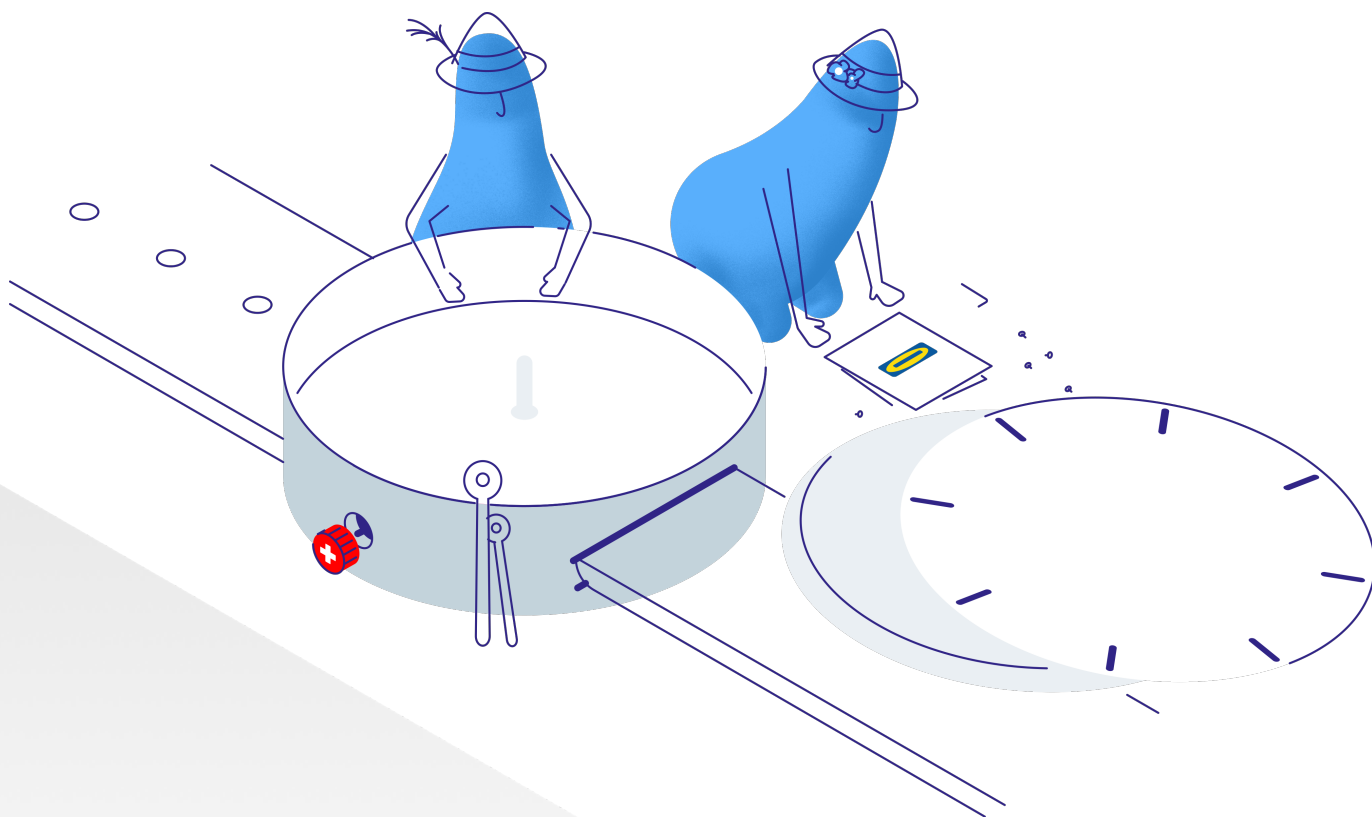


HALF-YEAR REPORT 2020

January – June 2020

Company no. 559077-0730



While other companies struggled due to the pandemic, Divio Technologies AB (Publ) managed to grow the subscription revenue with 27% and land another global wealth management bank, got the sales going, improved the platform and trimmed the efficiency of the company.

