

Advertisement

Offer to subscribe for shares in Divio Technologies AB

Subscription Period:
October 29 - November 12, 2024

IMPORTANT INFORMATION

This information folder constitutes marketing and is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council. The invitation to subscribe for securities in Divio Technologies ("Divio" or the "Company") is made only through the memorandum published on October 22, 2024, which is available, inter alia, on Divio's website (<https://www.divio.com/>). Investors should not subscribe for any securities referred to in this information folder based on information other than that contained in the memorandum.

[LINK TO MEMORANDUM](#)

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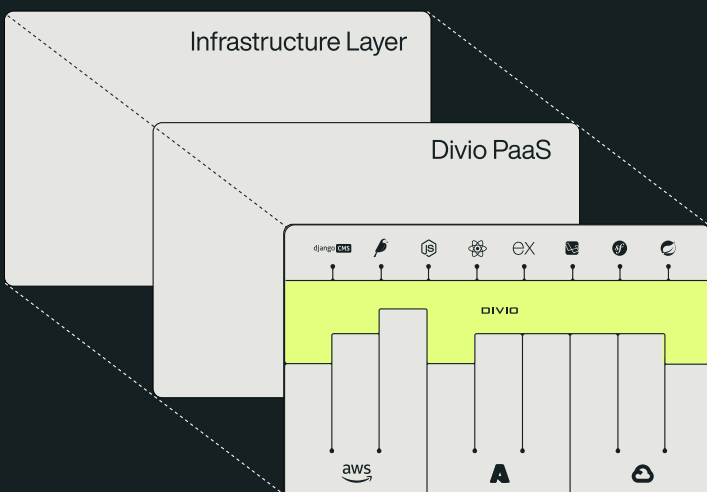
Cloud Solutions for Application Development and Management

Divio Technologies empowers businesses by offering a platform solution for simplifying development, deployment and management of cloud based application across multiple platforms.

Founded in Switzerland in 2005, Divio began as a web agency and evolved into a cutting-edge product company by 2016. It now offers an innovative Platform-as-a-Service (PaaS) that simplifies web application development and management for businesses of all sizes. With Divio's platform, companies can securely run and develop applications without dealing with the complexities of cloud infrastructure.

The platform integrates Infrastructure-as-a-Service (IaaS) components, including servers, storage, middleware, and development tools, providing organizations with an on-demand environment for developing, testing, delivering, and managing software applications. Divio's PaaS is highly scalable, offering a shared code base to multiple customers while maintaining minimal effort, backed by a recurring subscription model that ensures long-term partnerships and reliable revenue.

Trusted by leading organizations such as Fidelity, Swiss Army, Girl Effect and APG|SGA, Divio supports multi-cloud environments, working with major providers like AWS, Azure, and Google Cloud, and is designed to enhance scalability, security, and cost-efficiency for its users.



To learn more, visit www.divio.com.

Key Features

Scalability

Highly scalable model and low marginal costs for onboarding new customers.

Strong Customer Retention

High customer satisfaction and loyalty as shown by exceptionally low churn rate.

User-Friendly and Secure

Designed to be secure, user-friendly, and cost-effective, enabling companies to run and develop web applications with ease.

Innovative Origins

The platform was born out of a need to improve efficiency in cloud infrastructure maintenance

Exceptional Support

Consolidates all service providers in one platform allowing organizations to reach full support via one point of contact only.

