

## VALOE CORPORATION, FINANCIAL STATEMENT RELEASE 2015

### SUMMARY

- The restructuring of Valoe Corporation (“Valoe”) from a company providing electronics automation solutions to a technology company focusing on clean energy solutions, particularly on photovoltaic solutions, was completed during 2015. Now Valoe is a technology startup which, however, already has new, competitive and tested technology in use; operating automated production plant; worldwide market; as well as experienced personnel with competence in international technology sales, production and projects.
- After the end of the reporting period Valoe has received a ca. EUR 15.8 million order for a solar module manufacturing plant. The plant will be delivered to Ethiopia during the year 2016. 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.
- With regard to the sale of Valoe’s electronics automation business to FTTK Company Limited (“FTTK”) the parties have not agreed on the closing in terms of the remaining 30 percent of the ownership and the dispute regarding this issue has been referred to arbitration.
- The net sales of the continuing operations of Valoe for the reporting period January – December 2015 were EUR 0.7 million (EUR 0.8 million in 2014). The operating profit of continuing operations was EUR -2.8 million (EUR -10.9 million), profit for the period was EUR -3.9 million (EUR -11.7 million), earnings per share were EUR -0.005 (-0.014) and EBITDA was EUR -2.1 million (EUR -3.3 million). At the beginning of the corresponding period in 2014 the Beijing factory had still operations but the figures of the reporting period in 2015 include only the net sales of Valoe.
- The Beijing factory has been closed and Valoe Group has no longer any future expectations relating to the factory in its balance sheet. However, the group balance sheet includes all of the debts of the Beijing subsidiary and the net debts total ca. EUR 3.9 million. Owing to the law and its application in China Valoe has alternative ways to close the Beijing subsidiary. By 30 June 2016 Valoe will decide how the company in Beijing will be closed.
- The general meeting authorized the Board of Directors to issue 900,000,000 new company shares at the most. During the year 2015 the Board of Directors has issued a convertible bond and resolved to start preparing a share issue. The purpose of these actions was to acquire operating capital for the company and to secure sufficient equity until the company’s operations turn into profit. The total amount of the convertible bond was EUR 7,700,000 and the convertible bond was fully subscribed. The Board of Directors of Valoe approved all subscriptions on 9 October 2015. Out of the subscriptions a total of EUR 5.0 million were paid by setting the subscription price off against the subscribers’ receivables from the company. During the subscription period of the Convertible Bond new investments paid in cash amounting to ca. EUR 2.7 million, including the short-term loans taken by Valoe after the beginning of the subscription period and converted to the Convertible Bond, were made in the company.
- Valoe’s financial situation continues to be tight. However, Valoe’s management views that the fully funded order for a module manufacturing plant from Ethiopia secured after the reporting period turns

Valoe's financial situation stable provided the company succeeds to arrange advance payment guarantee and financing for building period that are typical of export business. Valoe has to arrange advance payment guarantee that is typical of export business and financing of ca. EUR 2.0 – 4.0 million for building period from its suppliers and financiers.

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](http://www.valoe.com). The Financial Statement Release has been drawn up in compliance with the IAS 34 Interim Financial Reporting standard. In the Financial Statement Release Valoe has applied the same accounting principles as in its Annual Report 2014. The Financial Statement Release has not been audited.

## FINANCIAL DEVELOPMENT

Valoe transferred its electronics automation business to Cencorp Automation Oy and sold at first 70 percent and in December 2014 the remaining 30 percent of this company to FTTK. In terms of the latter 30 percent the transaction has not yet been closed and the dispute has been referred to arbitration. In FTTK's request the claimant requests the arbitration to confirm that the transaction has been closed and the title to the shares has been transferred to FTTK as the purchase price has been fully paid. Valoe denies the claims as groundless and views that the transaction will not be closed until the other conditions pursuant to the the share transfer agreement have been fulfilled. Valoe will claim its legal costs and other possible damages in full from FTTK. The profit of EUR 0.276 million from the transaction between Valoe and FTTK was entered in the books in 2014. The figures of Cencorp Automation Oy have not been consolidated in Valoe's financial reports in 2015. In Valoe's financial reports the profit of discontinued operations (the LAS and LCM Segments that were sold to FTTK) is reported on a separate line. The group's financial information is based on the management's internal reporting and on the organisation structure of the company.

On 31 December 2014 Valoe's equity had decreased below half of the share capital. Thus, in the spring 2015 the Board of Directors convened a general meeting to consider measures to remedy the financial position of the company and to reduce the share capital among other things. The extraordinary general meeting authorized the Board of Directors to issue 900,000,000 new company shares at the most. Since then the Board of Directors has issued a convertible bond of EUR 7,700,000 that was fully subscribed and resolved to start preparing a share issue. Further, the company's share capital has been decreased to EUR 80,000 pursuant to the resolution of the general meeting. Due to the successful Convertible Bond and decrease in the share capital Valoe's equity ratio was ca. 21.7 per cent as per 31 December 2015.

The figures in brackets are comparison figures for the corresponding period in 2014, unless stated otherwise.

October – December 2015 (continuing operations i.e. the Clean Energy segment including the figures of the Beijing subsidiary)

- Valoe Group's net sales increased by 179.4 percent to EUR 0.2 million (In 2014: EUR 0.1 million).
- EBITDA was EUR -1.3 million (EUR -1.1 million).
- Operating profit was EUR -1.3 million (EUR -4.4 million).
- The profit before taxes was EUR -1.9 million (EUR -4.7 million).
- Profit for the period was EUR -1.9 million (EUR -4.7 million).

January - December 2015 (continuing operations i.e. the Clean Energy segment including the figures of the Beijing subsidiary)

- Valoe Group's net sales decreased by 16.9 percent to EUR 0.7 million (In 2014: EUR 0.8 million including the component production of the Beijing factory during the first quarter).
- EBITDA was EUR -2.1 million (EUR -3.3 million).
- Operating profit was EUR -2.8 million (EUR -10.9 million).
- The profit before taxes was EUR -3.9 million (EUR -11.7 million).
- Profit for the period was EUR -3.9 million (EUR -11.7 million).
- Earnings per share were EUR -0.005 (EUR -0.014) and diluted earnings per share EUR -0.005 (EUR -0.014).

The profit for the corresponding year 2014 was decreased by write-downs of EUR 6.2 million done in the Beijing factory and its production equipment.

