

DIVIO

INVITATION TO SUBSCRIBE FOR UNITS IN DIVIO TECHNOLOGIES AB

7-21 December 2022

Information memorandum | Divio Technologies AB | 559077-0730 | www.divio.com



ABOUT THIS MEMORANDUM

DEFINITIONS

In this information memorandum, the following definitions apply unless otherwise specified: "Divio" or "the Company" refers to Divio Technologies AB with organization number 559077-0730. The "Offer" or the "Rights Issue" refers to the Company's new issue of shares with preferential rights for existing shareholders. "First North" refers to Nasdaq First North Growth Market, where the Company is listed.

FINANCIAL ADVISER AND ISSUING AGENT

In connection with the Rights Issue described in this memorandum, Sedermera Corporate Finance AB ("Sedermera") is acting as financial advisor, Markets & Corporate Law Nordic AB ("MCL") as legal advisor and Nordic Issuing AB ("Nordic Issuing") as issuing agent to Divio. Sedermera has advised Divio in the preparation of this information memorandum (the "Memorandum"). The Board of Directors of Divio is responsible for the contents, whereupon Sedermera disclaim all liability in relation to shareholders of the Company, as well as with respect to other direct or indirect consequences as a result of investment decisions or other decisions based wholly or partly on the information in this Memorandum.

EXEMPTION FROM PROSPECTUS OBLIGATION

The Offer is not covered by the Financial Supervisory Authority's prospectus requirements and hence, the Memorandum has not been reviewed or approved by the Swedish Financial Supervisory Authority (*Sv. Finansinspektionen*).

THE AREA OF DISTRIBUTION FOR THE MEMORANDUM

No shares in Divio are subject to trading or application thereon in any country other than Sweden. The invitation according to this Memorandum does not apply to individuals whose participation requires additional prospectus, registration measures or other measures than those that comply with Swedish law. The Memorandum must not be distributed in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore, or other countries where the distribution or this invitation requires additional measures as stated in the previous sentence or contravene rules in such a country. Disputes arising from the contents of the Memorandum or related legal matters shall be settled in accordance with Swedish law and in Swedish courts.

AVAILABILITY OF THE MEMORANDUM

The Memorandum is available on the Company's website (www.divio.com). The Memorandum can also be found via Sedermera's (www.sedermera.se) and Nordic Issuing's (www.nordic-issuing.se) respective websites.

STATEMENTS REGARDING THE ENVIRONMENT AND THE FUTURE

This Memorandum contains forward-looking statements that reflect the Company's current views or expectations on future events as well as financial and operational development. These statements are well thought out, but the reader should be aware that these, like all future assessments, are associated with both

known as well as unknown risks and uncertainties, given their dependence on future events and circumstances. Factors that could cause the Company's future results or development to differ from what is expressed in the forward-looking statements include, but are not limited to, those described in the section "Risk Factors." Statements about the outside world and future conditions reflect express only the assessments and assumptions made by the Board of Directors as at the date of this Memorandum.

MARKET INFORMATION

The Memorandum contains market information related to Divio's operations and the market in which Divio operates. Unless otherwise stated, such information is based on the Company's analysis of several different sources, including medical research publications. Potential investors should be aware that financial information, market information and forecasts and estimates of market information contained in the Memorandum do not necessarily constitute reliable indicators of the Company's future development.

AUDITOR'S REVIEW

Apart from what is stated in the audit report and reports incorporated by reference, no information in the Memorandum has been reviewed or revised by the Company's auditor. The Company confirms that information from third parties has been reproduced correctly and that, as far as the Company knows and can ascertain from information published by third parties, no facts have been omitted that would make the reproduced information incorrect or misleading.

DISPUTES

Any disputes arising out of the contents of the Memorandum or any legal relationship relating thereto, shall be settled in accordance with Swedish law and before a Swedish court. has been reviewed or audited by the Company's auditor.

INFORMATION REGARDING NASDAQ FIRST NORTH GROWTH MARKET

Nasdaq First North is a registered marketplace for small and medium-sized enterprises (Eng. SMEs) in accordance with European Parliament and Council Directive 2014/65/EU as implemented in national legislation in Denmark, Finland and Sweden and is operated by an exchange in the Nasdaq Group. Companies on Nasdaq First North are not subject to the same rules as companies on a regulated market, as defined in EU legislation. Instead, they are subject to a less far-reaching regulatory framework adapted to small growth companies. An investment in a company traded on Nasdaq First North can therefore be riskier than an investment in a company listed on a regulated market. All companies whose shares are admitted to trading on Nasdaq First North have a Certified Adviser who monitors compliance with the rules. FNCA Sweden AB is the Company's Certified Adviser. FNCA Sweden AB does not own any shares in the Company. It is Nasdaq Stockholm AB that approves the application for admission to trading on Nasdaq First North.

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THE OFFER IN BRIEF

Issue volume	The Offer comprises a maximum of 5,708,205 units (shares and warrants of series TO 1), which equals approx. SEK 12 million before issue costs. Upon full exercise of all warrants issued in the Rights Issue, the Company can receive an additional approx. SEK 5,1-9,6 million before issue costs.
Number of shares before the Rights Issue	In total 85,623,080 shares, of which 750,000 are A-shares and 84,873,080 are B-shares.
Pre-subscription and underwriting commitments	The Offer is up to approx. 70 percent covered by pre-subscriptions and underwriting commitments. Divio has, through written agreements, received pre-subscription commitments of approx. SEK 2 million, corresponding to approx. 16 percent of the Offer, and underwriting commitments of approx. SEK 6.45 million, corresponding to approx. 53.8 percent of the Offer.
Lock-up	Owners who are also members of the Board and management have signed so called lock up agreements, where these parties commit not to divest any of their shareholdings for a period of six months following the execution of the Rights Issue.
Subscription price	The subscription price is SEK 2.10 per unit, corresponding to SEK 0.15 per share.
Subscription period	7-21 December 2022.
Last day of trading incl. unit rights	1 December 2022.
First day of trading excl. unit rights	2 December 2022.
Preferential right	Anyone who is a registered shareholder of Divio on the record date of 5 December 2022 has preferential right to subscribe for units in the Company. One (1) existing share in the Company entitles the holder to one (1) unit right. Fifteen (15) unit rights entitle the holder to subscribe for one (1) unit in Divio. Each unit consists of fourteen (14) B-shares and six (6) warrants. The warrants will be issued free of charge. The general public is also entitled to subscribe to the Rights Issue without pre-emptive rights.
Trading in unit rights	7-16 December 2022.
Trading in BTU (paid subscription unit)	Trading in BTU will take place on Nasdaq First North Growth Market from 7 December 2022 until the Rights Issue is registered with the Swedish Companies Registration Office. This registration is expected to take place around 11 January 2023.
Estimated date of publication of outcome	23 December 2022.
ISIN-code share	SE0011311554.
ISIN-code unit right	SE0019174632.
ISIN-code BTU	SE0019174640.

INVITATION TO SUBSCRIBE FOR UNITS

INVITATION

Existing shareholders and the public are hereby invited to subscribe for units in Divio in accordance with the Offer in the Memorandum. The Offer in its entirety is described under "Terms & Conditions" in the Memorandum. The subscription period runs from and including 7 December 2022 to and including 21 December 2022.

ISSUE RESOLUTION

On 15 November 2022 the Board of Directors of Divio, decided to execute an issue of units, subject to approval by the Extraordinary General Meeting on 2 December 2022. The Rights Issue comprises a maximum of 5,708,205 units and can initially raise approx. SEK 12 million for the Company at full subscription, before issue costs. Upon full exercise of all warrants issued in the Rights Issue, the Company can receive an additional approx. SEK 5.1-9.6 million before issue costs. The issue costs are expected to amount to approx. SEK 2.3 million, of which approx. SEK 0.8 million refers of underwriting fees.

One (1) existing share in the Company entitles the holder to one (1) unit right. Fifteen (15) unit rights entitle the holder to subscribe for one (1) unit in Divio. Each unit consists of fourteen (14) B-shares and six (6) warrants. To the extent that unit rights are not subscribed for with pre-emption right, they shall be offered to all shareholders and other investors for subscription. The Rights issue will be carried out in SEK.

SHARE CAPITAL AND NUMBER OF SHARES

A fully subscribed Offer will increase the share capital by SEK 7,991,487, from SEK 8,562,308 to SEK 16,553,795 and the total number of shares will increase by 79,914,870 B-shares, from 85,623,080 A- and B-shares to 165,537,950 A- and B-shares. Existing shareholders who choose not to participate in the Rights Issue will experience a dilution effect corresponding to approx. 46.4 percent of the votes and 48.3 percent of the capital. Upon full exercise of all warrants issued in the Rights issue, the number of shares will increase by a further 34,249,230 B-shares and the share capital by SEK 3,424,923, to 199,787,180 A- and B-shares and a total of SEK 19,978,718 in share capital, corresponding to an additional dilution of approx. 16.6 percent of the votes and approx. 17.1 percent of the capital. Shareholders who choose not to participate in the Offer can receive some financial compensation for the dilution by selling their unit rights before 16 December 2022.

PRE-SUBSCRIPTION- AND UNDERWRITING COMMITMENTS

Divio has received pre-subscription- and underwriting commitments totaling approx. SEK 8.4 million, which in total corresponds to approx. 70 percent of the Rights Issue. Pre-subscription commitments from members of the Board, management, and Company contacts, with and without preferential right, amount to approx. SEK 2 million, corresponding to approx. 16 percent of the Rights Issue. Underwriting commitments from external investors amount to a total of approx. SEK 6.45 million, corresponding to approx. 53.8 percent of the Rights Issue. The underwriting commitment amount is divided into two parts - one directly on top of the pre-subscription and up to approx. 53.2 percent of the Rights Issue, and another from the level of approx. 53.2 percent and up to approx. 70 percent of the Rights Issue. For the first part of the underwriting commitment, a cash payment of 12 percent of the underwritten amount, or an optional payment of 16 percent in the form of units, is payable. For the second part of the underwriting commitment, a cash payment of 15 percent of the underwritten amount, or an optional payment of 20 percent in the form of units, is payable. The compensation will be paid after the rights issue has been registered with the Swedish Companies Registration Office. However, these commitments have not been secured by bank guarantee, escrow, pledge, or similar arrangements.

RESPONSIBILITY

The Board of Directors of Divio is responsible for the contents of this Memorandum. The persons named below hereby certify jointly as the Board that they have taken all reasonable care to ensure that, to the best of their knowledge, the information contained in this Memorandum is in accordance with the facts and that nothing has been omitted which might affect its meaning.

Stockholm, 2 December 2022

The Board of Divio

Leif Liljebrunn - Chairman of the Board
Anette Ringnér - Board member
Christian Bertschy - Board member

Kimmo Björnsson - Board member
Niklas Köresaar - Board member

WHY INVEST IN DIVIO?

