

VALOE CORPORATION'S FINANCIAL STATEMENT RELEASE 1 JANUARY – 31 DECEMBER 2023

THE FOURTH QUARTER IN BRIEF – RESTRUCTURING PROCEEDINGS COMMENCED

During the fourth quarter of 2023, the net sales of Valoe Group, under the IFRS standards, was about EUR 0.01 million (in 2022: EUR 0.4 million). The EBITDA was EUR -0.8 million (EUR -1.2 million) and the EBIT EUR -1.1 million (EUR -1.7 million). The profit for the period was EUR -1.4 million (EUR -2.3 million).

In the fourth quarter, the company's financial situation remained very tight. The company sought to raise additional financing through the Convertible Bond 1/2023 issued in July 2023. The subscription period of the Convertible Bond continues until 31 July 2024. In addition, the company also entered into financing negotiations with several parties, and the negotiations are still ongoing. However, as the financial situation continued to tighten and the company was filed for bankruptcy by two creditors, Valoe filed an application for restructuring on 5 December 2023 with the District Court of North Savo, which decided to commence the restructuring proceedings of Valoe Corporation on 22 January 2024. Trading in the company's shares has been suspended since 5 December 2023.

Valoe will not disclose any market guidance for the financial year 2024 due to the restructuring proceedings.

FINANCIAL YEAR 2023

Financial Result

During the financial year 2023, the net sales of Valoe Group, under the IFRS standards, was about EUR 1.1 million (in 2022: EUR 1.3 million). The EBITDA was EUR -3.2 million (EUR -3.9 million) and the EBIT EUR -4.7 million (EUR -5.6 million). The profit for the period was EUR -6.7 million (EUR -7.7 million). The undiluted earnings per share were EUR -2.55 (EUR -3.84) and the diluted earnings per share were EUR -2.55 (EUR -3.84).

Sales

At the beginning of 2023, the development cooperation on Sono Motors' Sion car project, which lasted for several years and aimed at mass production, ended after Sono Motors unexpectedly announced in February 2023 that it cancels the project. The unexpected termination of the project complicated our financing arrangements and significantly weakened the financial and production situation during the financial year 2023. We had to adjust our human resources through temporary layoffs from April 2023 onwards for the rest of the year.

The electrification of vehicles continued to grow. The so-called established automotive industry seems increasingly interested in our photovoltaic applications. During the financial year 2023, we received follow-up orders from existing customers like Simoldes Plásticos S.A. ("Simoldes") and orders for new development projects with new customers. The value of these orders is small at the development stage, but their potential is significant. We are also developing solar applications for heavy transport, and at the beginning of the financial year 2023 we commenced cooperation with the Dutch TIP Group.

We had active product development and received an order for utilizing our photovoltaic applications in the military and space industry. Also in the consumer electronics, there is a need for our efficient cells and

especially for our back contact solar cells and modules. We received orders for interesting design projects and prototyping.

Financing

We financed our operations with revenues, convertible bonds and Winance financing facility. In May 2023, the loan shares of the Convertible Bond 2/2022 were converted to a total of 60,500,412 new shares in the company. In July 2023, we issued the Convertible Bond 1/2023, which we increased to EUR 3 million later in the financial year. The subscription period of the Convertible Bond 1/2023 continues until 31 July 2024. During the fourth quarter, we agreed with Ilmarinen Mutual Pension Insurance Company, the Promissory Note Holder of the Convertible Bond 2/2021, to rearrange the loan and convert it to a new subordinated Convertible Bond 2/2023. During the financial year 2023, we resolved on three share issues to the company itself without consideration to implement financing arrangements made, e.g., with Winance.

Reverse split and Options

In the last quarter of 2023, we completed a reverse split of Valoe's shares, which reduced the number of Valoe shares to 3,116,630 shares. The details of the arrangement were announced on 1 November 2023.

In accordance with the decision and authorisation of the Annual General Meeting of 26 May 2023, the company resolved on the terms of option scheme for the Board of Directors. The terms have been disclosed in a stock exchange release on 20 July 2023. The members of the Board of Directors subscribed for all the options offered to them in accordance with the decision of the Annual General Meeting of 26 May 2023. The exercise of options granted to the Board of Directors was conditional on the company's operating cash flow being positive in the fourth quarter of the financial year 2023.

Management Team

We expanded the expertise of our Management Team and appointed Tuukka Savisalo, CTO; Teemu Pulkkinen, who is responsible for Valoe's solar module systems and the OddForm® business; and Matts Kempe, who is responsible for the sales and marketing at Valoe, to the Management Team. CEO Iikka Savisalo, Chairman of the Management Team; CFO Seija Kurki; and Senior Vice President Jose Basso, who is responsible for Valoe's solar cell business, continue in the Management Team.

Auditor

Authorised Public Accountants Moore Idman Oy, with KHT Antti Niemistö, Authorised Public Accountant, as the responsible auditor, resigned from its position as Valoe's auditor in December 2023. Valoe will convene an Extraordinary General Meeting at a date to be announced later to elect a new auditor.

Prospectus

On 17 August 2023, the Financial Supervisory Authority approved the registration document as well as the securities note and the summary, which together form the Prospectus relating to admission to trading of in total 85,250,206 shares in the company. The Prospectus has been published on Valoe's website www.valoe.fi/julkaisut on 17 August 2023.

