

VALOE CORPORATION, INTERIM REPORT 1 JANUARY 2016 – 30 SEPTEMBER 2016

SUMMARY

- Valoe Corporation (“Valoe”) is a technology startup, specializing in the clean energy, that, however, already has a new, competitive and tested technology in use; operating automated production plant; worldwide market and the first export order for a solar module factory to Ethiopia; as well as experienced personnel with competence in international technology sales, production and projects.
- In February 2016 Valoe received an approximately EUR 15.8 million order for a solar module manufacturing plant and back contact technology. About EUR 9.5 million of the sales price will be paid in cash to Valoe and the rest of the sales price in shares of the customer company resulting in Valoe having a 30 percent shareholding in its Ethiopian manufacturing partner. The Development Bank of Ethiopia has granted Valoe’s customer full financing for the order.
- Valoe’s financing situation is very tight. Valoe’s planned financing for the building period was mainly based on an advance payment of EUR 2.8 million for which Valoe shall arrange a bank guarantee. Securing of an advance payment guarantee has been delayed. Negotiations for a guarantee and bridging financing are ongoing and Valoe trusts it will close the negotiations within the next few weeks. The delivery has been postponed due to insufficient financing. Valoe and its manufacturing partner have revised the schedule for completing the Ethiopian project. According to the re-evaluation the machinery and equipment for the plant will be delivered in Ethiopia during the first half of the year 2017. According to the previous estimation the delivery was expected to take place during the year 2016.
- Valoe sold its shares in the company’s subsidiaries in Hong Kong and China to Savcor Tempo Oy, a related company belonging to Savisalo family. The transaction included all related debts and liabilities, however, excluding the guarantee on lease liability of max. EUR 0.65 million. The arrangement increases Valoe Group’s consolidated result by approximately EUR 7.1 million and on the reporting period decreases Valoe Group’s net debts by approximately EUR 3.9 million.
- On the reporting period Valoe Group’s net sales increased to EUR 3.8 million as the sales on the Finnish solar energy market increased and the Ethiopian project started generating revenue. The EBITDA of the continuing operations was EUR 6.8 million after the company’s liabilities in China were discharged. The EBITDA of the continuing operations excluding the one-off profit originating from the sale of the shares in the Chinese subsidiaries amounted to EUR -0.3 million.
- Valoe has started selling the company’s solar power plants and modules in Finland after having built and trained a network of sales representatives and having established cooperation with companies interested in Valoe’s technology. The Finnish solar power market has only recently started to developed.
- Due to the delay in the Ethiopian project delivery Valoe estimates that the net sales of Valoe Group will be ca. EUR 5.5 – 6.0 million in 2016 (in 2015: EUR 0.7 million) and the EBITDA ca. EUR 6.5 – 7.0 million (in 2015: EUR -2.8 million). The financial year 2016 is estimated to be profitable with profit for the financial year 2016 of ca. EUR 3.2 – 3.7 million (in 2015: EUR -4.7 million). All figures for the comparison year concern the continuing operations.

More information on principle activities and events during and after the reporting period can be found in the stock exchange releases published on Valoe's website at www.valoe.com. The Interim Report has been drawn up in compliance with the IAS 34 Interim Financial Reporting standard. In the Interim Report Valoe has applied the same accounting principles as in its Annual Report 2015. The Interim Report has not been audited.

FINANCIAL RESULT IN JANUARY – SEPTEMBER 2016

During the reporting period Valoe's result started to improve as the product sales in Finland took off and the Ethiopian project started to generate revenue. However, the result was exceptional due to one-off item where Valoe's debts and liabilities related to the Beijing factory were discharged.

The sale of the shares of the Chinese subsidiaries increases Valoe Group's profit by ca. EUR 7.1 million and on the reporting period decreases the Group's net debts by ca. EUR 3.9 million. The transaction generates profit as the Chinese subsidiary's losses accumulated during Valoe's ownership and impairment associated with the subsidiary's assets are removed from Valoe Group's balance sheet. The transaction increases the value of the Group's capitalized development costs. The mother company acquired the outcome of the development and research mainly related to the conductive back sheet from China and capitalized the development costs in its balance sheet. After the sale of the Chinese subsidiaries the development costs are now included also in the Group balance sheet.

The following financials include Valoe Group's continuing operations. The figures in brackets are comparison figures for the corresponding period in 2015, unless stated otherwise.

July – September 2016 (continuing operations)

- Valoe Group's net sales increased by 549 percent to EUR 1.1 million (In 2015: EUR 0.2 million).
- EBITDA was EUR -0.2 million (EUR -0.5 million).
- Operating profit was EUR -0.5 million (EUR -0.7 million).
- The profit before taxes was EUR -1.1 million (EUR -0.9 million).
- Profit for the period was EUR -1.1 million (EUR -0.9 million).

January – September 2016 (continuing operations)

- Valoe Group's net sales increased by 623 percent to EUR 3.8 million (In 2015: EUR 0.5 million).
- EBITDA was EUR 6.8 million (EUR -0.8 million).
- Operating profit was EUR 6.0 million (EUR -1.4 million).
- The profit before taxes was EUR 4.4 million (EUR -2.0 million).
- Profit for the period was EUR 4.5 million (EUR -2.0 million).
- Earnings per share were EUR 0.005 (EUR -0.002) and diluted earnings per share EUR 0.003 (EUR -0.002).

MANAGING DIRECTOR IIKKA SAVISALO'S REVIEW

During the third quarter of 2016 Valoe's management focused on removing barriers to the financing for the Ethiopian project. Up to now, the Finnish financiers' decisions have been subject to the irrevocable Letter of Credit (LC) of EUR 9.5 million, given to Valoe's customer by The Development Bank of Ethiopia (DBE), be

opened by a solid bank operating in the EU. Slow financing process has taken longer time than expected in Ethiopia. Apart from delayed schedule, the matter is otherwise proceeding according to the financing agreement signed in February 2016. However, the slow LC opening process has complicated the company's operations remarkably during the reporting period.

