



**COMPANY DESCRIPTION FOR LISTING ON NASDAQ
FIRST NORTH GROWTH MARKET SWEDEN**

Divio Technologies AB (publ)

December 2019

TÖRNGREN MAGNELL

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IMPORTANT INFORMATION

This company description (the "**Company Description**") has been prepared in connection with the listing of shares of series B in Divio Technologies AB (publ), reg. no. 559077-0730, on Nasdaq First North Growth Market Sweden ("**First North**") (the "**Listing**"). The "**Company**" or "**Divio**" refers to Divio Technologies AB (publ) with reg. no. 559077-0730 in this Company Description. The "**Group**" refers to the Company and all its subsidiaries. See section "Definitions" for the definitions used in this Company Description.

Exemption from prospectus requirements

This Company Description does not fulfil the requirements of being a prospectus and has not been reviewed or approved by the Financial Supervisory Authority (Sw. *Finansinspektionen*). The reason is that the prospectus rules does not require that a prospectus is prepared for the listing of the shares to which this Company's Description refers. The reason for the exception is that listing does not take place on a regulated market and that the Company Description does not include an offer of shares.

Applicable law

Swedish law is applicable in relation to this Company Description. Disputes regarding the Company Description and thereby applicable legal circumstances shall be handled under Swedish law exclusively.

The Company Description's availability

The Company Description is available on the Company's website www.divio.com.

Risks

An investment in shares is associated with certain risks (investors are therefore encouraged to particularly read the section "*Risk factors*"). When an investor makes an investment decision, he or she must rely on his or her own analysis of the Company, including present facts and risks. Prior to an investment, potential investors ought to consult their own professional advisors to diligently evaluate an investment consideration. No individual has been authorised to provide any information or make any other statements other than those included in the Company Description. If given or made, such information or representation may not be relied upon as having been authorised by the Company nor should the Company be held responsible for such information or statements.

Forward-looking statements

The forward-looking statements in the Company Description reflects the board of director's current estimates and expectations of future

events, as well as financial and operational development which applies at the time for this Company Description. Even if the board of directors believes that the expectations described in such forward-looking statements are reasonable, there is no guarantee that these forward-looking statements will be materialised or be proven to be correct. Potential investors are encouraged to take part of the information in this Company Description and to keep in mind that future earnings and development may differ significantly from the board's expectations.

Information from third parties

The Company Description contains information that has been obtained from third parties. All such information has been reproduced correctly. The Company's board of directors is responsible for this Company Description and has taken all reasonable precautions to ensure that the information provided in the Company Description complies with the actual facts. Although the board of directors believes that these sources are reliable, no independent verification has been made, so the accuracy or completeness of the information cannot be guaranteed. As far as the board of directors knows and can assure by comparison with other information published by third parties from which the information was collected, no information has been omitted in such a way that could make the information incorrect or misleading.

Some figures in this Company Description have been subject to rounding. This means that some tables do not seem to sum up correctly.

Advisors

Törngren Magnell has acted as legal advisor to the Company in connection with the Listing and the preparation of the Company Description. Since all information in the Company Description is derived from the Company, Törngren Magnell disclaim all liability in relation to direct or indirect consequences of investment decisions or other decisions in whole or in part based on the information in this Company Description.

First North

The Company Description has been drawn up under the responsibility of Divio and has been reviewed by the Nasdaq Stockholm.

FNCA Sweden AB is the Company's certified adviser on First North.

Definitions

CHF	refers to Swiss franc
the “Company Description”	refers to this company description
the “Company”, “Divio” or “we”	refers to Divio Technologies AB (publ) with reg. no. 559077-0730
“First North”	refers to Nasdaq First North Grow Market Sweden
“Euroclear”	refers to Euroclear Sweden AB
EUR	refers to Euro
GBP	Refers to pound sterling
the “Group”	refers to the Company and all its subsidiaries
the “Listing”	refers to the listing of shares of series B in Divio Technologies AB (publ) on Nasdaq First North Growth Market Sweden
SEK, KSEK, MSEK	refers to Swedish krona, thousand Swedish kronor, million Swedish kronor
“Törngren Magnell”	refers to Advokatfirman Törngren Magnell KB, reg. no. 96975-1687
USD	refers to US dollars

