

Valoe Corporation

Stock Exchange Release 18 October 2021 at 10.00 (Finnish time)

## **VALOE CORPORATION HAS AGREED WITH ILMARINEN MUTUAL PENSION INSURANCE COMPANY ON CONVERTING THE CONVERTIBLE BOND 1/2018 INTO A NEW CONVERTIBLE BOND 2/2021**

Valoe Corporation's ("Valoe") subordinated Convertible Bond 2/2018 expired on 15 October 2021. Valoe and Ilmarinen Mutual Pension Insurance Company, the Promissory Note Holder of the Convertible Bond 2/2018, have negotiated on rearranging the loan and converting it to a new subordinated convertible bond.

Valoe has resolved to issue a Convertible Bond 2/2021 totalling EUR 2,885,993.25, in deviation from the shareholders' pre-emptive subscription rights to Ilmarinen Mutual Pension Insurance Company.

Ilmarinen Mutual Pension Insurance Company has subscribed the Convertible Bond 2/2021 against the subscriber's loan receivable from Valoe and the EUR 120,000 fee ("Fee") for rearranging the Convertible Bond 2/2018 by converting the loan capital and/or interest receivable and the Fee into the Convertible Bond 2/2021.

The loan period shall commence on the payment date and expire on 15 October 2023 on which date the Convertible Bond 2/2021 shall expire to be repayable in its entirety in accordance with these terms of the loan. An annual interest of eight percent shall be accrued to the capital of the Convertible Bond 2/2021. The Promissory Note Holder of the Convertible Bond 2/2021 is entitled to convert the Promissory Note into the shares of the Company in accordance with the terms of the Convertible Bond 2/2021. When the conversion right is being used, the subscription price of one (1) new share of the Company shall be the six-month volume weighted average stock trading price on the period ending on the conversion date less 20 percent. The conversion period of the Convertible Bond commences on 15 October 2022 and terminates on 31 December 2023. After 15 October 2022, the Promissory Note Holder can transfer the Promissory Note freely to a third party. Valoe may repay the loan prematurely at any time.

The shareholders' pre-emptive subscription rights are deviated from as the Company's existing loans are being rearranged in an economical way. 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 2/2021 are, without the technical appendices, attached to this release as Attachment 1.

In Mikkeli on 18 October 2021

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.

## ATTACHMENT 1:

### TERMS OF THE CONVERTIBLE BOND 2/2021 OF VALOE CORPORATION

The Board of Directors of Valoe Corporation (hereinafter "the Company") has, based on the authorization granted to it on 20 May 2021, resolved to take loan (hereinafter "Convertible Bond 2/2018") so that the Company issues other special rights entitling to the shares pursuant to Chapter 10 of the Finnish Companies Act in the form of loan shares to a lender of the loan so that the lender shall have the right to subscribe for the Company's shares based on the respective special rights and that the lender shall have the right to pay the subscription price of the shares by setting it off against the loan receivable referred to in this document.

#### I CONDITIONS OF THE CONVERTIBLE BOND

##### 1. The amount of the Convertible Bond

The amount of the Convertible Bond shall be in total EUR 2,885,993.25.

##### 2. The Subscription right of the Convertible Bond and Loan Shares

The Company shall take the loan referred to in these Convertible Bond terms and conditions and shall issue simultaneously against the loan 288,599,325 loan shares. The number of loan shares to be issued shall be one (1) loan share against each subscribed loan capital amount of EUR 0.01.

The Convertible Bond is issued in deviation from the shareholders' pre-emptive subscription rights to Ilmarinen Mutual Pension Insurance Company.

The Convertible Bond shall be subscribed against the subscriber's loan receivable from the Company and rearrangement fee for the new convertible bond by converting the loan capital and/or interest receivable and the fee into the Convertible Bond in accordance with the terms of this Convertible Bond.

The shareholders' pre-emptive subscription rights are deviated from as the Company's existing loans are being rearranged in an economical way. Thus, there is from the Company's point of view a weighty financial reason to issue the special rights.

##### 3. Subscription Period and Venue for Subscription of the Convertible Bond

The Convertible Bond will be subscribed by approving the Convertible Bond and signing and submitting the subscription form attached as Appendix 1 to this Convertible Bond to the Company in accordance with the instructions included in the form. The Board of Directors of the Company has the right to approve or disapprove a subscription.