MAIN EVENTS AFTER THE REPORTING PERIOD

The Preliminary Report by Pekka Jaatinen, the Administrator of the Restructuring Proceedings

On 10 January 2024, Valoe amended its application for restructuring filed on 5 December 2023, and the District Court of Pohjois-Savo decided on the commencement of the restructuring proceedings of Valoe

Corporation on 22 January 2024. Mr Pekka Jaatinen, Attorney, ("Administrator") submitted his preliminary report in accordance with the Restructuring of Enterprises Act ("Preliminary Report") on 22 February 2024.

The Administrator's preliminary report concludes that the Company's business has potential that can be rehabilitated through the restructuring proceedings. The Administrator is of the opinion that the continuation of the Company's restructuring proceedings will require finding a financing solution for the duration of the proceedings. The Company's management has actively facilitated actions to acquire sufficient financing, and it is the Administrator's view that the process has shown promising progress. At this point in time, the Administrator deems acquiring financing for the duration of the proceedings to be probable enough that there are prerequisites to continue the proceedings. According to the Administrator's preliminary observations, there are no obstacles to continuing the proceedings. In the Administrator's preliminary view, an enforceable restructuring programme can be prepared for the Company, provided that the Company finds a financing or ownership solution to secure its operating conditions for a longer period of time. The Administrator must submit a draft restructuring programme by 22 April 2024. However, at the date of this release, an adequate financing arrangement has not yet been secured and the restructuring programme has not yet been confirmed.

In a challenging financial situation, we continued temporary lay-offs in accordance with the outcome of the change negotiations run in January 2024.

Trading in the shares of Valoe is still suspended.

MANAGING DIRECTOR IIKKA SAVISALO'S REPORT

Following a delay in the financing negotiations that started in September, we commenced cutting operational costs sharply to reduce working capital needs. However, on 5 December 2023, we had to file an application for restructuring. Our limited resources are now focused on serving the most promising client relationships. These include major accounts in the automotive industry and projects in the electronics and space industry. Despite the fact that our clients are aware of the restructuring proceedings and related challenges, we have not lost any major projects or accounts. Many of our clients have shared their plans and ordered more services from us, some even paying for our services upfront to support Valoe in its very challenging situation. The first projects with significant cash flow have been agreed to start as soon as we have the funding required to carry them out.

We are actively negotiating with a number of domestic and foreign investors on financing solutions to facilitate a restructuring programme that supports the future of the company. The aim is to finalise the programme during April. If a programme such as the one envisaged now is approved once completed, both our profit and loss account and, especially, our balance sheet will change significantly. Our objective is, if the restructuring is successful, to turn the R&D company into a company providing high-technology mass-production for the leading companies. We want to improve our international competitiveness. Constant learning alongside our international partners is our way to success.

OPERATING ENVIRONMENT AND MARKET SITUATION

In recent years, the production capacity of solar modules for power plants has continued to grow, with a focus on China. As a result, world market prices for conventional solar panels have collapsed to record lows. These falling prices are creating challenges even for the world's largest solar panel manufacturers. Mass producers competing in the power plant market have tried to improve their competitiveness with larger cell and panel sizes as well as new, more efficient cell types. The N-type TOPCon cell is taking over from the PERC cell which is becoming obsolete. In terms of the conventional panels, the market share of

the back contact technology has not increased. The interdigitated back contact (IBC) cells are also very rare in the market.

We trust that we still maintain a technological edge with the applications we previously tested during the design and development of Sono Motors' Sion solar vehicle.

Valoe's Competitive Advantage and Outlook for 2024

Our competitive advantage is based on a unique way of combining an IBC cell with a back contact module in a flexible production environment. We are a European company. We no longer develop or manufacture conventional power plant panels. Our development path is increasingly different from traditional solar panel manufacturers' roadmaps. Already this year we will find our niche as a developer and manufacturer of small and very small panels. Our technology will be used, e.g., in vehicles, IoT solutions, portable electronics, aviation and aerospace applications. In some applications, the added value of our products can even be tens of times higher compared to traditional solar panels.

Valoe will not disclose any market guidance for the financial year 2024 due to the restructuring proceedings.

FINANCIAL RESULT

The following financials include Valoe Group's operations. The figures in brackets are comparison figures for the corresponding period in 2022 unless stated otherwise.

October - December 2023:

- Valoe Group's net sales was to EUR 0.01 million (In 2022: EUR 0.4 million).
- EBITDA was EUR -0.8 million (EUR -1.2 million).
- Operating profit was EUR -1.1 million (EUR -1.7 million).
- Profit for the period was EUR -1.4 million (EUR -2.3 million).

January – December 2023:

- Valoe Group's net sales was EUR 1.1 million (In 2022: EUR 1.3 million).
- EBITDA was EUR -3.2 million (EUR -3.9 million).
- Operating profit was EUR -4.7 million (EUR -5.6 million).
- The profit before taxes was EUR -6.7 million (EUR -7.7 million).
- Profit for the period was EUR -6.7 million (EUR -7.7 million).
- Undiluted earnings per share were EUR -2.55 (EUR -3.84).
- Diluted earnings per share were EUR -2.55 (EUR -3.84).

