

VALOE CORPORATION'S HALF-YEAR FINANCIAL REPORT 1 JANUARY – 30 JUNE 2021

THE SECOND QUARTER OF 2021 IN BRIEF

Valoe Group's operating cash flow turned positive, on a monthly basis, during the second quarter according to the company's forecast. The cumulative operating cash flow for April – June period was positive.

In April-June 2021, the net sales of Valoe Group, under the IFRS standards, increased by about 124 per cent compared to the corresponding period in 2020. The net sales were EUR 1.0 million (in 2020 EUR 0.4 million). The EBIT was EUR -0.3 million (EUR -0.6 million), the profit for the period was EUR -0.7 million (EUR -1.0 million), and the EBITDA was EUR 0.2 million (EUR -0.3 million).

In January-June 2021, the net sales of Valoe Group, under the IFRS standards, increased by about 62 per cent compared to the corresponding period in 2020. The net sales were EUR 1.2 million (in 2020 EUR 0.8 million). The EBIT was EUR -1.7 million (EUR -1.5 million), the profit for the period was EUR -2.5 million (EUR -2.3 million), undiluted earnings per share were EUR -0.01 (EUR -0.02), diluted earnings per share were EUR -0.01 (EUR -0.02), and the EBITDA EUR -0.9 million (EUR -0.9 million).

Interest in Valoe's OddForm solar module technology continued to grow. During the reporting period, we signed two cooperation agreements for integrating photovoltaics into vehicles: In April 2021, we signed about EUR 2.2 million development agreement with Sono Motors GmbH ("Sono Motors"), and in May 2021, an agreement with Sin Cars Industry JSC ("Sin Cars") for the development, prototyping, and production of a vehicle integrated PV system.

We continued to ramp up cell production at the Lithuanian plant throughout the second quarter. The Covid-19 affected our operations both directly and indirectly like it affected all operations around the world. The turbulence on the raw materials market, particularly the reduced availability of silicon wafers, glass, and certain plastics and spare parts, and rising prices hampered the progress of our projects in both Lithuania and Finland.

In May 2021, we signed an approximately EUR 0.5 million supply agreement for delivering solar cells to Fill Factory s.r.o., a Czech company. In addition, we delivered small quantities of custom-made solar cells to a Californian company developing space and military technology.

The lenders of the Convertible Bond 1/2021 subscribed in total 85,000,000 new shares in the company by converting the promissory notes into the new shares in June 2021. The entire loan capital of the Convertible Bond 1/2021 was converted to the new shares in the share subscription. The shares were registered with the Trade Register on 23 June 2021 and listed on the stock exchange list of Nasdaq Helsinki Ltd on 29 June 2021.

In June 2021, we resolved on a share issuance of a total of 28,000,000 new shares to the Company itself without consideration to implement financing arrangements and subscribed all 28,000,000 new shares. The shares were registered with the Trade Register on 23 June 2021 and listed on the stock exchange list of Nasdaq Helsinki Ltd on 29 June 2021.

On 9 June 2021, we gave a prospectus pursuant to the Finnish Securities Markets Act to the Financial Supervisory Authority, which approved the prospectus on 28 June 2021.

After the end of the reporting period, the company's financial situation improved as we signed a framework agreement on a three-year financing facility of up to EUR 30 million with RiverFort Global Opportunities PCC Limited ("RiverFort"). Further, we agreed with RiverFort on committed advances in aggregate of EUR 3,000,000, of which we raised EUR 2 million during July-August.

After the reporting period, we signed a Memorandum of Understanding with ICON Advanced Co. Ltd, a Saudi Limited Liability Company fully owned by Salem Balhamer Holding. Valoe and ICON plan to form a Joint Venture Company where ICON has a 60% and Valoe a 40% ownership. The Joint Venture Company is planning to build in Saudi Arabia a Back Contact Solar Module manufacturing plant that Valoe would engineer, build, and deliver. The planned investment is approximately EUR 15 million, including a solar module manufacturing plant, technology transfer, training, and initial operation delivered by Valoe. The estimated value of Valoe's delivery is approximately EUR 12 million. Valoe's maximum investment is EUR 6 million. The plant's competitiveness is based on a version of Valoe Chrystal and Chrystal Twin modules designed explicitly for desert areas.