CLIENTS AND PARTNERS

Divio already has a fully developed platform used by over 500 paying customers and among them high profile companies like Fidelity, Walker Dunlop etc., with ever increasing service demand. In addition to this, Divio has many strategic partnerships with agencies and IT-consultancies that wants access to Divio's solution. Divio will shortly, on proposal from one of the world's largest Infrastructure-as-a-Service (IaaS) providers, establish a close certified partner relationship, where Divio will offer customers a combined solution. The combination of hyperscaler (hyperscale computing, which is an agile method of processing data) and Divio offers a managed cloud infrastructure with all the tools and services that customers need to develop, deploy, run and maintain their web applications. With the right sales resources and support from Divio, this partnership will be a game changer.

PRODUCT - EVER STRONGER PRODUCT AND ISO CERTIFIED

With a highly scalable model, low marginal cost of onboarding new customers, fully automated platform, and effortless secure web applications in the Cloud, it has never been easier for businesses to develop and operate web applications in the cloud with enterprise-grade products and services. Divio's platform is state of the art on the PaaS market and acclaimed by large companies, as well as well-known players in the cloud industry like AWS and CloudFlare.

STEADY GROWTH AND LOW CHURN

Divio has well over 500 paying customers and an exceptionally low churn rate. Customers are not only staying, but also increasing their use of the Divio service, making the marginal cost for growth very low. Over the past five years, Divio has experienced steady growth in customers and MRR increase of 290 percent since 2018 and an average annual growth rate of 20-30 percent.

USE OF FUNDS

To further boost and aggressively scale up SME sales on new and existing markets, harvest from the hyperscale cloud provider and initiated incentivized sales, Divio is now executing the Rights Issue, in order to invest in resources.

BACKGROUND AND MOTIVE

Divio's vision is to automate all repeatable tasks in development and maintenance of websites and apps, simply put, the platform is the autopilot for developers and the cloud. Divio is a Swedish company with wholly owned subsidiaries in Switzerland and the US. Divio was founded in 2005 as a traditional web agency with many customer projects hosted in different cloud vendors. In the sense of efficiency, Divio developed a platform that made the maintenance of cloud infrastructures far more sufficient than manual work. A solution that was so great it had to be adopted by others with the same challenge. This is how Divio as a product company was born. Today Divio develops and sells a software platform (PaaS - Platform-as-a-Service) that enables companies to effortlessly run and develop critical web applications in the cloud, in a secure, user-friendly, and cost-effective way. The company is ISO 27001 certified and facilitates the management and maintenance of complex cloud infrastructures with multiple third-party clouds, ranging from the largest players such as AWS, Azure and Google Cloud to smaller cloud providers.

No matter what cloud vendor or how many providers Divio's customers use, the control panel and tools are the same. Manual work is now automated which leads to less risk and mistakes. Being a PaaS (Platform-as-a-service)-company, Divio can sell the same code base to many customers and with small efforts maintain a large number of customers. This means that the scalability is immense.

For the development teams or external service partners. Divio offers an intelligent PaaS that includes automated tools along the application lifecycle. From initial development to on-going maintenance. It facilitates modern, independent collaboration practices and is designed with real-time collaboration to help increase work productivity for agile teams.

With Divio, customers benefit from the capacity of such popular open-source technologies (Docker, Java, Python, Django, Nodejs, Postgresql, etc.) without needing to have in-depth know-how.

The objective of the planned Rights Issue is to fund the Company's operations to accelerate sales growth by investing in a certified partnership with one of the world's largest Infrastructure-as-a-Service (IaaS) providers where together we will offer a combined solution. In addition, Divio will invest in consultative technical sales with a focus on small and medium-sized businesses (SME), which will mean increased efficiency and shorter sales cycles. Divio also intends to establish the Software platform in new markets, which will require marketing activities. Assuming that the planned Rights Issue is fully subscribed, the Board of Directors believes that the Company has sufficient cash to take the Company to cash breakeven in Q4 2023.

USE OF PROCEEDS

Through the Rights Issue, the Company can initially receive a maximum of approx. SEK 12 million and if all warrants issued in the Rights Issue are exercised at the highest subscription price, the Company can receive an additional maximum of approx. SEK 9.6 million before transaction costs.

The capital provided to the Company through the capitalization is intended to finance:

Sales & Partnerships

- Further boost and aggressively scale up SME sales (recruitment of technical sales).
- Harvest from one of the world's biggest cloud providers.
- New and existing markets.
- Initiated incentivized sales.

Product & Finance

- Increasing the engineering team to secure market lead.
- Repayment of loan.

FUTURE CAPITAL NEED

Provided that the Rights Issue is fully subscribed, the Board estimates that Company does not have any additional capital need. The Board of Directors believes that the Company has sufficient cash to take the Company to cash breakeven in Q4 2023.

INTERESTS AND CONFLICTS OF INTEREST IN CONNECTION WITH THE OFFER

Sedermora, MCL and Nordic Issuing receives a pre-agreed compensation for services rendered in connection with the Offer. In addition to what is stated above, Sedermora, MCL and Nordic Issuing have no financial or other interests in the Rights Issue.

Persons in Divio's management and Board have submitted pre-subscription commitments in the Rights Issue. In addition, Divio has entered into pre-subscription commitment agreements with a number of existing shareholders. The subscription obligations provided are described in more detail under the section "Terms & Conditions" in the Memorandum. Furthermore, a number of Board members and senior management in Divio own shares in the Company. Holdings for each person are presented in more detail under the section "Board and senior management" in the Memorandum. There is no conflict of interest within administrative, management and control bodies or with other persons in leading positions in Divio, nor are there any other natural or legal persons involved in the Rights Issue who have financial or other relevant interests in the Company.

COMMENT BY THE CEO

First of all, I am happy about the recent news that Divio has decided to bring in more capital. This will secure our funding for the foreseeable future and enable us to execute on our growth strategy. I'm glad to announce that Divio's funding round is on track and that we received a great interest when acquiring the pre-subscription- and guarantee commitments. The proceeds from the Rights Issue will ensure a stable and foreseeable future and enable us to execute our ambitious growth strategy.

Our engineering team has proudly maintained and further developed our best-in-class platform, with a solid value proposition and solutions to real industry problems. Our focus has remained on increasing security and compliance while continuing to integrate partner products like Cloudflare into our platform, maximizing the reliability and security of the web applications we manage. The satisfaction of our clients and the very low churn we experience speaks for itself.

While the quality of our offering is high, the scalability potential of our product remains untapped. We are now scaling up our small yet efficient sales team. Our sales team learned a lot from the many interactions with clients and the analysis of the general market developments. Hence, we began the third quarter with expanding our sales focus towards SMEs rather than focusing solely on large multinationals. SMEs are much faster in their decision-making processes and more willing to trust a smaller, pioneering and innovative company like Divio.

To further facilitate sales, we rebranded and launched a brand-new communication platform with the sales-critical website at its core. This communication platform is much clearer about our value proposition and the problems we solve, even for less technical readers. While a large part of our service is based on a platform, we also put forward our consultative expertise. Complex selling in the cloud management industry is about trust and know-how. Divio's main product is our automated platform, but our sales team will be more consultative in their sales approach. That is why we plan to recruit technical sales experts to support our sales team. From our experience, this strategy has proven to be much more accurate and effective.

In addition to our updated sales strategy, we have established a top tier partnership with one of the world's largest cloud providers. We will now be able to approach more customers through the offerings of a much larger sales organization compared to our in-house capacities. This partnership is another clear marker of the genuine quality and professionalism of our team. All of the above will enable us to move from a 20 percent growth rate to 30 percent Year-on-Year on average over a five-year period.

With the recruitment of a new CFO, we now have a full finance team in place to produce more frequent updates and reports to the market. The successful move to a quarterly report is the first realization of our financial plan of action.

I am very proud of our smart and excellent team who has shown a production rate that far exceeds the benchmark. Despite this, we need to increase resources to support our growth objectives. We need to recruit more technical sales and skilled engineers to leverage the scalability potential of our product and turn our new partnership into a fruitful collaboration. The upcoming funding round is a central piece of this strategy.

Jon Levin – CEO, Divio Technologies AB

BUSINESS OVERVIEW

Divio develops and sells an ISO 27001 certified platform that facilitates the management and maintenance of complex third-party cloud infrastructures, ranging from the largest players AWS, Azure and Google Cloud to smaller cloud providers. A lot of resources in terms of time, money and staff can be saved thanks to Divio's platform automating most of the work that is otherwise done manually by senior experts. In addition, the cloud infrastructure becomes much more stable and secure. The Divio platform also takes care of the migration and management of external and internal web-based applications in the cloud services. External web-based tools include, for example, company websites where customers can use the company's services. For example, on a bank's website, all the services you use as a customer to do your banking are external web-based tools. Internal web-based tools refer to tools that employees use to do their work. For example, for a bank employee, these are the tools they use to access customer data and do their job.

PAAS (PLATFORM-AS-A-SERVICE)

To understand PaaS, it is beneficial to understand IaaS. IaaS (Infrastructure-as-a-Service) is a type of cloud computing service. By migrating an organization's infrastructure to an IaaS-solution, the organization can reduce the maintenance of data centers, save money on hardware costs and gain real-time business insights. Like IaaS, PaaS includes infrastructure - servers, storage and networks - but also middleware, development tools, business intelligence (BI) services, database management systems and more. Developers are given the ability to build, test and launch applications without having to think about IT infrastructure. The only thing the organization needs to decide is which operating system it wants to use, and what capacity it needs.

CMP (CLOUD MANAGEMENT PLATFORM)

Briefly, CMP is a tool for dealing with both the operation of applications and the infrastructure itself across multiple clouds simultaneously. Companies manage data that resides in different clouds, both on-premises and with external providers. With a CMP, such companies can manage data, deployment, operations and all services simultaneously, even in hybrid clouds. A working CMP can deliver coordination between platforms without compromising functionality.

SIMPLE

Divio's simple tools make the benefits of popular open-source technologies (Docker, Java, Python, Django, Nodejs, Postgresql, etc.) available to more people employees in companies around the world, without requiring deep technical knowledge. We offer a simple and user-friendly interface to collaborate develop, customize, operate and maintain web projects on a robust platform with high availability and security. Instead, our customers can put their energy on building and operating what is unique to their own websites and apps.

