



Rights issue
Up to 87,530,012 shares
Subscription price EUR 0.07 or SEK 0.71 per share

Savosolar Plc ("Savosolar" or the "Company"), a public limited liability company registered in Finland, is offering up to 87,530,012 new shares (the "Offer Shares") in a rights issue, against consideration, based on the shareholders' preferential subscription right at the subscription price of EUR 0.07 or SEK 0.71 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 50 per cent of all shares in the Company 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 6 October 2021 in Euroclear Finland and 6 October 2021 in Euroclear Sweden (the "Record Date"). One (1) Subscription Right entitles their holder to subscribe for one (1) Offer Share. 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 7 October 2021 and in the book-entry system maintained by Euroclear Sweden approximately on 8 October 2021. The Subscription Rights can be freely assigned, and they will be traded on the First North Growth Market Finland marketplace ("First North Finland") maintained by Nasdaq Helsinki Ltd ("Helsinki Stock Exchange") (trading symbol SAVOHU0121, ISIN: FI4000512249) and the First North Growth Market Sweden marketplace ("First North Sweden") maintained by Nasdaq Stockholm AB ("Stockholm Stock Exchange") (trading symbol SAVOS TR, ISIN: SE0016843775) between 11 October 2021 and 19 October 2021. The subscription period for the Offer Shares will commence on 11 October 2021 at 9:30 a.m. Finnish time (8:30 a.m. Swedish time) and will end on 27 October 2021 at 4:30 p.m. Finnish time (3:30 p.m. Swedish time) in Finland and on 25 October 2021 at 4:30 p.m. Finnish time (3:30 p.m. Swedish time) in Sweden. Unexercised Subscription Rights will expire and have no value on 27 October 2021 at 4:30 p.m. Finnish time (3:30 p.m. Swedish time) in Finland and on 25 October 2021 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 SAVOHN0121, ISIN: FI000512256) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0016843783) as their own special share class on approximately 11 October 2021. 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 on 11 November 2021 and in the book-entry system maintained by Euroclear Sweden approximately on 18 November 2021. The Offer Shares will be subject to trading together with the Company's existing shares approximately on 12 November 2021 on First North Finland and approximately on 18 November 2021 on First North Sweden.

In addition, Savosolar will issue a maximum of 131,295,018 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 131,295,018 new shares of the Company. The Warrants will be issued in the following manner: the subscriber will receive one (1) Warrant of series TO8, one (1) Warrant of series TO9 and one (1) Warrant of series TO10 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. Each Warrant will entitle its holder to subscribe for one (1) new share during the subscription period 21 March – 1 April 2022 (for TO8), 29 August – 8 September 2022 (for TO9) 6 March – 16 March 2023 (for TO10) respectively, with a subscription price that will be decided based on the volume weighted average price of the Company's shares in First North Growth Market Finland during the period 7 March – 17 March 2022 (for TO8), 29 August – 9 September 2022 (for TO9) and 6 March – 16 March 2023 (for TO10) with a 25 per cent discount, at a maximum subscription price of EUR 0.09 (for TO8), EUR 0.11 (for TO9) and EUR 0.13 (for TO10) 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 Swedish Riksbank's EURSEK rate one (1) business day before the start of the subscription period. 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 1-2021, Savosolar Plc Warrant Plan 2-2021 and Savosolar Plc Warrant Plan 3-2021*". 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 46, 2021. The ISIN codes of the Warrants are FI4000512264 (TO8), FI4000512272 (TO9) and FI4000512280 (TO10). 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 symbols are expected to be SAVOS TO8, SAVOS TO9 and SAVOS TO10 on First North Sweden and SAVIHEW12021, SAVIHEW22021 ja SAVIHEW32021 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 46, 2021.

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.

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. Nasdaq Helsinki approves 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



IMPORTANT INFORMATION AND NOTICE TO INVESTORS

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), Regulation (EU) 2017/1129 of the European Parliament and the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the “Prospectus Regulation”), the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (the “Delegated Regulation”), as amended, with its Annexes 17, 18, 24 and 26, the Commission Delegated Regulation (EU) 2019/979 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 as well as the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the “Finnish FSA”).

This Prospectus has been prepared as EU growth prospectus in accordance with Article 15 of the Prospectus Regulation and the Delegated Regulation. The Prospectus also contains a summary in the required format in accordance with Article 7 of the Prospectus Regulation and Article 33 and Annex 23 of the Delegated Regulation. The Finnish FSA has approved of the Finnish-language Prospectus as the competent authority under the Prospectus Regulation. The Finnish FSA has only approved the Finnish-language Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. The investors should themselves consider if it is suitable to invest in the securities. Such approval of the Finnish FSA shall not be considered as an endorsement of the respective issuer set forth in the Finnish-language Prospectus. The journal number for the approval resolution regarding the Finnish-language Prospectus is FIVA 63/02.05.04/2021. In accordance with the Prospectus Regulation, an English-language translation which includes a Swedish-language summary has been prepared. The Finnish FSA notifies the approved Prospectus to the Swedish Financial Supervisory Authority (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.

No person has been authorised to give any information or to make any statements regarding the Offering other than those contained in the Prospectus.

The information contained herein is current as at the date of the Prospectus. The validity of the Prospectus ends upon the end of the offer period. Obligation to provide with supplement to the Prospectus due to a significant new fact, material error or material inaccuracy shall end when this Prospectus is no longer valid.

The information contained in the Prospectus is not an insurance or guarantee of future events by Savosolar and should not be construed as such. Unless otherwise stated, estimates of market developments related to the Company or its business are based on estimates reasonably verified by the Company’s management.

Neither the publication of the Prospectus nor the offer, sale or delivery of the Subscription Rights, the Offer Shares or the Warrants based on the Prospectus, does not in any circumstances mean that no changes could occur in the Company’s business after the date of the Prospectus or that the information contained in the Prospectus would hold true in the future. However, the Company has the obligation to supplement the 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 the 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 the Prospectus in the same manner as the Prospectus.

Investors are encouraged to follow company announcements published by the Company.

Making an investment decision regarding the Offering should be based on an independent assessment of the legal, tax, business, financial and other consequences of subscription or acquisition of the Subscription Rights, the Offer Shares and the Warrants, including the merits and risks involved. Any tax consequences arising from an investor’s participation in the Offering will be solely on account of such investor.

In certain countries legislation may restrict the distribution of this Prospectus and sale and offering of the Subscription Rights, the Offer Shares and the Warrants. The Company and its advisers recommend the persons into whose possession the Prospectus comes to adequately familiarise themselves of and to 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 Subscription Rights, the Offer Shares and the Warrants is aware of such restrictions. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Subscription Rights, the Offer Shares or the 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, the Offer Shares or the Warrants in any jurisdiction of outside Finland and Sweden.

The Company reserves the right based on its sole discretion to resolve on rejection of such subscription of the Offer Shares or the Warrants that, based on the Company’s or its representative’s opinion, may lead to breach of any law, rule or regulation.

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Information incorporated by reference

The following documents are incorporated in the Prospectus by reference:

Savosolar Oyj – Half year report for January-June 2021 (FAS, unaudited)	Pages
Half-year report	1–11
Key financials and financial information (including income statement, balance sheet, cash flow statement and notes)	12–17

Available at: <https://savosolar.com/news-media/financial-reports/>

Savosolar Oyj – Financial statements 2020 (FAS, audited)	Pages
Report of the Board of Directors	2–12
Financial statements (including income statement, balance sheet, cash flow statement and notes)	13–24
Auditor’s report	25–26

Available at: <https://savosolar.com/news-media/annual-reports/>

Savosolar Oyj – Financial statements 2029 (FAS, audited)	Pages
Report of the Board of Directors	2–13
Financial statements (including income statement, balance sheet, cash flow statement and notes)	14–26
Auditor’s report	27–28

Available at: <https://savosolar.com/news-media/annual-reports/>

Savosolar Oyj’s Articles of Association
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Available at: <https://savosolar.com/investor-relations/governance/>

Summary

1. Introduction	
1.1	<p>Name and ISIN codes of the securities</p> <p>The Finnish-language Prospectus (the “Prospectus” or “EU Growth Prospectus”) applies to a share issue (the “Offering”) in which Savosolar Plc is offering, primarily for subscription by its shareholders based on the shareholders’ pre-emptive subscription rights, a maximum of 87,530,012 new shares (“the Offer Shares”) with ISIN code FI4000425848, in Finland and Sweden.</p> <p>In addition, Savosolar will issue a maximum of 131,295,018 warrants (the “Warrants”) free of charge to persons who subscribed for the Offer Shares in the Offering, entitling them to subscribe for a maximum of 131,295,018 new shares in the Company. The ISIN codes of the Warrants are FI4000512264 (TO8), FI4000512272 (TO9) and FI4000512280 (TO10).</p>
1.2	<p>Identity and contact details of the issuer</p> <p>The registered name of the issuer is Savosolar Oyj (the “Company” or “Savosolar”), in Swedish Savosolar Abp and in English Savosolar Plc. The contact details of the issuer are the following:</p> <p>Address: Savosolar Oyj, Insinöörintäti 7, 50150 Mikkeli</p> <p>Business ID: 2309682–6</p> <p>Legal entity identifier (LEI): 743700J1YZ8IEJAPDL21</p>
1.3	<p>Competent authority who has approved of the EU Growth Prospectus</p> <p>The Finnish Financial Supervisory Authority (the “Finnish FSA”), which is the competent authority for the purposes of the Regulation (EU) 2017/1129 of the European Parliament and the Council, as amended (the “Prospectus Regulation”), has approved of the EU Growth Prospectus. The Finnish FSA has only approved the EU Growth Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval of the Finnish FSA shall not be considered as an endorsement of the respective issuer set forth in the EU Growth Prospectus. The number for the approval resolution regarding this EU Growth Prospectus is FIVA 63/02.05.04/2021. The contact details of the Finnish FSA are the following:</p> <p>address: Financial Supervisory Authority, P.O. Box 103, 00101 Helsinki; telephone: +358 9 183 51; email address: kirjaamo@finanssivalvonta.fi</p>
1.4	<p>Date of approval of the EU Growth Prospectus</p> <p>This EU Growth Prospectus has been approved on 4 October 2021</p>
1.5	<p>Warnings</p> <p>This summary should be read as an introduction to the EU Growth Prospectus. Any decision to invest in the securities should be based on consideration of the EU Growth Prospectus as a whole by the investor. An investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the EU Growth Prospectus is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the EU Growth Prospectus before legal proceedings are initiated. The Company assumes civil liability in respect of this summary including translation thereof only if it is misleading, inaccurate, or inconsistent, when read together with the other parts of the EU Growth Prospectus, or where it does not provide, when read together with the other parts of the EU Growth Prospectus, key information in order to aid investors when considering whether to invest in the securities.</p>
2. Key information on the issuer	
2.1	<p>Who is the issuer of the securities?</p> <p>The securities are issued by Savosolar which is a public limited liability company (in Swedish: publikt aktiebolag) incorporated under the laws of Finland. The Company is domiciled in Mikkeli, Finland. The Company is registered within the Finnish Trade Register under business identity number 2309682–6.</p> <p>Principal activities of the issuer</p> <p>Savosolar is a Finnish public limited company that designs and supplies solar thermal energy systems. The heating systems use the Company’s own, internationally awarded solar heat absorbers and collectors. Although the main business is turnkey delivery of heating systems, absorbers and collectors are also supplied and installed separately. Based on the information available to the Company’s management, the large solar thermal collectors with MPE absorber manufactured by Savosolar are the most efficient in the world. Savosolar focuses on large solar heat collectors and over 1,000 m² heating systems. The Company began product deliveries in June 2011, large systems deliveries in 2015, and currently the Company’s total</p>

number of large systems exceeds 100,000 m². The Company's products are based on high quality and high performance/efficiency, and their uniqueness is based on a vacuum coating process in which the entire absorber structure is coated at once. In this case, thin-walled aluminium profiles can be used as the structure, which are very efficient heat exchangers and thus provide efficient direct-flow heat transfer. Savosolar's personnel have extensive knowledge and experience in vacuum coating technologies, international sales, and management. The Company uses advanced production methods in its manufacturing processes, and its quality system meets the requirements of the ISO 9000 standard. The Company aims to support its customers in achieving these environmental and business goals by significantly reducing energy costs. Savosolar is constantly investing in product development in order to maintain its technology leadership and to improve its offered competitiveness to customers in the growing markets of heat energy.

Shareholder(s) controlling the issuer directly or indirectly

To the knowledge of the management of the Company, the Company is not directly or indirectly owned or controlled by any shareholder.

Identity of issuer's key managing executives/ directors

The members of the Company's Board of Directors are Eero Auranne (Chairman), Feodor Aminoff, Mikael Lemström and Ari Virtanen. The members of the Company's management team are Jari Varjotie (CEO), Heikki Timonen (CFO), Kaj Pischow, Pekka Karjalainen, Raul Ikonen, Torben Frederiksen, Antti Lilleberg and Martti Jalava.

2.2

Key financial information regarding the issuer and the respective qualifications

The following tables present some historical key financial information based on the Company's half-year report from 1 January 2021 to 30 June 2021 and financial statements for the financial years ended 31 December 2020 and 31 December 2019. The Company's audited financial statements for the financial years ended 31 December 2020 and 31 December 2019 and the unaudited half-year report from 1 January 2021 to 30 June 2021 have been prepared in accordance with Finnish Accounting Standards ("FAS").

The Selected Key Financial Information presented below does not include all the information in the Company's financial statements.

	H1 2021	H1 2020	2020	2019
	2021-01-01- 2021-06-30	2020-01-01- 2020-06-30	2020-01-01- 2020-12-31	2019-01-01- 2019-12-31
EUR, thousands				
Key financials for the income statement				
(Unaudited, unless otherwise indicated)				
Revenue	1.627	2.043	5.117 ¹	3.415 ¹
EBITDA	-2.001	-1.466	-3.410	-4.375
EBITDA-margin (%)	-123 %	-72 %	-67 %	-128 %
Operating profit / (-loss) (EBIT)	-2.201	-1.717	-3.897 ¹	-4.999 ¹
Operating profit margin (%)	-135 %	-84 %	-76 %	-146 %
Net profit (loss)	-2.333	-2.564	-4.977 ¹	-6.760 ¹
Net profit (Loss) -margin (%)	-143 %	-126 %	-97 %	-198 %
Key financials for the capital structure				
Equity capital, EUR thousand	3.717	5.397	4.659 ¹	3.592 ¹
Equity ratio ²	72,6 %	67,6 %	70,7 %	61,8 %
Data per share				
Number of shares ³	77.440.623	48.332.595	62.941.992	17.232.653
Average number of shares ³	40.187.227	20.013.908	30.890.608	11.567.012
Equity per share, EUR	0,048	0,112	0,074	0,208
Earnings per share, EUR	-0,058	-0,128	-0,161	-0,584
Personnel				
Average number of employees	36	38	35	34

¹ Audited

² In the calculation of the equity ratio, capital loans have been included in the equity.

³ The number of shares decreased during the financial period in a ratio of 100:1 as a result of the combination of shares. Earnings per share and the number of shares has been calculated on the assumption that the reduction in the number of shares registered on 29 April 2020 would have taken place on 31 December 2019. The figures shown in the table for 2019 are comparable figures. The actual number of shares in 2019 was 1,723,265,358.

	<p>The following audit reports regarding the Company’s financial statements for the financial years ended on 31 December 2020 and 31 December 2019 deviate from the standard design:</p> <p>Financial Statements 2019: Material Uncertainty Related to Going Concern</p> <p>We draw attention to the notes in financial statement and the annual report, section “Common risks and uncertainties in business “, according to which, based on the current level of costs, maturity of the Company’s loans 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 2020: Material Uncertainty Related to Going Concern</p> <p>We draw attention to the notes in the financial statements and the report of the board of directors, section “General risks and uncertainty factors concerning operations”, according to which, the Company cannot be certain that it will have sufficient working capital for the next 12 months. 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>
2.3	<p>Key risks that are specific to the issuer</p> <p>The key risks specific to the Company are the following:</p> <ul style="list-style-type: none"> • The Company may not succeed in its growth and implementing its internationalisation strategy in accordance with its plans • Changes may occur in the Company’s competitive environment that may adversely affect market prices of the products and/or the Company’s market position • The continuation of the Covid-19 pandemic and the resulting restrictive measures may further slow down or delay tendering and contract negotiations or the implementation of already agreed projects • There may be changes in the amount of investment subsidies that adversely affect the demand for the Company’s products and/or the price level • The Company’s working capital is not sufficient to meet the Company’s requirements and future needs of the Company may require additional funding • The Company has a history of operating losses, and the operations may stay unprofitable for an unforeseeable future • In order to implement its strategy and grow its business, the Company may need additional external financing in addition to the Offering and the Warrants TO8, TO9 and TO10 and it is not certain that it will receive financing on favourable terms or at all • Technical problems may cause interruptions in the manufacturing process of the Company • The Company is dependent on large individual solar thermal projects, where there is uncertainty regarding the implementation, the timing, the winning of tenders and the signing of final contracts regarding the projects • There can be no assurance that the Company will be able to improve its profitability in the targeted manner
<p>3. Key information on the securities</p>	
3.1	<p>Main features of the securities</p> <p>In the Offering of the Company subject to this Prospectus (the “Offering”) up to 87,530,012 new shares (“Offer Shares”) are offered for subscription in accordance with the Companies Act. The number of registered shares of the Company prior to the Offering is 87,530,012. The ISIN code for the Offer Shares is FI4000425848 and the trading symbol SAVOH on the Nasdaq First North Growth Market Finland marketplace (“First North Finland”) maintained by Nasdaq Helsinki Oy (“Helsinki Stock Exchange”) and SAVOS on the Nasdaq First North Growth Market Sweden marketplace (“First North Sweden”) maintained by Nasdaq Stockholm AB (“Stockholm Stock Exchange”). The Offer Shares have no nominal value.</p> <p>The Offer Shares subscribed for in the Offering will be issued as book-entries in the book-entry system of Euroclear Finland Oy, address Urho Kekkonenkatu 5 C (PL 1110), 00100 (00101) Helsinki (“Euroclear Finland”) and delivered to the investors through the book-entry systems of Euroclear Finland and Euroclear Sweden AB, address Klarabergsviadukten 63 (PO Box 191), 111 64 (SE-101 23) Stockholm, Sweden (“Euroclear Sweden”).</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 of 6 October 2021 in Euroclear Finland and 6 October 2021 in Euroclear Sweden (the “Record Date”). One (1) Subscription Right entitles their holder to subscribe for one (1) Offer Share. 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 7 October 2021 and in the book-entry system maintained by Euroclear Sweden approximately on 8 October 2021. The Subscription Rights can be freely assigned, and they will be traded on the First North Growth Market Finland marketplace (“First North Finland”) maintained by Nasdaq Helsinki Ltd (“Helsinki Stock Exchange”) (trading symbol SAVOHU0121, ISIN: FI4000512249) and the First North Growth Market Sweden</p>