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Information about the share

Number of outstanding shares:	43,239,186 shares of series B
ISIN code:	SE0011311554
Short name:	DIVIO

Important dates

First day of trading on First North:	18 December 2019
Year-end report (1 January – 31 December 2019):	6 March 2020
Annual general meeting:	29 May 2020

Risk factors

An investment in the Company's shares is associated with certain risks. There are several risk factors that can or could affect the Group's business, both directly and indirectly. Described below, without any order and without claim to be exhaustive, are the risk factors and other factors deemed to be material to the Group's business and development. The risk factors described below are not the only ones the Company and its shareholders may be exposed to. Additional risks that are not currently known to the Company, or that the Company currently considers to be immaterial, could later be proven to have a material adverse effect on the Group's business, result or financial position. These risks can negatively affect the value of the Company's shares, and investors may risk to lose all or a part of their investment.

In addition to this section, investors should take into account the information provided in the Company Description as a whole. The Company Description also includes forward-looking statements that can be affected by future events, risks and uncertainties. The Group's actual results could differ materially from those expressed or implied in the forward-looking statements because of many factors, such as the risks described below and in other parts of the Company Description.

Risks relating to the Company

Risk related to Divio's business and industry

Dependence on key persons and employees

Within the Group there are key persons and employees who are important for a successful development of the Group's business. The Group is dependent on qualified and motivated personnel within all functions. It is essential that the Group manages to attract and retain key personnel and that the personnel experience the Group as a stimulating employer. If the Group fails to retain such key personnel or attract and gain new personnel, this will likely have a negative impact on the Group'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 Group's 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 Group. 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).

The Group entered into a framework agreement with the Fidelity Intl. Group in mid-2017. Orders under the agreement equates to circa 46 per cent of recurring revenues in the first half of 2019 (for more information see the header "Significant agreements" under the section "Legal considerations and supplementary information").

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 Group's future operational and financial performance will largely depend on the Group's ability to implement its business strategy. The Group may not be able to successfully implement its strategy, such as the developments of operations in targeted markets, the future demand for the Group's cloud-based products and the applications the Group is developing. Furthermore, the success of the Group's strategy depends on a number of factors, some of which are beyond the Group's control. In order to reposition the Group and achieve a strong position in its key markets as envisaged, the Group depends on its ability to manage and develop its products, to recruit and retain skilled management and other personnel, to expand its sales force in the target markets and to finance its operating and restructuring activities, including to secure sufficient funding for necessary capital expenditures.

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

Risks related to interruptions to IT-product delivered to customers

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

Dependence on suppliers

The Group 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 Group might affect the Group's business. Similarly, if any supplier were to terminate the business

relationship this might affect the Group's business. Any such event might have a material adverse effect on the Group's result due to increased costs.

Risks relating to consultants and employment

The Group employs approximately 16 full time equivalent employees, on average during the second quarter 2019, and engages 4 consultants. There is a risk that consultants are considered being employees of Divio AG instead of engaged independent contractors, which could incur further liability for Divio AG, in particular to pay social security charges on the remuneration paid to the consultants, which could have a material adverse effect on the Group's result due to increased costs.

Legal and regulatory risks

Risks related to the Group's intellectual property rights

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

Risk of infringement of intellectual property rights of third parties

There is a risk that the Group 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 Group 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 defence and can absorb management capacity and other resources. Payment obligations may arise for the Group or the Group may have to enter into licence agreements, which are not available at economically viable conditions, or the Group may not be able to apply certain procedures to the offered software. Any such event could have a material adverse effect on the Group's result as a result of increased costs.

Financial risks

Financing, liquidity and future capital requirements

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

The Group faces the risk that it will be unable to achieve financing (debt and equity) on a timely basis or on satisfactory terms. In any case, it is not ensured that the Group 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 Group from being able to access the necessary financing or make such financing unattractive. This could result in the Group 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 Group at a disadvantage compared to its competitors that may be less indebted and subject to less restrictive financial covenants.