MARKET GUIDANCE

Valoe's net sales for the financial year 2021 will clearly increase compared to the previous year. The result for the financial year will also improve, but EBITDA will be negative on an annual basis. There is currently a great deal of uncertainty about the future due to the unpredictability of the Covid-19 pandemic and related changes in world trade.

MANAGING DIRECTOR'S REPORT

We are focusing more and more on the utilization of photovoltaics to reduce CO2 emissions from transport. There was a lot of customer activity throughout the second quarter. We signed several development project agreements on designing vehicle-integrated photovoltaic systems. Typically, these kinds of contracts are initially worth a few tens of thousands of euros. We aim to ensure that our products end up in as many future vehicles as possible with such agreements. In terms of such projects, our development project with Sono Motors GmbH ("Sono") is the most advanced. Our cooperation continued to deepen and we had a very active collaboration during the second quarter.

Cooperation with Sin Cars Industry JSC ("Sin Cars") on developing and prototyping a vehicle-integrated PV System for a light last-mile delivery electric vehicle also made good progress. The next step is to commence the production of the pre-series of the Sin Cars vehicle.

The production of samples for the pre-series and product development of Valoe's OddForm products began already at the end of 2020. Since then, production volumes have stabilized at the levels required for pre-series production. Based on current estimates, several customers planning to use Valoe's OddForm modules will have their mass production capacity ready by the end of 2021 or in 2022.

The production of Chrystal and Chrystal Twin modules did not start to the desired extent in the second quarter either. The production start-up was initially hampered by the slow ramp-up of cell production at the Lithuanian plant and subsequently by the poor availability of spare parts needed for modifying the production line for Chrystal and Chrystal Twin module production. Furthermore, the coronavirus pandemic

has made and continues to make operations significantly more difficult. In addition to the direct effects of Covid-19, other changes in world trade caused by the pandemic will affect industrial operations. For example, Valoe's operations are hampered by difficulties in the supply of silicon wafers, glass, and certain plastics, as well as spare parts, and, as a consequence, higher prices. In addition, many material suppliers no longer provide delivery schedules, or delivery times have been extended constantly.

In summer 2019, Valoe signed a supply agreement with a US customer. Valoe estimates that the annual value of the agreement is approximately USD 12 million per rolling 12 months from the start of deliveries. Valoe and the customer are currently negotiating the way and schedule by which deliveries can begin. The negotiations are still going on. However, due to the rise in raw material prices Valoe's delivery would not be profitable at the previously agreed cell prices. The customer is still interested in negotiating ways to utilize the potential of IBC cells in their production. The companies are working to find a way to commence cell deliveries as fast as possible. Even if no agreement is reached, we think we will be able to utilize the entire capacity of the cell plant not only in our products but also in the higher-margin market segments. In addition to vehicles, these segments include, e.g., energy-independent housing and their building materials, as well as space and military technology.

In general, our business models are always based on generating solar electricity in places where the electricity is used, whether it is a geographical area or an electric appliance. Thus, natural geographic market areas for Valoe include countries and regions where the electricity grid is not comprehensive or deficient. A hot climate or the sand that constantly flies in the air requires solar modules to deliver exceptional performance in many places. The Arabian Peninsula is an excellent example of such an area.

After the reporting period, we signed a Memorandum of Understanding with ICON Advanced Co. Ltd:n (ICON), a Saudi Limited Liability Company owned by Salem Balhamer Holding Group. The objective is to deliver in Saudi Arabia a solar module manufacturing plant in which Valoe has a minority shareholding. The plant's competitiveness is based on a version of bifacial Chrystal and Chrystal Twin modules specifically designed to be used in desert areas. Valoe's partner, ICON aims to enter the market with a competitive edge provided by such special features. We plan to reach a final agreement on the delivery of the plant by the end of the financial year. If the project is implemented as planned, it will significantly impact our business in the coming years.

We offer our production technology to ICON as well as to all operators interested in back contact modules. They can be, e.g., large, often government-owned solar projects, module subcontractors, or OEMs who, in addition to price competition, are interested in utilizing the potential of applied products in their market.

OPERATING ENVIRONMENT AND MARKET SITUATION

The prices of photovoltaic products have fallen, and the competitiveness of photovoltaics has improved for several years. During the financial year 2021, there have been price fluctuations in the commodity market. The prices of raw materials for silicon wafers and glass have risen. An increase in prices primarily affects manufacturers of conventional solar modules for roof and ground installations, who typically operate in a highly price-critical market environment. Large companies that are now successful in the mass production of conventional panels and the associated cost competition will continue to dominate the raw material market. They might continue to lower the prices of their basic products relying on purchase volumes and their increased capacity. Without political decisions, Chinese manufacturers, in particular, will continue their playoffs worldwide.

