



Rights issue
Up to 174,332,080 shares
Subscription price EUR 0.02 or SEK 0.20 per share

Savosolar Plc ("Savosolar" or the "Company"), a public limited liability company registered in Finland, is offering up to 174,332,080 new shares (the "Offer Shares") in a rights issue, against consideration, based on the shareholders' preferential subscription right at the subscription price of EUR 0.02 or SEK 0.20 per Offer Share (the "Subscription Price") in accordance with the terms of the Offering (the "Offering") set out below. The Offer Shares will be payable in euro in Finland or Swedish krona in Sweden. The Offer Shares will constitute up to 57.14 per cent of all shares in the Company (the "Shares") should the Offering be subscribed for in its entirety.

Savosolar will give all shareholders registered in Savosolar's shareholder register maintained by Euroclear Finland Ltd ("Euroclear Finland") or Euroclear Sweden Ltd ("Euroclear Sweden") one (1) book-entry subscription right (the "Subscription Right") per each share held on the Offering record date of 18 June 2018 (the "Record Date"). Three (3) Subscription Rights entitle their holder to subscribe for four (4) Offer Shares. Fractions of Offer Shares are not assigned and a single Subscription Right may not be exercised only partially. The Subscription Rights will be registered in shareholders' book-entry accounts in the book-entry system maintained by Euroclear Finland approximately on 19 June 2018 and in the book-entry system maintained by Euroclear Sweden approximately on 20 June 2018. The Subscription Rights can be freely assigned and they will be traded on the First North Finland marketplace ("First North Finland") maintained by Nasdaq Helsinki Ltd ("Helsinki Stock Exchange") (trading symbol SAVOHU0118, ISIN: FI4000327424) and the First North Sweden marketplace ("First North Sweden") maintained by Nasdaq Stockholm AB ("Stockholm Stock Exchange") (trading symbol SAVOS TR, ISIN: SE0011413772) between 21 June 2018 and 4 July 2018. The subscription period for the Offer Shares will commence on 21 June 2018 at 9:30 a.m. Finnish time (8:30 a.m. Swedish time) and will end on 10 July 2018 at 4:30 p.m. Finnish time (3:30 p.m. Swedish time) in Finland and on 6 July 2018 at 4:30 p.m. Finnish time (3:30 p.m. Swedish time) in Sweden. Practical instructions on the exercising of the Subscription Rights and the subscription of the Offer Shares are contained "Instructions to investors". Unexercised Subscription Rights will expire and have no value on 10 July 2018 at 4:30 p.m. Finnish time (3:30 p.m. Swedish time) in Finland and on 6 July 2018 at 4:30 p.m. Finnish time (3:30 p.m. Swedish time) in Sweden. Please see "Terms and conditions of the Offering – Exercising Subscription Rights".

The Offer Shares subscribed for in the Offering will be issued as book entries in the book-entry system of Euroclear Finland and delivered to the investors through the book-entry systems of Euroclear Finland and Euroclear Sweden. After the subscription, temporary shares corresponding to the Offer Shares subscribed for based on the Subscription Rights (the "Temporary Shares") will be entered in the subscriber's book-entry account. Trading in the Temporary Shares will commence on First North Finland (trading symbol SAVOHN0118, ISIN: FI4000327416) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0011413780) as their own special share class on approximately 21 June 2018. The Temporary Shares will be combined with the Company's current shares after the Offer Shares have been registered in the Trade Register. The combining will occur in the book-entry system maintained by Euroclear Finland approximately during week 30, 2018 and in the book-entry system maintained by Euroclear Sweden approximately during week 31, 2018. The Offer Shares will be subject to trading together with the Company's existing shares approximately on 24 July 2018 on First North Finland and approximately on 27 July 2018 on First North Sweden.

In addition, Savosolar will issue a maximum of 108,957,550 warrants (the "Warrants") free of charge to persons who subscribed for the Offer Shares in the Offering as well as to investors acquired by Augment Partners AB who subscribe shares in a directed issue potentially arranged in connection with the Offering (see "Arrangements relating to the Offering – Directed share issues that are potentially arranged in connection with the Offering"), which entitle to subscribe for a total of up to 108,957,550 new shares of the Company. The Warrants will be issued in the following manner: the subscriber will receive one (1) Warrant per each two (2) subscribed and paid Offer Shares or shares subscribed for in the potential directed issue, the subscription of which the Board of Directors has approved. Fractions of the Warrants will not be issued. The subscription period of the shares to be subscribed for based on the Warrants will be 26 November – 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 shares to be subscribed for based on the Warrants are delivered through Euroclear Sweden will be payable in Swedish krona. The Swedish krona-denominated subscription price will be determined using the EURSEK forward rate on 23 November 2018. The Swedish krona denomination of the subscription price will be announced by the Company by way of a company release when the subscription period for the shares to be subscribed for based on the Warrants commences. The subscription price of the shares to be subscribed for based on the Warrants may decrease in certain situations, see "Savosolar Plc Warrant Plan 1-2018". The Warrants will be issued and registered in the book-entry system of Euroclear Finland. The Warrants will be delivered to subscribers through the book-entry systems of Euroclear Finland and Euroclear Sweden. Provided that no changes are made to the subscription period of the Offering, the Warrants will be delivered to subscribers approximately during week 31, 2018. The ISIN code of the Warrants is FI4000327440. The Company intends to file an application to the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the Warrants on First North Sweden and First North Finland. The trading symbol is expected to be SAVOS TO3 on First North Sweden and SAVIHEW118 on First North Finland. If the listing of the Warrants occurs, the Company expects trading to commence on First North Sweden and on First North Finland approximately during week 31, 2018.

In certain countries, legislation may restrict the distribution of this Prospectus and the offering of the Subscription Rights, Offer Shares and Warrants as well as the sales of the Subscription Rights, Offer Shares and Warrants. This Prospectus does not constitute an offer to issue Subscription Rights, Offer Shares or Warrants to anyone in a country where it would be prohibited by local laws or other regulations to offer shares to such a person. This Prospectus or any other material relating to the Offering shall not be delivered to or published in any country without complying with the laws and regulations of such country.

The Offering does not apply to persons resident in Australia, South-Africa, Hong Kong, Japan, Canada, New Zealand or the United States or in any other country where it would be prohibited by local laws or other regulations. The Subscription Rights, the Offer Shares or the Warrants have not been registered or will not be registered in accordance with the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities laws of any state of the United States and, accordingly, may not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S), unless registered under the U.S. Securities Act or pursuant to an exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws of the United States.

First North Finland is an alternative marketplace operated by Nasdaq Helsinki Oy and First North Sweden is an alternative marketplace operated by Nasdaq Stockholm AB. Companies on First North are not subject to the same rules as companies on the regulated main markets; instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on First North may therefore be higher than investing in a company on the main market. All companies with shares traded on a First North marketplace have a Certified Adviser who monitors that the rules are followed. Nasdaq Helsinki Oy and Nasdaq Stockholm AB approve the application for admission to trading.

Investment in the Offer Shares involves risks. The principal risk factors are discussed under "Risk factors" below.

Financial adviser
AUGMENT
 PARTNERS

Information in the Prospectus

In this Prospectus, “Savosolar” or the “Company” refers to Savosolar Plc and its subsidiaries, except where the context may otherwise require.

In connection with the Offering, the Company has prepared a Finnish-language prospectus (the “Finnish-language Prospectus”) in accordance with the Finnish Securities Markets Act (746/2012, as amended, the “Finnish Securities Markets Act”), Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended (the “Prospectus Regulation”) (Annexes III, XII, XIV, XXII and XXV) implementing Directive 2003/71/EC (the “Prospectus Directive”) of the European Parliament and of the Council, as amended, as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, the Finnish Ministry of Finance Decree on prospectuses referred to in Chapters 3 to 5 of the Finnish Securities Markets Act (1019/2012) and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the “Finnish FSA”). The Finnish FSA has approved the Finnish-language Prospectus; however, it is not responsible for the accuracy of the information presented therein or herein. The register number of the Finnish FSA's approval of the Finnish-language Prospectus is FIVA 31/02.05.04/2018. In accordance with the Prospectus Directive, a Swedish-language summary together with a English-language translation of the Finnish-language Prospectus and the material incorporated by reference to the Prospectus will be passported by way of notification to the Swedish Financial Supervisory Authority (in Swedish: Finansinspektionen) (the “Swedish FSA”) for use in Sweden. The Company is responsible for the translations of the Prospectus and the documents incorporated by reference thereto.

The Offering will be governed by the laws of Finland and any disputes arising in connection with the Offering will be settled by a court of competent jurisdiction in Finland.

This document is an unofficial English translation of the Finnish-language Prospectus and references to the “Prospectus” refer to the Finnish-language Prospectus. In the event of any discrepancies, the Finnish-language Prospectus shall prevail.

The Prospectus is available as of 14 June 2018 on the website of the Company (www.savosolar.com/rights-issue) and on the website of Aqurat Fondkommission AB (www.aqurat.se). The printed Prospectus is available at the head office of the Company at Insinöörinkatu 7, 50150 Mikkeli, Finland.

Notice to investors

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved. Savosolar has not authorised anyone to provide any information or give any statements other than those provided in the Prospectus. Delivery of the Prospectus shall not, under any circumstances indicate that the information presented in the Prospectus is correct on any day other than the date of the Prospectus, or that there would not be any changes in the business of Savosolar after the date of the Prospectus. However, the Company has the obligation to supplement this Prospectus prior to the end of the offer period due to an error or omission of material information or material new information not included in this Prospectus, discovered prior to the end of the offer period, if information bears material significance to the investors. According to the law, such inaccurate, insufficient or new material information shall be published without undue delay by way of publishing a supplement to this Prospectus in the same manner as this Prospectus. The investors are advised to follow the company releases published by the Company.

Information given in the Prospectus is not a guarantee for future events by Savosolar and shall not be considered as such. Unless otherwise stated, any estimates with respect to market development relating to Savosolar or its industry are based upon the reasonable estimates of the Company's management.

In certain countries legislation may restrict the distribution of this Prospectus and sale and offering of the Subscription Rights, Offer Shares and Warrants. The Company and its advisers require persons into whose possession this Prospectus comes adequately inform themselves of and observe all such restrictions. Neither the Company nor its advisers accept any legal responsibility for any violation of these restrictions, whether or not a prospective subscriber or purchaser of the Offer Shares and Warrants is aware of such restrictions.

This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Subscription Rights, Offer Shares or Warrants in any country where such an offer or invitation is against the law. No actions have been taken to register or to permit a public offering of the Subscription Rights, Offer Shares or Warrants in any jurisdiction of outside Finland and Sweden.

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Summary of the Prospectus

Prospectus summaries consist of information requirements presented in “items”. The items are numbered in sections A-E (A.1-E.7).

The summary in this prospectus includes all of the items required in a summary for the relevant type of security and issuer. However, since certain items are not applicable to all types of prospectuses, there may be gaps in the numbering of these items.

Even if an item is required to be included in the summary for the relevant type of security and issuer, it is possible that no relevant information is available regarding the item. In such a case, the information is replaced by a brief description of the item together with the indication “not applicable”.

Section A – Introduction and warnings

A.1	Warning	<i>This summary should be read as introduction to this Prospectus. Any decision to invest in the Offer Shares should be based on consideration of this Prospectus as a whole by the potential investor. Certain terms used in this summary are defined elsewhere in this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the applicable national legislation, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Shares.</i>
A.2	Consent for financial intermediaries	Not applicable.

Section B – The Company

B.1	Legal and commercial name	Savosolar Oyj, in Swedish Savosolar Abp and in English Savosolar Plc.
B.2	Domicile, legal form, legislation and country of incorporation	The Company is headquartered in Mikkeli, Finland. The Company is a public limited liability company incorporated under the laws of Finland.
B.3	Current operations and principal activities	<p>Savosolar is a Finnish public limited liability company that manufactures internationally award-winning solar thermal absorbers, collectors as well as energy production systems built on these. According to the knowledge of the Company’s management the solar thermal collectors with MPE absorbers manufactured by Savosolar are the most efficient in the world. Savosolar focuses primarily on large solar thermal collectors and industrial-size heating systems. The Company started product deliveries in June 2011 and has since delivered nearly 50,000 m² of collectors to its customers in 18 countries on four continents. The uniqueness of the Company's products is based on a vacuum coating process where the complete absorber structure is coated at once. This means that thin-walled aluminium profiles, which are very effective heat exchangers and with which therefore an effective direct flow of heat transfer can be achieved, can be used. The Savosolar team has extensive know-how and experience in vacuum coating techniques as well as in international sales and business management. In its manufacturing processes the Company uses the developed technologies and the quality system meets the ISO 9000 requirements. The Company aims to expand its business rapidly and supports its customers in reaching their environmental and business targets by significantly reducing their energy costs. Savosolar constantly invests in product development in order to maintain the best solutions for the needs of the growing renewable energy market.</p> <p>The Company’s main products are large solar thermal collectors, and especially solar thermal systems made with these. The collector’s core component is an absorber, which Savosolar also sells separately to certain customers.</p> <p>At the moment Savosolar produces all of its collectors and MPE-absorbers in its own plant which is located in Mikkeli, Finland.</p>

B.4a	Significant recent trends affecting the Company and the industry in which it operates	<p>The energy market focuses increasingly on renewable heat, partly as a consequence of the rapid growth of the renewable electricity production market. Heating and cooling stands for approximately 50 per cent of the total energy market, and the way it is produced is a major contributor to pollution of air, water and earth. The aim is to increase the share of district heating everywhere because it's the most economical and ecological way to generate and distribute thermal energy.</p> <p>Heat is conventionally produced in cogeneration or combined heat and power (CHP) plants typically using coal, petroleum or natural gas, reaching at best 80 per cent efficiency of which approximately half is heat and half is electricity. In some plants biomass or municipal waste is used as fuel. When photovoltaic and wind production of electricity has increased the CHP station capacity has partly become superfluous and the demand fluctuates according to sunshine and wind conditions. This has diminished the heat supply and partly made CHP unprofitable, and solutions are sought among other sources by building heating plants using biofuels and waste, which are connected to various other renewable energy sources depending on the location and need. Solar thermal, as a completely clean and post-investment almost free energy source is in many cases the most interesting alternative, as long as the required land or roof area is available.</p> <p>Impacts of climate change are evident throughout. As a result, all over the world work is being done to reduce emissions, both by states and by the rest of society. In January 2018, The European weather forecasting ECMWF-center presented the global temperature changes for 136 years. According to them, year 2016 was the warmest year in the history of measuring it, and ten (10) of the warmest years in the history of measuring have been after the year 2000. The year 2015 was already the warmest as long as measurements have been made and the overall rise in 2016 was 0.2 degrees. Ambitious targets for emission reductions have been set around the globe and the objectives of the 2017 Paris climate agreement emphasise the importance of limiting the rise in temperature for the planet and living beings.</p> <p>The use of solar thermal energy is still growing rapidly in hot water heating in areas where there is a lot of sun, such as in India, Africa and China. In many African countries there are laws in force that all hot water in real estate is to be made by renewable energies, such as solar thermal heat. In small water heating systems, photovoltaic power will gain ground in the future due to its simplicity and reduced panel prices. As a whole, the fastest growing segments of solar thermal are large scale solar thermal applications like solar thermal district heating, industrial process solar thermal heat and energy renovations of large multi-story buildings. The reason for this is that large-scale solar thermal applications are, in comparison to smaller solar thermal applications, more cost effective and also provide reduced emissions faster. Examples of this development are seen in China, Africa and India in addition to Europe.</p>																																										
B.5	Group structure	Savosolar has fully-owned subsidiaries in Denmark (Savosolar ApS) and Germany (Savosolar GmbH). In addition, Savosolar owns 55.0 per cent of the shares in Savolaser Oy, which is currently a dormant company. The rest of the company's shares are owned by Veslatec Oy.																																										
B.6	Major shareholders	<p>The Company's largest shareholders as of 15 March 2018 are as below. According to the information available to the Company, there have been no significant changes to the ownership structure as of the date of the Prospectus.</p> <table border="1" data-bbox="451 1052 1463 1398"> <thead> <tr> <th>Shareholder</th> <th>Number of shares</th> <th>% of all the shares and votes</th> </tr> </thead> <tbody> <tr> <td>Avanza Bank AB</td> <td>5,290,203</td> <td>4.0</td> </tr> <tr> <td>Swedbank AB</td> <td>4,687,497</td> <td>3.6</td> </tr> <tr> <td>Skandinaviska Enskilda Banken AB</td> <td>4,667,395</td> <td>3.6</td> </tr> <tr> <td>Nordea Bank AB (publ)</td> <td>4,645,055</td> <td>3.6</td> </tr> <tr> <td>Nordnet Bank AB</td> <td>4,323,572</td> <td>3.3</td> </tr> <tr> <td>Svenska Handelsbanken AB</td> <td>4,227,127</td> <td>3.2</td> </tr> <tr> <td>Erik Penser Bank AB</td> <td>1,377,332</td> <td>1.1</td> </tr> <tr> <td>Niklas Geust</td> <td>1,373,373</td> <td>1.1</td> </tr> <tr> <td>Suomen Itsenäisyyden Rahasto</td> <td>1,354,353</td> <td>1.0</td> </tr> <tr> <td>Petteri Hämäläinen</td> <td>1,300,000</td> <td>1.0</td> </tr> <tr> <td>Total</td> <td>33,245,907</td> <td>25.4</td> </tr> <tr> <td>Other shareholders</td> <td>97,503,155</td> <td>74.6</td> </tr> <tr> <td>Total</td> <td>130,749,062</td> <td>100.0</td> </tr> </tbody> </table>	Shareholder	Number of shares	% of all the shares and votes	Avanza Bank AB	5,290,203	4.0	Swedbank AB	4,687,497	3.6	Skandinaviska Enskilda Banken AB	4,667,395	3.6	Nordea Bank AB (publ)	4,645,055	3.6	Nordnet Bank AB	4,323,572	3.3	Svenska Handelsbanken AB	4,227,127	3.2	Erik Penser Bank AB	1,377,332	1.1	Niklas Geust	1,373,373	1.1	Suomen Itsenäisyyden Rahasto	1,354,353	1.0	Petteri Hämäläinen	1,300,000	1.0	Total	33,245,907	25.4	Other shareholders	97,503,155	74.6	Total	130,749,062	100.0
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	Different voting rights	Not applicable. All shares have one (1) vote.																																										
	Authority	Not applicable. As far as the Company knows, it is not directly or indirectly owned or controlled by someone.																																										
B.7	Selected historical key financial information and description of significant changes in the financial position and operating results during the period covered by the	<p>The following tables present selected financial statement information and other information of the Company for the financial years ended 31 December 2017 and 31 December 2016 as well as information from the income statement and balance sheet for the three-month periods ended on 31 March 2018 and 31 March 2017. The summary presented below is based on the audited financial statements for the financial year ended 31 December 2017 and the restated audited financial statements for the financial year ended 31 December 2016 as well as the unaudited information regarding the income statement and balance sheet for three-month period ended 31 March 2018, which are derived from the financial information published by the Company on 21 May 2018 and the restated unaudited information regarding the income statement and balance sheet for three-month periods ended 31 March 2017, which are derived from the financial information published by the Company on 29 May 2017 and are restated according to below.</p> <p>The financial information presented in the tables below for the financial year ended 31 December 2016 differs from the historical financial information presented in the audited financial statements approved by the Company's statutory general meeting. The income statement, balance sheet and cash flow statement included in the financial statements for the financial</p>																																										

historical information and thereafter	year ended 31 December 2016 have been adjusted by including a project charge of EUR 211.5 thousand, which was not included in the statutory financial statements for the financial year ended 31 December 2016. The financial information presented in the following tables for the financial year ended 31 December 2016 have been retrospectively adjusted for the above. Similarly, the Company's income statement and balance sheet information presented in the following tables for the three-month period ended 31 March 2017 have been adjusted by the corresponding correction of a EUR 211.5 thousand project charge. This expense was included in Accounts payable in the balance sheet on 31 March 2017.			
	This section should be read in conjunction with Savosolar's financial statements for the financial years ended on 31 December 2017 and 31 December 2016, as well as the section "Operating and financial review and prospects" in the Prospectus. Savosolar's financial statements for the financial years ended 31 December 2017 and 31 December 2016, as well as the information regarding the income statement and balance sheet for the three-month periods ended 31 March 2018 and 31 March 2017, have been prepared in accordance with FAS. The summary below does not include all information of the financial statements.			
	Savosolar is a small accounting firm according to 1:4a § of the Finnish Accounting Act and including subsidiaries a small accounting entity according to 1:6a § of the Finnish Accounting Act. The Company has not had the obligation to prepare consolidated financial statements for the financial years ended 31 December 2017 and 31 December 2016.			
Income statement				
EUR thousand	1 January 2018 - 31 March 2018	1 January 2017 - 31 March 2017	1 January 2017 - 31 December 2017	1 January 2016 - 31 December 2016
	FAS (unaudited)	FAS (unaudited)	FAS (audited)	FAS (audited)
Revenue	253.4	108.8	830.9	5,404.8
Other operating income	12.4	5.3	24.4	0.9
<i>Materials and services</i>				
Material, supplies and goods				
Purchases	-267.0	-351.4	-841.7	-3,975.7
Inventory increase / decrease	244.8	232.0	505.2	98.8
External services	-181.5	-18.0	-415.1	-1,417.6
Total materials and services	-203.8	-137.4	-751.6	-5,294.6
<i>Personnel expenses</i>				
Wages and salaries	-441.8	-459.2	-1,550.6	-1,712.0
Social security expenses				
Pension expenses	-47.0	-59.6	-242.7	-321.3
Other personnel expenses	-12.8	-15.8	-37.0	-103.7
Total personnel expenses	-501.5	-534.6	-1,830.3	-2,137.0
Depreciation, amortisation and impairment	-168.1	-187.8	-761.6	-617.4
Other operating expenses	-586.0	-492.4	-2,364.8	-1,878.8
OPERATING PROFIT (LOSS)	-1,193.6	-1,238.2	-4,853.1	-4,522.1
<i>Financial income and expenses</i>				
Interest and other financial income			13.8	0.3
Interest and other financial expenses			-824.2	-1,165.0
Total financial income and expense	-27.1	-26.1	-810.4	-1,164.7
PROFIT (LOSS)	-1,220.7	-1,264.3	-5,663.5	-5,686.8
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-1,220.7	-1,264.3	-5,663.5	-5,686.8
NET PROFIT (LOSS)	-1,220.7	-1,264.3	-5,663.5	-5,686.8
Balance sheet				
EUR thousand	31 March 2018	31 December 2017	31 December 2016	
	FAS (unaudited)	FAS (audited)	FAS (audited)	
ASSETS				
<i>NON-CURRENT ASSETS</i>				
<i>Intangible assets</i>				
Development costs	1,028.7	1,081.6	1,288.2	
Intangible rights	154.5	159.8	181.0	
Other long-term expenses	347.2	386.4	520.0	
Total intangible assets	1,530.4	1,627.8	1,989.1	

<i>Property, plant and equipment</i>			
Machinery and equipment	1,059.7	1,130.3	1,348.7
Total tangible assets	1,059.7	1,130.3	1,348.7
<i>Investments</i>			
Shares in group companies	161.9	161.9	133.9
TOTAL NON-CURRENT ASSETS	2,751.9	2,920.0	3,471.7
<i>CURRENT ASSETS</i>			
<i>Inventories</i>			
Materials and supplies	613.7	419.5	490.6
Work in progress	22.2	5.7	0.0
Finished goods	604.7	570.6	0.0
Advance payments	13.9		
Total inventories	1,254.5	995.8	490.6
<i>Long-term receivables</i>			
Other receivables	221.9	221.9	140.8
Total long-term receivables	221.9	221.9	140.8
<i>Short-term receivables</i>			
Accounts receivable	171.8	49.3	260.8
Other receivables	63.4	43.2	143.9
Prepaid expenses and accrued income	32.6	35.2	3.6
Total current receivables	267.8	127.8	408.4
Total receivables	489.8	349.7	549.2
Cash and cash equivalents	891.1	2,212.4	2,440.5
TOTAL CURRENT ASSETS	2,635.3	3,557.9	3,480.2
TOTAL ASSETS	5,387.2	6,477.9	6,952.0

EUR thousand	31 March 2018	31 December 2017	31 December 2016
	FAS (unaudited)	FAS (audited)	FAS (audited)
EQUITY AND LIABILITIES			
<i>EQUITY</i>			
Share capital	470.2	470.2	470.2
Reserve for invested unrestricted equity	24,919.1	24,919.1	19,149.1
Retained earnings	-21,735.5	-16,072.0	-10,385.2
Net profit (loss)	-1,220.7	-5,663.5	-5,686.8
TOTAL SHAREHOLDER'S EQUITY	2,433.1	3,653.8	3,547.3
APPROPRIATIONS	120.0		
PROVISIONS	171.9	171.9	135.7
<i>LIABILITIES</i>			
<i>Long-term liabilities</i>			
Capital loans	0.0	0.0	1,431.3
Loans from financial institutions	382.0	311.9	242.7
Other liabilities	0.0	0.0	157.1
Total long-term liabilities	382.0	311.9	1,831.0
<i>Short-term liabilities</i>			
Capital loans	1,431.3	1,431.3	0.0
Loans from financial institutions	200.9	223.7	218.7
Trade payables	228.7	315.6	766.7
Trade payables to group companies	67.0	55.7	0.0
Other liabilities	35.8	36.9	59.1
Accrued expenses	316.6	277.1	393.5
Total short-term liabilities	2,280.2	2,340.3	1,438.0
TOTAL LIABILITIES	2,662.2	2,652.2	3,269.0

TOTAL EQUITY AND LIABILITIES		5,387.2	6,477.9	6,952.0
Cash flow statement				
EUR thousand				
	1 January 2017 - 31 December 2017	1 January 2016 - 31 December 2016		
	FAS (audited)		FAS (audited)	
<i>Cash flow from operating activities</i>				
Profit (loss) before appropriations and taxes	-5,663.5			-5,686.8
<i>Adjustments</i>				
Depreciation and amortisation according to plan	761.6			617.4
Other non-cash income and expenses	36.3			0.0
Financial income and expenses	810.4			1,164.7
Cash flow before change in working capital	-4,055.3			-3,904.7
<i>Change in working capital</i>				
Increase (-) or decrease (+) in current interest-free receivables	199.5			22.2
Increase (-) or decrease (+) in inventories	-505.2			-98.8
Increase (+) or decrease (-) in current interest-free payables	-534.0			-295.6
Cash flow from operations before financial items and taxes	-4,895.0			-4,276.8
Interest and other financial expenses paid	-824.2			-1,156.4
Interest received and other financial income	13.8			0.3
Cash flow before extraordinary items	-5,705.4			-5,432.9
Cash flow from operations (A)	-5,705.4			-5,432.9
<i>Cash flow from investing activities</i>				
Investments in intangible and tangible assets	-181.9			-1,146.3
Investment in subsidiaries	-28.0			-1.7
Cash flow from investing activities (B)	-209.9			-1,147.9
<i>Cash flow from financing activities</i>				
Share issue	5,770.0			6,435.3
Proceeds from long-term borrowings	201.2			1,195.0
Repayment of short-term borrowings	-284.0			-1,439.2
Repayment of long-term borrowings	0.0			-277.6
Cash flow from financing activities (C)	5,687.2			5,913.5
Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	-228.1			-667.3
Cash and cash equivalents at beginning of period	2,440.5			3,107.8
Cash and cash equivalents at end of period	2,212.4			2,440.5
Key financials				
EUR thousand				
	31 March 2018	31 March 2017	31 December 2017	31 December 2016
Key financials for the income statement				
(Unaudited if not otherwise stated)				
Revenue	253.4	108.8	830.9 ¹	5,404.8 ¹
EBITDA ²	-1,025.5	-1,050.4	-4,091.5	-3,904.7
EBITDA-margin (%)	-405%	-966%	-492%	-72%
Operating profit / (loss) (EBIT)	-1,193.6	-1,238.2	-4,853.1 ¹	-4,522.1 ¹
Operating profit margin (%)	-471%	-1139%	-584%	-84%
Net profit / (loss)	-1,220.7	-1,264.3	-5,663.5 ¹	-5,686.8 ¹
Net profit / (loss) -margin (%)	-482%	-1163%	-682%	-105%
Key financials for the capital structure				
Equity capital, EUR thousand	2,433.1	-	3,653.8 ¹	3,547.3 ¹
Equity ratio (%)	45%	-	56%	51%
Data per share				
Amount of shares	130,749,062	35,469,332	130,749,062	35,469,332
Equity per share	0.02	-	0.03	0.10
Earnings per share	-0.01	-0.04	-0.04	-0.16

Employees				
Average numbers of employees		37	42	37

¹ Audited

Description of significant changes in the financial position and operating results during the period covered by the historical information and thereafter

The unprofitability of operations and challenges of supplementary financing led to the fact that the Company applied for restructuring proceedings in accordance with the Restructuring of Enterprises Act (47/1993, as amended) (the "Restructuring Act") in 2013. As of the date of the Prospectus Savosolar is in a restructuring programme under the Restructuring Act, which according to the restructuring programme will last until the end of 2018.

Savosolar arranged a rights issue and two directed share issues in September 2016, in which it raised approximately EUR 5.8 million in net proceeds as well as a rights issue with warrants in June 2017, in which the Company raised approximately EUR 5.0 million in net proceeds.

Revenue for the three-month period ended 31 March 2018 was EUR 253.4 thousand, and it increased by EUR 144.6 thousand, meaning 133 per cent compared to EUR 108.8 thousand for the three-month period ended 31 March 2017. The revenue for the financial year ended 31 December 2017 was EUR 830.9 thousand, and it declined by EUR 4,573.9 thousand, or 85 per cent, compared to EUR 5,404.8 thousand for the financial year ended 31 December 2016. The decline in revenue was due to the fact that the Company was unable to receive and therefore deliver new large area solar thermal delivery projects to the district heating market.

The operating loss for the three-month period ended 31 March 2018 was EUR 1,193.6 thousand, and it declined by EUR 44.7 thousand, meaning 4 per cent compared to EUR 1,238.2 thousand for the three-month period ended 31 March 2017. The operating loss for the financial year ended 31 December 2017 was EUR 4,853.1 thousand, and it grew by EUR 331.0 thousand, or 7 per cent, compared to EUR 4,522.1 thousand for the financial year ended 31 December 2016. The increased operating loss was mainly due the low number of delivered projects.

In May 2018, the Company agreed on a 12-month extension regarding the capital loans' maturity with Finnvera Oyj and Suur-Savon Osuuspankki. After the change of the maturity date, loans totaling to EUR 1.4 million mature on 31 December 2019 instead of their original maturity date on 31 December 2018.

On 13 June 2018, the Company entered into a bridge loan agreement with Modelio Equity AB (publ). With the bridge loan agreement, Modelio Equity AB (publ) granted the Company a loan of SEK 3.0 million. The bridge loan has an interest of 2.5 per cent per month; the loan and its interest will mature on 31 August 2018 at the latest. The bridge loan agreement allowed the Company to secure its working capital needs until the implementation of the Offering.

B.8	Selected key pro forma financial information	Not applicable. No pro forma financial information has been included in this Prospectus.
B.9	Profit forecast or estimate	<p>Savosolar estimates, that the Company's revenue in 2018 will be higher than in 2017, when it was EUR 831 thousand. The Company estimates that the full-year operating result (EBIT) will be better than in 2017, when it was EUR -4.9 million. The revenue and profitability expectations for the forecast period are based on the following management estimates and assumptions:</p> <ul style="list-style-type: none"> a) The gross margin in projects to which the Company has received orders, and possible coming projects, is positive. b) The Offering is subscribed in full, allowing the Company to raise net proceeds of approximately EUR 3.0 million and shares being subscribed for by Warrants amounting to at least EUR 1.5 million, so that the Company can secure its working capital need. c) The market situation in Denmark and other markets developing as anticipated and the prevailing price level remaining essentially unchanged. <p>The management of the Company can mainly influence item a). The Company's management may also be able to influence item b), but the success will also be dependent on the development of item c). Item c) is mainly beyond the Company management's influence. The Company has attempted, with the terms and conditions of the Offering and prevailing market conditions considered, to contribute to the full subscription of the Offering. There are many uncertainties about the Company's future prospects. It's possible that the Danish and other markets develop slower than anticipated by the Company, or that the Company's sales prices, sales and manufacturing volumes and costs will not develop as expected, whereby revenue and operating profit targets may not materialise and the Company may suffer further losses.</p>
B.10	Qualifications in audit reports	<p>The following audit reports regarding the Company's financial statements for the financial years ended on 31 December 2017 and 31 December 2016 as well as the restated financial statements for the financial year ended on 31 December 2016 deviate from the standard design:</p> <p>Financial Statements 2017: Material Uncertainty Related to Going Concern</p> <p>We draw attention to the notes in financial statements, section "Common risks and uncertainties in business", according to which, based on the current level of costs and revenues the company does not expect the working capital to be enough within the next 12 months period. These conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.</p> <p>Financial Statements and Restated Financial Statements 2016: Material Uncertainty Related to Going Concern</p>

		<p>We draw attention to the notes in financial statements, section "Common risks and uncertainties in business", according to which, based on the current level of costs and revenues the company does not expect the working capital to be enough within the next 12 months period. These conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.</p> <p>Restated Financial Statements 2016: Emphasis of a matter</p> <p>We draw attention to the note on page 5 "Restatement of the financial statement for the financial year 2016" which includes a description of the correction made to the financial statement signed by the Board of Directors on 3 March 2017 and confirmed by the Annual General Meeting on 28 March 2017 on which we have issued an auditor's report on 14 March 2017. Our opinion is not modified in respect of this matter.</p>
B.11	Working capital statement	<p>The Company estimates that it as of the date of the Prospectus does not have sufficient working capital to meet its current needs for a period of 12 months as of the date of this Prospectus. This is due to the estimated costs of running the Company during the following 12 months. The Company believes that an amount of EUR 4.5 million is sufficient to cover its working capital deficiency for at least the aforementioned 12-month period as of the date of this Prospectus. The Company's current working capital is sufficient until the end of July 2018.</p> <p>The Company is carrying out the Offering and the Warrants, for the purposes of ensuring sufficient working capital. The Company is of the opinion that if the Offering is completed in the intended timetable, is fully subscribed and the proceeds of the Offering paid in cash are at least EUR 3.0 million, and shares are subscribed for with the Warrants, and the net proceeds from them are at least EUR 1.5 million, the proceeds from the Offering and the shares subscribed for with the Warrants, together with the Company's available cash in hand and at banks provide the Company with sufficient working capital to meet its current requirements and to cover the working capital needs of EUR 4.5 million for a period of at least 12 months as of the date of this Prospectus.</p> <p>If the net proceeds payable in cash received from the Offering and the shares subscribed for with the Warrants are less than EUR 4.5 million, the Company may require additional financing for working capital, which it plans to procure to the extent necessary with other debt or equity financing. If additional financing is not obtained, the Company is likely to meet financial difficulties.</p>

Section C – Securities

C.1	Type and class of securities	<p>In the Offering the Company's shares are offered for subscription. The Offer Shares ISIN code is FI4000123096 and the trading name SAVOS on First North Sweden and SAVOH on First North Finland.</p> <p>Savosolar will give all shareholders registered in Savosolar's shareholder register maintained by Euroclear Finland Ltd or Euroclear Sweden Ltd one (1) book-entry subscription right per each share held on the Offering Record Date 18 June 2018. Three (3) Subscription Rights entitle the holder to subscribe for four (4) Offer Shares. Fractions of Offer Shares will not be given and a single Subscription Right may not be exercised partially. The Subscription Rights can be freely assigned and they will be traded on First North Finland (trading symbol SAVOHU0118, ISIN: FI4000327424) and on First North Sweden (trading symbol SAVOS TR, ISIN: SE0011413772) between 21 June 2018 and 4 July 2018.</p> <p>After the subscription, Temporary Shares corresponding to the Offer Shares subscribed for based on the Subscription Rights will be entered in the subscriber's book-entry account. Trading in the Temporary Shares will commence on First North Finland (trading symbol SAVOHN0118, ISIN: FI4000327416) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0011413780) as their own special share class approximately on 21 June 2018. The Temporary Shares will be combined with current shares after the Offer Shares have been registered in the Trade Register. The delivery and combination will take place approximately on 24 July 2018, in the book-entry system maintained by Euroclear Finland, and the Offer Shares will be subject to trading together with the Company's existing shares approximately on 24 July 2018 on First North Finland. The delivery and combination will take place approximately on 27 July 2018, in the book-entry system maintained by Euroclear Sweden, and the Offer Shares will be subject to trading together with the Company's existing shares approximately on 27 July 2018 on First North Sweden.</p> <p>In addition, Savosolar will issue Warrants, which give the right to subscribe for new shares in the Company, free of charge to persons who subscribed for the Offer Shares in the Offering. The Warrants will be issued in the following manner: the subscriber will receive one (1) Warrant per each two (2) subscribed and paid Offer Shares, the subscription of which the Board of Directors has approved. Fractions of the Warrants will not be issued. The ISIN code of the Warrants is FI4000327440. The Company intends to file an application to the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the Warrants on First North Sweden and First North Finland. The trading symbol is expected to be SAVOS TO3 on First North Sweden and SAVIHEW118 on First North Finland. If the listing of the Warrants occurs, the Company expects trading to commence on First North Sweden and on First North Finland approximately during week 31, 2018.</p>
C.2	Currency	<p>The Subscription Rights, Temporary Shares, Offer Shares and Warrants are denominated in euro. The Subscription Rights, Temporary Shares, Shares and Warrants which are traded on First North Finland are traded and settled in euro. The Subscription Rights, Temporary Shares, Shares and Warrants which are traded on First North Sweden are traded and settled in Swedish crowns.</p>

C.3	Share and share capital	On the date of this Prospectus, the fully paid-up share capital of Savosolar amounts to EUR 470,210.00. A total of 130,749,062 of the Company's Shares are registered. All Shares are of the same class. All the Shares belong to the same series of shares. The shares have no nominal value.
C.4	Description of the rights attached to the securities	The Offer Shares will confer all shareholder rights from their registration with the Trade Register and delivery to the investors. Each Share in the Company confers one vote at the Company's general meetings.
C.5	Restrictions on free transferability	Not applicable. The Offer Shares, Subscription Rights, Temporary Shares and Warrants are freely transferable.
C.6	Admission for trading	<p>The Subscription Rights are traded on First North Finland (trading symbol SAVOHU0118, ISIN: FI4000327424) and on First North Sweden (trading symbol SAVOS TR, ISIN: SE0011413772) between 21 June 2018 and 4 July 2018.</p> <p>Trading in the Temporary Shares will commence on First North Finland (trading symbol SAVOHN0118, ISIN: FI4000327416) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0011413780) as their own special share class approximately on 21 June 2018.</p> <p>The Temporary Shares will be combined with the current shares after the Offer Shares have been registered in the Trade Register. The combination will take place in the book-entry system maintained by Euroclear Finland approximately on 24 July 2018 and in the book-entry system maintained by Euroclear Sweden approximately on 27 July 2018. The Offer Shares will be subject to trading together with the Company's existing shares approximately on 24 July 2018 on First North Finland and on 27 July 2018 on First North Sweden.</p> <p>The Company intends to file an application to the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the Warrants on First North Sweden and First North Finland. The trading symbol is expected to be SAVOS TO3 on First North Sweden and SAVIHEW118 on First North Finland. The ISIN code for the Warrants is FI4000327440. If the listing of the Warrants occurs, the Company expects trading to commence on First North Finland and on First North Sweden approximately during week 31, 2018.</p> <p>The Company's shares are traded on First North Finland (trading symbol SAVOH) and First North Sweden (trading symbol SAVOS), ISIN code: FI4000123096.</p>
C.7	Dividend policy	<p>The Company has not paid dividend to date, and there can be no guarantee that it will have distributable funds in the future. In the future, the Company's target is to distribute a maximum of 30 per cent of the profit for the year, but not more than 30 per cent of the distributable funds, and invest the rest of the funds for developing products and processes, as well as for expanding the business.</p> <p>Savosolar is currently subject to restructuring programme in accordance with the Restructuring Act which programme is in force until 31 December 2018. As the debt arrangement under a restructuring programme restricts the right of creditors to payment against the capital balance of their claims, the assets of the Company shall not be distributed to the shareholders of the Company between the approval and the conclusion of the restructuring programme.</p>

Section D – Risks

D.1	Key information on the key risks specific to the Company and its industry	<p>Among others, the following risks relate to the Company and its business:</p> <ul style="list-style-type: none"> • The Company has a history of operating losses and the operations may stay unprofitable for an unforeseeable future; the Company is in restructuring programme in accordance with the Restructuring Act • The Company's working capital is not sufficient to meet the Company's present requirements and requirements for the coming 12-month period from the date of the Prospectus, and if the Offering is not fully subscribed and not at least EUR 1.5 million is subscribed for new shares with the Warrants, the Company may need additional working capital financing • The Company may not succeed in implementing its internationalisation strategy in accordance with its plans • If the Company is unable to pay back restructuring debts in accordance with restructuring programme, the debt settlement in the restructuring programme may lapse • The Company may not be able to sufficiently protect its intellectual property rights • The Company may infringe third party intellectual property rights or claims may be made against the Company on such infringements • Potential credit losses may have a material adverse effect on the Company's financial position • The expected income from capitalised development costs may prove to be smaller than expected • The Company may not be able to utilise all tax losses incurred • Tekes funding may not be available in the future and already received funding may become repayable prematurely • The Company may be adversely affected by fluctuations in exchange rates
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		<ul style="list-style-type: none"> • The Company is dependent on its key suppliers' and –subcontractors' availability and delivery schedule • The Company may become subject to product liability claims and other claims • The Company may be liable to pay compensation based on efficiency warranties given to the customers • Technical problems may cause interruptions in the manufacturing process of the Company • The Company may not be able to refinance its debt • The Company is reliant on its ability to recruit and retain relevant key personnel • The Company is reliant on its ability to find and retain research partners • The insurance coverage of the Company may not be comprehensive and the Company may not be fully insured against all risks • Hazardous substances are used in the Company's manufacturing process and the Company may need an environmental permit in the future • The Company is in a legal process in France and may in the future be involved in litigation and arbitration proceedings • There can be changes in the competitive environment which may adversely affect the Company • The Company may be adversely affected by changes in the financial markets and economic conditions generally • The Company may not be able to obtain the bank guarantees it needs for growth at acceptable terms or at all • The Company may be adversely affected by fluctuations in interest rates
D.3	Risks relating to the securities	<p>Among others, the following risks related to the Offering, the Shares and the Warrants</p> <ul style="list-style-type: none"> • The Company may not receive the required capital in full from the Offering • An active public market for the Company's Shares, Subscription Rights and/or Warrants may not develop • The Subscription Rights will expire and have no value if they are not exercised during the Subscription Period • The market price of the Shares, Subscription Rights and Warrants could fluctuate considerably and the price of the Shares could fall below the subscription price in accordance with the terms of the Warrants or below the Subscription Price • The amount of possible future dividends to be distributed to shareholders is not certain and the Company cannot distribute funds to shareholders during the period of the restructuring programme • Dilution of the shareholding • Subscriptions are irrevocable, except under certain limited circumstances • Not all foreign shareholders may be able to exercise their Subscription Rights • Holders of Shares in the Company registered in custodial nominee accounts may not be able to exercise their voting rights • Future issues or sales of a substantial number of Shares or rights entitling to Shares could have a negative effect on the market price of the Shares and cause dilution; the Company may arrange a directed issue to the underwriters • Investors in Sweden participating in the Offering may be adversely affected by fluctuations in foreign exchange rates • There is no certainty that all underwriters and shareholders who have given subscription undertakings fulfil their obligations towards the Company

Section E – The Offering

E.1	Net proceeds and costs of the offer	<p>The Company aims to raise approximately EUR 3.5 million with the Offering. Should the Offering be subscribed in full, the Company expects to receive net proceeds of approximately EUR 3.0 million from the Offering, after deducting the estimated Offering expenses payable by the Company, totalling approximately 0.5 million.</p> <p>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.</p>
E.2a	Reasons for the offering and use of proceeds	<p>Savosolar designs and delivers solar thermal energy production systems to industrial clients globally. The systems are built on internationally award-winning solar thermal absorbers and collectors, which Savosolar has developed and produces. The collectors with MPE absorbers are, according to the information available to the Company's management, the most efficient in the world. Savosolar focuses primarily on large solar thermal collectors and industrial-size heating systems. The Company started product deliveries in June 2011 and has since delivered over 50,000 square metres of collectors to its customers.</p> <p>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</p>

		<p>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 Varnevaerk in Denmark, is worth approximately EUR 3.5 million and is the Company's largest order to date.</p> <p>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.</p> <p>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.</p> <p>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.</p>
E.3	<p>Terms and conditions of the offer</p>	<p>The Offering and subscription right and Warrants</p> <p>In accordance with the shareholders' pre-emptive subscription right, the Company is offering up to 174,332,080 new shares in the Company for subscription by the Company's shareholders ("Offer Shares") (the "Offering").</p> <p>Savosolar will give all shareholders registered in Savosolar's shareholder register maintained by Euroclear Finland Ltd ("Euroclear Finland") or Euroclear Sweden Ltd ("Euroclear Sweden") one (1) book-entry subscription right ("the Subscription Right") per each share held on the Offering record date 18 June 2018 ("the Record Date"). Each three (3) Subscription Rights entitle the holder to subscribe for four (4) Offer Shares. Fractions of Offer Shares will not be given and a single Subscription Right may not be exercised partially. The Subscription Rights will be registered in shareholders' book-entry accounts in the book-entry system maintained by Euroclear Finland approximately on 19 June 2018 and in the book-entry system maintained by Euroclear Sweden approximately on 20 June 2018. The Subscription Rights can be freely assigned and they will be traded on First North Finland (trading symbol SAVOHU0118, ISIN: FI4000327424) and on First North Sweden (trading symbol SAVOS TR, ISIN: SE0011413772) between 21 June 2018 and 4 July 2018. If a Company share entitling to a Subscription Right is subject to a pledge or another such restriction, the Subscription Right may not be exercisable without the consent of the pledgee or other rights holder.</p> <p>In addition, Savosolar will issue a maximum of 87,166,040 warrants (the "Warrants") free of charge to persons who subscribed for the Offer Shares in the Offering, which entitle to subscribe for a total of up to 87,166,040 new shares of the Company. The Warrants will be issued in the following manner: the subscriber will receive one (1) Warrant per each two (2) subscribed and paid Offer Shares, the subscription of which the Board of Directors has approved. Fractions of the Warrants will not be issued. Warrants can be freely assigned</p> <p>The right to subscribe for unsubscribed Offer Shares without Subscription Rights</p> <p>The Board of Directors of the Company shall resolve on offering any unsubscribed Offer Shares secondarily to shareholders and other investors who have submitted a subscription application concerning the Offer Shares during the Subscription Period without Subscription Rights.</p> <p>Subscription Price</p> <p>The Subscription Price of Offer Shares is EUR 0.02 or SEK 0.20 per Offer Share ("Subscription Price"). The Subscription Price for the Offer Shares will be recorded in the reserve for invested unrestricted equity. The Subscription Price includes a normal pre-emptive subscription right issue discount. The Subscription Price is approximately 65.5 per cent lower compared with the closing price of the Company's share on First North Sweden on 18 May 2018 (SEK 0.58) and 66.1 per cent lower compared with the closing price of the Company's share on First North Finland on 18 May 2018 (EUR 0.0589).</p> <p>Subscription Period</p> <p>The subscription period for the Offer Shares (the "Subscription Period") will commence on 21 June 2018 at 09:30 Finnish time (08:30 Swedish time), and is expected to end 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.</p> <p>The Company may, at its sole discretion, extend the Subscription Period. The Subscription Period may be extended once or several times, however not past 2 August 2018. Any extensions of the Subscription Period will be announced by way of a company release before the end of the Subscription Period.</p> <p>If the Subscription Period is extended, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly.</p>

Subscription locations, account operators, custodians and nominees may require their customers to submit subscription orders on a certain day prior to the start of trading on the Subscription Rights or before the Subscription Period ends.

Subscription locations

The following function as subscription locations:

- a) In Finland, custodians and account operators and
- b) 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.

Investors shall comply with the instructions issued by account operators and Aqurat Fondkommission AB.

Exercising Subscription Rights

A shareholder may participate in the Offering by subscribing for the Offer Shares through the Subscription Rights in his/her/its book-entry account and by paying the Subscription Price. In order to participate in the Offering, a shareholder shall make a subscription according to the instructions given by his/her/its custodian or account operator.

The holders of purchased Subscription Rights shall submit their subscription order according to the instructions issued by their custodian or account operator.

Such shareholders and other investors participating in the Offering whose Company shares or the Subscription Rights are registered in the name of a nominee shall submit their subscription order according to the instructions given by their nominee.

The subscription orders must be submitted separately for each book-entry account.

Deficient or erroneous subscription orders may be rejected. If the Subscription Price is not paid according to these terms and conditions or the payment is insufficient, the subscription order may be rejected. In such a situation, the Subscription Price paid will be refunded to the subscriber approximately three (3) local banking days from the date when the subscriptions have been accepted. No interest will be paid for such payment.

Any subscriptions made are binding.

Unexercised Subscription Rights will expire and have no value when the Subscription Period 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.

Subscription for Offer Shares without Subscription Rights and allocation

The subscription of the Offer Shares without the Subscription Rights by a shareholder and/or another investor is performed by submitting a subscription order and by simultaneously paying the Subscription Price in accordance with the instructions provided by the subscriber's account operator, custodian or, in the case of investors entered into the nominee register, the nominee. A subscription order in Sweden which is sent by mail has to be submitted in good time before the last day for subscription. Only one (1) subscription order without subscription rights can be done. If multiple subscription orders are given, only the last one is taken into account. An incomplete or incorrect subscription order may be ignored. The subscription order is binding.

The custodian, account operator or nominee of the shareholder and/or investor, whose subscribed Offer Shares are delivered through the book-entry system maintained by Euroclear Finland, shall receive the subscription order and the payment no later than on 10 July 2018 or at an earlier time according to the instructions given by the custodian, account operator or nominee.

The custodian, account operator or nominee of the shareholder and/or investor, whose subscribed Offer Shares are delivered through the book-entry system maintained by Euroclear Sweden shall receive the subscription order and the payment no later than on 6 July 2018 or at an earlier time according to the instructions given by the custodian, account operator or nominee.

If all the Offer Shares have not been subscribed on the basis of the Subscription Rights, Savosolar's Board of Directors will decide on the allocation of the Offer Shares subscribed for without the Subscription Rights as follows:

- a) First to those who also have subscribed for the Offer Shares on the basis of the Subscription Rights. If the subscribers in question oversubscribe the Offering, the allocation to such subscribers will be determined in a book-entry account-specific manner in proportion to the number of the Subscription Rights used for the subscription for the Offer Shares and, if this is not possible, by drawing lots; and
- b) Secondly to those who have subscribed for the Offer Shares only without the Subscription Rights, and if the subscribers in question oversubscribe the Offering, the allocation to such subscribers will be determined in a book-entry account-specific manner in proportion to the number of the Offer Shares which the subscribers have subscribed for and, if this is not possible, by drawing lots.

Savosolar will confirm the approval of the subscription of the Offer Shares subscribed for without the Subscription Rights, if approved, for all investors who have submitted a subscription order to subscribe for the Offer Shares without the Subscription Rights. Investors who subscribe for Offer Shares without Subscription Rights through their account operators in Sweden receive information regarding their subscription according to the routines of the account operator.

If the Offer Shares subscribed for without the Subscription Rights are not allocated in the number referred to in the subscription order, the paid Subscription Price corresponding to the Offer Shares not obtained will be refunded to the subscriber approximately on 18 July 2018. No interest will be paid on such a payment.

Approval and payment of subscriptions

The Company's Board of Directors will approve all the subscriptions made on the basis of the Subscription Rights and in accordance with the terms and conditions of this Offering and the applicable laws and regulations approximately on 13 July 2018. In addition, the Company's Board of Directors will approve the subscriptions made without the Subscription Rights and in accordance with the terms and conditions of the Offering applicable laws and regulations pursuant to the allocation principles presented above in the section "*Subscription for Offer Shares without Subscription Rights and allocation*".

The Subscription Price of the Offer Shares subscribed for in the Offering must be paid in full in euro in Finland or Swedish krona in Sweden in connection with the submission of the subscription order according to the instructions given by the subscription location, the custodian or the account operator.

A subscription is considered made when the subscription order has arrived at the subscription location, the account operator or custodian in question and the Subscription Price has been paid in full. By subscribing, the subscriber authorises his / her account operator to disclose the necessary personal data, the number of his / her book-entry account and the details of the subscription to the parties involved in the order or the execution of the order to allocate and settle the shares and Warrants.

The Board of Directors has the right in certain situations to withdraw the Offering; see section "*The Company's right to withdraw the Offering*" below.

Announcement of outcome of the Offering

Provided that no changes are made to the Subscription Period, the Company will announce the outcome of the Offering approximately on 13 July 2018 by way of a company release.

Registration and delivery of the Offer Shares

The Offer Shares subscribed for in the Offering will be issued as book entries in the book-entry system of Euroclear Finland and delivered to the investors through the book-entry systems of Euroclear Finland and Euroclear Sweden.

After the subscription, temporary shares corresponding to the Offer Shares subscribed for based on the Subscription Rights (the "Temporary Shares") will be entered in the subscriber's book-entry account. In Finland, this is estimated to be the next day, in accordance with Euroclear Finland's clearing time table. Trading in the Temporary Shares will commence on First North Finland (trading symbol SAVOHN0118, ISIN: FI4000327416) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0011413780) as their own special share class approximately on 21 June 2018. The Temporary Shares will be combined with current shares after the Offer Shares have been registered in the Trade Register. The delivery and combination will take place approximately on 24 July 2018, in the book-entry system maintained by Euroclear Finland, and the Offer Shares will be subject to trading together with the Company's existing shares approximately on 24 July 2018 on First North Finland. The delivery and combination will take place approximately on 27 July 2018, in the book-entry system maintained by Euroclear Sweden, and the Offer Shares will be subject to trading together with the Company's existing shares approximately on 27 July 2018 on First North Sweden.

The Offer Shares subscribed for without the Subscription Rights will be delivered at the same time as the ones that have been subscribed for with the Subscription Rights, and no Temporary Shares will be delivered in respect to these.

Holders of stock options

According to the terms and conditions of the stock options 2-2017, if the Company decides, before the subscription of shares with the stock options, on an issue of shares or an issue of new stock options or other special rights so that the shareholders have preferential subscription rights, the owner of a stock option shall have the same right as, or an equal right to, that of a shareholder. Equality is reached in the manner determined by the Company's Board of Directors by adjusting the number of shares available for subscription, the share subscription prices or both of these. To ensure the equality of the holders of stock options and shareholders, the Company's Board of Directors will decide approximately on 13 July 2018 on changing the numbers of shares to be subscribed for on the basis of stock options 2-2017 and/or the subscription price due to the Offering. The changes to the stock option terms and conditions following the Offering will enter into force after they have been recorded in the Trade Register. The Company's stock options do not give entitlement to participate in the Offering. In connection with a subscription for shares, the total number of shares subscribed for by a holder of stock options will be rounded downwards to full shares, and the total subscription price will be calculated using the rounded number of shares and rounded to the closest cent.

Shareholder rights

The Offer Shares will confer all shareholder rights from their registration with the Trade Register and delivery to the investors. Each Share in the Company confers one vote at the Company's general meetings.

