

**SAVO-SOLAR PLC's
ANNUAL ACCOUNTS AND
REPORT OF THE BOARD OF DIRECTORS
FOR 2017**

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This document is an unofficial translation
of the original Finnish document.

Savo-Solar Plc: Report of the Board of Directors for 2017

Revenue

Revenue for the full-year 2017 amounted to EUR 831 thousand (1-12/2016: EUR 5,405 thousand). The decrease in revenue was caused by the fact that the company did not receive any new delivery projects for large solar collector fields for district heating market. Delayed decisions of the Danish government concerning the conditions of its program for energy savings and emission restrictions resulted in delays in the projects of district heating companies and the market had a temporary stand-still. Delay of the decision-making affected strongly the operations of Savo-Solar because Denmark has been the company's main market. Gradually during spring and rest of the year, the project tenders in Denmark were initiated but the market did not recover to normal and the projects in other market areas did not proceed with the expected pace. Strong investments in sales and marketing did not yet realise in signed orders.

To expand its market area the company strengthened the resources in sales and project organisations and established the subsidiary Savosolar GmbH in Germany. Local presence in Central Europe is providing remarkable advantages when acquiring new customers and negotiating on future projects.

The company signed in March 2017 a contract with Ystad Energi AB on the first turnkey delivery of a solar collector field to Sweden. The contract value amounted to approximately EUR 250 thousand and the delivery took place in summer 2017. The delivery is a good reference for future contract negotiations in Sweden. In Finland the company had several mid-sized deliveries, the biggest ones being Elenia Lämpö Oy, Consti Talotekniikka Oy and Etelä-Savon Energia Oy. The value of these deliveries was approximately EUR 300 thousand.

Savo-Solar was selected as the preferred bidder in a tender for a solar collector field to newHeat SAS in France. The companies have now after the end of the report period signed the actual contract and the target is to realise the delivery and installation of the field in summer 2018 after the final issues with the authorities have been settled, which is estimated to happen latest by 30 April. The value of the project for Savo-Solar will be over EUR 2.0 million. The turnkey delivery will cover the civil works, the collector field installed on a tracking system, the piping, the solar heat transfer unit, the control system and the operation & maintenance contract. The solar thermal plant will be the largest one in France. The customer newHeat SAS will use this solar thermal plant to supply heat to an industrial site.

Savo-Solar signed a contract with the company Véolia ECHM on a delivery of a solar thermal system in the city of Voreppe, France. Véolia ECHM is a part of Veolia Group, the leading company in heating and cooling systems worldwide. Even though the value of the contract is only approx. EUR 90 thousand, it is the company's first delivery of district heat system in France and will open the door for further co-operation with the Veolia Group.

The company signed an agreement with the Mexican company Jorgensen to gain access to the huge market for large solar thermal energy plants for mining industry in Latin America. The agreement gave Jorgensen the exclusive dealership right to sell and deliver Savo-Solar's products and solutions in Mexico, Peru and Chile.

At the end of the year Savo-Solar launched negotiations with the Chinese company Beijing Yuxin Solar Energy Co concerning the deliveries of large collectors and the manufacturing cooperation in the market of large systems with huge potential.

Costs and earnings

The costs relating to materials and services totalled EUR 752 thousand (EUR 5,295 thousand). Thanks to the efficiency-increasing development projects the production costs could be reduced both as to working hours and material use. The benefits of the efficiency development will become more visible with big production volumes and they did not reflect in the result in 2017.

Variable costs were adjusted along with the decrease in revenue. Personnel costs decreased slightly amounting to EUR 1,830 thousand (EUR 2,137 thousand). Other operating expenses amounted to EUR 2,329 thousand (EUR 1,879 thousand). The biggest cost increase was seen in the costs for sales and marketing based on the establishment of the sales subsidiary in Germany.

The operating result (EBIT) for 2017 amounted to EUR -4,853 thousand (EUR -4,522 thousand). The profitability was affected especially by the decreased revenue and the investments in sales and marketing. Because the manufacturing volumes were small, all potential of cost savings could not be fully utilised.

Net financial income and expenses amounted to EUR -810 thousand (EUR -1,165 thousand). Most of the financing costs were costs for the share issues.

The result for the report period stood at EUR -5,664 thousand (EUR -5,687 thousand). Earnings per share were EUR -0.08 (EUR -0.28).

Financing

Total assets of the company on 31 December 2017 stood at EUR 6,478 thousand (EUR 6,952 thousand). The inventories increased from EUR 491 thousand to EUR 996 thousand. Cash and cash equivalents decreased by EUR 228 thousand. Current receivables decreased from EUR 408 thousand to EUR 128 thousand.

Shareholders' equity increased from EUR 3,547 thousand to EUR 3,654 thousand following the rights issue and directed share issue. The equity including capital loans amounted to EUR 5,085 thousand at the end of report period. Savo-Solar's equity ratio at the end of report period was 56.4% (51.0%).

Liabilities amounted to EUR 2,652 thousand (EUR 3,269 thousand), of which EUR 312 thousand (EUR 1,831 thousand) were long-term and EUR 2,340 thousand (EUR 1,438 thousand) short-term liabilities. Out of short-term liabilities the amount of capital loans was at EUR 1,431 thousand (EUR 1,431 thousand).

The Bank Suur-Savon Osuuspankki extended the validity of the bank guarantee limit of EUR 2 million by 12 months until 30 November 2018. The company is using the limit in large projects for guarantees during deliveries and warranty period, among others. The continuation of the limit was conditional to the guarantee given by Finnvera Oyj. Furthermore, the company granted to the bank an additional guarantee of EUR 79 thousand.