The operating profit was decreased by a one-off cost of EUR 0.7 million that related to the Beijing factory and was booked on the last quarter of 2015. The cost was due to taxation of equipment imported in 2008 that was changed afterwards. Based on tax indemnity in the share and asset sale agreement between Valoe and Savcor Group Ltd, an Australian based company, done in 2009, this back tax belongs to the seller i.e. Savcor Group Ltd. This back tax has been invoiced from Savcor Group Ltd and a claim of EUR 0.7 million against Savcor Group Ltd has been booked in the other operating income of continuing operations in the first quarter of 2015. Negotiations regarding this claim and Valoe's debt to Savcor Group Ltd, amounting to the claim, are continuing and the outcome of Valoe's claim involves risks.

## MANAGING DIRECTOR IIKKA SAVISALO'S REVIEW

On the reporting period Valoe focused on finalizing the first manufacturing partnership agreement and on sales relating to similar agreements. Although the deadline for local financing negotiations in Ethiopia were postponed several times, the first partnership agreement and related financing were agreed upon in February 2016 on expected terms mainly on line with Valoe's quotation.

On the fourth quarter of 2015 the company's net sales remained low. The season for solar power plant deliveries in Finland slows down in late spring and on the last quarter of 2015 there was not as much market activities as on the two previous quarters. The company continued developing its production lines and deepened the cooperation with its cell manufacturing partner. Valoe's cell supplier is one the biggest manufacturer of cells and modules in the world. Thanks to good cooperation Valoe has had better opportunities to test competitiveness of its module manufacturing recipe compared to H type modules that represent the current mainstream of produced modules in the world.

The demand for solar energy seems to be continuing to grow on the Finnish market. This gives Valoe an opportunity to test sales and delivery models for modules and solar power plant technologies, at home. However, the production of Valoe's plant in Mikkeli is not essential for the company's growth regardless of the company's success in Finland. The most substantial growth will be achieved if Valoe succeeds in selling several module manufacturing plants like the one sold in Ethiopia. According to Valoe's strategy buyers of module manufacturing plants, who are Valoe's manufacturing partners, start using Valoe's components forming an ecosystem whose development and competitiveness Valoe will look after. Additionally Valoe will take care of an ecosystem's technological and economic competitiveness by updating plants based on the latest research and experience.

As Valoe has got the first manufacturing partner in its ecosystem the company has to increase the number of resources who are developing technologies for partners. Besides production lines Valoe is ready to provide its partners with Conductive Back Sheet (CBS) developed by the company. Thus securing sufficient and competitive CBS capacity is one of Valoe's most important investment targets in the near future.

In 2015 Valoe commenced a project aiming to optimize cells for back contact modules. The objective of the project is to develop features of cells used in back contact modules to produce best possible capacity compared to H type modules made of similar materials. Tekes, the Finnish Funding Agency for Innovation, granted Valoe a significant development loan of EUR 4 million, which secured financing for the project.

In the long-term, Valoe will include in its offering technologies relating to energy storages and fuel cells according to the company's strategy. As to the key competences in these technologies Valoe will be supported by its technology partners.

On the reporting period Valoe, simultaneously with its Ethiopian and other projects, negotiated on a manufacturing partnership agreement for the North American market. Negotiations with the same partner are continuing. On the decentralized power plant market in North America retail business and consumers, in particular, prefer high efficiency modules with capacity more than 300 Wp. The price per peak efficiency of these modules is high and the markets are dominated by companies manufacturing high quality and expensive modules like SunPower, Panasonic and LG. In North America Valoe offers its partner modules with high quality N type cells that compete in the same capacity class with the modules manufactured by the above mentioned companies but are less expensive to produce. On the market, controlled by Asian manufacturers, Valoe's manufacturing partners would also have the advantage of having modules produced in the region where they are sold, that is appreciated also in North America. Thanks to the high level of automation in Valoe's technology labor costs would not be too high even in the USA. Additionally, Valoe has several negotiations for manufacturing partnership agreements going on around the world.

## VALOE'S STRATEGY

The net sales of Valoe's Clean Energy segment will be generated by the following four product concepts:

### 1. Photovoltaic modules and systems

Sales of modules and small photovoltaic systems are probably Valoe's most visible but in terms of revenue potential the smallest 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 provides solar power plants and systems to its customers in Finland and abroad. Valoe enhances the sale of its modules and solar systems in Finland by starting to build sales channels systematically.

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. Thus, the module sales do not form a major part of the sales of the company.

The first module manufacturing recipes fully developed by Valoe has passed the demanding test programs of the German Fraunhofer ISE, which enables Valoe's modules to be certified in all market areas the company is targeting.

## 2. Production lines and related components

Typically, manufacturers operating on the developing markets, e.g. in China, could be interested in investing in new production lines. These Valoe's potential customers are producing traditional stringed H-pattern modules. According to the information available to Valoe many manufacturers are going to start to manufacture next generation modules using the CBS technology. At least one of the world's biggest manufacturers has already announced in public that it will start using CBS technology. These kinds of customers usually have their own module manufacturing recipe and require only production equipment or lines. According to Valoe's estimation typical price of production equipment or a production line for solar modules is EUR 4 – 8 million.

The company is having negotiations with several potential customers interested in Valoe's production technology for delivering solar module plants, production lines or parts for the lines worldwide. The value of the contracts Valoe is negotiating for varies from approximately 2 million Euros to approximately 60 million Euros.

Valoe received its first order for a module manufacturing plant from Ethiopia in February 2016. The value of the order totaled EUR 15.8 million. 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. If Valoe succeeds to achieve market position it is targeting as a supplier of CBS production lines, expected development on the market facilitates orders for tens of production lines in the next five years.

## 3. Manufacturing partners

After having received the first manufacturing partnership agreement and the first order for a manufacturing plant in February 2016, Valoe continues negotiating for cooperation agreements with several potential manufacturing partners who as newcomers on the market would commit themselves to both Valoe's production technology and module manufacturing recipe like the Ethiopian customer has done. Valoe provides a partner with a turnkey delivery project and commits to minority shareholding in a manufacturing company as was the case with the order from Ethiopia. Valoe's shareholding is agreed to be 30 percent in Ethiopia. Manufacturing partners 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. The value of the order from Ethiopia totaled EUR 15.8 million. Valoe is aiming to sign at least 10 manufacturing partnership contracts in the next five years.