FINANCING

Cash flow from business operations before investments in January – December was EUR -2.6 million (EUR -1.6 million). Trade receivables at the end of the reporting period were EUR 0.04 million (EUR 0.2 million). Net financial items amounted to EUR 2.0 million (EUR 2.1 million). At the end of December, the equity ratio of Valoe Group was -61.6 per cent (-42.0 %) and equity per share was EUR -3.43 (EUR -3.14). The equity ratio including capital loans was -31.9 per cent (-8.6 %). At the end of the reporting period, the Group's liquid assets totalled EUR 0.003 million.

The working capital situation was tight throughout the financial year 2023. In addition to customer revenues, we withdrew funding from the Winance financing facility and convertible bonds.

Convertible Bonds

In February 2023, we signed a convertible note facility agreement with Winance concerning a funding arrangement of up to EUR 5,000,000 in convertible loan notes that will be accompanied by share subscription warrants. During the financial year 2023, we withdrew a total of EUR 2.6 million, part of which has been used to pay down the debt to Riverfort.

In July 2023, we issued a convertible bond of up to EUR 0.6 million. The Convertible Bond 1/2023 is a capital loan. On 15 August 2023, we first increased the maximum amount of the Convertible Bond 1/2023 to EUR 1.0 million, and then, on 3 November 2023, to EUR 3.0 million. At the end of the reporting period, on 21 December 2023, the subscription price of the Convertible Bond 1/2023 was reduced to EUR 0.74 and the subscription period was extended until 31 July 2024. The loan period shall commence on the payment date and expire on 30 June 2025. An annual interest of eight (8) percent shall be paid to the capital of the Convertible Bond. The promissory note holder of the Convertible Bond 1/2023 has the right to convert the promissory note into the shares of the company pursuant to the terms of the Convertible Bond 1/2023. The subscription price of one (1) share of the company shall be EUR 0.74 per share. The conversion period began on 1 December 2023 and expires on 30 June 2025.

In November 2023, we agreed with Ilmarinen Mutual Pension Insurance Company, the Promissory Note Holder of the Convertible Bond 2/2021, on rearranging the loan and converting it to a new subordinated convertible bond. Ilmarinen Mutual Pension Insurance Company subscribed the Convertible Bond 2/2023 of EUR 3,375,568 against the subscriber's loan receivable from Valoe and the EUR 10,000 fee ("Fee") for rearranging the Convertible Bond 2/2021 by converting the loan capital and/or interest receivable and the Fee into the Convertible Bond 2/2023. The terms of the Convertible Bond 2/2023 have been disclosed in a stock exchange release on 24 November 2023.

Share Issues

In January 2023, we, based on the share issue without consideration to the company itself resolved by the company on 21 September 2022, subscribed a total of 30,000,000 new shares directed to it. The share subscription is conducted to implement a part of the company's financing arrangements. The new shares were registered in the trade register on 1 February 2023 and listed on the stock exchange list of Nasdaq Helsinki Ltd on 3 February 2023.

At the end of May 2023, we resolved on the share subscription based on the conversion of the promissory notes issued under the company's convertible bond 2/2022. In the said share subscription, the lenders of the convertible bond 2/2022 subscribed in total 60,500,412 new shares in the company by converting the promissory notes into the new shares pursuant to the conversion requests delivered to the company. The entire loan capital of the convertible bond 2/2022 including the interests was converted to the new shares in the share subscription. The new shares were registered with the Trade Register on 2 June 2023. Half of the new shares were applied for the admission to public trading on the stock exchange list of Nasdaq Helsinki Ltd on 6 June 2023 and the rest of the new shares were listed on 21 August 2023.

On 30 May 2023, we resolved to issue up to 65,000,000 shares without consideration to the company itself (the "Treasury Issue"). On 30 May 2023, we subscribed for a total of 40,000,000 new shares which were registered with the Trade Register on 2 June 2023. Out of the registered shares a total of 10,000,000 shares were admitted to trading on the Nasdaq Helsinki stock exchange on 16 June 2023 and the remaining 30,000,000 new shares were listed on 21 June 2023. On 3 August 2023, pursuant to a treasury issue made by the Company on 30 May 2023, we subscribed for a total of 25,000,000 new shares, which were

registered with the Trade Register on 4 August 2023 and admitted to trading on the Nasdaq Helsinki Stock Exchange on 21 August 2023.

In September 2023, we resolved on a share issue of a total of 19,000,000 new shares to the company itself without consideration and subscribed all shares directed to it. The new shares were registered with the Trade Register on 22 September 2023 and applied for the admission to public trading on the stock exchange list of Nasdaq Helsinki Ltd on 26 September 2023.

In October 2023, we resolved on a share issue of a total of 29,000,000 new shares to the company itself without consideration and subscribed all shares directed to it. The new shares were registered with the Trade Register on 23 October 2023 and applied for the admission to public trading on the stock exchange list of Nasdaq Helsinki Ltd on 25 October 2023.

Reverse Split

On 31 October 2023, Valoe executed a reverse share split and thereto related directed share issue without consideration, redemption of shares and cancellation of shares. In the process each two hundred (200) shares of the company were merged into one (1) share. After these measures, the new number of shares in the company is 3,116,630. The new number of shares has been registered with the Trade Register maintained by the Finnish Patent and Registration Office on 31 October 2023, and trading with the merged shares commenced on 1 November 2023 with a new ISIN code FI4000561576.

