

Notice to extraordinary general meeting in Azelio AB (publ)

(N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.)

The shareholders in Azelio AB (publ), reg.no. 556714-7607, with its registered office in Gothenburg, are hereby summoned to an extraordinary general meeting to be held at 10.00 on 2 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 25 May 2023; and

secondly notify the company of their participation in the general meeting no later than 29 May 2023. The notification shall be in writing to Forsbrogatan 4, SE-662 34 Åmål, or by e-mail to info@azelio.com. 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 extraordinary 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 29 May 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.

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. Opening of the meeting;
2. Election of a chairman at the meeting;
3. Preparation and approval of the voting list;
4. Approval of the agenda;
5. Election of one or two persons who shall approve the minutes of the meeting;
6. Determination of whether the meeting was duly convened;
7. The board of directors' proposal on amendments to the articles of association;
8. The board of directors' proposal on reduction of the share capital to cover losses;
9. The board of directors' proposal on reduction of the share capital for allocation to the unrestricted shareholders' equity;
10. The board of directors' proposal on entering into a shareholder loan;
11. The board of directors' proposal on authorisation for the board of directors to resolve to issue shares and/or warrants and/or convertibles;
12. Closing of the meeting.

Resolution proposals**Proposal regarding the chairman of the extraordinary general meeting (item 2)**

The board of directors proposes that Bo Dankis, or the person proposed by the board of directors if he has an impediment to attend, is elected chairman of the extraordinary general meeting.

The board of directors' proposal on amendments to the articles of association (item 7)

The board of directors proposes that the extraordinary general meeting resolve on the adaption of new articles of association. The proposed amendments are as follows:

*5 § Number of shares**Current wording:*

The number of shares shall be not less than 110,000,000 and not more than 440,000,000.

Proposed wording:

The number of shares shall be not less than 300,000,000 and not more than 1,200,000,000.

The board of directors' proposal on reduction of the share capital to cover losses (item 8)

The board of directors proposes that the extraordinary general meeting resolve on reduction of the company's share capital by a maximum of SEK 57 million to cover accumulated losses as of the date of the extraordinary general meeting in accordance with the terms and conditions set out below.

1. The reduction of the share capital shall be made to cover the company's losses as of the date of the extraordinary general meeting to the extent where unrestricted shareholders' equity equal to the loss is not available.
2. The share capital shall be reduced by a maximum of SEK 57 million.
3. The reduction shall be carried out without cancellation of shares.
4. The proposed reduction entails that the restricted shareholders' equity as well as the share capital is reduced by a maximum of SEK 57 million. The reduction is carried out only for the purpose of covering the company's losses as of the date of the extraordinary general meeting, meaning that the reduction of the share capital may be carried out without obtaining permission from the Swedish Companies Registration Office (Sw. *Bolagsverket*).
5. 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 on reduction of the share capital for allocation to the unrestricted shareholders' equity (item 9)

The board of directors proposes that the extraordinary general meeting resolve on reduction of the company's share capital by a minimum of SEK 23 million and by a maximum of SEK 80 million for allocation to the unrestricted shareholders' equity in accordance with the terms and conditions set out below.

1. The reduction of the share capital shall be made for allocation to the unrestricted shareholders' equity.
2. The share capital shall be reduced by a minimum of SEK 23 million and by a maximum of SEK 80 million.

3. The reduction shall be carried out without cancellation of shares.

4. The proposed reduction entails that the restricted shareholders' equity as well as the share capital is reduced by a minimum of SEK 23 million and by a maximum of SEK 80 million. The reduction may be carried out without obtaining permission from the Swedish Companies Registration Office, provided that the company simultaneously takes measures which results in neither the restricted shareholders' equity nor the share capital being reduced. The board of directors intends to resolve on an issue by virtue of an authorization, which will restore both the restricted shareholders' equity and the share capital.

5. 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 on entering into a shareholder loan (item 10)

Certain transactions between related parties shall, pursuant to the Swedish Securities Council's (Sw. *Aktiemarknadsnämnden*) ruling 2019:25, be submitted to the general meeting for approval. The board of directors proposes that the extraordinary general meeting resolve to approve a loan agreement (the "**Loan Agreement**") between the company and the company's principal owner and board member Kent Janér (through Blue Marlin AB, reg.no. 556840-0138) (the "**Principal Owner**"), on substantially the terms and conditions set out below. The board of directors hereby submits a proposal for resolution and a statement in accordance with the Swedish Securities Council's ruling 2019:25.

Description of the Loan Agreement

The company has entered into a conditional Loan Agreement with the Principal Owner. The Loan Agreement is conditional in such a way that its validity is dependent on the approval by the general meeting. Subject to the general meeting's approval, the company will be provided with a loan in the amount of SEK 30 million with an interest rate of 8 percent per annum. As security for the loan, the company will pledge significant patents and patent applications. Repayment of the loan may take place at any time from and including the disbursement date, estimated to be on 2 June 2023, up until and including the repayment date of 31 December 2023, provided that the loan at an earlier date is not used to pay for the subscription of newly issued shares through set-off in a rights issue carried out by the company. In relation to such a rights issue, the Principal Owner has undertaken to, with payment through set-off of the loan including accrued interest, (i) subscribe for its pro rata share in the rights issue (subscription undertaking) and (ii) to subscribe for additional available shares in the rights issue in the event that the loan in its entirety is not set-off through the subscription undertaking (guarantee undertaking).

Related party transaction

Considering that Blue Marlin AB is owned and controlled by Kent Janér, board member of the company, Blue Marlin AB is deemed to be a related party to the company. According to the Swedish Securities Council's ruling 2019:25, significant related party transactions shall be submitted to the general meeting for approval. The Loan Agreement is therefore conditional upon the general meeting's approval.

Proposal for resolution

The board of directors proposes that the extraordinary general meeting resolve to approve the entering into the Loan Agreement with the Principal Owner.

Other

The Principal Owner holds, directly and through related parties, approximately 11.8 percent of the shares and votes in the company as of the date of this notice.

The Principal Owner's shares and votes, including shares and votes held by related parties, shall not be taken into consideration when the general meeting resolves on the current matter. Kent Janér has not, due to a conflict of interest, participated in the board of director's preparation or resolutions regarding this matter.

The board of directors' proposal on authorisation for the board of directors to resolve to issue shares and/or warrants and/or convertibles (item 11)

The board of directors proposes that the extraordinary 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 deviation from the shareholder's preferential rights, 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. The purpose of the authorisation is to increase the financial flexibility of the company and the acting scope of the board of directors. 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/or to enable a broadening of the ownership of the company.

To the extent that issues of shares and/or warrants and/or convertibles may be made with deviation from shareholders' preferential rights, such issues shall be made on 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.

Majority requirements

Resolution in accordance with items 7, 8, 9 and 11 above require approval of at least two thirds (2/3) of the shares represented and votes cast at the extraordinary general meeting.

Miscellaneous

The board of directors' complete proposals is included in this notice and the notice will be available at the address of the company and on the company webpage www.azelio.com. The notice will be sent to the shareholders who so request and who inform the company of their postal address.

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.

Gothenburg in May 2023

Azelio AB (publ)

The board of directors

For further information, contact

Jonas Wallmander - CEO, Azelio

Email: ir@azelio.com

Tel: +46 722 01 88 00

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



Press Release
02 May 2023 10:30:00 CEST

Attachments

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