It has been easier for us to adapt to the market situation by specializing more clearly in vehicles and other less competitive segments. Our back contact technology enables us the segmentation. In our modules, the solar electricity is derived from the backside of the cells to a module-sized conductive and flexible circuit board. The module can be bent in three dimensions, and there are no visually disturbing wires on the surface. We are looking for customers who value these features enabling profitable business. This approach is evidenced by the better profitability during the review period.

In vehicles, the back conduct technology brings significant advantages. According to forecasts, the share of solar energy in transport energy consumption will increase significantly, and solar modules will be integrated, for example, in cars and other vehicles. In addition to surface area efficiency, the productivity of photovoltaic systems in these near-future applications will be determined by the system's ability to cope with rapidly changing lights and shadows and maintain efficient power generation when the vehicle moves and shakes the system violently. The back conduct technology we use is at its best in just such applications.

We trust that diversified local production will increase significantly soon. However, we are not aiming at becoming a local manufacturer. When we decide to enter into a particular geographical area, we always seek a local partner and an investor for a solar module factory project. We are responsible for production technology, product quality, and development. Local investors and partners are responsible for project funding as well as marketing and product sales.

Our technology development and manufacturing operations are based on in-depth knowledge of materials technology, expertise and versatile use of laser technology, and experience as a supplier of automation and robotization applications worldwide.

Our adaptable manufacturing technology based on the Conductive Back Sheet and our cell and module manufacturing plants enable us to act as a technology partner for the industrialization of new products and possibly later also as a manufacturing partner.

We believe in solar energy in developing regions and develop technology and module manufacturing equipment for developing countries. Solar energy is the most natural way to improve living conditions in unelectrified areas. We want to create conditions where solar energy can be supplied even in the world's poorest regions.

VALOE'S STRATEGY

We have defined that our strategy is based on the vision according to which solar energy will be the best solution to meet the world's energy needs in the future. Two minutes of the sun provide the world with one year's energy needs of the entire humanity. Solar energy is silent, odourless, and the cleanest form of energy. The total volume of the solar energy business, excluding the price of electricity generated worldwide, is approximately EUR 100 billion per year, and the business is growing at an annual rate of about 20% (Source: ITRPV 2019). Furthermore, solar energy contributes to halting climate change and minimizing the carbon footprint of energy production.

Our strategy is based on the fact that the limitations of solar energy utilization will be resolved in the future. We compete in international markets. We follow closely research and development related to our business and adapt applicable technologies to our product concepts. Valoe's solutions are mainly based on Valoe's own technologies, which the company has developed with leading experts and research institutes. One example of the practical implementation of our strategy is our key role in the HighLite project in the

European Union's Horizon program. We cooperate with leading research institutes and companies to improve Europe's competitiveness by developing photovoltaic applications.

Valoe, as a promoter of solar power, is actively involved in the global development of solar applications and later also in storage applications. In addition, Valoe's technology partners have a crucial role in the development worldwide.

In 2021, we focus on transport applications. Transport is undergoing a transformation, and we need to take advantage of the rapid electrification of transportation.

FINANCIAL RESULT

Valoe Group's cumulative net sales for the first half of the financial year 2021 were about EUR 1.2 million. The net sales increased by about 62 per cent and the loss increased a little compared to the previous year. The profit for the period was about EUR -2.5 million. The net sales for the period 1 April – 30 June 2021 were EUR 1.0 million. During the first half-year 2021, the company's net sales originated mainly from cooperation for self-charging electric vehicles with Sono and other electric vehicle manufacturers.

Although Valoe's financing agreement with RiverFort after the end of the reporting period is sufficient to ensure the company has adequate conditions to finance the investments required for growth, the company is dependent on the ability of its young customer companies to complete joint development projects. However, there are several customers, and the industry is generally estimated to be well funded.

The following financials include Valoe Group's operations. The figures in brackets are comparison figures for the corresponding period in 2020 unless stated otherwise.