## 4. Special components

Special components 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.

In the future Valoe is planning to offer its partners other components too. These components might include e.g. various intelligent components, components relating to energy storages and special back contact based cell technologies.

## OPERATING ENVIRONMENT

Valoe operates in industries applying clean energy technology. Valoe's operating environment is global. The company's customers operating in the clean energy business are companies that provide products and services locally or worldwide.

Valoe's key products and services have been designed for the photovoltaic market. Modern next generation conductive back sheet based solar modules can be manufactured with Valoe's own module manufacturing recipe and automated production.

On the market, general attitude to the solar energy investments improved clearly already at the end of 2013. The same trend continued the whole year 2014 and still during 2015. Many solar module manufacturers with solid market position have started to plan investing in capacity, partly to increase the amount of their production capacity and partly to replace production capacity for old H-pattern solar modules.

Valoe has previously announced that according to the company's view the focus of its future business will be in the developing countries. The company's view has strengthened during 2015 and the order from Ethiopia in February 2016 further strengthens this view. Many of the mega trends such as national climate protection objectives; increasing industrialisation in the developing countries and increasing energy self-sufficiency, favour local manufacturing of solar modules. For the moment major part of the world's solar module manufacturing is concentrated in China. Modules are manufactured in large labour-intensive units and are delivered from there to the world market to be installed.

In the developed countries solar electricity is mainly produced in large solar power plants located in open landscape feeding electricity to main grid. In this kind of power plants logistics costs, among others, can be optimized and such parameters as module's capacity per square meter have not had major importance. In the developing countries logistics costs, in particular, are significant and demand is focused on so called mini grid systems where solar power plants have been decentralized and new local grid is built around them. Grids are connected to each other and to new small power plants as electricity consumption, distribution and production increases steadily. Electricity production is decentralized and electricity is distributed through a new type of grid infrastructure. Small power plants are often so called hybrids where solar power plants are operated together with diesel, water and wind power plants in same grid and where various energy storages can be integrated.

In an environment described above a local producer has much better possibilities to control logistics costs and adopt legislation favouring local production. Many of the partners Valoe is negotiating with have noticed that local production costs are clearly lower than prices of modules imported from China. When modules are produced locally possibilities to control the quality increase, too. In Valoe's view CBS based modules have typically solid quality which improves average module capacity in most of the cases.



## FINANCING

Cash flow from business operations before investments in January – December was EUR -2.5 million (EUR -4.0 million). Trade receivables at the end of the reporting period were EUR 0.1 million (EUR 1.0 million). Net financial items amounted to EUR 1.1 million (EUR 0.8 million).

At the end of December the equity ratio of Valoe Group was -193.7 percent (-130.9 %) and equity per share was EUR -0.014 (EUR -0.011). The equity ratio including capital loans was -100.0 percent (-88.9 %). At the end of the reporting period, the Group's liquid assets totaled EUR 0.03 million (EUR 0.2 million) and unused export credit limits and bank guarantee limits amounted to EUR 0.0 million (EUR 0.0 million).

The financing situation of Valoe has improved remarkably due to the successful Convertible Bond I/2015. However, the financing situation continues to be tight but according to the company's management the EUR 15.8 million order received in February 2016, out of which EUR 9.5 million will be paid in cash, turns the company's financing situation clearly more stable. However, this is subject to the company being able to arrange financing for building period and advance payment guarantee that are typical of export business and the order being delivered as agreed. Valoe and the Finnish Funding Agency for Innovation, Tekes have agreed on new funding for Valoe. Tekes gives Valoe a subsidized loan of ca. EUR 4 million to further develop photovoltaic modules and to develop solar cells based on the back contact technology. The loan can amount to max. 70 per cent of the project's total costs which are estimated to be ca. EUR 5.8 million. The loan will be withdrawn in 2016 - 2019. The loan period is seven years.

The company has planned to get long-term financing to finance the company's growth by arranging a share issue. A share issue is planned to be directed to investors in Finland and abroad. The schedule of a possible share issue is not yet known.

As the company has previously informed many negotiations for deliveries of production technology have made progress. Valoe's financing situation continues to be tight at least until financing for building period for the order received from Ethiopia has been arranged and advance payment relating to the sale has been paid to Valoe. The payment terms of the order from Ethiopia Valoe quoted have been accepted as such. If the company is able to arrange financing for the delivery time the Ethiopian order will lead the cash flow from operations to turn positive and according to the management of the company no other bridging financing would be needed at that point.

During the reporting period Valoe has agreed with Danske Bank Plc on extending the overdraft facility of EUR 0.95 million available to the company until 31 March 2016. Further, Valoe has agreed with Danske Bank Plc that the export credit limit of EUR 0.45 million will be repaid in installments by 31 March 2016. Valoe has agreed with Savcor Group Oy on extending the loan period of a convertible bond of ca. EUR 0.364 million until 31 March 2016. Out of Savcor Invest B.V.'s loan of EUR 1 million a total of ca. EUR 0.876, including interests, was converted to Valoe's Convertible Bond I/2015 and the rest of the loan i.e. ca. EUR 0.324 million has been extended until 31 March 2016. SCI Invest Oy's convertible bond of ca. EUR 0.841 million, including interests, has been converted to loan shares of Valoe's Convertible Bond I/2015.

In order to strengthen Valoe's capital structure the company resolved to issue a Convertible Bond of EUR 5,000,000 at the most at the end of May 2015. Due to oversubscription the maximum amount of the Convertible Bond was increased to EUR 7,700,000. The Convertible Bond was fully subscribed and the Board of Directors of Valoe approved all subscriptions on 9 October 2015. One loan share of EUR 0.01 pursuant to the Promissory Note entitles the Promissory Note Holder to subscribe for one new share.

Based on the subscriptions made pursuant to the loan shares Valoe shall issue a maximum amount of 770,000,000 new Valoe shares. The loan period and the conversion period expire on 1 August 2018.

Until financing and guarantee relating to the order from Ethiopia have been arranged Valoe's financing situation continues to be tight and until then the sufficiency of the company's financing and working capital for the next twelve months involve significant risks. Valoe's financial and other risks have been handled in the item "Risk management, Risks and Uncertainties" of this Financial Statement Release.

