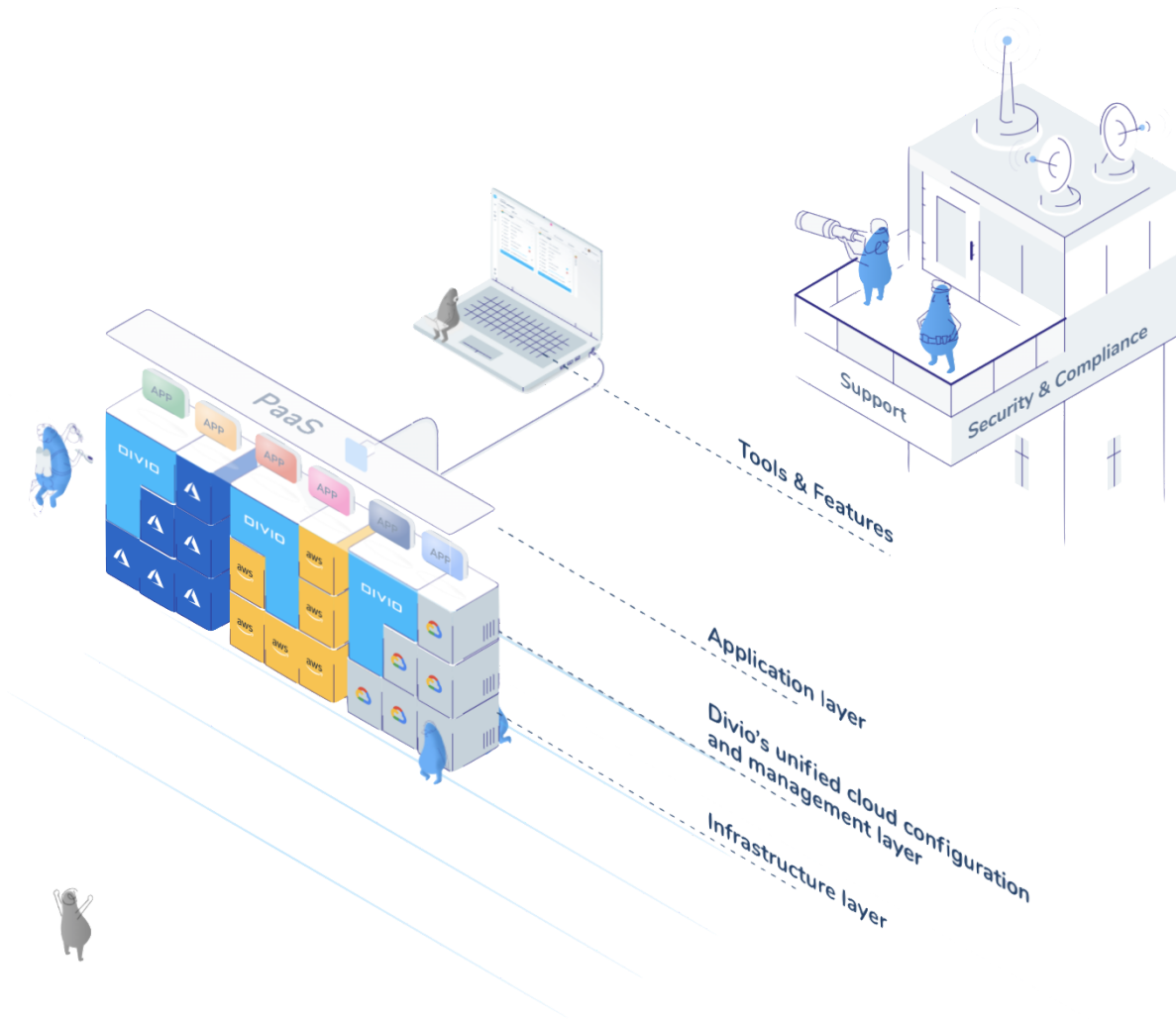


HALF-YEAR REPORT 2022

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



Divio Technologies AB (Publ) grows net sales by 12% and expands new sales strategy

SUMMARY OF THE HALF-YEAR REPORT

FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2022

- MRR in June was KUSD 136 (146)
- Net sales increased by 12%, or KSEK 9,035 (8,096)
- Subscription revenue was KSEK 7,628 (7,459)
- Operating loss was KSEK -5,615 (-4,744)
- EBITA was KSEK -5,643 (-5,253)