Even though the company did not fulfil all the covenants, the bank has confirmed that it will not use its right to terminate the financial guarantees and collaterals for warranty periods but is instead negotiating with the company on new covenants for 2018. Capital loans recorded in the company's short-term liabilities will expire on 31 December 2018 and the company has initiated negotiations with the bank on the related terms and conditions.

The financing position of Savo-Solar improved substantially after the rights issue and directed share issues arranged in summer 2017 as well as after the subscriptions against warrants in November-December 2017, in which the company gained total net proceeds of approximately EUR 5.1 million.

The company signed on 30 May 2017 a bridge loan contract with Scandinavian Credit Fund I AB on a loan of EUR 600 thousand to the company. With the bridge loan Savo-Solar ensured the coverage of the working capital need until the realisation of the rights issue. The bridge loan had a fixed interest rate of 7.5% and the loan was due to be paid back on 31 August 2017. The loan including interest was paid back on 31 July 2017.

Cash flow from operations was EUR -5,705 thousand (EUR -5,433 thousand) and cash flow from investments EUR -210 thousand (EUR -1,148 thousand). Cash flow from financing was EUR 5,687 thousand (EUR 5,913 thousand), out of which the share issues amounted to EUR 5,770 thousand (EUR 6,435). On 31 December 2017, Savo-Solar's cash and cash equivalents totalled to EUR 2,212 thousand (EUR 2,440 thousand).

Aspects related to the Savo-Solar's financing and liquidity are also described in the section "General risks and factors of uncertainty concerning operations".

Investments

Investments were EUR 210 thousand (EUR 1,148 thousand), and most of them were related to enhancing the production capacity and efficiency of the collector production. Investments in machinery and equipment amounted to EUR 151 thousand (EUR 882 thousand). The company has no need for remarkable investments during the next few years because the production capacity has been increased to a level allowing the revenue of EUR 20-30 million.

The company raised EUR 81.6 thousand as an R&D grant from Tekes during the report period (EUR 62.8 thousand). The grant is connected with the SOLHC project (Solar Thermal Heating and Cooling), which was a joint EU-project of German and Finnish research institutes. Savo-Solar's premises in Mikkeli are provided with the next-generation solar-thermal cooling equipment, which was taken to trial use in April 2016. The project was targeted at developing a cost-efficient heating and cooling system utilising solar thermal energy. The German parties in the project still need to accomplish the industrialization of the chiller before the system can eventually be offered commercially to the markets.

Savo-Solar's project on the development of a new type of solar thermal collector has been approved as a part of the Government's spearhead projects in cleantech industry. Tekes, the Finnish Funding Agency for Innovation has granted support for the project by a loan amounting to a maximum of EUR 494 thousand, with the interest rate today being 1%. The project is focusing on the development of energy-efficient collectors, which are suited for large solar thermal fields and can be manufactured in mass production. The target is to lower the costs for logistics and installation as well as to improve the flexibility of installation. The project will last until the end of 2018 and its total budget amounts to EUR 706 thousand.

The company's realised and on-going investments in production capacity and increased efficiency in production during 2015-2017 amounted to approximately EUR 1.5 million.

Personnel, Board of Directors and Auditor

At the end of the report period, Savo-Solar had 37 (42) employees. The number of personnel decreased due to the decrease of production volumes. Operations in Finland were adapted by means of cooperational negotiations, and they resulted in redundancies of 3 persons and in temporary lay-offs of 6 persons.

The company strengthened its sales organisation in Denmark by new recruitments. Lars Rossen was appointed sales manager in Denmark and Morten Hofmeister was appointed director for projects and system design as well as a member of management team.

The company established in Hamburg a subsidiary Savosolar GmbH in order to gain a more solid foothold in the German market. At the same time, Torsten Lütten was appointed sales director for Savo-Solar in Germany. Local presence in Central Europe will provide essential advantages when acquiring new customers and negotiating on further projects.

The company's management team was renewed in spring 2017 when Nalle Stenman (M.Sc., Econ) was appointed as CFO and Morten Hofmeister (M.Sc, Eng) as Head of Projects and System Design. Aku Järvisalo (M.Sc.,Eng), former Chief designer of the company, was appointed as Production Manager. In addition to CEO, the other members of the management team are CTO Kaj Pischow, Vice President of Sales Patrick Jansson and Quality Manager Pekka Karjalainen. The company also strengthened the sales organization with new recruitments in Denmark and in Germany.

The Annual General Meeting held on 28 March 2017 re-elected Feodor Aminoff, Christof Gey and Sami Tuhkanen to the Board and elected Håkan Knutsson as a new member to the Board. From among its members, the Board elected Feodor Aminoff to continue as the Chairman of the Board.

The Annual General Meeting elected the auditing firm PricewaterhouseCoopers Oy as the company's auditor. Mr. Petter Lindeman, Authorised Public Accountant, is the auditor in charge.

Stock option programs of the management

At the end of the report period the company had two valid stock option programs – “2015” and “2-2017”.

The stock option program launched in 2015 includes 250,000 stock options, out of which 77,500 are marked with the symbol 2015A, 57,500 with the symbol 2015B, 57,500 with the symbol 2015C and 57,500 with the symbol 2015D. By the end of report period a total of 92,600 stock options have been allocated to seven persons employed by the company. The share subscription period is for stock option 2015A from 1 April 2016 to 31 March 2018, for stock option 2015B from 1 October 2016 to 31 March 2018, for stock option 2015C from 1 April 2017 to 31 March 2018 and for stock option 2015D from 1 October 2017 to 31 March 2018. The option rights entitle to subscribe for a total of 500,000 new shares.

The original subscription price of EUR 1.50 has been lowered by the decision of the Board of Directors to EUR 0.93 per share for the sake of shareholders' equality in connection with the rights issue in November-December 2015. Furthermore, the subscription right was changed in the way that each stock option entitles to subscribe for two new shares, instead of one new share. Therefore, 250,000 option rights of the program entitle to subscribe for a total of 500,000 new shares.

