



# DIVIO

## INVITATION TO SUBSCRIBE FOR SHARES IN DIVIO TECHNOLOGIES AB

Subscription period 29 October – 12 November 2024

Information memorandum | Divio Technologies AB | 559077-0730 | [www.divio.com](http://www.divio.com)

Please note that subscription rights may have economic value. To prevent the value of the subscription rights from being lost, the holder must either:

- exercise the received subscription rights to subscribe for new shares no later than 12 November, 2024, or
- sell the received subscription rights that are not intended to be used for subscription of shares no later than 7 November, 2024.

Please note that it is also possible to apply for subscription of shares without the support of subscription rights. Further note that shareholders with nominee-registered holdings subscribe for shares through their respective nominees. Distribution of this document and subscription for shares is subject to restrictions in certain jurisdictions, see the section "The area of distribution for the Memorandum."

# 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 corporate identification number 559077-0730. The "Offer" or the "Rights Issue" refers to the Company's new issue of shares with pre-emptive 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, Eversheds Sutherland Advokatbyrå AB ("Eversheds") 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, Eversheds and Nordic Issuing 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 Memorandum does not constitute a prospectus according to the Regulation (EU) 2017/1129 of the European Parliament and of the Council since the Rights Issue is exempt from the prospectus requirement pursuant to the law (2019:414) with supplementary provisions to the EU Prospectus Regulation as the amount that the Company can receive through the Rights Issue is less than 2.5 MEUR. Therefore, the Financial Supervisory Authority has neither approved nor reviewed this Memorandum.

## 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.

## 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. 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.

## AVAILABILITY OF THE MEMORANDUM

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

## 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.

## 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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## INFORMATION ABOUT THE SHARE

Short name for the share on First North Growth Market:

ISIN:	SE0011311554
LEI:	549300CKKC15TESVL798
FISN:	DIVIO/SH B
CFI:	ESVUFR

## FINANCIAL CALENDAR

Third quarter report 2024	29 November 2024
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## THE OFFER IN BRIEF

<b>Number of shares before the Rights Issue</b>	In total 186,190,114 shares, of which 750,000 are A-shares and 185,440,114 are B-shares.
<b>Issue volume</b>	The Offer comprises a maximum of 128,900,844 B-shares.
<b>Subscription price</b>	The subscription price is SEK 0.12 per share.
<b>Subscription period</b>	29 October 2024 - 12 November 2024.
<b>Pre-Money Valuation</b>	Approximately SEK 22.3 million
<b>Preferential right</b>	Anyone who is a registered shareholder of Divio on the record date of 25 October 2024 has pre-emptive right to subscribe for shares in the Company. One (1) existing share, regardless of the share class, in the Company entitles the holder to one (1) subscription right. Thirteen (13) subscription rights entitle the holder to subscribe for nine (9) new B-shares in Divio with preferential right. The general public is also entitled to subscribe to the Rights Issue without pre-emptive rights.
<b>Last day of trading incl. subscription rights</b>	23 October 2024
<b>First day of trading excl. subscription rights</b>	24 October 2024
<b>Pre-subscription and underwriting commitments</b>	The Offer is up to approx. 100% percent covered by pre-subscriptions and underwriting commitments. Divio has, through written agreements, received pre-subscription commitments of approx. SEK 3.3 million, corresponding to approx. 21.5 percent of the Offer, and underwriting commitments of approx. SEK 12 .1 million, corresponding to approx. 78 .5 percent of the Offer.
<b>Lock-up</b>	All shareholders 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.
<b>Trading in subscription rights</b>	29 October - 7 November 2024
<b>Trading in BTA (paid subscribed share)</b>	Trading in BTA will take place on Nasdaq First North Growth Market from 29 October 2024 until the Rights Issue is registered with the Swedish Companies Registration Office. This registration is expected to take place on or around 22 November 2024.
<b>Estimated date of publication of outcome</b>	13 November 2024
<b>ISIN-code share</b>	SE0011311554.
<b>ISIN-code subscription right</b>	SE0023261201
<b>ISIN-code BTA</b>	SE0023261219

# INVITATION TO SUBSCRIBE FOR SHARES

## INVITATION

Existing shareholders and the public are hereby invited to subscribe for shares 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 29 October 2024 to and including 12 November 2024.

## ISSUE RESOLUTION

On 18 October 2024 the Board of Directors of Divio, with support from the authorization granted by the Annual General Meeting in the Company on 7 June 2024, decided to execute an issue of shares with pre-emptive rights to existing shareholders. The Rights Issue comprises a maximum of 128,900,844 shares and can provide the Company with approx. SEK 15.5 million at full subscription, before issuing costs. The issue costs in case of full subscription are expected to amount to approx. SEK 3.4 million, of which approx. SEK 1.5 million refers of underwriting fees.

One (1) existing share in the Company entitles the holder to one (1) subscription right. Thirteen (13) subscription right entitles the holder to subscribe for nine (9) new B-shares in Divio with preferential right. To the extent that subscription 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 in the Company by SEK 12,890,084.40, from SEK 18,619,011.40 to SEK 31,509,095.80 and the total number of shares will increase by 128,900,844 B-shares, from 186,190,114 shares (of series A and B combined) to 315,090,958 A- and B-shares. Existing shareholders who choose not to participate in the Rights Issue will experience a dilution effect corresponding to approx. 40.1 percent of the votes and 40.9 percent of the capital. Shareholders who choose not to participate in the Offer can receive some financial compensation for the dilution by selling their subscription rights before 7 November 2024.

## PRE-SUBSCRIPTION- AND UNDERWRITING COMMITMENTS

Divio has received pre-subscription- and underwriting commitments totaling approx. SEK 15.5 million, which in total corresponds to 100 percent of the Rights Issue. Pre-subscription commitments from members of the Board, management, and Company contacts, with and without pre-emptive right, amount to approx. SEK 3.3 million, corresponding to approx. 21.5 percent of the Rights Issue. Underwriting commitments from external investors and Divio's CEO, Jon Levin amount to a total of approx. SEK 12 .1 million, corresponding to approx. 78 .5 percent of the Rights Issue. For the underwriting commitment from external investors, a cash payment of 15 percent is payable. Guarantors in the Tranche 3 guarantee have the option to instead have their compensation paid out as 20 percent in additional shares to the same terms as in the Rights Issue. The compensation will be paid after the Rights Issue has been registered with the Swedish Companies Registration Office. It is to be noted that 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, 22 October 2024

### *The Board of Directors in Divio*

Leif Liljebrunn – Chairman of the Board

Anette Ringnér – Board member

Niklas Köresaar – Board member



## WHY INVEST IN DIVIO TECHNOLOGIES?

### STRONG PRODUCT OFFERING

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.

### PARTNERSHIP WITH AMAZON WEB SERVICES (AWS)

In December 2022, Divio and AWS (one of the world's largest infrastructure-as-a-services providers) entered into a partnership for the Swiss region. The Partnership entailed Divio to reach a larger audience through collaboration with AWS and co-selling opportunities. The combination of AWS as a 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. The partnership has so far resulted in several customer interactions and is expected to lead to new contracts being signed in the future.

### DIVERSIFIED AND LOYAL CUSTOMER BASE

Divio has a fully developed platform used by over 600 paying customers and among them high profile companies like Fidelity, Novogradac, Girl Effect, Social Schools and Walker Dunlop, with ever increasing service demand while churn remains exceptionally low (1.2 percent). In addition to this, Divio has strategic partnerships with agencies and IT-consultancies that want access to Divio's solution.

### NEW BLUE-CHIP CLIENT ON LONG-TERM CONTRACT

On 9 September this year it was disclosed that a multinational healthcare company (the "New Client") has signed a three-year contract (the "New Contract") with Divio. The New Contract will add approximately USD 56 thousand in MRR and approximately USD 59 thousand in monthly recurring consulting revenue. Including the New Client, the subscription MRR (which is excluding consulting revenue) amounts to approximately USD 210 thousand.

### SCALABLE BUSINESS MODEL AND STABLE GROWTH

Divio has well over 600 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 years, Divio has experienced steady growth in customers and MRR increase of 32 percent since 2018 to date, and a compounded average annual growth rate (CAGR) of 32 percent. The Company's MRR is estimated to be able to double in size without material increase in current low marginal cost per customer.

### CLOSE TO MRR BREAK-EVEN

With the addition of The New Client, Divio's MRR amounts to approximately USD 210 thousand while the estimated Recurring Monthly Cost is approximately USD 260 thousand. The approximately USD 50 thousand shortfall in MRR could be closed with the addition of only a limited number of new enterprise customers. Positive cashflow will thereafter follow on a running basis when the effect from timing differences in payments, particularly on the revenue side in 2024 and 2025 has diminished.

# BACKGROUND AND MOTIVE

Divio is a Swedish tech-company with wholly owned subsidiaries in Switzerland and the US. The company develops and sells a software platform for managing and developing cloud-based web applications, such as websites, programs, apps etc. One of the key benefits of Divio’s platform is that it abstracts the complexities of the underlying cloud infrastructure, allowing customers to focus on their applications without worrying about the technical details in the background. In addition to simplifying the handling of cloud infrastructures, Divio’s exceptional support and reliability further enhance the overall customer experience. Divio is ISO 27001 certified, ensuring high standards of information security. The platform supports the management and maintenance of complex cloud infrastructures, integrating with multiple third-party cloud providers, from major players like AWS, Azure, and Google Cloud to smaller cloud providers.

Founded in 2005 as a traditional web agency, Divio initially hosted numerous customer projects across various cloud vendors. To increase efficiency, Divio developed a cloud management platform (CMP) that significantly streamlined the maintenance of cloud infrastructures compared to the manual processes. Recognizing the high demand for such a solution among others facing similar challenges, the company transitioned from its consulting business to focus on its CMP, evolving into the product company it is today.