Summary of the half-year report

For the period 2020-01-01 – 2020-06-30

- Total revenue amounted to 9,802 (8,104) KSEK
- Revenue from subscriptions and professional services amounted was 6,290 (5,868) KSEK
- Operating loss for the period was -9,938 (-10,143) KSEK
- Earnings before tax for the period was -10,130 (-10,107) KSEK

Significant events during the period

- Cost reduction to reach profitability faster, will affect the result in the second half of the year
- Direct Issue of 8 MSEK in March
- Strengthened the board with a new chairman, Måns Danielson, and a new board member, Anette Ringnér.
- Onboarded important enterprise customers to grow with
- Reorganisation to increase efficiency and agility

Important events after the period

- Direct Issue of 5 MSEK in July 2020
- Enhanced the sales strategy
- Improved profitability of smaller customers

Key indicators	Jan – June 2020	Jan – June 2019
Subscription revenue KSEK	5,050	3,963
Professional services revenue KSEK	1,240	1,905
Earnings per share SEK	- 0,15	
Cash and cash equivalents KSEK as at 30/6	3,647	10,695

CEO Comments

I am pleased and very proud that we have succeeded in building an excellent sales operation in such a short time. We are already experiencing the benefits, in an expanding sales pipeline and a growing number of deals signed. One example is our new collaboration with GWM Innovation Lab of UBS Switzerland, part of the world's largest wealth-management institution.

Subscription revenue is also 27% higher than for the same period in 2019. This is recurring revenue that will continue to grow steadily – as will the cloud industry in which we operate as a valuable complement to the services of Amazon, Google and Azure.

Our business is based on recurring revenues and long-term agreements, and we can state with confidence that we have proved our business model. Customers are increasing their business, adding more and more projects to our platform. And we are succeeding in retaining almost all paying customers – evidence that we are providing real value to them.

This is very much how our business works. Customers typically start with a small project to test our platform and make sure we fulfil all the necessary requirements. When they experience our high standards and see how much they can gain from our platform, they add further projects and the customer account grows.



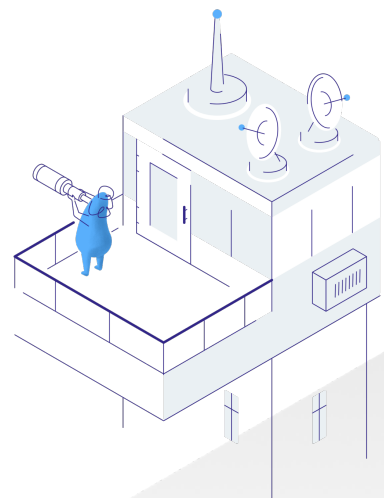
Jon Levin
CEO

As part of the organisational changes, and in line with the overall goal to reach profitability, we have reviewed all costs and made some major adjustments and savings. I am delighted to announce that we have managed to cut costs by almost 50%. While doing this, we have maintained efficiency levels and increased them in some areas. We have worked hard to streamline processes and shorten the time from idea to solution. This is a measure of our scalability, which is a key foundation for future growth. These savings will first be reflected in the results for the next half year.

We have continued to make it easier for prospective customers to explore and adopt our platform, and we have made significant investments in innovative functionality. One example is our automated cloud-shifting technology, which makes it possible to migrate a complex web application from one cloud vendor to another in just minutes. We have also enhanced the interface for a better user experience, providing more powerful application management and oversight. We lead the field in terms of technology and offer functionality that most competitors cannot. It's impossible not to mention the ongoing global pandemic, which affects us all in one way or another. This turbulent situation has actually led to increased interest in our solutions, as we enable lower costs, reduced dependence on technical staff and a better environment for cooperation among developers. It's impressive to see how the whole team has stepped up and put in even harder work during the pandemic, including pro bono work to help the Swiss Government build a tool that enables police, hospitals and testing centres to collect frequent status updates from frontline responders.

Divio has built a solid foundation for growth, and we have a strong and dedicated team in place. We already see significant trends in our favour, and the overall market potential is enormous. I look forward to continued success for our customers and us in the second half of the year.

Jon Levin
CEO



Financial information and other comments

For the period January – June 2020

Revenue

Revenues for the first half of the year amounted to 9,802 (8,104) KSEK, which is an increase of 21% to the same period last year. The company is shifting towards a subscription revenue business model. Income from subscriptions increased by 27% compared to the same period in 2019, and income from services decreased by 35%. Activated capitalised development expenses increased by 47%, to 3,278 (2,236) KSEK.

Operating profit and loss

Operating loss for the first half of the year was -9,938 (-10,143) KSEK, which is an improvement of 2%. This is due to some personnel changing their form of employment to consultancy. Capitalised software development expenses increased in comparison to the same period last year, due to increased development of the Divio Platform.

Cash flow from operating activities

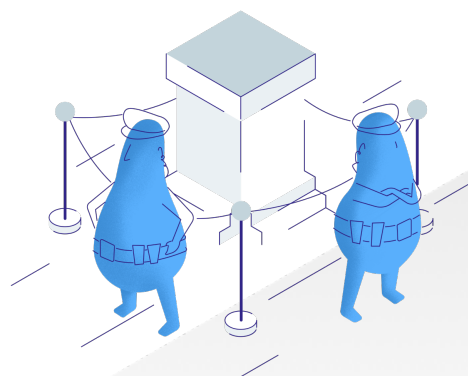
Total cash flow for the first half of 2020 was -2,322 KSEK. Cash flow from operating activities was -5,880 KSEK. This is due to platform development costs as mentioned above.