Valoe's financing situation is very tight. Valoe's planned financing for the building period was mainly based on an advance payment of EUR 2.8 million against a bank guarantee to be arranged by Valoe. It has taken longer time to organize a security for the guarantee than expected. Negotiations for the guarantee and bridging financing are ongoing and Valoe trusts it will close the negotiations within the next few weeks.

During the reporting period Valoe's sales negotiations with two other manufacturing partner candidates have reached the final stages and Valoe's management estimates that the company will secure orders for the projects during the first six months of 2017.

Valoe's strategy is to find 6 – 8 manufacturing partners whose total annual capacity exceeds 1.5 GWp. Valoe has estimated that establishing of this kind of partner network may take five years.

Valoe is continuously in contact with several solar module manufacturers in China and elsewhere and negotiates various opportunities of cooperation with them.

Despite the challenges relating to the financing of the Ethiopian project Valoe's research and development projects for improving the company's competitiveness have proceeded well and have not essentially fallen behind the planned schedule.

Intensive cooperation between Valoe and its Ethiopian partner during the reporting period has deepened the understanding of operations and technology required in an African business environment where electrification is only in its initial phase. This knowledge enables Valoe to focus its development and other investments on the topics providing Valoe's partners with maximum benefit and generating successful business for Valoe.

Africa as Valoe's Market Area

Typical solar power market in Africa, as elsewhere, is divided into two segments. Large power plants with the capacity of more than 100 MW and an investment of EUR 130 – 200 million, depending on the circumstances and technical specifications, are typically connected to the grid. There are several these kind of huge projects ongoing just in Ethiopia.

Other opportunities that interest Valoe and its manufacturing partners are typically related to the off-grid areas with diesel powered plants or with no power at all. In these kind of projects a customer needs solar power plants but also various energy storages and smart grid technology to create an optimal system for an end user. There are several humanitarian projects in Ethiopia and other African countries for bringing power to rural areas and small communities. Products that could fit this kind of market and Valoe's product range could be e.g. independent solar modules including batteries used for refrigerators, small household devices and lightning.

Research and Development

On the reporting period Valoe's research and development has mainly been concentrated on supporting the Ethiopian project delivery. Equipment and machinery needed in automated module manufacturing process will increasingly be based on Valoe's own innovations and be designed by Valoe. Valoe is aiming at protecting its innovations in all important geographical areas.

In December 2015, with a development loan of ca. EUR 4 million granted by Tekes, the Finnish Funding Agency for Innovation, Valoe commenced a project aiming to optimize cells for back contact modules. The objective of the project is to develop features of cells used in back contact modules to produce best possible capacity compared to H type modules made of similar materials. The project schedule has been extended due to deficit in financing. However, based on the development done so far Valoe seems to have future opportunities in cell development, too.

Short-term and Long-term Financing

For the moment, Valoe's main operational challenge relates to the company's financing. The company can have growing and profitable business only if it can run its development and projects rationally without continuous delays and extra costs generated by financing difficulties. During the next six months the company's most important task is to arrange financing sufficient enough to enable the company to face challenges posed by growth and opportunities. By the end of 2016, Valoe's objective is to secure financing of EUR 2 – 4 million to complete the Ethiopian project. Should the company fail in arranging a financing facility of EUR 2 – 4 million, the company's operation may be jeopardized. Later, the company has planned a share issue project as a long-term financing solution for the growth of the company. A share issue is planned to be directed to investors in Finland and abroad. The schedule of a possible share issue is not yet known.

VALOE'S STRATEGY

Valoe's net sales will be generated by the following four service and product concepts:

1. Photovoltaic modules and systems

Solar modules and small photovoltaic systems are probably Valoe's most visible in Finland but in terms of revenue potential the smallest product group. All PV modules Valoe delivers are manufactured at the company's factory in Mikkeli for the time being. They are mainly delivered to the company's distributors and future manufacturing partners both in Finland and abroad. Further, the company provides solar power plants and systems to its customers in Finland and abroad. Valoe has enhanced the sale of its modules and solar systems in Finland by building and training its own sales channel.

Current capacity of the company's Mikkeli factory is designed to annually produce PV modules worth max EUR 6 – 8 million at the current market prices. Thus, the module sales do not form a major part of the sales of the company.

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

2. Production lines and related components

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

The company negotiates with several potential customers interested in Valoe's production technology for delivering solar module plants, production lines or equipment worldwide.

3. Manufacturing partners

After having received the first manufacturing partnership agreement and the first order for a manufacturing plant in February 2016, Valoe continues negotiating for cooperation agreements with several potential manufacturing partners who as newcomers on the market would commit themselves to both Valoe's production technology and module manufacturing recipe like the Ethiopian customer has done. Valoe provides a partner with a turnkey delivery project and commits to minority shareholding in a manufacturing company as was the case with the order from Ethiopia. Valoe's shareholding is agreed to be 30 percent in Ethiopia.

According to Valoe's strategy buyers of module manufacturing plants, who are Valoe's manufacturing partners, start using Valoe's components forming an ecosystem whose development and competitiveness Valoe looks after. Additionally Valoe will take care of an ecosystem's technological and economic competitiveness by updating plants based on the latest research and experience.

Valoe provides its manufacturing partners with technical support and is neither aiming to have a major shareholding in its partnership companies nor Valoe pursues to take responsibility for the sales of its partners' products or for other local business operations.

Manufacturing partners operate mainly on developing markets and produce solar energy modules for local and nearby markets. Value of a typical turnkey plant delivery is more than ten million euros. The value of the order from Ethiopia totaled EUR 15.8 million. Valoe is aiming to sign at least 10 manufacturing partnership contracts in the next five years.