	<p>marketplace (“First North Sweden”) maintained by Nasdaq Stockholm AB (“Stockholm Stock Exchange”) (trading symbol SAVOS TR, ISIN: SE0016843775) between 11 October 2021 and 19 October 2021.</p> <p>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 SAVOHN0121, ISIN: FI000512256) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0016843783) as their own special share class on approximately 11 October 2021. The Temporary Shares will be combined with the Company’s current shares after the Offer Shares have been registered in the Trade Register.</p> <p>The Offer Shares are denominated in euro. The Offer Shares which are traded on First North Finland are traded and settled in euro. The Offer Shares which are traded on First North Sweden are traded and settled in Swedish krona.</p> <p>In addition, Savosolar will issue a maximum of 131.295.018 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 131.295.018 new shares of the Company. The Warrants will be issued in the following manner: the subscriber will receive one (1) Warrant of series TO8, one (1) Warrant of series TO9 and one (1) Warrant of series TO10 per each two (2) subscribed and paid Offer Shares, the subscription of which the Board of Directors has approved.</p> <p>The ISIN codes of the Warrants are FI4000512264 (TO8), FI4000512272 (TO9) and FI4000512280 (TO10). 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 symbols are expected to be SAVOS TO8, SAVOS TO9 and SAVOS TO10 on First North Sweden and SAVIHEW12021, SAVIHEW22021 ja SAVIHEW32021 on First North Finland.</p> <p>Rights attached to the Offer Shares include, but are not limited to, the pre-emptive right to subscribe for new shares in the Company, the right to participate in and exercise voting rights during, the right to dividends and other unrestricted equity, the right to demand the redemption of shares at a fair price from a shareholder who owns more than 90 percent of all shares and votes in the Company, and other general rights under the Companies Act. The issue shares are freely transferable. Each Offer Share entitles its holder to one vote at the Company’s Annual General Meeting.</p> <p>According to the Companies Act, a share certificate regarding a company’s share can be issued only to a designated person but a share certificate cannot be issued at all when the company’s shares are linked to the book-entry system, as Savosolar’s shares are.</p> <p>Based on Savosolar’s current investments and growth prospects, as well as the Company’s liquidity and general economic situation, it cannot be expected that the Company will pay dividends in the near future. Savosolar’s current intention is to use any future income to develop the Company and finance growth. The Company has not paid a dividend so far and there is no certainty that it will have distributable funds available in the future.</p>
3.2	<p>Trading with the securities</p> <p>The Company’s shares are traded in First North Sweden and First North Finland. The Company intends to file an application for listing Subscription Rights, Temporary Shares and Option Rights to be traded on First North Sweden and First North Finland.</p> <p>The Nasdaq First North Growth Market is registered as an SME growth market. Nasdaq First North Growth Market issuers are not subject to all the same rules as regulated markets as defined by EU law. Nasdaq First North Growth Market issuers, on the other hand, follow lower-standard rules and regulations for small growth companies.</p>
3.3	<p>Is there a guarantee attached to the securities?</p> <p>There is no guarantee attached to the securities.</p>
3.4	<p>Key risks that are specific to the securities</p> <ul style="list-style-type: none"> • An active public market for the Company’s shares Subscription Rights and/or Warrants may not develop • 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 • The amount of possible future dividends to be distributed to shareholders is not certain • Shareholders’ ownership will be diluted if the shareholders do not exercise their Subscription Rights, and the Subscription Rights may lose their value
<p>4. Key information on the offer of securities and the admission to trading</p>	
4.1	<p>Conditions and timetable for the security investment</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 of 6 October 2021. One (1) Subscription Right entitles their holder to subscribe for one (1) Offer Share. 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 7 October 2021 and in the book-entry system maintained by Euroclear Sweden approximately on 8 October 2021. The Subscription Rights can</p>

	<p>be freely assigned, and they will be traded on First North Finland (trading symbol SAVOHU0121, ISIN: FI4000512249) and First North Sweden (trading symbol SAVOS TR, ISIN: SE0016843775) between 11 October 2021 and 19 October 2021. 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>The price of the Offer Shares is EUR 0.07 or SEK 0.71 per Offer Share.</p> <p>In addition, Savosolar will issue a maximum of 131.295.018 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 131.295.018 new shares of the Company. The Warrants will be issued in the following manner: the subscriber will receive one (1) Warrant of series TO8, one (1) Warrant of series TO9 and one (1) Warrant of series TO10 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. Each Warrant will entitle its holder to subscribe for one (1) new share during the subscription period 21 March – 1 April 2022 (for TO8), 29 August – 8 September 2022 (for TO9) 6 March – 16 March 2023 (for TO10) respectively, with a subscription price that will be decided based on the volume weighted average price of the Company’s shares in First North Growth Market Finland during the period 7 March – 17 March 2022 (for TO8), 29 August – 9 September 2022 (for TO9) and 6 March – 16 March 2023 (for TO10) with a 25 per cent discount, at a maximum subscription price of EUR 0.09 (for TO8), EUR 0.11 (for TO9) and EUR 0.13 (for TO10) 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 Swedish Riksbank’s EURSEK rate one (1) business day before the start of the subscription period. 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 trading symbols are expected to be SAVOS TO8, SAVOS TO9 and SAVOS TO10 on First North Sweden and SAVIHEW12021, SAVIHEW22021 ja SAVIHEW32021 on First North Finland.</p> <p><i>Fees and expenses (besides the subscription commitment fees)</i></p> <p>In connection with the Offering, the Company is expected to pay a total of approximately EUR 0.93 million in fees and expenses. The Company, Nordea Bank Plc or Aqurat Fondkommission AB do not charge fees or expenses to investors subscribing for the Offer Shares and Warrants. However, Aqurat Fondkommission AB has the right to charge interest and fees to investors who have not paid for the Offer Shares they have subscribed for by the due date. However, securities intermediaries and other service providers used by investors may charge the investor fees based on an agreement between the investor and the service provider.</p> <p><i>Dilution</i></p> <p>If the Offering is fully subscribed, the Offer Shares will represent approximately 50 percent of the Company's shares and votes after the Offering. If the Offering and the maximum number of Warrants are issued and all Warrants are exercised, the new shares to be issued correspond to a total of approximately 71 percent of all the Company's shares after all Warrants have been exercised and the corresponding shares have been issued.</p> <p><i>Governing law</i></p> <p>Finnish law applies to the Offering and the Offer Shares. Any disputes concerning the Offering will be resolved in a competent court in Finland.</p>
4.2	<p>Why has this EU Growth Prospectus been prepared?</p> <p>Savosolar has prepared and published this Prospectus to carry out the Offering and the issuing of Warrants.</p> <p><i>Reasons for the Offering</i></p> <p>The Offering is expected to support the growth and operational strategy of the Company. Savosolar expects to use the net proceeds of the Offering to meet the Company’s working capital requirements, increase the Company’s financial capacity to offer and execute larger projects and to develop technology to become increasingly competitive.</p> <p><i>The use and estimated amount of the proceeds</i></p> <p>The total proceeds of the Offering may amount at maximum approximately EUR 6.1 million based on the maximum number of Offer Shares (87,530,012 Offer Shares) and the Subscription Price of EUR 0.07 per Offer Share. The net proceeds from the issuance of the Offer Shares amount to a maximum of approximately EUR 5.2 million, after deducting estimated offering fees and expenses payable by the Company of approximately EUR 0.93 million. The Company may complete the Offering even though the Offer Shares are not subscribed for in full. In the event that the subscriptions by underwriters and other subscribers in total is below 87,530,012 Offer Shares, the total proceeds and net proceeds of the Offering are accordingly lower.</p> <p>The Company will use the net proceeds from the Offering and the Warrants as follows:</p> <ul style="list-style-type: none"> • To meet the Company’s working capital requirements, increase the Company’s financial flexibility and capacity, such that the Company can offer and execute larger projects and can increase its ability to meet the rapidly growing market demand for large solar thermal systems in both industrial processes and district heating.

- Further develop technology to become more competitive.

Underwriting commitments

A consortium of underwriters has committed to subscribe for Offer Shares, so that the underwriting commitments of the underwriters applies to about 88.5 per cent of the Offering, meaning they have underwritten the Offering to a total of approximately EUR 5.4 million.

The underwriting commitments received are so called “base underwriting commitments”. If the Offering is not subscribed to 88.5 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 eight (8) per cent of the amount of the given underwriting commitment, is paid for the underwriting commitments to their providers.

Conflicts of interest

Augment Partners AB acts as financial advisor to the Company in accordance with the terms and conditions of the agreement made with them in connection with the Offering. The agreement defines the services provided by Augment Partners AB in connection with the Offering and the rights and obligations of the parties. Augment Partners AB receives a pre-determined fee for their services in connection with the Offering and a part of the fee depends on the amount of the proceeds of the Offering. Therefore, it is in the interest of Augment Partners AB that the Offering is successful.

Augment Partners AB also acts as the certified advisor of the Company.

A consortium of underwriters has committed to subscribe for Offer Shares, so that the underwriting commitments of the underwriters applies to approximately 88.5 per cent of the Offering, meaning they have underwritten the Offering to a total of approximately EUR 5.4 million.

Persons responsible, third-party information, experts' reports, and competent authority approval

Parties responsible for the information and declaration of accuracy

Savosolar Plc, whose domicile is Mikkeli, accepts responsibility for the information contained in this Prospectus. To the best knowledge of the Company, having ensured 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.

Third party information

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, the information has been reproduced appropriately and to the extent that the Company knows and has been able to ensure that the information disclosed by that third party has not been omitted which would render the reproduced information misleading or inaccurate. 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.

The sources of information used in the Prospectus are the following:

- Solar Heat Worldwide 2019 - Global Market Development and Trends in 2018, Detailed Market Figures 2017; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies and IEA Solar Heating & Cooling Programme (SHC), May 2019
- Henrik Lund: Renewable Energy Systems; The Choice and Modelling 100% Renewable Solutions, 2014 edition.
- Euroheat & Power News and SDH conference presentations. <https://www.euroheat.org/news/>.
- Solar Heat Worldwide 2021 - Global Market Development and Trends in 2020, Detailed Market Figures 2019; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies and IEA Solar Heating & Cooling Programme (SHC), May 2021
- Global Energy Transformation, A Roadmap to 2050, International Renewable Energy Agency 2018 https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Apr/IRENA_Report_GET_2018.pdf
- "Miraah Solar Thermal Project ". Power Technology | Energy News and Market Analysis. <https://www.power-technology.com/projects/miraah-solar-thermal-project/>
- Clean Energy Wire 2020, Demand for solar heating in Germany rises with higher subsidies, Freja Eriksen <https://www.cleanenergywire.org/news/demand-solar-heating-germany-rises-higher-subsidies>
- Solar Heating & Cooling Programme – International Energy Agency 2021, Germany Country Report - Status of Solar Heating/Cooling and Solar Buildings 2021. <https://www.iea-shc.org/countries/germany/report>
- Bundesverband der Deutschen Industrie (BDI) 2018
- Solar District Heating EU, Spotlight on SDH potential in Germany, the Netherlands and Austria, <https://www.solar-district-heating.eu/spotlight-on-sdh-potential-in-germany-the-netherlands-and-austria/>, February 2021
- <https://www.solar-district-heating.eu/solar-thermal-is-on-the-rise-in-german-district-heating-networks/>
- Solar Heat Worldwide 2021 - Global Market Development and Trends in 2020, Detailed Market Figures 2019; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies and IEA Solar Heating & Cooling Programme (SHC), May 2021
- Solarthermalworld.com 2020, Poland shifts away from coal-fired district heating, <https://www.solarthermalworld.org/news/poland-shifts-away-coal-fired-district-heating>

- Solar Heating & Cooling Programme – International Energy Agency 2021, China Country Report - Status of Solar Heating/Cooling and Solar Buildings 2021 <https://www.iea-shc.org/country/china/report>
- Big solar thermal is the right solution for district heating in Serbia, <https://balkangreenenergynews.com/big-solar-thermal-is-the-right-solution-for-district-heating-in-serbia/>
- <https://www.linkedin.com/feed/update/urn:li:activity:6826156721480749057/>
- Solarthermalworld.com 2021, Uncapped funding large solar heat plants in Australia, <https://www.solarthermalworld.org/news/uncapped-funding-large-solar-heat-plants-austria>
- Solar Heat Markets in Europe – Trends and Market Statistics 2019, ESTIF http://solarheateurope.eu/wp-content/uploads/2020/12/Solar_Heat_Market_2019_final.pdf, December 2020
- Solarthermalworld.com 2021, Large prefab SDH collectors: design and yields, <https://www.solarthermalworld.org/news/large-prefab-sdh-collectors-design-and-yields>
- Minna Kotilaisen väitöskirja Aurinkolämpökeräinpintojen pitkäaikaiskestävyys korkeissa lämpötiloissa, ikääntymismekanismit ja kestävyiden parantaminen, Tampere 2014. Julkaisu 1222, Tampereen teknillinen yliopisto.

Competent authority approval

This Prospectus has been approved by the Finnish Financial Supervisory Authority, as competent authority under Regulation (EU) 2017/1129. The Finnish Financial Supervisory Authority has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 and this approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities i.e., the Offer Shares.

This Prospectus has been prepared as an EU growth prospectus in accordance with Article 15 of Regulation (EU) 2017/1129.

Background and reasons for the Offering

The purpose of the Offering

This Prospectus has been prepared in connection with a share issue of the Company (the “Offering”) in which up to 87,530,012 new shares (the “Offer Shares”) are offered for subscription to existing shareholders on the basis of the shareholders’ pre-emptive subscription rights. The Offering is expected to support the growth and operational strategy of the Company. Savosolar expects to use the net proceeds of the Offering to meet the Company’s working capital requirements, increase the Company’s financial capacity to offer and execute larger projects and to develop technology to become increasingly competitive.

The use and estimated amount of the proceeds

The total proceeds of the Offering may amount at maximum approximately EUR 6.1 million based on the maximum number of Offer Shares (87,530,012 Offer Shares) and the Subscription Price of EUR 0.07 per Offer Share. The net proceeds from the issuance of the Offer Shares amount to a maximum of approximately EUR 5.2 million, after deducting estimated offering fees and expenses payable by the Company of approximately EUR 0.93 million. The Company may complete the Offering even though the Offer Shares are not subscribed for in full. In the event that the subscriptions by underwriters and other subscribers in total is below 87,530,012 Offer Shares, the total proceeds and net proceeds of the Offering are accordingly lower.

In addition, Savosolar will issue warrants (the “Warrants”) free of charge to persons who subscribed for the Offer Shares in the Offering, with which the Company may also raise a maximum of approximately EUR 13.6 million in net proceeds during future subscription periods (21 March – 1 April 2022, 12 September – 23 September 2022 and 20 March – 31 March 2023), after deducting from the proceeds, the estimated costs of the shares subscribed for with the Warrants to be paid by the Company, which are estimated to be approximately EUR 0.87 million. The share subscription price in accordance with the terms of the stock options is a maximum of EUR 0.09, 0.11 and 0.13 per share.

The Company will use the net proceeds from the Offering and the Warrants as follows:

- To meet the Company’s working capital requirements, increase the Company’s financial flexibility and capacity, such that the Company can offer and execute larger projects and can increase its ability to meet the rapidly growing market demand for large solar thermal systems in both industrial processes and district heating.
- Further develop technology to become more competitive.

Advisors

The Company’s financial advisor and certified advisor is Augment Partners AB, whose contact information is: Eriksbergsgatan 8A, SE-113 40, Stockholm, Sweden,

The Company’s legal advisor regarding Finnish law in the preparation of this Prospectus is Smartius Oy, whose contact information is: Köydenpunojankatu 14, 20100 Turku, Finland

Conflicts of interest

Augment Partners AB acts as financial advisor to the Company in accordance with the terms and conditions of the agreement made with them in connection with the Offering. The agreement defines the services provided by Augment Partners AB in connection with the Offering and the rights and obligations of the parties. Augment Partners AB receives a pre-determined fee for their services in connection with the Offering and a part of the fee depends on the amount of the proceeds of the Offering. Therefore, it is in the interest of Augment Partners AB that the Offering is successful. Augment Partners AB also acts as the certified advisor of the Company.

A consortium of underwriters has committed to subscribe for Offer Shares, so that the underwriting commitments of the underwriters applies to approximately 88.5 per cent of the Offering, meaning they have underwritten the Offering to a total of approximately EUR 5.4 million.

Strategy, performance, and business environment

Information about the issuer

The registered business name of the issuer is Savosolar Oyj, in Swedish Savosolar Abp and in English Savosolar Plc. The Company was registered in the Trade Register maintained by the Finnish Patent and Registration Office 19 January 2010 under the business ID 2309682-6. The Company's legal entity identifier ("LEI") is 743700J1YZ8IEJAPDL21. The Company's accounting period is a calendar year.

The Company is domiciled in Mikkeli and its company form, in accordance with the Finnish Limited Liability Companies Act (624/2006, as amended, the "Companies Act") a public limited company incorporated in Finland and governed by Finnish law. The registered address is Savosolar Oyj, Insinöörintie 7, 50150 Mikkeli and its telephone number is +358 10 271 0810.

According to article 2 of its articles of association, the field 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.

The address of the Company's website is www.savosolar.com. The Company underlines that any other information presented on such website, or any other websites referenced on the Company's website shall not be considered as part of this Prospectus, except of such information which has been incorporated by reference herein (see the section "*Information Incorporated by Reference*") or except for possible supplement to the Prospectus which shall be considered as part of the Prospectus. The Financial Supervisory Authority has not reviewed or approved any information on the Company's website or other websites referenced therein.

Financing

Information on material changes in the Company's borrowing and funding structure

The subscription period for Savosolar Plc's warrants of class 3-2020 ended the 17 September 2021. New shares subscribed to on the basis of the warrants amount to 10,089,389 and the Company received approximately EUR 0.71 million in additional capital before expenses. Approximately 70 per cent of the outstanding warrants were exercised for subscription of shares.

There have been no additional material changes in the Company's external financing or financing structure between the end of the last six months ended 30 June 2021 and the date of this Prospectus.

Description of the expected financing

Prior to the Offering and the preparation of the Prospectus the Company has financed its operations through rights issues carried out in 2019 and 2020 and subscription prices received on the basis of the warrants issued in connection with the rights issues. To this date, the Company has funded its operations with equity financing from its shareholders, product development funding from Business Finland, directed issues to certain individual investors as well as sales income from project sales.

In September 2020, Savosolar agreed with Nordea Bank Plc's Finnish Startup & Growth unit for EUR 0.9 million bank guarantee limit, valid for 12 months. In September 2021, Savosolar and Nordea Bank Plc's Finnish Startup & Growth unit agreed to extend the bank guarantee limit for a new 12-month period. The Company uses the limit for guarantees required during project deliveries and warranty periods. Finnvera Plc provides the bank with a counter-guarantee of 50 per cent of the limit.

The group's parent company Savosolar Plc has in addition to its own business financed especially the businesses of its Danish and German subsidiaries with the forms of financing described above.

During the following 12 months from the date of the Prospectus, the Company's operations and business are expected to be financed with proceeds from the Offering. In addition to the proceeds from the Offering, particularly the uses of proceeds set forth in "*Background and reasons for the Offering - The Use and Estimated Amount of the Proceeds*" may require additional financing, which may be obtained by the Company through, for example, new directed share issues. The Board of Directors of the Company will decide separately on the actions related to obtaining additional financing,

taking into account intended uses of the proceeds as set forth in section “*Background and reasons for the Offering - The Use and Estimated Amount of the Proceeds*” of the Prospectus.

Market overview

Savosolar designs and delivers large solar thermal solutions to district heating producers and industry. The systems are based on high-efficiency solar thermal collectors developed by Savosolar, which are built with Savosolar's own nano-coated direct-flow absorbers. In addition, the Company manufactures and sells solar thermal absorbers and electromagnetic interference coatings for some customers' special solutions. The Company focuses especially on segments with high potential for rapid growth. These segments are (i) the solar district heating (SDH) market in Europe, particularly in Germany, France, Poland, Finland, Sweden, Denmark, and some Eastern European countries, including China, and (ii) solar heating for industrial processes (SHIP), the most potential markets for which from the Company's point of view. are in Europe, Latin America, Australia, and Africa. This means that the Company is particularly interested in large installations (over 1,000 m²) where the efficiency of the systems is the most important factor for the user. The market for large installations (over 1,000 m²; over 700 kWh_{th} installations) is also attractive due to the high growth prospects of the segment and the growing interest in large-scale projects instead of fossil heat sources around the world.⁴

Solar district heating

Solar district heating systems are a major large-scale application for solar thermal technology. These large systems are integrated into local district heating networks for heating both domestic hot water and residential and industrial properties. During the warm seasons, they can completely replace other, traditionally fossil-based, heat sources. Additionally, they can reduce the increasing usage of biofuels today.

