



Rights issue
Up to 1,057,615,242 shares
Subscription price EUR 0.005 or SEK 0.05 per share

Savosolar Plc ("Savosolar" or the "Company"), a public limited liability company registered in Finland, is offering up to 1,057,615,242 new shares (the "Offer Shares") in a rights issue, against consideration, based on the shareholders' preferential subscription right at the subscription price of EUR 0.005 or SEK 0.05 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 75.00 per cent of all shares in the Company (the "Shares") should the Offering be subscribed for in its entirety.

Savosolar will give all shareholders registered in Savosolar's shareholder register maintained by Euroclear Finland Ltd ("Euroclear Finland") or Euroclear Sweden Ltd ("Euroclear Sweden") one (1) book-entry subscription right (the "Subscription Right") per each share held on the Offering record date of 26 February 2019 (the "Record Date"). One (1) Subscription Right entitles their holder to subscribe for three (3) Offer Shares. Fractions of Offer Shares are not assigned and a single Subscription Right may not be exercised only partially. The Subscription Rights will be registered in shareholders' book-entry accounts in the book-entry system maintained by Euroclear Finland approximately on 27 February 2019 and in the book-entry system maintained by Euroclear Sweden approximately on 28 February 2019. The Subscription Rights can be freely assigned and they will be traded on the First North Finland marketplace ("First North Finland") maintained by Nasdaq Helsinki Ltd ("Helsinki Stock Exchange") (trading symbol SAVOHU0119, ISIN: FI4000369731) and the First North Sweden marketplace ("First North Sweden") maintained by Nasdaq Stockholm AB ("Stockholm Stock Exchange") (trading symbol SAVOS TR, ISIN: SE0012256774) between 1 March 2019 and 13 March 2019. The subscription period for the Offer Shares will commence on 1 March 2019 at 9:30 a.m. Finnish time (8:30 a.m. Swedish time) and will end on 19 March 2019 at 4:30 p.m. Finnish time (3:30 p.m. Swedish time) in Finland and on 15 March 2019 at 4:30 p.m. Finnish time (3:30 p.m. Swedish time) in Sweden. Practical instructions on the exercising of the Subscription Rights and the subscription of the Offer Shares are contained "Instructions to investors". Unexercised Subscription Rights will expire and have no value on 19 March 2019 at 4:30 p.m. Finnish time (3:30 p.m. Swedish time) in Finland and on 15 March 2019 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 SAVOHN0119, ISIN: FI4000369749) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0012256782) as their own special share class on approximately 15 March 2019. 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 3 April 2019 and in the book-entry system maintained by Euroclear Sweden approximately on 10 April 2019. The Offer Shares will be subject to trading together with the Company's existing shares approximately on 3 April 2019 on First North Finland and approximately on 10 April 2019 on First North Sweden.

In addition, Savosolar will issue a maximum of 352,538,414 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 352,538,414 new shares of the Company. The Warrants will be issued in the following manner: the subscriber will receive one (1) Warrant per each three (3) subscribed and paid Offer Shares, the subscription of which the Board of Directors has approved. Fractions of the Warrants will not be issued. The subscription period of the shares to be subscribed for based on the Warrants will be 25 November 2019 – 9 December 2019. The share subscription price is determined by the volume weighted average price of the Company's share on First North Finland between 11 November 2019 and 22 November 2019, with an applied discount of 30 per cent. The subscription price, however, is at least EUR 0.005 and at most EUR 0.01 per share. The shares to be subscribed for based on the Warrants are delivered through Euroclear Sweden will be payable in Swedish krona. The Swedish krona-denominated subscription price will be determined using the EURSEK forward rate on 22 November 2019. 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 1-2019". 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 15, 2019. The ISIN code of the Warrants is FI4000369756. The Company intends to file an application to the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the Warrants on First North Sweden and First North Finland. The trading symbol is expected to be SAVOS TO4 on First North Sweden and SAVIHEW119 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 15, 2019.

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

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

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

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

Financial adviser

MANGOLD™

Information in the Prospectus

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

In connection with the Offering, the Company has prepared a Finnish-language prospectus (the “Finnish-language Prospectus”) in accordance with the Finnish Securities Markets Act (746/2012, as amended, the “Finnish Securities Markets Act”), Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended (the “Prospectus Regulation”) (Annexes III, XII, XIV, XXII and XXV) implementing Directive 2003/71/EC (the “Prospectus Directive”) of the European Parliament and of the Council, as amended, as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, the Finnish Ministry of Finance Decree on prospectuses referred to in Chapters 3 to 5 of the Finnish Securities Markets Act (1019/2012) and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the “Finnish FSA”). The Finnish FSA has approved the Finnish-language Prospectus; however, it is not responsible for the accuracy of the information presented therein or herein. The register number of the Finnish FSA's approval of the Finnish-language Prospectus is FIVA 3/02.05.04/2019. In accordance with the Prospectus Directive, a Swedish-language summary together with a English-language translation of the Finnish-language Prospectus and the material incorporated by reference to the Prospectus will be passported by way of notification to the Swedish Financial Supervisory Authority (in Swedish: Finansinspektionen) (the “Swedish FSA”) for use in Sweden. The Company is responsible for the translations of the Prospectus and the documents incorporated by reference thereto.

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

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

The Prospectus is available as of 22 February 2019 on the website of the Company (www.savosolar.com/rights-issue-2019) and on the website of Mangold Fondkommission AB (www.mangold.se). The printed Prospectus is available at the head office of the Company at Insinöörinkatu 7, 50150 Mikkeli, Finland.

Notice to investors

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

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

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

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

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ARTICLES OF ASSOCIATION1

Summary of the Prospectus

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

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

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

Section A – Introduction and warnings

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

Section B – The Company

B.1	Legal and commercial name	Savosolar Oyj, in Swedish Savosolar Abp and in English Savosolar Plc.
B.2	Domicile, legal form, legislation and country of incorporation	The Company is headquartered in Mikkeli, Finland. The Company is a public limited liability company incorporated under the laws of Finland.
B.3	Current operations and principal activities	<p>Savosolar is a Finnish public limited liability company that manufactures internationally award-winning solar thermal absorbers, collectors as well as energy production systems built on these. According to the knowledge of the Company’s management the solar thermal collectors with MPE absorbers manufactured by Savosolar are the most efficient in the world. Savosolar focuses primarily on large solar thermal collectors and industrial-size heating systems. The Company started product deliveries in June 2011 and has since inception delivered over 75,000 m² of collectors to its customers in 18 countries on four continents. The uniqueness of the Company’s products is based on a vacuum coating process where the complete absorber structure is coated at once. This means that thin-walled aluminium profiles, which are very effective heat exchangers and with which therefore an effective direct flow of heat transfer can be achieved, can be used. The Savosolar team has extensive know-how and experience in vacuum coating techniques as well as in international sales and business management. In its manufacturing processes the Company uses the developed technologies and the quality system meets the ISO 9000 requirements. The Company aims to expand its business rapidly and supports its customers in reaching their environmental and business targets by significantly reducing their energy costs. Savosolar constantly invests in product development in order to maintain the best solutions for the growing renewable energy market.</p> <p>The Company’s main products are large solar thermal collectors, and especially solar thermal systems made with these. The collector’s core component is an absorber, which Savosolar also sells separately to certain customers.</p> <p>At the moment Savosolar produces all of its collectors and MPE-absorbers in its own plant which is located in Mikkeli, Finland.</p>
B.4a	Significant recent trends affecting the Company and the industry in which it operates	The focus on renewable heat solutions is increasing within the energy market, partly as a consequence of the rapid growth of the renewable electricity production market. Heating and cooling stands for approximately 50 per cent of the total energy market, and the way it is produced is a major contributor to pollution of air, water and earth. The aim is to increase the share of district heating everywhere because it’s the most economical and ecological way to generate and distribute thermal energy.

		<p>Heat is conventionally produced in cogeneration or combined heat and power (CHP) plants typically using coal, petroleum or natural gas, reaching at best 80 per cent efficiency of which approximately half is heat and half is electricity. In some plants biomass or municipal waste is used as fuel. When photovoltaic and wind production of electricity has increased the CHP station capacity has partly become superfluous and the demand fluctuates in accordance with sunshine and wind conditions. This has diminished the heat supply and partly made CHP unprofitable, and solutions are sought among other sources by building heating plants using biofuels and waste, which are connected to various other renewable energy sources depending on the location and need. Solar thermal, as a completely clean and post-investment almost free energy source is in many cases the most interesting alternative, as long as the required land or roof area is available.</p> <p>The impact of climate change is becoming increasingly evident globally. As a result, work is being done all over the world to reduce emissions, both by governments and by the general society. In January 2018, The European weather forecasting ECMWF-center presented the global temperature changes for 136 years. According to them, year 2016 was the warmest year in the history of measuring it, and ten (10) of the warmest years in the history of measuring have been after the year 2000. The year 2015 was already the warmest as long as measurements have been conducted and the overall rise in 2016 was 0.2 degrees. Ambitious targets for emission reductions have been set around the globe and the objectives of the 2017 Paris climate agreement emphasise the importance of limiting the rise in temperature for the planet and living beings.</p> <p>The use of solar thermal energy is still growing rapidly in water heating in areas where there is a lot of sun, such as in India, Africa and China. In many African countries there are laws in force that all hot water in real estate is to be made by renewable energies, such as solar thermal heat. In small water heating systems, photovoltaic power will gain ground in the future due to its simplicity and reduced panel prices. As a whole, the fastest growing segments of solar thermal are large scale solar thermal applications like solar thermal district heating, industrial process solar thermal heat and energy renovations of large multi-story buildings. The reason for this is that large-scale solar thermal applications are, in comparison to smaller solar thermal applications, more cost effective and reduce emissions faster. Examples of this development are seen in China, Africa and India in addition to Europe.</p>																																										
B.5	Group structure	Savosolar has fully-owned subsidiaries in Denmark (Savosolar ApS) and Germany (Savosolar GmbH). In addition, Savosolar owns 55.0 per cent of the shares in Savolaser Oy, which is currently a dormant company. The rest of the company's shares are owned by Veslatec Oy.																																										
B.6	Major shareholders	<p>The Company's largest shareholders as of 10 January 2019 are as below. According to the information available to the Company, there have been no significant changes to the ownership structure as of the date of the Prospectus.</p> <table border="1"> <thead> <tr> <th>Shareholder</th> <th>Number of shares</th> <th>% of all the shares and votes</th> </tr> </thead> <tbody> <tr> <td>WIRTWAY INVEST AB (PUBL)</td> <td>11,000,000</td> <td>3.12</td> </tr> <tr> <td>HANNOLA, HANNU JUHANI</td> <td>4,228,768</td> <td>1.20</td> </tr> <tr> <td>GEUST, NIKLAS</td> <td>4,204,537</td> <td>1.19</td> </tr> <tr> <td>BEMAZE GROUP AB</td> <td>3,500,000</td> <td>0.99</td> </tr> <tr> <td>JORTIKKA, PEKKA TAPANI</td> <td>3,167,693</td> <td>0.90</td> </tr> <tr> <td>CHOUHA, TONY</td> <td>2,500,000</td> <td>0.71</td> </tr> <tr> <td>HÄMÄLÄINEN, SAMI PETTERI</td> <td>2,410,000</td> <td>0.68</td> </tr> <tr> <td>CRONER, ERIC</td> <td>2,250,500</td> <td>0.64</td> </tr> <tr> <td>MUHONEN, ANTTI</td> <td>2,032,542</td> <td>0.58</td> </tr> <tr> <td>VICTORIN, JAKOB</td> <td>2,000,000</td> <td>0.57</td> </tr> <tr> <td>JOKINEN, JUKKA ERKKI</td> <td>2,000,000</td> <td>0.57</td> </tr> <tr> <td>Other shareholders</td> <td>313,244,374</td> <td>88.85</td> </tr> <tr> <td>Total</td> <td>352,538,414</td> <td>100.0</td> </tr> </tbody> </table>	Shareholder	Number of shares	% of all the shares and votes	WIRTWAY INVEST AB (PUBL)	11,000,000	3.12	HANNOLA, HANNU JUHANI	4,228,768	1.20	GEUST, NIKLAS	4,204,537	1.19	BEMAZE GROUP AB	3,500,000	0.99	JORTIKKA, PEKKA TAPANI	3,167,693	0.90	CHOUHA, TONY	2,500,000	0.71	HÄMÄLÄINEN, SAMI PETTERI	2,410,000	0.68	CRONER, ERIC	2,250,500	0.64	MUHONEN, ANTTI	2,032,542	0.58	VICTORIN, JAKOB	2,000,000	0.57	JOKINEN, JUKKA ERKKI	2,000,000	0.57	Other shareholders	313,244,374	88.85	Total	352,538,414	100.0
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	Different voting rights	Not applicable. All shares have one (1) vote.																																										
	Authority	Not applicable. As far as the Company knows, it is not directly or indirectly owned or controlled by someone.																																										
B.7	Selected historical key financial information and description of significant changes in the financial position and operating results during the period covered by the historical information and thereafter	<p>The following tables present selected financial statement information and other information of the Company for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016. The summary presented below is based on the audited financial statements for the financial year ended 31 December 2017 and the restated audited financial statements for the financial year ended 31 December 2016 as well as the unaudited financial statement information for the financial year ended 31 December 2018.</p> <p>The financial information presented in the tables below for the financial year ended 31 December 2016 differs from the historical financial information presented in the audited financial statements approved by the Company's statutory general meeting. The income statement, balance sheet and cash flow statement included in the financial statements for the financial year ended 31 December 2016 have been adjusted by including a project charge of EUR 211.5 thousand, which was not included in the statutory financial statements for the financial year ended 31 December 2016. The financial information presented in the following tables for the financial year ended 31 December 2016 have been retrospectively adjusted for the above.</p> <p>Savosolar is a small accounting firm according to 1:4a § of the Finnish Accounting Act and including subsidiaries a small accounting entity according to 1:6a § of the Finnish Accounting Act. The Company has not had the obligation to prepare consolidated financial statements for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016.</p>																																										

Income statement			
EUR thousand	1 January 2018 - 31 December 2018	1 January 2017 - 31 December 2017	1 January 2016 - 31 December 2016
	FAS (unaudited)	FAS (audited)	FAS (audited)
Revenue	5,632.9	830.9	5,404.8
Other operating income	9.0	24.4	0.9
<i>Materials and services</i>			
Material, supplies and goods			
Purchases	-3,011.0	-841.7	-3,975.7
Inventory increase / decrease	-50.0	505.2	98.8
External services	-2,726.9	-415.1	-1,417.6
Total materials and services	-5,788.0	-751.6	-5,294.6
<i>Personnel expenses</i>			
Wages and salaries	-1,608.9	-1,550.6	-1,712.0
Social security expenses			
Pension expenses	-268.1	-242.7	-321.3
Other personnel expenses	-54.8	-37.0	-103.7
Total personnel expenses	-1,931.8	-1,830.3	-2,137.0
Depreciation, amortisation and impairment	-718.7	-761.6	-617.4
Other operating expenses	-2,577.6	-2,364.8	-1,878.8
OPERATING PROFIT (LOSS)	-5,374.2	-4,853.1	-4,522.1
<i>Financial income and expenses</i>			
Interest and other financial income	23.3	13.8	0.3
Interest and other financial expenses	-1,072.4	-824.2	-1,165.0
Total financial income and expense	-1,049.1	-810.4	-1,164.7
PROFIT (LOSS)	-6,423.3	-5,663.5	-5,686.8
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-6,423.3	-5,663.5	-5,686.8
NET PROFIT (LOSS)	-6,423.3	-5,663.5	-5,686.8
Balance sheet			
EUR thousand	31 December 2018	31 December 2017	31 December 2016
	FAS (unaudited)	FAS (audited)	FAS (audited)
ASSETS			
<i>NON-CURRENT ASSETS</i>			
<i>Intangible assets</i>			
Development costs	979.7	1,081.6	1,288.2
Intangible rights	138.7	159.8	181.0
Other long-term expenses	229.6	386.4	520.0
Total intangible assets	1,347.9	1,627.8	1,989.1
<i>Property, plant and equipment</i>			
Machinery and equipment	854.4	1,130.3	1,348.7
Total tangible assets	854.4	1,130.3	1,348.7
<i>Investments</i>			
Shares in group companies	161.9	161.9	133.9
TOTAL NON-CURRENT ASSETS	2,363.8	2,920.0	3,471.7
<i>CURRENT ASSETS</i>			
<i>Inventories</i>			
Materials and supplies	731.5	419.5	490.6
Work in progress	19.3	5.7	0.0
Finished goods	194.9	570.6	0.0
Advance payments	35.8	-	-
Total inventories	981.6	995.8	490.6
<i>Long-term receivables</i>			
Other receivables	504.1	221.9	140.8

Total long-term receivables	504.1	221.9	140.8
<i>Short-term receivables</i>			
Accounts receivable	62.9	49.3	260.8
Receivables from associated companies	0.8	-	-
Other receivables	460.3	43.2	143.9
Prepaid expenses and accrued income	1,274.1	35.2	3.6
Total current receivables	1,798.2	127.8	408.4
Total receivables	2,302.4	349.7	549.2
Cash and cash equivalents	747.4	2,212.4	2,440.5
TOTAL CURRENT ASSETS	4,031.3	3,557.9	3,480.2
TOTAL ASSETS	6,395.1	6,477.9	6,952.0

EUR thousand	31 December 2018	31 December 2017	31 December 2016
	FAS (unaudited)	FAS (audited)	FAS (audited)
EQUITY AND LIABILITIES			
<i>EQUITY</i>			
Share capital	470.2	470.2	470.2
Reserve for invested unrestricted equity	29,273.1	24,919.1	19,149.1
Retained earnings	-21,735.5	-16,072.0	-10,385.2
Net profit (loss)	-6,423.3	-5,663.5	-5,686.8
TOTAL SHAREHOLDER'S EQUITY	1,584.5	3,653.8	3,547.3
APPROPRIATIONS PROVISIONS	318.7	171.9	135.7
<i>LIABILITIES</i>			
<i>Long-term liabilities</i>			
Capital loans	0.0	0.0	1,431.3
Loans from financial institutions	314.0	311.9	242.7
Other liabilities	0.0	0.0	157.1
Total long-term liabilities	314.0	311.9	1,831.0
<i>Short-term liabilities</i>			
Capital loans	1,431.3	1,431.3	0.0
Loans from financial institutions	818.7	223.7	218.7
Trade payables	1,501.4	315.6	766.7
Trade payables to group companies	57.6	55.7	0.0
Other liabilities	34.6	36.9	59.1
Accrued expenses	334.2	277.1	393.5
Total short-term liabilities	4,177.9	2,340.3	1,438.0
TOTAL LIABILITIES	4,491.8	2,652.2	3,269.0
TOTAL EQUITY AND LIABILITIES	6,395.1	6,477.9	6,952.0

Cash flow statement EUR thousand	1 January 2018 - 31 December 2018	1 January 2017 - 31 December 2017	1 January 2016 - 31 December 2016
	FAS (unaudited)	FAS (audited)	FAS (audited)
<i>Cash flow from operating activities</i>			
Profit (loss) before appropriations and taxes	-6,423.3	-5,663.5	-5,686.8
<i>Adjustments</i>			
Depreciation and amortisation according to plan	718.7	761.6	617.4
Other non-cash income and expenses	146.8	36.3	0.0
Financial income and expenses	1,049.1	810.4	1,164.7
Cash flow before change in working capital	-4,508.7	-4,055.3	-3,904.7
<i>Change in working capital</i>			

Increase (-) or decrease (+) in current interest-free receivables	-1,952.6	199.5	22.2
Increase (-) or decrease (+) in inventories	14.2	-505.2	-98.8
Increase (+) or decrease (-) in current interest-free payables	1,369.4	-534.0	-295.6
Cash flow from operations before financial items and taxes	-5,077.7	-4,895.0	-4,276.8
Interest and other financial expenses paid	-1,072.4	-824.2	-1,156.4
Interest received and other financial income	23.3	13.8	0.3
Cash flow before extraordinary items	-6,126.8	-5,705.4	-5,432.9
Cash flow from operations (A)	-6,126.8	-5,705.4	-5,432.9
<i>Cash flow from investing activities</i>			
Investments in intangible and tangible assets	-162.5	-181.9	-1,146.3
Investment in subsidiaries	0.0	-28.0	-1.7
Cash flow from investing activities (B)	-162.5	-209.9	-1,147.9
<i>Cash flow from financing activities</i>			
Share issue	4,354.0	5,770.0	6,435.3
Proceeds from long-term borrowings	112.8	201.2	1,195.0
Proceeds from short-term borrowings	778.7		
Repayment of short-term borrowings	-218.1	-284.0	-1,439.2
Repayment of long-term borrowings	-203.1	0.0	-277.6
Cash flow from financing activities (C)	4,824.3	5,687.2	5,913.5
Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	-1,465.0	-228.1	-667.3
Cash and cash equivalents at beginning of period	2,212.4	2,440.5	3,107.8
Cash and cash equivalents at end of period	747.4	2,212.4	2,440.5

Key financials

EUR thousand	31 December 2018	31 December 2017	31 December 2016
Key financials for the income statement			
(Unaudited if not otherwise stated)			
Revenue	5,632.9	830.9 ¹	5,404.8 ¹
EBITDA	-4,655.5	-4,091.5	-3,904.7
EBITDA-margin (%)	-83%	-492%	-72%
Operating profit / (loss) (EBIT)	-5,374.2	-4,853.1 ¹	-4,522.1 ¹
Operating profit margin (%)	-95%	-584%	-84%
Net profit / (loss)	-6,423.3	-5,663.5 ¹	-5,686.8 ¹
Net profit / (loss) -margin (%)	-114%	-682%	-105%
Key financials for the capital structure			
Equity capital, EUR thousand	1,584.5	3,653.8 ¹	3,547.3 ¹
Equity ratio (%)	25%	56%	51%
Data per share			
Amount of shares	352,538,414	130,749,062	35,469,332
Equity per share	0.00	0.03	0.10
Earnings per share	-0.02	-0.04	-0.16
Employees			
Average numbers of employees	38	37	42

¹ Audited

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

Savosolar arranged a rights issue and two directed share issues in September 2016, in which it raised approximately EUR 5.8 million in net proceeds as well as a rights issue with warrants in June 2017, in which the Company raised approximately EUR 5.0 million in net proceeds. In June and July 2018, the Company arranged a rights issue and a directed issue, in which the Company raised a total of approximately EUR 4.4 million in net assets.

Revenue for the financial year ended December 31, 2018 was EUR 5,632.9 thousand, an increase of EUR 4,802.1 thousand or 578 per cent compared to EUR 830.9 thousand for the financial year ended 31 December 2017. The growth in revenue was due to the fact that the Company signed large contracts in Denmark and France. The revenue for the financial year ended 31 December 2017 was EUR 830.9 thousand, and it declined by EUR 4,573.9 thousand,

or 85 per cent, compared to EUR 5,404.8 thousand for the financial year ended 31 December 2016. The decline in revenue was due to the fact that the Company did not receive and therefore unable to deliver new large area solar thermal delivery projects to the district heating market.

The operating loss for the financial year ended December 31, 2018 was EUR 5,374.2 thousand, an increase of EUR 521.1 thousand or 10.7 per cent compared to EUR 4,853.1 thousand for the financial year ended 31 December 2017. The increase in operating loss was mainly due to low margins in delivered projects. The operating loss for the financial year ended 31 December 2017 was EUR 4,853.1 thousand, and it grew by EUR 331.0 thousand, or 7 per cent, compared to EUR 4,522.1 thousand for the financial year ended 31 December 2016. The increased operating loss was mainly due the low number of delivered projects.

In May 2018, the Company agreed on a 12-month extension regarding the capital loans' maturity with Finnvera Oyj and Suur-Savon Osuuspankki. After the change of the maturity date, loans totaling to EUR 1.4 million mature on 31 December 2019 instead of their original maturity date on 31 December 2018. In addition, the Company has on 20 February 2019 agreed with Suur-Savon Osuuspankki on amendments to the terms and conditions of capital loans of approximately EUR 1.2 million included in the above-mentioned loans. Repayment schedule of the capital loans was amended so that the loans will be paid back in monthly instalments during 24 months beginning in April 2019. Before the amendment, maturity date of the capital loans was 31 December 2019. As a result of the amendment to repayment schedule, fixed annual interest of the capital loans increased from three (3) percent to four (4) percent.

On 18 December 2018, the Company entered into a bridge loan agreement with Formue Nord Marknadsneutral A/S. With the bridge loan agreement, Formue Nord Marknadsneutral A/S granted the Company a loan of SEK 8.0 million. The bridge loan has an interest of 2.5 per cent per month; the loan and its interest will mature on 30 April 2019 at the latest. The bridge loan agreement allowed the Company to secure its working capital needs until the implementation of the Offering.

B.8	Selected key pro forma financial information	Not applicable. No pro forma financial information has been included in this Prospectus.
B.9	Profit forecast or estimate	Not applicable. The Company does not provide a profit forecast.
B.10	Qualifications in audit reports	<p>The Company expects that the audit report will deviate from the standard design regarding the Company's financial statements for the financial year ended 31 December 2018 due to uncertainty related to going concern. The Company expects the audit report to be issued on 14 March 2019.</p> <p>The following audit reports regarding the Company's financial statements for the financial years ended on 31 December 2017 and 31 December 2016 as well as the restated financial statements for the financial year ended on 31 December 2016 deviate from the standard design:</p> <p>Financial Statements 2017: Material Uncertainty Related to Going Concern</p> <p>We draw attention to the notes in financial statements, section "Common risks and uncertainties in business", according to which, based on the current level of costs and revenues the company does not expect the working capital to be enough within the next 12 months period. These conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.</p> <p>Financial Statements and Restated Financial Statements 2016: Material Uncertainty Related to Going Concern</p> <p>We draw attention to the notes in financial statements, section "Common risks and uncertainties in business", according to which, based on the current level of costs and revenues the company does not expect the working capital to be enough within the next 12 months period. These conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.</p> <p>Restated Financial Statements 2016: Emphasis of a matter</p> <p>We draw attention to the note on page 5 "Restatement of the financial statement for the financial year 2016" which includes a description of the correction made to the financial statement signed by the Board of Directors on 3 March 2017 and confirmed by the Annual General Meeting on 28 March 2017 on which we have issued an auditor's report on 14 March 2017. Our opinion is not modified in respect of this matter.</p>
B.11	Working capital statement	<p>The Company estimates that it as of the date of the Prospectus does not have sufficient working capital to meet its current needs for a period of 12 months as of the date of this Prospectus. This is due to the estimated costs of running the Company and the Company's maturing loans during the following 12 months. The Company believes that an amount of EUR 5.7 million is sufficient to cover its working capital (including a repayment of EUR 0.8 million of a bridge loan and amortisation of EUR 0.8 million in capital loans) deficiency 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 March 2019.</p> <p>The Company is carrying out the Offering and the Warrants, for the purposes of ensuring sufficient working capital. If the Offering and the shares subscribed for with the Warrants are fully realised, the net proceeds from them will be approximately EUR 7.5 million. The Company is of the opinion that if the Offering is completed in the intended timetable, is fully subscribed and the proceeds of the Offering paid in cash are at least EUR 4.3 million, and shares are subscribed for with the Warrants, and the net proceeds from them are at least EUR 1.4 million, the proceeds from the aforementioned, together with the Company's available cash in hand and at banks provide the Company with sufficient working capital to meet its current requirements and to cover the working capital needs (including a repayment of EUR 0.8 million of a bridge loan and amortisation of EUR 0,8 million in capital loans) of the Company for a period of at least 12 months as of the date of this Prospectus.</p>

		<p>In a negative scenario where the Offering is only subscribed to 80 per cent, and at the same time the profitability of the projects does not remain at the planned level, the Company's working capital is estimated to be sufficient until September 2019.</p> <p>If the net proceeds payable in cash received from the Offering and the shares subscribed for with the Warrants are less than EUR 5.7 million, or there are significant negative changes in other Company's assumptions, such as delays in obtaining new orders, or a decrease in the profitability of projects, the Company may require additional financing for working capital, which it plans to procure to the extent necessary with other debt or equity financing. The Company's Board of Directors actively monitors the Company's financial situation and, together with the Company's management, seeks alternative funding solutions and additional means to reduce the costs associated with the Company's operations. If no additional funding is available and the Company's expenses cannot be decreased, the Company is likely to face payment difficulties within twelve months from the date of the Prospectus. The Company may then have to delay, curtail or terminate its operations.</p>
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Section C – Securities

C.1	Type and class of securities	<p>In the Offering the Company's shares are offered for subscription. The Offer Shares ISIN code is FI4000123096 and the trading name SAVOS on First North Sweden and SAVOH on First North Finland.</p> <p>Savosolar will give all shareholders registered in Savosolar's shareholder register maintained by Euroclear Finland Ltd or Euroclear Sweden Ltd one (1) book-entry subscription right per each share held on the Offering Record Date 26 February 2019. One (1) Subscription Right entitles the holder to subscribe for three (3) Offer Shares. Fractions of Offer Shares will not be given and a single Subscription Right may not be exercised partially. The Subscription Rights can be freely assigned and they will be traded on First North Finland (trading symbol SAVOHU0119, ISIN: FI4000369731) and on First North Sweden (trading symbol SAVOS TR, ISIN: SE0012256774) between 1 March 2019 and 13 March 2019.</p> <p>After the subscription, Temporary Shares corresponding to the Offer Shares subscribed for based on the Subscription Rights will be entered in the subscriber's book-entry account. Trading in the Temporary Shares will commence on First North Finland (trading symbol SAVOHN0119, ISIN: FI4000369749) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0012256782) as their own special share class approximately on 15 March 2019. 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 3 April 2019, 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 3 April 2019 on First North Finland. The delivery and combination will take place approximately on 10 April 2019, 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 10 April 2019 on First North Sweden.</p> <p>In addition, Savosolar will issue Warrants, which give the right to subscribe for new shares in the Company, free of charge to persons who subscribed for the Offer Shares in the Offering. The Warrants will be issued in the following manner: the subscriber will receive one (1) Warrant per each three (3) subscribed and paid Offer Shares, the subscription of which the Board of Directors has approved. Fractions of the Warrants will not be issued. The ISIN code of the Warrants is FI4000369756. The Company intends to file an application to the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the Warrants on First North Sweden and First North Finland. The trading symbol is expected to be SAVOS TO4 on First North Sweden and SAVIHEW119 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 15, 2019.</p>
C.2	Currency	<p>The Subscription Rights, Temporary Shares, Offer Shares and Warrants are denominated in euro. The Subscription Rights, Temporary Shares, Shares and Warrants which are traded on First North Finland are traded and settled in euro. The Subscription Rights, Temporary Shares, Shares and Warrants which are traded on First North Sweden are traded and settled in Swedish crowns.</p>
C.3	Share and share capital	<p>On the date of this Prospectus, the fully paid-up share capital of Savosolar amounts to EUR 470,210.00. A total of 352,538,414 of the Company's Shares are registered. All Shares are of the same class. All the Shares belong to the same series of shares. The shares have no nominal value.</p>
C.4	Description of the rights attached to the securities	<p>The Offer Shares will confer all shareholder rights from their registration with the Trade Register and delivery to the investors. Each Share in the Company confers one vote at the Company's general meetings.</p>
C.5	Restrictions on free transferability	<p>Not applicable. The Offer Shares, Subscription Rights, Temporary Shares and Warrants are freely transferable.</p>
C.6	Admission for trading	<p>The Subscription Rights are traded on First North Finland (trading symbol SAVOHU0119, ISIN: FI4000369731) and on First North Sweden (trading symbol SAVOS TR, ISIN: SE0012256774) between 1 March 2019 and 13 March 2019.</p> <p>Trading in the Temporary Shares will commence on First North Finland (trading symbol SAVOHN0119, ISIN: FI4000369749) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0012256782) as their own special share class approximately on 15 March 2019.</p>

		<p>The Temporary Shares will be combined with the current shares after the Offer Shares have been registered in the Trade Register. The combination will take place in the book-entry system maintained by Euroclear Finland approximately on 3 April 2019 and in the book-entry system maintained by Euroclear Sweden approximately on 10 April 2019. The Offer Shares will be subject to trading together with the Company's existing shares approximately on 3 April 2019 on First North Finland and on 10 April 2019 on First North Sweden.</p> <p>The Company intends to file an application to the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the Warrants on First North Sweden and First North Finland. The trading symbol is expected to be SAVOS TO4 on First North Sweden and SAVIHEW119 on First North Finland. The ISIN code for the Warrants is FI4000369756. If the listing of the Warrants occurs, the Company expects trading to commence on First North Finland and on First North Sweden approximately during week 15, 2019.</p> <p>The Company's shares are traded on First North Finland (trading symbol SAVOH) and First North Sweden (trading symbol SAVOS), ISIN code: FI4000123096.</p>
C.7	Dividend policy	<p>The Company has not paid dividend to date, and there can be no guarantee that it will have distributable funds in the future. In the future, the Company's target is to distribute a maximum of 30 per cent of the profit for the year, but not more than 30 per cent of the distributable funds, and invest the rest of the funds for developing products and processes, as well as for expanding the business.</p>

Section D – Risks

D.1	Key information on the key risks specific to the Company and its industry	<p>Among others, the following risks relate to the Company and its business:</p> <ul style="list-style-type: none"> • The Company has a history of operating losses and the operations may stay unprofitable for an unforeseeable future • The Company's working capital is not sufficient to meet the Company's present requirements and requirements for the coming 12-month period from the date of the Prospectus, and if the Offering is not fully subscribed and not at least EUR 1.4 million is subscribed for new shares with the Warrants, the Company may need additional working capital financing • The Company may not succeed in its growth and implementing its internationalisation strategy in accordance with its plans • The Company may not be able to sufficiently protect its intellectual property rights • The Company may infringe third party intellectual property rights or claims may be made against the Company on such infringements • Potential credit losses may have a material adverse effect on the Company's financial position • The expected income from capitalised development costs may prove to be smaller than expected • The Company may not be able to utilise all tax losses incurred • Tekes funding may not be available in the future and already received funding may become repayable prematurely • The Company may be adversely affected by fluctuations in exchange rates • The Company is dependent on its key suppliers' and –subcontractors' availability and delivery schedule • The Company may become subject to product liability claims and other claims • The Company may be liable to pay compensation based on efficiency warranties given to the customers • Technical problems may cause interruptions in the manufacturing process of the Company • The Company may not be able to refinance its debt • The Company is reliant on its ability to recruit and retain relevant key personnel • The Company is reliant on its ability to find and retain research partners • The insurance coverage of the Company may not be comprehensive and the Company may not be fully insured against all risks • Hazardous substances are used in the Company's manufacturing process and the Company may need an environmental permit in the future • The Company is in a legal process in France and may in the future be involved in litigation and arbitration proceedings • There can be changes in the competitive environment which may adversely affect the Company • The Company may be adversely affected by changes in the financial markets and economic conditions generally • The Company may not be able to obtain the bank guarantees it needs for growth at acceptable terms or at all or breach covenants of the existing bank guarantees that will cause a limiting of the terms or termination of the bank guarantee • The Company may be adversely affected by fluctuations in interest rates
D.3	Risks relating to the securities	<p>Among others, the following risks related to the Offering, the Shares and the Warrants</p> <ul style="list-style-type: none"> • The Company may not receive the required capital in full from the Offering

		<ul style="list-style-type: none"> • An active public market for the Company’s Shares, Subscription Rights and/or Warrants may not develop • The Subscription Rights will expire and have no value if they are not exercised during the Subscription Period • The market price of the Shares, Subscription Rights and Warrants could fluctuate considerably and the price of the Shares could fall below the subscription price in accordance with the terms of the Warrants or below the Subscription Price • The amount of possible future dividends to be distributed to shareholders is not certain • Dilution of the shareholding • Subscriptions are irrevocable, except under certain limited circumstances • Not all foreign shareholders may be able to exercise their Subscription Rights • Holders of Shares in the Company registered in custodial nominee accounts may not be able to exercise their voting rights • Future issues or sales of a substantial number of Shares or rights entitling to Shares could have a negative effect on the market price of the Shares and cause dilution; the Company may arrange a directed issue to the underwriters • Investors in Sweden participating in the Offering may be adversely affected by fluctuations in foreign exchange rates • There is no certainty that all underwriters and shareholders who have given subscription undertakings fulfil their obligations towards the Company • The underwriters may become the largest shareholders of the Company, and their interests may deviate from the Company’s minority shareholders interests
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Section E – The Offering

E.1	Net proceeds and costs of the offer	<p>The Company aims to raise approximately EUR 5.3 million with the Offering. Should the Offering be subscribed in full, the Company expects to receive net proceeds of approximately EUR 4.3 million from the Offering, after deducting the estimated Offering expenses payable by the Company, totalling approximately 0.9 million.</p> <p>In connection with the Offering, the Company also issues Warrants free of charge to investors who have subscribed for Offer Shares in the Offering. The Company may therefore additionally raise up to a maximum of approximately EUR 3.5 million in net proceeds, after deducting the estimated expenses for the subscriptions with Warrants payable by the Company, totalling approximately EUR 0.2 million.</p>
E.2a	Reasons for the offering and use of proceeds	<p>After increased market activity in 2017, the positive development continued in 2018. Solar heating is, during 2018, for the first time expected to produce more than 1 TWh worldwide (= 1 billion kilowatt hours) and according to market forecasts solar photovoltaic capacity is expected to rise to 240 TWh by 2050. This is due to the fact that solar heating is, in suitable applications, a very competitive form of clean energy production. In addition, international institutions and states continue to encourage companies' environmentally friendly energy solutions through support programs, taxes and subsidies, resulting in interest from many different customer groups.</p> <p>Savosolar, in turn, has experienced strong sales growth with a turnover of EUR 5.6 million in 2018, which is 578 per cent higher than in 2017. Although Savosolar is well positioned with respect to production capacity, new orders and generally growing demand, the Company needs additional working capital and financial capacity due to projects that will be implemented in 2019 and, therefore, the Company arranges the Offering.</p> <p>In order to carry out the ongoing and future projects in 2019 and to be able to effectively manage the future workload variations in projects, the Company needs additional working capital. The Company aims to raise approximately EUR 5.3 million through the Offering. If the Offering is fully subscribed, the Company expects to receive approximately EUR 4.3 million in net proceeds after transaction costs amounting to approximately EUR 0.9 million. In connection with the Offering, the Company also issues Warrants free of charge to investors who have subscribed for Offer Shares in the Offering. The Company may therefore additionally raise up to a maximum of approximately EUR 3.5 million in net proceeds, after deducting the estimated expenses for the subscriptions with Warrants payable by the Company, totalling approximately EUR 0.2 million.</p> <p>The proceeds from the Offering and the Warrants will be used to amortise EUR 0.8 million of loans and secure the Company’s working capital need of approximately EUR 4.9 million (including the repayment of capital and interest of the bridge loan financing of approximately EUR 0.8 million) so that the Company can deliver signed and potential upcoming orders in 2019 and to pursue a systematic streamlining of operations, achieve profitability targets and be able to respond to increased demand.</p>
E.3	Terms and conditions of the offer	<p>The Offering and subscription right and Warrants</p> <p>In accordance with the shareholders’ pre-emptive subscription right, the Company is offering up to 1,057,615,242 new shares in the Company for subscription by the Company’s shareholders (“Offer Shares”) (the “Offering”).</p> <p>Savosolar will give all shareholders registered in Savosolar’s shareholder register maintained by Euroclear Finland Ltd (“Euroclear Finland”) or Euroclear Sweden Ltd (“Euroclear Sweden”) one (1) book-entry subscription right (“the Subscription Right”) per each share held on the Offering record date 26 February 2019 (“the Record Date”). One (1) Subscription Right entitles the holder to subscribe for three (3) Offer Shares. Fractions of Offer Shares will not be given and a single Subscription Right may not be exercised partially. The Subscription Rights will be registered in shareholders’</p>

book-entry accounts in the book-entry system maintained by Euroclear Finland approximately on 27 February 2019 and in the book-entry system maintained by Euroclear Sweden approximately on 28 February 2019. The Subscription Rights can be freely assigned and they will be traded on First North Finland (trading symbol SAVOHU0119, ISIN: FI4000369731) and on First North Sweden (trading symbol SAVOS TR, ISIN: SE0012256774) between 1 March 2019 and 13 March 2019. 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 352,538,414 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 352,538,414 new shares of the Company. The Warrants will be issued in the following manner: the subscriber will receive one (1) Warrant per each three (3) 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 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.

Subscription Price

The Subscription Price of Offer Shares is EUR 0.005 or SEK 0.05 per Offer Share ("Subscription Price"). The Subscription Price for the Offer Shares will be recorded in the reserve for invested unrestricted equity. The Subscription Price includes a normal pre-emptive subscription right issue discount. The Subscription Price is approximately 49.5 per cent lower compared with the closing price of the Company's share on First North Sweden on 18 December 2018 (SEK 0.099) and 44.4 per cent lower compared with the closing price of the Company's share on First North Finland on 18 December 2018 (EUR 0.009).

Subscription Period

The subscription period for the Offer Shares (the "Subscription Period") will commence on 1 March 2019 at 09:30 Finnish time (08:30 Swedish time), and is expected to end on 19 March 2019 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 15 March 2019 at 16:30 Finnish time (15:30 Swedish time) in Sweden.

The Company may, at its sole discretion, extend the Subscription Period. The Subscription Period may be extended once or several times, however not past 2 April 2019. 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, Mangold Fondkommission AB's website at www.mangold.se and Mangold Fondkommission AB's premises at Engelbrektsplan 2, 114 34 Stockholm, Sweden (ta@mangold.se, tel. +46 8-503 01 580).