4. Special components and technologies and services increasing utilization of solar energy

Special components are the most important part in Valoe's strategy and most remarkable in terms of net sales potential. Valoe's first component is Conductive Back Sheet (CBS) that has been developed by Valoe and is one of the most important components in a module. One normal size module production plant using back contact technology needs approximately 300,000 – 500,000 conductive back sheets in a year when operating at full capacity. Based on current estimation, considering price level in the near future, each production line will annually require back sheets worth approximately 5 – 11 million Euros.

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

In the long run Valoe will include technologies relating to energy storages and fuel cells as well as other technologies increasing utilization of solar energy in the company's offering. As to the key competences in these technologies Valoe will be supported by its technology partners.

OPERATING ENVIRONMENT

Valoe operates in industries applying clean energy technology and its operating environment is global. The company's customers are companies that provide products and services locally or worldwide. Valoe's key products and services have been designed for the photovoltaic market.

The global growth of solar energy investments has been faster than expected. Many solar module manufacturers with solid market position have broken losing streak and started to plan investing in capacity, partly to increase the amount of their production capacity and partly to replace production capacity for old H-pattern solar modules.

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

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

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

FINANCING

Cash flow from business operations before investments in January – September 2016 was EUR -1.0 million (EUR -2.3 million). Trade receivables at the end of the reporting period were EUR 0.03 million (EUR 0.4 million). Net financial items amounted to EUR 1.6 million (EUR 0.6 million).

At the end of September the equity ratio of Valoe Group was -63.7 percent (-151.2 %) and equity per share was EUR -0.009 (EUR -0.012). The equity ratio including capital loans was -5.9 percent (-78.7 %). At the end of the reporting period, the Group's liquid assets totaled EUR 0.004 million.

The sale of Valoe's Chinese subsidiaries increased Valoe Group's result by EUR 7.1 million. The equity ratio including capital loans increased to -5.9 percent.

The financing situation of Valoe has been and continues to be very tight. According to the company's management the EUR 15.8 million order received in February 2016, out of which EUR 9.5 million is paid in cash, turns the company's financing situation clearly more stable. However, this is subject to the company being able to arrange an advance payment guarantee and financing for building period of this export project.

Valoe has agreed on extending the loan periods of Savcor Group's convertible bond of ca. EUR 0.36 million and Savcor Invest B.V.'s loan of EUR 0.32 million until 31 March 2017.

Valoe negotiates with Danske Bank and Finnvera on extending the overdraft facility of EUR 0.7 million until 31 March 2017. Further, Valoe negotiates with Danske Bank and Finnvera on extending the payment schedule of the export credit limit of EUR 0.35 million that was due on 31 March 2016.

Valoe's financing situation continues to be tight at least until financing for building period for the order received from Ethiopia has been arranged and advance payment relating to the sale has been paid to Valoe. If the company is able to arrange financing for the delivery time the Ethiopian order will lead the cash flow from operations to turn positive and according to the management of the company no other bridging financing would be needed at that point. If the above-mentioned financing and guarantee for the order from Ethiopia would not be fully arranged, the company's financing situation would further tighten and the continuity of the company's operation may be jeopardized.

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

RESEARCH AND DEVELOPMENT

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

Valoe's strategically important products have already been tested and are functional. The objective of Valoe's research and development is to develop cell and module technology that further improves the

competitiveness of Valoe's products and services. The company continues to make significant investments in research and development and will utilize both national and European research funding to finance that also in the future.

The Group's research and development costs during the January – September period amounted to EUR 1.0 million (EUR 0.9 million) or 27.4 (158.0) percent of net sales. The research and development costs of the Group's continuing operations during the January – September period totaled EUR 1.0 million (EUR 0.9 million) or 27.4 (181.1) percent of net sales.

INVESTMENTS

Gross investments in the continuing operations during January – September period amounted to EUR 0.4 million (EUR 0.3 million). The investments on the reporting period as well as on the corresponding period were mainly in development costs.

PERSONNEL

At the end of September the Group employed 20 (20) people, out of which 19 persons worked in Finland and one person in the USA. During the reporting period the Group's salaries and fees totaled EUR 0.9 million (EUR 1.1 million).

SHARES AND SHAREHOLDERS

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

The company had a total of 7,221 shareholders at the end of September 2016, and 20.4 percent of the shares were owned by foreigners. The ten largest shareholders held 70.65 percent of the company's shares and voting rights on 30 September 2016.

The largest shareholders on 30 September 2016

	shares	percent
1 SAVCOR GROUP OY	259 801 949	30,12
2 SAVCOR COMMUNICATIONS LTD PTY	133 333 333	15,46
3 GASELLI CAPITAL OY	86 300 000	10,00
4 KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ ETERA	63 673 860	7,38
5 SAVCOR INVEST B.V.	39 374 994	4,57
6 SCI INVEST OY	6 870 645	0,8
7 FRATELLI OY	6 622 650	0,77
8 NORDEA PANKKI SUOMI OYJ	5 125 344	0,6
9 MANINVEST OY	4 303 870	0,5
10 VUORENMAA ANTERO	3 894 360	0,45
OTHER	253 171 131	29,35
TOTAL	862 472 136	100,00

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

The members of the Board of Directors and the President and CEO, either directly or through companies under their control, held a total of 441,879,680 shares in the company on 30 September 2016, representing about 51.2 percent of the company's shares and voting rights. Additionally, the members of the Board of Directors and the President and CEO held a total of 75,500,000 options connected to the stock option scheme 2015. At the end of the period Ilkka Savisalo, Valoe's Managing Director, either directly or through companies under his control, held a total of 439,380,921 shares in the company and 26,500,000 options connected to the stock option scheme 2015.