Several studies have found that water storage of thermal energy is clearly the most cost-effective storage option for energy after storage of fossil-based fuels.⁵ Thanks to the development of large hydrothermal reserves, it is also possible to store thermal energy collected in summer for winter use. Thus, solar heat can also meet some of the winter's heating needs.

In addition to the economic and environmental benefits of the reliability of solar district heating, increased expertise has increased interest towards its commercial usage. The commercial use of solar district heating has increased, especially in Europe, where Denmark has been a distinct industry pioneer and previously Savosolar's primary target country. In Denmark, the solar heat market was at its peak in 2013-2018, but due to a shift in the focus areas of state subsidy policy, the market has slowed down, leaving only biomass plants planning new solar heating systems over the next two years. In addition to the dormant Danish market, the Company has managed to sell its solutions elsewhere in Europe, such as France and Germany.

The Company has a number of potential new projects, both in terms of number and value, in both France and Germany, and the Company expects these and other markets to continue to grow in the future.

Regardless of the market disruption in 2017, the solar thermal market has experienced growth over the past five years, and for example in Germany the market for solar heat grew by 26 percent in 2020.^{6,7} In addition to the EU's Green Deal program, growth is driven by country-specific development programs and targets, which can be found in Germany, France, Poland, Croatia and Austria, among others. Measures in accordance with the EU's Green Deal program have already been launched in the above-mentioned countries. In addition to these development programs, the growing threat of climate change is also accelerating investment decisions by both companies and public entities.

Denmark dominated the market for large-scale solar thermal systems for about a decade, when a significant number of district heating systems were introduced there. During 2020, however, China overtook Denmark by installing 48 per cent of the area of new large-scale solar collectors worldwide. Coming in second in new installations of large collectors is Germany, which accounts for 23 per cent of the newly installed collector area. Despite the likely-to-be temporary slowdown, Denmark remains one of the leading countries in large-scale installations and still accounts for 11 per cent of the newly installed capacity of solar collectors in the large-scale market segment.⁷

Picture 1 shows Denmark's leading position on the markets regarding total collector area and installed systems. Savosolar views it as a reflection of the growth possibilities of other countries as well.

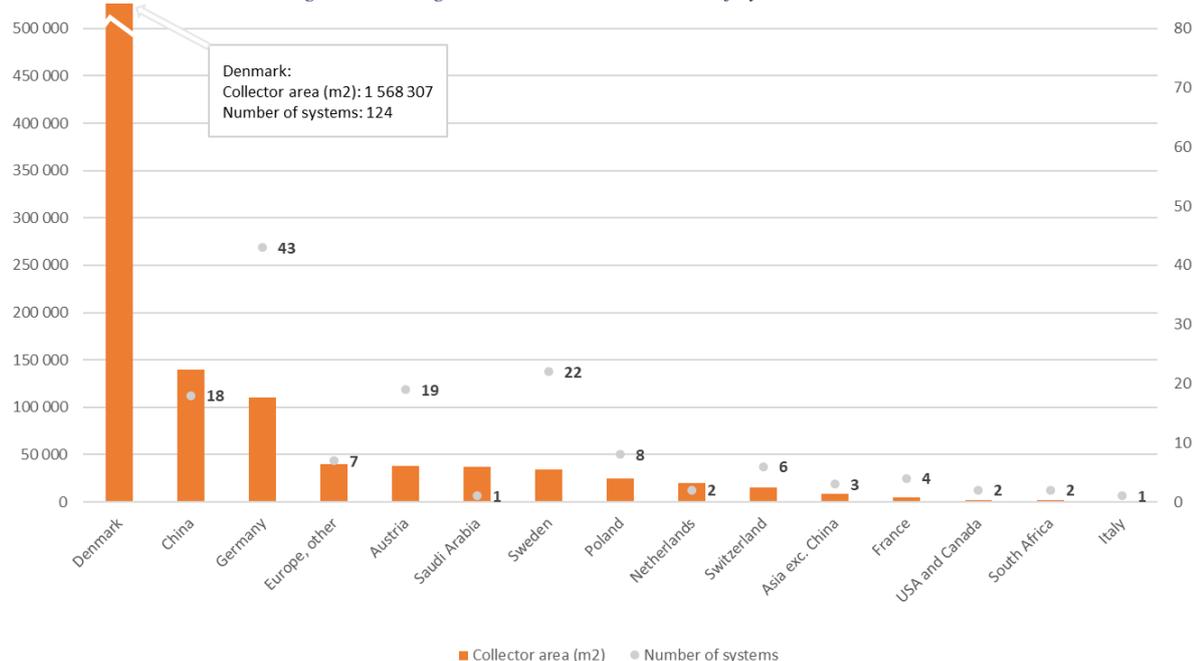
⁴ Solar Heat Worldwide 2019 - Global Market Development and Trends in 2018, Detailed Market Figures 2017; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies and IEA Solar Heating & Cooling Programme (SHC), May 2019

⁵ Henrik Lund: Renewable Energy Systems; The Choice and Modelling 100% Renewable Solutions, 2014 edition.

⁶ Solarthermalworld.org 2021, Germany's solar heat success story in 2020 and beyond, <https://www.solarthermalworld.org/news/germanys-solar-heat-success-story-2020-and-beyond>

⁷ Solar Heat Worldwide 2021 - Global Market Development and Trends in 2020, Detailed Market Figures 2019; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies and IEA Solar Heating & Cooling Programme (SHC), May 2021

Picture 1: Solar district heating and -cooling collector area and number of systems⁸



The global market potential for district heating is over one billion square metres, which translates into a potential market of several hundred billion euros. However, even if only 10% of this were to be achieved by 2050, it would mean an annual collector field market exceeding EUR 1 billion for district heating.⁹

Solar heating for industrial processes

Globally, interest in solar heating for industrial processes (SHIP) has grown steadily. Several promising projects have been launched in recent years, and systems of up to 100 megawatts have been built. In terms of numbers, most industrial solar thermal systems were deployed in 2020 in China, Mexico and Germany. Many industrial processes require heating, which makes the industrial heat market an attractive destination. Although most of the heat used in industry is below 100 degrees Celsius, solar radiation can also produce heat up to 400 degrees Celsius. The systems are still relatively small and involve more than one hundred degrees of process heat, but progress is being made on a larger scale in both temperature ranges above and below one hundred degrees.⁴

According to a study published by Solrico in early 2021, at least 74 SHIP plants were installed during 2020. There are almost 900 SHIP plants in the world with a total collector area of approximately 1.3 million square metres.⁴ There is in-depth information on 311 of these plants in the AEE INTEC database. They account for a total area of 976 thousand square metres, making them an adequate reflection of the global SHIP market. Most of the largest documented SHIP plants are in use in the food, mining and textile sectors, the two largest of which are mining heating plants. The largest plant is located in Oman and alone accounts for 68% of the heat capacity of the documented plants. The Oman plant uses concentrating collectors with curved mirrors that produce hot high-pressure steam used in enhanced oil extraction. The system saves about 1.6 terawatt hours of natural gas usage per year, thus offsetting about 300,000 tons of CO₂ emissions.¹⁰ With flat plate collectors water can be heated to sub-100-degree temperatures, which is needed in some refining processes of minerals. Another example case in operation is a greenhouse heating plant in Australia. Smaller plants are also used in breweries and other food manufacturing processes.

Alongside costs, the importance of emission reductions is clearly growing, supported by rising costs of emission rights. In the future, hybrid solutions will be seen in greater quantities, especially in heating, where heat and cooling would be produced by joint systems of solar heat collectors and heat pumps used with renewable electricity.

⁸ Solar Heat Worldwide 2021 - Global Market Development and Trends in 2020, Detailed Market Figures 2019; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies and IEA Solar Heating & Cooling Programme (SHC), May 2021

⁹ Global Energy Transformation, A Roadmap to 2050, International Renewable Energy Agency 2018 https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Apr/IRENA_Report_GET_2018.pdf

¹⁰ "Miraah Solar Thermal Project". Power Technology | Energy News and Market Analysis. <https://www.power-technology.com/projects/miraah-solar-thermal-project/>

The Company's principal markets

Germany

Demand for solar thermal systems in Germany has increased significantly since the first quarter of 2020 due to increased state subsidies and rising fossil fuel prices. Solar heat covered only about 4.5 per cent of the total demand in the German heat market in 2019. The German state actively supports solar thermal projects, and since 2020, state subsidies have covered 45 per cent of solar thermal investment costs.¹¹ In March 2021, there were 391 solar thermal systems in Germany with a total collector area of approximately 38,800 square metres.¹² Germany is the current market leader in solar district heating systems.

The BDI (Bundesverband der Deutschen Industrie) has carried out a study according to which, in order to meet the targets, set for clean heating, the amount of solar district heat production in 2030 should be at least 8 TWh per year.¹³ This means calculated capacity increases of more than one million square metres annually over the next ten years. German municipalities, cities and district heating companies have already responded to the targets, and there are currently several concrete projects on the market in the bidding phase, for which the Company has made or will make a bid. Generally, municipal district heating companies in smaller cities and agglomerations react faster and implement solar heating systems earlier than larger cities. A research group at the IEA SHC (Solar Heating & Cooling Program - International Energy Agency) held in October 2020 stated that the collector area used for district heating in Germany could triple by 2025 from 100,000 square metres to 300,000 square metres.¹⁴

In general, Germany is the largest and most well-established solar thermal market in Europe for small systems. Solar heat is widely accepted, there are enough skilled installers and in addition there are interesting growth segments in the market where energy efficiency is important.¹⁵

France

France, at 500,992 square metres, has the largest collector area in the European market so far.¹⁶ The largest solar thermal segment in France is for hybrid systems that produce both heat and electricity (PVT). In accordance with EU strategies, the French government invests in increasing the use of clean energy in heat production also through state subsidy measures. The amount of subsidies for 2020 increased by EUR 50 million from 2019. The market for large solar thermal systems has taken root even faster than expected. There are already several project developers on the market who invest in the production of solar thermal energy and distribute heat to establishments such as industrial process plants. These actors are able to invest efficiently and make the systems work faster than municipal actors. Savosolar's market expectations are also supported by statements from ADEME (Agence de l'Environnement et de la Maîtrise de l'Énergie) and existing customers.

Poland

Poland is moving away from carbon-based district heating to meet EU criteria, as well as to improve air quality, which is also what urban residents are demanding to get rid of the current air-polluting coal dust. Much of the carbon reduction is likely to come from the shift to gas. It has however been found that joint usage of gas and solar heat will both reduce more emissions and improve the ability of district heating companies to make the necessary investments. The huge potential for solar district heating in Poland is well illustrated by a study carried out for the city of Konskie's energy company in 2021, which plans to build a solar thermal plant worth about EUR 6 million in the city that would produce 23% of the region's annual district heating needs. This project, too, is part of a program launched by Poland in 2019 to significantly support the transition of the country's district heating from coal. The total investment potential is currently estimated to be least EUR 100 million, and solar heat will be an important part of this development.¹⁷

¹¹ Clean Energy Wire 2020, Demand for solar heating in Germany rises with higher subsidies, Freja Eriksen <https://www.cleanenergywire.org/news/demand-solar-heating-germany-rises-higher-subsidies>

¹² Solar Heating & Cooling Programme – International Energy Agency 2021, Germany Country Report - Status of Solar Heating/Cooling and Solar Buildings 2021. <https://www.iea.shc.org/countries/germany/report>

¹³ Bundesverband der Deutschen Industrie (BDI) 2018

¹⁴ Solar District Heating EU, Spotlight on SDH potential in Germany, the Netherlands and Austria, <https://www.solar-district-heating.eu/spotlight-on-sdh-potential-in-germany-the-netherlands-and-austria/>, February 2021

¹⁵ <https://www.solar-district-heating.eu/solar-thermal-is-on-the-rise-in-german-district-heating-networks/>

¹⁶ Solar Heat Worldwide 2021 - Global Market Development and Trends in 2020, Detailed Market Figures 2019; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies and IEA Solar Heating & Cooling Programme (SHC), May 2021

¹⁷ Solarthermalworld.com 2020, Poland shifts away from coal-fired district heating, <https://www.solarthermalworld.org/news/poland-shifts-away-coal-fired-district-heating>

China

China has become the leader in the new installation of collectors, and by the end of 2020, China's total collector area was already approximately 27 million square metres. In China, the largest solar thermal segment in large systems is industrial heating. In addition to industrial heating, district heating solutions are becoming a new market trend in China, especially in rural areas and in the construction of new apartment buildings. The Chinese district heating market is expected to grow 8 per cent year-on-year. This is expected to increase the demand for large-scale solar thermal systems, especially as the Chinese government financially supports such solar thermal solutions.¹⁸ Moreover, China has recently announced its goal of producing one-fifth of its energy using clean energy sources by 2030. According to a study conducted by the Asian Development Bank in 2019, 5–20 per cent of clean heating will be solar district heating (SDH). This would mean 3-5 GW of new solar thermal capacity per year. When the average size of one solar district heating plant is calculated to be about 10 MW (about 15,000 m²), more than 250 such new plants would be needed each year to reach the target.

Other markets

Both the increase in the share of district heating and the copying of the Danish solar thermal model are taking place in other European countries, within the limits of local conditions and specificities. Currently active markets are several Eastern European countries, which still receive special support from the European Development Fund and other EU sources. The Balkans are making a significant shift towards clean solar heat, supported by the European Bank for Reconstruction and Development (EBRD).¹⁹ For instance, in Croatia, Europe's largest industrial process heating solar thermal project to date, Decarbomalt, was announced at the end of the summer, with an estimated investment of around EUR 7.5 million. It is planned to be operational in 2023.²⁰ Another example is Serbia, where several projects are under development, such as Novi Sad, where there are plans to build a solar district heating system covering about 200,000 square metres of land and producing 120,000 MWh of clean heat per year.¹⁹ In addition, projects in Europe are underway in the Netherlands, Belgium and Austria, where the investment potential is estimated to be EUR 150 million over the next two years based on recent government actions.²¹

There is also a lot of interest elsewhere outside Europe, especially in areas where the price of fossil fuels is high. Such regions include Latin America, Africa, and Australia. There are also challenges in accessing energy in some areas. In such cases, especially in various process industries where heat is constantly needed, and the price of energy can be crucial, clean and unlimited solar thermal energy might be a compelling option. With an energy price of EUR 60–100 / MWh and up to twice as much solar radiation per year as in Northern Europe, solar heat can be a very profitable investment. The use of clean zero-emission energy for industrial heating processes has also been raised as an important development target for many companies in these areas, and there are currently large projects in the mining industry in Latin America at an active stage.

Competition

According to the European Solar Thermal Industry Federation ("ESTIF") and the knowledge of the Company's management, the total solar thermal market in Europe in 2019 was approximately EUR 1.96 billion.²² In Europe, the cumulative available capacity in 2019 was 37 GW_{th}, according to ESTIF statistics, corresponding to a collector area of 52.9 million square metres and 26.3 TW_{th} of annual energy production.

The total solar thermal capacity worldwide at the end of 2020 was 501 GW_{th}, corresponding to a collector area of 715 million square metres. The annual solar heat output was 407 TWh, saving about 43.8 million tons of oil and 141.3 million tons of carbon dioxide. The estimated realised revenue of the solar heat market in 2019 is EUR 13.4 billion. Globally, the market for solar thermal systems shrank by 4 per cent between 2019 and 2020 as the Chinese market slowed. Nonetheless, significant growth targets have been seen in Germany, Brazil, Cyprus and the Netherlands, among others.²³

¹⁸ Solar Heating & Cooling Programme – International Energy Agency 2021, China Country Report - Status of Solar Heating/Cooling and Solar Buildings 2021 <https://www.iea-shc.org/country/china/report>

¹⁹ Big solar thermal is the right solution for district heating in Serbia, <https://balkangreenenergynews.com/big-solar-thermal-is-the-right-solution-for-district-heating-in-serbia/>

²⁰ <https://www.linkedin.com/feed/update/urn:li:activity:6826156721480749057/>

²¹ Solarthermalworld.com 2021, Uncapped funding large solar heat plants in Australia, <https://www.solarthermalworld.org/news/uncapped-funding-large-solar-heat-plants-austria>

²² Solar Heat Markets in Europe – Trends and Market Statistics 2019, ESTIF http://solarheateurope.eu/wp-content/uploads/2020/12/Solar_Heat_Market_2019_final.pdf, December 2020

²³ Solar Heat Worldwide 2021 – Global Market Development and Trends in 2020, Detailed Market Figures 2019; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies, Solar Heating & Cooling Programme and International Energy Agency, May 2021.

Savosolar's primary market targets are district- and industrial heating solutions exceeding 1,000 m². There has been significant growth in this market and growth is expected to accelerate.²⁴ In terms of numbers, there are few global competitors in this market, the most significant one being GreenOneTec. So far, GreenOneTec has so far supplied collectors only to integrators, but after acquiring the Arcon-Sunmark production line after Arcon closed in April 2020, GreenOneTec announced that it will expand its operations to include turnkey deliveries directly to customers.

In April 2020, VKR Holding, the owner of Arcon-Sunmark, announced that it would stop supplying Arcon's new systems. Competing companies that do not make turnkey deliveries include the German collector manufacturer KKB and the smaller collector manufacturer Ensol, which mainly operates in Poland, the Austrian Winkler and the Dutch G2Energy. Solid and Millennium Energy Industries also supply large solar heating systems. However, both purchase collectors from other operators and are therefore also potential customers of Savosolar.

Other system integrators with experience in heating systems, but not directly in solar heat, have also started to enter the market and are looking for a solar thermal partner for themselves. Viessmann and Ritter Solar mainly supply heating systems with vacuum tube collectors to the German market. Vacuum tube collectors should be used mainly when the required temperature is above 100 degrees. Viessmann is also on the market with a large flat plate collector, which, according to the information received by the Company, they buy from GreenOneTec.

China is by far the world's largest solar thermal market, but unlike with the photovoltaic market, Chinese collectors have so far not had a significant impact on the European solar thermal market. The production of Chinese companies is mainly focused on the domestic- and Asian markets. Export collectors are generally not valued in Europe, and the prices of high-quality collectors from Chinese manufacturers are on a par with those of their European competitors. Over the last couple of years, the Chinese have invested in large collectors and systems for their own markets by establishing cooperation with European manufacturers.

Sunrain, the world's largest manufacturer of solar collectors, has together with Arcon-Sunmark supplied a few Danish-style large solar district heating systems to China, mainly in Tibet. The largest system implemented with their flat plate collectors at approximately 35,000 m² is located in Zhongba. In addition, Sunrain, like some other Chinese manufacturers, has supplied large solar heating systems using their own, mainly vacuum tube collector technology. After Arcon-Sunmark ceased operations, Sunrain acquired Arcon's half from their joint venture in China and has the possibility to continue supplying systems under the Arcon brand on the Chinese market for some years. As the European market is currently expected to grow significantly, Sunrain has also entered the European market in the autumn of 2021 as a bidder in some tenders.