STABILITY AND SECURITY

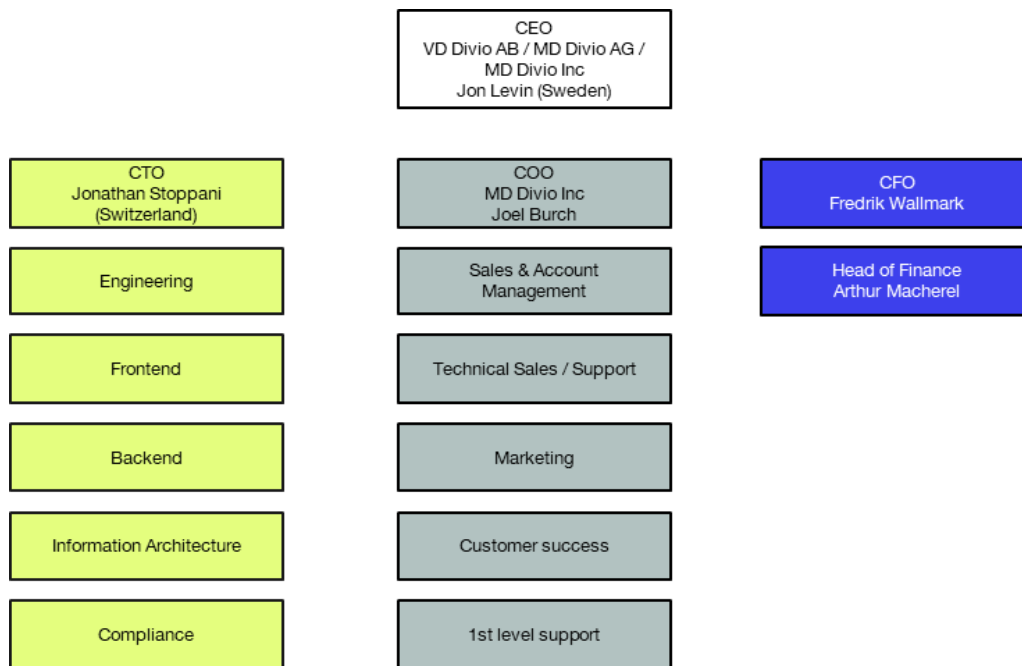
Stability, security and performance are critical business-critical customer needs. With Divio, customers get not only a platform but also a specialist team that always available to improve and simplify the conditions for their web applications and projects.

The stability of a website's performance depends on many different factors such as basic structure, hardware, network and more. Performance has a major impact on how pages rank in search engines and is crucial for a company's competitiveness in the market. For customers who rely on the availability of their websites and web-based tools, downtime is not only embarrassing or inconvenient, but it affects the entire business. Reliability and stability are therefore crucial. Inadequate security can lead to sites becoming inaccessible and business, operational and customer data being leaked. This can often lead to both business consequences and legal actions and sanctions. The rapid pace of change in the industry requires highly specialized knowledge to understand and mitigate these risks. This increasingly requires security features and protocols to be built into systems and constantly updated.

MULTI CLOUD

Once a customer has started using a cloud provider, it takes a lot of time and resources to move the services to a new provider. Customers can therefore experience lock-in and unwelcome cost increases. Users of Divio's service will have access to a multi-cloud solution which means that they can easily move web projects from one public cloud service to another and also allows them to use multiple solutions simultaneously on one cost-effective way. This is a crucial advantage in case an existing cloud solution goes down in a critical situation for the customer.

ORGANIZATIONAL STRUCTURE



GROUP STRUCTURE AND SHAREHOLDINGS

Divio Technologies AB (publ) is the parent company of the following companies:

- DIVIO AG, Switzerland, which is 100 percent owned by Divio Technologies AB.
- DIVIO INC, USA, which is 100 percent owned by Divio AG.

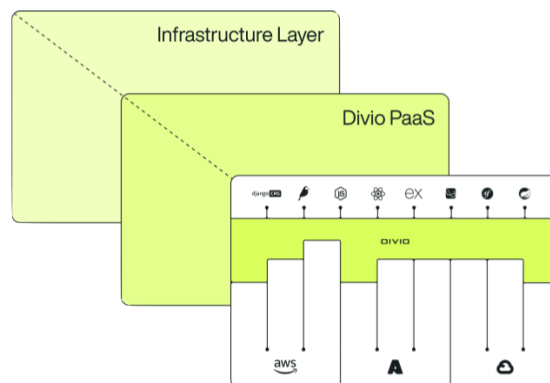
MISSION AND VISION

Today many companies can identify with challenges such as:

- Inefficient and uncontrolled cloud infrastructure.
- An infrastructure that is a patchwork of multiple vendors that rarely interact.
- Maintenance that requires a large team of senior developers.
- Developers who spend a lot of time and resources maintaining the cloud infrastructure.
- Resources that could be better used for building web applications.

Divio's mission is to offer an outstanding support, for customers to experience:

- A hassle-free, simplified, and optimized complex cloud infrastructure.
- A structured and organized cloud infrastructure.
- An infrastructure where they use a fraction of the resources in terms of staff and money.



BUSINESS MODEL

Divio's business model is based on recurring revenue streams in the form of MRR (Monthly Recurring Revenue) based on:

The platform

- Support Agreements (SLA) - the customer pays for a certain form of support with different response times and access to experts depending on the desired level of support.
- Hosting via subcontractors in the form of all cloud service providers (AWS, Google Cloud, Azure etc.).

In addition to MRR, Divio receives small one-off revenues at the start-up of each new project; The customer pays an initial cost for the integration of platform integration and onboarding.

Divio's platform can offer an attractive service to a large number of customers worldwide without customization, which means that the business model is enormously scalable for rapid and profitable growth in all markets where Divio operates.

OBJECTIVES

The Company's objectives for the period 2022-2024 are presented below.

2022

- Launch and implement new sales in two existing markets.
- Strengthen the sales team in existing markets.
- Strengthen with technical sales and engineering team.
- Continue working on sales agents in existing markets.
- Preparing to enter a new market.
- Evaluating the best way to speed up sales growth inc. co-ops/M&A.

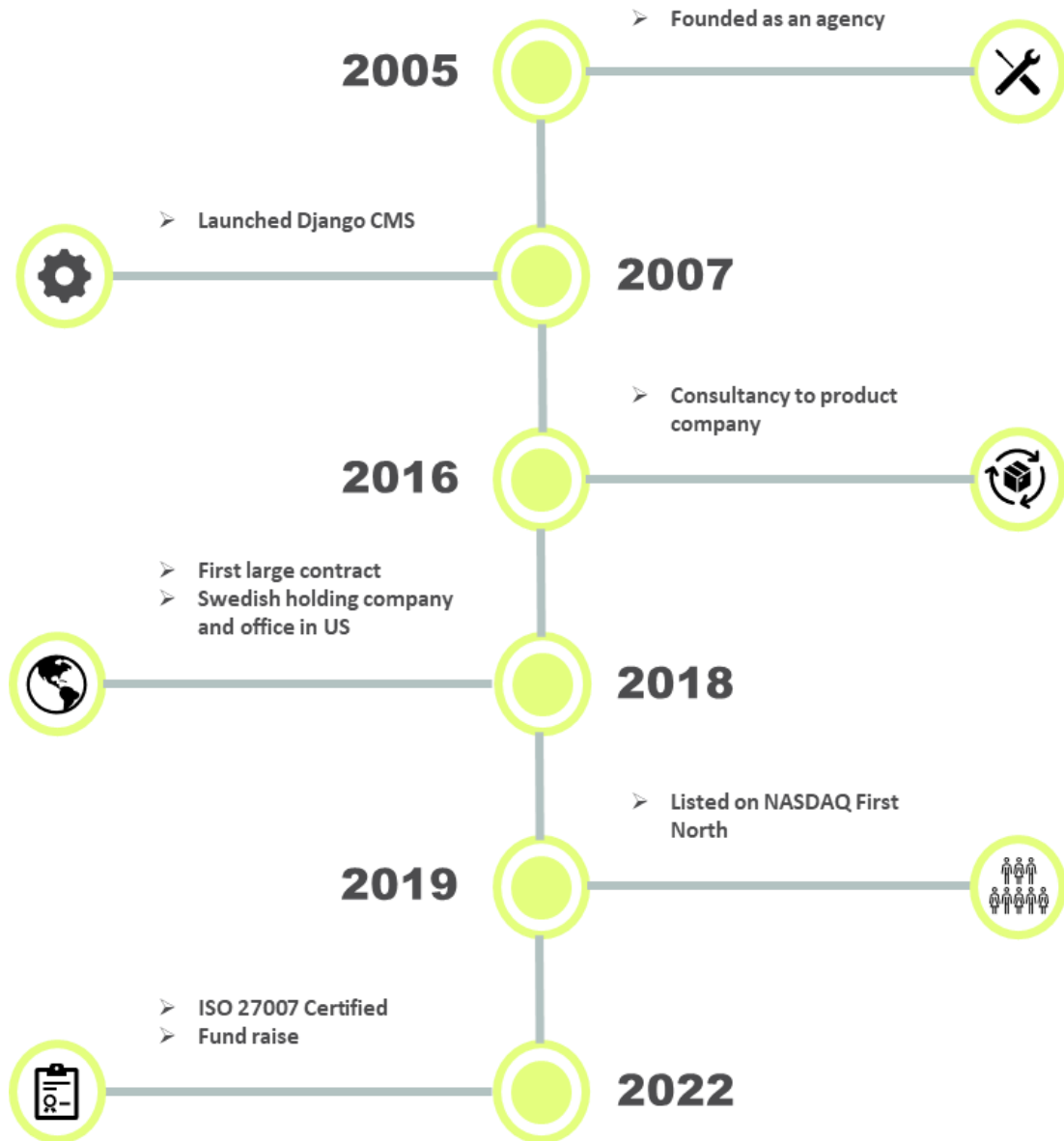
2023

- Further increase technical sales and engineering team.
- Adding two new markets.
- Invest in inbound marketing and participation at events.
- Enter two new markets.
- The plan is to speed up sales growth including co-operations / acquisitions of small consultancy firms. In line with the 2022 strategic objectives.
- B/E: EBITDA/cash neutral in Q4.
- Grow the MRR stock by at least 30 percent per year on average over the next five years.

2024

- Further strengthen the organization in terms of customer support and developers to handle new customers.
- Review of adding two additional markets.

COMPANY HISTORY



MARKET OVERVIEW

Cloud services are used daily by most people in our part of the world, both for work and for pleasure. iCloud, Facebook, WhatsApp, Microsoft Office, the tools you have on your work computer, etc. are all likely to be in a cloud solution. Without cloud services you would be tied to using a specific memory, for example the same computer or USB stick when you work or use your daily digital services. A lot of services would also not work without the cloud as they rely on external data to work, data that becomes available through a cloud service.

Corona has accelerated the need for digital services and the ability to work efficiently and integrate with colleagues remotely. That shift has meant that we need better online-based tools and faster access to material digitally. For companies that want to grow and maintain efficiency the move to the cloud is crucial. Continued remote working and demand for various applications continues to fuel the global market for various cloud services. It is said that digital development is moving forward two years in just two months – with covid-19.

As covid-19 forced the entire world to work from home, it has also become important to ensure that important information is not stored in physical documents or on local computers where there is a high risk of them being lost and thus causing significant damage.

The global cloud market is growing every day and has become a complex system of products and services that deliver technology. The entire market is worth billions of dollars and many cloud providers compete in the market. The three largest cloud service providers are Amazon Web Services which has 32 percent of the total market. Microsoft Azure is in second place with a total of 21 percent. Google Cloud is the third largest with 8 percent. Other providers account for 39 percent of the market. The company is betting that its infrastructure capacity will outperform international providers by better storage, networking and capacity. Keeping up with all the options and the rapid evolution requires a lot. It's hard to know which is the best and most future-proof option¹

This is where Divio plays an important role, both in facilitating the move to the cloud, the maintenance of cloud services and reducing reliance on specific skills. Divio ensures that the right skills are available, that the move to the cloud goes smoothly and that the continued presence in the cloud is seamless. And at a significantly lower cost.

