company needs in order to achieve its strategic goals and sufficiency of working capital required for expanding operations. Pursuant to Valoe's strategy, the acquisition of a solar cell factory in Lithuania requires that the plant will be modified for IBC cell production. Addition, Valoe needs funding to finance its strategic investments in product development, especially to secure and improve the competitiveness of the IBC product, to develop IBC applications for new back contact modules, and as working capital for expanded operations.

Valoe has a product development loan from Tekes in the amount of EUR 4.1 million out of which the company has withdrawn a total of EUR 2.9 million at the end of the financial year 2018. In March 2018, the company withdrew a total of EUR 0.4 million. As per the date of this Interim Report there is a total of EUR 0.8 million to be withdrawn.

In January 2019 Valoe issued a convertible bond. The company received subscriptions of approximately EUR 2.8 million in total. New cash investments totaled EUR 0.7 million and a total of approximately EUR 2.1 million was paid by setting the subscription price off against the subscribers' receivables from the company.

Valoe's objective is to achieve a strong market position as a provider of, in various geographical areas, locally produced high-quality photovoltaic modules. Achievement of the objectives involves risks. Even though Valoe's strategy and objectives are based on market knowledge and technical surveys, the risks are significant and it is not certain if the company reaches all or part of the targets set for it. Valoe's future outlook will be highly dependent on the company's ability to reach the targeted market position in the global photovoltaic module market as well as on the company's financing.

Valoe's customer has ongoing negotiations on arranging financing for a factory delivery in Asia worth EUR 26.5 million. The realization of the project involves significant risks. The financing negotiations are ongoing and it is not yet certain if the project or even a part of it will be realized.

The module manufacturing plant order from Ethiopia involves business, financial, schedule and country risks that are typical of international equipment sales. The country risks include also slow decision process for financing arrangements. The payments relating to the project have not yet begun despite the binding financing agreements. However, Valoe's customer, LS Corp, has commenced to withdraw some loan in local currency based on the abovementioned financial agreements and is building premises for the module manufacturing plant. The company follows very closely how the situation develops in Ethiopia and tries to support the customer in its negotiations by being present as often as possible.

The Agreement signed with ForUs Capital involves risks out of which the most remarkable risk relates to securing financing for the projects involved.

The developing markets can be unpredictable and operation in the markets involves many risks. When assessing the company, one shall be aware of the fact that the major part of the company's operations take place in high-risk environment and consider carefully the effects of the risks on the investor's own investment strategy.

The certain statements in this Interim Report 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 general financial situation or business environment.

MARKET OUTLOOK

Valoe will not disclose financial guidance for the financial year 2019.

In Mikkeli, 15 May 2019

Valoe Corporation

Board of Directors

For more information:

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Consolidated statement of comprehensive income

(unaudited)

1 000 EUR	1-3/2019	1-3/2018	1-12/2018
Net sales	43	87	1 328
Cost of sales	-200	-207	-1 657
Gross profit	-157	-119	-329
Other operating income	0	0	562
Product development expenses	-381	-276	-1 322
Sales and marketing expenses	-122	-165	-697
Administrative expenses	-178	-178	-682
Other operating expenses	0	0	0
Operating profit	-839	-738	-2 468
Financial income	0	2	0
Financial expenses	-499	-361	-1 743
Profit before taxes	-1 338	-1 097	-4 210
Income taxes	0	0	0
Profit/loss for the period	-1 338	-1 097	-4 210
Profit/loss attributable to:			
Shareholders of the parent company	-1 338	-1 097	-4 210
Earnings/share (basic), eur	-0,08	-0,09	-0,28
Earnings/share (diluted), eur	-0,08	-0,09	-0,28
Total comprehensive income for the period	-1 338	-1 097	-4 210
Total comprehensive income attributable to:			
Shareholders of the parent company	-1 338	-1 097	-4 210

Consolidated statement of financial position

(unaudited)

1 000 EUR	31.3.2019	31.3.2018	31.12.2018
ASSETS			
Non-current assets			
Property, plant and equipment	839	12	29
Consolidated goodwill	441	441	441
Other intangible assets	8 807	6 840	9 016
Available-for-sale investment	9	9	9
Total non-current assets	10 096	7 303	9 495
Current assets			
Inventories	823	583	659
Trade and other non-interest-bearing receivables	1 364	1 389	1 234
Cash and cash equivalents	66	21	22
Other financial resources	41	0	41
Total current assets	2 294	1 993	1 955
Assets classified as held for sale	0	0	0
Total assets	12 391	9 296	11 451
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the parent company			
Share capital	80	80	80
Other reserves	11 886	11 031	11 804
Retained earnings	-19 456	-16 425	-18 927
Total equity	-7 490	-5 314	-7 044
Non-current liabilities			
Non-current loans	12 204	8 358	10 995
Total non-current liabilities	12 204	8 358	10 995
Current liabilities			
Current interest-bearing liabilities	2 959	1 955	2 779
Trade and other payables	4 335	3 779	4 339
Current provisions	307	215	307
Total current liabilities	7 602	5 949	7 425
Liabilities directly associated with assets classified as held for sale	75	303	75
Total liabilities	19 881	14 610	18 495
Equity and liabilities total	12 391	9 296	11 451