SIGNIFICANT EVENTS DURING THE HALF YEAR

- Onboarded a large global non-profit organisation
- Achieved ISO 27001 certification
- Strengthened the board of directors with the recruitment of Leif Liljebrunn who also took over as Chairman
- Onboarded 4 CloudFlare customers
- Established a sales team for DACH (German, Austria & Switzerland) market

IMPORTANT EVENTS AFTER THE HALF YEAR

- MRR in August is expected to be 141 KUSD compared to 136 in June
- Recruited a new CFO: Fredrik Wallmark, formerly CFO of Bambuser
- Initiated a new sales strategy targeting mid-sized companies with typically shorter sales cycles

Key indicators	Jan–June 2022	Jan–June 2021
MRR (monthly recurring revenue) KUSD	136	146
Subscription revenue, KSEK	7,628	7,459
Cash and cash equivalents at the end of the period, KSEK	7,953	18,875

CEO COMMENTS

I am very pleased that the first half of the year has been so productive for Divio. We have worked hard to achieve ISO certification and have continued to win new customers. In addition, we have improved the efficiency, and the results, of our sales process. I am also pleased to welcome Leif Liljebrunnto the Board, with his extensive experience of growth companies.

At the AGM, Leif Liljebrunn was elected as our new Chairman. Leif has extensive experience of growing smaller companies and has achieved success with Visma and ZetaDisplay, both as CEO and as a board member. Leif has also gained extensive sales experience at several SaaS companies. He has been following Divio for a while and became increasingly involved in the spring before joining the company in June.

We have also recruited a new CFO - Fredrik Wallmark, who has extensive experience from listed companies such as Bambuser, EU-Supply and Footway. I have long promised improvements in the dialogue with shareholders, and expect both frequency and clarity to improve with Fredrik on board. I will also be able to increase focus on developing the organisation and dedicate more time to the sales team. To further improve communication with the market, we will, as previously announced, begin reporting quarterly from Q3 2022 onwards.

The efforts we have put into ISO compliance were rewarded in February with a well-deserved ISO 27001 certification. Our state-of-the-art platform is the heart of Divio, and we are continuously striving to improve it and maintain our lead over competition. We cater for businesses with stringent security requirements and compliance requirements, so our

platform must meet the highest possible standards. Having ISO certification means an independent body verifies that we meet all these requirements. We have also put extensive work into ensuring a smooth process both for procurement and especially when pitching and onboarding on new clients.

Sales have started to pick up in the first half of the year and I am especially gratified by our agreement with a large global non-profit organisation which has already more than doubled its investment in Divio in a short space of time. MRR was down slightly due to a decrease in work from an existing customer, but has now almost recovered. Overall our client base continued to grow. We are also very pleased with the results of our partnership with CloudFlare which has resulted in four new customers and continues to generate additional business.

Following a thorough analysis of the market and our existing customers as well as dialogues with new customers, we have decided to extend our sales strategy and reposition the company to accelerate growth. We have developed a platform designed to meet the requirements of enterprise customers in terms of capacity, security, support, etc. These are qualities that small and medium-sized enterprises also desire but often cannot afford. However, the flexibility of our platform enables us to offer medium-sized customers an enterprise solution at a cost they can afford. An advantage of smaller and medium customers is that they typically have much shorter and simpler decision-making processes. They tend to seek partners who see and value their potential and regard them as an important customer. We expect to gain a lot more business from companies we can grow with. Best of all, we have already gained buy-in for our new direction which also means a new communications approach and a

simpler process for our sales team.

We have learnt a lot over the past year and I am proud of the efforts of our excellent team, which continues to grow and achieve great results - as confirmed by customers who praise our solution. We are getting closer and closer to the well-deserved breakthrough and success.



