

Savosolar publishes prospectus for EUR 5.3 million rights issue and discloses new information

Savosolar Plc

Company Announcement 22 February 2019 at 12:45 p.m. (CET)

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN PART, DIRECTLY OR INDIRECTLY, IN THE USA, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND, SINGAPORE OR SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION OR DISTRIBUTION IS UNLAWFUL.

Following the company announcement on 19 December 2018, the Board of Directors of Savosolar Plc ("Savosolar" or the "Company") has today decided to arrange a rights issue totalling approximately EUR 5.3 million (the "Offering") with additional warrants enabling the Company to raise up to a maximum of approximately 3.5 MEUR (the "Warrants"). The Company also releases new information regarding the fact that the Company expects to receive an audit report for the financial year ended 31 December 2018 which will deviate from the standard design.

- The Company expects to receive an audit report which will deviate from the standard design regarding the Company's financial statements for the financial year ended 31 December 2018. The Company expects a comment in the audit report regarding a material uncertainty related to going concern. The Company expects the audit report to be issued on 14 March 2019.
- Approximately EUR 5.3 million before transaction costs is expected to be raised in the Offering if fully subscribed. The contribution from full subscription and utilisation of all issued Warrants will amount to at least EUR 1.7 million and at most EUR 3.5 million.
- The Offering is secured to 80 per cent by subscription commitments and external underwriters. All members of the Company's Board of Directors and the Company's CEO have entered into subscription commitments in the Offering.
- Savosolar will give all its shareholders registered in Savosolar's shareholder register maintained by Euroclear Finland Ltd ("Euroclear Finland") or Euroclear Sweden AB ("Euroclear Sweden") one (1) book-entry subscription right (the "Subscription Right") for every one (1) share held on the Offering record date.

One (1) Subscription Right entitles the holder to subscribe for three (3) offer shares. In addition, Savosolar offers each subscriber of the offer shares one (1) Warrant free of charge for every three (3) offer shares subscribed and paid for in the Offering.

- The record date for the Offering is to be 26 February 2019 with the last day of trading including the Subscription Rights on 22 February 2019 and the first day of trading excluding the Subscription Rights on 25 February 2019.
- The subscription price is 0.005 EUR or 0.05 SEK per offer share.
- The subscription price for the shares that can be subscribed based on the Warrants will be defined based on the 10 days volume weighted average price of the Company's shares on First North Finland during the period 11 November 22 November 2019 with a 30 per cent discount. However, the subscription price shall not be less than 0.005 EUR per share nor higher than 0.010 EUR per share. Each Warrant is expected to give the right to subscribe for one (1) new share during the period 25 November – 9 December 2019.

Reasons for the Offering and use of proceeds

After increased market activity in 2017, the positive development continued in 2018. Solar heating is, during 2018, for the first time expected to produce more than 1 TWh worldwide (= 1 billion kilowatt hours) and according to market forecasts solar photovoltaic capacity is expected to rise to 240 TWh by 2050. This is due to the fact that solar heating is, in suitable applications, a very competitive form of clean energy production. In addition, international institutions and states continue to encourage companies' environmentally friendly energy solutions through support programs, taxes and subsidies, resulting in interest from many different customer groups.

Savosolar, in turn, has experienced strong sales growth with a turnover of EUR 5.6 million in 2018, which is 578 per cent higher than in 2017. Although Savosolar is well positioned with respect to production capacity, new orders and generally growing demand, the Company needs additional working capital and financial capacity due to projects that will be implemented in 2019 and, therefore, the Company arranges the Offering.

In order to carry out the ongoing and future projects in 2019 and to be able to effectively manage the future workload variations in projects, the Company needs additional working capital. The Company aims to raise approximately EUR 5.3 million through the Offering. If the Offering is fully subscribed, the Company expects to receive approximately EUR 4.3 million in net proceeds after transaction costs amounting to approximately EUR 0.9 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 3.5 million in net proceeds, after deducting the

estimated expenses for the subscriptions with Warrants payable by the Company, totaling approximately EUR 0.2 million.

The proceeds from the Offering and the Warrants will be used to amortise EUR 0.8 million of capital loans and secure the Company's working capital need of approximately EUR 4.9 million (including the repayment of capital and interest of the bridge loan financing of approximately EUR 0.8 million) so that the Company can deliver signed and potential upcoming orders in 2019 and to pursue a systematic streamlining of operations, achieve profitability targets and be able to respond to increased demand.

The Offering

The Company is offering up to of 1,057,615,242 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, Mangold Fondkommission AB's website at www.mangold.se and Mangold Fondkommission AB's premises at Engelbrektsplan 2, 11 4 34 Stockholm, Sweden (ta@mangold.se, tel. +46 8-503 01 580).

Subscriptions in Sweden are also received by custodians and account operators who have an agreement with Mangold 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 22 February 2019. 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 Mangold Fondkommission AB's website (www.mangold.se) approximately as per 22 February 2019.

Planned time table for the Offering

25 February 2019	First day of trading excluding the right to receive subscription rights
26 February 2019	Record date for the rights issue

1 March – 13 March 2019	Trading period for subscription rights
1 March – 15 March 2019	The subscription period for the rights issue in Sweden
1 March – 19 March 2019	The subscription period for the rights issue in Finland
15 March 2019	Trading starts in intermediary shares (BTA)
21 March 2019	Announcement of the outcome of the rights issue
2 April 2019	Last day of trading in the intermediary shares on First North Finland
4 April 2019	Last day of trading in the intermediary shares on First North Sweden
Week 15, 2019	First day of trading with the Warrants on First North Finland and Sweden (estimate)

Investor Meeting

Investor meeting with Savosolar is to be arranged on 7 March 2019 at Mangold Fondkommission AB's Stockholm Office, Engelbrektsplan 2, 114 34 Stockholm. For more information visit Mangold Fondkommission AB's website, www.mangold.se.

Please confirm your attendance by e-mail: savosolar@mangold.se

Advisers

Mangold Fondkommission AB 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.

SAVOSOLAR PLC

For more information:

Savosolar Plc
Managing Director Jari Varjotie
Phone: +358 400 419 734
E-mail: jari.varjotie@savosolar.com

Savosolar Plc discloses the information provided herein pursuant to the Market Abuse Regulation ((EU) No 596/2014, "MAR"). The information was submitted for publication by the aforementioned person on 22 February 2019 at 12:45 p.m. (CET).

About Savosolar

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 17 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, info@augment.se, phone: +46 8-505 65 172.

IMPORTANT NOTICE

This release or the information contained therein shall not be distributed, directly or indirectly, in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or the United States. The information contained in this release do not constitute an offer of, or invitation to purchase any securities in any area, where offering, procurement of or selling such securities would be unlawful prior to registration or exemption from registration or any other approval required by the securities regulation in such area. This release is not an offer for sale of securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended, and the rules and regulations issued by virtue of it. Savosolar has not registered, and does not intend to register, any offering of securities in the United States. No actions have been taken to register the shares or the offering anywhere else than in Finland and Sweden.

The information contained herein shall not constitute an offer of, or invitation to purchase any securities in any jurisdiction. This release is not a prospectus and does not constitute any offer, invitation or investment advice to subscribe for or purchase securities. Investors should not subscribe for or purchase any securities or make any investment decisions referred to herein except on the basis of information contained in a prospectus issued by Savosolar.