The subscription price was further lowered in the rights issue resolved in August 2016 so that the subscription price per share is EUR 0.82. In connection with the rights issue in 2017 the subscription price was further lowered to EUR 0.53. During the report period, no new option rights have been allocated and no new shares have been subscribed for with the option rights.

In July 2017, a new stock option program for management was launched. Based on the program a total of a maximum of 2,000,000 option rights can be distributed, entitling to subscribe for a maximum of 2,000,000 shares of the company. The option rights are distributed to classes as follows: 500,000 options to 2-2017A, 500,000 to 2-2017B, 500,000 to 2-2017C and 500,000 to 2-2017D.

The subscription period for the shares to be subscribed against the options is staggered being with option rights 2-2017A from 1 January 2018 to 31 December 2019, with 2-2017B from 1 July 2018 to 31 December 2019, with 2-2017C from 1 January 2019 to 31 December 2019 and with 2-2017D from 1 July 2019 to 31 December 2019. The subscription price is the volume weighted average share price in First North Finland during the time from 1 June 2017 to 31 August 2017, i.e. EUR 0.12 per share.

A total of 1,880,000 options have been distributed to key personnel of the company.

Remuneration of the Board of Directors

The Annual General Meeting resolved on 28 March 2018 that for the period starting at the end of the Annual General Meeting and ending at the end of the next Annual General Meeting EUR 21,600 will be paid to the Chairman of the Board and EUR 10,800 to each of the other members of the Board. Approximately 40% of the remuneration of the Board of Directors was paid by giving to the Board members the company's new shares, while 60% of the remuneration was paid in cash in 12 instalments monthly.

The Board of Directors of Savo-Solar resolved on 5 July 2017 on a directed share issue to be used as the first part of the Board members' remuneration with shares. The company issued a total of 118,645 new shares of the company, which were offered for subscription to the members of the Board of Directors without consideration. The Chairman of the Board was offered a total of 59,323 new shares and other Board members were offered 29,661 new shares each. One member of the Board did not accept any remuneration. When calculating the value per share, the volume weighted mean price in First North Sweden was used, during the three days period after the publication of the plan for arranging a rights issue (29-31 May 2017), i.e. SEK 0.71.

The Board of Directors of Savo-Solar resolved on 7 November 2017 on a directed share issue to be used as the second part of the Board members' remuneration with shares. The company issued a total of 117,241 new shares of the company, which were offered for subscription to the members of the Board of Directors without consideration. The Chairman of the Board was offered a total of 58,621 new shares and other Board members were offered 29,310 new shares each. One member of the Board did not accept any remuneration. When calculating the value per share, the volume weighted mean price in First North Sweden during 28 August – 7 September 2017 was used, i.e. SEK 0.70.

Annual General Meeting 2017

The Annual General Meeting of Savo-Solar was held in Helsinki on 28 March 2017. A total of 18 shareholders participated in the meeting, representing a total of 4,902,610 shares or approximately 13.8% of all shares and votes of the company. The Annual General Meeting adopted the financial statements for the financial period ended on 31 December 2016 and resolved, in accordance with the proposal of the Board of Directors, that no dividend be distributed and that the loss for the financial period be recognized in equity.

Related-party transactions

The company has a contract with its subsidiary Savosolar ApS on services in sales, marketing, purchases and product development. Based on the contract the company has paid to Savosolar ApS in 2017 approximately EUR 521 thousand (242 thousand).

Similar service contract has been signed with Savosolar GmbH. Based on the contract the company has paid to Savosolar GmbH approximately EUR 143 thousand during the financial period.

Rights issue and related directed share issue

The company arranged in June-July 2017 a rights issue of approximately EUR 4.3 million and a related offering of warrants. Moreover, the company arranged a directed share issue to the underwriters of the rights issue.

In the rights issue the company offered a maximum of 70,938,664 new shares, representing approximately 67% of all shares of the company after the issue. All shareholders included in shareholder register were given subscription rights for every one share held in the company on the offering record date. Each subscription right entitled their holder to subscribe for two offer shares.

The subscription period for offer shares was from 14 to 30 June 2017 in Finland and from 14 to 28 June 2017 in Sweden. Subscription price was EUR 0.06 or SEK 0.58 per share.

Furthermore, each investor who subscribed for shares in the rights issue, was given free of charge one warrant for each three subscribed and paid shares. The share subscription period based on the warrants was 20 November - 1 December 2017. The subscription price was determined based on the volume weighted average price at First North Finland between 2 and 16 November 2017 less 25 per cent. The final subscription price was EUR 0.06.

The rights issue was oversubscribed and the company's Board of the Directors resolved after the end of the report period on 5 July 2017 on approval of the subscriptions of the rights issue as well as on the allocation of offered shares and warrants. 66 % of the offering was allocated to subscribers who had subscribed for shares with the subscription rights and 34 % to those who had subscribed for the shares without the subscription rights. In the rights issue the number of Savo-Solar's shares increased by 70,938,664 shares, and after the rights issue the total number of shares was 106,407,996. The number of warrants that were allocated in the rights issue was 23,645,786. Of the said warrants, 20,940,956 were used for subscription of shares during the subscription period 20 November – 1 December 2017.

A directed share issue was arranged to underwriters of the rights issue, and after that the number of Savo-Solar's shares was increase by 3,164,224 shares. The subscription price in the directed share issue was SEK 0.76, representing the volume weighted mean price of the company's share at First North Sweden during the period from 14 to 28 June 2017.

