



Supplement to the offering circular regarding invitation to subscribe for Units in Azelio AB (publ)

The distribution of this Supplement and the subscription for Units are subject to restrictions in certain jurisdictions (see "*Important information to investors*" in the Offering Circular).

JOINT GLOBAL COORDINATORS AND BOOKRUNNERS



Supplement to Offering Circular

This document (the “**Supplement**”) has been prepared by Azelio AB (publ) (Reg. No. 556714-7607) (“**Azelio**” or the “**Company**”) and constitutes a supplement to the offering circular prepared in respect of the invitation to subscribe for Units in Azelio, which was published by the Company on 28 September 2022 (the “**Offering Circular**”). A Swedish language version of the Offering Circular has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) on 28 September 2022 (SFSA Reg. No. 22-22440) (the “**Swedish Prospectus**”) and a supplement to the Swedish Prospectus has been approved by the SFSA on 29 September 2022 (SFSA Reg. No. 22-25800). The Supplement forms part of, and must be read together with, the Offering Circular. The definitions in the Offering Circular apply to the Supplement as well.

The Supplement has been prepared by reason of Azelio on 10 October 2022, through a press release, announcing an update to the Company’s project with Engazaat Development S.A.E. in Egypt in which it was stated that important steps now have been taken towards the fulfilment of the conditions tied to the project. The press release is available on the Company’s website, www.azelio.com¹⁾.

The above means that information in the Offering Circular that relates to the Company’s project with Engazaat Development S.A.E. is supplemented through this Supplement. For ease of reading, updated information is underlined in this Supplement.

A Swedish language version of the Supplement has been prepared in accordance with article 23 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the Prospectus Regulation) and was approved by the SFSA on 11 October 2022 (SFSA Reg. No. 22-26916) (the “**Swedish Supplement**”). In the event of discrepancies between the Supplement and the Swedish Supplement, the Swedish Supplement shall prevail.

The Offering Circular and the Supplement are available on the Company’s website, www.azelio.com. For information regarding the rights issue and the admission to trading of new shares and warrants on Nasdaq First North Growth Market, please refer to the Offering Circular.

Right of withdrawal

Shareholders and other investors who have already subscribed or applied for subscription for Units in Azelio before the Supplement was published are entitled to withdraw their subscriptions or applications within three business days from the publication of the Supplement, i.e., up to and including 14 October 2022. Any subscription or application that is not withdrawn within the prescribed time will remain binding and those who wish to remain as subscribers do not need to take any further action.

If an investor wishes to withdraw its subscription or application, such withdrawal is to be carried out in accordance with the instructions below depending on whether subscription or application was made with or without unit rights.

Subscription of Units by exercise of unit rights

Subscription by directly registered shareholders resident in Sweden

A subscriber who wishes to withdraw its subscription and/or application for subscription and holds a VP account with Euroclear Sweden must notify Aktieinvest in writing. The withdrawal shall be sent to emittentservice@aktieinvest.se and must be received by Aktieinvest no later than 14 October 2022. The withdrawal must include the subscriber’s name, personal ID No./corporate ID No., securities account (Sw. *VP-konto* or *Servicekonto*), paid amount and the account to which the subscription payment shall be repaid.

Directly registered shareholders resident abroad and entitled to subscribe for Units by exercise of unit rights

Directly registered shareholders not resident in Sweden eligible for subscription of Units with unit rights who wishes to withdraw their subscription and/or application must notify Aktieinvest in writing. The withdrawal shall be sent to emittentservice@aktieinvest.se and must be received by Aktieinvest no later than 14 October 2022. The withdrawal must include the subscriber’s name, personal ID No./corporate ID No., securities account (Sw. *VP-konto* or *Servicekonto*), paid amount and the account to which the subscription payment shall be repaid.

Nominee registered shareholders

If subscription and/or application for subscription has been made through a nominee, any withdrawal shall be made with the nominee(s) where subscription has been made and in accordance with the nominee’s instructions.

Subscription of Units without unit rights

Directly registered shareholders and others

An investor who wishes to withdraw its application for subscription for Units without unit rights must notify Aktieinvest in writing. The withdrawal shall be sent to emittentservice@aktieinvest.se and must be received by Aktieinvest no later than 14 October 2022. The withdrawal must include the applicant’s name, personal ID No./corporate ID No. and securities account (Sw. *VP-konto* or *Servicekonto*).

Nominee registered shareholders

If subscription and/or application for subscription has been made through a nominee, any withdrawal shall be made with the nominee(s) where subscription has been made and in accordance with the nominee’s instruction.

1) The information on Azelio’s website has not been reviewed or approved by the SFSA and is not a part of this Supplement.

Supplement to "Business and market overview"

The section "MENA" in the sub-section "Interest from the market" on pages 40–41 in the Offering Circular is supplemented as follows.

MENA

There is great interest from companies in the region, driven by ambitious targets for renewable energy in the energy mix as well as rising demand for electricity as a result of accelerating economic development. The companies that are active in discussions in this region appear to be predominantly within the commercial and industrial sectors, as well as the agricultural sector.

One TES.POD unit has been sold, delivered and commissioned in Dubai, where it forms part of a small local grid (micro-grid) that will supply electricity to the visitor centre at the Noor Energy 1 project. Noor Energy 1 is the fourth phase of the Mohammed Bin Rashid Al Maktoum (MBR) Solar Complex. Noor Energy 1 is owned by Dubai Electricity & Water Authority (DEWA), ACWA Power and Silk Road Fund. The TES.POD unit was ordered by ALEC Energy, which has been contracted by Noor Energy 1 to lead the energy project for the visitor centre. The TES.POD unit was installed during 2021 while the complete micro-grid is expected to be fully operational during October 2022.

ALEC Energy is also installing Azelio's verification project in Abu Dhabi together with Masdar and Khalifa University. This verification project was commissioned in Abu Dhabi in spring 2022 in cooperation with Masdar and Khalifa University to evaluate and demonstrate Azelio's energy storage system for renewable projects that use photovoltaics or wind power, or for projects that deliver solutions for off-grid systems, to confirm that Azelio's technology can be included in Masdar's product portfolio for existing and future renewable energy projects.

Together with Engazaat Development S.A.E., Azelio also has a conditional sales order for 20 units for a project that plans to desalinate groundwater for use in agriculture. Engazaat Development S.A.E. is an Egyptian company specialised in the development, construction and operation of modern systems, including for water purification and renewable energy. On 10 October 2022 Engazaat Development S.A.E. signed a financing agreement securing the financing for their part of the project. Furthermore, Azelio is in the final stages of the process of securing project financing for the Company's part of the project. When Azelio's project financing is in place approximately 80 per cent of the total project financing need will be secured. When full project financing is secured, all the main conditions for the order are fulfilled and the outstanding conditions then consist solely of customary project items, such as *inter alia* the establishment of a jointly owned special purpose vehicle.

In Morocco, a verification project involving two TES.POD units were set up with Masen to generate data on how the technology performs in a real environment. The travel restrictions introduced in connection with the Covid-19 pandemic meant that this project could not be carried out as planned.