April - June 2021:

- Valoe Group's net sales increased by 124 per cent to EUR 1.0 million (In 2020: EUR 0.4 million).
- EBITDA was EUR 0.2 million (EUR -0.3 million).
- Operating profit was EUR -0.3 million (EUR -0.6 million).
- Profit for the period was EUR -0.7 million (EUR -1.0 million).

The operating profit and the profit for the period include a one-off write-down of approximately EUR 0.1 million in inventories related to the Chrome module family.

January – June 2021:

- Valoe Group's net sales increased by 62 per cent to EUR 1.2 million (In 2020: EUR 0.8 million).
- EBITDA was EUR -0.9 million (EUR -0.9 million).
- Operating profit was EUR -1.7 million (EUR -1.5 million).
- The profit before taxes was EUR -2.5 million (EUR -2.3 million).
- Profit for the period was EUR -2.5 million (EUR -2.3 million).
- Undiluted earnings per share were EUR -0.01 (EUR -0.02).
- Diluted earnings per share were EUR -0.01 (EUR -0.02).

FINANCING

In January 2021, we issued a Convertible Bond 1/2021 of EUR 3.4 million, which was oversubscribed. During the reporting period, the lenders of the Convertible Bond 1/2021 subscribed in total 85,000,000 new shares in the company by converting the promissory notes into new shares. The entire loan capital of the Convertible Bond 1/2021 was converted to new shares in the share subscription. The subscription price of the new shares was entered in entirety into the company's invested non-restricted equity fund. Thus the share capital of the company was not increased in connection with the share subscription. The shares were registered with the Trade Register on 23 June 2021 and listed on the stock exchange list of Nasdaq Helsinki Ltd on 29 June 2021.

In June 2021, we resolved on a share issuance of a total of 28,000,000 new shares to the company itself without consideration to implement financing arrangements and subscribed all 28,000,000 new shares. The shares were registered with the Trade Register on 23 June 2021 and listed on the stock exchange list of Nasdaq Helsinki Ltd on 29 June 2021.

After the reporting period, we signed a framework agreement on a three-year financing facility of up to EUR 30 million with RiverFort Global Opportunities PCC Limited ("RiverFort"). Further, we agreed with RiverFort on committed advances in aggregate of EUR 3,000,000, of which we raised EUR 2 million during July-August.

In August 2021, we resolved to partially convert the loan shares of the company's Convertible Bond 1/2020 into the company's shares and partially pay the loan shares in cash. Based on the conversion request submitted to the company by the promissory note holder, BOD Global Group SIA ("BOD"), EUR 300,000 of the Convertible Bond 1/2020 capital and interest on the entire loan capital was converted into company shares, and the company transferred a total of 4,521,524 treasury shares to BOD. EUR 100,000 of the Convertible Bond 1/2020 capital is paid to BOD in cash.

In April 2020, Valoe entered into a new convertible note facility agreement with Winance concerning a funding arrangement of up to EUR 3,000,000 in convertible loan. Out of this financial facility, Valoe has raised a total of EUR 2.25 million by the date of this Half-Year Report.

According to current estimates, the company has sufficient financing for its operations and necessary investments during the next 12 months. However, there is currently a great deal of uncertainty about the future due to the unpredictability of the COVID-19 pandemic and the resulting regulatory requirements and other changes in world trade.

Valoe Group's operating cash flow turned positive during the second quarter. Cash flow from business operations before investments in January – June was EUR -2.4 million (EUR -2.3 million). Trade receivables at the end of the reporting period were EUR 0.3 million (EUR 0.1 million). Net financial items amounted to EUR 0.7 million (EUR 0.9 million). At the end of June, the equity ratio of Valoe Group was -7.1 per cent (-7.4 %) and equity per share was EUR -0.004 (EUR -0.01). The equity ratio including capital loans was 14.7 per cent (10.6 %). At the end of the reporting period, the Group's liquid assets totalled EUR 0.03 million.

Valoe's financial and other risks have been handled in this Report's item "Risk management, Risks and Uncertainties".

RESEARCH AND DEVELOPMENT

The objective of Valoe's product development is that the energy produced by Valoe's solar modules shall be the greenest as well as the cheapest energy on the market. The importance of research and development for Valoe is well illustrated by the human resources allocated to research and development. Valoe Group employs 44 people, out of whom 25 people work on the company's product development projects in Finland and Lithuania.

