

Savo-Solar Plc
Company Announcement 29 August 2016 at 1:45 p.m. (CET)

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Savo-Solar arranges a rights issue of approximately EUR 3.9 million and publishes a prospectus

Following the announcement of plans to launch a rights issue on 21 June 2016, the Board of Directors of Savo-Solar Plc (“Savo-Solar” or the “Company”) has today decided to arrange a rights issue (the “Offering”) of approximately EUR 3.9 million.

- The Offering will consist of a maximum of 11,930,156 new shares in the Company (the “Offer Shares”), representing approximately 42.86 per cent of the total number of the Company’s shares outstanding after the Offering.
- Savo-Solar gives all its shareholders registered in Savo-Solar’s shareholder register maintained by Euroclear Finland Ltd (“Euroclear Finland”) and Euroclear Sweden AB (“Euroclear Sweden”) three (3) book-entry subscription rights (the “Subscription Rights”) per each share held on the Offering record date. Each four (4) Subscription Rights entitle the holder to subscribe for one (1) Offer Share.
- The record date for the Offering is 31 August 2016 with the last day of trading including the Subscription Rights on 29 August 2016 and the first day of trading excluding the Subscription Rights on 30 August 2016.
- The subscription period for the Offer Shares (the “Subscription Period”) commences on 5 September 2016 at 9:30 Finnish time (8:30 Swedish time), and ends on 21 September 2016 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 19 September 2016 at 16:30 Finnish time (15:30 Swedish time) in Sweden.
- The subscription price is EUR 0.33 or SEK 3.14 per Offer Share.
- Approximately EUR 3.9 million before the transaction costs will be raised in the Offering if the Offering is fully subscribed. 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.
- The Company has received subscription commitments from existing shareholders and underwriting commitments from external investors worth a minimum of approximately EUR 2.9 million and a maximum of approximately EUR 3.0 million. The parties who have made subscription undertakings and underwriting commitments have thereby committed to subscribe for a minimum of 73.3 and maximum of 77.5 per cent of the Offering. The subscription undertaking of The Finnish Innovation Fund Sitra is a maximum of the pro rata share of the Offer Shares subscribed 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 case, the underwriting fee is twelve (12) per cent of the given underwriting guarantee, meaning a maximum of approximately EUR 283.1 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 23 September 2016, while resolving on approval of the subscriptions received in the Offering.

- G&W Fondkommission AB has received a mandate to acquire professional investors for the Company during the Subscription Period of the Offering, so that the investments received through them is a maximum of EUR 2.2 million. Investors who are procured by G&W Fondkommission AB will primarily partake in the Offering, and additionally a separate directed issue to them can be arranged with the same Subscription Price, if the Offering is fully subscribed. Investors procured by G&W Fondkommission AB will primarily participate in the Offering in a way where the Subscription Rights of Cleantech Invest Oyj, Clean Future Fund Ky and Suur-Savon Osuuspankki are received free of charge. Cleantech Invest Oyj, Clean Future Fund Ky and Suur-Savon Osuuspankki have notified the Company that they are not participating in the Offering, and they have committed themselves to dispose of their Subscription Rights without consideration to an entity addressed by the Company's Board of Directors. The Subscription Rights disposed by Cleantech Invest Oyj, Clean Future Fund Ky and Suur-Savon Osuuspankki to the future investors participating in the Offering through G&W Fondkommission AB amount to 7,029,825, and it is possible to subscribe for a maximum of 1,757,456 Offer Shares with these. Therefore, the size of directed issue to investors procured by G&W Fondkommission AB would be a maximum of 4,909,210 shares, meaning approximately EUR 1.62 million, if the directed issue is fully subscribed. The amount of shares received by investors procured by G&W Fondkommission AB in the possible directed issue would amount to approximately 15.0 per cent of the total amount of shares in the Company after the Offering and the possible directed share issue, assuming that the Offering and the possible directed issue to investors procured by G&W Fondkommission AB are both fully subscribed. The Board of Directors shall decide on a possible directed issue approximately on 23 September 2016, while resolving on approval of the subscriptions received in the Offering.
- According to the terms and conditions of Savo-Solar's stock options 1-2015 and 2-2015, 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 23 September 2016 on changing the numbers of shares to be subscribed for on the basis of stock options 2015 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.

Reasons for the Offering and use of proceeds

Savo-Solar manufactures internationally award-winning solar thermal absorbers and collectors. The collectors with 2m² MPE absorbers are, according to the information available to the Company's management, the most efficient in the world. Savo-Solar focuses primarily on large solar thermal collectors and industrial-size heating systems. The Company started product deliveries in June 2011 and has since delivered nearly 35,000 square metres of absorbers and collectors to several resellers, agents or end customers in 17 countries on four continents.