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

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

Exercising Subscription Rights

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

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

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

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

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

Any subscriptions made are binding.

Unexercised Subscription Rights will expire and have no value when the Subscription Period ends on 19 March 2019 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 15 March 2019 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 19 March 2019 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 15 March 2019 or at an earlier time according to the instructions given by the custodian, account operator or nominee.

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

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

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

If the Offer Shares subscribed for without the Subscription Rights are not allocated in the number referred to in the subscription order, the paid Subscription Price corresponding to the Offer Shares not obtained will be refunded to the subscriber approximately on 26 March 2019. No interest will be paid on such a payment.

Approval and payment of subscriptions

The Company's Board of Directors will approve all the subscriptions made on the basis of the Subscription Rights and in accordance with the terms and conditions of this Offering and the applicable laws and regulations approximately on 21 March 2019. In addition, the Company's Board of Directors will approve the subscriptions made without the Subscription Rights and in accordance with the terms and conditions of the Offering applicable laws and regulations pursuant to the allocation principles presented above in the section "*Subscription for Offer Shares without Subscription Rights and allocation*".

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

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

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

Announcement of outcome of the Offering

Provided that no changes are made to the Subscription Period, the Company will announce the outcome of the Offering approximately on 21 March 2019 by way of a company release.

Registration and delivery of the Offer Shares

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

After the subscription, temporary shares corresponding to the Offer Shares subscribed for based on the Subscription Rights (the "Temporary Shares") will be entered in the subscriber's book-entry account. In Finland, this is estimated to be the next day, in accordance with Euroclear Finland's clearing time table. Trading in the Temporary Shares will commence on First North Finland (trading symbol SAVOHN0119, ISIN: FI4000369749) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0012256782) as their own special share class approximately on 15 March 2019. 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 3 April 2019, 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 3 April 2019 on First North Finland. The delivery and combination will take place approximately on 10 April 2019, 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 10 April 2019 on First North Sweden.

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

Holders of stock options

According to the terms and conditions of the stock options 2-2017, if the Company decides, before the subscription of shares with the stock options, on an issue of shares or an issue of new stock options or other special rights so that the shareholders have preferential subscription rights, the owner of a stock option shall have the same right as, or an equal right to, that of a shareholder. Equality is reached in the manner determined by the Company's Board of Directors by adjusting the number of shares available for subscription, the share subscription prices or both of these. To ensure the equality of the holders of stock options and shareholders, the Company's Board of Directors will decide approximately on 21 March 2019 on changing the numbers of shares to be subscribed for on the basis of stock options 2-2017 and/or the subscription price due to the Offering. The changes to the stock option terms and conditions following the Offering will enter into force after they have been recorded in the Trade Register. The Company's stock options do not give entitlement to participate in the Offering. In connection with a subscription for shares, the total number of shares subscribed for by a holder of stock options will be rounded downwards to full shares, and the total subscription price will be calculated using the rounded number of shares and rounded to the closest cent.

Shareholder rights

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

Supplements to Prospectus and cancellations of subscriptions

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

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

If the Prospectus is supplemented, investors who have subscribed for Offer Shares before the publication of the supplement to the Prospectus have the right to cancel their subscriptions. The cancellation right must be exercised within a cancellation period which may not be shorter than two (2) Finnish banking days from the publication of the supplement to the Prospectus. An investor's cancellation of a subscription will be deemed to be made in respect of all the subscriptions of that investor. A precondition for the right to cancel is that the mistake, omission or material new information arose or was noted before the trading of the Temporary Shares has started, or in the case for those investors who are not delivered Temporary Shares, the delivery of Offer Shares. Cancellations must be filed to the subscription location where the original subscription was placed. However, subscriptions placed on the website of Mangold Fondkommission AB cannot be cancelled on the website but should be cancelled by contacting Mangold Fondkommission AB at ta@mangold.se or by telephone +46 (0)8-503 01 580. Information on the right to cancel shall be issued in the supplement to the Prospectus.

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

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

The Company's right to withdraw the Offering

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

		<p>The Company may not withdraw the Offering after the Board of Directors of the Company has resolved on the allocation of the Offer Shares.</p> <p>Governing law</p> <p>The Offering and the Offer Shares shall be governed by Finnish law. The courts of Finland have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering.</p> <p>Other matters</p> <p>The Company's Board of Directors may make decisions on other matters related to the Offering.</p> <p>Subscription undertakings and underwriting commitments</p> <p>Current shareholders and the Board of Directors of the Company have through subscription undertakings committed to subscribe for approximately 0.3 per cent of the Offer Shares offered in the Offering, which means they have committed to subscribe in the Offering with approximately EUR 14.5 thousand.</p> <p>A consortium of underwriters have committed to subscribe for Offer Shares, so that the underwriting commitments of the underwriters applies to about 79.7 per cent of the Offering, after the subscriptions by subscription undertakings, meaning they have underwritten the Offering to a total of approximately EUR 4.2 million. The providers of subscription undertakings and underwriting commitments have therefore committed to subscribe for approximately up to 80.0 per cent of the Offering.</p>
E.4	Material interests conflicting interests relating to the issue	<p>Augment Partners AB and Mangold Fondkommission AB are acting as financial advisors to the Company in accordance with the terms and conditions of the agreements made with them in connection with the Offering. The agreements define the services provided by Augment Partners AB and Mangold Fondkommission AB in connection with the Offering and the rights and obligations of the parties. In the agreements, the Company has undertaken to exempt Augment Partners AB and Mangold Fondkommission AB from certain liabilities and to bear the costs of the Offering.</p> <p>Augment Partners AB and Mangold Fondkommission AB receive a pre-determined fee for their services in connection with the Offering and a part of the fee depends to the amount of the proceeds of the Offering. Therefore, it is in the interests of Augment Partners AB and Mangold Fondkommission AB that the Offering is successful.</p>
E.5	Lock-ups	Not applicable.
E.6	Dilution	<p>As a result of the Offering, the number of the Company's shares may rise from 352,538,414 to a maximum of 1,410,153,656 shares. The Offer Shares correspond to 300.00 per cent of all the Company's shares immediately before the Offering and about 75.00 per cent of the Company shares after the Offering, assuming that the Offering is fully subscribed.</p> <p>In case also all the Warrants offered for the subscribers of Offer Shares would be used for subscription of shares, the number of Company's shares may rise to a maximum of 1,762,692,070 shares as a result of the Offering and the shares subscribed based on the Warrants. In case also all the Warrants offered for the subscribers of Offer Shares would be used for subscription of shares, the Offer Shares and the shares subscribed based on the Warrants correspond to 400.00 per cent of all the Company's shares immediately before the Offering and about 80.00 per cent of the Company shares after the Offering and subscription of the shares based on the Warrants, assuming that the Offering is fully subscribed and all the Warrants offered for the subscribers of Offer Shares are used for subscription of shares.</p> <p>The underwriters are entitled to use their underwriting fee for setting off the subscription price of the Company's new shares in a directed issue, to be arranged for the underwriters, if necessary, after the Offering. In such case, the underwriting fee is twelve (12) per cent of the given underwriting guarantee, meaning a maximum of approximately EUR 507.7 thousand. For further information, see section "Arrangements related to the Offering - Directed share issue that is potentially arranged in connection with the Offering". If the Offering and the directed share issue to the underwriters would be fully subscribed, the subscription price would be the same in the directed issue to be arranged for the underwriters as in the Offering, and all the underwriters would use their underwriting fee to set off subscription price of the new shares in the directed issue, the number of the Company's shares may rise with another 101,531,064 shares. These shares offered in the directed issue to be arranged for the underwriters would correspond to approximately 28.80 per cent of all the Company's shares before the Offering and approximately 6.72 per cent of the Company's shares after the Offering, assuming that both share issues are fully subscribed.</p> <p>If the Offering, and the directed share issue to possibly be arranged in connection with the Offering is arranged and fully subscribed, and the subscription price in the directed issue to the underwriters is the same as in the Offering, and the maximum amount of Warrants are issued and all Warrants are used for the subscription of shares, all the new shares to be issued correspond to approximately 81.09 per cent of all the Company's shares after the share issues and the shares subscribed with the Warrants.</p> <p>Of the 2,000,000,000 shares that the Board of Directors of the Company has received an authorisation to issue, a maximum of 1,511,684,720 shares will be issued in the Offering, the directed share issue possibly to be arranged and the Warrants, which means at least 488,315,280 shares will be left of the authorisation.</p>
E.7	Expenses charged from the investor	Not applicable. No expenses will be charged from investors.

Sammanfattning av Prospektet

Sammanfattningen består av informationskrav uppställda i så kallade "Punkter". Dessa Punkter är numrerade i avsnitten A – E (A.1 – E.7).

Denna sammanfattning innehåller alla de Punkter som krävs i en sammanfattning för aktuell typ av värdepapper och emittent. Eftersom vissa Punkter inte är tillämpliga för alla typer av Prospekt, kan det finnas luckor i numreringen av Punkterna.

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

Avsnitt A – Introduktion och varningar

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

Avsnitt B – Bolaget

B.1	Firma och handelsbeteckning	Savosolar Oyj ("Bolaget"), på svenska Savosolar Abp och på engelska Savosolar Plc.
B.2	Emittentens säte, bolagsform, lagstiftning och etableringsland	Bolaget har sitt säte i S:t Michel i Finland. Bolaget är ett publikt aktiebolag som lyder under finsk lagstiftning.
B.3	Beskrivning av emittentens verksamhet	<p>Savosolar är ett finskt publikt aktiebolag som tillverkar internationellt prisbelönta solabsorbatorer och solfångare. Så vitt företagsledningen känner till är solfångarna med MPE-absorbatorer som Savosolar tillverkar de mest effektiva i världen. Savosolar är främst inriktad på stora solfångare, samt storskaliga uppvärmningssystem. Bolaget började produktleveranser år 2011 och har sedan dess levererat över 75 000 m² solfångare till dess kunder i 18 länder på fyra kontinenter. Det unika med Bolagets produktion är en vakuum beläggningsprocess där hela absorbatorkonstruktionen beläggs på en gång. Detta innebär att man kan använda aluminiumprofiler med tunna väggar, som är mycket effektiva värmeväxlare och gör att man kan uppnå en effektiv direktflödesvärmeöverföring. Savosolars team har omfattande kunskaper och erfarenheter av vakuumbeläggningsmetoder samt av internationell försäljning och företagsledning. Bolaget använder avancerad teknik i sina tillverkningsprocesser och dess kvalitetssystem uppfyller kraven i ISO 9000. Bolagets strävan är att snabbt utöka verksamheten och att hjälpa kunderna att nå deras miljö- och affärsmässiga mål genom att betydligt reducera deras energikostnader. Savosolar investerar fortlöpande i produktutveckling i syfte att fortsättningsvis kunna tillgodose de behov som finns på den växande marknaden för förnybar energi på bästa sätt.</p> <p>Bolagets huvudsakliga produkter är stora termiska solfångare, och mer specifikt soltermiska system gjorda med dessa. Solfångarnas viktigaste komponent är absorbatorn, som Savosolar också säljer separat till vissa kunder.</p> <p>För närvarande tillverkar Savosolar alla solfångare och MPE-absorbatorer i sin egen anläggning i S:t Michel i Finland.</p>
B.4a	Viktiga aktuella trender som påverkar Bolaget och den bransch i vilken det är verksam	<p>Fokuseringen på förnybara värmelösningar inom energimarknaden, bland annat som en följd av den snabbt växande marknaden för förnybar elproduktion. Uppvärmning och nedkylning svarar för cirka 50 procent av den totala energimarknaden och sättet energin produceras på har en stor inverkan på föroreningen av luft, vatten och mark. Syftet är att öka andelen fjärrvärme överallt eftersom det är det mest ekonomiska och ekologiska sättet att generera och distribuera termisk energi.</p> <p>Traditionellt produceras värme i anläggningar för kombinerad produktion av värme och elenergi, kraftvärmeverk, som vanligen drivs med kol, olja eller naturgas och i bästa fall når en effektivitetsgrad på 80 procent, där hälften är värme och hälften elektricitet. I vissa anläggningar används biomassa eller hushållsavfall som bränsle. I takt med att allt mer elektricitet produceras med sol- och vindkraft har kraftvärmeverken delvis fått överskotts kapacitet och efterfrågan börjat</p>

		<p>fluktuera beroende på sol- och vindförhållandena. Därigenom har utbudet av värme minskat, och gjort kombinerad produktion delvis olönsamt, och lösningar söks från andra källor genom att bygga värmeverk som använder biobränslen och avfall, vilka är kopplade till andra förnybara energikällor beroende på plats och behov. Solvärme, som en helt ren och efter investering, nästan gratis energikälla, är i många fall det mest intressanta alternativet, så länge som det finns erforderligt mark- eller takområde tillgängligt.</p> <p>Klimatförändringarnas påverkan uppenbaras globalt i allt större utsträckning. Följaktligen, arbetar man i hela världen för att minska utsläppen, både från regeringar och samhället i stort. I januari 2018 presenterade The European weather forecasting ECMWF-center, globala temperaturförändringar för en period om 136 år. Enligt denna rapport var 2016 det varmaste året sedan temperaturmätningarna startade, och tio (10) av de varmaste åren i mätningarnas historia har ägt rum sedan år 2000. År 2015 var dessförinnan uppmätt som det varmaste året och ökningen under 2016 motsvarade 0,2 grader. Ambitiösa mål avseende utsläppsminskning har antagits världen över och Paris klimatavtalet som ingicks 2017 belyser ytterligare vikten av att begränsa temperaturökningar.</p> <p>Användningen av termisk solenergi för bruksvattenuppvärmning ökar fortsatt snabbt i områden med mycket sol, såsom Indien, Afrika och Kina. I flera afrikanska länder finns lagar på plats som ämnar att tillse att allt varmvatten i fastighetsbeståndet ska produceras med förnybar energi, som till exempel termisk solenergi. I mindre vattenvärmsystem kommer fotovoltais energi vinna mark i framtiden mot bakgrund av dess enkelhet och förbättrad kostnadseffektivitet. De snabbast växande solvärmesegmenten på det hela taget är storskaliga användningsområden såsom fjärrvärmeproduktion, solvärme för industriella processer och energireoveringar i stora flervåningsfastigheter. Anledningen är att de storskaliga användningsområdena för solvärme är mer kostnadseffektiva och minskar utsläpp snabbare än mindre anläggningar. Exempel på denna utveckling kan utöver i Europa ses i Kina, Afrika och Indien.</p>																																										
B.5	Koncernens struktur	Savosolar har helägda dotterbolag i Danmark (Savosolar ApS) och Tyskland (Savosolar GmbH). Dessutom äger Savosolar 55,0 procent av aktierna i Savolaser Oy, som för närvarande är ett vilande bolag. Återstoden av aktierna i bolaget ägs av Veslatec Oy.																																										
B.6	Större aktieägare	<p>Bolagets största aktieägare den 10 Januari 2019 återfinns nedan. Till Bolagets vetskap har inga väsentliga ändringar skett fram till datumet för detta Prospekt.</p> <table border="1"> <thead> <tr> <th>Aktieägare</th> <th>Antal aktier</th> <th>% av aktier och röster</th> </tr> </thead> <tbody> <tr> <td>WIRTWAY INVEST AB (PUBL)</td> <td>11 000 000</td> <td>3,12</td> </tr> <tr> <td>HANNOLA, HANNU JUHANI</td> <td>4 228 768</td> <td>1,20</td> </tr> <tr> <td>GEUST, NIKLAS</td> <td>4 204 537</td> <td>1,19</td> </tr> <tr> <td>BEMAZE GROUP AB</td> <td>3 500 000</td> <td>0,99</td> </tr> <tr> <td>JORTIKKA, PEKKA TAPANI</td> <td>3 167 693</td> <td>0,90</td> </tr> <tr> <td>CHOUHA, TONY</td> <td>2 500 000</td> <td>0,71</td> </tr> <tr> <td>HÄMÄLÄINEN, SAMI PETTERI</td> <td>2 410 000</td> <td>0,68</td> </tr> <tr> <td>CRONER, ERIC</td> <td>2 250 500</td> <td>0,64</td> </tr> <tr> <td>MUHONEN, ANTTI</td> <td>2 032 542</td> <td>0,58</td> </tr> <tr> <td>VICTORIN, JAKOB</td> <td>2 000 000</td> <td>0,57</td> </tr> <tr> <td>JOKINEN, JUKKA ERKKI</td> <td>2 000 000</td> <td>0,57</td> </tr> <tr> <td>Övriga aktieägare</td> <td>313 244 374</td> <td>88,85</td> </tr> <tr> <td>Totalt</td> <td>352 538 414</td> <td>100,00</td> </tr> </tbody> </table>	Aktieägare	Antal aktier	% av aktier och röster	WIRTWAY INVEST AB (PUBL)	11 000 000	3,12	HANNOLA, HANNU JUHANI	4 228 768	1,20	GEUST, NIKLAS	4 204 537	1,19	BEMAZE GROUP AB	3 500 000	0,99	JORTIKKA, PEKKA TAPANI	3 167 693	0,90	CHOUHA, TONY	2 500 000	0,71	HÄMÄLÄINEN, SAMI PETTERI	2 410 000	0,68	CRONER, ERIC	2 250 500	0,64	MUHONEN, ANTTI	2 032 542	0,58	VICTORIN, JAKOB	2 000 000	0,57	JOKINEN, JUKKA ERKKI	2 000 000	0,57	Övriga aktieägare	313 244 374	88,85	Totalt	352 538 414	100,00
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	Olika röststyrka	Ej tillämplig. Alla aktier berättigar till en (1) röst.																																										
	Kontroll	Ej tillämplig. Enligt Bolagets bästa vetskap är inte Bolaget direkt eller indirekt ägt eller kontrollerat av någon.																																										
B.7	Utvald historisk finansiell information i sammandrag och beskrivning av betydande förändringar i den finansiella ställningen och rörelseresultat under den period som omfattas av den historiska finansiella informationen och därefter	<p>Följande tabeller visar utvald finansiell information om Bolaget för räkenskapsåren 2018, 2017 och 2016. Sammanfattningen nedan baseras på de reviderade finansiella siffrorna för räkenskapsåret 2017 och de justerade reviderade finansiella siffrorna för räkenskapsåret 2016, samt den oreviderade finansiella siffrorna från räkenskapsåret 2018, från den oreviderade informationen Bolagets bokslut som publicerades av Bolaget den 20 februari 2019.</p> <p>Den finansiella informationen i tabellerna nedan för räkenskapsåret 2016 skiljer sig från den historiska finansiella informationen som presenteras i det reviderade bokslutet som godkänts av bolagsstämman. Resultaträkningen, balansräkningen och kassaflödesanalysen som ingår i bokslutet för 2016 har justerats genom att en projektavgift om 211,5 tusen euro ingår, vilket inte ingick i det lagstadgade bokslutet för räkenskapsåret 2016. Den finansiella informationen som presenteras i följande tabeller för räkenskapsåret 2016 har justerats retroaktivt för ovanstående.</p> <p>Savosolar är enligt bokföringslagen 1:4a § ett småföretag, och inklusive dess dotterbolag en liten redovisningsenhet enligt bokföringslagen 1:6a §. Bolaget har inte haft skyldighet att upprätta koncernredovisning för räkenskapsåren 2018, 2017 och 2016.</p>																																										
Resultaträkning																																												
(tusen euro)	1 januari 2018 –31 december 2018	1 januari 2017–31 december 2017	1 januari 2016 –31 december 2016																																									
	FAS (oreviderad)	FAS (reviderad)	FAS (reviderad)																																									
Omsättning	5 632,9	830,9	5 404,8																																									
Övriga rörelseintäkter	9,0	24,4	0,9																																									

<i>Material och tjänster</i>			
Material och förnödenheter			
Inköp	-3 011,0	-841,7	-3 975,7
Ökning/minskning av varulager	-50,0	505,2	98,8
Externa tjänster	-2 726,9	-415,1	-1 417,6
Summa material och tjänster	-5 788,0	-751,6	-5 294,6
<i>Personalkostnader</i>			
Löner	-1 608,9	-1 550,6	-1 712,0
Pensionskostnader	-268,1	-242,7	-321,3
Övriga personalkostnader	-54,8	-37,0	-103,7
Summa personalkostnader	-1 931,8	-1 830,3	-2 137,0
Avskrivningar och nedskrivningar	-718,7	-761,6	-617,4
Övriga rörelsekostnader	-2 577,6	-2 364,8	-1 878,8
RÖRELSEVINST (FÖRLUST)	-5 371,2	-4 853,1	-4 522,1
<i>Finansiella intäkter och kostnader</i>			
Räntor och övriga finansiella intäkter	23,3	13,8	0,3
Räntor och övriga finansiella kostnader	-1 072,4	-824,2	-1 165,0
Summa finansiella intäkter och kostnader	-1 049,1	-810,4	-1 164,7
VINST (FÖRLUST)	-6 423,3	-5 663,5	-5 686,8
VINST (FÖRLUST) FÖRE BOKSLUTSDISPOSITIONER OCH SKATT	-6 423,3	-5 663,5	-5 686,8
NETTOVINST (NETTOFÖRLUST)	-6 423,3	-5 663,5	-5 686,8

**Balansräkning
(tusen euro)**

	31 december 2018	31 december 2017	31 december 2016
	FAS	FAS	FAS
	(oreviderad)	(reviderad)	(reviderad)
TILLGÅNGAR			
<i>ANLÄGGNINGSTILLGÅNGAR</i>			
<i>Immateriella tillgångar</i>			
Utvecklingskostnader	979,7	1 081,6	1 288,2
Immateriella rättigheter	138,7	159,8	181,0
Andra balanserade utvecklingskostnader	229,6	386,4	520,0
Summa immateriella tillgångar	1 347,9	1 627,8	1 989,1
<i>Materiella anläggningstillgångar</i>			
Maskiner och utrustning	854,0	1 130,3	1 348,7
Summa materiella tillgångar	854,0	1 130,3	1 348,7
<i>Investeringar</i>			
Andelar i koncernbolag	161,9	161,9	133,9
SUMMA ANLÄGGNINGSTILLGÅNGAR	2 363,8	2 920,0	3 471,7
<i>OMSÄTTNINGSTILLGÅNGAR</i>			
<i>Varulager</i>			
Material och förbrukningsartiklar	731,5	419,5	490,6
Lager av tillsatsmaterial och förnödenheter	19,3	5,7	0,0
Produkter i arbete	194,9	570,6	0,0
Förskott på varor och tjänster	35,8	-	-
Summa varulager	981,6	995,8	490,6
<i>Långfristiga fordringar</i>			
Övriga fordringar	504,1	221,9	140,8
Summa långfristiga fordringar	504,1	221,9	140,8
<i>Kortfristiga fordringar</i>			
Kundfordringar	62,9	49,3	260,8
Fordringar från intressebolag	0,8	-	-
Övriga fordringar	460,3	43,2	143,9
Förutbetalda kostnader och upplupna intäkter	1 274,1	35,2	3,6
Summa kortfristiga fordringar	1 798,2	127,8	408,4
Summa fordringar	2 302,4	349,7	549,2

Likvida medel	747,4	2 212,4	2 440,5
SUMMA OMSÄTTNINGSTILLGÅNGAR	4 031,3	3 557,9	3 480,2
SUMMA TILLGÅNGAR	6 395,1	6 477,9	6 952,0
(tusen euro)			
	31 december 2018	31 december 2017	31 december 2016
	FAS	FAS	FAS
	(oreviderad)	(reviderad)	(reviderad)
EGET KAPITAL OCH SKULDER			
<i>EGET KAPITAL</i>			
Aktiekapital	470,2	470,2	470,2
Fritt eget kapital	29 273,1	24 919,1	19 149,1
Balanserade vinstmedel	-21 735,5	-16 072,0	-10 385,2
Nettovinst (nettoförlust)	-6 423,3	-5 663,5	-5 686,8
SUMMA EGET KAPITAL	1 584,5	3 653,8	3 547,3
Anslag			
Avsättningar	318,7	171,9	135,7
<i>SKULDER</i>			
<i>Långfristiga skulder</i>			
Kapitallån	0,0	0,0	1 431,3
Lån från finansinstitut	314,0	311,9	242,7
Övriga skulder	0,0	0,0	157,1
Summa långfristiga skulder	314,0	311,9	1 831,0
<i>Kortfristiga skulder</i>			
Kapitallån	1 431,1	1 431,3	0,0
Lån från finansinstitut	818,7	223,7	218,7
Leverantörsskulder	1 501,4	315,6	766,7
Leverantörsskulder till dotterbolag	57,6	55,7	0,0
Övriga skulder	34,6	36,9	59,1
Upplupna kostnader	334,2	277,1	393,5
Summa kortfristiga skulder	4 177,8	2 340,3	1 438,0
SUMMA SKULDER	4 491,9	2 652,2	3 269,0
SUMMA EGET KAPITAL OCH SKULDER	6 395,1	6 477,9	6 952,0
Kassaflödesanalys			
(tusen euro)	1 januari 2018 - 31 december 2018	1 januari 2017-31 december 2017	1 januari 2016-31 december 2016
	FAS	FAS	FAS
	(oreviderad)	(reviderad)	(reviderad)
Kassaflöde från den löpande verksamheten			
Periodens vinst (förlust)	-6 423,3	-5 663,5	-5 686,8
<i>Justeringar</i>			
Planenliga avskrivningar	718,7	761,6	617,4
Övriga kontantfria intäkter och kostnader	146,8	36,3	0,0
Finansiella intäkter och kostnader	1 049,1	810,4	1 164,7
Kassaflöde före förändringar av rörelsekapital	-4 508,7	-4 055,3	-3 904,7
<i>Förändringar av rörelsekapital</i>			
Ökning(-)/minskning(+) av kortfristiga fordringar	-1 952,6	199,5	22,2
Ökning(-)/minskning(+) av varulager	14,2	-505,2	-98,8
Ökning(-)/minskning(+) av kortfristiga räntefria skulder	1 369,4	-534,0	-295,6
Kassaflöde från den löpande verksamheten före finansiella poster och skatter	-5 077,7	-4 895,0	-4 276,8
Räntor och övriga finansiella kostnader	-1 072,4	-824,2	-1.156,4
Räntor och övriga finansiella intäkter	23,3	13,8	0,3
Kassaflöde före extraordinära poster	-6 126,8	-5 705,4	-5 432,9
Kassaflöde från den löpande verksamheten (A)	-6 126,8	-5 705,4	-5 432,9
Kassaflöde från investeringsverksamheten			
Investeringar i immateriella och materiella tillgångar	-162,5	-181,9	-1 146,3
Investeringar i dotterbolag	0,0	-28,0	-1,7
Kassaflöde från investeringsverksamheten (B)	-162,5	-209,9	-1 147,9

Kassaflöde från finansieringsverksamheten			
Aktieemission	4 354,0	5 770,0	6 435,3
Nya långfristiga lån	112,8	201,2	1 195,0
Nya kortfristiga lån	778,7		
Återbetalning av kortfristiga lån	-218,1	-284,0	-1 439,2
Återbetalning av långfristiga lån	-203,1	0,0	-277,6
Kassaflöde från finansieringsverksamheten (C)	4 824,3	5 687,2	5 913,5
Förändring av likvida medel (A+B+C), ökning (+)/minskning (-)	-1 465,0	-228,1	-667,3
Likvida medel vid periodens början	2 212,4	2 440,5	3 107,8
Likvida medel vid periodens slut	747,4	2 212,4	2 440,5

Nyckeltal

(tusen euro)	1 januari - 31 december 2018	1 januari - 31 december 2017	1 januari - 31 december 2016
Nyckeltal från resultaträkningen	(Oreviderat om inget annat anges)		
Omsättning	5 632,9	830,9 ¹	5 404,8 ¹
EBITDA	-4 655,5	-4 091,5	-3 904,7
EBITDA-marginal (%)	-83%	-492%	-72%
Rörelsevinst / (förlust) (EBIT)	-5 374,2	-4 853,1 ¹	-4 522,1 ¹
Rörelsemarginal (%)	-95%	-584%	-84%
Nettovinst / (nettoförlust)	-6 423,3	-5 663,5 ¹	-5 686,8 ¹
Nettovinst / (nettoförlust)-marginal (%)	-114%	-682%	-105%
Nyckeltal avseende kapitalstrukturen			
Eget kapital	1 584,5	3 653,8 ¹	3 547,3 ¹
Soliditet (%)	25%	56%	51%
Uppgifter per aktie			
Antal aktier	352 538 414	130 749 062	35 469 332
Eget kapital per aktie	0,00	0,03	0,10
Vinst per aktie	-0,02	-0,04	-0,16
Anställda			
Medeltal anställda	38	37	42

¹ Reviderad

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

Savosolar genomförde en företrädesemission och två riktade aktieemissioner i september 2016 som tillförde Bolaget cirka 5,8 miljoner euro i nettolikvid, vidare genomfördes även en företrädesemission med vidhängande teckningsoptioner under juni 2017 som tillförde Bolaget cirka 5,0 miljoner euro i nettolikvid. Under juni och juli 2018 genomförde Bolaget en företrädesemission samt en riktad emission, i vilka Bolaget tillfördes cirka 4,4 miljoner euro i nettolikvid.

Under räkenskapsåret 2018 uppgick omsättningen till 5 632,9 tusen euro, en ökning om 4 802,1 tusen euro eller 578 procent jämfört med 830,9 tusen euro för räkenskapsåret 2017. Omsättningstillväxten utgjordes av att Bolaget ingått stora kontrakt i Danmark och Frankrike. Omsättningen för räkenskapsåret 2017 uppgick till 830,9 tusen euro och minskade med 4 573,9 tusen euro, eller 85 procent genomfört med 5 404,8 tusen euro för räkenskapsåret 2016. Omsättningsminskningen berodde på att Bolaget inte lyckades vinna och därmed leverera nya stora solfrångarfält för fjärrvärmemarknaden.

Rörelseförslusten för räkenskapsåret 2018 uppgick till 5 374,2 tusen euro, en ökning om 521,1 tusen euro eller 10,7 procent jämfört med 4 853,1 tusen euro för räkenskapsåret 2017. Den ökade rörelseförslusten berodde främst på de låga marginalerna i levererade projekt. Rörelseförslusten för räkenskapsåret 2017 uppgick till 4 853,1 tusen euro, en ökning om 331,0 tusen euro eller 7 procent jämfört med 4 522,0 tusen euro under räkenskapsåret 2016. Ökningen i rörelseförslust berodde främst på ett lågt antal sålda projekt.

I maj 2018 kom Bolaget överens om en förlängning om 12 månader avseende kapitallånen löptid med Finnvera Oyj och Suur-Savon Osuuspankki. Efter förändringen i löptid löper lånen om totalt 1,4 miljoner euro till den 31 december 2019 istället för den 31 december 2018. Vidare har Bolaget den 20 februari 2019 kommit överens med Suur-Savon Osuuspankki om förändringar av ovan nämnda kapitallånet om cirka 1,2 miljoner euro. Återbetalningsperioden för kapitallånen ändrades så att de förfaller till betalning i månataliga rater inom en period av 24 månader från och med april 2019. Innan förändringen skulle kapitallånen i sin helhet betalas tillbaka den 31 december 2019. På grund av förändringen av återbetalningsperioden ökade den årliga fasta räntan på kapitallånet från tre (3) procent till fyra (4) procent.

Den 18 december 2018 ingick Bolaget ett bryggåneavtal Formue Nord Marknadsneutral A/S ett lån om 8,0 miljoner svenska kronor till Bolaget. Räntan på bryggåneavtalet löper på 2,5 procent per månad; det nominella beloppet och räntan på lånet förfaller senast den 30 april 2019. Genom bryggåneavtalet säkerställer Bolaget sitt rörelsekapitalbehov fram tills att Erbjudandet har genomförts.

B.8	Proforma-redovisning	Ej tillämplig. Detta Prospekt innehåller ingen proformaredovisning.
B.9	Resultatprognos eller förväntat resultat	Bolaget ger inte ut en vinstprognos.

<p>B.10</p>	<p>Anmärkingar i revisionsberättelser</p>	<p>Bolaget förväntar sig en revisionsberättelse som avviker från standardutformningen avseende Bolagets bokslut för räkenskapsåret 2018 på grund av väsentlig osäkerhet som kan ge tvivel om Bolagets förmåga att fortsätta den löpande verksamheten. Bolaget räknar med att revisionsberättelsen publiceras den 14 mars 2019.</p> <p>Följande revisionsberättelser avseende Bolagets årsredovisning för 2017 och 2016 samt återutgiven årsredovisning för 2016 avviker från standardutformningen:</p> <p>Årsredovisning 2017: Väsentlig osäkerhet relaterad till den löpande verksamheten</p> <p>Vi uppmärksammar noterna i årsredovisningens avsnitt ”Vanliga risker och osäkerheter i verksamheten”, enligt vilken Bolaget, baserat på nuvarande kostnads- och intäktsnivåer bedömer att rörelsekapitalet under den kommande tolv månadersperioden ej är tillräckligt. Dessa förutsättningar tyder på att det finns en väsentlig osäkerhet som kan ge betydande tvivel om Bolagets förmåga att fortsätta den löpande verksamheten. Vår revisionsberättelse är inte justerad för detta faktum.</p> <p>Årsredovisning och återutgiven årsredovisning 2016: Väsentlig osäkerhet relaterad till den löpande verksamheten</p> <p>Vi uppmärksammar noterna i årsredovisningens avsnitt ”Vanliga risker och osäkerheter i verksamheten”, enligt vilken Bolaget, baserat på nuvarande kostnads- och intäktsnivåer bedömer att rörelsekapitalet under den kommande tolv månadersperioden ej är tillräckligt. Dessa förutsättningar tyder på att det finns en väsentlig osäkerhet som kan ge betydande tvivel om Bolagets förmåga att fortsätta den löpande verksamheten. Vår revisionsberättelse är inte justerad för detta faktum.</p> <p>Återutgiven årsredovisning 2016: Betoning av materiell punkt</p> <p>Vi uppmärksammar noten på sidan 5 ”Omräkning av årsredovisningen för räkenskapsåret 2016” vilken innehåller en beskrivning av den omräkning som gjorts i årsredovisningen undertecknad av styrelsen den 3 mars 2017 och bekräftad av årsstämman den 28 mars 2017 avseende vilken vi har utfärdat en revisorsrapport den 14 mars 2017. Vår revisionsberättelse är inte justerad för detta faktum.</p>
<p>B.11</p>	<p>Otillräckligt rörelsekapital</p>	<p>Enligt Bolagets estimering är Bolagets befintliga rörelsekapital inte tillräckligt för de aktuella behoven för den kommande tolv månadersperioden per dagen för Prospektets avgivande. Detta beror på de uppskattade kostnaderna för att driva Bolaget och lån som förfaller under de kommande 12 månaderna. Bolaget anser att 5,7 miljoner euro är tillräckligt för att täcka dess brist på rörelsekapital (inklusive en återbetalning av bryggglån om 0,8 miljoner euro samt amortering av kapitallån om 0,8 miljoner euro) under åtminstone den kommande tolv månadersperioden från och med dagen för Prospektet. Bolagets nuvarande rörelsekapital är estimerat att räcka till slutet av mars 2019.</p> <p>Bolaget genomför Erbjudandet med vidhängande teckningsoptionerna bland annat för att säkra ett tillräckligt rörelsekapital. Om Erbjudandet fulltecknas teckningsoptionerna utnyttjas till fullo kommer nettolikviden uppgå till cirka 7,5 miljoner euro. Bolaget bedömer att om Erbjudandet fullföljs enligt den tänkta tidsplanen och blir fulltecknat och om likviden från Erbjudandet som tillförs i kontanta medel uppgår till minst 4,3 miljoner euro och att nettolikviden som tillförs genom teckningsoptionerna är minst 1,4 miljoner euro, så är likviden från dessa, tillsammans med Bolagets tillgängliga kassa och bankmedel tillräckligt rörelsekapital för att möta dess nuvarande behov samt täcka Bolagets rörelsekapitalbehov (inklusive en återbetalning av bryggglån om 0,8 miljoner euro samt amortering av kapitallån om 0,8 miljoner euro) i minst 12 månader från och med dagen för detta Prospekt.</p> <p>I ett negativt scenario där Erbjudandet endast tecknas till 80 procent samtidigt som projektens lönsamhet ej håller planerad nivå räcker Bolagets rörelsekapital till och med september 2019.</p> <p>Om nettolikviden från Erbjudandet som skall betalas med kontanta medel och från teckningsoptionerna understiger 5,7 miljoner euro eller det sker betydande negativa förändringar i Bolagets förväntningar i andra avseenden såsom fördröjningar i erhållandet av ny ordrar eller minskad lönsamhet i projekten, kan Bolaget behöva ytterligare finansiering, vilken Bolaget i så fall har för avsikt att anskaffa genom annan skuld- eller eget kapitalfinansiering. Bolagets styrelse följer aktivt Bolagets ekonomiska situation och söker tillsammans med Bolagets ledning alternativa finansieringslösningar och ytterligare medel för att minska kostnaderna för Bolagets verksamhet. Om ingen ytterligare finansiering är tillgänglig och Bolagets kostnader inte kan minskas, kommer Bolaget sannolikt att stå inför betalningsvårigheter inom tolv månader från prospektdatumet. Bolaget måste då möjligtvis fördröja, begränsa eller avsluta sin verksamhet.</p>

Avsnitt C – Värdepapperen

<p>C.1</p>	<p>Slag och kategori av värdepapper</p>	<p>Erbjudandet avser teckning av Bolagets aktier. Erbjudandeaaktiernas ISIN-kod är FI4000123096. Kortnamnet på First North Sweden är SAVOS och på First North Finland SAVOH.</p> <p>Savosolar kommer att ge sina aktieägare som är registrerade i Savosolars aktiebok som förs av Euroclear Finland Oy eller Euroclear Sweden AB en (1) kontoförd teckningsrätt för varje innehavd aktie på avstämningsdagen den 26 februari 2019. En (1) teckningsrätt berättigar till teckning av tre (3) nya aktier. Delar av aktier kommer ej att överlåtas och en skild teckningsrätt kan inte användas delvis. Teckningsrätterna är fritt överlåtbara och kommer att handlas på First North Finland (kortnamn SAVOHU0119, ISIN: FI4000369731) och på First North Sweden (kortnamn SAVOS TR, ISIN: SE0012256774) mellan den 1 mars 2019 och den 13 mars 2019.</p> <p>När teckningen har genomförts kommer interimaktier (”BTA”) som motsvarar de genom teckningsrätterna tecknade nya aktierna att upptas i aktieboken. Handeln med BTA:erna kommer att inledas på First North Finland (kortnamn SAVOHN0119, ISIN: FI4000369749) och på First North Sweden (kortnamn SAVOS BTA, ISIN: SE0012256782) som ett eget värdepappersslag omkring den 15 mars 2019. När erbjudandeaaktierna har registrerats i handelsregistret kommer de att kombineras med Bolagets befintliga aktier. Leveransen och kombinerings kommer att ske omkring den 3 april 2019 i Euroclear Finlands kontoförande system och omkring den 10 april 2019 i Euroclear Swedens kontoförande system. Erbjudandeaaktierna kommer att handlas tillsammans med Bolagets befintliga aktier omkring den 3 april 2019 på First North Finland och på 10 april 2019 First North Sweden.</p>
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		Dessutom kommer Savosolar att emittera vederlagsfria teckningsoptioner som ger rätt att teckna nya aktier i Bolaget till de som tecknar erbjudandeaktier i erbjudandet. Teckningsoptionerna kommer emitteras enligt följande: Tre (3) tecknade, betalda och tilldelade erbjudandeaktier kommer att ge rätt till en (1) teckningsoption. Fraktioner av teckningsoptionerna kommer inte att utfärdas. Teckningsoptionernas ISIN-kod är FI4000369756. Bolaget avser att lämna in en ansökan till Stockholmsbörsen och Helsingforsbörsen om notering av teckningsoptionerna på First North Sweden och First North Finland. Kortnamnet förväntas vara SAVOS TO4 på First North Sweden och SAVIHEW119 på First North Finland. Ifall teckningsoptionerna noteras kommer handeln på First North Sweden och First North Finland troligen att inledas omkring vecka 15, 2019.
C.2	Valuta	Teckningsrätterna, BTA:erna, erbjudandeaktierna och teckningsoptionerna är denominerade i euro. Teckningsrätter, BTA:er, aktier och teckningsoptioner som är upptagna till handel på First North Finland handlas och betalas i euro. Teckningsrätter, BTA:er, aktier och teckningsoptioner som är upptagna till handel på First North Sweden handlas och betalas i svenska kronor.
C.3	Aktier och aktiekapital	Bolagets fullt inbetalda aktiekapital uppgår till 470 210,00 euro dagen för Prospektet. Antalet aktier är totalt 352 538 414. Samtliga aktier är av samma aktieslag. Aktierna har inget nominellt värde.
C.4	Rättigheter som sammanhänger med värdepapperen	Erbjudandeaktierna är förenade med fulla aktieägarrättigheter från och med tidpunkten för registreringen i handelsregistret och leveransen till investerarna. Varje aktie i Bolaget motsvarar en röst vid Bolagets bolagsstämmor.
C.5	Inskränkningar i rätten att fritt överlåta värdepapperen	Ej tillämplig. Teckningsrätterna, BTA:erna, erbjudandeaktierna och teckningsoptionerna är fritt överlåtbara.
C.6	Upptagande till handel	Teckningsrätterna kommer att handlas på First North Finland (kortnamn SAVOHU0119, ISIN: FI4000369731) och på First North Sweden (kortnamn SAVOS TR, ISIN: SE0012256774) mellan den 1 mars 2019 och den 13 mars 2019. Handeln med BTA kommer att inledas på First North Finland (kortnamn SAVOHN0119, ISIN: FI4000369749) och på First North Sweden (kortnamn SAVOS BTA, ISIN: SE0012256782) som ett eget värdepappersslag omkring den 15 mars 2019. När erbjudandeaktierna har registrerats i handelsregistret kommer de att slås ihop med de befintliga aktierna. Leverans och kombinerad kommer att ske i Euroclear Finlands kontoförande system omkring den 3 april 2019, och i Euroclear Swedens kontoförande system omkring den 10 april 2019. Erbjudandeaktierna kommer att handlas tillsammans med Bolagets befintliga aktier omkring den 3 april 2019 på First North Finland och omkring den 10 april 2019 på First North Sweden. Bolaget avser att lämna in en ansökan till Stockholmsbörsen och Helsingforsbörsen om notering av teckningsoptionerna på First North Sweden och First North Finland. Kortnamnen förväntas vara SAVOS TO4 på First North Sweden och SAVIHEW119 på First North Finland. Teckningsoptionernas ISIN-kod är FI4000369756. Om teckningsoptionerna noteras förväntas handeln på First North Sweden och First North Finland att inledas omkring vecka 15, 2019. Bolagets aktier handlas på First North Finland (kortnamn SAVOH) och First North Sweden (kortnamn SAVOS), ISIN-kod: FI4000123096.
C.7	Utdelningspolicy	Bolaget har hittills inte betalat någon utdelning, och det finns inga garantier för att det kommer att finnas utdelningsbara medel i framtiden. Bolagets mål är att i framtiden dela ut högst 30 % av årets vinst, dock högst 30 % av utdelningsbara medel, och investera återstoden i utveckling av produkter och processer samt i att utöka verksamheten.