RESEARCH & DEVELOPMENT AND INVESTMENTS

The Group's research and development costs amounted to EUR 3.1 million (EUR 2.9 million) during the reporting period.

Gross investments during January – December period amounted to EUR 1.6 million (EUR 1.3 million), of which EUR 1.1 million was allocated to buildings in accordance with IFRS 16 and the rest mainly to equipment and machinery.

Valoe's research and development is currently focused on the implementation of product development projects specified by customers and on ongoing EU projects. Several industry leaders have chosen Valoe as their partner to develop photovoltaic components to be integrated into the customers' products. A significant part of the funds used for the company's product development comes from our customers and EU projects.

We believe that in the future, the mass production of some components for automotive products will be carried out in Valoe's own factories. However, components produced in larger series and closely related to final assembly will be manufactured in customers' production chains under technology transfer agreements. We have several ongoing development projects for automotive industry, portable electronics and space technology sectors. The first mass production projects are expected to start in the second quarter at Valoe's own production facilities.

PERSONNEL

At the end of December 2023, the Group employed 54 (58) people, out of which 19 employees worked in Lithuania and the rest in Finland. During the reporting period, the Group's salaries and fees totalled EUR 2.0 million (EUR 2.4 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 3,116,630. The company has one series of shares, which confer equal rights in the company. On 31 December 2023 Valoe had 29,590 treasury shares.

The company had a total of 16,870 shareholders at the end of December 2023, and 3.8 per cent of the shares were owned by foreigners. The ten largest shareholders held 31.2 per cent of the company's shares on 31 December 2023.

The largest shareholders on 31 December 2023

1 SAVCOR TECHNOLOGIES OY	146.492	4,7
2 NEFCO	115.741	3,7
3 INVESTMENT KETOUMAN OY	106.918	3,4
4 APTEEKKIEN ELÄKEKASSA	106.044	3,4
5 SAVISALO IIKKA	89.056	2,9
6 JOCER OY AB	88.169	2,8
7 OLLILA JORMA	82.063	2,6
8 OY INGMAN FINANCE AB	79.985	2,6
9 SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)	79.710	2,6
10 SAVISALO HANNU	77.877	2,5
OTHERS	2.144.575	68,8
TOTAL	3.116.630	100,0

The members of the Board of Directors and the President and CEO, either directly or through companies under their control, held a total of 372,066 shares in the company on 31 December 2023, representing about 12 per cent of the company's shares. At the end of the period Iikka Savisalo, Valoe's Managing Director, either directly or through companies under his control, held a total of 292,850 shares in the company.

The price of Valoe's share varied between EUR 0.55 and 12.0 during the January – December period. The average price was EUR 3.61 and the closing price at the end of December EUR 0.93. A total of 2.2 million Valoe shares were traded at a value of EUR 7.8 million during the January – December period. The company's market capitalization at the end of December stood at EUR 2.9 million.

GENERAL MEETINGS IN 2023

Annual General Meeting

The Annual General Meeting was held on 26 May 2023 in Mikkeli, Finland. The AGM approved the 2022 financial statements and discharged the members of the Board and the President and CEO from liability for

the financial year 2022. According to the Board' proposal, it was resolved that no dividend for the financial year 2022 will be distributed. It was also resolved that the loss for the financial period that ended on 31 December 2022 will be entered in retained earnings. The AGM approved the remuneration report for Valoe's governing bodies. The resolution on the remuneration report is advisory.

It was resolved that the Board of Directors will have four members. Industrial counsellor Hannu Savisalo, Ville Parpola, Tuomas Honkamäki and Iikka Savisalo continue as old Board members in the Board of Directors.

At its organizing meeting following the Annual General Meeting, Valoe's Board of Directors elected Hannu Savisalo as the Chairman and Ville Parpola as the Vice Chairman of the Board. The Board of Directors decided, due to the scope of the company's business, that it is not necessary to establish any separate Board committees.

The Annual General Meeting resolved that an annual remuneration of EUR 40,000 will be paid to the Chairman and to the Vice Chairman of the Board, and EUR 30,000 to the members of the Board of Directors. Further, travel costs will be paid to the Board members pursuant to the company's travel policy.

In addition, the General Meeting resolved to authorize the Board of Directors to decide on option rights, pursuant to the Chapter 10, Section 1 of the Finnish Companies Act, to be given to the Directors of the Board so that, following the share subscriptions based on option rights, the number of the shares in the Company could increase by a total maximum amount of 30 million shares. The authorization may be used for a stock option scheme directed to the Directors of the Board during the financial year 2023. The authorization is in force until 31 December 2023. Based on this authorization, 15 million option rights can be given to the Chairman of the Board, and to the other Board members 7.5 million option rights per member. The subscription price for shares subscribed for based on the option rights is EUR 0.03 per share. Based on the option rights, shares can be subscribed for until 31 December 2025. The exercise of options granted to the Board of Directors based on this authorization is conditional on the company's operating cash flow being positive in the fourth quarter of the financial year 2023.

Authorised Public Accountants Moore Idman Oy was elected as the company's auditor and KHT Antti Niemistö, Authorised Public Accountant, as the responsible auditor.