Divio currently sees Europe as its primary geographic markets with focus on southern Germany, Switzerland, Austria, UK and the Nordic countries. Divio has the most customers by number in the European market, but the largest customers by far are US companies, and it is in the US that the Cloud Management market is largest. Most requests come from the US, which demonstrates the potential of the region for the Company's future growth.

GROWTH POTENTIAL

Divio is active on a potentially gigantic market that grows rapidly, even a very small share means a huge opportunity. The global PaaS market is expected to grow by as much as 19 percent per year between 2022 and 2028², where drivers such as shorter time to market and cost reductions fit well with the features of the Divio platform.

A similar growth trajectory is expected in the CMP market, with annual growth of 18.4 percent³ between 2021 and 2024. Adding the markets together results in a total market predicted to be close to \$40 billion by 2024. Divio, which has a clear differentiation from other platform companies, is poised to take advantage of this healthy market growth with its fully developed and powerful platform.

CUSTOMERS

Divio has over 500 paying customers and a very low churn rate. Customers not only stay – they also increase their use of the Divio service.

¹ Statista (2022) Cloud infrastructure services vendor market share worldwide from 4th quarter 2017 to 1st quarter 2022, Global cloud infrastructure market share 2022 | Statista, worldwide.

² Market Analysis Report (2022). PaaS Market Size, Share & Trends Analysis Report By Offering (Application Development, Debugging Processes, Testing, Deployment Tools), By Region, and Segment Forecasts, 2022 – 2028. California: Grand View Research.

³ Preet (2022). Global Cloud Management Platform Market (kenresearch.com). [2022-10-18].

For a number of years, Divio has been working with commercial bank Fidelity, which is slowly but surely moving more and more of its internal and external web applications to our platform and are experiencing many benefits from the service.

Rather than using several different interfaces for each cloud service, Divio's service has provided Fidelity with a unified and easy-to-use interface that simplifies the entire cloud infrastructure process. Thanks to this, Fidelity saves hundreds of hours each month, hours that they instead use to build innovative products and services for their customers.

Fidelity completes tens of thousands of deployments each year using the Divio platform, which, thanks to its high level of automation, security and availability means 50-100 times more than if it were done manually. The platform's easy-to-use tools and high compatibility with various cloud services have made enabled Fidelity to significantly increase the rate of innovation for products and services while radically reducing the time required to onboard new employees.

High security is key for Fidelity as it is for most large enterprises. Divio's built-in security with proactive threat analysis and mitigation is best in class and minimizes the human element. A safeguard as new services are developed and deployed. Fidelity has a global presence and the investment in the Divio platform ensures that they can confidently deliver in line with their long-term product and service plan in a safe and efficient manner with significantly fewer resources.



COMPETITORS

It is important to clarify that Divio does not compete with cloud providers such as Amazon, Microsoft and Google, Divio's service is complementary to their services. There is a plethora of other providers that offer elements of the services Divio offers.

There are many players offering different variants of both cloud management and PaaS solutions but still few that combine the two and none offer an equally user-friendly platform with the same high level of exemplary support. The market is diversified with a wide range of needs and solutions. The majority of the options available on the market are specialized in solving certain needs and require specialist skills and senior developers. For some customers there are advantages to niche solutions, but for the vast majority of companies it is just the opposite. Most want reduce overhead costs associated with managing cloud services.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Divio Board of Directors and senior management are described below. All members of the Board of Directors and senior management can be reached at the Company's address, Divio Technologies AB, Skeppargatan 27, 114 52 Stockholm, Sweden. The members of the Board, their position, when they were first elected to the Board and whether they are considered independent of the Company and its senior management and major shareholders are described in the table below.

According to Divio's Articles of Association, the Board of Directors shall consist of at least three and not more than eight members elected annually at the Annual General Meeting for the period until the next Annual General Meeting. The Company's Board of Directors consists, as of the date of this memorandum, of five elected members, including the Chairman.

Name	Position	Board member since	Independent in relation to the Company and Senior Management	Independent in relation to major shareholders
Leif Liljebrunn	Styrelseordförande	2022	Yes	Yes
Christian Bertschy	Styrelseledamot	2017	No	No
Kimmo Björnsson	Styrelseledamot	2014-2018, 2021	Yes	Yes
Niklas Köresaar	Styrelseledamot	2020	Yes	Yes
Anette Ringnér	Styrelseledamot	2020	Yes	Yes

MORE INFORMATION ABOUT THE BOARD OF DIRECTORS

Leif Liljebrunn – Chairman of the Board since 2022

Education and background: Liljebrunn holds a Bachelor of Business in Administration from University of Lund.

Other current assignments: Chairman of the Board of Balzac Invest AB, Mardam, Compare IT Nordic AB. Member of the board in Umida Group, Gavagai, Business Driven Development AB.

Previous assignments: Chairman of the Board in ZetaDisplay AB, Pronto TV, LiveQube AS, CEO of ZetaDisplay AB.

Shareholdings: 221,817 B-shares.

Christian Bertschy – Board member since 2017

Education and background: Bertschy is Swiss and is the founder of Divio.

Other current assignments: Member of the Board of Divio AG since 2011, and Sole Director of the Board of Divio Inc. since 2015, CEO and owner of Bertschy.biz GmbH.

Previous assignments: Chairman of the Board in Divio AG.

Shareholdings: 750,000 A-shares and 5,829,907 B-shares (partially through bertschy.biz Ltd).

Niklas Köresaar – Board member since 2020

Education and background: Köresaar holds a Bachelor's degree of Business in Administration at Uppsala University and Master of Science in Shipping, Trade and Finance from CASS Business School.

Other current assignments: CFO of Flexion Mobile AB (publ).

Previous assignments: Vice President at DvD Bank and Account Manager at DnB.

Shareholdings: 210,970 B-shares.

Kimmo Björnsson – Board member since 2021

Education and background: Björnsson has an education in Computer Science and Mathematics from Gothenburg University.

Other current assignments: Chairman of the Board of Wakakuu AB and Uptive Göteborg AB.

Previous assignments: Co-founder and CFO of Mat.se.

Shareholdings: 631,863 B-shares.

Anette Ringnér – Board member since 2020

Education and background: Ringnér holds a Bachelor's degree in Sc. SA System Analyst and Sc. Business Economics from the University of Lund.

Other current assignments:

Previous assignments: COO and Executive Director Business Area CRM, BI at Stratiteq AB and Board Member of Sparbanken Syd.

Shareholdings: 248,776 B-shares.

INFORMATION ABOUT THE SENIOR MANAGEMENT

Jon Levin – CEO since 2019

Education and background: Levin holds a Bachelor's degree in Financial Economics from the University of Lund.

Other current assignments: Chairman of the Board of Divio AG since 2019, and member of the Board of LEVINVEST Aktiebolag.

Experience: Application Manager CRM Sales and offering at Stratiteq AB, Head of Product Development at E.ON, Founder & Commercial Director at Amok Studios, Country Manager CEO at Uniwire, Nordic Mobile & New Business Manager at MTV Networks.

Shareholdings: 1,580,345 B-shares (Through Broomhilda AB and Levinvest AB).

Fredrik Wallmark – CFO since 2022

Education and background: Wallmark holds a Master's degree in Industrial Engineering and Management, as well as a degree in Business Administration from the University of Lund.

Experience: Interim CFO at Bambuser, Group CFO and Director of the Board at EU-Supply, CFO at Footway, Group Business Controller at Academedia.

Shareholdings: Wallmark holds no shares in the Company.

Joel Burch – COO since 2020

Education and background: Burch holds a Bachelor's degree in Accounting and Controlling from Lucerne University of Applied Sciences and Arts.

Experience: Head of Customer Success in Divio AG, Head of Accounting and Controlling in Divio AG, Relationship Manager Corporate Clients at UBS Switzerland AG.

Shareholdings: 951,596 B-shares (partially through Broomhilda AB).

Jonathan Stoppani – CTO since 2018

Education and background: Stoppani holds a Master's degree in Engineering at University of Applied Sciences of Western Switzerland.

Experience: CTO and Co-founder of WSFComp SA.

Shareholdings: 1,682,402 B-shares.

ADDITIONAL INFORMATION REGARDING THE BOARD AND SENIOR MANAGEMENT

There are no family ties between Board members and/or the senior management. None of the above-mentioned Board members or senior management have entered into an agreement with the Company regarding benefits after the end of the assignment. With the exception of conflicts of interest which are explained in the section "Legal information, ownership structure and supplementary information" in the Memorandum, there are no conflicts of interest or potential conflicts of interest between the Board members' and senior management's commitments towards the Company and their private interest and/or other commitments.

During the past five years, no Board member or senior management (i) has been convicted in any fraud-related case, (ii) acted as a representative of a company placed in bankruptcy or involuntary liquidation, (iii) by a regulatory or supervisory authority (including recognized professional associations) has been bound by, or has been subject to criminal sanctions, or (iv) prohibited by court from being a member of an issuer's administrative, management, or supervisory body or from exercising managerial or executive functions of an issuer.

COMPENSATION AND OTHER BENEFITS IN 2022

Name and position	Remuneration/salary	Other remuneration	Pension	In total
Leif Liljebrunn	150,000			150,000
Niklas Köresaar	100,000			100,000
Anette Ringnér	100,000			100,000
Kimmo Björnsson	100,000			100,000
Christian Bertschy	100,000			100,000
Jon Levin	1,200,000		50,000	1,250,000
Joel Burch	1,320,000		60,000	1,380,000
Jonathan Stoppani	1,600,000	150,000	70,000	1,820,000
Fredrik Wallmark	360,000		15,000	375,000
In total	5,030,000	150,000	195,000	5,375,000

FINANCIAL INFORMATION

This section presents the financial information of the Company from 1 January - 30 September for the years 2022 and 2021, as well as full year information for 2021 and 2020. The selected financial information has been extracted from the Company's financial statements for the same periods and have been incorporated into this Memorandum by reference. The financial information for the financial year 2020/2021/2022 has been extracted from the Company's unaudited interim reports as well as from the audited annual reports. For more information on information incorporated by reference, please refer to "Documents incorporated by reference" below. The annual reports for the financial year 2021 and 2020 have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's general guidance BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3). The annual reports have been audited by the Company's auditor, Mazars AB, Anders O Persson as chief auditor.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference and thus form part of this Memorandum. Incorporated documents should be read as part of this memorandum. Documents incorporated by reference are available at the Company's office at Skeppargatan 27, 114 52 Stockholm, Sweden, and at the website www.divio.com.