Trading in the new shares subscribed for in the rights issue and two directed share issues commenced on First North Finland on 24 July 2017 and on First North Sweden on 3 August 2017, and trading in the new shares subscribed for in the second Board remuneration share issue without consideration commenced on First North Finland and on First North Sweden on 23 November 2017 and trading in the new shares subscribed based on the warrants commenced on First North Finland and on First North Sweden on 14 December 2017.

As a result of the rights issue, the directed share issue to underwriters, the directed share issues without consideration to the Board of Directors and subscription of new shares based on the warrants as described above, the number of Savo-Solar's shares increased by 95,279,730 shares.

Present authorization of the Board of Directors at the publication date of this release

The Annual General Meeting held on 28 March 2017 resolved to authorize the Board of Directors to decide, in one or more transactions, on the issuance of shares, options and other special rights entitling to shares according to the Companies Act chapter 10, section 1. The number of shares to be issued based on the authorization could amount to a maximum of 100,000,000 shares, representing approximately 281.9% of all shares of the company on the date of authorization. The authorization is valid until 31 December 2021.

In the rights issue and two directed share issues resolved by the Board of Directors in June-July 2017 a total of 74,221,533 shares of the authorization were used. Furthermore, based on the authorization a total of 117,241 were given to the members of Board of Directors in a share issue without consideration in November 2017, of 23,645,786 warrants issued to the subscribers of rights issue 20,940,956 were used for

subscription of shares in November-December 2017 and a total of 2,000,000 stock options were reserved for the management's stock option plan.

On the date of the financial statements the Board of Directors have a remaining authorization for a total of 2,720,270 shares.

Shares and shareholders

Savo-Solar has one series of shares and their total number on 31 December 2017 was 130,749,064. Each share entitles its holder to one vote at the General Meeting.

The shares of Savo-Solar are traded on First North Sweden marketplace maintained by Nasdaq Stockholm AB as from 2 April 2015 with a short code SAVOS. Secondary listing of the shares on First North Finland marketplace maintained by Nasdaq Helsinki Oy started on 24 April 2015 with a short code SAVOH.

During the report period, the share price in First North Sweden varied between SEK 0.575 and 3.27 (SEK 2,24 and 5,53). The closing price was SEK 0.63 (SEK 2.80). In First North Finland, the share price varied between EUR 0.06 and 0.318 (EUR 0.25 and 0.56). The closing price was EUR 0.06 (EUR 0.29).

The combined trading volume in 2017 was 33,392,937 shares. At the end of the report period, Savo-Solar had 6,078 shareholders (3,899). The company does not hold any of its own shares.

General risks and factors of uncertainty concerning operations

The most significant risks of Savo-Solar are the sufficiency of working capital and the ability to gain new projects and to increase the efficiency of operations, thereby turning the operations profitable.

The Board is constantly addressing the financing of the operations as a major part of the company's growth strategy. As per the date of these financial statements, Savo-Solar cannot anticipate that the cash position will be sufficient for the next 12 months without additional financing with anticipated burn rate and revenue streams. The company has previously succeeded in collecting the needed financing and the Board of Directors of Savo-Solar is confident that the eventually needed additional financing can be obtained also this time. However, it cannot be guaranteed that the company can gain supplementary finance just on time and to terms and conditions, which are favourable for the present shareholders. In case the company does not succeed in collecting additional financing in accordance with its needs, the company may be forced to postpone, cut back or terminate operations.

Like most early stage technology companies, Savo-Solar has invested in development of its products, offering and production as well as expansion of its operations into new markets during the first operational years and has not yet reached sales volumes and margins that would cover the operational costs. The product development phase of the company has taken place from the year of establishment in 2010 until 2014, and only after that the company has been able to build up its sales and efficient production. Thus, the company has incurred significant operating losses. 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 has applied for restructuring proceedings in accordance with the Restructuring of Enterprises Act in 2013, and the restructuring program is planned to last until the end of 2018.

Savo-Solar takes active measures to protect 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.

Strategy and long-term goals

Savo-Solar's mission is to accelerate the solar economy through the leading technology for competitive energy and the company's vision is to be the first-choice supplier to high performance solar installations on a global scale.

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

Savo-Solar has in different market areas partners, who sell the company's products and with whom the company delivers energy systems as turnkey deliveries. The partners can be either global suppliers of components or solutions, or local integrators or assembly companies.

The company's goal is to continue to be the innovative technology leader in the field and for that the plan is to invest 3-5% of the revenue for product development. During the years 2017-2018 the investments in product development are estimated to be approximately EUR 0.2 million annually, i.e. 2-5% of the revenue.

The geographical focus of operations is today in Northern countries but the company has started active marketing in Europe and intends to expand strongly also outside Europe during the next few years.

The company's target is to increase the annual production significantly from about 40,000m² at present and to increase the revenue to more than EUR 20 million by the end of 2019. The company aims at moving in the supply chain more strong than today to the role of a system supplier. The company's long-term target for sales marginal is 30%, operating profit margin 17-18% and net result 11%.

Significant events after the end of the financial period

In the beginning of January 2018, Savo-Solar signed the final contract with the company Véolia ECHM on a delivery of a solar thermal system in the city of Voreppe, France. The related Letter of Intent was signed in June 2017. The delivery will take place during the first quarter of 2018. Even though the value of the contract is not big, it is estimated to open the door for further co-operation with the Veolia Group and to serve as a good reference to other energy players in France. Market for solar thermal solutions in France is growing fast and the region Rhône-Alpes, where Voreppe is located, is very actively promoting the development of solar thermal heating Europe-wide.

Savo-Solar announced on 2 March 2018 that it had signed the final contract with newHeat SAS on the delivery of the largest solar thermal system in France. The contract value is over EUR 2 million and the delivery is due to take place in summer 2018. The contract is conditional, and the start of the delivery will be after newHeat has received the final approvals and agreements. This is expected to happen by 30 April 2018.

