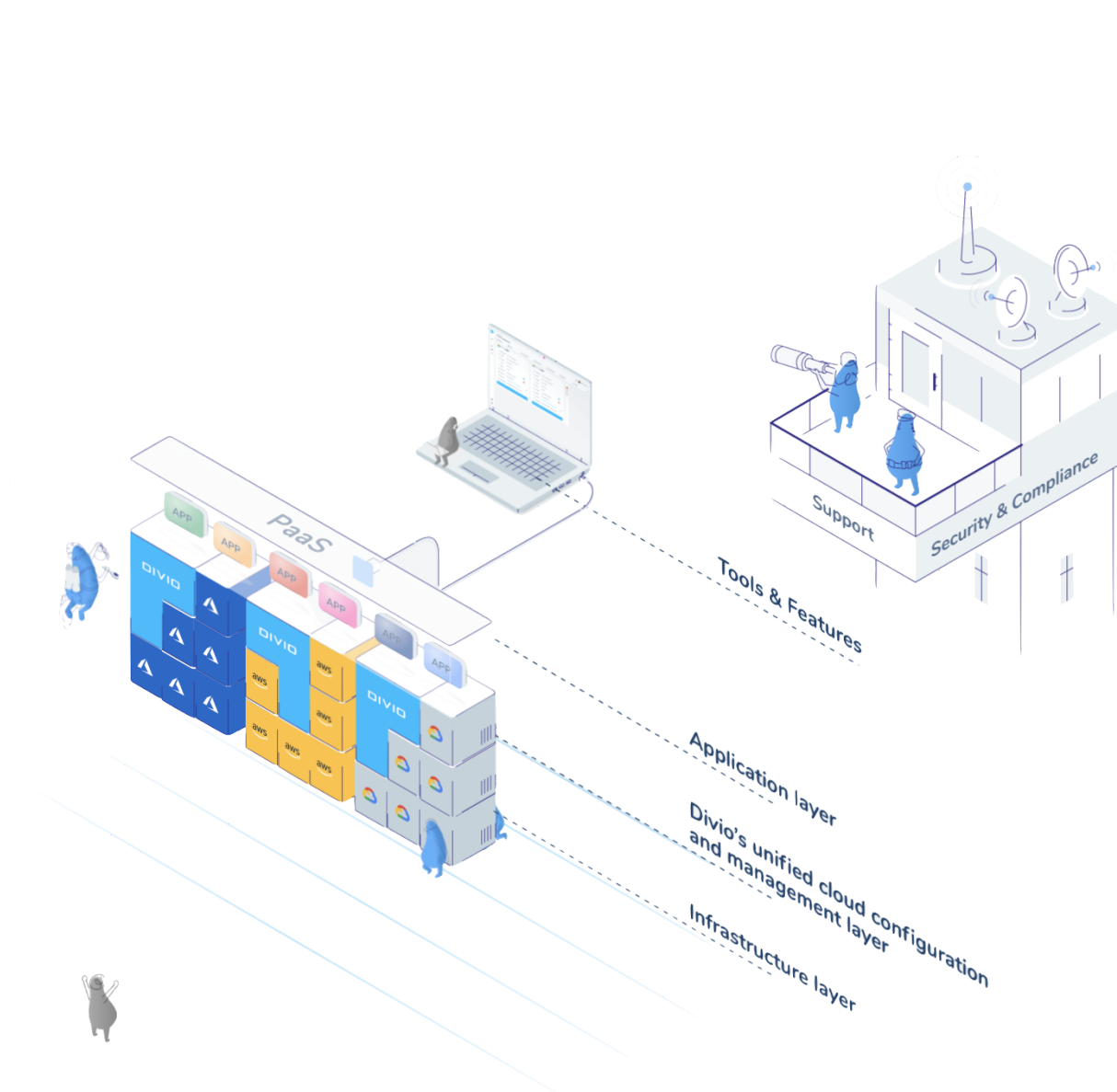


## YEAR-END REPORT 2021

Divio Technologies AB (publ)  
Company no. 559077-0730



*Divio Technologies AB (Publ) decision of allocating significant resources into sales and implementing new sales strategies shows great results. A strong start and continued growth throughout the year. Net sales increased by 38 % compared to the same period 2020.*

