



Savosolar Plc

Company Announcement: 19 December at 8:00 (CET)

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN PART, DIRECTLY OR INDIRECTLY, IN THE USA, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND, SINGAPORE OR SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION OR DISTRIBUTION IS UNLAWFUL.

Savosolar announces plan to arrange a rights issue of approximately 5.3 MEUR

The Board of Directors of Savosolar Plc ("Savosolar" or the "Company") has decided to arrange a partially underwritten rights issue totalling approximately EUR 5.3 million (the "Offering") with additional warrants enabling the Company to raise up to a maximum of approximately EUR 3.5 million (the "Warrants"), under the condition that the Extraordinary General Meeting to be summoned today gives authorisation to the Board of Directors to resolve on the Offering and the issuance of Warrants. The Offering is expected to consist of a maximum of 1,057,615,242 new shares (the "Offer Shares"). In addition, maximum of 352,538,414 new shares could be subscribed based on the Warrants.

Summary

- Approximately EUR 5.3 million before transaction costs is expected to be raised in the Offering if fully subscribed. The contribution from full subscription and utilisation of all issued Warrants will amount to at least EUR 1.7 million and at most EUR 3.5 million.
- The Offering is secured to 80 per cent by subscription commitments and external underwriters. All members of the Company's Board of Directors and the Company's CEO have entered into subscription commitments in the Offering.
- Savosolar is planning to give all its shareholders registered in Savosolar's shareholder register maintained by Euroclear Finland Ltd ("Euroclear Finland") or Euroclear Sweden AB ("Euroclear Sweden") one (1) book-entry subscription right (the "Subscription Right") for every one (1) share held on the Offering record date. One (1) Subscription Right entitles the holder to subscribe for three (3) Offer Shares. In addition, Savosolar intend to offer each subscriber of the Offer Shares one (1) Warrant free of charge for every three (3) Offer Shares subscribed and paid for in the Offering.
- The record date for the Offering is planned to be 19 February 2019 with the last day of trading including the Subscription Rights on 15 February 2019 and the first day of trading excluding the Subscription Rights on 18 February 2019.
- The subscription price is expected to be 0.005 EUR per Offer Share. The subscription period for the Offer Shares (the "Subscription Period") is expected to commence on 22 February 2019 at 09:30 Finnish time (08:30 Swedish time), and it is expected to end on 12 March 2019 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 8 March 2019 in Sweden at 16:30 Finnish time (15:30 Swedish time).
- The subscription price for the shares that can be subscribed based on the Warrants will be defined based on the 10 days volume weighted average price of the Company's shares on First North Finland between 2 March and 13 March 2020 with a 30 per cent discount. However, the subscription price shall not be less than 0.005 EUR per share nor higher than 0.010 EUR per share.

- Each Warrant is expected to give the right to subscribe for one (1) new share during the period 16 March 2020 - 27 March 2020.
- The Company has today entered into an agreement regarding a bridge financing of approximately EUR 0.8 million. The bridge financing shall be repaid in full after the Offering with interest amounting to 2.5 per cent per each beginning 30-day period.
- Net proceeds from the Offering will secure the Company's working capital needs and provide financial capacity to ensure delivery on orders and projects in 2019.

Reasons for the Offering and use of proceeds

After an increased market activity in 2017, the positive development has continued in 2018. Solar heating will generate over 1 TWh (= 1 billion kilowatt hours) globally for the first time this year and according to market estimates, the solar district heating capacity is expected to increase to 240 TWh by 2050. Furthermore, international institutions and governments continue to incentivise corporate use of environmental-friendly energy solutions through support schemes, taxation and subsidies resulting in overall higher interest from a varied range of customers.

In turn, Savosolar has experienced strong sales growth with revenues totaling EUR 1.33 million in H1 2018, resulting in a 117 per cent increase compared to the corresponding period in 2017. Moreover, the Company entered into order agreements totaling EUR 6.4 million during 2018. Whilst Savosolar is well-positioned in terms of production capacity, new orders and overall higher demand, the Company requires additional working capital and financial capacity to execute on projects to be delivered in 2019. Considering the Company's position with large orders to be completed in 2019 the Company plans to carry out a capital raise.

Savosolar intends to use net proceeds from the Offering for the following:

- Working capital required to deliver signed and upcoming orders for 2019 (including the repayment of capital and interest of the bridge loan financing of approximately EUR 0.8 million.)
- Continue the path of operational improvements and to match profitability targets and build capability to meet a growing demand.