Metrics



436% growth in MRR since 2018 equivalent to a **CAGR of 32.3%**



40% average growth in spending amongst enterprise customers



44% growth of open cloud customers since 2020



>600 paying customers



Churn of **1.2%**

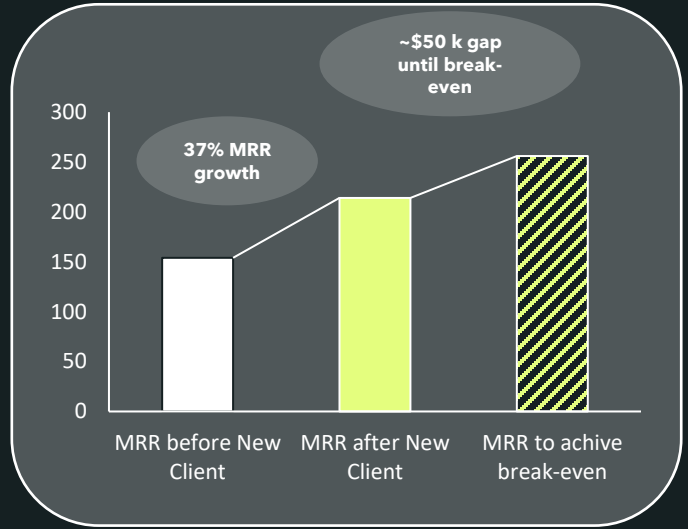
Investment Highlights

MRR Close to Break-Even

Divio's current monthly recurring revenue (MRR) stands at USD 210k, nearing the break-even point of USD 260k. A limited number of new enterprise customers could close this gap and push the company above break-even.

New Blue-Chip Client Boosts MRR

In September, Divio secured a 44 MSEK, three-year contract with a multinational healthcare company, significantly increasing the MRR. This addition reflects the growing demand for Divio's innovative cloud solutions.



World-Class Product & Certification

Divio's fully automated, ISO-certified platform enables businesses to build and manage secure cloud applications with ease. The platform's efficiency and security are recognized by industry leaders like AWS and Cloudflare. With strong partnerships, a loyal customer base, and a scalable business model, Divio is well-positioned for continued growth and profitability.

Proven Customer Loyalty

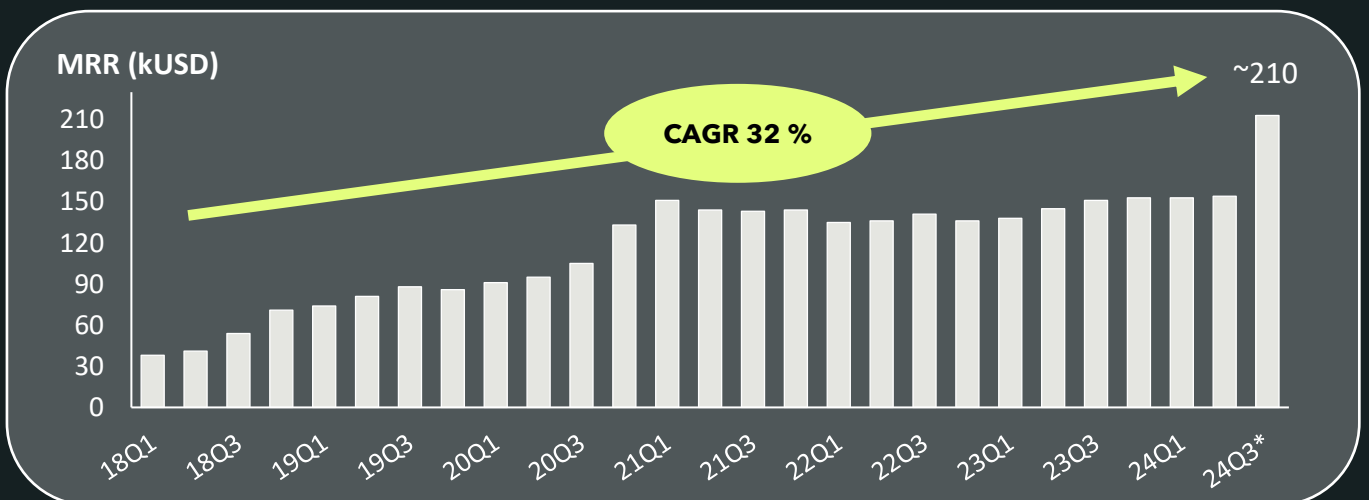
With a churn rate of just 1.2%, Divio has demonstrated strong customer retention. Long-term contracts with major clients, such as Fidelity and Swiss Army, underscore the platform's reliability and value.