Supplements to Prospectus and cancellations of subscriptions

		<p>Subscriptions placed in the Offering are binding and irrevocable, and may only be cancelled where the Finnish Securities Market Act provides for a cancellation right.</p> <p>In accordance with the Finnish Securities Market Act, the Company will be obliged to issue a supplement to the Prospectus in case a mistake or inaccuracy in the Prospectus is discovered, or a significant new factor arises, prior to the end of the Subscription Period, if such mistake, inaccuracy or new factor may bear material significance to the investors. Such supplement will be published in the same manner as the Prospectus.</p> <p>If the Prospectus is supplemented, investors who have subscribed for Offer Shares before the publication of the supplement to the Prospectus have the right to cancel their subscriptions. The cancellation right must be exercised within a cancellation period which may not be shorter than two (2) Finnish banking days from the publication of the supplement to the Prospectus. An investor's cancellation of a subscription will be deemed to be made in respect of all the subscriptions of that investor. A precondition for the right to cancel is that the mistake, omission or material new information arose or was noted before the delivery of the Temporary Shares, or in the case for those investors who are not delivered Temporary Shares, the Offer Shares. Cancellations must be filed to the subscription location where the original subscription was placed. However, subscriptions placed on the website of Aqurat Fondkommission cannot be cancelled on the website but should be cancelled by contacting Aqurat Fondkommission AB at info@aqurat.se or by telephone +46 (0)8 684 05 800. Information on the right to cancel shall be issued in the supplement to the Prospectus.</p> <p>If an investor has cancelled its subscription, any Subscription Price already paid by that investor will be returned to the bank account of the investor given by the investor in connection with the subscription. The funds will be repaid within three (3) local banking days of the cancellation of the subscription. No interest will be paid on the amounts returned. The Company will announce cancellation instructions by way of a company release, in connection with publishing the supplement to the Prospectus.</p> <p>If the shareholder has sold or otherwise reassigned his/her Subscription Rights, the sale or transfer cannot be cancelled.</p> <p>The Company's right to withdraw the Offering</p> <p>The Company may, at its sole discretion (and for any reason), withdraw the Offering. If the Offering is withdrawn, any subscriptions given by investors will be automatically cancelled. In such case, the Subscription Price paid by investors will be returned to the bank accounts of the investors given by the investors in connection with the subscription. The funds will be repaid within three (3) local banking days of the Offering being withdrawn. A withdrawal of the Offering will be announced by the Company by way of a company release.</p> <p>The Company may not withdraw the Offering after the Board of Directors of the Company has resolved on the allocation of the Offer Shares.</p> <p>Governing law</p> <p>The Offering and the Offer Shares shall be governed by Finnish law. The courts of Finland have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering.</p> <p>Other matters</p> <p>The Company's Board of Directors may make decisions on other matters related to the Offering.</p> <p>Subscription undertakings and underwriting commitments</p> <p>Current shareholders of the Company have through subscription undertakings committed to subscribe for approximately 0.2 per cent of the Offer Shares offered in the Offering, which means they have committed to subscribe in the Offering with approximately EUR 6.4 thousand.</p> <p>A consortium of underwriters have committed to subscribe for Offer Shares, so that the underwriting commitments of the underwriters applies to about 79.8 per cent of the Offering, after the subscriptions by subscription undertakings, meaning they have underwritten the Offering to a total of approximately EUR 2.8 million. The providers of subscription undertakings and underwriting commitments have therefore committed to subscribe for approximately 80.0 per cent of the Offering.</p> <p>This means that at least EUR 2.8 million will be raised in the Offering before the reduction of the estimated expenses of the Offering, totalling approximately EUR 0.5 million.</p>
E.4	<p>Material interests / conflicting interests relating to the issue</p>	<p>Augment Partners AB is the financial advisers to the Company in connection with the Offering. Augment Partners AB receives a fee that has been agreed upon in advance for these services, and a part of the fees is tied to the amount of proceeds in the Offering. Augment Partners AB has furthermore been assigned to procure professional investors to the Company in a directed issue possibly to be arranged 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, and a part of the fees is tied to the amount of proceeds in the directed issue possibly to be arranged. Therefore, it is in Augment Partners AB's interest that the Offering and the directed issue possibly to be arranged is successful.</p> <p>Investor Oy acts as the lead manager of the Offering and the directed issue possibly to be arranged and receives a fee that has been agreed upon in advance for these services, and a part of the fees is tied to the amount of proceeds in the Offering and the directed issue possibly to be arranged. Therefore, it is in Investor Oy's interest that the Offering and directed issue possibly to be arranged are successful.</p>

E.5	Lock-ups	<p>Augment Partners AB has entered into lock-up agreements with three (3) current shareholders. Feodor Aminoff, Jari Varjotie and Nalle Stenman have for a six (6) month period commencing on the date when the board of directors of the Company has accepted the subscriptions in the Offering irrevocably, without the prior written consent of Augment Partners AB, directly or indirectly (1) offer, pledge, assign, encumber, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, any shares or any securities directly or indirectly convertible into or exercisable or exchangeable for shares subscribed in the Offering by the undersigned on the date hereof or (2) enter into any swap or other agreement or arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of shares or such other securities, in cash or otherwise, or publicly announce an intention to do any of the foregoing. Additionally, Feodor Aminoff and Jari Varjotie have agreed to the same terms for the shares and securities convertible into or exercisable or exchangeable for shares of the Company owned by them on the date of the Prospectus.</p> <p>The lock-up agreements are subject to the following carve-outs: (i) the sale of shares in a block trade where majority of the Company's shares is being sold; (ii) transactions relating to shares acquired in open market transactions after the completion of the Offering, or the exercise of any stock option to purchase Shares pursuant to any remuneration plan of the Company; (iii) transfers of shares or any security directly or indirectly convertible into or exercisable or exchangeable for Shares as a bona fide gift or by will or inheritance, or (iv) distributions of shares or any security directly or indirectly convertible into or exercisable or exchangeable for Shares to limited partners, members, shareholders or affiliates of the undersigned, or to any partnership or limited liability company controlled by the undersigned or by a member of the immediate family of the undersigned.</p>
E.6	Dilution	<p>As a result of the Offering, the number of the Company's shares may rise from 130,749,062 to a maximum of 305,081,142 shares. The Offer Shares correspond to 133.33 per cent of all the Company's shares immediately before the Offering and about 57.14 per cent of the Company shares after the Offering, assuming that the Offering is fully subscribed.</p> <p>In case also all the Warrants offered for the subscribers of Offer Shares would be used for subscription of shares, the number of Company's shares may rise to a maximum of 392,247,182 shares as a result of the Offering and the shares subscribed based on the Warrants. In case also all the Warrants offered for the subscribers of Offer Shares would be used for subscription of shares, the Offer Shares and the shares subscribed based on the Warrants correspond to 200.00 per cent of all the Company's shares immediately before the Offering and about 66.67 per cent of the Company shares after the Offering and subscription of the shares based on the Warrants, assuming that the Offering is fully subscribed and all the Warrants offered for the subscribers of Offer Shares are used for subscription of shares.</p> <p>The investors procured by Augment Partners AB will primarily participate in the Offering and, if the Offering is subscribed in full, a separate share issue can be additionally directed to them with the same Subscription Price as in the Offering. If the Offering and this directed issue is fully subscribed, the number of the Company's shares may rise from the number of shares after the Offering amounting to 305,081,142 to 348,664,162 shares. These shares subscribed in the directed share issue would correspond to approximately 33.33 per cent of all the Company's shares before the Offering and approximately 12.50 per cent of the Company's shares after the Offering and the directed issue.</p> <p>In case also all the Warrants, including also Warrants offered for the investors who participate in potential directed share issue, would be used for subscription of shares, the number of Company's shares may rise to a maximum of 457,621,712 shares as a result of the Offering, the directed issue mentioned above, and the shares subscribed based on the Warrants. In case also all the Warrants would be used for subscription of shares, the Offer Shares, the shares subscribed for in the directed issue and the shares subscribed based on the Warrants correspond to 250.00 per cent of all the Company's shares immediately before the Offering and about 71.43 per cent of the Company shares after the Offering, the directed issue and subscription of the shares based on the Warrants, assuming that the Offering and the directed issue is fully subscribed and all the Warrants are used for subscription of shares.</p> <p>The underwriters are entitled to use their underwriting fee for setting off the subscription price of the Company's new shares in a directed issue, to be arranged for the underwriters, if necessary, after the Offering. In such case, the underwriting fee is twelve (12) per cent of the given underwriting guarantee, meaning a maximum of approximately EUR 333.9 thousand. If the Offering and the directed share issue to the underwriters would be fully subscribed, the subscription price would be the same in the directed issue to be arranged for the underwriters as in the Offering, and all the underwriters would use their underwriting fee to set off subscription price of the new shares in the directed issue, the number of the Company's shares may rise with another 16,694,428 shares. These shares offered in the directed issue to be arranged for the underwriters would correspond to approximately 12.77 per cent of all the Company's shares before the Offering and approximately 4.7 per cent of the Company's shares after the Offering and both the directed share issues mentioned above, assuming that all share issues are fully subscribed.</p> <p>If the Offering, and both the directed share issues to possibly be arranged in connection with the Offering are arranged and fully subscribed, and the subscription price in the directed issue to the underwriters is the same as in the Offering, and the maximum amount of Warrants are issued and all Warrants are used for the subscription of shares, all the new shares to be issued correspond to approximately 72.43 per cent of all the Company's shares after the share issues and the shares subscribed with the Warrants.</p> <p>Of the 400,000,000 shares that the Board of Directors of the Company has received an authorisation to issue, a maximum of 343,570,078 shares will be issued in the Offering, the two directed share issues possibly to be arranged and the Warrants, which means at least 56,429,922 shares will be left of the authorisation.</p>

E.7	Expenses charged from the investor	Not applicable. No expenses will be charged from investors.
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Sammanfattning av prospektet

Sammanfattningen består av informationskrav uppställda i så kallade "Punkter". Dessa Punkter är numrerade i avsnitten A – E (A.1 – E .7). Denna sammanfattning innehåller alla de Punkter som krävs i en sammanfattning för aktuell typ av värdepapper och emittent. Eftersom vissa Punkter inte är tillämpliga för alla typer av Prospekt, kan det finnas luckor i numreringen av Punkterna.

Även om det krävs att en viss Punkt inkluderas i sammanfattningen för aktuella värdepapper och aktuell emittent, är det möjligt att ingen relevant information kan ges rörande Punkten. Informationen har då ersatts av en kort beskrivning av Punkten tillsammans med angivelsen "ej tillämplig".

Avsnitt A – Introduktion och varningar

A.1	Varning	<i>Denna sammanfattning bör läsas som en introduktion till prospektet. Varje beslut om att investera i erbjudandeaktierna bör baseras på en bedömning av prospektet i dess helhet från investerarens sida. Vissa termer som används i denna sammanfattning definieras på andra ställen i prospektet. Om yrkande hänförligt till uppgifterna i prospektet anförts vid domstol kan den investerare som är kärande i enlighet med tillämplig nationell lagstiftning bli tvungen att svara för kostnaderna för översättning av prospektet innan de rättsliga förfarandena inleds. Civilrättsligt ansvar kan endast åläggas de personer som lagt fram sammanfattningen, inklusive översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av prospektet, eller om den inte, läst tillsammans med andra delar av prospektet, ger nyckelinformation för att hjälpa investerare i övervägandet att investera i de erbjudandeaktier som erbjuds.</i>
A.2	Samtycke till finansiella mellanhänders användning av prospektet	Ej tillämplig.

Avsnitt B – Bolaget

B.1	Firma och handelsbeteckning	Savosolar Oyj ("Bolaget"), på svenska Savosolar Abp och på engelska Savosolar Plc.
B.2	Emittentens säte, bolagsform, lagstiftning och etableringsland	Bolaget har sitt säte i S:t Michel i Finland. Bolaget är ett publikt aktiebolag som lyder under finsk lagstiftning.
B.3	Beskrivning av emittentens verksamhet	<p>Savosolar är ett finskt publikt aktiebolag som tillverkar internationellt prisbelönta solabsorbatorer och solfångare. Så vitt företagsledningen känner till är solfångarna med MPE-absorbatorer som Savosolar tillverkar de mest effektiva i världen. Savosolar är främst inriktad på stora solfångare, samt storskaliga uppvärmningssystem. Bolaget började produktleveranser år 2011 och har sedan dess levererat över 50 000 m² solfångare till dess kunder i 18 länder på fyra kontinenter. Det unika med Bolagets produktion är en vakuum beläggningsprocess där hela absorbatorkonstruktionen beläggs på en gång. Detta innebär att man kan använda aluminiumprofiler med tunna väggar, som är mycket effektiva värmeväxlare och gör att man kan uppnå en effektiv direktflödesvärmeöverföring. Savosolars team har omfattande kunskaper och erfarenheter av vakuumbeläggningsmetoder samt av internationell försäljning och företagsledning. Bolaget använder avancerad teknik i sina tillverkningsprocesser och dess kvalitetssystem uppfyller kraven i ISO 9000. Bolagets strävan är att snabbt utöka verksamheten och att hjälpa kunderna att nå deras miljö- och affärsmässiga mål genom att betydligt reducera deras energikostnader. Savosolar investerar fortlöpande i produktutveckling i syfte att fortsättningsvis kunna tillgodose de behov som finns på den växande marknaden för förnybar energi på bästa sätt.</p> <p>Bolagets huvudsakliga produkter är stora termiska solfångare, och mer specifikt soltermiska system gjorda med dessa. Solfångarnas viktigaste komponent är absorbatorn, som Savosolar också säljer separat till vissa kunder.</p> <p>För närvarande tillverkar Savosolar alla solfångare och MPE-absorbatorer i sin egen anläggning i S:t Michel i Finland.</p>

B.4a	Viktiga aktuella trender som påverkar Bolaget och den bransch i vilken det är verksam	<p>Energimarknaden inriktar sig alltmer på förnybar värme, bland annat som en följd av den snabbt växande marknaden för förnybar elproduktion. Uppvärmning och nedkylning svarar för cirka 50 procent av den totala energimarknaden och sättet energin produceras på har en stor inverkan på föroreningen av luft, vatten och mark. Syftet är att öka andelen fjärrvärme överallt eftersom det är det mest ekonomiska och ekologiska sättet att generera och distribuera termisk energi.</p> <p>Traditionellt produceras värme i anläggningar för kombinerad produktion av värme och elenergi, kraftvärmeverk, som vanligen drivs med kol, olja eller naturgas och i bästa fall når en effektivitetsgrad på 80 procent, där hälften är värme och hälften elektricitet. I vissa anläggningar används biomassa eller hushållsavfall som bränsle. I takt med att allt mer elektricitet produceras med sol- och vindkraft har kraftvärmeverken delvis fått överskotts kapacitet och efterfrågan börjat fluktuera beroende på sol- och vindförhållandena. Därigenom har utbudet av värme minskat, och gjort kombinerad produktion delvis olönsamt, och lösningar söks från andra källor genom att bygga värmeverk som använder biobränslen och avfall, vilka är kopplade till andra förnybara energikällor beroende på plats och behov. Solvärme, som en helt ren och efter investering, nästan gratis energikälla, är i många fall det mest intressanta alternativet, så länge som det finns erforderligt mark- eller takområde tillgängligt.</p> <p>Eftersom klimatförändringarnas effekter är uppenbara söker man i hela världen minska utsläppen, både från staternas och i övrigt samhällets sida. I januari 2018 presenterade The European weather forecasting ECMWF-center, globala temperaturförändringar för en period om 136 år. Enligt denna rapport var 2016 det varmaste året sedan temperaturmätningarna startade, och tio (10) av de varmaste åren i mätningarnas historia har ägt rum sedan år 2000. År 2015 var dessförinnan uppmätt som det varmaste året och ökningen under 2016 motsvarade 0,2 grader. Ambitiösa mål avseende utsläppsminskning har antagits världen över och Paris klimatavtalet som ingicks 2017 belyser ytterligare vikten av att begränsa temperaturökningar.</p> <p>Användningen av termisk solenergi för bruksvarmvattenuppvärmning ökar fortsatt snabbt i områden med mycket sol, såsom Indien, Afrika och Kina. I flera afrikanska länder finns lagar på plats som ämnar att tillse att allt varmvatten i fastighetsbeståndet ska produceras med förnybar energi, som till exempel termisk solenergi. I mindre vattenvärmsystem kommer fotovoltaisk energi vinna mark i framtiden mot bakgrund av dess enkelhet och reducerade panelpriser. De snabbast växande solvärmesegmenten på det hela taget är storskaliga användningsområden såsom fjärrvärmeproduktion, solvärme för industriella processer och energireoveringar i stora flervåningsfastigheter. Anledningen är att de storskaliga användningsområdena för solvärme är mer kostnadseffektiva och ger minskade utsläpp snabbare än mindre anläggningar. Exempel på denna utveckling kan utöver i Europa ses i Kina, Afrika och Indien.</p>																																										
B.5	Koncernens struktur	<p>Savosolar har helägda dotterbolag i Danmark (Savosolar ApS) och Tyskland (Savosolar GmbH). Dessutom äger Savosolar 55,0 procent av aktierna i Savolaser Oy, som för närvarande är ett vilande bolag. Återstoden av aktierna i bolaget ägs av Veslatec Oy.</p>																																										
B.6	Större aktieägare	<p>Bolagets största aktieägare den 15 mars 2018 återfinns nedan. Till Bolagets vetskap har inga väsentliga ändringar skett fram till datumet för detta prospekt.</p> <table border="1" data-bbox="440 1077 1489 1497"> <thead> <tr> <th>Aktieägare</th> <th>Antal aktier</th> <th>% av aktier och röster</th> </tr> </thead> <tbody> <tr> <td>Avanza Bank AB</td> <td>5 290 203</td> <td>4,0</td> </tr> <tr> <td>Swedbank AB</td> <td>4 687 497</td> <td>3,6</td> </tr> <tr> <td>Skandinaviska Enskilda Banken AB</td> <td>4 667 395</td> <td>3,6</td> </tr> <tr> <td>Nordea Bank AB (publ)</td> <td>4 645 055</td> <td>3,6</td> </tr> <tr> <td>Nordnet Bank AB</td> <td>4 323 572</td> <td>3,3</td> </tr> <tr> <td>Svenska Handelsbanken AB</td> <td>4 227 127</td> <td>3,2</td> </tr> <tr> <td>Erik Penser Bank AB</td> <td>1 377 332</td> <td>1,1</td> </tr> <tr> <td>Niklas Geust</td> <td>1 373 373</td> <td>1,1</td> </tr> <tr> <td>Suomen Itsenäisyden Rahasto</td> <td>1 354 353</td> <td>1,0</td> </tr> <tr> <td>Petteri Hämmäläinen</td> <td>1 300 000</td> <td>1,0</td> </tr> <tr> <td>Summa</td> <td>33 245 907</td> <td>25,4</td> </tr> <tr> <td>Övriga aktieägare</td> <td>97 503 155</td> <td>74,6</td> </tr> <tr> <td>Totalt</td> <td>130 749 062</td> <td>100,0</td> </tr> </tbody> </table>	Aktieägare	Antal aktier	% av aktier och röster	Avanza Bank AB	5 290 203	4,0	Swedbank AB	4 687 497	3,6	Skandinaviska Enskilda Banken AB	4 667 395	3,6	Nordea Bank AB (publ)	4 645 055	3,6	Nordnet Bank AB	4 323 572	3,3	Svenska Handelsbanken AB	4 227 127	3,2	Erik Penser Bank AB	1 377 332	1,1	Niklas Geust	1 373 373	1,1	Suomen Itsenäisyden Rahasto	1 354 353	1,0	Petteri Hämmäläinen	1 300 000	1,0	Summa	33 245 907	25,4	Övriga aktieägare	97 503 155	74,6	Totalt	130 749 062	100,0
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	Olika röststyrka	<p>Ej tillämplig. Alla aktier berättigar till en (1) röst.</p>																																										
	Kontroll	<p>Ej tillämplig. Enligt bolagets bästa vetskap är inte Bolaget direkt eller indirekt ägt eller kontrollerat av någon.</p>																																										
B.7	Utvald historisk finansiell information i sammandrag och beskrivning av betydande förändringar i den finansiella ställningen och	<p>Följande tabeller visar utvald finansiell information om Bolaget för räkenskapsåren 2017 och 2016 samt information om resultaträkningen och balansräkningen för tremånadersperioderna som avslutades den 31 mars 2018 och den 31 mars 2017. Sammanfattningen nedan baseras på de reviderade finansiella siffrorna för räkenskapsåret 2017 och de justerade reviderade finansiella siffrorna för räkenskapsåret 2016, samt den justerade oreviderade informationen från resultat- och balansräkningen för tremånadersperioden som avslutades den 31 mars 2018, från den finansiella informationen som publicerades av Bolaget den 21 maj 2018, och den justerade oreviderade informationen från resultat- och balansräkningen för tremånadersperioden som avslutades den 31 mars 2017, som publicerades av Bolaget den 29 maj 2017 och är justerad enligt nedan</p>																																										

<p>rörelseresultat under den period som omfattas av den historiska finansiella informationen och därefter</p>	<p>Den finansiella informationen i tabellerna nedan för räkenskapsåret 2016 skiljer sig från den historiska finansiella informationen som presenteras i det reviderade bokslutet som godkänts av bolagsstämman. Resultaträkningen, balansräkningen och kassaflödesanalysen som ingår i bokslutet för 2016 har justerats genom att en projektavgift om 211,5 tusen euro ingår, vilket inte ingick i det lagstadgade bokslutet för räkenskapsåret 2016. Den finansiella informationen som presenteras i följande tabeller för räkenskapsåret 2016 har justerats retroaktivt för ovanstående. På liknande sätt har bolagets resultaträkning och balansräkningen som presenteras i följande tabeller för tre månadersperioden som avslutades den 31 mars 2017 justerats med motsvarande korrigerings av projektkostnad om 211,5 tusen euro. Denna kostnad inkluderas under leverantörsskulder i balansräkningen den 31 mars 2017.</p> <p>Denna sektion ska läsas tillsammans med Savosolars finansiella rapporter för 2017 och 2016, avsnittet "Operating and financial review and prospects" i prospektet, samt informationen om resultaträkningen och balansräkningen för tre månadersperioderna som slutade 31 mars 2018 och 31 mars 2017 har upprättats i enlighet med finska redovisningsstandarder. Sammandraget nedan innehåller inte all information i årsboksluten.</p> <p>Savosolar är enligt bokföringslagen 1:4a § ett småföretag, och inklusive dess dotterbolag en liten redovisningsenhet enligt bokföringslagen 1:6a §. Bolaget har inte haft skyldighet att upprätta koncernredovisning för räkenskapsåren 2017 och 2016.</p>
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Resultaträkning				
(tusen euro)	1 januari 2018 – 31 mars 2018	1 januari 2017 – 31 mars 2017	1 januari 2017 – 31 december 2017	1 januari 2016 – 31 december 2016
	FAS (oreviderad)	FAS (oreviderad)	FAS (reviderad)	FAS (reviderad)
Omsättning	253,4	108,8	830,9	5 404,8
Övriga rörelseintäkter	12,4	5,3	24,4	0,9
<i>Material och tjänster</i>				
Material och förnödenheter				
Inköp	-267,0	-351,4	-841,7	-3 975,7
Ökning/minskning av varulager	244,8	232,0	505,2	98,8
Externa tjänster	-181,5	-18,0	-415,1	1 417,6
Summa material och tjänster	-203,8	-137,4	-751,6	-5 294,6
<i>Personalkostnader</i>				
Löner	-456,6	-490,0	-1 550,6	-1 712,0
Sociala kostnader	-45,0	-44,6		
Pensionskostnader			-242,7	-321,3
Övriga personalkostnader			-37,0	-103,7
Summa personalkostnader	-501,5	-534,6	-1 830,3	-2 137,0
Avskrivningar och nedskrivningar	-168,1	-187,8	-761,6	-617,4
Övriga rörelsekostnader	-586,0	-492,4	-2 364,8	-1 878,8
RÖRELSEVINST (FÖRLUST)	-1 193,6	-1 238,2	-4 853,1	-4 522,1
<i>Finansiella intäkter och kostnader</i>				
Räntor och övriga finansiella intäkter			13,8	0,3
Räntor och övriga finansiella kostnader			-824,2	-1 165,0
Summa finansiella intäkter och kostnader	-27,1	-26,1	-810,4	-1 164,7
VINST (FÖRLUST)	-1 220,7	-1 264,3	-5 663,5	-5 686,8
VINST (FÖRLUST) FÖRE BOKSLUTSDISPOSITIONER OCH SKATT	-1 220,7	-1 264,3	-5 663,5	-5 686,8
NETTOVINST (NETTOFÖRLUST)	-1 220,7	-1 264,3	-5 663,5	-5 686,8
Balansräkning				
(tusen euro)	31 mars 2018		31 december 2017	31 december 2016
	FAS (oreviderad)		FAS (reviderad)	FAS (reviderad)
TILLGÅNGAR				
<i>ANLÄGGNINGSTILLGÅNGAR</i>				
<i>Immateriella tillgångar</i>				

Övriga skulder	35,8	36,9	59,1
Upplupna kostnader	316,6	277,1	393,5
Summa kortfristiga skulder	2 280,2	2 340,3	1 438,0
SUMMA SKULDER	2 280,2	2 652,2	3 269,0
SUMMA EGET KAPITAL OCH SKULDER	5 387,2	6 477,9	6 952,0

Kassaflödesanalys

(tusen euro)	1 januari 2017–31 december		1 januari 2016–31 december	
	2017		2016	
	FAS		FAS	
	(reviderad)		(reviderad)	
Kassaflöde från den löpande verksamheten				
Periodens vinst (förlust)		-5 663,5		-5 686,8
<i>Justeringar</i>				
Planenliga avskrivningar		761,6		617,4
Övriga kontantfria intäkter och kostnader		36,3		
Finansiella intäkter och kostnader		810,4		1 164,7
Kassaflöde före förändringar av rörelsekapital		-4 055,3		-3 904,7
<i>Förändringar av rörelsekapital</i>				
Ökning(-)/minskning(+) av kortfristiga fordringar		199,5		22,2
Ökning(-)/minskning(+) av varulager		-505,2		-98,8
Ökning(-)/minskning(+) av kortfristiga räntefria skulder		-534,0		-295,6
Kassaflöde från den löpande verksamheten före finansiella poster och skatter		-4 895,0		-4 276,8
Räntor och övriga finansiella kostnader		-824,2		-1 156,4
Räntor och övriga finansiella intäkter		13,8		0,3
Kassaflöde före extraordinära poster		-5 705,4		-5 432,9
Kassaflöde från den löpande verksamheten (A)		-5 705,4		-5 432,9
Kassaflöde från investeringsverksamheten				
Investeringar i immateriella och materiella tillgångar		-181,9		-1 146,3
Investeringar i dotterbolag		-28,0		-1,7
Kassaflöde från investeringsverksamheten (B)		-209,9		-1 147,9
Kassaflöde från finansieringsverksamheten				
Aktieemission		5 770,0		6 435,3
Nya långfristiga lån		201,2		1 195,0
Återbetalning av kortfristiga lån		-284,0		-1 439,2
Återbetalning av långfristiga lån		0,0		-277,6
Kassaflöde från finansieringsverksamheten (C)		5 687,2		5 913,5
Förändring av likvida medel (A+B+C), ökning (+)/minskning (-)		-228,1		-667,3
Likvida medel vid periodens början		2 440,5		3 107,8
Likvida medel vid periodens slut		2 212,4		2 440,5

Nyckeltal

(tusen euro)	1 januari - 31 mars	1 januari - 31 mars	1 januari - 31	1 januari - 31
	2018	2017	december 2017	december 2016
Nyckeltal från resultaträkningen	(oreviderat om inget annat anges)			
Omsättning	253,4	108,8	830,9 ¹	5 404,8 ¹
EBITDA ²	-1 025,5	-1 050,4	-4 091,5	-3 904,69
EBITDA-marginal (%)	-405	-966	-492	-72
Rörelsevinst / (förlust) (EBIT)	-1 193,6	-1 238,2	-4 853,1 ¹	-4 522,1 ¹
Rörelsemarginal (%)	-471	-1 139	-584	-84
Nettovinst / (nettoförlust)	-1 220,7	-1 264,3	-5 663,5 ¹	-5 686,8 ¹
Nettovinst / (nettoförlust)-marginal (%)	-482	-1 163	-682	-105
Nyckeltal avseende kapitalstrukturen				
Eget kapital	2 433,1	-	3 653,8 ¹	3 547,3 ¹
Soliditet (%)	45	-	56	51

Uppgifter per aktie					
Antal aktier	130 749 062	35 469 332	130 749 062	35 469 332	
Eget kapital per aktie	0,02	-	0,03	0,10	
Vinst per aktie	-0,01	-0,04	-0,04	-0,16	
Anställda					
Medeltal anställda	37	42	37	42	

¹ Reviderad

Beskrivning av betydande förändringar i den finansiella ställningen och rörelseresultat under den period som omfattas av den historiska finansiella informationen och därefter

Verksamhetens olönsamhet och utmaningar i anskaffning av nödvändig ytterligare finansiering för verksamheten ledde år 2013 till det faktum att Bolaget ansökte om finansiell omstrukturering enligt lagen om företagsrekonstruktion (47/1993, ändrad) ("Företagsrekonstruktionslagen") år 2013. Per datumet för detta prospekt pågår i Savosolar ett saneringsprogram i samband med Företagsrekonstruktionslagen, som kommer att pågå fram till slutet av 2018.

Savosolar genomförde en företrädesemission och två riktade aktieemissioner i september 2016 som tillförde Bolaget cirka 5,8 miljoner euro i nettolikvid, vidare genomfördes även en företrädesemission med vidhängande teckningsoptioner under juni 2017 som tillförde Bolaget cirka 5,0 miljoner euro i nettolikvid.

Under tremånadersperioden som slutade den 31 mars 2018 uppgick omsättningen till 193,6 tusen euro, en ökning om 144,6 tusen euro eller 133 procent jämfört med 108,8 tusen euro för tremånadersperioden som slutade den 31 mars 2017. Omsättningen för räkenskapsåret 2017 uppgick till 830,9 tusen euro och minskade med 4 573,9 tusen euro, eller 85 procent genomfört med 5 404,8 tusen euro för räkenskapsåret 2016. Omsättningsminskningen berodde på att Bolaget inte lyckades vinna och därmed leverera nya stora solfrångarfält för fjärrvärmemarknaden.

Rörelseförlusten för tremånadersperioden som slutade 31 mars 2018 uppgick till 193,6 tusen euro, en minskning om 44,7 tusen euro eller 4 procent jämfört med 238,2 tusen euro för tremånadersperioden som slutade 31 mars 2017. Rörelseförlusten för räkenskapsåret 2017 uppgick till 4 853,1 tusen euro, en ökning om 331,0 tusen euro eller 7 procent jämfört med 4 522,0 tusen euro under räkenskapsåret 2016. Ökningen i rörelseförlust berodde främst på låga försäljningsvolymerna.

I maj 2018 kom Bolaget överens om en förlängning om 12 månader avseende kapitalllånens löptid med Finnvera Oyj och Suur-Savon Osuuspankki. Efter förändringen i löptid löper lånen om totalt 1,4 miljoner euro till den 31 december 2019 istället för den 31 december 2018.

Den 13 juni 2018 ingick Bolaget ett bryggglåneavtal med Modelio Equity AB (publ). Enligt bryggglåneavtalet har ger Modelio Equity AB (publ) ett lån om 3,0 miljoner svenska kronor till Bolaget. Räntan på bryggglåneavtalet löper på 2,5 procent per månad; det nominella beloppet och räntan på lånet förfaller senast den 31 augusti 2018. Genom bryggglåneavtalet säkerställer Bolaget sitt rörelsekapitalbehov fram tills att Erbjudandet har genomförts.

B.8	Proforma-redovisning	Ej tillämplig. Detta prospekt innehåller ingen proformaredovisning.
B.9	Resultatprognos eller förväntat resultat	<p>Savosolar estimerar att Bolagets omsättning för året 2018 kommer att vara högre än år 2017, då omsättningen uppgick till 831 tusen euro. Bolaget estimerar att helårets rörelseresultat (EBIT) kommer att högre än år 2017, då den var -4,9 miljoner euro.</p> <p>Estimeringarna i fråga om omsättning och lönsamhet under prognosperioden bygger på följande uppskattningar och antaganden från ledningens sida:</p> <ol style="list-style-type: none"> Bruttomarginalen för projekt som Bolaget har erhållit order om och potentiella kommande projekt, är positiv. Att erbjudandet fulltecknas, så att Bolaget erhåller cirka 3,0 miljoner euro i nettolikvid och att likvid inkommer genom teckningsoptionen motsvarande minst 1,5 miljoner euro så att Bolaget kan säkerställa rörelsekapitalbehovet. Att den danska marknaden utvecklas enligt förväntningar samt att priserna på den danska marknaden ligger kvar på ungefär samma nivå som i dag. <p>Företagsledningen kan främst påverka punkten a) ovan. Bolagets ledning kan också påverka punkt b), men dess lyckandet beror även på utvecklingen av punkten c). Punkten c) ovan ligger i huvudsak utanför ledningens kontroll. Bolaget har försökt utforma villkoren för erbjudandet med hänsyn tagen till rådande marknadsförhållanden och med målet att erbjudandet ska fulltecknas. Det föreligger många osäkerhetsfaktorer avseende Bolagets framtidsutsikter. Det kan även hända att den danska marknaden och andra marknader utvecklas mindre gynnsamt än vad Bolaget förväntar sig, eller att Bolagets försäljningspriser- och tillverkningsvolymerna och kostnader inte utvecklas enligt förväntan, vilket innebär att intäkter och rörelseresultatmål inte kan uppnås och att Bolaget åsamkas ytterligare förluster.</p>
B.10	Anmärkningar i revisionsberättelser	<p>Följande revisionsberättelser avseende Bolagets årsredovisning för 2017 och 2016 samt återutgiven årsredovisning för 2016 avviker från standardutformningen:</p> <p>Årsredovisning 2017: Väsentlig osäkerhet relaterad till den löpande verksamheten</p>

		<p>Vi uppmärksammar noterna i årsredovisningens avsnitt ”Vanliga risker och osäkerheter i verksamheten”, enligt vilken Bolaget, baserat på nuvarande kostnads- och intäktsnivåer bedömer att rörelsekapitalet under den kommande tolv månadersperioden ej är tillräckligt. Dessa förutsättningar tyder på att det finns en väsentlig osäkerhet som kan ge betydande tvivel om Bolagets förmåga att fortsätta den löpande verksamheten. Vår revisionsberättelse är inte justerad för detta faktum.</p> <p>Årsredovisning och återutgiven årsredovisning 2016: Väsentlig osäkerhet relaterad till den löpande verksamheten</p> <p>Vi uppmärksammar noterna i årsredovisningens avsnitt ”Vanliga risker och osäkerheter i verksamheten”, enligt vilken Bolaget, baserat på nuvarande kostnads- och intäktsnivåer bedömer att rörelsekapitalet under den kommande tolv månadersperioden ej är tillräckligt. Dessa förutsättningar tyder på att det finns en väsentlig osäkerhet som kan ge betydande tvivel om Bolagets förmåga att fortsätta den löpande verksamheten. Vår revisionsberättelse är inte justerad för detta faktum.</p> <p>Återutgiven årsredovisning 2016: Betoning av materiell punkt</p> <p>Vi uppmärksammar noten på sidan 5 “Omräkning av årsredovisningen för räkenskapsåret 2016” vilken innehåller en beskrivning av den omräkning som gjorts i årsredovisningen undertecknad av styrelsen den 3 mars 2017 och bekräftad av årsstämman den 28 mars 2017 avseende vilken vi har utfärdat en revisorsrapport den 14 mars 2017. Vår revisionsberättelse är inte justerad för detta faktum.</p>
B.11	Otillräckligt rörelsekapital	<p>Enligt Bolagets estimering är Bolagets befintliga rörelsekapital är inte tillräckligt för de aktuella behoven för den kommande tolv månadersperioden per dagen för prospektets avgivande. Detta beror på de uppskattade kostnaderna för att driva Bolaget under de kommande 12 månaderna. Bolaget anser att 4,5 miljoner euro är tillräckligt för att täcka dess brist på rörelsekapital under åtminstone tolv månadersperioden från och med dagen för prospektet. Bolagets nuvarande rörelsekapital räcker till slutet av juli 2018.</p> <p>Bolaget genomför erbjudandet och teckningsoptionerna bland annat för att säkra ett tillräckligt rörelsekapital. Bolaget bedömer att om erbjudandet fullföljs enligt den tänkta tidsplanen och blir fulltecknat och om likviden från erbjudandet som tillförs i kontanta medel uppgår till minst 3,5 miljoner euro och att nettolikvid genom teckningsoptionen inkommer om 1,5 miljoner euro, så är likviden från erbjudandet och teckningsoptionen, tillsammans med Bolagets tillgängliga kassa och bankmedel tillräckligt med rörelsekapital för att möta dess nuvarande behov samt täcka rörelsekapitalbehovet om 4,5 miljoner euro i minst 12 månader från och med dagen för detta prospekt.</p> <p>Om nettolikviden från erbjudandet som skall betalas med kontanta medel och teckningsoptionerna understiger 4,5 miljoner euro kan Bolaget behöva ytterligare finansiering, vilken Bolaget i så fall har för avsikt att anskaffa genom annan skuld- eller eget kapitalfinansiering. Om ingen ytterligare finansiering kan erhållas kommer Bolaget troligtvis stå inför ekonomiska svårigheter.</p>

Avsnitt C – Värdepapperen

C.1	Slag och kategori av värdepapper	<p>Erbjudandet avser teckning av Bolagets aktier. Erbjudandeaktiernas ISIN-kod är FI4000123096. Kortnamnet på First North Sweden är SAVOS och på First North Finland SAVOH.</p> <p>Savosolar kommer att ge sina aktieägare som är registrerade i Savosolars aktiebok som förs av Euroclear Finland Oy eller Euroclear Sweden AB en (1) kontoförd teckningsrätt för varje innehavd aktie på avstämningsdagen den 18 juni 2018. Tre (3) teckningsrätter berättigar till teckning av fyra (4) nya aktier. Delar av aktier kommer ej att överlåtas och en skild teckningsrätt kan inte användas delvis. Teckningsrätterna är fritt överlåtbara och kommer att handlas på First North Finland (kortnamn SAVOHU0118, ISIN: FI4000327424) och på First North Sweden (kortnamn SAVOS TR, ISIN: SE0011413772) mellan den 21 juni och den 4 juli 2018.</p> <p>När teckningen har genomförts kommer interimsktiet (“BTA”) som motsvarar de genom teckningsrätterna tecknade nya aktierna att upptas i aktieboken. Handeln med BTA:erna kommer att inledas på First North Finland (kortnamn SAVOHN0118, ISIN: FI4000327424) och på First North Sweden (kortnamn SAVOS BTA, ISIN: SE0011413780) som ett eget värdepappersslag omkring den 21 juni 2018. När erbjudandeaktierna har registrerats i handelsregistret kommer de att kombineras med Bolagets befintliga aktier. Leveransen och kombinerings kommer att ske omkring den 24 juli 2018 i Euroclear Finlands kontoförande system och omkring den 27 juli 2018 i Euroclear Swedens kontoförande system. Erbjudandeaktierna kommer att handlas tillsammans med Bolagets befintliga aktier omkring den 24 juli 2018 på First North Finland och på 27 juli 2018 First North Sweden.</p> <p>Dessutom kommer Savosolar att emittera vederlagsfria teckningsoptioner som ger rätt att teckna nya aktier i Bolaget till de som tecknar erbjudandeaktier i erbjudandet. Teckningsoptionerna kommer emitteras enligt följande: Två (2) tecknade, betalda och tilldelade erbjudandeaktier kommer att ge rätt till en (1) teckningsoption. Fraktioner av teckningsoptionerna kommer inte att utfärdas. Teckningsoptionernas ISIN-kod är FI4000327440. Bolaget avser att lämna in en ansökan till Stockholmsbörsen och Helsingforsbörsen om notering av teckningsoptionerna på First North Sweden och First North Finland. Kortnamnet förväntas vara SAVOS TO3 på First North Sweden och SAVIHEW118 på First North Finland. Ifall teckningsoptionerna noteras kommer handeln på First North Sweden och First North Finland troligen att inledas omkring vecka 31, 2018.</p>
C.2	Valuta	Teckningsrätterna, BTA:erna, erbjudandeaktierna och teckningsoptionerna är denominerade i euro.

		Teckningsrätter, BTA:er, aktier och teckningsoptioner som är upptagna till handel på First North Finland handlas och betalas i euro. Teckningsrätter, BTA:er, aktier och teckningsoptioner som är upptagna till handel på First North Sweden handlas och betalas i svenska kronor.
C.3	Aktier och aktiekapital	Bolagets fullt inbetalda aktiekapital uppgår till 470 210,00 euro dagen för prospektet. Antalet aktier är totalt 130 749 062. Samtliga aktier är av samma aktieslag. Aktierna har inget nominellt värde.
C.4	Rättigheter som sammanhänger med värdepapperen	Erbjudandeaaktierna är förenade med fulla aktieägarrättigheter från och med tidpunkten för registreringen i handelsregistret och leveransen till investerarna. Varje aktie i Bolaget motsvarar en röst vid Bolagets bolagsstämmor.
C.5	Inskränkningar i rätten att fritt överlåta värdepapperen	Ej tillämplig. Teckningsrätterna, BTA:erna, erbjudandeaaktierna och teckningsoptionerna är fritt överlåtbara.
C.6	Upptagande till handel	<p>Teckningsrätterna kommer att handlas på First North Finland (kortnamn SAVOHU0118, ISIN: FI4000327424) och på First North Sweden (kortnamn SAVOS TR, ISIN: SE0011413772) mellan den 21 juni och den 4 juli 2018.</p> <p>Handeln med BTA kommer att inledas på First North Finland (kortnamn SAVOHN0118, ISIN: FI4000327416) och på First North Sweden (kortnamn SAVOS BTA, ISIN: SE0011413780) som ett eget värdepappersslag omkring den 21 juni 2018.</p> <p>När erbjudandeaaktierna har registrerats i handelsregistret kommer de att slås ihop med de befintliga aktierna. Leverans och kombinerings kommer att ske i Euroclear Finlands kontoförande system omkring den 24 juli 2018, och i Euroclear Swedens kontoförande system omkring den 27 juli 2018. Erbjudandeaaktierna kommer att handlas tillsammans med Bolagets befintliga aktier omkring den 24 juli 2018 på First North Finland och omkring den 27 juli 2018 på First North Sweden.</p> <p>Bolaget avser att lämna in en ansökan till Stockholmsbörsen och Helsingforsbörsen om notering av teckningsoptionerna på First North Sweden och First North Finland. Kortnamnen förväntas vara SAVOS TO3 på First North Sweden och SAVIHEW118 på First North Finland. Teckningsoptionernas ISIN-kod är FI4000327440. Om teckningsoptionerna noteras förväntas handeln på First North Sweden och First North Finland att inledas omkring vecka 31, 2018.</p> <p>Bolagets aktier handlas på First North Finland (kortnamn SAVOH) och First North Sweden (kortnamn SAVOS), ISIN-kod: FI4000123096.</p>
C.7	Utdelningspolicy	<p>Bolaget har hittills inte betalat någon utdelning, och det finns inga garantier för att det kommer att finnas utdelningsbara medel i framtiden. Bolagets mål är att i framtiden dela ut högst 30 % av årets vinst, dock högst 30 % av utdelningsbara medel, och investera återstoden i utveckling av produkter och processer samt i att utöka verksamheten.</p> <p>Savosolar är för närvarande föremål för ett saneringsprogram i enlighet med lagen om företagssanering, vilket löper till den 31 december 2018. Eftersom skuldregleringen i ett saneringsprogram begränsar borgenärernas rätt till betalning för sina kapitalfordringar kan inte Bolagets tillgångar delas ut till aktieägarna innan saneringsprogrammet är genomfört.</p>

Avsnitt D – Riskfaktorer

D.1	Riskfaktorer som är specifika för emittenten och branschen	<p>Bolaget och dess verksamhet exponeras för följande risker bland andra:</p> <ul style="list-style-type: none"> • Bolaget har tidigare gått med förlust och verksamheten kan förbi olönsam under överskådlig framtid. Bolaget är föremål för ett saneringsprogram i enlighet med lagen om företagssanering. • Bolagets rörelsekapital är inte tillräckligt för att täcka Bolagets aktuella behov av rörelsekapital och rörelsekapitalbehovet för de kommande 12 månaderna per datumet för detta prospekt, och om erbjudandet inte fulltecknas och minst 1,5 miljarder euro inkommer genom teckningsoptionerna, kan Bolaget komma att behöva ytterligare finansiering av rörelsekapitalet. • Bolaget kanske inte lyckas implementera sin internationaliseringsstrategi enligt plan. • Om Bolaget inte kan betala sina skulder i enlighet med saneringsprogrammet kan skuldregleringen i programmet utebli. • Bolaget kanske inte kommer att kunna skydda sina immateriella rättigheter i tillräcklig grad. • Bolaget kanske kommer att kränka tredje parts immateriella rättigheter eller anspråk kanske kommer att ställas på Bolaget om sådana överträdelse. • Potentiella kreditförluster kan ha väsentlig negativ inverkan på Bolagets finansiella ställning. • Intäkter hänförliga till aktiverade utvecklingskostnader och immateriella rättigheter kan visa sig vara lägre än väntat. • Bolaget kanske inte kan utnyttja alla skattemässiga förluster. • Möjligheten till finansiering från Tekes kanske inte finns i framtiden och redan erhållen finansiering kan behöva återbetalas i förtid.
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		<ul style="list-style-type: none"> • Valutakursförändringar kan komma att påverka Bolaget negativt. • Bolaget är beroende av att dess huvudleverantörer och underleverantörer är tillgängliga och kan leverera enligt plan. • Bolaget kan bli föremål för skadeståndsanspråk i egenskap av tillverkare och andra krav. • Bolaget kan bli skyldigt att betala ersättning till följd av lämnade effektivitetsgarantier. • Tekniska problem kan medföra avbrott i Bolagets produktionsprocess. • Bolaget kanske inte kan återfinansiera sina skulder. • Bolaget är beroende av sin förmåga att rekrytera och behålla nyckelpersoner. • Bolaget är beroende av sin förmåga att finna och behålla forskningspartner. • Bolaget kanske inte har tillräckligt omfattade försäkringar och kanske inte är fullt försäkrat mot alla risker. • Farliga ämnen används i Bolagets tillverkningsprocess och Bolaget behöver ett miljötillstånd, vilket är i ansökningsprocessen, för sin verksamhet • Bolaget är idag föremål för en legal process i Frankrike och kan bli inblandat i tvister och skiljeförfaranden i framtiden. • Ändringar i konkurrenssituationen kan påverka Bolaget negativt. • Bolaget kan påverkas negativt av förändringar på finansmarknaderna och av de ekonomiska förutsättningarna i allmänhet. • Det är inte säkert att Bolaget kan få de bankgarantier det behöver för dess tillväxt på acceptabla villkor eller överhuvudtaget • Ändringar i räntenivån kan komma att påverka Bolaget negativt.
D.3	Risker relaterade till värdepapperen	<p>De risker som sammanhänger med aktierna, erbjudandet och teckningsoptionerna är bland andra:</p> <ul style="list-style-type: none"> • Bolaget kanske inte får in allt erforderligt kapital genom erbjudandet. • En aktiv och publik handel med Bolagets aktier, teckningsrätter och/eller teckningsoptioner kanske inte uppstår. • Om inte teckningsrätterna utnyttjas under teckningstiden löper de ut och blir värdelösa. • Aktiernas, teckningsrätternas och teckningsoptionernas marknadspris kan variera avsevärt och priset på aktierna kan falla under teckningskursen för teckningsoptionerna i enlighet med dess villkor eller under teckningskursen för erbjudandet. • Storleken på eventuella framtida utdelningar till aktieägarna är osäker och Bolaget kan inte dela ut medel till aktieägarna så länge saneringsprogrammet pågår. • Utspädning av aktiekapitalet. • Teckning av aktier kan inte återkallas, förutom under vissa speciella omständigheter. • Alla utländska aktieägare kanske inte kan utnyttja teckningsrätterna. • Innehavare av förvaltarregistrerade aktier i Bolaget kanske inte kan utöva sin rösträtt. • Betydande emissioner eller avyttringar av aktier eller teckningsrätter i framtiden kan få en negativ inverkan på aktiernas marknadspris och orsaka utspädning; Bolaget kan genomföra en riktad emission till garantiåtagare i samband med Erbjudandet. • Investorer som deltar i erbjudandet i Sverige kan påverkas negativt av förändringar i valutakurser. • Det är inte säkert att samtliga parter som har ingått teckningsförbindelser och garantiavtal kommer att fullgöra sina åtaganden gentemot Bolaget.

Avsnitt E – Erbjudandet

E.1	Nettolikvid och emissionskostnader	<p>Bolagets avser att anskaffa cirka 3,5 miljoner euro genom Erbjudandet. Ifall Erbjudandet fulltecknas, förväntar sig Bolaget att erhålla en nettolikvid från Erbjudandet om cirka 3,8 miljoner, efter avdrag för Bolagets uppskattade emissionskostnader för Erbjudandet om sammanlagt cirka 0,5 miljoner euro.</p> <p>I anslutning till erbjudandet kommer Bolaget emitterade vederlagsfria teckningsoptioner till investerare som tecknar erbjudandeaktier i erbjudandet. Bolaget kan genom detta således anskaffa ytterligare maximalt cirka 2,5 miljoner euro i nettolikvid, efter reducering av estimerade kostnader hänförliga till nyttjandet av teckningsoptionerna om cirka 0,1 miljoner euro.</p>
E.2a	Motiven för erbjudandet och användningen av de medel erbjudandet förväntas tillföra	<p>Savosolar designar och levererar soltermiska system till industriella kunder globalt. Systemen är baserade på internationellt prisbelönta solabsorbatorer och solfångare som Savosolar har utvecklat och tillverkar. Så vitt företagsledningen känner till är de 2 m² stora solfångarna med MPE-absorbatorer som Savosolar producerar de mest effektiva i världen. Savo-Solar är främst inriktad på stora solfångare, samt storskaliga uppvärmningssystem. Bolaget påbörjade produktleveranser i juni 2011 och har sedan dess levererat över 50 000 kvadratmeter av absorbatorer till dess kunder.</p> <p>Tills nyligen har Danmark varit den enda aktiva marknaden för segmentet stora solfångare och system. Trots att marknadsanalytiker har förutspått att nya marknader, i såväl Europa som övriga delar av världen, skulle aktiveras tidigare, var det inte förrän 2017 som Savosolar kunde konstatera verklig aktivitet på andra marknader. Med Savosolars prisbelönta produkter och på grund av de intensifierade försäljningsåtgärderna som Bolaget genomfört under de senaste 18 månaderna</p>

		<p>har Bolaget, enligt egna upplysningar och bedömningar, varit inbjudna till nästa samtliga signifikanta anbudsförändringarna i Europa och även erhållit sin första storskaliga order utanför Danmark samt sin största order någonsin under våren 2018. Den första storskaliga ordern utanför Danmark, som överstiger 4 000 m², från newHeat SAS kommer att vara det största soltermiskafältet någonsin byggt i Frankrike samt först i världen med enaxligt spårningssystem. Den andra ordern, med en area på cirka 21 000 m², från Grenaa Varmevaerk i Danmark, är värt cirka 3,5 miljoner euro och är Bolagets största order hittills.</p> <p>Detta betyder att Savosolar nu, efter att ha bevisat sin teknologi och erhållit en order på den konkurrensutsatta danska marknaden, äntligen har kunnat ta ett steg framåt mot sin vision att bli global förstahandsleverantör till högpresterande installationer. Genom fortsatta leveranser inom Europa samt starka partnerskap runt om i världen, t.ex. i Kina, Latinamerika, Australien och Afrika, är Bolagets bedömning att man nu är redo för den globala marknaden.</p> <p>På grund av den temporära nedgången på marknaden är Bolaget i behov av ytterligare rörelsekapital. Bolaget hänför aktivitet nedgången till den danska regeringens försenade beslut om villkoren för förnybar energi samt längre än förväntad bearbetningstid för andra marknader. Bolagets avser att anskaffa cirka 3,5 miljoner euro genom Erbjudandet. Ifall Erbjudandet fulltecknas, förväntar sig Bolaget att erhålla en nettolikvid från Erbjudandet om cirka 3,8 miljoner, efter avdrag för Bolagets uppskattade emissionskostnader för Erbjudandet om sammanlagt cirka 0,5 miljoner euro. I anslutning till Erbjudandet kommer Bolaget emitterade vederlagsfria teckningsoptioner till investerare som tecknar erbjudandeaktier i Erbjudandet. Bolaget kan genom detta således anskaffa ytterligare maximalt cirka 2,5 miljoner euro i nettolikvid, efter reducering av estimerade kostnader hänförliga till nyttjandet av teckningsoptionerna om cirka 0,1 miljoner euro.</p> <p>Bolaget kommer att använda nettolikviden från Erbjudandet och teckningsoptionerna för att fylla dess rörelsekapitalbehov om cirka 4,5 miljoner euro (inklusive återbetalning av kapitallån och ränta för bryggfinansieringen om cirka 0,3 miljoner euro) så att Bolaget kan leverera erhållna och kommande order under 2018-2019 och fortsätta effektivisera verksamheten för att nå lönsamhetsmålen samt hantera den ökade efterfrågan globalt.</p>
E.3	<p>Erbjudandets former och villkor</p>	<p>Erbjudandet, teckningsrätt och Teckningsoptionerna</p> <p>Bolaget erbjuder sina aktieägare att med företrädesrätt teckna upp till 174 332 080 nya aktier ("Erbjudandeaktier") i Bolaget ("Erbjudandet").</p> <p>Savosolar kommer att tilldela alla aktieägare som är registrerade i Savosolars aktiebok som förs av Euroclear Finland Oy ("Euroclear Finland") eller Euroclear Sweden AB ("Euroclear Sweden") en (1) kontoförd teckningsrätt ("Teckningsrätterna") för varje aktie som innehas på Erbjudandets avstämningsdag ("Avstämningsdagen"), vilken är den 18 juni 2018. Varje tre (3) Teckningsrätter berättigar till teckning av fyra (4) nya aktier. Fraktioner av Teckningsrätterna kommer inte att utfärdas, och en enskild Teckningsrätt kan inte utnyttjas endast delvis. Teckningsrätterna kommer att registreras i aktieboken hos Euroclear Finland omkring den 19 juni 2018 och i aktieboken hos Euroclear Sweden omkring den 20 juni 2018. Teckningsrätterna är fritt överlåtbara och kommer att handlas på First North Finland (kortnamn SAVOHU0118, ISIN: FI4000327424) och på First North Sweden (kortnamn SAVOS TR, ISIN: SE0011413772) mellan den 21 juni och den 4 juli 2018. Om en aktie i Bolaget som berättigar till en Teckningsrätt har pantsatts eller på annat sätt omfattas av restriktioner kan Teckningsrätten kanske inte utnyttjas utan tillstånd av långivaren eller rättsinnehavaren.</p> <p>Dessutom kommer Savosolar att emittera högst 87 166 040 vederlagsfria teckningsoptioner ("Teckningsoptionerna") som ger de som tecknar Erbjudandeaktier i Erbjudandet rätt att teckna upp till 87 166 040 nya aktier i Bolaget. Teckningsoptionerna kommer emitteras enligt följande: Två (2) tecknade, betalda och tilldelade erbjudandeaktier kommer att ge rätt till en (1) teckningsoption. Fraktioner av teckningsoptionerna kommer inte att utfärdas. Teckningsoptionerna är fritt överlåtbara.</p> <p>Rätt att teckna otecknade Erbjudandeaktier utan Teckningsrätter</p> <p>Bolagets styrelse har att fatta beslut om huruvida eventuella otecknade Erbjudandeaktier i andra hand ska erbjudas aktieägare och andra investerare som har lämnat in teckningsanmälningar för Erbjudandeaktierna under teckningstiden utan att ha Teckningsrätter.</p> <p>Teckningskurs</p> <p>Erbjudandeaktierna emitteras till Teckningskursen 0,02 euro eller 0,20 svenska kronor per aktie ("Teckningskursen").</p> <p>Erbjudandeaktiernas Teckningskurs kommer att redovisas i fonden för inbetalt fritt kapital. Erbjudandeaktiernas teckningskurs registreras under fritt eget kapital. Teckningskursen har fastställts på ett sätt att den innehåller en för företrädesemissioner sedvanlig rabatt. Teckningskursen är cirka 65,5 procent lägre än stängningskursen i Bolagets aktie på First North Sweden den 18 maj 2018 (0,58 kronor) och 66,1 procent lägre än stängningskursen i Bolagets aktie på First North Finland den 18 maj 2018 (0,0589 euro).</p> <p>Teckningstid</p> <p>Teckningstiden ("Teckningstiden") för Erbjudandeaktierna börjar den 21 juni 2018 kl. 09.30 finsk tid (kl. 08.30 svensk tid), och förväntas sluta den 10 juli 2018 kl. 16.30 finsk tid (kl. 15.30 svensk tid) i Finland och den 6 juli 2018 kl. 16.30 finsk tid (kl. 15.30 svensk tid) i Sverige.</p> <p>Bolaget kan efter eget gottfinnande förlänga Teckningstiden. Teckningstiden kan förlängas en eller flera gånger, dock inte efter den 2 augusti 2018. Förlängningar av Teckningstiden ska tillkännages i pressmeddelande från Bolaget före Teckningstidens slut.</p>

Om Teckningstiden förlängs kommer tilldelningsdagen, betalningsdatumen och datumen för leverans av Erbjudandeaktier att ändras i enlighet därmed.

Teckningsplatser, kontoförande institut, depåinstitut och förvaltare kan kräva att deras kunder lämnar in teckningsanmälan en viss tid innan handeln med Teckningsrätterna inleds eller före Teckningstidens utgång.

Teckningsplats

Teckningsplatserna är:

- a) I Finland genom förvaltare.
- b) I Sverige genom Aqurat Fondkommission AB:s webbplats www.aqurat.se och Aqurat Fondkommission AB, Kungsgatan 58, 111 22 Stockholm (info@aqurat.se, tel. +46 8-684 05 800).

Teckningsanmälan i Sverige tas också emot av förvaltare som har avtal med Aqurat Fondkommission AB om detta.

Investeringarna ska följa de anvisningar som har utfärdats av förvaltare och Aqurat Fondkommission AB.

Att utnyttja Teckningsrätterna

Aktieägarna kan delta i Erbjudandet genom att teckna Erbjudandeaktier med utnyttjande av sina registrerade Teckningsrätter och betala teckningsavgiften. Aktieägare som önskar delta i Erbjudandet ska lämna in teckningsanmälan i enlighet med anvisningar från sin förvaltare

Innehavare av förvärvade Teckningsrätter ska lämna in teckningsanmälan i enlighet med anvisningar från sin förvaltare.

Aktieägare och andra investerare som deltar i Erbjudandet vilkas aktier i Bolaget eller Teckningsrätter är förvaltarregistrerade ska lämna in teckningsanmälan i enlighet med anvisningar från sin förvaltare.

Separata teckningsanmälningar ska lämnas för varje värdepapperskonto.

Bristfälliga och felaktiga teckningsanmälningar kan lämnas utan avseende. Om teckningen inte betalas i enlighet med dessa villkor eller om betalningen är otillräcklig kan teckningsanmälan lämnas utan avseende. I sådana fall återbetalas det inbetalade beloppet till tecknaren omkring tre (3) lokala bankdagar efter att teckningsanmälan har accepterats. Ingen ränta kommer att betalas på det belopp som återbetalas.

Anmälan om teckning är bindande.

Outnyttjade Teckningsrätter förfaller och förlorar sitt värde vid Teckningstidens utgång den 10 juli 2018 kl. 16.30 finsk tid (kl. 15.30 svensk tid) i Finland och den 6 juli 2018 kl. 16.30 finsk tid (kl. 15.30 svensk tid) i Sverige.

Teckning av Erbjudandeaktier utan Teckningsrätter samt tilldelning

Aktieägare och/eller andra investerare utan Teckningsrätter som önskar teckna Erbjudandeaktier ska lämna in teckningsanmälan och samtidigt betala teckningsavgiften i enlighet med anvisningar från sitt kontoförande institut, sitt depåinstitut eller sin förvaltare, om de har låtit förvaltarregistrera sina innehav. Teckningsanmälan i Sverige som skickas genom post ska skickas i god tid före teckningsperiodens sista dag. Endast en (1) teckningsanmälan utan teckningsrätt kan erläggas. Om flera teckningsanmälningar lämnas in kommer enbart den sista att tas i anspråk. En ofullständig eller felaktig teckningsanmälan kan lämnas därhän. Anmälan om teckning är bindande.

Om de tecknade Erbjudandeaktierna ska erhållas via det kontobaserade systemet hos Euroclear Finland ska aktieägarens och/eller investerarens depåinstitut, kontoförande institut eller förvaltare erhålla teckningsanmälan och betalningen senast den 10 juli 2018 eller vid den tidigare tidpunkt som depåinstitutet, det kontoförande institutet eller förvaltaren anger.

Om de tecknade Erbjudandeaktierna ska erhållas via det kontobaserade systemet hos Euroclear Sweden ska aktieägarens och/eller investerarens depåinstitut, kontoförande institut eller förvaltare erhålla teckningsanmälan och betalningen senast den 6 juli 2018 eller vid den tidigare tidpunkt som depåinstitutet, det kontoförande institutet eller förvaltaren anger.

Om alla Erbjudandeaktier inte tecknas med utnyttjande av Teckningsrätter kommer Savosolars styrelse att fatta beslut om tilldelning av Erbjudandeaktier utan Teckningsrätter enligt följande:

- a) I första hand till de som också har tecknat Erbjudandeaktier med utnyttjande av Teckningsrätter. Om detta leder till att Erbjudandet övertecknas görs tilldelningen i förhållande till antalet utnyttjade Teckningsrätter för teckning av Erbjudandeaktier för varje värdepapperskonto, eller om detta inte är möjligt genom lottning.
- b) I andra hand till de som har tecknat Erbjudandeaktier utan Teckningsrätter. Om dessa har övertecknat Erbjudandet görs tilldelningen i förhållande till antalet tecknade Erbjudandeaktier för varje värdepapperskonto, eller om detta inte är möjligt genom lottning.

Savosolar kommer att meddela alla investerare som har lämnat in teckningsanmälningar avseende Erbjudandeaktier utan Teckningsrätter om teckningen godkänns. Investerare som inlämnar anmälan om teckning av Erbjudandeaktier utan Teckningsrätter genom sin förvaltare i Sverige kommer erhålla information avseende anmälan i enlighet med förvaltarens rutiner.

Om Erbjudandeaktier inte kan tilldelas i enlighet med teckningsanmälan från personer utan Teckningsrätter återbetalas den andel av den inbetalade teckningsavgiften som motsvarar de ej erhållna Erbjudandeaktierna till tecknaren omkring den 18 juli 2018. Ingen ränta kommer att betalas på de belopp som återbetalas.

