

## Notice to annual general meeting in Azelio AB (publ)

**The shareholders in Azelio AB (publ), reg.no. 556714-7607, with its registered office in Gothenburg, are hereby summoned to an annual general meeting to be held at 10.00 on 30 June 2023 at the company's office at Lindholmsplatsen 1 in Gothenburg.**

### **Notification, etc.**

Shareholders who wish to participate in the general meeting must:

*firstly* be included in the shareholders' register maintained by Euroclear Sweden AB as of 21 June 2023; and

*secondly* notify the company of their participation in the general meeting no later than 22 June 2023. The notification shall be in writing to Forsbrogatan 4, SE-662 34 Åmål, or by e-mail to [info@azelio.com](mailto:info@azelio.com) with the subject row "AGM. The notification shall state the name, personal /corporate identity number, shareholding, address and daytime telephone number, and information about any assistants and, where applicable, representatives. When applicable, complete authorisation documents, such as powers of attorney for representatives, registration certificates or corresponding documents, shall be appended to the notification.

### **Nominee registered shares**

Shareholders whose shares are registered in the name of a nominee through a bank or a securities institution must re-register their shares in their own names to be entitled to participate in the annual general meeting. Such registration may be temporary (so-called voting right registration) and is requested from the nominee in accordance with the nominee's procedures and such time in advance as the nominee determines. Voting right registration completed not later than the second banking day after 21 June 2023 are taken into account when preparing the shareholders' register.

### **Proxy, etc.**

Shareholders represented by proxy shall issue a dated and signed power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate or a corresponding document for the legal entity shall be appended. 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. The power of attorney in original and, where applicable, the registration certificate should be submitted to the company by mail at the address set forth above well in advance of the general meeting. The form to use for a power of attorney can be found on [www.azelio.com](http://www.azelio.com).

**Shareholders' right to request information**

Shareholders are reminded of their right to request information in accordance with Chapter 7 Section 32 of the Swedish Companies Act (Sw. *aktiebolagslagen*).

**Number of shares and votes**

There are a total of 326,857,977 shares, with one vote per share in the company as of the date of this notice.

**Proposed agenda**

1. Election of a chairman at the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one or two persons who shall approve the minutes of the meeting;
5. Determination of whether the meeting was duly convened;
6. Submission of the annual report and the auditors' report and, when applicable, the consolidated financial statements and the auditors' report for the group;
7. Resolutions regarding the adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet;
8. Resolutions regarding allocation of the company's profits or losses in accordance with the adopted balance sheet;
9. Resolutions regarding discharge of the members of the board of directors and the managing director from liability;
10. Determination of the number of members and deputy members of the board of directors and the number of auditors and deputy auditors;
11. Determination of fees for members of the board of directors and auditors;
12. Election of the members of the board of directors and chairman of the board of directors and auditors and deputy auditors;
13. The nomination committee's proposal on principles for appointment of a nomination committee;
14. The board of directors' proposal on authorisation for the board of directors to resolve to issue shares and/or warrants and/or convertibles with or without deviation from the shareholders' preferential rights;
15. The board of directors' proposal to resolve on a long-term incentive program for the executive management in the form of warrants;
16. The principal shareholders' proposal to resolve on a long-term incentive program for the board of directors in the form of warrants;
17. Closing of the meeting.

**The nomination committee's resolution proposals****Proposal regarding the chairman of the annual general meeting, the number of members of the board of directors, the number of auditors and deputy auditors, fees to the board of directors and auditors, and election of members of the board of directors and chairman of the board of directors, as well as election of auditors and deputy auditors (items 1 and 10-12)**

The company's nomination committee has submitted the following proposals:

- that Bo Dankis, or the person proposed by the nomination committee if he has an impediment to attend, is elected chairman of the annual general meeting (item 1).
- that the board of directors shall consist of six board members, as appointed by the annual general meeting, with no deputy members and that the company shall have one auditor, with no deputy auditors (item 10).
- that the chairman of the board shall receive SEK 650,000 and the other board members not employed by the company shall receive SEK 250,000 each in board fees, that the members of the finance committee not employed by the company shall receive SEK 50,000 each and that the members of the remuneration committee not employed by the company shall receive SEK 50,000 each, for the period until the end of the next annual general meeting (fee levels are unchanged since 2022). If the chairman of the board is part of the finance committee or remuneration committee, the chairman of the board shall not receive any fees in excess of customary board fees. The principal owner Kent Janér has informed that he will decline remuneration for his work as a board and committee member in the event the annual general meeting resolves in accordance with the nomination committee's proposal under item 12 to elect him as member of the board of directors. It is proposed that auditor fees shall be paid against approved invoice (item 11).
- that Bo Dankis, Bertil Villard, Kent Janér, Pär Nuder, Elaine Weidman Grunewald, and Hicham Bouzekri are re-elected as members of the board of directors, for the period up until the end of the next annual general meeting. Hans Ola Meyer has declined re-election (item 12).
- that Bo Dankis is re-elected as chairman of the board, for the period up until the end of the next annual general meeting (item 12).
- that the registered accounting firm KPMG AB is re-elected as auditor for the time until the end of the next annual general meeting. In the event that KPMG is re-elected, it is noted that KPMG has announced that the authorized accountant Fredrik Waern will be appointed auditor in charge and that the authorized accountant Johan Kratz will be appointed auditor (item 12).

**The nomination committee's proposal on principles for appointment of a nomination committee (item 13)**

The nomination committee proposes that the annual general meeting shall resolve on principles for appointment of a nomination committee for the annual general meeting 2024 in accordance with the below.

The nomination committee shall be composed of the chairman of the board of directors together with one representative of each of the three largest shareholders, based on ownership in the company as of the expiry of the third quarter of the financial year. Should any of the three largest shareholders renounce its right to appoint one representative to the nomination committee, such right shall transfer to the shareholder who then in turn, after these three, is the largest shareholder in the company. The chairman of the board of directors shall convene the nomination committee. The member representing the largest shareholder shall be appointed chairman of the nomination committee, unless the nomination committee unanimously appoints someone else.

Should a shareholder having appointed a representative to the nomination committee no longer be among the three largest shareholders, three months before the annual general meeting at the latest, the representative appointed by such shareholder shall resign and the shareholder who is then among the three largest shareholders shall have the right to appoint one representative to the nomination committee. However, unless there are special reasons otherwise, the already established composition of the nomination committee shall remain unchanged in case such change in the ownership is only marginal or occurs during the three-month period prior to the annual general meeting. Where a shareholder has become one of the three largest shareholders due to a material change in the ownership at a point in time falling later than three months before the annual general meeting, such shareholder shall in any event have the right to take part of the work of the nomination committee and participate in its meetings. Should a member resign from the nomination committee before his or her work is completed, the shareholder who has appointed such member shall appoint a new member, unless that shareholder is no longer one of the three largest shareholders, in which case the largest shareholder in turn shall appoint the substitute member. A shareholder who has appointed a representative to the nomination committee shall have the right to discharge such representative and appoint a new representative.

Changes to the composition of the nomination committee shall be announced immediately. The term of office for the nomination committee ends when the next nomination committee has been appointed. On the nomination committee's meetings, it shall carry out the nomination committee's duties as set out in the Swedish Code of Corporate Governance.

**The board of director's resolution proposals****Proposal regarding allocation of the company's profits or losses in accordance with the adopted balance sheet (item 8)**

The board of directors proposes that no dividends shall be paid for the financial year 2022 and that the company's results shall be carried forward.

**The board of directors' proposal on authorisation for the board of directors to resolve upon issue of shares and/or warrants and/or convertibles with or without deviation from the shareholders' preferential rights (item 14)**

The board of directors proposes that the annual general meeting authorises the board of directors to resolve to issue new shares and/or warrants and/or convertibles on one or several occasions until the next annual general meeting, with or without preferential rights for the shareholders, against cash payment or against payment through set-off or in kind, or otherwise on special conditions. The number of shares that may be issued and the number of shares that shall be possible to subscribe/convert may amount to the number of shares allowed by the articles of association, as amended from time to time.

Pursuant to Chapter 16 of the Swedish Companies Act, the board of directors may not by virtue of this authorisation resolve on issues to board members in group companies, employees, etc. The purpose of the authorisation is to increase the financial flexibility of the company and the acting scope of the board. Should the board of directors resolve on an issue with deviation from the shareholder's preferential rights, the reason shall be to enable the company to finance the operations in a fast and efficient way, acquire companies, businesses or parts thereof and to enable a broadening of the ownership of the company. Upon such deviation from the shareholders' preferential rights, the new issue shall be made at market terms and conditions.