Outlook

Savo-Solar estimates that the company's full-year revenue 2018 will be higher than in 2017, when it was EUR 831 thousand. The company estimates that the full-year operating result (EBIT) will be better than in 2017, when the operating result amounted to EUR -4.9 million.

The market in Denmark is estimated to grow strongly and according to the preliminary information gained by the company the number of installations will remain high also in 2019. Furthermore, in the rest of Europe there are currently plans on several very large solar thermal fields and several smaller fields close to

buildings. Based on this the company is expecting other European market areas to exceed the size of the Danish market eventually already during this year and in 2019 at the latest. Potential markets are France, German-speaking areas of Europe as well as the Baltic countries and South-East Europe. Savo-Solar is searching for, and has already found, cooperation partners in different parts of Europe and the world in order to be able to offer its technology everywhere.

Board of Directors' proposal to the Annual General Meeting on the use of loss and the distribution of dividends

The Annual General Meeting of Savo-Solar Plc will be held on 27 March 2018 at the premises of Sitra in Helsinki. The Board of Directors proposes to the Annual General Meeting that the loss for the financial year (EUR –5,663,528.48) be transferred to the profit/loss account of previous periods and no dividend be distributed.

Mikkeli, 12 March 2018

SAVO-SOLAR PLC
Board of Directors

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INCOME STATEMENT

	<u>1 Jan 2017-31 Dec 2017</u>	<u>1 Jan 2016-31 Dec 2016</u>
NET TURNOVER	830 881,47	5 404 814,14
Other operating income	24 353,02	850,62
<i>Materials and supplies</i>		
<i>Raw materials and consumables</i>		
Purchases during the financial year	841 729,93	3 975 746,85
Increase (–) or decrease (+) in stocks	-505 201,67	-98 763,70
External services	415 098,26	1 417 599,79
Total materials and services	-751 626,52	-5 294 582,94
<i>Personnel expenses</i>		
Wages and salaries	1 550 616,95	1 712 028,60
Social security expenses		
Pension expenses	242 736,94	321 315,30
Other social security expenses	36 955,53	103 662,92
Total personnel expenses	-1 830 309,42	-2 137 006,82
Depreciation, amortisation and impairment	-761 602,89	-617 446,65
Other operating expenses	-2 364 837,67	-1 878 763,24
OPERATING PROFIT/LOSS	-4 853 142,01	-4 522 134,89
<i>Financial income and expenses</i>		
Interest and other financial income	13 774,87	337,50
Interest and other financial expenses	-824 161,34	-1 165 036,84
Total financial income and expenses	-810 386,47	-1 164 699,34
PROFIT/LOSS	-5 663 528,48	-5 686 834,23
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES	-5 663 528,48	-5 686 834,23
PROFIT/LOSS FOR THE FINANCIAL YEAR	<u>-5 663 528,48</u>	<u>-5 686 834,23</u>

ASSETS	31 Dec 2017	31 Dec 2016
<i>NON-CURRENT ASSETS</i>		
<i>Intangible assets</i>		
Development costs	1 081 626,28	1 288 197,47
Intangible rights	159 813,15	180 951,99
Other long-term expenses	<u>386 362,02</u>	<u>519 985,90</u>
Total intangible assets	1 627 801,45	1 989 135,36
<i>Property, plant and equipment</i>		
Machinery and equipment	<u>1 130 310,28</u>	<u>1 348 699,96</u>
Total tangible assets	1 130 310,28	1 348 699,96
<i>Investments</i>		
Shares in group companies	161 887,19	133 887,19
TOTAL NON-CURRENT ASSETS	2 919 998,92	3 471 722,51
<i>CURRENT ASSETS</i>		
<i>Inventories</i>		
Materials and supplies	419 522,24	490 623,16
Work in progress	5 682,97	0,00
Finished products	<u>570619,62</u>	<u>0</u>
Total inventories	995 824,83	490 623,16
<i>Receivables</i>		
<i>Long-term receivables</i>		
Other receivables	<u>221 902,98</u>	<u>140 800,00</u>
Total long-term receivables	221 902,98	140 800,00
<i>Short-term receivables</i>		
Accounts receivables	49 340,52	260 839,52
Other receivables	43 226,51	143 928,34
Accruals and deferred income	<u>35 242,62</u>	<u>3 597,35</u>
Total current receivables	<u>127 809,65</u>	<u>408 365,21</u>
Total receivables	349 712,63	549 165,21
Cash and cash equivalents	<u>2 212 381,69</u>	<u>2 440 460,51</u>
TOTAL CURRENT ASSETS	3 557 919,15	3 480 248,88
TOTAL ASSETS	<u>6 477 918,07</u>	<u>6 951 971,39</u>

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BALANCE SHEET

EQUITY AND LIABILITIES	<u>31 Dec 2017</u>	<u>31 Dec 2016</u>
<i>EQUITY</i>		
Share capital	470 210,00	470 210,00
Unrestricted equity fund	24 919 138,62	19 149 114,31
Retained earnings	-16 071 995,21	-10 385 160,98
Net profit (loss)	<u>-5 663 528,48</u>	<u>-5 686 834,23</u>
TOTAL SHAREHOLDER'S EQUITY	3 653 824,93	3 547 329,10
<i>OBLIGATORY RESERVES</i>		
Other obligatory reserves	<u>171 918,00</u>	<u>135 659,71</u>
Obligatory reserves in total	171 918,00	135 659,71
<i>LIABILITIES</i>		
<i>Long-term liabilities</i>		
Capital loans	0,00	1 431 275,17
Loans from financial institutions	311 863,88	242 650,19
Other liabilities	<u>0,00</u>	<u>157 067,14</u>
Total Long-term liabilities	311 863,88	1 830 992,50
<i>Short-term liabilities</i>		
Capital loans	1 431 275,17	0,00
Loans from financial institutions	223 710,60	218 664,27
Advance payments received	315 581,51	0,00
Trade payables	55 683,60	766 746,59
Other liabilities	36 939,90	59 111,22
Accruals and deferred income	<u>277 120,48</u>	<u>393 468,00</u>
Total short-term liabilities	<u>2 340 311,26</u>	<u>1 437 990,08</u>
TOTAL LIABILITIES	2 652 175,14	3 268 982,58
TOTAL EQUITY AND LIABILITIES	<u><u>6 477 918,07</u></u>	<u><u>6 951 971,39</u></u>