Avsnitt D – Riskfaktorer

D.1	Riskfaktorer som är specifika för emittenten och branschen	<p>Bolaget och dess verksamhet exponeras för följande risker bland andra:</p> <ul style="list-style-type: none"> • Bolaget har tidigare gått med förlust och verksamheten kan förbi olönsam under överskådlig framtid. • Bolagets rörelsekapital är inte tillräckligt för att täcka Bolagets aktuella behov av rörelsekapital och rörelsekapitalbehovet för de kommande 12 månaderna per datumet för detta Prospekt, och om erbjudandet inte fulltecknas och minst 1,4 miljoner euro inkommer genom teckningsoptionerna, kan Bolaget komma att behöva ytterligare finansiering av rörelsekapitalet. • Bolaget kanske inte lyckas implementera sin tillväxt- och internationaliseringsstrategi enligt plan. • Bolaget kanske inte kommer att kunna skydda sina immateriella rättigheter i tillräcklig grad. • Bolaget kanske kommer att kränka tredje parts immateriella rättigheter eller anspråk kanske kommer att ställas på Bolaget om sådana överträdelseer. • Potentiella kreditförluster kan ha väsentlig negativ inverkan på Bolagets finansiella ställning. • Den inkomstgenererande kapaciteten för aktiverade utvecklingskostnader kan visa sig vara lägre än väntat. • Bolaget kanske inte kan utnyttja alla skattemässiga förluster. • Möjligheten till finansiering från Tekes kanske inte finns i framtiden och redan erhållen finansiering kan behöva återbetalas i förtid. • Valutakursförändringar kan komma att påverka Bolaget negativt. • Bolaget är beroende av att dess nyckelleverantörer och underleverantörer är tillgängliga och kan leverera enligt plan. • Bolaget kan bli föremål för skadeståndsanspråk i egenskap av tillverkare och andra krav. • Bolaget kan bli skyldigt att betala ersättning till följd av lämnade effektivitetsgarantier.
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		<ul style="list-style-type: none"> • Tekniska problem kan medföra avbrott i Bolagets produktionsprocess. • Bolaget kanske inte kan återfinansiera sina skulder. • Bolaget är beroende av sin förmåga att rekrytera och behålla nyckelpersoner. • Bolaget är beroende av sin förmåga att finna och behålla forskningspartner. • Bolaget kanske inte har tillräckligt omfattade försäkringar och kanske inte är fullt försäkrat mot alla risker. • Farliga ämnen används i Bolagets tillverkningsprocess och Bolaget behöver ett miljötillstånd, vilket är i ansökningsprocessen, för sin verksamhet • Bolaget är idag föremål för en legal process i Frankrike och kan bli inblandat i tvister och skiljeförfaranden i framtiden. • Ändringar i konkurrensituationen kan påverka Bolaget negativt. • Bolaget kan påverkas negativt av förändringar på finansmarknaderna och av de ekonomiska förutsättningarna i allmänhet. • Det är inte säkert att Bolaget kan få de bankgarantier det behöver för dess tillväxt på acceptabla villkor eller överhuvudtaget eller att brott mot befintliga kovenanter för bankgarantier kommer att leda till att villkoren försämras eller att bankgarantier avslutas. • Ändringar i räntenivån kan komma att påverka Bolaget negativt.
D.3	Risker relaterade till värdepapperen	<p>De risker som sammanhänger med aktierna, erbjudandet och teckningsoptionerna är bland andra:</p> <ul style="list-style-type: none"> • Bolaget kanske inte får in allt erforderligt kapital genom erbjudandet. • En aktiv och publik handel med Bolagets aktier, teckningsrätter och/eller teckningsoptioner kanske inte uppstår. • Om inte teckningsrätterna utnyttjas under teckningstiden löper de ut och blir värdelösa. • Aktiernas, teckningsrätternas och teckningsoptionernas marknadspris kan variera avsevärt och priset på aktierna kan falla under teckningskursen för teckningsoptionerna i enlighet med dess villkor eller under teckningskursen för erbjudandet. • Storleken på eventuella framtida utdelningar till aktieägarna är osäker. • Utspädning av aktiekapitalet. • Teckning av aktier kan inte återkallas, förutom under vissa speciella omständigheter. • Alla utländska aktieägare kanske inte kan utnyttja teckningsrätterna. • Innehavare av förvaltarregistrerade aktier i Bolaget kanske inte kan utöva sin rösträtt. • Betydande emissioner eller avyttringar av aktier eller teckningsrätter i framtiden kan få en negativ inverkan på aktiernas marknadspris och orsaka utspädning; Bolaget kan genomföra en riktad emission till garantiåtagare i samband med Erbjudandet. • Investerare som deltar i erbjudandet i Sverige kan påverkas negativt av förändringar i valutakurser. • Det är inte säkert att samtliga parter som har ingått teckningsförbindelser och garantiavtal kommer att fullgöra sina åtaganden gentemot Bolaget. • Garantiåtagarna kan komma att bli Bolagets största aktieägare och deras intressen kan avvika från Bolagets minoritetsaktieägare.

Avsnitt E – Erbjudandet

E.1	Nettolikvid och emissionskostnader	<p>Bolagets avser att anskaffa cirka 5,3 miljoner euro genom Erbjudandet. Ifall Erbjudandet fulltecknas, förväntar sig Bolaget att erhålla en nettolikvid från Erbjudandet om cirka 4,3 miljoner, efter avdrag för Bolagets uppskattade emissionskostnader för Erbjudandet om sammanlagt cirka 0,9 miljoner euro.</p> <p>I anslutning till Erbjudandet kommer Bolaget emitterade vederlagsfria teckningsoptioner till investerare som tecknar erbjudandeaktier i erbjudandet. Bolaget kan genom detta således anskaffa ytterligare maximalt cirka 3,5 miljoner euro i nettolikvid, efter reducering av estimerade kostnader hänförliga till nyttjandet av teckningsoptionerna om cirka 0,2 miljoner euro.</p>
E.2a	Motiven för erbjudandet och användningen av de medel erbjudandet förväntas tillföra	<p>Efter ökad marknadsaktivitet under 2017 fortsatte den positiva utvecklingen 2018. Solvärme är för första gången estimerat att producera mer än 1 TWh världen över (= 1 miljard kilowattimmar) och enligt marknadsprognoser förväntas solfjärrvärmekapaciteten att stiga till 240 TWh år 2050. Detta beror på att solvärme, i lämpliga applikationer, är en mycket konkurrenskraftig form av ren energiproduktion. Dessutom fortsätter internationella institutioner och stater att uppmuntra företags miljövänliga energilösningar genom stödprogram och subventioner, vilket leder till intresse från många olika kundgrupper.</p> <p>Savosolar har, i sin tur, haft en stark försäljningsutveckling med en omsättning om 5,6 miljoner euro år 2018, vilket är 578 procent högre än 2017. Även om Savosolar är väl positionerat avseende produktionskapacitet, nya ordrar och allt större efterfrågan, behövs ytterligare rörelsekapital och ekonomisk kapacitet till projekt som kommer att genomföras under 2019 och därför arrangerar Bolaget Erbjudandet.</p> <p>För att genomföra pågående och framtida projekt under 2019 samt att ha kapacitet att effektivt hantera arbetsinsatsen i variationen av projekt behöver Bolaget ytterligare rörelsekapital. Bolagets avser att anskaffa cirka 5,3 miljoner euro genom Erbjudandet. Ifall Erbjudandet fulltecknas, förväntar sig Bolaget att erhålla en nettolikvid från Erbjudandet om cirka 4,3 miljoner, efter avdrag för Bolagets uppskattade emissionskostnader för Erbjudandet om sammanlagt cirka 0,9 miljoner euro. I anslutning till erbjudandet kommer Bolaget emitterade vederlagsfria teckningsoptioner till investerare som tecknar erbjudandeaktier i erbjudandet. Bolaget kan genom detta således anskaffa ytterligare maximalt cirka 3,5 miljoner euro i</p>

		<p>nettolikvid, efter reducering av estimerade kostnader hänförliga till nyttjandet av teckningsoptionerna om cirka 0,2 miljoner euro.</p> <p>Bolaget kommer att använda nettolikviden från Erbjudandet och teckningsoptionerna för amortering av 0,8 miljoner euro i kapitallån samt för att säkerställa Bolagets rörelsekapitalbehov om cirka 4,9 miljoner euro (inklusive återbetalning av kapital och ränta på bryggfinansieringen om cirka 0,8 miljoner euro) så att Bolaget kan leverera erhållna och kommande order under 2019 och fortsätta effektivisera verksamheten för att nå lönsamhetsmålen samt hantera den ökande efterfrågan.</p>
E.3	Erbjudandets former och villkor	<p>Erbjudandet, teckningsrätt och Teckningsoptionerna</p> <p>Bolaget erbjuder sina aktieägare att med företrädesrätt teckna upp till 1 057 615 242 nya aktier ("Erbjudandeaktier") i Bolaget ("Erbjudandet").</p> <p>Savosolar kommer att tilldela alla aktieägare som är registrerade i Savosolars aktiebok som förs av Euroclear Finland Oy ("Euroclear Finland") eller Euroclear Sweden AB ("Euroclear Sweden") en (1) kontoförd teckningsrätt ("Teckningsrätterna") för varje aktie som innehas på Erbjudandets avstämningsdag ("Avstämningsdagen"), vilken är den 26 februari 2019. En (1) Teckningsrätt berättigar till teckning av tre (3) nya aktier. Fraktioner av Teckningsrätterna kommer inte att utfärdas, och en enskild Teckningsrätt kan inte utnyttjas endast delvis. Teckningsrätterna kommer att registreras i aktieboken hos Euroclear Finland omkring den 27 februari 2019 och i aktieboken hos Euroclear Sweden omkring den 28 februari 2019. Teckningsrätterna är fritt överlåtbara och kommer att handlas på First North Finland (kortnamn SAVOHU0119, ISIN: FI4000369731) och på First North Sweden (kortnamn SAVOS TR, ISIN: SE0012256774) mellan den 1 mars 2019 och den 13 mars 2019. Om en aktie i Bolaget som berättigar till en Teckningsrätt har pantsatts eller på annat sätt omfattas av restriktioner kan Teckningsrätten kanske inte utnyttjas utan tillstånd av långivaren eller rättsinnehavaren.</p> <p>Dessutom kommer Savosolar att emittera högst 352 538 414 vederlagsfria teckningsoptioner ("Teckningsoptionerna") som ger de som tecknar Erbjudandeaktier i Erbjudandet rätt att teckna upp till 352 538 414 nya aktier i Bolaget. Teckningsoptionerna kommer emitteras enligt följande: Tre (3) tecknade, betalda och tilldelade erbjudandeaktier kommer att ge rätt till en (1) teckningsoption. Fraktioner av teckningsoptionerna kommer inte att utfärdas. Teckningsoptionerna är fritt överlåtbara.</p> <p>Rätt att teckna otecknade Erbjudandeaktier utan Teckningsrätter</p> <p>Bolagets styrelse har att fatta beslut om huruvida eventuella otecknade Erbjudandeaktier i andra hand ska erbjudas aktieägare och andra investerare som har lämnat in teckningsanmälningar för Erbjudandeaktierna under teckningstiden utan att ha Teckningsrätter.</p> <p>Teckningskurs</p> <p>Erbjudandeaktierna emitteras till Teckningskursen 0,005 euro eller 0,05 svenska kronor per aktie ("Teckningskursen"). Erbjudandeaktiernas Teckningskurs kommer att redovisas i fonden för inbetalt fritt kapital. Erbjudandeaktiernas teckningskurs registreras under fritt eget kapital. Teckningskursen har fastställts på ett sätt att den innehåller en för företrädesemissioner sedvanlig rabatt. Teckningskursen är cirka 49,5 procent lägre än stängningskursen i Bolagets aktie på First North Sweden den 18 december 2018 (0,099 kronor) och 44,4 procent lägre än stängningskursen i Bolagets aktie på First North Finland den 18 december 2018 (0,009 euro).</p> <p>Teckningstid</p> <p>Teckningstiden ("Teckningstiden") för Erbjudandeaktierna börjar den 1 mars 2019 kl. 09.30 finsk tid (kl. 08.30 svensk tid), och förväntas sluta den 19 mars 2019 kl. 16.30 finsk tid (kl. 15.30 svensk tid) i Finland och den 15 mars 2019 kl. 16.30 finsk tid (kl. 15.30 svensk tid) i Sverige.</p> <p>Bolaget kan efter eget gottfinnande förlänga Teckningstiden. Teckningstiden kan förlängas en eller flera gånger, dock inte efter den 2 april 2019. Förlängningar av Teckningstiden ska tillkännages i pressmeddelande från Bolaget före Teckningstidens slut.</p> <p>Om Teckningstiden förlängs kommer tilldelningsdagen, betalningsdatumen och datumen för leverans av Erbjudandeaktier att ändras i enlighet därmed.</p> <p>Teckningsplatser, kontoförande institut, depåinstitut och förvaltare kan kräva att deras kunder lämnar in teckningsanmälan en viss tid innan handeln med Teckningsrätterna inleds eller före Teckningstidens utgång.</p> <p>Teckningsplats</p> <p>Teckningsplatserna är:</p> <ol style="list-style-type: none"> I Finland genom förvaltare. I Sverige genom Mangold Fondkommission AB:s webbplats www.mangold.se och Mangold Fondkommission AB, Engelbrektsplan 2, 114 34 Stockholm (ta@mangold.se, tel. +46 8-503 01 580). <p>Teckningsanmälan i Sverige tas också emot av förvaltare som har avtal med Mangold Fondkommission AB om detta.</p> <p>Investerarna ska följa de anvisningar som har utfärdats av förvaltarna och Mangold Fondkommission AB.</p> <p>Att utnyttja Teckningsrätterna</p> <p>Aktieägarna kan delta i Erbjudandet genom att teckna Erbjudandeaktier med utnyttjande av sina registrerade Teckningsrätter och betala teckningsavgiften. Aktieägare som önskar delta i Erbjudandet ska lämna in teckningsanmälan i enlighet med anvisningar från sin förvaltare</p> <p>Innehavare av förvärvade Teckningsrätter ska lämna in teckningsanmälan i enlighet med anvisningar från sin förvaltare.</p>

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

Separata teckningsanmälningar ska lämnas för varje värdepapperskonto.

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

Anmälan om teckning är bindande.

Outnyttjade Teckningsrätter förfaller och förlorar sitt värde vid Teckningstidens utgång den 19 mars 2019 kl. 16.30 finsk tid (kl. 15.30 svensk tid) i Finland och den 15 mars 2019 kl. 16.30 finsk tid (kl. 15.30 svensk tid) i Sverige.

Teckning av Erbjudandeaktier utan Teckningsrätter samt tilldelning

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

Om de tecknade Erbjudandeaktierna ska erhållas via det kontobaserade systemet hos Euroclear Finland ska aktieägarens och/eller investerarens depåinstitut, kontoförande institut eller förvaltare erhålla teckningsanmälan och betalningen senast den 19 mars 2019 eller vid den tidigare tidpunkt som depåinstitutet, det kontoförande institutet eller förvaltaren anger.

Om de tecknade Erbjudandeaktierna ska erhållas via det kontobaserade systemet hos Euroclear Sweden ska aktieägarens och/eller investerarens depåinstitut, kontoförande institut eller förvaltare erhålla teckningsanmälan och betalningen senast den 15 mars 2019 eller vid den tidigare tidpunkt som depåinstitutet, det kontoförande institutet eller förvaltaren anger.

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

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

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

Om Erbjudandeaktier inte kan tilldelas i enlighet med teckningsanmälan från personer utan Teckningsrätter återbetalas den andel av den inbetalade teckningsavgiften som motsvarar de ej erhållna Erbjudandeaktierna till tecknaren omkring den 26 mars 2019. Ingen ränta kommer att betalas på de belopp som återbetalas.

Godkännande och betalning

Bolagets styrelse kommer att fatta beslut om godkännande av teckning med utnyttjande av Teckningsrätter och i enlighet med villkoren för detta Erbjudande samt tillämpliga lagar och bestämmelser omkring den 19 mars 2019. Vidare kommer Bolagets styrelse att fatta beslut om godkännande av teckning utan stöd av Teckningsrätter och i enligheten med villkoren för detta Erbjudande samt tillämpliga lagar och bestämmelser och enligt tilldelningsprinciperna som presenteras i avsnittet "Teckning av Erbjudandeaktier utan Teckningsrätter samt tilldelning" ovan.

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

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

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

Meddelande om utfallet av Erbjudandet

Förutsatt att inga ändringar görs av Teckningstiden kommer Bolaget att meddela utfallet av Erbjudandet i ett pressmeddelande omkring den 21 mars 2019.

Registrering och leverans av Erbjudandeaktier

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

När teckningen har genomförts kommer BTA:er som motsvarar de med Teckningsrätterna tecknade nya aktierna att upptas i aktieboken. I Finland, är detta estimerat till nästkommande dag, i enlighet med Euroclear Finlands tidplan för clearing. Handeln med BTA:erna kommer att inledas på First North Finland (kortnamn SAVOHN0119, ISIN: FI4000369749) och på First North Sweden (kortnamn SAVOS BTA, ISIN: SE0012256782) som ett eget värdepappersslag omkring den 15 mars 2019. När Erbjudandeaktierna har registrerats i handelsregistret kommer de att slås ihop med de befintliga aktierna. Detta kommer att ske i Euroclear Finlands system omkring den 3 april 2019, och Erbjudandeaktierna kommer att handlas tillsammans med Bolagets befintliga aktier omkring den 3 april 2019 på First North Finland. Detta kommer att ske i Euroclear Swedens system omkring den 10 april 2019, och Erbjudandeaktierna kommer att handlas tillsammans med Bolagets befintliga aktier omkring den 10 april 2019 på First North Sweden.

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

Innehavare av aktieoptioner

Enligt de villkor för aktieoptioner 2-2017 ska innehavare av aktieoptioner ha samma eller likvärdiga rättigheter som aktieägare om Bolaget innan aktier har tecknats med utnyttjande av aktieoptioner beslutar att emittera aktier, nya aktieoptioner eller andra särskilda rättigheter som ger aktieägarna företrädesrätt till teckning av aktier. Denna jämställdhet uppnås på det sätt som styrelsen fastslår, genom att antalet aktier som är tillgängliga för teckning, teckningskursen eller båda dessa faktorer ändras. För att säkerställa att innehavarna av aktieoptioner och aktier behandlas lika kommer Bolagets styrelse att fatta beslut om att förändra antalet aktier som kan tecknas på basis av aktieoptioner 2-2017 och/eller Teckningskursen genom Erbjudandet omkring den 21 mars 2019. De ändrade villkoren för aktieoptionerna till följd av Erbjudandet kommer att träda i kraft när dessa har registrerats i handelsregistret. Bolagets aktieoptioner medför ingen rätt att delta i Erbjudandet. I samband med att aktier tecknas avrundas aktieoptionsinnehavarens totala antal tecknade aktier nedåt till närmaste heltal. Den sammanlagda teckningsavgiften beräknas sedan utifrån det avrundade antalet aktier och avrundas till närmaste cent

Aktieägarrättigheter

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

Tillägg till Prospektet och återkallande av teckningar

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

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

Investerare som har tecknat Erbjudandeaktier innan ett tillägg till Prospektet offentliggörs har rätt att återkalla sina teckningsanmälningar. Sådant återkallelserätt ska utövas inom en period som inte får vara kortare än två (2) finska bankdagar räknat från offentliggörandet av tillägget till Prospektet. En investerares återkallande av teckning anses då gälla samtliga teckningar från investerarens sida. En förutsättning för återkallelserätt är att misstaget, felaktigheten eller den väsentliga nya omständigheten inträffade eller upptäcktes innan BTA:erna, eller Erbjudandeaktierna om inga BTA:er tilldelas, levererades. Återkallande ska meddelas till den Teckningsplats där den ursprungliga teckningen gjordes. Teckningar via Mangold Fondkommissionens webbplats kan dock inte återkallas på webbplatsen, utan ska återkallas genom att kontakta Mangold Fondkommission AB på ta@mangold.se eller telefonnummer +46 (0)8 503 01 580. Information om rätten att återkalla sin teckning lämnas också i tillägget till Prospektet.

Om en investerare återkallar sin teckning kommer en eventuell redan betald teckningsavgift att återbetalas till det bankkonto som investeraren har angett i samband med teckning av aktier. Medlen kommer att återbetalas inom tre (3) lokala bankdagar från återkallelsen av teckningen. Ingen ränta kommer att betalas på det belopp som återbetalats. Bolaget kommer att ge anvisningar om återkallelse av teckning i ett pressmeddelande i samband med publiceringen av tillägget till Prospektet.

Om en aktieägare har sålt eller på annat sätt överlåtit sina Teckningsrätter kan överlåtelsen inte ångras.

Bolagets rätt att återkalla Erbjudandet

Bolaget kan återkalla Erbjudandet efter eget gottfinnande (och av vilken anledning som helst). Om Erbjudandet återkallas kommer alla teckningar från enskilda investerare automatiskt att makuleras. I sådana fall kommer eventuella inbetalade teckningsavgifter att återbetalas till det bankkonto investeraren angav i samband med teckningen. Avgifterna kommer att återbetalas inom tre (3) lokala bankdagar från det att Erbjudandet återkallats. Ett återkallande av Erbjudandet kommer att offentliggöras genom ett pressmeddelande från Bolaget.

Bolaget får inte återkalla Erbjudandet efter det att Bolagets styrelse har beslutat om tilldelning av Erbjudandeaktierna.

Tillämplig lagstiftning

Erbjudandet och Erbjudandeaktierna lyder under finsk lag. Domstolarna i Finland har exklusiv behörighet att avgöra tvister som uppstår till följd av eller i samband med Erbjudandet.

Övriga frågor

Bolagets styrelse kan fatta beslut om andra frågor som rör Erbjudandet.

Teckningsförbindelser och emissionsgarantier

		<p>Bolagets befintliga aktieägare och styrelsemedlemmar har genom teckningsförbindelser förbundit sig att teckna sig för 0,3 procent av Erbjudandeaktierna i Erbjudandet, det vill säga de har förbundit sig att teckna sig i Erbjudandet för 14,5 tusen euro.</p> <p>Ett konsortium av emissionsgaranter har åtagit sig att teckna Erbjudandeaktier utöver de Erbjudandeaktier som tecknas med teckningsförbindelse, så att emissionsgaranternas garanti gäller cirka 79,7 procent av Erbjudandet efter de teckningar de som ingått teckningsförbindelser gör, det vill säga de har gett en emissionsgaranti om cirka 4,2 miljoner euro. De som har ingått teckningsförbindelser och emissionsgarantier har därmed förbundit sig att tillsammans teckna sig för upp till 80,0 procent av Erbjudandet.</p>
E.4	För emissionen betydande intressen och intressekonflikter	<p>Augment Partners AB och Mangold Fondkommission AB tillhandahåller finansiell rådgivning till Savosolar i enlighet med det avtal som upprättats i samband med Erbjudandet. Avtalet definerar de tjänster som Augment Partners AB och Mangold Fondkommission AB tillhandahåller i samband med Erbjudandet samt parternas åtaganden och rättigheter. I avtalen har Bolaget åtagit sig att befria Augment Partners AB och Mangold Fondkommission AB från vissa förpliktelser samt att bära kostnader för Erbjudandet.</p> <p>Augment Partners AB och Mangold Fondkommission AB erhåller en i förväg överenskommen avgift för dessa tjänster, och en del av denna avgift är knuten till likviden från Erbjudandet. Således ligger det i Augment Partners AB:s och Mangold Fondkommission AB:s intresse att Erbjudandet blir framgångsrikt.</p>
E.5	Lock up-avtal	Ej tillämplig
E.6	Utspädning	<p>Som ett resultat av Erbjudandet kan antalet aktier i Bolaget öka från 352 538 414 till högst 1 410 153 656 aktier. Erbjudandeaktierna motsvarar 300,00 procent av Bolagets samtliga utestående aktier innan Erbjudandet och 75,00 procent av Bolagets utestående aktier efter Erbjudandet.</p> <p>Om även alla Teckningsoptioner erhållna av tecknare av Erbjudandeaktier utnyttjas kan antalet aktier öka till högst 1 762 692 070 aktier till följd av Erbjudandet och teckning av aktier genom utnyttjandet av Teckningsoptioner. Om även alla Teckningsoptioner erhållna av tecknare av Erbjudandeaktier utnyttjas kommer Erbjudandeaktierna och de aktier som tecknas genom utnyttjande av Teckningsoptioner att motsvara 400,00 procent av Bolagets aktier omedelbart före Erbjudandet och 80,00 procent av Bolagets aktier efter Erbjudandet och teckning av aktier genom utnyttjande av Teckningsoptioner, under förutsättning att Erbjudandet fulltecknas och samtliga Teckningsoptioner erhållna av tecknare av Erbjudandeaktier utnyttjas.</p> <p>De parter som ingått avtal om emissionsgaranti har rätt att erhålla sin garantiersättning i aktier, detta arrangeras genom en riktad nyemission till emissionsgaranterna efter Erbjudandet, om så är nödvändigt. I förekommande fall uppgår garantiersättningen till tolv (12) procent av garantiåtaganden, vilket innebär högst cirka 507,7 tusen euro. Om Erbjudandet och den riktade nyemissionen till emissionsgaranterna fulltecknas, teckningskursen i den riktade emissionen till emissionsgaranterna är densamma som i Erbjudandet och samtliga emissionsgaranter skulle välja att erhålla sin garantiersättning i aktier, kan Bolagets utestående aktier öka med ytterligare 101 531 064 aktier. Dessa aktier som riktas till emissionsgaranterna skulle motsvara 28,80 procent av Bolagets samtliga utestående aktier före Erbjudandet och 6,72 procent av Bolagets samtliga utestående aktier efter Erbjudande och ovannämnda riktade nyemission, förutsatt att båda aktieemissionerna fulltecknas.</p> <p>Om Erbjudandet och emissionen som beskrivs ovan och som potentiellt genomförs i samband med Erbjudandet fulltecknas, teckningskursen i den emissionen som riktas till emissionsgaranterna är densamma som i Erbjudandet och maximalt antal Teckningsoptioner emitteras och samtliga Teckningsoptioner nyttjas för teckning av nya aktier, motsvarar samtliga nyemitterade aktier 81,09 procent av Bolagets samtliga utestående aktier efter aktieemissionerna och aktierna tecknade genom Teckningsoptionerna.</p> <p>Från det bemyndigande om att emittera upp till 2 000 000 000 aktier som styrelsen i Bolaget har, används maximalt 1 511 684 720 aktier i Erbjudandet, den riktade emissionen och Teckningsoptionerna, vilket betyder att minst 488 315 280 aktier kvarblir i av bemyndigandet.</p>
E.7	Kostnader som åläggs investerare	Ej tillämplig. Investerarna åläggs inga kostnader.

Risk factors

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

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

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

Like most early stage technology start-ups, Savosolar has invested in development of its products, offering and production as well as the expansion of its operations into new markets during the first operational years and has not yet reached a sales volume and margin that would cover the operational costs. Thus, the Company has incurred significant operating losses since it was founded in 2010. The loss for the accounting period ended 31 December 2018 was EUR 6,423.3 thousand. As of 31 December 2018, the Company has accumulated losses of EUR 28,158.8 thousand. These losses have resulted principally from costs incurred in research and development of products and production processes as well as from general and administrative costs associated with the Company's operations. The unprofitability of operations and challenges of supplementary financing led to the fact that the Company applied for restructuring proceedings in accordance with the Restructuring of Enterprises Act (47/1993, as amended) (the "Restructuring Act") in 2013. The Company implemented the restructuring program in accordance with its terms and the restructuring program ended in the end of 2018.

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

The Company's working capital is not sufficient to meet the Company's present requirements and requirements for the coming 12 month period from the date of the Prospectus, and if the Offering is not fully subscribed and not at least EUR 1.4 million is subscribed for new shares with the Warrants, the Company may need additional working capital financing

The Company estimates that it does not have sufficient working capital on the date of this Prospectus to meet its present requirements and cover the working capital needs for a period of 12 months following the date of this Prospectus.

Savosolar expects to receive net proceeds of approximately EUR 4.3 million from the Offering, if it is fully subscribed. The sufficiency of the Company's working capital for the next 12 months also requires that the Warrants are used for subscribing for shares, and that the subscribed amount is at least EUR 1.4 million. The share subscription price is determined by the volume weighted average price of the Company's share on First North Finland between 11 November 2019 and 22 November 2019, with an applied discount of 30 per cent. The subscription price, however, is at least EUR 0.005 and at most EUR 0.01 per share (for further information, see section "Savosolar Plc Warrant Plan 1-2019"). The market price of the Company's shares may drop below the subscription price under the terms of the Warrants. If the market price of the Company's shares is lower than the subscription price of the shares according to the terms of the Warrants during the subscription period, no shares will probably be subscribed for with the Warrants, and, therefore, the Company will not receive the needed EUR 1.4 million to secure the working capital need from the Warrants.

In a negative scenario where the Offering is only subscribed to 80 per cent, and at the same time the profitability of the projects does not remain at the planned level, the Company's working capital is estimated to be sufficient until September 2019.

If the amount of net proceeds payable in cash received from the Offering and the shares subscribed for with Warrants is less than EUR 5.7 million, the Company may require additional working capital financing, which it plans to obtain to the extent necessary with other debt and equity financing. There can be no certainty that the Company can acquire sufficient additional debt or equity financing under these circumstances. If additional financing is not obtained, the Company is likely to meet financial difficulties. The Company may then have to delay, curtail or terminate its operations. This could have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

The Company may not succeed in 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 will have a greater foothold in one of these countries. If such risks are realised, the Company may fail to expand to some market areas, whereby the growth of the Company can slow down, or the cost of some delivery in a new market may be higher than anticipated, which means that the Company's profitability will suffer. The realisation of aforementioned risks could have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

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

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

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

The current patents and patent applications of Savosolar are further described in the Prospectus under "*Description of Business – Patents and patent applications*". In addition to its patents and patent applications, Savosolar relies on trade secrets and know-how in combination with non-disclosure agreements and certain other agreements to protect intellectual property rights. The patent application provides protection for an invention for the processing period of the application. However, there can be no assurance that the patent applications filed now or in the future will be granted or that future patent protection obtained will give sufficient protection against competitors. There can also be no assurance that the measures Savosolar takes will effectively deter competitors from improper use of its intellectual property. Competitors may misappropriate intellectual property owned or licensed by Savosolar, disputes as to ownership of intellectual property may arise, and intellectual property may otherwise become known to or independently developed by competitors. Savosolar may also decide to engage in proceedings aiming to prevent third parties from obtaining patent protection or other protection regarding the immaterial property rights, which may cause significant costs for the Company. Further, there are no guarantees that Savosolar's employees, consultants or any other parties will not breach their confidentiality obligations in relation to Savosolar's trade secrets in a manner endangering Savosolar's intellectual property rights.

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

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

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

Further, Savosolar may have to replace its technology with another technology, or acquire a license for the use of such technology, in which case the Company may have to pay license fees or royalties for its use. There are no guarantees that Savosolar is able to obtain such licenses at commercially acceptable terms, if at all. Potential patent infringements may cause significant costs for Savosolar and there are no guarantees that Savosolar can successfully refuse such claims. Any

infringements of third party immaterial property rights or any potential claims by third parties may have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

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

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

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

The Company capitalises the expenditures, including both personnel expenditures and procurements, for product and technology development, to the extent that they are expected to generate economic benefits in the future. Total development costs capitalised in the balance sheet were EUR 979.7 thousand as of 31 December 2018. The assets are amortised on a straight-line basis over ten (10) years. Adverse changes in expected future profitability may lead to changes in amortisation period or recognition of impairment losses. If the Company is required to change amortisation period or recognise impairment losses, it could have a material adverse effect on the Company's financial condition and results of operations.

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

On 31 December 2018, Savosolar had a total of EUR 28,158.0 thousand of unused tax losses for the financial years 2010–2018 the future utilisation of which will require an exemption from the tax authority. It is possible to reduce tax losses from profits arising during the next ten (10) tax years. No deferred tax assets have been recognised from tax losses on the balance sheet. Due to share issues in 2018 and trading conducted with the Company's shares in multilateral trading there have been changes in the ownership of the Company which restrict the utilisation of incurred tax losses in the future. On 24 February 2015, 10 September 2016, 12 June 2017 and 20 June 2018, the tax authority granted the Company an exemption to utilise the tax losses for the financial years 2010–2017 (totaling EUR 22,589.2 thousand) in relation to the changes in ownership that occurred in the Company in 2010, 2013, 2015, 2016 and 2017. The Company has applied for a new exemption from the tax authorities to utilise tax losses despite the changes in ownership in 2018. On the date of this Prospectus, the Company has yet to receive the decision of the tax authority. Therefore, it is possible that the Company will not be able to utilise said tax losses.

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

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

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

Some grants and loans received may be revoked on the basis of a change of control in the Company. The prior consent of Tekes is required before effecting any transactions that may result in the change of control in Savosolar. A risk exists that, in case the Company would be acquired by another company, Tekes would not give their consent to such transaction and would cease to provide more funding and, in the worst case, revoke the grants or loans provided earlier. The Company has received a written confirmation from Tekes on 20 February 2019, that Tekes does not object to the Offering.

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

The Company may be adversely affected by fluctuations in exchange rates

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

The proceeds from the Offering will probably be paid partly in Swedish crowns, meaning Savosolar is specifically exposed to the EUR/SEK exchange risk up until the day that the proceeds have been exchanged to euro. The Company expects to exchange the Swedish crowns to euros on or about 27 March 2019.

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

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

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

The manufacturing of Savosolar's products is based on advanced technology and know-how, especially in relation to flame brazing or welding of thin walled aluminium tubes and vacuum coating (PVD and PE-CVD) of aluminium with selective optical three layer nano-coating. This proprietary production technology may cause challenges for the manufacturing as there is only a limited number of suppliers or sub-contractors that have the necessary equipment and know-how for certain parts of Savosolar's products.

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

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

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

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

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

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

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

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

The largest customers of Savosolar require efficiency warranties. If the efficiency promises are not reached Savosolar has to deliver additional capacity for the project or compensate loss of energy to the customer. These agreements are project specific and in the ordered projects the tolerance of the efficiency comparison is relatively large, so the risk that the efficiency warranties are not met in the Company's current agreements is according to the Company's management minimal. However, it is possible that in some of the future projects the Company needs to invest in 5–10 per cent of additional capacity in a field or pay for the annual missing capacity of EUR 100–2,000 per 1,000 m² of a collector field. As with all producers' collectors, the efficiency of Savosolar's solar thermal collectors in customer installations might prove to be lower than laboratory test results (Solar Keymark and similar simulation tests) due to the system design, the size of the thermal storage and the system controlling procedures, which are all usually elements the Company cannot fully control. Additionally, there is normal statistical variation of the products, which may increase or decrease the efficiency of an individual collector.

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

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

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

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

The Company may not be able to refinance its debt

The Company's interest-bearing liabilities were EUR 2,564.0 thousand as of 31 December 2018. Of these loans, EUR 40.0 thousand was from Finnvera Oyj, EUR 314.0 thousand was from Tekes, EUR 1,431.3 thousand were subordinated capital loans from Suur-Savon Osuuspankki and Finnvera Oyj and EUR 778.7 thousand was a bridge loan from Formue Nord Marknadsneutral A/S. Of these interest-bearing liabilities the Company should amortise EUR 1,498.4 thousand by the end of the year 2019 and EUR 1,065.6 thousand starting from the year 2020.

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

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

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

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

Savosolar has entered, and may in the future enter, into research and development agreements with e.g. universities and other such research centres. There can be no assurance that Savosolar will manage to retain these partnerships or find suitable partners and enter in to agreements with them on commercially favourable terms or at all. In addition, it is uncertain whether the current partnerships will produce desired results. Should there be any disagreement with a research partner regarding the cooperation, there can be no assurance that Savosolar will be able to resolve it in a manner that will be in its best interests. In addition, Savosolar's research partners may have interests or goals that are inconsistent with those of Savosolar and they may take actions contrary to Savosolar's instructions, requests, policies, schedules or business objectives. Furthermore, a research partner may be unable or unwilling to fulfil its obligations, have financial difficulties, require Savosolar to make additional investments, or have disputes with Savosolar regarding their rights (including intellectual property rights and the allocation thereof between Savosolar and the research partner), responsibilities and obligations.

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

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

Savosolar's facilities, equipment and other property could be at risk of being damaged, because of events such as mechanical failures, human error and natural hazards. All of these hazards can result in loss of property, property damages, business interruption and delays. Further, Savosolar may face product liability claims or be adversely affected by events leading to the interruption of its business. Savosolar seeks to insure such risks to an appropriate extent and accordingly, has in place insurances providing coverage against conventional liability claims, loss of property, product liability and business interruption. However, Savosolar's insurances may be inadequate or unavailable to protect the Company in the event of a claim or other loss. In addition, the Company's subsidiaries Savosolar ApS and Savosolar GmbH have conventional insurances in place, (Savosolar Aps in Denmark and Savosolar GmbH in Germany), including insurances related to social security. Insurances may also be cancelled or otherwise terminated. Additionally, there are risks in respect

of the Company's insurance coverage. Savosolar may not be able to continue to obtain insurances on commercially reasonable terms or at all. Savosolar may face types of liabilities or losses that will not be covered by the insurance, such as liabilities for breach of contract. The amount of any liabilities may exceed the Company's insurance coverage limits and the Company may incur losses from interruption of its business that exceed or are excluded from the insurance coverage. Even a partially uninsured claim, if realised and of significant size, and the materialisation of any of the above risks may have a material adverse effect on the Company's business, results of operations, financial condition and/or prospects.

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

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

Savosolar use solvents (acetone, isopropanol, Etax A9 (denatured ethanol) and Sika cleaner P), which may be used for cleaning of product surfaces based on Government Decree on the limitation of emissions into the air from certain activities and installations that use organic solvents (VNa 64/2015). So far it has been sufficient to inform the local authorities of the use. The environmental inspector has familiarised with the operations and according to the authorities an environmental permit is needed if the consumption of VOC compounds is more than 5 (acetone) or 10 (isopropanol) tons per year. During year 2018 the combined consumption was 1.7 tons. Therefore, Savosolar currently does not need an environmental permit due to the solvents. If the use of these solvents grow above the aforementioned limit values the Company will seek an environmental permit. Since the chemical handling methods used by the Company are already in compliance with all regulations and environmental requirements, the Company's management believes that there is no particular risk in obtaining an environmental permit. The cost of a permit is based on Degree (VNa 86/2000) and it is less than EUR 2.0 thousand. Based on the limit values specified in the Decree, the Company does not either expect the environmental permit to increase the Company's operative costs or to require substantial investments before the use of the volatile organic compounds exceeds 10 tonnes. According to the Company's management, this limit is not estimated to be exceeded within the current production capacity of the plant, given that the Company is constantly striving to develop its operations so that less solvents are used in the washing phase.

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

Sunti SAS has summoned Savosolar to attend the commercial court of justice in Montpellier following Savosolar's alleged breach of contract. In the summons, Sunti SAS claims that Savosolar has violated the exclusivity clause in the contract between the companies relating to the open tender for a solar collector field project in France. Sunti SAS claims in the summons for a total amount of approximately EUR 2.0 million in compensation for the alleged breach of contract from Savosolar. Savosolar considers Sunti SAS's claims for damages to be without just cause. So far, Sunti and Savosolar have submitted written statements to the Commercial Court. The Commercial Court has given extra time to the processing, so that the first possible oral hearing will be no earlier than late spring 2019.