Business overview

Savosolar is a Finnish public limited company that designs and supplies solar thermal energy systems. The heating systems use the Company's own, internationally awarded solar heat absorbers and collectors. Although the main business is turnkey delivery of heating systems, absorbers and collectors are also supplied and installed separately. Based on the information available to the Company's management, the large solar thermal collectors with MPE absorber manufactured by Savosolar are the most efficient in the world.²⁵ Savosolar focuses on large solar heat collectors and over 1,000 m² heating systems. The Company began product deliveries in June 2011, large systems deliveries in 2015, and currently the Company's total number of large systems exceeds 100,000 m². The Company's products are based on high quality and high performance / efficiency, and their uniqueness is based on a vacuum coating process in which the entire absorber structure is coated at once.²⁶ In this case, thin-walled aluminium profiles can be used as the structure, which are very efficient heat exchangers and thus provide efficient direct-flow heat transfer. Savosolar's personnel have extensive knowledge and experience in vacuum coating technologies, international sales, and management. The Company uses advanced production methods in its manufacturing processes, and its quality system meets the requirements of the ISO 9000 standard. The Company aims to support its customers in achieving these environmental and business goals by significantly reducing energy costs. Savosolar is constantly investing in product development in order to maintain its technology leadership and to improve its offered competitiveness to customers in the growing markets of heat energy.

²⁴Solar Heating & Cooling Programme – International Energy Agency 2021, Integration of Large-Scale Solar Heating and Cooling Systems into District Heating and Cooling Networks <https://www.iea-shc.org/Data/Sites/1/publications/IEA-SHC-Task55-Technology-Position-Paper--Solar-District-Heating-2021-06.pdf>

²⁵ The efficiency of Savosolar's standard 15 m² collectors with MPE absorbers has been proven by harmonized certification tests carried out by independent research institutes, which lead to Solar Keymark certification for solar energy products in the EU. The tests determine the technical values that affect the efficiency of the collector, and based on these values, Savosolar's large collectors with MPE absorbers are the most efficient level collectors in the world, i.e., they produce more energy per square metre per year than competitors' products under similar systems and conditions. The Solar Keymark database, which contains information on all collectors sold in Europe, is public and can be found at www.estif.org/solarkeymarknew/index.php. Similar technical data can also be found in collectors manufactured elsewhere in the world and based on the information available to the Company's management, Savosolar's collectors with MPE absorber (Savo 15 SG, Savo 15 DG) produce the most energy per m² compared to their competitors.

²⁶ 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.

Strategy

The Company helps communities and businesses reduce their carbon emissions with clean heat production, and fights climate change with leading solar thermal technology, guaranteeing customers a competitive and stable energy price. The Company's vision is to be the primary supplier of choice in high-efficiency industrial-scale solar thermal systems.

The Company's strategic goal is to maintain and stabilise its position as the supplier of the world's most efficient large solar thermal collectors and systems for applications where efficiency is paramount, while increasing the volume of its business. This means large-scale industrial or real estate installations, such as district heating, industrial process heating and energy efficiency renovations of large properties.

The geographical focus of operations is still on Europe, where the Company has subsidiaries in Germany and Denmark, as well as a branch office in France. However, the Company is actively seeking partners and marketing its products and services outside Europe as well. Outside of Europe, the Company has an office in China. Savosolar has both global and local partner companies with whom it makes turnkey deliveries of energy systems. Partners include Latin-American Flemming Jorgensen S.A. de C.V, Australian Geoflow Australia, Chinese Jiangsu Holly and Polish Eko Ekon. With local partner companies, and by using local subcontractors for delivery and installation work, Savosolar also supports the local economy of its customer countries. Supporting the local economy is often an important factor in decision-making by municipalities and cities for district heating plant investments. The operating model has also proven to be the best both in terms of cost structure and optimal functionality for the customer, as local workforce and know-how can be effectively utilised with local partner companies.

Long-term objectives

Savosolar's goal is to maintain innovative technology leadership in its field. In 2021–2022, the product development investment is estimated at approximately EUR 0.4 million per year. Technology leadership refers to the efficiency of Savosolar collectors, which is based on a unique high-quality optically coated multichannel direct-flow absorber as described in *“Products and supply”*.

The geographical focus of operations is currently on Europe, but the Company has begun active sales promotion through partners in other parts of the world and aims to expand beyond Europe in the coming years.

Savosolar's objective is to increasingly grow as a system supplier of large solar heating systems in industrial process heat and district heating several markets, to significantly increase the Company's net sales, to achieve a gross margin level of 30 per cent and an EBITDA margin of more than 15 per cent. These new targets were set in December 2019, before which the target EBITDA margin was between 17 and 18 per cent.

The Company's future challenges related to the implementation of its strategy

According to the Company's management, the following future challenges and prospects will affect the implementation of the Company's strategy:

- The Company's current high dependence on individual orders, the delay or cancellation of which may delay or impede the implementation of the Company's growth strategy
- Further establishment in European and non-European markets
- Ensuring the availability of resources and creating partner networks in new markets
- Maintaining competitiveness and further developing its offering to meet the changing needs of customers
- The adequacy of working capital and availability of financing

Products and services

The Company's main product is turnkey deliveries of large solar heating systems with Savosolar's own collectors. Based on the information available to the Company's management, the large solar thermal level collectors manufactured by Savosolar with an MPE absorber are the most efficient large flat plate collectors in the world.²⁷

Savosolar-collectors

Savosolar mainly manufactures and sells large collectors (10–15 m²) for large-scale applications.

²⁷ Solarthermalworld.com 2021, Large prefab SDH collectors: design and yields, <https://www.solarthermalworld.org/news/large-prefab-sdh-collectors-design-and-yields>

Savosolar's main product is a 15 m² collector for district- and process heating systems. The product is innovatively designed and offers customers features that improve durability (and thus extend service life) as well as improve collector field efficiency. The collector is the only large collector on the market where the frame and glass are glued together, which both improves strength and prevents rainwater from entering the collector. In addition, the collectors have a patented connection and fastening system, which allows better land area utilisation than competitors, i.e., the so-called the energy density of the field increases.

Savosolar-absorbers

The absorber is the core of the collector. Inside it flows a heat transfer fluid into which the optical coating and structure of the absorber transfers the solar energy as heat. Savosolar absorbers are usually sold integrated in collectors but can also be sold separately.

Savosolar has filed three (3) patent applications for absorbers and their coating and fabrication (optical coating of a solar thermal collector absorber, coating process for coating an entire absorber with an optical coating, and a process for manufacturing a direct current absorber by laser welding or soldering) for which patents have been granted in different countries.

According to the Company's management, Savosolar is the only company in the world that has the ability to industrially coat direct-flow absorbers up to 18 m² in size with a highly selective optical vacuum nanocoating. Due to the strong and high-temperature-resistant coating, the optical power of the absorber remains strong for decades.²⁸ In addition to a long life cycle, the coating has excellent optical properties: 95 per cent absorption rate and only five (5) per cent emission rate. Using Savosolar's coating and high-quality glass, the collector can capture solar radiation exceptionally efficiently, even when the sun shines strongly at an angle to the collector's surface.²⁹

Savosolar delivers two (2) different types of full-aluminium direct-flow absorbers with a highly selective (i.e., maximizing the absorption of solar radiation energy over the entire visible wavelength range and minimizing reflection) proprietary optical coating, and one (1) uncoated direct-flow absorber. They are as follows:

Multi-Port Extrusion (MPE) -profile absorbers

Thanks to its certified brazing process, the Company can manufacture direct-flow absorbers from MPE (Multi-Port Extrusion) profiles, i.e., thin-walled aluminium profiles, which have been found both theoretically and in practice to be the best heat exchangers in many different industries. Similar profiles are used especially in the automotive industry, heat pumps and ventilation equipment. According to the knowledge of the Company's management, Savosolar is the only company in the world to be able to use these profiles in solar thermal absorbers.

Roll-bond absorbers

In the roll-bonding process, the liquid channel pattern is printed with a special printing ink on an aluminium plate, and with different patterns, an optimised flow of heat transfer fluid through the solar absorbers can be achieved. The second plate is then rolled onto the first plate and adheres / welds together except for the areas printed in ink. The flow channels are then opened with high atmospheric pressure. Savosolar then coats the absorbers with its optical coating. To the best of the Company's management's knowledge, Savosolar is the only company in the world that can coat roll-bond absorbers such as those described above and use them in its collectors.

Photovoltaic-thermal (PVT) -absorbers

Savosolar also delivers uncoated MPE-profile absorbers for PVT-panels. PVT is an electricity-generating and solar collector hybrid, in which the absorber captures heat from the solar panel and cools it, which improves the efficiency of the solar panel. Consequently, both heat and electricity can be extracted from the panel.

Manufacturing

Savosolar currently manufactures all its collectors and MPE absorbers at its own production facility in Mikkeli. The Company purchases its roll-bond absorbers from its partners, such as CGA Technologies S.p.A. In essence, the process consists of three stages: 1) fabrication of the absorber, for which the Company has two flame brazing stations and certified flame brazers, 2) coating of the absorber, for which the Company has one large optical coating vacuum coating line, and 3) assembly of collectors on an assembly where the main equipment is robotised gluing stations (2 pcs) and glass lifting and handling equipment.

²⁸ Minna Kotilainen's dissertation Temperature-Induced Ageing Mechanisms and Long-Term Stability of Solar Thermal Coatings, Tampere 2014. Publication 1222, Tampere University of Technology.

²⁹ 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.

Customers

The Company focuses on the market for large systems and project deliveries and has delivered collectors and systems to 18 different countries. The Company's customers are, among others, municipal district heating companies (so far Denmark, Finland, Sweden and France), 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.

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 delivered projects so far are the deliveries of more than 70,000 m² large-area collector fields to district heating companies in Denmark; Grenaa, Løgumkloster, Jelling, Lolland Varme and Fors A/S/ Jyderup, a 4,000 m² collection field delivery to newHeat SAS in France, a 14,000 m² delivery to Kyotherm Solar, also in France, and a 1,700 m² system to Ettenheim's district heating company in German. Savosolar is currently delivering a system to Guangzhou Power Supply Bureau, Guangdong Power Grid Co., Ltd in China. The delivery is expected to take place by the end of 2021. The system will become part of the customer's multi-energy local area network. In it, the collectors will be installed on single-axis solar trackers and the system is scheduled to be operational by the end of this year. In addition, Savosolar has deliveries of 5,621 m² to Creutzwald, 3,000 m² to Narbonne and 1,700 m² to Pons, all in France, which are expected to be completed by the end of the fourth quarter 2021.

The payment terms for projects vary, and in a typical project, the Company receives about 20-30 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 a potential building is built and ready for the installation of pumps and other equipment, iii) when 90 per cent of the collectors have been installed; and iv) when the installation in technical building has been finalised.

Research and development

Savosolar has since inception invested significantly 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 four (4) full-time people who focus on maintaining and improving the competitiveness of the current product and on developing new, even more competitive collector- and system solutions.

The key goal of the Company's product development has been to ensure high quality, efficiency and durability of structures at competitive costs. These solutions bring the best possible return on Savosolar's customers' investment. The Company carries out both customer-specific development and the development of its own products: the main focus on developing its own products that are based on identified customer or market needs.

The Company's largest development projects have been efficient large absorbers and solar heat collectors used in district heating and process heating systems. This context has included and will include increasing the Company's skills in complete systems; the ability to design the entire solar thermal collector field into a hybrid heating system.

Below a summary of the Company's capitalised development costs for the half-year period ended 30 June 2021 and the financial years ended 31 December 2020 and 31 December 2019 (amounts expressed in EUR thousand).

	H1 2021 2021-01-01- 2021-06-30	2020 2020-01-01- 2020-12-31	2019 2019-01-01- 2019-12-31
EUR thousand Unaudited			
Development costs, total	54.4	86.6	121.3
Capitalised development cost during the financial period	0	32.0	35.7
Amortisations and depreciations during the financial period	101.9	222.1	214.2
Capitalised development costs at the end of the financial period	509.3	611.2	801.2

Patents and patent applications

The Company has five (5) patents granted and has submitted two (2) applications for patents for which the stage in the process is described below:

Application number	Date of application	Description	Current status
PCT/FI2010/050342 BP202330	28 April 2010	Method for providing a thermal absorber (coating patent)	Patent granted: in Europe, Japan, Hong Kong and the United States.
PCT/FI2011/050160 BP203446	22 February 2011	Method for manufacturing thermal absorber for solar thermal collector (process patent)	Patents granted: in Europe, Japan and the United States.
PCT/FI2011/050877 BP205047	15 October 2014	Method for producing a direct flow aluminium absorber for a solar thermal collector (laser welding patent)	Patents granted: in Europe, Japan and the United States.
FI 20145153 BP208432	17 February 2014	Solar thermal absorber element (TPS module patent)	Patent granted: in Europe. Patent application filed: in Japan, China and the United States.
FI 20145907 BP209085	16 October 2014	Integrated flexible hose	Patent application filed: in Europe, Finland, Japan, China and the United States.
FI 20145908 BP209112	16 October 2014	Slide mounting of solar thermal collectors	Patent granted: in the United States. Patent application filed: in Europe, Finland, Japan and China.
FI 20155432 BP209799	8 June 2015	Solar thermal absorber element	Application submitted: in Europe, Finland, Japan, China and the United States.

Savosolar's competitiveness in solar heating systems is based on e.g., the Company's solar thermal collector. According to the information available to management, the Company's large collector is the most efficient large solar thermal flat plate collector in the world. One of the Company's strengths throughout its history has been a strong approach based on product development and research in the competitive utilisation of solar heat in a way that adds value to customers.

Unlike many competitors, the Company has gone its own way in collector technology and its manufacturability, which has, according to the management of the Company, provided the Company with competitive ability. In order to maintain its competitive advantage, based in part on research and development, the Company actively seeks to protect its unique product technology and its critical manufacturing methods by patenting its inventions in a commercially reasonable manner. Infringement of Savosolar's patents would not be likely to directly benefit a competitor in the short- to medium-term due to its expertise in collector manufacturability.

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.

Recent significant activities relating to business

In the second half of 2021, the number of tenders has continued to rise and at the same time the average size of the projects in the sales pipeline has clearly increased. Since the beginning of autumn, the country-specific decisions on the EU's Green Deal Programs have started to be implemented, so customers will already be able to make their investment decisions taking these into account. The change is particularly visible in Central Europe, e.g., the Polish district heating market has become significantly more active. As no customer decisions were made during the spring due to the waiting for Green Deal decisions, co-operating negotiations in the Finnish company ended in July, after which, the Finnish personnel, with the exception of sales and project personnel, there were part-time or full-time temporary layoffs.

World market prices for materials and components have risen significantly since the previous summer, but already during the third quarter of this year a stabilisation of prices has been noted towards the end of the year. The Company established an office in France in June 2021 to increase its presence as a market leader there. The Issoudun solar thermal system, the largest of the systems supplied by Savosolar to date, was also officially opened with a solemn ceremony in France in September.

The Company's order backlog on 30 June 2021 was EUR 1.1 million.

Corporate structure

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. The Company has had its own office in France since June 2021 and the Company has operated locally in China through the FinChi organisation with its own staff since 2019.

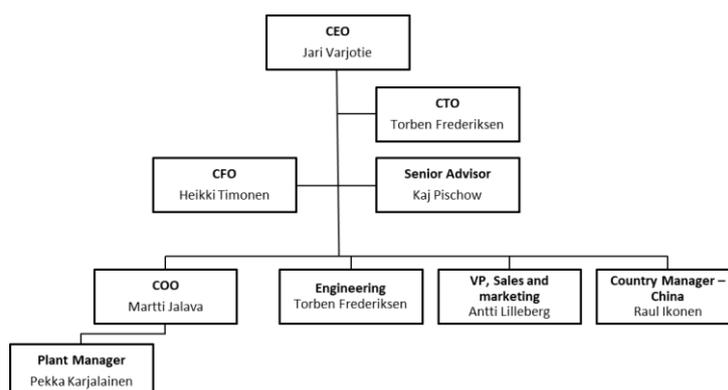
The purpose of the subsidiaries and offices is primarily to increase the presence and credibility of the Company and its offering in markets that are locally important to the Company. The Company expects the number of subsidiaries and offices to grow in the coming years as the Company expands and grows its operations. Project sales and project deliveries are made by Savosolar Oyj, and Savosolar Oyj is responsible for project guarantees and after-sales. The majority of the costs of subsidiaries and offices are personnel costs. They finance their operations by invoicing their personnel and other fixed costs to the parent company on a cost-plus basis, in accordance with the agreements between them and the parent company.

Since this is a small group, no consolidation of Financial Statements has been made in accordance with Bookkeeping Act § 6:1. If the Consolidated Financial Statements had been made, it would not have had a substantial effect to get the true and fair view of the group's result of operations and financial position.

Organisation and employees

Savosolar has 34 employees as per the date of the Prospectus, 30 of whom are in Finland, 2 in Denmark, 1 in Germany and 1 in China.

Jari Varjotie is the Company's CEO. Alongside him, Heikki Timonen, CFO, Torben Frederiksen, CTO and Kaj Pischow, Senior Advisor, are in management positions. In addition to them, the management team includes Martti Jalava, Chief Operating Officer, Antti Lilleberg, VP - Sales and Marketing, Raul Ikonen, Country Manager of China and Pekka Karjalainen, Plant Manager. The organisation structure is shown below.



Investments

The Company has not made any significant investments between the end of the half-year period ended 30 June 2021 and the date of this Prospectus. The Company has no significant investments in progress as the date of the Prospectus, also taking into account investments for which final decisions have been made by the date of the Prospectus.

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

In the roll-bonding process, the liquid channel pattern is printed with a special printing ink on an aluminium plate, and with different patterns, an optimised flow of heat transfer fluid through the solar absorbers can be achieved. The second plate is then rolled onto the first plate and adheres / welds together except for the areas printed in ink. The flow channels are then opened with high atmospheric pressure. GCA Technologies, for example, uses this technology in manufacturing absorbers for Savosolar.

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. The reason for this is the projected difference in income and expenses due to the Company's operations. The Company's insufficiency of working capital is approximately EUR 3.0 million and the Company believes that an amount of EUR 3.0 million is sufficient to cover the working capital need for at least the aforementioned 12-month period as of the date of this Prospectus. The Company's current working capital is estimated to be sufficient until the end of January 2022.

The Company is carrying out the Offering for the purposes of ensuring sufficient working capital, and the Offering has particularly material significance to the financing of the Company's business and for overall continuance of its operations. The Company estimates that if the Offering is completed in the intended timetable, the net proceeds of the Offering would then amount to at least approximately EUR 3.0 million, whereby the net proceeds from the Offering together with the Company's available cash in hand and at banks provide the Company with sufficient working capital to meet its current needs for a period of at least 12 months as of the date of this Prospectus.

The Company may however complete the Offering even though the Offer Shares are not subscribed for in full. The Company aims to seek additional debt or equity financing in the event the Company fails to obtain at least EUR 3.0 million from the Offer Shares. Besides a possible adverse change in the operations of the Company, such as revenues being less than forecasted, may cause the need for acquiring additional financing. In the above-mentioned events, the Company aims to adjust its cost structure, primarily by decreasing its fixed expenses, such as personnel expenses. If the net proceeds received from the Offering are under approximately EUR 3.0 million and additional financing is not obtained, the Company may have to delay, reduce or terminate its operations.

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 in this section 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 Company's shares. The following description of risk factors is based on information known and projected when the 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 risks presented here are divided into the following categories according to their nature:

- Risks related to Savosolar's operating environment and strategy implementation
- Risks related to the Company's financial position and financing
- Risks related to the Company's business operations
- Risks related to the Offering, the Offer Shares and the Warrants; and
- Risks related to the Company's shares

Within each category, the risk factors estimated to be most material on the basis of an overall evaluation of the criteria set forth in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk in each category is not intended to reflect either the relative probability or the potential impact of their materialization. The order of presentation of the categories does not represent any evaluation of the materiality of the risks within that category, when compared to risks in another category.