The price of Valoe's share varied between EUR 0.009 and 0.049 during the January – September period. The average price was EUR 0.021 and the closing price at the end of September EUR 0.014. A total of 266.8 million Valoe shares were traded at a value of EUR 5.7 million during the January – September period. The company's market capitalization at the end of September stood at EUR 12.1 million.

During 2015 the Board of Directors of Valoe resolved the terms and conditions of a stock option scheme. The maximum total number of stock options issued is 130,000,000 and they entitle their owners to subscribe for a maximum total of 130,000,000 new shares in the company. The stock options will be issued for free. Of the stock options, 50,000,000 are marked with the symbol 2015A, 40,000,000 are marked with the symbol 2015B and 40,000,000 are marked with the symbol 2015C. The Board of Directors shall annually decide upon the distribution of the stock options to the key employees of the Group.

SHARE ISSUE AUTHORIZATIONS IN FORCE

The Annual General Meeting 2016 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, 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, would equal to the total maximum amount of 1,000,000,000 shares. The authorization is in force until 30 June 2017.

THE MAJOR EVENTS DURING THE REPORTING PERIOD

2 August 2016: VALOE DISCLOSED A PROFIT WARNING

As previously disclosed Valoe sold its shares in the company's subsidiaries in Hong Kong and China to Savcor Tempo Oy, a related company belonging to Savisalo family, on the second quarter of 2016. The transaction included all related debts and liabilities, however, excluding the guarantee on lease liability of max. EUR 0.65 million. The arrangement increased Valoe Group's EBITDA by approximately EUR 7.1 million and decreased Valoe Group's net debts by approximately EUR 3.9 million. Due to the above mentioned one-off item and increase in the Group's calculated financing expenses in accordance with IFRS and in the other financing expenses Valoe changes its financial guidance for 2016 as follows:

“ Valoe estimates that the net sales of Valoe Group will be ca. EUR 11 – 13 million in 2016, the EBITDA ca. EUR 8.6 – 9.4 million and the profit for the financial year 2016 ca. EUR 5.3 – 6.1 million, provided that the Ethiopian project is executed as planned.”

Later the estimations of the financial guidance have been decreased pursuant to the profit warning disclosed on 31 October 2016 (Please see item “The major events since the end of the reporting period” below).

THE MAJOR EVENTS SINCE THE END OF THE REPORTING PERIOD

31 October 2016: VALOE ESTIMATES ITS NET SALES AND PROFITABILITY TO BE LOWER THAN PREVIOUSLY DISCLOSED. THE COMPANY REVISES ITS NET SALES AND PROFITABILITY DUE TO POSTPONEMENT OF THE ETHIOPIAN PROJECT DELIVERY. THE COMPANY’S FINANCING SITUATION IS VERY TIGHT.

In February 2016 Valoe received a ca. EUR 15.8 million order for a solar module manufacturing plant and back contact technology. About EUR 9.5 million of the sales price will be paid in cash to Valoe and the rest of the sales price in shares of the customer company resulting in Valoe having a 30 percent shareholding in its Ethiopian manufacturing partner. Valoe’s customer will receive financing for the deal from The Development Bank of Ethiopia (DBE).

Valoe’s financing situation is very tight. Valoe’s planned financing for the building period was mainly based on an advance payment of EUR 2.8 million for which Valoe shall arrange a bank guarantee. Securing an advance payment guarantee has been delayed. Negotiations for a guarantee and bridging financing are ongoing and Valoe trusts it will close the negotiations within the next few weeks.

The delivery has been postponed due to insufficient financing. Valoe and its manufacturing partner have revised the schedule for completing the Ethiopian project. According to the re-evaluation the machinery and equipment for the plant will be delivered in Ethiopia during the first half of the year 2017. According to the previous estimation the delivery was expected to take place during the year 2016.

Due to the delay in the Ethiopian project delivery Valoe estimates that the net sales of Valoe Group will be ca. EUR 5.5 – 6.0 million in 2016 (in 2015: EUR 0.7 million) and the EBITDA ca. EUR 6.5 – 7.0 million (in 2015: EUR -2.8 million). The financial year 2016 is estimated to be profitable with profit for the financial year 2016 of ca. EUR 3.2 – 3.7 million (in 2015: EUR -4.7 million). All figures for the comparison year concern the continuing operations.

Previously Valoe has estimated that the net sales of Valoe Group will be ca. EUR 11 – 13 million in 2016 (in 2015: EUR 0.7 million) and the EBITDA ca. EUR 8.6 – 9.4 million (in 2015: EUR -2.8 million). The financial year 2016 is estimated to be profitable with profit for the financial year 2016 of ca. EUR 5.3 – 6.1 million (in 2015: EUR -4.7 million). The financial guidance was subject to the Ethiopian project being executed as planned.

Until the above-mentioned bridging financing and an advance payment guarantee have been secured Valoe’s financing situation continues to be very tight and until then the sufficiency of the company’s financing and working capital for the next twelve months involve very significant risks. If the above-mentioned financing and guarantee for the order from Ethiopia would not be fully arranged, the company’s financing situation would further tighten and the continuity of the company’s operation may be jeopardized.

RISK MANAGEMENT, RISKS AND UNCERTAINTIES

Valoe's Board of Directors is responsible for the control of the company's accounts and finances. The Board is responsible for internal control, while the President and CEO handles the practical arrangement and monitors the efficiency of internal control. Business management and control are taken care of using a Group-wide reporting and forecasting system.

The purpose of risk management is to ensure that any significant business risks are identified and monitored appropriately. The company's business and financial risks are managed centrally by the Group's financial department, and reports on risks are presented to the Board of Directors as necessary.

Due to the small size of the company and its business operations, Valoe does not have an internal auditing organization or an audit committee.