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

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

The Company operates in a competitive business environment where future competitive advantages are dependent on the Company's ability to innovate and quickly react to existing and future market demands. The Company may, therefore, be forced to make costly investments, restructurings, or price drops to accommodate itself to a new competitive market situation. The market of large solar thermal installations has been increasing and is anticipated to continue to increase although the total solar thermal market has decreased over the last years. The single/dual family houses market has earlier represented, and still represents, the majority of the market and this segment has declined in Europe due to a decrease in subsidies and favourable regulations. In the major markets in Europe there is expected to be a huge growth in the areas Savosolar is focusing on, e.g. district and process heating. This is partly due to different kinds of subsidies (e.g. in Germany, Italy, France) which are usually investment subsidies and can be 10 to 60 per cent of the investment, and regulations (fuel taxes in Denmark, EU-level targets to reduce the emissions, emissions trading) countries have established for favouring larger installations which benefit Savosolar. There are also plans to increase such subsidies and regulations. However, if the subsidies and favourable regulations decrease in the future, the focus market of Savosolar may decrease and there may be pressure to reduce prices of Savosolar's products. An even more important factor for the growth in large installations is the lower energy price they will be able to give to the customers. That is why companies are looking to enter these markets now, and even though Savosolar has already been able to enter these markets and there is space for many suppliers, there is a risk that some new companies will start to compete in these sectors, which may have an adverse effect on Savosolar's capability to gain orders and raise the margins to desired levels.

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

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

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

The Company may not be able to obtain the bank guarantees it needs for growth at acceptable terms or at all or breach covenants of the existing bank guarantees that will cause a limiting of the terms or termination of the bank guarantee

Savosolar has negotiated a bank guarantee limit agreement totalling EUR 2,000.0 thousand with Suur-Savon Osuuspankki and Finnvera Oyj for the bank guarantees concerning the delivery and warranty periods and advance payments of major projects. The agreement is valid until the end of November 2019. Finnvera Oyj has given a counter guarantee for the Company to the amount of 50 per cent of Suur-Savon Osuuspankki's bank guarantee. Finnvera plc gives the counter guarantee for the limit for one year a time. The most significant covenants of the bank guarantee are an equity ratio of at least 30 per cent (including the capital loans) and a positive EBITDA during the last quarter of 2018. If the covenants are broken, Suur-Savon Osuuspankki has the right to check the limit or terminate the limit. The management believes that the covenants will not be met for 2018. Based on negotiations, and the experience from previous years, the management expects the interest rate to be paid on the bank guarantee to rise. If Suur-Savon Osuuspankki were to change the terms of the limit or to terminate it, the Company may have to try to find another operator that would agree to giving a bank guarantee limit. This may have an adverse effect on the Company's business, results of operations, financial condition and/or future prospects.

If the Company engages in more projects, the number of necessary bank guarantees also grows. For this potential growth, the Company is currently negotiating additional bank guarantees with other financial institutions. Finnvera has agreed to be included in the possible bank guarantees with new Finnish financiers, similarly to the existing bank guarantee with SSOP. There is, however, no certainty that the Company will obtain the bank guarantees or counter guarantees it needs for potential future projects at acceptable terms or at all. Should the Company fail to obtain new bank guarantees or

counter guarantees in the future, or should it obtain them only at terms unfavourable to the Company, this may have an adverse effect on the Company's business, results of operations, financial condition and/or prospects.

The Company may be adversely affected by fluctuations in interest rates

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

Risks relating to the Offering, the Shares and the Warrants

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

There can be no assurance that the Offering is subscribed for in full. The Company has received subscription commitments from existing shareholders and underwriting commitments from external investors worth approximately EUR 4.2 million, before transaction costs of approximately EUR 0.9 million (see the section "*Arrangements relating to the Offering – Subscription undertakings and Underwriting commitments*" in the Prospectus). Thus, the total number of subscription undertakings are approximately 0.03 per cent of the Offering.

A consortium of underwriters have undertaken to subscribe for Shares after subscription of Shares though the subscription undertakings, so that the guarantee from the underwriters applies to approximately 79.7 per cent of the Offering following the subscriptions made by subscription undertakers, that is, the underwriters have issued a subscription guarantee of approximately EUR 4.2 million in the Offering. The underwriting commitments are so-called bottom underwriting commitments. If the Offering is not subscribed to 80.00 per cent by other subscribers than the underwriters, the Board of Directors of the Company is entitled, but not obliged, to allocate Shares to the underwriters in accordance to the terms and conditions of the underwriting agreements to the amount of Shares remaining of the underwritten number of shares in the Offering, however, no more than the maximum underwritten amount of shares.

If the Offering is not subscribed in full and the Company does not receive net proceeds of approximately EUR 4.3 million which is expected from the Offering, and if the net proceeds of the issue of shares through the Warrants is not at least EUR 1.4 million, it may influence the Company's financial position. Should the capital received from the Offering and the Warrants be significantly lower than expected, this would influence the Company's ability to use the proceeds as planned to secure its working capital, which could lead to the Company ending up in payment difficulties. Consequently, the market price of the Shares could fall below the Subscription Price of the Offering. In these circumstances, investors who have participated in the Offering by subscribing for Offer Shares may suffer a direct, unrealised loss pursuant to their investment.

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

The Company intends to apply for the listing of the Offer Shares, Subscription Rights and Warrants on First North Finland and First North Sweden. The trading with subscription rights starts on 1 March 2019 and ends on 13 March 2019 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 Subscription Rights will expire and have no value if they are not exercised during the Subscription Period

The Subscription Period will commence on 1 March 2019 and end in Sweden on 15 March 2019 and in Finland on 19 March 2019. The Subscription Period's end date is also the deadline for exercising the Subscription Rights. When choosing to exercise the Subscription Rights, the Subscription Right holder shall give his/her account operator or subscription venue the instructions concerning the Offering within the Subscription Period and observe any special deadlines set by account operators. At the end of the Subscription Period, all unexercised Subscription Rights will expire and have no value.

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

The market price of the Company's Shares, Subscription Rights and Warrants could be subject to fluctuations in response to factors such as actual or anticipated variations in the Company's operating results, announcements of innovations, introductions of new products or services by the Company or its competitors, changes in estimates by financial analysts, conditions and trends in the renewable energy markets, currency exchange rates, regulatory developments, general market conditions or other factors. In addition, international financial markets have from time to time experienced price and volume fluctuations that were unrelated to the operating performance or prospects of individual companies. The above-mentioned changes and market fluctuations may result in increased volatility in the market price of the Shares, and the price of the Shares may fall below the Subscription Price. The share subscription price in accordance with the terms of the Warrants is EUR 0.005-0.01 per share. If the market price of the Shares is lower than the subscription price in accordance with terms of the Warrants during the subscription period of shares in accordance with the terms of the Warrants, the Warrants are practically worthless.

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

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

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 retain future earnings to fund the development and growth of the Company.

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

Dilution of the shareholding

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

As a result of the Offering, the number of the Company's shares may rise from 352,538,414 to a maximum of 1,410,153,656 shares. The Offer Shares correspond to approximately 300.00 per cent of all the Company's shares immediately before the Offering and about 75.00 per cent of the Company shares after the Offering, assuming that the Offering is fully subscribed.

In case also all the Warrants offered for the subscribers of Offer Shares would be used for subscription of shares, the number of Company's shares may rise to a maximum of 1,762,692,070 shares as a result of the Offering and the shares subscribed based on the Warrants. In case also all the Warrants offered for the subscribers of Offer Shares would be used for subscription of shares, the Offer Shares and the shares subscribed based on the Warrants correspond to 400.00 per cent of all the Company's shares immediately before the Offering and about 80.00 per cent of the Company shares after the Offering and subscription of the shares based on the Warrants offered for the subscribers of Offer Shares, assuming that the Offering is fully subscribed and all the Warrants are used for subscription of shares.

The underwriters are entitled to use their underwriting fee for setting off the subscription price of the Company's new shares in a directed issue, to be arranged for the underwriters, if necessary, after the Offering. In such case, the underwriting fee is twelve (12) per cent of the given underwriting guarantee, meaning a maximum of approximately EUR 507.7 thousand. See also the section "*Arrangements related to the Offering – Directed share issue that is potentially arranged in connection with the Offering*" in the Prospectus. If the Offering and the directed share issue to the underwriters would be fully subscribed, the subscription price would be the same in the directed issue to be arranged for the underwriters as in the Offering, and all the underwriters would use their underwriting fee to set off subscription price of the new shares in the directed issue, the number of the Company's shares may rise with another 101,531,064 shares. These shares offered in the directed issue to be arranged for the underwriters would correspond to approximately 28.80 per cent of all the Company's shares before the Offering and approximately 6.72 per cent of the Company's shares after the Offering and the directed share issue mentioned above, assuming that both share issues are fully subscribed.

If the Offering, and the directed share issue to possibly be arranged in connection with the Offering is arranged and fully subscribed, and the subscription price in the directed share issue to the underwriters is the same as in the Offering, and the maximum amount of Warrants are issued and all Warrants are used for the subscription of shares, all the new shares to be issued correspond to approximately 81.09 per cent of all the Company's shares after the share issues 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 have not been registered as stipulated in the securities-related legislation of the country in question or in another corresponding manner, unless an exception from the registration and other such requirements set in the applicable laws can be applied. See also "*Terms and conditions of the Offering – Shareholder rights*" in the Prospectus.

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

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

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

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

A consortium of underwriters have committed to subscribe for Offer Shares, so that the underwriting commitments of the underwriters applies to about 79.7 per cent of the Offering, after the subscriptions by subscription undertakings, meaning they have underwritten the Offering to a total of approximately EUR 4.2 million. The providers of the underwriting commitment are entitled to use their underwriting fee to subscribe for new shares in a directed issue, which can be arranged to the providers of underwriting commitments after the Offering. In this case, the underwriting fee is twelve (12) per cent of the amount of the underwriting commitment, meaning a maximum of approximately EUR 505.9 thousand. The subscription price in the directed issue is defined as the volume weighted average price on First North Sweden during the Subscription Period. The Board of Directors shall decide on a possible directed issue approximately on 21 March 2019, while resolving on approval of the subscriptions received in the Offering.

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

Savosolar's reporting currency is euro. However, the shares admitted to trading on First North Sweden, including the Offer Shares, will be traded and settled in Swedish crowns. Further, any potential future dividends will be denominated and distributed by the Company in euro. However, as regards to Shares held on book-entry accounts in the system of

Euroclear Sweden, investors would receive the dividends in Swedish crowns after currency conversion from euro. Consequently, the market price of the Shares and the dividends received in Swedish crowns are affected by the changes in the exchange rate of the Swedish crown and euro. Therefore, as the Swedish crown is not fixed against the euro, any change in the exchange rate between the Swedish crown and euro may affect the shareholder's return on investment in shares in the Company. The value of dividends and other distributions received in Swedish crowns and the value of Shares in the Company quoted on First North Sweden in Swedish crowns could increase or decline as a result. This may have a material adverse effect on the market price of the Company's shares traded on First North Sweden and the future cash flows from dividends of the investors with Shares registered with Euroclear Sweden.

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

The Company has received subscription undertakings from current shareholders and underwriting commitments from external investors worth approximately EUR 4.2 million (see the section "*Arrangements relating to the Offering – Subscription commitments and – Underwriting commitments*" of the Prospectus). The parties that have given subscription undertakings and underwriting commitments have thus undertaken to subscribe for up to approximately 80.0 per cent of the Offering. The underwriting guarantees received are referred to as "base underwriting commitments". If the Offering is not subscribed to 80.0 per cent by other subscribers, The Board of Directors of the Company have the right, but not the obligation, to allocate an amount of Offer Shares, to the providers of underwriting commitments in accordance with the terms of the underwriting agreements, that is equal to the amount that the total amount of subscriptions of other subscribers than the providers of underwriting commitments has come short from the above mentioned amount, however up to the maximum amount of the underwriting. The Company has not received nor requested securities from the parties that have undertaken to subscribe Offer Shares in the Offering on the basis of subscription undertakings and underwriting commitments. Although the Company trusts the parties from which it has received the subscription undertakings and underwriting commitments, there is still no certainty that all of the parties that have given a subscription undertaking or underwriting commitment will fulfil their obligations towards the Company.

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 4.2 million (see the section "*Arrangements relating to the Offering - Underwriting commitments*" of the Prospectus). If the Offering would be subscribed to only 80.0 per cent, the ownership of the underwriters could rise to a maximum of 70.3 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 Shares.

Certain important dates related to the Offering

Finland

Record Date in Euroclear Finland	26 February 2019
Subscription Period commences	1 March 2019
Trading in Subscription Rights commences on First North Finland	1 March 2019
Last day of trading in the Subscription Rights on First North Finland	13 March 2019
Trading in Temporary Shares commences on First North Finland	15 March 2019
Subscription period ends in Finland	19 March 2019
Results of the Offering are announced (estimated)	21 March 2019
Offer Shares registered with the Finnish Trade Register (estimated)	2 April 2019
Last day of trading in the Temporary Shares on First North Finland (estimated)	2 April 2019
Offer Shares delivered to the book-entry accounts of subscribers in Euroclear Finland (estimated)	3 April 2019
Warrants delivered to the book-entry accounts of subscribers in Euroclear Finland (estimated)	week 15, 2019
Trading in the Warrants commences on First North Finland (estimated)	week 15, 2019

Sweden

Record Date in Euroclear Sweden	26 February 2019
Subscription Period commences	1 March 2019
Trading in Subscription Rights commences on First North Sweden	1 March 2019
Last day of trading in the Subscription Rights on First North Sweden	13 March 2019
Subscription period ends in Sweden	15 March 2019
Trading in Temporary Shares commences on First North Sweden	15 March 2019
Results of the Offering are announced (estimated)	21 March 2019
Offer Shares registered with the Finnish Trade Register (estimated)	2 April 2019
Last day of trading in the Temporary Shares on First North Sweden (estimated)	4 April 2019
Offer Shares delivered to the book-entry accounts of subscribers in Euroclear Sweden (estimated)	10 April 2019
Warrants delivered to the book-entry accounts of subscribers in Euroclear Sweden (estimated)	week 15, 2019
Trading in the Warrants commences on First North Sweden (estimated)	week 15, 2019

Responsibility statement

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

Forward-looking statements

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

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

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

Financial information

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

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

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

Alternative Performance Measures

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

Savosolar presents alternative performance measures as additional information to financial measures presented in the income statement and balance sheet prepared in accordance with the Finnish Accounting Standards. In the Company's view, alternative performance measures provide the management, investors, securities market analysts and other parties

with significant additional information related to the Company's results of operations and financial position and are widely used by analysts, investors and other parties.

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

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

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

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

Certain other information

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

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

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

Abbreviations and key concepts

As used throughout this Prospectus, references to:

- "First North Finland" are to the multilateral trading facility First North Finland operated by the Helsinki Stock Exchange;
- "First North Sweden" are to the multilateral trading facility First North Sweden operated by the Stockholm Stock Exchange;
- "Helsinki Stock Exchange" are to Nasdaq Helsinki Oy;
- "Stockholm Stock Exchange" are to Nasdaq Stockholm AB;
- "Sitra" are to the Finnish Innovation Fund Sitra; and
- "Tekes" are to the Finnish Funding Agency for Innovation.

General market, economy and industry data

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

While Company has accurately reproduced such third-party information, Company has not verified the accuracy of such information, market data or other information on which third parties have based their studies. As far as the Company is aware and is able to ascertain from information published by these third parties, 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.

Information on the website

The Finnish-language Prospectus will be published on Company's website at www.savosolar.com/rights-issue-2019 on or about 22 February 2019. However, the contents of the Company's website or any other information or documents other than this Prospectus, potential supplements to the Prospectus and the documents incorporated by reference on any other website do not form a part of this Prospectus and prospective investors should not rely on such information in making their decision to invest in the Offer Shares.

Reasons for the Offering and use of proceeds

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

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

In 2018, the market for large solar thermal systems developed much better across the globe than ever before. In the past few years, the Company has improved its sales function and as a result the Company signed its first large scale order outside Denmark and its largest order ever during the spring 2018. The first large-scale order outside Denmark, with a collector area exceeding 4,000 m² to newHeat SAS will be the largest solar thermal field ever built in France and first in the world installed on a one-axis tracking system. The second order, with a solar heating system of approximately 21,000 m² to Grenaa Varmeværk in Denmark, is worth approximately EUR 3.5 million and is the Company's largest order to date. In addition, the Company received an almost 5,000 m² extension order from Jelling Varmeværk A.m.b.a in Denmark. Deliveries of these projects will take place towards the end of 2018 and early 2019. This means, that after many years of proving its technology to the market and signing orders in the competitive Danish market, Savosolar has been able to take a leap forward towards its vision of becoming the global first-choice supplier of high performance solar installations. While delivering to large collector fields in Europe as well as with strong partnerships around the world, e.g. in China, Latin America, Australia and Africa, the Company believes it is ready to take on the global market. At present, the market is very promising in Europe, especially in France and Germany. In addition, projects are being developed in several areas outside Europe through the Company's actively built partner network.

In order to carry out the ongoing and future projects in 2019 and to be able to effectively manage the future workload variations in projects, the Company needs more additional working capital. The Company aims to raise approximately EUR 5.3 million through the Offering. If the Offering is fully subscribed, the Company expects to receive approximately EUR 4.3 million in net proceeds after transaction costs amounting to approximately EUR 0.9 million. In connection with the Offering, the Company also issues Warrants free of charge to investors who have subscribed for Offer Shares in the Offering. The Company may therefore additionally raise up to a maximum of approximately EUR 3.5 million in net proceeds, after deducting the estimated expenses for the subscriptions with Warrants payable by the Company, totalling approximately EUR 0.2 million. The subscription price per share based on the terms and conditions of the Warrants is EUR 0.005-0.01. In case the market price of the shares is lower than the subscription price per share based on the terms and conditions of the Warrants during the subscription period of the shares, the Warrants are basically worthless, in which case the Company will most likely not be able to gather funds with the Warrants.

The proceeds from the Offering and the Warrants will be used for amortisation of EUR 0.8 million of capital loans and secure the Company's working capital need of approximately EUR 4.3 million (including the repayment of capital and interest of the bridge loan financing of approximately EUR 0.8 million) so that the Company can deliver signed and potential upcoming orders in 2019 and to pursue a systematic streamlining of operations, achieve profitability targets and be able to respond to increased demand.

Terms and conditions of the Offering

Authorisation for the Offering and Board resolution on the Offering

On 22 January 2019, the extraordinary general meeting resolved that the Board of Directors is authorised to decide, in one or more installments, on share issues and the issuance of share options and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act accordingly:

The maximum number of new shares that can be issued on the basis of the authorisation is 2,000,000,000, which is equal to approximately 572.68 per cent of the Company's current shares.

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

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

The authorisation is valid until 22 January 2024.

On 22 February 2019, the Company's Board of Directors resolved on issuing the Offer Shares by adopting the terms and conditions of the Offering set out below.

The Offering, subscription right and Warrants

In accordance with the shareholders' pre-emptive subscription right, the Company is offering up to 1,057,615,242 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 26 February 2019 ("the Record Date"). One (1) Subscription Right entitles the holder to subscribe for three (3) Offer Shares. Fractions of Offer Shares will not be given and a single Subscription Right may not be exercised partially. The Subscription Rights will be registered in shareholders' book-entry accounts in the book-entry system maintained by Euroclear Finland approximately on 27 February 2019 and in the book-entry system maintained by Euroclear Sweden approximately on 28 February 2019. The Subscription Rights can be freely assigned and they will be traded on First North Finland (trading symbol SAVOHU0119, ISIN: FI4000369731) and on First North Sweden (trading symbol SAVOS TR, ISIN: SE0012256774) between 1 March 2019 and 13 March 2019. 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 352,538,414 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 352,538,414 new shares of the Company. The Warrants will be issued in the following manner: the subscriber will receive one (1) Warrant per each three (3) 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 1-2019*" of this Prospectus.

The right to subscribe for unsubscribed Offer Shares without Subscription Rights

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

Subscription Price

The Subscription Price of Offer Shares is EUR 0.005 or SEK 0.05 per Offer Share ("Subscription Price"). The Subscription Price for the Offer Shares will be recorded in the reserve for invested unrestricted equity. The Subscription Price includes a normal pre-emptive subscription right issue discount. The Subscription Price is approximately 49.5 per

cent lower compared with the closing price of the Company's share on First North Sweden on 18 December 2018 (SEK 0.099) and 44.4 per cent lower compared with the closing price of the Company's share on First North Finland on 18 December 2018 (EUR 0.009).

Subscription Period

The subscription period for the Offer Shares (the "Subscription Period") will commence on 1 March 2019 at 09:30 Finnish time (08:30 Swedish time), and is expected to end on 19 March 2019 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 15 March 2019 at 16:30 Finnish time (15:30 Swedish time) in Sweden.

The Company may, at its sole discretion, extend the Subscription Period. The Subscription Period may be extended once or several times, however not past 2 April 2019. 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, Mangold Fondkommission AB's website at www.mangold.se and Mangold Fondkommission AB's premises at Engelbrektsplan 2, 11 4 34 Stockholm, Sweden (ta@mangold.se, tel. +46 8-503 01 580).

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

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

Exercising Subscription Rights

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

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

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

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

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

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

Unexercised Subscription Rights will expire and have no value when the Subscription Period ends on 19 March 2019 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 15 March 2019 at 16:30 Finnish time (15:30 Swedish time) in Sweden.

Dilution of the shareholding

As a result of the Offering, the number of the Company's shares may rise from 352,538,414 to a maximum of 1,410,153,656 shares. The Offer Shares correspond to approximately 300.00 per cent of all the Company's shares immediately before the Offering and about 75.00 per cent of the Company shares after the Offering, assuming that the Offering is fully subscribed.

In case also all the Warrants offered for the subscribers of Offer Shares would be used for subscription of shares, the number of Company's shares may rise to a maximum of 762,692,070 shares as a result of the Offering and the shares subscribed based on the Warrants. In case also all the Warrants offered for the subscribers of Offer Shares would be used for subscription of shares, the Offer Shares and the shares subscribed based on the Warrants correspond to 400.00 per cent of all the Company's shares immediately before the Offering and about 80.00 per cent of the Company shares after the Offering and subscription of the shares based on the Warrants offered for the subscribers of Offer Shares, assuming that the Offering is fully subscribed and all the Warrants are used for subscription of shares.

The underwriters are entitled to use their underwriting fee for setting off the subscription price of the Company's new shares in a directed issue, to be arranged for the underwriters, if necessary, after the Offering. In such case, the underwriting fee is twelve (12) per cent of the given underwriting guarantee, meaning a maximum of approximately EUR 505.9 thousand. See also the section "*Arrangements related to the Offering – Directed share issue that is potentially arranged in connection with the Offering*" in the Prospectus. If the Offering and the directed share issue to the underwriters would be fully subscribed, the subscription price would be the same in the directed issue to be arranged for the underwriters as in the Offering, and all the underwriters would use their underwriting fee to set off subscription price of the new shares in the directed issue, the number of the Company's shares may rise with another 101,531,064 shares. These shares offered in the directed issue to be arranged for the underwriters would correspond to approximately 28.80 per cent of all the Company's shares before the Offering and approximately 6.72 per cent of the Company's shares after the Offering and the directed share issue mentioned above, assuming that both share issues are fully subscribed.

If the Offering, and the directed share issue to possibly be arranged in connection with the Offering is arranged and fully subscribed, and the subscription price in the directed share issue to the underwriters is the same as in the Offering, and the maximum amount of Warrants are issued and all Warrants are used for the subscription of shares, all the new shares to be issued correspond to approximately 81.09 per cent of all the Company's shares after the share issues and the shares subscribed with the Warrants.

Of the 2,000,000,000 shares that the Board of Directors of the Company has received an authorisation to issue, a maximum of 1,511,684,720 shares will be issued in the Offering, the directed share issue possibly to be arranged and the Warrants, which means at least 488,315,280 shares will be left of the authorisation.

Subscription for Offer Shares without Subscription Rights and allocation

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

The custodian, account operator or nominee of the shareholder and/or investor, whose subscribed Offer Shares are delivered through the book-entry system maintained by Euroclear Finland, shall receive the subscription order and the payment no later than on 19 March 2019 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 15 March 2019 or at an earlier time according to the instructions given by the custodian, account operator or nominee.

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

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

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

If the Offer Shares subscribed for without the Subscription Rights are not allocated in the number referred to in the subscription order, the paid Subscription Price corresponding to the Offer Shares not obtained will be refunded to the subscriber approximately on 26 March 2019. No interest will be paid on such a payment.

Approval and payment of subscriptions

The Company's Board of Directors will approve all the subscriptions made on the basis of the Subscription Rights and in accordance with the terms and conditions of this Offering and the applicable laws and regulations approximately on 21 March 2019. In addition, the Company's Board of Directors will approve the subscriptions made without the Subscription Rights and in accordance with the terms and conditions of the Offering applicable laws and regulations pursuant to the allocation principles presented above in the section "*Subscription for Offer Shares without Subscription Rights and allocation*".

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

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

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

Announcement of outcome of the Offering

Provided that no changes are made to the Subscription Period, the Company will announce the outcome of the Offering approximately on 21 March 2019 by way of a company release.

Registration and delivery of the Offer Shares

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

After the subscription, temporary shares corresponding to the Offer Shares subscribed for based on the Subscription Rights (the "Temporary Shares") will be entered in the subscriber's book-entry account. In Finland, this is estimated to be the next day, in accordance with Euroclear Finland's clearing time table. Trading in the Temporary Shares will commence on First North Finland (trading symbol SAVOHN0118, ISIN: FI4000369749) and on First North Sweden (trading symbol SAVOS BTA, ISIN: SE0012256782) as their own special share class approximately on 15 March 2019.

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 3 April 2019, 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 3 April 2019 on First North Finland. The delivery and combination will take place approximately on 10 April 2019, 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 10 April 2019 on First North Sweden.

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

Holders of stock options

According to the terms and conditions of the stock options 2-2017, if the Company decides, before the subscription of shares with the stock options, on an issue of shares or an issue of new stock options or other special rights so that the shareholders have preferential subscription rights, the owner of a stock option shall have the same right as, or an equal right to, that of a shareholder. Equality is reached in the manner determined by the Company's Board of Directors by adjusting the number of shares available for subscription, the share subscription prices or both of these. To ensure the equality of the holders of stock options and shareholders, the Company's Board of Directors will decide approximately on 21 March 2019 on changing the numbers of shares to be subscribed for on the basis of stock options 2-2017 and/or the subscription price due to the Offering. The changes to the stock option terms and conditions following the Offering will enter into force after they have been recorded in the Trade Register. The Company's stock options do not give entitlement to participate in the Offering. In connection with a subscription for shares, the total number of shares subscribed for by a holder of stock options will be rounded downwards to full shares, and the total subscription price will be calculated using the rounded number of shares and rounded to the closest cent. See also section "*Company, shares and share capital – Stock options*" in the Prospectus.

Shareholder rights

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

Supplements to Prospectus and cancellations of subscriptions

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

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

If the Prospectus is supplemented, investors who have subscribed for Offer Shares before the publication of the supplement to the Prospectus have the right to cancel their subscriptions. The cancellation right must be exercised within a cancellation period which may not be shorter than two (2) Finnish banking days from the publication of the supplement to the Prospectus. An investor's cancellation of a subscription will be deemed to be made in respect of all the subscriptions of that investor. A precondition for the right to cancel is that the mistake, omission or material new information arose or was noted before trading of the Temporary Shares has started, or in the case for those investors who are not delivered Temporary Shares, the delivery of Offer Shares. Cancellations must be filed to the subscription location where the original subscription was placed. However, subscriptions placed on the website of Mangold Fondkommission AB cannot be cancelled on the website but should be cancelled by contacting Mangold Fondkommission AB at ta@mangold.se or by telephone +46 (0)8-503 01 580. Information on the right to cancel shall be issued in the supplement to the Prospectus.

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

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

The Company's right to withdraw the Offering

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

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

Governing law

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

Other matters

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

Savosolar Plc Warrant Plan 1-2019

Based on the authorisation granted by the extraordinary general meeting of shareholders on 22 January 2019, the Company's Board of Directors has on 22 February 2019 resolved to issue warrants (the "Warrants") to the persons who have subscribed for the Offer Shares in the Offering of the Company resolved on 22 February 2019, on the following terms and conditions.

I Warrant terms and conditions

1. Number of Warrants

The maximum number of Warrants to be issued is 352,538,414, and they entitle their holders to subscribe for a maximum of 352,538,414 new shares in the Company.

2. Right to Warrants

The Warrants shall be issued free of charge to the persons who subscribed for the Offer Shares in the Offering, so that for each three (3) Offer Shares subscribed and paid for, the subscription of which the Board of Directors has approved, the subscriber receives one (1) Warrant. Fractions of the Warrants will not be issued. The Company has a weighty financial reason for the issuance of Warrants, since the Company estimates that it will need more working capital to be able to continue its systematic streamlining, to achieve profitability targets and to meet growing demand. Issuance of the Warrants is seen as a cost-efficient alternative to obtain additional capital for the Company in the future.

3. Subscription of Warrants

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

The Board of Directors of the Company approves the subscriptions of the Warrants at the same time that it approves the subscriptions in the Offering, i.e. approximately on 21 March 2019.

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

The Warrants will be issued and registered in the book-entry system of Euroclear Finland. The Warrants will be delivered to subscribers through the book-entry systems of Euroclear Finland and Euroclear Sweden. Provided that no changes are made to the Subscription Period of the Offering, the Warrants will be delivered to subscribers through the book-entry system maintained by Euroclear Finland approximately during week 15, 2019 and through the book-entry system maintained by Euroclear Sweden approximately during week 15, 2019. The ISIN code of the Warrants is FI4000369756.

The Company intends to file an application to the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the Warrants on First North Sweden and First North Finland. The trading symbol is expected to be SAVOS TO4 on First North Sweden and SAVIHEW119 on First North Finland. If the listing of the Warrants occurs, the Company expects trading to commence on First North Finland approximately during week 15, 2019 and on First North Sweden approximately during week 15, 2019.

II Share subscription terms and conditions

1. Right to subscribe for shares

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

2. Share subscription and payment

The subscription period for shares subscribed for on the basis of the Warrants shall be 25 November – 9 December 2019.

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 11 November 2019 and 22 November 2019, with an applied discount of 30 per cent. The subscription price, however, is at least EUR 0.005 and at most EUR 0.01 per share.

The shares to be subscribed for based on the Warrants and delivered through Euroclear Sweden will be payable in Swedish krona. The Swedish krona-denominated subscription price will be determined using the EURSEK forward rate on 22 November 2019. The Swedish krona denomination of the subscription price will be announced by the Company by way of a company release when the subscription period for the shares to be subscribed for based on the Warrants commences.

The share subscription price of the Warrants may be decreased in certain cases mentioned 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 the Stockholm Stock Exchange and the Helsinki Stock Exchange for the listing of the shares subscribed for with the Warrants.

5. Shareholder rights

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

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

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

7. Rights in certain cases

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

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

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

Should the Company resolve to merge with another company as a merging company or merge with a company to be formed in a combination merger, or should the Company resolve to be demerged entirely, the Warrant owners shall, prior to the registration of the execution of a merger or a demerger, be given the right to subscribe for shares with their Warrants, within a period of time determined by the Board of Directors. Alternatively, the Board of Directors may give a Warrant owner the right to convert the Warrants into warrants issued by the other company, in the manner determined in the merger or demerger plan, or in a manner otherwise determined by the Board of Directors. After such period, no share subscription right or conversion right shall exist. The same process shall apply to cross-border mergers or demergers, or

should the Company, after having registered itself as a European Company (Societas Europae), or otherwise, register a transfer of its domicile from Finland into another Member State of the European Economic Area. The Board of Directors shall decide on the impact of potential partial demerger on the Warrants. In the above situations, the Warrant owners shall have no right to require that the Company redeems the Warrants from them at fair value.

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

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

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

III Other matters

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

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

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

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

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

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

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

Instructions to investors

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

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

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

Subscriptions by legal entities

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

Subscription through an agent

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

No fees are charged to investors

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

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

Taxation

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

Arrangements relating to the Offering

Financial adviser and Certified Adviser

Augment Partners AB and Mangold Fondkommission AB are acting as financial advisors to the Company in accordance with the terms and conditions of the agreements made with them in connection with the Offering. The agreements define the services provided by Augment Partners AB and Mangold Fondkommission AB in connection with the Offering and the rights and obligations of the parties. In the agreements, the Company has undertaken to exempt Augment Partners AB and Mangold Fondkommission AB from certain liabilities and to bear the costs of the Offering.

Augment Partners AB and Mangold Fondkommission AB receive a pre-determined fee for their services in connection with the Offering and a part of the fee depends to the amount of the proceeds of the Offering. Therefore, it is in the interests of Augment Partners AB and Mangold Fondkommission AB that the Offering is successful.

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

Issuer agents

Nordea Bank Oyj acts as the Company's issuer agent in relation to Euroclear Finland and Mangold Fondkommission AB in relation to Euroclear Sweden.

Liquidity provider

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

Subscription undertakings

Current shareholders and the Board of Directors of the Company have through subscription undertakings committed to subscribe for approximately 0.3 per cent of the Offer Shares offered in the Offering, which means they have committed to subscribe in the Offering with approximately EUR 14.5 thousand. The Company has received the following binding commitments to subscribe for Offer Shares in the Offering:

Shareholder subscribing for Offer Shares	Subscription undertaking (shares)	Subscription undertaking (EUR)
Jari Varjotie	500,000	2,500.00
Mikael Lemström	600,000	3,000.00
Eero Auranne	600,000	3,000.00
Ari Virtanen	600,000	3,000.00
Feodor Aminoff	600,000	3,000.00
Total	2,900,000	14,500.00

The subscription undertakings are conditional upon the Company's Board of Directors resolving on the Offering no later than 31 March 2019. The Company has not received, nor requested, any collateral from the parties that have committed to subscribe for Offer Shares in the Offering through subscription undertakings. All subscription commitments were made on 18 December 2018.

Underwriting commitments

A consortium of underwriters has committed to subscribe for Offer Shares, so that the underwriting commitments of the underwriters applies to about 79.7 per cent of the Offering, after the subscriptions by subscription undertakings, meaning they have underwritten the Offering to a total of approximately EUR 4.2 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)
Mangold Fondkommission AB	223,192,200	1,115,961.00
Formue Nord Marknadsneutral A/S	200,000,000	1,000,000.00
Lusam Invest AB	100,000,000	500,000.00
Fredrik Lundgren	100,000,000	500,000.00
Wilhelm Risberg	80,000,000	400,000.00
LMK Venture Partners AB	80,000,000	400,000.00
Varsity Capital Group AB	20,000,000	100,000.00

GoMobile nu AB	20,000,000	100,000.00
Fore C Investment Holding AB	20,000,000	100,000.00
Total	846,092,200	4,230,461.00

The underwriting commitments received are referred to as “base underwriting commitments”. If the Offering is not subscribed to 80.00 per cent by other subscribers, The Board of Directors of the Company has the right, but not the obligation, to allocate an amount of Offer Shares, to the providers of underwriting commitments in accordance with the terms of the underwriting agreements, that is equal to the amount that the total amount of subscriptions of other subscribers than the providers of underwriting commitments has come short from the above mentioned amount, however up to the maximum amount of the underwriting. The allocation between the underwriters is made in proportion to the underwriting commitments given. A fee, the size of which is ten (10) per cent of the amount of the given underwriting guarantee, is paid for the underwriting commitments to their providers. The Company is obligated to pay half the fee, regardless of if the Company has or has not made a resolution regarding the Offering by 31 March 2019, at the latest. The payment of the fee to an underwriter is always conditional on the underwriter subscribing and paying the amount of any Offer Shares possibly allocated to it in the Offering. The underwriters are entitled to use their underwriting fee for setting off the subscription price of the Company’s new shares in a directed issue to be arranged for the underwriters, if necessary, after the Offering. In such cases, the underwriting fee is twelve (12) per cent of the given underwriting commitment, meaning for all underwriting commitments a maximum underwriting fee of approximately EUR 505.9 thousand. See also the section “*Arrangements related to the Offering – Directed share issue that is potentially arranged in connection with the Offering*” in the Prospectus. All underwriting commitments have been signed on 18 December 2018.

Directed share issue that is potentially arranged in connection with the Offering

The providers of the underwriting commitment are entitled to use their underwriting fee to subscribe for new shares in a directed issue, which can be arranged to the providers of underwriting commitments after the Offering. See also the section “*Arrangements related to the Offering – Underwriting commitments*” in the Prospectus. In this case, the underwriting fee is twelve (12) per cent of the amount of the underwriting commitment, meaning a maximum of approximately EUR 505.9 thousand. The subscription price in the directed issue is defined as the volume weighted average price on First North Sweden during the Subscription Period.

The Company has chosen to ensure that at least EUR 4.2 million is raised before the reduction of the estimated expenses of the Offering, totalling approximately EUR 0.9 million, by obtaining underwriting commitments. A condition for obtaining underwriting commitments was that the providers of underwriting commitments are entitled to receive an underwriting fee as shares in the Company. The Company’s Board of Directors considers this to constitute weighty financial grounds according to 9:4 § of the Finnish Companies Act to arrange a directed issue to the providers of underwriting commitments. The Board of Directors shall decide on a possible directed issue approximately on 21 March 2019, while resolving on approval of the subscriptions received in the Offering.

Market overview

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

Savosolar produces solar thermal solutions for a range of different customers and its main product is solar thermal systems, where world's most efficient solar thermal collectors produced by the Company are used. Additionally, the Company produces and sells solar thermal absorbers for some customers' special solutions. The Company specifically focuses on segments with huge and fast growth potential. The segments include i) the district heating market in Europe, specifically in Denmark, Germany, France, Finland, Sweden and countries in Eastern Europe as well as e.g. China and ii) industrial systems for process heating in markets with demonstrated potential. From the Company's point of view, such markets include Latin America, Australia and Africa in addition to Europe. Consequently, the Company is specifically interested in large installations (over 500 m²), where there is less competition compared to smaller systems for households and efficiency of the systems is the most important factor for the user. The market for large installations (over 500 m²; over 350 kWh installations) is also attractive since the segment is growing steadily year after year and the interest in implementation of larger projects has, according to the Company, increased widely in different parts of the world.¹ Moreover, delivery of complete systems is increasing the value added and the turnover of the delivery. One growth area is building integration solutions and as part of that, PVT (photovoltaic thermal – produces both solar electricity and thermal energy) systems. In this segment the Company can also give customers benefits which no competitor can offer. According to the Company, this is due to the Company's unique absorptive solution that enables cooling of the solar photovoltaic panels better than other solutions available. Thus, maintaining the efficiency of photovoltaic panels even when they are heated by strong sunlight, while providing the system with thermal energy.

Renewable energy district heating and cooling market trends until 2030

Globally, heating and cooling have clearly received a greater focus over the last three years. Renewable electricity is already being produced in many places more than it is possible to profitably take into use due to the limited nature and variable use of transmission networks. Additionally, it has been widely understood that heating and cooling will be where the largest demand of energy lies in a large part of the world. This means that the focus can not only be dedicated to electricity production using renewable energy. One of the key examples of the abovementioned is the first strategy for heating and cooling adopted by the European Union in 2016, "An EU Strategy on Heating and Cooling"². This clearly states that still in the year 2050, heating and cooling will be where the largest energy demand lies in the EU. In developing the strategy, it has been found that a large part of heating is still made with fossil fuels and obsolete boilers, which means that they generate huge amounts of greenhouse gases. This has also been found to be unsustainable in terms of EU's emission reduction targets and the fight against climate change. That is why the EU wants the focus also of this sector to be to move towards renewable energy sources (RES). According to estimates by International Energy Agency (IEA) and International Renewable Energy Agency (IRENA), the amount of renewable energy in district heating will increase significantly in different countries (see figure 1). For example, in Germany by year 2030, the amount of renewable energy in district heating is estimated to be tenfold, compared to 2014.

The IEA and IRENA study analyses the current district heating and cooling systems and its possible development until 2030 in nine countries, as illustrated in Figure 1. For each country, the study first considers the normal outlook until 2030 (Reference Case 2030), which is based on the nations' energy plans of the existing and envisaged policies. Next, the potential for new technology and applications (REMap 2030) is evaluated based on the outlook for the development. Therefore, REMap does not assume any further expansion of district heating and cooling infrastructure capacity; instead, traditional production is avoided through a more ambitious expansion of renewable energy sources. Finally, a restructuring scenario is based on REMap, which will allow the expansion of existing district heating and cooling networks or new networks based on heating and/or cooling of renewable energy.³

¹ Solar Heat Worldwide 2018 - Global Market Development and Trends in 2017, Detailed Market Figures 2016; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies and IEA Solar Heating & Cooling Programme (SHC), May 2018

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

³ IRENA (2017), Renewable Energy in District Heating and Cooling, a sector roadmap for REMap 2030, International Renewable Energy Agency (IRENA). https://www.solarthermalworld.org/sites/default/files/news/file/2017-04-27/remap-district_heating-cooling-fullreport-01.pdf.