Godkännande och betalning

Bolagets styrelse kommer att fatta beslut om godkännande av teckning med utnyttjande av Teckningsrätter och i enlighet med villkoren för detta Erbjudande samt tillämpliga lagar och bestämmelser omkring den 13 juli 2018. Vidare kommer Bolagets styrelse att fatta beslut om godkännande av teckning utan stöd av Teckningsrätter och i enligheten med villkoren för detta Erbjudande samt tillämpliga lagar och bestämmelser och enligt tilldelningsprinciperna som presenteras i avsnittet ”Teckning av Erbjudandeaktier utan Teckningsrätter samt tilldelning” ovan.

Tecknade Erbjudandeaktier genom Erbjudandet ska betalas i sin helhet, i euro i Finland eller svenska kronor i Sverige, i samband med att teckningsanmälan lämnas in enligt anvisningarna från Teckningsplatsen, förvaltaren eller det kontoförande institutet.

Teckningen anses ha gjorts när teckningsanmälan har inkommit till Teckningsplatsen, det kontoförande institutet eller förvaltaren och teckningsavgiften har betalats i sin helhet. Genom teckningen, godkänner investeraren att hans/hennes förvaltare förmedlar nödvändig personinformation, depå/VP-kontonummer samt detaljerna avseende teckningsanmälan till involverade parter som hanterar tilldelning och utbokning av Erbjudandeaktierna och Teckningsoptionerna.

Styrelsen har i vissa fall rätt att återkalla Erbjudandet. Se avsnittet ”*Bolagets rätt att återkalla Erbjudandet*” nedan.

Meddelande om utfallet av Erbjudandet

Försatt att inga ändringar görs av Teckningstiden kommer Bolaget att meddela utfallet av Erbjudandet i ett pressmeddelande omkring den 13 juli 2018.

Registrering och leverans av Erbjudandeaktier

Tecknade Erbjudandeaktier registreras i det kontobaserade systemet hos Euroclear Finland och levereras till investerarna via Euroclear Finland och Euroclear Sweden.

När teckningen har genomförts kommer BTA:er som motsvarar de med Teckningsrätterna tecknade nya aktierna att upptas i aktieboken. I Finland, är detta estimerat till nästkommande dag, i enlighet med Euroclear Finlands tidplan för clearing. Handeln med BTA:erna kommer att inledas på First North Finland (kortnamn SAVOHN0118, ISIN: FI4000327416) och på First North Sweden (kortnamn SAVOS BTA, ISIN: SE0011413780) som ett eget värdepappersslag omkring den 21 juni 2018. När Erbjudandeaktierna har registrerats i handelsregistret kommer de att slås ihop med de befintliga aktierna. Detta kommer att ske i Euroclear Finlands system omkring den 24 juli 2018, och Erbjudandeaktierna kommer att handlas tillsammans med Bolagets befintliga aktier omkring den 24 juli 2018 på First North Finland. Detta kommer att ske i Euroclear Swedens system omkring den 1 augusti 2018, och Erbjudandeaktierna kommer att handlas tillsammans med Bolagets befintliga aktier omkring den 1 augusti 2018 på First North Sweden.

Erbjudandeaktier som tecknas utan Teckningsrätter kommer att levereras samtidigt som aktier tecknade med Teckningsrätter, och inte föregås av BTA:er.

Innehavare av aktieoptioner

Enligt de villkor för aktieoptioner 2-2017 ska innehavare av aktieoptioner ha samma eller likvärdiga rättigheter som aktieägare om Bolaget innan aktier har tecknats med utnyttjande av aktieoptioner beslutar att emittera aktier, nya aktieoptioner eller andra särskilda rättigheter som ger aktieägarna företrädesrätt till teckning av aktier. Denna jämställdhet uppnås på det sätt som styrelsen fastslår, genom att antalet aktier som är tillgängliga för teckning, teckningskursen eller båda dessa faktorer ändras. För att säkerställa att innehavarna av aktieoptioner och aktier behandlas lika kommer Bolagets styrelse att fatta beslut om att förändra antalet aktier som kan tecknas på basis av aktieoptioner 2-2017 och/eller Teckningskursen genom Erbjudandet omkring den 13 juli 2018. De ändrade villkoren för aktieoptionerna till följd av Erbjudandet kommer att träda i kraft när dessa har registrerats i handelsregistret. Bolagets aktieoptioner medför ingen rätt att delta i Erbjudandet. I samband med att aktier tecknas avrundas aktieoptionsinnehavarens totala antal tecknade aktier nedåt till närmaste heltal. Den sammanlagda teckningsavgiften beräknas sedan utifrån det avrundade antalet aktier och avrundas till närmaste cent

Aktieägarrättigheter

Erbjudandeaktierna är förenade med fulla aktieägarrättigheter från och med tidpunkten för registreringen i handelsregistret och leveransen till investerarna. Varje aktie i Bolaget motsvarar en röst vid Bolagets bolagsstämmor.

Tillägg till prospektet och återkallande av teckningar

Teckningar som har gjorts inom ramen för Erbjudandet är bindande och oåterkalleliga, och får endast återkallas om den finska Värdepappersmarknadslagen tillåter det.

I enlighet med den finska Värdepappersmarknadslagen är Bolaget skyldigt att utfärda ett tillägg till prospektet om ett misstag eller en felaktighet i detta upptäcks eller om en väsentlig ny omständighet uppstår före utgången av Teckningstiden, om detta misstag, denna felaktighet eller denna nya omständighet kan få väsentlig betydelse för investerarna. Sådana tillägg kommer att publiceras på samma sätt som prospektet.

		<p>Investerare som har tecknat Erbjudandeaktier innan ett tillägg till prospektet offentliggörs har rätt att återkalla sina teckningsanmälningar. Sådan återkallelserätt ska utövas inom en period som inte får vara kortare än två (2) finska bankdagar räknat från offentliggörandet av tillägget till prospektet. En investerares återkallande av teckning anses då gälla samtliga teckningar från investerarens sida. En förutsättning för återkallelserätt är att misstaget, felaktigheten eller den väsentliga nya omständigheten inträffade eller upptäcktes innan BTA:erna, eller Erbjudandeaktierna om inga BTA:er tilldelas, levererades. Återkallande ska meddelas till den Teckningsplats där den ursprungliga teckningen gjordes. Teckningar via Aqurat Fondkommissions webbplats kan dock inte återkallas på webbplatsen, utan ska återkallas genom att kontakta Aqurat Fondkommission AB på info@aqurat.se eller telefonnummer +46 (0)8 684 05 800. Information om rätten att återkalla sin teckning lämnas också i tillägget till prospektet.</p> <p>Om en investerare återkallar sin teckning kommer en eventuell redan betald teckningsavgift att återbetalas till det bankkonto som investeraren har angett i samband med teckning av aktier. Medlen kommer att återbetalas inom tre (3) lokala bankdagar från återkallelsen av teckningen. Ingen ränta kommer att betalas på det belopp som återbetalats. Bolaget kommer att ge anvisningar om återkallelse av teckning i ett pressmeddelande i samband med publiceringen av tillägget till prospektet.</p> <p>Om en aktieägare har sålt eller på annat sätt överlätit sina Teckningsrätter kan överlåtelsen inte ångras.</p> <p>Bolagets rätt att återkalla Erbjudandet</p> <p>Bolaget kan återkalla Erbjudandet efter eget gottfinnande (och av vilken anledning som helst). Om Erbjudandet återkallas kommer alla teckningar från enskilda investerare automatiskt att makuleras. I sådana fall kommer eventuella inbetalade teckningsavgifter att återbetalas till det bankkonto investeraren angav i samband med teckningen. Avgifterna kommer att återbetalas inom tre (3) lokala bankdagar från det att Erbjudandet återkallats. Ett återkallande av Erbjudandet kommer att offentliggöras genom ett pressmeddelande från Bolaget.</p> <p>Bolaget får inte återkalla Erbjudandet efter det att Bolagets styrelse har beslutat om tilldelning av Erbjudandeaktierna.</p> <p>Tillämplig lagstiftning</p> <p>Erbjudandet och Erbjudandeaktierna lyder under finsk lag. Domstolarna i Finland har exklusiv behörighet att avgöra tvister som uppstår till följd av eller i samband med Erbjudandet.</p> <p>Övriga frågor</p> <p>Bolagets styrelse kan fatta beslut om andra frågor som rör Erbjudandet.</p> <p>Teckningsförbindelser och emissionsgarantier</p> <p>Bolagets befintliga aktieägare har genom teckningsförbindelser förbundit sig att teckna sig för 0,2 procent av Erbjudandeaktierna i Erbjudandet, det vill säga de har förbundit sig att teckna sig i Erbjudandet för 6,4 tusen euro.</p> <p>Ett konsortium av emissionsgaranter har åtagit sig att teckna Erbjudandeaktier utöver de Erbjudandeaktier som tecknas med teckningsförbindelse, så att emissionsgaranternas garanti gäller cirka 79,8 procent av Erbjudandet efter de teckningar de som ingått teckningsförbindelser gör, det vill säga de har gett en emissionsgaranti om cirka 2,8 miljoner euro. De som har ingått teckningsförbindelser och emissionsgarantier har därmed förbundit sig att tillsammans teckna sig för 80,0 procent av Erbjudandet.</p> <p>Detta innebär att Bolaget kommer att erhålla åtminstone 2,8 miljoner euro före förväntade emissionskostnader för Erbjudandet, vilka förväntas uppgå till cirka 0,5 miljoner euro.</p>
E.4	För emissionen betydande intressen och intressekonflikter	<p>Augment Partners AB tillhandahåller finansiell rådgivning till Savo-Solar avseende Erbjudandet. Augment Partners AB erhåller en i förväg överenskommen avgift för dessa tjänster, och en del av denna avgift är knuten till likviden från Erbjudandet. Augment Partners AB har därutöver mandat att anskaffa professionella investerare till Bolaget i en potentiell riktad emission under Erbjudandets teckningstid, så att de teckningar som kommer via dem är högst 0,9 miljoner euro, och en del av avgiften är knuten till det anskaffade kapitalet i den potentiella riktade emissionen. Således ligger det i Augment Partners AB:s intresse att Erbjudandet och den potentiella riktade emissionen blir framgångsrika.</p> <p>Invesdor Oy agerar arrangör i samband med Erbjudandet och den potentiella riktade emissionen, och erhåller en i förväg överenskommen avgift för dessa tjänster, och en del av denna avgift är knuten till likviden från Erbjudandet och den potentiella riktade emissionen. Således ligger det i Invesdor Oy:s intresse att Erbjudandet och den potentiella riktade emissionen blir framgångsrika.</p>
E.5	Lock up-avtal	<p>Augment Partners AB har ingått lock up-avtal med tre (3) befintliga aktieägare. Feodor Aminoff, Jari Varjotie och Nalle Stenman har under en sex (6) månaders period från och med det datum då Bolagets styrelse slutligt har accepterat teckningarna i Erbjudandet att inte, utan föregående skriftligt samtycke från Augment Partners AB, direkt eller indirekt (i) erbjuda, lova, tilldela, begränsa, meddela avsikt att sälja, sälja, avtala om att sälja, sälja eller avtala om köp av optioner, köpa eller avtala om försäljning av optioner, utfärda optioner, rättigheter eller warranter att köpa, låna ut eller på annat sätt direkt eller indirekt överföra eller avyttra några aktier eller värdepapper som kan konverteras till eller utnyttjas för eller bytas till aktier som tecknats i Erbjudandet av den undertecknade detta datum eller (ii) ingå swappavtal eller andra avtal eller arrangemang som innebär att någon ekonomisk konsekvens av äganderätten till aktierna helt eller delvis överförs till någon annan, oberoende av om en sådan transaktion som anges i punkterna (i) eller (ii) ovan ska genomföras genom överlämnande av aktier eller andra värdepapper, kontanter eller på annat sätt, eller offentligt tillkännage en avsikt att göra något av föregående. Därtill har Feodor Aminoff och Jari Varjotie kommit överens om samma villkor för aktier och värdepapper som kan konverteras till eller utnyttjas för eller bytas till aktier i Bolaget som ägs av den undertecknade på datumet för offentliggörande av Prospektet.</p>

		<p>I lock up-avtalen finns följande undantagsbestämmelser: (i) försäljning av aktier i block där majoriteten av Bolagets aktier säljs; (ii) transaktioner avseende aktier förvärvade på marknaden efter slutförandet av Erbjudandet, eller utnyttjande av eventuella optionsrätter för köp av aktier enligt Bolagets ersättningsplan; (iii) överlåtelse av aktier eller värdepapper som direkt eller indirekt kan konverteras till eller utnyttjas för eller bytas till aktier i form av gåva, eller genom testamente eller arv eller; (iv) utdelning av aktier eller värdepapper som direkt eller indirekt kan konverteras till eller utnyttjas för eller bytas mot aktier till delägare, medlemmar, aktieägare eller närstående Bolag till de undertecknade, eller till ett partnerskap eller aktiebolag som kontrolleras av de undertecknade eller av en medlem av de undertecknades närstående.</p>
E.6	Utspädning	<p>Som ett resultat av Erbjudandet kan antalet aktier i Bolaget öka från 130 749 062 till högst 305 081 142 aktier. Erbjudandeaaktierna motsvarar 133,33 procent av Bolagets samtliga utestående aktier innan Erbjudandet och 57,14 procent av Bolagets utestående aktier efter Erbjudandet.</p> <p>Om även alla Teckningsoptioner erhållna av tecknare av Erbjudandeaaktier utnyttjas kan antalet aktier öka till högst 392 247 182 aktier till följd av Erbjudandet och teckning av aktier genom utnyttjandet av Teckningsoptioner. Om även alla Teckningsoptioner erhållna av tecknare av Erbjudandeaaktier utnyttjas kommer Erbjudandeaaktierna och de aktier som tecknas genom utnyttjande av Teckningsoptioner att motsvara 200,00 procent av Bolagets aktier omedelbart före Erbjudandet och 66,67 procent av Bolagets aktier efter Erbjudandet och teckning av aktier genom utnyttjande av Teckningsoptioner, under förutsättning att Erbjudandet fulltecknas och samtliga Teckningsoptioner erhållna av tecknare av Erbjudandeaaktier utnyttjas.</p> <p>Investorerare som anskaffas av Augment Partners AB kommer primärt att delta i Erbjudandet och om Erbjudande fulltecknas, kan en separat nyemission av aktier riktas till dessa till samma Teckningskurs som i Erbjudandet. Om Erbjudandet och denna riktade nyemission fulltecknas, ökar Bolagets utestående aktier från 305 081 142 till 348 664 162 aktier. För det fall den riktade nyemissionen fulltecknas motsvarar aktierna i den riktade nyemissionen 33,33 procent av Bolagets samtliga utestående aktier före Erbjudandet och 12,50 procent av Bolagets utestående aktier efter Erbjudandet och den riktade nyemissionen.</p> <p>Om samtliga Teckningsoptioner, inklusive Teckningsoptionerna som erbjuds investerarna som deltar i den potentiella riktade nyemissionen, skulle nyttjas för teckning av nya aktier, kan antalet aktier i Bolaget öka till högst 457 621 712 aktier, som ett resultat av Erbjudandet, den riktade nyemissionen och tecknade aktier genom Teckningsoptionerna. I detta fall motsvarar dessa nyemitterade aktier 250,00 procent av Bolagets samtliga utestående aktier före Erbjudandet, den riktade nyemissionen och teckning av aktier genom Teckningsoptionerna, förutsatt att Erbjudandet och den riktade nyemissionen fulltecknas och samtliga Teckningsoptioner nyttjas för teckning av nya aktier.</p> <p>De parter som ingått avtal om emissionsgaranti har rätt att erhålla sin garantiersättning i aktier, detta arrangeras genom en riktad nyemission till emissionsgaranterna efter Erbjudandet, om så är nödvändigt. I förekommande fall uppgår garantiersättningen till tolv (12) procent av garantiåtaganden, vilket innebär högst cirka 333,9 tusen euro. Om Erbjudandet och den riktade nyemissionen till emissionsgaranterna fulltecknas, teckningskursen i den riktade emissionen till emissionsgaranterna är densamma som i Erbjudandet och samtliga emissionsgaranter skulle välja att erhålla sin garantiersättning i aktier, kan Bolagets utestående aktier öka med ytterligare 16 694 428 aktier. Dessa aktier som riktas till emissionsgaranterna skulle motsvara 12,77 procent av Bolagets samtliga utestående aktier före Erbjudandet och 4,7 procent av Bolagets samtliga utestående aktier efter Erbjudande och ovan nämnda riktade nyemission, förutsatt att båda aktieemissionerna fulltecknas.</p> <p>Om Erbjudandet och båda riktade nyemissionerna som beskrivs ovan och som potentiellt genomförs i samband med Erbjudandet fulltecknas, teckningskursen i den riktade emissionen som riktas till emissionsgaranterna är densamma som i Erbjudandet och maximalt antal Teckningsoptioner emitteras och samtliga Teckningsoptioner nyttjas för teckning av nya aktier, motsvarar samtliga nyemitterade aktier 72,43 procent av Bolagets samtliga utestående aktier efter aktieemissionerna och aktierna tecknade genom Teckningsoptionerna.</p> <p>Från det bemyndigande om att emittera upp till 400 000 000 aktier som styrelsen i Bolaget har, används maximalt 343 570 078 aktier i Erbjudandet, de två potentiella riktade emissionerna och Teckningsoptionerna, vilket betyder att minst 56 429 922 aktier kvarblir i av bemyndigandet.</p>
E.7	Kostnader som åläggs investerare	<p>Ej tillämplig. Investerarna åläggs inga kostnader.</p>

Risk factors

Investors considering investing in the Offer Shares are advised to carefully review all the information in this Prospectus, especially the risk factors presented later in this Prospectus. Issues that may possibly affect the investment decision are also dealt with elsewhere in the Prospectus. If one or more of the risk factors described herein is realised, it may have a negative effect on the Company's business, financial condition and results of operation and/or the value of the Shares. The following description of risk factors is based on information known and projected when preparing the Prospectus, and therefore the description of risk factors is not necessarily exhaustive. Additional risks and uncertainties that the Company is not currently aware of or which it currently considers to be immaterial may have a material adverse effect on the Company's business, results of operation and financial position. The Company's Shares may decline in value due to the realisation of these risks, which could lead to investors losing parts or all of their invested capital. The order of the risk factors does not reflect their probability of occurrence or order of priority.

Risks relating to the Company, its business operations and general economic conditions

The Company has a history of operating losses and the operations may stay unprofitable for an unforeseeable future; the Company is in a restructuring programme in accordance with the Restructuring Act

Like most early stage technology start-ups, Savosolar has invested in development of its products, offering and production as well as the expansion of its operations into new markets during the first operational years and has not yet reached a sales volume and margin that would cover the operational costs. Thus, the Company has incurred significant operating losses since it was founded in 2010. The loss for the accounting period ended 31 December 2017 was approximately EUR 5,664 thousand. As of 31 December 2017, the Company has accumulated losses of approximately EUR 21,736 thousand. These losses have resulted principally from costs incurred in research and development of products and production processes as well as from general and administrative costs associated with the Company's operations. The unprofitability of operations and challenges of supplementary financing led to the fact that the Company applied for restructuring proceedings in accordance with the Restructuring of Enterprises Act (47/1993, as amended) (the "Restructuring Act") in 2013. As of the date of the Prospectus Savosolar is in a restructuring programme under the Restructuring Act, which according to the restructuring programme will last until the end of 2018 (for further information, see section "*Description of business – Legal and arbitration proceedings – Restructuring 2014-2018*" in the Prospectus).

There can be no assurance that the Company's operating profit will ever turn positive, which could impair the Company's ability to sustain its operations or obtain any required additional financing. Even if the Company's operating profit would turn positive in the future, the Company may not necessarily be able to sustain a positive operating profit in subsequent periods. It is likely that the Company will experience fluctuating revenues, operating results and cash flows. As a result, results of operations in prior accounting periods should not be relied upon as an indication of future performance.

The Company's working capital is not sufficient to meet the Company's present requirements and requirements for the coming 12 month period from the date of the Prospectus, and if the Offering is not fully subscribed and not at least EUR 1.5 million is subscribed for new shares with the Warrants, the Company may need additional working capital financing

The Company estimates that it does not have sufficient working capital on the date of this Prospectus to meet its present requirements and cover the working capital needs for a period of 12 months following the date of this Prospectus (see the section "*Operating and financial review and prospects – Working capital statement*" in the Prospectus).

Savosolar expects to receive net proceeds of approximately EUR 3.0 million from the Offering, if it is fully subscribed. The sufficiency of the Company's working capital for the next 12 months also requires that the Warrants are used for subscribing for shares, and that the subscribed amount is at least EUR 1.5 million. 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 (for further information, see section "*Savosolar Plc Warrant Plan 1-2018*"). The market price of the Company's shares may drop below the subscription price under the terms of the Warrants. If the market price of the Company's shares is lower than the subscription price of the shares according to the terms of the Warrants during the subscription period, no shares will probably be subscribed for with the Warrants, and, therefore, the Company will not receive the needed EUR 1.5 million to secure the working capital need from the Warrants.

If the amount of net proceeds payable in cash received from the Offering and the shares subscribed for with Warrants is less than EUR 4.5 million, the Company may require additional working capital financing, which it plans to obtain to the extent necessary with other debt and equity financing. There can be no certainty that the Company can acquire sufficient additional debt or equity financing under these circumstances. If additional financing is not obtained, the Company is likely to meet financial difficulties. This could have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

The Company may not succeed in implementing its internationalisation strategy in accordance with its plans

The Company is expanding its business to new countries both in Europe and outside Europe. It is possible that the Company will not be able to anticipate all new challenges related to establishing itself on new markets or be able to acquire the resources needed in the new market areas. If such risks are realised, the Company may fail to expand to some market areas, whereby the growth of the Company can slow down, or the cost of some delivery in a new market may be higher than anticipated, which means that the Company's profitability will suffer. The realisation of aforementioned risks could have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

The Company's strategy includes working together with local competent partners in deliveries and already at the design- and offer stage. This will both help to reach a new market when the Company increases its economic activity with its projects, as well as reduces potential risk factors of a new market related to market knowledge, access to resources and cost control.

If the Company is unable to pay back restructuring debts in accordance with restructuring programme, the debt settlement in the restructuring programme may lapse

Savosolar is currently subject to a restructuring programme in accordance with the Restructuring Act that is in force until 31 December 2018. More information about the restructuring programme can be found in the section "*Description of business – Legal and arbitration proceedings – Restructuring 2014-2018*" in the Prospectus.

With the Company's restructuring programme dated 28 January 2014 a total of approximately EUR 1,431.3 thousand of the Company's debt was converted into capital loans. In addition, the Company's liabilities to such ordinary restructuring creditors, whose claims were not converted into capital loans, and to creditors, whose claims can be recovered without a court decision, approximately EUR 1,555.4 thousand, were cut 65 per cent (a total of EUR 1,011.0 thousand) and the debts changed to non-interest bearing. The Company has amortised its restructuring debts according to the restructuring programme. Excluding the capital loans, EUR 116.5 thousand of the restructuring debts remain unpaid on the date of this Prospectus.

If the Company materially fails to fulfil its obligation according to the restructuring programme to the creditor and does not fulfil it according to a reasonable additional time period set by the creditor, the court may, if the creditor so demands, order the debt restructuring for that creditor to lapse in accordance with the restructuring programme. If all debt restructurings were to be ordered to lapse, the Company would have to pay its cut restructuring debts in full with the interest accrued to its restructuring creditors. This can have a material negative effect on the Company's business, business results, financial condition and/or prospects.

If the Company is declared bankrupt before the conclusion of the restructuring programme, the programme shall lapse. In such a case, the right of a creditor in bankruptcy shall be determined as if the restructuring programme had not been approved.

The Company may not be able to sufficiently protect its intellectual property rights

Savosolar takes active measures to obtain protection of its intellectual property by obtaining patents and undertaking monitoring activities in its major markets. The Company uses for this a well-known IPR service provider Berggren Oy.

The current patents and patent applications of Savosolar are further described in the Prospectus under "*Description of Business – Patents and patent applications*". In addition to its patents and patent applications, Savosolar relies on trade secrets and know-how in combination with non-disclosure agreements and certain other agreements to protect intellectual property rights. The patent application provides protection for an invention for the processing period of the application. However, there can be no assurance that the patent applications filed now or in the future will be granted or that future patent protection obtained will give sufficient protection against competitors. There can also be no assurance that the

measures Savosolar takes will effectively deter competitors from improper use of its intellectual property. Competitors may misappropriate intellectual property owned or licensed by Savosolar, disputes as to ownership of intellectual property may arise, and intellectual property may otherwise become known to or independently developed by competitors. Savosolar may also decide to engage in proceedings aiming to prevent third parties from obtaining patent protection or other protection regarding the immaterial property rights, which may cause significant costs for the Company. Further, there are no guarantees that Savosolar's employees, consultants or any other parties will not breach their confidentiality obligations in relation to Savosolar's trade secrets in a manner endangering Savosolar's intellectual property rights.

Negative decisions regarding the Company's patent applications or other failure to protect Savosolar's intellectual property may have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company may infringe third party intellectual property rights or claims may be made against the Company on such infringements

Certain technologies and processes used by Savosolar may be protected by intellectual property rights of third parties in certain countries, and non-infringement of third party intellectual property rights by Savosolar cannot always be ruled out with certainty. Such third parties may take legal action against the infringement of these intellectual property rights, Savosolar may be forced to cease to use such technology in its products, and any such claims could delay or prevent the development and delivery of its products by Savosolar.

Further, Savosolar may have to replace its technology with another technology, or acquire a license for the use of such technology, in which case the Company may have to pay license fees or royalties for its use. There are no guarantees that Savosolar is able to obtain such licenses at commercially acceptable terms, if at all. Potential patent infringements may cause significant costs for Savosolar and there are no guarantees that Savosolar can successfully refuse such claims. Any infringements of third party immaterial property rights or any potential claims by third parties may have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Potential credit losses may have a material adverse effect on the Company's financial position

Trade receivables from customers expose Savosolar to credit risk and the establishment in new markets increases customer credit risks. The Company aims to monitor credit risks constantly. Since Savosolar's customers are mainly foreign, it is possible, however, that the associated credit risks cannot always be managed adequately. The realisation of a significant credit risk could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The expected income from capitalised development costs may prove to be smaller than expected

The Company capitalises the expenditures, including both personnel expenditures and procurements, for product and technology development, to the extent that they are expected to generate economic benefits in the future. Total development costs capitalised in the balance sheet were EUR 1,081.6 thousand as of 31 December 2017. The assets are amortised on a straight-line basis over ten (10) years. Adverse changes in expected future profitability may lead to changes in amortisation period or recognition of impairment losses. If the Company is required to change amortisation period or recognise impairment losses, it could have a material adverse effect on the Company's financial condition and results of operations.

The Company may not be able to utilise all tax losses incurred

On 31 December 2017, Savosolar had a total of EUR 22,589.2 thousand of unused tax losses for the financial years 2010–2016 the future utilisation of which will require an exemption from the tax authority. It is possible to reduce tax losses from profits arising during the next ten (10) tax years. No deferred tax assets have been recognised from tax losses on the balance sheet. Due to share issues in 2017 and trading conducted with the Company's shares in multilateral trading there have been changes in the ownership of the Company which restrict the utilisation of incurred tax losses in the future. On 24 February 2015, 10 September 2016 and 12 June 2017, the tax authority granted the Company an exemption to utilise the tax losses for the financial years 2010–2016 (totaling EUR 16,967.4 thousand) in relation to the changes in ownership that occurred in the Company in 2010, 2013, 2015 and 2016. The Company has applied for a new exemption from the tax authorities to utilise tax losses despite the changes in ownership in 2017. On the date of this Prospectus, the Company has yet to receive the decision of the tax authority. Therefore, it is possible that the Company will not be able to utilise said tax losses.

The utilisation of tax losses require future taxable profits that are offset against the losses. There is no certainty that the Company will generate sufficient profit in the future to be able to utilise the tax losses partly or in full. This could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Tekes funding may not be available in the future and already received funding may become repayable prematurely

Tekes has granted Savosolar grants and loans for amounts which are described in the sections “*Operating and financial review and prospects – Financial resources – Development loans*” and “*Operating and financial review and prospects – Financial resources – Subsidies*” in this Prospectus. If the conditions are subsequently not met, certain or the entire amounts of such grants or loans may be required to be repaid according to Tekes’ general terms of funding of companies’ research and development activities. Savosolar considers itself to be in compliance with all rules and legal obligations pertaining to these funding programmes and is in regular contact with Tekes. Availability of grants and loans in the future cannot be guaranteed, which poses a potential risk for receiving financing for Savosolar in the future.

Some grants and loans received may be revoked on the basis of a change of control in the Company. The prior consent of Tekes is required before effecting any transactions that may result in the change of control in Savosolar. A risk exists that, in case the Company would be acquired by another company, Tekes would not give their consent to such transaction and would cease to provide more funding and, in the worst case, revoke the grants or loans provided earlier. The Company has received a written confirmation from Tekes on 8 June 2018, that Tekes does not object to the Offering.

Inability to meet conditions required for receiving grants or loans, possible obligations to pay back certain or the entire amounts of such grants or loans (according to Tekes’ general terms of funding of companies’ research and development activities) or the unavailability of grants or loans in the future may have a material adverse effect on Company's business, result of operations, financial condition and/or prospects.

The Company may be adversely affected by fluctuations in exchange rates

Savosolar is exposed to foreign exchange risk. The principal form of risk associated with exchange rate fluctuations is transaction exposure. Foreign exchange transaction exposure arises when Savosolar engages in commercial or financial transactions and makes payments in currencies other than its own functional currency (being the euro), and when related cash inflow and outflow amounts are not equal or concurrent.

The proceeds from the Offering will probably be paid partly in Swedish crowns, meaning Savosolar is specifically exposed to the EUR/SEK exchange risk up until the day that the proceeds have been exchanged to euro. The Company expects to exchange the Swedish crowns to euros on or about 18 July 2018.

Currently Savosolar does not have arrangements in place to hedge its exposure to exchange rate fluctuations and therefore, there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects. In addition, it should be noted that increasing uncertainty in the economy is likely to increase exchange rate fluctuations. Exchange rate fluctuations may strengthen but may also weaken the cost competitiveness of the Company's products as compared to its competitors' products that are manufactured in other currency areas. It should also be noted that purchases and sales within the same currency area tend to compensate the rate fluctuation effects on the Company’s profitability. This is the case with Denmark, since the Company buys most of its non-euro purchases on this market and it is also one of the targeted markets in the near future. The Company buys 30 to 40 per cent of its purchases from non-euro areas (Denmark and Sweden) and the total amount depends on the product portfolio in deliveries.

The Company’s management believes that the magnitude of the exchange rate risk in Savosolar’s activities to date has been quite low. If the Company’s order intake and sales grow in the euro-area or in other currency areas according to plan in the future, and the Company is unable to hedge against the exchange rate risk arising from this accordingly, the realisation of foreign exchange rate risk could have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

The Company is dependent on its key suppliers’ and –subcontractors’ availability and delivery schedule

The manufacturing of Savosolar’s products is based on advanced technology and know-how, especially in relation to flame brazing or welding of thin walled aluminium tubes and vacuum coating (PVD and PE-CVD) of aluminium with selective optical three layer nano-coating. This proprietary production technology may cause challenges for the

manufacturing as there is only a limited number of suppliers or sub-contractors that have the necessary equipment and know-how for certain parts of Savosolar's products.

For some materials, Savosolar has been dependent on the availability and delivery schedules of its key suppliers and sub-contractors. The Company has, however, systematically identified alternative suppliers and sub-contractors that can be used should there be need to replace any of its current suppliers or sub-contractors, and has in some extent already succeeded in it. Changing a supplier or sub-contractor may, however, result in cost pressure on Savosolar's final products and have a negative effect on warranty terms of the customer products. Therefore, disturbances in the availability of the suppliers or sub-contractors or in the delivery schedules may have a material adverse effect on Company's business, results of operations, financial condition and/or prospects.

The Company may become subject to product liability claims and other claims

The brazing or welding of the thin walled aluminium profiles and tubes to make absorbers is challenging and requires special skills from the personnel performing the tasks. Due to the learning curve in the brazing methods used by the Company's supplier and the Company in the early stage of the absorber manufacturing, the Company had brazing quality problems in the past, which may cause some of the absorbers delivered by the Company to leak. According to estimates of the Company's management the maximum amount of replacement costs for all the potentially leaking absorbers would be approximately EUR 200.0 thousand.

In order to prevent a recurrence the Company has invested heavily in the quality and manufacturing processes. In order to minimise the risk of pipe joint leakage, every brazing technician, brazing materials, brazing processes and seams are certified according to PED (pressure vessel) and CE standards by the accredited Finnish institute Inspecta. Every absorber is pressure-tested 2-3 times with 15 bar pressure during the manufacturing process (operating pressure of a collector stays below 6 bars, even if there is a system malfunction situation) and the Company has invested in two advanced brazing stations used in manufacturing of the absorbers.

The optical properties of the absorbers are measured from every coating batch in order to ensure a high and stable supply of energy. Absorbers, materials and coating processes are fully traceable in order to minimise the risks and remove the root causes of potential problems.

The collector structure is designed and tested to withstand the wind and snow loads according to the local requirements, with margin, but there is a risk of extraordinary weather conditions which may cause damage to the collectors in the installed fields.

Any significant failure or deterioration of Savosolar's quality control systems could have a material adverse effect on the Company's reputation and could result in product liability claims. The Company seeks to insure the mentioned risks, but its insurance coverage may be limited or unavailable and thus might not fully or even partially protect the Company against liabilities arising from product liability claims. Additionally, the Company may not be able to insure certain product liability risks on commercially reasonable terms or at all. Accordingly, a major claim, or a series of smaller claims, for damages related to the Company's products sold, may, to the extent not covered by insurance, have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company may be liable to pay compensation based on efficiency warranties given to the customers

The largest customers of Savosolar require efficiency warranties. If the efficiency promises are not reached Savosolar has to deliver additional capacity for the project or compensate loss of energy to the customer. These agreements are project specific and in the ordered projects the tolerance of the efficiency comparison is relatively large, so the risk that the efficiency warranties are not met in the Company's current agreements is according to the Company's management minimal. However, it is possible that in some of the future projects the Company needs to invest in 5–10 per cent of additional capacity in a field or pay for the annual missing capacity of EUR 100–1,000 per 1,000 m² of a collector field. As with all producers' collectors, the efficiency of Savosolar's solar thermal collectors in customer installations might prove to be lower than laboratory test results (Solar Keymark and similar simulation tests) due to the system design, the size of the thermal storage and the system controlling procedures, which are all usually elements the Company cannot fully control. Additionally, there is normal statistical variation of the products, which may increase or decrease the efficiency of an individual collector.

If there would be many projects where the Company is liable to pay compensation due to breach of the efficiency warranties, this could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Technical problems may cause interruptions in the manufacturing process of the Company

In all manufacturing processes there is a risk of technical problems. Since the Company has only one coating line, its technical problems have in the past caused interruptions in the whole manufacturing process of the Company. The duration of such interruptions has varied from a couple of hours to a couple of days, with a maximum of twenty (20) days.

In the spring of 2016, the Company signed an agreement with the well-known Latvian manufacturer of vacuum coating systems, Sidrabe Inc, on doubling the capacity of the coating machine. The investment has been completed successfully and the line was taken into use as new in the beginning of 2017 and the coating time for absorbers has now been halved, according to plan. In connection with the investment the coating machine was restored to the fullest extent possible, which significantly reduces the risk of technical problems. Increased coating speed and thus increased capacity also increase the flexibility of production in case of potential problems; now possible delays can be caught relatively quickly. In addition, the coating line is subject to weekly, monthly and yearly preventive maintenance and cleaning procedures. Also, the Company has been able to reduce the risk of interruptions in the manufacturing process and shorten the duration of such interruptions by acquiring a stock of main spare parts for the coating line, as well as by requiring more detailed pre-analyses from coating materials and components purchased from suppliers. However, in spite of the preventive measures conducted by the Company, it is possible that there will be interruptions in the Company's manufacturing processes also in the future. Interruptions in the manufacturing process may cause delays in customer deliveries of the Company, potentially leading to obligations to pay liquidated damages or even termination of agreements. Therefore, interruptions in the manufacturing process may have a material adverse effect on Company's business, results of operations, financial condition and/or prospects.

The Company may not be able to refinance its debt

The Company's interest-bearing liabilities were EUR 1,945.7 thousand as of 31 March 2018. Of these loans, EUR 140.4 thousand were from Suur-Savon Osuuspankki, EUR 60.0 thousand from Finnvera Oyj, EUR 314.0 thousand from Tekes and EUR 1,431.3 thousand were subordinated capital loans from Suur-Savon Osuuspankki and Finnvera Oyj. Of these interest-bearing liabilities the Company should amortise EUR 132.4 thousand by the end of the year 2018, EUR 1,499.3 thousand by the end of the year 2019 and EUR 314.0 thousand starting from the year 2021. In addition, the Company had non-interest bearing (restructuring) loans amounting to EUR 68.5 thousand from Tekes and EUR 48.0 thousand of other non-interest bearing restructuring debts (trade payables), which should all be amortised by the end of the year 2018.

There can be no assurance that the Company is able to refinance its existing debts as they fall due on commercially reasonable terms or at all. In addition, the adverse developments in the credit markets, as well as other future adverse developments, such as the tightening of banks' capital requirements or lending conditions, or adverse changes in the general economic conditions, could have a material adverse effect on the Company's ability to borrow additional funds as well as on the cost and other terms of funding. The failure to obtain sufficient financing for the Company's operations or increased costs or unfavourable terms of financing may have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

The Company is reliant on its ability to recruit and retain relevant key personnel

Savosolar has a relatively small organisation, resulting in a dependence on individual employees. The Company's future development depends largely on the knowledge, experience and commitment of management and other key personnel. The Company could be adversely affected in the short term if any of these people would leave. Even though the Company has a good reputation as an innovative high-tech company in the popular renewable energy sector and so far has been able to recruit competent employees, it is not either certain that the Company in the future will be able to recruit new qualified employees to the extent that the Company wishes. Failure in recruiting and retaining relevant key personnel may have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company is reliant on its ability to find and retain research partners

Savosolar has entered, and may in the future enter, into research and development agreements with e.g. universities and other such research centres. There can be no assurance that Savosolar will manage to retain these partnerships or find suitable partners and enter in to agreements with them on commercially favourable terms or at all. In addition, it is uncertain whether the current partnerships will produce desired results. Should there be any disagreement with a research

partner regarding the cooperation, there can be no assurance that Savosolar will be able to resolve it in a manner that will be in its best interests. In addition, Savosolar's research partners may have interests or goals that are inconsistent with those of Savosolar and they may take actions contrary to Savosolar's instructions, requests, policies, schedules or business objectives. Furthermore, a research partner may be unable or unwilling to fulfil its obligations, have financial difficulties, require Savosolar to make additional investments, or have disputes with Savosolar regarding their rights (including intellectual property rights and the allocation thereof between Savosolar and the research partner), responsibilities and obligations.

If Savosolar decides to withdraw from the cooperation with a research partner or if Savosolar loses a research partner, it may face loss of access to important research results and may have to invest considerable resources to make up for any such loss. In addition, a certain research partner may also be or become a competitor and frustrate the competitive advantage resulted from the research results. Any of these or other factors may have a material adverse effect on Savosolar's research partnerships and Savosolar's ability to obtain the economic and other benefits it seeks from participating in these partnerships, which, in turn, may have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The insurance coverage of the Company may not be comprehensive and the Company may not be fully insured against all risks

Savosolar's facilities, equipment and other property could be at risk of being damaged, because of events such as mechanical failures, human error and natural hazards. All of these hazards can result in loss of property, property damages, business interruption and delays. Further, Savosolar may face product liability claims or be adversely affected by events leading to the interruption of its business. Savosolar seeks to insure such risks to an appropriate extent and accordingly, has in place insurances providing coverage against conventional liability claims, loss of property, product liability and business interruption. However, Savosolar's insurances may be inadequate or unavailable to protect the Company in the event of a claim or other loss. In addition, the Company's subsidiaries Savosolar ApS and Savosolar GmbH have conventional insurances in place, (Savosolar ApS in Denmark and Savosolar GmbH in Germany), including insurances related to social security. Insurances may also be cancelled or otherwise terminated. Additionally, there are risks in respect of the Company's insurance coverage. Savosolar may not be able to continue to obtain insurances on commercially reasonable terms or at all. Savosolar may face types of liabilities or losses that will not be covered by the insurance, such as liabilities for breach of contract. The amount of any liabilities may exceed the Company's insurance coverage limits and the Company may incur losses from interruption of its business that exceed or are excluded from the insurance coverage. Even a partially uninsured claim, if realised and of significant size, and the materialisation of any of the above risks may have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

Hazardous substances are used in the Company's manufacturing process and the Company may need an environmental permit in the future

There are some elements in the Company's manufacturing process which can create risks to health of Company's employees if not properly protected. These are aluminium dust, brazing fumes, dust from insulation materials and fumes from chemicals used for cleaning of the absorbers. Although the Company has internal safety procedures and guidelines in place in order to prevent exposure of its employees to hazardous substances, it cannot be guaranteed that Savosolar is at all times able to ensure that its employees follow such procedures and adhere to guidelines. Accordingly, it cannot be ruled out that the Company would not be exposed to claims based on breach of the Employment Safety Act (738/2002, as amended) which may have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

Savosolar use solvents (acetone, isopropanol, Etax A9 (denatured ethanol) and Sika cleaner P), which may be used for cleaning of product surfaces based on Government Decree on the limitation of emissions into the air from certain activities and installations that use organic solvents (VNa 64/2015). So far it has been sufficient to inform the local authorities of the use. The environmental inspector has familiarised with the operations and according to the authorities an environmental permit is needed if the consumption of VOC compounds is more than 5 (acetone) or 10 (isopropanol) tons per year. During year 2017 the combined consumption was 0.66 tons. Therefore Savosolar currently does not need an environmental permit due to the solvents. If the use of these solvents grow above the aforementioned limit values the Company will seek an environmental permit. Since the chemical handling methods used by the Company are already in compliance with all regulations and environmental requirements, the Company's management believes that there is no particular risk in obtaining an environmental permit. The cost of a permit is based on Degree (VNa 86/2000) and it is less than EUR 2.0 thousand. Based on the limit values specified in the Decree, the Company does not either expect the environmental permit to increase the Company's operative costs or to require substantial investments before the use of

the volatile organic compounds exceeds 10 tonnes. According to the Company's management, this limit is not estimated to be exceeded within the current production capacity of the plant, given that the Company is constantly striving to develop its operations so that less solvents are used in the washing phase.

The Company is in a legal process in France and may in the future be involved in litigation and arbitration proceedings

Sunti SAS has summoned Savosolar to attend the commercial court of justice in Montpellier following Savosolar's alleged breach of contract. In the summons, Sunti SAS claims that Savosolar has violated the exclusivity clause in the contract between the companies relating to the open tender for a solar collector field project in France. Sunti SAS claims in the summons for a total amount of approximately EUR 2.0 million in compensation for the alleged breach of contract from Savosolar. Savosolar considers Sunti SAS's claims for damages to be without just cause. The commercial court is due to address this issue for the first time on 22 June 2018.

Although the Company is currently not aware of other legal disputes, Savosolar could be involved in legal proceedings (for instance, regarding contractual responsibility, employers' liabilities or penal issues) in the normal course of its business activities in the future and be subject to tax and administrative audits. Further, the Company may incur litigation costs relating to claims against the Company, and the litigation costs may in some instances be payable by the Company even if the Company is successful in defending the claim. The outcome of the judgments of these claims, and the costs incurred in connection to the claims, may have a material adverse effect on the Company's business, results of operations, financial condition, and/or prospects. It is also possible that the Company will be subject of claim for damages or other claims which could have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

There can be changes in the competitive environment which may adversely affect the Company

The Company operates in a competitive business environment where future competitive advantages are dependent on the Company's ability to innovate and quickly react to existing and future market demands. The Company may therefore be forced to make costly investments, restructurings, or price drops to accommodate itself to a new competitive market situation. The market of large solar thermal installations has been increasing and is anticipated to continue to increase although the total solar thermal market has decreased over the last years. The single/dual family houses market has represented, and still represents, the majority of the market and this segment has declined in Europe due to a decrease in subsidies and favourable regulations. In the major markets in Europe there is expected to be a huge growth in the areas Savosolar is focusing on, e.g. district and process heating. This is partly due to different kinds of subsidies (e.g. in Germany, Italy, France) which are usually investment subsidies and can be 10 to 40 per cent of the investment, and regulations (fuel taxes in Denmark, EU-level targets to reduce the emissions) countries have established for favouring larger installations which benefit Savosolar. There are also plans to increase such subsidies and regulations. However, if the subsidies and favourable regulations decrease in the future, the focus market of Savosolar may decrease and there may be pressure to reduce prices of Savosolar's products. An even more important factor for the growth in large installations is the lower energy price they will be able to give to the customers. That is why many companies are looking to enter these markets now, and even though Savosolar has already been able to enter these markets and there is space for many suppliers, there is a risk that some new companies will start to compete in these sectors, which may have an adverse effect on Savosolar's capability to gain orders and raise the margins to desired levels.

An increased level of competition or other changes in the Company's main markets may have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

The Company may be adversely affected by changes in the financial markets and economic conditions generally

The Company could be impacted by the uncertainty in the global economy and financial markets. Up to this point, Savosolar has had its own staff in Finland, Denmark and Germany and most of its customers are located in Europe which is, however, expected to change in the near future. The economies of European countries have to a varying degree been adversely affected by the uncertain global economic and financial market conditions. Economic slowdown or a recession, regardless of its depth, or any other negative economic developments in the Company's current or future countries of operations may affect the Company's business in a number of ways, including among other things, the income, business and/or financial standing of the Company, its customers, partners, and suppliers. The Company may not be able to utilise the opportunities created by the economic fluctuations and the Company may not be able to adapt to a long-term economic recession or stagnation. Materialisation of any of the above risks may have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

The Company may not be able to obtain the bank guarantees it needs for growth at acceptable terms or at all

Savosolar has negotiated a bank guarantee limit agreement totalling EUR 2,000.0 thousand with Suur-Savon Osuuspankki and Finnvera Oyj for the bank guarantees concerning the delivery and warranty periods and advance payments of major projects. The agreement is valid until the end of November 2018. Finnvera Oyj has given a counter guarantee for the Company to the amount of 50 per cent of Suur-Savon Osuuspankki's bank guarantee. Finnvera plc gives the counter guarantee for the limit for one year a time. The most significant covenants of the bank guarantee are an equity ratio of at least 30 per cent (including the capital loans) and a positive EBITDA during the last quarter of 2018. If the covenants are broken, Suur-Savon Osuuspankki has the right to check the limit or terminate the limit. If Suur-Savon Osuuspankki were to change the terms of the limit or to terminate it, the Company may have to try to find another operator that would agree to giving a bank guarantee limit. This may have an adverse effect on the Company's business, results of operations, financial condition and/or future prospects.

If the Company engages in more projects, the number of necessary bank guarantees also grows. There is no certainty that the Company will obtain the bank guarantees or counter guarantees it needs for potential future projects at acceptable terms or at all. Should the Company fail to obtain new bank guarantees or counter guarantees in the future, or should it obtain them only at terms unfavourable to the Company, this may have an adverse effect on the Company's business, results of operations, financial condition and/or prospects.

The Company may be adversely affected by fluctuations in interest rates

Changes in market interest rates and interest margins may affect the Company's financing costs and returns on financial investments. Although the Company expects to manage its interest rate risks, there can be no assurance that interest rate fluctuations will not have a material adverse effect on the Company's business, results of operations financial condition and/or prospects.

Risks relating to the Offering, the Shares and the Warrants

The Company may not receive the required capital in full from the Offering

There can be no assurance that the Offering is subscribed for in full. The Company has received subscription commitments from existing shareholders and underwriting commitments from external investors worth approximately EUR 2.8 million, before transaction costs (see the section "*Arrangements relating to the Offering – Subscription undertakings and Underwriting commitments*" in the Prospectus). The parties who have made subscription undertakings and underwriting commitments have thereby committed to subscribe for a total of 80.0 per cent of the Offering.

If the Offering is not subscribed in full and the Company does not receive net proceeds of approximately EUR 3.0 million which is expected from the Offering, and the net proceeds from the from the shares potentially subscribed for with the Warrants aren't at least EUR 1.5 million, it may influence the Company's financial position. Should the capital received from the Offering and the Warrants be significantly lower than expected, this would influence the Company's ability to use the proceeds as planned to secure its working capital, which could lead to the Company ending up in payment difficulties. Consequently, the market price of the Shares could fall below the Subscription Price of the Offering. In these circumstances, investors who have participated in the Offering by subscribing for Offer Shares may suffer a direct, unrealised loss pursuant to their investment.

An active public market for the Company's Shares, Subscription Rights and/or Warrants may not develop

The Company intends to apply for the listing of the Offer Shares, Subscription Rights and Warrants on First North Finland and First North Sweden. The trading with subscription rights starts on 21 June 2018 and ends on 4 July 2018 on First North Finland and First North Sweden. There can be no assurance as to the liquidity of the Company's Shares, Subscription Rights and/or Warrants.

As of the date of this Prospectus, there can be no assurance that the Company's Warrants will be admitted to trading on First North Finland and First North Sweden as scheduled, or at all. If the listing of Warrants fails to materialise, there will be no active market for the Warrants.

The Subscription Rights will expire and have no value if they are not exercised during the Subscription Period

The Subscription Period will commence on 21 June 2018 and end in Sweden on 6 July 2018 and in Finland on 10 July 2018. The Subscription Period's end date is also the deadline for exercising the Subscription Rights. When choosing to exercise the Subscription Rights, the Subscription Right holder shall give his/her account operator or subscription venue the instructions concerning the Offering within the Subscription Period and observe any special deadlines set by account operators. At the end of the Subscription Period, all unexercised Subscription Rights will expire and have no value.

The market price of the Shares, Subscription Rights and Warrants could fluctuate considerably and the price of the Shares could fall below the subscription price in accordance with the terms of the Warrants or below the Subscription Price

The market price of the Company's Shares, Subscription Rights and Warrants could be subject to fluctuations in response to factors such as actual or anticipated variations in the Company's operating results, announcements of innovations, introductions of new products or services by the Company or its competitors, changes in estimates by financial analysts, conditions and trends in the renewable energy markets, currency exchange rates, regulatory developments, general market conditions or other factors. In addition, international financial markets have from time to time experienced price and volume fluctuations that were unrelated to the operating performance or prospects of individual companies. The above-mentioned changes and market fluctuations may result in increased volatility in the market price of the Shares, and the price of the Shares may fall below the Subscription Price. The share subscription price in accordance with the terms of the Warrants is EUR 0.02-0.03 per share. If the market price of the Shares is lower than the subscription price in accordance with terms of the Warrants during the subscription period of shares in accordance with the terms of the Warrants, the Warrants are practically worthless.

The amount of possible future dividends to be distributed to shareholders is not certain and the Company cannot distribute funds to shareholders during the period of the restructuring programme

Under the provisions of the Finnish Companies Act, the amount of any dividend that the Company will be permitted to distribute is limited to the amount of distributable funds shown on its latest audited financial statements adopted by the general meeting of shareholders.

Savosolar is currently subject to a restructuring programme in accordance with the Restructuring Act that is in force until 31 December 2018. As the debt arrangement under a restructuring programme restricts the right of creditors to payment against the capital balance of their claims, the assets of the Company shall not be distributed to the shareholders of the Company before the conclusion of the restructuring programme.

Dividend payments to shareholders are dependent on Savosolar's financial results and capital requirements. Considering Savosolar's restructuring programme, current investments and growth prospects, in addition to the Company's liquidity and financial position in general, dividends are not expected to be paid in the near future. Savosolar currently intends to retain future earnings to fund the development and growth of the Company.

No dividends have been paid so far and there can be no assurance that distributable funds will be available in the future. If no dividends are paid, any returns for an investor will depend entirely on the future price development of the Share.

Dilution of the shareholding

Shareholders that choose not to subscribe for Shares in the Offering will have a lower portion of Savosolar's share capital and votes after the Offering.

Subscriptions are irrevocable, except under certain limited circumstances

Subscriptions for Offer Shares will be irrevocable upon exercise, and except in certain limited circumstances as set forth in "*Terms and conditions of the Offering – Supplements to the Prospectus and cancellation of subscriptions*", may not be withdrawn, cancelled or modified after such time.

Not all foreign shareholders may be able to exercise their Subscription Rights

Certain shareholders, who live or have their registered address in certain countries outside Finland and Sweden, may not be able to exercise their preferential Subscription Rights, because the Shares have not been registered as stipulated in the

securities-related legislation of the country in question or in another corresponding manner, unless an exception from the registration and other such requirements set in the applicable laws can be applied. See also “*Terms and conditions of the Offering – Shareholder rights*” in the Prospectus.

Holders of Shares in the Company registered in custodial nominee accounts may not be able to exercise their voting rights

Beneficial owners of Shares in the Company whose Shares are registered in a custodial nominee account will not be able to exercise their voting right unless their ownership is re-registered in their names with Euroclear Finland prior to the general meeting of shareholders of the Company. The same applies to those shareholders whose Shares are registered with Euroclear Sweden. There can be no assurance that beneficial owners of Shares in the Company will receive the notice for a general meeting of shareholders in time to instruct their nominees to either effect a re-registration of their Shares or otherwise exercise their voting right in the manner desired by such beneficial owners. There can further be no assurance that the nominees in fact do carry out all necessary measures to enable such investors to attend a general meeting of shareholders, even where properly instructed by such investors.

Future issues or sales of a substantial number of Shares or rights entitling to Shares could have a negative effect on the market price of the Shares and cause dilution; the Company may arrange two directed share issues in connection with the Offering

Future issues or sales of a substantial number of Shares or rights entitling to Shares, or the perception that such issues or sales may occur in the future, can have a material adverse effect on the market price of the Shares as well as on the Company’s ability to acquire equity financing. Additionally, any future rights issues or targeted issuances of Shares or rights entitling to Shares will dilute a shareholder’s proportion of the Shares and votes to the extent that the shareholder decides not to, or is not entitled to, subscribe to those Shares or rights entitling to Shares. It is also possible that the Company will use its Shares as a means of payment in future acquisitions, which could have a material adverse effect on the market price of the Company’s share.

Augment Partners AB 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 investors procured by Augment Partners AB 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 directed issue to investors procured by Augment Partners AB would be a maximum of 43,583,020 shares, meaning approximately EUR 0.9 million, if the directed issue is fully subscribed. The amount of shares received by investors procured by Augment Partners AB in the possible directed issue would amount to approximately 12.5 per cent of the total amount of shares in the Company after the Offering and the possible directed share issue, assuming that the Offering and the possible directed issue to investors procured by Augment Partners AB are both 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.

A consortium of underwriters have committed to subscribe for Offer Shares, so that the underwriting commitments of the underwriters applies to about 79.8 per cent of the Offering, after the subscriptions by subscription undertakings, meaning they have underwritten the Offering to a total of approximately EUR 2.8 million. The providers of the underwriting commitment are entitled to use their underwriting fee to subscribe for new shares in a directed issue, which can be arranged to the providers of underwriting commitments after the Offering. In this case, the underwriting fee is twelve (12) per cent of the amount of the underwriting commitment, meaning a maximum of approximately EUR 333.9 thousand. The subscription price in the directed issue is defined as the volume weighted average price on First North Sweden during the Subscription Period. 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.

Investors in Sweden participating the Offering may be adversely affected by fluctuations in foreign exchange rates

Savosolar’s reporting currency is euro. However, the shares admitted to trading on First North Sweden, including the Offer Shares, will be traded and settled in Swedish crowns. Further, any potential future dividends will be denominated and distributed by the Company in euro. However, as regards to Shares held on book-entry accounts in the system of Euroclear Sweden, investors would receive the dividends in Swedish crowns after currency conversion from euro. Consequently, the market price of the Shares and the dividends received in Swedish crowns are affected by the changes in the exchange rate of the Swedish crown and euro. Therefore, as the Swedish crown is not fixed against the euro, any change in the exchange rate between the Swedish crown and euro may affect the shareholder’s return on investment in

shares in the Company. The value of dividends and other distributions received in Swedish crowns and the value of Shares in the Company quoted on First North Sweden in Swedish crowns could increase or decline as a result. This may have a material adverse effect on the market price of the Company's shares traded on First North Sweden and the future cash flows from dividends of the investors with Shares registered with Euroclear Sweden.

There is no certainty that all underwriters and shareholders who have given a subscription undertakings fulfil their obligations towards the Company

The Company has received subscription undertakings from current shareholders and underwriting commitments from external investors worth approximately EUR 2.8 million (see the section "*Arrangements relating to the Offering – Subscription commitments*" and "*Subscription guarantees*" of the Prospectus). The parties that have given subscription undertakings and underwriting commitments have thus undertaken to subscribe for approximately 80.0 per cent of the Offering. The underwriting guarantees received are referred to as "base underwriting commitments". If the Offering is not subscribed to 80.0 per cent by other subscribers, The Board of Directors of the Company have the right, but not the obligation, to allocate an amount of Offer Shares, to the providers of underwriting commitments in accordance with the terms of the underwriting agreements, that is equal to the amount that the total amount of subscriptions of other subscribers than the providers of underwriting commitments has come short from the above mentioned amount, however up to the maximum amount of the underwriting. The Company has not received nor requested securities from the parties that have undertaken to subscribe Offer Shares in the Offering on the basis of subscription undertakings and underwriting commitments. Although the Company trusts the parties from which it has received the subscription undertakings and underwriting commitments, there is still no certainty that all of the parties that have given a subscription undertaking or underwriting commitment will fulfil their obligations towards the Company.

Certain important dates related to the Offering

Finland

Record Date in Euroclear Finland	18 June 2018
Subscription Period commences	21 June 2018
Trading in the Temporary Shares and Subscription Rights commences on First North Finland	21 June 2018
Last day of trading in the Subscription Rights on First North Finland	4 July 2018
Subscription period ends in Finland	10 July 2018
Results of the Offering are announced (estimated)	13 July 2018
Offer Shares registered with the Finnish Trade Register (estimated)	23 July 2018
Last day of trading in the Temporary Shares on First North Finland (estimated)	23 July 2018
Offer Shares delivered to the book-entry accounts of subscribers in Euroclear Finland (estimated)	24 July 2018
Warrants delivered to the book-entry accounts of subscribers in Euroclear Finland (estimated)	week 31, 2018
Trading in the Warrants commences on First North Finland (estimated)	week 31, 2018

Sweden

Record Date in Euroclear Sweden	18 June 2018
Subscription Period commences	21 June 2018
Trading in the Temporary Shares and Subscription Rights commences on First North Sweden	21 June 2018
Last day of trading in the Subscription Rights on First North Sweden	4 July 2018
Subscription period ends in Sweden	6 July 2018
Results of the Offering are announced (estimated)	13 July 2018
Offer Shares registered with the Finnish Trade Register (estimated)	23 July 2018
Last day of trading in the Temporary Shares on First North Sweden (estimated)	23 July 2018
Offer Shares delivered to the book-entry accounts of subscribers in Euroclear Sweden (estimated)	27 July 2018
Warrants delivered to the book-entry accounts of subscribers in Euroclear Sweden (estimated)	week 31, 2018
Trading in the Warrants commences on First North Sweden (estimated)	week 31, 2018

Responsibility statement

The Company accepts responsibility for the information contained in this Prospectus. To the best knowledge of the Company, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Forward-looking statements

This Prospectus contains forward-looking statements. These statements may not be based on historical facts, but are statements about future expectations. When used in this Prospectus, the words “aims”, “anticipates”, “assumes”, “believes”, “estimates”, “expects”, “will”, “intends”, “may”, “plans”, “should” and similar expressions as they relate to the Company or the Offering identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this Prospectus, including in “*Risk Factors*”, “*Operating and Financial Review and Prospects*” and wherever this Prospectus include information on the future plans and expectations with regard to the Company's business, including its strategic plans and plans on growth and profitability, and the general economic conditions.