## SUMMARY OF THE YEAR-END REPORT

### FOR THE PERIOD 1 JULY 2021 TO 31 DECEMBER 2021

- MRR in December increased by 8% to 144 (133) KUSD
- Net sales increased by 38% to 7,607 (5,501) KSEK
- Subscription revenue increased by 20% to 7,270 (6,047) KSEK
- Loss decreased to -5,619 (-8,413) KSEK
- Earnings per share before dilution was -0,066

### FOR THE PERIOD 1 JANUARY 2021 TO 31 DECEMBER 2021

- MRR in December increased by 8% to 144 ( 133) KUSD
- Net sales increased by 33% to 15,703 (11,791) KSEK
- Subscription revenue increased by 33% to 14,729 (11,096) KSEK
- Loss decreased to -10,878 (-18,610) KSEK
- Earnings per share before dilution was -0,130

### SIGNIFICANT EVENTS DURING THE HALF YEAR

- Strengthened the sales team with the addition of one new senior sales representatives in Sweden
- Strengthened the board of directors: Anette Ringnér took over as chairman, and Kimmo Björnsson returned to the board

### IMPORTANT EVENTS AFTER THE HALF YEAR

- Established a partnership with three Swedish IT-consultancy companies
- Hired the first full time sales representative in Switzerland
- Strengthened the sales team in Sweden with an additional senior sales representative

Key indicators	July–Dec 2021	July–Dec 2020	2021
MRR (Monthly Recurring Revenue) December	144	133	144
Subscription revenue, KSEK	7,270	6,047	14,729
Cash and cash equivalents at the end of the period, KSEK	9,287	1,095	9,287

## CEO COMMENT

I am very proud of how we have succeeded in everything we set out to do this autumn.

Growing our customer base and revenue is everything to us right now and the only thing we focus on. That's true whether we're talking about improving the platform or hiring new resources.

2021 was a very important year for Divio, where we achieved many important goals. The implementation of the new sales strategy with the help of a team of senior sales specialists and partners in the IT consulting industry was a very important step.

Currently, we have three employees fully dedicated to sales with the support of one technical sales specialist. We have hired our first full-time sales representative in Switzerland, Divio's first step in building a sales team focused on the Swiss banking sector.

The second part of the sales strategy is to work with IT consultancy firms of various sizes. We started talking to potential consultancy firms in early 2021, and it took some time to find the right set-up for a partnership where partners can take full advantage of the Divio platform and our deep expertise in cloud infrastructure. Our platform and our expertise in cloud infrastructure are tremendous assets when IT consulting firms are both pitching to new clients and expanding their relationships with new clients.

Through partnerships, we have achieved two important benefits. We have expanded our sales organisation with the help of partners who (1) already have access to large customers and (2) have a strong need to simplify their cloud infrastructure. These IT consulting firms, in turn, can improve their service because using our product means they save work-hours.

The second advantage is that instead of positioning Divio as a competitor to IT consultancy firms, we have aligned ourselves with them. In an effort to improve partnerships with consultancies and achieve better results, we have revived the partnership format. Our new sales team will be the critical factor for our success.

To increase results, we also need a clear message and offering using an effective marketing platform. In the first half of 2021, we launched a partnership with a digital agency to put Divio on the map and improve the inbound sales channel. The impact has been significant. To further improve we hired a digital marketing specialist in December. We now have a steady production of content, articles, webinars, blog posts, etc. which, combined, have essentially increased interest in and recognition of Divio. The number of sign-ups for demonstrations, requests for more information, and meetings from prospective clients has significantly increased.

On the product side, the most important work we have done in 2021 is preparation for the ISO Certification. The heart of Divio is our state-of-the-art platform, and we've worked hard to improve it and secure our lead over the competition. As we target banks and insurance companies in line with our strategy, it is of the utmost importance that our platform meets the highest possible standards of compliance and security.