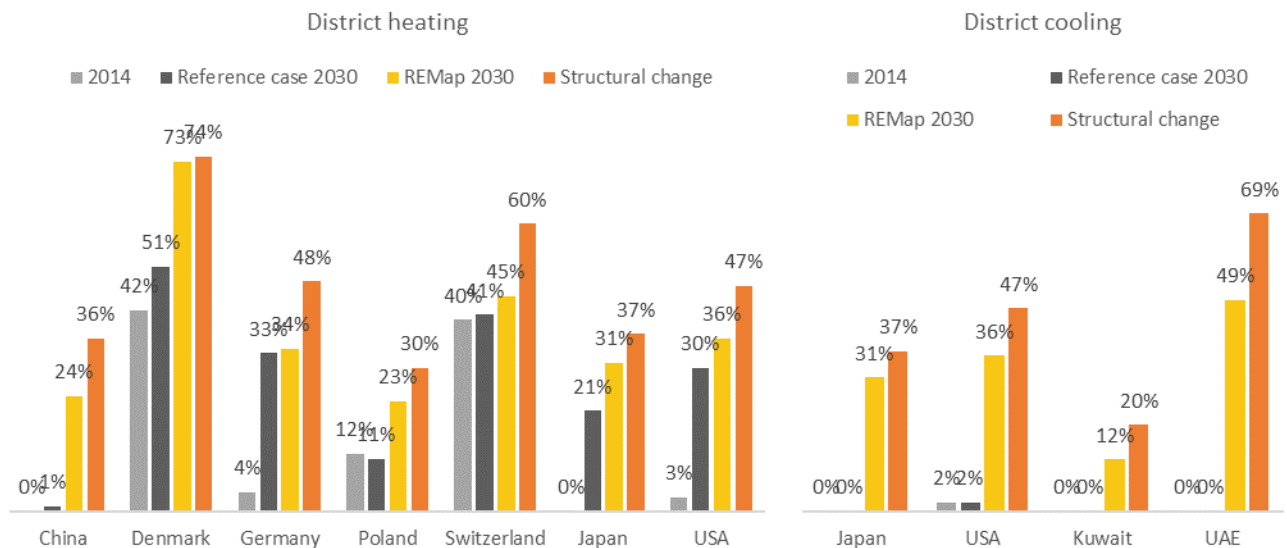


Figure 1: Share of district heating and cooling produced with renewable heat⁴

Based on the above and other reports made, district heating has a significant role to play in the future of clean energy production in the area of heating and cooling, even so that in 2050 it would be possible to produce 50 per cent of the heating in Europe with district heating⁵, as district heating is the easiest and most cost-effective way for the production and distribution of clean energy. For example, in France it has been decided to increase the share of district heating from 6 per cent to 30 per cent by 2030. At the same time in many countries, the profitability of heat and power cogeneration (CHP) has fallen due to the abovementioned reasons; a lot of subsidised renewable electricity is available and CHP plants operate largely with fossil fuels. Furthermore, large quantities of CHP plants operating on fossil fuels are being shut down in many countries. For example, in Germany and Finland there has been plans of shutting down capacity of approximately 9,400 GW and 3,000 GW, respectively. The latest information is that Germany, in January 2019, announced its intention to stop using coal by 2038 for electricity and heat production. Instead of coal, local smaller district heating plants are coming, and these are to operate on renewable energy sources, mainly biofuels and waste incineration. As biofuels and waste are not enough to produce all the needed energy⁶, alternative renewable forms of production will be built into these facilities, or rather into more integrated energy systems in the future. In these systems, solar heat provide completely clean and free energy source, post-investment.

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

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

Global solar thermal markets

The cumulative installed solar thermal capacity at the end of 2017 was 472 GWth (about 675 million square meters). Compared to 2000, the capacity is about 7.6 times higher. In 2017, 388 TWh of solar thermal energy was produced with the aforementioned capacity, which means a saving of 41.7 million tonnes of oil and 134.7 million tonnes of CO² emissions. In 2016, the size of the solar thermal market was estimated at about EUR 16 billion and employed 708,000 people worldwide.⁷

⁴ IRENA (2017), Renewable Energy in District Heating and Cooling, a sector roadmap for REmap 2030, International Renewable Energy Agency (IRENA). https://www.solarthermalworld.org/sites/default/files/news/file/2017-04-27/remap-district_heating-cooling-fullreport-01.pdf.

⁵ EU Heat Roadmap 2050.

⁶ Ericsson K, Nilsson LJ. Assessment of the potential biomass supply in Europe using a resource-focused approach. Biomass Bioenergy 2006;30(1):1e15.

⁷ Solar Heat Worldwide 2018 - Global Market Development and Trends in 2017, Detailed Market Figures 2016; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies and IEA Solar Heating & Cooling Programme (SHC), May 2018.

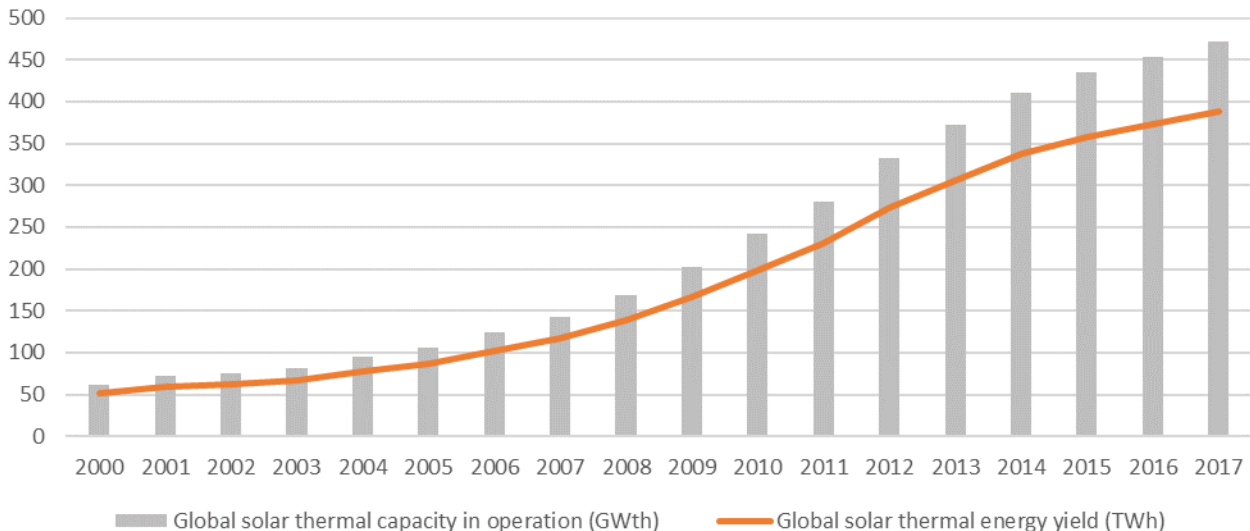


Figure 2: Worldwide solar thermal capacity in operation and annual solar output⁸

After a strong growth up until 2008 the solar thermal market in Europe has seen a decline in newly installed capacity, due to the decrease in sales of primarily small systems intended for heating water. The market for larger systems is growing, but not significant enough to raise the whole market into growth.

Solar Thermal District Heating

Solar thermal district heating systems are a very large application for solar thermal technology and currently the Company's most attractive market segment. These systems are integrated into local district heating networks, both for residential and industrial use. During warm seasons, they can completely replace other sources, usually fossil fuels used for heat production, or save biofuels, which currently are being used increasingly in district heating production. Several studies have shown that after tank storage of fossil fuels, i.e. oil and gas, it is most advantageous to store energy as thermal energy in a large water reservoir.⁹ Thanks to the development of large heat storage, it is also possible to store heat during summertime for winter use. Therefore, solar heat can partly provide heating demanded in wintertime.

The economic and environmental benefits associated with the known reliability of this solar thermal application coupled with the expertise gained over decades, have increased interest in its commercial activities, especially in Europe where Denmark has been a forerunner. Consequently, the solar thermal district heating market is also in a completely different position now in comparison with five years ago when the Company received the first large-scale deal in Denmark. Between 2013 and 2016, the only significant market was Denmark, where there is strong local competition. The Danish market had a downturn in 2017, but in 2018 and the beginning of 2019 has shown great activity. Thereafter, the Company expects that the market slows down clearly for a few years. However, the Company has started to sell projects to other countries, such as France. The Company has already several new potential projects in terms of both amount and monetary value elsewhere than in Denmark and the Company expects that the significance of these other markets will continue to grow in the future.

This is also seen more commonly; at the Solar District Heating conference in April 2018 in Graz, Austria, there were more than 350 participants and the president of the European district heating association, Euroheat & Power, Werner Lutsch stated that in 2018, solar district heating will generate over 1 TWh (= 1 billion kilowatt-hours) of district heating in Europe for the first time. He also said that according to market analyses, the solar district heating capacity is expected to increase to 240 terawatt-hours by 2050. This would mean 15 per cent of Europe's district heating needs. Despite the downturn in 2017, the solar district heating market has grown by an average of 35 per cent per year over the past five years and the growth is estimated to continue.¹⁰

⁸ Solar Heat Worldwide 2018 - Global Market Development and Trends in 2017, Detailed Market Figures 2016; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies and IEA Solar Heating & Cooling Programme (SHC), May 2018.

⁹ Henrik Lund: Renewable Energy Systems; The Choice and Modelling 100% Renewable Solutions, 2014 edition.

¹⁰ Euroheat & Power News and SDH conference presentations. <https://www.euroheat.org/news/>.

As described in Figure 3, Denmark has come much further compared to the other markets in terms of capacity of solar district heating and number of installed systems. According to the Company, this reflects the opportunities available on the market.

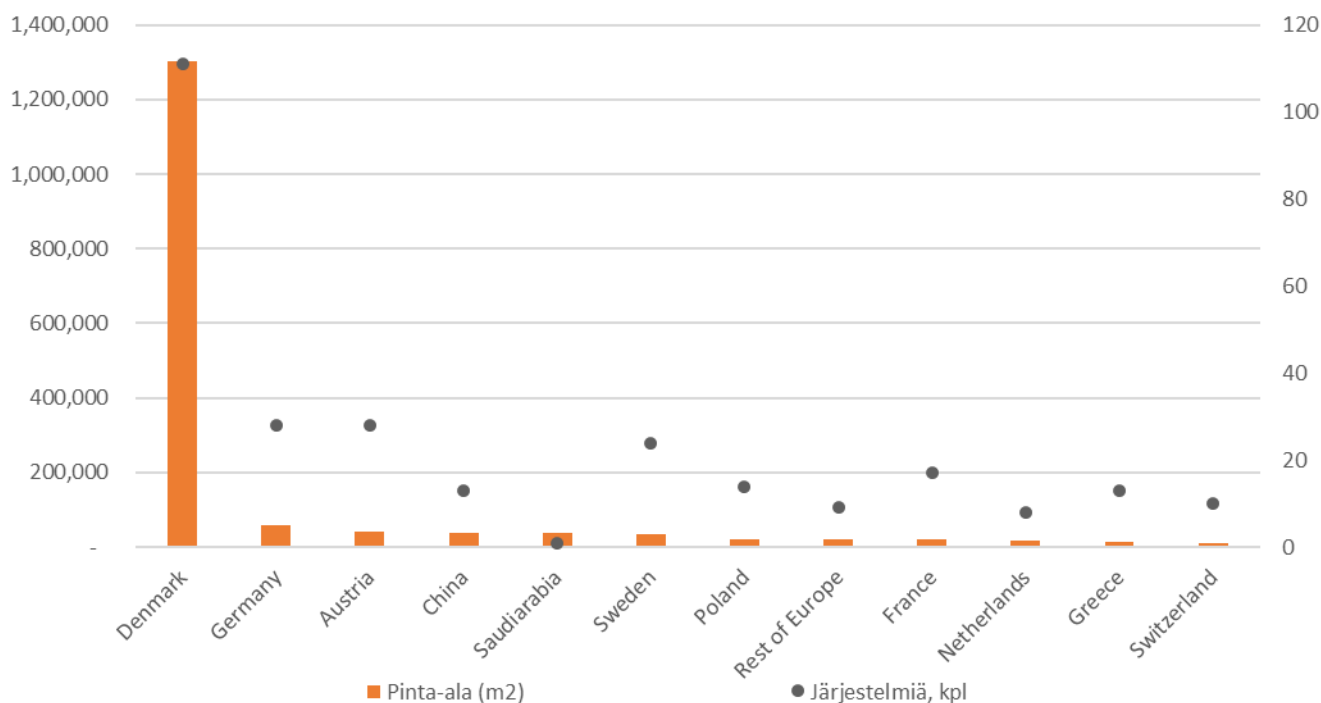


Figure 3: Solar district heating and cooling - Collector area and number of systems installed 2017¹¹

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

Analysis of the most important markets of the Company

Denmark's solar district heating systems

Denmark is the world leader in solar district heating. There are about 111 operating large-scale systems, with an average collector area of 11,746 m². At the end of 2017, these plants had a total capacity of approximately 1,303,838 m² (913 MW_{th}). Savosolar made its first deal on the Danish district heating market in 2014.

The year 2016 was a record year for solar heating systems in Denmark. A total of 31 new systems were installed and 5 systems were expanded. This means that the new installed capacity increased by 495,226 m² (347 MW_{th}), which is twice the speed compared to 2015, when 15 new systems were installed and 3 were expanded. Then the new installed capacity amounted to 250,161 m² (175 MW_{th}).¹² In 2017, however, there was a strong downturn in the market as only five systems were installed in Denmark with a capacity of 26,536 m².

Denmark's potential remains high, despite temporary market fluctuations. According to targets, in 2030, there will be 8 million square metres of large solar thermal systems, indicating a market potential of almost EUR 3 billion. However, market fluctuations can emerge, and significantly alter prevailing conditions depending on the government incentives such as subsidies.

¹¹ Solar Heat Worldwide 2018 - Global Market Development and Trends in 2017, Detailed Market Figures 2016; Werner Weiss, Monika Spörk-Dür, AEE - Institute for Sustainable Technologies and IEA Solar Heating & Cooling Programme (SHC), May 2018.

¹² Solar Thermal World publication: Denmark: Solar District Heating Capacity Nearly Doubles in 2016.

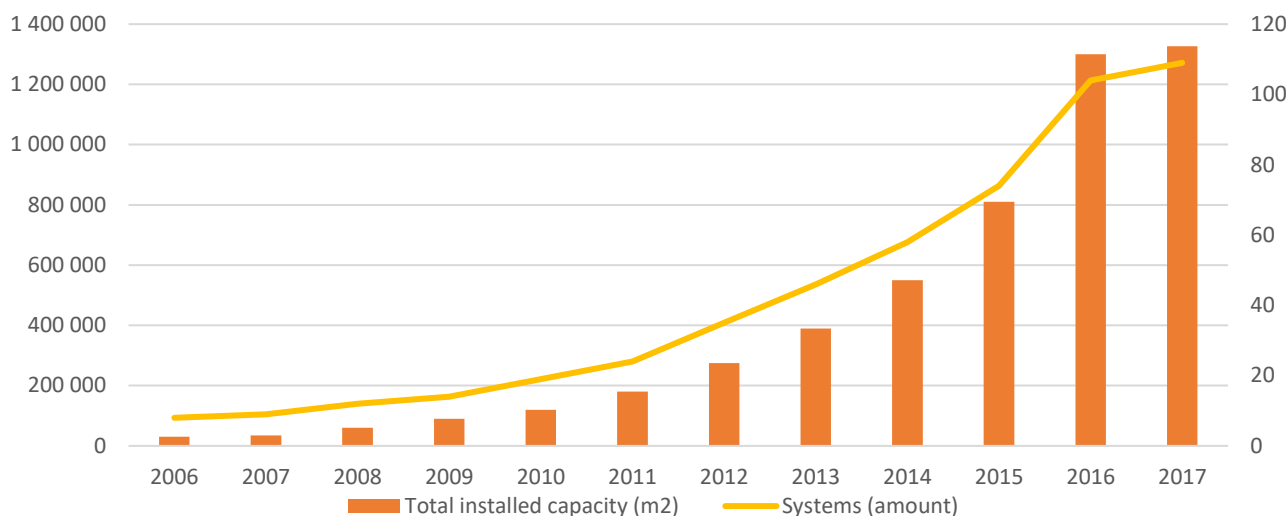


Figure 4: Installed solar thermal capacity in district heating systems in Denmark and amount of systems¹³

Germany

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

Energiewende, which has received a lot of fame and has helped with changes in Germany, was changed to Wärmewende during 2015, which means the focus has been directed to implementing renewable heating energy and to saving energy. Germany is also moving from tariffs towards an auction system for the sale of renewable energy, leading to higher efficiency which will increase growth of larger systems. In different states of Germany there are different subsidies available, in most states, investment subsidies for solar thermal systems connected to district or process heating can range from 40 to 50 per cent, promoting the expansion of solar heat. Furthermore, the market has started slower than anticipated due to various political reasons, which have been due to the disorder of the higher level political administration. In 2018, however, a new subsidy program called "Innovative CHP" was launched with a main objective to accelerate the transition to renewable energies within heating. At the end of the third quarter of 2018, 35 applications were submitted to this program, six of which included a large solar thermal system, and according to the Company, these are expected to be launched in 2019.

France

In accordance with the EU strategy, France is focusing on the promotion of clean energy in the production of heating energy, including state support measures. For 2019, it has been decided to double the sum of subsidies for renewable energy heating from the previous year. In the case of large solar thermal systems, the market has grown even faster than expected and the construction and operation of solar thermal systems are clearly profitable in France. Therefore, there are already several players in the market, the so-called project developers, that invest in solar thermal energy production and sell heating such as industrial process plants. These actors are able to take the necessary administrative measures for an

¹³ Solar District Heating Trends and Possibilities, Characteristics of Ground-Mounted Systems for Screening of Land Use Requirements and Feasibility. Technical Report of IEA SHC Task 52, Subtask B. <http://iea-shc.org/Data/Sites/1/publications/SDH-Trends-and-Possibilities-IEA-SHC-Task52-PlanEnergi-20180619.pdf>.

¹⁴ Solar District Heating EU-project meetings in 2013-2016.

efficient investment and get the systems up and running faster than potential municipal operators. Taking into account information received by the Company from the French State Agency for Environmental and Energy Development (ADEME) (Agence de l'Environnement-de-et de la Maîtrise de l'Energie), from active customers in France and several active bidding projects on thousands of square meters of projects, some of which the Company is currently planning with customers, the Company expects the market to grow rapidly in the near future.

Other European countries

Increasing the share of district heating and copying the Danish solar thermal model is taking place in other European countries, however taking into consideration local conditions and special features. Currently, active markets include several Eastern European countries, which still receive special support from the European Development Fund and other EU sources. For example, during 2019, Poland is launching a program to subsidise the transfer of district heating from coal. This program also subsidises solar thermal systems larger than 1,400 m². In addition, there are projects in the markets of Netherlands, Belgium, Austria and Italy in different stages of development.

Other markets

At the moment, China is moving from traditional small-scale water heating systems to larger systems and collectors and is interested in the European model and European technology and know-how. This is also stated by the IEA in its latest report, *Solar Heat Worldwide 2018*. This will make China a very interesting market for the foreseeable future also for European players.

There is also a lot of interest outside of Europe, especially in areas where the price of fossil fuel is high. Such areas include Latin America, Africa and Australia. In some regions, access to energy is also challenging in these areas. Also, especially in process industries where heat is constantly needed and where energy prices can be a major contributor to production cost, pure and unlimited solar thermal energy is a very interesting alternative. When the price of energy is between EUR 60-100 per megawatt-hour and solar radiation is up to two times more than in Northern Europe, solar district heating can also be a very profitable investment. According to the Company, all of these markets are expected to move ahead and grow in the upcoming years.

Process heating

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

In recent years, several promising projects have been implemented from small scale demonstration systems to large systems with a capacity of 100 MW. At the end of 2017, there were at least 624 systems with a total size of 608,994 m². 2017 was a record year for such systems. 124 larger systems with a total size of 192,580 m² started to operate. This means that the total number of systems in the world increased by about 25 per cent and the collector area by about 46 per cent.¹⁶

¹⁵ SHC IEA (Solar Heating & Cooling Programme, International Energy Agency), <http://task49.iea-shc.org/>.

¹⁶ *Solar Heat Worldwide, Global Market Development and Trends in 2017 | Detailed market Figures 2016*, Edition 2018.

Solar thermal cooling

Solar thermal cooling is another interesting area for technical solutions, where high growth can be expected in the future¹⁷. Solar thermal cooling is a solution both in warm areas as well as in areas where there are large variations in the temperature between seasons, where the cooling demand increases during summer times. The so-called district cooling by district heating companies is also of great interest, and many experiments have been carried out throughout Europe. Here the sun can play a significant role. The market is expected to be huge when the economy of the solar thermal cooling systems reaches a competitive level, even for the cooling of individual properties. That is why Savosolar participated in a project named SOLHC - Solar Heating and Cooling in Northern and Central Europe. The SOLHC project is part of a framework program between Finland and Germany and is funded by Tekes in Finland. In Finland, the participants are Savosolar and VTT and in Germany ZAE Bayern. The aim of the project was to develop a low-cost heating and cooling system utilising solar thermal energy.

Competition

The size of the solar thermal market in Europe in 2016, based on data from ESTIF (European Solar Thermal Industry Federation) and the Company's management, was approximately EUR 2.2 billion. According to statistics from ESTIF the total market has been declining in the last 4-5 years, but the sectors that Savosolar focuses on; heating for industrial processes, large-scale systems for district heating and energy renovations of old multi-store buildings, have been and are growing at a significant pace. Additionally, in the market for these large installations (over 500 m²) there are less than ten competitors globally. Savosolar's main competitors constitute of companies delivering large systems and have their own large area collector. Arcon-Sunmark Solutions and GREENoneTEC are two competitors, which sell large collectors to integrators in an attempt to enter the market. moreover, there is German KBB, which only produces and sells collectors, and lets their customers produce the systems. Such systems are also delivered by Solid and Millenium Energy Industries, which do not produce collectors and are therefore potential customers to Savosolar. There are other system integrators which, although experienced in heating systems, are not experienced in the solar thermal sector and have entered the markets, seeking a solar thermal partner. Viessmann and Ritter Solar deliver industrial process heating systems with vacuum tube collectors mainly in Germany, however these should primarily be used when the temperature is required to be above 100 degrees Celsius. Viessmann has also brought a large flat plate collector to the market under their own brand, which they have according to the information available to the Company bought from GreenOneTec.

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

¹⁷ European Renewable Energy Council (EREC). "RE-thinking 2050".

Description of business

Savosolar in brief

Savosolar is a Finnish public limited liability company that manufactures internationally award-winning solar thermal absorbers and collectors as well as energy production systems built on these. According to the knowledge of the Company's management, the solar thermal collectors with MPE absorbers manufactured by Savosolar are the most efficient in the world.¹⁸ Savosolar focuses primarily on large solar thermal collectors and industrial-size heating systems. The Company started product deliveries in June 2011 and has since delivered over 75,000 m² of collectors to its customers in 18 countries on four continents. The uniqueness of the Company's products is based on a vacuum coating process where the complete absorber structure is coated at once.¹⁹ This means that thin-walled aluminium profiles, which are very effective heat exchangers and with which therefore an effective direct flow of heat transfer can be achieved, can be used. The Savosolar team has extensive know-how and experience in vacuum coating techniques as well as in international sales and business management. In its manufacturing processes the Company uses the developed technologies and the quality system meets the ISO 9000 requirements. The Company aims to expand its business rapidly and supports its customers in reaching their environmental and business targets by significantly reducing their energy costs. Savosolar constantly invests in product development to maintain the best solutions for the needs of the growing renewable energy market.

Strategy

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

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

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

The Company's long-term goals

Savosolar's goal is to continue to be an innovative technology leader in the industry. Therefore, the Company plans to invest 3–5 per cent of its revenue every year in product development. Technology leadership is first and foremost reflected in the efficiency of Savosolar collectors, as a result of the use of a unique aluminum direct-flow absorber as described in the section "Products and offering". The latest example in achieving a new goal has been France's largest solar heating system (Condat, 4.000 m²) that was up and running in January 2019, which has the world's first mounted rotating one-axle rail system in January 2019.

¹⁸ The efficiency of Savosolar's 15m² and 2 m² standard collectors equipped with MPE absorbers have been determined in harmonised certification tests carried out by independent research institutions. These tests are the basis for the Solar Keymark certification to be issued in the EU. The tests determine the technical values which influence absorber efficiency. Based on these values, Savosolar's collectors equipped with MPE absorbers are the most efficient flat plate collectors in the world. In other words, the amount of energy produced by them per square metre in a similar system and under similar conditions annually is higher than that produced by competitors' products. The Solar Keymark database containing the information of all collectors being sold in Europe is public and can be accessed at www.estif.org/solarkeymarknew/index.php. Equivalent technical information can also be found on collectors manufactured elsewhere in the world, and according to the information available to the Company's management, Savosolar's solar thermal collectors with MPE absorbers (Savo 15 SG, Savo 15 DG, SF-100-03 DE and DS) produce the highest amount of energy per square metre.

¹⁹ 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.

In 2018–2019, the investments in product development are estimated to be somewhat more moderate, amounting to approximately EUR 0.2 million a year. While the geographical focal point of operations is currently in Europe, the Company has started active marketing through partners in other geographical regions and also seeks to expand beyond European borders during the next few years.

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

History

Savosolar was founded in December 2009 by Rosa Aimo, Kaj Pischow and Vesa Sorasahi. At the initial stage the Technology PhDs Martin Andritschky and Luis Rebouta, who both work at the University of Minho in Portugal as professors within material technology were actively involved in the Company. Martin Andritschky, Luis Rebouta and Kaj Pischow are, well-known internationally for their coating expertise and have published numerous articles and research papers in the field. These three people, together with other employees of Savosolar, developed a coating process and coating which is innovative and differs from the mainstream of the market for solar thermal collectors.

Savosolar received the Intersolar Award for the MPE (Multi-Port Extrusion) profile, along with Danish Hydro Aluminum Precision Tubing in 2011. In April 2011 Savosolar's first collector was certified²¹ with the Solar Keymark, which meant that the Company's product could be sold all over Europe. In May 2011 the first sales were made in Finland. The first larger export delivery was made in November 2011 to South-Africa.

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

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

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

In January 2015 the Company received the Solar Keymark certificate for the TPS collector²² (SF 100-04-TPS).

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

During the summer of 2015, the Company signed a third agreement with Løgumkloster Fjernvarme concerning the delivery of a collector field comprising approximately 5,500 m² and worth approximately EUR 1.0 million. Furthermore, the Company won a tender for the delivery of a solar thermal collector field of approximately 15,000 m² to Jelling Varmeværk. The agreement concerning this delivery was signed in August 2015, and its value is approximately EUR 2.0 million. For more information about the agreements, see "*Description of business – Material agreements – Delivery agreements with Løgumkloster Fjernvarme*" and "*Description of business – Material agreements – Delivery agreement with Jelling Varmeværk*".

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

²¹ The certification is not mandatory, but a large part of the customers require the certification for collectors purchased.

²² A TPS-collector (thermoplastic sealing) is a collector in which the solar glass and roll bond–aluminium absorber are combined by a thermoplastic seal, with a similar method used to manufacture of thermally insulated windows.

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

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

Savosolar arranged a rights issue and two directed share issues in September 2016, where the Company raised approximately EUR 6.4 million before transaction costs.

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

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

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

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

In the summer 2018, Savosolar arranged a rights issue and a directed share issue in which the Company raised some EUR 4.4 million before transaction costs.

In November 2018, Savosolar signed a letter of intent with the Chinese Guangzhou Power Supply Co., Ltd., a wholly owned subsidiary of China Southern Power Grid Co., Ltd. The letter of intent includes co-operation in the construction of a demonstration project for a renewable energy micro-energy network in Nansha, Guangzhou.

The Products and offering

The Company's main products are large solar thermal collectors, and especially solar thermal systems made with these. According to information available to the Company's management, the collectors with MPE-absorbers manufactured by Savosolar are the world's most efficient²³. The collector's core component is an absorber, which Savosolar also sells separately to certain customers. Savosolar also delivers, with increasing importance in its portfolio, full systems including design and installation.

Savosolar collectors

Savosolar manufactures and sells mainly large area collectors (10–15 m²) for large installations. The solar glass used in the collectors are the best in the field, which also contributes to their effectiveness.²⁴

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

²³ For more information about the efficiency of the absorbers and collectors, see the section "*Description of business – Savosolar in brief*", in particular the footnote number 12.

²⁴ The solar glasses are certified (eg. by the Swiss research institute SPF), at which time they are assigned technical information, on the basis of which the permeability of radiation at different angles on the solar glass, and thereby the recovered solar energy can be compared. Based on comparative data the glass used by Savosolar is the best in the industry.

TPS-Glass-Absorber module and collector

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

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

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

TPS-glass-absorber-glass mass production collector

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

Savosolar absorbers

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

Savosolar has filed three (3) different patent applications in relation to absorbers and the coating and production of them (method for providing a thermal absorber, method for manufacturing thermal absorber for solar thermal collector and method for producing a direct flow aluminium absorber for a solar thermal collector), for which patents have been granted in different countries. According to the Company's management's knowledge, Savosolar is the only company in the world able to coat complete ready-made absorbers (up to 18 m²) with highly selective nano-optical vacuum coating, at industrial scale. The coatings are based on very hard tool coatings and are consequently able to work at high temperatures for decades without significant degradation of optical attributes.²⁵ Furthermore, the coating has top class optical properties: the absorbance is 96 per cent, the emissivity only five (5) per cent and together with the superior glass an extraordinary amount of solar radiation at exceptionally high angles can be recovered with the collector.²⁶

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

²⁵ Minna Kotilainen's dissertation Temperature-Induced Ageing Mechanisms and Long-Term Stability of Solar Thermal Coatings, Tampere 2014. Publication 1222, Tampere University of Technology.

²⁶ 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.

MPE (Multi-Port Extrusion) profile absorbers

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

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

Roll-bond absorbers

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

PVT-absorbers

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

Production

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

The current yearly production capacity is approximately 90,000-120,000 square metres. This is possible with the Company's current large collectors and by changing the production into three shifts, which was already done in 2016 and the second half of 2018. This means the Company knows how to successfully do it again. In addition, weekends serve as a flexible element when needed.

Customers and partners

The Company focuses on the market for large systems and project deliveries and has delivered collectors and systems to 18 different countries. The Company's customers are energy companies such as district heating companies (up to this

date in Denmark, Finland, Sweden and France) or major national or international energy companies (such as Veolia) and industrial companies in process heating solutions. In addition, customers can be large integrators supplying heating and cooling systems to the above-mentioned customer groups or investment companies that invest in energy systems and sell heating or cooling to those who need it - that is, large industrial or commercial companies or energy companies.

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

Projects

The Company's project deliveries are sold directly to customers as one offs. Projects are delivered in co-operation with other actors, either in such a way that Savosolar is responsible for the turnkey solution, or so that a local partner is responsible for the turnkey solution. The Company's largest projects so far are the deliveries of approximately 75,000 m² large-area collector fields to the Grenaa, Løgumkloster, Jelling, Lolland Varne and Fors A/S/ Jyderup District Heating companies in Denmark and a 4,000 m² collection field delivery to newHeat SAS in France.

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

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

Project	Project size	Year of delivery	Delivery to country / Other information
Løgumkloster	EUR 2.6 million	2014-2016	Denmark. Delivered and handed over to customer.
Jelling Varneværk	EUR 2.0 million	2016	Denmark. According to the information available to the Company, it has the Danish daily energy production record and has almost six (6) percent better efficiency compared to the next best field. Delivered and handed over to customer. The customer ordered an extension in the summer of 2018 that will be delivered in the first half of 2019.
	EUR 0.7 million	2019	
Fors A/S / Jyderup district heating plant	EUR 1.5 million	2016	Denmark. Delivered and handed over to customer.
Lolland Varne A/S / Søllested district heating plant	EUR 0.7 million	2016	Denmark. Was made based on a cooperation agreement with Danske Energi Service (DES). Delivered and handed over to customer.
Véolia ECHM / Voreppe	EUR 0.1 million	2018	France. The project and system is in use and has been delivered, but final hand-over to customer has not been done due to finalisation of documents.
newHeat SAS / Condat-sur-Vézère solar thermal plant	EUR 2.0 million	2018	France. The largest solar thermal plant in France. The world's first large collectors that have a swivel stand to maximise solar radiation reception. The deployment of the solar collector system took place at the beginning of January 2019 and the final

			delivery will take place during the first quarter of 2019.
Oulun Seudun Sähkö / Ankkurilahti	EUR 0.2 million	2018	Finland. Finland's largest solar field. 200 kilometres from the Arctic Circle. Delivery took place in summer 2018.
Grenaa Varveværk A.m.b.a	EUR 3.5 million	2018	Denmark. The Company's largest delivery agreement to date. The delivery of the system has progressed on schedule, the delivery to the customer will take place in March 2019.

Research and development

Savosolar has since inception invested several million euro on research and development with universities (including the University of Minho in Portugal, the Fraunhofer Institute, Ingoldstadt 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 two (2) people who mainly focus on improving the competitiveness of the current product and on developing new solutions.

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

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

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

Below a summary of the Company's capitalised development costs for the financial years ended 31 December 2018 and 31 December 2017 (amounts expressed in EUR thousand).

Development costs, total		Capitalised development costs during the financial period		Amortisations and depreciations from capitalised development costs during the financial period		Capitalised development costs at the end of the financial period	
(Unaudited)							
1 January - 31 December 2018	1 January - 31 December 2017	1 January - 31 December 2018	1 January - 31 December 2017	1 January - 31 December 2018	1 January - 31 December 2017	31 December 2018	31 December 2017
111.8	73.7 ²	155.5	7.5 ^{1,2}	257.4 ³	214.1 ¹	979.7	1,081.6 ²

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

² Audited

³ Depreciation and write-downs include an impairment of EUR 45.6 thousand recognised from capitalised development costs in 2018.

Patents and patent applications

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

Application number	Date of application	Description	Current status
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PCT/FI2010/050342 BP202330	28 April 2010	Method for providing a thermal absorber (coating patent)	Patent granted in all extensions: Hong Kong, Italy, Austria, Japan, Latvia, Poland, France, Sweden, Germany, Slovenia, Slovakia, Finland, Switzerland, Denmark, Czech Republic and United States.
PCT/FI2011/050160 BP203446	22 February 2011	Method for manufacturing thermal absorber for solar thermal collector (process patent)	Continued national applications for Europe, Japan and the United States. Patent granted in Japan and the United States. In Europe, in a technical research phase.
PCT/FI2011/050877 BP205047	15 October 2014	Method for producing a direct flow aluminium absorber for a solar thermal collector (laser welding patent)	Patent granted in all extensions: Italy, Austria, Japan, Latvia, Poland, France, Sweden, Germany, Slovenia, Slovakia, Finland, Switzerland, Czech Republic and the United States.
FI 20145153 BP208432	17 February 2014	Solar thermal absorber element (TPS module patent)	Application filed in Finland, Europe, Japan, China and USA. Patent granted in Finland, in other countries, excluding Japan, technical phase of research has begun.
FI 20145907 BP209085	16 October 2014	Integrated flexible hose	Application filed in Finland, Europe, Japan, China and USA. Excluding Japan, technical phase of research has begun.
FI 20145908 BP209112	16 October 2014	Slide mounting of solar thermal collectors	Application filed in Finland, Europe, Japan, China and USA. Patent granted in the United States. In other countries, technical phase of research has begun.
FI 20155432 BP209799	8 June 2015	Solar thermal absorber element	Application filed in Finland, Europe, Japan, China and USA. Excluding Japan, technical phase of research has begun.

Trademarks

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

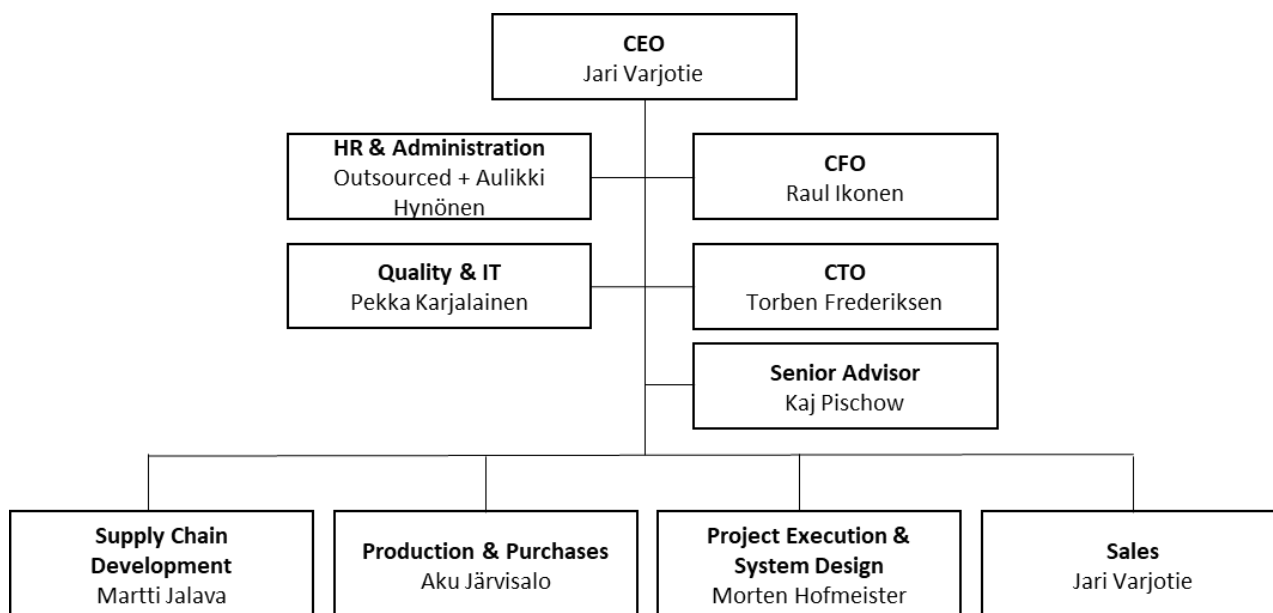
Corporate structure and organisation

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

Savosolar has 37 employees as per the date of the Prospectus. In 2018, the Company had an average of 37 employees, 33 of whom were in Finland, 3 in Denmark and 1 in Germany. The Company had an average of 42 employees in 2017, of whom 37 were in Finland, 4 in Denmark and 1 in Germany. The average number of employees of the Company in 2016 was 42 of whom 39 were located in Finland and 3 in Denmark

The organisational structure is illustrated below. The research and development department mainly focuses on customer oriented product development and enhancement as well as customer specific adaptations. As mentioned above, there is

however a longer-term development project ongoing where a mass producible TPS-glass large system collector is being developed.



Material agreements

Delivery agreements with Løgumkloster Fjernvarme

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

Savosolar has guaranteed a performance curve for the delivered collectors as well as granted a five (5) year warranty and given a five (5) year warranty against manufacturing and material defects. In total the guarantees for the Løgumkloster projects is EUR 200–250 thousand and the Company has provided a bank guarantee for this. In certain situations, the warranty period may be extended to ten (10) years. Sapa Precision Tubing guarantees the corrosion resistance of the aluminium tubes and profiles. Savosolar shall be liable for compensation for losses suffered due to defects in the work, where such defects are caused by errors or negligence on the part of Savosolar, or where they relate to properties the presence of which has been guaranteed in the agreement. Savosolar shall not be liable for operational losses, loss of profit or other indirect losses. The Danish law is applied to the agreements and dispute resolution takes place in the Building and Construction Arbitration Board in Copenhagen.

Delivery agreement with Jelling Varmeværk

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

In July 2018, Savosolar signed an agreement to supply the solar collector field to Jelling Varmeværk in Denmark. The value of the contract is approximately EUR 0.7 million. The project delivery has progressed as planned and the system will be delivered by May 2019.

Delivery agreement with Fors Varme Holbaek, Jyderup A/S

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

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

Delivery agreement with newHeat SAS

On 3 March 2018, Savosolar and newHeat SAS signed a contract on the delivery of the largest solar thermal system in France. The contract value is over EUR 2.0 million and the deployment of the solar collector system began at the beginning of January 2019 and the final delivery in the first quarter of 2019.

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

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

Cooperation agreement with Geoflow Australia Pty Ltd

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

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

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

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

The contract covers a turnkey delivery of solar thermal system to Grenaa Varmevaerk. Local partners will be co-operating with Savosolar in building and installing the system, in line with the Company's strategy. As of the date of the Prospect, the system is deployed and final delivery will take place by March 2019.

The Company's financial agreements

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

Premises

The Company does not own real property or real estates. The head office, manufacturing premises and warehouses of the Company are located at Insinöörinkatu 7, 50150 Mikkeli (approximately 4,500 square metres). The lease agreement has

three (3) months' notice period. The facilities suffice for the Company for at least the following 1.5–2 years. If the volumes increase, the Company may however require more storage space for materials prior to this. In the same factory building as the Company operates there is free space of 800 m² free which can be rented if needed. In addition, the landlord, the city of Mikkeli's development company, has promised to build more production space fast (estimated 4–5 months), if such a need arises for the Company. In Denmark Savosolar ApS operates in leased premises at the address Jerbanegade 18, 6330 Padborg, Denmark in a rented office room at a legal office. In addition, the Company leases a room in Aarhus at INCUBA A/S, CVR 10 04 93 85, Inge Lehmanns Gade 10, 8000 Aarhus C, Denmark. Both leases has a three (3) months' notice period. The Company leases an office room at the address Technopolis Aviapolis, Teknobulevardi 3-4, Vantaa. The lease agreement has a three (3) months' notice period. In Germany Savosolar GmbH operates in leased premises of MKH Greenenergy Cert GmbH in a office room at the address Kühnehöfe 3, 22761, Hamburg. The lease agreement is valid until 31 March 2019 and the goal is to negotiate a continuation for the lease.