SAVO-SOLAR OYJ

2309682-6

Insinöörinkatu 7

50100 Mikkeli

CASH FLOW STATEMENT

	<u>2017</u>	<u>2016</u>
Cash flow from operating activities		
Profit (loss) before extraordinary items	-5 663 528,48	-5 475 335,59
Adjustments:		
Depreciation according to plan	761 602,89	617 446,65
Other income and expenses from non-cash items	36 258,29	
Financial income and expenses	810 386,47	1 164 699,34
Cash flow before change in working capital	<u>-4 055 280,83</u>	<u>-3 693 189,60</u>
Change in working capital:		
Increase (-) or decrease (+) in current interest-free receivables	199 452,58	22 235,61
Increase (-) or decrease (+) in inventories	-505 201,67	-98 763,70
Increase (+) or decrease (-) in current interest-free payables	-534 000,32	-507 065,13
Cash flow from operations before financial items and taxes	<u>-4 895 030,24</u>	<u>-4 276 782,82</u>
Interest paid and other financial expenses	-824 161,34	-1 156 431,94
Interest received and other financial income	13 774,87	337,50
Cash flow before extraordinary items	<u>-5 705 416,71</u>	<u>-5 432 877,26</u>
Cash flow from operations (A)	<u>-5 705 416,71</u>	<u>-5 432 877,26</u>
Cash flow from investing activities		
Purchase of intangible and tangible assets	-181 879,30	-1 146 275,31
Investments in subsidiaries	-28 000,00	-1 650,00
Cash flow from investment activities (B)	<u>-209 879,30</u>	<u>-1 147 925,31</u>
Cash flows from financing activities		
Share issue	5 770 024,31	6 435 331,92
Proceeds from short-term borrowings	201 239,00	1 195 000,00
Repayment of short-term borrowings	-284 046,12	-1 439 236,02
Repayment of long-term borrowings		-277 598,85
Cash flow from financing activities (C)	<u>5 687 217,19</u>	<u>5 913 497,05</u>
Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	-228 078,82	-667 305,52
Cash and cash equivalents at beginning of period	2 440 460,51	3 107 766,03
Cash and cash equivalents at end of period	<u>2 212 381,69</u>	<u>2 440 460,51</u>
	-228 078,82	-667 305,52

NOTES

Accounting policy

The financial accounts have been prepared following the principle of continuity of operations.

Notes regarding Group

The parent company of the Group is Savo-Solar Oyj, domiciled in Mikkeli, Finland. The company has three subsidiaries, Savo-Solar ApS, domiciled in Denmark, Savosolar GmbH, domiciled in Germany and Savolaser Ltd, domiciled in Mikkeli.

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

Measurement of non-current assets

Non-current assets have been valued to their acquisition costs.

Depreciations according to plan regarding development expenses, intangible rights and other long-term expenses have been calculated as a straight-line depreciation from the original acquisition cost. Expenditure depreciation from the residue has been used for other non-current assets, starting from the period when the non-current asset was taken into use.

Principles for depreciations according to plan are:

	2017	2016
Development expenses	10 y straight-line depreciation	10 y straight-line depreciation
Intangible rights	5/10 y straight-line depreciation	5/10 y straight-line depreciation
Other long-term expenses	5 y straight-line depreciation	5 y straight-line depreciation
Machinery and equipment	25% net expenditure	25% net expenditure

The depreciation period for activated development expenses is longer than 5 years because the product being developed is unique and the development expenses are believed to generate income for 10 years. Grants received for development costs have been recorded as decrease in acquisition cost.

IPO costs recorded as long-term expenses in non-current assets are depreciated in straight-line method in 5 years.

Comparability of the figures from previous financial years

Accounting periods are comparable.

Restructuring program

Liabilities related to the restructuring program have been classified in the balance sheet as current liabilities. Current restructuring liabilities in the financial statement amount to a total of EUR 170.830,64. The repayment scheme of these liabilities will last until the end of the year 2018 and the debt is paid back in instalments every three months.

Foreign currency items

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the transactions. Currency differences have been recognised in profit and loss. Foreign currency receivables and liabilities have been transferred to Euros according to the exchange rate of the Balance Sheet date.

Notes to the profit and loss account

Obligatory reserves

During the financial period a warranty provision of EUR 171.918,00 has been made concerning eventual warranty obligations caused by different projects with partial income.

Notes concerning personnel organs and governing bodies

2017**2016**

Personnel costs

Wages and salaries	1 580 547,95	1 836 087,67
Pension expenses	242 736,94	335 473,08
Other social security expenses	43 525,53	107 507,41
Activated as investments	0,00	-56 270,48
Activated as development costs	-36 501,00	-85 790,86
	<hr/>	<hr/>
	1 830 309,42	2 137 006,82

Wages and salaries Board members and CEO	180 020,85	152 305,94
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Average personnel

Average number of employees during the financial year	37	42
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Other operating expenses

2017**2016**

Administration expenses	627 217,71	455 067,58
Premises expenses	487 475,13	512 731,76
Telephone-, IT- ja office expenses	36 467,42	63 145,35
Travelling expenses	120 600,32	92 650,80
Marketing expenses	616 619,09	578 719,48
Development expenses	73 741,06	104 773,74
Other operating expenses	366 458,65	71 675,13
	<hr/>	<hr/>
	2 328 579,38	1 878 763,84

Remuneration to accountant

2017**2016**

Figures are included in the Administration expenses presented above.