Terms of the Offering

The Board of Directors of the Company is planning to offer up to 1,057,615,242 new shares and additional warrants amounting to 352,538,414 for subscription in accordance with the shareholders' preferential subscription rights, under the condition that the Extraordinary General Meeting to be summoned gives authority to the Board of Directors to resolve on the Offering and the issuance of Warrants. The main terms for the Offering are presented below:

- All shareholders registered in Savosolar's shareholder register maintained by Euroclear Finland or Euroclear Sweden are planned to be given one (1) book-entry Subscription Right for every one (1) share held in the Company on the Offering record date, which is planned to be 19 February 2019. Each one (1) Subscription Right will entitle their holder to subscribe for three (3) Offer Shares.
- The Subscription Rights are planned to be registered in the shareholders' book-entry accounts in the book-entry system maintained by Euroclear Finland and Euroclear Sweden approximately on 22 February 2019.
- The Subscription Rights are planned to be freely assigned and expected to be traded on First North Finland and First North Sweden between 22 February 2019 and 6 March 2019.

- After the subscription, temporary shares corresponding to the Offer Shares subscribed for based on the Subscription Rights (the “Temporary Shares”) will be entered into the subscriber’s book-entry account.
- The Offer Shares will be entered into the subscriber’s book-entry account once they have been entered into the Trade Register, approximately during week 13, 2019.
- Trading in the Temporary Shares is planned commence on First North Finland and on First North Sweden as their own special share class approximately on 22 February 2019.
- The Temporary Shares will be combined with the Company’s current shares after the Offer Shares have been registered in to the Trade Register.

Subscription Commitments and Underwriters

The size of the contemplated Offering will be approximately EUR 5.3 million. The Offering has been secured to 80 percent through subscription commitments and underwriters. All members of the Company’s Board of Directors and the Company’s CEO have entered into subscription commitments in the Offering. External underwriters are entitled to receive their underwriting compensation either in cash amounting to ten (10) per cent of underwritten amount, or the equivalence of twelve (12) per cent of the underwritten amount in new shares by setting off the underwriting compensation against the subscription price in a directed issue to be arranged if needed after the Offering.

Indicative Timetable

15 February 2019	Resolution regarding the Offering by the Board of Directors
15 February 2019	The prospectus is published
15 February 2019	Last day of trading including the Subscription Rights
18 February 2019	First day of trading excluding the Subscription Rights
19 February 2019	Record date for the Offering
22 February – 6 March 2019	Trading period of Subscription Rights
22 February 2019	Trading starts in Intermediary Shares (BTA)
22 February – 8 March 2019	The Subscription Period for the Offering in Sweden
22 February – 12 March 2019	The Subscription Period for the Offering in Finland
14 March 2019	Announcement of the outcome of the Offering
25 March 2019	Last day of trading in the Temporary Shares on First North Finland
25 March 2019	Last day of trading in the Temporary Shares on First North Sweden

Advisers

Mangold Fondkommission AB is acting as financial advisor to the Company in the Offering. Smartius Oy is acting as the legal adviser to the Company on aspects of the Offering related to the Finnish law.

For more information:

Savosolar Plc
 Managing Director, Jari Varjotie
 Phone: +358 400 419 734
 e-mail: jari.varjotie@savosolar.com



This company announcement contains information that Savosolar Plc is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication by aforementioned contact person on 19 December 2018 at 8.00 a.m. (CET).

Savosolar in brief

Savosolar 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, Savosolar helps its customers to produce competitive clean energy. Savosolar'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. Savosolar 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. Savosolar's shares are listed on Nasdaq First North Sweden with the ticker SAVOS and on Nasdaq First North Finland with the ticker SAVOH. For more information: www.savosolar.com.

The company's Certified Adviser is Augment Partners AB, phone: +46 8-505 65 172.

IMPORTANT NOTICE

This release or the information contained therein shall not be distributed, directly or indirectly, in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or the United States. The information contained in this release do not constitute an offer of, or invitation to purchase any securities in any area, where offering, procurement of or selling such securities would be unlawful prior to registration or exemption from registration or any other approval required by the securities regulation in such area. This release is not an offer for sale of securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended, and the rules and regulations issued by virtue of it. Savosolar has not registered, and does not intend to register, any offering of securities in the United States. No actions have been taken to register the shares or the offering anywhere else than in Finland and Sweden.

The information contained herein shall not constitute an offer of, or invitation to purchase any securities in any jurisdiction. This release is not a prospectus and does not constitute any offer, invitation or investment advice to subscribe for or purchase securities. Investors should not subscribe for or purchase any securities or make any investment decisions referred to herein except on the basis of information contained in a prospectus issued by Savosolar.