Today Divio’s platform also provides customers with an efficient, stable, and secure platform (within the IT industry is commonly referred to as “Platform-as-a-service” – “PaaS”) which facilitates development, customization, operation, maintenance and deployment of web applications. The PaaS aspect of Divio’s platform includes all components of cloud infrastructure – servers, storage, middleware, development tools, tech stacks, cybersecurity and more – needed for software development in a ready-to-use, and user-friendly interface. The value offered by Divio’s platform is amongst other things; automation of complex admin related to cloud infrastructure, decreased dependency on one or few individuals when managing and maintaining cloud infrastructures, and enablement of organizations’ development teams to spend more time on what they are therefore – namely to building value-creating software applications.

As a CMP and a PaaS company, Divio provides a single code base to a large number of customers, allowing for efficient maintenance and scalability of its extensive client base with minimal effort. Customers are granted access to the platform on a subscription-based model, with monthly installments.

One of Divio’s key performance indicators is the Company’s monthly recurring revenue “MRR” - the predictable revenues coming from monthly subscription fees from the Company’s platform. On 12 September 2024, Divio disclosed that a multinational healthcare company has signed a SEK 44 million contract over three years, taking Divio significantly closer to break-even after increasing the Company’s MRR by approximately USD 56 thousand, to a total of approximately USD 210 thousand. The board of directors in Divio estimates that the Company will reach break-even when MRR exceeds the estimated Monthly Recurring Cost of approximately USD 260 thousand. These numbers do not take into account timing differences in cashflows, particularly on the revenue side in 2024 and 2025.

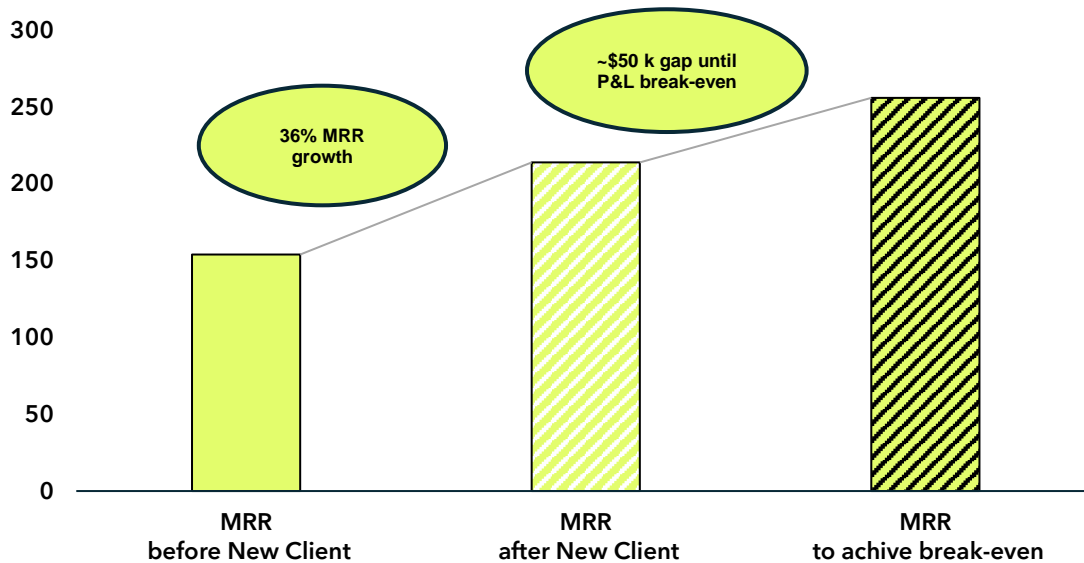


Figure 1: MRR milestones

Despite the significant increase in MRR during 2024, Divio will still need to grow the Company's customer base and/or increase subscription revenues from current contracts before reaching operational break-even. To bridge the gap until the Company reach cash flow break-even, finance further investments in sales activities and to provide the Company with working capital to meet its obligations for the coming twelve-month period, Divio is now carrying out the Rights Issue. Assuming that the Rights Issue is fully subscribed, the Board of Directors believes that the Company has sufficient cash to take the Company to positive cash flows in 2025.

## **USE OF PROCEEDS**

Through the Rights Issue, the Company can receive a maximum of approx. SEK 15.5 million before transaction costs. The capital provided to the Company through the capitalization is intended to finance the following:

- Secure financial runway until positive cash flows.
- Investments in sales and partner network.
- Appoint resources to optimize onboarding of the new Swiss enterprise customer, announced by the Company on 9 September 2024.

## **FUTURE CAPITAL NEED**

Provided that the Rights Issue is fully subscribed, the Board of Directors in Divio estimates that the Company does not have any additional capital need assuming it continues to perform as planned.

## **INTERESTS AND CONFLICTS OF INTEREST IN CONNECTION WITH THE OFFER**

Sedermera, Eversheds and Nordic Issuing receives a compensation for services rendered in connection with the Offer. In addition to what is stated above, Sedermera, Eversheds 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 commitments obtained for the Rights Issue 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.

In addition to what is stated above, no member of the Company's board or management have other interests in the Rights Issue. 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

I am proud to announce that Divio has made significant improvements year to date 2024. We have seen one of our largest customers renewing their support agreement, ensuring stable revenue until end of 2026. More recently, we also secured one of our largest contracts, affirming our capabilities and the credibility of our offerings. While this achievement brings us significantly closer to positive cash flows we still have work left to do before reaching this milestone. With the New Contract together with a big multinational healthcare company as another key reference customer, we are more confident than ever that we will get there.

To support our continued operational activities and sales efforts needed to push our subscription revenues above the pivotal threshold for break-even, we are now raising capital through the Rights Issue. Proceeds from the rights issue will provide us with a solid financial foundation, enabling us to confidently pursue our growth plans and transition into a self-sustaining, thriving business. So far, the funding round is progressing well, as shown by the willingness by existing and new investors providing pre-subscription and guarantee commitments covering 100 percent of the offering.

On the operational side, our engineering team continues to excel, maintaining and enhancing our best-in-class platform. Guided by our newly established product vision, we are focused on improving the user experience for existing customers while at the same time attracting new ones. To support our sales efforts, we have also made significant investments in improving our self-service offering. This enhancement is crucial for convincing new enterprise customers, allowing their development teams to test our product and experience its benefits firsthand.

We have been building a robust sales team aimed at attracting enterprise companies and are now intensifying our efforts to establish a network of partners, including web agencies and consultancy firms. In late 2023 and early 2024, we launched a new and more incentivized commission and pricing model for partners, renewing and strengthening our relationships. This renewed partnership means increased revenue potential for our partners and greater benefits from using the Divio platform. Our collaboration with AWS has shown steady progress, and we are on the verge of reaping the rewards.

I am incredibly proud of our talented team, whose production rate far exceeds industry benchmarks. Despite their exceptional performance, we need to increase our resources to support our ambitious growth objectives. The proceeds from the Rights Issue will enable us to recruit more technical sales personnel and skilled engineers, fully leveraging the scalability potential of our product and turning new partnerships into fruitful collaborations.

The road ahead is promising. With significant progress in sales and product development, including onboarding our biggest client to date, we are hopeful that we can accelerate growth from both existing and new customers. Our new branding strategy, focusing on "Peace of Mind," simplifies our communication with customers and strengthens our market positioning and brand identity.

This funding event marks a pivotal moment in our journey. With the continued support of our shareholders, we are well-positioned to achieve our ambitious goals and secure a thriving future for Divio.

**Jon Levin – CEO, Divio Technologies AB**

# BUSINESS OVERVIEW

Divio develops and sells an ISO 27001 certified platform that streamlines the development, management and maintenance of complex third-party cloud infrastructures hosted by providers like AWS, Azure, and Google Cloud, but also other smaller providers. Divio has been at the forefront of cloud innovation since its founding in 2006.

Divio's commitment to customers goes beyond technical support; the Company strives to make cloud management and application development simpler, more cost-effective, and remarkably secure.

## KEY DEFINITIONS

Infrastructure-as-a-service ("IaaS")	Platform-as-a-service ("PaaS")	Cloud Management Platform ("CMP")
The most fundamental category of cloud computing services is Infrastructure-as-a-Service (IaaS). With IaaS, developers can host their IT infrastructure — such as servers, virtual machines (VMs), storage, networks, and operating systems — on a cloud provider's platform, paying only for what they use on a flexible, pay-as-you-go basis.	Cloud computing services that build on top of IaaS services. PaaS companies provide organizations with an on-demand environment for developing, testing, delivering, and managing software applications. PaaS simplifies the process for developers by eliminating the need to set up or manage the underlying infrastructure (IaaS).	A monitoring platform used by IT administrators and managers to manage and optimize cloud environments, including cost management, security, compliance, resource monitoring, and policy enforcement, as well as digital resources across multiple cloud providers.

## PLATFORM SOLUTIONS

Divio offers two types of platform solutions with different features:

### Divio Enterprise Cloud

The Enterprise Cloud platform is a CMP and a PaaS designed to make it easier, cheaper, smoother, and safer for customers to build, store, and manage digital resources in the cloud. By automating tasks typically performed manually by senior experts or consultants, Divio's platform helps companies save significant time, money, and staff resources. Furthermore, it enhances the stability and security of cloud infrastructures.

Divio Enterprise Cloud is tailor-made for ambitious medium and large enterprises seeking to effortlessly develop, deploy, run, and maintain high-performance containerized web applications in their AWS account. Trusted by leading organizations such as the New Client, Fidelity International, Swiss Government, Girl Effect and APG|SGA, customers gain more than a service - they gain a partner. The platform provides an intuitive, straightforward interface that covers customers application's entire lifecycle, empowering their technical team to focus on what they do best: innovating and developing.

All web applications are deployed in a secure, dedicated, and isolated AWS cloud region, and proactively managed, monitored, and scaled by Divio according to customers unique needs.