Valoe's objective is to achieve a strong market position as a provider of, in various geographical areas, locally produced high-quality photovoltaic modules. Achievement of the objectives involves risks. Even though Valoe's strategy and objectives are based on market knowledge and technical surveys, the risks are significant and it is not certain if the company reaches all or part of the targets set for it. Valoe's future outlook will be highly dependent on the company's ability to reach the targeted market position in the global photovoltaic module market as well as on the company's financing.

According to the management of the company the EUR 15.8 million order for a module manufacturing plant received from Ethiopia in February 2016, out of which EUR 9.5 million is paid in cash, turns the company's cash flow from operations positive if the order is realized as planned. However, Valoe has to arrange an advance payment guarantee for the order and financing for building period in addition to the payment terms arrangements agreed on with the company's main suppliers. Until all of the aforesaid financing and guarantee has been arranged Valoe's financing situation continues to be very tight and until then the sufficiency of the company's financing and working capital for the next twelve months involve very significant risks. If the above mentioned financing and guarantee for the order from Ethiopia would not be arranged, the company's financing situation would further tighten and the continuity of the company's operation may be jeopardized.

The financial negotiations with Finnvera and Danske Bank involve risks. If the overdue limits shall not be rescheduled the company's financing situation tightens remarkably.

In the Auditor's Report in the Annual Report 2015 the company's auditor drew attention to the financial risk management, among others, with a so called Emphasis of Matter as follows: "We draw attention both to the report of the Board of Directors section "Risk management, Risks and Uncertainties" and to the Note 29 "Financial risk management". As described in these paragraphs, the financial situation of the company is severe and the financing arrangements of the company are unfinished. As a result, there are significant risks in the adequacy of 12 months financing and in the ability of the company to continue its operations on a going concern basis. The financial statements of the company are prepared based on a going concern assumption. If the conditions for going concern cannot be secured, the values of assets in the financial statements of the company may need to be changed."

The module manufacturing plant order from Ethiopia involves business, financial, schedule and country risks that are typical of international equipment sales. Until financing arrangements, guarantees and other arrangements for the Ethiopian order have been secured Valoe's financing situation continues to be very

tight and until then the sufficiency of the company's financing and working capital for the next twelve months involve very significant risks. If the company does not succeed to secure sufficient financing for the building period of the order from Ethiopia, the continuity of the company's operation may be jeopardized.

The certain statements in this release and especially the company's financial guidance as well as non-binding estimations in Valoe's strategy are targeted to the future and based on the management's current estimations. They involve risks and uncertainty by their nature and may be affected by changes in general financial situation or business environment.

Other risks connected to Valoe have been presented in more detail in the Annual Report for 2015.

MARKET OUTLOOK

Valoe estimates that the net sales of Valoe Group will be ca. EUR 5.5 – 6.0 million in 2016 (2015: EUR 0.7 million) and the EBITDA ca. EUR 6.5 – 7.0 million (2015: EUR-2.8 million). The financial year 2016 is estimated to be profitable with profit for the financial year 2016 of ca. EUR 3.2 – 3.7 million (in 2015: EUR - 4.7 million). All figures for the comparison year concern the continuing operations. The financial guidance is subject to the Ethiopian project to be executed as planned.

In Mikkeli, 2 November 2016

Valoe Corporation

BOARD OF DIRECTORS

For more information please contact:

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

Accounting principles

(unaudited)

Revenue recognition principles

The revenue generated by the Ethiopian project is recorded as sales under the percentage of completion method. The Ethiopian project has been subdivided into smaller projects whose physical percentage of completion is reviewed monthly. The percentage of completion is determined based on pre-planned milestones/actions and objectives.

Revenue is recognized based on determined percentage of completion and, if necessary, a provision is recognized to avoid exceeding the estimated margin of the project.

The presentation of the Ethiopia project in the balance sheet is defined during Q2 2016, the receivables and liabilities related to the revenue recognition of the project are offset.

Application of the going concern assumption

The financial statements of the company are prepared on a going concern assumption. The financing situation of Valoe has been and continues to be very tight. According to the company's management the EUR 15.8 million order received in February 2016, out of which EUR 9.5 million is paid in cash, turns the company's financing situation clearly more stable. However, this is subject to the company being able to arrange an advance payment guarantee and financing for building period of this export project.

Valoe's financing situation continues to be tight at least until financing for building period for the order received from Ethiopia has been arranged and advance payment relating to the sale has been paid to Valoe. If the company is able to arrange financing for the delivery time the Ethiopian order will lead the cash flow from operations to turn positive and according to the management of the company no other bridging financing would be needed at that point.

If the conditions for going concern cannot be secured, the values of assets in the financial statements of the company, including the revenue recognition of the Ethiopian project, may need to be changed.

Consolidated statement of comprehensive income

(unaudited)