##### 4. Loan Period of the Convertible Bond and Repayment

As the Convertible Bond shall be subscribed against the subscriber's receivable from the Company the Convertible Bond shall be deemed to be paid by signing the subscription form.

The loan period shall commence on the payment date and expire on 15 October 2023 (hereinafter the Maturity Date) on which date the Convertible Bond shall expire to be repayable in its entirety in accordance with these terms of the loan.

## 5. Interest of the Convertible Bond

As of the date of withdrawal an annual interest of eight (8) percent shall be accrued to the capital of the Convertible Bond. The interest shall be added in the loan capital annually once a year on 15 October.

The last interest period shall end on 15 October 2023. The interest shall be calculated based on the real interest days divided by 365 days.

Upon the due date of the Convertible Bond on 15 October 2023, all the interests accrued from the loan period shall also due fall and to be paid on 15 October 2023.

In the event the date of interest payment is not a banking day, the interest shall be paid on the following banking day.

Interest shall be paid only in accordance with the provisions of the Finnish Companies Act.

## 6. Promissory Note of the Convertible Bond

The Company shall issue to the subscriber of the Convertible Bond (hereinafter Promissory Note Holder) a promissory note (hereinafter Promissory Note) referred to in the Appendix 2.

## 7. Transferability of the Promissory Note

Until 15 October 2022, the Promissory Note cannot be transferred without consent of the Company. After 15 October 2022, the Promissory Note Holder can transfer the Promissory Note freely.

## 8. Capital Loan

The Convertible Loan is a capital loan referred to in Chapter 12, section 1 of the Finnish Companies Act that shall be booked in the Company's balance sheet as a separate entry. The Company may, at its own discretion, repay the Loan Capital with interest at any time during the loan period in accordance with the provisions of the Companies Act concerning capital loans.

The principal of the Convertible Loan shall be repaid and interest on the principal shall be paid only in accordance with the provisions regarding capital loans in the Finnish Companies Act. The company or its subsidiary shall not post security for the payment of the principal and interest.

## 9. Other

For the delivery of the notifications based on this Convertible Bond, the Promissory Note Holder shall inform the Company his/her/its postal address as from time to time.

The Promissory Note Holder shall, as per request of the Company, submit to the Company all necessary information with regard to the Promissory Note and its administration.

## II TERMS FOR SHARE SUBSCRIPTION AND CONVERSION RIGHT

### 1. Conversion Right and Conversion Ratio

The Promissory Note Holder is entitled to convert the Promissory Note into the shares of the Company in accordance with the terms described below.

When the conversion right is being used, the subscription price of one (1) new share of the Company shall be the six-month volume weighted average stock trading price on the period ending at the time of the conversion less 20 percent.

Based on the subscriptions made pursuant to the loan shares the Company shall issue a maximum amount of 28,000,000 new Company shares. If the aforesaid maximum amount is not sufficient for converting the total capital of the Convertible Bond, including capitalized interests, into the Company shares pursuant to the terms of this Convertible Bond the aforesaid maximum amount shall be increased, upon the conversion, so that the total capital of the Convertible Bond including capitalized interests can, if the Promissory Note Holder so wishes, be converted into the Company shares pursuant to the terms of this Convertible Bond.

Upon using the conversion right, a portion corresponding to the subscription price of a share shall be set off against the unpaid capital of the Convertible Bond including the capitalized interests. The subscription price of the shares shall be entered in entirety into the reserve for invested unrestricted equity.

### 2. Conversion Period and Process Regarding Use of the Conversion Right

The Promissory Note Holder shall have the right to convert the Promissory Note into the Company's shares during the conversion period (subscription period of the shares) which commences on 15 October 2022 and which terminates on 31 December 2023.

The conversion of the Promissory Note into the shares shall take place pursuant to the subscription rules in accordance with the Finnish Companies Act. The Promissory Note Holder shall present to the Board of Directors of the Company the written conversion request which shall constitute the subscription of new shares.

When the Board of Directors has received the conversion request and the Promissory Note Holder has assigned the Promissory Note to the Company, the Board of Directors shall approve the subscription of new shares in accordance with the Convertible Bond. Within 30 (thirty) days from the presentation of the conversion request the Company shall file the Companies Register notification with regard to entering the new shares to the Companies Register.