### Divio Open Cloud

For smaller companies, companies and agencies with less needs, Divio offers the Divio Open Cloud platform. Divio Open Cloud is a cloud management platform that simplifies the deployment, management, and scaling of web applications. It supports multi-cloud compatibility, automates workflows, and integrates with popular development tools. The platform offers scalability, robust security, a user-friendly interface, and cost management tools, making it an efficient solution for developers and businesses to manage applications across various cloud environments.

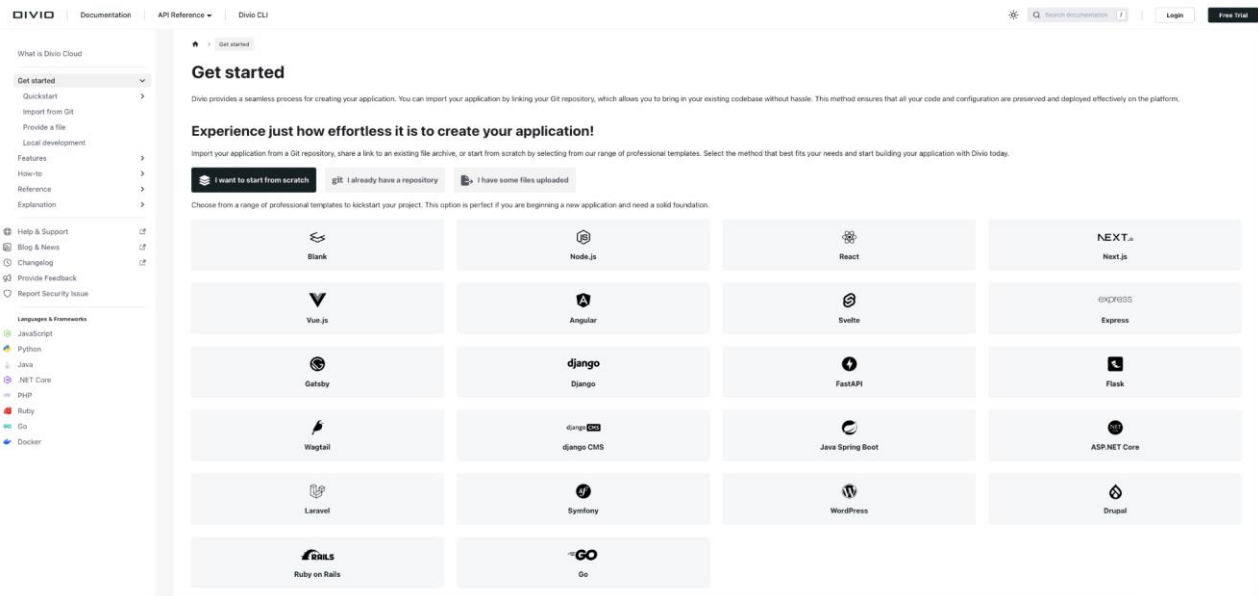


Figure 2: Snapshot of the user interface of DIVIO's Enterprise Cloud platform

## SUPPORT

Divio is proud to offer award-winning Premium Support. The Company's support team assists customers through a live chat or email via Divio's Helpdesk Support Portal, promising a response time under 4 hours. Additionally, the Company's commitment to customer success is reflected by a robust 24/7/365 Service Level Agreement (SLA) offering. With the SLA offering, Divio guarantee rapid incident response times in as little as 30 minutes and ensure that customers' cloud infrastructures archive up to 99.99% uptime monthly.

Enterprise Cloud customers receive customized support tailored to their specific needs. Open Cloud customers have the option to add a support agreement if desired.

## BENEFITS FROM DIVIO'S PLATFORM

Divio's platform is fully automated and integrates seamlessly with various cloud providers. This allows businesses to manage their cloud infrastructure efficiently, reducing the need for manual intervention and lessens dependency on one or few individuals. Some of the most important advantages of Divio's platform are highlighted in the table below.

<b>Simplified Cloud Management</b>	Divio's platform abstracts the complexities of managing cloud infrastructures, allowing users to focus on their applications without worrying about the underlying technical details.
<b>Unified Control</b>	Customers can track, monitor, and manage all their web applications in one place, even if the applications are deployed across different cloud providers such as AWS, Azure, and Google Cloud.
<b>Cost Efficiency</b>	By automating tasks typically performed manually by senior experts or consultants, Divio's platform helps organizations save significant time, money, and staff resources.
<b>Enhanced Security and Compliance</b>	Divio provides customer with an on-demand environment for developing and deploying web applications with the necessary security and compliance frameworks in place.
<b>Reliability and Support</b>	Divio provides customer with one single contact point for support and is known for its exceptional support and reliable services.
<b>Flexibility</b>	The platform supports the migration and management of both external and internal web-based applications, catering to diverse business needs.
<b>Increased Stability</b>	By automating the management of cloud infrastructures, Divio's platform helps ensure a more stable and secure cloud environment.
<b>Time Savings</b>	Divio's platform automates many tasks, reducing the time required for manual intervention and allowing IT teams to focus on more value-adding activities.

**GROUP STRUCTURE AND SHAREHOLDINGS**

Divio is a group of tech-companies specializing in cloud management. The group consists of the parent company Divio Technologies AB (publ) and its two wholly owned subsidiaries, Divio AG with registered office and operations Switzerland and Divio INC with registered office in USA. Management of the group is done through the parent company, which is also the holder of the Company's IP:s. Business operations are carried out via the two subsidiaries, each being responsible for sales and support in the different geographical markets.

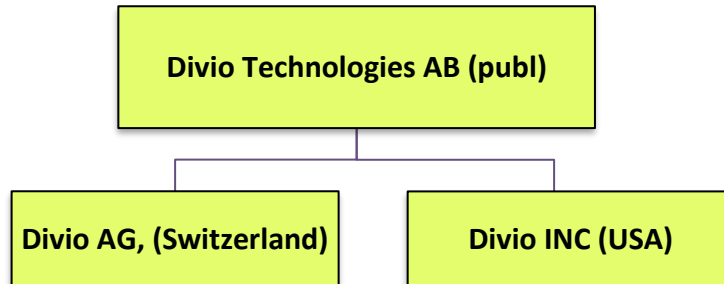


Figure 3: Group structure

The parent company’s registration number is 559077-0730 and its LEI-number is 549300CKKC15TESVL798. The company’s address is Skepparegatan 27, 114 52 Stockholm. The company’s representatives can be reached by email via ir@divio.com. Divio’s website is www.divio.com. Please note that the information on Divio’s website or other websites to which reference is made, is not included in the Memorandum unless such information is incorporated into the Memorandum by reference.

**PROBLEM FORMULATION, VISION AND MISSION**

The market challenge	Divio’s mission and vision
<p>Some of the problems faced by organizations migrating their services to the cloud:</p> <ul style="list-style-type: none"> <li>• Inefficient and uncontrolled cloud infrastructure.</li> <li>• An infrastructure that is a patchwork of multiple vendors that rarely interact.</li> <li>• Maintenance that requires a large team of senior developers and/or consultants.</li> <li>• Organizations’ cloud management become dependent on one or a few individuals.</li> <li>• Developers who spend a lot of time and resources maintaining the cloud infrastructure instead of creating products.</li> </ul>	<p>Divio's mission is to offer a cloud infrastructure management platform with outstanding support, for customers to experience:</p> <ul style="list-style-type: none"> <li>• A hassle-free, simplified, and optimized complex cloud infrastructure.</li> <li>• A structured and organized cloud infrastructure.</li> <li>• An infrastructure where they use a fraction of the resources in terms of staff and money.</li> </ul>

**BUSINESS MODEL**

Divio's business model is to provide customers with access to the Company’s PaaS platform on medium- to long-term contracts. In addition, Divio offers the same customers different options for support agreements where customers can pay for faster response times and access to expert consultants depending on the desired level of support. Both the PaaS subscription and the service agreements, as well as cloud provider hosting as a third income stream are paid monthly by the customers, giving Divio large predictability in the Company’s finances.

Divio receives monthly recurring revenues (“MRR”) from:

- Platform subscriptions
- Support agreements (SLA)
- Hosting via cloud service providers as subcontractors (eg. AWS, Google Cloud, Azure etc.)

In addition to MRR, Divio receives consulting revenue in the form of small one-off revenues when first integration and onboarding the customers on the platform. Divio can also take on longer consulting agreements with monthly recurring consulting revenues. With the longer consulting agreements, the Company typically outsource services to third parties and thus receive lower margins on its consulting revenue compared to the normal subscription and support revenue. Divio has, because of the difference in margins, decided to exclude consulting revenue from the MRR metric above.

Since Divio offers the same code base to its customers, the platform can offer an attractive service to a large number of customers worldwide without customization. This means that the business model is enormously scalable for rapid and profitable growth in any market without significant marginal costs per customer.