- Divio's financial statements for the period 2022-01-01 - 2022-09-30, which are incorporated by reference as follows: consolidated income statement on page 7, consolidated statement of changes in equity on page 11, consolidated balance sheet on page 8-9, consolidated statement of cash flows on page 10, parent company income statement on page 11 and parent company balance sheet on page 12.
- Divio's financial statements for the period 2021-01-01 - 2021-09-30, which is referred to as follows: consolidated income statement on page 7, consolidated balance sheet on page 8-9, consolidated statement of changes in equity on page 11, consolidated cash flow statement on page 10, parent company income statement on page 11, parent company balance sheet on page 12.
- Divio's annual report for the financial year 2021, which is referred to as follows: consolidated income statement on page 13, consolidated balance sheet on page 14-15, consolidated statement of changes in equity on page 16, consolidated cash flow statement on page 17, parent company income statement on page 18, parent company balance sheet on page 19-20, notes on pages 22-28 and auditors' report on pages 30-32.
- Divio's annual report for the financial year 2020, which is referred to as follows: consolidated income statement on page 13, consolidated balance sheet on page 14-15, consolidated statement of changes in equity on page 16, consolidated cash flow statement on page 17, parent company income statement on page 18, parent company balance sheet on page 19-20, notes on pages 22-28 and auditors' report on pages 30-32.

FINANCIAL CALENDAR

- Publication of the Annual Report 2022: 22 February 2023.
- Publication of the Interim Report 2022-07-01 - 2022-09-30: 23 November 2022.

INCOME STATEMENT GROUP, SUMMARIZED

KSEK	1 Jan-30 Sept 2022	1 Jan-30 Sept 2021	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Profit and loss				
Subscription revenues	4,288	3,588	14,729	11,096
Professional services	206	182	974	694
Capitalized development	1,235	1,003	4,429	5,130
Other revenue	0	-55	20	977
Total revenue	5,729	4,718	20,151	17,897
Cost of goods sold	-1,643	-634	-4,586	
Other external costs	-1,263	-2,517	-9,117	-13,290
Personnel	-3,774	-2,866	-12,990	-16,684
Depreciation / Amortization	-1,370	-1,202	-4,937	-4,979
Other operating costs	-0	0	-55	0
Operating results	-2,321	-2,500	-11,533	-17,056
Net financial items	-93	-1,037	706	-1,462
Earnings before tax	-2,413	-1,463	-10,826	-18,519
Tax on earnings	0	0	-51	-92
Net result for the period	-2,413	-1,463	-10,878	-18,610

BALANCE SHEET GROUP, SUMMARIZED

KSEK	30 Sept 2022	30 Sept 2021	31 Dec 2021	31 Dec 2020
Assets				
Fixed assets				
Intangible fixed assets				
Activated development	13,781	12,399	13,018	12,616
Other immaterial fixed assets	13	43	35	65
Total immaterial fixed assets	13,793	12,441	13,053	12,681
Equipment, tools and installations	92	50	44	40
Total material fixed assets	92	50	44	40
Other financial assets	0	0	13	1
Total financial assets	0	0	13	1
Total fixed assets	13,885	12,491	13,110	12,722
Current assets				
Trade receivables	130	81	4,258	234
Other current receivables	288	402	873	1,481
Total current assets	418	483	5,131	1,715
Cash and cash equivalents	3,920	14,060	9,287	1,095
Total assets	18,223	27,034	27,528	15,531
KSEK	30 Sept 2022	30 Sept 2021	31 Dec 2021	31 Dec 2020
Equity and liabilities				
Equity				
Share capital	8,562	8,562	8,562	7,676
Shares premiums	92,941	92,941	92,941	73,998
Retained profit (losses)	-81,490	-72,537	-71,873	-53,305
This year's profit (loss)	-8,050	-6,722	-10,878	-18,610
Total equity	11,963	22,244	18,752	9,759

Current liabilities				
Trade payables	896	1,470	417	865
Other current liabilities	5,364	3,320	8,351	4,899
Total current liabilities	6,260	4,790	8,768	5,764
Total equity and liabilities	18,223	27,034	27,528	15,531

CASH FLOW GROUP, SUMMARIZED

KSEK	1 Jan-30 Sept 2022	1 Jan-30 Sept 2021	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Cash flow from operating activities	-2,988	-3,223	-7,226	-12,742
Cash flow from investing activities	-1,216	-1,726	-4,470	-4,796
Cash flow from financing activities	0	115	19,795	12,324
Total cash flow for the period	-4,203	-4,834	8,099	-5,214
Cash at the beginning of the period	7,953	18,870	1,095	5,948
Cash at the end of the period	3,920	14,060	9,287	1,095

CHANGE IN EQUITY, SUMMARIZED

KSEK	1 Jan-30 Sept 2022	1 Jan-30 Sept 2021	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Equity at the beginning of the period	14,044	24,496	9,759	14,524
New share issue	-	-	19,795	13,400
Currency translation differences	332	-788	75	453
Profit (loss)	-2,413	-1,463	-10,878	-18,610
Equity at the end of the period	11,963	22,244	18,752	9,767

LEGAL INFORMATION, OWNERSHIP STRUCTURE & SUPPLEMENTARY INFORMATION

GENERAL COMPANY INFORMATION

Divio Technologies AB is a Swedish public limited company that was formed on 1 September 2016 and registered on 16 September 2016. The Board has its seat in Stockholm, Stockholm County, and the Company's representatives can be reached via the Company's office address Skeppargatan 27, 114 52 Stockholm, Sweden, and telephone number +46 (0) 73 244 70 66. Divio's corporate number is 559077-0730 and its identification code (LEI) is 549300CKKC15TESVL798. The Company's operations are conducted in accordance with the Swedish Companies Act (2005:551). The Company is a reconciliation company, and its share register is maintained by Euroclear. The Company's website is www.divio.com. The information on the website is not part of the Memorandum unless this information is incorporated into the Memorandum by reference.

GENERAL INFORMATION ABOUT THE SHARES

Divio's shares are issued in accordance with the Swedish Companies Act (2005:551) and are denominated in Swedish kronor (SEK). The Company has two series of shares, whereby A-shares entitle to ten (10) votes and is entitled to one (1) voting value, and B-shares entitle to one (1) vote and one (1) voting value. The shares have been admitted to trading on Nasdaq First North since 18 December 2019 and are traded under the short name DIVIO B and have ISIN code SE0011311554. All shares are fully paid, and the B-shares are freely transferable.

According to Divio's registered articles of association, which were adopted at a general meeting on 16 May 2019, the share capital may not fall below SEK 8,400,000 and not exceed SEK 33,600,000, divided into a minimum of 84,000,000 shares and a maximum of 336,000,000 shares. Registered share capital in the Company before the Offer amounts to SEK 8,562,308.00, divided into 85,623,080 shares, where each share has a quota value of SEK 0.10.

CERTAIN RIGHTS ATTACHED TO THE SHARES

The shareholders' rights regarding profit distribution, voting rights, pre-emptive rights when new shares are subscribed, etc. are governed partly by Divio's articles of association, which are available via the Company's website, and partly by the Swedish Companies Act (2005:551).

VOTING RIGHTS AT THE GENERAL MEETING

At the annual general meeting, A-shares have a voting value of 10 and B-shares a voting value of 1, and each person entitled to vote may vote for his/her full number of shares without limitation. All shares give shareholders the same preferential right when issuing warrants and convertibles to the number of shares they own.

PREFERENTIAL RIGHT TO NEW SHARES, ETC.

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, the shareholders as a general rule have preferential rights to subscribe for such securities in relation to the number of shares held before the issue.

RIGHT TO DIVIDENDS, SHARE OF THE COMPANY'S PROFIT AND RETENTION IN LIQUIDATION

All shares in the Company give equal rights to profit distribution as well as to the Company's assets and any surplus in the event of winding up through liquidation or bankruptcy. The new shares carry the right to a dividend for the first time on the first dividend record date that falls after the new shares have been registered with the Swedish Companies Registration Office. The new shares have the same right to dividends as the existing shares.

Decisions on profit distribution are made by the general meeting and payment is taken care of by Euroclear. The right to a dividend accrues to anyone who is a registered shareholder in the share register kept by Euroclear on the record date before the dividend as decided by the general meeting. Dividends, to the extent that such is decided upon, are normally paid out as a cash amount per share through Euroclear's provision but can also consist of something other than cash. If the shareholder cannot be reached through Euroclear, the shareholder's claim on the Company regarding the dividend amount remains and such claim is subject to a ten-year statute of limitations. In case of prescription, the dividend amount accrues to the Company. The Company does not apply any restrictions or special procedures regarding cash dividends to shareholders residing outside Sweden. With the exception of possible restrictions resulting from banking and clearing systems, payment is made in the same way as for shareholders resident in Sweden. For shareholders who are not domiciled in Sweden for tax purposes, Swedish withholding tax is also normally payable.

CHANGE IN SHAREHOLDER RIGHTS

The general meeting has the opportunity to make decisions on changes to the articles of association, which may entail changes to the shareholders' rights. The Companies Act sets out certain majority requirements for such decisions at the general meeting to be valid. If a decision to amend the articles of association results in the shareholders' right to the Company's profit or other assets being reduced by the fact that the purpose of the Company's operations must be wholly or partly other than to give profit to the shareholders, that the right to transfer or acquire shares in the Company is restricted through consent-, reservation of pre-emption or home bid or otherwise results in the legal relationship between shares being disrupted, it is required that the decision be supported by all present shareholders and that these together represent more than nine tenths of all shares in the Company. If a decision to amend the articles of association means that the number of shares for which the shareholders may vote at the general meeting is limited, that the net profit after deduction for covering the balance sheet loss must be set aside to a certain extent to a restricted fund, or that the use of the Company's profit or its retained assets at its dissolution is limited in a different way than by changing the Company's purpose to be wholly or partly other than giving profit to shareholders or by the net profit after deduction for coverage of balanced loss to a certain extent being allocated to a restricted fund, the decision is required to be assisted by at least two-thirds of the votes cast and nine-tenths of the shares represented by the meeting. However, the above-mentioned majority requirements do not apply if a decision is supported by shareholders with at least two-thirds of both the votes cast and the shares that are represented at the general meeting, if the change only results in the rights of certain or certain shares being impaired and consent is given by all present at the general meeting owners of such shares and these owners together represent at least nine-tenths of all shares whose rights are impaired or if the change impairs the rights of only an entire class of shares and owners of half of all shares of this type and nine-tenths of the shares of this type represented at the general meeting agree to the change.

PUBLIC TAKEOVER OFFERS AND FORCED REDEMPTIONS

In the event that a public takeover offer was to be submitted regarding the shares in Divio, the Takeover rules (rules regarding public takeover offers regarding shares in Swedish limited companies whose shares are traded on certain trading platforms) issued by the College of Swedish corporate governance (the "Takeover Rules"). If the Board or the CEO of the Company, due to information derived from the person who intends to make a public takeover offer regarding shares in the Company, has reasonable grounds to assume that such an offer is imminent, or if such an offer has been made, may According to the Takeover rules, the company may only take measures after a decision by the general meeting that are likely to worsen the conditions for the submission or implementation of the offer. However, this does not prevent the Company from searching for alternative offers.