The board of directors or the CEO shall have the right to make such minor adjustments in this resolution that may be necessary in connection with the registration of the authorisation with the Swedish Companies Registration Office.

**The board of directors' proposal to resolve on a long-term incentive program for the executive management in the form of warrants (item 15)**

The board of directors proposes that the annual general meeting resolves to issue not more than 3,000,000 warrants within the scope of a long-term incentive program to the CEO, the other members of the executive management, one executive specialist and a maximum of two new key persons in Azelio, in total eight persons.

The incentive program entails that the CEO and the CFO are each offered to subscribe for not more than 600,000 warrants, and the other participants are each offered to subscribe for not more than 300,000 warrants, at market value calculated according to the Black & Scholes valuation formula.

Subscription and payment of the warrants shall be made within six months from the date of the resolution to issue warrants.

The subscription price for each new share subscribed by support of the warrants shall be determined to an amount equivalent to 160 percent of the volume-weighted average price of the company's share on Nasdaq First North Growth Market during the period of ten trading days immediately preceding the offer to subscribe for warrants. However, the subscription price shall not be less than the share's quota value. In connection with subscription of shares exercised through warrants, the part of the subscription price that exceeds the quotient value shall be added to the non-restricted share premium reserve.

Subscription of shares can be done during two periods, during two weeks from the day of publication of the interim report for the period 1 January – 30 June 2026 as well as during two weeks from the day of publication of the interim report for the period 1 January – 30 September 2026.

The price per warrant upon transfer to the participants shall be established by the company, or by an independent appraiser or auditor firm retained by the company, and correspond to the market value of the warrant calculated in accordance with the Black & Scholes valuation formula. The complete terms and conditions for the warrants have been resolved by the board of directors and are available to the shareholders in accordance with the below.

*Scope and costs for the program, including subsidy by the company and effect on important key ratios and dilution*

Azelio shall partly subsidize the option premium to be paid by the participants for the subscription of warrants, in order to facilitate and promote a personal long-term interest in Azelio for senior executives. The subsidy shall correspond to 50 percent of the option premium, post tax in the form of an additional cash payment. The company's cost for the subsidy (including social security contributions etc. in relation hereto) is estimated to amount to approximately SEK 1,000,000, in total, based on a price per warrant of SEK 0.25.

Other than the above, the costs for the program include certain limited costs for administration of the program. The total cost, including the cost for the subsidy, for Azelio for the warrant program is estimated to amount to approximately SEK 1,000,000 during the term of the incentive program.

According to a preliminary valuation, the market value of the warrants will correspond to approximately SEK 0.25 per warrant (assuming a price of the company's shares of SEK 0.755 per share which was the closing price on 29 May 2023) based on Black & Scholes valuation formulae. In addition to this, the costs for the program have been estimated on the basis that all participants subscribe for their maximum allotment as set out above.

The costs are expected to have a limited effect on Azelio's key ratios. Upon maximum allotment of warrants, not more than 3,000,000 shares will be allotted to participants under the incentive program, meaning a dilution effect of approximately 0.92 percent of the number of shares and votes in the company (based on the total number of shares in the company at the date of this notice).

The board of directors considers the positive effects expected to result from the incentive program to outweigh the costs attributable to the program.

#### *The rationale for the incentive program*

The rationale for the incentive program is to retain a competent executive management team in the company by offering the members a long-term ownership commitment in the company and thereby the opportunity to participate in and promote a positive value development of the company's shares and to increase the member's sense of association with the company and its other shareholders. The board of directors considers that the implementation of the incentive program as described above is in the favour of the group and the shareholders in the company.

#### *Preparation of the proposal*

The incentive program has been prepared by the board of directors together with advisors.

#### *Other incentive programs*

For a description of Azelio's other share-related incentive programs, reference is made to the annual report 2022, note 25.

### **The shareholders' resolution proposal**

#### **The principal shareholder's proposal to resolve on a long-term incentive program for the board of directors in the form of warrants (item 16)**

The principal shareholder, Blue Marlin AB (the "**Principal Shareholder**"), proposes that the annual general meeting resolves to issue not more than 1,800,000 warrants within the scope of a long-term incentive program to all members of the board of directors in Azelio, save for Kent Janér, in total a maximum of five persons.

