



Invitation to Extraordinary General Meeting Azelio AB (publ) reg. no. 556714-7607

Time and venue

Monday November 12, 2018 at 10.00 CET, at Advokatfirman Vinge, Smålandsgatan 20, Stockholm. The meeting will be held in Swedish.

Right to Participate at the Shareholders' Meeting

Shareholders who wish to attend the shareholders' meeting must, to have the right to participate at the meeting, (i) be registered in the share register kept by Euroclear Sweden AB on Tuesday November 6, 2018, and (ii) notify his or her intention to attend the shareholders' meeting by email to info@azelio.com or in writing to: Azelio AB (publ), Forsbrogatan 4, SE-662 34 Åmål no later than on Tuesday November 6, 2018 whereby any accompanying assistants shall be disclosed. Your registration shall include the name, address, personal-/company registration number and phone number, number of shares which are represented and also the name of any accompanying assistants.

To be entitled to participate in the general meeting, shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names in the share register maintained by Euroclear Sweden AB in order to be entitled to attend the general meeting. Such registration must be duly effected in the share register on Tuesday November 6, 2018, and the shareholders must therefore advise their nominees well in advance of such date.

Shareholders represented by representatives shall issue a power of attorney. If the power of attorney is issued for a legal entity, the power of attorney must be accompanied by satisfactory proof of the right to represent the legal entity. Power of attorney in original shall well in advance of the meeting be sent to Azelio AB (publ) together with proof of right to represent the legal entity. The power of attorney is valid for a maximum of one year after the issuance or for the duration indicated in the power of attorney, whichever is longer, but not for more than five years after issuance. The registration certificate, where applicable, may not be older than one year.

Proposed Agenda

1. Opening of the meeting
2. Election of chairman for the meeting and keeper of the minutes
3. Establishment and approval of voting register
4. Election of one or two persons to adjust the minutes
5. Approval of agenda
6. Determination of whether the meeting has been duly convened
7. Resolution on a reversed share split and the adoption of new articles of association
8. Resolution on the issuance of series F warrants
9. Resolution on the issuance of series G warrants
10. Closing of the meeting



Item 7 Resolution on a reversed share split and the adoption of new articles of association

The board of directors proposes that the meeting resolve on a reversed share split to the ratio 10: 1, whereby ten (10) existing shares are aggregated into one (1) share. The meeting's resolution on the reversed share split is conditional upon the proposed amendment to the articles of association, below, being registered with the Swedish Companies Registration Office. The purpose of the proposed reversed share split is to achieve an appropriate number of shares and share quota in the company.

Furthermore, the resolution on the reversed share split shall be conditional upon Blue Marlin AB, the company's largest shareholder, accepting to transfer shares, without consideration, to shareholders whose number of shares is not evenly divisible with 10. Blue Marlin AB has also undertaken to round down its remaining shareholding in the company to the nearest number evenly divisible by 10.

It is also proposed that the board of directors is authorized to resolve upon the record date for the reversed share split, which shall occur after the resolution on the reversed share split has been registered with the Swedish Companies Registration Office.

In order to execute the reversed share split, the board of directors proposes that the meeting resolves to amend § 5 in the articles of association, whereby the minimum and the maximum number of shares in the company shall be 17,000,000 respectively 68,000,000.

The number of shares in the Company after the reversed share split, unless exchange / subscription occurs, will amount to 28,713,034.

Furthermore, the board of directors proposes that the meeting resolves to amend the articles of association so that the provision "*With no more than three (3) alternate members*" is deleted in § 6.

Item 8 Resolution on the issuance of series F warrants

The board of directors proposes that the meeting resolves on a warrant program in accordance with the below proposal.

In October 2017, a new share-related incentive program for Azelio employees was introduced, whereby employees' remuneration was linked to the company's future earnings and value development. The long-term value growth is thereby encouraged and shareholders and concerned employees receive the same goal. The incentive program is also expected to facilitate the company's recruitment and retention of key employees. Since the incentive program was introduced, two management team members have been added and the board of directors believes that it would be beneficial for the company and its shareholders if these management team members were also included in the incentive program. In view of the terms, size of the allocation and other circumstances, the board of directors assesses that the proposed warrant program, as set out in the board of directors' proposed terms, below, is reasonable and beneficial to the Company and its shareholders.