The General Meeting resolved to authorize the Board of Directors 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, can increase by a total maximum amount of 200,000,000 shares. The authorization does not exclude the Board's right to decide also on directed issue of shares or option rights and other special rights pursuant to the Chapter 10, Section 1 of the Finnish Companies Act. 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 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 2024.

The General Meeting resolved to authorize the Board of Directors to decide on option rights pursuant to the Chapter 10, Section 1 of the Finnish Companies Act so that, following the share subscriptions based on

option rights, the number of the shares in the Company could increase by a total maximum amount of 30 million shares. The authorization may be used for a stock option scheme directed to the company's personnel and CEO during the financial year 2023. The Board of Directors is entitled to decide on the other terms of the option rights. The authorization is in force until 31 December 2023.

Extraordinary General Meeting

Valoe Corporation's Extraordinary General Meeting was held on 27 October 2023 in Mikkeli, Finland.

The General Meeting resolved on the reduction of the quantity of company's shares without reducing share capital by way of issuing new shares and by redemption of company's own shares, in such a way that each current 200 shares of the company shall correspond to one share of the company after the arrangements related to the reduction of the quantity of company's shares are completed. The total number of shares in the company was 592,859,607 on the date of the Notice to the Extraordinary General Meeting. On the share issue to the company itself resolved on 20 October 2023, the company subscribed a total of 29,000,000 shares, due to which the total number of shares in the company, prior to the reduction of the quantity of company's shares, is 621,859,607 shares. The purpose of the reduction of the quantity of company's shares is to increase the value of a single share and thus to improve the trade conditions of the shares and the reliability of the price formation of the shares. Thus, there is a particularly weighty financial reason for the company to reduce the quantity of company's shares. This arrangement shall not affect the equity of the company. The reduction of the quantity of company's shares shall be carried out so that the company shall, on 31 October 2023, issue new company shares to each shareholder of the company free of charge so that the number of all shares per book-entry accounts owned by the shareholders of the company are divisible by the number 200. The maximum quantity of company's own shares transferred by the company shall be 199 shares multiplied by the number of such book-entry accounts on 31 October 2023, on which the company's shares are held, and which are owned by the shareholders of the company. The number of company's shareholders as per 30 September 2023 was 17,177. Therefore, the maximum amount of new shares issued by the company in the share issue is 3,600,000 new shares of the company. The Board of Directors of the company is entitled to resolve on all other matters related to the issuance of shares free of charge. At the same time with the aforementioned issue of company's new shares, the company shall redeem free of charge a number of shares from each shareholder of the company. The number of shares to be redeemed by the company will be determined according to the redemption ratio of 200/1. In other words, for every 200 shares of the company 199 company shares shall be redeemed. The Board of Directors of the company shall be entitled to resolve on all other matters related to the redemptions of shares. The company's shares, which are redeemed in connection with the reduction of the quantity of company's shares, shall be annulled immediately following the redemption by a resolution of the Board of Directors of the company. The reduction of the quantity of company's shares shall be carried out in the book-entry system after the end of trading day on Nasdaq Helsinki on 31 October 2023. The annulment of the shares and the company's new total number of shares are entered in the trade register approximately on 1 November 2023 at the latest. Trading with the company's new total number of shares on Nasdaq Helsinki will begin approximately on 1 November 2023. If necessary, the trading with the company's share on Nasdaq Helsinki shall be temporarily interrupted in order to perform necessary technical measures in the trading facility after 31 October 2023. The arrangement, if it is realized, will not require the shareholders to take any action. No part of the arrangement shall be carried out unless all the other parts of the arrangement are carried out as well.

Further, the General Meeting authorized the Board of Directors 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, could increase by a total maximum amount of 10,000,000 shares (after reduction of quantity of shares as described above; the said amount equals to 2,000,000,000 shares before the reduction of quantity of shares as described above). The authorization does not exclude the Board's right to decide also on directed issue of shares or option rights and other special rights pursuant to the Chapter 10, Section 1 of the Finnish Companies Act. 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 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 2024.

SHARE ISSUE AUTHORIZATIONS IN FORCE

The Extraordinary General Meeting authorized the Board of Directors 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, could increase by a total maximum amount of 10,000,000 shares. The authorization does not exclude the Board's right to decide also on directed issue of shares or option rights and other special rights pursuant to the Chapter 10, Section 1 of the Finnish Companies Act. 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 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 2024. By the date of this Report the Board of Directors has resolved on issues of a total of 7,179,622 shares based on the authorization.

RISKS AND UNCERTAINTIES

Restructuring proceedings were commenced at Valoe on 22 January 2024. The company's most significant risk is securing the necessary financing and its sufficiency. Restructuring proceedings were commenced at Valoe on 22 January 2024. The Administrator's preliminary report concludes that the company's business has potential that can be rehabilitated through the restructuring proceedings, however, the company's restructuring proceedings will require finding a financing solution for the duration of the proceedings. In addition, the company should find a financing or ownership solution to secure its operating conditions for a longer period of time. If the company fails to secure the necessary financing, the restructuring proceedings may have to be suspended and the company may be declared bankrupt.