## RESEARCH AND DEVELOPMENT

The knowledge and competence Valoe has gained so far and technological success of the company's products have based on significant investments in the research and development. The module developed by Valoe and its production technology have already proven to be well functional and the targets set for the research and development have been exceeded. Also in the future, commercial success will highly depend on how well the research and development will succeed. The ca. EUR 4 million loan granted by Tekes in December 2015 enables Valoe to continue systematic research and development and to invest in development areas that fastest improve the company's market position.

Valoe's strategically important products have already been tested and are functional. If Valoe succeeds in its research and development the company may obtain cell and module technology that further improves the competitiveness of Valoe's products and services. The company continues to make significant investments in research and development and will utilize both national and European research funding to finance that also in the future.

The Group's research and development costs during the January – December period amounted to EUR 1.1 million (EUR 1.7 million) or 132.8 (25.7) percent of net sales. The research and development costs of the Group's continuing operations during the January – December period totaled EUR 1.1 million (EUR 1.1 million) or 154.2 (131.8) percent of net sales.

## INVESTMENTS

Gross investments in the continuing operations during January - December period amounted to EUR 0.4 million (EUR 0.4 million). The investments on the reporting period as well as on the corresponding period were mainly in development costs.

## PERSONNEL

At the end of December the Group employed 20 (26) people, out of which 19 persons worked in Finland and 1 person in the USA. During the reporting period the Group's salaries and fees totaled EUR 1.6 million (EUR 3.3 million).



## SHARES AND SHAREHOLDERS

Valoe's share capital amounted to EUR 80,000.00 at the end of the reporting period. The number of shares was 862,472,136. The company has one series of shares, which confer equal rights in the company. Valoe did not own any of its own shares at the end of the reporting period.

The company had a total of 6,259 shareholders at the end of December 2015, and 20.3 percent of the shares were owned by foreigners. The ten largest shareholders held 79.6 percent of the company's shares and voting rights on 31 December 2015.

The largest shareholders on 31 December 2015

	shares	percent
1 SAVCOR GROUP OY	328 451 387	38,08
2 SAVCOR GROUP LIMITED	133 333 333	15,46
3 GASELLI CAPITAL OY	95 000 000	11,01
4 KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ ETERA	63 673 860	7,38
5 SAVCOR INVEST B.V.	39 374 994	4,57
6 FRATELLI OY	9 223 250	1,07
7 SCI INVEST OY	6 870 645	0,80
8 NORDEA PANKKI SUOMI OYJ	4 482 364	0,52
9 VUORENMAA TIMO ANTERO	3 841 860	0,45
10 PARPOLA VILLE	2 498 759	0,29
OTHERS	175 721 684	20,37
TOTAL	862 472 136	100,00

The list of the largest shareholders does not include e.g. the changes in ownership that would realize if subscriptions of the Convertible Bond I/2015 approved on 9 October 2015 would be converted to shares at a price of EUR 0.01 in the future. Subscriptions for a total of EUR 7,700,000 were made which equals to max. 770,000,000 new shares in Valoe.

The members of the Board of Directors and the President and CEO, either directly or through companies under their control, held a total of 377,195,785 shares in the company on 31 December 2015, representing about 43.7 percent of the company's shares and voting rights. Iikka Savisalo, Valoe's Managing Director, either directly or through companies under his control, held a total of 374,697,026 shares in the company and 15,852,856 options connected to bond I/2012.

The price of Valoe's share varied between EUR 0.007 and 0.02 during the January – December period. The average price was EUR 0.013 and the closing price at the end of December EUR 0.019. A total of 105.0 million Valoe shares were traded at a value of EUR 1.3 million during the January – December period. The company's market capitalization at the end of December stood at EUR 16.4 million.

During the reporting period the Board of Directors of Valoe resolved the terms and conditions of a stock option scheme. The maximum total number of stock options issued is 130,000,000 and they entitle their owners to subscribe for a maximum total of 130,000,000 new shares in the company. The stock options will be issued for free. The Board of Directors shall annually decide upon the distribution of the stock

options to the key employees of the Group. Of the stock options, 50,000,000 are marked with the symbol 2015A, 40,000,000 are marked with the symbol 2015B and 40,000,000 are marked with the symbol 2015C.

During the reporting period Ingman Finance Oy and Keskinäinen Vakuutusyhtiö Etera converted the loan capital and interests of the Convertible Bond I/2013 to loan shares in the Convertible Bond I/2015.

Options connected to bond I/2012 are held by SCI Invest Oy and Savcor Group Oy.

## SHARE ISSUE AUTHORIZATIONS IN FORCE

There is no share issue authorizations in force as the Convertible Bond I/2015 has been fully subscribed and the company has resolved on the stock option scheme during the reporting period.

## THE MAJOR EVENTS SINCE THE END OF THE FINANCIAL YEAR

### 10 February 2016: VALOE RECEIVED A CA. EUR 15.8 MILLION ORDER FOR A SOLAR MODULE MANUFACTURING PLANT FROM ETHIOPIA

On 29 June 2015 Valoe Corporation announced that it had concluded the business negotiations for the first manufacturing partnership agreement with a foreign customer, but that the sale of a module manufacturing plant was subject to local project financing that has now been secured. The main financier of the project is The Development Bank of Ethiopia.

The order for a solar module manufacturing plant relating to a manufacturing partnership agreement totals ca. EUR 15.8 million. The plant will be delivered to Ethiopia during the year 2016. 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. The customer will secure the payment of the delivery with an irrevocable letter of credit from a solvent European bank.

Valoe has to arrange advance payment guarantee that is typical of export business and financing of ca. EUR 2.0 – 4.0 million for building period from its suppliers and financiers.

The order from Ethiopia is the first order consistent with Valoe's long-term strategy. During the negotiations Valoe has become more convinced that the strategic decisions it has made were right. Valoe has new and advanced technology. With the material Valoe has provided the company has convinced its customers and their financiers of Valoe's advanced technology as well as technical and commercial competence to support Valoe's manufacturing partners also in the future.

Ilkka Savisalo, CEO, comments on the deal: "The order Valoe received proves that new Finnish knowhow is valued. Valoe trusts the order will improve the company's possibilities to meet its targets in the future and speed up the expansion of the company's operations in the world."

The module manufacturing plant order involves business, financial and country risks that are typical of international equipment sales.