These forward-looking statements are based on present plans, estimates, projections and expectations. They are based on certain expectations, which, even though they seem to be reasonable at present, may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties. Shareholders should not rely on these forward-looking statements. Numerous factors may cause the actual results of operations or financial condition of the Company to differ materially from those expressed or implied in the forward-looking statements.

The absence or the occurrence of these factors may cause the Company's actual results of operation and financial condition to differ significantly from the results stated or described, expressly or implicitly, in the sections containing such forward-looking statements. In light of the risks, uncertainties, assumptions and other factors referred to in this Prospectus, events described in the forward-looking statements may not occur or may fail to materialise. Consequently, there can be no guarantee regarding the accuracy and completeness of any of the forward-looking statements contained in this Prospectus or the actual materialisation of predicted developments.

Financial information

The financial statements for the financial year ended 31 December 2017, restated financial statements for the financial year ended 31 December 2016, as well as the income statement and balance sheet for the three-month period ended on 31 March 2018 and information from the restated income statement and balance sheet for the three-month period ended on 31 March 2017 of the Company have been prepared in accordance with the Finnish Accounting Act (31.12.1997/1336, as amended), Finnish Accounting Ordinance (31.12.1997/1337, as amended), and instructions and statements of the Accounting Board operating under the Ministry of Employment and the Economy (the “Finnish Accounting Standards”, “FAS”).

The audited financial statements for the financial year ended 31 December 2016 included in the Prospectus and incorporated by reference presented herein differs from the historical financial information in the Company's audited statutory financial statements confirmed by the annual general meeting of shareholders of the Company. Financial statements for the financial year ended 31 December 2016 were restated to include an accrual of EUR 211.5 thousand related to project cost that was not included in the statutory financial statements for the financial year ended 31 December 2016.

This Prospectus also includes income statement and balance sheet information for the three-month periods ended 31 March 2018 and 31 March 2017. This information is based on the income statement and balance sheet information for the three-month period ended 31 March 2018 published by the Company on 21 May 2018 and the income statement and balance sheet information for the three-month period ended 31 March 2018 published by the Company on 29 May 2017. The information published regarding the three-month period ended 31 March 2017 have been restated with the equivalent EUR 211.5 thousand write-off restated in 2016. This cost was included in the trade payables in the balance sheet as at 31 March 2017.

The official financial statements and the official auditor's reports of the Company are in Finnish. The financial statements of the Company presented in other languages are unaudited translations of the official financial statements. Auditor's reports of the Company presented in other languages are translations of the official Finnish language auditor's reports.

Alternative Performance Measures

Savosolar presents in this Offering Circular certain performance measures of historical financial performance and financial position, which in accordance with the “Alternative Performance Measures” guidance issued by the European Securities and Markets Authority (ESMA) are considered alternative performance measures.

Savosolar presents alternative performance measures as additional information to financial measures presented in the income statement and balance sheet prepared in accordance with the Finnish Accounting Standards. In the Company’s view, alternative performance measures provide the management, investors, securities market analysts and other parties with significant additional information related to the Company’s results of operations and financial position and are widely used by analysts, investors and other parties.

Alternative performance measures should not be viewed in isolation or as a substitute to the financial measures according to the Finnish Accounting Standards. All companies do not calculate alternative performance measures in a uniform way, and therefore the alternative performance measures presented in this Prospectus may not be comparable with similarly named measures presented by other companies. The alternative performance measures presented in this Prospectus are unaudited.

Savosolar believes the following alternative performance measures are helpful in analysing the business and in addition, EBITDA and Equity ratio are covenants according to the bank guarantee limit agreement between the Company and SSOP:

- EBITDA
- EBITDA margin
- EBIT margin
- Profit / (loss) margin
- Equity ratio

The definitions of the alternative performance measures have been presented under the section “*Selected Financial Information – Key financials – Definitions of key financials*”.

Certain other information

The figures presented in this Prospectus, including the financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or row in tables may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Unless otherwise indicated in this Prospectus, all references to “EUR” or “euro” are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community. All amounts presented in this Prospectus are in euro, unless otherwise indicated.

Unless otherwise presented herein, the figures of the Prospectus on the Company’s share capital, share number and voting rights pertaining to the shares have been calculated based on the information registered with the Finnish Trade Register held by the National Board of Patents and Registration of Finland up to the date of this Prospectus.

Abbreviations and key concepts

As used throughout this Prospectus, references to:

- “First North Finland” are to the multilateral trading facility First North Finland operated by the Helsinki Stock Exchange;
- “First North Sweden” are to the multilateral trading facility First North Sweden operated by the Stockholm Stock Exchange;
- “Helsinki Stock Exchange” are to Nasdaq Helsinki Oy;
- “Stockholm Stock Exchange” are to Nasdaq Stockholm AB;
- “Sitra” are to the Finnish Innovation Fund Sitra; and

- “Tekes” are to the Finnish Funding Agency for Innovation.

General market, economy and industry data

This Prospectus contains information about the markets and industries in which Savosolar operates, the size of the market and Savosolar's competitive position in the market. Where such information contained in this Prospectus has been derived from third party sources, the name of the source is given therein.

While Company has accurately reproduced such third-party information, Company has not verified the accuracy of such information, market data or other information on which third parties have based their studies. As far as the Company is aware and is able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Moreover, market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward-looking and speculative.

This Prospectus also contains estimates regarding the market position of the Company that cannot be gathered from publications by market research institutions or any other independent sources. In many cases, there is no publicly available information on such data, for example from industry associations, public authorities or other organisations and institutions. The Company believes that its internal estimates of market data and information derived therefrom and included in this Prospectus are helpful in order to give investors a better understanding of the industry in which the Company operates as well as its position within this industry. Although the Company believes that its internal market estimates are fair, they have not been reviewed or verified by any external experts and the Company cannot guarantee that a third-party expert using different methods would obtain or generate the same results.

Information on the website

The Finnish-language Prospectus will be published on Company's website at www.savosolar.com/rights-issue on or about 14 June 2018. However, the contents of the Company's website or any other information or documents other than this Prospectus, potential supplements to the Prospectus and the documents incorporated by reference on any other website do not form a part of this Prospectus and prospective investors should not rely on such information in making their decision to invest in the Offer Shares.

Reasons for the Offering and use of proceeds

Savosolar designs and delivers solar thermal energy production systems to industrial clients globally. The systems are built on internationally award-winning solar thermal absorbers and collectors, which Savosolar has developed and produces. The collectors with MPE absorbers are, according to the information available to the Company's management, the most efficient in the world.¹ Savosolar focuses primarily on large solar thermal collectors and industrial-size heating systems. The Company started product deliveries in June 2011 and has since delivered over 50,000 square metres of collectors to its customers.

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 Varmeværk 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.

¹ The efficiency of Savosolar's standard collectors (2 m² and 15 m²) with MPE-absorbers has been proved by uniform certification tests done by independent research institutes, on the basis which solar energy products in EU are given the Solar Keymark -certificate. The tests define the technical values which affect the collector's efficiency, and according to these estimates Savosolar's standard collectors with MPE-absorbers are the most efficient in the world, i.e. produce more energy per square metre a year than the competitors' products in a similar system and conditions. The Solar Keymark -database, which includes information of all collectors sold in Europe, is public and can be found at www.estif.org/solarkeymarknew/index.php. Similar technical information is also found for collectors manufactured elsewhere in the world, and on the basis of the information available to the Company's management, Savosolar's standard collectors (Savo 15 SG, Savo 15 DG, SF-100-03 DE and DS) with MPE-absorbers produce the most energy per square metre.

Terms and conditions of the Offering

Authorisation for the Offering and Board resolution on the Offering

On 12 June 2018, the extraordinary general meeting resolved that the Board of Directors is authorised to decide, in one or more installments, on share issues and the issuance of share options and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act accordingly:

The maximum number of new shares that can be issued on the basis of the authorisation is 400,000,000, which is equal to approximately 305.9 per cent of the Company's current shares.

The Board of Directors decides on all the terms and conditions of the issuances of shares and of options and other special rights entitling to shares. The issuance of shares and of options and other special rights entitling to may be carried out in deviation from the shareholders' pre-emptive rights (directed issue), if there is a weighty financial reason.

A directed issue can be without consideration only if there is a particularly weighty financial reason for the Company and the interests of all its shareholders. The Company's shares may be issued against or without consideration.

The authorisation is valid until 11 June 2023.

On 14 June 2018, the Company's Board of Directors resolved on issuing the Offer Shares by adopting the terms and conditions of the Offering set out below.

The Offering, subscription right and Warrants

In accordance with the shareholders' pre-emptive subscription right, the Company is offering up to 174,332,080 new shares in the Company for subscription by the Company's shareholders ("Offer Shares") (the "Offering").

Savosolar will give all shareholders registered in Savosolar's shareholder register maintained by Euroclear Finland Ltd ("Euroclear Finland") or Euroclear Sweden Ltd ("Euroclear Sweden") one (1) book-entry subscription right ("the Subscription Right") per each share held on the Offering record date 18 June 2018 ("the Record Date"). Each three (3) Subscription Rights entitle the holder to subscribe for four (4) Offer Shares. Fractions of Offer Shares will not be given and a single Subscription Right may not be exercised partially. The Subscription Rights will be registered in shareholders' book-entry accounts in the book-entry system maintained by Euroclear Finland approximately on 19 June 2018 and in the book-entry system maintained by Euroclear Sweden approximately on 20 June 2018. The Subscription Rights can be freely assigned and they will be traded on First North Finland (trading symbol SAVOHU0118, ISIN: FI4000327424) and on First North Sweden (trading symbol SAVOS TR, ISIN: SE0011413772) between 21 June 2018 and 4 July 2018. If a Company share entitling to a Subscription Right is subject to a pledge or another such restriction, the Subscription Right may not be exercisable without the consent of the pledgee or other rights holder.

In addition, Savosolar will issue a maximum of 87,166,040 warrants (the "Warrants") free of charge to persons who subscribed for the Offer Shares in the Offering, which entitle to subscribe for a total of up to 87,166,040 new shares of the Company. The Warrants will be issued in the following manner: the subscriber will receive one (1) Warrant per each two (2) subscribed and paid Offer Shares, the subscription of which the Board of Directors has approved. Fractions of the Warrants will not be issued. Warrants can be freely assigned. The terms and conditions of the Warrants are outlined in the section "*Savosolar Plc Warrant Plan 1-2018*" of this Prospectus.

The right to subscribe for unsubscribed Offer Shares without Subscription Rights

The Board of Directors of the Company shall resolve on offering any unsubscribed Offer Shares secondarily to shareholders and other investors who have submitted a subscription application concerning the Offer Shares during the Subscription Period without Subscription Rights. See subsequently "*Subscription for Offer Shares without Subscription Rights and allocation*".

Subscription Price

The Subscription Price of Offer Shares is EUR 0.02 or SEK 0.20 per Offer Share ("Subscription Price"). The Subscription Price for the Offer Shares will be recorded in the reserve for invested unrestricted equity. The Subscription Price includes a normal pre-emptive subscription right issue discount. The Subscription Price is approximately 65.5 per cent lower

compared with the closing price of the Company's share on First North Sweden on 18 May 2018 (SEK 0.58) and 66.1 per cent lower compared with the closing price of the Company's share on First North Finland on 18 May 2018 (EUR 0.0589).

Subscription Period

The subscription period for the Offer Shares (the "Subscription Period") will commence on 21 June 2018 at 09:30 Finnish time (08:30 Swedish time), and is expected to end 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.

The Company may, at its sole discretion, extend the Subscription Period. The Subscription Period may be extended once or several times, however not past 2 August 2018. Any extensions of the Subscription Period will be announced by way of a company release before the end of the Subscription Period.

If the Subscription Period is extended, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly.

Subscription locations, account operators, custodians and nominees may require their customers to submit subscription orders on a certain day prior to the start of trading on the Subscription Rights or before the Subscription Period ends.

Subscription locations

The following function as subscription locations:

- a) In Finland, custodians and account operators and
- b) 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.

Investors shall comply with the instructions issued by account operators and Aqurat Fondkommission AB. Instructions for investors are described in the section "*Instructions to investors*" of this Prospectus.

Exercising Subscription Rights

A shareholder may participate in the Offering by subscribing for the Offer Shares through the Subscription Rights in his/her/its book-entry account and by paying the Subscription Price. In order to participate in the Offering, a shareholder shall make a subscription according to the instructions given by his/her/its custodian or account operator.

The holders of purchased Subscription Rights shall submit their subscription order according to the instructions issued by their custodian or account operator.

Such shareholders and other investors participating in the Offering whose Company shares or the Subscription Rights are registered in the name of a nominee shall submit their subscription order according to the instructions given by their nominee.

The subscription orders must be submitted separately for each book-entry account.

Deficient or erroneous subscription orders may be rejected. If the Subscription Price is not paid according to these terms and conditions or the payment is insufficient, the subscription order may be rejected. In such a situation, the Subscription Price paid will be refunded to the subscriber approximately three (3) local banking days from the date when the subscriptions have been accepted. No interest will be paid for such payment.

Any subscriptions made are binding, and they cannot be changed or cancelled except in accordance with the subsequent section "*Supplements to Prospectus and cancellations of subscriptions*".

Unexercised Subscription Rights will expire and have no value when the Subscription Period 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.

Dilution of the shareholding

As a result of the Offering, the number of the Company's shares may rise from 130,749,062 to a maximum of 305,081,142 shares. The Offer Shares correspond to 133.33 per cent of all the Company's shares immediately before the Offering and about 57.14 per cent of the Company shares after the Offering, assuming that the Offering is fully subscribed.

In case also all the Warrants offered for the subscribers of Offer Shares would be used for subscription of shares, the number of Company's shares may rise to a maximum of 392,247,182 shares as a result of the Offering and the shares subscribed based on the Warrants. In case also all the Warrants offered for the subscribers of Offer Shares would be used for subscription of shares, the Offer Shares and the shares subscribed based on the Warrants correspond to 200.00 per cent of all the Company's shares immediately before the Offering and about 66.67 per cent of the Company shares after the Offering and subscription of the shares based on the Warrants offered for the subscribers of Offer Shares, assuming that the Offering is fully subscribed and all the Warrants are used for subscription of shares.

The investors procured by Augment Partners AB will primarily participate in the Offering and, if the Offering is subscribed in full, a separate share issue can be additionally directed to them with the same Subscription Price as in the Offering. See also the section "*Arrangements related to the Offering – Directed share issues that are potentially arranged in connection with the Offering*" in the Prospectus. If the Offering and this directed issue is fully subscribed, the number of the Company's shares may rise from the number of shares after the Offering amounting to 305,081,142 to 348,664,162 shares. These shares subscribed in the directed share issue would correspond to approximately 33.33 per cent of all the Company's shares before the Offering and approximately 12.50 per cent of the Company's shares after the Offering and the directed issue.

In case also all the Warrants, including also Warrants offered for the investors who participate in potential directed share issue, would be used for subscription of shares, the number of Company's shares may rise to a maximum of 457,621,712 shares as a result of the Offering, the directed issue mentioned above, and the shares subscribed based on the Warrants. In case also all the Warrants would be used for subscription of shares, the Offer Shares, the shares subscribed for in the directed issue and the shares subscribed based on the Warrants correspond to 250.00 per cent of all the Company's shares immediately before the Offering and about 71.43 per cent of the Company shares after the Offering, the directed issue and subscription of the shares based on the Warrants, assuming that the Offering and the directed issue is fully subscribed and all the Warrants are used for subscription of shares.

The underwriters are entitled to use their underwriting fee for setting off the subscription price of the Company's new shares in a directed issue, to be arranged for the underwriters, if necessary, after the Offering. In such case, the underwriting fee is twelve (12) per cent of the given underwriting guarantee, meaning a maximum of approximately EUR 333.9 thousand. See also the section "*Arrangements related to the Offering – Directed share issues that are potentially arranged in connection with the Offering*" in the Prospectus. If the Offering and the directed share issue to the underwriters would be fully subscribed, the subscription price would be the same in the directed issue to be arranged for the underwriters as in the Offering, and all the underwriters would use their underwriting fee to set off subscription price of the new shares in the directed issue, the number of the Company's shares may rise with another 16,694,428 shares. These shares offered in the directed issue to be arranged for the underwriters would correspond to approximately 12.77 per cent of all the Company's shares before the Offering and approximately 4.7 per cent of the Company's shares after the Offering and both the directed share issues mentioned above, assuming that all share issues are fully subscribed.

If the Offering, and both the directed share issues to possibly be arranged in connection with the Offering are arranged and fully subscribed, and the subscription price in the directed share issue to the underwriters is the same as in the Offering, and the maximum amount of Warrants are issued and all Warrants are used for the subscription of shares, all the new shares to be issued correspond to approximately 72.43 per cent of all the Company's shares after the share issues and the shares subscribed with the Warrants.

Of the 400,000,000 shares that the Board of Directors of the Company has received an authorisation to issue, a maximum of 343,570,078 shares will be issued in the Offering, the two directed share issues possibly to be arranged and the Warrants, which means at least 56,429,922 shares will be left of the authorisation.

Subscription for Offer Shares without Subscription Rights and allocation

The subscription of the Offer Shares without the Subscription Rights by a shareholder and/or another investor is performed by submitting a subscription order and by simultaneously paying the Subscription Price in accordance with the instructions provided by the subscriber's account operator, custodian or, in the case of investors entered into the nominee register, the nominee. A subscription order in Sweden which is sent by mail has to be submitted in good time before the last day for subscription. Only one (1) subscription order without subscription rights can be done. If multiple subscription orders are given, only the last one is taken into account. An incomplete or incorrect subscription order may be ignored. The subscription order is binding.

The custodian, account operator or nominee of the shareholder and/or investor, whose subscribed Offer Shares are delivered through the book-entry system maintained by Euroclear Finland, shall receive the subscription order and the payment no later than on 10 July 2018 or at an earlier time according to the instructions given by the custodian, account operator or nominee.

The custodian, account operator or nominee of the shareholder and/or investor, whose subscribed Offer Shares are delivered through the book-entry system maintained by Euroclear Sweden shall receive the subscription order and the payment no later than on 6 July 2018 or at an earlier time according to the instructions given by the custodian, account operator or nominee.

If all the Offer Shares have not been subscribed on the basis of the Subscription Rights, Savosolar's Board of Directors will decide on the allocation of the Offer Shares subscribed for without the Subscription Rights as follows:

- a) First to those who also have subscribed for the Offer Shares on the basis of the Subscription Rights. If the subscribers in question oversubscribe the Offering, the allocation to such subscribers will be determined in a book-entry account-specific manner in proportion to the number of the Subscription Rights used for the subscription for the Offer Shares and, if this is not possible, by drawing lots; and
- b) Secondly to those who have subscribed for the Offer Shares only without the Subscription Rights, and if the subscribers in question oversubscribe the Offering, the allocation to such subscribers will be determined in a book-entry account-specific manner in proportion to the number of the Offer Shares which the subscribers have subscribed for and, if this is not possible, by drawing lots.

Savosolar will confirm the approval of the subscription of the Offer Shares subscribed for without the Subscription Rights, if approved, for all investors who have submitted a subscription order to subscribe for the Offer Shares without the Subscription Rights. Investors who subscribe for Offer Shares without Subscription Rights through their account operators in Sweden receive information regarding their subscription according to the routines of the account operator.

If the Offer Shares subscribed for without the Subscription Rights are not allocated in the number referred to in the subscription order, the paid Subscription Price corresponding to the Offer Shares not obtained will be refunded to the subscriber approximately on 18 July 2018. No interest will be paid on such a payment.

Approval and payment of subscriptions

The Company's Board of Directors will approve all the subscriptions made on the basis of the Subscription Rights and in accordance with the terms and conditions of this Offering and the applicable laws and regulations approximately on 13 July 2018. In addition, the Company's Board of Directors will approve the subscriptions made without the Subscription Rights and in accordance with the terms and conditions of the Offering applicable laws and regulations pursuant to the allocation principles presented above in the section "*Subscription for Offer Shares without Subscription Rights and allocation*".

The Subscription Price of the Offer Shares subscribed for in the Offering must be paid in full in euro in Finland or Swedish krona in Sweden in connection with the submission of the subscription order according to the instructions given by the subscription location, the custodian or the account operator.

A subscription is considered made when the subscription order has arrived at the subscription location, the account operator or custodian in question and the Subscription Price has been paid in full. By subscribing, the subscriber authorises his / her account operator to disclose the necessary personal data, the number of his / her book-entry account and the details of the subscription to the parties involved in the order or the execution of the order to allocate and settle the shares and Warrants.

The Board of Directors has the right in certain situations to withdraw the Offering; see section *“The Company’s right to withdraw the Offering”* below.

Announcement of outcome of the Offering

Provided that no changes are made to the Subscription Period, the Company will announce the outcome of the Offering approximately on 13 July 2018 by way of a company release.

Registration and delivery of the Offer Shares

The Offer Shares subscribed for in the Offering will be issued as book entries in the book-entry system of Euroclear Finland and delivered to the investors through the book-entry systems of Euroclear Finland and Euroclear Sweden.

After the subscription, temporary shares corresponding to the Offer Shares subscribed for based on the Subscription Rights (the *“Temporary Shares”*) will be entered in the subscriber’s book-entry account. In Finland, this is estimated to be the next day, in accordance with Euroclear Finland’s clearing time table. Trading in the Temporary Shares will commence on First North Finland (trading symbol SAVOHN0118, ISIN: FI4000327416) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0011413780) as their own special share class approximately on 21 June 2018. The Temporary Shares will be combined with current shares after the Offer Shares have been registered in the Trade Register. The delivery and combination will take place approximately on 24 July 2018, in the book-entry system maintained by Euroclear Finland, and the Offer Shares will be subject to trading together with the Company’s existing shares approximately on 24 July 2018 on First North Finland. The delivery and combination will take place approximately on 27 July 2018, in the book-entry system maintained by Euroclear Sweden, and the Offer Shares will be subject to trading together with the Company’s existing shares approximately on 27 July 2018 on First North Sweden.

The Offer Shares subscribed for without the Subscription Rights will be delivered at the same time as the ones that have been subscribed for with the Subscription Rights, and no Temporary Shares will be delivered in respect to these.

Holders of stock options

According to the terms and conditions of the stock options 2-2017, if the Company decides, before the subscription of shares with the stock options, on an issue of shares or an issue of new stock options or other special rights so that the shareholders have preferential subscription rights, the owner of a stock option shall have the same right as, or an equal right to, that of a shareholder. Equality is reached in the manner determined by the Company’s Board of Directors by adjusting the number of shares available for subscription, the share subscription prices or both of these. To ensure the equality of the holders of stock options and shareholders, the Company’s Board of Directors will decide approximately on 13 July 2018 on changing the numbers of shares to be subscribed for on the basis of stock options 2-2017 and/or the subscription price due to the Offering. The changes to the stock option terms and conditions following the Offering will enter into force after they have been recorded in the Trade Register. The Company’s stock options do not give entitlement to participate in the Offering. In connection with a subscription for shares, the total number of shares subscribed for by a holder of stock options will be rounded downwards to full shares, and the total subscription price will be calculated using the rounded number of shares and rounded to the closest cent. See also section *“Company, shares and share capital – Stock options”* in the Prospectus.

Shareholder rights

The Offer Shares will confer all shareholder rights from their registration with the Trade Register and delivery to the investors. Each Share in the Company confers one vote at the Company’s general meetings.

Supplements to Prospectus and cancellations of subscriptions

Subscriptions placed in the Offering are binding and irrevocable, and may only be cancelled where the Finnish Securities Market Act provides for a cancellation right.

In accordance with the Finnish Securities Market Act, the Company will be obliged to issue a supplement to the Prospectus in case a mistake or inaccuracy in the Prospectus is discovered, or a significant new factor arises, prior to the end of the Subscription Period, if such mistake, inaccuracy or new factor may bear material significance to the investors. Such supplement will be published in the same manner as the Prospectus.

If the Prospectus is supplemented, investors who have subscribed for Offer Shares before the publication of the supplement to the Prospectus have the right to cancel their subscriptions. The cancellation right must be exercised within a cancellation period which may not be shorter than two (2) Finnish banking days from the publication of the supplement to the Prospectus. An investor's cancellation of a subscription will be deemed to be made in respect of all the subscriptions of that investor. A precondition for the right to cancel is that the mistake, omission or material new information arose or was noted before the delivery of the Temporary Shares, or in the case for those investors who are not delivered Temporary Shares, the Offer Shares. Cancellations must be filed to the subscription location where the original subscription was placed. However, subscriptions placed on the website of Aqurat Fondkommission cannot be cancelled on the website but should be cancelled by contacting Aqurat Fondkommission AB at info@aqurat.se or by telephone +46 (0)8 684 05 800. Information on the right to cancel shall be issued in the supplement to the Prospectus.

If an investor has cancelled its subscription, any Subscription Price already paid by that investor will be returned to the bank account of the investor given by the investor in connection with the subscription. The funds will be repaid within three (3) local banking days of the cancellation of the subscription. No interest will be paid on the amounts returned. The Company will announce cancellation instructions by way of a company release, in connection with publishing the supplement to the Prospectus.

If the shareholder has sold or otherwise reassigned his/her Subscription Rights, the sale or transfer cannot be cancelled.

The Company's right to withdraw the Offering

The Company may, at its sole discretion (and for any reason), withdraw the Offering. If the Offering is withdrawn, any subscriptions given by investors will be automatically cancelled. In such case, the Subscription Price paid by investors will be returned to the bank accounts of the investors given by the investors in connection with the subscription. The funds will be repaid within three (3) local banking days of the Offering being withdrawn. A withdrawal of the Offering will be announced by the Company by way of a company release.

The Company may not withdraw the Offering after the Board of Directors of the Company has resolved on the allocation of the Offer Shares.

Governing law

The Offering and the Offer Shares shall be governed by Finnish law. The courts of Finland have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering.

Other matters

The Company's Board of Directors may make decisions on other matters related to the Offering.

Savosolar Plc Warrant Plan 1-2018

Based on the authorisation granted by the extraordinary general meeting of shareholders on 12 June 2018, the Company's Board of Directors has on 14 June 2018 resolved to issue warrants (the "Warrants") to the persons who have subscribed for the Offer Shares in the Offering of the Company resolved on 14 June 2018 and such investors obtained by Augment Partners AB, who participate in the directed share issue potentially arranged in connection with the Offering, on the following terms and conditions.

I Warrant terms and conditions

1. Number of Warrants

The maximum number of Warrants to be issued is 108,957,550, and they entitle their holders to subscribe for a maximum of 108,957,550 new shares in the Company.

2. Right to Warrants

The Warrants shall be issued free of charge to the persons who subscribed for the Offer Shares in the Offering and such investors obtained by Augment Partners AB, who participate in the directed issue potentially arranged in connection with the Offering, so that for each two (2) Offer Shares or shares offered in the directed issue subscribed and paid for, the subscription of which the Board of Directors has approved, the subscriber receives one (1) Warrant. Fractions of the Warrants will not be issued. The Company has a weighty financial reason for the issuance of Warrants, since the Company estimates that it will need more working capital to continue to streamline Savosolar's operations to match profitability targets and the increasing demand globally. Issuance of the Warrants is seen as a cost-efficient alternative to obtain additional capital for the Company in the future.

3. Subscription of Warrants

The Warrants are subscribed in connection with subscription of the Offer Shares in the Offering and subscription of shares in the possible directed share issue by using the same subscription form.

The Board of Directors of the Company approves the subscriptions of the Warrants at the same time that it approves the subscriptions in the Offering, i.e. approximately on 13 July 2018.

4. Incorporation of Warrants into the book-entry system and listing

The Warrants will be issued and registered in the book-entry system of Euroclear Finland. The Warrants will be delivered to subscribers through the book-entry systems of Euroclear Finland and Euroclear Sweden. Provided that no changes are made to the Subscription Period of the Offering, the Warrants will be delivered to subscribers through the book-entry system maintained by Euroclear Finland approximately during week 31, 2018 and through the book-entry system maintained by Euroclear Sweden approximately during week 31, 2018. The ISIN code of the Warrants is FI4000327440.

The Company intends to file an application to the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the Warrants on First North Sweden and First North Finland. The trading symbol is expected to be SAVOS TO3 on First North Sweden and SAVIHEW118 on First North Finland. If the listing of the Warrants occurs, the Company expects trading to commence on First North Finland approximately during week 31, 2018 and on First North Sweden approximately during week 31, 2018.

II Share subscription terms and conditions

1. Right to subscribe for shares

Each Warrant entitles its holder to subscribe for one (1) new share in the Company. The share subscription price shall be recorded in the Company's reserve for invested unrestricted equity.

2. Share subscription and payment

The subscription period for shares subscribed for on the basis of the Warrants shall be 26 November – 10 December 2018.

Should the last day of the share subscription period not be a banking day, the share subscription may be made on a banking day following the last share subscription day.

Share subscriptions shall take place at the head office of the Company, at the same subscription locations as in the Offering (see the section “*Terms and conditions of the Offering – Subscription locations*” in the Prospectus) or possibly in another location and manner to be determined later. Upon subscription, payment for the shares subscribed for shall be made to the bank account designated by the Company. The Board of Directors shall decide on all measures concerning the share subscription.

3. Share subscription price

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 shares to be subscribed for based on the Warrants and delivered through Euroclear Sweden will be payable in Swedish krona. The Swedish krona-denominated subscription price will be determined using the EURSEK forward rate on 23 November 2018. The Swedish krona denomination of the subscription price will be announced by the Company by way of a company release when the subscription period for the shares to be subscribed for based on the Warrants commences.

The share subscription price of the Warrants may be decreased in certain cases mentioned in Section 7 below. The share subscription price shall, nevertheless, always amount to at least EUR 0.01.

4. Registration of shares

Shares subscribed for and fully paid shall be registered on the book-entry account of the subscriber. The Company intends to file an application to the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the shares subscribed for with the Warrants.

5. Shareholder rights

The dividend rights of the new shares and other shareholder rights shall commence when the shares have been entered into the Trade Register and delivered to the subscribers.

6. Share issues, stock options and other special rights entitling to shares before share subscription

Should the Company, before the share subscription, decide on an issue of shares or an issue of new stock options or other special rights entitling to shares so that the shareholders have preferential subscription rights, the owner of a Warrant shall have the same right as, or an equal right to, that of a shareholder. Equality is reached in the manner determined by the Board of Directors by adjusting the number of shares available for subscription, the share subscription prices or both of these.

7. Rights in certain cases

Should the Company distribute dividends or assets from reserves of unrestricted equity, the share subscription price of the Warrants shall be decreased by the amount of the dividend per share or the amount of the distributable unrestricted equity decided before the share subscription, as per the dividend record date or the record date of the repayment of equity.

Should the Company reduce its share capital by distributing share capital to the shareholders, the share subscription price of the Warrants shall be decreased by the amount of the distributable share capital per share decided before share subscription, as per the record date of the repayment of share capital.

Should the Company be placed in liquidation before the share subscription, the Warrant owners shall be given an opportunity to exercise their share subscription rights, within a period of time determined by the Board of Directors. Should the Company be deregistered, before the share subscription, the Warrant owner shall have the same right as, or an equal right to, that of a shareholder.

Should the Company resolve to merge with another company as a merging company or merge with a company to be formed in a combination merger, or should the Company resolve to be demerged entirely, the Warrant owners shall, prior to the registration of the execution of a merger or a demerger, be given the right to subscribe for shares with their Warrants,

within a period of time determined by the Board of Directors. Alternatively, the Board of Directors may give a Warrant owner the right to convert the Warrants into warrants issued by the other company, in the manner determined in the merger or demerger plan, or in a manner otherwise determined by the Board of Directors. After such period, no share subscription right or conversion right shall exist. The same process shall apply to cross-border mergers or demergers, or should the Company, after having registered itself as a European Company (*Societas Europae*), or otherwise, register a transfer of its domicile from Finland into another Member State of the European Economic Area. The Board of Directors shall decide on the impact of potential partial demerger on the Warrants. In the above situations, the Warrant owners shall have no right to require that the Company redeems the Warrants from them at fair value.

Acquisition or redemption of the Company's own shares or acquisition of stock options or other special rights entitling to shares shall have no impact on the rights of the Warrant owner. Should the Company, however, resolve to acquire or redeem its own shares from all shareholders, the Warrant owners shall be made an equivalent offer.

Should a reverse split, as referred to in Chapter 15 Section 9 of the Finnish Companies Act, be executed in the Company before the share subscription, the Warrant owner has obligation to return Warrants to the Company without consideration in the same proportion as the shares are being redeemed from the shareholders of the Company in connection with the reverse split. The excess Warrants that are potentially being redeemed as a result of rounding are then sold by the Company on behalf of the Warrant owner in a similar way as the shares. As a result of the reverse split, also minimum and maximum subscription prices of the shares referred to in Section II. 3 are increased in the same proportion as the number of shares in the Company decreases in the reverse split.

Should a redemption right and obligation to all of the Company's shares, as referred to in Chapter 18 Section 1 of the Finnish Companies Act, arise to any of the shareholders, prior to the end of the share subscription period, on the basis that a shareholder possesses over 90 per cent of the shares and the votes of the shares of the Company, the Warrant owners shall be given a possibility to use their right of share subscription by virtue of the Warrants, within a period of time determined by the Board of Directors, or the Warrant owners shall have an equal obligation to that of shareholders to transfer their Warrants to the redeemer.

III Other matters

The Company may maintain a register of the Warrant owners to which the Warrant owners' personal data is recorded. The Company may send all announcements regarding the Warrants to the Warrant owners by mail to the latest address available to the Company and/or as a company release.

Unless so authorized or required by applicable law, neither the Company, account-operating institute nor Euroclear Finland or Euroclear Sweden may provide information on Warrant owners to third parties.

The Company is entitled to receive the following details from Euroclear Finland and Euroclear Sweden regarding the Warrant owners:

- 1) the Warrant owners name, personal identification number, or other identification number, and postal address;
and
- 2) the number of Warrants.

These terms and conditions shall be governed by the laws of Finland. Disputes arising out of or relating to these Warrants shall be settled by a competent court in Finland.

The Board of Directors may decide on the technical amendments to these terms and conditions resulting from incorporation of Warrants into the book-entry system, listing of the Warrants as well as on other amendments and specifications to these terms and conditions which are not considered as essential.

These Warrant terms and conditions have been prepared in Finnish and in English. In the case of any discrepancy between the Finnish and English versions, the Finnish version shall prevail.

Instructions to investors

Entry of the Offer Shares and Warrants in the book-entry system

The Offer Shares and Warrants will be registered and issued in the book-entry system of Euroclear Finland, and delivered to the investors through the book-entry systems of Euroclear Finland and Euroclear Sweden.

Investors, whose Offer Shares and Warrants are delivered through Euroclear Finland, have to have a book-entry account with a Finnish account operator and investors, whose Offer Shares and Warrants are delivered through Euroclear Sweden, have to have a book-entry account number with an account operator of the book-entry system of Euroclear Sweden. The book-entry account number should be given to the subscription office when placing the subscription. The account must be in the name of the investor.

Subscriptions by legal entities

A legal entity subscribing for Offer Shares and Warrants may be requested by the Company or Nordea Bank AB (publ) or Aqurat Fondkommission AB, in their sole discretion, to provide evidence on the entity's authorisation to subscribe for Offer Shares and Warrants and on the authorisation of the representative of the entity to represent the entity.

Subscription through an agent

Investors subscribing for Offer Shares and Warrants may do so through an agent. In such case, the agent shall provide evidence of its authorisation to represent the investor by producing a power of attorney in form and substance satisfactory to the Company and Nordea Bank AB (publ) or Aqurat Fondkommission AB.

No fees are charged to investors

No fees are charged by the Company, Nordea Bank AB (publ) or Aqurat Fondkommission AB to the investors subscribing for Offer Shares, shares subscribed for in the possibly arranged directed issue and Warrants. However, Aqurat Fondkommission AB may charge the interest, costs, charges and expenses accrued from investors who have not paid the subscribed Offer Shares by the due date.

However, brokers and other service providers engaged by an investor may charge the investor as agreed between the investor and that service provider.

Taxation

For an explanation of certain matters relating to the taxation of investments in Offer Shares and Warrants, see "*Taxation Considerations*".

Arrangements relating to the Offering

Financial adviser and Certified Adviser

Augment Partners AB is the financial adviser to the Company in connection with the Offering. The Company has entered into a financial adviser agreement with Augment Partners AB in relation to the Offering. The agreement defines the services provided by Augment Partners AB in connection with the Offering and addresses the rights and obligations of the parties. In the financial adviser agreement, the Company has undertaken to release Augment Partners AB from certain liabilities and undertaken to be responsible for the costs incurred from the implementation of the Offering and sales.

Augment Partners AB has furthermore 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 investors procured by Augment Partners AB primarily participate in the Offering and, if the Offering is subscribed in full, a separate share issue can be additionally directed to them with the same Subscription Price as in the Offering. See also the section "*Arrangements related to the Offering – Directed share issues that are potentially arranged in connection with the Offering*" in the Prospectus

Augment Partners AB receives a fee that has been agreed upon in advance for these services, and a part of the fees is tied to the amount of proceeds in the Offering and the directed issue possibly to be arranged. Therefore, it is in Augment Partners AB's interest that the Offering and directed issue possibly to be arranged are successful.

Augment Partners AB acts as the Certified Adviser of the Company.

Lead manager

Invesdor Oy acts as the lead manager of the Offering and the directed issue possibly to be arranged and receives a fee that has been agreed upon in advance for these services, and a part of the fees is tied to the amount of proceeds in the Offering and the directed issue possibly to be arranged. Therefore, it is in Invesdor Oy's interest that the Offering and directed issue possibly to be arranged are successful.

Issuer agents

Nordea Bank AB (publ) acts as the Company's issuer agent in relation to Euroclear Finland and Aqrut Fondkommission AB in relation to Euroclear Sweden.

Liquidity provider

On the date of this Prospectus, the Company has not concluded an agreement on the provision of a liquidity provider service for the Company.

Lock-up agreements

Augment Partners AB has entered into lock-up agreements with three (3) current shareholders. Feodor Aminoff, Jari Varjotie and Nalle Stenman have for a six (6) month period commencing on the date when the board of directors of the Company has accepted the subscriptions in the Offering irrevocably, without the prior written consent of Augment Partners AB, directly or indirectly (1) offer, pledge, assign, encumber, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, any shares or any securities directly or indirectly convertible into or exercisable or exchangeable for shares subscribed in the Offering by the undersigned on the date hereof or (2) enter into any swap or other agreement or arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of shares or such other securities, in cash or otherwise, or publicly announce an intention to do any of the foregoing. Additionally, Feodor Aminoff and Jari Varjotie have agreed to the same terms for the shares and securities convertible into or exercisable or exchangeable for shares of the Company owned by them on the date of the Prospectus.

The lock-up agreements are subject to the following carve-outs: (i) the sale of shares in a block trade where majority of the Company's shares is being sold; (ii) transactions relating to shares acquired in open market transactions after the completion of the Offering, or the exercise of any stock option to purchase Shares pursuant to any remuneration plan of the Company; (iii) transfers of shares or any security directly or indirectly convertible into or exercisable or exchangeable

for Shares as a bona fide gift or by will or heritage, or (iv) distributions of shares or any security directly or indirectly convertible into or exercisable or exchangeable for Shares to limited partners, members, shareholders or affiliates of the undersigned, or to any partnership or limited liability company controlled by the undersigned or by a member of the immediate family of the undersigned.

Subscription undertakings

Current shareholders of the Company have through subscription undertakings committed to subscribe for approximately 0.2 per cent of the Offer Shares offered in the Offering, which means they have committed to subscribe in the Offering with approximately EUR 6.4 thousand. The Company has received the following binding commitments to subscribe for Offer Shares in the Offering:

Shareholder subscribing for Offer Shares	Subscription undertaking (shares)	Subscription undertaking (EUR)
Nalle Stenman	118,280	2,365.60
Feodor Aminoff	102,154	2,043.08
Jari Varjotie	100,000	2,000.00
Total	320,434	6,408.68

The subscription undertakings are conditional upon the Company's Board of Directors resolving on the Offering no later than 31 July 2018. The Company has not received, nor requested, any collateral from the parties that have committed to subscribe for Offer Shares in the Offering through subscription undertakings.

Underwriting commitments

A consortium of underwriters has committed to subscribe for Offer Shares, so that the underwriting commitments of the underwriters applies to about 79.8 per cent of the Offering, after the subscriptions by subscription undertakings, meaning they have underwritten the Offering to a total of approximately EUR 2.8 million. The Company has received the following binding underwriting commitments to subscribe for Offer Shares in the Offering:

Underwriter subscribing for Offer Shares	Underwriting commitment (shares)	Underwriting commitment (EUR)
Fredrik Lundgren	25,000,000	500,000.00
Lusam Invest AB	25,000,000	500,000.00
Formue Nord A/S	20,000,000	400,000.00
Wilhelm Risberg	10,000,000	200,000.00
LMK Ventures AB	10,000,000	200,000.00
Modelio Equity AB (publ)	8,000,000	160,000.00
Economics AB	6,000,000	120,000.00
Gryningskust Holding AB	5,000,000	100,000.00
Kivsvalk AB	5,000,000	100,000.00
Bernhard von der Osten-Sacken	4,000,000	80,000.00
Patrick Bergström	4,000,000	80,000.00
Navitex Trading AB	4,000,000	80,000.00
Feat Invest	3,145,234	62,904.68
Capidal AB	2,500,000	50,000.00
Jimmie Landerman	2,500,000	50,000.00
Johan Biehl	2,500,000	50,000.00
Niclas Löwgren	2,500,000	50,000.00
Total	139,145,234	2,782,904.68

The underwriting commitments received are referred to as "base underwriting commitments". If the Offering is not subscribed to 80.0 per cent by other subscribers, The Board of Directors of the Company has the right, but not the obligation, to allocate an amount of Offer Shares, to the providers of underwriting commitments in accordance with the terms of the underwriting agreements, that is equal to the amount that the total amount of subscriptions of other subscribers than the providers of underwriting commitments has come short from the above mentioned amount, however up to the maximum amount of the underwriting. The allocation between the underwriters is made in proportion to the underwriting commitments given. A fee, the size of which is ten (10) per cent of the amount of the given underwriting guarantee, is paid for the underwriting commitments to their providers. The Company is obligated to pay the fee, regardless of if the Company has or has not made a resolution regarding the Offering by 31 July 2018, at the latest. The payment of the fee to an underwriter is always conditional on the underwriter subscribing and paying the amount of any Offer Shares possibly allocated to it in the Offering. The underwriters are entitled to use their underwriting fee for setting off the subscription price of the Company's new shares in a directed issue to be arranged for the underwriters, if necessary, after the Offering. In such cases, the underwriting fee is twelve (12) per cent of the given underwriting commitment, meaning for all underwriting commitments a maximum underwriting fee of approximately EUR 333.9 thousand. See also the section

”Arrangements related to the Offering – Directed share issues that are potentially arranged in connection with the Offering” in the Prospectus. All underwriting commitments have been signed on 21 May 2018.

Directed share issues that are potentially arranged in connection with the Offering

Augment Partners AB 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 investors procured by Augment Partners AB primarily participate in the Offering and, if the Offering is subscribed in full, a separate share issue can be additionally directed to them with the same Subscription Price as in the Offering. The size of directed issue to investors procured by Augment Partners AB would be a maximum of 43,583,020 shares, meaning approximately EUR 0.9 million, if the directed issue is fully subscribed. The amount of shares received by investors procured by Augment Partners AB in the possible directed issue would amount to approximately 12.5 per cent of the total amount of shares in the Company after the Offering and the possible directed share issue, assuming that the Offering and the possible directed issue to investors procured by Augment Partners AB are both fully subscribed.

The Company targets through Augment Partners AB new professional investors to become shareholders in the Company, in order to expand the Company’s funding base to ensure adequate access to financing also in the future. The Company’s Board of Directors considers this to constitute weighty financial grounds according to 9:4 § of the Finnish Companies Act to arrange a directed issue. 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, the providers of the underwriting commitment are entitled to use their underwriting fee to subscribe for new shares in a directed issue, which can be arranged to the providers of underwriting commitments after the Offering. See also the section *”Arrangements related to the Offering – Underwriting commitments”* in the Prospectus. In this case, the underwriting fee is twelve (12) per cent of the amount of the underwriting commitment, meaning a maximum of approximately EUR 333.9 thousand. The subscription price in the directed issue is defined as the volume weighted average price on First North Sweden during the Subscription Period.

The Company has chosen to ensure that at least EUR 2.8 million is raised before the reduction of the estimated expenses of the Offering, totalling approximately EUR 0.5 million, by obtaining underwriting commitments. A condition for obtaining underwriting commitments was that the providers of underwriting commitments are entitled to receive an underwriting fee as shares in the Company. The Company’s Board of Directors considers this to constitute weighty financial grounds according to 9:4 § of the Finnish Companies Act to arrange a directed issue to the providers of underwriting commitments. 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.

Market overview

The Prospectus contains certain market and industry data from third parties. Although the information has been accurately reproduced and the Company considers the sources reliable, the Company has not independently verified the information why its accuracy and completeness cannot be guaranteed. As far as the Company is aware of and can confirm through comparison with other information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Savosolar produces solar thermal solutions for a range of different customers and its main product is solar thermal systems, where world's most efficient solar thermal collectors produced by the Company are used. Additionally, the Company produces and sells solar thermal absorbers for some customers' special solutions. The Company specifically focuses on segments with huge and fast growth potential. The segments include i) the district heating market in Europe specifically in Denmark, Germany, France, Finland, Sweden and countries in Eastern Europe as well as e.g. China and ii) industrial systems for process heating with the most potential markets, from the Company's point of view, in Latin America, Australia and Africa in addition to Europe. This means that the Company is specifically interested in large installations (over 500 m²), where there is less competition compared to smaller systems for households and efficiency of the systems is the most important factor for the user. The market for large installations is also attractive since it is the segment of the solar thermal market with the strongest growth. Additionally, delivery of complete systems is increasing the value added and the turnover of the delivery. One growth area is building integration solutions and as part of that, PVT (photovoltaic thermal – produces both solar electricity and thermal energy) systems. In this segment the Company can also give customers benefits which no competitor can offer.

Renewable energy district heating and cooling market trends until 2030

Globally, heating and cooling have clearly received a greater focus over the last three years, as renewable electricity is already being produced in many places more than it is possible to profitably take into use due to the limited nature and variable use of transmission networks. Additionally, it has been widely understood that heating and cooling will be where the largest demand of energy lies in a large part of the world, which means that the focus can not only be on making electricity with renewable energies. As one of the key examples of the abovementioned is the first strategy for heating and cooling adopted by the European Union in 2016, "An EU Strategy on Heating and Cooling"². This clearly states that still in the year 2050, heating and cooling will be where the largest energy demand lies in the EU. In developing the strategy, it has been found that a large part of heating is still made with fossil fuels and obsolete boilers, which means that they generate huge amounts of greenhouse gases. This has also been found to be unsustainable in terms of EU's emission reduction targets and the fight against climate change. That is why the EU wants the focus also of this sector to be to move towards renewable energy sources (RES).

It has also been noticed that district heating has a significant role to play in the future of clean energy production in the area of heating and cooling, even so that in 2050 it would be possible to produce 50 per cent of the heating in Europe with district heating³, as district heating is the easiest and most cost-effective way for the production and distribution of clean energy. For example, in France it has been decided to increase the share of district heating from 6 per cent to 30 per cent by 2030. At the same time in many countries, the profitability of heat and power cogeneration (CHP) has fallen due to the abovementioned reasons; a lot of subsidised renewable electricity is available and CHP plants operate largely with fossil fuels. In many countries, large quantities of CHP plants operating on fossil fuels are being shut down. For example, in Germany and Finland there has been plans of shutting down capacity of approximately 9,400 GW and 3,000 GW, respectively. Instead, local smaller district heating plants are coming, and these are to operate on renewable energy sources, mainly biofuels and waste incineration. As biofuels and waste are not enough to produce all the needed energy⁴, alternative renewable forms of production will be built into these facilities, or rather into more integrated energy systems in the future. In these systems, solar heat, as a completely clean and post-investment basically free energy source, rises up everywhere as a highly interesting alternative.

Several studies and forecasts have been made on this development, on the basis of which there is a movement towards district heating mainly by renewable energy sources in different parts of Europe and the rest of the world. For example, IRENA: Renewable District Heating and Cooling Roadmap to 2030 suggests that, not only in Europe but also China and the USA, it will be possible to achieve significant development in the use of renewable energy sources as part of district heating and cooling.

² An EU Strategy on Heating and Cooling; {SWD(2016) 24 final} 16.2.2016 COM (2016) 51 final, https://ec.europa.eu/energy/sites/ener/files/documents/1_EN_ACT_part1_v14.pdf.

³ EU Heat Roadmap 2050.

⁴ Ericsson K, Nilsson LJ. Assessment of the potential biomass supply in Europe using a resource-focused approach. Biomass Bioenergy 2006;30(1):1e15.

All in all, this is also reflected in the fact that large-scale solar thermal projects are emerging weekly from all over the world, both in the preliminary design phase and already in the form of offer inquiries and projects coming into planning.

Solar thermal markets in Europe

After a strong growth up until 2008 the solar thermal market in Europe has seen a decline in newly installed capacity, due to the decrease of sales mainly in small systems meant for the heating of water. The market for larger systems is growing, but is still not significant enough to raise the whole market into growth. However, the total installed capacity still increased in 2016 by 1.2 GW_{th}, which is an increase of 3.6 per cent of the total installed capacity in 2015. In 2016 the total turnover for the solar thermal market in Europe was approximately EUR 2.2 billion.⁵

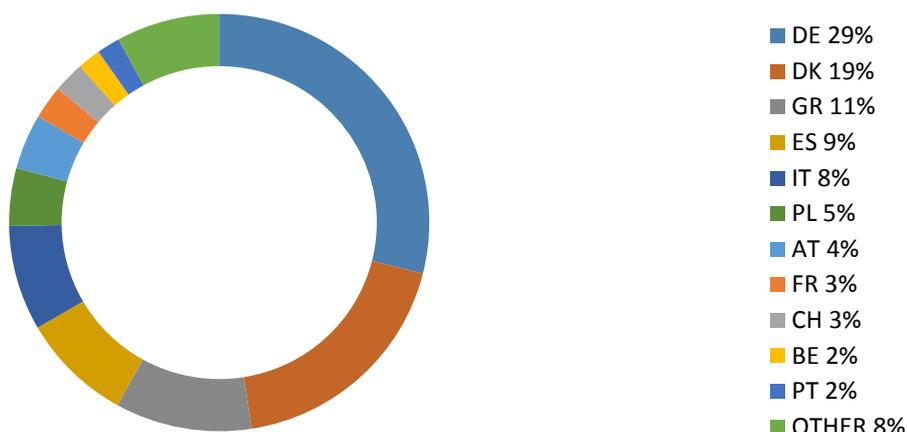


Figure 1: Shares of European Solar Market 2016 (Newly Installed Capacity)

Solar Thermal District Heating

Solar thermal district heating systems are a very large application for solar thermal technology and are currently the Company's most attractive market segment. These systems are integrated into local district heating networks both for residential and industrial use. During warm seasons, they can completely replace other sources, usually fossil fuels used for heat production, or save biofuels, which are currently increasingly being used in district heating production. Several studies have shown that after tank storage of fossil fuels, i.e. oil and gas, it is by far the most advantageous to store energy as thermal energy in a large water reservoir.⁶ Thanks to the development of these large heat storages, it is also possible to store heat during summertime for winter use. Because of this, solar heat can also meet part of the heating need in wintertime.

The economic and environmental benefits associated with the known reliability of this solar thermal application, coupled with the expertise gained over decades, have increased interest in its commercial activities, especially in Europe where Denmark has been a forerunner. As a consequence, the solar thermal district heating market is also in a completely different position at the moment in comparison with four years ago when the Company received the first large-scale deal in Denmark. Between 2013 and 2016, the only significant market was in practice Denmark, where there is strong local competition. Now Denmark, after a year's downturn, is very active and the market is significant, but there are also several other countries in the Company's portfolio. At present, the Company has already more potential projects in terms of both amount and monetary value elsewhere than in Denmark and the Company expects that the significance of these other markets will continue to grow in the future.

This is also seen more commonly; at the Solar District Heating conference in April 2018 in Austrian Graz, there were more than 350 participants and the president of the European district heating association, Euroheat & Power, Werner Lutsch said in the presentation that this year, solar district heating will generate over 1 TWh (= 1 billion kilowatt-hours) of district heating in Europe for the first time. He also said that according to market analyses, the solar district heating capacity is expected to increase to 240 terawatt-hours by 2050. This would mean 15 per cent of Europe's district heating

⁵ Solar Thermal Markets in Europe – Trends and Markets Statistics 2015. ESTIF, November 2016.

⁶ Henrik Lund: Renewable Energy Systems; The Choice and Modelling 100% Renewable Solutions, 2014 edition.

needs. Despite the downturn in 2017, the solar district heating market has grown by an average of 35 per cent per year over the past five years and the growth seems to continue.⁷

As described in Figure 2, Denmark has come much further compared to the other markets when considering the capacity of solar district heating and how many systems are installed. According to the Company, this reflects what opportunities there are on the market.

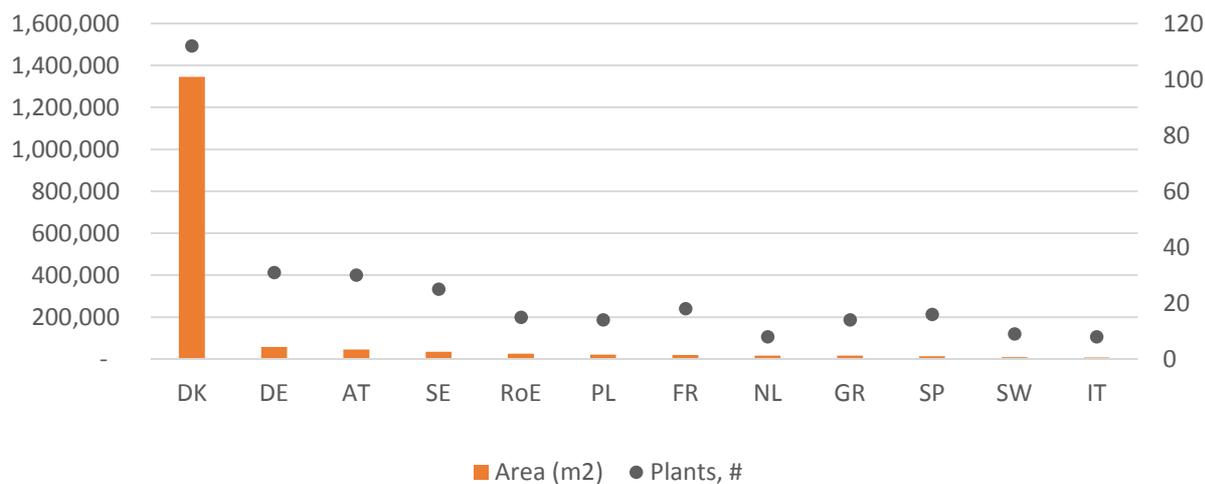


Figure 2: Solar district heating and cooling - Collector area and number of systems installed 2016

Global market potential for district heating is over one billion square metres, which means a market potential of several hundred billion euros. Even if only 10 per cent would happen by 2050, it would mean an annual market of over EUR 1 billion, especially for large collector fields, as part of district heating.

Analysis of the most important markets of the Company

Denmark's solar district heating systems

Denmark is the world leader in solar district heating. There are about 104 operating large-scale systems, with an average collector area of 13,800 m². At the end of 2016, these plants had a total capacity of approximately 1,300,00 m² (911 MW_{th}). Savosolar made its first deal on the Danish district heating market in 2014.

The year 2016 was a record year for solar heating systems in Denmark. A total of 31 new systems were installed and 5 systems were expanded. This means that the new installed capacity increased by 495,226 m² (347 MW_{th}), which is twice the speed compared to 2015, when 15 new systems were installed and 3 were expanded. Then the new installed capacity amounted to 250,161 m² (175 MW_{th}).⁸ In 2017, however, there was a strong downturn in the market as only five systems were installed in Denmark with a capacity of 26,536 m².

Denmark's potential remains high, despite temporary market fluctuations. According to set targets, in the year 2030 there will be 8 million square metres of large solar thermal systems, meaning a market potential of almost EUR 3 billion.

⁷ Euroheat & Power News and SDH conference presentations. <https://www.euroheat.org/news/>.

⁸ Solar Thermal World publication: Denmark: Solar District Heating Capacity Nearly Doubles in 2016.

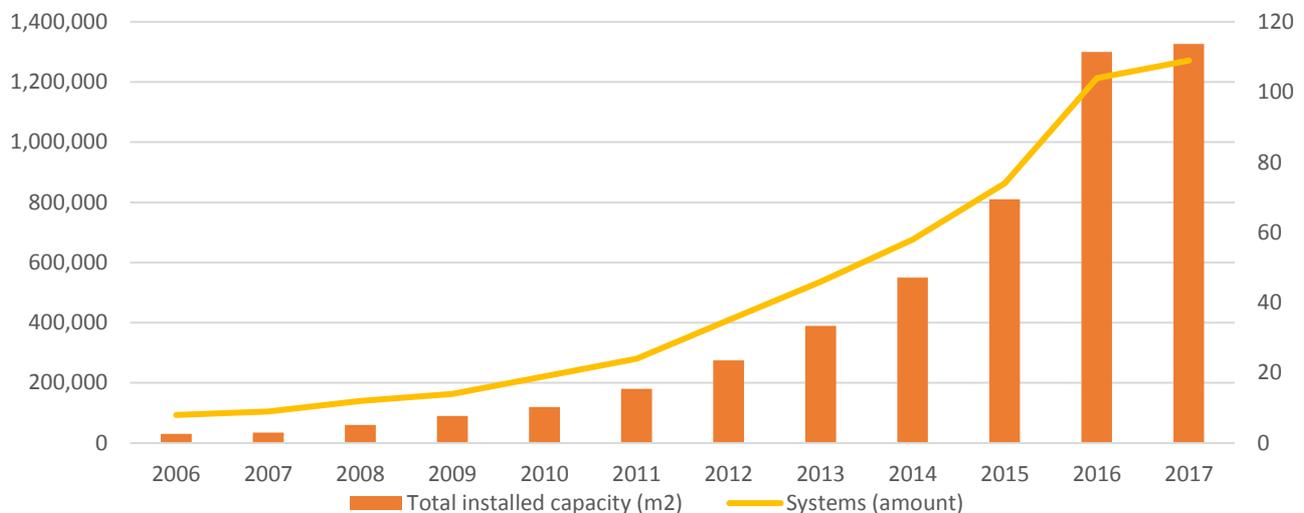


Figure 3: Installed solar thermal capacity in district heating systems in Denmark and amount of systems

Germany

Germany is the largest and the most established solar thermal market in Europe for small systems. Solar thermal is widely accepted, there are competent installers and further, there are interesting and growing market segments where efficiency matters and future growth can be expected. It is forecasted that the German solar district heating market for larger systems will grow as large, or larger, than the Danish one in next few years.⁹ As demonstrated by the more than 100 large-scale systems in Denmark, producing more than 20 per cent of the annual district heating is possible and profitable without a large water reservoir that can increase the share of solar thermal by more than 50 per cent. However, this is often such a large investment that a large part are seeking to reach a 20 per cent share. The magnitude of the German market potential can therefore be calculated as follows: If 20 per cent of the district heating production of the 70 largest German cities were made up of solar thermal, it would mean approximately 40 million square metres of solar collectors, meaning about EUR 14 billion in market potential.