Risks Related to Financial Situation and Financing

Valoe's management estimates that, at the date of this review, the company's working capital is insufficient to cover its current needs for the next 12 months and that the company will require additional funding. In

In addition to revenues, the company expects to be able to withdraw funding from its existing financing agreements and from the EU projects with committed grants. The company is also seeking to raise additional funding through a convertible bond, which the company issued in July 2023. In addition, the Board of Directors of the company has decided to prepare a broader overall financing plan including a possible share issue to the public or key investors in the second half of 2024. If the company were unable to obtain the required additional financing, this could have a material adverse effect on the company's results of operations and/or financial position and its ability to continue as a going concern.

Failure to realize the assumptions related to the company's cash flow forecasts could lead to a situation where the company's impairment tests would indicate the need to write down the company's intangible and tangible assets or goodwill. In such a situation, impairment of intangible and tangible assets could have a material adverse effect on the company's financial position. A detailed description of the company's impairment testing can be found in Note 12 to the consolidated financial statements in the Annual Report 2022.

Risks Related to the Strategy and Business Operations

Valoe has several cooperation agreements that aim at large-scale customer collaboration. The full implementation of these agreements usually requires the achievement of mutually agreed quality and/or performance targets. The execution of the cooperation agreements is also dependent on the company's contractual partners, and the agreements may not be executed if, for example, there will be changes in customers' plans or their financial situation. In the event of a sudden change in the arrangements, financial situation or solvency of the company's contractual partners, or if Valoe were to fail to achieve the agreed objectives, the collaboration agreements would not be executed as originally planned, reducing the company's estimated revenue from the relevant agreements, which would have an adverse effect on the company's results of operations and/or financial situation and/or the value of the company's securities.

There are uncertainties and risks involved in assessing the profitability of products and services and in meeting quality standards for products and services. If the company fails to estimate the amount of work and/or costs required for the products and/or services, it may have a material impact on the profitability of the products, deliveries and services and the timeframe for achieving profitability and, consequently, on the company's business, results of operations and/or financial condition. The company also has several products still in the product development stage. The company has no mass production experience of the products under development, and it is not certain if the company meets the agreed targets set for the products, including those relating to durability, appearance and/or performance. If the company were to fail to meet agreed quality standards, project schedules could be delayed, which could affect the company's overall profitability and, consequently, the company's results of operations and financial situation.

The energy market is currently undergoing a major change due to, among other things, unexpected rapid shift to green energy solutions produced domestically in Europe and the US, as a result of Russia's war of aggression against Ukraine. While Valoe believes that this trend will support the company's growth objectives, it is more difficult to predict the future competitive landscape. The competitive situation may change substantially in the future, for example with the arrival of a new competitor or technology. Increased competition may lower market prices and thus affect Valoe's ability to maintain the planned price levels for its products. There is no certainty that the company will be able to adjust its costs to the new price level and this may negatively affect the company's profitability.

Risks Related to New Technologies and Manufacturing

The development and commercialization of new technologies always involve uncertainties and significant risks. If our product development projects were unsuccessful, or the business environment or market

situation changed, our ability to provide its customers with competitive products or services could be threatened. In such a situation, the profitability could be lower than expected, which could significantly affect our profitability and financial situation.

Recent general economic uncertainty, and changes in energy prices may have negative effect on the company's business and profitability. In this situation, there are specific risks associated with supply chains, and the company cannot at this time assess the impact of the risks on the availability and pricing of materials and services, and therefore on the company's financial situation and operations. The critical raw materials Valoe uses include, e.g., special plastics, metals, glass and silicon wafers, spare parts and components for machines and equipment, and professional services related to operations. The availability of these raw materials and components is sensitive to global political developments and logistical disruptions in production chains. Valoe's solar panel production at the Juva plant and solar cell production in Lithuania are both energy-intensive activities, which means that unfavourable price developments in energy prices directly affect the company's profitability, and thus its operating results and financial position.

Rising raw material and energy prices have already had a negative impact on the company's production. Should the availability of critical components and raw materials continue to decline, or the prices continue to rise, this could further slowdown the production of our products, delay our deliveries to customers and reduce our profitability. This could have an adverse effect on our business, profit, financial situation, and the value of the company's securities.

Administrative and Legal Risks

Public funding and investment subsidies have a significant incentive effect on the solar energy business. In particular, in Finland, changes in public funding or investment subsidies for solar power projects that are unfavourable from the manufacturers' point of view could significantly reduce the domestic market. The possible negative effects of such factors on our business, results and/or financial position cannot be foreseen.

Market Guidance and Strategy Related Risks

The statements and projections in this Report and in Valoe's strategy are targeted to the future and based on the management's current estimates. Therefore, they involve risks and uncertainty by their nature and may be affected by changes in the general financial situation and in Valoe's and its customers' business environment.

THE PROPOSAL FOR DIVIDEND AND ANNUAL GENERAL MEETING

The Board of Directors proposes to the Annual General Meeting that no dividend from the financial year 2023 will be paid. The company's annual general meeting will be held on 31 May 2024.

