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Press release December 6, 2018

Azelio announces the outcome of the Offering – trading on Nasdaq First North expected to start on Monday December 10, 2018

Azelio AB (publ) ("Azelio" or the "Company"), hereby announces the outcome of the offering to subscribe for shares in the Company in connection with the listing of the Company's shares on Nasdaq First North (the "Offering"). The Offering attracted strong interest, both from Swedish and international institutional investors as well as from the general public in Sweden, despite recent difficult stock market in Sweden and internationally.

The Offering in brief:

- The Offering provides Azelio with gross proceeds of approximately SEK 242 million. The Company receives approximately SEK 216 million after transaction expenses of approximately SEK 26 million, which along with the Company's existing funds is sufficient working capital to finance the Company's business plan over the coming 12-month period.
- 11,000,000 newly issued shares were sold in the Offering, corresponding to approximately 26 percent of the outstanding shares and votes after the Offering.
- In addition, in order to cover over allotment, the Company has committed to, upon Pareto Securities' request, issue a maximum of an additional 1,650,000 new shares in the Company, corresponding to a maximum of 15 percent of the shares included in the Offering (the "Over allotment Option").
- If the Over allotment Option is fully exercised, a maximum of 12,650,000 shares will be sold in the Offering, corresponding to approximately 29 percent of the total number of shares and votes in the Company after the Offering, providing the Company with additional approximately SEK 36 million.
- The share issue will thus render proceeds of SEK 242-278 million to the Company before transaction expenses, depending on the extent to which the Over allotment Option is exercised.
- The total number of shares in the Company following the Offering will amount to 42,347,495 if the Over allotment Option is not exercised and 43,997,495 if the Over allotment Option is fully exercised.
- The price in the Offering was, as communicated earlier, SEK 22 per share, corresponding to a total market value of the outstanding shares in the Company after the Offering of approximately SEK 932 million if the Over allotment Option is not exercised and approximately SEK 968 million if the Over allotment Option is fully exercised.
- Immediately following the Offering, provided that the Over allotment Option is fully exercised, Azelio's largest shareholders will be Kent Janér directly, through Blue Marlin AB and with related parties (25.8 percent of the total number of shares in Azelio), Thames Trust with Trustee Tower Bridge Fiduciary Ltd (6.9 percent) and Back in Black Capital Ltd (6.8 percent).
- Swedish and international institutional investors as well as existing shareholders, including persons of the Company's board of directors and management, have subscribed for shares in the Offering, including Alfred Berg Kapitalförvaltning AB, Back in Black Capital Ltd, Kent Janér



through Blue Marlin AB, Byggmästare Anders J Ahlström Holding AB and LMK Venture Partners AB.

- Through the Offering, Azelio has received approximately 2,200 new shareholders.
- Azelio has applied for listing of the Company's shares on Nasdaq First North in Stockholm. Expected first day of trading for Azelio's shares is December 10, 2018 under the ticker "AZELIO" (ISIN code: SE0011973940). The settlement date occurs on the same day as the first day of trading.

Jonas Eklind, CEO, comments:

We are very happy about the interest shown for Azelio in connection with the new share issue, both from institutional investors, the public and from existing shareholders. I welcome all new shareholders to the company and look forward to continuing the development to industrialize the company's system and to offer our customer electricity generation based on solar power around the clock, at a very attractive price.

Bo Dankis, Chairman of the Board, comments:

Through the new share issue and the listing, we have very good prospects for continuing the market launch of a product that solves one of the major challenges in the energy market – long-term storage of renewable energy at a competitive price. On behalf of the board I would now like to welcome all new shareholders, such as strong institutional investors and the general public in Sweden.

About Azelio AB (publ)

Azelio is a technology company that offers a system of Stirling engine-based concentrated solar power with thermal energy storage that enables electricity production around the clock. The Company has its head office in Gothenburg, Sweden, with production in Uddevalla and a development center in Gothenburg and Åmål, as well as a sales office in Beijing, China and a representative office in Madrid, Spain. As of September 30, 2018, the Company had 75 employees.

Azelio's technology and development

The Company's Stirling engine is commercially applied, having accumulated over two million operating hours and 172 installations globally, while the subsystem for thermal energy storage has been validated in demonstration plant in June 2018, but has not yet been commercially applied. Over the period 2018–2020 the Company will focus on the industrialization of the system's design, construction and production. In the fourth quarter 2019 three systems in a verification project will be installed in Morocco jointly with the state-controlled Masen. From 2020 onwards, another 8–16 systems are expected to be installed in commercial projects, with volume production expected from 2021.

Azelio's market and customers

The technology is well suited for areas that today lack access to a power grid or have no reliable power grids. The Company assesses that Azelio's solution can be used to accelerate the rollout of electricity to the approximately one billion people around the sun belt who currently have no access to reliable electricity. The Company intends to sell its system to EPC-contractors which then install the system for the end customer. Future end customers may for instance be energy-intensive customers such as mining industry, cement industry and process industry.



Advisors

Pareto Securities is the Sole Global Coordinator and Bookrunner, Vinge is the legal advisor to Azelio and Pareto Securities.

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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 provided by the above contact persons for publication at 11:00 CET on December 6, 2018.

Important information

This announcement is not and does not form a part of any offer for selling, or a request to submit an offer to buy or acquire, shares or other securities of the Company.

Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, New Zealand, Hong Kong, Japan, South Africa or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

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.

This press release constitutes promotion as is not a prospectus for the purposes of Directive 2003/71/EC (this Directive, together with all amendments thereto and applicable implementing measures in the relevant home Member State under this Directive, is referred to as the “**Prospectus Directive**”). A prospectus that is prepared in accordance with the Prospectus Directive will be published, and may, when published, be obtained from the Company. Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.



This communication is only being distributed to and is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “Relevant Persons”). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

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”, “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.

In connection with the offer or sale of securities referred to herein, the Pareto Securities may over-allot securities/conduct stabilisation or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Any stabilisation action or over-allotment will be conducted by the Pareto Securities in accordance with all applicable laws and rules.