In order to subscribe the subscribers will need to enter into an agreement with Azelio containing the condition that the warrants can be exercised only after two years as well as a right of repurchase for Azelio in the event that the employment ceases or the warrant holder wishes to transfer the warrants to a third party.

The board of directors proposes that the meeting resolves on a directed issue of no more than 400,000 series F warrants, which at full utilization means an increase in the share



capital by no more than SEK 200,000 (corresponding to 400,000 new shares). The number of warrants is based on the number of shares in the company after the resolution pursuant to item 7 above regarding the reversed share split having been registered with the Swedish Companies Registration Office. In addition, the following conditions apply to the resolution.

The right to subscribe for the warrants shall be assigned to the two newly appointed members of the executive management with no more than 200,000 warrants each. The reasons for the deviation from shareholders' preferential rights are an agreement between the shareholders.

The transfer of the warrants shall be made at a price corresponding to the market value of the warrants, calculated according to the Black & Scholes valuation formulae.

Subscription of the warrants shall be made within four weeks from the date of the resolution to issue warrants. Payment for the subscribed warrants shall be made within four weeks of subscription.

The Board of Directors is entitled to extend the subscription period and time of payment.

Subscription of shares based on the warrants can be made for a consideration of SEK 40 per share during the period from the date of registration with the Swedish Companies Registration Office of the resolution to issue warrants until the date falling four years after the date of registration of the resolution to issue warrants at the Swedish Companies Registration Office.

Shares issued after subscription shall entitle the holder to dividends for the first time on the first dividend record date which occurs after the subscription has been completed.

The board of directors, or whomever the board of directors elects, is authorized to make any minor adjustments in the resolution which may prove necessary in connection with the registration thereof.

Item 9 Resolution on the issuance of series G warrants

The board of directors proposes that the meeting resolves on a warrant program in accordance with the below proposal.

In May 2016 a new warrant program was introduced in order to offer warrants to the shareholders who participated in the company's funding by subscribing to a new issue of shares resolved by the board of directors on May 16, 2016. The board of directors' resolution to issue warrants was not registered with the Swedish Companies Registration Office within six months and the decision has therefore expired. In order to fulfill its commitment to the subscribers of the warrants and in view of the terms, size of the allocation and other circumstances, the board of directors assesses that the proposed warrant program, as set out in the board of directors' proposed terms, below, is reasonable for the company and its shareholders.

The board of directors proposes that the meeting resolves on a directed issue of no more than 341,500 series G warrants, which at full utilization means an increase in the share capital by no more than SEK 34,150 (corresponding to 68,300 new shares). The number of warrants is based on the number of shares in the company after the resolution pursuant to item 7 above regarding the reversed share split having been registered with the Swedish Companies Registration Office. In addition, the following conditions apply to the resolution.



The right to subscribe for the warrants shall be assigned to the holders of the non-registered warrants in the warrant program resolved by the board of directors on 16 May 2016 with the same number of warrants per person obtained under the above mentioned program. The reasons for the deviation from shareholders' preferential rights are an agreement between the shareholders.

The warrants are issued without consideration.

Subscription of the warrants shall be made within four weeks from the date of the resolution to issue warrants.

The board of directors is entitled to extend the subscription period and time of payment.

Subscription of shares based on the warrants can be made for a consideration of SEK 180 per share during the period from the date of registration with the Swedish Companies Registration Office of the resolution to issue warrants until 26 June 2019.

Shares issued after subscription shall entitle the holder to dividends for the first time on the first dividend record date which occurs after the subscription has been completed.

The board of directors, or whomever the board of directors elects, is authorized to make any minor adjustments in the resolution which may prove necessary in connection with the registration thereof.

Number of shares and votes in the company

At the time for the publication of this notice there are 287,130,340 outstanding shares and votes in the company. The number of shares and votes could change ahead of the general meeting.

Majority Requirement

Resolution in accordance with item 7 above requires approval of at least two-thirds of the shares represented and votes cast at the general meeting. Resolution in accordance with item 8 and 9 above requires approval of at least nine-tenths of the shares represented and votes cast at the general meeting.

Processing of personal data

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/privacy-notice-boss.pdf>.

The board of directors complete proposals under items 7, 8 and 9, as well as other documentation as stated above will no later than 29 October 2018 be available at the company's office, Forsbrogatan 4, SE-662 34 Åmål and at the company's webpage, www.azelio.com, and be sent to shareholders that so request and inform the company of their postal address.

Gothenburg, October 2018
The board of directors of Azelio AB (publ)