Insurance

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

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

Legal and arbitration proceedings

Sunti SAS has issued a summons to Savosolar to attend the court of justice in Montpellier following Savosolar's alleged breach of contract. In the summons, Sunti SAS claims that Savosolar has violated the exclusivity rights clause in the contract between the companies relating to the open tender for a solar collector field project in France. Sunti SAS claims in the summons for a total amount of approximately EUR 2.0 million in damages for the alleged breach of contract from Savosolar. Savosolar considers Sunti SAS's claims for compensation to be without just cause. So far, Sunti and Savosolar have submitted written statements to the Commercial Court. The Commercial Court has given extra time for the processing, so that the first possible oral hearing will be no earlier than late spring 2019.

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

Restructuring 2014-2018

Between 2014-2018, Savosolar was subject to a restructuring programme in accordance with the Restructuring Act". The material content of the of the Company's restructuring programme is described below.

Restructuring programme of Savosolar

The Company filed a restructuring application in accordance with the Restructuring Act to the District Court of Pohjois-Savo on 28 August 2013. The District Court of Pohjois-Savo ordered restructuring proceedings to commence on 2 September 2013 and approved the Company's restructuring programme on 13 February 2014.

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

In the restructuring programme, the creditors of the Company were divided in to four (4) groups:

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

Restructuring debts to creditors belonging to group A (total of approximately EUR 480.4 thousand) were converted into capital loans, which will be paid back after the end of the restructuring programme and when the Company's financial standing and equity enable the payment. The annual interest on the loans is 3 % and is payable at the end of each year if the Company has enough equity. In May 2018, The Company agreed to postpone the maturity date of the capital loans to 31 December 2019. After the postponement of the maturity dates, the capital loans were not included in the restructuring programme.

Restructuring debts to creditors belonging to group B (total of approximately EUR 2,521.6 thousand) and group C (total of approximately EUR 119.4 thousand) were cut by 65 per cent, save for the loans of approximately EUR 950.9 thousand granted by Suur-Savon Osuuspankki, which were converted into capital loans. No interest was paid on the debtors' loans. The annual interest on the loan from Suur-Savon Osuuspankki is 3 % and is payable at the end of each year if the Company has enough equity. The capital loans are paid back at the end of the restructuring programme on 31 December 2018, if the Company has enough equity. In May 2018, The Company agreed to postpone the maturity date of the capital loans to 31 December 2019. After the postponement of the maturity dates, the capital loans were not included in the restructuring programme.

In addition, the Company has on 20 February 2019 agreed with Suur-Savon Osuuspankki on amendments to the terms and conditions of capital loans of approximately EUR 1.2 million included in the above-mentioned debts. Repayment schedule of the capital loans was amended so that the loans will be paid back in monthly instalments during 24 months beginning in April 2019. Before the amendment, maturity date of the capital loans was 31 December 2019. As a result of the amendment to repayment schedule, fixed annual interest of the capital loans increased from three (3) percent to four (4) percent.

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

Related party transactions

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

Employee benefits of related parties

In the table below the employee benefits for the management and Board of Directors for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016 (the amounts are expressed in EUR thousand).

	2018	2017	2016
		(unaudited)	
Salaries and benefits	550.4	503.2	658.0
Employee benefits of related parties, total	550.4	503.2	658.0

The Company's annual general meeting of 27 March 2018 decided that the members of the Board of Directors will be paid the following fees for the term of office that begins at the end of the annual general meeting and terminates at the end of the following annual general meeting: EUR 21,600 to the chairman of the Board and EUR 10,800 to all other Board members. Approximately 40 per cent of the fees paid to Board of Directors are paid on the basis of the Board's share issue authorisation by giving the Board members new shares in the Company, approximately 60 per cent of the fees will be paid in cash. The cash portion of the fee will be paid in 12 instalments on a monthly basis insofar as it exceeds the amount of tax withheld at source applicable to the fee. The share portion of the fee will be paid to the Board members in two (2) instalments in such a way that the first instalment will be paid within two (2) weeks of the publication of the half-year report from 1 January to 30 June 2018 and the second installment between 1 November and 30 November 2018. In the event that the shares cannot be given on the aforementioned dates due to insider regulations, they will be given on the first possible date on which it is possible pursuant to currently valid insider regulations. On 7 September 2018, the Board of Directors decided on a directed share issue to be used to pay the first installment of the Board of Directors' fees. In the share issue, the current and former members of the Board of Directors subscribed for a total of 570,302 new shares in the Company free of charge. The Board of Directors has decided to postpone the payment of the second installment of the fees after the execution of the Offering.

Board members may not give away shares received as remuneration before their term of office on the Board has ended. In addition, Board members are compensated for reasonable travel and accommodation expenses related to Board

meetings. Travel and accommodation expenses are nevertheless not compensated for with regard to Board members who live in the greater Helsinki region when the meetings are held in the greater Helsinki region.

The Board raised the Managing Director's salary remuneration from 1 January 2018. There have been changes to the salaries and remuneration of the other members of the management group in the beginning of 2017, mainly due to the fact that the composition of the management changed significantly in the first quarter of 2017 due to reorganisation and new recruitments. Further information on the remuneration and benefits of the members of the Board of Directors and the management group is presented in section "*The Board of Directors, management and auditors – Remuneration and benefits of Board members and management*".

Other related party transactions

The Company has entered into a service agreement with Savosolar ApS on 29 August 2014 regarding the services offered by Savosolar ApS to the Company, including sales, marketing, purchasing and product development services. Under the agreement the compensation paid to Savosolar ApS is tied to the costs incurred by providing the services by the addition of four (4) per cent. The agreement is valid until further notices with a 30 days' notice. Under the agreement, EUR 499.0 thousand has been paid to Savosolar ApS in 2016, EUR 485.0 thousand in 2017 and EUR 589.5 thousand in 2018.

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

The Company has signed a service contract with Savosolar GmbH on 3 March 2017, regarding the services of for example sales, customer relationship management and project management for the Company. Under the terms of the agreement, the compensation paid to Savosolar GmbH is tied to the cost of providing services, plus four (4) per cent. The agreement is valid for an indefinite period with a termination period of 30 days. On the basis of the agreement, Savosolar GmbH has been paid EUR 124.1 thousand in 2017 and EUR 179.2 thousand in 2018.

Selected financial information

The following tables present selected financial statement information and other information of the Company for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016. The summary presented below is based on the audited financial statements for the financial year ended 31 December 2017 and the restated audited financial statements for the financial year ended 31 December 2016 as well as the unaudited information regarding the income statement and balance sheet for the financial year ended 31 December 2019, which are derived from the unaudited financial information published by the Company on 20 February 2019.

The financial information presented in the tables below for the financial year ended 31 December 2016 differs from the historical financial information presented in the audited financial statements approved by the Company's statutory general meeting. The income statement, balance sheet and cash flow statement included in the financial statements for the financial year ended 31 December 2016 have been adjusted by including a project charge of EUR 211.5 thousand, which was not included in the statutory financial statements for the financial year ended 31 December 2016. The financial information presented in the following tables for the financial year ended 31 December 2016 have been retrospectively adjusted for the above.

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

Savosolar is a small accounting firm according to 1:4a § of the Finnish Accounting Act and including subsidiaries a small accounting entity according to 1:6a § of the Finnish Accounting Act. The Company has not had the obligation to prepare consolidated financial statements for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016.

Income statement

EUR thousand	1 January 2018 - 31 December 2018	1 January 2017 - 31 December 2017	1 January 2016 - 31 December 2016
	FAS (unaudited)	FAS (audited)	FAS (audited)
Revenue	5,632.9	830.9	5,404.8
Other operating income	9.0	24.4	0.9
<i>Materials and services</i>			
Material, supplies and goods			
Purchases	-3,011.0	-841.7	-3,975.7
Inventory increase / decrease	-50.0	505.2	98.8
External services	-2,726.9	-415.1	-1,417.6
Total materials and services	-5,788.0	-751.6	-5,294.6
<i>Personnel expenses</i>			
Wages and salaries	-1,608.9	-1,550.6	-1,712.0
Social security expenses			
Pension expenses	-268.1	-242.7	-321.3
Other personnel expenses	-54.8	-37.0	-103.7
Total personnel expenses	-1,931.8	-1,830.3	-2,137.0
Depreciation, amortisation and impairment	-718.7	-761.6	-617.4
Other operating expenses	-2,577.6	-2,364.8	-1,878.8
OPERATING PROFIT (LOSS)	-5,374.2	-4,853.1	-4,522.1
<i>Financial income and expenses</i>			
Interest and other financial income	23.3	13.8	0.3
Interest and other financial expenses	-1,072.4	-824.2	-1,165.0
Total financial income and expense	-1,049.1	-810.4	-1,164.7
PROFIT (LOSS)	-6,423.3	-5,663.5	-5,686.8
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-6,423.3	-5,663.5	-5,686.8
NET PROFIT (LOSS)	-6,423.3	-5,663.5	-5,686.8

Balance sheet

EUR thousand	31 December 2018	31 December 2017	31 December 2016
	FAS (unaudited)	FAS (audited)	FAS (audited)
ASSETS			
<i>NON-CURRENT ASSETS</i>			
<i>Intangible assets</i>			
Development costs	979.7	1,081.6	1,288.2
Intangible rights	138.7	159.8	181.0
Other long-term expenses	229.6	386.4	520.0
Total intangible assets	1,347.9	1,627.8	1,989.1
<i>Property, plant and equipment</i>			
Machinery and equipment	854.4	1,130.3	1,348.7
Total tangible assets	854.4	1,130.3	1,348.7
<i>Investments</i>			
Shares in group companies	161.9	161.9	133.9
TOTAL NON-CURRENT ASSETS	2,363.8	2,920.0	3,471.7
<i>CURRENT ASSETS</i>			
<i>Inventories</i>			
Materials and supplies	731.5	419.5	490.6
Work in progress	19.3	5.7	0.0
Finished goods	194.9	570.6	0.0
Advance payments	35.8		
Total inventories	981.6	995.8	490.6
<i>Long-term receivables</i>			
Other receivables	504.1	221.9	140.8
Total long-term receivables	504.1	221.9	140.8
<i>Short-term receivables</i>			
Accounts receivable	62.9	49.3	260.8
	0.8	0.0	0.0
Other receivables	460.3	43.2	143.9
Prepaid expenses and accrued income	1,274.1	35.2	3.6
Total current receivables	1,798.2	127.8	408.4
Total receivables	2,302.4	349.7	549.2
Cash and cash equivalents	747.4	2,212.4	2,440.5
TOTAL CURRENT ASSETS	4,031.3	3,557.9	3,480.2
TOTAL ASSETS	6,395.1	6,477.9	6,952.0

EUR thousand	31 December 2018	31 December 2017	31 December 2016
	FAS (unaudited)	FAS (audited)	FAS (audited)
EQUITY AND LIABILITIES			
<i>EQUITY</i>			
Share capital	470.2	470.2	470.2
Reserve for invested unrestricted equity	29,273.1	24,919.1	19,149.1
Retained earnings	-21,735.5	-16,072.0	-10,385.2
Net profit (loss)	-6,423.3	-5,663.5	-5,686.8
TOTAL SHAREHOLDER'S EQUITY	1,584.5	3,653.8	3,547.3
APPROPRIATIONS			
PROVISIONS	318.7	171.9	135.7
<i>LIABILITIES</i>			
<i>Long-term liabilities</i>			
Capital loans	0.0	0.0	1,431.3
Loans from financial institutions	314.0	311.9	242.7
Other liabilities	0.0	0.0	157.1
Total long-term liabilities	314.0	311.9	1,831.0
<i>Short-term liabilities</i>			
Capital loans	1,431.3	1,431.3	0.0
Loans from financial institutions	818.7	223.7	218.7

Trade payables	1,501.4	315.6	766.7
Trade payables to group companies	57.6	55.7	0.0
Other liabilities	34.6	36.9	59.1
Accrued expenses	334.2	277.1	393.5
Total short-term liabilities	4,177.8	2,340.3	1,438.0
TOTAL LIABILITIES	4,491.9	2,652.2	3,269.0
TOTAL EQUITY AND LIABILITIES	6,395.1	6,477.9	6,952.0

Cash flow statement

EUR thousand	1 January 2018 - 31 December 2018	1 January 2017 - 31 December 2017	1 January 2016 - 31 December 2016
	FAS (unaudited)	FAS (audited)	FAS (audited)
<i>Cash flow from operating activities</i>			
Profit (loss) before appropriations and taxes	-6,423.3	-5,663.5	-5,686.8
<i>Adjustments</i>			
Depreciation and amortisation according to plan	718.7	761.6	617.4
Other non-cash income and expenses	146.8	36.3	0.0
Financial income and expenses	1,049.1	810.4	1,164.7
Cash flow before change in working capital	-4,508.7	-4,055.3	-3,904.7
<i>Change in working capital</i>			
Increase (-) or decrease (+) in current interest-free receivables	-1,952.6	199.5	22.2
Increase (-) or decrease (+) in inventories	14.2	-505.2	-98.8
Increase (+) or decrease (-) in current interest-free payables	1,369.4	-534.0	-295.6
Cash flow from operations before financial items and taxes	-5,077.7	-4,895.0	-4,276.8
Interest and other financial expenses paid	-1,072.4	-824.2	-1,156.4
Interest received and other financial income	23.3	13.8	0.3
Cash flow from operations (A)	-6,126.8	-5,705.4	-5,432.9
<i>Cash flow from investing activities</i>			
Investments in intangible and tangible assets	-162.5	-181.9	-1,146.3
Investment in subsidiaries	0.0	-28.0	-1.7
Cash flow from investment activities (B)	-162.5	-209.9	-1,147.9
<i>Cash flow from financing activities</i>			
Share issue	4,354.0	5,770.0	6,435.3
Proceeds from long-term borrowings	112.8	201.2	1,195.0
Proceeds from short-term borrowings	778.7	0.0	0.0
Repayment of short-term borrowings	-218.1	-284.0	-1,439.2
Repayment of long-term borrowings	-203.1	0.0	-277.6
Cash flow from financing activities (C)	,,824.3	5,687.2	5,913.5
Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	-1,465.0	-228.1	-667.3
Cash and cash equivalents at beginning of period	2,212.4	2,440.5	3,107.8
Cash and cash equivalents at end of period	747.4	2,212.4	2,440.5

Key financials

EUR thousand	31 December 2018	31 December 2017	31 December 2016
Key financials for the income statement			
Unaudited if not otherwise stated)			
Revenue	5,632.9	830.9 ¹	5,404.8 ¹
EBITDA ²	-4,655.5	-4,091.5	-3,904.7
EBITDA-margin (%)	-83%	-492%	-72%
Operating profit / (loss) (EBIT)	-5,374.2	-4,853.1 ¹	-4,522.1 ¹
Operating profit margin (%)	-95%	-584%	-84%
Net profit / (loss)	-6,423.3	-5,663.5 ¹	-5,686.8 ¹
Net profit / (loss) -margin (%)	-114%	-682%	-105%

Key financials for the capital structure			
Equity capital, EUR thousand	1,584.5	3,653.8 ¹	3,547.3 ¹
Equity ratio (%)	25%	56%	51%
Data per share			
Amount of shares	352,538,414	130,749,062	35,469,332
Equity per share	0.00	0.03	0.10
Earnings per share	-0.02	-0.04	-0.16
Employees			
Average numbers of employees	38	42	42

¹ Audited

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

EUR thousand	1 January 2018 - 31 March 2018	1 January 2017 - 31 December 2017	1 January 2016 - 31 December 2016
	(Unaudited if not otherwise stated)		
EBIT	-5,374.2	-4,853.1 ¹	-4,522.1 ¹
Depreciation, amortisation and write-downs	-718.7	761.6 ¹	617.4 ¹
EBITDA	-4,655.5	-4,091.5	-3,904.7

¹ Audited

Definitions of key financials

EBITDA

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

EBITDA margin, %

EBITDA in relation to revenue.

EBIT margin, %

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

Profit / (loss) margin, %

Net profit (loss) in relation to revenue.

Equity ratio, %

Equity in relation to total assets.

Number of shares

Number of shares outstanding at the end of the period.

Equity per share, EUR

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

Earnings per share, EUR

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

Average number of employees

Average number of employees in the Company.

Operating and financial review and prospects

The following review of Savosolar's results and financial position should be read in conjunction with Savosolar's audited financial statements for the financial years ended on 31 December 2017 and 31 December 2016, the Company's unaudited financial statements for the financial year ended on 31 December 2018 incorporated by reference, as well as the section "Selected financial information" in the Prospectus.

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

Material accounting principles

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

Savosolar is a small accounting firm according to 1:4 § of the Finnish Accounting Act and including subsidiaries a small accounting entity according to 1:6a § of the Finnish Accounting Act. The Company has not had the obligation to prepare consolidated financial statements and annual reports for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016.

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

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

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

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

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

Factors affecting the results of the business

The Company's operating results are affected by several factors, that are either outside the Company's control, i.e. external, or within the Company's control, i.e. internal, by nature. External factors include market development and competition. Market development depends in particular on the general economic development and energy policy.

Competition depends on the ability of competitors to introduce new, more efficient solutions to the market and price competition, which in turn is dependent on the growth of the market. Internal factors are the maintenance of the offering's technical competitiveness, the success of sales according to plans, the ability to maintain deliveries and cost effectiveness.

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

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

- The production output of the collector-fields in Løgumkloster, Jelling, Söllested and Jyderyp, as well as the extensions in Grenaa and Jelling, needs to remain on a high level so that the Company can use them as successful long-term technical and qualitative references. The projects also serve as references towards other energy companies both in Denmark and elsewhere in Europe.
- Realisation and high level of production of the French projects (Veolia Voreppe and newHeat Condat). Both will be important references in the French market and more widely.
- The increase of produced volume from 40,000 m² in 2016 to to approximately 120,000 m² a year in the coming years, through which the Company has the opportunity to achieve significant cost savings in procurement, as well as improving production efficiency to improve profitability. The current yearly production capacity is approximately 80,000-100,000 square metres. This is possible with the Company's current large collectors and by changing the production into three shifts, which was already done for a while in 2016 and the second half of 2018, which means the Company knows how to successfully do it again.
- As the volumes increase and the focus moves towards full-scale deliveries, the Company will need to increase its know-how especially in system planning, project management and project procurement by educating and recruiting new people and building a partner network in different markets. Moreover, the Company will need to control its cost structure and find savings through organisational structures and improvements in efficiency.
- The Company's revenue has to increase significantly during the upcoming years. The Company has to that end succeed in increasing its volumes in existing and new market areas in and outside of Europe.
- The general economic prosperity in Europe and the rest of the world can raise world market prices for raw materials and limit the availability of some components. The Company must be able to find suppliers with sufficient capacity and negotiate competitive prices with suppliers to improve the Company's profitability.
- The Danish market activity is slowing down as a result of high activity in 2018 and the number of projects will decrease significantly in the next few years. The Company is able to participate well in open tendering processes in Denmark, but the competition is exceptionally intense and new competitors can enter the market resulting in price competition, which may affect the profitability for all operators. Other solar thermal markets must also develop positively in line with recent market analyses, but if the market does not develop as expected it may have an impact on the Company's ability to grow as planned. The development of the global economy and the energy market also impact the development of the solar thermal market and therefore on the growth of the Company.
- In many markets, the Company has partners through which the Company sells and delivers its systems. For the Company's growth and profitability, it is important that these partners work efficiently in their own market and that the Company is able to manage and support these partners successfully.
- The Company currently has one (1) development project for which it receives public support. The progress and success of this development project will affect the Company's results of operations.

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

Significant trends

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

Heat is conventionally produced in cogeneration or combined heat and power (CHP) plants, typically using coal, petroleum or natural gas, reaching at best 80 per cent efficiency of which approximately half is heat and half is electricity. In some plants biomass or municipal waste is used as fuel. When photovoltaic and wind production of electricity has increased the CHP station capacity has partly become superfluous and the demand fluctuates according to sunshine and wind conditions. This has diminished the heat supply and partly made CHP unprofitable, and solutions are sought among other sources by building heating plants using biofuels and waste, which are connected to various other renewable energy sources depending on the location and need. Solar thermal, as a completely clean and post-investment almost free energy source is in many cases the most interesting alternative, as long as the required land or roof area is available.

Impacts of climate change are evident throughout. As a result, all over the world work is being done to reduce emissions, both by states and by the rest of society. In January 2018, The European weather forecasting ECMWF-center presented the global temperature changes for 136 years. According to them, year 2016 was the warmest year in the history of measuring it, and ten (10) of the warmest years in the history of measuring have been after the year 2000.²⁷ The year 2015 was already the warmest as long as measurements have been made and the overall rise in 2016 was 0.2 degrees. Ambitious targets for emission reductions have been set around the globe and the objectives of the 2017 Paris climate agreement emphasise the importance of limiting the rise in temperature for the planet and living beings.

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

Recent development and material changes in financial position

In 2018, the Company's net sales increased significantly from 2017, which was a very difficult year for the entire industry due to the fall in demand on the Danish market and the delay in launching on other markets. In 2018, the Company received orders worth almost EUR 6.5 million. Most of these projects were deployed in the second half of 2018 and some will be deployed in early 2019. Net sales for the year 2018 increased to approximately EUR 5.6 million. One of the projects deployed was France's largest 4,000 m² solar collector system with aim of producing process heat from Condat's paper mill, which is a very good reference case for the growing French and European markets. At the date of the Prospectus, the Company has projects worth EUR 54 million at a tender and planning stage. There are many projects in Europe and elsewhere in the world. During 2019, a much larger share of the Company's sales activities will be targeted with partners outside Europe.

The Company believed on 14 June 2018 that EUR 4.5 million would have been sufficient to cover the Company's working capital deficit for at least twelve months from that date. Net proceeds of approximately EUR 3.9 million were collected from the rights issue and the directed issue, and approximately EUR 0.8 million was raised with the bridge loan raised in December. However, the Company needs additional funding earlier than planned for the following reasons:

- The Company's costs for external services rose more than expected in the autumn of 2018, when the Company had to acquire more workforce to be able to produce and deliver on time to projects in France and Denmark (total impact of approximately EUR 150 thousand).
- In connection with the Danish projects, the Company incurred additional costs related to the storage of collectors on site (impact approximately EUR 70 thousand).
- The reduction in the Company's material costs did not progress according to the planned schedule, mainly due to the length of the testing and approval processes for new suppliers and materials (impact approximately EUR 200 thousand).
- During 2018, the Company has incurred claims related to the quality problems of collectors manufactured by the Company in the early years, between 2013 and 2015 (impact approximately EUR 200 thousand).

²⁷ Global Analysis – Annual 2013. National Climatic Data Center, National Oceanic and Atmospheric Administration

The Company needs additional working capital to continue its growth track in 2019 and 2020, both in terms of sales and system design, and to be able to deliver already ordered and potential new projects. In addition, the Company will continue its efforts to improve the competitiveness of its products by improving performance as well as by finding ways to reduce costs.

Future prospects

The Company's deliveries and net sales increased significantly in 2018 compared to the previous year, especially in the latter half of the year. At the beginning of 2019, the order book for the Company is a little over EUR 1 million, which is a fairly good situation in the beginning of the year compared to previous years. The Danish market is somewhat slowing down in 2019, and the Company is already focusing elsewhere in Europe and outside Europe. The German market is believed to be in an up turn, which is supported by the German government's new "Innovative CHP" subsidy program, which is seeking a rapid change in the transition of district heating to renewable energies. Large solar thermal systems are also being implemented through this program and in a few years the market is expected to grow into one of Europe's largest markets for large solar thermal systems.

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

In France, it has been decided to double the government's efforts to increase renewable energy in heating in 2019 compared to the previous year. The French market is expected to be very active in the next few years, and the Company will invest heavily to remain the number one supplier in the future. The Company has been very successful in building a strong brand, due to successful cases in Danish, as well as in France, and customer-driven operating model. Due to these cases, the Company receives inquiries and contact requests from various operators weekly. Over the past few years, the Company has built its partner network around the world and its results are expected to be visible throughout 2019. In 2019, according to the business plan, a much larger share of the Company's sales activities will be targeted with partners outside Europe as well. In addition, the Company continues to seek new partners in different markets.

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

At the same time, The Company will continue to focus on lowering the production costs. The hours spent on the manufacturing of collectors at the Company's factory fell by approximately 75 per cent from the autumn of 2014 to the autumn of 2018. In addition to the effect of volumes, the Company has invested and invests in the procurement of materials to find alternative suppliers and, hence, expects additional savings in material costs. With respect to the projects carried out, there still seems to be significant savings potential in the procurement of projects and additional resources have been allocated to it. The production is built on a flexible business model that allows for temporary workers, so fluctuating workload situations are quickly optimised with respect to the volume of production without increasing product specific costs. Investments in sales and system design, i.e. technical sales, have continued and proved to be an important investment and further improved the conditions for sales and partner support.

Operating results

Year ended 31 December 2018 compared to year ended 31 December 2017

Revenue

The revenue for the financial year ended 31 December 2018 was EUR 5,632.9 thousand, and it increased by EUR 4,802.1 thousand, or 578 per cent, compared to EUR 830.9 thousand for the financial year ended 31 December 2017. The increase in revenue was due to the Company entering into large agreements in Denmark and France.

Other operating income

The other operating income for the financial year ended 31 December 2018 was EUR 9.0 thousand, a decrease by EUR 15.3 thousand, or 63 per cent, compared to EUR 24.4 thousand for the financial year ended 31 December 2017.

Costs for materials and services

The costs for materials and services for the financial year ended 31 December 2018 were EUR 5,788.0 thousand, an increase by EUR 5,036.4 thousand, or 670 per cent, compared to EUR 751.6 thousand for the financial year ended 31 December 2017. The increase in costs for materials and services was due to the Company's deliveries to Denmark and France.

Personnel expenses

The personnel expenses for the financial year ended 31 December 2018 were EUR 1,931.8 thousand, an increase by EUR 101.5 thousand, or 5.5 per cent, compared to EUR 1,830.3 thousand for the financial year ended 31 December 2017.

Depreciation and amortisation

Depreciation and amortisation for the financial year ended 31 December 2018 was EUR 718.7 thousand, a decrease by EUR 42.9 thousand, or 5.6 per cent, compared to EUR 761.6 thousand for the financial year ended 31 December 2017.

Other operating expenses

Other operating expenses for the financial year ended 31 December 2018 were EUR 2,577.6 thousand, and they grew by EUR 212.8 thousand, or 9.0 per cent, compared to EUR 2,64.8 thousand for the financial year ended 31 December 2017.

Operating loss (EBIT)

The operating loss for the financial year ended 31 December 2018 was EUR 5,374.2 thousand, and it grew by EUR 521.1 thousand, or 10.7 per cent, compared to EUR 4,853.1 thousand for the financial year ended 31 December 2017. The increase in operating loss was mainly due to low margins in delivered projects.

Financial items

The net financial items for the financial year ended 31 December 2018 were EUR -1,049.1 thousand, an increase by EUR 238.7 thousand, or 29.5 per cent, compared to EUR -810.4 thousand for the financial year ended 31 December 2017. Financial expenses increased e.g. by the rights issue and directed share issue in 2018 and exchange rate transactions.

Net loss

For above reasons, the net loss the financial year ended 31 December 2018 was EUR 6,423.3 thousand and it increased by EUR 759.7 thousand, or 13.4 per cent compared to EUR 5,663.5 thousand net loss for the financial year ended 31 December 2017.

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

Revenue

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

Other operating income

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

Costs for materials and services

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

Personnel expenses

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

Depreciation and amortisation

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

Other operating expenses

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

Operating loss (EBIT)

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

Financial items

The net financial items for the financial year ended 31 December 2017 were EUR -810.4 thousand, and they decreased by EUR 354.3 thousand, or 30 per cent, compared to EUR -1,164.7 thousand for the financial year ended 31 December 2016. The financial expenses decreased due to deducted loans.

Net loss

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

Financial position

Fixed Assets

The Company's fixed assets were EUR 2,363.8 thousand on 31 December 2018 and EUR 2,920.0 thousand on 31 December 2017. Intangible assets, with a value of EUR 1,347.9 thousand on 31 December 2018 and EUR 1,627.8 thousand on 31 December 2017, consisted mainly of capitalised development costs. Tangible assets with a value of EUR 854.0 thousand on 31 December 2018 and EUR 1,130.3 thousand on 31 December 2017, consisting mainly of machinery and equipment.

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

Current assets

The Company's current assets amounted to EUR 4,031.3 thousand on 31 December 2018, which was EUR 473.4 thousand more than on 31 December 2017, when they were EUR 3,557.9 thousand.

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

Equity capital

The Company's equity was EUR 1,584.5 thousand on 31 December 2018, which is EUR 2,069.3 thousand less than on 31 December 2017, when it was EUR 3,653.8 thousand. Changes in equity are related to share issues in 2018 (EUR 4,354.0 thousand) and losses (EUR 6,423.3 thousand) that were incurred during the reporting period. The combined amount of capital loans of EUR 1,431.3 thousand and the equity was EUR 3,015,8 thousand on 31 December 2018.

The Company's equity was EUR 3,653.8 thousand on 31 December 2017, which was EUR 106.5 thousand more than on 31 December 2016, when it was EUR 3,547.3 thousand. Changes in equity are related to shares issues (EUR 5,770.0 thousand) and losses (EUR 5,663.5 thousand) incurred during the reporting period. The combined amount of capital loans of EUR 1,431.3 thousand and the equity was EUR 5,085.1 thousand on 31 December 2017.

Other mandatory provisions

The Company's mandatory provisions amounted to EUR 318.7 thousand on 31 December 2018 and consisted of project warranties.

Long-term liabilities

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

The Company's long-term liabilities were EUR 314.0 thousand on 31 December 2018, 311.9 on 31 December 2017 and EUR 1,831.0 thousand on 31 December 2016.

Short-term liabilities

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

The Company's current liabilities were EUR 4,177.8 thousand on 31 December 2018, EUR 2,340.3 thousand on 31 December 2017 and EUR 1,438.0 thousand on 31 December 2016.

Cash flow

Cash flow from operating activities

The Company's cash flow from operating activities for the financial year ended 31 December 2018 was EUR -6,126.8 thousand and it changed EUR 421.4 thousand compared to EUR -5,705.4 thousand for the year ended 31 December 2017.

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

Cash flow from investing activities

Cash flow from investing activities was EUR -162.5 thousand in the financial year ended 31 December 2018, which decreased by EUR 47.3 thousand compared to EUR -209.9 thousand in the financial year ended 31 December 2017. The decrease was due to the fact that the Company had no need for large investments, as the current plant's capacity earlier was raised to a revenue level of EUR 20-30 million.

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

Cash flow from financing activities

Cash flow from financing activities amounted to EUR 4,824.3 thousand in the financial year ended 31 December 2018, and included proceeds from the rights issue and directed share issue realised in the summer of 2018 and shares subscribed for under warrants realised in November-December 2018.

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

The decrease in cash and cash equivalents for the year ended 31 December 2018 was EUR 1,465.0 thousand. In the financial year ended 31 December 2017, cash flow from financing was EUR 5,687.2 thousand. On 31 December 2018, Savosolar's cash and cash equivalents totaled EUR 747.4 thousand and on 31 December 2017, EUR 2,212.4 thousand.

The decrease in cash for the financial year ended 31 December 2017 was EUR 228.1 thousand. Cash from financing activities during the financial year ended 31 December 2016 was EUR 5,913.5 thousand.

Investments

Investments in the financial year ended 31 December 2018 amounted to EUR 162.5 thousand and were related to product development.

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

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

product development support granted by Tekes, which is connected to the same solar thermal cooling SOLHC-project as above.

Planned investments

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

Capitalisation and indebtedness

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

The figures have been prepared specifically for the Prospectus and are unaudited. The debts are interest-bearing if nothing else is mentioned.

Equity and liabilities, EUR thousand	31 December 2018
Current interest bearing debt	
Against guarantee or surety	40.0
Against collateral	
Without guarantee/surety or collateral ¹	2,210.0
Total current interest bearing debt	2,250.0
Non-current interest bearing debt	
Against guarantee or surety	
Against collateral	314.0
Without guarantee/surety or collateral	
Total non-current interest bearing debt	314.0
Total current and non-current interest bearing debt	2,564.0
Equity	
Share capital	470.2
Reserve for invested unrestricted equity	29,273.1
Retained earnings	-21,735.5
The period's result	-6,423.3
Total equity	1,584.5

Net financial indebtedness, EUR thousand	31 December 2018
A) Cash	747.4
B) Other liquid funds	-
C) Marketable securities	-
D) Liquidity A+B+C	747.4
E) Current financial receivables	-
F) Current liabilities from financial institutions	2,250.0
G) Current portion of non-current liabilities	
H) Other current financial liabilities	
I) Current financial liabilities F+G+H	2,250.0
J) Net current financial indebtedness I-E-D	1,502.6
K) Non-current liabilities from financial institutions	314.0
L) Issued bonds	
M) Other non-current liabilities	
N) Non-current financial liabilities K + L + M	314.0
O) Net financial indebtedness J+N	1,816.0

In May 2018, the Company agreed on a twelve month extension regarding the capital loans' maturity with Finnvera Oyj and Suur-Savon Osuuspankki. After the change of the maturity date, loans totaling to EUR 1.4 million mature on 31 December 2019 instead of their original maturity date on 31 December 2018. In addition, the Company has on 20 February 2019 agreed with Suur-Savon Osuuspankki on amendments to the terms and conditions of capital loans of approximately EUR 1.2 million included in the above-mentioned loans. Repayment schedule of the capital loans was amended so that the loans will be paid back in monthly instalments during 24 months beginning in April 2019. Before the amendment, maturity date of the capital loans was 31 December 2019. As a result of the amendment to repayment schedule, fixed annual interest of the capital loans increased from three (3) percent to four (4) percent.

On 18 December 2018, the Company entered into a bridge loan agreement with Formue Nord Marknadsneutral A/S. With the bridge loan agreement, Formue Nord Marknadsneutral A/S granted the Company a loan of SEK 8.0 million. The

bridge loan has an interest of 2.5 per cent per month; the loan and its interest will mature on 30 April 2019 at the latest. The bridge loan agreement allowed the Company to secure its working capital needs until the implementation of the Offering.

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

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

Deviations in the auditor’s report

The Company expects that the audit report will deviate from the standard design regarding the Company’s financial statements for the financial year ended 31 December 2018 due to uncertainty related to going concern. The Company expects the audit report to be issued on 14 March 2019.

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

Financial Statements 2017: Material Uncertainty Related to Going Concern

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

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

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

Restated Financial Statements 2016: Emphasis of a matter

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

Financial resources

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

Savosolar’s cash and cash equivalents 31 December 2018 were EUR 747.4 thousand. The Company’s interest-bearing liabilities 31 December 2018 were EUR 2,564.0 thousand. Therefore, the net debt was on 31 December 2018 was EUR 816.6 thousand.

Summary of the Company’s loans and changes in them

The Company's interest-bearing liabilities were EUR 2,564.0 thousand as of 31 December 2018. Of these loans, EUR 40.0 thousand were from Finnvera Oyj, EUR 314.0 thousand from Tekes, EUR 778.7 thousand was a bridge loan from Formue Nord Marknadsneutral A/S and EUR 1,431.3 thousand were subordinated capital loans from Suur-Savon

Osuuspankki and Finnvera Oyj. The Company is obliged to pay back its long term interest-bearing liabilities (EUR 1,065.6 thousand) by the end of 2024. The Company must repay the bridge loan of EUR 778.8 thousand by no later than 30 April 2019, EUR 40.0 thousand from Finnvera Oyj by no later than 15 September 2019, EUR 1,431.3 thousand in capital loans by no later than 31 December 2021 and EUR 314.0 thousand from Tekes by the end of 2024.

The Company has amortised EUR 163.1 thousand of the interest-bearing loan from Suur-Savon Osuuspankki and EUR 40.0 thousand of the interest-bearing loan from Finnvera during the period 1 January – 31 December 2018. The Company has withdrawn EUR 112.8 thousand in interest-bearing loan from Tekes during the period 1 January – 31 December 2018.

The Company has also amortised EUR 91.3 thousand of non-interest-bearing loans from Tekes and EUR 79.5 thousand of other non-interest-bearing restructuring debts during the period 1 January – 31 December 2018.

In addition, the Company has on 20 February 2019 agreed with Suur-Savon Osuuspankki on amendments to the terms and conditions of capital loans of approximately EUR 1.2 million included in the above-mentioned loans. Repayment schedule of the capital loans was amended so that the loans will be paid back in monthly instalments during 24 months beginning in April 2019. Before the amendment, maturity date of the capital loans was 31 December 2019. As a result of the amendment to repayment schedule, fixed annual interest of the capital loans increased from three (3) percent to four (4) percent.

In the tables below changes in the Company's loans for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016 are described (the amounts are expressed in EUR thousand).

	1 January – 31 December 2018				31 December 2018			
	Raised ordinary loans	Raised capital loans	Repayments of loans	Repayments of interest / set-offs	Ordinary loans	Capital loans	Bank guarantees in use	Interest liabilities
Suur-Savon Osuuspankki	-	-	163.1	42.4	-	1,190.2	1,001.9	22.5
Finnvera Oyj	-	-	40.0	11.7	40.0	241.1	-	7.3
Tekes	112.8	-	91.3	1.7	314.0	-	-	2.6
Modelio Equity AB	290.6	-	290.6	7.3	-	-	-	-
Formue Nord Marknadsneutral A/S	778.7	-	-	-	778.7	-	-	0.8
Total	1,182.1	-	585.0	63.1	1,132.7	1,431.3	1,001.9	33.2

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

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

Total	1,195.0	-	1,401.0	182.5	552.5	1,431.3	1,223.5	31.8
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Maturity of interest bearing liabilities

The table below presents the maturity of the Company's interest-bearing liabilities (amounts express in EUR thousand). When reading the table, the restrictions relating to the repayment of the capital and interests on the capital loans should be taken into account. The principal of the capital loans may be otherwise repaid and interest paid only in so far as the sum total of the unrestricted equity and all of the capital loans of the Company at the time of payment exceed the loss on the balance sheet to be adopted for the latest financial period or the loss on the balance sheet from more recent financial statements. If interest due on a capital loan cannot be paid, the interest shall be deferred to be paid on the basis of the first such financial statements that allow for payment. The Company has paid EUR 11.7 thousand in interest to Finnvera Oyj, EUR 42.4 thousand to Suur-Savon Osuuspankki and EUR 1.7 thousand to Tekes on 31 December 2018.

EUR thousand	31 December 2018	31 December 2017	31 December 2016
Total interest bearing liabilities	2,564.0	1,875.6	1,801.3
Amounts due in more than five years	0.0	0.0	0.0

In May 2018, the Company agreed on a twelve month extension regarding the capital loans' maturity with Finnvera Oyj and Suur-Savon Osuuspankki. After the change of the maturity date, loans totaling to EUR 1.4 million mature on 31 December 2019 instead of their original maturity date on 31 December 2018. In addition, the Company has on 20 February 2019 agreed with Suur-Savon Osuuspankki on amendments to the terms and conditions of capital loans of approximately EUR 1.2 million included in the above-mentioned loans. Repayment schedule of the capital loans was amended so that the loans will be paid back in monthly instalments during 24 months beginning in April 2019. Before the amendment, maturity date of the capital loans was 31 December 2019. As a result of the amendment to repayment schedule, fixed annual interest of the capital loans increased from three (3) percent to four (4) percent.

On 18 December 2018, the Company entered into a bridge loan agreement with Formue Nord Marknadsneutral A/S. With the bridge loan agreement, Formue Nord Marknadsneutral A/S granted the Company a loan of SEK 8.0 million. The bridge loan has an interest of 2.5 per cent per month; the loan and its interest will mature on 30 April 2019 at the latest. The bridge loan agreement allowed the Company to secure its working capital needs until the implementation of the Offering.

Loans from financial institutions and investors

Finnvera Oyj

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

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

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

EUR 80.0 thousand of the Finnvera Loan was unpaid on 31 December 2018. After this EUR 40.0 thousand of the Finnvera Loan has been amortised.

Bridge loan

On 18 December 2018, the Company entered into a bridge loan agreement with Formue Nord Marknadsneutral A/S. With the bridge loan agreement, Formue Nord Marknadsneutral A/S granted the Company a loan of SEK 8.0 million. The bridge loan has an interest of 2.5 per cent per month; the loan and its interest will mature on 30 April 2019 at the latest. The bridge loan agreement allowed the Company to secure its working capital needs until the implementation of the Offering.

Capital loans

Capital loans related to the restructuring

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

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

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

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

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

SSOP Capital Loans and Finnvera Capital Loans were fully unpaid 31 December 2018.

In May 2018 the Company agreed on postponing the maturity dates of the capital loans to 31 December 2019. After the postponement of the maturity date the capital loans are no longer part of the restructuring programme. In addition, the Company has on 20 February 2019 agreed with SSOP on amendments to the terms and conditions of SSOP Capital Loans. Repayment schedule of the SSOP Capital Loans was amended so that the loans will be paid back in monthly instalments during 24 months beginning in April 2019. Before the amendment, maturity date of the SSOP Capital Loans was 31 December 2019. As a result of the amendment to repayment schedule, fixed annual interest of the SSOP Capital Loans increased from three (3) percent to four (4) percent.

Development loans

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

Bank guarantees and counter guarantees

The Company has entered into a bank guarantee limit agreement with SSOP amounting to EUR 2,000.0 thousand. Based on the agreement SSOP grants counter-guarantees to Pohjola Pankki Oyj, which in turn grants bank guarantees on behalf of the Company for the Company's projects. Finnvera Oyj has provided counter guarantees on behalf of the Company for 50 per cent of the SSOP guarantees, for which the Company has additionally given a counter guarantee to SSOP, which is 50 per cent of the given guarantee. The agreement is in force until the end of November 2019. One year is the maximum time that Finnvera is prepared to give for the counter-guarantee limit. As of 31 December 2018, EUR 1,001.0 thousand was in use of the bank guarantee limit. It has so far been used in the Grenaa, Condat, Løgumkloster, Jelling, Söllested and Jyderyp projects for the delivery times, warranty times and advance payment guarantees.