Being certified is a requirement for many corporate companies to start the procurement process. By becoming certified, an external party verifies that we meet all requirements. We have put a lot of work into the compliance process, not only to meet the requirements, but to ensure a smooth process both for the audit in itself and especially when pitching and accepting new clients.

We have developed a GRC (Governance, Risk and Compliance) tool that structures our policies and efficiently generates reports that are tailored to potential clients' requirements. We now have a solid basis for further certification. The certification will open up more dialogue and speed up the sales and procurement process.

To further improve reporting to the market we have decided to begin with quarterly reporting starting Q3 2022.

We are now seeing the effects of an intensified focus on sales with an increased workforce combined with a digital marketing platform: more valid calls, more enquiries and curiosity from leads, but most importantly more customers. I am working with an amazing team that continues to grow and achieve amazing accomplishments.



Jon Levin  
CEO

## ADDITIONAL INFORMATION

## NET SALES SPECIFIED

(KUSD)	Jan-Jun 2021	Jul-Dec 2021	2021	Jan-Jun 2020	Jul-Dec 2020	2020
Subscription revenues	7,459	7,270	14,729	5,050	6,047*	11,096
Professional services	637	337	974	1,240	-546*	694
<b>Total net sales</b>	<b>8,096</b>	<b>7,607</b>	<b>15,703</b>	<b>6,290</b>	<b>5,501</b>	<b>11,790</b>

\* In the period Jul - Dec 2020 some Professional services from Jan-Jun 2020 have been reclassified as subscription services.

## MRR DEVELOPMENT

	2018				2019				2020				2021			
(KUSD)	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4
MRR	38	41	54	71	74	81	88	86	91	95	105	133	151	144	143	144
ARR	456	492	648	852	888	972	1,056	1,032	1,092	1,140	1,260	1,596	1,812	1,728	1,716	1,728

## NUMBER OF OUTSTANDING SHARES

	Jul-Dec 2021	Jul-Dec 2020	2021	2020
Number of shares at the end of the period before dilution	85,623,080	77,100,297	85,623,080	77,100,297
Number of shares at the end of the period after dilution	99,214,580	89,991,797	99,214,580	89,991,797
Average number of shares before dilution	85,623,080	75,248,445	83,429,093	63,285,482
Average number of shares after dilution	98,820,163	88,139,945	96,553,927	76,176,982

## FINANCIAL INFORMATION AND OTHER COMMENTS

### FOR THE PERIOD JULY - DECEMBER 2021

#### REVENUE

Net sales were KSEK 7,607 (5,501), which is a 38% increase compared with the same period last year. Subscription revenues increased by 20%. Capitalised development expenses increased slightly by 20% to KSEK 2,187 (1,852). Adjusted for negative currency effects due to conversion from USD and CHF to SEK during the period the net sales is 38% higher than the same period last year.

MRR for the month of December 2021 was KUSD 144 (133), an increase of 8% compared to the same month last year. The MRR is not an average for the period, but it is the actual MRR at the end of the month.

#### OPERATING PROFIT AND LOSS

Operating loss for the second half of the year was KSEK -6,789 (-7,118).

#### CASH FLOW FROM OPERATING ACTIVITIES

Total cash flow for the second half of 2021 was KSEK -9,689 (-2,477). Cash flow from operating activities was KSEK -7,604 (-5,664).

#### CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities was KSEK -2,200 (-1,830). This is mainly capitalized software development expenses.

#### NET FINANCIAL ITEMS INCOME STATEMENT PARENT COMPANY

In order to strengthen the financial position of the subsidiary Divio AG, intercompany loans of 26,000

KSEK have been waived by Divio Technologies AB. The remaining loans to Divio AG are subordinate all other debts in Divo AG.

### FOR THE PERIOD JANUARY - DECEMBER 2021

#### REVENUE

Net Sales for the full year amounted to 15,703 (11,791) KSEK, which is an increase of 33% compared to previous year.