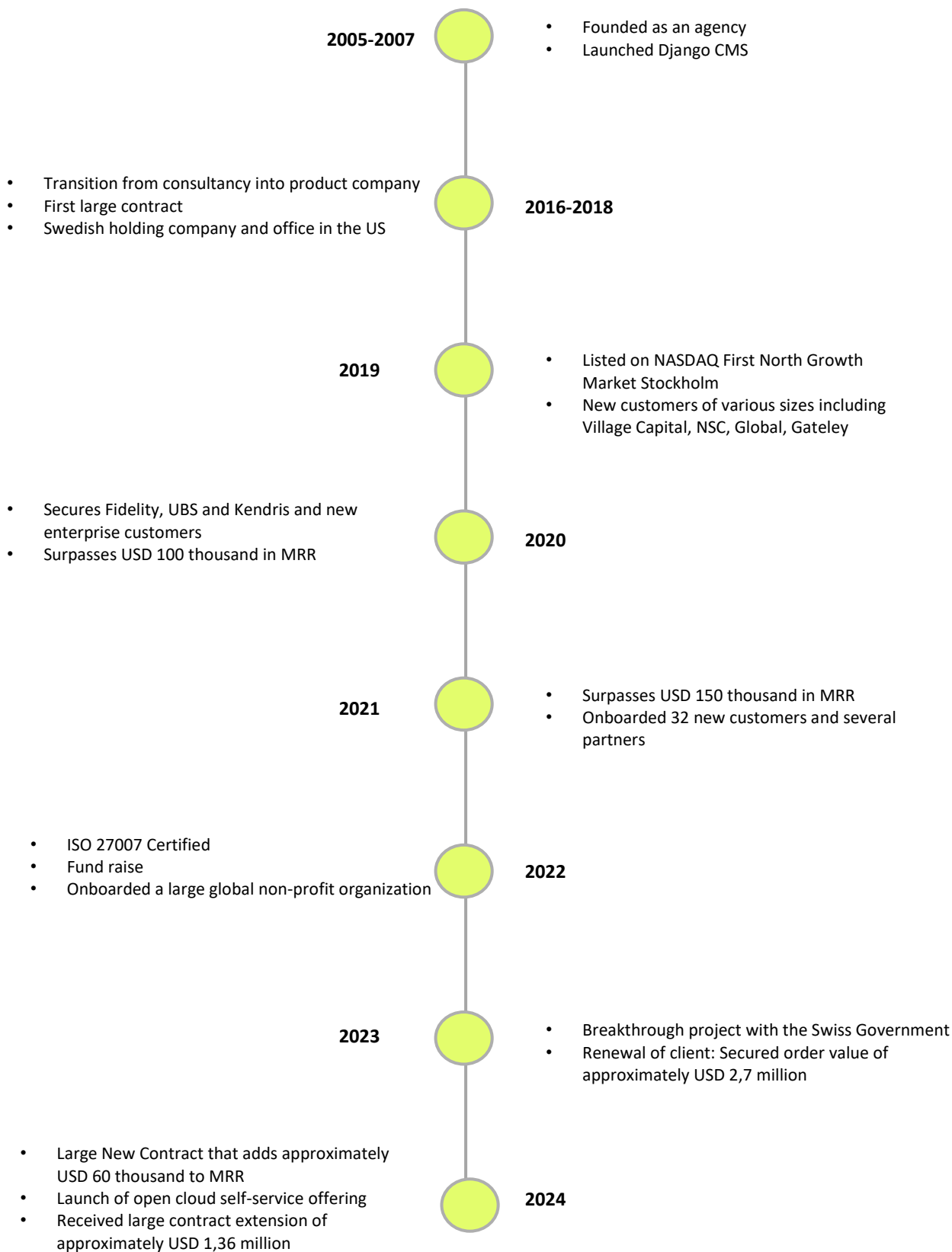
## OBJECTIVES

Divio’s objectives for the period 2024-2025 are presented below.

<u>2024</u>	<u>2025</u>
<p style="text-align: center;"><u>OPERATIONAL</u></p> <ul style="list-style-type: none"> <li>● Onboard the newly signed customer.</li> <li>● Sign a first contract introduced via AWS.</li> <li>● Establish a functioning partner sale that generates revenue.</li> </ul> <p style="text-align: center;"><u>FINANCIAL</u></p> <ul style="list-style-type: none"> <li>● Reduce the Company’s cost base and hence decrease the gap between revenue and cost</li> </ul>	<p style="text-align: center;"><u>OPERATIONAL</u></p> <ul style="list-style-type: none"> <li>● Close two new contracts with enterprise customers.</li> <li>● Strengthened presence on existing markets.</li> <li>● Expand organically into new markets.</li> </ul> <p style="text-align: center;"><u>FINANCIAL</u></p> <ul style="list-style-type: none"> <li>● Reach positive cash flow.</li> </ul>



# COMPANY HISTORY



# MRR GROWTH

One of Divio’s key performance indicators is the Company’s monthly recurring revenue “MRR” - the predictable revenues coming from monthly subscription fees for the Company’s platform. Divio expects to reach profitability when MRR surpasses approximately USD 260 thousand, something which could be reachable with the addition of a limited number of new enterprise customers. Note that the figure below is excluding monthly consulting revenue.

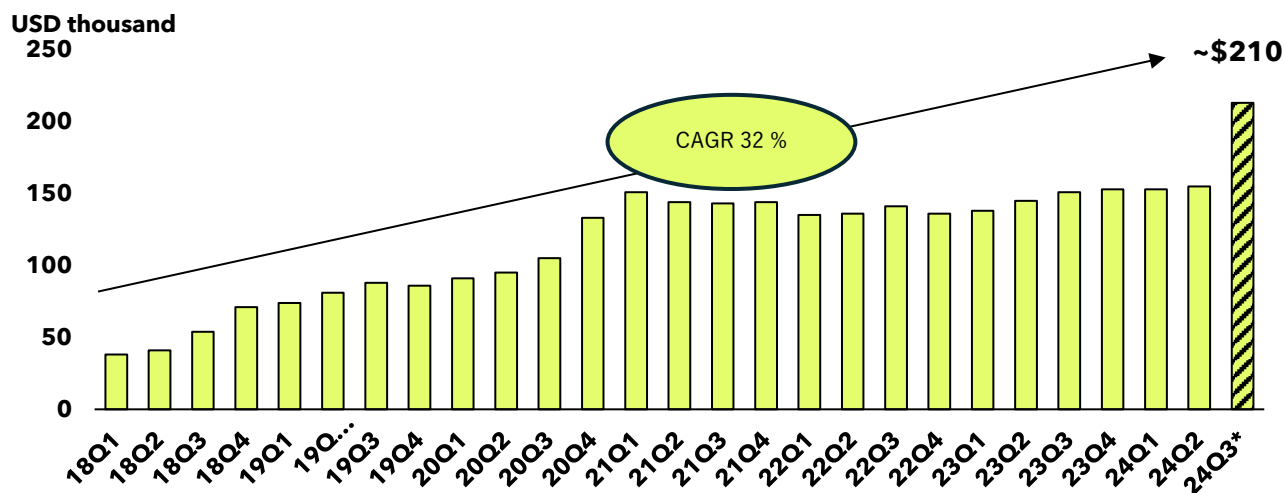


Figure 4: Development in MRR

\*MRR in Q2 plus MRR contribution of the New Client.

# MARKET OVERVIEW

Cloud services are used daily by most people in our part of the world, both for work and for entertainment. Web-based tools such as iCloud, WhatsApp, Microsoft Office and other applications most people have on their work computers are all likely to be in a cloud solution. The alternative to cloud services is for a company to manage its own IT infrastructure and software applications in-house, requiring significant investments in hardware and limiting accessibility of information to the closed network of computers on-site. Without cloud services, companies and organizations would for instance be tied to using a specific memory - like the same computer or the same USB memory stick - when performing daily digital services. Additionally, a lot of companies' services would not work without being connected to the cloud as they rely on external data to work, data that most efficiently is acquired or available through cloud services.

Cloud computing is increasing in popularity, partly driven by increasing need for efficient communication and access to employer's web applications when working from multiple sites or remotely, but also due to organizations' reliability on external and live data. Cloud computing ensures efficient and safe, around-the-clock availability and transferability of data via centralized third-party cloud providers. Many companies also choose to migrate their IT infrastructure to the cloud as storage, networking and capacity capabilities with cloud providers are typically much higher than in-house solutions. Cloud solutions also eliminate the need for investments into- and costs of managing on-site hardware.

The global cloud market 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. Keeping up with all the different cloud providers, their offerings and the technical aspects of cloud connectivity is difficult and requires a lot of hands-on resources and experience. Additionally, it is not uncommon for companies to manage many web applications which are developed and stored with multiple cloud providers.

This is where Divio plays an important role. At a significantly lower cost, Divio not only facilitates companies' move to the cloud, but also supports the maintenance of cloud services and reducing reliance on specific skills. Divio ensures that the right skills and expertise are available for smooth migration to the cloud and that the continued presence in the cloud is seamless - even when multiple cloud providers are involved.

Most of Divio's customers are in the European market, but some of the Company's largest customers are American. In the foreseeable future, Divio sees Europe as its primary geographic market with focus on southern Germany, Switzerland, Austria, UK, and the Nordics. The Company's target markets are vast, offering significant growth opportunities well into the foreseeable future.

The largest market by value is the US market. Although limited sales effort in the region, Divio still receives many requests from the US, which demonstrates a great potential for the Company's future growth.

## GROWTH POTENTIAL

Divio is active on a potentially gigantic market that grows rapidly, where even a smaller market share means a huge business opportunity. The global PaaS market is currently valued at approximately USD 170 billion and is expected to grow by as much as 17.6 percent per year between 2024 and 2029<sup>1</sup>, where drivers such as shorter time to market for applications and cost reductions fit well with the features of Divio's platform. A similar growth trajectory is expected in the CMP market, with annual growth of 13.4 percent<sup>2</sup> between 2024 and 2032, the global market size is expected to increase from approximately USD 14.5 billion in 2024 to approximately USD 40 billion in 2032. Divio, which has a clear differentiation from other platform companies with its simplicity in usage, is poised to take advantage of this healthy market growth with its fully developed and powerful platform.

## CUSTOMERS

Divio has over 600 paying customers and a very low churn rate. Customers not only stay – they also expand their usage of platform services. A selection of Divio's customers is shown in the graphic below.



<sup>1</sup> Statista. "Platform as a Service - Worldwide." Statista. Accessed [2024]. <https://www.statista.com/outlook/tmo/public-cloud/platform-as-a-service/worldwide>.

<sup>2</sup> Business Research Insights. "Cloud Management Platform (CMP) Market Size Report | 2032." Business Research Insights. <https://www.businessresearchinsights.com/market-reports/cloud-management-platform-cmp-market-108746>.

**Customer case - Fidelity**

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

Rather than using several different interfaces for each of its web applications, Divio's platform 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 enabled Fidelity to significantly increase the rate of innovation for products and services while radically reducing the time required to onboard new developers.

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.