The most important covenants of the bank guarantee limit are an equity ratio of at least 30 per cent including the capital loans and a positive operating margin (EBITDA) during the last quarter of the year 2018. Should the covenants not be met, SSOP has the right to amend the terms of the bank's financing or cancel the financing. The management believes that covenants will not be met for 2018. Based on negotiations, and the experience from previous years, the management expects the interest rate to be paid on the bank guarantee to rise, but that the bank will not make any changes to the other terms or amount of the bank guarantee. For future growth, the Company negotiates with other financial institutions on additional bank guarantees or project specific bank guarantee agreements. Finnvera has agreed to be involved, similarly as SSOP, on guarantee solutions from other Finnish financial institutions.

Other commitments and contingencies

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

Leasing liabilities	31 December 2018	31 December 2017	30 June 2016
		(unaudited)	
Due no later than 1 year	100.5	100.5	92.6
Due later than 1 year	0.0	0.0	48.0
Total	100.5	100.5	140.6

Company has rented premises in Mikkeli with a three (3) month notice period. The Company has rented an office room at Technopolis Aviapolis, Vantaa with a lease agreement with a three (3) months' notice period. In addition, Savosolar ApS has rented premises in Denmark with a three (3) month notice period. Savosolar GmbH has leased an office room with a year's lease agreement, which is valid until 31 March 2019. The lease agreement can be continued or terminated before the end of the agreement with a one (1) month's notice period.

Pledged assets

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

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

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

Subsidies

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

Working capital statement

The Company estimates that it as of the date of the Prospectus does not have sufficient working capital to meet its current needs for a period of 12 months as of the date of this Prospectus. This is due to the estimated costs of running the Company and the Company's maturing loans during the following 12 months. The Company believes that an amount of EUR 5.7 million is sufficient to cover its working capital (including a repayment of EUR 0.8 million of a bridge loan and amortisation of EUR 0.8 million in loans) deficiency 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 March 2019.

The Company is carrying out the Offering and the Warrants, for the purposes of ensuring sufficient working capital. If the Offering and the shares subscribed for with the Warrants are fully realised, the net proceeds from them will be approximately EUR 7.5 million. The Company is of the opinion that if the Offering is completed in the intended timetable, is fully subscribed and the proceeds of the Offering paid in cash are at least EUR 4.3 million, and shares are subscribed for with the Warrants, and the net proceeds from them are at least EUR 1.4 million, the proceeds from the aforementioned, together with the Company's available cash in hand and at banks provide the Company with sufficient working capital to meet its current requirements and to cover the working capital needs (including a repayment of EUR 0.8 million of a bridge loan and amortisation of EUR 0.8 million in capital loans) of the Company for a period of at least 12 months as of the date of this Prospectus.

In a negative scenario where the Offering is only subscribed to 80 per cent, and at the same time the profitability of the projects does not remain at the planned level, the Company's working capital is estimated to be sufficient until September 2019.

If the net proceeds payable in cash received from the Offering and the shares subscribed for with the Warrants are less than EUR 5.7 million, or there are significant negative changes in other Company's assumptions, such as delays in obtaining new orders, or a decrease in the profitability of projects, the Company may require additional financing for working capital, which it plans to procure to the extent necessary with other debt or equity financing. The Company's Board of Directors actively monitors the Company's financial situation and, together with the Company's management, seeks alternative funding solutions and additional means to reduce the costs associated with the Company's operations. If no additional funding is available and the Company's expenses cannot be decreased, the Company is likely to face payment difficulties within twelve months from the date of the Prospectus. The Company may then have to delay, curtail or terminate its operations.

Board of Directors, management and auditors

General information on the Company's administration

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

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

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

Board of Directors

General information on the Board of Directors of the Company

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

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

The opinion of the majority of the members in attendance in the meeting shall constitute the decision of the Board of Directors. In the event of a tie the chairman shall have the casting vote. The chairman of the Board shall be elected by the Board of Directors. The Board of Directors has convened 19 times in 2018 and 18 times in 2017 (22 times in 2016). The Board of Directors has not established any committees among the Board members.

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

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

Presentation of the members of the Board of Directors

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

Chairman of the Board since May 2013.

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

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

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

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

Member of the Board since August 2018.

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

Company	Position	Assignment ongoing / ended
Dekati Oy	Board member	Assignment ongoing
Sendiprima Oy	Owner	Assignment ongoing
Empower IM Oy	Chairman of the Board	Assignment ended
Empower TN Oy	Chairman of the Board	Assignment ended
Empower PN Oy	Chairman of the Board	Assignment ended
Empower IN Oy	Chairman of the Board	Assignment ended
Empower AB	Chairman of the Board	Assignment ended
Empower Industri AB	Chairman of the Board	Assignment ended
Empower AS	Board member	Assignment ended
Empower AB (Lit)	Board member	Assignment ended
Empower Fidelitas UAB	Board member	Assignment ended
Empower UAB	Board member	Assignment ended

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 Thailand and Poland. At the moment Mikael Lemström works as the Vice President, Heating and Cooling at Fortum's City Solutions Division.

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

Company	Position	Assignment ongoing / ended
Fortum Power and Heat Oy	Board member	Assignment ongoing
Fortum Tartu AS	Chairman of the Board	Assignment ongoing
Fortum Power and Heat Polska Sp. z.o.o.	Chairman of the Board	Assignment ongoing

Fortum Participation Ltd.	Board member	Assignment ongoing
Fortum Oslo Värme AS	Board member	Assignment ongoing
Etelä-Suomen Asunto Oy	Chairman of the Board	Assignment ongoing
Fortum Zabrze SA	Chairman of the Board	Assignment ended
Fortum Bytom SA	Chairman of the Board	Assignment ended

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

Member of the Board since August 2018.

Ari Virtanen works at the moment as the CEO of Advion Group Oy and Solidior 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. At the moment Ari Virtanen is also a member of the Board of Directors in Kesla Oyj and Proxion Oy.

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

Company	Position	Assignment ongoing / ended
Kesla Oyj	Board member	Assignment ongoing
Proxion Oy	Board member	Assignment ongoing
Advion Solutions Oy	Chairman of the Board	Assignment ongoing
Innokas Medical Oy	Chairman of the Board	Assignment ended
Takoma Systems Oy	Chairman of the Board	Assignment ended
Hervannan Koneistus Oy	Chairman of the Board	Assignment ended
Tampereen Laatukoneistus Oy	Chairman of the Board	Assignment ended
MGF Components Oy	Chairman of the Board	Assignment ended

Managing Director and management board

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

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

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

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

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

Name	Position	Born	Nominated
Jari Varjotie	Managing Director	1960	2010
Raul Ikonen	CFO	1969	2018
Torben Frederiksen	CTO	1972	2018
Kaj Pischow	Director, Senior Advisor	1947	2010
Morten Hofmeister	Head of Projects and System Design	1971	2017
Aku Järvisalo	Head of Production and Purchasing	1953	2016
Pekka Karjalainen	Head of Quality	1983	2017

Presentation of the members of the management board

The founders of Savosolar are internationally renowned for their knowledge and experience in nano-optical coatings and the executive management team also includes persons with wide experience from international companies in top

management positions, expert knowledge in the fields of solar heating systems, the Danish district heating and international industrial project business and renewable energy markets.

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

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

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

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

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

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

CFO Raul Ikonen, born 16 June 1969, M.Sc. in Economics & Business.

Raul Ikonen started as Savosolar's CFO in November 2018. 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.

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

Company	Position	Assignment ongoing / ended
Park Hill trading Ltd	Board member and owner	Assignment ongoing
UPM-Kymmene Oyj:n tytäryhtiöitä	Board member	Assignment ended

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 is also actively involved in the development of the Company's business.

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

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

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

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. Torben Frederiksen is based in Denmark, in the middle of the world's largest and most advanced large solar heating system market, and close to customers.

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

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

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

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

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

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

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

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

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

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

Auditor

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

The Company's annual general meeting held on 19 April 2016 elected Authorised Public Accountants PricewaterhouseCoopers Oy (Business ID 0486406-8, PO Box 1015, (Itämerentori 2) FI-00101 Helsinki, Finland), as the Company's ordinary auditor with Pekka Loikkanen, Authorised Public Accountant, as the auditor with principal responsibility. The Company's annual general meeting held on 28 March 2017 elected the auditing firm PricewaterhouseCoopers Oy, as the Company's ordinary auditor, who appointed Petter Lindeman, Authorised Public Accountant, as the auditor with principal responsibility. The Company's annual general meeting held on 27 March 2018 elected the auditing firm PricewaterhouseCoopers Oy, as the Company's ordinary auditor with Petter Lindeman, Authorised Public Accountant, as the auditor with principal responsibility.

Information regarding members of the Board of Directors and management board

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

The Company filed a restructuring application in accordance with the Restructuring Act to the District Court of Pohjois-Savo on 28 August 2013. The District Court of Pohjois-Savo ordered restructuring proceedings to commence on 2 September 2013 and approved the Company's restructuring programme on 13 February 2014. The restructuring programme ended on 31 December 2018. For more information about the restructuring programme, see *Description of business – Legal and arbitration proceedings – Restructuring 2014-2018*.

Eero Auranne served as Chairman of the Board at Empower AB, which was declared bankrupt on 2 May 2017 and as a Board member at Empower Industry AB, which was declared bankrupt on 2 May 2017.

Ari Virtanen served as Chairman of the Board at Takoma Systems Oy, which was declared bankrupt on 2 January 2014 and Chairman of the Board of Hervannan Koneistus Oy and Tampereen LaatuKoneistus Oy, which were declared bankrupt on 17 January 2014.

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

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

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

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

Board of Directors	Shares	Share Options
Feodor Aminoff	371,549	-
Eero Auranne	56,227	-
Mikael Lemström	56,227	-
Ari Virtanen	56,227	-
Management Group		
Jari Varjotie	255,158	240,000
Raul Ikonen	-	-

Kaj Pischow	192,000	120,000
Torben Frederiksen	-	-
Morten Hofmeister	-	120,000
Aku Järvisalo	6,700	120,000
Pekka Karjalainen	2,850	120,000
Board & Management in total	996,938	720,000

Remuneration and benefits of Board members and management

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

For the financial year 2018 (i) a total of EUR 48.7 thousand was paid to the members of the Board of Directors, including a total of 570,302 new shares transferred as part of the Board of Directors' remuneration; (ii) EUR 140.6 thousand was paid to CEO Jari Varjotie, including benefits in kind; (iii) a total of EUR 361.2 thousand was paid to the other members of the management board.

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

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

On 7 September 2018, the Board of Directors decided on a directed share issue to be used to pay the first installment of the Board of Director fees. In the share issue, the current and former members of the Board of Directors subscribed for a total of 570,302 new shares in the Company, free of charge. The Board of Directors has decided to postpone the payment of the second installment of fees after the completion of the Offering.

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

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

Under his service contract Managing Director Jari Varjotie is entitled to a monthly salary of EUR 11.2 thousand since 1 January 2019. Varjotie is not entitled to any voluntarily pension schemes paid by the Company. In case the Company terminates Varjotie's service contract, the Company shall pay to Varjotie i) normal monthly salary during the termination period of four (4) months, and ii) a severance payment corresponding to five (5) months' salary. However, no severance payment is payable to Varjotie in case of gross negligence (as set out in Chapter 8 Section 1 of the Employment Contracts Act (55/2001, as amended)).

The general salary and remuneration of the other management board was increased by 1.6 per cent on 1 January 2018.

Stock option programme of the management 2-2017

The Board of Directors has on 5 July 2017 on the basis of the authorisation received from the annual general meeting on 28 March 2017 resolved on a stock option programme, on basis which a maximum of 2,000,000 stock options of the Company can be granted, which entitle to subscribe for a total of up to 4,000,000 shares in the Company. The stock options are divided into 2/2017A, 2/2017B, 2/2017C and 2015D2/2017D stock options, each with 500,000 stock options. As of the date of the Prospectus, a total of 1,880,000 stock options have been allocated to 18 persons employed by the Company, of whom the following belong to the management board: Jari Varjotie 240,000, Kaj Pischow 120,000, Morten Hofmeister 120,000, Aku Järvisalo 120,000 and Pekka Karjalainen 120,000. The share subscription period is for stock option 2-2017A 1 January 2018-31 December 2019, for stock option 2-2017B 1 July 2018-31 December 2019, for stock option 2-2017C 1 January 2019-31 December 2019 and for stock option 2-2017D 1 July 2019-31 December 2019. The subscription price for the shares is EUR 0.03 per share. The share subscription price shall be entered into the reserve for invested unrestricted equity of the Company. The Company shall hold the stock options on behalf of the stock option owner until the beginning of the share subscription period. To the extent the legislation or the Company's insider rules in force from time to time do not impose restrictions for transfer, the stock options may freely be transferred and pledged, when the relevant share subscription period has begun. The Board of Directors may, however, permit the transfer or pledge of stock options also before such date. Should the stock option owner transfer or pledge his or her stock options, such person shall be obliged to inform the Company about the transfer or pledge in writing, without delay. The Board of Directors may, at its discretion, decide to restrict the transfer of stock options in certain countries, e.g. for legal or administrative reasons.

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

Should the Company, before the share subscription, decide on an issue of shares or an issue of new stock options or other special rights entitling to shares so that the shareholders have preferential subscription rights, the owner of a stock option shall have, pursuant to the terms of the stock option programme, the same right as, or an equal right to, that of a shareholder. Equality is reached in the manner determined by the Board of Directors by adjusting the number of shares available for subscription, the share subscription prices or both of these. The number of shares that can be subscribed for with the stock options corresponds to approximately 0.3 per cent of the fully diluted number of Shares in the Company before the Offering and approximately 0.2 per cent of the fully diluted number of Shares in the Company after the Offering, if the Offering, and possibly directed share issue in connection with the Offering, and the Warrants are subscribed in full.

Ownership structure

On the date of this Prospectus, the fully paid-up share capital of Savosolar amounts to EUR 470,210.00. A total of 352,538,414 of the Company's Shares are registered. All Shares are of the same class.

The Company had 6,607 shareholders as of 10 January 2019. The following table sets forth the ten (10) largest shareholders of the Company and their ownership as of 10 January 2019. According to the information available to the Company, no significant changes have happened in the ownership structure until the date of the Prospectus.

Shareholder	Number of shares	% of all the shares and votes
WIRTWAY INVEST AB (PUBL)	11,000,000	3.12
HANNOLA, HANNU JUHANI	4,228,768	1.20
GEUST, NIKLAS	4,204,537	1.19
BEMAZE GROUP AB	3,500,000	0.99
JORTIKKA, PEKKA TAPANI	3,167,693	0.90
CHOUHA, TONY	2,500,000	0.71
HÄMÄLÄINEN, SAMI PETTERI	2,410,000	0.68
CRONER, ERIC	2,250,500	0.64
MUHONEN, ANTTI	2,032,542	0.58
VICTORIN, JAKOB	2,000,000	0.57
JOKINEN, JUKKA ERKKI	2,000,000	0.57
Other shareholders	313,244,374	88.85
Total	352,538,414	100.00

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

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

Company, shares and share capital

General information on the Company

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

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

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

Shares and share capital

As of the date of this Prospectus, the fully paid-up share capital of Savosolar amounts to EUR 470,210.00. A total of 352,538,414 of the Company's shares are registered. All of the shares are of the same class and all are fully paid. Each share entitles its holder to one (1) vote at the general meetings of shareholders of Savosolar.

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

The shares have no nominal value. Shares have an ISIN code of FI4000123096. As of the date of this Prospectus, Savosolar does not hold any treasury shares. The shares have been entered into the book-entry securities system of Euroclear Finland on 16 January 2015. The shares that are traded on First North Sweden are also registered in the Swedish book-entry securities system of Euroclear Sweden from 18 March 2015. The shares are issued under Finnish law. The Company's shares are denominated in euro.

Authorisation

On 22 January 2019, the extraordinary general meeting of shareholders resolved to authorise the Board of Directors to decide, in one or more transactions, on the issuance of shares and the issuance of stock options and other special rights to shares referred to in Chapter 10(1) of the Finnish Companies Act.

The maximum number of shares that can be issued on the basis of the authorisation is 2,000,000,000 shares, which is equal to approximately 567.3 per cent of the Company's current shares.

The Board of Directors decides on all the terms and conditions of the issuances of shares and of stock options and other special rights entitling to shares. The issuance of shares and stock options and other special rights entitling to shares can take place in derogation of shareholders' pre-emptive subscription rights (directed issue), provided that there is, from the perspective of the Company, weighty financial grounds for this.

In the Company's share issues, shares can be assigned either against payment or for free. A directed issue may only be free if there are particularly weighty financial grounds for it both from the perspective of the Company and in consideration of the interests of all of its shareholders.

The authorisation is valid until 22 January 2024.

A total of 1,511,684,720 shares will be used of the authorisation in connection with the Offering, the directed share issue that might be arranged in connection therewith, and the Warrants and 488,315,280 shares will remain unused after this.

Stock options

Stock option programme 2-2017

The key terms of the Stock option programme 2-2017 are described under “*Board of Directors, management and auditor – Stock option programme of the management 2-2017*” in the Prospectus.

Share capital development

The following table presents the development of the Company’s share capital and changes in the number of Shares as of 31 December 2015. On 31 December 2015, there were 15,887,430 class A shares in the Company and the Company’s share capital was EUR 470,210.00.

Event	Change in share capital (€)	Change in number of shares	New number of shares	New share capital (€)	Registered
Directed share issue without consideration 3 May 2016	-	19,445 class A shares	15,906,875 class A shares	-	11 May 2016
Change of the Articles of Association 19 April 2016	-	-	15,906,875 shares	-	11 May 2016
Rights issue 29 August 2016	-	11,930,156 shares	27,837,031 shares	-	3 October 2016
Directed share issue 23 September 2016	-	239,120 shares	28,076,151 shares	-	3 October 2016
Directed share issue without consideration 23 September 2016	-	23,786 shares	28,099,937 shares	-	3 October 2016
Directed share issue 23 September 2016	-	7,369,395 shares	35,469,332 shares	-	28 October 2016
Rights issue 5 July 2017	-	70,938,664 shares	106,407,996 shares	-	21 July 2017
Directed share issue 5 July 2017	-	3,164,224 shares	109,572,220 shares	-	21 July 2017
Directed share issue without consideration 5 July 2017	-	118,645 shares	109,690,865 shares	-	21 July 2017
Directed share issue without consideration 8 November 2017	-	117,241 shares	109,808,106 shares	-	22 November 2017
Subscription of shares with warrants 1-2017 5 December 2017	-	20,940,956 shares	130,749,062 shares	-	13 December 2017
Rights issue 14 June 2018	-	174,332,080 shares	305,081,142 shares	-	23 July 2018
Directed issue 13 July 2018	-	43,583,020 shares	348,664,162 shares	-	23 July 2018
Directed share issue without	-	570,302 shares	349,234,464 shares	-	10 October 2018

consideration 7
September 2018

Subscription of shares with warrants 1-2018 12 December 2018	-	3,303,950 shares	352,538,414 shares	-	21 December 2018
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Directed share issue without consideration 3 May 2016. The Company's annual general meeting held on 19 April 2016 resolved that approximately 40 per cent of the remuneration of Board members will be paid by giving the Board members new class A shares in the Company in two instalments. Based on the authorisation given by the annual general meeting of 19 April 2016, the Company's Board of Directors decided, on 3 May 2016, on a directed issue to be used for the payment of the first instalment of the Board remuneration. In the share issue, the Board members, excluding Sami Tuhkanen, subscribed a total of 19,445 of the Company's new class A shares free of charge.

Amendment to the Company's Articles of Association, 19 April 2016. The Company's annual general meeting on 19 April 2016 decided to remove the terms applicable to various share classes from the Articles of Association.

Rights issue 28 September 2016. Based on the authorisation given to it by the extraordinary general meeting on 12 July 2016, the Company's Board of Directors decided on, 28 September 2016, on an issuance of shares, in which a maximum of 11,930,156 new shares were offered for subscription in accordance with the shareholders' pre-emptive subscription rights. A total of 11,930,156 shares were subscribed. The subscription price was 0.33 euro / 3.14 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Directed share issue 23 September 2016. Based on the authorisation given to it by the annual general meeting on 19 April 2016, the Company's Board of Directors decided on, 23 September 2016, on an issuance of shares, in which a maximum of 239,120 new shares were offered for subscription in deviation from the shareholders' pre-emptive rights to certain underwriters in the rights issue decided on 28 September 2016. A total of 239,120 shares were subscribed. The subscription price was 3.82 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Directed share issue without consideration 23 September 2016. The Company's annual general meeting held on 19 April 2016 resolved that approximately 40 per cent of the remuneration of Board members will be paid by giving the Board members new shares in the Company in two instalments. Based on the authorisation given by the annual general meeting of 19 April 2016, the Company's Board of Directors decided, on 23 September 2016, on a directed issue to be used for the payment of the second instalment of the Board remuneration. In the share issue, the Board members, excluding Sami Tuhkanen, subscribed a total of 23,786 of the Company's new shares free of charge.

Directed share issue 23 September 2016. Based on the authorisation given to it by the annual general meeting on 19 April 2016, the Company's Board of Directors decided on, 23 September 2016, on an issuance of shares, in which a maximum of 7,369,395 new shares were offered for subscription in deviation from the shareholders' pre-emptive rights to certain Swedish professional investors. A total of 7,369,395 shares were subscribed. The subscription price was 3.14 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Rights issue 5 July 2017. Based on the authorisation given to it by the annual general meeting on 28 March 2017, the Company's Board of Directors decided on, 5 July 2017, on an issuance of shares, in which a maximum of 70,938,664 new shares were offered for subscription in accordance with the shareholders' pre-emptive subscription rights. A total of 70,938,664 shares were subscribed. The subscription price was 0.06 euro / 0.58 Swedish krona per share and it was recorded in full in the Company's reserve for invested unrestricted equity.

Directed share issue 5 July 2017. Based on the authorisation given to it by the annual general meeting on 28 March 2017, the Company's Board of Directors decided on, 5 July 2017, on an issuance of shares, in which a maximum of 3,164,224 new shares were offered for subscription in deviation from the shareholders' pre-emptive rights to certain underwriters in the rights issue decided on 5 July 2017. A total of 3,164,224 shares were subscribed. The subscription price was 0.76 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Directed share issue without consideration 5 July 2017. The Company's annual general meeting held on 28 March 2017 resolved that approximately 40 per cent of the remuneration of Board members will be paid by giving the Board members new shares in the Company in two instalments. Based on the authorisation given by the annual general meeting of 28 March 2017, the Company's Board of Directors decided, on 5 July 2017, on a directed issue to be used for the payment

of the first instalment of the Board remuneration. In the share issue, the Board members, excluding Sami Tuhkanen, subscribed a total of 118,645 of the Company's new shares free of charge.

Directed share issue without consideration 8 November 2017. The Company's annual general meeting held on 28 March 2017 resolved that approximately 40 per cent of the remuneration of Board members will be paid by giving the Board members new shares in the Company in two instalments. Based on the authorisation given by the annual general meeting of 28 March 2017, the Company's Board of Directors decided, on 8 November 2017, on a directed issue to be used for the payment of the second instalment of the Board remuneration. In the share issue, the Board members, excluding Sami Tuhkanen, subscribed a total of 117,241 of the Company's new shares free of charge.

Subscription of shares with warrants 1-2017 5 December 2017. The Company carried of a rights issue from 14 June 2017 to 28 June 2017, during which the warrants 1-2017 were issued free of charge to the subscribers of the shares. A total of 20,940,956 new shares were subscribed for under the warrants 1-2017. The subscription price was 0.06 euro/0.59 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Rights issue 14 June 2018. Based on the authorisation given to it by the extraordinary general meeting on 12 June 2018, the Company's Board of Directors decided on, 14 June 2018, on an issuance of shares, in which a maximum of 174,332,080 new shares were offered for subscription in accordance with the shareholders' pre-emptive subscription rights. A total of 174,332,080 shares were subscribed. The subscription price was 0.02 euro / 0.20 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Directed share issue 13 July 2018. Based on the authorisation given to it by the extraordinary general meeting on 12 June 2018, the Company's Board of Directors decided on, 13 July 2018, on an issuance of shares, in which a maximum of 43,583,020 new shares were offered for subscription in deviation from the shareholders' pre-emptive rights to certain Swedish professional investors. A total of 43,583,020 shares were subscribed. The subscription price was 0.20 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Directed share issue without consideration 7 September 2018. The Company's annual general meeting held on 27 March 2018 resolved that approximately 40 per cent of the remuneration of Board members will be paid by giving the Board members new shares in the Company in two instalments. Based on the authorisation given by the annual general meeting of 27 March 2018, the Company's Board of Directors decided, on 7 September 2018, on a directed issue to be used for the payment of the first instalment of the Board remuneration. In the share issue, former and exiting Board members subscribed a total of 570,302 of the Company's new shares free of charge.

Subscription of shares with warrants 1-2018 12 December 2018. The Company carried of a rights issue from 21 June 2018 to 10 July 2018, during which the warrants 1-2018 were issued free of charge to the subscribers of the shares. A total of 3,303,950 new shares were subscribed for under the warrants 1-2018. The subscription price was 0.02 euro/0.21 Swedish krona per share, and it was recorded in full in the Company's reserve for invested unrestricted equity.

Dividend Policy

The Company has not paid dividend to date, and there can be no guarantee that it will have distributable funds in the future. In the future, the Company's target is to distribute a maximum of 30 per cent of the profit for the year, but not more than 30 per cent of the distributable funds, and invest the rest of the funds for developing products and processes, as well as for expanding the business.

Shareholder rights

General meetings of shareholders

General

Pursuant to the Finnish Companies Act, shareholders exercise their power to resolve on matters at general meetings of the shareholders. Pursuant to the Finnish Companies Act, the annual general meeting of shareholders of the company must be held annually no later than six months from the end of the company's financial year. At the annual general meeting of shareholders, the financial statements, including the income statement and the balance sheet with notes thereto and if required the cash flow statement and the consolidated financial statements, are presented to the shareholders for adoption. At the annual general meeting, shareholders also make decisions regarding, among others, use of profits shown in the balance sheet, the discharge from liability of the members of the Board of Directors and the managing director, the number of members to be elected to the Board of Directors as well as the election of the members of the Board of Directors and the auditor, and their respective remuneration.

An extraordinary general meeting of shareholders in respect of specific matters must be convened when deemed necessary by the Board of Directors, or when requested in writing by the auditor of the company or by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company.

Pursuant to the articles of association of the Company, the Board of Directors must publish a notice to a general meeting of shareholders on the Company's website or otherwise in a verifiable manner no earlier than three (3) months and no later than three (3) weeks prior to the general meeting, however, in any case, at least nine (9) days before the record date of the general meeting of shareholders. Under the rules of First North, the Company shall publish the notice to a general meeting of shareholders as a company release as well as on the Company's website.

In order to attend and vote at the general meeting of shareholders, a shareholder must, pursuant to the articles of association of the Company, register with the Company at the latest on the date referred to in the notice convening the meeting, which may be at the earliest ten (10) days before the general meeting of shareholders. Shareholders must comply with the requirements in respect of shares registered in Euroclear Finland or Euroclear Sweden, as the case may be, and any instructions provided in the relevant notice of the general meeting of shareholders.

The Finnish Companies Act or the Company's Articles of Association do not contain requirements concerning the decision-making of the General Meeting.

Shareholders with shares registered in Euroclear Finland

In order to have the right to attend and vote at a general meeting of shareholders, a shareholder must be registered at least eight (8) Finnish business days prior to the relevant general meeting of shareholders in the shareholder register maintained by Euroclear Finland in accordance with Finnish law. An owner of nominee-registered shares contemplating attending and voting at the general meeting of shareholders should seek a temporary registration in the shareholder register maintained by Euroclear Finland by the date announced in the notice to the general meeting of shareholders, which date must be after the record date of the general meeting of shareholders. A notification for temporary registration of an owner of nominee-registered shares into the shareholder register of the Company is considered notice of attendance at the general meeting of shareholders.

Shareholders with shares registered in Euroclear Sweden

In order to have the right to attend and vote at a general meeting of shareholders, a shareholder with Shares registered in Euroclear Sweden's book-entry securities system must (i) be registered in the shareholder register maintained by Euroclear Sweden on the record date of the general meeting of shareholders, i.e. eight (8) Finnish business days prior to the general meeting of shareholders, and (ii) request temporary registration of ownership in the shareholder register maintained by Euroclear Finland by the date announced in the notice to convene the general meeting.

Furthermore, shareholders with shares registered in Euroclear Sweden in the name of a nominee, through a bank or a securities institution, must, in order to have the right to attend the general meeting of shareholders, (i) temporarily re-register their shares in their own name in the register maintained by Euroclear Sweden by instructing their nominee to send to Euroclear Sweden the request for temporary registration into the shareholder register maintained by Euroclear Sweden, and (ii) procure that the nominee sends the abovementioned request for temporary registration in the shareholder register maintained by Euroclear Finland on their behalf.

A request for temporary registration of ownership in the shareholder register maintained by Euroclear Finland is considered notice of attendance at the general meeting of shareholders.

Voting rights

A shareholder may attend and vote at a general meeting of shareholders in person or through an authorised representative. Pursuant to the Finnish Companies Act and the articles of association of the Company, each share entitles the holder to one vote at the general meeting of shareholders. At a general meeting of shareholders, resolutions are generally passed with the majority of the votes cast.

However, certain resolutions, such as any deviations from shareholders' pre-emptive rights in respect of share offerings and repurchases of own shares, amendments to the articles of association and resolutions regarding mergers, demergers or dissolution of a company, require at least two-thirds of the votes cast and the shares represented at the general meeting of shareholders.

In addition, certain resolutions, such as amendments to the articles of association that change the respective rights of shareholders holding the same class of shares or increase the redemption rights of a company or its shareholders require the consent of all shareholders, or where only certain shareholders are affected, require the consent of all shareholders affected by the amendment in addition to the applicable majority requirement.

Dividends and other distributions of funds

Under the Finnish Companies Act, the shareholders' equity of a company is divided into restricted and unrestricted equity. Restricted equity consists of the share capital, the fair value reserve and the revaluation reserves according to the Finnish Accounting Act (1336/1997, as amended) as well as any possible reserve fund and share premium fund formed under the previous Finnish Companies Act (734/1978, as amended) effective prior to September 1, 2006.

In accordance with the prevailing practice in Finland, dividends on shares in a Finnish limited company, if any, are generally declared once a year. Dividends may be paid and unrestricted equity may be otherwise distributed after the general meeting of shareholders has adopted the company's financial statements and resolved on the amount of dividend or other distribution of unrestricted equity based on a proposal by the Board of Directors of the company. Pursuant to the Finnish Companies Act, the payment of a dividend or other distribution of unrestricted equity may also be based on financial statements other than those for the preceding financial year, provided that such financial statements have been adopted by the general meeting of shareholders. If the company has an obligation to elect an auditor pursuant to law or its articles of association, such financial statements must be audited.

The payment of a dividend or other distribution of unrestricted equity requires the approval of the majority of the votes cast at a general meeting of shareholders of the company. Pursuant to the Finnish Companies Act, the general meeting of shareholders may also authorise the Board of Directors to resolve upon the payment of dividends and other distributions of unrestricted equity. The amount of dividend or other distribution of unrestricted equity cannot exceed the amount stipulated by the general meeting of shareholders.

Pursuant to the Finnish Companies Act, a company may also distribute funds by reducing its share capital, which requires the approval of the majority of votes cast at a general meeting of shareholders of the company. A decision regarding the share capital reduction must be registered with the Finnish Trade Register within one month from the general meeting of shareholders of the company that resolved on such share capital reduction. Following the registration of the share capital reduction, a creditor hearing process may be commenced and the Finnish Trade Register will issue, upon application of the company, a notice to the creditors of the company. The reduction of the share capital may be registered if none of the creditors of the company has opposed the reduction of the share capital or the company has received a confirmatory judgment to the effect that the opposing creditors have either received payment for their receivables or a securing collateral has been placed by the company for the payments of such receivables.

Distributable funds include the profit for the preceding financial year, retained earnings from previous financial years and other unrestricted equity, adjusted for the loss set forth in the balance and the amounts that the articles of association of the company require to be left undistributed as well as the amount that is recognized as a development cost on the balance statement in accordance with the accounting act. The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity are based, subject to any material changes in the financial condition of the company since the financial statements were prepared. Distribution of funds, whether by way of dividend

or other distribution of unrestricted equity, is prohibited if it is known, or it should be known, at the time such decision is made that the company is insolvent or that such distribution would cause the company to become insolvent.

Distributable funds are, where applicable, to be further adjusted for capitalised incorporation, research and certain development costs in accordance with the provisions of the Finnish Act on the Implementation of the Finnish Companies Act (625/2006, as amended). A parent company of a consolidated group of companies may not distribute more than the amount of distributable funds shown on the parent company's latest audited and adopted financial statements.

The dividend may not exceed the amount proposed or otherwise accepted by the Board of Directors, unless so requested at the general meeting by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company, in which case, the dividend can be no more than the lesser of (i) at least one-half of the profit for the preceding financial year less the amount that the articles of association of the company require to be left undistributed (if any) and (ii) the amount of distributable funds as described above. However, in such case, the dividend cannot exceed 8 % of the total shareholders' equity of the company and the distributable amount must be adjusted for any dividends declared during the financial period before the annual general meeting of shareholders.

After they are registered in the Finnish Trade Register, the Shares in the Company will entitle the holders to dividends and other distributions of funds by the Company as well as other shareholder rights. The right to dividends expires in three years from the dividend payment date.

All the shares of the Company belong to the same series of shares as of the date of the Prospectus.

As the debt arrangements under the Company's restructuring programme restrict the right of creditors to payment against the capital balance of their claims, the assets of the Company may not be distributed to the shareholders before the conclusion of the restructuring programme, with the exception of remuneration or compensation for services in accordance with the programme.

Own shares

Pursuant to the Finnish Companies Act, a company can repurchase its own shares. Resolutions regarding the repurchase of a company's own shares must be made by the general meeting of shareholders, unless the general meeting of shareholders has authorised the Board of Directors to resolve upon share repurchases using unrestricted equity. In a public limited liability company, the resolution must be approved by at least two-thirds of all votes cast and shares represented at a general meeting of shareholders. In a public limited liability company, a resolution concerning the repurchase, redemption or pledging of own shares may not be made in such a way that the combined number of shares in the possession of or pledged to the company and its subsidiaries would exceed a tenth of all shares.

Pre-emptive rights

Pursuant to the Finnish Companies Act, shareholders of a Finnish company have a pre-emptive right, in proportion to their shareholdings, to subscribe for new shares in such company unless the resolution of the general meeting of shareholders approving such issue, or authorising the Board of Directors to resolve on such issue, provides otherwise. Pursuant to the Finnish Companies Act, a resolution that deviates from the shareholders' pre-emptive rights must be approved by at least two-thirds of all votes cast and shares represented at a general meeting of shareholders. In addition, pursuant to the Finnish Companies Act, such a resolution requires that the company has a weighty financial reason to deviate from the pre-emptive rights of shareholders.

Certain shareholders resident in, or with a registered address in, certain jurisdictions other than Finland or Sweden may not be able to exercise pre-emptive rights in respect of their shareholdings unless a registration statement, or an equivalent thereof under the applicable laws of their respective jurisdictions, is effective or an exemption from any registration or similar requirements under the applicable laws of their respective jurisdictions is available.

Squeeze-out rights

Under the Finnish Companies Act, a shareholder with shares representing more than 90 % of all shares and voting rights attached to all shares in a company has the right to redeem remaining shares in such company for fair value. In addition, any minority shareholder that possesses shares that can be redeemed may, pursuant to the Finnish Companies Act, require such majority shareholder to redeem its shares.

Restrictions on foreign ownership

General restrictions on foreign ownership of Finnish companies were abolished as of 1 January 1993. However, the Act on the Control of Foreigners' Acquisition of Finnish Companies (172/2012, as amended, the "Control Act") grants Finnish authorities some control over the ownership of Finnish companies operating in areas sensitive from a national emergency supply or national security perspective. Pursuant to the Control Act, advance clearance by the Finnish Ministry of Employment and the Economy is required if a foreign person or entity, other than a person or entity from another member state of the EU or the European Free Trade Association (EFTA), were to acquire a holding of at least one-tenth, one-third or half of the voting rights, or equivalent control by other means, over a Finnish company involved in the defence industry or producing dual-use goods. Furthermore, there are no minimum thresholds for the number of employees or the amount of turnover or total assets of the acquired company before a clearance procedure is triggered. Pursuant to the Control Act, foreign persons or entities are not required to seek clearance by the Finnish Ministry of Employment and the Economy for acquisitions of Finnish companies operating in other industries than the defence industry.

Foreign exchange control

Shares in a Finnish company may be purchased by non-residents of Finland without any separate Finnish exchange control consent. Non-residents may also receive dividends without separate Finnish exchange control consent, the transfer of assets out of Finland however being subject to payment by the company of withholding taxes in the absence of an applicable taxation treaty. Non-residents having acquired shares in a Finnish limited company may receive shares pursuant to a bonus issue or through participation in a rights issue without separate Finnish exchange control consent. Shares in a Finnish company may be sold in Finland by non-residents, and the proceeds of such sale may be transferred out of Finland in any convertible currency. There are no Finnish exchange control regulations restricting the sale of shares in a Finnish company by non-residents to other non-residents.

First North and securities markets

About the First North markets

First North is Nasdaq's Nordic growth market, designed for small and growing companies. As opposed to companies listed on a regulated market such as the official list of the Helsinki Stock Exchange or the Stockholm Stock Exchange, companies listed on First North are subject to less extensive rules. This is intended to allow smaller companies to enjoy the benefits of being a publically traded company without excess administrative burden. Unlike on regulated markets, companies listed on First North must engage a "Certified Adviser" whose role is to ensure that companies comply with applicable requirements and rules.

First North is a multilateral trading facility and does not have the legal status of a regulated market. "Multilateral trading facility" and "regulated market" are classifications for trading venues of securities set out in the Directive 2004/39/EC on Markets in Financial Instruments. Multilateral trading facilities and the holders and issuers of securities listed on a multilateral trading facility are subject to less stringent rules than regulated markets and the holders and issuers of securities listed on a regulated market. Issuers on First North are subject to the rules of First North but not the requirements for admission to trading on a regulated market. See below "*Regulation of the securities markets – Finland*" and "*Regulation of the securities markets – Sweden*".

First North Finland and First North Sweden use the same INET Nordic trading system as the Nasdaq Nordic main markets for trading in shares. The trading periods comprise a pre-trading session, a continuous trading session and a post-trading session. The trading periods and the respective trading hours are set out in a time table in force from time to time, as made available by the Nasdaq Nordic stock exchanges at www.nasdaqomxnordic.com/tradinghours.

The companies listed on First North are classified according to the international Industry Classification Benchmark (ICB). The industry classification facilitates international benchmarking of the companies by providing clearly defined and larger peer groups.

Trading and settlement on First North Finland

First North Finland is maintained by the Helsinki Stock Exchange. Pursuant to the rules of First North, the Trading Rules of Helsinki Stock Exchange (in Finnish: Helsingin Pörssin Arvopaperien Kaupankäytisäännöt) apply to First North Finland as set out in further detail in the rules of First North. Additional rules specific to First North Finland are set out in Supplement C to the rules of First North.

On First North Finland, the currency of trading and settlement of transactions is euro, and the smallest recorded price movement (tick size) is EUR 0.001.

The Shares in the Company are issued and registered in the book-entry securities system maintained by Euroclear Finland. Trades in Shares listed on First North Finland are settled bilaterally in Euroclear Finland's settlement system in accordance with the settlement schedule in force from time to time.

Trading and settlement on First North Sweden

First North Sweden is a marketplace maintained by the Stockholm Stock Exchange. Pursuant to the rules of First North, the Nasdaq Member Rules regarding Stockholm Stock Exchange, chapters 2–5, and appendices, as amended from time to time, shall apply to trading on First North Sweden. Additional rules specific to First North Sweden are set out in Supplement B to the rules of First North.

On First North Sweden, the currency of trading and settlement of transactions is Swedish crown, and the smallest recorded price movement (tick size) is SEK 0.001.

Shares traded on First North Sweden are issued and registered in the book-entry securities system maintained by Euroclear Finland. Such Shares are additionally registered in the Swedish book-entry securities system maintained by Euroclear Sweden, and trades in Shares listed on First North Sweden are settled in Euroclear Sweden's settlement system.

The Shares registered with Euroclear Sweden will be entered into the shareholder register of the Company maintained by Euroclear Finland as held by Euroclear Sweden in its capacity of nominee of the Shares traded on First North Sweden,

and Euroclear Sweden will “mirror” these Shares to the book-entry securities system of Euroclear Sweden. Shares registered in the system of Euroclear Sweden have the same ISIN as the Shares registered in Euroclear Finland.

Registration of the Shares

General

Company is a Finnish limited company whose Shares are listed for trading on First North Sweden and First North Finland. The Shares of the Company are registered in the electronic book-entry securities system maintained by Euroclear Finland. The Company and its Shares will have their primary registration in the book-entry register of Euroclear Finland. Further, the Shares are registered in the corresponding Swedish book-entry securities system maintained by Euroclear Sweden.