1 000 EUR	7-9/2016	7-9/2015	1-9/2016	1-9/2015	1-12/2015
Continuing operations					
Net sales	1 058	163	3 780	523	699
Cost of sales	-643	-240	-2 119	-674	-937
Gross profit	415	-77	1 661	-151	-237
Other operating income	3	1	7 173	872	150
Product development expenses	-430	-307	-1 034	-947	-1 078
Sales and marketing expenses	-159	-144	-564	-484	-686
Administrative expenses	-203	-168	-592	-724	-982
Other operating expenses	-136	-10	-607	-12	-705
Operating profit	-510	-704	6 036	-1 447	-3 540
Financial income	1	104	7	215	306
Financial expenses	-547	-277	-1 604	-802	-1 497
Profit before taxes from continuing operations	-1 056	-877	4 439	-2 035	-4 731
Income taxes	0	0	18	1	0
Profit/loss for the period from continuing operations	-1 056	-877	4 457	-2 034	-4 731
Discontinued operations					
Profit/loss after tax for the period from discontinued operations	16	12	-159	-111	-91
Profit/loss for the period	-1 040	-866	4 299	-2 145	-4 822
Profit/loss attributable to:					
Shareholders of the parent company	-1 040	-866	4 299	-2 145	-4 822
Earnings/share (diluted), eur	-0,001	-0,001	0,003	-0,002	-0,006
Earnings/share (basic), eur	-0,001	-0,001	0,005	-0,002	-0,006
Continuing operations:					
Earnings/share (diluted), eur	-0,001	-0,001	0,003	-0,002	-0,005
Earnings/share (basic), eur	-0,001	-0,001	0,005	-0,002	-0,005
Profit/loss for the period	-1 040	-866	4 299	-2 145	-4 822
Other comprehensive income					
Translation difference	0	-28	750	-362	-468
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	0	-28	0	-362	-468
Total comprehensive income for the period	-1 040	-894	5 048	-2 507	-5 290
Total comprehensive income attributable to:					
Shareholders of the parent company	-1 040	-894	5 048	-2 507	-5 290

Consolidated statement of financial position

(unaudited)

1 000 EUR	30.9.2016	30.9.2015	31.12.2015
ASSETS			
Non-current assets			
Property, plant and equipment	15	52	64
Consolidated goodwill	441	441	441
Other intangible assets	8 299	3 682	3 737
Holdings in associated companies	142	0	0
Available-for-sale investment	9	9	9
Total non-current assets	8 906	4 185	4 251
Current assets			
Inventories	131	117	254
Trade and other non-interest-bearing receivables	2 801	1 799	799
Cash and cash equivalents	4	976	31
Total current assets	2 935	2 891	1 084
Assets classified as held for sale	0	27	0
Total assets	11 842	7 103	5 336
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the parent company			
Share capital	80	80	80
Other reserves	0	0	0
Translation difference	0	-644	-750
Retained earnings	-7 611	-10 170	-11 910
	-7 531	-10 735	-12 579
Non-controlling interests	0	9	9
Total equity	-7 531	-10 726	-12 570
Non-current liabilities			
Non-current loans	9 288	5 035	7 222
Other non-current liabilities	105	0	0
Deferred tax liabilities	0	-1	0
Total non-current liabilities	9 392	5 034	7 222
Current liabilities			
Current interest-bearing liabilities	4 652	5 397	3 131
Trade and other payables	4 742	6 799	7 030
Current provisions	0	0	0
Total current liabilities	9 395	12 195	10 162
Liabilities directly associated with assets classified as held for	586	600	522
Total liabilities	19 373	17 829	17 906
Equity and liabilities total	11 842	7 103	5 336

Consolidated statement of cash flows

(unaudited)

1 000 EUR		1-9/2016	1-9/2015	1-12/2015
Cash flow from operating activities				
Income statement profit/loss from continuing operations before taxes		4 439	-2 035	-4 731
Income statement profit/loss from discontinued operations before taxes		-159	-111	-91
Income statement profit/loss before taxes		4 280	-2 145	-4 822
Non-monetary items adjusted on income statement				
Depreciation and impairment	+	778	662	696
Gains/losses on disposals of non-current assets	+/-	-7 074	0	0
Unrealized exchange rate gains (-) and losses (+)	+/-	-11	-230	-311
Other non-cash transactions	+/-	531	-746	684
Change in provisions	+/-	-31	-89	-86
Financial income and expense	+	1 608	817	1 502
Total cash flow before change in working capital		80	-1 731	-2 337
Change in working capital				
Increase (-) / decrease (+) in inventories		123	-22	-159
Increase (-) / decrease (+) in trade and other receivables		-2 596	958	1 076
Increase (+) / decrease (-) in trade and other payables		1 471	-1 225	-1 358
Change in working capital		-1 002	-289	-441
Adjustment of financial items and taxes to cash-based accounting				
Interest paid	-	85	194	294
Interest received	+	0	1	1
Other financial items	-	17	60	68
Taxes paid	-	-18	0	3
Financial items and taxes		-84	-253	-364
NET CASH FLOW FROM BUSINESS OPERATIONS		-1 005	-2 273	-3 142
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in tangible and intangible assets	-	368	289	396
Proceeds on disposal of tangible and intangible assets	+	0	34	34
Loans granted	-	0	160	160
Repayment of loan receivables	+	0	263	263
Acquisition of subsidiaries and other business units	-	672	0	0
Disposal of subsidiaries and other business units	+	-23	640	640
NET CASH FLOW FROM INVESTMENTS		-1 063	488	381
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	+	808	3 258	3 381
Repayment of non-current borrowings	-	0	8	8
Proceeds from current borrowings	+	1 748	44	265
Repayment of current borrowings	-	527	695	1 004
NET CASH FLOW FROM FINANCING ACTIVITIES		2 029	2 599	2 634
INCREASE (+) OR DECREASE (-) IN CASH FLOW		-39	813	-127

Consolidated statement of changes in equity

(unaudited)

1 000 EUR	Share capital	Other reserves	Translation difference	Distributable non-restricted equity fund	Retained earnings	Total	Non-controlling interests	Total equity
31.12.2015	80	0	-750	0	-11 910	-12 579	9	-12 570
Profit/loss for the period	-	-	-	-	4 298	4 298	0	4 298
Translation difference, comprehensive income	-	-	750	-	0	750	-9	741
30.9.2016	80	0	0	0	-7 611	-7 531	0	-7 531