Energiewende, which has received a lot of fame and has helped with changes in Germany, was changed to Wärmewende during 2015, which means the focus has been directed to implementing renewable heating energy and to saving energy. Germany is also moving from tariffs towards an auction system for the sale of renewable energy, which means that the significance of larger systems will grow thanks to higher efficiency. In different states of Germany there are different subsidies available, but in most states, investment subsidies for solar thermal systems connected to district or process heating can range from 40 to 50 per cent, as the expansion of solar heat with other renewables is to be promoted. In Germany, the market has started slower than expected due to various political reasons, which have been due to the disorder of the higher level political administration.

France

In France, the state is focusing, according to the EU's strategies, on the promotion of clean energy in the production of heating energy, including state support measures. In the case of large solar thermal systems, the market has grown even faster than expected and the construction and operation of solar thermal systems are clearly profitable in France. Therefore, there are already several players in the market that invest in solar thermal energy production and sell heating for example to industrial process plants. These actors are able to take the necessary administrative measures for an efficient investment and get the systems up and running faster than potential municipal operators. The market is projected to grow relatively fast the next few years and several thousand square-foot projects are already under works.

Other European countries

Increasing the share of district heating and copying the Danish solar thermal model is also taking place in other European countries, however taking into consideration local conditions and special features. Currently, active markets include several Eastern European countries, which still receive special support from the European Development Fund and other

⁹ Solar District Heating EU-project meetings in 2013-2016.

EU sources. In addition, there are projects in the markets of Netherlands, Belgium, Austria and Italy in different stages of development.

Other markets

At the moment, China is moving from traditional small-scale water heating systems to larger systems and collectors and is interested in the European model and European technology and know-how. This will make China a very interesting market for the foreseeable future also for European players.

There is also a lot of interest outside of Europe, especially in areas where the price of fossil fuel is high for various reasons. Such areas include Latin America, Africa and Australia. In some regions, access to energy is also challenging in these areas. Also, especially in a variety of process industries where heat is constantly needed and where energy prices can be a major factor of production, pure and unlimited solar thermal energy is a very interesting alternative. When the price of energy is between EUR 60-90 per megawatt-hour and solar radiation is up to two times more than in Northern Europe, solar district heating can also be a very profitable investment. According to the Company, all of these markets are expected to move ahead and grow in the upcoming years.

Process heating

In addition to certain geographical markets there are certain technical solutions where solar thermal is expected to be in a really large role in the future and where energy efficiency is of great importance. One of them is the process heating industry. IAE has conducted several studies to assess the potential of solar thermal in this segment. IAE's Task 49 / IV, Solar Heat Integration in Industrial Processes¹⁰, the results which were announced in the end of 2016, is one of these. According to study, it is possible to produce approximately 4 per cent of the process heat of the world (in total 98 EJ), i.e. 3.9 EJ, with solar thermal. The amount of solar collectors needed could be about 2.3 billion square metres, i.e. EUR 550-600 billion in market potential. According to the researchers, the figure is conservative, as in many industrial plants the conditions for the use of solar thermal is preferable to what can be estimated on average. This is the case, for example in the mining industry, where part of the processes of the mines require lower than 100 celsius degree water or heat all day. Due to the terrain, it is often difficult to access these mines, and currently they usually make their energy by diesel oil. Although the low price of oil has delayed the growth of this sector, the Company expects there to be several very large installations of large solar thermal process heating (15,000–50,000 m² each) annually in the coming years. Several companies in the industrial sector have expressed an interest in what are referred to as energy sales contracts. In such contracts, an industrial enterprise buys renewable thermal energy for a period of 12–15 years without investing in heat production equipment itself. Fund providers/integrators which provide companies and associations that need energy with such an opportunity have begun to enter the market. Savosolar's possibility to carry out similar projects, together with its partners, has already been requested by several parties, and the Company is looking for alternative solutions for them.

Solar thermal cooling

Solar thermal cooling is another interesting area for technical solutions, where high growth can be expected in the future¹¹. Solar thermal cooling comes in question as a cooling solution both in warm areas as well as in areas where there are large variations in the temperature between seasons, where the cooling demand increases during summer times. The so-called district cooling by district heating companies is also of great interest, and many experiments have been carried out throughout Europe. Here the sun can also play a significant role. The market is expected to be huge when the economy of the solar thermal cooling systems reaches a competitive level even for the cooling of individual properties. That is why Savosolar participated in as project named SOLHC - Solar Heating and Cooling in Northern and Central Europe.

Competition

The size of the solar thermal market in Europe in 2016, based on data from ESTIF (European Solar Thermal Industry Federation) and the Company's management, was approximately EUR 2.2 billion. According to statistics from ESTIF the total market has been declining in the last 4-5 years, but the sectors that Savosolar focuses on; heating for industrial processes, large-scale systems for district heating and energy renovations of old multi-store buildings, have been and are growing at a significant pace. Additionally, in the market for these large installations (over 500 m²) there are only less than ten competitors globally. Savosolar's main competitors are companies who deliver large systems and have their own large area collector, and these are Arcon-Sunmark Solutions and GREENoneTEC, which is only selling its collectors to

¹⁰ SHC IEA (Solar Heating & Cooling Programme, International Energy Agency), <http://task49.iea-shc.org/>.

¹¹ European Renewable Energy Council (EREC). "RE-thinking 2050".

integrators in its attempt to enter the market. Additionally there is German KBB, which only produces and sells collectors, and lets their customers produce the systems. Such systems are also delivered by Solid and Millenium Energy Industries, which both buy their collectors and thus are potential customers to Savosolar as well. There are also other system integrators which, although otherwise experienced in heating systems, are not experienced in the solar thermal sector and have begun to enter the markets, seeking a solar thermal partner. Viessmann and Ritter Solar deliver mainly in Germany industrial process heating systems with vacuum tube collectors, but these should mainly be used when the temperature needed is above 100 degrees Celsius. Viessmann has also brought a large flat plate collector to the market under their own brand, which they have according to the information available to the Company bought from GreenOneTec.

China is by far the largest solar thermal market in the world, but, opposite to photovoltaic markets, Chinese collectors have not yet affected the solar thermal markets in Europe significantly. The Chinese companies generally produce for domestic use and the Asian markets. Collectors which are exported tend not to be as appreciated in Europe, and the price of the high quality collectors from Chinese producers are on the same level as the European competition. During the last year, the Chinese have invested in larger collectors and systems in their own markets by building up cooperation with European manufacturers.

Description of business

Savosolar in brief

Savosolar is a Finnish public limited liability company that manufactures internationally award-winning solar thermal absorbers and collectors as well as energy production systems built on these. According to the knowledge of the Company's management the solar thermal collectors with MPE absorbers manufactured by Savosolar are the most efficient in the world.¹² Savosolar focuses primarily on large solar thermal collectors and industrial-size heating systems. The Company started product deliveries in June 2011 and has since delivered over 50,000 m² of collectors to its customers in 18 countries on four continents. The uniqueness of the Company's products is based on a vacuum coating process where the complete absorber structure is coated at once.¹³ This means that thin-walled aluminium profiles, which are very effective heat exchangers and with which therefore an effective direct flow of heat transfer can be achieved, can be used. The Savosolar team has extensive know-how and experience in vacuum coating techniques as well as in international sales and business management. In its manufacturing processes the Company uses the developed technologies and the quality system meets the ISO 9000 requirements. The Company aims to expand its business rapidly and supports its customers in reaching their environmental and business targets by significantly reducing their energy costs. Savosolar constantly invests in product development in order to maintain the best solutions for the needs of the growing renewable energy market.

Strategy

The Company's mission is to fight climate change with the leading solar thermal technology to provide competitive and stable energy. The vision is to be the global first-choice supplier to high performance solar installations by 2020.

The Company's strategy is to maintain the position as the supplier of the world's most efficient solar thermal collectors and -systems with MPE-absorbers for customers and applications where efficiency matters the most. This means large scale, industrial or real estate installations like solar thermal district heating, industrial process heat and large real estate heating renovations.

Savosolar has partners in different markets, with whom whole energy systems are supplied. The partners can be either vendors of global components or solutions (such as isoplus Fjernvarmeteknik A/S, a global pipeline supplier) or local integrators or installation companies. With the help of these local partners, Savosolar contributes to the local economy in supplying and installing clean energy systems. The revitalisation of the local economy is often a major factor when municipalities and cities make decisions about, for example, investments in their own district heating plant. Local partners are already present in several countries, and examples of cooperation agreements are Flemming Jorgensen S.A. de C.V. in Latin America and Geoflow Australia in Australia. The partners also act as a sales channel for the Company in addition to its own sales staff. This approach has also proven to be the best one, when looking for both optimal customer functionality and the most competitive cost for the system, as local partners can efficiently utilise local workforce and know-how.

The Company's long-term goals

Savosolar's goal is to continue to be an innovative technology leader in the industry. Therefore, the Company plans to invest 3–5 per cent of its revenue every year in product development. In 2018–2019, however, the investments in product development are estimated to be somewhat more moderate, amounting to approximately EUR 0.2 million a year. While the geographical focal point of operations is currently in Europe, the Company has started active marketing through partners in other geographical regions and also seeks to expand beyond European borders during the next few years.

¹² The efficiency of Savosolar's 15m² and 2 m² standard collectors equipped with MPE absorbers have been determined in harmonised certification tests carried out by independent research institutions. These tests are the basis for the Solar Keymark certification to be issued in the EU. The tests determine the technical values which influence absorber efficiency. Based on these values, Savosolar's collectors equipped with MPE absorbers are the most efficient flat plate collectors in the world. In other words, the amount of energy produced by them per square metre in a similar system and under similar conditions annually is higher than that produced by competitors' products. The Solar Keymark database containing the information of all collectors being sold in Europe is public and can be accessed at www.estif.org/solarkeymarknew/index.php. Equivalent technical information can also be found on collectors manufactured elsewhere in the world, and according to the information available to the Company's management, Savosolar's solar thermal collectors with MPE absorbers (Savo 15 SG, Savo 15 DG, SF-100-03 DE and DS) produce the highest amount of energy per square metre.

¹³ On the basis of the information the Company has collected from certification databases, customers, research institutes, suppliers and competitors, there is no other collector on the market with an aluminium coated direct flow absorber which has an efficient optical coating.

Savosolar's goal is to increase the annual production significantly from approximately 40,000 square metres in 2016 and to move more and more to the role of a system supplier. The Company's long-term targets for the gross margin is over 30 per cent, EBITDA margin 17-18 per cent and profit (net profit for the financial year/revenue) margin 11 per cent.

History

Savosolar was founded in December 2009 by Rosa Aimo, Kaj Pischow and Vesa Sorasahi. In April 2010, the Company hired its first employees and rented factory space from the city of Mikkeli. At the same time, Savosolar purchased coating line which was already in the factory. At the initial stage the Technology PhDs Martin Andritschky and Luis Rebouta, who both work at the University of Minho in Portugal as professors within material technology and have decades of experience in developing vacuum coatings and using them in industry, were actively involved in the Company. They are still act as technical advisers to the Company when needed. Martin Andritschky and Luis Rebouta are, as is Kaj Pischow, well-known internationally for their coating expertise and have published numerous articles and research papers in the field. These three people, together with other employees of Savosolar, developed a coating process and coating which is innovative and differs from the mainstream of the market for solar thermal collectors.

Savosolar also started to develop a direct flow absorber based on an MPE (Multi-Port Extrusion) profile of its own design. For this absorber Savosolar received the Intersolar Award (the world's largest solar event) together with the Danish company Hydro Aluminium Precision Tubing in 2011. In April 2011 Savosolar's first collector was certified¹⁴ with the Solar Keymark, which meant that the Company's product could be sold all over Europe. In May 2011 the first sales were made in Finland. The first larger export delivery was made in November 2011 to South-Africa.

In May 2012 Savosolar's second collector was certified with the Solar Keymark and in September 2012 the Company was certified by the Bureau Veritas for its quality system according to the ISO 9001:2008.

On 28 August 2013 the Company filed a restructuring application in accordance with the Restructuring Act and the District Court of Pohjois-Savo ordered restructuring proceedings to commence in the Company on 2 September 2013. The District Court of Pohjois-Savo approved the Company's restructuring programme on 13 February 2014. For more information about the restructuring programme, see "*Description of business – Legal and arbitration proceedings – Restructuring 2014-2018*".

In the summer and autumn of 2013 the first deliveries of PVT-panels¹⁵ were made to both Racell in Denmark and Li-Mithra in France, thus opening new, promising markets for Savosolar.

In March 2014 the Danish subsidiary Savosolar ApS was founded in order for Savosolar to better serve the Danish market where the Company has clearly had the most sales.

The Company developed in-house flame brazing of absorbers. The flame brazing process was certified by the accredited certification company Inspecta in summer 2014.

On 10 July 2014 and 20 November 2014 the Company entered into two (2) delivery agreements with a Danish company Løgumkloster Fjernvarme (District Heating Plant). The total value of the delivery is approximately EUR 1.6 million. For more information about the agreements, see "*Description of business – Material agreements – Delivery agreements with Løgumkloster Fjernvarme*".

In January 2015 the Company received the Solar Keymark certificate for the TPS collector¹⁶ (SF 100-04-TPS).

Savosolar arranged an IPO in February–March 2015, with which the Company collected approximately EUR 4.1 million before expenses related to the IPO. Approximately EUR 2.9 million of the proceeds in the IPO was paid in cash and approximately EUR 1.2 million by setting off loans granted to the Company. Savosolar's Shares were admitted to trading on First North Sweden on 2 April 2015. Savosolar dual-listed the Shares in First North Finland on 24 April 2015.

During the summer of 2015, the Company signed a third agreement with Løgumkloster Fjernvarme concerning the delivery of a collector field comprising approximately 5,500 m² and worth approximately EUR 1.0 million. Furthermore,

¹⁴ The certification is not mandatory, but a large part of the customers require the certification for collectors purchased.

¹⁵ PVT (photovoltaic thermal) PVT stands for photovoltaic-thermal and is a combination of an electricity producing solar panel and a solar thermal absorber, where the heat absorber absorbs and collects the heat from (and thus cools) the PV-panel which improves the efficiency of the PV-panel. PV-panels' efficiency decreases when their temperature increases. This means that you get both electricity and heat energy from the same panel.

¹⁶ A TPS-collector (thermoplastic sealing) is a collector in which the solar glass and roll bond–aluminium absorber are combined by a thermoplastic seal, with a similar method used to manufacture of thermally insulated windows.

the Company won a tender for the delivery of a solar thermal collector field of approximately 15,000 m² to Jelling Varmeværk. The agreement concerning this delivery was signed in August 2015, and its value is approximately EUR 2.0 million. For more information about the agreements, see “*Description of business – Material agreements – Delivery agreements with Løgumkloster Fjernvarme*” and “*Description of business – Material agreements – Delivery agreement with Jelling Varmeværk*”.

Savosolar organised a rights issue in November–December 2015, with which the Company collected approximately EUR 4.2 million before expenses related to the rights issue. Approximately EUR 0.525 million of the funds received from the issue were paid by setting off loans granted to the Company.

On 25 February 2016, Dansk Energi Service A/S signed a delivery agreement on the delivery of a solar thermal collector field to the Søllested district heating plant in Denmark. Savosolar delivers and installs the solar thermal collectors as a subcontractor to Dansk Energi Service. The collector field was built in the summer of 2016. The value of the delivery to Savosolar was approximately EUR 0.7 million.

On 31 March 2016, Savosolar signed an agreement on the delivery of solar thermal collectors to Jyderup district heating plant in Denmark. The agreement’s value to Savosolar is approximately EUR 1.5 million, and the delivery was made in the autumn 2016. Jyderup’s district heating plant is owned by the energy company Fors A/S, which has two other district heating plants in Denmark.

The annual general meeting of Savosolar held on 19 April 2016 decided to change the Company’s type to a public limited liability company. The change in company type was registered in the Trade Register on 11 May 2016.

The solar thermal collector field which Savosolar delivered to Jelling Varmeværk in Denmark in the spring of 2016 was taken into use in June 2016. Energy production in the first section of the field started at the beginning of June and as early as during the first weekend, the production volume during a single day was 34 MWh. This section of the field contains 461 of the entire field’s 1,031 collectors, with a total surface area of 6,836.63 m². The measured production of this section is a record-high 4.97 kWh/m². According to information available to the Company, it sets the record in Denmark and surpasses the efficiency of the second best field by nearly six (6) per cent.

Savosolar arranged a rights issue and two directed share issues in September 2016, where the Company raised approximately EUR 5.8 million in net proceeds.

In the spring 2017 the Company founded a German subsidiary, Savosolar GmbH, in order for Savosolar to better service the German markets, where the Company sees a lot of potential.

During the spring and summer 2017 the Company made approximately EUR 550 thousand of deliveries in Finland and Sweden e.g. for Ystad Energi AB, Elenia Lämpö Oy’s nursing home, Consti Talotekniikka, which was responsible for renovating the HVM-system in the Hämeenlinna swimming pool, and to Etelä-Savon Energia Oy in Mikkeli, where the district heating is being equipped with solar thermal collectors.

In the summer 2017, Savosolar carried out a rights issue and two directed share issues, where the Company raised about EUR 4.5 million.

During the rights issue in the summer of 2017, warrants were issued, free of charge, to subscribers of shares, which resulted in the subscription of shares during November-December 2017, and the Company raised about EUR 1.3 million.

Savosolar and Beijing Yuxin Solar Energy Co. signed a letter of intent in November 2017 on cooperation of the sale and manufacturing of collectors on the Chinese market, possibly through a license agreement or joint venture. In March 2018, Savosolar delivered the first collectors for development and certification tests in China.

In January and March 2018, the Company signed the final contracts for the supply of solar thermal systems to Véolia ECHM (the value of the contract was about EUR 90 thousand) and to newHeat SAS (contract value over EUR 2 million) in France. Condat-sur-Vézère’s newHeat SAS solar thermal plant will become the largest in France with a 4,000 m² collector area. This will also be the first flat plate collector field in the world installed on a one-axis tracking system.

In May 2018, Savosolar signed an agreement concerning a turnkey delivery of a solar thermal system to the Danish Grenaa Varmeværk A.m.b.a. The size of the solar thermal field of the system amounts to approximately 21,000 m² and the total value of the deal is approximately EUR 3.5 million.

The Products and offering

The Company's main products are large solar thermal collectors, and especially solar thermal systems made with these. According to information available to the Company's management, the collectors with MPE-absorbers manufactured by Savosolar are the world's most efficient¹⁷. The collector's core component is an absorber, which Savosolar also sells separately to certain customers. Savosolar also delivers, with increasing importance in its portfolio, full systems including design and installation.

Savosolar collectors

Savosolar manufactures and sells mainly large area collectors (10–15 m²) for large installations. The solar glass used in the collectors are the best in the field, which also contributes to their effectiveness.¹⁸

Savosolar's main product is a 15 square metre large area collector for district heating and process heating systems. The product has an innovative design, bringing new features to the market which improve the endurance (and therefore lifetime durability) and efficiency of the collector field.

TPS-Glass-Absorber module and collector

In addition, Savosolar has developed a new TPS-absorber module (thermoplastic sealing), in which the solar glass and roll bond–aluminium absorber are combined by a thermoplastic seal. The space between the glass and the absorber is filled with argon gas to reduce the thermal loss attributable to convection. The TPS-module improves the efficiency of the collector significantly at higher temperatures. In addition to demonstrating better performance in higher temperatures, the module eliminates humidity condensation on the glass. Humidity condensed on the glass impairs the efficiency of a conventional collector in the mornings and when outdoor temperatures vary significantly. Collectors furnished with TPS modules allow for the use of more cost-effective insulation materials and highly automated production.

The module was launched in February 2014 in Berlin, and Savosolar has been awarded with the Solar Keymark certificate for a collector that includes this module. The Company has also filed two patent applications concerning the TPS module.

The TPS-modules and collectors made out of these are extremely well-suited for building renovation, which the Company expects to be a large market in the coming years.

TPS-glass-absorber-glass mass production collector

Savosolar has a development project, where the aim is to develop a full glass TPS-glass-absorber-glass large collector, while at the same time exploring possibilities to develop new business models for both the production of the collector and for providing heating systems with it. The large area collector is composed of elements in which the absorber is between two pieces of TPS-insulated glass and in which both of the spaces are filled with argon gas. In addition, this two-glass TPS collector module will enable the volumes and benefits of mass production in collector manufacturing, given that the collector in question can be manufactured on the production lines of existing insulating glass manufacturers. Indicatively, the prototype series of the TPS collector module will be produced on the production lines of two different insulating glass manufacturing companies. According to the knowledge of the Company's management the mass production of this new kind of collector could allow for a new business model in which production can be moved closer to the customer by making use of subcontracting and licensing. With this new kind of business model it could even be possible to set up a business unit together with licensing partners or industrial partners for this business. These new collector and potential new business model would also significantly lower the logistics costs connected to producing and installing a collector field. Tekes awarded a product development loan for this project (70 per cent) in February 2017. Additionally, this project has two parallel projects, one lead by a Finnish window manufacturer and the other together with a consortium of German partners. If the project will succeed according to plan, technically and economically, The Company's management and the partners in the development project believe this product and concept could have a revolutionary impact on the global business of global large collector fields.

¹⁷ For more information about the efficiency of the absorbers and collectors, see the section "Description of business – Savosolar in brief", in particular the footnote number 12.

¹⁸ The solar glasses are certified (eg. by the Swiss research institute SPF), at which time they are assigned technical information, on the basis of which the permeability of radiation at different angles on the solar glass, and thereby the recovered solar energy can be compared. Based on comparative data the glass used by Savosolar is the best in the industry.

Savosolar absorbers

The absorber is the core of the collector. A heat transfer liquid flows inside, where the sun's energy is transferred as heat with the absorber's optical coating and structure. Even though Savosolar absorbers are usually sold integrated in the collectors, they may also be sold separately.

Savosolar has filed three (3) different patent applications in relation to absorbers and the coating and production of them (method for providing a thermal absorber, method for manufacturing thermal absorber for solar thermal collector and method for producing a direct flow aluminium absorber for a solar thermal collector), for which patents have been granted in different countries. According to the Company's management's knowledge, Savosolar is the only company in the world able to industrially coat complete ready-made absorbers up to 18 m² with highly selective nano-optical vacuum coating. The coating are based on very hard tool coatings and are consequently able to work at high temperatures for decades without the significant degradation of the optical attributes.¹⁹ Additionally the coating has top class optical properties: the absorbance is 96 per cent, the emissivity only five (5) per cent and together with the superior glass an extraordinary amount of solar radiation at exceptionally high angles can be recovered with the collector.²⁰

Savosolar has two (2) different types of direct flow full aluminium absorbers with highly selective in-house optical MEMO-coating (i.e. the one that maximises the solar radiation energy absorption throughout the visible light wave length range and minimises reflection. They are described below.

MPE (Multi-Port Extrusion) profile absorbers

The Company's certified brazing process allows it to produce direct flow absorbers from the MPE (Multi-Port Extrusion) profiles, which are known to be the best heat exchangers for different types of industries. The profiles are produced by Hydro Aluminium AS's Danish subsidiary, which delivers profiles to, among others, all large European car manufacturers. The Company's PVT absorbers, which are currently sold to France, Switzerland, Japan and Denmark, are manufactured based on this MPE-profile.

The profiles are approximately four (4) millimetres thick, 100 millimetres wide and 2–6 metres long with small channels throughout the whole length of the profile. This type of thin-walled profile is the most efficient for heat exchange. The excellent efficiency value is based on the fact that the area used for heat exchange can be maximised at the same time as the heat transfer distance can be minimised with the profiles. At the same time the weight of the material and relative cost are very competitive. Due to these reasons the profiles have dominated the manufacturing of efficient heat exchangers already for over thirty years. Similar profiles are used especially in the automotive industry, but also in pumps and ventilation devices. The significantly higher performance of Savosolar's absorbers and collectors compared to competing products is mainly due to the fact that Savosolar is the only company in the world, according to the knowledge of the Company's management, that is able to use this type of efficient heat exchanger aluminium profiles in solar thermal absorbers. The efficiency value F' (the absorber efficiency of heat transfer, not the unit) depends very much on the distance of the liquid channels and even though this value is theoretical and the definition varies, it can be used to understand the difference between different absorber designs. In Savosolar's absorber it is extremely close to the maximum value of 1. The same value for traditional high quality absorbers is between 0.80 and 0.92.

Roll-bond absorbers

In the roll-bond process, the liquid channel structure is printed with a special ink on an aluminium sheet and with different patterns an optimised flow of the heat transfer liquid through solar absorbers can be achieved. A second sheet is then rolled over the first sheet and they are cladded together except for the areas printed with the special ink. After this, the flow channels are opened with pressurised air. CGA Technologies S.p.A., that supplies roll bond absorbers to Savosolar, uses its developed and patented TiO ink for the channels which gives these absorbers the extremely good corrosion resistance tested in the German institute TÜV (Technischer Überwachungsverein). The roll-bond absorber also provides good heat transfer from the coated aluminium directly to the liquid – even if not as well as the MPE-absorber. According to the Solar Keymark certification, the efficiency of a collector with this technology is 7-8 per cent lower than the MPE-absorber. This means that the F' value described in the previous paragraph is 0.92-0.93, which is still better than most other collectors in the market.

¹⁹ Minna Kotilainen's dissertation Temperature-Induced Ageing Mechanisms and Long-Term Stability of Solar Thermal Coatings, Tampere 2014. Publication 1222, Tampere University of Technology.

²⁰ The data is based on the results of Minna Kotilainen's dissertation, Solar Keymark certification test results, as well as the measurement results of the glass and coating made by the Swiss leading research institute within solar energy, SPF.

PVT-absorbers

Savosolar also delivers MPE-profile absorbers without coating for PVT-panels. PVT stands for photovoltaic-thermal and is a combination of an electricity producing solar panel and a solar thermal absorber, where the heat absorber absorbs and collects the heat from (and thus cools) the PV-panel which improves the efficiency of the PV-panel. PV-panels' efficiency decreases when their temperature increases. This means that you get both electricity and heat energy from the same panel.

Production

At the moment Savosolar produces all of its collectors and MPE-absorbers in its own plant which is located in Mikkeli, Finland. The roll-bond absorbers the Company acquires from CGA Technologies S.p.A. Essentially, the process involves three steps: 1) the absorber manufacturing, for which the Company has two flame brazing stations and certified flame brazers, 2) the absorber coating, for which the Company has one large coating line for optical coating, and 3) the composition of collectors on the assembly line, where the main equipment is gluing stations (2) equipped with a robot as well as lifting and processing equipment for glass.

The current yearly production capacity is approximately 90,000-110,000 square metres. This is possible with the Company's current large collectors and by changing the production into three shifts, which was already done for a while in 2016, which means the Company knows how to successfully do it again. In addition, weekends serve as a flexible element when needed.

Customers and partners

The Company focuses on the market for large systems and project deliveries and has delivered its collectors and systems to 18 different countries. The Company's customers are energy companies such as district heating companies (up to this date in Denmark, Finland, Sweden and France) or major national or international energy companies (such as Veolia) and industrial companies in process heating solutions. In addition, customers can be large integrators supplying heating and cooling systems to the above-mentioned customer groups or investment companies that invest in energy systems and sell heating or cooling to those who need it - that is, large industrial or commercial companies or energy companies.

One of the Company's strategies is to seek local partners in different markets who already know the customers in their area and may already have worked with the customers' energy systems. The partners are familiar with the local market, the customers' needs and expectations and local laws and regulations. The partners also have expertise in the integration of energy systems, which together with them enables the Company to make turnkey deliveries using local resources without much own staffing in the implementation stage. These companies will act as one, and in the future, perhaps as the most important sales channel in addition to the Company's own sales staff. There are already local partners in more than ten countries, with close cooperation agreements signed in Latin America, Australia and China. In addition, the Company can have and have large (European, global) partner suppliers of components or solutions, such as isoplus Fjernvarmeteknik A/S as a global pipeline supplier. Through these partners, opportunities are also available for new projects around the world.

Projects

The Company's project deliveries are sold directly to customers as one offs. Projects are delivered in co-operation with other actors, either in such a way that Savosolar is responsible for the turnkey solution, or so that a local partner is responsible for the turnkey solution. The Company's largest projects so far are the deliveries of approximately 50,000 m² large-area collector fields to the Løgumkloster, Jelling, Lolland Varne and Fors A/S/ Jyderup District Heating companies in Denmark and a 4,000 m² collection field delivery to newHeat SAS in France.

The payment terms for projects vary, and in a typical project, the Company receives about 30 per cent of the project value as an advance and approximately 10 per cent of the project value as the last payment when the project is handed over to the customer. Intermediate payments vary and are negotiable. As an example, the Company may receive a payment at the following milestones: i) when the collector installation begins; ii) when the building is closed and ready for machine installation; iii) when 90 per cent of the collectors have been installed; and iv) when the installation in technical building has been finalised.

The table below provides a summary of the Company's most important project deliveries so far. For more information on these, see "*Description of business - Material agreements*" in the Prospectus.

Project	Project size	Year of delivery	Delivery to country / Other information
Løgumkloster	EUR 2.6 million	2014-2016	Denmark. Delivered and handed over to customer.
Jelling Varmeværk	EUR 2.0 million	2016	Denmark. According to the information available to the Company, it has the Danish daily energy production record and has almost six (6) percent better efficiency compared to the next best field. Delivered and handed over to customer.
Fors A/S / Jyderup district heating plant	EUR 1.5 million	2016	Denmark. Delivered and handed over to customer.
Lolland Varme A/S / Søllestedin district heating plant	EUR 0.7 million	2016	Denmark. Was made based on a cooperation agreement with Danske Energi Service (DES). Delivered and handed over to customer.
Véolia ECHM / Voreppe	EUR 0.1 million	2018	France. The project and system is in use and has been delivered, but final hand-over to customer has not been done due to finalisation of documents.
newHeat SAS / Condat-sur-Vézère solar thermal plant	EUR 2.0 million	2018	France. The largest solar thermal plant in France. The world's first large collectors that have a swivel stand to maximise solar radiation reception. Collectors produced, ground preparation work done, but collector delivery has not begun yet.
Oulun Seudun Sähkö / Ankkurilahti	EUR 0.2 million	2018	Finland. Finland's largest solar field. 200 kilometres from the Arctic Circle. Delivery in summer 2018.
Grenaa Varmeværk A.m.b.a	EUR 3.5 million	2018	Denmark. The Company's largest delivery agreement to date. Awaiting prepayment.

Research and development

Savosolar has since it was founded spent several million euro on research and development with universities (including the University of Minho in Portugal, the Fraunhofer Institute, Ingolstadt Universität and ZAE Bayern in Germany, CAPS, University of South Korea, VTT Institute, University of Jyväskylä, University of Lappeenranta and Aalto University) and research partners, as well as its own R&D team. The Company's research and planning team has consisted of 1–7 people, depending on the stage of development. Currently, it consists of three (3) people who mainly focus on customer-specific product development instead of long-term research and development.

The main objectives of the Company's product development has been high quality, efficiency and durability of the structures at a competitive cost – solutions which bring the customers of Savosolar the best possible return on investment. The Company does both customer-specific development and own product development: The main focus is to produce own products that are developed due to an identified customer need – or rather, an identified need for the market.

One of the Company's largest development projects has been the development of the efficient large area absorbers and collectors used in district heating and/or process heating systems. This has been and is connected to building expertise in whole systems; the ability to design the entire solar collector field into a hybrid heating system and installing even larger collector fields.

In addition to further developing the large area system concept the Company also explores solar thermal cooling. Savosolar participated in a project named SOLHC - Solar Heating and Cooling in Northern and Central Europe. The SOLHC project belongs to the Finland – Germany framework program and the Finnish part is financed by Tekes. The partners in Finland were Savosolar and VTT, and in Germany ZAE Bayern. The target of the project is to develop economically affordable heating and cooling system utilising the solar thermal energy. The project was finished in the spring of 2017.

Below a summary of the Company's capitalised development costs for the financial years ended 31 December 2017 and 31 December 2016 (amounts expressed in EUR thousand).

Development costs, total		Capitalised development costs during the financial period	(Audited)		Amortisations from capitalised development costs during the financial period	Capitalised development costs at the end of the financial period	
1 January - 31 December 2017	1 January - 31 December 2016	1 January - 31 December 2017	1 January - 31 December 2016	1 January - 31 December 2017	1 January - 31 December 2016	31 December 2017	31 December 2016
73.7 ²	104.8 ²	7.5 ¹	84.5	214.1 ²	212.5 ²	1,081.6	1,288.2

¹ Capitalised development costs are reduced by the EUR 81.6 thousand development grant from Tekes which was paid during 2017. Without the grant the capitalised development costs amounted to EUR 89.1 thousand.

² Unaudited

Patents and patent applications

The Company has submitted the following seven (7) applications for patents for which the stage in the process is described below:

Application number	Date of application	Description	Current status
PCT/FI2010/050342 BP202330JP	28 April 2010	Method for providing a thermal absorber (coating patent)	Application transferred to national phase, patent applications filed in Europe (EP-patent), Japan, Hong Kong and USA. The patent has been approved Italy, Austria, Japan, Latvia, Poland, France, Sweden, Germany, Slovenia, Slovakia, Finland, Switzerland, Denmark and Czech Republic.
PCT/FI2011/050160 BP203446	22 February 2011	Method for manufacturing thermal absorber for solar thermal collector (process patent)	Application transferred to national phase, patent applications filed in Europe (EP-patent), USA and Japan. The patent has been approved in Japan and USA.
PCT/FI2011/050877 BP205047	15 October 2014	Method for producing a direct flow aluminium absorber for a solar thermal collector (laser welding patent)	Application transferred to national phase, patent applications filed in Europe (EP-patent), USA and Japan. The patent has been approved in Japan and USA.
20145153 BP208432	17 February 2014	Solar thermal absorber element (TPS module patent)	Application filed in Finland, Europe, Japan, China and USA. Technical phase of research has begun everywhere excluding Japan.
20145907 BP209085	16 October 2014	Integrated flexible hose	Application filed in Finland, Europe, Japan, China and USA. Technical phase of research has begun for Europe and Finland.
20145908 BP209112	16 October 2014	Slide mounting of solar thermal collectors	Application filed in Finland, Europe, Japan, China and USA. Technical phase of research has begun everywhere excluding China.
BP209799	8 June 2015	Solar thermal absorber element	Application filed in Finland, Europe, Japan, China and USA. Technical phase of research has begun for Finland.

Trademarks

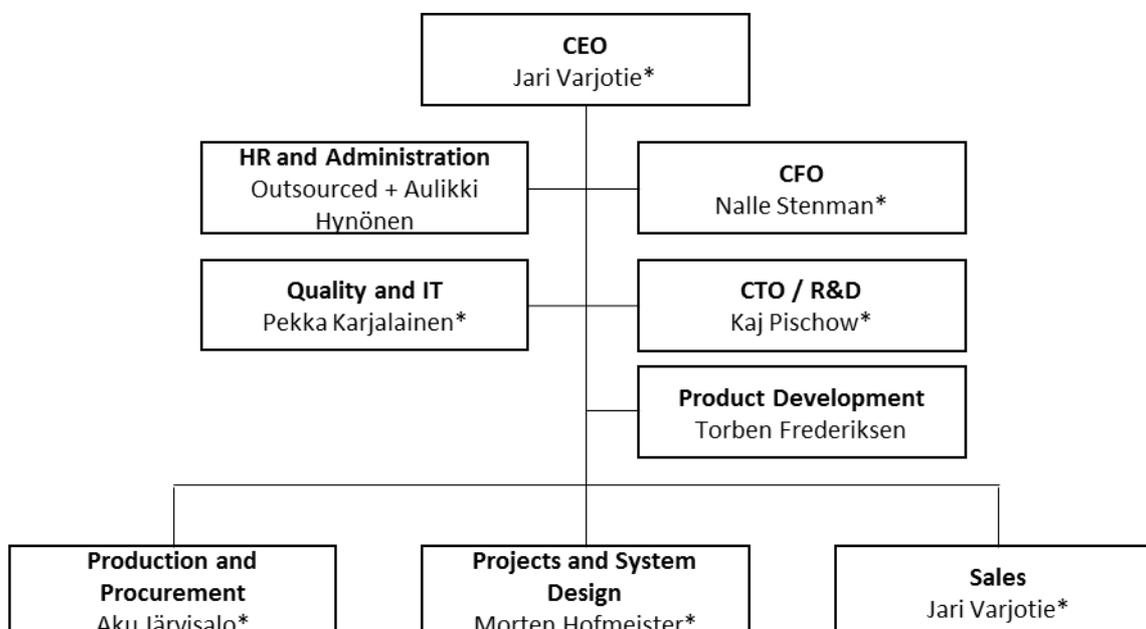
The Finnish Patent and Registration Office has on 14 August 2015 granted Savosolar with the Finnish trademarks for the word mark Savosolar and the combination of word and figure including in the Savosolar logo. The trademarks have been granted in the classes 9 (solar panels), 11 (solar-heating equipment), 37 (solar heating system installation services) and 42 (solar heating systems planning services). The trademarks are valid for ten years from the registration date. The opposition period relating to the trademarks ended on 14 October 2015.

Corporate structure and organisation

Savosolar has two wholly-owned subsidiaries in Denmark (Savosolar ApS) and Germany (Savosolar GmbH). In addition, Savosolar owns 55.0 per cent of the shares in Savolaser Oy, which is currently a dormant company. The rest of Savolaser's shares are owned by Veslatec Oy.

Savosolar has 38 employees as per the date of the Prospectus. The Company had an average of 42 employees in 2017, of whom 37 were in Finland, 4 in Denmark and 1 in Germany. The average number of employees of the Company in 2016 was 42 of whom 39 were located in Finland and 3 in Denmark

The organisational structure is illustrated below. The research and development department mainly focuses on customer oriented product development and enhancement as well as customer specific adaptations. As mentioned above, there is however a longer-term development project ongoing where a mass producible TPS-glass large system collector is being developed.



* Member of the management team

Material agreements

Delivery agreements with Løgumkloster Fjernvarme

The Company entered into two (2) delivery agreements on 10 July 2014 and 20 November 2014 of a total value of approximately EUR 1.6 million with a Danish company Løgumkloster Fjernvarme (District Heating Plant) ("Løgumkloster") on 10 July 2014 and on 20 November 2014 ("Løgumkloster Agreements"). The Company supplied and installed the deliveries according to the Løgumkloster Agreements to new heating central of Løgumkloster by the end of June 2015. In the summer 2015 Savosolar received a third order from Løgumkloster amounting to a value of approximately EUR 1.0 million, which was delivered in February 2016.

Savosolar has guaranteed a performance curve for the delivered collectors as well as granted a five (5) year warranty and given a five (5) year warranty against manufacturing and material defects. In total the guarantees for the Løgumkloster

projects is EUR 200–250 thousand and the Company has provided a bank guarantee for this. In certain situations, the warranty period may be extended to ten (10) years. Sapa Precision Tubing guarantees the corrosion resistance of the aluminium tubes and profiles. Savosolar shall be liable for compensation for losses suffered due to defects in the work, where such defects are caused by errors or negligence on the part of Savosolar, or where they relate to properties the presence of which has been guaranteed in the agreement. Savosolar shall not be liable for operational losses, loss of profit or other indirect losses. The Danish law is applied to the agreements and dispute resolution takes place in the Building and Construction Arbitration Board in Copenhagen.

Delivery agreement with Jelling Varmevaerk

In August 2015 Savosolar signed the agreement for the delivery of a solar thermal collector field amounting to approximately 15,000 m² to Jelling Varmevaerk. The value of the agreement was approximately EUR 2.0 million. Savosolar delivered the solar thermal collector field in the spring of 2016 and the installation of the field was finalised in June. In total the guarantee obligations for the project are approximately EUR 200 thousand and the Company has provided a bank guarantee for these obligations.

Delivery agreement with Fors Varme Holbaek, Jyderup A/S

On 31 March 2016, Savosolar signed an agreement with Fors Varme Holbaek, Jyderup A/S on the delivery of solar thermal collectors to Jyderup district heating plant in Denmark. The agreement's value to Savosolar is approximately EUR 1.5 million, and the delivery was made in the autumn 2016.

Savosolar has guaranteed a performance curve with a five (5) year warranty for the delivered panels and given a five (5) year warranty for manufacturing and material faults. In total, the warranty liabilities for the Jyderup project amount to approximately EUR 157.5 thousand for the first year, and are changed after the first year to EUR 31.5 thousand a year for four years. The Company has provided a bank guarantee against these.

Cooperation agreement with Dansk Energi Service A/S

In 2015, Savosolar and Dansk Energi Service A/S signed an agreement on cooperation in relation to solar thermal systems to be carried out as turnkey deliveries in Denmark.

Based on the agreement, Dansk Energi Service sells Savosolar's collectors as part of its own product range and, correspondingly, Savosolar complements its own product range with the competence of Dansk Energi Service. The partnership with a well-known company such as Dansk Energi Service provides Savosolar with a better chance to participate in solar thermal projects in Denmark and other markets.

As a result of this cooperation, Dansk Energi Service A/S signed a delivery agreement on the delivery of a solar thermal collector field to the Sølsted district heating plant in Denmark on 25 February 2016. Savosolar will deliver and install the solar thermal collectors as a subcontractor to Dansk Energi Service. The collector field was built in the summer of 2016. The delivery's value to Savosolar was approximately EUR 0.7 million.

Cooperation agreement with Li-Mithra Engineering

Savosolar has also signed an agreement with the French Li-Mithra Engineering on the use of Savosolar's absorbers in Li-Mithra's PVT heating systems.

Li-Mithra's patented heat pump system makes use of solar panels which produce both electricity and heat and, in the future, Savosolar will deliver all of the absorbers for them. In addition, Savosolar has the right to sell Li-Mithra's large systems in Finland, Denmark and Japan. The cooperation has so far only generated minor revenue for Savosolar, but the potential is significant after Li-Mithra has received the needed certificates and references for its system.

Cooperation agreement with Flemming Jorgensen S.A. de C.V.

On 23 August 2017, Savosolar signed an agreement with the Mexican company Flemming Jorgensen S.A. de C.V. in order to get a foot in on the market for large solar thermal energy plants in Latin America, where there is huge potential. The agreement gives Jorgensen the exclusive dealership right to sell and deliver Savosolar's products and solutions in Mexico, Peru and Chile.

Cooperation agreement with isoplus Fjernvarmeteknik A/S

On 21 November 2017, Savosolar signed contract with isoplus Fjernvarmeteknik A/S in Denmark on cooperation concerning conceptual turnkey deliveries of district energy and large industrial installations to potential customers. Savosolar and isoplus have already previously worked together successfully in several projects.

isoplus A/S supplies complete pre-insulated piping systems for district heating and cooling. The family-owned company is founded in 1989 and has, as a market leader, constantly introduced new technologies. So far, isoplus has designed, manufactured and insulated thousands of kilometres of district heating systems.

Letter of intent with Beijing Yuxin Solar Energy Co.

On 12 November 2017, Savosolar and Beijing Yuxin Solar Energy Co. signed a letter of intent concerning the delivery of solar thermal collectors for fields with a combined size of approximately 40,000 m². Beijing Yuxin Solar Energy is tracking the fields as a turnkey project for a local energy company. Savosolar announced on 30 April 2018 that Beijing Yuxin Solar Energy had lost the tender.

The companies continue to negotiate on further cooperation in form of eventual licensing or joint venture arrangement for collector manufacturing for Chinese market. Then Savosolar would be in a strong position with Yuxin to take a remarkable share in the large solar thermal systems market in China, which is estimated to grow enormously.

Yuxin is a Chinese private limited liability company, which was founded in 2000. The company has a solid expertise in solar water heaters manufacture, solar thermal project design and photovoltaic engineering.

Savosolar has delivered the first large collectors to Beijing Yuxin Solar Energy in China in March 2018. The companies are currently negotiating the launch of a cooperation on the Chinese market. A few collectors were ordered by Yuxin and used for the development work and the certification tests needed in China. Yuxin builds a test and demonstration system for a new office building on the roof in Beijing and will be used for staff training and marketing purposes.

Delivery agreement with newHeat SAS

On 3 March 2018, Savosolar and newHeat SAS signed a contract on the delivery of the largest solar thermal system in France. The contract value is over EUR 2.0 million and the delivery of the collector field is due to take place in summer 2018. The contract will take effect and project delivery will start after newHeat has received the final approvals and agreements.

The turnkey delivery covers the civil works, the collector field installed on a tracking system, piping, solar station including the heat exchanger, the control system and the heat delivery to the industrial process. Additionally, Savosolar has been awarded the operation and maintenance contract and will be responsible for the operation of the system. The solar thermal plant to be installed in Condat-sur-Vézère will be the largest one in France, with a collector area of over 4,000 m². This will also be the first flat plate collector field in the world installed on a one-axis tracking system. The customer, newHeat SAS, will use the solar thermal plant to supply and sell heat to an industrial site.

Savosolar was selected as the preferred bidder in a tender in June 2017, when the negotiations on the final contract started.

Cooperation agreement with Geoflow Australia Pty Ltd

On 18 March 2018, Savosolar signed a cooperation agreement with Geoflow Australia Pty Ltd concerning the sales and marketing of solar thermal fields and turnkey solutions for utilizing solar thermal energy in the region Australia and New Zealand. According to the cooperation agreement, the companies are focusing on large-scale solar thermal installations and their marketing is done under the brand Savosolar Australia. Geoflow acts as the local partner for Savosolar and is in charge of turnkey system deliveries to customers in the region. Savosolar is supplying the equipment and participates also in projects when necessary.

Geoflow is a design and installation company offering renewable large-scale heating and cooling solutions in Australia. Geoflow has the highest skills in design and combining different sources of renewable energy including geothermal heating and cooling. Geoflow is the only company in Australia to have Certified Geothermal Designer and with the recent design of a 10,000 m² solar thermal collector system combined with geothermal heating in Australia, Geoflow is becoming the leading company in large-scale solar thermal solutions in the region.

Delivery agreement with Grenaa Varmevaerk A.m.b.a

On 28 May 2018, Savosolar and Grenaa Varmevaerk A.m.b.a. signed a contract regarding the delivery of a large solar thermal system. The final value of the contract is approximately EUR 3.5 million including a solar field of nearly 21,000 m². The project is the largest in Savosolar's history to date, both in value and size.

The contract covers a turnkey delivery of solar thermal system to Grenaa Varmevaerk. Local partners will be co-operating with Savosolar in building and installing the system, in line with the Company's strategy. Majority of the works will be done mostly during this year. Hand-over is planned to take place at the end of February 2019.

The Company's financial agreements

The Company's financial agreements are described in the section "*Operating and financial review and prospects – Financial resources*".

Premises

The Company does not own real property or real estates. The head office, manufacturing premises and warehouses of the Company are located at Insinöörinkatu 7, 50150 Mikkeli (approximately 4,500 square metres). The lease agreement has three (3) months' notice period. The facilities suffice for the Company for at least the following 1.5–2 years. If the volumes increase, the Company may however require more storage space for materials prior to this. In the same factory building as the Company operates there is free space of 800 m² free which can be rented if needed. In addition, the landlord, the city of Mikkeli's development company, has promised to build more production space fast (estimated 4–5 months), if such a need arises for the Company. In Denmark Savosolar ApS operates in leased premises at the address Jerbanegade 18, 6330 Padborg, Denmark in a rented office room at a legal office. The lease agreement has a three (3) months' notice period. The Company has rented an office room at the address Technopolis Aviapolis, Teknobulevardi 3-4, Vantaa. The lease agreement has a three (3) months' notice period. In Germany Savosolar GmbH operates in leased premises of MKH Greenenergy Cert GmbH in a office room at the address Kühnehöfe 3, 22761, Hamburg. The lease agreement is valid until 31 March 2019.

Insurance

Savosolar's management believes that Savosolar and its subsidiaries maintain insurance coverage that is comparable with the companies of the same size and business area.

Savosolar has in place various types of insurance, such as liability insurances, property insurance, product liability insurance, business interruption insurance, transport insurances, travel insurances and employee group life insurance. In addition, the Company's subsidiaries Savosolar ApS in Denmark and Savosolar GmbH in Germany have conventional insurances in place in Denmark, including insurances related to social security.

Legal and arbitration proceedings

Sunti SAS has issued a summons to Savosolar to attend the court of justice in Montpellier following Savosolar's alleged breach of contract. In the summons, Sunti SAS claims that Savosolar has violated the exclusivity rights clause in the contract between the companies relating to the open tender for a solar collector field project in France. Sunti SAS claims in the summons for a total amount of approximately EUR 2.0 million in damages for the alleged breach of contract from Savosolar. Savosolar considers Sunti SAS's claims for compensation to be without just cause. The commercial court is due to address this issue for the first time on 22 June 2018.

In addition to the aforementioned, Savosolar has not during the past 12 months been a party to a governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which Savosolar is aware), which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of Company.

Restructuring 2014-2018

Savosolar is subject to restructuring programme in accordance with the Restructuring Act". The material content of the of the Company's restructuring programme is described below. Content of the Restructuring Act is described in the section "Restructuring Act" of the Prospectus.

Restructuring programme of Savosolar

The Company filed a restructuring application in accordance with the Restructuring Act to the District Court of Pohjois-Savo on 28 August 2013. The District Court of Pohjois-Savo ordered restructuring proceedings to commence on 2 September 2013 and approved the Company's restructuring programme on 13 February 2014. Attorney-at-law Jarkko Otva was nominated as the Company's administrator in the restructuring proceedings as well as supervisor of the restructuring programme. No creditor committee was appointed as the creditors did not demand for its appointment.

The Company's heavy investments in product development and slower than expected proceeding of the development process and commercialisation were the reasons for applying to the restructuring proceedings. Due to the slower than expected commercialisation the Company's balance sheet had weakened to the extent that its own equity had turned negative. The Company had also ended up in cash crisis just before filing of the application for restructuring.

The aim of the Company's restructuring programme is to secure the capital of the Company's creditors' claims so that the Company's business operations are continued on principles approved by the creditors. In the restructuring programme, the creditors of the Company are divided in to four (4) groups:

- A) Creditors who had floating charges as security for their restructuring debts;
- B) Creditors with so called ordinary restructuring debts;
- C) Creditors whose debts that can be reclaimed without a judgment or court order, as provided in the Act on the Collection of Taxes and Public Charges by Enforcement (367/1961);
- D) Creditors whose debts are paid in full.

Restructuring debts to creditors belonging to group A (total of approximately EUR 480.4 thousand) were converted into capital loans, which will be paid back after the end of the restructuring programme and when the Company's financial standing and equity enable the payment. The annual interest on the loans is 3 % and is payable at the end of each year if the Company has enough equity. In May 2018, The Company agreed to postpone the maturity date of the capital loans to 31 December 2019. After the postponement of the maturity dates, the capital loans are no longer included in the restructuring programme.

Restructuring debts to creditors belonging to group B (total of approximately EUR 2,521.6 thousand) and group C (total of approximately EUR 119.4 thousand) were cut by 65 per cent, save for the loans of approximately EUR 950.9 thousand granted by Suur-Savon Osuuspankki, which were converted into capital loans. No interest is paid on the debtors' loans. The annual interest on the loan from Suur-Savon Osuuspankki is 3 % and is payable at the end of each year if the Company has enough equity. The capital loans are paid back at the end of the restructuring programme on 31 December 2018, if the Company has enough equity. In May 2018, The Company agreed to postpone the maturity date of the capital loans to 31 December 2019. After the postponement of the maturity dates, the capital loans are no longer included in the restructuring programme.

Restructuring debts to creditors belonging to group D (total approximately EUR 150.6 thousand) and salary debts (total approximately EUR 117.6 thousand) have been paid back in full.

The table below illustrates how the Company's debts were cut and converted into capital loans in the restructuring programme dated 28 January 2014 (in EUR thousand):

Creditor	Collateral debt	Ordinary debt	Reduction of 65 %	Converted into capital loans	To be paid in the programme
Suur-Savon Osuuspankki	239.3	950.9	-	1,190.2	-
Finnvera Oyj	241.1	-	-	241.1	-
Tekes	-	912.8	593.3	-	319.5
Ecolastro Lda	-	13.5	8.8	-	4.7
Fondia Oy	-	8.5	5.5	-	3.0
Ilmarinen	-	65.8	42.7	-	23.1

Kiinteistökehitys Naistinki Oy	-	458.3	297.9	-	160.4
Steelhouse Group Oy	-	28.2	18.3	-	9.9
Tax administration	-	53.7	34.9	-	18.8
XYZ Arena Oy	-	14.6	9.5	-	5.1
Universidade de Minho	-	15.3	9.1	-	5.3
In total		480.4	2,521.6	1,020.0	1,431.3
				549.8	

The duration of the restructuring programme is five (5) years and it ends on 31 December 2018. During the restructuring programme, the Company shall pay approximately EUR 502.6 thousand of its restructuring debts to group B creditors and approximately EUR 41.8 thousand to group C creditors. The payments are made in fourteen (14) instalments starting on 30 September 2015. The eleven (11) first instalments amounting to EUR 39.3 thousand have been paid, and EUR 116.5 thousand of the restructuring debts are still unpaid as of the date of the Prospectus.

If during the restructuring programme the Company creates a considerable net profit that exceeds more than 20 % the budgeted amount in the restructuring programme, ordinary creditors will receive from financial year 2014 onwards half of the exceeding part as additional share, separately assessed for each accounting period, until the end of the programme. The budgeted amounts in the restructuring programme are the following (in EUR thousand): 2014 -1,221, 2015 -154, 2016 342, 2017 1,258 and 2018 1,546. In connection with the audit of the accounts the Company's auditors must issue a statement annually whether the condition for supplementary payments has been met.

As the debt arrangements under the restructuring programme restrict the right of creditors to payment against the capital balance of their claims, the assets of the Company may not be distributed to the shareholders before the conclusion of the restructuring programme, with the exception of remuneration or compensation for services in accordance with the programme. In case the Company wants to terminate the restructuring programme before 31 December 2018 by repaying the debts according to the provisions of the programme, the Company must make a 10 % supplementary payment on the reduced debts of creditor groups B and C.

Based on the restructuring programme supervisor attorney-at-law Jarkko Otva shall provide the creditors with a monitoring report every six (6) months until the debts included in the programme have been paid in full. The report is made up of income statement, balance sheet and the Managing Director's review.

Related party transactions

Savosolar's related parties include Savosolar's subsidiaries, the members of Savosolar's Board of Directors, the Managing Director, the members of Savosolar's management group and shareholders that have significant influence over the Company. The Company's related parties further include close family members of such persons and entities in which such persons have a controlling interest.

Employee benefits of related parties

In the table below the employee benefits for the management and Board of Directors for the financial years ended 31 December 2017 and 31 December 2016, as well as for the financial year 2018 until 31 May 2018. (the amounts are expressed in EUR thousand). There have been no employee benefits of related parties out of the ordinary after 31 May 2018 as of the date of the Prospectus.

	2018	2017	2016
		(unaudited)	
Salaries and benefits	284.8	503.2	658.0
Employee benefits of related parties, total	284.8	503.2	658.0

The Company's annual general meeting of 27 March 2018 decided that the members of the Board of Directors will be paid the following fees for the term of office that begins at the end of the annual general meeting and terminates at the end of the following annual general meeting: EUR 21,600 to the chairman of the Board and EUR 10,800 to all other Board members. Approximately 40 per cent of the fees paid to Board of Directors are paid on the basis of the Board's share issue authorisation by giving the Board members new shares in the Company, approximately 60 per cent of the fees will be paid in cash. The cash portion of the fee will be paid in 12 instalments on a monthly basis insofar as it exceeds the amount of tax withheld at source applicable to the fee. The share portion of the fee will be paid to the Board members in two (2) instalments in such a way that the first instalment will be paid within two (2) weeks of the publication of the half-year report from 1 January to 30 June 2018 and the second installment between 1 November and 30 November 2018. In

the event that the shares cannot be given on the aforementioned dates due to insider regulations, they will be given on the first possible date on which it is possible pursuant to currently valid insider regulations.

Board members may not give away shares received as remuneration before their term of office on the Board has ended. In addition, Board members are compensated for reasonable travel and accommodation expenses related to Board meetings. Travel and accommodation expenses are nevertheless not compensated for with regard to Board members who live in the greater Helsinki region when the meetings are held in the greater Helsinki region.

The Board raised the Managing Director's salary remuneration in October 2016. There have been changes to the salaries and remuneration of the other members of the management group in the beginning of 2017, mainly due to the fact that the composition of the management changed significantly in the first quarter of 2017 due to reorganisation and new recruitments. Further information on the remuneration and benefits of the members of the Board of Directors and the management group is presented in section "*The Board of Directors, management and auditors – Remuneration and benefits of Board members and management*".

Other related party transactions

The Company has entered into a service agreement with Savosolar ApS on 29 August 2014 regarding the services offered by Savosolar ApS to the Company, including sales, marketing, purchasing and product development services. Under the agreement the compensation paid to Savosolar ApS is tied to the costs incurred by providing the services by the addition of four (4) per cent. The agreement is valid until further notices with a 30 days' notice. Under the agreement, EUR 499.0 thousand has been paid to Savosolar ApS in 2016, EUR 485.0 thousand in 2017 and EUR 261.5 thousand in 2018 as per the date of the Prospectus.

On 7 March 2016, Savosolar granted a EUR 15.0 thousand loan to Savosolar ApS to be used for the procurement of an off-road vehicle needed in the installation work of solar thermal collectors. The loans' annual interest was 3 per cent. The loan and its interest was repaid on 12 December 2016.

Savosolar has bought consulting services from Solarstation SVS GmbH, which is a company owned by a Board member Christof Gey. The Company has paid compensation in the amount of EUR 14.0 thousand for these services in 2016.

The Company has signed a service contract with Savosolar GmbH on 3 March 2017, regarding the services of for example sales, customer relationship management and project management for the Company. Under the terms of the agreement, the compensation paid to Savosolar GmbH is tied to the cost of providing services, plus four (4) per cent. The agreement is valid for an indefinite period with a termination period of 30 days. On the basis of the agreement, Savosolar GmbH has been paid EUR 124.2 thousand in 2017 and EUR 102.1 thousand in 2018 as of the date of the Prospectus.

Selected financial information

The following tables present selected financial statement information and other information of the Company for the financial years ended 31 December 2017 and 31 December 2016 as well as information from the income statement and balance sheet for the three-month periods ended on 31 March 2018 and 31 March 2017. The summary presented below is based on the audited financial statements for the financial year ended 31 December 2017 and the restated audited financial statements for the financial year ended 31 December 2016 as well as the unaudited information regarding the income statement and balance sheet for three-month period ended 31 March 2018, which are derived from the unaudited financial information published by the Company on 21 May 2018 and the restated unaudited information regarding the income statement and balance sheet for three-month periods ended 31 March 2017, which are derived from the financial information published by the Company on 29 May 2017 and are restated according to below.