In Mikkeli, 27 March 2024

Valoe Corporation
Board of Directors

Further information:

likka Savisalo, CEO

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Consolidated statement of comprehensive income

(unaudited)

1 000 EUR	7-12/2023	7-12/2022	1-12/2023	1-12/2022
Net sales	198	811	1 108	1 305
Cost of sales	-514	-1 246	-1 384	-2 332
Gross profit	-316	-435	-276	-1 027
Other operating income	26	13	69	94
Product development expenses	-1 348	-1 455	-3 126	-2 854
Sales and marketing expenses	-147	-219	-354	-549
Administrative expenses	-436	-465	-884	-889
Other operating expenses	-114	-362	-144	-362
Operating profit	-2 335	-2 922	-4 715	-5 587
Financial income	1	2	1	2
Financial expenses	-1 152	-1 097	-1 998	-2 083
Profit before taxes	-3 486	-4 017	-6 712	-7 668
Income taxes	0	0	0	0
Profit/loss for the period	-3 486	-4 017	-6 712	-7 668
Profit/loss attributable to:				
Shareholders of the parent company	-3 486	-4 017	-6 712	-7 668
Earnings/share (basic), eur	-1,18	-1,98	-2,55	-3,84
Earnings/share (diluted), eur	-1,18	-1,98	-2,55	-3,84
Total comprehensive income for the period	0	0	-6 712	-7 668
Total comprehensive income attributable to:				
Shareholders of the parent company	0	0	-6 712	-7 668

THE FOURTH QUARTER OF 2023

1 000 EUR	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Net sales	13	388	1 108	1 305
Operating profit	-777	-1 226	-3 154	-3 877
EBIDTA	-1 064	-1 667	-4 715	-5 587
Profit/loss for the period	-1 403	-2 337	-6 712	-7 668

Consolidated statement of financial position

(unaudited)

1 000 EUR	31.12.2023	31.12.2022
ASSETS		
Non-current assets		
Property, plant and equipment	11 222	10 598
Consolidated goodwill	441	441
Other intangible assets	1 283	2 022
Available-for-sale investment	9	9
Non-current receivables	336	336
Total non-current assets	13 292	13 407
Current assets		
Inventories	330	361
Trade and other non-interest-bearing receivables	1 018	1 445
Cash and cash equivalents	3	236
Total current assets	1 350	2 042
Total assets	14 641	15 449
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the parent company		
Share capital	80	80
Other reserves	38 736	34 694
Retained earnings	-47 826	-41 051
Total equity	-9 010	-6 277
Non-current liabilities		
Non-current loans	6 248	6 576
Non-current subordinated loans	446	1 516
Other non-current liabilities	252	25
Total non-current liabilities	6 946	8 116
Current liabilities		
Current interest-bearing liabilities	6 790	5 174
Current subordinated loans	3 904	3 477
Trade and other payables	5 907	4 854
Current provisions	104	104
Total current liabilities	16 706	13 609
Total liabilities	23 652	21 725
Equity and liabilities total	14 641	15 449

Consolidated statement of cash flows

(unaudited)

1 000 EUR	1-12/2023	1-12/2022
Cash flow from operating activities		
Income statement profit/loss before taxes	-6 712	-7 668
Non-monetary items adjusted on income statement		
Depreciation and impairment	+ 1 561	1 710
Unrealized exchange rate gains (-) and losses (+)	+/- 1	-2
Other non-cash transactions	+/- 88	361
Other adjustments	+/- 0	0
Change in provisions	+/- 0	15
Financial income and expense	+ 1 996	2 083
Total cash flow before change in working capital	-3 065	-3 500
Change in working capital		
Increase (-) / decrease (+) in inventories	31	87
Increase (-) / decrease (+) in trade and other receivables	-148	430
Increase (+) / decrease (-) in trade and other payables	846	1 731
Change in working capital	730	2 247
Adjustment of financial items and taxes to cash-based accounting		
Interest paid	- 220	281
Other financial items	- 29	82
Financial items and taxes	-249	-362
NET CASH FLOW FROM BUSINESS OPERATIONS	-2 584	-1 615
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	- 358	1 319
Grants received	+ 0	1 262
NET CASH FLOW FROM INVESTMENTS	-358	-57
CASH FLOW FROM FINANCING ACTIVITIES		
Financing arrangement with Winance and Riverfort	+ 2 554	1 050
Proceeds from non-current borrowings	+ 500	1 500
Proceeds from current borrowings	+ 818	155
Repayment of current borrowings	- 1 162	812
NET CASH FLOW FROM FINANCING ACTIVITIES	2 709	1 892
INCREASE (+) OR DECREASE (-) IN CASH FLOW	-233	220

Consolidated statement of changes in equity

(unaudited)

1 000 EUR	Share capital	Distributable non- restricted equity fund	Retained earnings	Total equity
31.12.2022	80	34 694	-41 051	-6 277
Profit/loss for the period	-	-	-6 712	-6 712
Translation difference, comprehensive income	-	-	0	0
Transactions with owners:				
Sale of own shares - Winance	0	840	0	840
Riverfort and other arrangements	0	1 445	0	1 445
Own equity component of the convertible bond	0	0	-63	-63
31.12.2023	80	38 736	-47 826	-9 010

1 000 EUR	Share capital	Distributable non- restricted equity fund	Retained earnings	Total equity
31.12.2021	80	32 771	-33 887	-1 036
Profit/loss for the period	-	-	-7 668	-7 668
Translation difference, comprehensive income	-	-	0	0
Transactions with owners:				
Sale of own shares - Winance	0	750	0	750
Riverfort and other arrangements	0	1 173	0	1 173
Own equity component of the convertible bond	0	0	504	504
31.12.2022	80	34 694	-41 051	-6 277

