

VALOE ESTIMATES ITS NET SALES AND PROFITABILITY TO BE LOWER THAN PREVIOUSLY DISCLOSED. THE COMPANY REVISES ITS NET SALES AND PROFITABILITY DUE TO POSTPONEMENT OF THE ETHIOPIAN PROJECT DELIVERY. THE COMPANY'S FINANCING SITUATION IS VERY TIGHT.

In February 2016 Valoe received a ca. EUR 15.8 million order for a solar module manufacturing plant and back contact technology. About EUR 9.5 million of the sales price will be paid in cash to Valoe and the rest of the sales price in shares of the customer company resulting in Valoe having a 30 percent shareholding in its Ethiopian manufacturing partner. Valoe's customer will receive financing for the deal from The Development Bank of Ethiopia (DBE).

Valoe's financing situation is very tight. Valoe's planned financing for the building period was mainly based on an advance payment of EUR 2.8 million for which Valoe shall arrange a bank guarantee. Securing an advance payment guarantee has been delayed. Negotiations for a guarantee and bridging financing are ongoing and Valoe trusts it will close the negotiations within the next few weeks.

The delivery has been postponed due to insufficient financing. Valoe and its manufacturing partner have revised the schedule for completing the Ethiopian project. According to the re-evaluation the machinery and equipment for the plant will be delivered in Ethiopia during the first half of the year 2017. According to the previous estimation the delivery was expected to take place during the year 2016.

Due to the delay in the Ethiopian project delivery Valoe estimates that the net sales of Valoe Group will be ca. EUR 5.5 – 6.0 million in 2016 (in 2015: EUR 0.7 million) and the EBITDA ca. EUR 6.5 – 7.0 million (in 2015: EUR -2.8 million). The financial year 2016 is estimated to be profitable with profit for the financial year 2016 of ca. EUR 3.2 – 3.7 million (in 2015: EUR -4.7 million). All figures for the comparison year concern the continuing operations.

Previously Valoe has estimated that the net sales of Valoe Group will be ca. EUR 11 – 13 million in 2016 (in 2015: EUR 0.7 million) and the EBITDA ca. EUR 8.6 – 9.4 million (in 2015: EUR -2.8 million). The financial year 2016 is estimated to be profitable with profit for the financial year 2016 of ca. EUR 5.3 – 6.1 million (in 2015: EUR -4.7 million). The financial guidance was subject to the Ethiopian project being executed as planned.

Until the above-mentioned bridging financing and an advance payment guarantee have been secured Valoe's financing situation continues to be very tight and until then the sufficiency of the company's financing and working capital for the next twelve months involve very significant risks. If the above-mentioned financing and guarantee for the order from Ethiopia would not be fully arranged, the company's financing situation would further tighten and the continuity of the company's operation may be jeopardized.

Valoe will disclose its interim report for the third quarter on 2 November 2016.

In Mikkeli 31 October 2016

Valoe Corporation

Board of Directors

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Valoe Corporation specializes in the clean energy, especially in photovoltaic solutions. Valoe provides automated production technology for solar modules based on the company's own technology; production lines for modules; solar modules and special components for solar modules. Valoe's head office is located in Mikkeli, Finland.