#### OPERATING PROFIT AND LOSS

The operating loss for the year amounted to KSEK -11,533 (-17,056), a reduction of 32%, thanks to a combination of successful cost reductions and improved revenues.

#### CASH FLOW FROM OPERATING ACTIVITIES

Total cash flow for the full year 2021 was 8,099 (-4,798) KSEK. Cash flow from operating activities was -7,226 (-11,544) KSEK.

#### CASH FLOW FROM INVESTMENT ACTIVITIES

Cash flow from investment activities was -4,470 (-4,796) KSEK. This was mainly capitalised software development expenses.

#### CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities was 19,795 (11,541) KSEK. This was driven by direct issues in March 2021.

## ACCOUNTING PRINCIPLES AND OTHER INFORMATION

Divio Technologies Group and parent company accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2012: 1 (K3). The accounting principals are unchanged compared to the annual report 2020.

### GROUP STRUCTURE PER 31 DECEMBER 2021

The Divio Group is comprised of the parent company Divio Technologies AB (publ) in Sweden, with org. no. 559077-0730, the wholly owned subsidiary Divio AG in Switzerland, and its wholly owned subsidiary Divio INC in the US. The Group's operating activities are conducted mainly within Divio AG, with a transfer pricing setup according to the arm's length principle for intragroup services.

### RISKS AND UNCERTAINTIES

Divio is a relatively new software development group. The company launched its first commercial cloud software products in 2017. Its revenue levels are increasing but do not yet exceed costs. The fact that the company has over 400 paying customers, and almost no churn, is a clear signal of the need for the product, but it is still too early to draw long-term conclusions about market acceptance or to accurately forecast sales and earnings for the company.

Divio is dependent on licensing and partnership agreements, as well as permits, remuneration systems and associated laws, regulations, decisions by government authorities and practice, all of which are beyond Divio's control.

Divio is also dependent on intellectual property rights that are difficult to protect via registration.

Another crucial factor for future development is the Divio's ability to ensure the reliability of technical platforms and the company's information management, and to protect against security breaches.

In 2020 Divio achieved considerable cost savings that reduced the need for external capital. Early in 2021, Divio raised equity to continue investing in growth and performance until an even more stable level of earnings and/or significant growth in subscriptions is reached. Until an even more stable level of earnings and/or significant growth of subscriptions with subsequent prepayment inflows is reached, and as long as product development continues, Divio might need capital contributions from external sources.

For further information, see "Risk Factors" in the 2019 Company Description, available on [www.divio.com](http://www.divio.com).

## SHARES

Divio Technologies AB (publ) has been traded on Nasdaq First North since 18 December 2019, under the stock ticker DIVIO B. The number of shares as per 31 December 2021 was 85,623,080 of which 750,000 were series A shares with 10x voting rights. The average number of shares in the period July to December was 85,623,080.

## WARRANTS

Divio Technologies AB (publ) has three active series of warrants per closing date. The option program "Incentive Program 2021/2024" was issued to four key employees during the period.

Warrant Series	Duration	Strike	Expiry	Investors	Employees	Total warrants	Possible share issue
Incentives program	2018/2022	9.30 SEK (1:1)	2022-05-31	-	1,666,500	1,666,500	1,666,500
Series B	2019/2022	3.00 SEK (2:1)	2022-04-15	14,450,000	8,000,000	22,450,000	11,225,000
Incentive Program 2021/2024	2021/2024	4.36 SEK (1:1)	2024-09-30	-	700,000	700,000	700,000

## UPCOMING FINANCIAL REPORTS

### 13 May 2022

Annual Report 2021

### 3 June 2022

Annual General Meeting in Stockholm

### 24 Aug 2022

Interim Report H1 January - June 2022

### 23 November 2022

Interim Report Q3, July–September 2022

Financial reports will be available on the company's website [www.divio.com](http://www.divio.com) on the date of publication.

## DIVIDEND

No dividend to shareholders is proposed.