Cash flow from investment activities

Cash flow from investment activities was -2,965 KSEK. This is mainly capitalized software development expenses in the company.

Cash flow from financing activities

Cash flow from financing activities was 6,524 KSEK, reflecting loan repayment and the new share issue in April.



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).

Group Structure per 30 June, 2020

The Divio Group is comprised of the parent company, Divio Technologies AB (publ) in Sweden (org. no. 559077-0730), and the wholly owned subsidiaries Divio AG in Switzerland and Divio Inc. in the United States. The Group's operating activities are conducted mainly in Divio AG, with transfer pricing setup at arm's length for intragroup services. The Group operates in one segment, offering cloud management software subscriptions.

Risks and uncertainties

Divio is a relatively young software development group. The company launched its first commercial cloud software products in 2017 and still has a limited level of revenue. The fact that the company has over 400 paying customers and almost no churn signals a need for the product, but it is still too early to draw long-term conclusions about market acceptance of the products or to predict clear trends regarding sales and earnings for the company.

Divio is dependent upon being able to enter into licensing and partnership agreements and upon several 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. Ensuring that technical platforms are highly reliable and able to ensure reliability in the company's information management and protection against breaches and leaks is another factor that is crucial for the Company's future development.

During the first half of 2020 performed a considerable cost reduction that significantly reduces the need for external capital. 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.

Some adverse material changes in the perception of risks and uncertainties have occurred during the first half of 2020, as Divio has performed a cost reduction of almost 50%.

For further information, see Risk factors in the 2019 Company Description, available on www.divio.com.

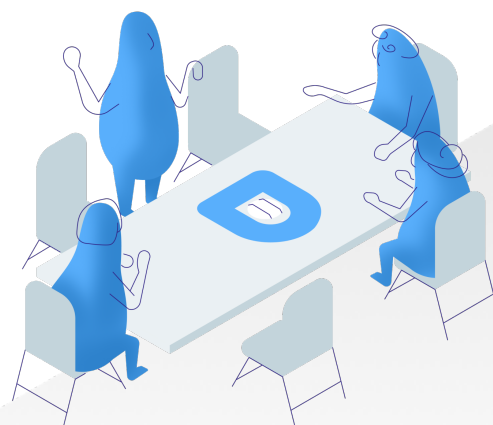
Shares

Divio Technologies AB (publ) has been traded on Nasdaq First North since December 18, 2019 under the stock ticker DIVIO B. The number of shares as per June 30, was 65,989,186 of which 750,000 are series A shares, whereof 750,000 series A with 10x voting right. The average number of shares in the period January to June was 51,566,963 shares, following the rights issue of 22,000,000 series B shares in March 2020.

Warrants

Divio Technologies AB (publ) has two active series of warrants per closing date. No new warrants were issued in the period. If all current warrants are exercised, this would lead to a dilution of 19,54% in Divio Technologies AB (publ), which would increase share capital by SEK 1,289,150 and add up to SEK 49,173,450 in equity capital.

Warrant Series	Incentives program	Series B
Duration	2018/2022	2019/2022
Strike	9.30 SEK (1:1)	3.00 SEK (2:1)
Expiry	2022-05-31	2022-04-15
Investors		14,450,000
Employees	1,666,500	8,000,000
Total warrants	1,666,500	22,450,000
Possible share issue	1,666,500	11,225,000
Dilution if exercised	2,53%	11,225,000



Upcoming financial reports

7 May 2021

Annual Report 2020

28 May 2020

Annual General Meeting in Stockholm

27 Aug 2020

Half-year report (1 January - 30 June 2020)

Financial reports will be made publicly 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 August 19, 2020. The Board currently consists of Måns Danielson, Chairman, with fellow members of the Board: Christian Bertschy, Anette Ringnér and Behzad Ardakani.

The Board and the CEO, Jon Levin, certify that this half - year report provides a fair assessment of the parent company and Group's activities, financial position and profits, as well as describing material risks and uncertainties.