Key figures

(unaudited)

1 000 EUR	7-12/2023	7-12/2022	1-12/2023	1-12/2022
Net sales	198	811	1 108	1 305
Operating profit	-2 335	-2 922	-4 715	-5 587
% of net sales	-1178,3 %	-360,3 %	-425,5 %	-428,2 %
EBITDA	-1 621	-2 058	-3 154	-3 877
% of net sales	-817,8 %	-253,8 %	-284,6 %	-297,1 %
Profit before taxes	-3 486	-4 017	-6 712	-7 668
% of net sales	-1759,1 %	-495,3 %	-605,7 %	-587,7 %
Balance Sheet value	14 641	15 449	14 641	15 449
Equity ratio, %	-61,6 %	-42,0 %	-61,6 %	-42,0 %
Net gearing, %	neg.	neg.	neg.	neg.
Gross investments	431	751	1 622	1 320
% of net sales	217,3 %	92,6 %	146,4 %	101,1 %
Research and development costs	1 348	1 455	3 126	2 854
% of net sales	680,0 %	179,4 %	282,1 %	218,7 %
Order book	58	450	58	450
Personnel on average	47	58	48	56
Personnel at the end of the period	54	58	54	58
Non-interest-bearing liabilities	5 907	4 854	5 907	4 854
Interest-bearing liabilities	17 640	16 767	17 640	16 767
Share key indicators				
Earnings/share (basic)	-1,18	-1,98	-2,55	-3,84
Earnings/share (diluted)	-1,18	-1,98	-2,55	-3,84
Equity/share	-3,048	-3,091	-3,427	-3,140
P/E ratio	-0,79	-3,03	-0,36	-1,56
Highest price	5,80	15,80	12,00	26,60
Lowest price	0,55	6,00	0,55	6,00
Average price	2,10	9,80	3,61	13,30
Closing price (*)	0,93	6,00	0,93	6,00
Market capitalisation, at the end of the period, MEUR	2,9	12,6	2,9	12,6

*Share trading was suspended on December 5, 2023 after the company submitted a debt restructuring application.

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	1-12/2023	1-12/2022
Sales of goods and services		
Savcor Oy - production services	0	3
SCI Invest Oy - production services	0	1
Total	0	4
Purchases of goods and services		
SCI Invest Oy - rent	36	48
Basso J., business management services in Lithuania	118	119
SCI-Finance Oy - marketing and administration services	100	84
Savcor Technologies Oy - marketing and admin services	107	101
Savcor Oy - financial management services	13	26
Others	4	52
Total	378	430
Interest expenses and other financial expenses		
SCI-Finance Oy	127	131
Savcor Technologies Oy	9	0
Savcor Oy	4	6
Others	1	5
Total	141	142
Non-current convertible subordinated loan from related parties	0	200
Other current liabilities to related parties	211	37
Current interest payable to related parties	22	8
Trade payables and other non-interest-bearing liabilities to related parties	929	239
Trade and other current receivables from related parties	38	25
Savcor Technologies Oy and Savcor Face Ltd are companies under control of Iikka Savisalo, Valoe's CEO, Hannu Savisalo, Valoe's Chairman of the Board and Tuukka Savisalo, Valoe's Management Team Member.		
Savcor Oy 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.		
SCI Invest Oy is a company under control of Iikka Savisalo, Valoe's CEO and Tuukka Savisalo, Valoe's Management Team Member.		
1 000 EUR		
1-12/2023		
1-12/2022		
Wages and remuneration		
Salaries of the management and Board	447	500

Fair values

(unaudited)

1 000 EUR	Carrying amount 31.12.2023	Fair value 31.12.2023
Financial assets		
Available-for-sale investments	9	9
Trade and other receivables	1 018	1 018
Cash and cash equivalents	3	3
Financial liabilities		
R&D loans, non-current	6 248	6 248
Other non-current liabilities	252	252
Current subordinated loan	3 904	3 904
Loans from financial institutions, current	4 945	4 945
R&D loan, current	743	743
Other loans, current	481	481
Other liabilities, current	622	622
Trade payables and other non-interest-bearing liabilities	3 051	3 051

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 IFRS 16 standard.

The company filed an application for restructuring on 5 December 2023 and the District Court of Pohjois-Savo, Finland, decided on the commencement of the restructuring proceedings on 22 January 2024. Debts incurred before December 5, 2023 will be processed in accordance with the restructuring program.

Change in intangible and tangible assets

(unaudited)

1 000 EUR	31.12.2023	31.12.2022
Includes tangible assets, consolidated goodwill and other intangible assets		
Carrying amount, beginning of period	13 062	13 686
Depreciation and impairment	-1 561	-1 692
Additions	1 453	1 068
Disposals	-8	0
Carrying amount, end of period	12 946	13 062

The assets and liabilities of the contracts have been recognized in IFRS 16 leases and properties at the date of transition 1 Jan 2019.

Commitments and contingent liabilities

(unaudited)

1 000 EUR	31.12.2023	31.12.2022
Assets pledged for the company		
Loans from financial institutions	2 545	4 176
Other liabilities	901	148
Promissory notes secured by pledge	8 060	2 060
Other securities provided	2 097	2 416
Operating lease liabilities		
Payable within one year	0	65
Payable over one year	0	0