The financial information presented in the tables below for the financial year ended 31 December 2016 differs from the historical financial information presented in the audited financial statements approved by the Company's statutory general meeting. The income statement, balance sheet and cash flow statement included in the financial statements for the financial year ended 31 December 2016 have been adjusted by including a project charge of EUR 211.5 thousand, which was not included in the statutory financial statements for the financial year ended 31 December 2016. The financial information presented in the following tables for the financial year ended 31 December 2016 have been retrospectively adjusted for the above. Similarly, the Company's income statement and balance sheet information presented in the following tables for the three-month period ended 31 March 2017 have been adjusted by the corresponding correction of a EUR 211.5 thousand project charge. This expense was included in Accounts payable in the balance sheet on 31 March 2017.

This section should be read in conjunction with Savosolar's financial statements for the financial years ended on 31 December 2017 and 31 December 2016, as well as the section "Operating and financial review and prospects" in the Prospectus. Savosolar's financial statements for the financial years ended 31 December 2017 and 31 December 2016, as well as the information regarding the income statement and balance sheet for the three-month periods ended 31 March 2018 and 31 March 2017, have been prepared in accordance with FAS. The summary below does not include all information of the financial statements.

Savosolar is a small accounting firm according to 1:4a § of the Finnish Accounting Act and including subsidiaries a small accounting entity according to 1:6a § of the Finnish Accounting Act. The Company has not had the obligation to prepare consolidated financial statements for the financial years ended 31 December 2017 and 31 December 2016.

Income statement

EUR thousand	1 January 2018 -	1 January 2017 -	1 January 2017 -	1 January 2016 -
	31 March 2018	31 March 2017	31 December 2017	31 December 2016
	FAS (unaudited)	FAS (unaudited)	FAS (audited)	FAS (audited)
Revenue	253.4	108.8	830.9	5,404.8
Other operating income	12.4	5.3	24.4	0.9
<i>Materials and services</i>				
Material, supplies and goods				
Purchases	-267.0	-351.4	-841.7	-3,975.7
Inventory increase / decrease	244.8	232.0	505.2	98.8
External services	-181.5	-18.0	-415.1	-1,417.6
Total materials and services	-203.8	-137.4	-751.6	-5,294.6
<i>Personnel expenses</i>				
Wages and salaries	-441.8	-459.2	-1,550.6	-1,712.0
Social security expenses				
Pension expenses	-47.0	-59.6	-242.7	-321.3
Other personnel expenses	-12.8	-15.8	-37.0	-103.7
Total personnel expenses	-501.5	-534.6	-1,830.3	-2,137.0
Depreciation, amortisation and impairment	-168.1	-187.8	-761.6	-617.4
Other operating expenses	-586.0	-492.4	-2,364.8	-1,878.8
OPERATING PROFIT (LOSS)	-1,193.6	-1,238.2	-4,853.1	-4,522.1
<i>Financial income and expenses</i>				
Interest and other financial income			13.8	0.3
Interest and other financial expenses			-824.2	-1,165.0
Total financial income and expense	-27.1	-26.1	-810.4	-1,164.7

PROFIT (LOSS)	-1,220.7	-1,264.3	-5,663.5	-5,686.8
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-1,220.7	-1,264.3	-5,663.5	-5,686.8
NET PROFIT (LOSS)	-1,220.7	-1,264.3	-5,663.5	-5,686.8

Balance sheet

EUR thousand	31 March 2018	31 December 2017	31 December 2016
	FAS (unaudited)	FAS (audited)	FAS (audited)
ASSETS			
<i>NON-CURRENT ASSETS</i>			
<i>Intangible assets</i>			
Development costs	1,028.7	1,081.6	1,288.2
Intangible rights	154.5	159.8	181.0
Other long-term expenses	347.2	386.4	520.0
Total intangible assets	1,530.4	1,627.8	1,989.1
<i>Property, plant and equipment</i>			
Machinery and equipment	1,059.7	1,130.3	1,348.7
Total tangible assets	1,059.7	1,130.3	1,348.7
<i>Investments</i>			
Shares in group companies	161.9	161.9	133.9
TOTAL NON-CURRENT ASSETS	2,751.9	2,920.0	3,471.7
<i>CURRENT ASSETS</i>			
<i>Inventories</i>			
Materials and supplies	613.7	419.5	490.6
Work in progress	22.2	5.7	0.0
Finished goods	604.7	570.6	0.0
Advance payments	13.9		
Total inventories	1,254.5	995.8	490.6
<i>Long-term receivables</i>			
Other receivables	221.9	221.9	140.8
Total long-term receivables	221.9	221.9	140.8
<i>Short-term receivables</i>			
Accounts receivable	171.8	49.3	260.8
Other receivables	63.4	43.2	143.9
Prepaid expenses and accrued income	32.6	35.2	3.6
Total current receivables	267.8	127.8	408.4
Total receivables	489.8	349.7	549.2
Cash and cash equivalents	891.1	2,212.4	2,440.5
TOTAL CURRENT ASSETS	2,635.3	3,557.9	3,480.2
TOTAL ASSETS	5,387.2	6,477.9	6,952.0

EUR thousand	31 March 2018	31 December 2017	31 December 2016
	FAS (unaudited)	FAS (audited)	FAS (audited)
EQUITY AND LIABILITIES			
<i>EQUITY</i>			
Share capital	470.2	470.2	470.2
Reserve for invested unrestricted equity	24,919.1	24,919.1	19,149.1
Retained earnings	-21,735.5	-16,072.0	-10,385.2
Net profit (loss)	-1,220.7	-5,663.5	-5,686.8
TOTAL SHAREHOLDER'S EQUITY	2,433.1	3,653.8	3,547.3
APPROPRIATIONS PROVISIONS	120.0		
	171.9	171.9	135.7
<i>LIABILITIES</i>			
<i>Long-term liabilities</i>			

Capital loans	0.0	0.0	1,431.3
Loans from financial institutions	382.0	311.9	242.7
Other liabilities	0.0	0.0	157.1
Total long-term liabilities	382.0	311.9	1,831.0
<i>Short-term liabilities</i>			
Capital loans	1,431.3	1,431.3	0.0
Loans from financial institutions	200.9	223.7	218.7
Trade payables	228.7	315.6	766.7
Trade payables to group companies	67.0	55.7	0.0
Other liabilities	35.8	36.9	59.1
Accrued expenses	316.6	277.1	393.5
Total short-term liabilities	2,280.2	2,340.3	1,438.0
TOTAL LIABILITIES	2,662.2	2,652.2	3,269.0
TOTAL EQUITY AND LIABILITIES	5,387.2	6,477.9	6,952.0

Cash flow statement

EUR thousand	1 January 2017 - 31 December	1 January 2016 - 31 December
	2017	2016
	FAS (audited)	FAS (audited)
<i>Cash flow from operating activities</i>		
Profit (loss) before appropriations and taxes	-5,663.5	-5,686.8
<i>Adjustments</i>		
Depreciation and amortisation according to plan	761.6	617.4
Other non-cash income and expenses	36.3	0.0
Financial income and expenses	810.4	1,164.7
Cash flow before change in working capital	-4,055.3	-3,904.7
<i>Change in working capital</i>		
Increase (-) or decrease (+) in current interest-free receivables	199.5	22.2
Increase (-) or decrease (+) in inventories	-505.2	-98.8
Increase (+) or decrease (-) in current interest-free payables	-534.0	-295.6
Cash flow from operations before financial items and taxes	-4,895.0	-4,276.8
Interest and other financial expenses paid	-824.2	-1,156.4
Interest received and other financial income	13.8	0.3
Cash flow before extraordinary items	-5,705.4	-5,432.9
Cash flow from operations (A)	-5,705.4	-5,432.9
<i>Cash flow from investing activities</i>		
Investments in intangible and tangible assets	-181.9	-1,146.3
Investment in subsidiaries	-28.0	-1.7
Cash flow from investment activities (B)	-209.9	-1,147.9
<i>Cash flow from financing activities</i>		
Share issue	5,770.0	6,435.3
Proceeds from long-term borrowings	201.2	1,195.0
Repayment of short-term borrowings	-284.0	-1,439.2
Repayment of long-term borrowings	0.0	-277.6
Cash flow from financing activities (C)	5,687.2	5,913.5
Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	-228.1	-667.3
Cash and cash equivalents at beginning of period	2,440.5	3,107.8
Cash and cash equivalents at end of period	2,212.4	2,440.5

Key financials

EUR thousand	31 March 2018	31 March 2017	31 December 2017	31 December 2016
Key financials for the income statement				
	(Unaudited if not otherwise stated)			
Revenue	253.4	108.8	830.9 ¹	5,404.8 ¹
EBITDA ²	-1,025.5	-1,050.4	-4,091.5	-3,904.7

EBITDA-margin (%)	-405%	-966%	-492%	-72%
Operating profit / (loss) (EBIT)	-1,193.6	-1,238.2	-4,853.1 ¹	-4,522.1 ¹
Operating profit margin (%)	-471%	-1139%	-584%	-84%
Net profit / (loss)	-1,220.7	-1,264.3	-5,663.5 ¹	-5,686.8 ¹
Net profit / (loss) -margin (%)	-482%	-1163%	-682%	-105%
Key financials for the capital structure				
Equity capital, EUR thousand	2,433.1	-	3,653.8 ¹	3,547.3 ¹
Equity ratio (%)	45%	-	56%	51%
Data per share				
Amount of shares	130,749,062	35,469,332	130,749,062	35,469,332
Equity per share	0.02	-	0.03	0.10
Earnings per share	-0.01	-0.04	-0.04	-0.16
Employees				
Average numbers of employees	37	42	37	42

¹ Audited

² EBITDA has been calculated by adding depreciation and amortisation of the period to the operating loss (EBIT) according to below:

EUR thousand	1 January 2018 - 31 March 2018	1 January 2017 - 31 March 2017	1 January 2017 - 31 December 2017	1 January 2016 - 31 December 2016
	(Unaudited if not otherwise stated)			
EBIT	-1,193.6	-1,238.2	-4,853.1 ¹	-4,522.1 ¹
Depreciation, amortisation and write-downs	168.1	187.8	761.6 ¹	617.4 ¹
EBITDA	-1,025.5	-1,050.4	-4,091.5	-3,904.7

¹ Audited

Definitions of key financials

EBITDA

Operating profit (loss) (EBIT) before depreciation and amortisation.

EBITDA margin, %

EBITDA in relation to revenue.

EBIT margin, %

Operating profit (loss) (EBIT) in relation to revenue.

Profit / (loss) margin, %

Net profit (loss) in relation to revenue.

Equity ratio, %

Equity in relation to total assets.

Number of shares

Number of shares outstanding at the end of the period.

Equity per share, EUR

Equity capital in relation to monthly weighted average number of shares outstanding during the period, adjusted by share issues.

Earnings per share, EUR

Net income of the period in relation to number of shares outstanding at the end of the period.

Average number of employees

Average number of employees in the Company.

Operating and financial review and prospects

The following review of Savosolar's results and financial position should be read in conjunction with Savosolar's audited financial statements for the financial years ended on 31 December 2017 and 31 December 2016, incorporated by reference, as well as the section "Selected financial information" in the Prospectus.

This review contains forward-looking statements, which are subject to risks and uncertainties. Important factors, which may cause the actual results of operations or financial condition of the Company to differ materially from those expressed or implied in the forward-looking statements, are described in sections "Risk factors" and "Forward-looking statements" of this Prospectus.

Material accounting principles

The Company prepares its financial statements in accordance with the Finnish Accounting Act (31.12.1997/1336, as amended), Finnish Accounting Ordinance (31.12.1997/1337, as amended), and instructions and statements of the Accounting Board operating under the Ministry of Employment and the Economy (the "Finnish Accounting Standards", "FAS").

Savosolar is a small accounting firm according to 1:4 § of the Finnish Accounting Act and including subsidiaries a small accounting entity according to 1:6a § of the Finnish Accounting Act. The Company has not had the obligation to prepare consolidated financial statements and annual reports for the financial years ended 31 December 2017 and 31 December 2016.

The Company capitalises the expenses used for development of products and technology, including personnel costs, procurement and intangible rights, subtracted with subsidies and grants received for these, to the extent that they are expected to generate economic benefits in the future. Amortisation and depreciation for intangible and tangible assets are calculated by using the estimated useful life of the asset. For tangible assets depreciation according to plan starts during that the calendar month when the commodity was taken into use and for intangible assets when revenue starts to accrue from the development work, mainly during the year after the development work.

The Company's capitalised development costs are amortised over a ten (10) year period on a straight line basis. No amortisation is currently made from intellectual property rights. For machines and equipment a 25 per cent expenditure residue depreciation is made yearly.

Capitalised development costs consist of the projects described in the notes to the balance sheet and the capitalised machinery and equipment of the titles listed in the notes to the balance sheet. The objects of the development projects have been defined and therefore their associated costs can reliably be separated. It has been estimated that the profitability or economic efficiency of the development projects is probable. When capitalising personnel costs in development activities special prudence is taken and only personnel expenses for persons working directly with development activities are included. The development costs which do not meet the requirements for capitalisation are booked as expenses incurred in the year they arise.

Development activities consists of the design, production and testing of collectors, absorbers and related components and equipment prototypes and models, design of tools, drivers and moulds, the design, construction, and operation of non-commercial experimental plants, as well as the design, implementation and testing of a new or improved raw material, device, product, process, system or service.

The Company applies the percentage-of-completion accounting method for projects that are worth EUR 150.0 thousand or more. Long-term projects require that the products have been recognised according to percentage-of-completion. Projects which have a starting and finishing point in different financial periods, and where the income from the project materially affects the revenue and profit of the different financial periods, are handled as long-term projects. The degree of completion is determined based on the manufactured number of products.

Factors affecting the results of the business

The Company's operating results are affected by several factors, that are either outside the Company's control, i.e. external, or within the Company's control, i.e. internal, by nature. External factors include market development and competition. Market development depends in particular on the general economic development and energy policy. Competition depends on the ability of competitors to introduce new, more efficient solutions to the market and price

competition, which in turn is dependent on the growth of the market. Internal factors are the maintenance of the offering's technical competitiveness, the success of sales according to plans, the ability to maintain deliveries and cost effectiveness.

The following list shows the key factors that the Company believes affect the results of operation for at least the next 12 months. It is advised that attention is paid to the section "*Risk Factors*" in this Prospectus when reading this section.

The Company's operating results are affected by at least the following:

- The production output of the fields taken into use in Løgumkloster, Jelling, Söllested and Jyderyp needs to remain on a high level so that the Company can use them as successful long-term technical and qualitative references. The projects also serve as references towards other energy companies both in Denmark and elsewhere in Europe.
- Successful installations of the French projects (Véolia Voreppe and newHeat Condat) during the spring-summer 2018.
- The increase of produced volume from 40,000 m² in 2016 to to approximately 120,000 m² a year in the coming years, through which the Company has the opportunity to achieve significant cost savings in procurement, as well as improving production efficiency to improve profitability. The current yearly production capacity is approximately 90,000-110,000 square metres. This is possible with the Company's current large collectors and by changing the production into three shifts, which was already done for a while in 2016, which means the Company knows how to successfully do it again.
- As the volumes increase and the focus moves towards full-scale deliveries, the Company will need to increase its know-how especially in system planning and project management by educating and recruiting new people and building a partner network in different markets. At the same time, the Company will need to control its cost structure and also find savings through organisational structures and improvements in efficiency.
- The Company's revenue has to increase significantly during the upcoming years. The Company has to that end succeed in increasing its volumes in new market areas in and outside of Europe and securing new orders in the Danish district heating market.
- The general economic prosperity in Europe and the rest of the world can raise world market prices for raw materials and limit the availability of some components. The Company must be able to find suppliers with sufficient capacity and negotiate competitive prices with suppliers to improve the Company's profitability.
- The Danish market is recovering after the temporary market disruption in the second half of 2016. The Company is currently very well-positioned with regard to a chance to participate in new tendering processes and has a good chance to achieve the desired market share of 10–15 per cent. However, competition is fierce and new competitors could enter the market, resulting in price competition, which may have an impact on the profitability of the actors. Other solar thermal markets also have to develop positively according to recent market analyses. Furthermore, the way the world economy and the general energy market develop will have an impact on the solar thermal market development, and through that, the Company's growth.
- The Company currently has one (1) development project for which it receives public support. The progress and success of this development project will affect the Company's results of operations.

Factors that could affect the results of operations are described in more detail in the Prospectus under the sections "*Market overview*", "*Future prospects*" and "*Description of business*".

Significant trends

The energy market focuses increasingly on renewable heat, partly as a consequence of the rapid growth of the renewable electricity production market. Heating and cooling stands for approximately 50 per cent of the total energy market, and the way it is produced is a major contributor to pollution of air, water and earth. The aim is to increase the share of district heating everywhere because it's the most economical and ecological way to generate and distribute thermal energy.

Heat is conventionally produced in cogeneration or combined heat and power (CHP) plants typically using coal, petroleum or natural gas, reaching at best 80 per cent efficiency of which approximately half is heat and half is electricity. In some plants biomass or municipal waste is used as fuel. When photovoltaic and wind production of electricity has increased the CHP station capacity has partly become superfluous and the demand fluctuates according to sunshine and wind conditions. This has diminished the heat supply and partly made CHP unprofitable, and solutions are sought among

other sources by building heating plants using biofuels and waste, which are connected to various other renewable energy sources depending on the location and need. Solar thermal, as a completely clean and post-investment almost free energy source is in many cases the most interesting alternative, as long as the required land or roof area is available.

Impacts of climate change are evident throughout. As a result, all over the world work is being done to reduce emissions, both by states and by the rest of society. In January 2018, The European weather forecasting ECMWF-center presented the global temperature changes for 136 years. According to them, year 2016 was the warmest year in the history of measuring it, and ten (10) of the warmest years in the history of measuring have been after the year 2000.²¹ The year 2015 was already the warmest as long as measurements have been made and the overall rise in 2016 was 0.2 degrees. Ambitious targets for emission reductions have been set around the globe and the objectives of the 2017 Paris climate agreement emphasise the importance of limiting the rise in temperature for the planet and living beings.

The use of solar thermal energy is still growing rapidly in hot water heating in areas where there is a lot of sun, such as in India, Africa and China. In many African countries there are laws in force that all hot water in real estate is to be made by renewable energies, such as solar thermal heat. In small water heating systems, photovoltaic power will gain ground in the future due to its simplicity and reduced panel prices. As a whole, the fastest growing segments of solar thermal are large scale solar thermal applications like solar thermal district heating, industrial process solar thermal heat and energy renovations of large multi-story buildings. The reason for this is that large-scale solar thermal applications are, in comparison to smaller solar thermal applications, more cost effective and also provide reduced emissions faster. Examples of this development are seen in China, Africa and India in addition to Europe.

Recent development and material changes in financial position

The Company's revenue declined in 2017 due to the decline in demand in the Danish market and the delays in projects in other markets. The Company has outstanding orders of approximately EUR 5.6 million and outstanding offers of approximately EUR 53 million as of the date of the Prospectus. According to the information available to the Company there are at the moment also significantly more coming projects in the market than ever before. Most importantly, there are projects in all of Europe and the world, not only in Denmark as two years ago. Over half of the Company's outstanding offers are outside of Denmark.

Although the Company has already received two larger orders during 2018, the Company needs additional funding. The main reason for this is that the Danish government prolonged its decision on the terms of the energy saving and emission reduction programme, which meant that projects and the market stopped temporarily. The prolonged decision influenced Savosolar's operations significantly, as Denmark was the main market for the Company. Gradually during 2017, project tenders started in Denmark, but the market did not return to normal. In addition, projects in other regions did not proceed at the anticipated pace, which lead to fact that the Company did not receive any new large orders.

In May 2018, the Company agreed on a 12 month extension regarding the capital loans' maturity with Finnvera Oyj and Suur-Savon Osuuspankki. After the change of the maturity date, loans totaling to EUR 1.4 million mature on 31 December 2019 instead of their original maturity date on 31 December 2018.

On 13 June 2018, the Company entered into a bridge loan agreement with Modelio Equity AB (publ). With the bridge loan agreement, Modelio Equity AB (publ) granted the Company a loan of SEK 3.0 million. The bridge loan has an interest of 2.5 per cent per month; the loan and its interest will mature on 31 August 2018 at the latest. The bridge loan agreement allowed the Company to secure its working capital needs until the implementation of the Offering.

Future prospects

The Company's orderbook was low at the end of the financial year 2017. However, the number of invitations to tenders for large projects has clearly increased during year 2017 and the first half of 2018 both in Denmark, Europe and elsewhere. The Danish market is expected to experience strong growth according to market data collected by the in the industry renown consulting company PlanEnergi the number of installations will also remain high in 2019. Additionally, in the rest of Europe, there are plans for several very large solar thermal fields and numerous smaller fields built in the immediate vicinity of populated communities and properties. Based on received information from different market operators (e.g. EuroHeat & Power, Solites, AGFW, Hamburg Institut), Savosolar expects the German-speaking markets to grow to become even larger than the Danish market. The popularity of large collectors is also increasing in other parts of Europe. Concretely, this is already evident in France where the Company has already received two orders and a number of projects are in the design phase, as well as Eastern European countries, where a number of large systems are being planned and

²¹ Global Analysis – Annual 2013. National Climatic Data Center, National Oceanic and Atmospheric Administration

offers requested. Savosolar is looking for partners, and has already found, from around Europe and the world to be able to offer its technology and turnkey deliveries everywhere.

Everywhere in Europe optimal solutions are being sought for carbon-free energy systems. Since the largest use of energy comes from heating and cooling, there is now more focus on making them emission-free. For this reason, district heating systems are being planned to be built in most countries. For example in France, the aim is to increase the share of district heating from the current 6 per cent to 30 per cent by the year 2030. The production of district heating is to be done with biofuels and in order to save them some of the energy is planned to be produced with large solar thermal fields. Solar thermal heating is projected to increase from this year's output of 1 terawatt hour to 240 terawatt hours by 2050, which is an average annual increase of tens of percents.

The Company's successful field deliveries to Denmark has lead to Savosolar being contacted by parties from all over the world, and at the moment the Company has a sales pipeline with projects worth approximately EUR 145 million. The sales pipeline includes all active projects in various stages of the Company's sales management system, in which the Company has performed various sales measures. In the sales pipeline The Company also has outstanding offers for deliveries to 15 countries with a total value of approximately EUR 53 million as of the date of this Prospectus. With the clear improvement in the market during 2018 the order backlog of the Company has increased to EUR 5.6 million, which is approximately 26,000 square metres in collectors. The current order backlog corresponds to approximately 25 per cent of the current production capacity.

The Company considers cost management as one of its main challenges, particularly in implementation of projects. The Company has noted in its recent projects that with larger purchasing volumes it's possible to get lower prices on materials, components and services. This is partly due to the stronger negotiation position received by the above-mentioned growing purchasing volumes, partly due to the world market prices of materials (such as aluminium), as well as the fact that the Company can buy materials for its new projects with better delivery times. However, for some materials, a revival of the world economy can increase costs which means the acquiring of them will need more attention. Additionally, for the same reason, delivery times may become challenging during the year. Such circumstances can present challenges to efficient production, cutting costs and the scheduled delivery of collectors. The Company has increased its focus in its projects in the Danish unit of the Company, where project implementation is lead. In order to improve the management of logistics costs, the Company is examining a range of holistic logistic solutions with different operators. In addition, growing demand will require new productive solutions in the future in order to meet the global needs.

At the same time, The Company will continue to focus on lowering the production costs. The hours spent on the manufacturing of collectors at the Company's factory fell by approximately 70 per cent from the autumn of 2014 to the summer of 2016, i.e. in a matter of 18 months. During the past year, the Company has also lowered material costs by approximately 20 per cent and reduced the number of personnel in the factory by about 50 per cent, while sales and marketing personnel has increased. This has lead to new projects e.g. in France, Finland and Sweden and the Company believes that it has clearly better conditions for sales in the future.

In the future, efforts will continue reducing the cost of materials and other purchased services as well as the efficiency of the implementation of projects.

Profit forecast

Savosolar estimates, that the Company's revenue in 2018 will be higher than in 2017, when it was EUR 831 thousand. The Company estimates that the full-year operating result (EBIT) will be better than in 2017, when it was EUR -4.9 million. The revenue and profitability expectations for the forecast period are based on the following management estimates and assumptions:

- a) The gross margin in projects to which the Company has received orders, and possible coming projects, is positive.
- b) The Offering is subscribed in full, allowing the Company to raise net proceeds of approximately EUR 3.0 million and shares being subscribed for by Warrants amounting to at least EUR 1.5 million, so that the Company can secure its working capital need.
- c) The market situation in Denmark and other markets developing as anticipated and the prevailing price level remaining essentially unchanged.

The management of the Company can mainly influence item a). The Company's management may also be able to influence item b), but the success will also be dependent on the development of item c). Item c) is mainly beyond the

Company management's influence. The Company has attempted, with the terms and conditions of the Offering and prevailing market conditions considered, to contribute to the full subscription of the Offering. There are many uncertainties about the Company's future prospects. It's possible that the Danish and other markets develop slower than anticipated by the Company, or that the Company's sales prices, sales and manufacturing volumes and costs will not develop as expected, whereby revenue and operating profit targets may not materialise and the Company may suffer further losses. A more detailed description of the risk factors related to the Company's business and thus the uncertainties related to future prospects are set out in the Prospectus under "*Risk factors – Risks relating to the Company, its business operations and general economic conditions*".

Operating results

The three-month period ended 31 March 2018 compared to the three-month period ended 31 March 2017

Revenue

Revenue for the three-month period ended 31 March 2018 was EUR 253.4 thousand, and it increased by EUR 144.6 thousand, meaning 133 per cent compared to EUR 108.8 thousand for the three-month period ended 31 March 2017.

Other operating income

Other operating income for the three-month period ended 31 March 2018 was EUR 12.4 thousand, and it increased by EUR 7.2 thousand, meaning 136 per cent compared to EUR 5.3 thousand for the three-month period ended 31 March 2017. The operating income was development grants from Tekes.

Costs for materials and services

Costs for material and services for the three-month period ended 31 March 2018 were EUR 203.8 thousand, and they increased by EUR 66.4 thousand, meaning 48 per cent compared to EUR 137.4 thousand for the three-month period ended 31 March 2017. The increase in the cost was largely due to an increase in external services.

Personnel expenses

Personnel expenses for the three-month period ended 31 March 2018 were EUR 501.5 thousand, and they declined by EUR 33.1 thousand, meaning 6 per cent compared to EUR 534.6 thousand for the three-month period ended 31 March 2017.

Depreciation and amortisation

Depreciation and amortisation for the three-month period ended 31 March 2018 was EUR 168.1 thousand, and it decreased by EUR 19.7 thousand, meaning 11 per cent compared to EUR 187.8 thousand for the three-month period ended 31 March 2017. The decrease in depreciation and amortisation was attributable to the depreciation of intangible assets according to plan.

Other operating expenses

Other operating expenses for the three-month period ended 31 March 2018 was EUR 586.0 thousand, and they grew by EUR 93.6 thousand, meaning 19 per cent compared to EUR 492.4 thousand for the three-month period ended 31 March 2017.

Operating loss (EBIT)

The operating loss for the three-month period ended 31 March 2018 was EUR 1,193.6 thousand, and it decreased by EUR 44.7 thousand, meaning 4 per cent compared to EUR 1,238.2 thousand for the three-month period ended 31 March 2017.

Financial items

The net financial items for the three-month period ended 31 March 2018 were EUR -27.1 thousand, and they decreased by EUR 1.0 thousand, meaning 4 per cent compared to EUR -26.1 thousand for the three-month period ended 31 March 2017.

Net loss

Due to the reasons mentioned above, the net loss for the three-month period ended 31 March 2018 was EUR 1,220.7 thousand and it decreased by EUR 43.6 thousand, meaning 3 per cent compared to EUR 1,264.3 thousand for the three-month period ended 31 March 2017.

Year ended 31 December 2017 compared to year ended 31 December 2016

Revenue

The revenue for the financial year ended 31 December 2017 was EUR 830.9 thousand, and it declined by EUR 4,573.9 thousand, or 85 per cent, compared to EUR 5,404.8 thousand for the financial year ended 31 December 2016. The decline in revenue was due to the fact that the Company was unable to obtain and thus not able to deliver new large projects to the district heating market.

Other operating income

The other operating income for the financial year ended 31 December 2017 was EUR 24.4 thousand, and it grew by EUR 23.5 thousand, or 2,763 per cent, compared to EUR 0.9 thousand for the financial year ended 31 December 2016.

Costs for materials and services

The costs for materials and services for the financial year ended 31 December 2017 were EUR 751.6 thousand, and they decreased by EUR 4,543.0 thousand, or 86 per cent, compared to EUR 5,294.6 thousand for the financial year ended 31 December 2016. Purchases decreased significantly during the year, mainly due to decrease in production volume as the Company was not able to obtain and thus not deliver large projects.

Personnel expenses

The personnel expenses for the financial year ended 31 December 2017 were EUR 1,830.3 thousand, and they decreased by EUR 306.7 thousand, or 14 per cent, compared to EUR 2,137.0 thousand for the financial year ended 31 December 2016. The reduction in personnel costs was mainly due to the reduced labour force.

Depreciation and amortisation

Depreciation and amortisation for the financial year ended 31 December 2017 was EUR 761.6 thousand, and it grew by EUR 144.2 thousand, or 23 per cent, compared to EUR 617.4 thousand for the financial year ended 31 December 2016.

Other operating expenses

Other operating expenses for the financial year ended 31 December 2017 were EUR 2,364.8 thousand, and they grew by EUR 486.1 thousand, or 26 per cent, compared to EUR 1,878.8 thousand for the financial year ended 31 December 2016. The largest increases were in sales and marketing costs due to the establishment of a German sales company.

Operating loss (EBIT)

The operating loss for the financial year ended 31 December 2017 was EUR 4,853.1 thousand, and it grew by EUR 331.0 thousand, or 7 per cent, compared to EUR 4,522.1 thousand for the financial year ended 31 December 2016. The increased operating loss was mainly due to the low number of realised projects.

Financial items

The net financial items for the financial year ended 31 December 2017 were EUR -810.4 thousand, and they decreased by EUR 354.3 thousand, or 30 per cent, compared to EUR -1,164.7 thousand for the financial year ended 31 December 2015. The financial expenses decreased due to deducted loans.

Net loss

For above reasons, the net loss the financial year ended 31 December 2017 was EUR 5,663.5 thousand and it decreased by EUR 23.3 thousand, or 0 per cent compared to EUR 5,686.8 thousand net loss for the financial year ended 31 December 2016.

Financial position

Fixed Assets

The Company's fixed assets were EUR 2,751.9 thousand on 31 March 2018. Intangible assets, with a value of EUR 1,530.4 thousand on 31 March 2018, consisted mainly of capitalised development costs and other intangible rights. Tangible assets with a value of EUR 1,059.7 thousand on 31 March 2018 consisted mainly of machinery and equipment.

The Company's fixed assets amounted to EUR 2,920.0 thousand 31 December 2017 and EUR 3,471.7 thousand on 31 December 2017. Intangible assets, with a value of EUR 1,627.8 thousand on 31 December 2017 and EUR 1,989,1 thousand on 31 December 2016, consisted mainly of capitalised development costs. Tangible assets with a value of EUR 1,130.3 thousand on 31 December 2017 and EUR 1,348.7 thousand on 31 December 2016 consisted mainly of machinery and equipment.

Current assets

The Company's current assets amounted to EUR 2,635.3 thousand on 31 March 2018, which was EUR 922.6 thousand less than on 31 December 2017, when they were EUR 3,557.9 thousand. The decrease in current assets was mainly due to a decrease in cash and cash equivalents.

The Company's current assets amounted to EUR 3,557.9 thousand on 31 December 2017, which was EUR 77.7 thousand more than on 31 December 2016, when they amounted to EUR 3,480.2 thousand.

Equity capital

The Company's equity was EUR 2,433.1 thousand on 31 March 2018, which is EUR 1,220.7 thousand less than on 31 December 2017, when it was EUR 3,653.8 thousand. The changes in equity are connected to losses that were incurred during the reporting period. The combined amount of capital loans of EUR 1.431.3 thousand and the equity was EUR 3,864.4 thousand on 31 March 2018.

The Company's equity was EUR 3,653.8 thousand on 31 December 2017, which was EUR 106.5 thousand more than on 31 December 2016, when it was EUR 3,547.3 thousand. Changes in equity are related to shares issues (EUR 5,770.0 thousand) and losses (EUR 5,663.5 thousand) incurred during the reporting period. The combined amount of capital loans of EUR 1.431.3 thousand and the equity was EUR 5,085.1 thousand on 31 December 2017.

Other mandatory provisions

The Company's mandatory provisions amounted to EUR 171.9 thousand on March 31, 2018 and consisted of project warranties.

Long-term liabilities

The Company's long-term liabilities consist of loans from financial institutions. The capital loans changed from long-term liabilities to short-term liabilities on 31 December 2017.

The Company's long-term liabilities were EUR 382.0 thousand on 31 March 2018, 311.9 on 31 December 2017 and EUR 1,831.0 thousand on 31 December 2016.

Short-term liabilities

Short-term liabilities consist mainly of capital loans, loans from financial institutions, trade payables, accrued liabilities and received prepayments.

The Company's current liabilities were EUR 2,280.0 thousand on 31 March 2018, EUR 2,340.3 thousand on 31 December 2017 and EUR 1,438.0 thousand on 31 December 2016.

For more information about the restructuring programme, see "*Description of business – Legal and arbitration proceedings – Restructuring 2014-2018*".

Cash flow

Cash flow from operating activities

The Company's operating cash flow for the financial year ended 31 December 2017 was EUR -5,705.4 thousand and it changed by EUR 272.5 thousand compared to EUR -5,432.9 thousand for the financial year ended 31 December 2016.

Cash flow from investing activities

Cash flow from investing activities was EUR -209.9 thousand for the financial year ended 31 December 2017 and it decreased EUR 938.0 thousand compared to EUR -1,147.9 thousand for the financial year ended 31 December 2016. The decrease was due to the fact that the Company did not need to invest heavily, as the capacity of the plant has been raised to a level that allows a revenue of EUR 20-30 million.

Cash flow from financing activities

Cash flow from financing activities during the financial year ended 31 December 2017 was EUR 5,687.2 thousand and it included the proceeds from the rights issue and directed share issues arranged in the summer 2017 as well as the subscriptions made on the basis of the warrants executed in November-December 2017.

The decrease in cash for the financial year ended 31 December 2017 was EUR 228.1 thousand. Cash from financing activities during the financial year ended 31 December 2016 was EUR 5,913.5 thousand. Savosolar's cash at hand were EUR 2,212.4 thousand on 31 December 2017 and EUR 2,440.5 thousand on 31 December 2016.

Investments

The Company has made no investments in 2018 and the Company has no current investments.

Investments in the financial year ended on 31 December 2017 amounted to EUR 209.9 thousand and most of the investments were related to an increase in efficiency production capacity of collector production. Investments in machinery and equipment totaled to EUR 151.0 thousand. During the financial year the Company withdrew EUR 81.6 thousand in product development support granted by Tekes. The grant is connected to the solar thermal cooling SOLHC-project (Solar Thermal Heating and Cooling), which is a joint EU initiative of German and Finnish research institutes. The German partners still have to produce a chiller for the system, before marketing of the system can be started.

Investments in the financial year ended on 31 December 2016 amounted to EUR 1,147.9 thousand and are attributable to an increase in production capacity of collectors, increase of efficiency and the increase of the coating capacity. Investments in machinery and equipment amounted to EUR 882 thousand. During the financial period the Company withdrew EUR 62.8 thousand in product development support granted by Tekes, which relates to the same project as the above. In the spring of 2016, the Company signed an agreement with the Latvian manufacturer of vacuum coating systems, Sidrabe Inc, on doubling the capacity of the coating machine. The investment was completed successfully and the line was taken into use as new in the beginning of 2017 and the coating time for absorbers has now been halved, according to plan. During the financial year ended 31 December 2016 the Company withdrew EUR 62.8 thousand in product development support granted by Tekes, which is connected to the same solar thermal cooling SOLHC-project as above.

Planned investments

The Company has not decided on any planned investments as of the date of the Prospectus.

Capitalisation and indebtedness

The tables below present Savosolar's capitalisation and indebtedness as of 31 March 2018. The tables should be read in conjunction with Savosolar's financial statements for the financial years ended on 31 December 2017 and 31 December 2016, incorporated by reference in the Prospectus, as well as the sections "Selected financial information" and "Operating and financial review and prospects" in the Prospectus.

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
Current interest bearing debt	
Against guarantee or surety	40.0
Against collateral	92.4
Without guarantee/surety or collateral ¹	1,499.8
Total current interest bearing debt	1,632.2
Non-current interest bearing debt	
Against guarantee or surety	20.0
Against collateral	362.0
Without guarantee/surety or collateral	0.0
Total non-current interest bearing debt	382.0
Total current and non-current interest bearing debt	2,014.2
Equity	
Share capital	470.2
Reserve for invested unrestricted equity	24,919.1
Retained earnings	-21,735.5
The period's result	-1,220.7
Total equity	2,433.1

Net financial indebtedness, EUR thousand	31 March 2018
A) Cash	891.1
B) Other liquid funds	-
C) Marketable securities	-
D) Liquidity A+B+C	891.1
E) Current financial receivables	-
F) Current liabilities from financial institutions ¹	1,499.8
G) Current portion of non-current liabilities	132.4
H) Other current financial liabilities	-
I) Current financial liabilities F+G+H	1,632.2
J) Net current financial indebtedness I-E-D	741.1
K) Non-current liabilities from financial institutions	382.0
L) Issued bonds	-
M) Other non-current liabilities	-
N) Non-current financial liabilities K + L + M	382.0
O) Net financial indebtedness J+N	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.

In May 2018, the Company agreed on a 12 month extension regarding the capital loans' maturity with Finnvera Oyj and Suur-Savon Osuuspankki. After the change of the maturity date, loans totaling to EUR 1.4 million mature on 31 December 2019 instead of their original maturity date on 31 December 2018.

On 13 June 2018, the Company entered into a bridge loan agreement with Modelio Equity AB (publ). With the bridge loan agreement, Modelio Equity AB (publ) granted the Company a loan of SEK 3.0 million. The bridge loan has an interest of 2.5 per cent per month; the loan and its interest will mature on 31 August 2018 at the latest. The bridge loan agreement allowed the Company to secure its working capital needs until the implementation of the Offering.

The share issues arranged by the Company are described under the section "Company, shares and share capital – Share capital development" in the Prospectus.

Further information regarding off-balance sheet liabilities can be found in the sections “*Financial resources – Bank guarantees and counter guarantees*”, “*Financial resources – Other commitments*” and “*Financial resources – Pledged assets*”.

Deviations in the auditor’s report

The following audit reports regarding the Company’s financial statements for the financial years ended on 31 December 2017 and 31 December 2016 and the restated financial statements for the financial year ended on 31 December 2016 deviate from the standard design:

Financial Statements 2017: Material Uncertainty Related to Going Concern

We draw attention to the notes in financial statements, section "Common risks and uncertainties in business", according to which, based on the current level of costs and revenues the company does not expect the working capital to be enough within the next 12 months period. These conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Financial Statements and Restated Financial Statements 2016: Material Uncertainty Related to Going Concern

We draw attention to the notes in financial statements, section "Common risks and uncertainties in business", according to which, based on the current level of costs and revenues the company does not expect the working capital to be enough within the next 12 months period. These conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Restated Financial Statements 2016: Emphasis of a matter

We draw attention to the note on page 5 “Restatement of the financial statement for the financial year 2016” which includes a description of the correction made to the financial statement signed by the Board of Directors on 3 March 2017 and confirmed by the Annual General Meeting on 28 March 2017 on which we have issued an auditor’s report on 14 March 2017. Our opinion is not modified in respect of this matter.

Financial resources

Savosolar’s sources of long-term external finance are equity financing (share issues), debt financing (bank loans and other debt instruments) and product development grants and loans. The goal is also to obtain a positive operative cash flow from business operations. For the financing of Savosolar’s working capital needs, bank guarantees or similar granted by external financial institutions are to some extent used in addition to the above-mentioned options.

Savosolar’s cash and cash equivalents 31 March 2018 were EUR 891.1 thousand. The Company’s interest-bearing liabilities 31 March 2018 were EUR 1,945.7 thousand. Therefore, the net debt was on 31 March 2018 was EUR 1,054.6 thousand (EUR 1,123.1 thousand including Tekes’ non-interest bearing development loan (restructuring debt)).

Summary of the Company’s loans and changes in them

The Company's interest-bearing liabilities were EUR 1,945.7 thousand as of 31 March 2018. Of these loans, EUR 140.4 thousand were from Suur-Savon Osuuspankki, EUR 60.0 thousand from Finnvera Oyj, EUR 314.0 thousand from Tekes and EUR 1,431.3 thousand were subordinated capital loans from Suur-Savon Osuuspankki and Finnvera Oyj. The Company is obliged to pay back its long term interest-bearing liabilities by the end of the year 2019. In addition, the Company had non-interest bearing (restructuring) loans amounting to EUR 68.5 thousand from Tekes and EUR 48.0 thousand of other non-interest-bearing restructuring debts (trade payables).

The Company has amortised EUR 22.6 thousand of the interest-bearing loan from Suur-Savon Osuuspankki and EUR 20.0 thousand of the interest-bearing loan from Finnvera during the period 1 January – 31 March 2018. The Company has withdrawn EUR 112.8 thousand in interest-bearing loan from Tekes during the period 1 January – 31 March 2018.

The Company has also amortised EUR 22.8 thousand of non-interest-bearing loans from Tekes and EUR 31.6 thousand of other non-interest-bearing restructuring debts during the period 1 January – 31 March 2018.

In the tables below changes in the Company's loans for the financial years ended 31 December 2017 and 31 December 2016 are described (the amounts are expressed in EUR thousand).

	1 January – 31 December 2017				31 December 2017			
	Raised ordinary loans	Raised capital loans	Repayments of loans / set-offs	Repayments of interest / set-offs	Ordinary loans	Capital loans	Bank guarantees in use	Interest liabilities
Suur-Savon Osuuspankki	-	-	87.0	48.4	163.1	1,190.2	390.8	23.2
Finnvera Oyj	-	-	40.0	14.4	80.0	241.1	-	8.7
Tekes	201.2	-	91.3	-	292.5	-	-	1.2
Scandinavian Credit Fund I AB	600.0	-	600.0	45.0	-	-	-	-
Total	801.2	-	818.3	107.8	535.6	1,431.3	390.8	33.1

	1 January – 31 December 2016				31 December 2016			
	Raised ordinary loans	Raised capital loans	Repayments of loans / set-offs	Repayments of interest / set-offs	Ordinary loans	Capital loans	Bank guarantees in use	Interest liabilities
Suur-Savon Osuuspankki	-	-	74.8	83.7	250.0	1,190.2	1,233.5	22.3
Fundu Oy	125.0	-	125.0	1.1	-	-	-	-
Finnvera Oyj	-	-	40.0	23.7	120.0	241.1	-	9.5
Dal Gerhard	150.0	-	150.0	11.3	-	-	-	-
Formue Nord A/S	150.0	-	150.0	11.3	-	-	-	-
Scandinavian Credit Fund	600.0	-	600.0	45.0	-	-	-	-
Sitra	170.0	-	170.0	6.4	-	-	-	-
Tekes	-	-	91.2	-	182.5	-	-	-
Yhteensä	1,195.0	-	1,401.0	182.5	552.5	1,431.3	1,223.5	31.8

Maturity of interest bearing liabilities

The table below presents the grouping by maturities of the Company's interest-bearing liabilities (amounts expressed in EUR thousand). When reading the table, the restrictions relating to the repayment of the capital and interests on the capital loans should be taken into account. The principal of the capital loans may be otherwise repaid and interest paid only in so far as the sum total of the unrestricted equity and all of the capital loans of the Company at the time of payment exceed the loss on the balance sheet to be adopted for the latest financial period or the loss on the balance sheet from more recent financial statements. If interest due on a capital loan cannot be paid, the interest shall be deferred to be paid on the basis of the first such financial statements that allow for payment. The Company has paid EUR 2,544.50 in interest to Finnvera Oyj, EUR 1,455.79 to Suur-Savon Osuuspankki and EUR 1,748.89 to Tekes on 31 March 2018.

EUR thousand	31 December 2017	31 December 2016
Total interest bearing liabilities	1,875.6	1,801.3
Amounts due in more than five years	0.0	0.0

In May 2018, the Company agreed on a 12 month extension regarding the capital loans' maturity with Finnvera Oyj and Suur-Savon Osuuspankki. After the change of the maturity date, loans totaling to EUR 1.4 million mature on 31 December 2019 instead of their original maturity date on 31 December 2018.

On 13 June 2018, the Company entered into a bridge loan agreement with Modelio Equity AB (publ). With the bridge loan agreement, Modelio Equity AB (publ) granted the Company a loan of SEK 3.0 million. The bridge loan has an interest of 2.5 per cent per month; the loan and its interest will mature on 31 August 2018 at the latest. The bridge loan agreement allowed the Company to secure its working capital needs until the implementation of the Offering.

Loans from financial institutions and investors

SSOP

The Company has entered into two (2) loan agreements with Suur-Savon Osuuspankki ("SSOP") relating to loans of EUR 400.0 thousand ("SSOP Loan 1") and EUR 250.0 thousand ("SSOP Loan 2") (together "SSOP Loans") with SSOP dated

5 September 2013 and 15 April 2014 (together “SSOP Loan Agreements”). The Company repaid the SSOP Loan 2 prematurely on 1 February 2016.

Interest for SSOP Loan 1 is EURIBOR twelve (12) months + 6.0 per cent per annum and for SSOP Loan 2 fixed 6.0 per cent per annum. SSOP Loan 1 is an annuity loan and it was originally agreed to be paid back in monthly instalments of EUR 7.9 thousand (including interests). The first payment date for interests was 31 October 2013 and for the full instalments 31 October 2014. SSOP Loan 2 and accrued interest was originally agreed to be paid back on 31 December 2014. The Company agreed with SSOP on 12 December 2014 that 1) only the interests of SSOP Loan 1 are paid between 1 December 2014 and 28 February 2015 and thereafter the monthly instalment is EUR 8.3 thousand and 2) SSOP Loan 2 shall be paid on 31 December 2015 and the interests of the said loan are paid monthly as on 31 March 2015. The Company agreed with SSOP on 16 February 2015 that the SSOP Loan 2 is paid back on 30 June 2016 and that the interest accrued on it is paid monthly starting on 31 March 2015. On 25 September 2015, the Company agreed with SSOP that the due date of the SSOP 2 Loan was further postponed until 31 December 2016. After this the Company agreed with SSOP that the SSOP 2 Loan will be repaid prematurely on 1 February 2016.

If SSOP Loans are not paid on a due date, the portion of the loan that has fallen due accrues an annual penal interest that is always three (3) percentage points higher than the reference rate of the loan, however, not less than eighteen (18) per cent per annum. The Company is not entitled to pay SSOP Loans prematurely without SSOP’s consent. SSOP is entitled to increase the interest of SSOP Loans with additional three (3) percentage points should SSOP be entitled to terminate the loans.

EUR 163.1 thousand of SSOP Loan 1 was unpaid on 31 December 2017. After this EUR 22.6 thousand of the SSOP Loan 1 has been amortised.

Finnvera Oyj

The Company has entered into a loan agreement relating to a loan of EUR 200.0 thousand (“Finnvera Loan”) with Finnvera Oyj dated 11 September 2013 (“Finnvera Loan Agreement”). Finnvera Loan was provided for working capital financing of the Company during the restructuring process.

Interest for Finnvera Loan is EURIBOR six (6) months + 6.30 per cent per annum. The accrued interests shall be paid semi-annually on 15 March and 15 September and the first interest payment date was on 15 March 2014. Finnvera Loan shall be repaid in ten (10) instalments of EUR 20.0 thousand. The first instalment shall be made on 15 March 2015 and thereafter the payments shall be made in six (6) month intervals the final payment being due on 15 September 2019.

If Finnvera Loan is not paid on a due date, the portion of loan that has fallen due accrues an annual penal interest that is always six (6) percentage points higher than the reference rate of the loan, however, not less than 16 per cent per annum.

EUR 80.0 thousand of the Finnvera Loan was unpaid on 31 December 2017. After this EUR 20.0 thousand of the Finnvera Loan has been amortised.

Bridge loan

On 13 June 2018, the Company entered into a bridge loan agreement with Modelio Equity AB (publ). With the bridge loan agreement, Modelio Equity AB (publ) granted the Company a loan of SEK 3.0 million. The bridge loan has an interest of 2.5 per cent per month; the loan and its interest will mature on 31 August 2018 at the latest. The bridge loan agreement allowed the Company to secure its working capital needs until the implementation of the Offering.

Capital loans

Capital loans related to the restructuring

The Company has entered into three (3) capital loan agreements in the total amount of EUR 1,190.2 thousand (“SSOP Capital Loans”) with SSOP all dated 10 October 2014 (“SSOP Capital Loan Agreements”). SSOP Capital Loan Agreements were entered into based on the Company’s restructuring programme and in order to convert the loans previously granted by SSOP to the Company into capital loans in accordance with Chapter 12 of the Companies Act. SSOP Capital Loan Agreements have replaced the previous loan agreements between the Company and SSOP belonging to the scope of the restructuring programme.

Based on Chapter 12 of the Companies Act, the principal and interest of the capital loans are always subordinate to all other debts in the liquidation and bankruptcy of the Company. The principal of the capital loans may be otherwise repaid and interest paid only in so far as the sum total of the unrestricted equity and all of the capital loans of the Company at the time of payment exceed the loss on the balance sheet to be adopted for the latest financial period or the loss on the balance sheet from more recent financial statements. If interest due on a capital loan cannot be paid, the interest shall be deferred to be paid on the basis of the first such financial statements that allow for payment. The Company or a subsidiary shall not post security for the payment of the principal and interest of capital loans. On the consent of the creditor of the capital loan, the capital loan may be used for the payment of a share capital increase, converted into invested unrestricted equity or used to cover the loss of the Company.

SSOP Capital Loans accrue a fixed annual interest of 3 per cent as of 13 February 2014. The accrued interests shall be paid annually on 15 May and the first interest payment date is on 15 May 2015. In case the interests cannot be paid due to the restrictions included in the Companies Act, the unpaid interests are cumulated to the following interest periods until they can be paid. The due date for SSOP Capital Loans is 31 December 2019. SSOP Capital Loans accrue a fixed annual penal interest of 18 %, in case they are not paid on a due date due to any other reason than the restrictions included in the Companies Act.

The Company has entered into a capital loan agreement relating to a loan of EUR 241.1 thousand (“Finnvera Capital Loan”) with Finnvera Oyj on 10 September 2014 (“Finnvera Capital Loan Agreement”). Finnvera Capital Loan Agreement was entered into in based on the Company’s restructuring programme and in order to convert the collateral receivable of Finnvera from the Company into a capital loan in accordance with Chapter 12 of the Companies Act.

Finnvera Capital Loan accrues a fixed annual interest of three (3) per cent as of 13 February 2014. The accrued interests shall be paid annually on 15 May and the first interest payment date is on 15 May 2015. In case the interest cannot be paid due to the restrictions included in the Companies Act, the unpaid interest is deferred to be paid on the following due dates. The due date for Finnvera Capital Loan is 31 December 2019. Finnvera Capital Loan accrues a fixed annual penal interest of 16 per cent, in case it is not paid on a due date due to any other reason than the restrictions included in the Companies Act.

SSOP Capital Loans and Finnvera Capital Loans were fully unpaid 31 December 2017.

In May 2018 the Company agreed on postponing the maturity dates of the capital loans to 31 December 2019. After the postponement of the maturity date the capital loans are no longer part of the restructuring programme.

Development loans

Loans attributable to the SOLARCO project

Tekes has granted the Company two (2) research and development loans for SOLARCO projects 1 and 2. The loans cover a contract-based share of the project’s research and development expenses. The loans can be drawn down against reported actual costs. The total amount of drawn development loans granted by Tekes originally amounted to EUR 907.5 thousand. The loans were granted in 2010 and 2011.

Due to the restructuring programme of the Company, 65 per cent of Tekes loans and interest accrued on them were cut and the loans do not accrue interest. As per the date of the Prospectus the amount of Tekes loans is EUR 68.5 thousand. Tekes loans shall be repaid in fourteen (14) instalments of EUR 22.8 thousand. The due date of the first instalment is 30 September 2015 and thereafter the payments shall be made in three (3) month intervals the final payment being due on 31 December 2018.

Product development loan for the development of a new type of solar thermal collector

Tekes has granted the Company a product development loan for the development of a new type of solar thermal collector. The loan covers a contract-based share of the project’s product development expenses. The loan can be drawn down against reported actual costs. The maximum amount of the loan is EUR 494.0 thousand. The loan has been granted in 2017 and as of the date of this Prospectus, EUR 314.0 thousand has been drawn down. The interest rate for the loan is currently 1 per cent. The loan shall be repaid in four (4) equal size instalments due on 8 February 2021, 8 February 2022, 8 February 2023 and 8 February 2024.

Bank guarantees and counter guarantees

The Company has entered into a bank guarantee limit agreement with SSOP amounting to EUR 2,000.0 thousand. Based on the agreement SSOP grants counter-guarantees to Pohjola Pankki Oyj, which in turn grants bank guarantees on behalf of the Company for the Company's projects. Finnvera Oyj has provided counter guarantees on behalf of the Company for 50 per cent of the SSOP guarantees, for which the Company has additionally given a counter guarantee to SSOP, which is 50 per cent of the given guarantee. The agreement is in force until the end of November 2018. One year is the maximum time that Finnvera is prepared to give for the counter-guarantee limit. As of 31 December 2017, EUR 390.8 thousand was in use of the bank guarantee limit. It has so far been used in the Løgumkloster, Jelling, Söllested and Jyderyp projects for the delivery times, warranty times and advance payment guarantees.

The most important covenants of the bank guarantee limit are an equity ratio of at least 30 per cent including the capital loans and a positive operating margin (EBITDA) during the last quarter of the year 2018. Should the covenants not be met, SSOP has the right to amend the terms of the bank's financing or cancel the financing.

Other commitments and contingencies

Rent liabilities according to lease contracts are presented in the table below for those falling separately due the following year and over a year (amounts expressed in EUR thousand).

Leasing liabilities	31 December 2017	30 June 2016
	(unaudited)	
Due no later than 1 year	100.5	92.6
Due later than 1 year	0.0	48.0
Total	100.5	140.6

Company has rented premises in Mikkeli with a three (3) month notice period. The Company has rented an office room at Technopolis Aviapolis, Vantaa with a lease agreement with a three (3) months' notice period. In addition, Savosolar ApS has rented premises in Denmark with a three (3) month notice period. Savosolar GmbH has leased an office room with a year's lease agreement, which is valid until 31 March 2018. The lease agreement can be continued or terminated before the end of the agreement with a one (1) month's notice period.

The Company has paid reduced rent for its premises in Mikkeli during 1 September 2013–31 August 2014. The discount received has been approximately EUR 208.0 thousand in total (including VAT). The Company is obliged to pay back the discount received to the landlord, in monthly instalments of approximately EUR 4.0 thousand during the period 1 September 2014–31 December 2018.

Pledged assets

The Company has three (3) floating charges with the total amount of EUR 1,600 thousand, which are pledged to Suur-Savon Osuuspankki, Sitra and Finnvera Oyj as a security for payment of SSOP Loans, Sitra Loans, SSOP Guarantees and Finnvera Counter Guarantees.

Additionally, the Company has EUR 218.7 thousand in bank accounts pledged as collateral, EUR 3.2 thousand in collaterals for rent and EUR 2.4 thousand as other given collaterals.

The main assets of the Company are the IPR i.e. the patents and patent applications as well as technical know-how obtained through product and technology development and the 30 metre long unique selective optical coating line worth about EUR 4.0 million. This is based on the budgetary quotation from a coating line producer of a new line with a price of EUR 7.0 million and Company's own evaluation and comparison to the line offered.

Subsidies

In 2014, The Company received a decision from Tekes for a grant of EUR 338.3 thousand from Tekes for the SOLHC project. The Company withdrew the last instalments of the product development grant in the financial year ended 31 December 2016 (EUR 62.8 thousand) and in the financial year ended 31 December 2017 (EUR 81.6 thousand).

Working capital statement

The Company estimates that it as of the date of the Prospectus does not have sufficient working capital to meet its current needs for a period of 12 months as of the date of this Prospectus. This is due to the estimated costs of running the Company during the following 12 months. The Company believes that an amount of EUR 4.5 million is sufficient to cover its working capital deficiency for at least the aforementioned 12 month period as of the date of this Prospectus. The Company's current working capital is sufficient until the end of July 2018.

The Company is carrying out the Offering and the Warrants, for the purposes of ensuring sufficient working capital. The Company is of the opinion that if the Offering is completed in the intended timetable, is fully subscribed and the proceeds of the Offering paid in cash are at least EUR 3.0 million, and shares are subscribed for with the Warrants, and the net proceeds from them are at least EUR 1.5 million, the proceeds from the Offering and the shares subscribed for with the Warrants, together with the Company's available cash in hand and at banks provide the Company with sufficient working capital to meet its current requirements and to cover the working capital needs of EUR 4.5 million for a period of at least 12 months as of the date of this Prospectus.

If the net proceeds payable in cash received from the Offering and the shares subscribed for with the Warrants are less than EUR 4.5 million, the Company may require additional financing for working capital, which it plans to procure to the extent necessary with other debt or equity financing. If additional financing is not obtained, the Company is likely to meet financial difficulties.

Board of Directors, management and auditors

General information on the Company's administration

The Company adheres to the Finnish Companies Act and the Rules of First North in the organisation of its administration. The Company does not adhere to the Finnish Corporate Governance Code 2015 recommendation, as it is not justified with respect to the size and the extent of the business of the Company.

The administration of the Company is, in accordance with the Finnish Companies Act, divided between the general meeting of shareholders, the Board of Directors and the Managing Director. The shareholders exercise rights belonging to them mainly in the general meeting of shareholders, which normally is convened by the Board of Directors of the Company. The general meeting of shareholders shall, in addition, be held if the auditor or shareholders of the Company, whose shares represent at least one tenth of all issued shares, which are not in the possession of the Company, demand in writing the holding of the general meeting of shareholders.

The business address of the members of the Board of Directors and the Managing Director is Insinöörinkatu 7, 50150 Mikkeli.

Board of Directors

General information on the Board of Directors of the Company

The Board of Directors shall see to the administration of the Company and the appropriate organisation of its operations. The Board of Directors shall be responsible for the appropriate arrangement of the control of the Company accounts and finances. The Board of Directors or a member of the Board of Directors shall not comply with a decision of the general meeting of shareholders or the Board of Directors where it is invalid owing to being contrary to the Finnish Companies Act or the Articles of Association. The general meeting of shareholders elects the members of the Board of Directors.

According to the Company's Articles of Association, the Board of Directors shall consist of three (3) to seven (7) members elected by the shareholders at a general meeting. The term of office of each member of the Board of Directors ends at the adjournment of the first annual general meeting of shareholders following the election.

The opinion of the majority of the members in attendance in the meeting shall constitute the decision of the Board of Directors. In the event of a tie the chairman shall have the casting vote. The chairman of the Board shall be elected by the Board of Directors. The Board of Directors has convened 9 times in 2018 as of the date of this Prospectus. The Board of Directors convened 18 times in 2017 (22 times in 2016). The Board of Directors has not established any committees among the Board members.