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 MRR (Monthly Recurring Revenue) for Divio's platform

Professional services

- Revenue origin from customised projects

Earnings per share

- Is calculated as a company's profit divided by the outstanding shares of its common stock



Income statement Group, summarised

KSEK

Profit and loss	2020 Jan - Jun	2019 Jan - Jun
Net revenue	6,290	5,868
Capitalised development expenses	3,278	2,236
Other revenue	234	0
Total revenue	9,802	8,104
Cost of goods sold	-2,310	-1,053
Other external costs	-6,039	-6,067
Personnel	-8,928	-9,098
Depreciation / Amortization	-2,463	-2,029
Other operating costs	0	0
Operating profit	-9,938	-10,143
Net financial items	-192	36
Allocations	0	0
Earnings before tax	-10,130	-10,107
Taxes	-66	-77
Profit (loss) for the period	-10,196	-10,184

Balance sheet Group, summarised

KSEK

Assets	2020-06-30	2019-06-30
Fixed assets		
Intangible fixed assets		
Capitalised development expenses	13,963	12,596
Other intangible fixed assets	80	1,693
Total Intangible fixed assets	14,043	14,288
Tangible fixed assets		
Equipment	60	139
Total tangible fixed assets	60	139
Financial assets		
Other financial assets	22	401
Total financial assets	22	401
Total fixed assets	14,125	14,828
Current assets		
Trade receivables	189	445
Other current receivables	722	844
Total current assets	911	1,288
Cash and cash equivalents	3,647	10,695
Total assets	18,683	26,811

KSEK

Equity and liabilities	2020-06-30	2019-06-30
<i>Equity</i>		
Share capital	6,599	3,906
Other equity	16,345	26,429
This year's profit (loss)	-10,196	-10,184
Total equity	12,748	20,151
 Reserves	 -	 164
 <i>Non-current liabilities</i>		
Other liabilities		
Total non-current liabilities	-	-
 <i>Current liabilities</i>		
Trade payables	1,592	898
Other current liabilities	4,343	5,598
Total current liabilities	5,935	6,496
 Total Equity and liabilities	 18,683	 26,811

Cash flow statement Group, summarised

KSEK	2020 H1	2019	2018
Cash flow from operating activities			
Result after financial items	-10,130	-19,578	-14,212
Adj for non-cash items	2,463	2,288	4,780
Changes in current assets	309	406	180
Changes in current liabilities	1,478	-4,354	6,243
Cash flow from operating activities	-5,880	-21,238	-3,008
Cash flow from investing activities			
Capitalized development expenses	-3,278	-5,049	-6,818
Changes in financial assets	313	75	-
Effect of reverse acquisition	-	-	15,206
Investments in other fixed intangible assets	-	-	-150
Investments in other fixed tangible assets	-	-	-88
Cash flow from investment activities	-2,965	-4,974	8,150
Cash flow from financing activities			
Rights issue	8,000	28,650	-
Repayment of loans	-1,476	-2,185	-
Cash flow from financing activities	6,524	26,465	0
Total cash flow for the period	-2,322	253	5,142
Cash at the beginning of the period	5,948	5,571	460
Exchange rate differences	21	124	-30
Cash at the end of the period	3,647	5,948	5,571

Change in equity Group, summarised

(Values in KSEK)	2020	2019
Equity at the beginning of the period	14,524	7,169
New share issue	8,000	28,651
Currency translation differences	420	-1,612
Profit (loss)	-10,196	-19,684
Equity at the end of the period	12,748	14,524

Income statement Parent company, summarised

KSEK

Profit and loss	2020 Jan - Jun	2019 Jan - Jun
Net revenue	5,715	2,968
Total revenue	5,715	2,968
Other external costs	-1,982	-1,315
Personnel	-3,540	-1,532
Depreciation / amortization	-15	-15
Other operating costs	0	0
Operating profit	178	106
Net financial items	-1	-17
Earnings before tax	177	89
Taxes	-38	-19
Profit (loss) for the period	139	70

Balance sheet parent company, summarised

KSEK

Assets	2020-06-30	2019-06-30
Fixed assets		
Intangible fixed assets		
Other immaterial fixed assets	80	110
Total immaterial fixed assets	80	110
Financial assets		
Shares in Group companies	60,269	35,885
Total financial assets	60,269	35,885
Total fixed assets	60,349	35,995
Current assets		
Trade receivables	4,687	5,961
Current financial receivables from group companies	13,500	11,480
Other current receivables	276	199
Total current assets	18,463	17,640
Cash and cash equivalents	485	8,782
Total assets	79,297	62,417

KSEK

Equity and liabilities

Equity

Share capital	6,599	3,906
Share premiums	69,709	57,006
Retained profits (losses)	318	363
This year's profit (loss)	139	70
Total equity	76,765	61,345

Provisions	-	164
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Current liabilities

Trade payables	89	54
Current liabilities to Group companies	-	-
Other current liabilities	2,443	854
Total current liabilities	2,532	908

Total equity and liabilities	79,297	62,417
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