A takeover offer can apply to all or part of the shares in a company and can either be voluntary through a public takeover offer or mandatory through a so-called mandatory bid. Obligation to bid arises when an individual shareholder, alone or together with related parties, achieves a holding that represents at least 30 percent or more of the votes in a company. During a public takeover offer, the shareholders are free to decide whether they wish to sell their shares in the public takeover offer. After a public takeover offer, the person who submitted the offer may, under certain conditions, be entitled to redeem the remaining shareholder's shares in accordance with the rules on compulsory redemption in ch. 22. The Companies Act (2005:551). Such forced redemption may take place if bidders obtain more than 90 percent of the shares in the Company. Correspondingly, a shareholder whose shares may be subject to redemption is entitled to such redemption by the majority shareholder. This process is part of the minority protection, which aims to create a fair treatment of all shareholders, where the shareholders who are forced to dispose of their shares must receive fair compensation.

The units that are newly issued in the Rights Issue described in the Memorandum are not subject to any offer made as a result of an obligation to bid, right of redemption or obligation to resolve. No public takeover offers have been made regarding the shares during the current or previous financial year.

OWNERSHIP STRUCTURE

As of the date of the Memorandum, the number of shareholders in the Company amounts to approx. 6,900. As far as the Board is aware, there are no shareholders' agreements or other agreements between the Company's shareholders aimed at joint influence over the Company. As far as the Board is aware, there are also no further agreements or equivalent that could lead to the control of the Company being changed or prevented.

The table below reports all shareholders with holdings exceeding five percent of the capital or votes in the Company as of September 30, 2022, including subsequently known changes up to the date of the Memorandum. As of the date of the

Memorandum, there are, to the Company's knowledge, no natural or legal persons who own five percent, or more than five percent, of all shares or votes in Divio besides what appears in the table below.

Shareholder	Number of A-shares	Number of B-shares	Capital (%)	Votes (%)
Avanza Pension	0	7,251,179	8.47	7.85
Christian Bertschy	750,000	5,709,907	7.54	14.30
Broomhilda AB	0	4,800,000	5.61	5.20
Venture Holding Sarl	0	2,291,119	5.21	4.52
<i>Others (approx. 6,900)</i>	<i>0</i>	<i>64,820,875</i>	<i>73.17</i>	<i>68.13</i>
In total	750,000	84,873,080	100.00	100.00

SHARE CAPITAL DEVELOPMENT AND INFORMATION ON SECURITIES

The table below shows the development of the share capital since the Company's formation.

Year	Event	Subscription price (SEK)	Quota value (SEK)	Change in no. of shares	Change in share capital (SEK)	Total no. of shares	Total share capital (SEK)
2016	Formation		1.00	50,000	50,000	50,000	50,000.00
2016	Split		0.05	950,000		1,000,000	50,000.00
2018	Creation A & B shares		0.05			1,000,000	50,000.00
2018	Share issue	0.05	0.05	1,000,000	50,000	2,000,000	100,000.00
2018	Share issue	3.33	0.05	4,718,601	235,930.05	6,718,601	335,930.05
2018	Share issue	3.33	0.05	998,491	49,924.55	7,717,092	385,854.60
2018	Share issue	1.00	0.05	20,500,000	1,025,000	28,217,092	1,410,854.60
2018	Reverse split		0.10	14,108,546		14,108,546	1,410,854.60
2019	Share issue	1.50	0.10	1,400,000	140,000	15,508,546	1,550,854.60
2019	Share issue	1.50	0.10	5,600,000	560,000	21,108,546	2,110,854.60
2019	Share issue	1.50	0.10	6,400,000	640,000	27,508,546	2,750,854.60
2019	Share issue	0.10	0.10	1,050,000	105,000	28,558,546	2,855,854.60
2019	Share issue	0.10	0.10	10,500,000	1,050,000	39,058,546	3,905,854.60
2019	Share issue	1.50	0.10	4,930,640	493,064	43,989,186	4,398,918.60
2020	Share issue	0.40	0.10	22,000,000	2,200,000	65,989,186	6,598,918.60
2020	Share issue	0.45	0.10	11,111,111	1,111,111.10	77,100,297	7,710,029.70
2021	Share issue	2.37	0.10	8,143,037	814,303.70	85,243,334	8,524,333.40
2021	Share issue	2.37	0.10	379,746	37,974.60	85,623,080	8,562,308.00
2022*	Share issue	0.15	0.10	79,914,870	7,991,487	165,537,950	16,553,795.00
2023**	Warrant exercise	0.15-0.28	0.10	34,249,230	3,424,923	199,787,180	19,978,718.00

* Provided that the Rights Issue is fully subscribed.

** Provided that all warrants issued through the Rights Issue are exercised.

SHARE-BASED INCENTIVE PROGRAMS

The Company has one active series of warrants.

Warrant	Duration	Price	End date	Investors	Sum warrants	Employees	No. of shares
Incentive Program 2021/2024	2021/2024 24	SEK 4.36 (1:1)	30 Sept 2024	-	700,000	700,000	700,000

SELECTED AGREEMENTS

During the last year preceding the publication of the Memorandum, the Company has no material agreements besides the below mentioned.

Bridge financing loan

There are agreements with a number of parties regarding bridging financing loans totaling approx. SEK 2 million that were taken out in November 2022 and run until after the Rights Issue has been executed. The bridge financing loan runs with a monthly interest rate of 2 percent for each 30-day period started until repayment. Repayment of the loan financing is intended to take place with funds from the Rights Issue, directly after the Rights Issue is finalized.

Fidelity

Fidelity International, a leading investment and retirement savings management provider, with over 7,000 employees, depends on the Divio platform to build and deliver high-availability online products and services. Fidelity adopted the Divio platform to provide advanced multi-cloud technology, development and deployment tools together with expert support to accelerate and support their products and services. The partnership with Fidelity is an important part of Divos revenue and customer base. The partnership with Fidelity also consists of a valid and important source when further developing the platform.

LEGAL, GOVERNMENTAL AND ARBITRATION PROCEEDINGS

Divio has not been a party to any authority proceedings, legal proceedings or arbitration proceedings (including pending matters or those that the Board of the Company is aware may arise) during the past twelve months, and which recently had or could have significant effects on the Company's financial position or result. The Company's board is also not aware of any circumstances that could lead to any such authority proceedings, legal proceedings or arbitration proceedings.

TRANSACTIONS WITH RELATED PARTIES

Related parties are all Board members and senior management and their family members. Transactions with related parties refer to these persons' transactions with Divio.

The table on below shows the total remuneration paid to the senior management and Board members in 2021 and 2020. The total amount per person corresponds to remuneration carried out in accordance with entered into consultancy agreements. For information on remuneration to Board members and senior management, see section "Remuneration and benefits to Board members and senior management".

CONFLICTS OF INTEREST IN THE COMPANY

People on Divio's Board and management own shares in the Company or are involved in companies that own shares in Divio. None of the Board members or senior management have been chosen or appointed as a result of a special agreement with major shareholders, customers, suppliers or other parties. No Board member or senior management has any private interests that may conflict with the Company's interests.

DIVIDEND POLICY

Divio has so far not paid any dividends and has no dividend policy. There are also no guarantees that a dividend will be proposed or decided on in the Company for a given year. Divio is a development company where generated profits are planned to be set aside for development of the business. No share dividend is therefore planned for the coming years. In the future, when the Company's results and financial position allow, a share dividend may become relevant. Proposals for possible future dividends will be decided by the Board of Divio and then presented for decision at the annual general meeting.

TERMS & CONDITIONS

PREFERENTIAL RIGHT

Those who, on the record date of December 5, 2022, are registered as shareholders in the share register maintained by Euroclear on behalf of the Company have preferential right to subscribe for new units in relation to the number of shares held on the record date.

For each existing share held on the record date, one (1) unit right is obtained. The unit rights entitle the holder to subscribe for new units with preferential rights, whereby fifteen (15) unit rights give the right to subscribe for one (1) new unit. One (1) unit consists of fourteen (14) shares and six (6) warrants of series TO 1.

ISSUE VOLUME

The Offer comprises a maximum of 5,708,205 units (shares and attached free warrants). The total issue amount amounts to a maximum of approx. SEK 12 million before issue costs.

WARRANT OF SERIES TO 1*

One (1) warrant of series TO 1 entitles the holder to subscribe for one (1) newly issued share in the Company and can be used during the period from and including 7 June 2023 to and including 21 June 2023. Provided that the initial Rights Issue is fully subscribed and that all warrants of series TO 1 are exercised, the share capital will increase by a further SEK 3,424,923.

The warrants will be subject to trading from the time the conversion of BTU has taken place in Euroclear's system up to and including 19 June 2023 and will be traded in Swedish kronor. The warrants have ISIN-code SE0019174665.

The exercise price will amount to seventy (70) percent of the average volume-weighted price of the share according to First North's official price statistics during the period of 10 trading days ending two (2) banking days before the exercise period begins. The Company will announce the exercise price the day before the first day of the exercise period. The exercise price may not exceed the specified highest exercise price per share, or fall below the specified minimum exercise price per share

** Please note that the warrants, named "TO 1" in this Memorandum, will be named "TO 4" in the Euroclear Sweden AB system, and potentially in the different bank's systems.*

SUBSCRIPTION PRICE

The subscription price is 2.10 SEK per unit, corresponding to a price per share of SEK 0.15. Brokerage fee is not payable.

RECORD DATE

The record date at Euroclear Sweden AB ("Euroclear") for the right to participate in the Rights Issue is December 5, 2022. The last day for trading in the Company's shares with the right to participate in the Rights Issue is December 1, 2022. The first day for trading in the Company's shares without right to participation in the Rights Issue is December 2, 2022.

SUBSCRIPTION PERIOD

Subscription of new units with the support of unit rights must take place during the period from and including December 7, 2022, to and including December 21, 2022. The Board of Directors of the Company reserves the right to extend the subscription period. Any extension will be announced by the Company through a press release no later than December 21, 2022.

UNIT RIGHTS

For each existing share held on the record date, one (1) unit right is obtained. Unit rights entitle the holder to subscribe for new units with preferential rights, whereby fifteen (15) unit rights give the right to subscribe for one (1) new unit.

TRADING IN UNIT RIGHTS

Trading in unit rights takes place on Nasdaq First North Growth Market during the period December 7, 2022, to and including December 16, 2022. Shareholders must contact their bank or other administrator with the necessary permits directly to carry out the purchase and sale of unit rights. Unit rights acquired during the trading period give, during the

subscription period, the same right to subscribe for units as the unit rights shareholders receive based on their holdings in the Company on the record date.

UNEXERCISED UNIT RIGHTS

Unit rights which have not been sold no later than December 16, 2022, or exercise to subscribe for units no later than December 21, 2022, will be booked from all VP accounts without compensation. No special notification takes place when unit rights are cancelled.