The account operator engaged by Euroclear Sweden is recorded in Euroclear Finland's securities system as the nominee of the Shares in the Company. Shares registered in Euroclear Sweden's securities system have the same ISIN as shares registered in Finland (see below "*Registration in Finland*" and "*Registration in Sweden*").

Investors who have received Shares through Euroclear Finland to a book-entry account in Finland have had their Shares entered into the shareholder register maintained by Euroclear Finland. To be able to trade Shares on First North Sweden, such investors will need to transfer their Shares to the book-entry securities system of Euroclear Sweden. If a Finnish investor acquires Shares through trading on the secondary market through First North Sweden, such investor will need to transfer its Shares to the system of Euroclear Finland to be able to be registered as the owner in the shareholder register maintained by Euroclear Finland. Such cross-border settlement may be associated with additional costs (see "*Cross-border settlement*" below).

Investors who have received Shares through Euroclear Sweden to a book-entry account in Sweden have their Shares entered into the shareholders register maintained by Euroclear Sweden. In order to be able to trade with Shares on First North Finland, these investors have to transfer their Shares to the book-entry system Euroclear Finland. This kind of cross-border transfers may involve additional costs (see "*Cross-border settlement*" below).

Registration in Finland

The book-entry securities system refers to a system in which physical share certificates have been changed to book entries registered in book-entry accounts. The Finnish book-entry securities system is centralised at Euroclear Finland, which offers national clearing, settlement and registration services for securities. Euroclear Finland maintains a central book-entry register for both equity and debt securities. The business address of Euroclear Finland is Urho Kekkosen katu 5C, FI-00100 Helsinki, Finland.

Euroclear Finland maintains a shareholder register for each listed company and book-entry accounts for shareholders who do not wish to utilise the services of commercial account operators. The expenses incurred by Euroclear Finland in connection with maintaining the book-entry securities system are borne mainly by the issuers participating in the book-entry securities system and the account operators. The account operators, which consist of credit institutions, investment firms and other institutions licensed to act as account operators by Euroclear Finland, are entitled to make entries in the book-entry register and administer the book-entry accounts.

Dividends and other distributions of funds are paid to shareholders or their nominees entered in the shareholder register on the relevant record date. Under Euroclear Finland's book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the register.

In order to hold entries in the book-entry securities system, a security holder must open a book-entry account with Euroclear Finland or an account operator. A foreign private person, foreign entity or trust may hold book-entries. Such persons may also deposit book-entries in a custodial nominee account, where the shares are registered in the name of a custodial account holder in the company's shareholder register. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book-entry securities owned by one or more beneficial owners may be registered in a custodial nominee account. In addition, the shares owned by a foreign private person, foreign entity or trust may be deposited in a book-entry account opened in the name of such foreign private person, foreign entity or trust, but the holding may be registered in the name of a nominee in the company's shareholder register.

All transfers of securities registered with the book-entry securities system are executed as computerised book-entry transfers to the extent they are executed in the book-entry securities system. The account operator confirms the book-

entry by sending a statement of book-entries made to the holder of the respective book-entry account at least four times a year. The book-entry account holders also receive an annual statement of their holdings at the end of each calendar year. Each book-entry account is required to contain specific information with respect to the account holder and other holders of rights to the book-entries entered into the account as well as information on the account operator administering the book-entry account. The required information also includes the type and number of book-entries registered as well as the rights and restrictions pertaining to the account and to the book-entries registered in the account. A custodial nominee account is identified as such on the entry.

Euroclear Finland and the account operators are required to observe strict confidentiality. Certain information (e.g., the name and address of each account holder) contained in the register of shareholders maintained by Euroclear Finland must be made available to the public by Euroclear Finland and the company, except in the case of custodial nominee registration. The Finnish FSA is also entitled to certain information on the holdings of shares registered in a custodial nominee account upon request. The company has the same rights in respect of shares and instruments that entitle the holder to shares issued by the company.

Each account operator is strictly liable for errors and omissions in its registration activity, and for any unauthorised disclosure of information. If an account holder has suffered a loss as a result of a faulty registration or other mistake or defect relating to the entries and the account operator has not compensated such loss due to insolvency that is not temporary, such account holder is entitled to receive compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund shall be no less than 0.0048% of the average of the total market value of the book-entries kept in the book-entry securities system during the last five years and it must not be less than EUR 20 million. The compensation to be paid to an injured party is equal to the amount of damages suffered subject to a limit of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each incident is limited to EUR 10 million.

Custody of the shares by nominees

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organisations approved by Euroclear Finland) to act on its behalf. A custodial nominee account holder is entitled to receive dividends on behalf of the shareholder. A beneficial owner wishing to attend and vote at general meetings of shareholders must seek a temporary registration to the shareholders' register and the shares must be registered in the share register no later than eight business days prior to the relevant general meeting of shareholders. Upon request by the Finnish FSA or the relevant company, a custodial nominee account holder is required to disclose the name of the beneficial owner of any shares registered in such custodial nominee's name, provided the beneficial owner is known, as well as the number of shares owned by such beneficial owner. If the name of the beneficial owner is not known, the custodial nominee account holder is required to disclose corresponding information on the representative acting on behalf of the beneficial owner and to submit a written declaration of the representative to the effect that the beneficial owner of the shares is not a Finnish natural person or legal entity. A shareholder wishing to hold his/her shares in the book-entry securities system in his/her own name but who does not maintain a book-entry account in Finland is required to open a book-entry account at an account operator and a convertible euro account at a bank.

Registration in Sweden

The Swedish Central Securities Depository register (*Sw. avstämningsregistret*) is maintained by Euroclear Sweden, a Central Securities Depository and Clearing Organisation under the Swedish Financial Instruments Accounts Act (SFS 1998:1479) and the Swedish Securities Market Act (SFS 2007:528). Euroclear Sweden maintains share registers of the Swedish companies listed on First North Sweden, in which the shares are registered in dematerialised form in book-entry accounts and no share certificates are issued. Title to the shares is secured by registration with Euroclear Sweden through banks or other securities institutes, which have been approved as account operators by Euroclear Sweden. The Swedish Central Securities Depository register also contains certain additional information, for example as regards security rights. The business address of Euroclear Sweden is Klarabergsviadukten 63, Box 191, 101 23, Stockholm, Sweden.

Shares may be registered on securities accounts and accordingly be entered in the share register maintained by Euroclear Sweden, either in the owner's name (directly registered shares) or in the name of a nominee approved by Euroclear Sweden (nominee-registered shares). If the shares are nominee-registered, this is noted in the book-entry securities system. The relationship between the nominee and the beneficial owner is governed by agreement. The beneficial owner must, if he or she desires to exercise certain rights such as for example attend a general meeting of shareholders, temporarily reregister the shares in his or her own name. The nominees also regularly report the holdings of the beneficial owners to Euroclear Sweden.

Rights pertaining to shares, and entitling to for example dividends or participation in a rights issue, are issued to those holders of the shares whose names are entered into the Swedish Central Securities Depository register as at a certain record date, and dividends are normally distributed to bank accounts designated by the holders registered with Euroclear Sweden. The record date in question must be indicated in the resolutions determining the dividend or share issue or other relevant resolution.

If the registered holder is a nominee, the nominee receives the dividend and other economic rights pertaining to the shares on behalf of the beneficial owner. The same applies to subscription rights in connection with rights issues and such new shares which have been subscribed for by using subscription rights. The nominee is responsible for the distribution of the dividend to the beneficial owners, and a similar procedure is followed for subscription rights and newly issued shares.

Cross-border settlement

There are specific requirements for cross-border settlement (i.e. transfer of shares from Euroclear Finland to Euroclear Sweden or vice versa). Such transfers may be subject to fees pursuant to the settlement parties' respective fee schedules.

Compensation fund for investors and the deposit guarantee fund

In a compensation fund for investors, investors are divided into professional and non-professional investors. The fund does not compensate any losses by professional investors. The definition of professional investor includes business enterprises and public entities, which are deemed to understand the securities markets and their associated risks. An investor may also provide notice in writing that, on the basis of his/her professional skills and experience in the securities markets, he/she is a professional investor; however, natural persons are generally presumed to be non-professional investors. Investment firms and credit institutions must belong to the compensation fund. The compensation fund safeguards payment of clear and undisputable claims when an investment company or a credit institution has been declared bankrupt, is undergoing a restructuring process or is otherwise, for a reason other than temporary insolvency, not capable of paying claims within a determined period of time. For valid claims, the compensation fund will pay 90 % of the investor's claim against each investment company or credit institution, up to a maximum of EUR 20,000. The compensation fund does not provide compensation for losses due to decreases in stock value or bad investment decisions. Accordingly, investors continue to be liable for the consequences of their own investment decisions. Depository banks must belong to a deposit guarantee fund, which is intended to safeguard payments of receivables in the depository bank's account or receivables in the forwarding of payments that have not yet been entered into an account if the depository bank becomes insolvent and the insolvency is not temporary. The customers of a depository bank can be compensated by the deposit insurance fund up to a maximum of EUR 100,000. An investor's funds can be safeguarded either by the deposit insurance fund or the compensation fund. However, an investor's funds cannot be safeguarded by both funds at the same time.

Regulation of the securities markets

Finland

The securities market in Finland is supervised by the Finnish FSA. The principal statute governing the Finnish securities market is the Finnish Securities Markets Act, which contains regulations with respect to company and shareholder disclosure obligations, prospectuses, public tender offers and insider dealing, among other things. The Finnish FSA and the Ministry of Finance of Finland have issued more detailed regulations pursuant to the Finnish Securities Markets Act. The Finnish FSA monitors compliance with the Finnish Securities Market Act and these regulations. As First North Finland is classified as a multilateral trading facility and not a regulated market, only a subset of the rules contained in the Finnish Securities Market Act apply to the Company and investors in its securities.

The Finnish Securities Markets Act specifies minimum disclosure requirements for Finnish companies applying for listing on a regulated market or offering securities to the public in Finland. The Finnish Securities Market Act specifies no minimum disclosure requirements for companies applying for listing on a multilateral trading facility, such as First North Finland or First North Sweden, where no securities are offered to the public in Finland. Where such a disclosure obligation applies, the information provided must be sufficient to enable investors to make a sound evaluation of the securities being offered and the issuing company as well as of matters that may have a material effect on the value of the securities. The obligation of continuous disclosure is subject to the provisions of Article 17 of the Market Abuse Regulation which concern the public disclosure of inside information. The Regulation entered into force on 3 July 2016. The Market Abuse Regulation imposes an obligation to disclose inside information as soon as possible, unless the grounds for delay mentioned in the Regulation are met. The Finnish Securities Markets Act imposes no obligation on shareholders to disclose major holdings in a company listed on a multilateral trading facility.

The Market Abuse Regulation obligates the persons discharging managerial duties for the issuers of shares listed on a multilateral trading facility and the persons closely associated with them to immediately notify the Financial Supervisory Authority and the company of any transactions they have conducted on the company's shares and other financial instruments. The notifications must be made promptly, and no later than within three (3) business days of the transaction date. The obligation to make notifications of all transactions applies to all transactions after reaching a total of EUR 5,000 during a calendar year. The company must furthermore disclose the information concerning the transactions concluded by the persons discharging managerial duties and the persons closely associated with them with a company release promptly, and no later than within three (3) business days of the transaction date. In multilateral trading facilities, the issuers of the traded shares must furthermore maintain a list of insiders which is composed of project-specific sections and, should the issuer so decide, complementary sections, which list permanent insiders. Under the Finnish Securities Market Act, there is no obligation based on holdings of shares or voting rights to make a public tender offer to purchase the remaining shares and other securities if such shares or securities are not traded on a regulated market. However, a party making a voluntary public tender offer to purchase shares or securities entitling to shares in a company listed on a multilateral trading facility shall comply with certain obligations arising from the Finnish Securities Market Act, such obligations relating to matters such as the equal treatment of the shareholders, disclosure, and securing financing for the tender offer.

The Finnish Penal Code (39/1889, as amended) criminalises, *inter alia*, the misuse of inside information and market manipulation. Pursuant to the Finnish Securities Markets Act and the Finnish Act on the Finnish Financial Supervisory Authority (878/2008, as amended), the Finnish FSA has the right to impose administrative sanctions to the extent the offence does not fall within the scope of the Finnish Penal Code. The Finnish FSA can, for example, issue a public warning or impose administrative fines or monetary penalties for the breach of provisions on the prohibitions of misuse of inside information and market abuse.

Sweden

The securities market in Sweden is supervised by the Swedish FSA (Sw: *Finansinspektionen*). The Swedish FSA monitors compliance with the applicable regulations.

Laws governing the Swedish securities market include *inter alia*: (i) the Swedish Financial Instruments Trading Act (SFS 1991:980), which sets out regulations with respect to disclosures of major holdings, prospectuses and takeover bids, among other things, (ii) the Swedish Securities Markets Act (SFS 2007:528), which sets out regulations with respect to periodic and ongoing disclosure obligations, the operations of regulated marketplaces and Multilateral Trading Facilities, among other things, (iii) the Swedish Stock Market (Takeover Bids) Act (SFS 2006:451), which sets out regulations with respect to mandatory bids (Sw: *budpliktsbud*), and (iv) the Swedish Financial Instruments Trading (Market Abuse Penalties) Act (SFS 2005:377), which sets out regulations and penalties with respect to misuse of insider information and market manipulation. Additionally, the Swedish securities market are regulated by the Market Abuse Regulation mentioned in the previous paragraph.

The Swedish FSA has issued more detailed regulations pursuant to the relevant legislation governing the securities market. As First North Sweden is classified as a Multilateral Trading Facility (Sw: *handelsplattform*) and not a regulated marketplace (Sw: *reglerad marknad*), certain provisions provided in these laws and regulations are not applied in relation to securities traded thereon.

The Swedish Financial Instruments Trading Act specifies certain disclosure requirements for companies listed on a regulated marketplace. The same Act does, however, not contain any disclosure requirements for companies listed on a Multilateral Trading Facility, such as First North Sweden.

The Swedish Securities Market Act does not impose any obligation on companies listed on a Multilateral Trading Facility such as First North Sweden to publish periodic financial information on the company.

There is no obligation under the Swedish Stock Market (Takeover Bids) Act based on holdings of voting rights to launch a takeover bid to purchase the remaining shares and other securities if such shares or securities are not traded on a regulated marketplace. The Swedish Corporate Governance Board (Sw: *Kollegiet för Svensk Bolagsstyrning*) has, however, published Takeover Rules for takeover bids that apply for companies that are listed on certain Swedish Multilateral Trading Facilities.

The Swedish Financial Instruments Trading (Market Abuse Penalties) Act contains criminal sanctions for the misuse of insider information and market manipulation.

Tax Considerations

Taxation Sweden

The following summary outlines certain Swedish tax issues related to the Offering for private individuals and limited liability companies that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended only to provide general information regarding the Offering. The summary does not cover situations where shares are held as current assets in business operations or where shares are held by partnerships. Moreover, the summary does not cover the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends in the corporate sector which may be applicable when the investor holds shares in the Company which are deemed to be held for business purposes (for tax purposes, Sw. näringsbetingade andelar). The special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies or to shares acquired by means of such shares is not covered and nor the special taxation rules regarding assets held through investments saving accounts (Sw. investeringssparkonto).

Furthermore, special tax rules apply to certain categories of companies who are shareholders. The treatment for tax purposes of each individual shareholder depend in part on such shareholder's particular circumstances. Each shareholder is advised to consult an independent tax advisor as to the tax consequences relating to their particular circumstances that could arise from the Offering, including the applicability and effect of foreign regulations and double tax treaties.

Private individuals

Capital gains taxation

For private individuals resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains on listed shares is taxed in the capital income category. The tax rate in the capital income category is 30 per cent.

Capital gains and capital losses are calculated to equal the difference between the proceeds received when the shares are sold or redeemed, after deduction for potential sale expenses, and the acquisition cost for tax purposes. The acquisition cost for listed shares is normally determined according to the "average method". This means that the cost of acquiring all shares of the same type and class as the divested share are added together and calculated collectively, with respect to changes to the holding. Alternatively, the "standard method", according to which the acquisition cost is deemed to be equal to 20 per cent of the net proceeds received when the shares are sold or redeemed, may be applied.

Capital losses on listed shares may be fully deductible against taxable capital gains on shares the same fiscal year. The loss is also deductible against gains on other listed securities that are taxed in the same manner as shares (however, not against gains on participations in investment funds containing Swedish receivables only, Sw. räntefonder). Capital losses not absorbed by these set-off rules are deductible at 70 per cent in the capital income category.

Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as property tax and municipal property fees. The tax reduction is granted at 30 per cent of such net loss which does not exceed SEK 100,000 and at 21 per cent of any remaining net loss. An excess net loss cannot be carried forward to future tax years.

Dividend taxation

For private individuals resident in Sweden for tax purposes, a preliminary tax is withheld on dividends. The preliminary tax is normally withheld by Euroclear Sweden, or in respect of nominee-registered shares, by the nominee. The Swedish preliminary tax withheld may be reduced under applicable double tax treaties.

Additionally, dividends from a foreign company are generally subject to foreign withholding tax. However, the tax rate is normally reduced under applicable tax treaties for dividends beneficially owned by a person resident in Sweden for the purpose of the treaty. Foreign tax can generally be credited from the Swedish tax on the same income.

Allocation, exercise and disposal of subscription rights

Neither allocation nor exercise of subscription rights does not triggers taxation. For shareholders who do not wish to exercise their subscription rights and instead sell their subscription rights, there may be a taxable capital gain. Subscription

rights based on a shareholding of existing shares are deemed to be acquired for SEK 0. The entire sales proceeds after deducting sales costs will be subject to taxation. The standard method is not applicable in this case. The acquisition cost for the original shares is not affected. For subscription rights purchased or otherwise acquired (i.e. that are not received based on a shareholding of existing shares), the price paid for the rights constitutes the acquisition cost. The acquisition cost of such subscription rights shall be taken into account when calculating the tax basis for the shares. The “standard method” may be used on disposal of listed subscription rights. A subscription right that is not exercised or sold, and thus expires, is deemed disposed of at SEK 0.

Allocation, exercise and disposal of warrants

Allocation of warrants in connection with the subscription of new shares is not taxed at the recipient when the recipient is a shareholder in the company that the warrants relate to. Nor when the warrants are exercised for subscription of shares will they be subject to taxation. For shareholders who sell their warrants, there may be a taxable capital gain. Warrants based on a shareholding of existing shares are deemed to be acquired for SEK 0. The entire sales proceeds after deducting sales costs will thus be subject to taxation. For warrants purchased or otherwise acquired (i.e. that are not received based on a shareholding of existing shares), the price paid for the warrants constitutes the acquisition cost.

Limited liability companies

Capital gains and dividends taxation

For Swedish limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and dividends, is taxed as income from business operations at a rate of 22 per cent. Taxable capital gains and capital losses are calculated in the same way as described above regarding private individuals.

Capital losses on shares may only be offset against taxable capital gains on shares and other securities taxed in the same manner as shares. If a capital loss cannot be deducted by the company which has made the loss, it may be deducted the same year from a group company’s taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation (through group contributions, Sw. *koncernbidrag*) and that both companies so request in the tax return of the same year. A net capital loss on shares which cannot be utilised a certain year may be carried forward (by the limited liability company having made the loss) and offset in future tax years against taxable capital gains on shares and other securities taxed as shares, without any limitation in time. Special tax rules may apply to certain categories of companies or certain legal persons, for example mutual funds and investments companies.

Additionally, dividends from a foreign company are generally subject to foreign withholding tax. However, the tax rate is normally reduced under applicable tax treaties for dividends beneficially owned by a person resident in Sweden for the purpose of the treaty. Foreign tax can generally be credited from the Swedish tax on the same income.

Allocation, exercise and disposal of subscription rights

Neither allocation nor exercise of subscription rights does not triggers taxation. For shareholders who do not wish to exercise their subscription rights and instead sell their subscription rights, there may be a taxable capital gain. Subscription rights based on a shareholding of existing shares are deemed to be acquired for SEK 0. The entire sales proceeds after deducting sales costs will be subject to taxation. The standard method is not applicable in this case. The acquisition cost for the original shares is not affected. For subscriptions rights purchased or otherwise acquired (i.e. that are not received based on a shareholding of existing shares), the price paid for the rights constitutes the acquisition cost. The acquisition cost of such subscription rights shall be taken into account when calculating the tax basis for the shares. The “standard method” may be used on disposal of listed subscription rights. A subscription right that is not exercised or sold, and thus expires, is deemed disposed of at SEK 0.

Allocation, exercise and disposal of warrants

Allocation of warrants in connection with the subscription of new shares is not taxed at the recipient when the recipient is a shareholder in the company that the warrants relate to. Nor when the warrants are exercised for subscription of shares will they be subject to taxation. For shareholders who sell their warrants, there may be a taxable capital gain. Warrants based on a shareholding of existing shares are deemed to be acquired for SEK 0. The entire sales proceeds after deducting sales costs will thus be subject to taxation. For warrants purchased or otherwise acquired (i.e. that are not received based on a shareholding of existing shares), the price paid for the warrants constitutes the acquisition cost.

Shareholders not resident in Sweden for tax purposes

Capital gains taxation

Shareholders who are not resident in Sweden for tax purposes and not conducting business from a permanent establishment in Sweden are generally not liable for capital gains taxation in Sweden upon the disposal of shares or subscription rights. However, shareholders may be subject to taxation in their state of residence. According to a domestic Swedish provision, non-Swedish tax resident individuals may be subject to Swedish capital gains taxation upon disposal of securities, if they have been residents of Sweden or have had a habitual abode in Sweden at any point during the calendar year of disposal or the ten preceding calendar years. In a number of cases, though, the applicability of this rule is limited by double tax treaties.

Taxation Finland

The following summary is based on the tax laws of Finland as in effect as at the date of this Prospectus. Changes in the tax laws could have a retroactive effect on taxation. The following summary is not exhaustive and does not take into account or discuss the tax laws of any state other than Finland. The description below is applicable to both Finnish resident and non-resident natural persons and limited liability companies for the purposes of Finnish domestic tax legislation relating to dividend distributions on shares and capital gains arising from the sale of subscription rights, shares or warrants. Prospective investors are advised to consult professional tax advisors as to the tax consequences of the purchase, ownership and disposition of Shares in Company. The following description does not address tax considerations applicable to such holders of Company's Subscription Rights, Shares or Warrants that may be subject to special tax rules relating to, among others, different restructurings of corporations, controlled foreign corporations, non-business carrying entities, income tax-exempt entities or general or limited partnerships. Furthermore, this description does not address Finnish inheritance or gift tax consequences.

General

Residents and non-residents of Finland are treated differently for tax purposes. The worldwide income of persons resident in Finland is subject to taxation in Finland. Non-residents are taxed on income from Finnish sources only. Additionally, Finland imposes taxes on non-residents for income connected with their permanent establishments situated in Finland. However, tax treaties may limit the applicability of Finnish tax legislation and also the right of Finland to tax Finnish-source income received by a non-resident.

Generally, a natural person is deemed to be a resident in Finland if such person continuously remains in Finland for a period of more than six months or if the permanent home and abode of such person is in Finland. However, a Finnish national who has moved abroad is considered to be resident in Finland until three years have passed from the end of the year of departure unless it is proven that no substantial ties to Finland existed during the relevant tax year. Earned income, including salary, is taxed at progressive rates.

Currently, the capital income tax rate is 30%. In addition, should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 33% on the amount that exceeds EUR 30,000.

Corporate entities established under the laws of Finland are regarded as residents in Finland and are, therefore, subject to corporate income tax on their worldwide income. In addition, non-residents are subject to Finnish corporate income tax on their income connected with their permanent establishments situated in Finland. Currently, the corporate income tax rate is 20%.

Taxation of dividends

General

The tax treatment of dividend income is dictated by whether the company distributing the dividend is publicly listed or not. By a publicly listed company is meant a company ("Listed Company") whose shares are admitted to trading:

- in a regulated market as set forth in the Finnish Act on Trading in Financial Instruments (748/2012, as amended);
- in another regulated market supervised by authorities outside the EEA-area; or

- in a multilateral trading facility as set forth in the Finnish Act on Trading in Financial Instruments, provided that the share has been admitted to trading by application of the company or with its consent.

First North is a multilateral trading facility as referred to above; hence the provisions regarding distribution of dividend of a publicly traded company are applied to the taxation of the dividend income from the Company.

Funds distributed from the so-called reserve for invested unrestricted equity (SVOP-reserve) of a Finnish publicly listed company are considered as dividend income for taxation purposes.

Resident natural persons

85% of dividends paid by a Listed Company to a shareholder, who is a resident natural person, is considered capital income of the recipient, while the remaining 15% is tax exempt.

85% of dividends paid by a Listed Company to a natural person whose underlying shares belong to the business activity of such shareholder is taxable partly as earned income, which is taxed at a progressive rate, and as capital income, and the remaining 15% is tax exempt.

Distribution of dividends by a Listed Company to resident natural persons is subject to advance tax withholding. Currently, the amount of the advance tax withholding is 25.5%. The advance tax withheld by the distributing company is credited against the final tax payable by the shareholder for the dividend received.

Finnish limited liability companies

Taxation of dividends distributed by a Listed Company depends, among other things, on whether the Finnish company receiving the dividend is a Listed Company or not. Dividends received by a Listed Company from another Listed Company are generally tax exempt. However, in cases where the underlying shares are included in the investment assets of the shareholder, 75% of the dividend is taxable income while the remaining 25% is tax exempt. Only banking, insurance and pension institutions may have investment assets.

Dividends received by a Finnish company that is not a Listed Company (i.e. a privately held company) from a Listed Company are fully taxable income. However, in cases where the privately held company directly owns 10% or more of the share capital of the Listed Company distributing the dividend, the dividend received on such shares is tax exempt, provided that the underlying shares are not included in the investment assets of the shareholder.

Non-residents

As a general rule, non-residents of Finland are subject to Finnish withholding tax on dividends paid by a Finnish company. The withholding tax is withheld by the company distributing the dividend at the time of dividend payment and no other taxes on the dividend are payable in Finland. The withholding tax rate is 20% for non-resident corporate entities as income receivers and 30% for all other non-residents as income receivers. The withholding tax rate may be reduced or removed in full on the basis of an applicable tax treaty.

The reduced withholding rate benefit in an applicable tax treaty will be available if the person beneficially entitled to the dividend has provided a valid tax card or necessary details of its nationality and identity to the company paying the dividend.

If shares are held through a nominee account and the person entitled to receive dividends on such shares is a resident in a tax treaty country, the withholding tax rate on the dividend is the tax rate set forth in the relevant tax treaty; however, the tax rate must be at least 15% (if the tax rate set forth in the tax treaty is less than 15%, an application including the necessary details of the nationality and identity of the beneficial owner may be submitted for the refund of the excess withholding tax). This means that with respect to dividends on shares held through a nominee account, tax is withheld at the rate set in the applicable tax treaty or 15% absent thorough clarification of the identity of the person beneficially entitled to the dividend. Such procedure, however, requires that the foreign custodian intermediary is registered in the Finnish tax authorities' register and that it is resident in a country with which Finland has a double taxation treaty. Also, the foreign custodian intermediary must have an agreement with the Finnish account operator regarding the custody of the shares. In such agreement, the foreign custodian intermediary must, among other things, commit to report the dividend receiver's residential country to the account operator and to provide additional information to the tax authorities, if needed. If these provisions are not fulfilled, the 20 % withholding tax is withheld on the nominee account's dividends for non-resident corporate entities and 30 % for all other non-residents unless otherwise set forth in an applicable tax treaty.

Dividends payable on Shares registered in the book-entry system of Euroclear Sweden may be subject to withholding at the full rate depending on the availability of information required for using treaty rates. Alternatively, provisions of the Finnish Act on Assessment Procedure (1558/1995, as amended) may be applied to the taxation of non-residents located in a state in the EEC.

In accordance with Finnish tax legislation, withholding tax is not withheld from dividends, which are paid to foreign companies, as set forth in Article 2 of the parent-subsidiary directive (2011/96/EU), located in an EU member state and subject to income tax of their home state, which directly have a minimum holding of 10 % of the capital of the dividend-distributing Finnish company.

Dividends paid to certain foreign companies located in the EEA-area are also either fully tax exempt or subject to a reduced withholding tax rate depending on how the dividend would be taxed, if it were paid to an equivalent Finnish company. The applicable double taxation treaty may however require that an even lower withholding tax rate shall be applied. Full withholding tax is withheld from other dividends paid to non-resident companies, unless the applicable double taxation treaty dictates otherwise.

Capital gains

Resident natural persons

A capital gain or loss arising from the sale of subscription rights and shares that do not belong to the business activity of the shareholder is generally taxable in Finland as a capital gain or deductible as a capital loss for resident natural persons. The tax treatment of warrants varies depending on whether the warrants are admitted to trading on a regulated market or not. A capital gain arising from the sale of any warrants that do not belong to the business activity of the shareholder is generally taxable in Finland as capital income for resident natural persons. However, the lapse of a warrant or the resulting capital loss is deductible from capital gains only for warrants that are admitted to trading on a regulated market. As First North is not a regulated market, the lapse of Warrants or capital loss is not deductible from capital gains.

Capital gains are currently taxed as capital income. A capital loss arising in 2016 and after that from the sale of subscription rights, shares or warrants traded on a regulated market that do not belong to the business activity of the shareholder is primarily deductible from the resident natural person's capital gains and secondarily from other capital gains arising in the same year and during the following five tax years. Capital losses are excluded from the calculation of capital income deficit for the concerned tax year and can therefore not be deducted from the amount of the deficit-credit that is deductible under the deficit-crediting system. If the subscription rights or shares belong to the business activity (business income source) of the seller, any gain arising from the sale thereof is deemed to be business income of the seller, which will be divided according to the Finnish Income Tax Act to be taxed at a progressive tax rate and as capital income. The deductibility of losses related to subscription rights or shares included in the seller's business activity is determined as described under "*Finnish Limited Companies*" below.

Notwithstanding the above, capital gains arising from the sale of assets that do not belong to business activity are exempt from tax provided that the proceeds of all assets sold by the resident natural person during the tax year do not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during the tax year does not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax exempt pursuant to Finnish tax laws).

Any capital gain or loss is calculated by deducting the original acquisition cost and sales related expenses from the sales price. Alternatively, a natural person holding shares that are not included in the person's business activity may, instead of deducting the actual acquisition costs, choose to apply a so-called presumptive acquisition cost, which equals 20% of the sales price, or in the case of shares which have been held for at least ten years, 40% of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any selling expenses are deemed to be included therein and cannot be deducted separately from the sales price.

When a shareholder sells the Offer Shares subscribed for in the Offering, the acquisition date of the Offer Shares is determined as the acquisition date of those shares that entitle the shareholder to receive the Subscription Rights. The acquisition price of previously acquired Shares and the acquisition price of the Offer Shares subscribed for in the Offering are added together and divided equally between the previously acquired Shares and the subscribed Offer Shares. When a shareholder sells the Subscription Rights acquired in the Offering without using them for subscribing for Offer Shares in the Offering, the actual acquisition price is considered to be zero, and for tax purposes the acquisition date of the Subscription Rights is determined as the acquisition date of those shares on the basis of which the shareholder received

the Subscription Rights. In this case, the presumptive acquisition cost of 20% is applied to the calculation of capital gains resulting from the selling of the Subscription Rights, except if the Shares on the basis of which the Subscription Rights were received have been in the shareholder's possession for ten years or more, in which case the 40% presumptive acquisition cost is applied. However, if the seller of the Subscription Rights has purchased the Subscription Rights, the seller may choose whether the presumptive acquisition cost or actual acquisition cost is applied (that is, the acquisition cost of the Subscription Rights plus the costs resulting from the selling).

If purchased Subscription Rights are used for subscribing for Offer Shares, the Offer Shares are considered to be acquired at the time of acquiring the Subscription Rights. The same date also determines the amount of the presumptive acquisition cost. If the seller wants to apply the actual acquisition cost, any capital gain or loss is calculated by deducting the acquisition cost of the Subscription Rights and Offer Shares and any sales related expenses from the sales price.

Finnish limited liability companies

The following applies only to Finnish limited liability companies that are taxed on the basis of the Finnish Business Income Tax Act. As a general rule, a capital gain arising from the sale of subscription rights or shares is taxable income of a limited liability company, which is taxed with a rate of 20%.

Shares may be fixed assets, current assets, investment assets or financial assets of a limited liability company. The taxation of a disposal of shares and loss of value varies according to the asset type for which the shares qualify. Shares may also qualify as non-business income source assets of a limited liability company. The Finnish Income Tax Act's provisions are applied to capital gains that have arisen from the sale of assets from non-business income sources.

The sales price of any sale of subscription rights or shares is generally included in the business income of a Finnish liability company. Correspondingly, the acquisition cost of subscription rights or shares is deductible from business income upon disposal of the subscription rights or shares. However, an exemption for capital gains on share disposals is available for Finnish companies, provided that certain strictly defined requirements are met. The main criteria for the application of the so-called participation exemption is that the company selling the shares has directly and continuously for at least one year, and such ownership of the sold shares has ended at the most one year before the sale, owned at least 10 % of the share capital in the company whose shares are sold, and the sold shares belong to the shares owned in accordance with the above.

Tax deductible capital losses pertaining to the sale of shares (other shares than shares sold under the participation exemption) that are part of the fixed assets of the selling company can only be deducted from capital gains arising from the sale of fixed assets shares in the same financial year and the subsequent five years. Capital losses pertaining to the sale of subscription rights or shares that are not part of fixed assets are tax deductible from taxable income in the same financial year and the subsequent ten years in accordance with the general rules concerning losses carried forward.

Non-residents

Non-residents who are not generally liable for tax in Finland are usually not subject to Finnish taxes on capital gains realised on the sale of subscription rights or shares in a Listed Company, unless the non-resident taxpayer is deemed to have a permanent establishment in Finland for income tax purposes as referred to in the Income Tax Act and an applicable tax treaty and the shares are considered to be assets of that permanent establishment.

Finnish transfer tax

Transfer tax is not payable in connection with the issuance of new shares or other securities.

There is no transfer tax payable in Finland on transfers or sales of subscription rights or shares admitted to trading on First North if the transfer is made against a fixed pecuniary consideration. The transfer tax exemption requires that an investment firm, a foreign investment firm or other party offering investment services, as defined in the Finnish Investment Services Act (747/2012, as amended), is brokering or acting as a party to the transaction, or that the transferee has been approved as a trading party in the market in which the transfer is executed. Further, if the broker or the counterparty to the transaction is not a Finnish investment firm, Finnish credit institution, or a Finnish branch or office of a foreign investment firm or credit institution, the transfer tax exemption requires that the transferee submits a notification of the transfer to the Finnish Tax Administration within two months of the transfer, or that the broker submits an annual declaration regarding the transfer to the Finnish Tax Administration as set forth in the Act on Assessment Procedure (1558/1995, as amended).

Certain separately defined transfers, such as those relating to equity investments or distribution of funds, are not covered by the transfer tax exemption. In addition, the exemption does not apply to transfers carried out in order to fulfil the obligation to redeem minority shares under the Finnish Companies Act. See “*Shareholder rights – Squeeze-out rights*”.

If the transfer or sale of subscription rights or shares does not fulfil the above criteria for a tax-exempt transfer, transfer tax at the rate of 1.6 % of the sales price is payable by the purchaser. However, if the purchaser is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm or fund management company, the seller must collect the tax from the purchaser. If the broker is a Finnish stockbroker or credit institution, or a Finnish branch or office of a foreign stockbroker or credit institution, it is liable to collect the transfer tax from the purchaser and pay the tax to the state. If neither the purchaser nor the seller is tax resident in Finland or a Finnish branch or office of a foreign credit institution or foreign investment firm, the transfer of shares will be exempt from Finnish transfer tax. No transfer tax is collected if the amount of the tax is less than EUR 10.

Third party information, expert statements

Expert statements related to this Prospectus

With the exception of the auditor's reports referred to in section "*Information incorporated by reference*" (auditor's reports regarding financial periods 2017 and 2016 have been incorporated by reference), this Prospectus does not include any other expert statements.

Information from third parties

This Prospectus does not include information developed by third parties for the purposes of preparing this Prospectus.

Documents available for inspection

Copies of the following documents are available for inspection during the validity of this Prospectus on working days during normal office hours at Savosolar's registered address Insinöörinkatu 7, 50150 Mikkeli, Finland

- Savosolar's Articles of Association, as registered at the date of this Prospectus;
- Savosolar's unaudited financial statements for the financial period ended 31 December 2018;
- Savosolar's audited financial statements for the financial period ended 31 December 2017;
- Savosolar's audited restated financial statements for the financial period ended 31 December 2016;
- Auditor's report for Savosolar's financial statements for the period ended 31 December 2017 and the restated financial statements for the period ended 31 December 2016;
- Prospectus; and
- Resolutions of the Finnish Financial Supervisory Authority regarding this Prospectus.

Information incorporated by reference

The Company's unaudited financial statements for the financial period ended 31 December 2018, financial statements and auditor's report for the financial period ended 31 December 2017 and the restated financial statements and auditor's report for the financial period ended 31 December 2016 have been incorporated to this Prospectus by reference. The Finnish language documents incorporated by reference are available at the Company's website at www.savosolar.com/rights-issue-2019 and in the printed form in the Finnish language at the office of the Company at Insinöörinkatu 7, 50150 Mikkeli, Finland.

Glossary

Absorber

Solar thermal absorber is a device that binds solar radiation. Inside the absorber flows a heat transferring fluid, through which solar energy is transferred out of the absorber as heat.

Argon

Argon is a chemical element with symbol Ar and atomic number 18 and is a noble gas.

PVT / Photovoltaic thermal

A device which converts solar radiation into electrical energy by means of a photoelectric effect.

Solar thermal cooling

A technical solution that can harness solar energy for cooling. Cooling material is regenerated with heat through an absorption reaction or then a phase change is used, as in heat pipes.

ESTIF

European Solar Thermal Industry Federation.

ISO 9000 –standard

ISO 9000 is an international standard series for the management of organisations in terms of quality management systems.

Collector

A solar thermal collector is a device that converts solar radiation into usable heat.

Solar Keymark

Solar Keymark is a voluntary third party certification for solar thermal products. Solar Keymark developed by ESTIF and CEN (European Committee for Standardisation).

Direct flow absorber

Direct flow absorber is an absorber, made by MPE (Multi-Port Extrusion) -profiles, where the heat flows directly to the collector's heat exchange fluid. This means that the distance the heat must travel is much shorter, which improves the mechanism of heat transfer and increases the efficiency of the collector.

Thermoplastic

Thermoplastic means an adhesive, which can be moulded into a new form with the help of heat and pressure.

Vacuum coating

A 3-layer coating which is placed on top of the absorbers.

Roll-bond absorber

When manufacturing roll-bond absorbers a process, where the fluid channel pattern is printed with special ink on an aluminium plate, and with different patterns an optimised flow of the heat exchange fluid through the solar thermal absorbers can be achieved. This technology has been developed by CGA Technologies S.p.A.

Articles of Association

Articles of Association of Savosolar Plc

1 § Registered name and domicile

The registered name of the company is Savosolar Oyj, in Swedish Savosolar Abp and in English Savosolar Plc. The domicile of the company is Mikkeli.

2 § Line of business

The line of business of the company is design, manufacturing and sale of energy systems that exploit solar energy as well as research, development and consultation relating to its line of business. In addition, the company may own real estates, shares in housing companies, investment shares as well as other securities, make share investments in companies and lease the real estates and apartments that it owns.

The company may conduct its business directly on its own or through subsidiaries or associated companies.

3 § Shares and book-entry system

The shares in the company are entered into the book-entry securities system.

4 § Board of Directors and the Managing Director

The company shall have the Board of Directors, which comprises no fewer than three (3) and no more than seven (7) members. The term of office of each member of the Board of Directors ends at the adjournment of the first annual general meeting of shareholders following the election.

The company shall have a Managing Director. The Managing Director is nominated by the Board of Directors.

5 § Representation of the company

The company shall be represented by the Board of Directors but also the chairman of the Board of Directors and the Managing Director alone and two members of the Board of Directors acting jointly. The Board of Directors may grant procuracy or representation right to a nominated person.

6 § Auditors

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

7 § Summons, registration period and venue of general meeting of shareholders

The notice to convene a general meeting of shareholders must be delivered to the shareholders by publishing the notice on the website of the company or otherwise in a verifiable manner no earlier than three (3) months and no later than three (3) weeks prior to the general meeting of shareholders, however, in any case, at least nine (9) days prior to the record date of the general meeting of shareholders pursuant to the Finnish Companies Act.

Where the Board of Directors so decides, a shareholder must register with the company in order to participate in the general meeting of shareholders. In such case, shareholders must register no later than on the date referred to in the notice convening the meeting, which date may be at the earliest ten (10) days prior to the general meeting of shareholders.

Besides the company's domicile, general meetings may held in the City of Helsinki, Finland or the City of Stockholm, Sweden.

8 § Annual general meeting of shareholders

The annual general meeting of shareholders shall be held each year within six (6) months from the end of the financial period of the company on a date resolved by the Board of Directors.

The meeting shall:

be presented with:

1. the financial statements and, when needed the report of the Board of Directors;
2. the auditor's report;

resolve upon:

3. the adoption of the financial statements;
4. the use of profits shown on the balance sheet;
5. the discharge of members of the Board of Directors and the Managing Director from liability;
6. the remuneration of the members of the Board of Directors and the auditor;
7. the number of the members of Board of Directors;

elect:

8. the members of the Board of Directors, and
9. the ordinary auditor and deputy auditor.

The Company

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