Jon Levin
CEO

ADDITIONAL INFORMATION

NET SALES SPECIFIED

(KUSD)	Jan-Jun 2022	Jan-June 2021
Subscription revenues	7,628	7,459
Professional services	1,407	637
Total net sales	9,035	8,096

MRR DEVELOPMENT

	2018				2019				2020				2021				2022	
(KUSD)	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2
MRR	38	41	54	71	74	81	88	86	91	95	105	133	151	144	143	144	135	136
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	1,620	1,632

NUMBER OF OUTSTANDING SHARES

	Jan-June 2022	Jan-June 2021	2021
Number of shares at the end of the period before dilution	85,623,080	85,623,080	85,623,080
Number of shares at the end of the period after dilution	86,323,080	98,514,580	99,214,580
Average number of shares before dilution	85,623,080	81,235,107	83,429,093
Average number of shares after dilution	94,259,747	94,126,607	96,553,927

FINANCIAL INFORMATION AND OTHER COMMENTS

FOR THE PERIOD JANUARY – JUNE 2022

-5,615 (-4,744).

REVENUE

Net sales were KSEK 9,035 (8,096), which is a 12% increase compared with the same period last year, compared to the same period last year, mainly driven by an increase in professional services and to some extent from currency effects. Subscription revenues decreased slightly due to a decrease in leading clients spending. Capitalised development expenses remained at the same level as the same period last year KSEK 2,203 (2,242).

MRR for the month of June 2022 was KUSD 136 (146), a decrease of 6% compared to the same month last year. This is due to the decrease in a client's spending. The MRR is not an average for the period, but it is the actual MRR at the end of the period.

OPERATING PROFIT AND LOSS

Operating loss for the first half of the year was KSEK

CASH FLOW FROM OPERATING ACTIVITIES

Total cash flow for the first half of the year 2022 was KSEK -1,304 (17,790) Cash flow from operating activities was KSEK 940 (379).

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities was KSEK -2,244 (-2,270). This is mainly capitalized software development expenses.

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 2021.

GROUP STRUCTURE PER 30 JUNE 2022

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 500 paying customers, and very low 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 and 2021 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 and prepayment revenues is reached. The need for external capital for operational needs is considered to be low unless the company decides to invest in further growth that is not covered by existing equity.

For further information, see "Risk Factors" in the 2019 Company Description, available on 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
Incentive Program 2021/2024	2021/2024	4.36 SEK (1:1)	2024-09-30	-	700,000	700,000	700,000

UPCOMING FINANCIAL REPORTS

23 November 2022

Interim report Q3 (1 July - 30 September)

22 February 2023

Full year and Q4 report (1 October - 31 December)

24 May 2023

Interim report Q1 (1 Jan - 30 March)

12 May 2023

Annual Report 2022

2 June 2023

Annual General Meeting in Stockholm

Financial reports will be available on the company's website 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 24 August 2022. The Board currently consists of Leif Liljebrunn, Chairman, and board members Christian Bertschy, Niklas Köresaar, Kimmo Björnsson and Anette Ringnér.

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.

MRR

Monthly Recurring Revenue, the monthly rate of revenue generated from recurring subscription services provided to customers. This value is excluding any set-up fees or one-time fees, and is measured as of the last month of the reporting period.

INCOME STATEMENT GROUP, SUMMARISED

KSEK	Jan-Jun 2022	Jan-Jun 2021	2021
Profit and loss			
Net sales	9,035	8,096	15,703
Capitalised development	2,203	2,242	4,429
Other revenue	27	0	20
Total revenue	11,266	10,338	20,151
Cost of goods sold	-4,269	-2,997	-4,586
Other external costs	-2,598	-3,964	-9,117
Personnel	-7,360	-5,658	-12,990
Depreciation / Amortization	-2,653	-2,462	-4,937
Other operating costs	0	0	-55
Operating result	-5,615	-4,744	-11,533
Net financial items	-28	-510	706
Earning before tax	-5,643	-5,253	-10,826
Taxes on earnings	6	-5	-51
Net result for the period	-5,637	-5,258	-10,878
Earnings per share before dilution	-0.066	-0.065	-0.131
Earnings per share after dilution	-0.060	-0.056	-0.013

BALANCE SHEET GROUP, SUMMARISED

KSEK

Assets	2021-06-30	2020-06-30	2020-12-31
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalised development expenses	13,583	12,198	13,018
Other immaterial fixed assets	20	50	35
Total Immaterial fixed assets	13,603	12,248	13,053
<i>Tangible fixed assets</i>			
Equipment	0	0	0
Computers	104	25	44
Total material fixed assets	104	25	44
Financial assets			
Other financial assets	0	38	13
Total financial assets	0	38	13
Total fixed assets	13,707	12,311	13,110
Current assets			
Trade receivables	59	417	4,258
Other current receivables	398	2,335	873
Total current assets	457	2,752	5,131
Cash and cash equivalents	7,953	18,875	9,287
Total assets	22,117	33,939	27,528