During recent years, the focus of Valoe's research and development has been on a project relating to cell development and efficiency improvement as well as on the development of IBC cells. Over the past two years, our main challenge, as the first and the only company in Europe so far, has been to design and build a new type of solar cell plant in Vilnius. The first cells manufactured entirely at the Valoe plant were produced in December 2020.

In 2019, we increased product development resources to introduce Valoe Odd Form modules in the market rapidly. Valoe's OddForm module is a flexible and lightweight composite module that can be adapted for new applications in the automotive, aviation, and aerospace industries.

Over the past years, we have created a global partner network to support our research and development. With the partners, we develop products and technology to implement the next phase of our growth strategy. The development and technology transfer collaboration with ISC Konstanz has been steadily deepening, now in its third year. ISC Konstanz is one of the leading solar energy research institutes in Europe.

Valoe's other primary technology partners include Energy Research Centre of the Netherlands (ECN) that now belongs to TNO, and Fraunhofer Institute for Solar Energy Systems (Fraunhofer ISE). In the Horizon HighLite project, Valoe will be able to utilize the knowledge and experience of IMEC in Belgium, CEA and Ines in France, CSEM in Switzerland, and leading universities in several countries. Further, Valoe will be able to work with some of the world's most renowned materials technology companies.

Valoe is aiming at protecting its innovations in every critical geographical area. During the reporting period, Valoe was granted a new patent for utilizing a laser in copper processing.

The Group's research and development costs amounted to EUR 1.1 million (EUR 0.5 million) during the reporting period.

INVESTMENTS

Gross investments during January – June period amounted to EUR 0.7 million (EUR 1.3 million). The investments on the reporting period were mainly in equipment.

PERSONNEL

At the end of June 2021, the Group employed 44 (34) people, out of which 15 employees worked in Lithuania and the rest in Finland. The Group's salaries and fees for the reporting period totalled EUR 1.1 million (EUR 0.8 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 368,359,195. The company has one series of shares, which confer equal rights in the company. On 30 June 2021, Valoe had in total 36,285,616 treasury shares.

The company had 12,887 shareholders at the end of June 2021, and 3.3 per cent of the shares were owned by foreigners. The ten largest shareholders held 47.8 per cent of the company's shares on 30 June 2021.

The largest shareholders on 30 June 2021

1 SAVCOR TECHNOLOGIES OY	44.448.414	12,1
2 VALOE OYJ	36.285.616	9,9
3 NEFCO	23.148.148	6,3
4 SAVISALO IIKKA	13.426.709	3,6
5 OLLILA JORMA	11.053.417	3,0
6 SAVISALO HANNU	10.562.500	2,9
7 APTEEKKIEN ELÄKEKASSA	10.550.000	2,9
8 KAKKONEN KARI	9.447.777	2,6
9 JOCER OY AB	8.750.000	2,4
10 K22 FINANCE OY	8.495.638	2,3
OTHERS	192.190.976	52,2
TOTAL	368.359.195	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 82,455,707 shares in the company on 30 June 2021, representing about 22.4 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 71,625,529 shares in the company.

The price of Valoe's share varied between EUR 0.06 and 0.16 during the January – June period. The average price was EUR 0.12 and the closing price at the end of June EUR 0.09. A total of 204.5 million Valoe shares were traded at a value of EUR 23.5 million during the January – June period. The company's market capitalization at the end of June stood at EUR 33.2 million.

SHARE ISSUE AUTHORIZATIONS IN FORCE

The company has a share issue authorization in force granted by the Annual General Meeting 2021 according to which the Board of Directors is authorized 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 150,000,000 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 2022.

By the date of this Report the Board of Directors has resolved on issues of a total of 40,675,564 shares based on the authorization.

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.

Risks Related to Financial Situation and Financing

Our most significant risk is that the cash flow from our operations would not materialize as planned. Production volumes at the Lithuanian solar cell plant are still low, and production will be increased once the cell quality targets are met. However, the re-emergence of the Covid-19 pandemic, especially in Lithuania but also elsewhere in Europe, may hamper the availability of materials and services, and worsening supply difficulties may further hamper the increase in solar cell production volumes, which could have a material adverse effect on the company's results and / or financial situation.

The Covid-19 pandemic has already slowed down our panel production and hampered the start of solar cell mass production and customer deliveries, and the materialization of cash flow. In our production, we use components sourced from international material suppliers and subcontractors. The main raw materials

include silicon wafers, silver, other metals, plastics, and glass. All these materials now have longer delivery times and higher prices. It is impossible to assess the ultimate impact of the pandemic on our operations. If we cannot pass on higher purchasing costs to our customer prices, the increase in prices may have a significant negative effect on the company's profitability and financial situation.

