

Press release: October 17, 2019

Azelio sets up commercial project in Zambia

Azelio has signed a Memorandum of Understanding (MoU) with the Swedish company Nordic Distributed Power AB (ND Power) for a small-scale project in Zambia. The installation will operate under real-world commercial terms and serve as a model for ND Power's future installations in the Southern African region.

The initial project is a plant of 50 kWe in Zambia, set to become operational in Q3 2020. Azelio's system will store energy from solar PV and dispatch it on demand and around the clock. When the energy storage is fully charged, electricity can be produced for 13 hours at nominal power. A preliminary end-user has been identified and has submitted an Expression of Interest (EoI) for the solution. The end user's business, although being grid-tied, suffers from frequent power disconnections due to the severe drought that has plagued the Kariba dam, which stands for most of the country's electricity production.

Financial terms for this initial project and following projects have yet to be determined. Azelio will receive some revenue from the initial project but the MoU is, as the second commercial statement of intent, primarily of strategic importance.

ND Power, using Nordic technologies, provides modern and well tested energy solutions to its customers in the Southern African region, such as businesses, industries, agricultures and communities. The company specifically focuses on the provision of reliable off- and on-grid solutions, for electricity and/or hot water, based on hybrids of solar PV, solar thermal, biomass and energy storage. With a subsidiary in Zambia, ND Power has the right network and understanding of the local energy situation to properly navigate the market in the region.

Both Azelio and ND Power wish to establish and extend their business offering in the African market, with the goal for ND Power to become one of Azelio's local sales, installation, operation and maintenance partners. In total, the MoU between Azelio and ND Power covers a capacity of about 7.55 MWe of Azelio's energy storage, to be deployed in the African market between 2021 and 2023.

"This is the second MoU that we sign in a short time with a partner in the African market where many people live without reliable access to electricity. Azelio's energy storage solution can help individuals and societies prosper and grow by redefining power and providing sustainable energy around the clock. This first project in Zambia will demonstrate our solution locally allowing both us and ND Power to gain the knowledge and experience needed for rolling out our solution on a larger scale," says Azelio's CEO Jonas Eklind.

"I am very happy to be able to work with Azelio, to provide a new and promising solution to our customers in Southern Africa. ND Power sees Azelio's energy storage unit as an excellent solution for off-grid customers. The ability to provide renewable energy 24/7 will strengthen rural business potential and challenge diesel as the only reliable off grid solution," says ND Power's CEO Pär Oscarsson.

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About Azelio

Azelio is a public Swedish company, specializing in thermal energy storage with dispatchable Stirling-based electricity production when and where it is needed, modular and to a low cost. The technology is revolutionary for its unique ability to store thermal energy for production of electricity at nominal effect for 13h. The company has well over 100 employees, headquartered in Gothenburg with production facilities in Uddevalla and development centres in Gothenburg and Åmål in Sweden, as well as international presence in China, Spain and Morocco. Since the start in 2008, the company has invested over one billion SEK in technical development. In June 2018, the company changed its name from Cleanergy to Azelio and in December 2018 the company was listed on Nasdaq Stockholm First North. FNCA Sweden AB, +46(0)8-528 00 399, info@fnca.se, is Certified Adviser.