The Company's rapid growth continued in 2015 when its revenue doubled in comparison to the previous year. The Company expects the strong growth to continue in 2016 as well and estimates its revenue to grow more than twofold in comparison to 2015, mainly due to large-scale deliveries to district heating companies in Denmark and other European countries. The Company's backlog of orders has grown considerably over the past few months and was approximately EUR 2.1 million on 30 June 2016. The Company's revenue for the six-month period that ended on 30 June 2016 was approximately EUR 3.1 million. Continuous strong growth requires investments in production capacity. Material, service and personnel costs as well as other operating expenses have increased due to production volumes that have grown faster than anticipated, resulting in a greater need for working capital. The Company aims to raise approximately EUR 3.9 million with the Offering. Should the Offering be subscribed in full, the Company expects to receive net proceeds of approximately EUR 3.3 million from the Offering, after deducting the estimated Offering expenses payable by the Company, totalling approximately EUR 0.6 million.

The Company will use the net proceeds from the Offering i) to secure its needs for working capital so that the Company can deliver signed and upcoming orders in 2016–2017 and expand its operations to new markets (approximately EUR 1.7 million), ii) on investments increasing the capacity of the production line, which will enable the delivery of upcoming orders (approximately EUR 0.7 million), and iii) for the repayment of the capital and interest of the bridge loan financing (approximately EUR 0.97 million).

The Offering

The Company is offering up to of 11,930,156 new shares in the Company for subscription primarily in accordance with the shareholders' preferential subscription right. The key terms of the Offering were published by the Company on 21 June 2016 in the company announcement regarding its plans to launch the Offering.

Subscription locations of the Offering

The following act as subscription locations:

- a) S-Pankki Oy, premises at Fleminginkatu 34, 00510 Helsinki, Finland (asiakaspalvelu@fim.com, tel. +358 9 6134 6250) and
- b) Mangold Fondkommission AB's website at www.mangold.se and Mangold Fondkommission AB's premises at Engelbrektsplan 2, 114 34 Stockholm, Sweden (emissioner@mangold.se, tel. +46 8-503 01 580).

Subscriptions are also received by custodians and account operators who have an agreement with S-Pankki Oy or Mangold Fondkommission AB regarding the reception of subscriptions.

Prospectus

Savo-Solar has prepared a prospectus relating to the Offering approved by the Finnish Financial Supervisory Authority on 29 August 2016. The official Finnish language version of the prospectus as well as its unofficial English language translation, including a Swedish summary, is available at Savo-Solar's website (<http://www.savosolar.fi/en/investor-relations/rights-issue-2016>), Mangold Fondkommission AB's website (www.mangold.se/emission/Savosolar2016) and FIM Sijoituspalvelut Oy's website (www.fim.com) approximately as per 29 August 2016.

Planned timetable for the Offering

30 August 2016	First day of trading excluding the Subscription Rights
31 August 2016	Record date for the Offering
5 September – 15 September 2016	Trading period for the Subscription Rights
5 September 2016	Trading starts in Intermediary Shares (BTA)
5 September – 19 September 2016	The Subscription Period for the Offering in Sweden
5 September – 21 September 2016	The Subscription Period for the Offering in Finland
23 September 2016	Announcement of outcome of the Offering
Week 39, 2016	Last day of trading in the Temporary Shares on First North Finland
Week 40, 2016	Last day of trading in the Temporary Shares on First North Sweden

Advisers

Mangold Fondkommission AB and G&W Fondkommission are acting as financial advisers of the Company in the Offering. Smartius Oy is acting as the legal adviser of the Company on aspects of the Offering related to the Finnish law.

For more information:

Savo-Solar Plc

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Savo-Solar Plc discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication by the aforementioned person on 29 August 2016 at 1:45 p.m. CET.

Savo-Solar in brief

Savo-Solar with its highly efficient collectors and large-scale solar thermal systems has taken solar thermal technology to the next level. The company's collectors are equipped with the patented nano-coated direct flow absorbers, and with this leading technology, Savo-Solar helps its customers to produce competitive clean energy. Savo-Solar's vision is to be the first-choice supplier to high performance solar installations on a global scale. Focus is on large-scale applications like district heating, industrial process heating and real estate systems - market segments with a big potential for rapid growth. The company primarily delivers complete systems from design to installation, using the best local partners. Savo-Solar is known as the most innovative company in the business, and aims to stay as such. The company has sold and delivered its products to 17 countries on four continents. Savo-Solar's shares are listed on Nasdaq First North Sweden with the ticker SAVOS and on Nasdaq First North Finland with the ticker SAVOH. www.savosolar.fi.

The company's Certified Adviser is Mangold Fondkommission AB, phone: +46 8 5030 1550.

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