

Savosolar arranges EUR 3.5 million rights issue and publishes prospectus

Savosolar Plc

Company Announcement

14 June 2018 at 11.00 a.m. (CEST)

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Savosolar arranges a rights issue of approximately EUR 3,5 million, publishes a prospectus and discloses information not previously published

Following the company announcement on 21 May 2018, the Board of Directors of Savosolar Plc ("Savosolar" or the "Company") has today decided to arrange a rights issue totalling approximately EUR 3.5 million (the "Offering") with additional warrants enabling the Company to raise up to a maximum of approximately 3.3 MEUR (the "Warrants"). The Company also releases new information regarding the capitalisation and indebtedness of the Company as per 31 March 2018.

- The offer shares will consist of a maximum of 174,332,080 new shares in the Company (the "Offer Shares"), representing approximately 57.1 per cent of the total number of the Company's shares outstanding after the Offering.
- Savosolar gives all its shareholders registered in Savosolar's shareholder register maintained by Euroclear Finland Oy ("Euroclear Finland") and Euroclear Sweden AB ("Euroclear Sweden") one (1) subscription right (the "Subscription Right") per each share held on the Offering record date. Three (3) Subscription Rights entitle the holder to subscribe for four (4) Offer Shares.
- The record date for the Offering is 18 June 2018 with the last day of trading including the Subscription Rights on 14 June 2018 and the first day of trading excluding the Subscription Rights on 15 June 2018.
- The subscription period for the Offer Shares (the "Subscription Period") commences on 21 June 2018 at 9:30 Finnish time (8:30 Swedish time), and ends on 10 July 2018 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 6 July 2018 at 16:30 Finnish time (15:30 Swedish time) in Sweden, if the Board doesn't decide to extend the subscription period.
- The subscription price is EUR 0.02 or SEK 0.20 per Offer Share.

- Augment Partners AB (“Augment Partners”) has been assigned to procure professional investors to the Company during the Subscription Period of the Offering in such a way that the investments through Augment Partners AB do not exceed a total of approximately EUR 0.9 million (the “Directed Issue”). The investors procured by Augment Partners primarily participate in the Offering and, if the Offering is subscribed in full, a separate share issue can additionally be directed to them with the same Subscription Price as in the Offering. The size of possible Directed Issue to investors procured by Augment Partners AB would be a maximum of 43,583,020 shares, corresponding to approximately 12.5 per cent of the total amount of outstanding shares in the Company after the Offering and the Directed Issue, assuming the Offering and Directed Issue is fully subscribed. The Board of Directors shall decide on a possible Directed Issue approximately on 13 July 2018, while resolving on approval of the subscriptions received in the Offering.
- In addition, Savosolar will issue Warrants free of charge to persons who subscribe for the Offer Shares in the Offering so that the subscriber, which the Board of Directors has approved, will receive one (1) Warrant per each two (2) subscribed and paid Offer Shares. Savosolar plans to offer the same possibility for investors who participate in the possible Directed Issue. Each Warrant gives its holder the right to subscribe for one (1) new share during 26 November 2018 – 10 December 2018. The share subscription price is determined by the volume weighted average price of the Company’s share on First North Finland between 12 November 2018 and 23 November 2018, with an applied discount of 25 per cent. The subscription price, however, is at least EUR 0.02 and at most EUR 0.03 per share. The maximum amount of Warrants will be 87,166,040 if the Offering is subscribed in full, and 108,957,550, if both the Offering and Directed Issue are subscribed in full.
- The Company aims to raise approximately EUR 3.5 million before transaction costs with the Offering, if the Offering is subscribed in full, as well as approximately EUR 0.9 million, before transaction costs, in the Directed Issue if it is arranged and subscribed in full. With shares subscribed for based on the Warrants the Company can receive a maximum of approximately EUR 3.3 million if the maximum number of Warrants are issued and all Warrants are used for the subscription of shares at maximum subscription price of EUR 0.03 per share.
- The Company has received subscription commitments from existing shareholders and underwriting commitments from external investors for 80 per cent of the Offering. The underwriters have the right to receive their underwriting fee either in cash or in new shares by setting off their underwriting fee in a directed issue, which is possibly arranged after the Offering.