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 2020.

In exceptional circumstances, banks or public or private funding organizations may face unpredictable pressures that could slow the payment of already agreed funding to Valoe. Such a situation could, in some circumstances, cause the company's working capital situation to tighten again.

Risks Related to the Strategy, Business Operations, New Technologies, and Manufacturing

The development and commercialization of new technologies always involve uncertainties and significant risks. If our product development projects were not successful, 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 have a significant effect on our profitability and financial situation.

In the uncertain global environment created by Covid-19, supply chains involve specific risks. Their impact on the availability and pricing of materials and services, and thus on the company's financial situation and operations, cannot be assessed. Such critical raw materials include, e.g., special plastics, metals, glass and silicon wafers, spare parts for machines and equipment, and professional services related to operations. Our supply chains mainly include European and some individual Asian suppliers. The components and raw materials we purchase from these suppliers are critical to Valoe's business. Due to the uncertainty caused by Covid-19, raw material prices have already risen. In addition, the delivery times for components, silicon wafers, silver, other metals, plastics, and glass used in Valoe's production have been extended. Should the availability of critical components and raw materials continue to decline or the prices continue to rise, this could further slow down the production of our products, delay our deliveries to customers and reduce our profitability. This could have an adverse effect on the company's business, profit, and financial situation, and / or the value of the company's securities.

Risks Related to the Operations in Emerging Markets

We are using part of its resources to market and sell Valoe's technology in emerging markets. Risks associated with operating in emerging markets may arise from, for example, customer liquidity, uncertainties related to production factors, initiation or implementation of foreign exchange control, or other changes in legislation that could effectively prevent the company from repatriating potential profits, selling assets and exiting from the market.

Administrative and Legal Risks

Public funding and investment subsidies have a significant incentive effect in the solar energy business. In Finland in particular, 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.

Certain statements in this Report, especially the non-binding estimations 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 or business environment.

In Mikkeli, 25 August 2021

Valoe Corporation
Board of Directors

Consolidated statement of comprehensive income

(unaudited)

1 000 EUR	1-6/2021	1-6/2020	1-12/2020
Net sales	1 227	759	1 621
Cost of sales	-835	-1 155	-2 621
Gross profit	392	-396	-1 000
Other operating income	5	11	68
Product development expenses	-1 057	-468	-1 055
Sales and marketing expenses	-293	-234	-542
Administrative expenses	-393	-372	-747
Other operating expenses	-391	0	0
Operating profit	-1 735	-1 457	-3 277
Financial income	1	0	0
Financial expenses	-748	-876	-1 646
Profit before taxes	-2 482	-2 333	-4 922
Income taxes	0	0	0
Profit/loss for the period	-2 482	-2 333	-4 922
Profit/loss attributable to:			
Shareholders of the parent company	-2 482	-2 333	-4 922
Earnings/share (basic), eur	-0,01	-0,02	-0,03
Earnings/share (diluted), eur	-0,01	-0,02	-0,03
Total comprehensive income for the period	-2 482	-2 333	-4 922
Total comprehensive income attributable to:			
Shareholders of the parent company	-2 482	-2 333	-4 922

The cost of sales include a one-off write-down of approximately EUR 0.1 million in inventories related to the Chrome module family during 1-6/2021.

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1 000 EUR	4-6/2021	4-6/2020	1-12/2020
Net sales	959	428	1 621
Operating profit	-298	-601	-3 277
EBIDTA	167	-297	-1 863
Profit/loss for the period	-652	-1 011	-4 922

Consolidated statement of financial position

(unaudited)