## STATEMENT OF ASSURANCE

This report was adopted by the Board of Directors of Divio Technologies AB (publ) on 4 March 2022. The Board currently consists of Anette Ringnér, Chairman, and board members Christian Bertschy, Niklas Köresaar and Kimmo Björnsson.

## AUDITOR

This report has not been reviewed by the company's auditors.

## CERTIFIED ADVISOR

FNCA Sweden AB is the certified advisor of the company.

## DEFINITIONS

### Subscriptions revenue

Customers pay a monthly subscription fee (monthly recurring revenue, MRR) for Divios platform.

### Professional services

Revenue origin from customised projects

### Earnings per share

Calculated as profit divided by the average outstanding shares of common stock.



# INCOME STATEMENT GROUP, SUMMARISED

**KSEK**

	Jul-Dec 2021	Jul-Dec 2020	2021	2020
Net sales	7,607	5,501	15,703	11,791
Capitalised development	2,187	1,852	4,429	5,130
Other revenue	20	743	20	976
<b>Total revenue</b>	<b>9,814</b>	<b>8,095</b>	<b>20,151</b>	<b>17,897</b>
Other external costs	-6,742	-4,941	-13,703	-13,290
Personnel	-7,331	-7,756	-12,990	-16,684
Depreciation / Amortization	-2,474	-2,516	-4,937	-4,979
Other operating costs	-55	0	-55	0
<b>Operating profit</b>	<b>-6,789</b>	<b>-7,118</b>	<b>-11,533</b>	<b>-17,056</b>
Net financial items	1,216	-1,270	706	-1,462
<b>Earnings before tax</b>	<b>-5,573</b>	<b>-8,388</b>	<b>-10,826</b>	<b>-18,518</b>
Taxes on earnings	-47	-25	-51	-92
<b>Profit for the period</b>	<b>-5,619</b>	<b>-8,413</b>	<b>-10,878</b>	<b>-18,610</b>
Earnings per share before dilution	-0,066	-0,112	-0,130	-0,29
Earnings per share after dilution	-0,057	-0,095	-0,013	-0,244

## BALANCE SHEET GROUP, SUMMARISED

KSEK

Assets	2021-12-31	2020-12-31
Fixed assets		
<i>Intangible fixed assets</i>		
Capitalised development expenses	13,018	12,616
Other intangible fixed assets	35	65
<b>Total Intangible fixed assets</b>	<b>13,053</b>	<b>12,681</b>
<i>Tangible fixed assets</i>		
Equipment	44	40
<b>Total tangible fixed assets</b>	<b>44</b>	<b>40</b>
Financial assets		
Other financial assets	13	1
<b>Total financial assets</b>	<b>13</b>	<b>1</b>
<b>Total fixed assets</b>	<b>13,110</b>	<b>12,722</b>
Current assets		
Trade receivables	4,258	233
Other current assets	873	1,481
<b>Total current assets</b>	<b>5,131</b>	<b>1,714</b>
Cash and cash equivalents	9,287	1,095
<b>Total assets</b>	<b>27,528</b>	<b>15,531</b>
KSEK		
Equity and liabilities		
<i>Equity</i>		
Share capital	8,562	7,710
Other equity	21,068	20,667
This year's profit (loss)	-10,878	-18,610
<b>Total equity</b>	<b>18,752</b>	<b>9,767</b>
Current liabilities		
Trade payables	415	779
Other current liabilities	8,353	4,985
<b>Total current liabilities</b>	<b>8,768</b>	<b>5,764</b>
<b>Total Equity and liabilities</b>	<b>27,528</b>	<b>15,531</b>