Statutory audit	23 253,35	17 774,90
Assignments	2 801,40	3 247,50
Other services	17 122,48	9 707,50
	<hr/>	<hr/>
	43 177,23	30 729,90

Finance expenses

Expenses of rights issue	382 890,92	700 305,96
Other financing and interest expenses	441 270,42	464 730,88
	<hr/>	<hr/>
	824 161,34	1 165 036,84

Balance sheet notes

Changes in current assets	2017	2016
INTANGIBLE ASSETS		
DEVELOPMENT EXPENSES		
Acquisition cost 1 Jan	2 199 557,95	2 115 099,28
Increase 1 Jan - 31 Dec	7 534,76	84 458,67
Acquisition cost 31 Dec	2 207 092,71	2 199 557,95
Accumulated depreciation	-911 360,47	-698 859,75
Depreciation in year 2017	-214 105,95	-212 500,72
Bookkeeping value 31 Dec	<u>1 081 626,28</u>	<u>1 288 197,47</u>
INTANGIBLE RIGHTS		
Acquisition cost 1 Jan	209 931,90	150 959,88
Increase 1 Jan - 31 Dec	0,00	58 972,02
Acquisition cost 31 Dec	209 931,90	209 931,90
Accumulated depreciation	-28 979,90	-11 194,53
Depreciation in year 2017	-21 138,84	-17 785,37
Bookkeeping value 31 Dec	<u>159 813,15</u>	<u>180 951,99</u>
OTHER LONG-TERM EXPENSES		
Acquisition cost 1 Jan	761 127,58	676 830,47
Acquisition cost 1 Jan	22 807,60	84 297,11
Increase 1 Jan - 31 Dec	783 935,18	761 127,58
Accumulated depreciation	-241 141,67	-105 775,59
Depreciation in year 2017	-156 431,48	-135 366,08
Bookkeeping value 31 Dec	<u>386 362,02</u>	<u>519 985,90</u>
TANGIBLE ASSETS		
MACHINERY AND EQUIPMENT		
Acquisition cost 1 Jan	2 368 160,39	1 450 904,30
Increase 1 Jan - 31 Dec	151 536,94	917 256,09
Acquisition cost 31 Dec	2 519 697,33	2 368 160,39
Accumulated depreciation	-1 019 460,42	-768 957,39
Depreciation in year 2017	-369 926,62	-250 503,03
Bookkeeping value 31 Dec	<u>1 130 310,28</u>	<u>1 348 699,96</u>
INVESTMENTS		
Bookkeeping value 1 Jan	133 887,19	1 650,00
Increase 1 Jan - 31 Dec	28 000,00	130 587,19
Bookkeeping value 31 Dec	<u>161 887,19</u>	<u>132 237,19</u>
Amounts owed to group companies		
	2017	2016
Trade payables to Group companies	55 683,60	43 756,05

Capital and reserves	2017	2016
Restricted equity		
Subscribed capital 1 Jan	470 210,00	470 210,00
Subscribed capital 31 Dec	470 210,00	470 210,00
Restricted equity in total	470 210,00	470 210,00
Other reserves		
Invested unrestricted equity fund 1 Jan	19 149 114,31	12 713 782,39
Share issue 21 Jul 2017 / 12 Oct 2016	4 507 481,84	3 727 783,37
Share issue 12 May 2017 / 28 Sep 2016	17 280,00	2 707 548,55
Share issue 13 Dec 2017	1 245 262,47	0,00
Invested unrestricted equity fund 31 Dec	24 919 138,62	19 149 114,31
Retained profit / loss 1 Jan	-16 071 995,21	-10 385 160,98
Retained profit / loss 31 Dec	-16 071 995,21	-10 385 160,98
Profit / loss for the financial year	-5 663 528,48	-5 686 834,23
Unrestricted equity in total	3 183 614,93	3 077 119,10
Capital and reserves in total 31 Dec	3 653 824,93	3 547 329,10

Distributable funds

Invested unrestricted equity fund	24 919 138,62	19 149 114,31
Retained profit / loss	-16 071 995,21	-10 385 160,98
Loss for financial year	-5 663 528,48	-5 686 834,23
Activated development costs	-1 081 626,28	-1 288 197,47
Distributable funds 31 Dec	2 101 988,65	1 788 921,63

The distributable funds of the company are EUR 2,101,988,65.

Proposal by the Board of Directors on procedures concerning the company's result

Loss for the financial year 2017 is EUR -5.663.528,48.

The Board of Directors proposes to the Annual General Meeting that the loss for the period EUR -5.663.528,48 be transferred to the retained profit / loss account and that no dividend be paid.

Guarantees and contingent liabilities

Loans with business mortgage as collateral and value of collateral	2017	2016
Loans from credit institutions	243 056,38	370 035,30
Bank loan with business mortgage as collateral	1 600 000,00	1 600 000,00
Bank accounts pledged as collaterals	218 710,00	140 000,00
Collaterals given for warranty period and for deliveries	390 759,37	1 233 512,77
Collaterals for rent	3 192,98	800,00
Other given collaterals	2 410,76	2 410,76
Rent liabilities	100 531,51	92 643,00

Structural and financing arrangements

The company has had share issues during the financial period: rights issue and directed share issue in June-July 2017 and subscription of shares against warrants in November-December 2017. Further information on share issues is given in the report of the Board of Directors.