Divio onboarded Fidelity as a client in 2019 at an initial MRR value of approximately USD 40 million. Since then, the extent of the agreement has grown significantly, and the MRR contribution from Fidelity has approximately doubled. The parties are continuously assessing to further expand the business relationship.

**Customer case – The New Client**

The New Client has partnered with Divio to simplify and optimize the management of their cloud infrastructure, targeting clear benefits, including a significant reduction in their reliance on external consultants as they take greater control over their systems. The New Client further targets to improve cost control by offering better visibility and predictability of expenses related to their cloud infrastructure, and to accelerate their application development and deployment processes, reducing manual intervention and significantly improving scalability.

The agreement, which is initially written on a 3-year period and with approximately USD 56 thousand in MRR contribution, is considered an "entry-level" contract by Divio and the Company sees good potential for extensions in both value and contract term.

**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 are many players offering different variants of both cloud management and PaaS solutions but still few that combine the two, and the Company's assessment is that none offer an equally user-friendly platform with the same 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's just the opposite, they only want to reduce overhead costs associated with managing cloud services.

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Divio's 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. The position as a board member is mandated until the next Annual General Meeting. The Company's Board of Directors consists, as of the date of this Memorandum, of three elected members, including the Chairman.

Name	Position	Board member since	Independent in relation to:	
			The Company & senior management	Major shareholders
Leif Liljebrunn	Chairman of the Board	2022	Yes	Yes
Niklas Köresaar	Board member	2020	Yes	Yes
Anette Ringné	Board member	2020	Yes	Yes

### MORE INFORMATION ABOUT SENIOR MANAGEMENT

Jon Levin <i>Chief Executive Officer since 2019</i>	Fredrik Wallmark <i>Chief Financial Officer since 2022</i>
<p><b>Education and background</b> Bachelor's degree in financial economics from University of Lund.</p> <p><b>Experience:</b> Application Manager CRM Sales and offering at Stratiteq AB, Head of Product Development at E.ON. Founder &amp; Commercial Director at Amok Studios, Country Manager CEO at Uniwire, Nordic Mobile and Business Manager at MTV Networks.</p> <p><b>Shareholding:</b> 12,694,402 B-shares (Through Broomhilda AB and Levinvest AB).</p>	<p><b>Education and background</b> Master's degree in industrial engineering and management and bachelor's in business administration from University of Lund.</p> <p><b>Experience:</b> Interim CFO at Bambuser, Group CFO and Director of the Board at EU-Supply, CFO at Footway and Group business controller at Academedia.</p> <p><b>Shareholding:</b> 333,326 B-shares.</p>

### INFORMATION ABOUT THE BOARD OF DIRECTORS

Leif Liljebrunn <i>Chairman of the Board since 2022</i>	Anette Ringné <i>Board member since 2020</i>	Niklas Köresaar <i>Board member since 2020</i>
<p><b>Education and background:</b> Bachelor of Business in Administration from University of Lund.</p> <p><b>Shareholdings:</b> 1,599,579 B-shares.</p> <p><b>Other current assignments:</b></p> <ul style="list-style-type: none"> <li>Balzac Invest AB, Chairman</li> <li>Mardam AB, Chairman</li> <li>Compare IT Nordic AB, Chairman</li> <li>IMPROD AB, Chairman</li> <li>Boappa AB, Chairman</li> <li>IM Vision Holding AB, Chairman</li> <li>Ledgruppen AB, Chairman</li> <li>Lilywell AB, Board member</li> <li>Umida Group, Board member</li> </ul>	<p><b>Education and background:</b> Bachelor's in SA System Analysis and Bachelor's in Business Administration from University of Lund.</p> <p><b>Shareholdings:</b> 480,966 B-shares.</p> <p><b>Other current assignments:</b></p> <ul style="list-style-type: none"> <li>AdMel AB, Mentor, Executive advisor and Board member</li> </ul> <p><b>Previous assignments:</b> COO and Executive Director at Stratiteq AB. Vice President BU Public Software at CGI, Sparbanken Syd, Board member.</p>	<p><b>Education and background:</b> Bachelor of Business in Administration at Uppsala University and Master of Science in Shipping, Trade and Finance from CASS Business School.</p> <p><b>Shareholdings:</b> 2,591,910 B-shares.</p> <p><b>Other current assignments:</b></p> <ul style="list-style-type: none"> <li>Flexion Mobile AB (publ), Chief Financial Officer</li> </ul> <p><b>Previous assignments:</b> Vice President at DvD Bank, Vice President at Tufton Oceanic and Account Manager at DnB.</p>



<ul style="list-style-type: none"> <li>• Gavagai, Board member</li> <li>• Business Driven Development AB, Board member</li> </ul> <p><b>Previous assignments:</b> Chairman of the Board in ZetaDisplay AB, Pronto TV, LiveQube AS, CEO of ZetaDisplay AB.</p>		
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### 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 their 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 DURING THE FINANCIAL YEAR 2024

Below follows a break-down of remuneration and other benefits paid out to the members of the board and executive management during the first six months of the financial year 2024.

Name and position	Remuneration/salary (SEK)	Other remuneration	Pension	In total
Leif Liljebrunn	150,000*	-		150,000*
Niklas Köresaar	100,000*	-		100,000*
Anette Ringnér	100,000*	-		100,000*
Jon Levin	637,560	-	49,842	687,402
Fredrik Wallmark	259,812	-	9,017	268,832
<b>In total</b>	<b>1,247,372</b>	<b>-</b>	<b>58,859</b>	<b>1,306,234</b>

\*Remuneration to the board members refers to the full mandate period and are reserved for the financial year but not yet paid out.

## FINANCIAL INFORMATION

This section presents the financial information of the Company from 1 January – 30 June for the years 2023 and 2024, as well as full year information for 2022 and 2023. 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 years 2022/2023/2024 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 2022 and 2023 have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's general guidance BFAR 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](http://www.divio.com).

- Divio's financial statements for the period 2024-01-01 - 2024-06-30, 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 cashflows 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 2023-01-01 - 2023-06-30, 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 cashflows on page 10, parent company income statement on page 11 and parent company balance sheet on page 12.
- Divio's annual report for the financial year 2023, 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 cashflow statement on page 17, parent company income statement on page 18, parent company balance sheet on page 19-20, notes on pages 22-27 and auditors' report on pages 29-31.
- Divio's annual report for the financial year 2022, 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 cashflow statement on page 17, parent company income statement on page 18, parent company balance sheet on page 19-20, notes on pages 22-27 and auditors' report on pages 29-31.

### INCOME STATEMENT GROUP, SUMMARIZED

KSEK	1 Jan-30 Jun 2024	1 Jan-30 Jun 2023	1 Jan-31 Dec 2023	1 Jan-31 Dec 2022
Profit and loss				
Subscription revenues	9,720	8,816	18,648	16,290
Professional services	456	954	1,216	2,551
Capitalized development	3,554	2,511	7,225	4,563
Other revenue	0	0	-14	11
<b>Total revenue</b>	<b>13,730</b>	<b>12,282</b>	<b>27,076</b>	<b>23,415</b>
Cost of goods sold	-3,523	-3,579	-7,090	-8,214
Other external costs	-3,819	-3,476	-6,893	-5,190
Personnel	-13,259	-9,102	-21,401	-14,921
Depreciation / Amortization	-3,109	-2,930	-5,984	-5,489
Other operating costs	-0	0	0	0
<b>Operating results</b>	<b>-9,980</b>	<b>-6,804</b>	<b>-14,293</b>	<b>-10,399</b>

Net financial items	-2,501	1,428	1,152	-1,351
Allocation			-37	
Earnings before tax	-12,480	-5,376	-13,178	-9,048
Tax on earnings	-24	-22	-37	-23
<b>Net result for the period</b>	<b>-5,398</b>	<b>-5,398</b>	<b>-13,203</b>	<b>-9,070</b>

## BALANCE SHEET GROUP, SUMMARIZED

KSEK	30 Jun 2024	30 Jun 2023	31 Dec 2023	31 Dec 2022
<b>Assets</b>				
<b>Fixed assets</b>				
<b>Intangible fixed assets</b>				
Subscribed for but not paid in capital		4,115	0	8,801
Activated development	16,293	14,986	16,060	13,629
Other immaterial fixed assets	0	0	0	5
<b>Total immaterial fixed assets</b>	<b>16,293</b>	<b>19,100</b>	<b>16,060</b>	<b>22,435</b>
Equipment, tools and installations	237	225	259	127
<b>Total material fixed assets</b>	<b>237</b>	<b>225</b>	<b>259</b>	<b>13</b>
Other financial assets	13	13	13	13
<b>Total financial assets</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>Total fixed assets</b>	<b>16,529</b>	<b>19,339</b>	<b>16,332</b>	<b>22,575</b>
<b>Current assets</b>				
Trade receivables	530	21,738	620	938
Other current receivables	371	146	587	886
<b>Total current assets</b>	<b>901</b>	<b>21,884</b>	<b>1,207</b>	<b>1,824</b>
<b>Cash and cash equivalents</b>	<b>5,326</b>	<b>3,151</b>	<b>12,637</b>	<b>2,057</b>
<b>Total assets</b>	<b>22,769</b>	<b>44,374</b>	<b>30,175</b>	<b>26,456</b>

KSEK	30 Jun 2024	30 Jun 2023	31 Dec 2023	31 Dec 2022
<b>Equity and liabilities</b>				
<b>Equity</b>				
Ongoing equity raise		2,743	0	7,314
Share capital	18,619	15,876	18,619	8,562
Shares premiums	95,307	95,256	95,307	94,395
Retained profit (losses)	-104,513	-92,667	-93,014	-83,127
This year's profit (loss)	-12,504	-5,389	-13,203	-9,070
<b>Total equity</b>	<b>-3,091</b>	<b>15,810</b>	<b>7,709</b>	<b>18,074</b>