Risks related to Savosolar's operating environment and strategy implementation

The Company may not succeed in its growth and 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. It is also possible that the projects planned in the new markets will move forward or that competing energy sources, such as biomass, natural gas or coal will have a greater foothold in some of these countries. If such risks are realised, the Company may fail to expand to some market areas, whereby the potential 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 factors described above, alone or combined, may have a material adverse effect on the Company's customers and on the Company's business, results of operations, financial condition, prospects and/or value of the securities.

Changes may occur in the Company's competitive environment that may adversely affect market prices of the products and/or the Company's market position

The Company's business environment is facing high growth expectations globally. The growth expectations may bring new companies to the market, which may further increase the competition, and therefore weaken the Company's relative possibility to get new clients. Maintaining and the further improving the Company's competitiveness to meet the current and likely future growing demand in the market requires continuous development of the product range and reduction of unit costs without compromising on quality. If the Company is unable to maintain and improve its competitiveness and lower unit costs due to volume growth, the Company's competitiveness may weaken in relation to competitors.

Although its main competitor, Arcon-Sunmark, was shut down by its owner, there is a risk that GreenOneTec, which has acquired Arcon's production line, will be able to substantially improve its performance to date in the competition for large systems and take over aggressively growing markets. In addition, the exit of the largest, and generally the most aggressive price setter, may attract new companies to enter the market. New players may be for example Chinese companies or companies seeking for their first references.

Intensified competition or other changes in the Company's main market areas, such as fiscal and other regulatory decisions regarding competing heat production in relation to solar heat in different markets, may have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or value of securities.

There may be changes in the amount of investment subsidies that adversely affect the demand for the Company's products and/or the price level

In Germany and France, for example, there are various state and regional (state, provincial) subsidies, which are usually 10-60 per cent investment subsidies, as well as regulations favouring large installations, which benefit e.g., Savosolar (fuel taxes, EU emission reduction targets, emissions trading). If subsidies and favourable regulations decrease in the future and/or are more favourable to competing heat production methods, the growth of Savosolar's target market may slow down, demand for the Company's products may be weakened and/or downward pressure on the Company's product prices may have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or value of securities.

The continuation of the Covid-19 pandemic and the resulting restrictive measures may further slow down or delay tendering and contract negotiations or the implementation of already agreed projects

Despite the higher global vaccination rate and the easing restrictions, the Covid-19 pandemic may continue to have an impact directly on the operations of Savosolar and its supply chain or indirectly as customers' operating conditions deteriorate. Despite the declining risk, the Company strives to secure, for example, deliveries of goods to already agreed construction sites and to prepare for various scenarios with its partners. The rapid spread of viral variants of the Covid-19 pandemic, reduced efficacy of vaccines, illness of employees, or increased restrictive measures could cause significant harm to the Company's business, results of operations, financial condition, prospects and/or value of securities.

Rising raw material prices or poor availability may increase Savosolar's costs or cause production constraints

World market prices for materials and components have risen significantly from the level they were at in 2020. For example, the rise in steel prices has been more than 60 per cent. Of the Company's major raw materials, steel and glass prices have risen sharply, but the rise in aluminium prices has been very moderate, at least so far. Availability has also become more challenging due to strong demand. In terms of availability, the largest challenge at the moment is the potential shortage of capacity in the world to manufacture special glass for the Company's collectors. So far, the Company has been able to anticipate its purchases with suppliers so that increases in material prices have not fully affected the Company's cost structure. However, if world market prices for raw materials continue to rise and availability becomes more difficult, these problems may slow down the Company's production or affect the pricing of the Company's products and thus cause significant harm to the Company's business, results of operations, financial condition, prospects and/or value of securities.

Risks related to the Company's financial position and financing

The Company's working capital is not sufficient to meet the Company's requirements and future needs of the Company may require additional funding.

On the day of this Prospectus, the Company estimates that it does not have sufficient working capital to meet its present requirements and cover the working capital need for at least 12 months as of the date of this Prospectus. The Company's working capital shortfall for the next 12 months is approximately EUR 3.0 million (see "*Working capital statement*").

Savosolar expects to receive at least approximately EUR 5.2 million in net proceeds if the Offering is fully subscribed. The sufficiency of the Company's working capital for the next 12 months depends on the proceeds of the Offering. The proceeds from the Offering may be insufficient, for example, in the event that the Offering is not fully subscribed, and the underwriters do not respect their subscription obligations.

If the working capital runs out, the Company will run into serious financial difficulties, which could result in liquidation proceedings and, at worst, bankruptcy. Any future share issues related to additional funding (rights issues and especially directed issues) may dilute the holdings of existing shareholders in the Company.

The Company has a history of operating losses, and the operations may stay unprofitable for an unforeseeable future

Savosolar has made significant operating losses since its inception in 2010. The loss for the financial year ended 31 December 2020 was EUR 4,977 thousand. By 31 December 2020, the total accumulated losses for the Company were EUR 40,107 thousand, including the loss for the financial year ended 31 December 2020. These losses have been caused mainly by expenses related to products, the production process, research and development and general and administrative costs of the Company.

In order for the Company's operating result to turn positive, the Company must be able to increase the volume and turnover of its business by winning new solar thermal projects and improving its profitability. The risks related to the growth of the business and the improvement of profitability are described above in the section "*Risks related to Savosolar's operating environment and strategy implementation*" and in the section "*Risks related to the Company's business below*".

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.

In order to implement its strategy and grow its business, the Company may need additional external financing in addition to the Offering and the Warrants TO8, TO9 and TO10 and it is not certain that it will receive financing on favourable terms or at all

Savosolar needs, as of the date of the Prospectus and possibly needs in the future, external financing to implement its growth strategy in addition to the Offering and the Warrants TO8, TO9 and TO10. A significant part of the Company's turnover is generated from project deliveries of large solar heating systems lasting 6-18 months.

Multiple simultaneous large projects can increase the need for working capital, which in similar project deliveries is usually covered by project funding. As of the date of the Prospectus, the Company does not have a valid project financing, since the indicative project financing offer the Company has received cannot be calculated as such. Negative changes, such as the general weakening of financial markets or the tightening of regulation in the banking sector, may weaken the ability of banks and other financial institutions to provide financing options and lead to stricter financing conditions. Such negative changes may have a negative impact on Savosolar's ability to obtain project funding. There is also no guarantee that Savosolar will be able to obtain the funding possibly needed in a timely manner and on favourable terms.

In project deliveries, customers also typically require bank guarantees for both the construction period and the warranty period. Adverse changes in the financial markets and/or a sharp deterioration in the Company's financial situation may lead to a situation where the Company no longer receives a sufficient guarantee limit to be used for new project deliveries required by volume growth.

Failure to obtain financing, increase financing costs, or unfavourable conditions may have a material adverse effect on the Company's results of operations, financial condition, prospects and/or value of securities.

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

Savosolar has a total of EUR 39,699.9 thousand of confirmed tax losses for the years 2010-2020. It is possible to deduct tax losses from the resulting profits during the ten (10) tax years following the occurrence of the loss. Deferred tax assets due to tax losses have not been booked in the balance sheet. Due to the share issues made and the transactions made in the Company's shares in multilateral trading, there have been changes in the Company's ownership that limit the use of accumulated tax losses in the future. The Company has previously applied to the tax authorities for an exemption to use tax losses despite the changes in ownership, and the Company has previously received an exemption from the tax authorities for the use of tax losses in 2010-2020 related changes in ownership in 2010, 2013, 2015, 2016, 2017, 2018, 2019 and 2020. The amounts of losses confirmed in the Company's taxation for the tax years 2011-2020 are as follows (EUR thousand): 2011: 1,116.2, 2012: 1,979.3, 2013: 1,836.9, 2014: 2,204.8, 2015: 4,071.7, 2016: 5,686.3, 2017: 5,621.8 and 2018: 6,525.6, 2019: 6,005.8 and 2020: 4,651.5.

The use of tax losses requires future taxable profits in the future. 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 before they expire. Non-utilisation of tax losses in part or full would be the result of the Company's future non-profitable operations and would adversely affect the Company's, financial condition and/or results of operations.

Risks related to the Company's business operations

The Company is dependent on large individual solar thermal projects, where there is uncertainty regarding the implementation, the timing, the winning of tenders and the signing of final contracts regarding the projects

The size of individual solar thermal projects in which the Company participates is typically in the millions of euros and their design takes up to several years until the signing of the supply contract. The implementation and timing of projects are affected by, among other things, the price of competing energy sources and the prevailing support policy.

The above-mentioned solar thermal projects are almost always accompanied by a tender. As several other bidders typically participate in tenders, there is no assurance that the Company will win the tender and thus be able to negotiate the final contract with the customer. Further information on the Company's market position can be found in the "*Market overview - Competition*" section of the Prospectus. Even if the Company wins a tender for a project and is given the primary right to negotiate a contract with a customer, there is no assurance that contract negotiations will result in a final supply contract.

The cancellation, postponement, or loss of related tenders for individual solar thermal projects or the failure of contract negotiations may have a material adverse effect on the Company's results of operations, financial condition, prospects and/or value of securities.

There can be no assurance that the Company will be able to improve its profitability in the targeted manner

The Company has been operating at a loss since its inception. The Company constantly strives to improve the efficiency of its operations and its price competitiveness by, among other things, reducing the manufacturing costs of collectors, striving for savings in collector manufacturing materials and project-related purchases. Achieving savings on a larger scale requires that the volume of the Company's sales and thus purchases be increased from the current level. The improvement in the Company's cost efficiency will correspondingly increase the Company's price competitiveness and improve the Company's chances of winning new solar thermal projects.

Failure by the Company to improve its profitability could have a material adverse effect on the Company's results of operations, financial condition, future prospects and / or the value of its securities.

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

In all manufacturing processes there is a risk of technical problems. As the Company is currently using just one coating line, the technical problems of the coating line may cause delays in deliveries. This has happened in the past, and despite the Company's preventive measures, it is possible that the Company's manufacturing processes will continue to be disrupted in the future.

Interruptions in the manufacturing process can cause delays in the delivery of the Company's products to customers, and this can result in additional costs or contractual penalties or in an extreme case even termination of contracts for the Company. All of the Company's current customer agreements have clauses for delays in deliveries. Interruptions in the manufacturing process may therefore have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or the value of securities.

Hazardous substances are used and generated 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 the health of the Company's employees if not properly protected. These are aluminium dust resulting from grinding, brazing fumes, dust from insulation materials and fumes from chemicals used for cleaning of the absorbers (industrial alcohol, acetone). 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, prospects and/or the value of securities.

The Company may incur compensation liabilities related to warranties

The Company provides a warranty for the solar heating system projects it supplies for the solar thermal collectors it manufactures itself. The Company has made some warranty repairs on old collector models manufactured in previous years. The Company is still preparing for warranty repairs and has made an annual provision for them in the income statement, as well as recording a deferred warranty provision for new collectors based on historical rolling actual warranty costs. The amount of guarantee provisions on 31 December 2020 was EUR 282,444. If the Company had to make significant warranty repairs on the basis of its warranties or deliver significant amounts of new replacement collectors on the basis of the warranties, they could cause the Company significant costs in excess of the warranty provision and possible reputational damage. This could have a material adverse effect on the Company's business, financial condition, results of operations, prospects and/or value of securities.

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 current patents and patent applications of Savosolar are further described in the Prospectus under "*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. Savosolar may also be required to take active safeguards through legal means to prevent infringement of the Company's intellectual property rights, which may result in significant costs, and it is not certain that the use of legal remedies will result in decisions favourable to the Company.

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, prospects and/or the value of securities

The Company may infringe 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 in certain countries, and non-infringement intellectual property rights by Savosolar cannot always be necessarily completely ruled out with certainty. Such 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/or 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, prospects and/or the value of securities.

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. The Company has also held co-operation negotiations in recent years, in which personnel have been laid off, which may have a negative impact on the commitment of the Company's current employees and the Company's attractiveness as an employer. Failure in recruiting and retaining relevant key personnel may have a material adverse effect on the Company's business, financial condition, results of operations, prospects and/or the value of securities.

Risks related to the Offering, the Offer Shares and the Warrants

An active public market for the Company's 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. 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. This could happen if the Company does not receive enough warrant holders to ensure liquidity on First North Finland or First North Sweden. If the listing of Warrants fails to materialise, there will be no active market for the Warrants.

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

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 periodically 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.

If the market price of the Company's shares is lower than the subscription price of the shares under the terms of the Warrants during the subscription period of the shares, the Warrants will probably not be used to subscribe for shares and the Company will not receive the required funds to secure working capital.

Shareholders' ownership will be diluted if the shareholders do not exercise their Subscription Rights, and the Subscription Rights may lose their value

In the event a shareholder resolves not to exercise the shareholder's Subscription Rights or if a shareholder or its custodian do not follow the requirements set out in section "*Terms and conditions of the Offering*", the Subscription Rights will expire without any compensation available for such shareholder. In this event, ownership of such shareholder of all shares and voting rights will be diluted accordingly. Even though a shareholder resolves to sell unexercised Subscription Rights or such Subscription Rights are sold on behalf of the shareholder, the compensation available for the shareholder from relevant market for such Subscription Rights does not necessarily provide sufficient remedy for the dilution caused by the Offering.

As a result of the Offering, the number of the Company's shares may rise from 87,530,012 to a maximum of 175,060,024 shares. The Offer Shares correspond to approximately 100 per cent of all the Company's shares immediately before the Offering and about 50 per cent of the Company's shares after the Offering, assuming that the Offering is fully subscribed.

In case also all the Warrants offered to the subscribers of Offer Shares would be used for subscription of shares, the number of Company's shares may rise to a maximum of 306,355,042 shares as a result of the Offering and the shares subscribed based on the Warrants. In case also all the Warrants offered to 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 250 per cent of all the Company's shares immediately before the Offering and approximately 71 per cent of the Company's shares after the Offering and subscription of the shares based on the Warrants offered to the subscribers of Offer Shares, assuming that the Offering is fully subscribed and all the Warrants are used for subscription of shares.

If the Offering is fully subscribed and the maximum number of Warrants are issued and all Warrants are used to the subscription of shares, all the new shares to be issued correspond to approximately 71 per cent of all the Company's shares after the Offering and the shares subscribed with the Warrants.

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 in the Company 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 *“Information regarding the securities – Information regarding the shareholder rights attached to the Offer Shares”* in the Prospectus.

Investors in the Sweden participating in 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 fulfil their obligations towards the Company

The Company has received underwriting commitments from external investors worth approximately EUR 5.4 million (see the section *“Terms and conditions of the Offering – Underwriting commitments”* of the Prospectus). The parties that have given underwriting commitments have thus undertaken to subscribe for up to approximately 88.5 per cent of the Offering. The underwriting commitments received are so called “base underwriting commitments”. If the Offering is not subscribed to 88.5 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 underwriting commitments. Although the Company trusts the parties from which it has received the underwriting commitments, there is still no certainty that all of the parties that have given an underwriting commitment will fulfil their obligations towards the Company. If all parties who have given underwriting commitments fail to meet their obligations to the Company, the Company may be required to collect payments through legal proceedings, which will result in costs and delays for the Company to receive payments. In this case, the Company may also receive less funds from the Offering than in a situation where the underwriters would fulfil their obligations in accordance with their agreements.

The underwriters may become the largest shareholders of the Company, and their interests may deviate from the Company’s minority shareholders’ interests

The Company has received underwriting commitments from external investors worth approximately EUR 5.4 million (see the section *“Terms and conditions of the Offering - Underwriting commitments”* of the Prospectus). If the Offering would be subscribed to 88.5 per cent only by the providers of the underwriting commitments, the ownership of the underwriters could rise to a maximum of 44.2 per cent of the Company. If this was to happen, the underwriters may therefore have influence on the outcome of matters dealt with at general meetings. Such matters include election of board members, share issues and deciding on the use of distributable funds and payment of dividends. The major shareholders’ interests may sometimes differ from the other shareholders’ interests. This may have a material adverse effect on the position of the Company’s other shareholders. Further, the concentration of ownership could delay or deter a change of control of the Company, deprive the Company’s shareholders the opportunity to receive a premium for their shares as part of a sale of the Company and adversely affect the market price and liquidity of the Company’s shares.

Risks related to Company's shares

The amount of possible future dividends to be distributed to shareholders is not certain

Under the provisions of the 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.

Dividend payments to shareholders are dependent on Savosolar's financial results and capital requirements. Considering Savosolar's 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 use 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 Company's share and the Warrants.

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.

Information regarding the securities

General information regarding the Offer Shares

In the Offering of the Company subject to this Prospectus (the "Offering") up to 87,530,012 new shares ("Offer Shares") are offered for subscription. The number of registered shares of the Company prior to the Offering is 87,530,012. The ISIN code for the Offer Shares is FI4000425848 and the trading symbol SAVOH on the Nasdaq First North Growth Market Finland marketplace ("First North Finland") maintained by Nasdaq Helsinki Oy ("Helsinki Stock Exchange") and SAVOS on the Nasdaq First North Growth Market Sweden marketplace ("First North Sweden") maintained by Nasdaq Stockholm AB ("Stockholm Stock Exchange"). The Offer Shares have no nominal value.

According to the Companies Act, a share certificate regarding a company's share can be issued only to a designated person but a share certificate cannot be issued at all when the company's shares are linked to the book-entry system, as Savosolar's shares are.

The Offer Shares subscribed for in the Offering will be issued as book-entries in the book-entry system of Euroclear Finland Oy, address Urho Kekkosenkatu 5 C (PL 1110), 00100 (00101) Helsinki ("Euroclear Finland") and delivered to the investors through the book-entry systems of Euroclear Finland and Euroclear Sweden AB, address Klarabergsviadukten 63 (PO Box 191), 111 64 (SE-101 23) Stockholm, Sweden ("Euroclear Sweden").

The Offer Shares are denominated in euro. The Offer Shares which are traded on First North Finland are traded and settled in euro. The Offer Shares which are traded on First North Sweden are traded and settled in Swedish krona.

Information regarding the shareholder rights attached to the Offer Shares

The rights attaching to the Offer Shares are determined on the basis of the Companies Act as amended and other legislation prevailing in Finland from time to time. The Company has only one series of shares, so the Offer Shares have the same rights as the Company's already registered shares.

Rights attaching to the Offer Shares include the right to participate in the general meeting of the Company and to vote at such meeting. Each Offer Share entitle to one vote at the general meetings of the shareholders.

In order to attend and vote at the general meeting of shareholders of the Company, 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 Company's 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.

In order for a shareholder with shares registered in Euroclear Finland to have the right to attend and vote at a general meeting of shareholders of the Company, 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 of the Company 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 of the Company, which date must be after the record date of the general meeting of shareholders of the Company. 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.

In order for a shareholder with shares registered in Euroclear Sweden to have the right to attend and vote at a general meeting of shareholders must (i) be registered in the shareholder register of the Company 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 of the Company in the shareholder register maintained by Euroclear Finland by the date announced in the notice to convene the general meeting.

Furthermore, shareholders with Company's 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 of the Company, (i) temporarily re-register their shares of the Company 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 of the Company 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 of the Company maintained by Euroclear Finland is considered notice of attendance at the general meeting of shareholders.

All the shares of the Company, including Offer Shares, entitle to equal financial rights, including right to dividends and other distribution of funds, for example right to possible distribution of funds in the event of dissolution of the Company.

Based on the financial statements on 31 December 2020 or 31 December 2019 or otherwise before the date of the Prospectus, the Company has not paid dividends and there is no guarantee that it will have any distributable funds in the future. Decisions on a possible distribution of dividends or other distribution of funds would be made in accordance with the Companies Act as follows:

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 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 amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the parent company's 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. 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. 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.

The dividend may not also 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 year before the annual general meeting of shareholders.