The incentive program entails that the chairman of the board of directors is offered to subscribe for not more than 600,000 warrants and the four other participating members of the board of directors are each offered to subscribe for not more than 300,000 warrants, at market value calculated according to the Black & Scholes valuation formula.

Subscription and payment of the warrants shall be made within six months from the date of the resolution to issue warrants.

The subscription price for each new share subscribed by support of the warrants shall be determined to an amount equivalent to 160 percent of the volume-weighted average price of the company's share on Nasdaq First North Growth Market during the period of ten trading days immediately preceding the offer to subscribe for warrants. However, the subscription price shall not be less than the share's quota value. In connection with subscription of shares exercised through warrants, the part of the subscription price that exceeds the quotient value shall be added to the non-restricted share premium reserve.

Subscription of shares can be done during two periods, during two weeks from the day of publication of the interim report for the period 1 January – 31 March 2027 as well as during two weeks from the day of publication of the interim report for the period 1 January – 30 June 2027.

The price per warrant upon transfer to the participants shall be established by the Principal Shareholder, or by an independent appraiser or auditor firm retained by the Principal Shareholder, and correspond to the market value of the warrant calculated in accordance with the Black & Scholes valuation formula. The complete terms and conditions for the warrants are available to the shareholders in accordance with the below.

*Scope and costs for the program, including subsidy by the company and effect on important key ratios and dilution*

As the offering of warrants to the members of the board of directors is based on market value the costs for the program are limited to costs for administration of the program. The total cost for Azelio for the warrant program is estimated not to exceed SEK 30,000 during the term of the incentive program.

The costs are expected to have a limited effect on Azelio's key ratios. Upon maximum allotment of warrants, not more than 1,800,000 shares will be allotted to participants under the incentive program, meaning a dilution effect of approximately 0.55 percent of the number of shares and votes in the company (based on the total number of shares in the company at the date of this notice).



The Principal Shareholder considers the positive effects expected to result from the incentive program to outweigh the costs attributable to the program.

*The rationale for the incentive program*

The rationale for the incentive program is to retain a competent board of directors in the company by offering the board members a long-term ownership commitment in the company and thereby the opportunity to participate in and promote a positive value development of the company's shares and to increase the board members' sense of association with the company. The Principal Shareholder considers that the implementation of the incentive program as described above is in the favour of the group and the shareholders in the company.

*Preparation of the proposal*

The incentive program has been prepared by the Principal Shareholder.

*Other incentive programs*

For a description of Azelio's other share-related incentive programs, reference is made to the annual report 2022, note 25.

**Majority requirements**

Resolution in accordance with item 14 above require approval of at least two thirds (2/3) of the shares represented and votes cast at the annual general meeting. Resolution in accordance with item 15 and 16 above requires approval of at least nine tenths (9/10) of the shares represented and votes cast at the annual general meeting.

**Miscellaneous**

The annual report and the auditor's report will be available at the address of the company and on the company webpage [www.azelio.com](http://www.azelio.com), no later than three weeks prior to the annual general meeting. Copies of the documents will be sent to the shareholders who so request and who inform the company of their postal address.

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For information on how your personal data is processed, see the integrity policy that is available at Euroclear's webpage [www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).

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Gothenburg in May 2023

**Azelio AB (publ)**

*The board of directors*



Press Release  
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**For further information, contact**

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**About Azelio**

Azelio specializes in energy storage with electricity and heat production. The technology is revolutionary in that renewable energy becomes dispatchable, making clean energy available around-the-clock. The energy is stored in recycled aluminium and converted into electricity and heat with a total efficiency of up to 90%. The solution is scalable, sustainable, and cost-efficient from 0.1 MW up to 20 MW. Azelio is headquartered in Gothenburg, Sweden. Production takes place in Uddevalla and the Company maintains development centers in Gothenburg and Åmål, has a presence in Stockholm, as well as Regional Directors for Australia, US, southern Africa and the MENA region. Azelio is listed on Nasdaq Stockholm First North Growth Market with FNCA Sweden AB as Certified Adviser: More about Azelio: [www.azelio.com](http://www.azelio.com)

**Attachments**

**[Notice to annual general meeting in Azelio AB \(publ\)](#)**