KSEK	Jul-Dec 2021	Jul-Dec 2020	2021	2020
Cash flow from operating activities				
Result after financial items	-5,574	-8,388	-10,827	-18,518
Adjustment for non-cash items	1,535	3,374	4,264	5,837
Changes in current assets	-2,039	-660	-3,110	-351
Changes in current liabilities	1,527	10	2,448	1,488
<b>Cash flow from operating activities</b>	<b>-7,604</b>	<b>-5,664</b>	<b>-7,226</b>	<b>-11,544</b>
Investments in intangible assets	-2,231	-1,852	-4,458	-5,130
Changes in financial assets	31	22	-12	335
<b>Cash flow from investing activities</b>	<b>-2,200</b>	<b>-1,830</b>	<b>-4,470</b>	<b>-4,795</b>
Cash flow from financing activities				
Rights issue	115	5,000	19,795	13,000
Repayment of loans		17		-1,459
<b>Cash flow from financing activities</b>	<b>115</b>	<b>5,017</b>	<b>19,795</b>	<b>11,541</b>
<b>Total cash flow for the period</b>	<b>-9,689</b>	<b>-2,477</b>	<b>8,099</b>	<b>-4,798</b>
Cash at the beginning of the period	18,875	3,647	1,095	5,948
Exchange rate differences	101	-75	92	-55
<b>Cash at the end of the period</b>	<b>9,287</b>	<b>1,095</b>	<b>9,287</b>	<b>1,095</b>

## CHANGE IN EQUITY GROUP, SUMMARISED

(Values in KSEK)	2021	2020
Equity at the beginning of the period	9,759	14,524
New share issue	19,795	13,400
Currency translation differences	76	445
Profit (loss)	-10,878	-18,610
Equity at the end of the period	18,752	9,759

# INCOME STATEMENT PARENT COMPANY, SUMMARISED

KSEK

	Jul-Dec 2021	Jul-Dec 2020	2021	2020
Revenue	3,316	4,113	6,758	9,828
<b>Total revenue</b>	<b>3,316</b>	<b>4,113</b>	<b>6,758</b>	<b>9,828</b>
Other external costs	-823	-1,602	-2,143	-3,584
Personnel	-2,402	-2,465	-4,423	-6,005
Depreciation / Amortization	-15	-15	-30	-30
Other operating costs	-55	0	-55	0
<b>Operating profit</b>	<b>21</b>	<b>31</b>	<b>107</b>	<b>209</b>
Net financial items*	-26,010		-25,989	-4
Allocations	0	1	0	0
<b>Earnings before tax</b>	<b>-25,989</b>	<b>28</b>	<b>-25,882</b>	<b>205</b>
Taxes	-44	38	-44	0
<b>Profit (loss) for the period</b>	<b>-26,034</b>	<b>66</b>	<b>-25,927</b>	<b>205</b>

\* Net financial items include the waived loans of 26,000 KSEK between Divio Technologies AB and Divio AG.

## BALANCE SHEET PARENT COMPANY, SUMMARISED

KSEK

Assets	2021-12-31	2020-12-31
Fixed assets		
Intangible fixed assets		
Other immaterial fixed assets	35	65
<b>Total immaterial fixed assets</b>	<b>35</b>	<b>65</b>
Financial assets		
Shares in Group companies	60,268	60,268
Receivables from group companies	9,508	0
Other financial assets	13	1
<b>Total financial assets</b>	<b>69,789</b>	<b>60,269</b>
<b>Total fixed assets</b>	<b>69,824</b>	<b>60,334</b>
<b>Current assets</b>		
Receivables from group companies	0	23,510
Other current receivables	251	0
<b>Total current assets</b>	<b>251</b>	<b>23,748</b>
Cash and cash equivalents	7,924	394
<b>Total assets</b>	<b>77,999</b>	<b>84,476</b>

KSEK

### Equity and liabilities

<i>Equity</i>		
Share capital	8,562	7,710
Share premiums	92,940	73,998
Retained profits (losses)	524	319
This year's profit (loss)	-25,927	205
<b>Total equity</b>	<b>76,100</b>	<b>82,232</b>
Current liabilities		
Trade payables	35	154
Other current liabilities	1,864	2,090
<b>Total current liabilities</b>	<b>1,900</b>	<b>2,244</b>
<b>Total Equity and liabilities</b>	<b>77,999</b>	<b>84,476</b>