In the regard of shares registered in the Finland's i.e., Euroclear Finland's book-entry system the dividends and other distributions of funds are paid to shareholders, or their nominees entered in the register of shareholders of the Company 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 the regard of shares registered in the Sweden's book-entry system the dividends and other distributions of funds are paid to those holders of the shares whose names are entered into the Swedish central securities register as at a certain record date and distributed to bank accounts designated by the holders registered with Euroclear Sweden. It is expected that shareholders registered with Euroclear Sweden will receive payment one banking day after the payment date for shareholders registered with Euroclear Finland. If the registered holder registered in Sweden is a nominee custodian, the nominee custodian receives the dividend and other economic rights conferred by the shares on behalf of the beneficial owner.

The right to dividends expires (by statute of limitation) after three years from the date of payment of the respective dividend.

According to the Companies Act, the shareholders of the Company have the pre-emptive right to subscribe for shares in proportion to their shareholdings, unless otherwise provided in the resolution regarding the issue. Deviating from the shareholders' pre-emptive subscription right requires that there is a weighty financial reason for deviating. As stated above with respect to dividends, the right to subscribe for shares in the rights issue is also based in the ownership of the Company on the record date.

A redemption right and obligation as set out in the Companies Act is attached to the Company's shares. Under the Companies Act, a shareholder with shares representing more than nine tenths of all shares and voting rights attached to all shares in a company has the right to redeem shares of other shareholders in such company against fair value. Such

shareholder is correspondingly obliged to redeem if the shareholder entitled to have its shares redeemed demands the redemption of its shares. The articles of association of the Company does not contain redemption or conversion clauses.

The Offer Shares entitle to above described and other shareholder rights in the Company after they have been registered within the Trade Register and delivered to the investor's book-entry account.

Share issuance authorisation and decision

Authorisation to issue Offer Shares

On 1 October 2021, the Extraordinary General Meeting of the Company authorised the Board of Directors to decide on share issues as well as issues of option rights and other special rights entitling to shares, pursuant to Chapter 10, section 1 of the Companies Act as follows:

Under the authorisation, a maximum of 275,000,000 shares may be issued.

The Board of Directors decides on all terms and conditions of the share issues and options rights and other special rights entitling to shares. Share issues and the issuance of option rights other special rights entitling to shares may deviate from the shareholders' pre-emptive subscription right (directed issue) if there is a weighty financial reason from the Company's point of view.

The authorisation is valid until 30 September 2026 and revoked the authorisation granted by the Annual General Meeting on 27 April 2020.

On the date of this Prospectus, the above-mentioned authorisation is fully unused, but a maximum of 87,530,012 shares will be used in connection with the Offering and if used in full, the remaining 187,469,988 shares may still be exercised in accordance with the terms of the authorisation.

Resolution regarding the issuance of the Offer Shares

The Company's Board of Directors has on 4 October 2021 resolved on the issuance of the Offer Shares in accordance with the terms set forth below in section "*Terms and conditions of the Offering*".

Subscription period for the Offer Shares and commencement of trading

The subscription period for the Offer Shares (the "Subscription Period") will commence on 11 October 2021 at 09:30 Finnish time (08:30 Swedish time) and is expected to end on 27 October 2021 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 25 October 2021 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 9 November 2021. Any extensions of the Subscription Period will be announced by way of a company announcement before the end of the Subscription Period.

The Offer Shares will be subject to trading together with the Company's existing shares approximately on 12 November 2021 on First North Finland and approximately on 18 November 2021 on First North Sweden.

Warning regarding tax issues related to the Offer Shares and the Offering

The investor should note that the tax legislation in the investor's home or residence country and in the Company's country of registration in Finland may affect the income from the Company's shares (including the Offer Shares). Prospective investors are advised to consult professional tax advisors as to the tax consequences of the purchase, ownership and sale or other transfer of Offer Shares.

The Offering does not apply to persons resident in Australia, South-Africa, Hong Kong, Japan, Canada, New Zealand, Singapore or the United States or in any other country where it would be prohibited by local laws or other regulations.

Finnish tax considerations regarding the Offer Shares

The tax legislation of the investor's country of residence and the tax legislation of Finland may affect the income received from the securities. 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 shares. Prospective investors are advised to consult professional tax advisors as to the tax consequences of the purchase, ownership and disposition of shares in Company and the Warrants. The following description does not address tax considerations applicable to such holders of the Subscription Rights, the Company's shares or the 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 per cent. 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 34 per cent 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 per cent.

Dividend taxation

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 (1070/2017, 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 per cent 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 per cent is tax exempt.

85 per cent 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 per cent 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 per cent. 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 per cent of the dividend is taxable income while the remaining 25 per cent 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 per cent 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 per cent for non-resident corporate entities as income receivers and 30 per cent 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 the shares are held in a nominee-registered account, a customer receiving dividends from Finland may be granted tax treaty benefits if the registered custodian identifies the recipient of the dividend, reliably ascertains this tax country of residence and ensures that the dividend provisions of the international agreement apply to the recipient. If the information is not available, the payer must charge a withholding tax of 35 per cent on the dividend paid on the nominee-registered share. Such a situation would exist if the registered custodian did not have the tax information of the recipient of the dividend available at the time of payment of the dividend, including information that the recipient of the dividend would be a general taxpayer in Finland. Even in the event that the recipient of the dividend has not consented to the disclosure of his information, a withholding tax of 35 per cent must be levied.

Dividends may be subject to a withholding tax of 30 per cent if the registered custodian has access to the identification of the recipient of the dividend but does not have sufficient information to ensure that the tax treaty is applicable. If the entity has been identified as the recipient of the dividend, a withholding tax of 20 per cent may be levied on the dividends.

Dividends paid on shares held in Euroclear Sweden's book-entry system may be subject to full withholding tax, subject to the availability of information required to use the tax rate in accordance with the tax convention.

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 per cent 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 the tax agreement and on how the dividend would be taxed, if it were paid to an equivalent Finnish company. 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 or 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. With regard to warrants, the tax treatment varies depending on whether or not the warrants are traded on a regulated market. Gains on the sale of all warrants not belonging to the owner's business activities are generally taxed in Finland as capital income of a taxable natural person. On the other hand, the expiry of a warrant right or the resulting capital loss is deductible from the capital gains only in respect of warrant rights that are traded on a regulated market. As First North is not a regulated market, the expiration of the Warrants or the capital loss are 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 that are traded on 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 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 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 per cent of the sales price, or in the case of shares which have been held for at least ten years, 40 per cent 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 considered to be the acquisition date of the shares that entitle the shareholder to receive the Subscription Rights. The acquisition price of the 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 received in connection with the Offering without using them to subscribe for the Offer Shares in the Offering, the actual acquisition price of the Subscription Rights is considered to be zero and the shareholder's tax acquisition date is in this case, the acquisition cost assumption of 20 per cent or, if the Offer Shares on the basis of which the Subscription Rights were acquired has been owned for ten years or more, 40 per cent is used to calculate the amount of the capital gain from the sale of the Subscription Rights. However, if the seller of the Subscription Rights has purchased the Subscription Rights, the seller may choose whether to use the acquisition cost assumption or the actual acquisition price (i.e., the acquisition price of the Subscription Rights plus the costs of sale).

If the Offer Shares are subscribed for on the basis of the purchased Subscription Rights, the Offer Shares will be deemed acquired at the time of acquisition of the Subscription Rights. The same date also determines the amount of the acquisition cost assumption. If the seller wishes to use the actual acquisition cost, the capital gain or -loss on disposal will be calculated by deducting from the sale price both the acquisition price of the Subscription Rights and the Offer Shares (and the costs incurred from the sale).

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 shares is taxable income of a limited liability company, which is taxed with a rate of 20 per cent.

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.

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 shares is deductible from business income upon disposal of the 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 are 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 per cent 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. However, capital gains are not tax-exempt even if the above conditions are met if the seller is a holding company.

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 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.

From 2020, the asset class of the company's other assets includes assets that are not used in the company's income generation activities. Losses arising from the transfer of other assets are deductible only from taxable profits arising from the transfer of other assets in the tax year and the following five tax years.

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 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 and 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 Companies Act. If the transfer or sale of shares does not fulfil the above criteria for a tax-exempt transfer, transfer tax at the rate of 1.6 per cent 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. However, the transfer tax return must be submitted even when the amount of tax is less than 10 euros and the tax is not payable.

Swedish tax considerations regarding the Offer Shares and the Warrants

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 depends in part on such shareholder's particular circumstances. Those considering investing should 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 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 20.6 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 trigger 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.

Non-resident shareholders in Sweden

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. 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.

Regulations on tender offers and tender offers regarding the Company

The obligation under the Finnish Securities Markets Act (746/2012, as amended) to make a public tender offer for the purchase of the shares and securities of the offeree company above a certain ownership threshold applies only if those shares or securities are traded on a regulated market and therefore do not apply to the shares of the Company (including Offer Shares) obliging to make a mandatory takeover bid.

Under the Swedish Takeover Act, there is no obligation based on holdings of 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. The Swedish Corporate Governance Board (in Swedish: Kollegiet för Svensk Bolagsstyrning) has published rules for public tender offers that apply for companies that are listed on multilateral trading facilities and that in all material aspects are similar to the rules for public tender offers for companies listed on a regulated market. These rules set out regulations with respect to mandatory public tender offers. However, the rules regarding mandatory public tender offers only apply to Swedish companies listed on the multilateral trading facilities and therefore do not apply to the Company.

However, the Company's shareholders are subject to the obligation (and right) under the Companies Act to redeem the shares of other shareholders at fair value when the ownership of a shareholder entitled and obliged to redeem increases to more than nine tenths of all the Company's shares and votes.

As of the date of the Prospectus, the Savosolar's shares are not the subject of any public tender offer and no public tender offers have been made for Savosolar's shares or other securities during the current or financial years which ended on 31 December 2020 or 31 December 2019.

Terms and conditions of the Offering

The Offering, subscription rights and Warrants

In accordance with the shareholders' pre-emptive subscription right, the Company is offering up to 87,530,012 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 of 6 October 2021. One (1) Subscription Right entitles their holder to subscribe for one (1) Offer Share. 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 7 October 2021 and in the book-entry system maintained by Euroclear Sweden approximately on 8 October 2021. The Subscription Rights can be freely assigned, and they will be traded on First North Finland (trading symbol SAVOHU0121, ISIN: FI4000512249) and First North Sweden (trading symbol SAVOS TR, ISIN: SE0016843775) between 11 October 2021 and 19 October 2021. 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 131,295,018 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 131,295,018 new shares of the Company, meaning one (1) Warrant gives the right to subscribe for one (1) new share. The Warrants will be issued in the following manner: the subscriber will receive one (1) Warrant of series TO8, one (1) Warrant of series TO9 and one (1) Warrant of series TO10 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 1-2021, Savosolar Plc Warrant Plan 2-2021 and Savosolar Plc Warrant Plan 3-2021*" 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*".

Underwriting commitments

A consortium of underwriters has committed to subscribe for Offer Shares, so that the underwriting commitments of the underwriters applies to about 88.5 per cent of the Offering, meaning they have underwritten the Offering to a total of approximately EUR 5.4 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)	Underwriting fee (EUR)
Formue Nord Markedsneutral A/S ³⁰	16,926,912	1,184,883.84	94,790.71
Mangold Fondkommission AB ³¹	16,926,912	1,184,883.84	94,790.71
Modelio Equity AB (publ) ³²	14,105,760	987,403.20	78,992.26
Oscar Molse	7,052,888	493,702.16	39,496.17
Bernhard von der Osten-Sacken	4,231,728	296,220.96	23,697.68
JJV Invest AB ³³	4,231,728	296,220.96	23,697.68
Dividend Sweden AB ³⁴	2,539,036	177,732.52	14,218.60
CapMate AB ³⁵	1,692,691	118,488.37	9,479.07
Jinderman & Partners ³⁶	1,692,691	118,488.37	9,479.07
Andreas Bonnier	1,269,518	88,866.26	7,109.30
Myacom Investment AB ³⁷	1,269,518	88,866.26	7,109.30
BGL Managemnt AB ³⁸	846,345	59,244.15	4,739.53

³⁰ Address: Østre Alle 102, 9000 Aalborg

³¹ Address: Engelbrektsplan 2, 114 34 Stockholm

³² Address: Ingmar Bergmans gata 2, 114 34 Stockholm

³³ Address: Runnvägen 24, 791 53 Falun

³⁴ Address: Kungsgatan 24, 111 35 Stockholm

³⁵ Address: Eriksrogränd 8, 194 78 Upplands Väsby

³⁶ Address: Hornsgatan 178 5 TR, 117 34 Stockholm

³⁷ Address: Torstensongatan 3, 114 56 Stockholm

³⁸ Address: Djursholmsvägen 11, 183 56 Täby

Patrick Bergström	846,345	59,244.15	4,739.53
Rune Löderup	846,345	59,244.15	4,739.53
Dariusz Hosseinian	846,345	59,244.15	4,739.53
Niclas Corneliussen	677,076	47,395.32	3,791.63
Fredrik Attefall	592,441	41,470.87	3,317.67
LOC AB	423,172	29,622.04	2,369.76
Niclas Löwgren	423,172	29,622.04	2,369.76
Total	77,440,623	5,420,843.61	433,667.49

The underwriting commitments received are so called “base underwriting commitments”. If the Offering is not subscribed to 88.5 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 eight (8) per cent of the amount of the given underwriting commitment, is paid for the underwriting commitments to their providers. 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. All underwriting commitments have been signed on 6 September 2021. Underwriters (private individuals) can be contacted through Augment Partners AB, address Eriksbergsgatan 8A, 114 30 Stockholm, Sweden.

Subscription Price

The Subscription Price of Offer Shares is EUR 0.07 or SEK 0.71 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 rights issue discount. The Subscription Price is approximately 27.2 per cent lower compared with the closing price of the Company’s share on First North Sweden on 3 September 2021 (SEK 0.975) and 27.8 per cent lower compared with the closing price of the Company’s share on First North Finland on 3 September 2021 (EUR 0.097).

Subscription Period

The subscription period for the Offer Shares (the “Subscription Period”) will commence on 11 October 2021 at 09:30 Finnish time (08:30 Swedish time) and is expected to end on 27 October 2021 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 25 October 2021 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 9 November 2021. 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).

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 27 October 2021 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 25 October 2021 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 27 October 2021 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 25 October 2021 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 to 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 2 November 2021. No interest will be paid on such a payment.

Dilution of the shareholding

As a result of the Offering, the number of the Company's shares may rise from 87,530,012 to a maximum of 175,060,024 shares. The Offer Shares correspond to approximately 100 per cent of all the Company's shares immediately before the Offering and about 50 per cent of the Company's shares after the Offering, assuming that the Offering is fully subscribed.

In case also all the Warrants offered to the subscribers of Offer Shares would be used for subscription of shares, the number of Company's shares may rise to a maximum of 306,355,042 shares as a result of the Offering and the shares subscribed based on the Warrants. In case also all the Warrants offered to 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 250 per cent of all the Company's shares immediately before the Offering and about 71 per cent of the Company's shares after the Offering and subscription of the shares based on the Warrants offered to the subscribers of Offer Shares, assuming that the Offering is fully subscribed and all the Warrants are used for subscription of shares.

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 1 November 2021. 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 Offer Shares and the Warrants.

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 1 November 2021 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. Both in Finland and Sweden this is estimated to be the next day, in accordance with Euroclear Finland's and Euroclear Sweden's clearing timetable. Trading in the Temporary Shares will commence on First North Finland (trading symbol SAVOHN0121, ISIN: FI4000512256) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0016843783) as their own special share class approximately on 11 October 2021. 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 11 November 2021, 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 12 November 2021 on First North Finland. The delivery and combination will take place approximately on 18 November 2021, 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 18 November 2021 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.

Supplements to Prospectus and cancellations of subscriptions

Subscriptions placed in the Offering are binding and irrevocable and may only be cancelled in situations described below.

If the Prospectus is supplemented accordance with the Prospectus Regulation due to a significant new fact, material error or material inaccuracy, which may affect in evaluation of the Offer Shares or the Temporary Shares, investors that have agreed to subscribe for Offer Shares before the publication of the supplement, have the right to cancel the subscription during a specified time period. The duration of the said time period shall be at least three (3) working days of the publication of the supplement to the Prospectus. The cancellation by the investor shall apply to all subscriptions of the said investor. In addition, the right of cancellation is conditional to the occurrence or noting of the abovementioned significant new fact, material error or material inaccuracy prior to the end of the Subscription Period or entry of the Offer Shares or the Temporary Shares subject to cancellation into subscriber's book-entry account (whichever is first in order).The cancellation must be notified in writing to the account operator, custodian or nominee where the subscription order has been placed.

After the end of the cancellation period, the cancellation right does not exist.

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 funds returned. The Company announces the cancellation instructions in a company release in connection with the publication of the supplement to the Prospectus. If a shareholder of the Company has sold or otherwise transferred his Subscription Rights, the sale or transfer cannot be cancelled.

Savosolar Plc Warrant Plan 1-2021

Based on the authorisation granted by the Extraordinary General Meeting of shareholders on 1 October 2021, the Company's Board of Directors has on 4 October 2021 resolved to issue warrants (the "Warrants TO8") to the persons who have subscribed for the Offer Shares in the Offering of the Company resolved on 4 October 2021, on the following terms and conditions.

I Warrant TO8 terms and conditions

1. Number of Warrants TO8

The maximum number of Warrants TO8 to be issued is 43,765,006, and they entitle their holders to subscribe for a maximum of 43,765,006 new shares in the Company.

2. Right to Warrants TO8

The Warrants TO8 shall be issued free of charge to the persons who subscribed for the Offer Shares in the Offering, so that for each two (2) Offer Shares subscribed and paid for, the subscription of which the Board of Directors has approved, the subscriber receives one (1) Warrant of series TO8. 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 be able to continue its systematic streamlining, to achieve profitability targets and to meet growing demand. Issuance of the Warrants TO8 is seen as a cost-efficient alternative to obtain additional capital for the Company in the future.

3. Subscription of Warrants TO8

The Warrants TO8 are subscribed in connection with subscription of the Offer Shares in the Offering by using the same subscription form.

The Board of Directors of the Company approves the subscriptions of the Warrants TO8 at the same time that it approves the subscriptions in the Offering, i.e., approximately on 1 November 2021.

4. Incorporation of Warrants TO8 into the book-entry system and potential listing

The Warrants TO8 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 TO8 will be delivered to subscribers through the book-entry system maintained by Euroclear Finland approximately during week 46, 2021 and through the book-entry system maintained by Euroclear Sweden approximately during week 46, 2021. The ISIN code of the Warrants TO8 is FI4000512264.

The Company intends to file an application to the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the Warrants TO8 on First North Sweden and First North Finland. The trading symbol is expected to be SAVOS TO8 on First North Sweden and SAVIHEW12021 on First North Finland. If the listing of the Warrants TO8 occurs, the Company expects trading to commence on First North Finland approximately during week 46, 2021 and on First North Sweden approximately during week 46, 2021.

II Share subscription terms and conditions

1. Right to subscribe for shares

Each Warrant TO8 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 TO8 shall be 21 March – 1 April 2022.

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 7 March 2022 and 17 March 2022, with an applied discount of 25 per cent. The subscription price, however, cannot exceed EUR 0.09 per share.

The shares to be subscribed for based on the Warrants TO8 and delivered through Euroclear Sweden will be payable in Swedish krona. The Swedish krona-denominated subscription price will be determined using the Swedish Riksbank’s EURSEK rate on 18 March 2022. 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 TO8 commences.

The share subscription price of the Warrants TO8 may be decreased in certain cases mentioned above in Section 7 below.

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 First North Finland and First North Sweden for the listing of the shares subscribed for with the Warrants TO8.

