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Press release 8 September 2020

## Azelio has completed a directed share issue of SEK 270 million

The Board of Directors of Azelio AB (publ) ("Azelio" or the "Company") has, based on the authorization given by the annual general meeting on 14 May 2020, resolved on a directed issue of 12,300,000 new shares, corresponding to approximately 13 percent of the total number of outstanding shares in the Company, at a subscription price of SEK 22 per share (the "Share Issue"). Through the Share Issue, the Company raises SEK 270,600,000 before transaction costs. The subscription price in the Share Issue has been determined through a so called accelerated bookbuilding procedure and corresponds to a discount of approximately 9 percent compared to the closing price as of 8 September 2020 on Nasdaq First North Growth Market. Several new Swedish and international institutional investors, as well as certain existing shareholders subscribed in the Share Issue.

The purpose of the Share Issue is to finance the Company's ongoing operations and the continued industrialization of Azelio's Thermal Energy Storage (TES) and Stirling-based electricity production technology, with the objective of reaching industrial volume production in 2021. The proceeds from the Share Issue, together with existing cash, are expected to be sufficient to fund the Company's business plan into the third quarter of 2021. The Board of Directors of Azelio has resolved to deviate from the shareholders' pre-emption rights to ensure the most time and cost-effective financing of its continued industrialization.

"The share issue provides Azelio with financing and ownership that paves the way for both the company and the green transition we want to participate in. We are now aiming to deliver our first verification report and commercial projects in order to take the company to the next level," says Azelio's CEO Jonas Eklind.

The Share Issue entails a dilution of approximately 12 percent of the share capital in relation to the number of shares in Azelio after the Share Issue, through an increase in the number of outstanding shares by 12,300,000, from 91,752,900 to 104,052,900, and a share capital increase by SEK 6,150,000, from SEK 45,876,451 to SEK 52,026,452.

Members of the board and the management team have entered into lock-up agreements to, subject to certain exceptions, not sell shares in Azelio for a period of 90 calendar days after the settlement date. Furthermore, the Company has agreed, with certain exceptions, not to carry out any additional future share issuances for a period of 180 calendar days after the settlement date.

### Advisers

Carnegie Investment Bank AB (publ), Pareto Securities AB and Bryan, Garnier & Co act as Joint Bookrunners, and Advokatfirman Vinge is legal adviser, in connection with the Share Issue.

### For further information, please contact

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*This is information that Azelio AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 23.59 CEST on 8 September 2020.*



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**About Azelio**

Azelio is a public Swedish company specialising in thermal energy storage with dispatchable and low-cost Stirling-based electricity and heat production. The technology is revolutionary for its unique capability to produce electricity and heat from the storage at 13 hours on nominal power. The system stores energy in recycled aluminium and has a total efficiency of up to 90 % from energy to heat and electricity. It is scalable and cost-efficient from 0.1 MW up to 100 MW and the storage suffers no reduced capacity over time. Azelio has over 150 employees, is headquartered in Gothenburg with production facilities in Uddevalla, development centres in Gothenburg and Åmål, as well as a presence in Stockholm, Beijing, Madrid, and Morocco. Since its establishment in 2008, the Company has invested over SEK 1.5 billion in technical development.

Azelio is listed on Nasdaq First North Growth Market. FNCA Sweden AB is the Company's certified adviser: +46(0)8-528 00 399, info@fnca.se. More about Azelio: [www.azelio.com](http://www.azelio.com)



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Matters discussed in this announcement may constitute forward-looking statements. Forward looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "deems", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. This applies in particular to statements relating to future results, financial position, cash flow, plans and expectations of the Company's operations and management, future growth and profitability, general economic and regulatory environment and other factors affecting the Company, many of which are based on further assumptions, such as no changes in existing political, legal, fiscal, market or economic conditions or applicable law (including but not limited to accounting principles, accounting methods and tax policies), which may or may not be of importance to the Company results or its ability to operate. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward looking statements.

Potential investors should therefore not attach undue confidence to the forward-looking information herein, and potential investors are urged to read the parts of the prospectus that include a more detailed description of factors that may affect the Company's operations and the market in which the Company operates.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date and could be subject to change without notice.