Even though the company did not fulfill all the covenants, the bank has confirmed that it will not use its right to terminate the financial guarantees and collaterals for warranty periods but is instead negotiating with the company on new covenants for 2018.

Capital loans recorded in the company's short-term liabilities will expire on 31 December 2018 and the company has initiated negotiations with the bank on the related terms and conditions.

Subsidiaries

During the financial year 2014 the company established a new subsidiary in Denmark, Savo-Solar Aps.

The company also has a subsidiary Savolaser Oy, which was established in 2013.

During the financial period 2017 the company acquired a new subsidiary in Germany, Savo-Solar GmbH.

Company restructuring

District Court of Pohjois-Savo has approved the restructuring program for the company on 13 February 2014.

In line with the restructuring program, receivables of debtors have been transferred to capital loans, amounting to EUR 1,431,275.17. The capital reduction of ordinary restructuring liabilities amounted to EUR 1,011,025.11.

Shares of the company	2017	2016
Shares, A-series (1 vote/share), pcs	130 749 062	35 469 332

Capital loans	2017	2016
Capital loans 1 Jan	1 431 275,17	1 431 275,17
Capital loans 31 Dec	1 431 275,17	1 431 275,17

The company has a capital loan of EUR 1,190,216.21 from the Bank Suur-Savon Osuuspankki.

The main terms of the loan are:

1) The loan and interest can be paid back in a debtor's liquidation and bankruptcy situation only with the lowest order of preference compared to all other creditors. According to the 12 chapter 2§ in the Finnish Companies Act this loan is anyhow having the same order of preference with the other capital loans the debtor may have issued or with other comparable financing instruments, if nothing else has been agreed in the funding contract.

2) The loan and its interest are allowed to be paid only as much as the amount of the debtor's free own equity including all capital loans at the time of payment exceeds the accumulated losses in the debtor's balance sheet in the latest audited financial report. The loan will expire on 31 December 2018.

3)) If annual interests remain unpaid because of the regulations in the Finnish Companies Act, the unpaid interest will be accumulated to the following periods until it can be paid in full taken into consideration the said limitations in item 2).

The annual interest is 3% and it is calculated from the date when the restructuring program was approved by the court on 13 February 2014. The first due date for the payment of the interest is 15 May 2015. The annual interest on delayed payments, whether the loan itself, interest or other payments, is 18%.

The interest on the capital loan (2017: EUR 35.706,48, 2016: EUR 35,706.49) is reported as interest expenses on the income statement.

The company has a capital loan of EUR 241,058.96 from Finnvera Oyj.

The main terms of the loan are :

- 1) The loan and interest can be paid back in a debtor's liquidation and bankruptcy situation only with the lowest order of preference compared to all other creditors, but anyhow with higher order of preference than the distribution quota to the shareholders.
- 2) The loan and its interest are allowed to be paid only as much as the amount of the debtor's free own equity including all capital loans at the time of payment exceed the accumulated losses in the debtor's balance sheet in the latest audited financial report. The loan will expire on 31 December 2018.
- 3) There will be no guarantee given for the payment of the loan or interest. If the interest cannot be paid, the payment will be transferred to a time when an audited financial report shows that it can be paid.

The annual interest is 3% and it is calculated from the date when the restructuring program was approved by the court on 13 February 2014. The interest is paid on the due date ex post.

The annual interest on delayed payments, whether the loan itself, interest or other payments, is 18%.

The interest on the capital loan (2017: EUR 7.231,77, 2016: EUR 7,251.77) is reported as interest expenses on the income statement.

General risks and factors of uncertainty concerning operations

The most significant risks of Savo-Solar are the sufficiency of working capital and the ability to gain new projects and to increase the efficiency of operations, thereby turning the operations profitable.

The Board is constantly addressing the financing of the operations as a major part of the company's growth strategy.. As per the date of these financial statements, Savo-Solar cannot anticipate that the cash position will be sufficient for the next 12 months without additional financing with anticipated burn rate and revenue streams. The company has previously succeeded in collecting the needed financing and the Board of Directors of Savo-Solar is confident that the eventually needed additional financing can be obtained also this time. However, it cannot be guaranteed that the company can gain supplementary finance just on time and to terms and conditions, which are favourable for the present shareholders. In case the company does not succeed in collecting additional financing in accordance with its needs, the company may be forced to postpone, cut back or terminate operations.

Holdings in other companies

Name and domicile	Holding	Equity	Profit/loss for the year
Savosolar Aps, Denmark	100 %	55 321,90	18,410.63
Savosolar GmbH, Germany	100 %	29,122.30	4,122.30
Savolaser Oy, Mikkeli Finland	55 %	779,24	-1,578,73

SAVO-SOLAR OYJ

2309682-6

Insinöörinkatu 7

50100 Mikkeli

Signatures to the financial statements

In Mikkeli, 12 March 2017

Aminoff Feodor
Chairman of the Board

Varjotie Jari
Managing director

Gey Christof
Member of the Board

Knutsson Håkan
Member of the Board

Tuhkanen Sami
Member of the Board

Auditor's note

An auditor's report based on the audit performed has been issued today.

In Helsinki

PricewaterhouseCoopers Oy
Audit corporation

Petter Lindeman
KHT-auditor



Auditor's Report (Translation of the Finnish Original)

To the Annual General Meeting of Savo-Solar Oyj

Report on the Audit of the Financial Statements

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

What we have audited

We have audited the financial statements of Savo-Solar Oyj (business identity code 2309682-6) for the year ended 31. December 2017. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to the notes in the financial statements, section "General risks and factors of uncertainty concerning operations", according to which, based on the current level of costs and revenues the company does not expect the working capital to be sufficient for 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.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 12 March 2018

PricewaterhouseCoopers Oy
Authorised Public Accountants

Petter Lindeman
Authorised Public Accountant (KHT)