## 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.

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.

The Convertible Bond I/2015 enabled the company to stabilize its short-term financing remarkably. According to the management of the company the EUR 15.8 million order for a module manufacturing plant received from Ethiopia in 2016, out of which EUR 9.5 million will be paid in cash, turns the company's cash flow from operations positive if the order is realized as planned. However, Valoe has to arrange advance payment guarantee, typical of export business, for the order and financing of ca. EUR 2.0 – 4.0 million for building period from its suppliers and financiers. Until the afore said financing and guarantee have been arranged Valoe's financing situation continues to be 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 company does not succeed to secure sufficient financing for the delivery time of the order from Ethiopia, the continuity of the company's operation may be jeopardized. If the above mentioned financing and guarantee for the order from Ethiopia would be delayed or if the market situation gets worse it may take longer time to turn orders into revenue. This would affect significantly the schedule in which cash flow before investments would turn positive. In such a case the company's financing situation would further tighten.

In the Auditor's Report in the Annual Report 2014 the company's auditor drew attention to the financial risk management with a so called Emphasis of Matter as follows: "Without qualifying our opinion, we draw attention to the basis of preparation of the financial statements and to the note 29. Financial risk management. The financial statements have been prepared under the going concern assumption. The continuity of operations requires the company to be able to obtain supplementary funding and to negotiate changes to the terms of payment during 2015. The company continues negotiating with its major financiers and shareholders on measures to strengthen the financing situation until the company's cash flow is expected to turn positive. The sufficiency of the company's financing and working capital for the next twelve months involve very significant risks. According to the current view of Valoe's management the company needs to obtain a bridging loan until long-term financing arrangement has been secured and the cash flow of the business operations of the company has turned positive. Negotiations on bridging financing are going on. The company will have a significant deficit in its working capital until the first delivery of production technology for solar modules will start to generate positive cash flow. If the

company does not succeed in securing sufficient short-term and long-term financing, the continuity of the company's operation may be jeopardized. The valuation of the assets is based on the going concern assumption. If the estimates are not achieved the assets may become impaired."

The execution of the non-binding cooperation agreement signed between Valoe and Vikram Solar involves typical business risks. Arrangements pursuant to the non-binding cooperation agreement are subject to several terms and conditions, especially to Valoe's financing.

The execution of the non-binding Memorandum of Understanding signed with a Chinese photovoltaic module manufacturer involves significant risks. The final terms of an agreement are still under negotiations, thus execution of the agreement is not yet guaranteed. Additionally, the agreement is subject to Valoe's financing.

The module manufacturing plant order from Ethiopia involves business, financial and country risks that are typical of international equipment sales.

The certain statements in this release and especially the company's financial guidance as well as 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.

Relating to taxation of the Beijing factory in China a claim of EUR 0.7 million against Savcor Group Ltd was booked in the other operating income of the company's continuing operations in the first quarter of 2015. The outcome of the claim involves risks.

The closing of the latter part (30 %) of the transaction between Valoe and FTTK Company Limited involves risks. In terms of the latter part of the transaction the deal was supposed to be closed by 1 March 2015, however, the closing of the transaction has been postponed. The postponement relates to a dispute between the parties relating to division of costs of unfinished customer projects. The dispute has been referred to arbitration on 24 June 2015.

Other risks connected to Valoe have been presented in more detail in the Annual Report for 2014.

## MARKET OUTLOOK

Valoe's financial guidance for the year 2016 announced on 14 December 2015 remains unchanged. Valoe estimates that the net sales of Valoe Group will be ca. EUR 11 – 13 million in 2016 (2015: EUR 0.7 million) and the EBITDA ca. EUR 1.5 – 2.0 million (2015: EUR-2.1 million). The financial year 2016 is estimated to be profitable (2015: EUR –3.9 million). All comparison figures concern the continuing operations.

## CORPORATE GOVERNANCE STATEMENT

Valoe applies the Finnish Corporate Governance Code approved by the Securities Market Association effective as of 1 October 2010. Valoe's Corporate Governance Statement drawn in accordance with Recommendation 51 will be released on the week 11 of 2016 as a separate report.

## THE BOARD OF DIRECTORS' PROPOSAL CONCERNING THE DISTRIBUTION OF PROFIT

The Board of Directors proposes to the Annual General Meeting that will be held on 11 May 2016 that no dividend from the financial year 2015 will be paid.

## GENERAL MEETING

Valoe's annual general meeting will be held on 11 May 2016. A notice of a general meeting will be published later on.

In Mikkeli, 17 February 2016

Valoe Corporation

BOARD OF DIRECTORS

For more information please contact:

Valoe: Iikka Savisalo, President and CEO, tel. +358 40 521 6082, [iikka.savisalo@valoe.com](mailto:iikka.savisalo@valoe.com)

# Consolidated statement of comprehensive income

(unaudited)

1 000 EUR	10-12/2015	10-12/2014	1-12/2015	1-12/2014
<b>Continuing operations</b>				
<b>Net sales</b>	176	63	699	841
Cost of sales	-262	-3 324	-937	-8 398
<b>Gross profit</b>	<b>-86</b>	<b>-3 261</b>	<b>-237</b>	<b>-7 557</b>
Other operating income	24	-4	895	23
Product development expenses	-132	-383	-1 078	-1 109
Sales and marketing expenses	-202	-276	-686	-840
Administrative expenses	-257	-309	-982	-1 146
Other operating expenses	-693	-123	-705	-256
<b>Operating profit</b>	<b>-1 347</b>	<b>-4 357</b>	<b>-2 794</b>	<b>-10 885</b>
Financial income	90	225	306	903
Financial expenses	-640	-532	-1 442	-1 707
<b>Profit before taxes from continuing operations</b>	<b>-1 896</b>	<b>-4 664</b>	<b>-3 931</b>	<b>-11 689</b>
Income taxes	-1	20	0	-4
<b>Profit/loss for the period from continuing operations</b>	<b>-1 897</b>	<b>-4 645</b>	<b>-3 931</b>	<b>-11 693</b>
<b>Discontinued operations</b>				
Profit/loss after tax for the period from discontinued operations	20	-154	-91	-712
<b>Profit/loss for the period</b>	<b>-1 877</b>	<b>-4 798</b>	<b>-4 022</b>	<b>-12 405</b>
<b>Profit/loss attributable to:</b>				
Shareholders of the parent company	<b>-1 877</b>	<b>-4 798</b>	<b>-4 022</b>	<b>-12 405</b>
Earnings/share (diluted), eur	-0,002	-0,006	-0,005	-0,015
Earnings/share (basic), eur	-0,002	-0,006	-0,005	-0,015
<b>Continuing operations:</b>				
Earnings/share (diluted), eur	-0,002	-0,005	-0,005	-0,014
Earnings/share (basic), eur	-0,002	-0,005	-0,005	-0,014
<b>Profit/loss for the period</b>	<b>-1 877</b>	<b>-4 798</b>	<b>-4 022</b>	<b>-12 405</b>
<b>Other comprehensive income</b>				
Translation difference	-106	-460	-468	-1 114
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>-106</b>	<b>-460</b>	<b>-468</b>	<b>-1 114</b>
<b>Total comprehensive income for the period</b>	<b>-1 983</b>	<b>-5 258</b>	<b>-4 490</b>	<b>-13 519</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the parent company	<b>-1 983</b>	<b>-5 258</b>	<b>-4 490</b>	<b>-13 519</b>