<b>Current liabilities</b>				
Trade payables	2,103	2,103	2,485	3,384
Other current liabilities	23,738	26,461	19,982	4,998
<b>Total current liabilities</b>	<b>25,861</b>	<b>28,564</b>	<b>22,466</b>	<b>8,382</b>
<b>Total equity and liabilities</b>	<b>22,769</b>	<b>44,374</b>	<b>30,175</b>	<b>26,456</b>

### CASHFLOW GROUP, SUMMARIZED

KSEK	1 Jan-30 Jun 2024	1 Jan-30 Jun 2023	1 Jan-31 Dec 2023	1 Jan-31 Dec 2022
Cashflow from operating activities	-3,710	-1,146	7,564	-4,797
Cashflow from investing activities	-3,573	-3,191	-7,638	-4,621
Cashflow from financing activities	0	5,314	10,423	2,000
<b>Total cashflow for the period</b>	<b>-7,283</b>	<b>977</b>	<b>10,350</b>	<b>-7,419</b>
Cash at the beginning of the period	12,637	2,057	2,057	9,287
Exchange rate differences	-28	117	230	189
Cash at the end of the period	5,326	3,151	12,637	2,057

### CHANGE IN EQUITY, SUMMARIZED

KSEK	1 Jan-30 Sept 2024	1 Jan-30 Jun 2023	1 Jan-31 Dec 2023	1 Jan-31 Dec 2022
Equity at the beginning of the period	7,709	18,074	18,074	18,752
Subscribed for but not paid in capital	0	4,115	0	8,801
New share issue	0	0	3,655	0
Currency translation differences	1,704	-980	-817	-409
Profit (loss)	-12,504	-5,398	-13,203	-9,070
<b>Equity at the end of the period</b>	<b>-3,091</b>	<b>15,810</b>	<b>7,709</b>	<b>18,074</b>

# 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 21 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](http://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 shares of series A entitles the holder to ten (10) votes and shares of series B entitle to one (1) vote. The B-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 of series A and B are fully paid for, and the series B shares are freely transferable.

According to Divio's registered articles of association, which were adopted at a general meeting on 7 June 2024, the share capital may not fall below SEK 10,000,000 and not exceed SEK 40,000,000, divided into a minimum of 180,000,000 shares and a maximum of 720,000,000 shares. Registered share capital in the Company before the Offer amounts to SEK 18,619,011.40, divided into 186,190,114 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, shares of series A have a voting value of 10 and shares of series B have 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 pre-emptive right when issuing warrants and convertibles to the number of shares they own.

## AUTHORIZATION

At the annual general meeting held on 7 June 2024, the board of directors was authorized to, within the limits of the articles of association, on one or more occasions during the period up to the next annual general meeting, to resolve on new issues of shares, convertibles and/or warrants. New issue of shares, as well as issue of warrants and convertibles, may be made with or without preferential rights for the shareholders, against payment in cash, in kind or by set-off. New issues in accordance with this authorization shall be made on market terms.

## PRE-EMPTIVE 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 pre-emptive 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 the Company is laid down 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 payments are distributed to shareholders via 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 financial instruments 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.

## **TAX ISSUES IN CONNECTION WITH THE RIGHTS ISSUE**

The tax laws of the investor's home country and Sweden may have an impact on any income received from the shares offered in the Rights Issue. Taxation of any dividends, as well as capital gains taxation and rules on capital losses on disposal of securities, will depend on the specific situation of each shareholder, for example whether the shareholder is subject to unlimited or limited tax liability in Sweden, whether the shareholder holds the shares in an investment savings account, or whether the shareholder owns the shares as a physical or legal person. Furthermore, special tax rules apply to certain types of taxpayers, such as investment companies and insurance companies, and certain types of investment vehicles. Each holder of shares and subscription rights should therefore consult a tax advisor for information on the specific consequences that may arise in the individual case, including the applicability and effect of foreign tax rules and tax treaties.

## **INSURANCE COVER**

The Directors consider that the Company's current insurance cover is in line with that of other companies in the same industry and that the insurance cover is satisfactory having regard to the nature and extent of the business and the risks normally associated with it. However, according to the Company, no guarantee can be given that the Company will not incur losses beyond what is covered by these insurances.

## **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 specifies certain majority requirements for decisions made at the general meeting to be valid. If a decision to amend the articles of association leads to any of the following outcomes: (a) a reduction in shareholders' rights to the Company's profit or other assets, due to the Company's operations being wholly or partially intended for purposes other than generating profit for shareholders; (b) a restriction on the right to transfer or acquire shares in the Company through consent requirements; or (c) a disruption in the legal relationship between shares, such as through pre-emption rights or home bids, the decision must be supported by all shareholders present at the meeting, who together must represent more than nine-tenths of all shares in the Company. If a decision to amend the articles of association means that (a) the number of shares for which the shareholders may vote at the general meeting is limited, (b) 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 (c) 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) 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, (b) 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 (c) 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 for 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 B-shares that are to be 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. 6,429. 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 26 September, 2024, 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	14,315,661	7.69	7.42
Alarik Förvaltning AB	0	12,911,917	6.93	6.69
Marcus Franck	0	9,737,000	5.23	5.05
Broomhilda AB	0	9,556,348	5.13	4.95
Christian Bertschy	750,000	5,829,907	4.14	6.91
<i>Others (approx. 6,424)</i>	<i>0</i>	<i>133,089,281</i>	<i>70.88</i>	<i>69.28</i>
<b>In total</b>	<b>750,000</b>	<b>185,440,114</b>	<b>100.00</b>	<b>100.00</b>

## 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	A & B split		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	1,111,111.1	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
2023	Share issue	0.15	0.10	66,014,900	6,601,490.0	151,637,980	15,163,798.00
2023	Share issue	0.15	0.10	7,121,030	712,103.0	158,759,010	15,875,901.00
2023	Warrant exercise	0.15	0.10	27,431,104	2,743,110.4	186,190,114	18,619,011.40

## SHARE-BASED INCENTIVE PROGRAMS

The Company has one active series of warrants.

Incentive Program	Duration	Price	End date	Sum warrants	No. of shares
2023/2026 Directed toward certain employees in the Company	2023/2026	0.43	2026-09-30	3,000,000	3,000,000

Each warrant in incentive program 2023/2026 entitles the holder to subscribe for one (1) new share of series B in the Company during the period from 1 September 2026 up to and including 30 September 2026. The subscription price for subscription of new class B shares is set at 300 per cent of the average volume-weighted price paid for the Company's share on Nasdaq First North Growth Market during the period 10 trading days from and including 30 May 2023.

## SELECTED AGREEMENTS

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

### The New Client

The New Client is a global healthcare company headquartered in Europe. The partnership with the New Client adds USD 56,000 to the Company's MRR which is a large share of Divos total MRR. The partnership also adds significant reference value in sales dialogues with potential customers.

### 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. 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.

## INTELLECTUAL PROPERTY RIGHTS

The Company owns a handful of domain names registered to the Company. The Company owns the code base for the platform developed by the Company and used by its customers. The Company also owns the rights to the associated documentation that describes the Company's platform to users and how to use 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**

On 10 September 2024, the Company and Levinvest AB, a company controlled by CEO Jon Levin, entered into a loan facility agreement. Under the terms of the agreement, the Company is able to receive a loan of up to SEK 2,000,000 from Levinvest AB, with a fixed Interest rate of 15 per cent per annum. The loan facility has been established on arm's length terms. As of the date of this Memorandum the full loan amount of SEK 2,000,000 has been utilized by the Company. Levinvest AB has signed a subscription commitment for the Rights Issue to an amount of approximately SEK 1.1 million. The subscription commitment will be paid for by offset of debt. Additionally, Levinvest AB has entered a top-down guarantee commitment of approximately SEK 1.0 million. If the guarantee commitment is activated for subscription of shares in the Issue, such subscription will also be paid for by offset of debt. If applicable, any remaining loan balance after offset against subscription in the Rights Issue will be repaid to Levinvest AB no later than 28 February 2025.

Other than described above, no parties with direct relationship to the Company (Board members, senior management nor their family members) have directly or indirectly been involved in any transactions where Divio is counterparty during the past 12 months. For information on remuneration to the members of the Board of Directors and executive management, see section "Compensation and other benefits".

## **CONFLICTS OF INTEREST IN THE COMPANY**

Members of 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 dividend policy 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 FOR THE OFFERING

## ISSUE VOLUME

The Offer comprises of a maximum of 128 900 844 new B-shares. The total issue volume amounts to a maximum of SEK 15.5 million before transaction costs.

## SUBSCRIPTION PRICE

The subscription price is SEK 0.12 per B-share. No brokerage fee will be charged.

## PRE-EMPTIVE RIGHT

Those who, on the record date 25 October 2024, are registered as shareholders in the Company's share register held by Euroclear have a right to subscribe for shares in relation to the number of shares, regardless of share class, held on the record date.

Each existing share held on the record date entitles to one (1) subscription right. The subscription rights give the holder a right to subscribe for new shares with pre-emption right, whereby thirteen (13) subscription rights entitle to subscription of nine (9) new B-shares.

## RECORD DATE

Record date in Euroclear Sweden AB with the right to participate in the Offer is on 25 October 2024. The last day for trading in the Company's shares including the right to participate in the Offer is on 23 October 2024. The first day of trading in the Company's share without the right to participate in the Offer is on 24 October 2024.

## SUBSCRIPTION PERIOD

Subscription of new B-shares with the support of subscription rights, shall take place during the period from and including 29 October 2024 up to and including 12 November 2024. The board of directors of the Company reserves the right to extend the subscription period.

## TRADING IN SUBSCRIPTION RIGHTS

Subscription rights will be traded on First North Stockholm during the period from and including 29 October 2024, up to and including 7 November 2024. Shareholders shall contact their bank or nominee with the necessary permission to purchase and sell subscription rights. Subscription rights acquired during the above-mentioned trading period provide the same right to subscribe for new shares as subscription rights that shareholders receive based on their shareholdings in the Company on the record date.