1 000 EUR	30.6.2021	30.6.2020	31.12.2020
ASSETS			
Non-current assets			
Property, plant and equipment	10 032	9 500	9 858
Consolidated goodwill	441	441	441
Other intangible assets	3 149	4 062	3 544
Available-for-sale investment	9	9	9
Non-current receivables	672	672	672
Total non-current assets	14 304	14 684	14 524
Current assets			
Inventories	374	766	444
Trade and other non-interest-bearing receivables	1 188	1 061	905
Cash and cash equivalents	28	754	435
Total current assets	1 590	2 581	1 784
Total assets	15 894	17 265	16 308
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the parent company			
Share capital	80	80	80
Other reserves	30 804	25 614	26 930
Retained earnings	-32 006	-26 964	-29 535
Total equity	-1 122	-1 270	-2 525
Non-current liabilities			
Non-current loans	8 090	6 602	7 944
Non-current subordinated loans	3 458	3 095	3 821
Other non-current liabilities	285	691	283
Total non-current liabilities	11 833	10 388	12 049
Current liabilities			
Current interest-bearing liabilities	2 013	3 690	2 431
Trade and other payables	3 067	4 216	4 128
Current provisions	102	241	226
Total current liabilities	5 183	8 147	6 785
Total liabilities	17 016	18 535	18 833
Equity and liabilities total	15 894	17 265	16 308

Consolidated statement of cash flows

(unaudited)

1 000 EUR		1-6/2021	1-6/2020	1-12/2020
Cash flow from operating activities				
Income statement profit/loss before taxes		-2 482	-2 333	-4 922
Non-monetary items adjusted on income statement				
Depreciation and impairment	+	794	594	1 413
Unrealized exchange rate gains (-) and losses (+)	+/-	0	0	-2
Other non-cash transactions	+/-	0	-315	-52
Other adjustments	+/-	-93	0	-269
Change in provisions	+/-	-123	-8	-23
Financial income and expense	+	747	876	1 648
Total cash flow before change in working capital		-1 157	-1 186	-2 207
Change in working capital				
Increase (-) / decrease (+) in inventories		-65	67	3
Increase (-) / decrease (+) in trade and other receivables		-286	-600	-440
Increase (+) / decrease (-) in trade and other payables		-459	-376	-46
Change in working capital		-809	-909	-482
Adjustment of financial items and taxes to cash-based accounting				
Interest paid	-	204	163	325
Other financial items	-	188	31	401
Financial items and taxes		-392	-194	-726
NET CASH FLOW FROM BUSINESS OPERATIONS		-2 358	-2 289	-3 415
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in tangible and intangible assets	-	749	830	1 847
Acquisition of subsidiaries and other business units	-	0	1 062	1 062
Grants received	+	0	483	1 382
NET CASH FLOW FROM INVESTMENTS		-749	-1 409	-1 527
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from share issue	+	0	1 911	1 854
Financing arrangement with Bracknor Investment	+	750	1 000	1 957
Proceeds from non-current borrowings	+	2 390	1 659	2 330
Proceeds from current borrowings	+	124	539	554
Repayment of current borrowings	-	564	664	1 325
NET CASH FLOW FROM FINANCING ACTIVITIES		2 700	4 445	5 370
INCREASE (+) OR DECREASE (-) IN CASH FLOW		-407	747	428

Consolidated statement of changes in equity

(unaudited)

1 000 EUR	Share capital	Distributable non- restricted equity fund	Retained earnings	Total equity
31.12.2020	80	26 930	-29 535	-2 525
Profit/loss for the period	-	-	-2 482	-2 482
Translation difference, comprehensive income	-	-	0	0
Transactions with owners:				
Sale of own shares - Winance	0	474	0	474
Share issues	0	3 400		3 400
Own equity component of the convertible bond	0	0	11	11
30.6.2021	80	30 804	-32 006	-1 122

1 000 EUR	Share capital	Distributable non- restricted equity fund	Retained earnings	Total equity
31.12.2019	80	21 243	-24 607	-3 284
Profit/loss for the period	-	-	-2 333	-2 333
Translation difference, comprehensive income	-	-	0	0
Transactions with owners:				
Sale of own shares - Winance	0	870	0	870
Share issue	0	3 689		3 689
Share issue expenses	0	-189	-	-189
Own equity component of the convertible bond	0	0	-24	-24
30.6.2020	80	25 614	-26 964	-1 270

Key figures

(unaudited)