# Consolidated statement of financial position

(unaudited)

1 000 EUR	31.12.2015	31.12.2014
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	64	44
Consolidated goodwill	441	441
Other intangible assets	3 737	4 092
Available-for-sale investment	9	9
Deferred tax assets	0	0
<b>Total non-current assets</b>	<b>4 251</b>	<b>4 586</b>
<b>Current assets</b>		
Inventories	254	67
Trade and other non-interest-bearing receivables	1 545	2 013
Cash and cash equivalents	31	161
<b>Total current assets</b>	<b>1 830</b>	<b>2 240</b>
Assets classified as held for sale	0	733
<b>Total assets</b>	<b>6 082</b>	<b>7 560</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders of the parent company</b>		
Share capital	80	3 425
Other reserves	0	49 460
Translation difference	-750	-281
Retained earnings	-11 108	-62 500
	-11 779	-9 897
Non-controlling interests	9	8
<b>Total equity</b>	<b>-11 770</b>	<b>-9 888</b>
<b>Non-current liabilities</b>		
Non-current loans	7 222	1 571
Deferred tax liabilities	0	0
<b>Total non-current liabilities</b>	<b>7 222</b>	<b>1 571</b>
<b>Current liabilities</b>		
Current interest-bearing liabilities	3 131	7 357
Trade and other payables	6 976	6 693
Current provisions	0	0
<b>Total current liabilities</b>	<b>10 107</b>	<b>14 050</b>
Liabilities directly associated with assets classified as held for sale	522	1 828
<b>Total liabilities</b>	<b>17 852</b>	<b>17 449</b>
<b>Equity and liabilities total</b>	<b>6 082</b>	<b>7 560</b>

# Consolidated statement of cash flows

(unaudited)

1 000 EUR	1-12/2015	1-12/2014
<b>Cash flow from operating activities</b>		
Income statement profit/loss from continuing operations before taxes	-3 931	-11 689
Income statement profit/loss from discontinued operations before taxes	-91	-712
Income statement profit/loss before taxes	-4 022	-12 401
<b>Non-monetary items adjusted on income statement</b>		
Depreciation and impairment	+ 696	7 844
Gains/losses on disposals of non-current assets	+/- 0	-298
Unrealized exchange rate gains (-) and losses (+)	+/- -311	-256
Other non-cash transactions	+/- -62	87
Financial income and expense	+ 1 448	1 060
<b>Total cash flow before change in working capital</b>	<b>-2 251</b>	<b>-3 964</b>
<b>Change in working capital</b>		
Increase (-) / decrease (+) in inventories	-159	179
Increase (-) / decrease (+) in trade and other receivables	1 716	289
Increase (+) / decrease (-) in trade and other payables	-1 358	-516
Change in provisions	-86	-5
<b>Change in working capital</b>	<b>113</b>	<b>-53</b>
<b>Adjustment of financial items and taxes to cash-based accounting</b>		
Interest paid	- 294	308
Interest received	+ 1	3
Other financial items	- 68	-304
Taxes paid	- 3	17
Financial items and taxes	-364	-17
<b>NET CASH FLOW FROM BUSINESS OPERATIONS</b>	<b>-2 502</b>	<b>-4 034</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments in tangible and intangible assets	- 396	1 084
Proceeds on disposal of tangible and intangible assets	+ 34	29
Loans granted	- 160	0
Loans granted to associated companies	- 0	103
Repayment of loan receivables	+ 263	0
Acquisition of subsidiaries and other business units	- 0	1
Disposal of subsidiaries and other business units	+ 0	3 048
<b>NET CASH FLOW FROM INVESTMENTS</b>	<b>-259</b>	<b>1 890</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	+ 0	2 400
Proceeds from non-current borrowings	+ 3 381	256
Repayment of non-current borrowings	- 8	7
Proceeds from current borrowings	+ 265	3 737
Repayment of current borrowings	- 1 004	3 878
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>2 634</b>	<b>2 509</b>
<b>INCREASE (+) OR DECREASE (-) IN CASH FLOW</b>	<b>-127</b>	<b>364</b>

## Consolidated statement of changes in equity

(unaudited)

1 000 EUR	Share capital	Other reserves	Translation difference	Distributable non-restricted equity fund	Retained earnings	Total	Non-controlling interests	Total equity
<b>31.12.2014</b>	<b>3 425</b>	<b>4 908</b>	<b>-281</b>	<b>44 552</b>	<b>-62 500</b>	<b>-9 897</b>	<b>8</b>	<b>-9 888</b>
own equity component of the convertible bond	-	-	-	-	2 608	<b>2 608</b>	-	<b>2 608</b>
Transfer between items	-	-	-	-520	520	<b>0</b>	-	<b>0</b>
Reduction of the share capital	-3 345	-4 908	-	-44 032	52 285	<b>0</b>	-	<b>0</b>
Translation difference, comprehensive income	-	-	-468	-	-	<b>-468</b>	1	<b>-468</b>
Profit/loss for the period	-	-	-	-	-4 022	<b>-4 022</b>	-	<b>-4 022</b>
<b>31.12.2015</b>	<b>80</b>	<b>0</b>	<b>-750</b>	<b>0</b>	<b>-11 108</b>	<b>-11 779</b>	<b>9</b>	<b>-11 770</b>

The presentation of the own equity component of the convertible bond is defined during Q3 2015, they are transferred from distributable non-restricted equity fund to retained earnings. After the transfer the value of the distributable non-restricted equity fund is zero also in consolidated accounts.