Consolidated statement of cash flows

(unaudited)

1 000 EUR		1-3/2019	1-3/2018	1-12/2018
Cash flow from operating activities				
Income statement profit/loss before taxes		-1 338	-1 097	-4 210
Non-monetary items adjusted on income statement				
Depreciation and impairment	+	429	308	1 232
Unrealized exchange rate gains (-) and losses (+)	+/-	1	-2	5
Other non-cash transactions	+/-	-83	8	-526
Change in provisions	+/-	0	0	87
Financial income and expense	+	499	361	1 737
Total cash flow before change in working capital		-493	-422	-1 676
Change in working capital				
Increase (-) / decrease (+) in inventories		-164	-1	-78
Increase (-) / decrease (+) in trade and other receivables		-130	-133	-12
Increase (+) / decrease (-) in trade and other payables		149	-76	59
Change in working capital		-144	-211	-31
Adjustment of financial items and taxes to cash-based accounting				
Interest paid	-	97	71	195
Other financial items	-	0	19	247
Financial items and taxes		-97	-90	-442
NET CASH FLOW FROM BUSINESS OPERATIONS		-734	-723	-2 149
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in tangible and intangible assets	-	219	172	2 613
NET CASH FLOW FROM INVESTMENTS		-219	-172	-2 613
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from share issue	+	0	59	59
Financing arrangement with Bracknor Investment	+	0	500	918
Proceeds from non-current borrowings	+	960	113	2 421
Proceeds from current borrowings	+	310	170	2 829
Repayment of current borrowings	-	271	276	1 751
NET CASH FLOW FROM FINANCING ACTIVITIES		998	566	4 476
INCREASE (+) OR DECREASE (-) IN CASH FLOW		45	-329	-287

Consolidated statement of changes in equity

(unaudited)

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	-	-	-1 338	-1 338
Translation difference, comprehensive income	-	-	0	0
Transactions with owners:				
Sale of own shares				
Bracknor Investment	0	82	0	82
Share issue	0	0		0
Stock option scheme 2015	0	0	0	0
Own equity component of the convertible bond	0	0	810	810
31.3.2019	80	11 886	-19 456	-7 490

1 000 EUR	Share capital	Distributable non- restricted equity fund	Retained earnings	Total equity
31.12.2017	80	10 542	-15 166	-4 544
Profit/loss for the period	-	-	-1 097	-1 097
Transactions with owners:				
Sale of own shares				
Bracknor Investment	0	193	0	193
Share issue	0	295	0	295
Stock option scheme 2015	0	0	8	8
Own equity component of the convertible bond	0	0	-170	-170
31.3.2018	80	11 031	-16 425	-5 314

Discontinued operations

(unaudited)

17 September Valoe announced that it has transferred the company's electronics automation business into Cencorp Automation Oy, a fully-owned subsidiary of Valoe. Further, in accordance to the agreement signed earlier, FTTK Company Limited has purchased 70 percent of the shares in Cencorp Automation Oy. Further FTTK has used its option to purchase the remaining 30 percent of the shares in Cencorp Automation Oy and the parties have signed an agreement on exercising the option in December 2014. In consequence of the sale of the shares Valoe reports the financial figures relating to the electronics automation business as discontinued operations from Q3/2014.

From the financial year 2018 onwards the company does not report the continuing operations and the discontinued operations separately in its profit and loss statement as there have been no discontinued operations. However, there are liabilities related to the discontinued operations in the balance sheet.

The major classes of assets and liabilities of Cencorp's electronics automation business are as follows:

1 000 EUR	1-3/2019	1-3/2018	1-12/2018
Liabilities			
Trade and other payables	75	298	75
Provisions	0	5	0
Liabilities directly associated with assets classified as held for sale	75	303	75
Net assets directly associated with disposal group	-75	-303	-75

Net cash flow of Cencorp's electronics automation business:

1 000 EUR	1-3/2019	1-3/2018	1-12/2018
Operating	0	-3	-12
Investing	0	0	0

Key figures

(unaudited)