KSEK

Equity and liabilities	2022-06-30	2021-06-30	2021-12-31
<i>Equity</i>			
Share capital	8,562	8,562	8,562
Share premiums	92,941	21,192	92,941
Retained profits (losses)	-81,822		-72,736
This year's profit (loss)	-5,637	-5,258	-10,016
Total equity	14,044	24,496	18,752
Current liabilities			
Trade payables	920	2,430	415
Other current liabilities	6,231	7,013	8,353
Total current liabilities	7,151	9,442	8,768
Total Equity and liabilities	22,117	33,939	27,528

CASH FLOW GROUP, SUMMARISED

KSEK	Jan-Jun 2022	Jan-Jun 2021	2021
Cash flow			
Cash flow from operating activities			
Result after financial items	-4,769	-5,253	-10,827
Adj for non-cash items	2,653	2,729	4,264
Changes in current assets	4,673	-1,071	-3,110
Changes in current liabilities	-1,617	3,975	2,448
Cash flow from operating activities	940	380	-7,225
Cash flow from investing activities			
Activated development costs	-2,203	-2,227	-4,458
Changes in financial assets	38	-43	-12
Investments in other fixed tangible assets	-79	0	0
Cash flow from investing activities	-2,244	-2,270	-4,470
Cash flow from financing activities			
Rights issue	0	19,680	19,795
Cash flow from financing activities	0	19,680	19,795
Total cash flow for the period	-1,304	17,790	8,100
Cash at the beginning of the period	9,287	1,095	1,095
Exchange rate differences	-30	-10	92
Cash at the end of the period	7,953	18,875	9,287

CHANGE IN EQUITY GROUP, SUMMARISED

(Values in KSEK)	Jan-Jun 2022	Jan-Jun 2021	2021
Equity at the beginning of the period	18,752	9,767	9,767
New share issue	0	19,795	19,795
Currency translation differences	929	192	76
Profit (loss)	-5,637	-5,258	-10,878
Equity at the end of the period	14,044	24,496	18,760

INCOME STATEMENT PARENT COMPANY, SUMMARISED

KSEK	Jan-jun 2022	Jan-Jun 2021	Jan-Dec 2021
Revenue	3,786	3,442	6,758
Total revenue	3,786	3,442	6,758
Other external costs	-1,301	-1,320	-2,143
Personnel	-2,187	-2,021	-4,423
Depreciation / Amortization	-15	-15	-30
Other operating costs	0	0	-55
Operating result	283	86	107
Net financial items	3	21	-25,989
Allocations		0	0
Earnings before tax	286	107	-25,882
Taxes	0	0	-44
Net result for the period	286	107	-25,927

BALANCE SHEET PARENT COMPANY, SUMMARISED

KSEK

Assets	2022-06-30	2021-06-30	2021-12-31
Fixed assets			
Intangible fixed assets			
Other immaterial fixed assets	20	50	35
Total immaterial fixed assets	20	50	35
Financial assets			
Shares in Group companies	60,268	60,298	60,268
Receivables from group companies	9,508		9,508
Other financial assets		1	13
Total financial assets	69,776	60,269	69,789
Total fixed assets	69,796	60,319	69,824
Current assets			
Trade receivables	13,120	10,747	0
Receivables from group companies	3,759	15,372	0
Other current receivables	101	298	251
Total current assets	3,873	26,417	251
Cash and cash equivalents	4,216	17,254	7,924
Total assets	77,885	103,991	77,999

KSEK

Equity and liabilities

Equity			
Share capital	8,562	8,562	8,562
Share premiums	92,941	92,824	92,940
Retained profits (losses)	-81,822	524	524
This year's profit (loss)	-5,637	107	-25,927
Total equity	14,044	102,017	76,100
Current liabilities			
Trade payables	197	280	35
Other current liabilities	1,302	1,694	1,864
Total current liabilities	1,499	1,973	1,900
Total Equity and liabilities	77,885	103,991	77,999