ISSUE REPORT AND SUBSCRIPTION

Direct-registered shareholders

The shareholders or representatives of shareholders who, on the record date of December 5, 2022, are registered with Euroclear, will receive a pre-printed issue statement with an attached payment notice, as well as a teaser containing a summary of the terms of the Rights Issue with reference to the full Memorandum. Information will be available on Nordic Issuing's website (www.nordic-issuing.se) and on the Company's website (www.divio.com). Anyone who is included in the list of mortgagees etc. kept separately in connection with the share register does not receive any information but is notified separately. VP-notice reporting the registration of unit rights on the shareholder's VP account is not sent out.

Subscription with the support of preferential rights

Subscription with the support of preferential rights must take place by simultaneous cash payment no later than December 21, 2022. Subscription by payment must be done either with the pre-printed payment notice attached to the issue statement, or by subscription on Nordic Issuing's platform according to the following two options:

1. Issue report (printed payment notice from Euroclear)
In the event that all unit rights obtained on the record date are desired to be used for subscription, only the pre-printed payment receipt must be used as a basis for subscription by cash payment.
2. Subscription via Nordic Issuing supported by unit rights
In the event that a different number of unit rights than appears in the pre-printed issue statement is used for subscription, e.g. through unit rights being acquired or sold, subscription with the support of unit rights must be made on Nordic Issuing's platform <https://minasidor.nordic-issuing.se/> and used as a basis for subscription by cash payment. The shareholder must log in to the platform and state the number of unit rights they wish to exercise, the number of units they subscribe for and the amount to be paid. Registration is binding.

Information to banks/managers regarding subscription

On the first day of the subscription period, Nordic Issuing sends out an email containing the Memorandum, a short summary of the offer and notification forms that all banks/managers can use for subscription with the support of unit rights for their underlying customers.

Nordic Issuing reserves the right to disregard subscription forms received by post, as it cannot be guaranteed that they will be received before the last day of the subscription period if they are mailed.

Nominee-registered shareholders

Shareholders whose holdings of shares in the Company are nominee-registered with a bank or other trustee will not receive an issue statement, but a teaser is available on the Company's website. Subscription and payment must instead take place in accordance with instructions from the respective bank or administrator. Please note that when unit rights are exercised via a bank or administrator, this should take place early in the subscription period since the respective bank/administrator can set different time limits for the last day for subscription.

SUBSCRIPTION WITHOUT PREFERENTIAL RIGHT

Subscription of units without preferential rights must take place during the same period as subscription of units with support of preferential rights, i.e. from 7 December 2022. The Board of Directors of the Company reserves the right to extend the subscription period and the time for payment under any circumstances. Such an extension must be announced no later than the last day of the subscription period and published by the Company.

The application to subscribe for units without preferential rights must be made on Nordic Issuing's platform <https://minasidor.nordic-issuing.se/>.

For nominee-registered shareholders, notification of the subscription of units without preferential rights must be made to the respective nominee and in accordance with instructions from it, or if the holding is registered with several trustees, from each of these. In order to be able to invoke subsidiary preferential right, it is required that the subscription is carried out via the nominee, as there is otherwise no possibility to identify a certain subscriber who has subscribed for units both with and without the support of unit rights.

Incomplete or incorrectly completed subscriptions may be disregarded. It is only permitted to report one "Subscription without the support of unit rights". The subscription must take place no later than December 21, 2022. The registration is binding.

SUBSCRIPTION FROM ACCOUNTS SUBJECT TO SPECIFIC RULES

Please note that anyone who has a depository with specific rules for securities transactions, such as an investment savings account (ISK) or capital insurance account (KF), must check with the bank or administrator that maintains the account, whether the acquisition of securities within the scope of the offer is possible. In that case, the notification must be made in agreement with the bank/nominee that maintains the account.

SUBSCRIPTION OVER EUR 15,000

In the event that the subscription amounts to or exceeds EUR 15,000, a money laundering form must be completed and submitted to Nordic Issuing in accordance with the Act (2017:630) on measures against money laundering and the financing of terrorism. Please note that Nordic Issuing cannot book securities, even though payment has been received, until the money laundering control form is at Nordic Issuing's disposal.

SHAREHOLDERS RESIDING ABROAD

Shareholders residing outside Sweden (however, this does not refer to shareholders residing in the USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore, South Korea, Russia, Belarus or other countries where participation requires additional prospectus, registration or other measures than those who follow Swedish law) and who have the right to subscribe for units in the Rights Issue, can contact Nordic Issuing for information on subscription and payment.

Due to restrictions in the securities laws of the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore, South Korea, Russia, Belarus or other countries where participation requires additional prospectus, registration or other actions than those resulting from Swedish law, no unit rights will be offered to holders with registered addresses in any of these countries. Accordingly, no offer to subscribe for units in the Company is directed to shareholders in these countries.

ALLOCATION IN CASE OF SUBSCRIPTION WITHOUT PREFERENTIAL RIGHTS

In the event that not all units are subscribed with preferential rights as above, the Board must, within the framework of the maximum amount of the Rights Issue, decide on the allocation of units to others who have subscribed for units without the support of preferential rights and decide how the distribution between subscribers is to take place.

In the first instance, allocation of units subscribed without the support of unit rights shall be made to subscribers who also subscribed for units with the support of unit rights, regardless of whether the subscriber was a shareholder on the record date or not, and in the event that allocation to these cannot take place in full, allocation must take place pro rata in relation to the number of unit rights that have been used for subscription of units and, to the extent that this cannot take place, by lottery.

In the second instance, allocation of units subscribed without the support of unit rights shall be made to others who subscribed without the support of unit rights, and in the event that allocation to these cannot take place in full, allocation shall be made pro rata in relation to the number of units that were and a signed and, to the extent that this cannot take place, by lot.

In the third instance, allocation of units subscribed without the support of unit rights shall be made to the issue guarantors in relation to the size of the underwriting commitments, and to the extent that this cannot be done, by lottery.

NOTICE OF ALLOCATION OF UNITS SUBSCRIBED WITHOUT PREFERENTIAL RIGHTS

Notice of possible allocation of units, subscribed without preferential rights, is given by sending an allocation notice in the form of a settlement note via e-mail. Settlement notes are calculated to be sent out as soon as possible after the end

of the subscription period, and according to the instructions on the settlement note, liquidation must be paid no later than four (4) banking days thereafter. Note that there is no possibility to withdraw the amount from the specified deposit. If liquidation is not paid in time, units may be transferred to someone else. Should the sale price in such a transfer be lower than the price according to the offer, the person who originally received the allocation of these units may be liable for all or part of the difference. No notification is given to those who have not received an allocation.

PUBLICATION OF THE OUTCOME OF THE RIGHTS ISSUE

The publication of the outcome of the Rights Issue is planned for 23 December 2022, or as soon as possible after the subscription period has ended. The Company will publish the outcome of the Rights Issue through a press release.

PAID SUBSCRIBED UNIT (BTU)

Subscription by payment is registered with Euroclear as soon as this can take place, which normally means a few banking days after payment. After that, the directly registered subscriber receives a VP notice with confirmation that the booking of paid subscribed units (BTU) has taken place on the subscriber's VP account. Subscribed units are booked as BTU in the VP account until the Rights Issue has been registered with the Swedish Companies Registration Office.

Shareholders who have their holdings on deposit with a bank or administrator receive information from the respective administrator.

TRADING IN BTU

Trading in BTU takes place on Nasdaq First North Growth from and including December 7, 2022, until the Rights Issue is registered with the Swedish Companies Registration Office. Subscribed units are booked as BTU in the subscriber's VP account or deposit until the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to take place on January 11, 2023.

DELIVERY OF SHARES AND WARRANTS

As soon as the Rights Issue is registered with the Swedish Companies Registration Office, BTU is rebooked into shares and warrants without special notification from Euroclear. Please note that the Rights Issue may be partially registered at the Swedish Companies Registration Office.

TRADING IN THE SHARE

The shares in the Company are listed on Nasdaq First North Growth. The shares are traded under the short name "DIVIO B" and have ISIN code SE0011311554. The new shares are admitted to trading in connection with the conversion of BTU into shares.

RIGHT TO DIVIDENDS

The new shares carry the right to a dividend for the first time on the first dividend record date that falls after the new shares have been registered at the Swedish Companies Registration Office. The new shares have the same right to dividends as the existing shares.

DILUTION

Through the Rights Issue, the Company's share capital can initially increase by a maximum of SEK 7,991,487 through the Rights Issue of a maximum of 79,914,870 B-shares, corresponding to approx. 46.4 percent of the votes and 48.3 capital in the Company. The dilution is based on the number of issuing shares at the time of drawing up this Memorandum.

In the event of full exercise of warrants of series TO 1 within the framework of the Rights Issue, the share capital can increase by a further maximum of SEK 3,424,923, corresponding to an additional approx. 16.6 percent of the votes and approx. 17.1 percent of the capital in the Company.

POTENTIAL RECALCULATION OF SUBSCRIPTION PRICE AND SUBSCRIPTION ENTITLEMENT

The subscription price and the number of shares in the Company that the warrants entitle to subscription may be recalculated in the event of, for example, a bonus issue or a new issue. In the event that recalculation becomes actual, the Company will publish more information about this via press release on its website www.divio.com.

PRE-SUBSCRIPTION COMMITMENTS

The Company has received pre-subscription commitments, with and without the support of unit rights, from the members of the Board, management and Company contacts which in total amounts to approx. SEK 2 million, corresponding to approx. 16 percent of the Rights Issue. The pre-subscription commitments have not been secured by way of an advance transaction, bank guarantee or similar. Please note that the allocation of shares is made primarily to subscribers in the issue, in relation to the subscription commitment entered into. All pre-subscription commitments have been agreed in writing in November 2022 and all parties can be contacted at the Company's address, Skeppargatan 27, 114 52, Stockholm, Sweden.

Pre-subscriber	Org. id.	Address	Subscription commitment
Broomhilda AB	559218-8964	Prästavägen 686, 263 62, Viken	499,999.50
Henry Brougham			249,998.70
Niklas Köresaar			249,998.70
Dick Levin			199,999.80
Indian Assault AB	556734-4592	Grankullegatan 67, 411 46, Alingsås	149,998.80
Leif Liljebrunn			149,998.80
Christian Zenker			146,960.10
LEVINVEST Aktiebolag		Valhallavägen 134, 114 41, Stockholm	146,258.70
Fredrik Wallmark			49,998.90
Arthur Macherel			49,998.90
Joel Burch			44,181.90
Anette Ringnér			34,828.50
In total			1,972,221.30

UNDERWRITING COMMITMENTS

Underwriting commitments from external investors amount to a total of approx. SEK 6.45 million, corresponding to approx. 53.8 percent of the Rights Issue. The underwritten amount is divided into two parts - one directly on top of the pre-subscription and up to approx. 53.2 percent of the Rights Issue, and another from the level of approx. 53.2 percent and up to approx. 70 percent of the Rights Issue. For the first part of the underwriting commitment, a cash payment of 12 percent of the underwritten amount, or an optional payment of 16 percent in the form of units, is payable. For the second part of the underwriting commitment, a cash payment of 15 percent of the underwritten amount, or an optional payment of 20 percent in the form of units, is payable. The underwriting commitments entered into have not been secured by bank guarantee, escrow, pledge or similar arrangement. All underwriting commitments have been agreed in writing in November 2022 and all parties can be contacted at the Company's address, Skeppargatan 27, 114 52, Stockholm, Sweden.