1 000 EUR	Share capital	Other reserves	Translation difference	Distributable non-restricted equity fund	Retained earnings	Total	Non-controlling interests	Total equity
<b>31.12.2013</b>	<b>3 425</b>	<b>4 908</b>	<b>833</b>	<b>39 661</b>	<b>-50 095</b>	<b>-1 269</b>	<b>0</b>	<b>-1 269</b>
Directed share issue	-	-	-	204	-	-	-	-
Share issue	-	-	-	4 882	-	<b>4 882</b>	-	<b>4 882</b>
Share issue expenses	-	-	-	-194	-	<b>-194</b>	-	<b>-194</b>
Non-controlling interests	-	-	-	-	-	<b>0</b>	8	<b>8</b>
Translation difference, comprehensive income	-	-	-1 114	-	-	<b>-1 114</b>	-	<b>-1 114</b>
Profit/loss for the period	-	-	-	-	-12 405	<b>-12 405</b>	-	<b>-12 405</b>
<b>31.12.2014</b>	<b>3 425</b>	<b>4 908</b>	<b>-281</b>	<b>44 552</b>	<b>-62 500</b>	<b>-9 897</b>	<b>8</b>	<b>-9 888</b>

## Segment information

(unaudited)

From 1 January 2013 Valoe reported of three business segments to comply with the company's Cleantech strategy. The segments were Laser and Automation Applications (LAS), Life Cycle Management (LCM) and Clean Energy (CCE). 17 September Valoe announced that it has transferred the company's electronics automation business into Cencorp Automation Oy, a fully-owned subsidiary of Valow. 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, i.e. LAS and LCM segments, as discontinued operations from Q3/2014 and segment information is divided into continuing and discontinued operations. Segment information is not available after operating profit in profit and loss statement. Financial income and expenses or balance sheet items are not booked to segments. Valoe's new segment information is based on the management's internal reporting and on the organisation structure. During the year 2015 the discontinued operations include the finishing up of few remaining projects of the electronics automation business sold to FTTK and finalising the sale of the shares.

1 000 EUR	10-12/2015	10-12/2014	1-12/2015	1-12/2014
<b>Net sales</b>				
Cencorp Clean Energy - continuing operations	176	63	699	841
Discontinued operations	37	461	113	5 665
<b>Total</b>	<b>213</b>	<b>524</b>	<b>812</b>	<b>6 506</b>
<b>Operating profit</b>				
Cencorp Clean Energy - continuing operations	-1 347	-4 357	-2 794	-10 885
Discontinued operations	20	-154	-91	-712
<b>Total</b>	<b>-1 327</b>	<b>-4 511</b>	<b>-2 885</b>	<b>-11 597</b>
<b>EBITDA</b>				
Cencorp Clean Energy - continuing operations	-1 313	-1 087	-2 098	-3 342
Discontinued operations	20	-150	-91	-411
<b>Total</b>	<b>-1 293</b>	<b>-1 238</b>	<b>-2 189</b>	<b>-3 753</b>
<b>Depreciation</b>				
Cencorp Clean Energy - continuing operations	34	245	696	1 318
Discontinued operations	0	4	0	301
<b>Total</b>	<b>34</b>	<b>248</b>	<b>696</b>	<b>1 619</b>
<b>Impairment</b>				
Cencorp Clean Energy - continuing operations	0	3 025	0	6 225
Discontinued operations	0	0	0	0
<b>Total</b>	<b>0</b>	<b>3 025</b>	<b>0</b>	<b>6 225</b>

## 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.

During the year 2015 the discontinued operations include the finishing up of few remaining projects of the electronics automation business sold to FTTK and finalising the sale of the shares.

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

<b>1 000 EUR</b>	<b>1-12/2015</b>	<b>1-12/2014</b>
Revenue	113	5 665
Expenses	-204	-6 824
Other operating income	0	171
Impairment	0	0
<b>Operating profit/loss from discontinued operation</b>	<b>-91</b>	<b>-988</b>
Gain on discontinued operations	-	276
<b>Assets</b>		
Property, plant and equipment	0	0
Other intangible assets	0	0
Inventories	0	28
Trade and other non-interest-bearing receivables	0	705
Cash and cash equivalents	0	0
Assets classified as held for sale	0	733
<b>Liabilities</b>		
Trade and other payables	463	1 683
Provisions	59	145
Liabilities directly associated with assets classified as held for sale	522	1 828
Net assets directly associated with disposal group	<b>-522</b>	<b>-1 094</b>

Cumulative translation difference

Net cash flow of Cencorp's electronics automation business:

<b>1 000 EUR</b>	<b>1-12/2015</b>	<b>1-12/2014</b>
Operating	-536	-1 858
Investing	96	2 701
(includes the return on sales of discontinued operations in 2014)		
Earnings/share (basic), from discontinued operations	-0,0001	-0,001
Earnings/share (diluted) from discontinued operations	-0,0001	-0,001

# Key figures

(unaudited)

1 000 EUR	10-12/2015	10-12/2014	1-12/2015	1-12/2014
Net sales	176	63	699	841
Operating profit	-1 347	-4 357	-2 794	-10 885
% of net sales	-764,5	-6 909,9	-399,7	-1 294,2
EBITDA	-1 313	-1 087	-2 098	-3 342
% of net sales	-745,4	-1 724,2	-300,1	-397,4
Profit before taxes	-1 896	-4 664	-3 931	-11 689
% of net sales	-1 076,4	-7 397,4	-562,3	-1 389,8
Balance Sheet value	6 082	7 560	6 082	7 560
Equity ratio, %	-193,7	-130,9	-193,7	-130,9
Net gearing, %	neg.	neg.	neg.	neg.
Gross investments (continuing operations)	99	231	395	377
% of net sales	56,3	366,9	56,5	44,9
Research and development costs (continuing oper.)	132	383	1 078	1 109
% of net sales	74,7	608,2	154,2	131,8
Order book	46	314	46	314
Personnel on average	20	26	22	74
Personnel at the end of the period	20	26	20	26
Non-interest-bearing liabilities	7 439	8 376	7 439	8 376
Interest-bearing liabilities	10 354	8 928	10 354	8 928
Share key indicators				
Earnings/share (basic)	-0,002	-0,006	-0,005	-0,015
Earnings/share (diluted)	-0,002	-0,006	-0,005	-0,015
Earnings/share (basic), from continuing operations	-0,002	-0,005	-0,005	-0,014
Earnings/share (diluted) from continuing operations	-0,002	-0,005	-0,005	-0,014
Equity/share	-0,014	-0,011	-0,014	-0,011
P/E ratio	-8,73	-1,61	-4,07	-0,61
Highest price	0,020	0,02	0,020	0,04
Lowest price	0,012	0,01	0,007	0,01
Average price	0,016	0,01	0,013	0,02
Closing price	0,019	0,01	0,019	0,01
Market capitalisation, at the end of the period, MEUR	16,4	7,8	16,4	7,8