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

1 000 EUR	Share capital	Other reserves	Translation difference	Distributable non-restricted equity fund	Retained earnings	Total	Non-controlling interests	Total equity
31.12.2014	3 425	4 908	-281	44 552	-62 500	-9 896	8	-9 888
Profit/loss for the period	-	-	-	-	-2 145	-2 145	0	-2 145
Translation difference, comprehensive income	-	-	-362	-	0	-362	0	-362
Transactions with owners:								
Own equity component of the convertible bond				0	1 670	1 670	0	1 670
Reduction of share capital	-3 345	-4 908	0	-44 032	52 285	0		0
Share issue expenses	-	-	-	-520	520	0	-	0
30.9.2015	80	0	-644	0	-10 170	-10 735	9	-10 726

Segment information

(unaudited)

From 1 January 2013 Valoe reported of three business segments to comply with the company's Cleantech strategy. The segments were Laser and Automation Applications (LAS), Life Cycle Management (LCM) and Clean Energy (CCE). 17 September Valoe announced that it has transferred the company's electronics automation business into Cencorp Automation Oy, a fully-owned subsidiary of Valow. Further, in accordance to the agreement signed earlier, FTTK Company Limited has purchased 70 percent of the shares in Cencorp Automation Oy. Further FTTK has used its option to purchase the remaining 30 percent of the shares in Cencorp Automation Oy and the parties have signed an agreement on exercising the option in December 2014. In consequence of the sale of the shares Valoe reports the financial figures relating to the electronics automation business, i.e. LAS and LCM segments, as discontinued operations from Q3/2014 and segment information is divided into continuing and discontinued operations. Segment information is not available after operating profit in profit and loss statement. Financial income and expenses or balance sheet items are not booked to segments. Valoe's new segment information is based on the management's internal reporting and on the organisation structure. During the years 2016 and 2015 the discontinued operations include the finishing up of few remaining projects of the electronics automation business sold to FTTK and finalising the sale of the shares.

1 000 EUR	7-9/2016	7-9/2015	1-9/2016	1-9/2015	1-12/2015
Net sales					
Valoe Clean Energy - continuing operations	1 058	163	3 780	523	699
Discontinued operations	0	18	0	76	113
Total	1 058	181	3 780	599	812
Operating profit					
Valoe Clean Energy - continuing operations	-510	-704	6 036	-1 447	-3 540
Discontinued operations	16	12	-159	-111	-91
Total	-494	-693	5 877	-1 558	-3 631
EBITDA					
Valoe Clean Energy - continuing operations	-175	-486	6 814	-785	-2 844
Discontinued operations	16	12	-159	-111	-91
Total	-158	-474	6 655	-896	-2 935
Depreciation					
Valoe Clean Energy - continuing operations	335	219	778	662	696
Discontinued operations	0	0	0	0	0
Total	335	219	778	662	696
Impairment					
Valoe Clean Energy - continuing operations	0	0	0	0	0
Discontinued operations	0	0	0	0	0
Total	0	0	0	0	0

Discontinued operations

(unaudited)

17 September Valoe announced that it has transferred the company's electronics automation business into Cencorp Automation Oy, a fully-owned subsidiary of Valoe. Further, in accordance to the agreement signed earlier, FTTK Company Limited has purchased 70 percent of the shares in Cencorp Automation Oy. Further FTTK has used its option to purchase the remaining 30 percent of the shares in Cencorp Automation Oy and the parties have signed an agreement on exercising the option in December 2014. In consequence of the sale of the shares Valoe reports the financial figures relating to the electronics automation business as discontinued operations from Q3/2014.

During the years 2016 and 2015 the discontinued operations include the finishing up of few remaining projects of the electronics automation business sold to FTTK and finalising the sale of the shares.

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

1 000 EUR	1-9/2016	1-9/2015	1-12/2015
Revenue	0	76	113
Expenses	-159	-187	-204
Operating profit/loss from discontinued operation	-159	-111	-91
Assets			
Property, plant and equipment	0	0	0
Other intangible assets	0	0	0
Inventories	0	0	0
Trade and other non-interest-bearing receivables	0	27	0
Cash and cash equivalents	0	0	0
Assets classified as held for sale	0	27	0
Liabilities			
Trade and other payables	558	544	463
Provisions	28	56	59
Liabilities directly associated with assets classified as held for sale	586	600	522
Net assets directly associated with disposal group	-586	-573	-522

Cumulative translation difference

Net cash flow of Cencorp's electronics automation business:

1 000 EUR	1-9/2016	1-9/2015	1-12/2015
Operating	-120	-445	-536
Investing	0	96	96
Earnings/share (basic), from discontinued operations	-0,0002	-0,0001	-0,0001
Earnings/share (diluted) from discontinued operations	-0,0001	-0,0001	-0,0001

Key figures

(unaudited)

1 000 EUR	7-9/2016	7-9/2015	1-9/2016	1-9/2015	1-12/2015
Net sales	1 058	163	3 780	523	699
Operating profit	-510	-704	6 036	-1 447	-3 540
% of net sales	-48,2 %	-432,2 %	159,7 %	-276,8 %	-506,4 %
EBITDA	-175	-486	6 814	-785	-2 844
% of net sales	-16,5 %	-297,9 %	180,3 %	-150,2 %	-406,8 %
Profit before taxes	-1 056	-877	4 439	-2 035	-4 731
% of net sales	-99,8 %	-538,2 %	117,4 %	-389,1 %	-676,8 %
Balance Sheet value	11 842	7 103	11 842	7 103	5 336
Equity ratio, %	-63,7 %	-151,2 %	-63,7 %	-151,2 %	-235,7 %
Net gearing, %	neg.	neg.	neg.	neg.	neg.
Gross investments (continuing operations)	127	104	411	296	395
% of net sales	12,0 %	63,7 %	10,9 %	56,5 %	56,5 %
Research and development costs (continuing oper.)	430	307	1 034	947	1 078
% of net sales	40,7 %	188,2 %	27,4 %	181,1 %	154,2 %
Order book	12 609	9	12 609	9	45,58
Personnel on average	21	21	21	23	22
Personnel at the end of the period	20	20	20	20	20
Non-interest-bearing liabilities	5 944	7 343	5 944	7 343	7 493
Interest-bearing liabilities	13 401	10 431	13 401	10 431	10 354
Share key indicators					
Earnings/share (basic)	-0,001	-0,001	0,003	-0,002	-0,006
Earnings/share (diluted)	-0,001	-0,001	0,005	-0,002	-0,006
Earnings/share (basic), from continuing operations	-0,001	-0,001	0,003	-0,002	-0,005
Earnings/share (diluted) from continuing operations	-0,001	-0,001	0,005	-0,002	-0,005
Equity/share	-0,009	-0,012	-0,009	-0,012	-0,015
P/E ratio	-11,61	-13,95	2,81	-5,63	-3,40
Highest price	0,017	0,016	0,049	0,020	0,020
Lowest price	0,010	0,012	0,009	0,007	0,007
Average price	0,015	0,014	0,021	0,012	0,013
Closing price	0,014	0,014	0,014	0,014	0,019
Market capitalisation, at the end of the period, MEUF	12,1	12,1	12,1	12,1	16,4

