

VALOE ESTIMATES ITS NET SALES AND PROFITABILITY FOR 2016 TO BE LOWER THAN PREVIOUSLY DISCLOSED. THE COMPANY'S FINANCING SITUATION CONTINUES TO BE 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 continues to be very tight even though the convertible bond I/2017 of EUR 1.5 million issued in February 2017 was fully subscribed. Valoe's planned financing for the building period of the Ethiopian project 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. Valoe has had frequent negotiations for a guarantee and they made significant progress in March. Valoe trusts it will close the negotiations by mid-April.

The delivery of the Ethiopian project 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 by the end of 2017. According to the previous estimation, the delivery was expected to take place during the first half of the year 2017.

Valoe has ongoing negotiations on arranging financing for a factory delivery in Asia worth EUR 26.5 million. If realized, the orders would include a delivery of a solar module factory to Valoe's manufacturing partner in Asia and solar modules with capacity of more than four megawatts, worth EUR ca. 2.5 million, to the same customer. However, the negotiations are ongoing and the orders are not yet secured.

Valoe estimates that the net sales of Valoe Group will be ca. EUR 3.8 million in 2016 (in 2015: EUR 0.7 million) and the EBITDA ca. EUR 6.9 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 3.5 million (in 2015: EUR -4.7 million). All figures concern the continuing operations. The audit has not yet been finished.

Previously Valoe has estimated that the net sales of Valoe Group will be ca. EUR 5.5 – 6.0 million in 2016 and the EBITDA ca. EUR 6.5 – 7.0 million. The financial year 2016 was estimated to be profitable with profit for the financial year 2016 of ca. EUR 3.2 – 3.7 million.

Until the above-mentioned advance payment guarantee for the Ethiopian project has been secured or the financing negotiations for the Asian project have been successfully concluded, 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 guarantee for the order from Ethiopia was not fully arranged or the negotiations for the Asian project did not have a positive outcome, the company's financing situation would further tighten and the continuity of the company's operation may be jeopardized.

Valoe's Financial Statement Release for 2016 will be disclosed on 31 March 2017. The Annual Report for 2016 including the Financial Statements and the Report of the Board of Directors will be released on 30 April 2017 at the latest.

In Mikkeli 24 March 2017

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.