Underwriter	Org. id.	Address	Underwriting commitment
Pronator Invest AB	559025-2879	Rådmansgatan 71, 113 60 Stockholm	999,999.00
Gryningskust Holding AB	556720-4630	Baldersuddevägen 26, 134 38 Gustavsberg	999,999.00
JJV Invest AB	556850-2529	Runnvägen 24, 791 53 Falun	758,688.00
Jinderman & Partners AB	559193-1745	Hornsgatan 178, 117 34 Stockholm	758,688.00
JEQ Capital AB	559301-4987	David Bagares gata 10, 111 38 Stockholm	758,685.90
Råsunda Förvaltning AB	556740-7688	Gyllenstiernsgatan 15, 5tr, 115 26, Stockholm	349,998.60
AD94 Holding Aktiebolag	559011-5985	Stora Badhusgatan 18, 411 21 Göteborg	199,999.80
Daniel Frändberg			199,999.80
Stefan Hansson			199,999.80
Kent Eklund			149,998.80
David Lavröd			149,998.80
Christian Månsson			124,998.30
Joakim Lindh			124,998.30
Torna Kapital AB	556747-4225	Gröneгатan 4A, 222 24 Lund	124,998.30
Mattias Svensson			99,999.90
Martin Johem			99,999.90
Edvin Malmgren			99,999.90
Johan Larsholm			99,999.90
Ulf Romlin			99,999.90
Niklas Engman AB	556523-9455	Sten Bergmans väg 25, 121 46 Johanneshov	49,998.90
In total			6,451,048.80

MISCELLANEOUS

The Board of Directors of the Company does not have the right to suspend, revoke or temporarily withdraw the offer to subscribe for new shares in the Company in accordance with the terms of the Memorandum.

In the event that an excessive amount has been paid in by a subscriber for subscribed units, Nordic Issuing will see to it that the excess amount is refunded. In such a case, Nordic Issuing will contact the subscriber for information about a bank account to which Nordic Issuing can repay the amount. No interest will be paid on excess amounts. Subscription of units is irreversible, and the subscriber cannot cancel or modify a subscription of units. An incomplete or incorrectly completed registration form/signature may be left without consideration. If the liquid for subscribed units is paid in late, is insufficient or is paid incorrectly, the notification of subscription may be left without consideration or subscription may take place with a lower amount. Cash paid that has not been used will be refunded. If several registration forms/signatures of the same category are submitted, only the registration form/signature that was last received by Nordic Issuing will be considered. Late payments of amounts less than SEK 100 will only be refunded on request.

ISSUING AGENT

Nordic Issuing AB is acting as an issuing agent in connection with the Rights Issue.

RISK FACTORS

An investment in Divio is associated with risks. The risk factors presented below are limited to those risks that are specific and material to Divio's and its securities, as determined by the Company. The risks are presented in a limited number of categories. For each category, the most significant risks are first listed, as assessed by the issuer, taking into account the negative impact on the Company and the risk of their realization. Each risk is assessed with an estimated level of risk with a scale of low, medium and high.

RISKS RELATED TO DIVIO'S BUSINESS AND INDUSTRY

Dependence on key persons and employees

Within the Group there are key persons and employees who are important for a successful development of the Group's business. The Group is dependent on qualified and motivated personnel within all functions. It is essential that the Group manages to attract and retain key personnel and that the personnel experience the Group as a stimulating employer. If the Group fails to retain such key personnel or attract and gain new personnel, this will likely have a negative impact on the Group's business. This risk may be further increased due to changes in migration politics in Switzerland that will make it increasingly difficult to hire qualified employees in Switzerland.

Dependence on large customers

Focusing on a smaller number of large customers generally results in higher profitability, but, at the same time, increases the concentration of risk. The Group's has been dependent on certain large customers and projects with these customers have been very large in size, with a meaningful impact on the revenue and profit of the Group. Even if there is high customer concentration revenue remains relative to service size, complexity of the customers' respective setup and the load over websites/applications, distributing that same revenue over many more websites (as core revenue driver).

If any of these large customers were to terminate the business relationship this could have a negative impact on the group's result as a result of lost revenue.

Implementation of Divio's strategy may not succeed

The Group's future operational and financial performance will largely depend on the Group's ability to implement its business strategy. The Group may not be able to successfully implement its strategy, such as the developments of operations in targeted markets, the future demand for the Group's cloud-based products and the applications the Group is developing. Furthermore, the success of the Group's strategy depends on a number of factors, some of which are beyond the Group's control. In order to reposition the Group and achieve a strong position in its key markets as envisaged, the Group depends on its ability to manage and develop its products, to recruit and retain skilled management and other personnel, to expand its sales force in the target markets and to finance its operating and restructuring activities, including to secure sufficient funding for necessary capital expenditures.

The Group may be unable to implement its strategy within the envisaged time and cost frames, or the strategy may not be successful. Any failure to develop or implement its strategy in a timely and effective manner may adversely affect the Group's business operations, financial condition or its results of operations and its results.

Risks related to open-source software

The Company makes extensive use of open-source software in its operations. In the event of improper use of open-source software there is a risk that restrictions will apply on the possibility to commercialize products, a risk that the Company's exclusive right to certain software will terminate as well as a risk that the Company will be obliged to provide its source code to third parties. If such risks are materialized it may have an adverse effect on the Company's business operations and its result as a result of lost business opportunities and revenue.

Dependence on IT systems

The Group is dependent on IT systems in its business for both its day-to-day operation and relating to its customers. System failures, data breaches, computer viruses or similar events might affect the Group's operation and result. Such events might also in turn cause customers harm and could therefore lead to that the Group is held liable for such harm. Any such event could have a material adverse effect on the Group's business and result.

Risks related to interruptions to IT-product delivered to customers

The software provided by the Group could be faulty or suffer from failure which might result in down-time of the software which exceeds the agreed down-time limits in the respective customer contract. Further, security gaps in the provided software might lead to data loss of the customers. Down-times of the Group's software or security gaps might affect a

wider part of a customer's IT system and lead to business interruption. Customers' might claim damages for such business interruption or data loss caused by the Group's products. Any such event might have a material adverse effect on the Group's result as a result of lost revenue and costs.

Dependence on suppliers

The Group is dependent on certain suppliers to be able to conduct its business and to supply the customers with a high-quality service and product. Any impairment or suspension of the product or service provided to the Group might affect the Group's business. Similarly, if any supplier were to terminate the business relationship this might affect the Group's business. Any such event might have a material adverse effect on the Group's result due to increased costs.

LEGAL AND REGULATORY RISKS

Risks related to the Group's intellectual property rights

The value of the Group's assets is dependent on the ability to obtain and defend intellectual property rights. In countries where the protection of intellectual property is limited or missing, a third party could use the Group's intellectual properties and thereby reducing the value of the Group's registered or unregistered intellectual property rights. If the Group fails to maintain or prevent unauthorized usage of its existing intellectual properties, such as its trademarks and domain names, there is a risk that the Group's intellectual property protection and competitive advantages developed by the Group will be adversely affected. Third parties may also object to, or otherwise challenge, registered and unregistered intellectual properties. As a result, the Group could also lose revenue, which could also adversely affect the Groups' result.

Risk of infringement of intellectual property rights of third parties

There is a risk that the Group has infringed or may infringe intellectual property rights, or that third parties claim that such infringement (also without justification) has taken place. Therefore, it cannot be excluded that competitors enforce their own intellectual property rights against the Group and/or defend themselves against the infringement of intellectual property rights. Legal disputes regarding intellectual property rights can, irrespective of their justification, result in a time consuming and cost intensive defense and can absorb management capacity and other resources. Payment obligations may arise for the group or the group may have to enter into license agreements, which are not available at economically viable conditions, or the Group may not be able to apply certain procedures to the offered software. Any such event could have a material adverse effect on the Group's result as a result of increased costs.

FINANCIAL RISKS

Financial risks Financing, liquidity and future capital requirements

The Group may, depending on the development of Group's business and its ability to generate cash flow, require additional capital to be able to acquire assets and to develop assets and new products or services, on for the Group acceptable commercial terms. The conditions for future financing will depend on how the Group's business develops, but it will also depend on other factors outside the Group's control, such as the macroeconomic development and the capital market's will to finance companies in the segment where the Group operates.

The Group faces the risk that it will be unable to achieve financing (debt and equity) on a timely basis or on satisfactory terms. In any case, it is not ensured that the Group will receive the necessary financial resources in all cases in due time, in the required amount and/or at acceptable conditions. In particular, higher interest rates may prevent the Group from being able to access the necessary financing or make such financing unattractive. This could result in the Group not being able to make important investments or that the necessary liquidity for the expansion of the sales and production capacity is not available and that as a result the corporate strategy has to be adjusted or given up completely, putting the Group at a disadvantage compared to its competitors that may be less indebted and subject to less restrictive financial covenants.

RISKS RELATED TO THE SECURITIES AND RIGHTS ISSUE

Marketplace

The Company's has its shares listed on First North. An investment in a company traded on First North is a riskier investment than an investment in a company on a regulated market. First North does not have the same legal status as a regulated market and does not impose equal demands on the Company regarding for example disclosure of information or corporate governance as for companies on a regulated market. Companies on First North are governed by a specific rule book and not by the legal requirements imposed on companies on a regulated market.

Future sales of shares of existing shareholders

The price of the Company's shares may decrease if there is a significant sale of the Company's shares, especially if the shares are sold by the Company's Board members, senior management or major shareholders.

Restrictions on sales of shares

The major shareholder Christian Bertschy, representing approx. 14.3 percent of the votes and approx. 7.5 percent of the capital, has undertaken to not dispose of any shares or warrants owned at the time of this Memorandum, for a period of six months after the Rights Issue. Such restrictions on share transfers may have an adverse effect on the liquidity of the outstanding shares. Further, at the lapse of the restricted period, Christian Bertschy is free to dispose of any shares. In case of the major shareholder Christian Bertschy selling significant amounts of shares, there is a risk of a decrease in the Company's share price.

There to, management and Board shareholders have also undertaken to not dispose of any shares or warrants owned at the time of this Memorandum, for a period of six months after the Rights Issue. Such restrictions on share transfers may have an adverse effect on the liquidity of the outstanding shares.

New issue of shares may affect the price of outstanding shares and lead to dilution for the Company's shareholders

Any future share issues may have a material adverse effect on the price of the shares. Although existing shareholders according to Swedish law as a rule have a certain preferential right in a share issue, issues may be resolved with a deviation from the existing shareholders' preferential rights, which may lead to a dilution of the existing shareholders' proportional ownership and voting rights.