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 TO8 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 TO8 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 TO8 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 TO8 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 TO8 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 TO8 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 TO8 owner the right to convert the Warrants TO8 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 TO8. In the above situations, the Warrant TO8 owners shall have no right to require that the Company redeems the Warrants TO8 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 TO8 owner. Should the Company, however, resolve to acquire or redeem its own shares from all shareholders, the Warrant TO8 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 TO8 owner has obligation to return Warrants TO8 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 TO8 that are potentially being redeemed as a result of rounding are then sold by the Company on behalf of the Warrant TO8 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 TO8 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 TO8 owners shall have an equal obligation to that of shareholders to transfer their Warrants TO8 to the redeemer.

III Other matters

The Company may maintain a register of the Warrant TO8 owners to which the Warrant TO8 owners' personal data is recorded. The Company may send all announcements regarding the Warrants TO8 to the Warrant TO8 owners by mail to the latest address available to the Company and/or as a company release.

Unless so authorised or required by applicable law, neither the Company, account-operating institute nor Euroclear Finland or Euroclear Sweden may provide information on Warrant TO8 owners to third parties.

The Company is entitled to receive the following details from Euroclear Finland and Euroclear Sweden regarding the Warrant TO8 owners:

- 1) the Warrant TO8 owners name, personal identification number, or other identification number, and postal address; and
- 2) the number of Warrants TO8.

These terms and conditions shall be governed by the laws of Finland. Disputes arising out of or relating to these Warrants TO8 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 TO8 into the book-entry system, listing of the Warrants TO8 as well as on other amendments and specifications to these terms and conditions which are not considered as essential.

These Warrant TO8 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.

Savosolar Plc Warrant Plan 2-2021

Based on the authorisation granted by the Extraordinary General Meeting of shareholders on 1 October 2021, the Company's Board of Directors has on 4 October 2021 resolved to issue warrants (the "Warrants TO9") to the persons who have subscribed for the Offer Shares in the Offering of the Company resolved on 4 October 2021, on the following terms and conditions.

I Warrant TO9 terms and conditions

1. Number of Warrants TO9

The maximum number of Warrants TO9 to be issued is 43,765,006, and they entitle their holders to subscribe for a maximum of 43,765,006 new shares in the Company.

2. Right to Warrants TO9

The Warrants TO9 shall be issued free of charge to the persons who subscribed for the Offer Shares in the Offering, so that for each two (2) Offer Shares subscribed and paid for, the subscription of which the Board of Directors has approved, the subscriber receives one (1) Warrant of series TO9. 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 be able to continue its systematic streamlining, to achieve profitability targets and to meet growing demand. Issuance of the Warrants TO9 is seen as a cost-efficient alternative to obtain additional capital for the Company in the future.

3. Subscription of Warrants TO9

The Warrants TO9 are subscribed in connection with subscription of the Offer Shares in the Offering by using the same subscription form.

The Board of Directors of the Company approves the subscriptions of the Warrants TO9 at the same time that it approves the subscriptions in the Offering, i.e., approximately on 1 November 2021.

4. Incorporation of Warrants TO9 into the book-entry system and potential listing

The Warrants TO9 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 TO9 will be delivered to subscribers through the book-entry system maintained by Euroclear Finland approximately during week 46, 2021 and through the book-entry system maintained by Euroclear Sweden approximately during week 46, 2021. The ISIN code of the Warrants TO9 is FI4000512272.

The Company intends to file an application to the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the Warrants TO9 on First North Sweden and First North Finland. The trading symbol is expected to be SAVOS TO9 on First North Sweden and SAVIHEW22021 on First North Finland. If the listing of the Warrants TO9 occurs, the Company expects trading to commence on First North Finland approximately during week 46, 2021 and on First North Sweden approximately during week 46, 2021.

II Share subscription terms and conditions

1. Right to subscribe for shares

Each Warrant TO9 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 TO9 shall be 12 September 2022 – 23 September 2022.

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 29 August 2022 – 8 September 2022, with an applied discount of 25 per cent. The subscription price, however, cannot exceed EUR 0.11 per share.

The shares to be subscribed for based on the Warrants TO9 and delivered through Euroclear Sweden will be payable in Swedish krona. The Swedish krona-denominated subscription price will be determined using the Swedish Riksbank’s EURSEK rate on 9 September 2022. 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 TO9 commences.

The share subscription price of the Warrants TO9 may be decreased in certain cases mentioned above in Section 7 below.

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 First North Finland and First North Sweden for the listing of the shares subscribed for with the Warrants TO9.

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 TO9 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 TO9 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 TO9 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 TO9 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 TO9 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 TO9 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 TO9 owner the right to convert the Warrants TO9 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 TO9. In the above situations, the Warrant TO9 owners shall have no right to require that the Company redeems the Warrants TO9 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 TO9 owner. Should the Company, however, resolve to acquire or redeem its own shares from all shareholders, the Warrant TO9 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 TO9 owner has obligation to return Warrants TO9 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 TO9 that are potentially being redeemed as a result of rounding are then sold by the Company on behalf of the Warrant TO9 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 TO9 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 TO9 owners shall have an equal obligation to that of shareholders to transfer their Warrants TO9 to the redeemer.

III Other matters

The Company may maintain a register of the Warrant TO9 owners to which the Warrant TO9 owners' personal data is recorded. The Company may send all announcements regarding the Warrants TO9 to the Warrant TO9 owners by mail to the latest address available to the Company and/or as a company release.

Unless so authorised or required by applicable law, neither the Company, account-operating institute nor Euroclear Finland or Euroclear Sweden may provide information on Warrant TO9 owners to third parties.

The Company is entitled to receive the following details from Euroclear Finland and Euroclear Sweden regarding the Warrant TO9 owners:

- 1) the Warrant TO9 owners name, personal identification number, or other identification number, and postal address; and
- 2) the number of Warrants TO9.

These terms and conditions shall be governed by the laws of Finland. Disputes arising out of or relating to these Warrants TO9 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 TO9 into the book-entry system, listing of the Warrants TO9 as well as on other amendments and specifications to these terms and conditions which are not considered as essential.

These Warrant TO9 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.

Savosolar Plc Warrant Plan 3-2021

Based on the authorisation granted by the Extraordinary General Meeting of shareholders on 1 October 2021, the Company's Board of Directors has on 4 October 2021 resolved to issue warrants (the "Warrants TO10") to the persons who have subscribed for the Offer Shares in the Offering of the Company resolved on 4 October 2021, on the following terms and conditions.

I Warrant TO10 terms and conditions

1. Number of Warrants TO10

The maximum number of Warrants TO10 to be issued is 43,765,006, and they entitle their holders to subscribe for a maximum of 43,765,006 new shares in the Company.

2. Right to Warrants TO10

The Warrants TO10 shall be issued free of charge to the persons who subscribed for the Offer Shares in the Offering, so that for each two (2) Offer Shares subscribed and paid for, the subscription of which the Board of Directors has approved, the subscriber receives one (1) Warrant of series TO10. 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 be able to continue its systematic streamlining, to achieve profitability targets and to meet growing demand. Issuance of the Warrants TO9 is seen as a cost-efficient alternative to obtain additional capital for the Company in the future.

3. Subscription of Warrants TO10

The Warrants TO10 are subscribed in connection with subscription of the Offer Shares in the Offering by using the same subscription form.

The Board of Directors of the Company approves the subscriptions of the Warrants TO10 at the same time that it approves the subscriptions in the Offering, i.e., approximately on 1 November 2021.

4. Incorporation of Warrants TO10 into the book-entry system and potential listing

The Warrants TO10 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 TO10 will be delivered to subscribers through the book-entry system maintained by Euroclear Finland approximately during week 46, 2021 and through the book-entry system maintained by Euroclear Sweden approximately during week 46, 2021. The ISIN code of the Warrants TO10 is FI4000512280.

The Company intends to file an application to the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the Warrants TO10 on First North Sweden and First North Finland. The trading symbol is expected to be SAVOS TO10 on First North Sweden and SAVIHEW32021 on First North Finland. If the listing of the Warrants TO10 occurs, the Company expects trading to commence on First North Finland approximately during week 46, 2021 and on First North Sweden approximately during week 46, 2021.

II Share subscription terms and conditions

1. Right to subscribe for shares

Each Warrant TO10 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 TO10 shall be 20 March – 31 March 2023.

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 6 March – 16 March 2023, with an applied discount of 25 per cent. The subscription price, however, cannot exceed EUR 0.13 per share.

The shares to be subscribed for based on the Warrants TO10 and delivered through Euroclear Sweden will be payable in Swedish krona. The Swedish krona-denominated subscription price will be determined using the Swedish Riksbank’s EURSEK rate on 17 March 2023. 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 TO10 commences.

The share subscription price of the Warrants TO10 may be decreased in certain cases mentioned above in Section 7 below.

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 First North Finland and First North Sweden for the listing of the shares subscribed for with the Warrants TO10.

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 TO10 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 TO10 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 TO10 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 TO10 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 TO10 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 TO10 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 TO10 owner the right to convert the Warrants TO10 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 TO10. In the above situations, the Warrant TO10 owners shall have no right to require that the Company redeems the Warrants TO10 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 TO10 owner. Should the Company, however, resolve to acquire or redeem its own shares from all shareholders, the Warrant TO10 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 TO10 owner has obligation to return Warrants TO10 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 TO10 that are potentially being redeemed as a result of rounding are then sold by the Company on behalf of the Warrant TO10 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 TO10 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 TO10 owners shall have an equal obligation to that of shareholders to transfer their Warrants TO10 to the redeemer.

III Other matters

The Company may maintain a register of the Warrant TO10 owners to which the Warrant TO10 owners' personal data is recorded. The Company may send all announcements regarding the Warrants TO10 to the Warrant TO10 owners by mail to the latest address available to the Company and/or as a company release.

Unless so authorised or required by applicable law, neither the Company, account-operating institute nor Euroclear Finland or Euroclear Sweden may provide information on Warrant TO10 owners to third parties.

The Company is entitled to receive the following details from Euroclear Finland and Euroclear Sweden regarding the Warrant TO10 owners:

- 1) the Warrant TO10 owners name, personal identification number, or other identification number, and postal address; and
- 2) the number of Warrants TO10.

These terms and conditions shall be governed by the laws of Finland. Disputes arising out of or relating to these Warrants TO10 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 TO10 into the book-entry system, listing of the Warrants TO10 as well as on other amendments and specifications to these terms and conditions which are not considered as essential.

These Warrant TO10 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.

Board of Directors and Management

Board of Directors

Composition of the Board of Directors

Pursuant to the section 4 of the articles of association of the Company, the Company shall have a Board of Directors with no less than three (3) and no more than seven (7) members, which the shareholders choose at the Annual General Meeting. The term of office of each member of the Board of Directors shall end at the end of the next Annual General Meeting. The Board of Directors chooses a Chairman among themselves. 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 Board of Directors has not appointed any committees among its members.

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

On the date of the Prospectus, the Board of Directors comprises of the persons set out in the following table:

Name	Position	Born	Elected
Eero Auranne	Chairman of the Board	1959	2018
Feodor Aminoff	Board member	1969	2013
Mikael Lemström	Board member	1967	2018
Ari Virtanen	Board member	1958	2018

All of the members of the Board of Directors are independent of the Company, the management and larger shareholders.

Presentation of the members of the Board of Directors

Eero Auranne, born 13 March 1959, M.Sc. (Eng.).

Member of the Board since August 2018 and Chairman of the Board since 2020.

Eero Auranne has since 2021 been the CEO of Nevel Oy and since 2019 managed Enordic Oy, which develops and manages infrastructure investments. Prior to this, Auranne has worked as the CEO of Empower Oyj during 2012-2017, as the President of Energy Division and member of the group's management team in Swedish ÅF AB during 2006-2012 and as the CEO of Enprima Oy during 2003-2005. Previously Eero Auranne has worked approximately 20 years for Fortum group and its predecessor Imatran Voima Oy in various positions.

In addition to his assignment in Savosolar, Eero Auranne has the following memberships in administrative, governing, or supervisory bodies and/or is partner in the following partnerships:

Company	Position
Nevel Oy	CEO
Enordic Oy	Chairman of the Board
Tuulipuisto Lakiakangas 1 Oy	Chairman of the Board
Skip Wind 4 Oy	Chairman of the Board
Åndberg Vind Ab	Chairman of the Board
Sendiprima Oy	Owner

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

Member of the Board since May 2013.

Feodor Aminoff works as a manager of various investment companies (Suomen Vaikuttavuussijoitus Oy, Oy Provator Ab, Sinord Capital Oy, and Flaxi Ky Kb), as an advisor and as a board professional. He served as Oceanvolt Oy's acting CEO from 30 September 2016 to 28 February 2017. He worked for Cleantech Invest Oyj (now Loudspring Oyj) with the responsibility for increasing the value of associated companies, exits and listings in 2012-2015. He acted as 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 the following memberships in administrative, governing, or supervisory bodies and/or is partner in the following partnerships:

Company	Position
Ab Propago Oy	Chairman of the Board
Flaxi Ky Kb	Partner
JamGuard Ab	Board member and Managing Director
JobGo International Oy	Board member
Kiinteistö Oy Munkkiniemenranta 31	Deputy Board member
Leanpark Oy	Chairman of the Board
Oy Nylund Capital AB	Board member
Oy Nylund Group AB	Board member
Oy Provator Ab	Chairman of the Board
Sinord Capital Oy	Chairman of the Board
Suomen Vaikuttavuussijoitus Oy	Board member
Veho Oy Ab	Board member

Mikael Lemström, born 26 June 1967, M.Sc. (Eng.).

Member of the Board since August 2018.

Mikael Lemström has made a long career in Fortum group in various positions, in addition to Finland also in Southeast Asia and Poland. Lemström is currently responsible for Fortum's minority-owned nuclear power plants and plant projects in Finland and Sweden.

In addition to his assignment in Savosolar, Mikael Lemström has the following memberships in administrative, governing, or supervisory bodies and/or is partner in the following partnerships:

Company	Position
Fortum Power and Heat Oy	Board member
Fortum Heat and Gas Oy	Board member
Monday to Sunday Home Oy	Board member
Etelä-Suomen Asunto Oy	Chairman of the Board

Ari Virtanen, born 17 April 1958, Electrical Engineer and MBA.

Member of the Board since August 2018.

Ari Virtanen currently works as the CEO of Advion Solutions Oy and Artudor Finland Oy. Virtanen has previously worked, inter alia, as temporary COO of Proxion Solutions Oy during 2017-2018, the CEO of Takoma Oyj during 2012-2014, the CEO of Högfors Oy during 2007-2009, the CEO and Chairman of the Board of Estonian AS Finmecin during 2004-2007, the sales manager of Kalmar Industries Oy Ab during 1999-2004 and in various positions in Tamrock group during 1986-1997. Ari Virtanen is also a current member of the Board of Directors in Kesla Oyj and Phyla Regeneration Systems Ltd.

In addition to his assignment in Savosolar, Ari Virtanen has the following memberships in administrative, governing, or supervisory bodies and/or is partner in the following partnerships:

Company	Position
Kesla Oyj	Board member
Phyla Regeneration Systems Ltd	Board member
Artudor Finland Oy	Chairman of the Board
Advion Solutions Oy	Chairman of the Board

Managing director and management team

The managing director (CEO) is appointed by the Board of Directors. The CEO manages the day-to-day administration of the Company in accordance with the instructions and regulations issued by the Board of Directors. The CEO is responsible for ensuring that the Company's accounting is in accordance with the law and that financial management is arranged in a reliable manner. The CEO shall provide the Board of Directors and its members with information necessary for the performance of the Board's duties.

The Company's CEO may take unusual and far-reaching actions, from the point of the view of the scope and quality of the Company's operations, only when authorised by the Board of Directors or if it is not possible to wait for the decision

from the Board of Directors without causing significant harm to the Company's business. In the latter case, the Board of Directors shall be informed of such action as soon as possible.

The members of the Company's management team act directly under the supervision of the CEO, and the CEO leads the management team. All members of the management team are employed by Savosolar. The management team meets for evaluation meetings two (2) times a year.

The business address of the members of the management team is Insinöörinkatu 7, 50150 Mikkeli.

On the date of the Prospectus, the management team comprises of the persons set out in the following table:

Name	Position	Year of birth	Appointed
Jari Varjotie	CEO	1960	2010
Heikki Timonen	CFO	1967	2019
Martti Jalava	COO	1966	2020
Raul Ikonen	Country Manager - China	1969	2019
Torben Frederiksen	CTO	1972	2018
Kaj Pischow	Director, Senior Advisor	1947	2010
Pekka Karjalainen	Plant Manager	1983	2017
Antti Lilleberg	Vice President, Sales & Marketing	1978	2020

Presentation of the members of the management team

CEO 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, Plant Manager and Vice President at Valmet Corporation.

CFO Heikki Timonen, born 4 November 1967, M.Sc. in Economics & Business.

Heikki Timonen has been the CFO of Savosolar since 12 April 2019. He has more than 20 years of experience in diverse financial management leadership roles. Prior to Savosolar, Timonen worked at Serres Group Oy as the Group's CFO from 2012 to 2019, responsible for the Group's finances, administration, and ICT. Timonen served as Serres Oy's CFO from 2009 to 2011 and is serving as secretary to the Board of Directors of Serres companies since 2011. Previously, Timonen has worked for Exel Composites Oyj, Oy Rettig Ab, Danisco A/S and Cultor Oyj.

COO Martti Jalava, born 13 September 1966, M.Sc. (Eng.).

Martti Jalava has been Savosolar's Chief Operating Officer since 1 January 2020. Prior to that, he has served as Director of Operations Development for approximately 1.5 years. He has more than 25 years of experience in diverse management positions in the international manufacturing industry. Prior to Savosolar, Jalava has worked in management positions at numerous different companies, such as Imatra Steel Oy, Fiskars Oyj, Fibox Oy, and has worked as a rental manager in companies such as Konecranes Oyj and AP&T Ab. Jalava has also advised companies such as Outokumpu Oyj, Stora Enso Oyj and Perlos Oyj on operational matters.

China Country Manager Raul Ikonen, born 16 June 1969, M.Sc. in Economics & Business.

Raul Ikonen is an experienced financial management professional, who has worked e.g., in KPMG and in several country units of UPM. Raul Ikonen was 12 years at UPM (China) Ltd. in Shanghai, where his latest position was Vice President of Finance. Ikonen took over as Savosolar's country manager in China on 1 May 2019. Prior to that, Ikonen served as Savosolar's CFO from November 2018 to April 2019.

Director, Senior Advisor Kaj Pischow, born 26 January 1947, studies in Mathematics, Physics & Physical Metallurgy

Founder and Senior Advisor since August 2018 of Savosolar. Kaj Pischow 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.

CTO Torben Frederiksen, born 28 March 1972, M.Sc. (Eng.).

Torben Frederiksen re-joined Savosolar in 2018 after being from autumn 2016 the CTO at Falck Schmidt Defence Systems A/S. Between 2014 and 2016 Torben Frederiksen was working for Savosolar developing the large area collector and managing our three first large solar thermal system delivery projects in Denmark as project manager. Before that Torben Frederiksen worked as Head of R&D at Sunmark A/S, an international Danish large scale solar thermal system supplier and before that several years for Danfoss A/S in various product development and leadership positions.

Plant Manager Pekka Karjalainen, born 30 September 1983, M.Sc. (Mechanical Engineering)

Pekka Karjalainen joined Savosolar in January 2016 and has been a member of the Company's management group since December 2016. He has been acting as a Plant Manager since February 2021 and before that more than five years as a quality engineer and the Head of Quality. Previously he has worked as a designer inter alia at ABB Oy.

VP, Sales and Marketing Antti Lilleberg, born 19 July 1978, B.Eng. and MBA.