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	1-9/2016	1-9/2015	1-12/2015
Continuing operations			
Sales of goods and services			
Savcor companies - financial management and production services	29	68	92
Savcor Face Ltd - solar modules / production services	-2	36	36
Others	1	0	0
Total	27	104	128
Purchases of goods and services			
Savcor companies - financial management, legal and IT services	86	144	227
Savcor Face Ltd - marketing services	25	43	51
SCI-Finance Oy - marketing and administration services	70	66	98
Savcor Technologies Oy - marketing and administration services	31	0	0
Oy Marville Ab - legal services	53	12	30
Others - administration service	0	10	0
Total	265	275	405
Gain on disposal			
Savcor Tempo Oy	-300	0	0
Interest income			
Savcor companies	0	1	1
Interest expenses and other financial expenses			
Savcor companies	115	111	162
SCI Invest Oy	51	45	57
SCI-Finance Oy - funding	50	4	4
Savcor Technologies Oy	52	2	5
Savcor Communications Pty Ltd	41	0	0
Savcor Tempo Oy	14	0	0
Others	53	31	49
Total	376	193	277
Discontinued operations			
Purchases of goods and services			
Savcor companies - financial management, legal and IT services	0	7	7
SCI-Finance Oy - administration services	3	8	9
Others	2	1	1
Total	6	16	18

1 000 EUR	1-9/2016	1-9/2015	1-12/2015
Non-current convertible subordinated loan from related parties	2 282	1 696	1 882
Non-current interest payable to related parties	37	0	0
Current convertible subordinated loan from related parties	364	364	364
Other current liabilities to related parties	2 373	1 270	705
Current interest payable to related parties	510	282	156
Trade payables and other non-interest-bearing liabilities to related parties	475	545	197
Trade and other current receivables from related parties	17	94	25

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

Savcor companies are under influence of Iikka Savisalo, Valoe's CEO and Hannu Savisalo, Valoe's Chairman of the Board.

SCI Invest Oy is a company under control of Iikka Savisalo, Cencorp's CEO.

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

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

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

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

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

Oy Marville Ab is a company under control of Ville Parpola, Valoe's Vice chairman of the Board.

1 000 EUR	1-9/2016	1-9/2015	1-12/2015
Wages and remuneration			
Salaries of the management and Board	548	566	856

The presentation of the salaries of the management and Board has been changed from receipts basis to accrual basis at year end 2015, also for the comparison period Q3 2015.

Fair values

(unaudited)

1 000 EUR	Carrying amount 30.9.2016	Fair value 30.9.2016
Financial assets		
Available-for-sale investments	9	9
Trade and other receivables	2 801	2 801
Cash and cash equivalents	4	4

The presentation of the Ethiopia project in the balance sheet is defined during Q2 2016, the receivables and liabilities related to the revenue recognition of the project are offset.

Financial liabilities		
R&D loan, non-current	2 820	2 820
Non-current convertible subordinated loan	6 468	6 468
Loans from financial institutions, current	1 370	1 370
Current convertible subordinated loan	364	364
Other liabilities, current	2 669	2 669
Trade payables and other non-interest-bearing liabilities	2 796	2 796

The fair value of non-current liabilities is expected to correspond to the carrying amount and recognized to their fair value when recorded. There has been no significant change in common interest rate after the withdrawal of the loans.

EUR 3.1 million out of trade payables, other current liabilities and accruals was overdue at the end of the reporting period. In addition, an export credit limit of EUR 0,3 million and overdraft limit of EUR 0,7 million to Danske Bank and EUR 0,2 million of other liabilities were overdue.

Change in intangible and tangible assets

(unaudited)

1 000 EUR	30.9.2016	30.9.2015	31.12.2015
Includes tangible assets, consolidated goodwill and other intangible assets			
Carrying amount, beginning of period	4 242	4 577	4 577
Depreciation and impairment	-778	-662	-696
Additions	411	295	395
Realization of an internal margin	4 931	-34	0
Disposals	-47	0	-34
Exchange rate difference	-4	0	0
Carrying amount, end of period	8 755	4 176	4 242

Commitments and contingent liabilities

(unaudited)

1 000 EUR	30.9.2016	30.9.2015	31.12.2015
Loans from financial institutions	721	950	950
Promissory notes secured by pledge	12 691	12 691	12 691
Factoring loan and export credit limit	349	648	448
Trade receivables	0	0	0
Deposits	0	100	0
Promissory notes secured by pledge	12 691	12 691	12 691
Collaterals given from other short-term loans			
Deposits	0	505	509
Commitments - continuing operations			
Payable within one year	61	63	61