Information not previously published

On the page 65 in the prospectus, under “Capitalisation and indebtedness” the following can be read:

“The tables below present Savosolar’s capitalisation and indebtedness as of 31 March 2018. The figures have been prepared specifically for the prospectus and are unaudited. The debts are interest-bearing if nothing else is mentioned.

Equity and liabilities, EUR thousand	31 March 2018
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<i>Current interest bearing debt</i>	
<i>Against guarantee or surety</i>	40.0
<i>Against collateral</i>	92.4
<i>Without guarantee/surety or collateral¹</i>	1,499.8
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<i>Total current interest bearing debt</i>	1,632.2
<i>Non-current interest bearing debt</i>	
<i>Against guarantee or surety</i>	20.0
<i>Against collateral</i>	362.0
<i>Without guarantee/surety or collateral</i>	0.0
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<i>Total non-current interest bearing debt</i>	382.0
<i>Total current and non-current interest bearing debt</i>	2,014.2

Equity

<i>Share capital</i>	470.2
<i>Reserve for invested unrestricted equity</i>	24,919.1
<i>Retained earnings</i>	-21,735.5
<i>The period's result</i>	-1,220.7

<i>Total equity</i>	2,433.1
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Net financial indebtedness, EUR thousand**31 March 2018**

<i>A) Cash</i>	891.1
<i>B) Other liquid funds</i>	–
<i>C) Marketable securities</i>	–
<i>D) Liquidity A+B+C</i>	891.1
<i>E) Current financial receivables</i>	–
<i>F) Current liabilities from financial institutions¹</i>	1,499.8
<i>G) Current portion of non-current liabilities</i>	132.4

<i>H) Other current financial liabilities</i>	–
<i>I) Current financial liabilities F+G+H</i>	1,632.2
<i>J) Net current financial indebtedness I-E-D</i>	741.1
<i>K) Non-current liabilities from financial institutions</i>	382.0
<i>L) Issued bonds</i>	–
<i>M) Other non-current liabilities</i>	–
<i>N) Non-current financial liabilities K + L + M</i>	382.0
<i>O) Net financial indebtedness J+N</i>	1,123.1

1 The liabilities from financial institutions includes the R&D loan granted by Tekes (restructuring debt), amounting to EUR 68.5 thousand, which is non-interest bearing. Of the loan, EUR 68.5 thousand is shown in the balance sheet as short-term loans from financial institutions.

Reasons for the Offering and use of proceeds

Until recently, Denmark was the only active market in the segment for large solar collector fields and systems. Even though market analysts predicted that new markets both in Europe and elsewhere would be activating earlier, it was not until 2017 that Savosolar started seeing real activity in other markets. With Savosolar's award-winning products and due to the intensified sales actions in the past 18 months, the Company has, according to its information and assessments, been invited to almost all notable tenders in Europe, signing its first large-scale order outside Denmark and its largest order ever during the spring 2018. The first large-scale order outside Denmark, with a collector area exceeding 4,000 m² to newHeat SAS will be the largest solar thermal field ever built in France and first in the world installed on a one-axis tracking system. The second order, with a total collector area of approximately 21,000 m² to Grenaa Varmevaerk in Denmark, is worth approximately EUR 3.5 million and is the Company's largest order to date.

This means, that after many years of proving its technology to the market and signing orders on the competitive Danish market, Savosolar has finally been able to

take a leap forward towards its vision of becoming the global first-choice supplier to high performance solar installations. While delivering to large collector fields in Europe as well as with strong partnerships around the world, e.g. in China, Latin America, Australia and Africa, the Company believes it is ready to take on the global market.