## 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, %:	$\frac{\text{Interest-bearing liabilities - cash and cash equivalents and marketable securities} \times 100}{\text{Shareholders' equity + minority interest}}$
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. Valoe Corporation has also sold and purchased goods and services from its associated company, Cencorp Automation Oy. Sales of goods and services carried out with the associated company are based on the costs, according to the agreement. Cencorp Automation Oy is not regarded as a related party in 2015.

The Group entered into the following transactions with related parties:

<b>1 000 EUR</b>	<b>1-12/2015</b>	<b>1-12/2014</b>
<b>Continuing operations</b>		
<b>Sales of goods and services</b>		
Savcor companies - financial management and production services	92	67
Cencorp Automation Oy - financial management services	0	19
Savcor Face Ltd - solar modules / production services	36	20
Others	0	0
<b>Total</b>	<b>128</b>	<b>106</b>
<b>Purchases of goods and services</b>		
Savcor companies - financial management, legal and IT services	227	196
Savcor Face Ltd - marketing services	51	36
SCI-Finance Oy - marketing and administration services	98	14
Others - legal service	30	0
<b>Total</b>	<b>405</b>	<b>246</b>
<b>Interest income</b>		
Savcor companies	1	3
<b>Interest expenses and other financial expenses</b>		
Savcor companies	162	213
SCI Invest Oy	57	60
Muut	58	0
<b>Total</b>	<b>277</b>	<b>273</b>
<b>Discontinued operations</b>		
<b>Sales of goods and services</b>		
Cencorp Automation Oy - financial management services	0	87
<b>Purchases of goods and services</b>		
Savcor companies - financial management, legal and IT services	7	194
Savcor Face Ltd - marketing and administration services	0	46
Cencorp Automation Oy - production services	0	395
SCI-Finance Oy - administration services	9	30
Others	1	0
<b>Total</b>	<b>18</b>	<b>665</b>
Non-current convertible subordinated loan from related parties	1 882	0
Interest payable to related parties	156	416
Other current liabilities to related parties	705	1 769
Current convertible subordinated loan from related parties	364	1 159
Trade payables and other non-interest-bearing liabilities to related parties	197	1 363
Trade and other current receivables from related parties	25	371

From the beginning of 2015 Savcor Group Limited in Australia is no longer part of Savcor Group, and liabilities to the company are not included in related party transactions.

Savcor companies are under influence 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.

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

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

<b>1 000 EUR</b>	<b>1-12/2015</b>	<b>1-12/2014</b>
<b>Wages and remuneration</b>		
Salaries of the management and Board	856	905

The presentation of the salaries of the management and Board has been changed from receipts basis to accrual basis, also for the comparison year 2014.

## Fair values

(unaudited)

<b>1 000 EUR</b>	<b>Carrying amount 31.12.2015</b>	<b>Fair value 31.12.2015</b>
<b>Financial assets</b>		
Available-for-sale investments	9	9
Trade and other receivables	1 545	1 545
Cash and cash equivalents	31	31
<b>Financial liabilities</b>		
R&D loan, non-current	1 886	1 886
Non-current convertible subordinated loan	5 336	5 336
Loans from financial institutions, current	1 398	1 398
Current convertible subordinated loan	364	364
Other liabilities, current	1 370	1 370
Trade payables and other non-interest-bearing liabilities	5 866	5 866

The fair value of trade and other receivables is expected to correspond to the carrying amount due to their short maturity.

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.

EUR 5.9 million out of trade payables and other current liabilities was overdue at the end of the reporting period. That included EUR 4.0 million of Savcor Face Beijing's overdue liabilities. During 2015 there was an increase of 0.8 million in Savcor Face Beijing's overdue liabilities, out of which 0.7 million was caused by afterwards changed taxation of equipment imported in 2008. In addition, an interest-bearing loan of EUR 0,5 million to Savcor Group Limited / The Savcor Creditors' Trust and an export credit limit of EUR 0,4 million to Danske Bank were overdue.

# Change in intangible and tangible assets

(unaudited)

<b>1 000 EUR</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Includes tangible assets, consolidated goodwill and other intangible assets</b>		
Carrying amount, beginning of period	4 577	13 654
Depreciation and impairment	-696	-6 905
Additions	395	659
Disposals	-34	-142
Discontinued operations	0	-2 955
Exchange rate difference	0	265
Carrying amount, end of period	<b>4 242</b>	<b>4 577</b>

# Inventories

(unaudited)

<b>1 000 EUR</b>	<b>10-12/2015</b>	<b>10-12/2014</b>	<b>1-12/2015</b>	<b>1-12/2014</b>
<b>Impairment losses and reversals of impairment losses for inventories booked in Income Statement</b>				
<b>Continuing operations</b>				
Impairment loss	0	220	0	939
Reversal of impairment loss	0	0	0	0
<b>Discontinued operations</b>				
Impairment loss	0	0	0	0
Reversal of impairment loss	0	0	0	0



# Commitments and contingent liabilities

(unaudited)

<b>1 000 EUR</b>	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Loans from financial institutions</b>	950	948
Promissory notes secured by pledge	12 691	12 691
<b>Factoring loan and export credit limit</b>	448	1 307
Trade receivables	0	91
Promissory notes secured by pledge	12 691	12 691
<b>Collaterals given from other short-term loans</b>		
Deposits	509	477
<b>Commitments - continuing operations</b>		
Payable within one year	61	58