## UNUSED SUBSCRIPTION RIGHTS

Subscription rights that have not been sold on 7 November 2024 or exercised on 12 November 2024, will be deregistered from the respective shareholder's VP account. No notification will be sent regarding the deregistration of subscription rights.

## SUBSCRIPTION WITH PRE-EMPTIVE RIGHT

### *Shareholders directly registered in the share register held by Euroclear*

Shareholders or representatives of shareholders, who on the record date 25 October 2024, were directly registered in the share register held by Euroclear, receive a pre-printed paying slip. Information about the Offer will be available on Nordic Issuing's website ([www.nordic-issuing.se](http://www.nordic-issuing.se)) and on the Company's website <https://www.divio.com/>. Shareholders who are included in a separate list of pledgees and trustees will not receive a pre-printed paying slip but will be notified separately. No notification regarding registration of subscription rights on the VP account will be sent.

Subscription of shares with the support of subscription rights shall be made by subscribing and paying no later than on 12 November 2024. Subscription shall be made either with the pre-printed paying slip or by subscribing to Nordic Issuing's platform according to one of the following two options:

- 1. Pre-printed paying slip (Sw. Emissionsredovisning)**  
If the holder wishes to subscribe for all subscription rights allotted on the record date, only the pre-printed paying slip shall be used. This is done by paying the amount stated on the pre-printed paying slip according to the payment instructions.

## 2. **Subscription via Nordic Issuing with support of subscription rights**

If a different number of subscription rights than what is stated on the pre-printed payment slip shall be exercised, for example, if subscription rights are acquired or sold, subscription with subscription rights should be made on Nordic Issuing's platform on the following website; <https://minasidor.nordic-issuing.se/> and be used as basis for subscription through simultaneously cash payment. The shareholder must log in on the platform and state the total number of subscription rights to be exercised, the number of shares to be subscribed for, and the amount that shall be paid. The subscription is binding.

### **NOMINEE REGISTERED SHAREHOLDERS**

Shareholders whose holdings of shares in the Company are nominee registered with a bank or nominee do not receive a pre-printed payment slip. Subscription and payment should instead be made in accordance with instructions from the respective bank or nominee. Please note that if the use of subscription rights takes place via a bank or a nominee, this should be done early in the subscription period, as the respective bank/nominee may set different deadlines for the last subscription date.

### **SUBSCRIPTION WITHOUT PRE-EMPTIVE RIGHT**

Subscription of shares without pre-emptive right shall be made during the same period as subscription of shares with pre-emptive right, from and including 29 October 2024 up to and including 12 November 2024.

#### ***Investors wishing to have new shares directly registered in the share register held by Euroclear***

Shareholders wishing to have any allocated shares directly registered in the Euroclear register must send an application for subscription of shares without subscription rights through Nordic Issuing's platform on the following website, <https://minasidor.nordic-issuing.se/>.

Nominee-registered shareholders, who wish to subscribe for shares without subscription rights, must coordinate such a subscription with the account-holding bank or nominee in accordance with instructions from the respective account-holding bank or nominee, or if shares are registered at several different nominee-registered accounts, from each of these account-holding banks or nominees. In order to be able to proclaim subsidiary subscription rights, it is required that the subscription is carried out via the nominee, otherwise there is no possibility of identifying a particular subscriber who has subscribed for shares both with and without the support of subscription rights.

Incomplete or incorrectly filled out subscriptions may be disregarded. It is only permissible to submit one (1) subscription without subscription rights. If more than one such subscription is submitted, only the one last received will be considered, and other such subscriptions will be disregarded. The subscription must be Nordic Issuing at hand no later than 12 November 2024. The subscription is binding.

#### ***Investors wishing to have new shares directly registered in the share register held by Euroclear***

Investors wishing to have any allocated shares registered with a bank or nominee should submit subscription in accordance with instructions from the respective bank or nominee. Please note that subscription via a bank or a nominee should be done early in the subscription period, as the respective bank/nominee may set different deadlines for the last subscription date.

### **INFORMATION TO BANKS/NOMINEES REGARDING SUBSCRIPTION**

The first day of the subscription period, Nordic Issuing sends out an email containing the investment document, a short summary of the Offer and subscription forms that all banks/nominees can use for subscription with and without the support of subscription rights for their underlying clients.

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

### **SUBSCRIPTION ON ACCOUNTS SUBJECT TO SPECIFIC RULES**

Please note that anyone who has a securities account with specific rules for securities transactions, for example investment savings account (Sw. ISK) or capital insurance account (Sw. KF), must check with the bank or nominee that holds the account, whether the subscription of securities is possible.

### **SUBSCRIPTIONS THAT AMOUNT TO OR EXCEEDS EUR 15,000**

If the subscription amounts to or exceeds EUR 15,000, a money laundering form shall be completed and sent to Nordic Issuing in accordance with the Swedish Act (2017:630) on measures against money laundering and terrorist financing. The form can be found on Nordic Issuing's platform on the following website, <https://minasidor.nordic-issuing.se>. Please observe that Nordic Issuing cannot distribute any securities, even if payment has been received, before the money laundering form has been received and completed by Nordic Issuing.

## **SHAREHOLDERS RESIDING OUTSIDE OF SWEDEN**

Shareholders who reside outside of Sweden (with the exception of shareholders residing in the United States, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea or other countries in which participation in the Rights Issue may require supplementary prospectus, further registration or other measures than those which are required by Swedish legislation) who have pre-emption right in the Rights Issue can contact Nordic Issuing for further information about subscription and payment.

Due to restrictions in the legislation regarding securities in the United States, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea and other countries in which participation may require supplementary prospectus, further registration or other measurements than those which are required by Swedish legislation, subscription rights through Euroclear will not be issued to shareholders with registered addresses in any of these countries. Accordingly, no offer is made to subscribe for shares in the Company to shareholders residing in these countries.

Notwithstanding any other information in this document, the Company reserves the right to permit any person to subscribe in the Rights Issue if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

## **ALLOTMENT IN CASE OF OVERSUBSCRIPTION**

If not all shares in the Rights Issue are subscribed for with subscription rights, the board of directors shall decide on allotment of shares within the limits of the maximum amount of the Rights Issue to shareholders or other investors that have subscribed for shares without pre-emptive right.

First, allotment of shares subscribed for without subscription rights shall be made to shareholders who have also subscribed for shares with subscription rights, regardless if the subscriber was a registered shareholder on the record date or not. In case that the Rights Issue is oversubscribed, allotment shall be made in relation (pro rata) to the quantity of subscription rights exercised for subscription of shares in the Rights Issue, and to the extent this is not possible, by drawing of lots.

Secondly, allotment of shares which are subscribed for without subscription rights shall be made to other investors than the above mentioned, who have subscribed for shares without subscription rights. In case of oversubscription, allotment shall be made in relation (pro rata) to the number of subscribed shares without subscription rights in the Rights Issue, and to the extent this is not possible, by drawing of lots.

Thirdly, allocation of shares subscribed without the support of subscription rights shall be made to the guarantors in relation to the size of the guaranteed commitments, and to the extent that this cannot be done, by drawing of lots.

## **NOTIFICATION OF ALLOTMENT OF SHARES SUBSCRIBED FOR WITHOUT PRE-EMPTIVE RIGHT**

Notification of allotment will be made through a settlement note via email. Settlement notes are expected to be sent out as soon as possible after the subscription period, and payment must be made in accordance with the payment instructions on the settlement note. Payment is due within [four (4)] Swedish business days from the date the settlement note was distributed. Note that payment for any allotted shares will not be drawn from the specified book-entry account. If payment is not received in due time, the subscribed shares may be assigned to another party. Should the price in such a transfer be lower than the subscription price in the Rights Issue, the subscriber who initially was allotted these shares may have to pay for all or a part of the difference. Shareholders or other investors that are not allotted any shares will not receive any notification.

## **PUBLICATION OF THE OUTCOME OF THE RIGHTS ISSUE**

Publication of the outcome is scheduled for 13 November 2024 or as soon as possible after the subscription period ends. The Company will publish the result of the Rights Issue through a press release.

## **PAID AND SUBSCRIBED SHARES (SW. BTA)**

Subscription with pre-emptive right is registered with Euroclear as soon as feasible, which normally means a few banking days after payment is made. Thereafter, the subscriber will receive a VP-account statement confirming that the registration of paid subscribed shares has occurred in the subscriber's securities depository account. Subscribed and paid shares are entered as BTA in the securities account until the new shares in the Rights Issue have been registered with the Swedish Companies Registration Office. Nominee registered shareholders will receive information from their respective bank/nominee.



## TRADING IN BTA

Trading in BTA will take place on First North Stockholm from 29 October 2024 until the Rights Issue is registered at the Swedish Companies Registration Office (Sw. Bolagsverket). Paid and subscribed for shares are entered as BTA in the securities depository account until the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to take place on 22 November 2024.

## CONVERSION OF BTA TO SHARES

As soon as the Rights Issue has been registered with the Swedish Companies Registration Office, BTA are converted into B-shares without special notification from Euroclear.

## TRADING IN THE SHARE

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

## RIGHT TO DIVIDEND

The new shares give right to dividend for the first time on the first record date for dividend, appearing after the new shares have been registered in the shareholder register maintained by Euroclear. The new shares give the same right to dividend as the existing shares.

## DILUTION

If the Rights Issue is fully subscribed, the Offer entails a dilution of approximately 40,9 percent of the total number of shares and 40,1 percent of the total number of votes in the Company.

## PRE-SUBSCRIPTION COMMITMENTS

The Company has received pre-subscription commitments, with and without the support of subscription rights, from the members of the Board, management and Company contacts which in total amounts to approx. SEK 3.3 million, corresponding to approx. 21.5 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 shares are in the first instance allocated subscribers in the issue, in relation to the number of shares subscribed for with support of subscription rights. All pre-subscription commitments have been agreed in writing in October 2024 and all parties can be contacted at the Company's address, Skeppargatan 27, 114 52, Stockholm, Sweden.