### 3. Shareholder Rights

The new shares of the Company, which have been subscribed for by using the conversion right of the Convertible Bond, shall have the similar rights with the Company's shares issued previously from the moment the new shares have been entered into the Companies Register.

#### 4. The Rights of the Promissory Note Holder in Certain Special Cases

If the Company during the loan period issues new shares in the share issue against the payment or issues new stock options or other special rights entitling to the shares referred to in Chapter 10 of the Finnish Companies Act so that the shareholders shall have the pre-emptive subscription right, the Promissory Note Holder shall have the same or equal right as a shareholder. Equality is reached by the mean resolved by the Board of Directors of the Company by giving to the Promissory Note Holder the same priority for the subscription of share and/or convertible bond and/or stock option, and/or the exchange ratio of the Convertible Bond will be adjusted and/or the Promissory Note Holder is given right to convert the Promissory Note to the shares during the other time period than referred to in Section II.2 or by combining manners of proceeding referred to above.

If the Company during the loan period issues new shares free of charge, the exchange ratio of the Convertible Bond shall be adjusted so that the percentual share of the shares to be converted by the Convertible Bond compared to all shares shall remain unaltered except for the part that the new number of shares to be converted by the Promissory Note would be a fraction. In the event that the above mentioned division would not be even, the highest round figure that will fulfill the division to the whole shares will be applied.

If the Company during the loan period resolves to acquire or redeem its own shares or stock options or other special rights entitling to the shares pursuant to the Chapter 10 of the Finnish Companies Act through an offer directed to all shareholders or holders of the above mentioned rights, an equal offer shall be made to the holder of the Promissory Note. The redemption or acquisition of the shares and stock options or other special rights entitling to the shares referred to in Chapter 10 of the Finnish Companies Act shall thus be directed to the conversion rights of the Promissory Note pursuant to the resolution of the Board of Directors. Otherwise acquisition or redemption of own shares and stock options and other special rights entitling to the shares referred to under Chapter 10 of the Finnish Companies Act shall not require any actions from the Company with regard to the Promissory Note.

If the Company during the loan period distributes its funds in other means than what has been referred to in the previous section, the Promissory Note Holder shall not be entitled to participate in the distribution of the funds and the distribution of the funds shall not require any actions from the Company with regard to the Promissory Note.

If the Company is placed into liquidation during the loan period, the Convertible Bond shall fall due for payment at the moment when placing the liquidation has been entered into the Companies Register.

If the Company during the loan period resolves on the merger or division, the Promissory Note Holders shall be reserved a right, during the time period set by the Board of Directors of the Company prior to resolution on the merger or division, to convert the Promissory Note into shares. Alternatively the Promissory Note Holders shall be given the right to subscribe for the convertible bond issued by similar terms by the receiving company so that the subscription can be made on equal rights compared to the shares of the receiving company which have been issued to the shareholders pursuant to what has been resolved on the matter in the merger plan or division plan. After the above-mentioned time period reserved for the use of the conversion right or after the end of the subscription period of the new convertible bond, no conversion right shall exist anymore.

If a redemption right or redemption obligation of the minority shareholders referred to under Chapter 18 of the Finnish Companies Act arises, after Company has received notification on the origin of the redemption right or redemption obligation, the right to convert the Promissory Note into shares during the time period resolved by the Board of Directors shall without undue delay be reserved for the Promissory Note Holders. After the above-mentioned time period reserved for the use of the conversion right, no conversion right shall exist anymore.

## 5. Disputes

Disputes arising out of this Convertible Bond shall be settled by arbitration consisting of one arbitrator in accordance with the Rules of the Arbitration Institute of the Finland Chamber of Commerce. In the event the parties to the dispute cannot agree on the arbitrator, the Finland Chamber of Commerce shall appoint the arbitrator. The place of the arbitration shall be Helsinki, Finland.

## 6. Other Issues

The Board of Directors shall be entitled to resolve on any other matter related to the Convertible Bond and the use of the conversion right. Notifications to the Promissory Note Holders shall be submitted by letters to the postal addresses notified to the Company by each of the Promissory Note Holder. A notification is deemed to have been delivered on the working day following the date of sending the notification.

## III OTHER MATTERS

### 1. Other Issues

These terms and conditions have been drafted in Finnish and in English. In the case of any discrepancy between the Finnish and English terms and conditions, the Finnish terms and conditions shall prevail.