Diversified and loyal customer base

Divio is positioned for growth with a scalable, cutting-edge cloud platform trusted by over 600 paying customers, including major enterprises like Fidelity, Swiss Army, and Novogradac. The company's strong partnerships, including a key collaboration with Amazon Web Services (AWS), further expand its reach and create new opportunities for growth.

Strong Growth Trajectory

From 2018 to 2024, Divio's MRR has grown at a compounded annual growth rate (CAGR) of 32%. The platform's highly scalable business model supports growth without significantly increasing operational costs.

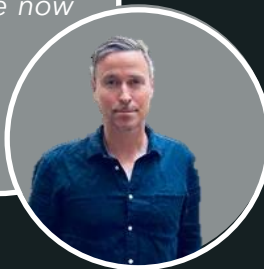


CEO Comment

"Divio has made great progress in 2024. Recently, we secured another major contract which, together with our other enterprise clients, strengthens our market credibility and significantly facilitates new sales. We have also seen an increase in upselling to existing customers, including a new support agreement with one of our largest clients, ensuring stable revenues until at least 2026.

Reaching positive cashflows is one the company's most important targets. We have taken a significant step in the right direction through the latest major deal, along with several smaller deals and cost-efficiency measures. With our current momentum, we aim to reach this on a running basis by 2025. To bridge the gap to profitability and to secure our cash flow and continue driving strong growth and sales forward, we are now carrying out the rights issue.

- Jon Levin, CEO Divio Technologies AB



Motive for the Issue

Funds raised through the rights issue provide the company with the working capital needed until Divio expects to reach positive cashflows. This stability is essential for the company to execute its long-term strategy and realize its growth potential. Proceeds from the issue will further finance investments into the company's sales and partner network, and to enable the company to appoint extra resources to optimize the onboarding of the new Swiss enterprise customer.

“ With the new contract in place, and initiated cost-saving measures starting to take effect, Divio is well positioned to reach cash flows break even by end of 2025 ”

Milestones and Key Activities

2024

Operational

- Onboard the newly signed customer
- Sign a first contract introduced via AWS
- Establish a functioning partner sale that generates revenue



Financial

- Reduce the company's cost base and hence decrease the gap between revenue and cost

2025

Operational

- Close two new contract with enterprise customers
- Strengthen the presence on existing markets
- Expand organically into new markets



Financial

- Reach positive cash flow

How to subscribe

The Offer

Investors can subscribe for shares in Divio during the subscription period which runs from October 29, 2024, to November 12, 2024. The subscription price is SEK 0.12.

Where to Subscribe

You can subscribe for shares through your own bank. Use the bank's corporate actions' web page, where information regarding issues of shares can be found, or contact your adviser. Deadlines for subscribing through custodian banks may be earlier than the end of the subscription period.

Subscribe for Shares Using Subscription Rights

As an existing shareholder in Divio, you have been allocated subscription rights which you can use to subscribe for shares with guaranteed allocation. Existing shareholders and other investors can subscribe for additional shares with guaranteed allocation by acquiring and exercising additional subscription rights which will be traded on Nasdaq First North during the period October 29, 2024, to November 7, 2024.

Subscribe for Shares Without Subscription Rights

If not all subscription rights are exercised and all shares in the rights issue therefore are not subscribed for by use of subscription rights, remaining shares will be allotted to investors that have subscribed for shares without use of subscription rights.

Investors wishing to subscribe for shares without subscription rights, do so through the corporate action page on the banks' respective trading platform.

Timeline for the issue



Summary of the Rights Issue of Shares

Subscription Period October 29, 2024 - November 12, 2024

Subscription Price SEK 0.12 per share

Issue Amount

The Issue will comprise a maximum of 128 900 844 new shares of series B. If the rights issue is fully subscribed, the company will receive approx. SEK 15.5 million before transaction related costs.