Pre-subscriber	Org. id.	Subscription commitment
Levinvest AB <sup>1</sup>	556455-6040	1,055,763.72
Niklas Köresaar <sup>2</sup>		99,999.36
Anette Ringné <sup>2</sup>		39,956.76
Dick Levin <sup>3</sup>		280,700.64
Alarik Förvaltning AB	556818-5358	1,072,681.92
Palmstierna Invest AB	556771-8068	499,998.96
Gryningskust Holding AB	556720-0730	142,416.36
Jonas Larsson		127,107.12
<b>In total</b>		<b>3,318,624.84</b>

<sup>1</sup>Jon Levin, CEO of Divio Technologies AB.

<sup>2</sup>Board member of Divio Technologies AB.

<sup>3</sup>Close relative to Jon Levin, CEO of Divio Technologies AB.

All subscribers can be reached at the Company's address, Divio Technologies AB, Skeppargatan 27, 114 52 Stockholm, Sweden.

## UNDERWRITING COMMITMENTS

On 17 October 2024, the Company received legally binding written guarantee commitments in three different tranches from external investors as well as Divio's CEO Jon Levin, for a total of approximately SEK 12 .1 million, which corresponds to approximately 78 .5 percent of the Rights Issue. Guarantee commitments are exchanged for binding subscription in the Rights Issue to the extent the Rights Issue is not subscribed for by the market (subscription with- and without support of pre-emptive subscription rights)

Out of the total guarantee commitments, approximately SEK 5.6 million (approximately 36.2 percent of the of the Rights Issue) are so called "bottom up" guarantee commitments in which the guarantors commit to subscribe for any remaining shares in the Rights Issue,



from 21.5 percent subscription, up to a subscription of approx. SEK 8.9 million in the Issue, corresponding to 57.7 percent (“**Tranche 1**”). Any activated guarantee subscription will be shared amongst all Tranche 1 guarantors pro-rata.

In addition to above mentioned Tranche 1 guarantee commitments, Divio has secured a second tranche (“**Tranche 2**”) of guarantee commitments of approximately SEK 4.0 million (approximately 25.9 percent of the Rights Issue). Tranche 2 is a bottom-up guarantee in which the guarantors commit to subscribe for any remaining shares in the Rights Issue, from approx. SEK 8.9 million (approximately 57.7 percent subscription) up to approximately 12.9 million (corresponding to approximately 83.5 percent subscription). Any activated guarantee subscription will be shared amongst all Tranche 2 guarantors pro-rata.

The third guarantee tranche (“**Tranche 3**”) is a “top-down” guarantee, where guarantors commit to subscribing for the remaining number of shares to full subscription, however not for more than each individual commitment. The Tranche 3 guarantee, amount to SEK 2.5 million, covering 16.5 percent of the Rights Issue. Commitments in guarantee Tranche 3 are provided by external guarantors and the Company’s CEO, Jon Levin.

For guarantee commitments provided by external investors, a cash compensation of 15 percent of the guaranteed amount is payable. Guarantors in the Tranche 3 guarantee have the option to instead have their compensation paid out as 20 percent in additional shares to the same terms as in the Rights Issue. No compensation is provided for the subscription commitments or the guarantee commitments from members of the Company’s management.

Underwriter	(All figures in SEK)	Guarantee commitment Tranche 1	Guarantee commitment Tranche 2	Guarantee commitment Tranche 3	Total guarantee commitment
Jinderman & Partners AB (559193-1745)		3,099,999.96			3,099,999.96
Hans Isoz		1,999,999.92			1,999,999.92
Gryningskust Holding AB (556455-6040)		499,999.92	499,999.92		999,999.86
JEQ Capital AB (559301-4987)			3,499,999.92		3,499,999.92
Levinvest AB (556455-6040) <sup>1</sup>				999,999.96	999,999.96
Jonas Larsson				300,000.00	300,000.00
Jonas Helgesson				204,000.00	204,000.00
Niklas Engman Aktiebolag (556523-9455)				399,999.96	399,999.96
Alumbrera AB				150,000.00	150,000.00
Peter Ahlstrand				99,999.96	99,999.96
Peter Nilsson				195,477.00	195,477.00
Stefan Lundgren				199,999.92	199,999.92
<b>In total</b>		<b>5,599,999.80</b>	<b>3,999,999.84</b>	<b>2,549,476.80</b>	<b>12,149,476.44</b>

<sup>1</sup>Jon Levin, CEO of Divio Technologies AB.

## INFORMATION ABOUT LEI- AND NCI-NUMMER

According to the securities trading regulations that came into effect on January 3, 2018, all investors need to have a global identification code in order to carry out securities transactions. These requirements mean that legal entities need to apply for registration of a so-called Legal Entity Identifier (LEI) and natural persons find out their National Client Identifier (NCI) in order to be able to subscribe for shares in the Offer. Please note that it is the legal status of the signatory that determines whether an LEI code or NCI number is required, and that Nordic Issuing may be prevented from executing the transaction for the person concerned if the LEI code or NCI number (as applicable) is not provided. Legal entities that need to obtain an LEI code can turn to one of the providers on the market. Instructions for the global LEI system can be found at [gleif.org](http://gleif.org). For physical persons who only have Swedish citizenship, the NCI number consists of the designation "SE" followed by the person's social security number. If the person in question has several citizenships or something other than Swedish citizenship, the NCI number can be some other type of number. Those who intend to subscribe for shares in the Offer are encouraged to apply for the registration of an LEI code (legal entities) or find out their NCI number (physical persons) in good time in order to have the right to participate in the Offer and/or be able to be allocated new shares that are subscribed for.

## MISCELLANEOUS

The board of directors of the Company does not have the right to cancel, revoke or temporarily withdraw the Offer to subscribe for new shares in the Company.

In the event that an excessive amount has been paid in by a subscriber for subscribed shares, 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 new shares is irrevocable, and the subscriber cannot cancel or modify a subscription of new shares. An incomplete or incorrectly completed subscription may be left without consideration. If the consideration for subscribed shares 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 subscriptions of the same category are submitted, only the most recently 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.

## RISKS RELATED TO DIVIO'S BUSINESS AND INDUSTRY

### **Dependence on key persons and employees**

Within the Company there are key persons and employees who are important for a successful development of The Company's business. The Company is dependent on qualified and motivated personnel within all functions. It is essential that The Company manages to attract and retain key personnel and that the personnel experience the Company as a stimulating employer. If the Company fails to retain such key personnel or attract and gain new personnel, this will likely have a negative impact on the Company'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 Company 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 Company. 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 Company's future operational and financial performance will largely depend on the Company's ability to implement its business strategy. The Company may not be able to successfully implement its strategy, such as the developments of operations in targeted markets, future demand for the Company's cloud-based products and the applications the Company is developing. Furthermore, success of the Company's strategy depends on a number of factors, some of which are beyond the Company's control. In order to reposition the Company and achieve a strong position in its key markets as envisaged, the Company depends on its ability to manage and develop its products, to recruit and retain skilled management and other personnel, to expand the Company's sales force in target markets and to finance its operating and restructuring activities, including to secure sufficient funding for necessary capital expenditures.

The Company 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 Company'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 materialize 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 Company 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 Company's operation and result. Such events might also in turn cause customers harm and could therefore lead to that the Company is held liable for such harm. Any such event could have a material adverse effect on the Company's business and result.

### **Risks related to interruptions to IT-product delivered to customers**

The software provided by the Company 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 Company'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 Company's products. Any such event might have a material adverse effect on the Company's result as a result of lost revenue and costs.

### **Dependence on suppliers**

The Company 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 Company might affect the Company's business. Similarly, if any supplier were to terminate the business relationship this might affect the Company's business. Any such event might have a material adverse effect on the Company's result due to increased costs.

## **LEGAL AND REGULATORY RISKS**

### **Risks related to the Company's intellectual property rights**

The value of the Company'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 Company's intellectual properties and thereby reduce the value of the Company's registered or unregistered intellectual property rights. If the Company fails to maintain or prevent unauthorized usage of its existing intellectual properties, there is a risk that the Company's intellectual property protection and competitive advantages developed by the Company will be adversely affected. Third parties may also object to, or otherwise challenge, registered and unregistered intellectual properties. As a result, the Company could also lose revenue, which could also adversely affect the Company's result.

### **Risk of infringement of intellectual property rights of third parties**

There is a risk that the Company 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 Company 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 Company may not be able to apply certain procedures to the offered software. Any such event could have a material adverse effect on the Company's result as a result of increased costs.

## **FINANCIAL RISKS**

### **Financing, liquidity, and future capital requirements**

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

The Company faces the risk that it will be unable to achieve financing (debt or equity) on a timely basis or on satisfactory terms. In any case, it is not ensured that the Company 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 Company from being able to access the necessary financing or make such financing unattractive. This could result in the Company 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 Company 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**

### **Securities may fluctuate in value or liquidity**

There are no guarantees that the share price in the Company will have a positive development and there is a risk that investors in the Company will, in whole or in part, get back the invested capital. Divio's share price has historically been volatile and may continue to fluctuate as a result of Company specific events and external factors. The Company's share price can be negatively affected by various reasons such as variation in profits/losses in Divio's interim reports, low liquidity in the share, significant sales of the Company's shares, adjustments to interest rates, political decisions, fluctuation in exchange rates, a general worsening of the economy and more.

### **Marketplace**

The Company 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.

## **AVAILABLE DOCUMENTS**

Copies of Divio Technologies' articles of association, certificate of incorporation, and certificate of registration are available at the Company's headquarters at Skeppargatan 27, 114 52 Stockholm, during the validity period of the Memorandum (regular office hours). The documents are also available in electronic form on the Company's website at <https://www.divio.com>.

# **DIVIO**