1 000 EUR	1-6/2021	1-6/2020	1-12/2020
Net sales	1 227	759	1 621
Operating profit	-1 735	-1 457	-3 277
% of net sales	-141,4 %	-192,0 %	-202,2 %
EBITDA	-941	-863	-1 863
% of net sales	-76,7 %	-113,7 %	-115,0 %
Profit before taxes	-2 482	-2 333	-4 922
% of net sales	-202,3 %	-307,4 %	-303,7 %
Balance Sheet value	15 894	17 265	16 308
Equity ratio, %	-7,1 %	-7,4 %	-15,6 %
Net gearing, %	neg.	neg.	neg.
Gross investments	680	1 280	2 050
% of net sales	55,4 %	168,7 %	126,5 %
Research and development costs	1 057	468	1 055
% of net sales	86,2 %	61,6 %	65,1 %
Order book	1 625	839	352
Personnel on average	43	33	38
Personnel at the end of the period	44	34	42
Non-interest-bearing liabilities	3 067	4 216	4 128
Interest-bearing liabilities	13 846	14 078	14 480
Share key indicators			
Earnings/share (basic)	-0,01	-0,02	-0,03
Earnings/share (diluted)	-0,01	-0,02	-0,03
Equity/share	0,00	-0,01	-0,01
P/E ratio	-9,44	-4,18	-2,38
Highest price	0,16	0,10	0,10
Lowest price	0,06	0,04	0,04
Average price	0,12	0,07	0,06
Closing price	0,09	0,07	0,06
Market capitalisation, at the end of the period, MEUR	33,2	14,0	16,3

The operating profit and the profit for the period include a one-off write-down of approximately EUR 0.1 million in inventories related to the Chrome module family during 1-6/2021.

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	1-6/2021	1-6/2020	1-12/2020
Sales of goods and services			
Savcor Oy - production services	7	0	9
Total	7	0	9
Purchases of goods and services			
SCI Invest Oy - rent	24	24	48
Basso J., business management services in Lithuania	60	79	141
SCI-Finance Oy - marketing and administration services	36	18	82
Savcor Technologies Oy - marketing and admin services	57	60	106
Savcor Oy - financial management services	5	3	10
Aurinkolahden Tilintarkastus Oy	0	4	4
Other	26	22	48
Total	208	210	440
Interest expenses and other financial expenses			
SCI-Finance Oy	40	69	108
Savcor Technologies Oy	2	62	72
Savcor Oy	0	8	12
SCI Invest Oy	0	1	1
Others	7	35	76
Total	48	175	270
Non-current convertible subordinated loan from related parties	64	461	461
Non-current other subordinated loan from related parties	0	141	141
Other current liabilities to related parties	44	485	399
Current interest payable to related parties	12	151	184
Trade payables and other non-interest-bearing liabilities to related parties	196	476	458
Trade and other current receivables from related parties	14	14	19

Savcor Face Ltd, Savcor Technologies Oy, Savcor Oy and SCI-Finance Oy are companies under control 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, Valoe's CEO.

Aurinkolahden Tilintarkastus Oy is a company under control of Tuomas Honkamäki, Valoe's Member of the Board.

1 000 EUR	1-6/2021	1-6/2020	1-12/2020
Wages and remuneration			
Salaries of the management and Board	259	247	509

Fair values

(unaudited)

1 000 EUR	Carrying amount 30.6.2021	Fair value 30.6.2021
Financial assets		
Available-for-sale investments	9	9
Trade and other receivables	1 188	1 188
Cash and cash equivalents	28	28
Financial liabilities		
R&D loans, non-current	6 697	6 697
Non-current subordinated loans	3 458	3 458
Other non-current loans	1 393	1 393
Other non-current liabilities	285	285
Loans from financial institutions, current	1 086	1 086
Other loans, current	314	314
Other liabilities, current	613	613
Trade payables and other non-interest-bearing liabilities	1 168	1 168

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 0.5 million of liabilities arising from the IFRS 16 standard.

EUR 1.4 million out of trade payables, other current liabilities and accruals was overdue at the end of the reporting period. In addition, EUR 0.05 million of loan repayments were overdue.

Change in intangible and tangible assets

(unaudited)

1 000 EUR	30.6.2021	30.6.2020	31.12.2020
Includes tangible assets, consolidated goodwill and other intangible assets			
Carrying amount, beginning of period	13 842	13 762	13 762
Depreciation and impairment	-660	-597	-1 148
Additions	439	1 280	1 846
Disposals	0	-443	-617
Carrying amount, end of period	13 622	14 002	13 842

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	30.6.2021	30.6.2020	31.12.2020
Assets pledged for the company			
Loans from financial institutions	336	425	390
Other liabilities	279	709	618
Promissory notes secured by pledge	2 060	5 396	5 396
Other securities provided	2 076	2 076	2 076
Operating lease liabilities			
Payable within one year	161	88	161
Payable over one year	202	101	201