1 000 EUR	1-3/2019	1-3/2018	1-12/2018
Net sales	43	87	1 328
Operating profit	-839	-738	-2 468
% of net sales	-1963,2 %	-845,5 %	-185,8 %
EBITDA	-410	-430	-1 236
% of net sales	-960,1 %	-492,7 %	-93,1 %
Profit before taxes	-1 338	-1 097	-4 210
% of net sales	-3132,2 %	-1256,8 %	-316,9 %
Balance Sheet value	12 391	9 296	11 451
Equity ratio, %	-60,5 %	-57,3 %	-61,5 %
Net gearing, %	neg.	neg.	neg.
Gross investments	134	149	3 286
% of net sales	314,1 %	171,1 %	247,4 %
Research and development costs	381	276	1 322
% of net sales	892,7 %	315,6 %	99,5 %
Order book	15 782	16 844	15 940
includes Ethiopia	15 834	15 834	15 834
Personnel on average	25	18	21
Personnel at the end of the period	25	18	25
Non-interest-bearing liabilities	4 410	4 077	4 414
Interest-bearing liabilities	15 164	10 313	13 774
Share key indicators			
Earnings/share (basic)	-0,08	-0,09	-0,28
Earnings/share (diluted)	-0,08	-0,09	-0,28
Equity/share	-0,44	-0,42	-0,47
P/E ratio	-4,61	-7,43	-0,48
Highest price	0,80	1,35	1,35
Lowest price	0,13	0,63	0,10
Average price	0,30	1,01	0,53
Closing price	0,36	0,65	0,14
Market capitalisation, at the end of the period, MEUR	6,2	9,1	2,3

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	1-3/2019	1-3/2018	1-12/2018
Sales of goods and services			
Savcor Face Ltd - solar modules / production services	0	0	22
Savcor Oy - production services	0	0	12
Total	0	0	35
Purchases of goods and services			
SCI Invest Oy - rent	12	0	24
Savcor Face Ltd - marketing services	0	0	8
SCI-Finance Oy - marketing and administration services	16	13	66
Savcor Technologies Oy - marketing and administration services	22	22	88
Savcor Oy - financial management services	1	2	10
Oy Marville Ab - legal services	6	0	4
Total	57	38	199
Interest expenses and other financial expenses			
SCI-Finance Oy	19	10	55
Savcor Technologies Oy	82	56	283
Savcor Oy	6	6	24
Others	42	29	119
Total	149	101	481

1 000 EUR	1-3/2019	1-3/2018	1-12/2018
Non-current convertible subordinated loan from related parties	2 461	1 282	1 882
Non-current other subordinated loan from related parties	2 011	2 011	2 011
Non-current convertible loan from related parties	0	114	114
Current convertible subordinated loan from related parties	0	0	0
Other current liabilities to related parties	718	303	630
Current interest payable to related parties	743	541	820
Trade payables and other non-interest-bearing liabilities to related parties	361	748	547
Trade and other current receivables from related parties	22	18	22

Savcor Invest B.V is a company under control of Iikka Savisalo, Valoe's CEO and Hannu Savisalo, Valoe's Chairman of the Board.

Savcor Face Ltd, Savcor Technologies Oy, Savcor Communications Pty Ltd and Savcor 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, Cencorp's CEO.

SCI-Finance Oy is a company under control of Hannu Savisalo, Valoe's Chairman of the Board.

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

1 000 EUR	1-3/2019	1-3/2018	1-12/2018
Wages and remuneration			
Salaries of the management and Board	120	119	490
Stock option scheme 2015 / IFRS 2 booking	0	6	25

Fair values

(unaudited)

1 000 EUR	Carrying amount 31.3.2019	Fair value 31.3.2019
Financial assets		
Available-for-sale investments	9	9
Trade and other receivables	1 364	1 364
Cash and cash equivalents	107	107
Financial liabilities		
R&D loan, non-current	5 207	5 207
Non-current subordinated loan	6 518	6 518
Other non-current loans	479	479
Convertible bond, current	136	136
Loans from financial institutions, current	975	975
Other loans, current	1 088	1 088
Other liabilities, current	760	760
Trade payables and other non-interest-bearing liabilities	1 740	1 740

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 0,8 million of liabilities arising from the IFRS16.

EUR 2.4 million out of trade payables, other current liabilities and accruals was overdue at the end of the reporting period. In addition, a convertible bond of EUR 0,1 million was overdue.

Change in intangible and tangible assets

(unaudited)

1 000 EUR	31.3.2019	31.3.2018	31.12.2018
Includes tangible assets, consolidated goodwill and other intangible assets			
Carrying amount, beginning of period	9 486	7 431	7 431
Depreciation and impairment	-429	-308	-1 232
Additions	1 029	170	3 286
Disposals	0	0	0
Carrying amount, end of period	10 087	7 293	9 486

Commitments and contingent liabilities

(unaudited)

1 000 EUR	31.3.2019	31.3.2018	31.12.2018
Assets pledged for the company			
Loans from financial institutions	475	600	525
Other liabilities	281	281	281
Promissory notes secured by pledge	3 355	3 355	3 355
Operating lease liabilities			
Payable within one year	265	62	216
Payable over one year	476	0	514