As of the date of this Prospectus, the Board of Directors comprises the persons set out in the below table:

Name	Position	Born	Elected
Feodor Aminoff	Chairman of the Board	1969	2013
Sami Tuhkanen	Board member	1973	2011
Christof Gey	Board member	1964	2016
Håkan Knutsson	Board member	1963	2017

Presentation of the members of the Board of Directors

Feodor Aminoff, born 2 January 1969, M.Sc. in Industrial Economics.

Chairman of the Board since May 2013.

Feodor Aminoff worked for Cleantech Invest Oyj (currently Loudspring Oyj) with responsibility for increasing the value of the portfolio companies, exits and listings in 2015. Before this he has worked as the CEO of Cleantech Invest Oyj during 2013–2015, CEO of Please User Experience Design Oy during 2005–2009, in Sanitec Oy's IDO-group management group with responsibility for development of information management and business processes during 2000–2009 and as project manager at KCI Konecranes Oyj during 1994–1999. In addition, Feodor Aminoff has worked among other things as deputy member and member of the Board in Veho Group Oy since 1996 and as founding member on the Board of Finnish Business Angels Network (FIBAN) during 2010–2012.

In addition to his assignment in Savosolar, Feodor Aminoff has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment on going / ended
Ab Propago Oy	Chairman of the Board	Assignment ongoing
Flaxi Ky Kb	Partner	Assignment ongoing
JamGuard Ab	Board member and Managing Director	Assignment ongoing
JobGo International Oy	Board member	Assignment ongoing
Kiinteistö Oy Munkkiniemenranta 31	Chairman of the Board	Assignment ongoing
Leanpark Oy	Board member	Assignment ongoing
Lumeron Oy	Chairman of the Board	Assignment ongoing
Oy Nylund Group AB	Board member	Assignment ongoing
Oy Provator Ab	Board member	Assignment ongoing
Sinord Capital Oy	Chairman of the Board	Assignment ongoing
Suomen Vaikuttavuussijoitus Oy	Chairman of the Board	Assignment ongoing
Veho Oy Ab	Board member	Assignment ongoing
Byte Invest Ky Kb	Partner	Assignment ended
Cleantech Invest Oyj	Managing Director	Assignment ended
Metirato Oy	Chairman of the Board	Assignment ended
Oceanvolt Oy	Board member and Managing Director	Assignment ended
Ultramat Oy	Managing Director	Assignment ended

Sami Tuhkanen, born 3 June 1973, M.Sc. in Technology.

Member of the Board since August 2011.

Sami Tuhkanen is responsible for Sitra's endowment capital investments and investment portfolio of 20 companies and 55 venture capital and private equity funds in Finland and abroad. He has been the head of the unit and a member of Sitra's management team since 1 April 2012. During 2006–2012 he was responsible for Sitra's early-stage venture capital investments in early-stage cleantech companies. Before joining Sitra he worked at Tekes as a senior technology adviser during 2002–2005 and at VTT (Technological Research Centre of Finland) as a research scientist during 1998–2001.

In addition to his assignment in Savosolar, Sami Tuhkanen has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing / ended
AW-Energy Oy	Board member	Assignment ongoing
Omegawave Oy	Board member	Assignment ongoing
Capricorn Cleantech Fund N.V.	Board member	Assignment ongoing
Sitra Management Oy	Chairman of the Board	Assignment ongoing
ST-Taitoremontit Oy	Board member	Assignment ongoing
Neapo Oy	Board member	Assignment ended

Christof Gey, born 4 April 1964, M.Sc. (Eng.).

Member of the Board since April 2016.

Christof Gey works as a consultant for Solarstation SVS GmbH and internationally in imports related to solar and thermal markets and retailing to customers located in, for instance, China (Linou-Ritter), the United States (Ferro, MP-Tec), Canada (Enerworks), the Middle East, Spain, Poland, Sweden (ClimateWell) and Germany (Vaillant, Solvis Energiesysteme GmbH, NARVA Lichtquellen GmbH, etc.). In 1999, he founded the solar collector manufacturer GeySol, and served as the company's managing director until 2004. In 1995–1999, he worked as a heating contractor for Erwin Maier GmbH, and in 1993–1995, as an engineer for Ing. Büro geTec.

In addition to his assignment in Savosolar, Christof Gey has or has had during the previous five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing / ended
Solarstation SVS GmbH	Chairman of the Board	Assignment ongoing

Håkan Knutsson, born 20 October 1963, M.Sc. (Eng.).

Member of the Board since March 2017.

Håkan Knutsson is the Managing Director of Indepro AB, which provides business services for cleantech companies and consulting services for energy companies. He has worked in senior management positions at Arca Systems Scandinavia AB, Sani Maskiner AB and Sustainable Business Hub Scandinavia AB as well as in sales and marketing positions for ABB in Sweden, Brazil, South Africa, Venezuela and in the services for Qualitrol Corporation in the USA. He is the Chairman of the Board of the Swedish Council for District Heating (Sweheat).

In addition to his assignment in Savosolar, Håkan Knutsson has or has had during the previous five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing / ended
Arne Jensen AB	Board member	Assignment ongoing
Indepro AB	Managing Director	Assignment ongoing
Swedish District Heating Association	Chairman of the Board	Assignment ongoing
BRF Valhalla	Chairman of the Board	Assignment ended
Sustainable Business Hub Scandinavia AB	Managing Director	Assignment ended
OTIWTI AB	Board member	Assignment ended

Managing Director and management board

General information on the Managing Director and the management board of the Company

The Board of Directors appoints the Managing Director. The Managing Director shall see to the executive management of the Company in accordance with the instructions and orders given by the Board of Directors. The Managing Director shall see to it that the accounts of the Company are in compliance with the law and that its financial affairs have been arranged in a reliable manner. The Managing Director shall supply the Board of Directors and the members of the Board of Directors with the information necessary for the performance of the duties of the Board of Directors.

The Managing Director may undertake measures that are unusual or extensive in view of the scope and nature of the activities of the Company only if so authorised by the Board of Directors or if it is not possible to wait for a decision of the Board of Directors without causing essential harm to the business operations of the Company. In the latter case, the Board of Directors shall be notified of the measures as soon as possible.

The management board members of the Company are all under the direct supervision of the Managing Director and the Managing Director acts as the chairman of the management board. All of the management board members are employed by Savosolar. The management board convenes for management review meetings two (2) times a year.

The following table sets forth the members of the management board of the Company as of the date of this Prospectus:

Name	Position	Born	Nominated
Jari Varjotie	Managing Director	1960	2010
Nalle Stenman	CFO	1971	2017
Kaj Pischow	CTO	1947	2010
Morten Hofmeister	Head of Projects and System Design	1971	2017
Aku Järvisalo	Head of Production and Purchasing	1953	2016
Pekka Karjalainen	Head of Quality	1983	2017

Presentation of the members of the management board

The founders of Savosolar are internationally renowned for their knowledge and experience in nano-optical coatings and the executive management team also includes persons with wide experience from international companies in top management positions, expert knowledge in the fields of solar heating systems, the Danish district heating and international industrial project business and renewable energy markets.

Savosolar has an international team with a strong background in R&D and vacuum coating expertise. Savosolar's Managing Director is Jari Varjotie, who has over 25 years of experience in management positions in industrial companies (in the past he has worked as Managing Director for Winwind Ltd, Chief Operating Officer of Perlos Corporation and held various management positions at Metso Group). The CTO of the Company Kaj Pischow has more than 35 years of experience in development of processes for new technologies (has in the past worked as Savcor Oy's technical director).

Savosolar has the skills, knowledge and experience to design, deliver and install whole solar thermal systems for large scale projects.

Managing Director Jari Varjotie, born 16 November 1960, M.Sc. in Production Technology.

Jari Varjotie is the Managing Director of Savosolar since 20 November 2010 and has 25 years of experience as an industrialist. Before working at Savosolar, Jari Varjotie worked at Winwind Oy during 2007–2010, until the company was sold. During his time there he worked as the COO and the Managing Director for Europe. He also worked in various top management positions at Perlos Corporation during 2000–2007, lastly as the COO. During 1993–2000 Jari Varjotie also worked as Manufacturing Manager, Materials Manager, Factory Manager and Vice President at Valmet Corporation.

In addition to his assignment in Savosolar, Jari Varjotie has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing / ended
Asunto Oy Pekkolan kulma	Chairman of the Board	Assignment ongoing
Windstrip Oy	Board member	Assignment ended
Savolaser Oy	Chairman of the Board	Assignment ongoing

CFO Nalle Stenman, born 6 October 1971, M.Sc. in Economics & Business.

Nalle Stenman started as Savosolar's CFO in April 2017. He has 20 years of experience in financial and general management positions. Nalle Stenman has worked in senior positions in Metso and Metso Paper in China and the Far East (2000-2013) and at Konecranes (1997-2000). Prior to joining Savosolar, he has been employed by Far East Advisory Ltd since 2013, working in various senior management positions, including leading paper and pulp companies and the automotive industry.

In addition to his assignment in Savosolar, Nalle Stenman has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing / ended
Asunto Oy Esikkopolku 3	Board member	Assignment ongoing
Far East Advisory and Trading Limited	Chairman of the Board and Managing Director	Assignment ongoing
FBCS in Finland ry	Board member	Assignment ongoing
CPI Advisory (Shanghai) Co., Ltd.	Board member	Assignment ended
Metso (China) Investment Co., Ltd.	Managing Director	Assignment ended
Metso Vietnam Co., Ltd.	Chairman of the Board	Assignment ended
PT Metso Paper Indonesia	Board member	Assignment ended
Metso (Shanghai) Surface Treatment Co., Ltd	Board member	Assignment ended
Metso Automation (Shanghai) Co., Ltd	Inspector of the Board	Assignment ended
Metso Paper (Guangzhou) Co., Ltd	Board member	Assignment ended
Metso Paper (China) Co., Ltd.	Board member	Assignment ended
Metso Paper (Shanghai) Co., Ltd.	Board member	Assignment ended
Metso Paper (Korea) Co., Ltd.	Board member	Assignment ended
Metso Paper (Thailand) Co., Ltd	Board member	Assignment ended
Metso Paper (APAC) Pte Ltd	Board member	Assignment ended
Metso (Singapore) Pte Ltd	Board member	Assignment ended
Metso Fabrics (Shanghai) Co., Ltd.	Chairman of the Board	Assignment ended
Metso Fabrics(Tianjin) Co., Ltd.	Chairman of the Board	Assignment ended
Valmet (Xian) Co., Ltd	Board member	Assignment ended

CTO Kaj Pischow, born 26 January 1947, studies in Mathematics, Physics & Physical Metallurgy

Founder and CTO of Savosolar and since April 2010. Kaj is also actively involved in the development of the Company's business.

Kaj Pischow has 35 years of experience in development of new technologies and is a coating technologies expert. Before founding Savosolar, Kaj Pischow was a major shareholder and technical director during 1998–2010 at Savcor Face Group Oy, Surfcoat Oy and Savcor Coatings Oy which all produced vacuum coatings for Nokia mobile phones. During 1971–1995 Kaj Pischow worked as a researcher at the State Research Center VTT, Riihimäen Lasi Oy, the Technical University

of Helsinki and as a private entrepreneur. Among other things, he was the first one to bring research in nanotechnology to Finland.

In addition to his assignment in Savosolar, Kaj Pischow has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing / ended
Luossajohka Oy	Chairman of the Board and Managing Director	Assignment ongoing
Lohimatkat Avoin yhtiö	Partner	Assignment ongoing
Savolaser Oy	Board member	Assignment ongoing
Savosolar Oy	Board member	Assignment ended

Head of Projects and System Design Morten Hofmeister, born 1 May 1971, M.Sc. in International Technology Planning, Energy

Morten Hofmeister has worked as Savosolar's Head of Projects and System Design since February 2017. Morten Hofmeister has extensive experience in the sales and development of district heating as well as the development and execution of district heating projects. He has worked for DONG Energy A/S as Key Account Manager with responsibility over district heating clients during 2004 – 2010. During 2010 – 2014 he worked for the Danish District Heating Association. Since 2014, he has worked as a department and project manager at PlanEnergi, a well-known system design company in Denmark. His solid project expertise covers development of district heating and solar heating in both Eastern and Western Europe as well as Denmark specifically.

Morten Hofmeister does not have and has not had during the last five (5) years before the date of this Prospectus memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partner in partnerships.

Head of Production and Purchasing Aku Järvisalo, born 14 December 1987, M.Sc. (Mechanical Engineering)

Aku Järvisalo joined Savosolar in April 2010 as one of its first employees. He has had several different jobs in the Company as an engineer, coordinator of flame brazing, project manager and as chief engineer. He has been involved in the development of the Company's current products and their production processes. Aku Järvisalo became a member of the Company's management group in January 2016 and has worked in his current position, as responsible for the Company's production and procurement since April 2017.

Aku Järvisalo does not have nor has he had during the previous five (5) years before the date of this Prospectus memberships in administrative, governing or supervisory bodies unrelated to the Company nor has he been a partner in partnerships

Head of Quality Pekka Karjalainen, born 30 September 1983, M.Sc. (Mechanical Engineering)

Pekka Karjalainen joined Savosolar in January 2016 as a quality engineer. Previously he worked as a designer at ABB Oy. Pekka Karjalainen became a member of the Company's management group in December 2016 and has been working as Head of Quality since then.

Pekka Karjalainen does not have nor has he had during the previous five (5) years before the date of this Prospectus memberships in administrative, governing or supervisory bodies unrelated to the Company nor has he been a partner in partnerships

Auditor

Based on the Articles of Association, the Company shall have one ordinary auditor and one deputy auditor. In case an auditing firm certified by the Finland Chamber of Commerce or chamber of commerce is elected as auditor, deputy auditor does not need to be elected. The term of office of the auditors ends at the adjournment of the annual general meeting of shareholders first following the election.

The Company's annual general meeting held on 19 April 2016 elected Authorised Public Accountants PricewaterhouseCoopers Oy (Business ID 0486406-8, PO Box 1015, (Itämerentori 2) FI-00101 Helsinki, Finland), as the Company's ordinary auditor with Pekka Loikkanen, Authorised Public Accountant, as the auditor with principal responsibility. The Company's annual general meeting held on 28 March 2017 elected the auditing firm

PricewaterhouseCoopers Oy, as the Company's ordinary auditor, who appointed Petter Lindeman, Authorised Public Accountant, as the auditor with principal responsibility. The Company's annual general meeting held on 27 March 2018 elected the auditing firm PricewaterhouseCoopers Oy, as the Company's ordinary auditor with Petter Lindeman, Authorised Public Accountant, as the auditor with principal responsibility.

Information regarding members of the Board of Directors and management board

Provisions regarding the conflict of interests of the management of Finnish companies are set forth in the Finnish Companies Act. Pursuant to Chapter 6, Sections 4 and 19 a member of the Board of Directors or the Managing Director shall be disqualified from the consideration of a matter pertaining to a contract between himself and the company. He or she shall also be disqualified from the consideration of a matter pertaining to a contract between the company and a third party if he/she may thereby receive a material benefit which may be in contradiction with the interests of the company. The above provision on a contract shall correspondingly apply to other legal act and to legal proceeding and other similar matter. Members of the Board of Directors, the Managing Director and the other members of the management board do not have any conflicts of interests between their duties relating to the Company and their private interests and/or their other duties. There are no family ties between members of the Board of Directors or the management board.

The Company filed a restructuring application in accordance with the Restructuring Act to the District Court of Pohjois-Savo on 28 August 2013. The District Court of Pohjois-Savo ordered restructuring proceedings to commence on 2 September 2013 and approved the Company's restructuring programme on 13 February 2014. For more information about the restructuring programme, see *Description of business – Legal and arbitration proceedings – Restructuring 2014-2018*.

Feodor Aminoff was the Managing Director of Ultranat Oy, which was declared bankrupt on 13 September 2013.

Sami Tuhkanen served as Board member (through the shareholding of Sitra) of Neapo Oy, which was declared bankrupt in July 2013.

Notwithstanding the exceptions mentioned above, as of the date of this Prospectus, none of the members of the Board of Directors or management board has during the previous five years:

- had any convictions in relation to fraudulent offences;
- been in a managerial position, such as a member of the administrative, management or supervisory body or belonged to the senior management of any company at the time of its bankruptcy, liquidation or reorganisation; or
- been subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from managing the affairs of any company.

Holdings of the Company's Board of Directors and management board

The table below includes the holdings of Shares in the Company as well as holdings of rights entitling to Shares by the members of the Board of Directors and the management board of the Company on the date of this Prospectus. The stock option programme of the management is further described under "*Board of Directors, management and auditors – Stock option programme of the management 2-2017*".

Board of Directors	Shares	Share Options
Feodor Aminoff	76,616	-
Sami Tuhkanen	-	-
Christof Gey	67,617	-
Håkan Knutsson	58,971	-
Management Group		
Jari Varjotie	155,158	240,000
Nalle Stenman	88,710	240,000
Kaj Pischow	192,000	120,000
Morten Hofmeister	0	120,000
Aku Järvisalo	6,700	120,000
Pekka Karjalainen	2,850	120,000
Board & Management in total	648,622	960,000

Remuneration and benefits of Board members and management

The Company's shareholders resolve upon the remuneration and benefits for the Board members at the general meeting in accordance with the Finnish Companies Act.

For the financial year 2017 a total of (i) EUR 41.6 thousand, including the 235,886 new shares transferred as part of the Board's remuneration (financial year 2016 EUR 25.8 thousand, including the 43,231 new shares transferred as part of the Board's remuneration) was paid to the members of the Board of Directors as remuneration for attending meetings; (ii) EUR 138.4 thousand including fringe benefits (financial year 2016 EUR 127.0 thousand) was paid to Managing Director Jari Varjotie and (iii) EUR 323.2 thousand (financial year 2016 EUR 505.2 thousand) to the other members of the management.

The Company's annual general meeting of 27 March 2018 decided that the members of the Board of Directors will be paid the following fees for the term of office that begins at the end of the annual general meeting and terminates at the end of the following annual general meeting: EUR 21,600 to the chairman of the Board and EUR 10,800 to all other Board members. Approximately 40 per cent of the fees paid to the Board of Directors are paid on the basis of the Board's share issue authorisation by giving the Board members new shares in the Company. Approximately 60 per cent of the fees will be paid in cash. The cash portion of the fee will be paid in 12 instalments on a monthly basis insofar as it exceeds the amount of tax withheld at source applicable to the fee. The share portion of the fee will be paid to the Board members in two (2) instalments in such a way that the first instalment will be paid within two (2) weeks of the publication of the half-year report from 1 January to 30 June 2018 and the second installment between 1 November and 30 November 2018. In the event that the shares cannot be given on the aforementioned dates due to insider regulations, they will be given on the first possible date on which it is possible pursuant to currently valid insider regulations.

Board members may not give away shares received as remuneration before their term of office on the Board has ended. In addition, Board members are compensated for reasonable travel and accommodation expenses related to Board meetings. Travel and accommodation expenses are nevertheless not compensated for with regard to Board members who live in the Helsinki area, when the meetings are held in the greater Helsinki area.

No service agreements or pension arrangements have been entered into between the Company and the members of the Board of Directors.

Under his service contract Managing Director Jari Varjotie is entitled to a monthly salary of EUR 11.0 thousand since 1 October 2016 (before this EUR 9.6 thousand), including a housing allowance with a monthly taxable value of EUR 535. Varjotie is not entitled to any voluntarily pension schemes paid by the Company. In case the Company terminates Varjotie's service contract, the Company shall pay to Varjotie i) normal monthly salary during the termination period of four (4) months, and ii) a severance payment corresponding to five (5) months' salary. However, no severance payment is payable to Varjotie in case of gross negligence (as set out in Chapter 8 Section 1 of the Employment Contracts Act (55/2001, as amended)).

There have been no changes to the salaries and remuneration of the Managing Director and other members of the management group in the financial year 2018.

Stock option programme of the management 2-2017

The Board of Directors has on 5 July 2017 on the basis of the authorisation received from the annual general meeting on 28 March 2017 resolved on a stock option programme, on basis which a maximum of 2,000,000 stock options of the Company can be granted, which entitle to subscribe for a total of up to 2,000,000 shares in the Company. The stock options are divided into 2/2017A, 2/2017B, 2/2017C and 2015D2/2017D stock options, each with 500,000 stock options. As of the date of the Prospectus, a total of 1,880,000 stock options have been allocated to 18 persons employed by the Company, of whom the following belong to the management board: Jari Varjotie 240,000, Nalle Stenman 240,000, Kaj Pischow 120,000, Morten Hofmeister 120,000, Aku Järvisalo 120,000 and Pekka Karjalainen 120,000. The share subscription period is for stock option 2-2017A 1 January 2018-31 December 2019, for stock option 2-2017B 1 July 2018-31 December 2019, for stock option 2-2017C 1 January 2019-31 December 2019 and for stock option 2-2017D 1 July 2019-31 December 2019. The subscription price for the shares is the weighted average price of the Company's share on First North Finland between 1 June 2017 and 31 August 2017, or EUR 0.12. The share subscription price shall be entered into the reserve for invested unrestricted equity of the Company. The Company shall hold the stock options on behalf of the stock option owner until the beginning of the share subscription period. To the extent the legislation or the Company's insider rules in force from time to time do not impose restrictions for transfer, the stock options may freely be transferred and pledged, when the relevant share subscription period has begun. The Board of Directors may, however,

permit the transfer or pledge of stock options also before such date. Should the stock option owner transfer or pledge his or her stock options, such person shall be obliged to inform the Company about the transfer or pledge in writing, without delay. The Board of Directors may, at its discretion, decide to restrict the transfer of stock options in certain countries, e.g. for legal or administrative reasons.

Should a stock option owner cease to be employed by or in the service of a company belonging to the group, for any reason other than the death or the statutory retirement of a stock option owner or the retirement of a stock option owner in compliance with the employment or service contract, or the retirement of a stock option owner otherwise determined by the Company, or the permanent disability of a stock option owner, such person shall, without delay, forfeit to the Company or its designee, without compensation, such stock options that the Board of Directors has distributed to him or her at its discretion, for which the share subscription period has not begun, on the last day of such person's employment or service. Should the rights and obligations arising from the stock option owner's employment or service be transferred to a new owner or holder, upon the employer's transfer of business, the process shall be similar. As an exception to the above, the Board of Directors may, at its discretion, decide, when appropriate, that the stock option owner is entitled to keep such stock options, or a part of them.

Should the Company, before the share subscription, decide on an issue of shares or an issue of new stock options or other special rights entitling to shares so that the shareholders have preferential subscription rights, the owner of a stock option shall have, pursuant to the terms of the stock option programme, the same right as, or an equal right to, that of a shareholder. Equality is reached in the manner determined by the Board of Directors by adjusting the number of shares available for subscription, the share subscription prices or both of these. The number of shares that can be subscribed for with the stock options corresponds to approximately 1.5 per cent of the fully diluted number of Shares in the Company before the Offering and approximately 0.4 per cent of the fully diluted number of Shares in the Company after the Offering, if the Offering, and possibly directed share issues in connection with the Offering, and the Warrants are subscribed in full.

Ownership structure

On the date of this Prospectus, the fully paid-up share capital of Savosolar amounts to EUR 470,210.00. A total of 130,749,062 of the Company's Shares are registered. All Shares are of the same class.

The Company had 6,192 shareholders as of 15 March 2018. The following table sets forth the ten (10) largest shareholders of the Company and their ownership as of 15 March 2018. According to the information available to the Company, no significant changes have happened in the ownership structure until the date of the Prospectus.

Shareholder	Number of shares	% of all the shares and votes
Avanza Bank AB	5,290,203	4.0
Swedbank AB	4,687,497	3.6
Skandinaviska Enskilda Banken AB	4,667,395	3.6
Nordea Bank AB (publ)	4,645,055	3.6
Nordnet Bank AB	4,323,572	3.3
Svenska Handelsbanken AB	4,227,127	3.2
Erik Penser Bank AB	1,377,332	1.1
Niklas Geust	1,373,373	1.1
Suomen Itsenäisyyden Rahasto	1,354,353	1.0
Petteri Hämäläinen	1,300,000	1.0
Total	33,245,907	25.4
Other shareholders	97,503,155	74.6
Total	130,749,062	100.0

The Company is not aware of any shareholder having a controlling interest in the Company. The Company is not aware of any arrangements that might result in a change in the control of the Company in the future.

The Certified Adviser does not own any Shares of the Company.

Company, shares and share capital

General information on the Company

The business name of the Company is Savosolar Plc (Savlo-Solar Plc until 29 March 2018). The Company is a public limited liability company incorporated on 19 January 2010 in Finland, and it is organised under the laws of Finland. The Company is registered in the Finnish Trade Register under the business identity number 2309682-6. The registered address of the Company is Insinöörintie 7, 50150 Mikkeli, Finland and its telephone number is +358 (0)10 2710 810. The Company is headquartered in Mikkeli, Finland.

According to the Articles of Association of the Company the line of business of Savosolar is design, manufacturing and sale of energy systems that exploit solar energy as well as research, development and consultation relating to its field of business. In addition, the Company may own real estates, shares in housing companies, investment shares as well as other securities, make share investments in companies and lease the real estates and apartments that it owns. The Company may practice its business directly or through its subsidiaries or associated companies.

Savosolar has fully-owned subsidiaries in Denmark (Savosolar ApS) and Germany (Savosolar GmbH). In addition, Savosolar owns 55.0 per cent of the shares in Savolaser Oy, which is currently a dormant company. The rest of the Savolaser's shares are owned by Veslatec Oy.

Shares and share capital

As of the date of this Prospectus, the fully paid-up share capital of Savosolar amounts to EUR 470,210.00. A total of 130,749,062 of the Company's Shares are registered. All of the Shares are of the same class and all are fully paid. Each share entitles its holder to one (1) vote at the general meetings of shareholders of Savosolar.

At the beginning of the financial year 2016 there were 15,887,430 class A shares. The annual general meeting held on 19 April 2016 resolved to remove the provisions regarding different classes of shares from the Articles of Association. At the beginning of the financial year 2017, the Company had 35,469,332 Shares and at the beginning of the financial year 2018 it had 130,749,062 Shares.

The shares have no nominal value. Shares have an ISIN code of FI4000123096. As of the date of this Prospectus, Savosolar does not hold any treasury shares. The Shares have been entered into the book-entry securities system of Euroclear Finland on 16 January 2015. The shares that are traded on First North Sweden are also registered in the Swedish book-entry securities system of Euroclear Sweden from 18 March 2015. The shares are issued under Finnish law. The Company's Shares are denominated in euro.

Authorisation

On 12 June 2018, the extraordinary general meeting of shareholders resolved to authorise the Board of Directors to decide, in one or more transactions, on the issuance of shares and the issuance of stock options and other special rights to shares referred to in Chapter 10(1) of the Finnish Companies Act.

The maximum number of shares that can be issued on the basis of the authorisation is 400,000,000 shares, which is equal to approximately 305.9 per cent of the Company's current shares.

The Board of Directors decides on all the terms and conditions of the issuances of shares and of stock options and other special rights entitling to shares. The issuance of shares and stock options and other special rights entitling to shares can take place in derogation of shareholders' pre-emptive subscription rights (directed issue), provided that there is, from the perspective of the Company, weighty financial grounds for this.

In the Company's share issues, shares can be assigned either against payment or for free. A directed issue may only be free if there are particularly weighty financial grounds for it both from the perspective of the Company and in consideration of the interests of all of its shareholders.

The authorisation is valid until 11 June 2023.

A total of 343,570,078 shares will be used of the authorisation in connection with the Offering, the directed share issues that might be arranged in connection therewith, and the Warrants and 56,429,922 shares will remain unused after this.

Stock options

Stock option programme 2-2017

The key terms of the Stock option programme 2-2017 are described under “*Board of Directors, management and auditor – Stock option programme of the management 2-2017*” in the Prospectus.

Share capital development

The following table presents the development of the Company’s share capital and changes in the number of Shares as of 31 December 2015. On 31 December 2015, there were 15,887,430 class A shares in the Company and the Company’s share capital was EUR 470,210.00.

Event	Change in share capital (€)	Change in number of shares	New number of shares	New share capital (€)	Registered
Directed share issue without consideration 3 May 2016	-	19,445 class A shares	15,906,875 class A shares	-	11 May 2016
Change of the Articles of Association 19 April 2016	-	-	15,906,875 shares	-	11 May 2016
Rights issue 29 August 2016	-	11,930,156 shares	27,837,031 shares	-	3 October 2016
Directed share issue 23 September 2016	-	239,120 shares	28,076,151 shares	-	3 October 2016
Directed share issue without consideration 23 September 2016	-	23,786 shares	28,099,937 shares	-	3 October 2016
Directed share issue 23 September 2016	-	7,369,395 shares	35,469,332 shares	-	28 October 2016
Rights issue 5 July 2017	-	70,938,664 shares	106,407,996 shares	-	21 July 2017
Directed share issue 5 July 2017	-	3,164,224 shares	109,572,220 shares	-	21 July 2017
Directed share issue without consideration 5 July 2017	-	118,645 shares	109,690,865 shares	-	21 July 2017
Directed share issue without consideration 8 November 2017	-	117,241 shares	109,808,106 osaketta	-	22 November 2017
Subscription of shares with warrants 1-2017 5 December 2017	-	20,940,956 shares	130,749,062 shares	-	13 December 2017

Directed share issue without consideration 3 May 2016. The Company’s annual general meeting held on 19 April 2016 resolved that approximately 40 per cent of the remuneration of Board members will be paid by giving the Board members new class A shares in the Company in two instalments. Based on the authorisation given by the annual general meeting of 19 April 2016, the Company’s Board of Directors decided, on 3 May 2016, on a directed issue to be used for the payment of the first instalment of the Board remuneration. In the share issue, the Board members, excluding Sami Tuhkanen, subscribed a total of 19,445 of the Company’s new class A shares free of charge.

Amendment to the Company's Articles of Association, 19 April 2016. The Company's annual general meeting on 19 April 2016 decided to remove the terms applicable to various share classes from the Articles of Association.

Rights issue 28 September 2016. Based on the authorisation given to it by the extraordinary general meeting on 12 July 2016, the Company's Board of Directors decided on, 28 September 2016, on an issuance of shares, in which a maximum of 11,930,156 new shares were offered for subscription in accordance with the shareholders' pre-emptive subscription rights. A total of 11,930,156 shares were subscribed. The subscription price was 0.33 euro / 3.14 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Directed share issue 23 September 2016. Based on the authorisation given to it by the annual general meeting on 19 April 2016, the Company's Board of Directors decided on, 23 September 2016, on an issuance of shares, in which a maximum of 239,120 new shares were offered for subscription in deviation from the shareholders' pre-emptive rights to certain underwriters in the rights issue decided on 28 September 2016. A total of 239,120 shares were subscribed. The subscription price was 3.82 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Directed share issue without consideration 23 September 2016. The Company's annual general meeting held on 19 April 2016 resolved that approximately 40 per cent of the remuneration of Board members will be paid by giving the Board members new shares in the Company in two instalments. Based on the authorisation given by the annual general meeting of 19 April 2016, the Company's Board of Directors decided, on 23 September 2016, on a directed issue to be used for the payment of the second instalment of the Board remuneration. In the share issue, the Board members, excluding Sami Tuhkanen, subscribed a total of 23,786 of the Company's new shares free of charge.

Directed share issue 23 September 2016. Based on the authorisation given to it by the annual general meeting on 19 April 2016, the Company's Board of Directors decided on, 23 September 2016, on an issuance of shares, in which a maximum of 7,369,395 new shares were offered for subscription in deviation from the shareholders' pre-emptive rights to certain Swedish professional investors. A total of 7,369,395 shares were subscribed. The subscription price was 3.14 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Rights issue 5 July 2017. Based on the authorisation given to it by the annual general meeting on 28 March 2017, the Company's Board of Directors decided on, 5 July 2017, on an issuance of shares, in which a maximum of 70,938,664 new shares were offered for subscription in accordance with the shareholders' pre-emptive subscription rights. A total of 70,938,664 shares were subscribed. The subscription price was 0.06 euro / 0.58 Swedish krona per share and it was recorded in full in the Company's reserve for invested unrestricted equity.

Directed share issue 5 July 2017. Based on the authorisation given to it by the annual general meeting on 28 March 2017, the Company's Board of Directors decided on, 5 July 2017, on an issuance of shares, in which a maximum of 3,164,224 new shares were offered for subscription in deviation from the shareholders' pre-emptive rights to certain underwriters in the rights issue decided on 5 July 2017. A total of 3,164,224 shares were subscribed. The subscription price was 0.76 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Directed share issue without consideration 5 July 2017. The Company's annual general meeting held on 28 March 2017 resolved that approximately 40 per cent of the remuneration of Board members will be paid by giving the Board members new shares in the Company in two instalments. Based on the authorisation given by the annual general meeting of 28 March 2017, the Company's Board of Directors decided, on 5 July 2017, on a directed issue to be used for the payment of the first instalment of the Board remuneration. In the share issue, the Board members, excluding Sami Tuhkanen, subscribed a total of 118,645 of the Company's new shares free of charge.

Directed share issue without consideration 8 November 2017. The Company's annual general meeting held on 28 March 2017 resolved that approximately 40 per cent of the remuneration of Board members will be paid by giving the Board members new shares in the Company in two instalments. Based on the authorisation given by the annual general meeting of 28 March 2017, the Company's Board of Directors decided, on 8 November 2017, on a directed issue to be used for the payment of the second instalment of the Board remuneration. In the share issue, the Board members, excluding Sami Tuhkanen, subscribed a total of 117,241 of the Company's new shares free of charge.

Subscription of shares with warrants 1-2017 5 December 2017. The Company carried of a rights issue from 14 June 2017 to 28 June 2017, during which the warrants 1-2017 were issued free of charge to the subscribers of the shares. A total of 20,940,956 new shares were subscribed for under the warrants 1-2017. The subscription price was 0.06 euro/0.59 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Dividend Policy

The Company has not paid dividend to date, and there can be no guarantee that it will have distributable funds in the future. In the future, the Company's target is to distribute a maximum of 30 per cent of the profit for the year, but not more than 30 per cent of the distributable funds, and invest the rest of the funds for developing products and processes, as well as for expanding the business.

Savosolar is currently subject to restructuring programme in accordance with the Restructuring Act which programme is in force until 31 December 2018. As the debt arrangement under a restructuring programme restricts the right of creditors to payment against the capital balance of their claims, the assets of the Company shall not be distributed to the shareholders of the Company between the approval and the conclusion of the restructuring programme.

Shareholder rights

General meetings of shareholders

General

Pursuant to the Finnish Companies Act, shareholders exercise their power to resolve on matters at general meetings of the shareholders. Pursuant to the Finnish Companies Act, the annual general meeting of shareholders of the company must be held annually no later than six months from the end of the company's financial year. At the annual general meeting of shareholders, the financial statements, including the income statement and the balance sheet with notes thereto and if required the cash flow statement and the consolidated financial statements, are presented to the shareholders for adoption. At the annual general meeting, shareholders also make decisions regarding, among others, use of profits shown in the balance sheet, the discharge from liability of the members of the Board of Directors and the managing director, the number of members to be elected to the Board of Directors as well as the election of the members of the Board of Directors and the auditor, and their respective remuneration.

An extraordinary general meeting of shareholders in respect of specific matters must be convened when deemed necessary by the Board of Directors, or when requested in writing by the auditor of the company or by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company.

Pursuant to the articles of association of the Company, the Board of Directors must publish a notice to a general meeting of shareholders on the Company's website or otherwise in a verifiable manner no earlier than three (3) months and no later than three (3) weeks prior to the general meeting, however, in any case, at least nine (9) days before the record date of the general meeting of shareholders. Under the rules of First North, the Company shall publish the notice to a general meeting of shareholders as a company release as well as on the Company's website.

In order to attend and vote at the general meeting of shareholders, a shareholder must, pursuant to the articles of association of the Company, register with the Company at the latest on the date referred to in the notice convening the meeting, which may be at the earliest ten (10) days before the general meeting of shareholders. Shareholders must comply with the requirements in respect of shares registered in Euroclear Finland or Euroclear Sweden, as the case may be, and any instructions provided in the relevant notice of the general meeting of shareholders.

The Finnish Companies Act or the Company's Articles of Association do not contain requirements concerning the decision-making of the General Meeting.

Shareholders with shares registered in Euroclear Finland

In order to have the right to attend and vote at a general meeting of shareholders, a shareholder must be registered at least eight (8) Finnish business days prior to the relevant general meeting of shareholders in the shareholder register maintained by Euroclear Finland in accordance with Finnish law. An owner of nominee-registered shares contemplating attending and voting at the general meeting of shareholders should seek a temporary registration in the shareholder register maintained by Euroclear Finland by the date announced in the notice to the general meeting of shareholders, which date must be after the record date of the general meeting of shareholders. A notification for temporary registration of an owner of nominee-registered shares into the shareholder register of the Company is considered notice of attendance at the general meeting of shareholders.

Shareholders with shares registered in Euroclear Sweden

In order to have the right to attend and vote at a general meeting of shareholders, a shareholder with Shares registered in Euroclear Sweden's book-entry securities system must (i) be registered in the shareholder register maintained by Euroclear Sweden on the record date of the general meeting of shareholders, i.e. eight (8) Finnish business days prior to the general meeting of shareholders, and (ii) request temporary registration of ownership in the shareholder register maintained by Euroclear Finland by the date announced in the notice to convene the general meeting.

Furthermore, shareholders with shares registered in Euroclear Sweden in the name of a nominee, through a bank or a securities institution, must, in order to have the right to attend the general meeting of shareholders, (i) temporarily re-register their shares in their own name in the register maintained by Euroclear Sweden by instructing their nominee to send to Euroclear Sweden the request for temporary registration into the shareholder register maintained by Euroclear Sweden, and (ii) procure that the nominee sends the abovementioned request for temporary registration in the shareholder register maintained by Euroclear Finland on their behalf.

A request for temporary registration of ownership in the shareholder register maintained by Euroclear Finland is considered notice of attendance at the general meeting of shareholders.

Voting rights

A shareholder may attend and vote at a general meeting of shareholders in person or through an authorised representative. Pursuant to the Finnish Companies Act and the articles of association of the Company, each share entitles the holder to one vote at the general meeting of shareholders. At a general meeting of shareholders, resolutions are generally passed with the majority of the votes cast.

However, certain resolutions, such as any deviations from shareholders' pre-emptive rights in respect of share offerings and repurchases of own shares, amendments to the articles of association and resolutions regarding mergers, demergers or dissolution of a company, require at least two-thirds of the votes cast and the shares represented at the general meeting of shareholders.

In addition, certain resolutions, such as amendments to the articles of association that change the respective rights of shareholders holding the same class of shares or increase the redemption rights of a company or its shareholders require the consent of all shareholders, or where only certain shareholders are affected, require the consent of all shareholders affected by the amendment in addition to the applicable majority requirement.

Dividends and other distributions of funds

Under the Finnish Companies Act, the shareholders' equity of a company is divided into restricted and unrestricted equity. Restricted equity consists of the share capital, the fair value reserve and the revaluation reserves according to the Finnish Accounting Act (1336/1997, as amended) as well as any possible reserve fund and share premium fund formed under the previous Finnish Companies Act (734/1978, as amended) effective prior to September 1, 2006.

In accordance with the prevailing practice in Finland, dividends on shares in a Finnish limited company, if any, are generally declared once a year. Dividends may be paid and unrestricted equity may be otherwise distributed after the general meeting of shareholders has adopted the company's financial statements and resolved on the amount of dividend or other distribution of unrestricted equity based on a proposal by the Board of Directors of the company. Pursuant to the Finnish Companies Act, the payment of a dividend or other distribution of unrestricted equity may also be based on financial statements other than those for the preceding financial year, provided that such financial statements have been adopted by the general meeting of shareholders. If the company has an obligation to elect an auditor pursuant to law or its articles of association, such financial statements must be audited.

The payment of a dividend or other distribution of unrestricted equity requires the approval of the majority of the votes cast at a general meeting of shareholders of the company. Pursuant to the Finnish Companies Act, the general meeting of shareholders may also authorise the Board of Directors to resolve upon the payment of dividends and other distributions of unrestricted equity. The amount of dividend or other distribution of unrestricted equity cannot exceed the amount stipulated by the general meeting of shareholders.

Pursuant to the Finnish Companies Act, a company may also distribute funds by reducing its share capital, which requires the approval of the majority of votes cast at a general meeting of shareholders of the company. A decision regarding the share capital reduction must be registered with the Finnish Trade Register within one month from the general meeting of

shareholders of the company that resolved on such share capital reduction. Following the registration of the share capital reduction, a creditor hearing process may be commenced and the Finnish Trade Register will issue, upon application of the company, a notice to the creditors of the company. The reduction of the share capital may be registered if none of the creditors of the company has opposed the reduction of the share capital or the company has received a confirmatory judgment to the effect that the opposing creditors have either received payment for their receivables or a securing collateral has been placed by the company for the payments of such receivables.

Distributable funds include the profit for the preceding financial year, retained earnings from previous financial years and other unrestricted equity, adjusted for the loss set forth in the balance and the amounts that the articles of association of the company require to be left undistributed as well as the amount that is recognized as a development cost on the balance statement in accordance with the accounting act. The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity are based, subject to any material changes in the financial condition of the company since the financial statements were prepared. Distribution of funds, whether by way of dividend or other distribution of unrestricted equity, is prohibited if it is known, or it should be known, at the time such decision is made that the company is insolvent or that such distribution would cause the company to become insolvent.

Distributable funds are, where applicable, to be further adjusted for capitalised incorporation, research and certain development costs in accordance with the provisions of the Finnish Act on the Implementation of the Finnish Companies Act (625/2006, as amended). A parent company of a consolidated group of companies may not distribute more than the amount of distributable funds shown on the parent company's latest audited and adopted financial statements.

The dividend may not exceed the amount proposed or otherwise accepted by the Board of Directors, unless so requested at the general meeting by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company, in which case, the dividend can be no more than the lesser of (i) at least one-half of the profit for the preceding financial year less the amount that the articles of association of the company require to be left undistributed (if any) and (ii) the amount of distributable funds as described above. However, in such case, the dividend cannot exceed 8 % of the total shareholders' equity of the company and the distributable amount must be adjusted for any dividends declared during the financial period before the annual general meeting of shareholders.

After they are registered in the Finnish Trade Register, the Shares in the Company will entitle the holders to dividends and other distributions of funds by the Company as well as other shareholder rights. The right to dividends expires in three years from the dividend payment date.

All the shares of the Company belong to the same series of shares as of the date of the Prospectus.

As the debt arrangements under the Company's restructuring programme restrict the right of creditors to payment against the capital balance of their claims, the assets of the Company may not be distributed to the shareholders before the conclusion of the restructuring programme, with the exception of remuneration or compensation for services in accordance with the programme.

Own shares

Pursuant to the Finnish Companies Act, a company can repurchase its own shares. Resolutions regarding the repurchase of a company's own shares must be made by the general meeting of shareholders, unless the general meeting of shareholders has authorised the Board of Directors to resolve upon share repurchases using unrestricted equity. In a public limited liability company, the resolution must be approved by at least two-thirds of all votes cast and shares represented at a general meeting of shareholders. In a public limited liability company, a resolution concerning the repurchase, redemption or pledging of own shares may not be made in such a way that the combined number of shares in the possession of or pledged to the company and its subsidiaries would exceed a tenth of all shares.

Pre-emptive rights

Pursuant to the Finnish Companies Act, shareholders of a Finnish company have a pre-emptive right, in proportion to their shareholdings, to subscribe for new shares in such company unless the resolution of the general meeting of shareholders approving such issue, or authorising the Board of Directors to resolve on such issue, provides otherwise. Pursuant to the Finnish Companies Act, a resolution that deviates from the shareholders' pre-emptive rights must be approved by at least two-thirds of all votes cast and shares represented at a general meeting of shareholders. In addition, pursuant to the Finnish Companies Act, such a resolution requires that the company has a weighty financial reason to deviate from the pre-emptive rights of shareholders.

Certain shareholders resident in, or with a registered address in, certain jurisdictions other than Finland or Sweden may not be able to exercise pre-emptive rights in respect of their shareholdings unless a registration statement, or an equivalent thereof under the applicable laws of their respective jurisdictions, is effective or an exemption from any registration or similar requirements under the applicable laws of their respective jurisdictions is available.

Squeeze-out rights

Under the Finnish Companies Act, a shareholder with shares representing more than 90 % of all shares and voting rights attached to all shares in a company has the right to redeem remaining shares in such company for fair value. In addition, any minority shareholder that possesses shares that can be redeemed may, pursuant to the Finnish Companies Act, require such majority shareholder to redeem its shares.

Restrictions on foreign ownership

General restrictions on foreign ownership of Finnish companies were abolished as of 1 January 1993. However, the Act on the Control of Foreigners' Acquisition of Finnish Companies (172/2012, as amended, the "Control Act") grants Finnish authorities some control over the ownership of Finnish companies operating in areas sensitive from a national emergency supply or national security perspective. Pursuant to the Control Act, advance clearance by the Finnish Ministry of Employment and the Economy is required if a foreign person or entity, other than a person or entity from another member state of the EU or the European Free Trade Association (EFTA), were to acquire a holding of at least one-tenth, one-third or half of the voting rights, or equivalent control by other means, over a Finnish company involved in the defence industry or producing dual-use goods. Furthermore, there are no minimum thresholds for the number of employees or the amount of turnover or total assets of the acquired company before a clearance procedure is triggered. Pursuant to the Control Act, foreign persons or entities are not required to seek clearance by the Finnish Ministry of Employment and the Economy for acquisitions of Finnish companies operating in other industries than the defence industry.

Foreign exchange control

Shares in a Finnish company may be purchased by non-residents of Finland without any separate Finnish exchange control consent. Non-residents may also receive dividends without separate Finnish exchange control consent, the transfer of assets out of Finland however being subject to payment by the company of withholding taxes in the absence of an applicable taxation treaty. Non-residents having acquired shares in a Finnish limited company may receive shares pursuant to a bonus issue or through participation in a rights issue without separate Finnish exchange control consent. Shares in a Finnish company may be sold in Finland by non-residents, and the proceeds of such sale may be transferred out of Finland in any convertible currency. There are no Finnish exchange control regulations restricting the sale of shares in a Finnish company by non-residents to other non-residents.

Restructuring Act

The material content of the Restructuring Act is described in the following. However, as the Company's restructuring proceedings have ended on approval of the restructuring programme, the following description does not include information on legal effects of commencement of the restructuring proceedings or limitations to the debtor's operations, which are in force during the restructuring proceedings.

Restructuring proceedings under the Restructuring Act may be undertaken in order to rehabilitate a distressed debtor's viable business or to ensure its continued viability and to achieve debt arrangements. Based on Section 2 of the Restructuring Act, the subject of restructuring proceedings may be a private entrepreneur, a general partnership, a limited partnership, a limited liability company, a co-operative, a housing company or an association engaged in economic activity. In the proceedings, a court may approve a restructuring programme with instructions regarding measures on the activities, assets and liabilities of the debtor.

Applying for restructuring proceedings and barriers to restructuring

Application for restructuring proceedings under the Restructuring Act is filed to the district court. Based on Section 5 of the Restructuring Act, the application for restructuring proceedings may be filed by the debtor, a creditor or a probable creditor. Restructuring proceedings may be commenced if at least two creditors whose total claims represent at least one fifth of the debtor's known debts and who are not related to, as referred to in Section 3 of the Act on the Recovery of Assets to a Bankruptcy Estate (758/1991; *laki takaisinsaannista konkurssipesään*) the debtor, file a joint application with the debtor or declare that they support the debtor's application. In addition, restructuring proceedings may be commenced if the debtor faces imminent insolvency or the debtor is insolvent and it is probable that the restructuring programme will remedy the insolvency or prevent its recurrence otherwise than for a short period.

Based on Section 7 (1) of the Restructuring Act, restructuring proceedings shall not be commenced if 1) the debtor is insolvent and it is probable that the restructuring programme will not remedy the insolvency or prevent its recurrence otherwise than for a short period, 2) it is probable that the debtor's assets are not sufficient to cover the costs of the restructuring proceedings and no one else has undertaken to cover these costs, 3) it is probable that the debtor will not be able to repay debts arising after the commencement of the proceedings, 4) there is justifiable reason to believe that the primary purpose of the application is to prevent a creditor from collecting on his or her claim or otherwise to violate the rights of a creditor or the debtor, 5) there is justifiable reason to believe that the necessary conditions for the preparation or approval of a restructuring programme for the debtor do not exist or 6) the debtor's books are materially incomplete or erroneous, unless it can be shown that the books can without difficulty be rectified into a proper and reliable condition.

Based on Section 7 (2) of the Restructuring Act, unless there are reasons to the contrary, restructuring proceedings shall likewise not be commenced if the debtor or a person acting on the behalf of the debtor has been found guilty of a debtor's offence referred to in Chapter 39, Section 1—3 or Section 6, of the Penal Code (39/1889; *rikoslaki*), an accounting offence or an aggravated accounting offence, charged with such an offence, or under a justifiable suspicion of such an offence, provided that the offence has been committed in the context of the activity subject to the restructuring proceedings or an individual debtor, a general partner in a debtor partnership or a person in the management of a debtor corporation has in the context of the activity subject to the restructuring proceedings breached a business prohibition, charged with such an offence or under a justifiable suspicion of such an offence or an individual debtor, a general partner in a debtor partnership or a person in the management of a debtor corporation has been guilty of conduct that would serve as grounds for a business prohibition, or is under justifiable suspicion of such conduct.

Administrator, committee of creditors and debtor's duty to co-operate

When resolving on commencement of the restructuring proceedings, the court shall appoint an administrator. In order to realise the purpose of the proceedings and to protect the interests of the creditors, the administrator shall during the restructuring proceedings e.g. prepare a report of the debtor's assets, liabilities and other undertakings and on the circumstances that affect the financial position of the debtor and its expected development, monitor and supervise the debtor's activities subject to the proceedings during the said proceedings, see to an audit of the debtor's activities before the commencement of the proceedings, to the extent necessary and see to the preparation of a draft restructuring programme. The qualifications of the administrator are as follows: He or she shall be an adult, known to be honest, not bankrupt and with full legal competency. The administrator shall have the ability, skills and experience needed for the position. The administrator shall not have such a relationship with the debtor or with any of the creditors that may compromise his or her independence from the debtor or his or her impartiality as regards the creditors. More than one administrator may be appointed if this is necessary in view of the extent of the duties or the expertise required for them,

or in order to ensure the appropriate protection of the interests of various groups of creditors. The duties of the administrator shall continue until the termination of the restructuring proceedings.

Based on Section 9 of the Restructuring Act, in order to perform his or her duties, the administrator is entitled to enter business premises in the possession of the debtor and to peruse the debtor's books, business correspondence and other business documents and data files. Notwithstanding any provisions on secrecy, the administrator is in his or her duties entitled in the same way as the debtor to obtain information on the debtor's bank accounts, financial transactions, financial agreements and undertakings, assets, taxation, and other factors relating to the financial position or the activities of the debtor. The administrator is entitled to participate in meetings of organs of a debtor business and to be heard there. Notices of such meetings shall be sent to the administrator. The administrator is entitled to retain expert advisors in the performance of his or her duties.

On the request of the applicant, the administrator or a creditor, the court shall appoint a committee of creditors as the joint representative of the creditors, unless this is to be deemed unnecessary owing to the small number of creditors or some other reason. The duties of the committee of creditors, as an advisory body, are to assist the administrator in the performance of his or her duties and to monitor the activities of the administrator on the behalf of the creditors. A committee of creditors may be appointed when the decision on the commencement of the proceedings is made, or at a later date. The committee of creditors shall have at least three members and it shall elect a chairperson from among its members. The composition of the committee of creditors shall be determined so that various groups of creditors, such as secured creditors and creditors, whose claims have a corresponding basis, are equally represented. The composition of the committee of creditors may also be determined so that the creditors relevant to the activities of the debtor are represented, if this is conducive to the effective pursuit of the duties of the committee. The committee shall make its decisions by simple majority. In order to perform their duties, the committee of creditors and its members are entitled, as necessary, to obtain information from the administrator on the matters obtained by him or her on the basis of his or her authority.

The administrator shall, at regular intervals and whenever necessary, inform the committee of creditors or, if no committee has been appointed, the creditors, of the measures taken and the observations made in the performance of his or her monitoring, supervision and inspection duties, and consult with the committee of creditors or the creditors on any significant decisions before such decisions are made. If the administrator becomes aware that the debtor has failed in a material way to repay debts other than restructuring debts, the administrator shall provide information also to this effect.

The debtor shall provide the court, the administrator and the committee of creditors with the information required by them on matters that may be relevant to the restructuring proceedings and the restructuring programme. The debtor shall cooperate with the administrator and the committee of creditors so that they can perform their duties appropriately and so that the restructuring proceedings can appropriately be brought to a conclusion. If the debtor is a corporation, the members of its Board of Directors, the Managing Director and the persons individually liable for the undertakings of the corporation shall perform the duties referred to above. Persons employed by the debtor shall fulfil these duties to the extent that they are connected with their work.

Restructuring programme

The administrator shall prepare a draft restructuring programme and submit it to the court by a due date to be set by the court. When preparing the draft, the administrator shall negotiate with the debtor and the committee of creditors and, if necessary, with creditors and with a probable creditor who has applied for the proceedings. Also the following are entitled to put forward a draft restructuring programme: 1) the debtor, 2) a person who is personally liable for the debts of the debtor, 3) persons who own at least one fifth of the shares or portions in the debtor company, 4) secured creditors whose claims represent at least one fifth of the total claims of all secured creditors, and 5) creditors whose claims represent at least one fifth of the claims of other than secured creditors.

The restructuring programme shall contain an account on the financial status of the debtor and on other circumstances affecting the restructuring as well as the provisions on measures and arrangements that pertain to the status of the debtor and the creditors and aim for the continuation, alteration or termination of activities. The programme shall indicate the division of the creditors into groups and the absence of a right to vote of such creditor or a group of creditors which, is to receive full payment for their claims according to the draft at the latest one month after the programme is approved or whose legal position will not be changed by the programme or will change only in that a default in payment that occurred before the proceedings had been commenced is rectified and the terms of the debt remain as they had been before the default.

Based on Section 41 of the Restructuring Act, the restructuring programme shall contain itemised accounts on: 1) the assets, liabilities and other undertakings of the debtor and of the security for the liabilities, 2) activities and their results from the period after the commencement of the proceedings, 3) changes after the commencement of the proceedings in the organisation or the other operating conditions of the debtor, 4) credit taken out after the commencement of the proceedings, the security provided for this credit and the undertakings assumed, 5) close relationships between creditors and the debtor, 6) the results of audits and inspections of the activities of the debtor, measures or suspicions regarding offences by a debtor, accounting offences or other criminal acts connected to business operations, as well as measures, observations or suspicions regarding grounds for recovery, 7) assessments of how the financial status and the operating conditions of the debtor and the status of the creditors can be assumed to develop in the absence of a programme and with the support of a programme, 8) whether or not the debtor has complied with its obligation under to provide information and to co-operate, 9) other circumstances relating to the debtor or to the activities pursued by the debtor that may be of significance in assessing the restructuring programme and the criteria for its implementation, such as the readiness of the debtor to continue its activities in the manner and with the changes required in the restructuring programme and to undertake the other measures referred to in the programme.

Based on Section 42 of the Restructuring Act, the restructuring programme shall specify the measures and arrangements designed to improve the debtor's activities, the measures and arrangements that affect the status of the debtor and the creditors, as well as the reasons for the same. The programme shall contain provisions inter alia on: 1) whether and to what extent the debtor's activities are to be continued, and the possible changes of corporate form, the articles of association, by-laws or contract of incorporation, or of the organisation of the company, 2) the measures and arrangements relating to the assets of the debtor, such as allowing the debtor to retain assets, the liquidation or transfer of assets, the manner of liquidation or transfer, and the resulting or expected revenue from the same, 3) the arrangements regarding the personnel, 4) the arrangements regarding restructuring debts and the duty to make supplementary payments, 5) the remuneration or other compensation to be paid to the debtor, a partner or shareholder in the debtor company or to a person close to such persons for their services, or the basis on which such remuneration or compensation is to be calculated, 6) the financing of the programme and 7) the monitoring of the programme.

For the debts, the restructuring programme shall contain a payments programme indicating the contents of the debt arrangement and the payment schedule of payments itemised for each debt and, for ordinary debts, an assessment of what their share would have been in bankruptcy. The payments programme shall also contain information on the set-offs carried out during the restructuring proceedings. If someone is liable for a given debt as a personal guarantor or as a joint debtor, the programme shall also contain provisions on the duty of the said person to pay the creditor. If the security provided for a debt consists of a real security right over the property of a third person, the programme shall indicate the effect of the debt arrangement on the liability of the said person.

If, according to the programme, the debtor company, its business operations or assets or a part thereof are to be transferred as a going concern, the programme shall indicate the form and conditions of the transfer as well as the transferee, if known.

The restructuring programme shall be prepared so that debts arising after the filing of the application are repaid after the repayment of secured debts and the respective costs of credit and before other debts.

Debts subject to restructuring proceedings, methods of debt arrangement and status of creditors

All of the Company's debts that have arisen before the filing of the application, including secured debts and debts whose basis or amount is conditional or contested or which are otherwise unclear are subject to the restructuring. If a restructuring debt appears after the conclusion of the restructuring programme and it would have been possible to amend the programme on the basis of that debt, the debtor shall repay the debt to an amount that the creditor would have received had the debt been taken into the restructuring programme.

Based on Section 46 of the Restructuring Act, creditors who, absent the restructuring proceedings, would have an equal right to payment of their claim shall have an equal status in the debt arrangements within the restructuring programme. It may be provided in the restructuring programme, however, if this is deemed to be appropriate from the point of view of the proceedings that creditors with small claims are to receive payment in full. In the debt arrangement, interest and other credit costs accruing during the restructuring proceedings to restructuring debts other than secured debts shall be deemed to be lowest priority debts; the lowest priority debts after such debts shall be those that would be paid last in a bankruptcy.

No measures shall be used in the debt arrangement that would restrict the rights of a creditor beyond what is necessary for the achievement of the purpose of the restructuring programme and for the fulfilment of the requirements provided in

the Restructuring Act in respect of the relations between creditors. Based on Section 44 of the Restructuring Act, the following debt arrangements may be applied to restructuring debts in the restructuring programme: 1) a change of the payment schedule of a debt, 2) an order that payments made by the debtor shall first be considered as payments against the balance of the debt and only later as payments against credit costs, 3) a reduction in the obligation to pay credit costs relating to the remaining credit period and/or 4) a reduction in the balance of the unpaid debt. The debt arrangement may also incorporate the full or partial refinancing of the debt as an one-off payment with new debt taken for this purpose or with substitute performance that is reasonable in view of the creditor's field of activities and status. However, the balance of the unpaid secured debt may not be reduced and it may not be paid back with substitute performance that is reasonable in view of the creditor's field of activities and status. Overdue interest on a secured debt accruing before the commencement of the proceedings may also be reduced to the extent that it exceeds the regular interest.

The debt arrangement shall not affect the existence or content of a creditor's real security right. Nonetheless, in the debt arrangement, the security arrangements relating to the debt may be altered by replacing the security with other fully adequate security. Payments on a secured debt shall be set so that at least the present value of the secured debt will be repaid within a reasonable period, not to materially exceed the remainder of the credit period without the consent of the creditor or, if the debt has become due in full, not to materially exceed one half of the original credit period.