Antti Lilleberg has extensive experience in international sales and marketing management and development positions, as well as in consulting. Lilleberg will join Savosolar from Ariterm Service Oy, where he was the director responsible for sales and marketing. Lilleberg has previously worked for Biohit Oyj, Sartorius AG and the Rejlers Group.

Further information about the Board of Directors and other management

During a period of five years from the date of this Prospectus (including the date of the Prospectus), no member of the Company's Board of Directors or member of the management team:

- has been convicted for fraudulent offences
- has faced official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of the Company, or any company, or from acting in the management or conduct of the affairs of any company.

There are no family ties between the members of the Board of Directors and the management team.

Remuneration and benefits

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

For the financial years ended 31 December 2019 and 31 December 2020 the members of the Board of Directors and management team were paid remuneration (including any contingent or deferred compensation) and benefits in kind as follows:

The Board of Directors	2020	2019
Eero Auranne	16.7	10.8
Feodor Aminoff	11.3	21.6
Mikael Lemström	9.2	10.8
Ari Virtanen	9.2	10.8
Management team	2020	2019
Jari Varjotie	128.8	140.9
Other members (total)	546.3	547.5

No service agreements or pension arrangements have been entered into between the Company and the members of the Board of Directors or the members of the management team (CEO included). There have been no significant changes in the remuneration and benefits for the members of the Board of Directors or the management team (including the CEO) between the end of the financial year ended 31 December 2020 and the date of this Prospectus.

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

The below table sets out the holdings of shares in the Company as well as rights entitling to shares by the members of the Board of Directors and the management team of the Company on the date of this Prospectus.

	Shares	Voting right, %
Members of the Board of Directors		
Eero Auranne	108,242	0.1237
Feodor Aminoff	74,157	0.0847
Mikael Lemström	86,088	0.0984
Ari Virtanen	72,512	0.0828
Management team		
Jari Varjotie	47,786	0.0546
Heikki Timonen	62,500	0.0714
Kaj Pischow	1,920	0.0022
Pekka Karjalainen	29	0.0000
Johtoryhmä ja hallitus yhteensä	349,339	0.3991

Financial information and key performance indicators

Important background information

The Company's financial statements as at and for the financial years ended 31 December 2020 and 31 December 2019 as well as the half-year report for the period ended 30 June 2021 have been incorporated in this Prospectus by reference as set forth below. The Company's audited financial statements as at and for the years ended 31 December 2019 and 31 December 2020 have been prepared in accordance with the Finnish Accounting Standards ("FAS").

The Company's audited financial statements as at and for the years ended 31 December 2020 and 31 December 2019 have been prepared on the going concern basis, which assumes that Savosolar will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company estimates that it does not have enough working capital to meet its current needs i.e., for a period of at least 12 months as of the date of these financial statements (see "*Working capital statement*" in the Prospectus and "*Emphasis of matters*" in the auditor's reports 2020 and 2019).

The financial information presented in this section should be read in conjunction with audited financial statements incorporated by reference in this Prospectus as follows:

Savosolar Oyj – Half year report for January-June 2021 (FAS, unaudited)	Pages
Half-year report	1–11
Key financials and financial information (including income statement, balance sheet, cash flow statement and notes)	12–17
Available at: https://savosolar.com/news-media/financial-reports/	
Savosolar Oyj – Financial statements 2020 (FAS, audited)	Pages
Report of the Board of Directors	2–12
Financial statements (including income statement, balance sheet, cash flow statement and notes)	13–24
Auditor's report	25–26
Available at: https://savosolar.com/news-media/annual-reports/	
Savosolar Oyj – Financial statements 2019 (FAS, audited)	Pages
Report of the Board of Directors	2–13
Financial statements (including income statement, balance sheet, cash flow statement and notes)	14–26
Auditor's report	27–28
Available at: https://savosolar.com/news-media/annual-reports/	
Savosolar Oyj's Articles of Association	
Available at: https://savosolar.com/investor-relations/governance/	

Apart from the audited financial statements specified above, the Company's auditor has not audited any other information in this Prospectus.

To the extent that this section (and, where applicable, other sections) contains statements using the words "anticipates", "assumes", "believes", "expects", "will", "intends", "may", "plans", "should" and similar expressions, these forward-looking statements may not be based on historical facts but are statements about future expectations. These statements include information on the future results, 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, and are subject to various risks and uncertainties. Investor should not rely on these forward-looking statements. The actual results of operations or financial condition of the Company may differ materially from those expressed or implied in the 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.

The figures presented in this section and in other sections in the 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.

Alternative performance measures

In this section, the Company presents certain alternative performance measures of historical financial performance and financial position (“**Alternative Performance Measures**”) which are not accounting measures defined or named in FAS to as set forth in the guidance of the European Securities and Markets Authority “**ESMA**” regarding alternative performance measures. Such Alternative Performance Measures are equity ratio, earnings per share, EBITDA, and profitability-based relative ratios.

Such Alternative Performance Measures are presented as additional information for the measures presented in the income statements, balance sheets and cash flow statements of the Company prepared in accordance with FAS. According to the Company’s view, equity ratio provides significant and useful information about the financial position of the Company for the management, investors and market analysts and is widely recognized by analysts, investors, and other relevant parties. According to the Company’s view, earnings per share provides insight how the revenues of the Company are divided amongst its owners.

The Alternative Performance Measures should not be considered or reviewed in isolation or a substitute to the measures under the FAS. Not all companies calculate the alternative performance measures in uniform way, and hence the Alternative Performance Measures set forth in this Prospectus are not comparative with other similarly named measures by other companies.

The Alternative Performance Measures are unaudited.

Key performance indicators of the Company

EUR thousand	H1 2021 2021-01-01- 2021-06-30	H1 2020 2020-01-01- 2020-06-30	2020 2020-01-01- 2020-12-31	2019 2019-01-01- 2019-12-31
Key financials for the income statement				
(Unaudited, unless otherwise indicated)				
Revenue	1,627	2,043	5,117 ³⁹	3,415 ³⁸
EBITDA*	-2,001	-1,466	-3,410	-4,375
EBITDA-margin (%)	-123 %	-72 %	-67 %	-128 %
Operating profit / (-loss) (EBIT)	-2,201	-1,717	-3,897 ³⁸	-4,999 ³⁸
Operating profit margin (%)	-135 %	-84 %	-76 %	-146 %
Net profit (loss)	-2,333	-2,564	-4,977 ³⁸	-6,760 ³⁸
Net profit (Loss) -margin (%)	-143 %	-126 %	-97 %	-198 %
Key financials for the capital structure				
Equity capital, EUR thousand	3,717	5,397	4,659 ⁴⁰	3,592 ⁴⁰
Equity ratio ⁴¹	72.6 %	67.6 %	70.7 %	61.8 %

³⁹ Audited

⁴⁰ Audited

⁴¹ In the calculation of the equity ratio, capital loans have been included in the equity.

Data per share				
Number of shares ⁴²	77,440,623	48,332,595	62,941,992	17,232,653
Average number of shares ⁴²	40,187,227	20,013,908	30,890,608	11,567,012
Equity per share, EUR	0.048	0.112	0.074	(0.208)
Earnings per share, EUR	-0.058	-0.128	-0.161	(-0.584)
Personnel				
Average number of employees	36	38	35	34

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

EUR thousand				
(Unaudited, unless otherwise indicated)				
EBIT	-2,201	-1,717	-3,897 ⁴³	-4,999 ⁴³
Depreciation, amortisation, and write-downs	200	251	488 ⁴³	624 ⁴³
EBITDA	-2,001	-1,466	-3,410	-4,375

Revenue

The Company's revenue for the financial year 2020 was EUR 5,117 (3,145) thousand, of which EUR 4,728 (3,008) thousand was net sales according to the stage of completion and 387 (408) thousand were other revenue. Savosolar's revenue for the period January-June 2021 decreased by 20.3 per cent and amounted to EUR 1,627 (2,043) thousand.

The development of the Company's revenue in July-December 2020 and in January-June 2021 fell short of expectations. It was affected by the postponement of several customers' investment decisions during the Covid pandemic in 2020, in addition to which many European players were left waiting for the EU's Green Deal clean energy programs in their investments. The first Green Deal program opened at the end of April 2021, and the first national support programs in the summer of 2021. It is typical of project business that revenue from partial revenue recognition for individual quarters and half-years can vary greatly depending on the delivery stages of the projects.

Significant changes in the Company's financial position

The subscription period for shares based on Savosolar Oyj's warrants of series 3-2020 ended on 17 September 2021. Based on the warrants, 10,089,389 new shares were subscribed for, and the Company received approximately EUR 0.71 million in new capital before expenses. Approximately 70 per cent of the warrants were used to subscribe for shares.

There have been no other significant changes in the Company's financial position between the end of the half-year period ended 30 June 2021 and the date of this Prospectus.

Dividend policy

The Company has not paid dividend based on the financial statements as of 31 December 2020, 31 December 2019 or otherwise prior to the date of this Prospectus. In the forthcoming years, the Company will focus on financing the growth and the development of its business and the Company will adhere to a very stringent dividend policy, tied to the Company's results and financial standing. The Company does not expect to be able to distribute dividends in the near future. In the event dividends are distributed, all shares of the Company will be entitled to equal dividends.

Material loans of the Company

Product development loans

Business Finland 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

⁴² The number of shares decreased during the financial period in a ratio of 100:1 as a result of the combination of shares. Earnings per share and the number of shares has been calculated on the assumption that the reduction in the number of shares registered on 29 April 2020 would have taken place on 31 December 2019. The figures shown in the table for 2019 are comparable figures. The actual number of shares in 2019 was 1,723,265,358.

⁴³ Audited

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 366.3 thousand has been drawn down, of which the first instalment of EUR 123.5 thousand has been repaid in March 2021. The project has been granted an extension until 31 December 2021. The amount of product development loan on the date of the Prospectus is EUR 242.8 thousand. The interest rate on the loan is currently 1 per cent. The remaining instalments of the loan are 8 March 2022: EUR 123.5 thousand and 8 March 2023: EUR 119.3 thousand.

Bank guarantees and counter guarantees

On 31 August 2021, the Company had bank guarantees for prepayments, delivery times and warranty periods, which were issued to project customers totalling EUR 664.4 thousand, in pledged deposits EUR 283.9 thousand, EUR 2.4 thousand in rental collateral deposits and EUR 2.4 thousand in other collateral provided.

On 31 December 2020, the Company had bank guarantees for prepayments, delivery times and warranty periods, which were issued to project customers totalling EUR 926.6 thousand, in pledged deposits EUR 526.5 thousand, EUR 2.4 thousand in rental collateral deposits and EUR 2.4 thousand in other collateral provided.

On 31 December 2019, the Company had bank guarantees for prepayments, delivery times and warranty periods, which were issued to project customers totalling EUR 1,600.4 thousand, in pledged deposits EUR 800,3 thousand, EUR 2.4 thousand in rental collateral deposits and EUR 2.4 thousand in other collateral provided.

Deviations in the auditor's reports

The following audit reports regarding the Company's financial statements for the financial years ended on 31 December 2020 and 31 December 2019 deviate from the standard design:

Financial Statements 2019: Material Uncertainty Related to Going Concern

We draw attention to the notes in financial statement and the annual report, section "Common risks and uncertainties in business", according to which, based on the current level of costs, maturity of the Company's loans 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 2020: Material Uncertainty Related to Going Concern

We draw attention to the notes in the financial statements and the report of the board of directors, section "General risks and uncertainty factors concerning operations", according to which, the Company cannot be certain that it will have sufficient working capital for the next 12 months. 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.

Information on shareholders and legal issues

Major shareholders

Based on the latest information provided by Euroclear Finland and Euroclear Sweden to the Company on the Company's shareholders (as of 29 September 2021 for Euroclear Finland and 30 June 2021 for Euroclear Sweden), no shareholder directly or indirectly owns at least five (5) percent of all Company shares or votes. The Company does not know that such ownership would exist at the date of the Prospectus. The Company has one series of shares. Each share entitles its holder to one vote at the Company's Annual General Meeting. The Company's management is not able to estimate the actual number of shares and votes of the holders of nominee-registered shares.

The Company is not aware that any shareholder has control over the Company. The Company is also not aware of any arrangements that could lead to a change of control in the Company in the future.

Legal proceedings and arbitrations

Sunti SAS issued a summon for Savosolar to attend the court of justice in Montpellier following Savosolar's alleged breach of contract. In the summons, Sunti SAS claimed that Savosolar had 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 claimed in the summons for a total amount of approximately EUR 2.0 million in damages for the alleged breach of contract from Savosolar. Savosolar considered Sunti SAS's claims for compensation to be without just cause. Savosolar and Sunti SAS entered into a settlement agreement where the parties have agreed that neither party will make an appeal against the resolution made by the Commercial Court of Montpellier on 23 December 2020. The final amount of damages and accrued interest payable by Savosolar to Sunti SAS was in total approximately EUR 137,000, which is paid.

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.

Conflicts of interest

The conflicts of interest of the management of Finnish companies are regulated in the Companies Act. Pursuant to the disqualification rule in chapter 6 section 4 of the Companies Act, a member of the Board of Directors shall not participate in the consideration of a matter pertaining to a contract between the member and the Company. A member of the Board of Directors shall likewise not participate in the consideration of a matter pertaining to a contract between the Company and a third party, if the member is to derive an essential benefit in the matter and that benefit may be contrary to the interests of the Company. The above-mentioned disqualification provision shall respectively be applied to other legal acts and court proceedings as well as to other exercise of right of action. The same provisions are applied to the managing director.

The members of the Board of Directors, the managing director or other members of the management team do not have conflicts of interests between their tasks in relation to the Company and their private interests or other duties, and none of them has been appointed to their position in the Company pursuant to an arrangement or understanding with major shareholders, customers, suppliers or others.

Related party transactions

Savosolar's related parties set forth in the international accounting standards issued pursuant to Regulation (EY) N:o 1606/2002 include Savosolar's subsidiaries, the members of Savosolar's Board of Directors, the managing director, the members of Savosolar's management team and shareholders who 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.

Further information on the remuneration and benefits of the members of the Board of Directors and the management team for the financial years which ended 31 December 2020 and 31 December 2019 is presented in the section "*Board of Directors and other management – Remuneration and benefits*".

In the financial years ended 31 December 2020 or 31 December 2019 or in the current financial year, as of the date of the Prospectus, the Company has not had any other significant related party transactions than the ones referred to above.

Material contracts

During the financial year preceding the date of the Prospectus and during the current financial year, the Company has entered into the following significant contracts:

In February 2020, Savosolar signed a contract for the supply of a solar thermal system worth more than EUR 1.3 million with the French subsidiary La Francaise de l'Energie (LFDE) in Creutzwald, France. The system has not yet been finally handed over, but the solar thermal plant is technically complete and has produced clean heat for the customer throughout the spring.

In April 2020, Savosolar agreed to supply an approximately 900 square meter solar thermal system for AbSOLAR SAS's pilot project in the city of Cadaujac in France. The agreement was signed in January 2021. The value of Savosolar's delivery is approximately EUR 0.3 million. Savosolar also has an exclusive agreement for the design and supply of AbSOLAR's second solar thermal power plant for greenhouse energy production. The project has not yet been handed over.

In the second half of 2020, Savosolar signed agreements for the supply of two solar heating systems to NewHeat SAS in France. The value of the Narbonne City Solar Heating Plant for Savosolar is approximately EUR 0.9 million and the value of Pons is approximately EUR 0.7 million. The projects have not yet been handed over.

In October 2020, Savosolar signed an agreement with the Polish company Eko Eko for the sale, marketing, and delivery of large solar heating systems in Poland. Eko Eko's, located in Olecko, Poland, main focus in the Polish market is sales and partner management in delivery projects.

In October 2020, Savosolar signed a cooperation agreement with the German company CitrinSolar GmbH for sales, marketing and project deliveries in the German market. Savosolar and Citrinsolar cooperate in the sale and supply of large solar heating systems. In medium and smaller solar heating systems, both district heating and industrial, Citrinsolar operates independently, using Savosolar's collector technology as the core of its offerings.

In Finland, Savosolar received an order in November 2020 from Etelä-Savon Energia Oy for a solar heating system worth approximately EUR 0.2 million. The project has not yet been handed over.

In May 2021, Savosolar signed a supply agreement with the Guangzhou Power Supply Bureau, Guangdong Power Grid Co., Ltd, to supply a solar heating system to Guangzhou, China. The value of the pilot system to be delivered is approximately EUR 0.5 million. The project has not yet been handed over.

In addition to the above agreements, the Company has not entered into any other significant agreements, i.e., agreements entered into other than in the ordinary course of business, to which the Company or its subsidiary is a party during the financial year preceding the date of the Prospectus or the current financial year.

The Company's share capital, shares as well as options and other rights to shares

Share capital

On the date of this Prospectus, the Company's share capital amounts to EUR 470,210.00. As of 31 December 2018, 31 December 2019 and 31 December 2020, the share capital was the same i.e., EUR 470,210.00.

Shares

The Company's shares have no nominal value. Savosolar one series of shares with the ISIN code FI4000425848. The shares have been issued in euros according to Finnish law.

As of the date of this Prospectus, Savosolar does not hold any treasury shares and its subsidiaries does not own any shares in Savosolar.

The following table shows the number of shares issued by the Company on 31 December 2018, 31 December 2019, 31 December 2020 and as of the date of this Prospectus. On these dates the issued shares have been fully paid and registered in the Trade Register:

Date	Shares (number)
31 December 2018	352,538,414
31 December 2019	1,723,265,358
31 December 2020	62,941,992
30 June 2021	77,440,277
Date of the Prospectus	87,530,012

During the financial year ended 31 December 2019, the number of shares increased as a result of a rights issue, directed share issues and shares subscribed with warrants.

In the financial year ended 31 December 2020, the number of shares decreased in the spring of 2020 in a ratio 100:1 as a result of the combination of shares. The number of shares increased as a result of a rights issue, directed share issues and shares subscribed with warrants.

From 1 January to 30 June 2021, the number of shares increased as a result of shares subscribed with warrants and directed share issues.

After 30 June 2021, the number of shares has increased as a result of shares subscribed for with warrants.

Outstanding authorisations

Authorisations granted by the Extraordinary General Meeting on 1 October 2021

On 1 October 2021, the Company's Extraordinary General Meeting resolved to authorise the Board of Directors to decide, in one or more transactions, on the issuance of shares and the issuance of options and other special rights entitling to shares referred to in Chapter 10 Section 1 of the Companies Act as follows:

The number of shares to be issued based on the authorisation may in total amount to a maximum of 275,000,000 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 shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue), if there is a weighty financial reason for the Company.

Shares may be conveyed either against payment or free of charge in the Company's share issues. A directed share issue may be a share issue without payment only if there is an especially weighty reason for the same both for the Company and in regard to the interests of all shareholders in the Company.

The authorization is valid until 30 September 2026, and it replaces the authorisation granted by the Annual General Meeting on 27 April 2020.

Option rights and other special rights

Besides the Warrants TO8, TO9 and TO10, the Company has no issued options other special rights to shares.

Available documents

The following documents will be available on the Company's website <https://www.savosolar.com/investors/rights-issue-2021>, and copies will be available during normal business hours at the Company's headquarters at Insinöörinkatu 7, 50150 Mikkeli:

- Articles of association of the Company as registered at the date of this Prospectus.
- The Company's half-year report for the period ended 30 June 2021 (unaudited)
- The Company's financial statements 2020 (audited), which includes:
 - o The report by the Board of Directors; and
 - o The auditor's report on the financial statements.
- The Company's financial statements 2019 (audited), which includes:
 - o The report by the Board of Directors; and
 - o The auditor's report on the financial statements.
-

Due to COVID-19 precautionary measures, investors are requested to be in contact with the Company by telephone (number is +358 10 271 0810) before possible visit to Savosolar's headquarters.