Due to the temporary downturn in the market the Company is in need for more working capital. The Company believes that the downturn in the market was due to the Danish government's delayed decisions of the terms concerning renewable energies and longer-than-expected processing times in other markets. The Company aims to raise approximately EUR 3.5 million through the Offering. If the Offering is fully subscribed, the Company expects to receive approximately EUR 3.0 million in net proceeds after transaction costs amounting to approximately EUR 0.5 million. In connection with the Offering, the Company also issues Warrants free of charge to investors who have subscribed for Offer Shares in the Offering. The Company may therefore additionally raise up to a maximum of approximately EUR 2.5 million in net proceeds, after deducting the estimated expenses for the subscriptions with Warrants payable by the Company, totalling approximately EUR 0.1 million.

The proceeds from the Offering and the Warrants will be used to secure the Company's working capital need of approximately EUR 4.5 million (including the repayment of capital and interest of the bridge loan financing of approximately EUR 0.3 million) so that the Company can deliver signed and potential upcoming orders in 2018-2019 and continue to streamline Savosolar's operations to match profitability targets and the increasing demand globally.

The Offering

The Company is offering up to of 174,332,080 new shares in the Company for subscription primarily in accordance with the shareholders' preferential Subscription Right. The Offering is secured to 80 per cent.

Subscription locations of the Offering

The following function as subscription locations:

1. In Finland, custodians and account operators and
2. In Sweden, Aqurat Fondkommission AB's website at www.aqurat.se and Aqurat Fondkommission AB's premises at Kungsgatan 58, 111 22 Stockholm, Sweden (info@aqurat.se, tel. +46 8-684 05 800).

Subscriptions in Sweden are also received by custodians and account operators who have an agreement with Aqurat Fondkommission AB regarding the reception of subscriptions.

Prospectus

Savosolar has prepared a prospectus relating to the Offering approved by the Finnish Financial Supervisory Authority on 14 June 2018. The official Finnish language version of the prospectus as well as its unofficial English language translation, including a Swedish summary, is available on Savosolar's website (<http://www.savosolar.com>) and Aqurat Fondkommission AB's website (www.aqurat.se) approximately as per 14 June 2018.

Planned timetable for the Offering

15 June 2018	First day of trading excluding the Subscription Rights
18 June 2018	Record date for the Offering
21 June – 4 July 2018	Trading period for the Subscription Rights
21 June 2018	Trading starts in temporary shares (BTA)
21 June – 6 July 2018	The Subscription Period for the Offering in Sweden
21 June – 10 July 2018	The Subscription Period for the Offering in Finland
13 July 2018	Announcement of the outcome of the Offering
23 July 2018	Last day of trading in the temporary shares on First North Finland and Sweden
Week 31, 2018	First day of trading with the Warrants on First North Finland and Sweden (estimate)

Advisers

Augment Partners is acting as financial advisor to the Company in the Offering. Smartius Oy is acting as the legal adviser to the Company on aspects of the Offering related to the Finnish law.

For more information:

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This company announcement contains information that Savosolar Plc is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication by aforementioned contact person on 14 June 2018 at 11.00 a.m. (CEST).

Savosolar in brief

Savosolar with its highly efficient collectors and large-scale solar thermal systems has taken solar thermal technology to the next level. The company's collectors are equipped with the patented nano-coated direct flow absorbers, and with this leading technology, Savosolar helps its customers to produce competitive clean energy. Savosolar's vision is to be the first-choice supplier to high performance solar installations on a global scale. Focus is on large-scale applications like district heating, industrial process heating and real estate systems – market segments with a big potential for rapid growth. The company primarily delivers complete systems from design to installation, using the best local partners. Savosolar is known as the most innovative company in the business and aims to stay as such. The company has sold and delivered its products to 18 countries on four continents. Savosolar's shares are listed on Nasdaq First North Sweden with the ticker SAVOS and on Nasdaq First North Finland with the ticker SAVOH. www.savosolar.com.

The company's Certified Adviser is Augment Partners AB, phone: +46 8-505 65 172.

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