It may be ordered in the restructuring programme that the debtor is to make supplementary payments to the creditors, if the state of the finances of the debtor improves between the approval and conclusion of the restructuring programme. However, assets that the debtor reasonably needs so as to continue its activities shall not be ordered to be paid out as supplementary payments. The creditors, not including creditors with the lowest priority, whose claims have been reduced in amount in the context of the debt arrangement shall have an equal right, prior to the other debtors, to the supplementary payment.

Approval of the restructuring programme

The court shall approve the draft restructuring programme if all of the known creditors accept the same. Notwithstanding the above, the programme shall not be approved if the contents of the programme violate the right or justified interest of the debtor, a partner or shareholder in the debtor company or a third party, or are unreasonable in respect of such a person or adequate evidence has not been presented of the chance that the implementation of the programme will succeed.

In addition, the court shall approve the draft restructuring programme if more than one half of the creditors participating in the vote in each group of creditors vote for approval in each of the groups of creditors and the total claims of the creditors in favour of approval in each group of creditors is more than one half of the total claims of the creditors participating in the vote. The creditors groups are secured creditors, creditors holding a floating charge as security for their claims, others than secured creditors (ordinary creditors), so that one group is formed by creditors whose claims may be enforced without a judgment or court order, as provided in the Act on the Collection of Taxes and Public Charges by Enforcement (367/1961; *laki verojen ja maksujen perimisestä ulosottoimin*) and creditors with lowest-priority claims in accordance with Section 6 of the Act on the Ranking of Claims. In assessing whether a majority exists, no consideration shall be taken of a creditor who, or group of creditors which, is to receive full payment for their claims according to the draft at the latest one month after the programme is approved or whose legal position will not be changed by the programme or will change only in that a default in payment that occurred before the proceedings had been commenced is rectified and the terms of the debt remain as they had been before the default. A creditor with the lowest priority shall not be taken into consideration if, according to the programme, a creditor with a higher-priority claim will not receive full payment or his or her legal position will otherwise worsen.

Even if the restructuring programme was accepted by majorities in the groups of creditors, the restructuring programme shall not be approved based on Section 53 of the Restructuring Act if 1) the contents of the programme violate the right or justified interest of the debtor, a partner or shareholder in the debtor company or a third party, or are unreasonable in respect of such a person, 2) adequate evidence has not been presented of the chance that the implementation of the programme will succeed, 3) the contents of the programme, in respect of a creditor who voted against approval, are not in accordance with Section 44 of the Restructuring Act or do not meet the requirement of equality referred to in Section 46 of the Restructuring Act, 4) the contents of the programme do not meet the requirements provided in Section 45 of the Restructuring Act, in respect of a secured creditor who voted against approval, 5) another creditor who voted against approval shows it to be probable that the payment to be made to him or her in accordance with the programme would be less than what he or she would receive in the bankruptcy of the debtor, absent the application of Section 32(2) of the Restructuring Act, 6) the programme provides for the transfer of the debtor company, its business operations or assets or a part thereof as a going concern, and a creditor who voted against approval shows it to be probable that a transfer in accordance with the programme would lead to a result that would be financially less favourable than what could be

achieved in another manner. The programme shall likewise not be approved if there would be a barrier to the commencement of the restructuring proceedings, as referred to in Section 7(2) of the Restructuring Act.

Even if the majority does not exist in one or several groups of creditors, the restructuring programme may nonetheless be approved at the request of the person who had prepared the draft, the administrator or the debtor, subject to the following conditions:

- 1) there is no barrier to approval, as referred to in Section 53 of the Restructuring Act;
- 2) a majority has voted for the approval of the programme in at least one group of creditors, and the claims of all of the creditors who have voted for approval represent at least one fifth of the known claims which are to be taken into consideration;
- 3) according to the programme, none of the creditors is to receive a benefit of a greater value than the amount of his or her claim;
- 4) if, according to the programme, the creditors are to receive payment in excess of the minimum level which is required for the group of creditors in question under of the Restructuring Act, this benefit is allocated among the groups of creditors in a reasonable manner; and
- 5) according to the programme, creditors with claims that have a lower priority than the group of creditors voting against approval, other than one composed of secured creditors, are not to receive payment.

In addition to what is provided above for barriers of approval, a restructuring programme shall likewise not be approved if the contents of the programme do not meet the requirements set in Sections 41 and 42 of the Restructuring Act, the procedural provisions on the consideration of the draft have not been followed, and this failure may be assumed to have affected the results of the consideration or the law has been otherwise violated or improper procedure has been otherwise followed in the preparation or consideration of the draft. A provision in the restructuring programme that is contrary to the law or unreasonable shall not be approved. If a condition is set in the restructuring programme to the effect that, before the programme is approved, the debtor or another person makes a certain decision or performance, undertakes a certain measure or meets a certain criterion, the programme shall not be approved until this condition has been fulfilled.

Legal effects of the restructuring programme

Once the restructuring programme has been approved, the terms of the restructuring debts and the other legal relationships covered by the programme shall be redefined in accordance with the programme. A restructuring debt that has not been declared by the debtor or by the creditor, and which has otherwise not come to the attention of the administrator before the approval of the restructuring programme, shall lapse on the approval of the restructuring programme, unless otherwise provided in the programme. However, the debt shall not lapse if the creditor did not know and ought not to have known of it and it had not come to the attention of the administrator before the approval of the programme. A creditor whose claim is secured by a real security right has the right to collect from the value of the security regardless of what has been stated above.

Distrain against the property of the debtor that is based on a restructuring debt shall lapse when the restructuring programme has been approved and become *res judicata*. The same provision applies to other enforcement based on a restructuring debt.

If the debt arrangement under a restructuring programme restricts the right of creditors to payment against the capital balance of their claims, the assets of the debtor shall not be distributed to the owners between the approval and the conclusion of the restructuring programme, with the exception of remuneration or compensation for services in accordance with the programme.

An undertaking or agreement according to which the debtor is to make a payment based on or connected with a restructuring debt shall be void, unless the obligation to make the payment is based on the approved restructuring programme. An obligation to make a payment under the payment programme of an approved restructuring programme may, if neglected, be enforced in the same manner as a judgment debt.

Monitoring of the implementation of the programme

A supervisor may be appointed to monitor the restructuring programme; the supervisor shall monitor the implementation of the programme on the behalf of the creditors and attend to the measures under the programme that are not to be attended to by the parties. The administrator or some other person may be appointed as the supervisor. The supervisor has the same rights to receive information and participate in the meetings of the debtor's organs as the administrator has based on Section 9 of the Restructuring Act. Also, it may be provided in the restructuring programme that the term of the committee of creditors is to continue until the conclusion of the programme.

The supervisor or, if there is no supervisor, the debtor shall report to the committee of creditors and the creditors at regular intervals on the implementation of the restructuring programme. The dates for the reports may be set in the restructuring programme or in the court order on the approval of the restructuring programme. Unless otherwise ordered, the report shall be given every six months. At the conclusion of the restructuring programme the supervisor or, if there is no supervisor, the debtor shall without delay present the committee of creditors and the creditors a final report on the implementation of the programme. The final report shall also be presented to the court of first instance that dealt with the matter.

Between the approval of the restructuring programme and its conclusion the debtor has the same obligation to provide information to and co-operate with the supervisor, the committee of creditors and the court as during the restructuring proceedings.

Amendment of the restructuring programme

The contents of a debt arrangement or the payment programme in an approved programme may be amended with the acceptance of the creditor whose rights are violated by the amendment. However, no acceptance need be obtained if the claim of the creditor is insignificant as to its amount and if the position of the creditor is not affected in a material respect because of the amendment.

If the amount of a restructuring debt or the right of a creditor is determined to be different from that entered into the restructuring programme, the programme shall be amended at the request of the creditor or the debtor in so far as the determination regarding the right of the creditor affects the contents of a debt arrangement or payment programme in the programme. Correspondingly, the same provision applies, if a creditor acquires a claim owing to a recovery of payment, or a new restructuring debt appears and has not lapsed. In the amendment of the payment programme, the creditor shall in the debt arrangement be treated equally with other creditors in the same position.

Lapse of a debt arrangement

At the request of a creditor, the court may order that a debt arrangement in the restructuring programme pertaining to this creditor is to lapse, if the Company has materially neglected its obligations under the programme to the creditor and has not fulfilled these obligations within a reasonable additional period set by the creditor.

If the interdiction of asset distribution has been violated, the debt arrangement in the restructuring programme may be ordered to lapse in respect of those creditors whose right to payment against the capital balance of their claims has been restricted in the programme. A request for such an order may be filed by the supervisor or by a creditor in respect of his or her claim. The court may deny the request if the assets distributed in violation of the interdiction have been returned or compensation has been made on their value, and the lapse of the arrangements of debts would, taking this into consideration, be unreasonable.

The court may also order that a debt arrangement in the restructuring programme is to lapse if the programme provides for another ground for such lapse. A request for such an order may be filed by the supervisor or by a creditor in respect of his or her claim.

The creditor in respect of whom the debt arrangement lapses has the same right to payment as he or she would have had, had the restructuring programme not been approved. However, the debtor need not pay overdue interest on the debt for the period during which the debt arrangement was in effect, unless the court orders otherwise for a special reason.

Lapse of the restructuring programme

The court may, on the request of the supervisor or a creditor, order that the restructuring programme is to lapse if:

1) after the approval of the programme circumstances come to light which, under Section 53(2) of the Restructuring Act, would have prevented the approval of the programme had they been known at the time; or

2) the debtor has violated the programme in order to favour a creditor, and the violation is not petty.

If the debtor is a private entrepreneur or a self-employed person, and an order on the commencement of debt adjustment of a private individual is issued while the restructuring programme is in effect, the restructuring programme approved in accordance with the Restructuring Act shall lapse. However, the court may order that the restructuring programme is not to lapse despite the debt adjustment, if there is a special reason for the same owing to the fact that a major part of the restructuring debts in the programme has been paid in accordance with it.

If an order for the lapse of the restructuring programme is issued, it ceases to be in effect and the creditors have the same right to payment for restructuring debts as they would have had, had the restructuring programme not been approved. The lapse of the programme shall have no effect on the validity of transactions already entered into on the basis thereof.

Effect of bankruptcy on the restructuring programme

If the debtor is declared bankrupt before the conclusion of the restructuring programme, the programme shall lapse. In such a case, the right of a creditor in bankruptcy shall be determined as if the restructuring programme had not been approved.

Notwithstanding the above, the court may order, at the request of the debtor or of the creditor who applied for bankruptcy proceedings, that the restructuring programme is not to lapse despite the bankruptcy, if there is a special reason for the same owing to the fact that a major part of the restructuring debts in the programme has been paid in accordance with it.

If the debtor is declared bankrupt on the basis of a bankruptcy application filed before the conclusion of the restructuring programme or, if the restructuring proceedings have been discontinued without the approval of a restructuring programme, on the basis of a bankruptcy application pending during the restructuring proceedings or filed within three months of the discontinuation of these proceedings, the debt arising between the commencement and the discontinuation of the proceedings and the interest accruing on it until the date of repayment shall be repaid in the bankruptcy at a priority immediately following that of debts referred to in Section 3 of the Act on the Ranking of Claims (1578/1992; *laki velkojien maksunsaantijärjestyksestä*). However, the unpaid remuneration and expenses of the administrator and the supervisor and the interest accruing on them until the date of payment shall be paid first.

First North and securities markets

About the First North markets

First North is Nasdaq's Nordic growth market, designed for small and growing companies. As opposed to companies listed on a regulated market such as the official list of the Helsinki Stock Exchange or the Stockholm Stock Exchange, companies listed on First North are subject to less extensive rules. This is intended to allow smaller companies to enjoy the benefits of being a publically traded company without excess administrative burden. Unlike on regulated markets, companies listed on First North must engage a "Certified Adviser" whose role is to ensure that companies comply with applicable requirements and rules.

First North is a multilateral trading facility and does not have the legal status of a regulated market. "Multilateral trading facility" and "regulated market" are classifications for trading venues of securities set out in the Directive 2004/39/EC on Markets in Financial Instruments. Multilateral trading facilities and the holders and issuers of securities listed on a multilateral trading facility are subject to less stringent rules than regulated markets and the holders and issuers of securities listed on a regulated market. Issuers on First North are subject to the rules of First North but not the requirements for admission to trading on a regulated market. See below "*Regulation of the securities markets – Finland*" and "*Regulation of the securities markets – Sweden*".

First North Finland and First North Sweden use the same INET Nordic trading system as the Nasdaq Nordic main markets for trading in shares. The trading periods comprise a pre-trading session, a continuous trading session and a post-trading session. The trading periods and the respective trading hours are set out in a time table in force from time to time, as made available by the Nasdaq Nordic stock exchanges at www.nasdaqomxnordic.com/tradinghours.

The companies listed on First North are classified according to the international Industry Classification Benchmark (ICB). The industry classification facilitates international benchmarking of the companies by providing clearly defined and larger peer groups.

Trading and settlement on First North Finland

First North Finland is maintained by the Helsinki Stock Exchange. Pursuant to the rules of First North, the Trading Rules of Helsinki Stock Exchange (in Finnish: Helsingin Pörssin Arvopaperien Kaupankäytisäännöt) apply to First North Finland as set out in further detail in the rules of First North. Additional rules specific to First North Finland are set out in Supplement C to the rules of First North.

On First North Finland, the currency of trading and settlement of transactions is euro, and the smallest recorded price movement (tick size) is EUR 0.001.

The Shares in the Company are issued and registered in the book-entry securities system maintained by Euroclear Finland. Trades in Shares listed on First North Finland are settled bilaterally in Euroclear Finland's settlement system in accordance with the settlement schedule in force from time to time.

Trading and settlement on First North Sweden

First North Sweden is a marketplace maintained by the Stockholm Stock Exchange. Pursuant to the rules of First North, the Nasdaq Member Rules regarding Stockholm Stock Exchange, chapters 2–5, and appendices, as amended from time to time, shall apply to trading on First North Sweden. Additional rules specific to First North Sweden are set out in Supplement B to the rules of First North.

On First North Sweden, the currency of trading and settlement of transactions is Swedish crown, and the smallest recorded price movement (tick size) is SEK 0.001.

Shares traded on First North Sweden are issued and registered in the book-entry securities system maintained by Euroclear Finland. Such Shares are additionally registered in the Swedish book-entry securities system maintained by Euroclear Sweden, and trades in Shares listed on First North Sweden are settled in Euroclear Sweden's settlement system.

The Shares registered with Euroclear Sweden will be entered into the shareholder register of the Company maintained by Euroclear Finland as held by Euroclear Sweden in its capacity of nominee of the Shares traded on First North Sweden,

and Euroclear Sweden will “mirror” these Shares to the book-entry securities system of Euroclear Sweden. Shares registered in the system of Euroclear Sweden have the same ISIN as the Shares registered in Euroclear Finland.

Registration of the Shares

General

Company is a Finnish limited company whose Shares are listed for trading on First North Sweden and First North Finland. The Shares of the Company are registered in the electronic book-entry securities system maintained by Euroclear Finland. The Company and its Shares will have their primary registration in the book-entry register of Euroclear Finland. Further, the Shares are registered in the corresponding Swedish book-entry securities system maintained by Euroclear Sweden.

The account operator engaged by Euroclear Sweden is recorded in Euroclear Finland's securities system as the nominee of the Shares in the Company. Shares registered in Euroclear Sweden's securities system have the same ISIN as shares registered in Finland (see below "*Registration in Finland*" and "*Registration in Sweden*").

Investors who have received Shares through Euroclear Finland to a book-entry account in Finland have had their Shares entered into the shareholder register maintained by Euroclear Finland. To be able to trade Shares on First North Sweden, such investors will need to transfer their Shares to the book-entry securities system of Euroclear Sweden. If a Finnish investor acquires Shares through trading on the secondary market through First North Sweden, such investor will need to transfer its Shares to the system of Euroclear Finland to be able to be registered as the owner in the shareholder register maintained by Euroclear Finland. Such cross-border settlement may be associated with additional costs (see "*Cross-border settlement*" below).

Investors who have received Shares through Euroclear Sweden to a book-entry account in Sweden have their Shares entered into the shareholders register maintained by Euroclear Sweden. In order to be able to trade with Shares on First North Finland, these investors have to transfer their Shares to the book-entry system Euroclear Finland. This kind of cross-border transfers may involve additional costs (see "*Cross-border settlement*" below).

Registration in Finland

The book-entry securities system refers to a system in which physical share certificates have been changed to book entries registered in book-entry accounts. The Finnish book-entry securities system is centralised at Euroclear Finland, which offers national clearing, settlement and registration services for securities. Euroclear Finland maintains a central book-entry register for both equity and debt securities. The business address of Euroclear Finland is Urho Kekkosen katu 5C, FI-00100 Helsinki, Finland.

Euroclear Finland maintains a shareholder register for each listed company and book-entry accounts for shareholders who do not wish to utilise the services of commercial account operators. The expenses incurred by Euroclear Finland in connection with maintaining the book-entry securities system are borne mainly by the issuers participating in the book-entry securities system and the account operators. The account operators, which consist of credit institutions, investment firms and other institutions licensed to act as account operators by Euroclear Finland, are entitled to make entries in the book-entry register and administer the book-entry accounts.

Dividends and other distributions of funds are paid to shareholders or their nominees entered in the shareholder register on the relevant record date. Under Euroclear Finland's book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the register.

In order to hold entries in the book-entry securities system, a security holder must open a book-entry account with Euroclear Finland or an account operator. A foreign private person, foreign entity or trust may hold book-entries. Such persons may also deposit book-entries in a custodial nominee account, where the shares are registered in the name of a custodial account holder in the company's shareholder register. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book-entry securities owned by one or more beneficial owners may be registered in a custodial nominee account. In addition, the shares owned by a foreign private person, foreign entity or trust may be deposited in a book-entry account opened in the name of such foreign private person, foreign entity or trust, but the holding may be registered in the name of a nominee in the company's shareholder register.

All transfers of securities registered with the book-entry securities system are executed as computerised book-entry transfers to the extent they are executed in the book-entry securities system. The account operator confirms the book-

entry by sending a statement of book-entries made to the holder of the respective book-entry account at least four times a year. The book-entry account holders also receive an annual statement of their holdings at the end of each calendar year. Each book-entry account is required to contain specific information with respect to the account holder and other holders of rights to the book-entries entered into the account as well as information on the account operator administering the book-entry account. The required information also includes the type and number of book-entries registered as well as the rights and restrictions pertaining to the account and to the book-entries registered in the account. A custodial nominee account is identified as such on the entry.

Euroclear Finland and the account operators are required to observe strict confidentiality. Certain information (e.g., the name and address of each account holder) contained in the register of shareholders maintained by Euroclear Finland must be made available to the public by Euroclear Finland and the company, except in the case of custodial nominee registration. The Finnish FSA is also entitled to certain information on the holdings of shares registered in a custodial nominee account upon request. The company has the same rights in respect of shares and instruments that entitle the holder to shares issued by the company.

Each account operator is strictly liable for errors and omissions in its registration activity, and for any unauthorised disclosure of information. If an account holder has suffered a loss as a result of a faulty registration or other mistake or defect relating to the entries and the account operator has not compensated such loss due to insolvency that is not temporary, such account holder is entitled to receive compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund shall be no less than 0.0048% of the average of the total market value of the book-entries kept in the book-entry securities system during the last five years and it must not be less than EUR 20 million. The compensation to be paid to an injured party is equal to the amount of damages suffered subject to a limit of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each incident is limited to EUR 10 million.

Custody of the shares by nominees

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organisations approved by Euroclear Finland) to act on its behalf. A custodial nominee account holder is entitled to receive dividends on behalf of the shareholder. A beneficial owner wishing to attend and vote at general meetings of shareholders must seek a temporary registration to the shareholders' register and the shares must be registered in the share register no later than eight business days prior to the relevant general meeting of shareholders. Upon request by the Finnish FSA or the relevant company, a custodial nominee account holder is required to disclose the name of the beneficial owner of any shares registered in such custodial nominee's name, provided the beneficial owner is known, as well as the number of shares owned by such beneficial owner. If the name of the beneficial owner is not known, the custodial nominee account holder is required to disclose corresponding information on the representative acting on behalf of the beneficial owner and to submit a written declaration of the representative to the effect that the beneficial owner of the shares is not a Finnish natural person or legal entity. A shareholder wishing to hold his/her shares in the book-entry securities system in his/her own name but who does not maintain a book-entry account in Finland is required to open a book-entry account at an account operator and a convertible euro account at a bank.

Registration in Sweden

The Swedish Central Securities Depository register (*Sw. avstämningsregistret*) is maintained by Euroclear Sweden, a Central Securities Depository and Clearing Organisation under the Swedish Financial Instruments Accounts Act (SFS 1998:1479) and the Swedish Securities Market Act (SFS 2007:528). Euroclear Sweden maintains share registers of the Swedish companies listed on First North Sweden, in which the shares are registered in dematerialised form in book-entry accounts and no share certificates are issued. Title to the shares is secured by registration with Euroclear Sweden through banks or other securities institutes, which have been approved as account operators by Euroclear Sweden. The Swedish Central Securities Depository register also contains certain additional information, for example as regards security rights. The business address of Euroclear Sweden is Klarabergsviadukten 63, Box 191, 101 23, Stockholm, Sweden.

Shares may be registered on securities accounts and accordingly be entered in the share register maintained by Euroclear Sweden, either in the owner's name (directly registered shares) or in the name of a nominee approved by Euroclear Sweden (nominee-registered shares). If the shares are nominee-registered, this is noted in the book-entry securities system. The relationship between the nominee and the beneficial owner is governed by agreement. The beneficial owner must, if he or she desires to exercise certain rights such as for example attend a general meeting of shareholders, temporarily reregister the shares in his or her own name. The nominees also regularly report the holdings of the beneficial owners to Euroclear Sweden.

Rights pertaining to shares, and entitling to for example dividends or participation in a rights issue, are issued to those holders of the shares whose names are entered into the Swedish Central Securities Depository register as at a certain record date, and dividends are normally distributed to bank accounts designated by the holders registered with Euroclear Sweden. The record date in question must be indicated in the resolutions determining the dividend or share issue or other relevant resolution.

If the registered holder is a nominee, the nominee receives the dividend and other economic rights pertaining to the shares on behalf of the beneficial owner. The same applies to subscription rights in connection with rights issues and such new shares which have been subscribed for by using subscription rights. The nominee is responsible for the distribution of the dividend to the beneficial owners, and a similar procedure is followed for subscription rights and newly issued shares.

Cross-border settlement

There are specific requirements for cross-border settlement (i.e. transfer of shares from Euroclear Finland to Euroclear Sweden or vice versa). Such transfers may be subject to fees pursuant to the settlement parties' respective fee schedules.

Compensation fund for investors and the deposit guarantee fund

In a compensation fund for investors, investors are divided into professional and non-professional investors. The fund does not compensate any losses by professional investors. The definition of professional investor includes business enterprises and public entities, which are deemed to understand the securities markets and their associated risks. An investor may also provide notice in writing that, on the basis of his/her professional skills and experience in the securities markets, he/she is a professional investor; however, natural persons are generally presumed to be non-professional investors. Investment firms and credit institutions must belong to the compensation fund. The compensation fund safeguards payment of clear and undisputable claims when an investment company or a credit institution has been declared bankrupt, is undergoing a restructuring process or is otherwise, for a reason other than temporary insolvency, not capable of paying claims within a determined period of time. For valid claims, the compensation fund will pay 90 % of the investor's claim against each investment company or credit institution, up to a maximum of EUR 20,000. The compensation fund does not provide compensation for losses due to decreases in stock value or bad investment decisions. Accordingly, investors continue to be liable for the consequences of their own investment decisions. Depository banks must belong to a deposit guarantee fund, which is intended to safeguard payments of receivables in the depository bank's account or receivables in the forwarding of payments that have not yet been entered into an account if the depository bank becomes insolvent and the insolvency is not temporary. The customers of a depository bank can be compensated by the deposit insurance fund up to a maximum of EUR 100,000. An investor's funds can be safeguarded either by the deposit insurance fund or the compensation fund. However, an investor's funds cannot be safeguarded by both funds at the same time.

Regulation of the securities markets

Finland

The securities market in Finland is supervised by the Finnish FSA. The principal statute governing the Finnish securities market is the Finnish Securities Markets Act, which contains regulations with respect to company and shareholder disclosure obligations, prospectuses, public tender offers and insider dealing, among other things. The Finnish FSA and the Ministry of Finance of Finland have issued more detailed regulations pursuant to the Finnish Securities Markets Act. The Finnish FSA monitors compliance with the Finnish Securities Market Act and these regulations. As First North Finland is classified as a multilateral trading facility and not a regulated market, only a subset of the rules contained in the Finnish Securities Market Act apply to the Company and investors in its securities.

The Finnish Securities Markets Act specifies minimum disclosure requirements for Finnish companies applying for listing on a regulated market or offering securities to the public in Finland. The Finnish Securities Market Act specifies no minimum disclosure requirements for companies applying for listing on a multilateral trading facility, such as First North Finland or First North Sweden, where no securities are offered to the public in Finland. Where such a disclosure obligation applies, the information provided must be sufficient to enable investors to make a sound evaluation of the securities being offered and the issuing company as well as of matters that may have a material effect on the value of the securities. The obligation of continuous disclosure is subject to the provisions of Article 17 of the Market Abuse Regulation which concern the public disclosure of inside information. The Regulation entered into force on 3 July 2016. The Market Abuse Regulation imposes an obligation to disclose inside information as soon as possible, unless the grounds for delay mentioned in the Regulation are met. The Finnish Securities Markets Act imposes no obligation on shareholders to disclose major holdings in a company listed on a multilateral trading facility.

The Market Abuse Regulation obligates the persons discharging managerial duties for the issuers of shares listed on a multilateral trading facility and the persons closely associated with them to immediately notify the Financial Supervisory Authority and the company of any transactions they have conducted on the company's shares and other financial instruments. The notifications must be made promptly, and no later than within three (3) business days of the transaction date. The obligation to make notifications of all transactions applies to all transactions after reaching a total of EUR 5,000 during a calendar year. The company must furthermore disclose the information concerning the transactions concluded by the persons discharging managerial duties and the persons closely associated with them with a company release promptly, and no later than within three (3) business days of the transaction date. In multilateral trading facilities, the issuers of the traded shares must furthermore maintain a list of insiders which is composed of project-specific sections and, should the issuer so decide, complementary sections, which list permanent insiders. Under the Finnish Securities Market Act, there is no obligation based on holdings of shares or voting rights to make a public tender offer to purchase the remaining shares and other securities if such shares or securities are not traded on a regulated market. However, a party making a voluntary public tender offer to purchase shares or securities entitling to shares in a company listed on a multilateral trading facility shall comply with certain obligations arising from the Finnish Securities Market Act, such obligations relating to matters such as the equal treatment of the shareholders, disclosure, and securing financing for the tender offer.

The Finnish Penal Code (39/1889, as amended) criminalises, *inter alia*, the misuse of inside information and market manipulation. Pursuant to the Finnish Securities Markets Act and the Finnish Act on the Finnish Financial Supervisory Authority (878/2008, as amended), the Finnish FSA has the right to impose administrative sanctions to the extent the offence does not fall within the scope of the Finnish Penal Code. The Finnish FSA can, for example, issue a public warning or impose administrative fines or monetary penalties for the breach of provisions on the prohibitions of misuse of inside information and market abuse.

Sweden

The securities market in Sweden is supervised by the Swedish FSA (Sw: *Finansinspektionen*). The Swedish FSA monitors compliance with the applicable regulations.

Laws governing the Swedish securities market include *inter alia*: (i) the Swedish Financial Instruments Trading Act (SFS 1991:980), which sets out regulations with respect to disclosures of major holdings, prospectuses and takeover bids, among other things, (ii) the Swedish Securities Markets Act (SFS 2007:528), which sets out regulations with respect to periodic and ongoing disclosure obligations, the operations of regulated marketplaces and Multilateral Trading Facilities, among other things, (iii) the Swedish Stock Market (Takeover Bids) Act (SFS 2006:451), which sets out regulations with respect to mandatory bids (Sw: *budpliktsbud*), and (iv) the Swedish Financial Instruments Trading (Market Abuse Penalties) Act (SFS 2005:377), which sets out regulations and penalties with respect to misuse of insider information and market manipulation. Additionally, the Swedish securities market are regulated by the Market Abuse Regulation mentioned in the previous paragraph.

The Swedish FSA has issued more detailed regulations pursuant to the relevant legislation governing the securities market. As First North Sweden is classified as a Multilateral Trading Facility (Sw: *handelsplattform*) and not a regulated marketplace (Sw: *reglerad marknad*), certain provisions provided in these laws and regulations are not applied in relation to securities traded thereon.

The Swedish Financial Instruments Trading Act specifies certain disclosure requirements for companies listed on a regulated marketplace. The same Act does, however, not contain any disclosure requirements for companies listed on a Multilateral Trading Facility, such as First North Sweden.

The Swedish Securities Market Act does not impose any obligation on companies listed on a Multilateral Trading Facility such as First North Sweden to publish periodic financial information on the company.

There is no obligation under the Swedish Stock Market (Takeover Bids) Act based on holdings of voting rights to launch a takeover bid to purchase the remaining shares and other securities if such shares or securities are not traded on a regulated marketplace. The Swedish Corporate Governance Board (Sw: *Kollegiet för Svensk Bolagsstyrning*) has, however, published Takeover Rules for takeover bids that apply for companies that are listed on certain Swedish Multilateral Trading Facilities.

The Swedish Financial Instruments Trading (Market Abuse Penalties) Act contains criminal sanctions for the misuse of insider information and market manipulation.

Tax Considerations

Taxation Sweden

The following summary outlines certain Swedish tax issues related to the Offering for private individuals and limited liability companies that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended only to provide general information regarding the Offering. The summary does not cover situations where shares are held as current assets in business operations or where shares are held by partnerships. Moreover, the summary does not cover the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends in the corporate sector which may be applicable when the investor holds shares in the Company which are deemed to be held for business purposes (for tax purposes, Sw. näringsbetingade andelar). The special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies or to shares acquired by means of such shares is not covered and nor the special taxation rules regarding assets held through investments saving accounts (Sw. investeringssparkonto).

Furthermore, special tax rules apply to certain categories of companies who are shareholders. The treatment for tax purposes of each individual shareholder depend in part on such shareholder's particular circumstances. Each shareholder is advised to consult an independent tax advisor as to the tax consequences relating to their particular circumstances that could arise from the Offering, including the applicability and effect of foreign regulations and double tax treaties.

Private individuals

Capital gains taxation

For private individuals resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains on listed shares is taxed in the capital income category. The tax rate in the capital income category is 30 per cent.

Capital gains and capital losses are calculated to equal the difference between the proceeds received when the shares are sold or redeemed, after deduction for potential sale expenses, and the acquisition cost for tax purposes. The acquisition cost for listed shares is normally determined according to the "average method". This means that the cost of acquiring all shares of the same type and class as the divested share are added together and calculated collectively, with respect to changes to the holding. Alternatively, the "standard method", according to which the acquisition cost is deemed to be equal to 20 per cent of the net proceeds received when the shares are sold or redeemed, may be applied.

Capital losses on listed shares may be fully deductible against taxable capital gains on shares the same fiscal year. The loss is also deductible against gains on other listed securities that are taxed in the same manner as shares (however, not against gains on participations in investment funds containing Swedish receivables only, Sw. räntefonder). Capital losses not absorbed by these set-off rules are deductible at 70 per cent in the capital income category.

Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as property tax and municipal property fees. The tax reduction is granted at 30 per cent of such net loss which does not exceed SEK 100,000 and at 21 per cent of any remaining net loss. An excess net loss cannot be carried forward to future tax years.

Dividend taxation

For private individuals resident in Sweden for tax purposes, a preliminary tax is withheld on dividends. The preliminary tax is normally withheld by Euroclear Sweden, or in respect of nominee-registered shares, by the nominee. The Swedish preliminary tax withheld may be reduced under applicable double tax treaties.

Additionally, dividends from a foreign company are generally subject to foreign withholding tax. However, the tax rate is normally reduced under applicable tax treaties for dividends beneficially owned by a person resident in Sweden for the purpose of the treaty. Foreign tax can generally be credited from the Swedish tax on the same income.

Allocation, exercise and disposal of subscription rights

Neither allocation nor exercise of subscription rights does not triggers taxation. For shareholders who do not wish to exercise their subscription rights and instead sell their subscription rights, there may be a taxable capital gain. Subscription

rights based on a shareholding of existing shares are deemed to be acquired for SEK 0. The entire sales proceeds after deducting sales costs will be subject to taxation. The standard method is not applicable in this case. The acquisition cost for the original shares is not affected. For subscription rights purchased or otherwise acquired (i.e. that are not received based on a shareholding of existing shares), the price paid for the rights constitutes the acquisition cost. The acquisition cost of such subscription rights shall be taken into account when calculating the tax basis for the shares. The “standard method” may be used on disposal of listed subscription rights. A subscription right that is not exercised or sold, and thus expires, is deemed disposed of at SEK 0.

Allocation, exercise and disposal of warrants

Allocation of warrants in connection with the subscription of new shares is not taxed at the recipient when the recipient is a shareholder in the company that the warrants relate to. Nor when the warrants are exercised for subscription of shares will they be subject to taxation. For shareholders who sell their warrants, there may be a taxable capital gain. Warrants based on a shareholding of existing shares are deemed to be acquired for SEK 0. The entire sales proceeds after deducting sales costs will thus be subject to taxation. For warrants purchased or otherwise acquired (i.e. that are not received based on a shareholding of existing shares), the price paid for the warrants constitutes the acquisition cost.

Limited liability companies

Capital gains and dividends taxation

For Swedish limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and dividends, is taxed as income from business operations at a rate of 22 per cent. Taxable capital gains and capital losses are calculated in the same way as described above regarding private individuals.

Capital losses on shares may only be offset against taxable capital gains on shares and other securities taxed in the same manner as shares. If a capital loss cannot be deducted by the company which has made the loss, it may be deducted the same year from a group company’s taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation (through group contributions, Sw. *koncernbidrag*) and that both companies so request in the tax return of the same year. A net capital loss on shares which cannot be utilised a certain year may be carried forward (by the limited liability company having made the loss) and offset in future tax years against taxable capital gains on shares and other securities taxed as shares, without any limitation in time. Special tax rules may apply to certain categories of companies or certain legal persons, for example mutual funds and investments companies.

Additionally, dividends from a foreign company are generally subject to foreign withholding tax. However, the tax rate is normally reduced under applicable tax treaties for dividends beneficially owned by a person resident in Sweden for the purpose of the treaty. Foreign tax can generally be credited from the Swedish tax on the same income.

Allocation, exercise and disposal of subscription rights

Neither allocation nor exercise of subscription rights does not triggers taxation. For shareholders who do not wish to exercise their subscription rights and instead sell their subscription rights, there may be a taxable capital gain. Subscription rights based on a shareholding of existing shares are deemed to be acquired for SEK 0. The entire sales proceeds after deducting sales costs will be subject to taxation. The standard method is not applicable in this case. The acquisition cost for the original shares is not affected. For subscriptions rights purchased or otherwise acquired (i.e. that are not received based on a shareholding of existing shares), the price paid for the rights constitutes the acquisition cost. The acquisition cost of such subscription rights shall be taken into account when calculating the tax basis for the shares. The “standard method” may be used on disposal of listed subscription rights. A subscription right that is not exercised or sold, and thus expires, is deemed disposed of at SEK 0.

Allocation, exercise and disposal of warrants

Allocation of warrants in connection with the subscription of new shares is not taxed at the recipient when the recipient is a shareholder in the company that the warrants relate to. Nor when the warrants are exercised for subscription of shares will they be subject to taxation. For shareholders who sell their warrants, there may be a taxable capital gain. Warrants based on a shareholding of existing shares are deemed to be acquired for SEK 0. The entire sales proceeds after deducting sales costs will thus be subject to taxation. For warrants purchased or otherwise acquired (i.e. that are not received based on a shareholding of existing shares), the price paid for the warrants constitutes the acquisition cost.

Shareholders not resident in Sweden for tax purposes

Capital gains taxation

Shareholders who are not resident in Sweden for tax purposes and not conducting business from a permanent establishment in Sweden are generally not liable for capital gains taxation in Sweden upon the disposal of shares or subscription rights. However, shareholders may be subject to taxation in their state of residence. According to a domestic Swedish provision, non-Swedish tax resident individuals may be subject to Swedish capital gains taxation upon disposal of securities, if they have been residents of Sweden or have had a habitual abode in Sweden at any point during the calendar year of disposal or the ten preceding calendar years. In a number of cases, though, the applicability of this rule is limited by double tax treaties.

Taxation Finland

The following summary is based on the tax laws of Finland as in effect as at the date of this Prospectus. Changes in the tax laws could have a retroactive effect on taxation. The following summary is not exhaustive and does not take into account or discuss the tax laws of any state other than Finland. The description below is applicable to both Finnish resident and non-resident natural persons and limited liability companies for the purposes of Finnish domestic tax legislation relating to dividend distributions on shares and capital gains arising from the sale of subscription rights, shares or warrants. Prospective investors are advised to consult professional tax advisors as to the tax consequences of the purchase, ownership and disposition of Shares in Company. The following description does not address tax considerations applicable to such holders of Company's Subscription Rights, Shares or Warrants that may be subject to special tax rules relating to, among others, different restructurings of corporations, controlled foreign corporations, non-business carrying entities, income tax-exempt entities or general or limited partnerships. Furthermore, this description does not address Finnish inheritance or gift tax consequences.

General

Residents and non-residents of Finland are treated differently for tax purposes. The worldwide income of persons resident in Finland is subject to taxation in Finland. Non-residents are taxed on income from Finnish sources only. Additionally, Finland imposes taxes on non-residents for income connected with their permanent establishments situated in Finland. However, tax treaties may limit the applicability of Finnish tax legislation and also the right of Finland to tax Finnish-source income received by a non-resident.

Generally, a natural person is deemed to be a resident in Finland if such person continuously remains in Finland for a period of more than six months or if the permanent home and abode of such person is in Finland. However, a Finnish national who has moved abroad is considered to be resident in Finland until three years have passed from the end of the year of departure unless it is proven that no substantial ties to Finland existed during the relevant tax year. Earned income, including salary, is taxed at progressive rates.

Currently, the capital income tax rate is 30%. In addition, should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 33% on the amount that exceeds EUR 30,000.

Corporate entities established under the laws of Finland are regarded as residents in Finland and are, therefore, subject to corporate income tax on their worldwide income. In addition, non-residents are subject to Finnish corporate income tax on their income connected with their permanent establishments situated in Finland. Currently, the corporate income tax rate is 20%.

Taxation of dividends

General

The tax treatment of dividend income is dictated by whether the company distributing the dividend is publicly listed or not. By a publicly listed company is meant a company ("Listed Company") whose shares are admitted to trading:

- in a regulated market as set forth in the Finnish Act on Trading in Financial Instruments (748/2012, as amended);
- in another regulated market supervised by authorities outside the EEA-area; or

- in a multilateral trading facility as set forth in the Finnish Act on Trading in Financial Instruments, provided that the share has been admitted to trading by application of the company or with its consent.

First North is a multilateral trading facility as referred to above; hence the provisions regarding distribution of dividend of a publicly traded company are applied to the taxation of the dividend income from the Company.

Funds distributed from the so-called reserve for invested unrestricted equity (SVOP-reserve) of a Finnish publicly listed company are considered as dividend income for taxation purposes.

Resident natural persons

85% of dividends paid by a Listed Company to a shareholder, who is a resident natural person, is considered capital income of the recipient, while the remaining 15% is tax exempt.

85% of dividends paid by a Listed Company to a natural person whose underlying shares belong to the business activity of such shareholder is taxable partly as earned income, which is taxed at a progressive rate, and as capital income, and the remaining 15% is tax exempt.

Distribution of dividends by a Listed Company to resident natural persons is subject to advance tax withholding. Currently, the amount of the advance tax withholding is 25.5%. The advance tax withheld by the distributing company is credited against the final tax payable by the shareholder for the dividend received.

Finnish limited liability companies

Taxation of dividends distributed by a Listed Company depends, among other things, on whether the Finnish company receiving the dividend is a Listed Company or not. Dividends received by a Listed Company from another Listed Company are generally tax exempt. However, in cases where the underlying shares are included in the investment assets of the shareholder, 75% of the dividend is taxable income while the remaining 25% is tax exempt. Only banking, insurance and pension institutions may have investment assets.

Dividends received by a Finnish company that is not a Listed Company (i.e. a privately held company) from a Listed Company are fully taxable income. However, in cases where the privately held company directly owns 10% or more of the share capital of the Listed Company distributing the dividend, the dividend received on such shares is tax exempt, provided that the underlying shares are not included in the investment assets of the shareholder.

Non-residents

As a general rule, non-residents of Finland are subject to Finnish withholding tax on dividends paid by a Finnish company. The withholding tax is withheld by the company distributing the dividend at the time of dividend payment and no other taxes on the dividend are payable in Finland. The withholding tax rate is 20% for non-resident corporate entities as income receivers and 30% for all other non-residents as income receivers. The withholding tax rate may be reduced or removed in full on the basis of an applicable tax treaty.

The reduced withholding rate benefit in an applicable tax treaty will be available if the person beneficially entitled to the dividend has provided a valid tax card or necessary details of its nationality and identity to the company paying the dividend.

If shares are held through a nominee account and the person entitled to receive dividends on such shares is a resident in a tax treaty country, the withholding tax rate on the dividend is the tax rate set forth in the relevant tax treaty; however, the tax rate must be at least 15% (if the tax rate set forth in the tax treaty is less than 15%, an application including the necessary details of the nationality and identity of the beneficial owner may be submitted for the refund of the excess withholding tax). This means that with respect to dividends on shares held through a nominee account, tax is withheld at the rate set in the applicable tax treaty or 15% absent thorough clarification of the identity of the person beneficially entitled to the dividend. Such procedure, however, requires that the foreign custodian intermediary is registered in the Finnish tax authorities' register and that it is resident in a country with which Finland has a double taxation treaty. Also, the foreign custodian intermediary must have an agreement with the Finnish account operator regarding the custody of the shares. In such agreement, the foreign custodian intermediary must, among other things, commit to report the dividend receiver's residential country to the account operator and to provide additional information to the tax authorities, if needed. If these provisions are not fulfilled, the 20 % withholding tax is withheld on the nominee account's dividends for non-resident corporate entities and 30 % for all other non-residents unless otherwise set forth in an applicable tax treaty.

Dividends payable on Shares registered in the book-entry system of Euroclear Sweden may be subject to withholding at the full rate depending on the availability of information required for using treaty rates. Alternatively, provisions of the Finnish Act on Assessment Procedure (1558/1995, as amended) may be applied to the taxation of non-residents located in a state in the EEC.

In accordance with Finnish tax legislation, withholding tax is not withheld from dividends, which are paid to foreign companies, as set forth in Article 2 of the parent-subsidiary directive (2011/96/EU), located in an EU member state and subject to income tax of their home state, which directly have a minimum holding of 10 % of the capital of the dividend-distributing Finnish company.

Dividends paid to certain foreign companies located in the EEA-area are also either fully tax exempt or subject to a reduced withholding tax rate depending on how the dividend would be taxed, if it were paid to an equivalent Finnish company. The applicable double taxation treaty may however require that an even lower withholding tax rate shall be applied. Full withholding tax is withheld from other dividends paid to non-resident companies, unless the applicable double taxation treaty dictates otherwise.

Capital gains

Resident natural persons

A capital gain or loss arising from the sale of subscription rights and shares that do not belong to the business activity of the shareholder is generally taxable in Finland as a capital gain or deductible as a capital loss for resident natural persons. The tax treatment of warrants varies depending on whether the warrants are admitted to trading on a regulated market or not. A capital gain arising from the sale of any warrants that do not belong to the business activity of the shareholder is generally taxable in Finland as capital income for resident natural persons. However, the lapse of a warrant or the resulting capital loss is deductible from capital gains only for warrants that are admitted to trading on a regulated market. As First North is not a regulated market, the lapse of Warrants or capital loss is not deductible from capital gains.

Capital gains are currently taxed as capital income. A capital loss arising in 2016 and after that from the sale of subscription rights, shares or warrants traded on a regulated market that do not belong to the business activity of the shareholder is primarily deductible from the resident natural person's capital gains and secondarily from other capital gains arising in the same year and during the following five tax years. Capital losses are excluded from the calculation of capital income deficit for the concerned tax year and can therefore not be deducted from the amount of the deficit-credit that is deductible under the deficit-crediting system. If the subscription rights or shares belong to the business activity (business income source) of the seller, any gain arising from the sale thereof is deemed to be business income of the seller, which will be divided according to the Finnish Income Tax Act to be taxed at a progressive tax rate and as capital income. The deductibility of losses related to subscription rights or shares included in the seller's business activity is determined as described under "*Finnish Limited Companies*" below.

Notwithstanding the above, capital gains arising from the sale of assets that do not belong to business activity are exempt from tax provided that the proceeds of all assets sold by the resident natural person during the tax year do not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during the tax year does not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax exempt pursuant to Finnish tax laws).

Any capital gain or loss is calculated by deducting the original acquisition cost and sales related expenses from the sales price. Alternatively, a natural person holding shares that are not included in the person's business activity may, instead of deducting the actual acquisition costs, choose to apply a so-called presumptive acquisition cost, which equals 20% of the sales price, or in the case of shares which have been held for at least ten years, 40% of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any selling expenses are deemed to be included therein and cannot be deducted separately from the sales price.

When a shareholder sells the Offer Shares subscribed for in the Offering, the acquisition date of the Offer Shares is determined as the acquisition date of those shares that entitle the shareholder to receive the Subscription Rights. The acquisition price of previously acquired Shares and the acquisition price of the Offer Shares subscribed for in the Offering are added together and divided equally between the previously acquired Shares and the subscribed Offer Shares. When a shareholder sells the Subscription Rights acquired in the Offering without using them for subscribing for Offer Shares in the Offering, the actual acquisition price is considered to be zero, and for tax purposes the acquisition date of the Subscription Rights is determined as the acquisition date of those shares on the basis of which the shareholder received

the Subscription Rights. In this case, the presumptive acquisition cost of 20% is applied to the calculation of capital gains resulting from the selling of the Subscription Rights, except if the Shares on the basis of which the Subscription Rights were received have been in the shareholder's possession for ten years or more, in which case the 40% presumptive acquisition cost is applied. However, if the seller of the Subscription Rights has purchased the Subscription Rights, the seller may choose whether the presumptive acquisition cost or actual acquisition cost is applied (that is, the acquisition cost of the Subscription Rights plus the costs resulting from the selling).

If purchased Subscription Rights are used for subscribing for Offer Shares, the Offer Shares are considered to be acquired at the time of acquiring the Subscription Rights. The same date also determines the amount of the presumptive acquisition cost. If the seller wants to apply the actual acquisition cost, any capital gain or loss is calculated by deducting the acquisition cost of the Subscription Rights and Offer Shares and any sales related expenses from the sales price.

Finnish limited liability companies

The following applies only to Finnish limited liability companies that are taxed on the basis of the Finnish Business Income Tax Act. As a general rule, a capital gain arising from the sale of subscription rights or shares is taxable income of a limited liability company, which is taxed with a rate of 20%.

Shares may be fixed assets, current assets, investment assets or financial assets of a limited liability company. The taxation of a disposal of shares and loss of value varies according to the asset type for which the shares qualify. Shares may also qualify as non-business income source assets of a limited liability company. The Finnish Income Tax Act's provisions are applied to capital gains that have arisen from the sale of assets from non-business income sources.

The sales price of any sale of subscription rights or shares is generally included in the business income of a Finnish liability company. Correspondingly, the acquisition cost of subscription rights or shares is deductible from business income upon disposal of the subscription rights or shares. However, an exemption for capital gains on share disposals is available for Finnish companies, provided that certain strictly defined requirements are met. The main criteria for the application of the so-called participation exemption is that the company selling the shares has directly and continuously for at least one year, and such ownership of the sold shares has ended at the most one year before the sale, owned at least 10 % of the share capital in the company whose shares are sold, and the sold shares belong to the shares owned in accordance with the above.

Tax deductible capital losses pertaining to the sale of shares (other shares than shares sold under the participation exemption) that are part of the fixed assets of the selling company can only be deducted from capital gains arising from the sale of fixed assets shares in the same financial year and the subsequent five years. Capital losses pertaining to the sale of subscription rights or shares that are not part of fixed assets are tax deductible from taxable income in the same financial year and the subsequent ten years in accordance with the general rules concerning losses carried forward.

Non-residents

Non-residents who are not generally liable for tax in Finland are usually not subject to Finnish taxes on capital gains realised on the sale of subscription rights or shares in a Listed Company, unless the non-resident taxpayer is deemed to have a permanent establishment in Finland for income tax purposes as referred to in the Income Tax Act and an applicable tax treaty and the shares are considered to be assets of that permanent establishment.

Finnish transfer tax

Transfer tax is not payable in connection with the issuance of new shares or other securities.

There is no transfer tax payable in Finland on transfers or sales of subscription rights or shares admitted to trading on First North if the transfer is made against a fixed pecuniary consideration. The transfer tax exemption requires that an investment firm, a foreign investment firm or other party offering investment services, as defined in the Finnish Investment Services Act (747/2012, as amended), is brokering or acting as a party to the transaction, or that the transferee has been approved as a trading party in the market in which the transfer is executed. Further, if the broker or the counterparty to the transaction is not a Finnish investment firm, Finnish credit institution, or a Finnish branch or office of a foreign investment firm or credit institution, the transfer tax exemption requires that the transferee submits a notification of the transfer to the Finnish Tax Administration within two months of the transfer, or that the broker submits an annual declaration regarding the transfer to the Finnish Tax Administration as set forth in the Act on Assessment Procedure (1558/1995, as amended).

Certain separately defined transfers, such as those relating to equity investments or distribution of funds, are not covered by the transfer tax exemption. In addition, the exemption does not apply to transfers carried out in order to fulfil the obligation to redeem minority shares under the Finnish Companies Act. See “*Shareholder rights – Squeeze-out rights*”.

If the transfer or sale of subscription rights or shares does not fulfil the above criteria for a tax-exempt transfer, transfer tax at the rate of 1.6 % of the sales price is payable by the purchaser. However, if the purchaser is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm or fund management company, the seller must collect the tax from the purchaser. If the broker is a Finnish stockbroker or credit institution, or a Finnish branch or office of a foreign stockbroker or credit institution, it is liable to collect the transfer tax from the purchaser and pay the tax to the state. If neither the purchaser nor the seller is tax resident in Finland or a Finnish branch or office of a foreign credit institution or foreign investment firm, the transfer of shares will be exempt from Finnish transfer tax. No transfer tax is collected if the amount of the tax is less than EUR 10.

Third party information, expert statements

Expert statements related to this Prospectus

With the exception of the auditor's reports referred to in section "*Information incorporated by reference*" (auditor's reports regarding financial periods 2017 and 2016 have been incorporated by reference), and the auditor's report on profit forecast in accordance with the Commission Regulation (EC) No 809/2004 Annex XXV item 13.2 prepared by the Company's auditor PricewaterhouseCooper Oy, this Prospectus does not include any other expert statements.

Information from third parties

This Prospectus does not include information developed by third parties for the purposes of preparing this Prospectus.

Documents available for inspection

Copies of the following documents are available for inspection during the validity of this Prospectus on working days during normal office hours at Savosolar's registered address Insinöörinkatu 7, 50150 Mikkeli, Finland

- Savosolar's Articles of Association, as registered at the date of this Prospectus;
- Savosolar's audited financial statements for the financial period ended 31 December 2017;
- Savosolar's audited restated financial statements for the financial period ended 31 December 2016;
- Auditor's report for Savosolar's financial statements for the period ended 31 December 2017 and the restated financial statements for the period ended 31 December 2016;
- Prospectus;
- Resolutions of the Finnish Financial Supervisory Authority regarding this Prospectus; and
- Independent auditor's assurance on profit forecast included in the Prospectus.

Information incorporated by reference

The Company's financial statements and auditor's report for the financial period ended 31 December 2017 and the restated financial statements and auditor's report for the financial period ended 31 December 2016 have been incorporated to this Prospectus by reference. The Finnish language documents incorporated by reference are available at the Company's website at www.savosolar.com/rights-issue and in the printed form in the Finnish language at the office of the Company at Insinöörinkatu 7, 50150 Mikkeli, Finland.

Glossary

Absorber

Solar thermal absorber is a device that binds solar radiation. Inside the absorber flows a heat transferring fluid, through which solar energy is transferred out of the absorber as heat.

Argon

Argon is a chemical element with symbol Ar and atomic number 18 and is a noble gas.

PVT / Photovoltaic thermal

A device which converts solar radiation into electrical energy by means of a photoelectric effect.

Solar thermal cooling

A technical solution that can harness solar energy for cooling. Cooling material is regenerated with heat through an absorption reaction or then a phase change is used, as in heat pipes.

ESTIF

European Solar Thermal Industry Federation.

ISO 9000 –standard

ISO 9000 is an international standard series for the management of organisations in terms of quality management systems.

Collector

A solar thermal collector is a device that converts solar radiation into usable heat.

Solar Keymark

Solar Keymark is a voluntary third party certification for solar thermal products. Solar Keymark developed by ESTIF and CEN (European Committee for Standardisation).

Direct flow absorber

Direct flow absorber is an absorber, made by MPE (Multi-Port Extrusion) -profiles, where the heat flows directly to the collector's heat exchange fluid. This means that the distance the heat must travel is much shorter, which improves the mechanism of heat transfer and increases the efficiency of the collector.

Thermoplastic

Thermoplastic means an adhesive, which can be moulded into a new form with the help of heat and pressure.

Vacuum coating

A 3-layer coating which is placed on top of the absorbers.

Roll-bond absorber

When manufacturing roll-bond absorbers a process, where the fluid channel pattern is printed with special ink on an aluminium plate, and with different patterns an optimised flow of the heat exchange fluid through the solar thermal absorbers can be achieved. This technology has been developed by CGA Technologies S.p.A.

Articles of Association

Articles of Association of Savosolar Plc

1 § Registered name and domicile

The registered name of the company is Savosolar Oyj, in Swedish Savosolar Abp and in English Savosolar Plc. The domicile of the company is Mikkeli.

2 § Line of business

The line of business of the company is design, manufacturing and sale of energy systems that exploit solar energy as well as research, development and consultation relating to its line of business. In addition, the company may own real estates, shares in housing companies, investment shares as well as other securities, make share investments in companies and lease the real estates and apartments that it owns.

The company may conduct its business directly on its own or through subsidiaries or associated companies.

3 § Shares and book-entry system

The shares in the company are entered into the book-entry securities system.

4 § Board of Directors and the Managing Director

The company shall have the Board of Directors, which comprises no fewer than three (3) and no more than seven (7) members. The term of office of each member of the Board of Directors ends at the adjournment of the first annual general meeting of shareholders following the election.

The company shall have a Managing Director. The Managing Director is nominated by the Board of Directors.

5 § Representation of the company

The company shall be represented by the Board of Directors but also the chairman of the Board of Directors and the Managing Director alone and two members of the Board of Directors acting jointly. The Board of Directors may grant procuration or representation right to a nominated person.

6 § Auditors

The company shall have one ordinary auditor and one deputy auditor. In case an auditing firm certified by the Finland Chamber of Commerce or chamber of commerce is elected as auditor, deputy auditor does not need to be elected. The term of office of the auditors ends at the adjournment of the annual general meeting of shareholders first following the election.

7 § Summons, registration period and venue of general meeting of shareholders

The notice to convene a general meeting of shareholders must be delivered to the shareholders by publishing the notice on the website of the company or otherwise in a verifiable manner no earlier than three (3) months and no later than three (3) weeks prior to the general meeting of shareholders, however, in any case, at least nine (9) days prior to the record date of the general meeting of shareholders pursuant to the Finnish Companies Act.

Where the Board of Directors so decides, a shareholder must register with the company in order to participate in the general meeting of shareholders. In such case, shareholders must register no later than on the date referred to in the notice convening the meeting, which date may be at the earliest ten (10) days prior to the general meeting of shareholders.

Besides the company's domicile, general meetings may held in the City of Helsinki, Finland or the City of Stockholm, Sweden.

8 § Annual general meeting of shareholders

The annual general meeting of shareholders shall be held each year within six (6) months from the end of the financial period of the company on a date resolved by the Board of Directors.

The meeting shall:

be presented with:

1. the financial statements and, when needed the report of the Board of Directors;
2. the auditor's report;

resolve upon:

3. the adoption of the financial statements;
4. the use of profits shown on the balance sheet;
5. the discharge of members of the Board of Directors and the Managing Director from liability;
6. the remuneration of the members of the Board of Directors and the auditor;
7. the number of the members of Board of Directors;

elect:

8. the members of the Board of Directors, and
9. the ordinary auditor and deputy auditor.

Independent auditor's assurance on profit forecast included in the prospectus (unofficial translation from the Finnish original)



1 (1)

Independent auditor's assurance report on profit forecast included in the Prospectus (translation)

To the Board of Directors of Savosolar Plc

We report in accordance with the Commission Regulation (EC) No 809/2004 Annex XXV item 13.2 on the profit forecast included in the section "Profit forecast" of Savosolar Plc Prospectus dated [14] June 2018. The Prospectus includes a profit forecast compiled by the management of Savosolar Plc according to which the company estimates that the full-year operating result (EBIT) will be better than in 2017, when it was EUR -4.9 million, based on certain estimates and assumptions described in the Prospectus.

Responsibility of the Board of Directors

The Board of Directors of Savosolar Plc is responsible for the compilation of the profit forecast including the principal assumptions upon which it is based in accordance with the Commission Regulation (EC) No 809/2004.

Auditor's responsibility

Our responsibility is to express an opinion as to whether the profit forecast has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast is consistent with the accounting policies of the issuer.

We conducted our work in accordance with the instructions issued by the Finnish Institute of Authorised Public Accountants "Profit forecast and estimate – instructions for the auditor". We have not performed an audit or a review on the profit forecast included in the Prospectus or on the information and assumptions used in the compilation of the profit forecast.

We planned and performed our work so that the evidence we have obtained is sufficient and appropriate to provide a reasonable assurance that the profit forecast has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast is consistent with the accounting policies of Savosolar Plc.

Opinion

In our opinion, the profit forecast has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast is consistent with the accounting policies of the issuer.

Qualifications and restriction on distribution and use of the report

Actual results may be different from the profit forecast since anticipated events frequently do not occur as expected and the variation may be material.

This report has been prepared solely to be included in the Prospectus prepared in accordance with the Commission Regulation (EC) No 809/2004.

Helsinki 14 June 2018

PricewaterhouseCoopers Oy
Authorised Public Accountants


Peter Lindeman
Authorised Public Accountant

The Company

Savosolar Plc
Insinöörinkatu 7
50150 Mikkeli
Finland
Phone: +358 (0) 1 027 108 10

Financial adviser

Augment Partners AB
Birger Jarlsgatan 2
114 34 Stockholm
Sweden
Phone: +46 (0)8 505 65 172

Lead manager

Invesdor Oy
Salomonkatu 17 A
00100 Helsinki
Suomi

Legal adviser, Finland

Smartius Oy
Lutakonaukio 1
40100 Jyväskylä
Finland

Auditor

PricewaterhouseCoopers Oy
PL 1015, (Itämerentori 2)
00101 Helsinki
Finland