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Press release 8 September 2020

Azelio intends to carry out a directed share issue of approximately SEK 250 million

Azelio AB (publ) (“Azelio” or the “Company”) hereby announces its intention to, based on the authorization given by the annual general meeting on 14 May 2020, carry out an issue of shares, corresponding to approximately SEK 250 million, directed to Swedish and international institutional investors (the “Share Issue”). The Company has engaged Carnegie Investment Bank AB (publ), Pareto Securities AB and Bryan, Garnier & Co as Joint Bookrunners in connection with the Share Issue. The subscription price and the total number of new shares in the Share Issue will be determined through a so called accelerated bookbuilding procedure (the “Bookbuilding”). The Bookbuilding will commence immediately following the publication of this press release. Pricing and allocation of the new shares are expected to take place before the commencement of trading on Nasdaq First North Growth Market at 09:00 CEST on 9 September 2020. The timing of the closing of the Bookbuilding, pricing and allocation are at the discretion of the Company after consultation with the Joint Bookrunners. The Company will announce the outcome of the Share Issue in a subsequent press release immediately after the closing of the Bookbuilding.

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 is, among other things, subject to resolution by the Board of Directors of Azelio, based on the authorization given by the annual general meeting on 14 May 2020 to issue new shares following close of the Bookbuilding.

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 18.00 CEST on 8 September 2020.

About Azelio



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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



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The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

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Forward-looking statements

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.