Pre-subscription and Guarantee Commitment

The company has received pre-subscription commitments and guarantee commitments ensuring a minimum subscription in the rights issue of approximately SEK 15.5 million, corresponding to 100% of the rights issue. Approximately SEK 3.3 million refers to pre-subscription commitments and approximately SEK 12.2 million to guarantee commitments.

Dilution

An existing shareholder's percentage of ownership in Divio may be reduced, or diluted, upon issue of shares, if the shareholder refrains from exercising all the subscription rights allocated, the dilution can be up to 40.1% of the votes and 40.9% of the capital, respectively, if the initial issue is fully subscribed.

Summary of Terms and Conditions

Subscription Period

Subscription of new B-shares shall take place during the period from and including October 29, 2024, up to and including November 12, 2024.

Subscription Price

The subscription price is set at SEK 0.12 per B-share.

Offering and Proceeds

The rights issue comprises a maximum of 128,900,844 new shares of series B. At full subscription, the company will receive gross proceeds of approximately SEK 15.5 million before transaction costs.

Preferential Right to Existing Shareholders

Shareholders registered in Divio's share register with Euroclear on the record date, October 25, 2024, were entitled to subscribe for new B-shares in the rights issue using subscription rights.

Trading in Subscription Rights

Shareholders who do not wish to exercise their subscription rights to subscribe for new shares have the option to sell their subscription rights on First North Growth Market during the trading period from October 29, 2024, to November 7, 2024. Similarly, investors wishing to subscribe for new shares with pre-emptive rights can do so by acquiring subscription rights during the trading period.

It is important to note that any subscription right not exercised during the subscription period or sold during the trading period will expire without value, and holders will not be compensated.

Pre-Subscription and Guarantee Commitments

Divio has secured pre-subscription and guarantee commitments totaling approximately SEK 15.5 million, which covers 100% of the total Rights Issue. Pre-subscription commitments from the Board, management, and company contacts amount to approximately SEK 3.3 million. External investors and Divio's CEO, have provided guarantee commitments totaling SEK 12.2 million.

Allotment to subscribers without pre-emptive right

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:

- Shareholders who have also subscribed with subscription rights, regardless of whether they were registered on the record date. If the Rights Issue is oversubscribed, the allotment is made pro rata based on the quantity of subscription rights exercised. If pro rata allocation is not possible, shares are allotted by drawing of lots

Second allotment:

- Other investors who subscribed without subscription rights. In case of oversubscription, the allotment is made pro rata to the number of shares subscribed without rights, and if pro rata isn't possible, the allocation is also decided by drawing of lots.

Third allotment:

- Any remaining shares are allocated to the guarantors in proportion to their guaranteed commitments. If this cannot be done pro rata, the allocation is decided by drawing of lots.

Trading in BTA

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. 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).

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.

Dilution

Upon issue of the shares, the percentage of ownership of the existing shareholders may be reduced. If the existing shareholders refrain from exercising the allocated subscription rights to subscribe for shares in the rights issue, shareholder's ownership will experience a dilution of approximately 40.9% of the capital and 40.1% of the votes, if the issue is fully subscribed.

Shareholders can partially protect themselves from dilution by either partly exercising the allocated subscription rights or selling them over the market.

Minimum and Maximum subscription amounts

In connection with the offering, the minimum number of shares that a holder of subscription rights may subscribe for will be nine (9) shares, requiring the exercise of thirteen (13) subscription rights and the payment of the subscription price. The number of shares that a holder of subscription rights may subscribe for is not capped.

Announcements of the results of the Offering

The results of the rights issue will be communicated in a company announcement expected to be published around November 13, 2024, or as soon as possible after the subscription period ends.

Complete information

For full terms and conditions of the offering, please read the memorandum in full at www.divio.com