Risk of over-indebtedness

The audit reports for Divio AG covered by this Company Description state material concerns with regard to the financial situation of the subsidiary Divio AG. The audit report states that the financial statement of Divio AG discloses an over-indebtedness in accordance with Swiss law. However, the audit report 2018 also states that the over-indebtedness has been remedied through a capital increase carried out on 22 February 2019.

There is a risk that the Group and/or its subsidiary Divio AG in the future may not receive the necessary financial resources (revenue, equity and/or debt) in all cases in due time, in the required amount and/or at acceptable conditions.

Risks related to the securities

Majority shareholders with significant influence

At the time of the Company Description, approximately 55.5 per cent of the votes are controlled by the majority shareholders, which gives them a significant influence over the Company. The major shareholder Christian Bertschy, representing 26.7 per cent of the votes, holds all outstanding shares of series A in the Company which entitles to ten votes per share compared to one vote per share for series B which will be the listed series. The major shareholders' interest may differ materially from, or compete with the interests of the Company or other shareholders' interests and the major shareholders may exercise influence over the Company's in a manner contrary to the interests of the other shareholders.

Marketplace

The Company's has applied for listing of its shares 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.

Future sales of shares of existing shareholders

The price of the Company's shares may decrease if there is a significant sale of the Company's shares, especially if the shares are sold by the Company's board members, senior executives or major shareholders.

Restrictions on sales of shares

The major shareholder Christian Bertschy, representing 26.7 per cent of the votes, has undertaken to not dispose of any shares or warrants owned at the time of this Company Description, for a period of twelve months after listing. Such restrictions on share transfers may have an adverse effect on the liquidity of the outstanding shares. Further, at the lapse of the restricted period, Christian Bertschy is free to dispose of any shares. In case of the major shareholder Christian Bertschy selling significant amounts of shares, there is a risk of a decrease in the Company's share price.

There to, management and board shareholders have also undertaken to not dispose of any shares or warrants owned at the time of this Company Description, for a period of twelve months after listing. Such restrictions on share transfers may have an adverse effect on the liquidity of the outstanding shares.

New issue of shares may affect the price of outstanding shares and lead to dilution for the Company's shareholders

Any future share issues may have a material adverse effect on the price of the shares. Although existing shareholders according to Swedish law as a rule have a certain preferential right in a share issue, issues may be resolved with a deviation from the existing shareholders' preferential rights, which may lead to a dilution of the existing shareholders' proportional ownership and voting rights.

Exercise of warrants can lead to dilution

The Company has previously issued warrants under five different programs whereof some to investors and some under incentive programmes (for more information of the warrants see the headings "*Incentive programmes*" and "*Warrants to investors*" in the section "*Share capital and ownership structure*") which if all are exercised will lead to a dilution of 40.51 per cent. Should the holders of these warrants exercise these to subscribe for new shares it could have material adverse effect on the price of the shares. It would also result in dilution of existing shareholders' proportional ownership and voting rights.

Background and objectives

Divio's vision is to automate all repeatable tasks in development and maintenance of websites and apps. Simply put, our platform is **the autopilot for developers**.

Most companies need to build, run and maintain increasingly complex websites and web applications. Divio's tools help enterprise companies as well as digital agencies to build and maintain their digital websites and apps more reliably and to a lower cost, as well as making sure they scale with growing business needs. The platform includes automatic scaling, security scans, backups, monitoring and onboarding for an increasing number of technologies and cloud server providers.

Divio platform offers easy-to-use proprietary tools through a point-and-click interface, making Divio's advanced functions, as well as popular open-source technologies, accessible to teams at digital agencies and enterprises.

The inclusion of open-source software in the Divio platform makes it possible to stay competitive, offering comprehensive and cost-effective solutions. Though open-source software may be free, it requires substantial experience and know-how to be implemented effectively, and these skills and knowledge are expensive and hard for teams to acquire.

With Divio, customers benefit from the power of such popular open-source technologies (Docker, Python, Django, Open API and more) without needing to have in-depth know-how.

A strong foundation in software development

The development of the Company's software products began in 2007 with the release of its own web content management system (CMS). Thanks in part to the success and popularity of its Python/Django foundations, this software rapidly achieved international acclaim as a reliable, powerful tool and was adopted by a number of large companies and institutions.

In the decade since then, alongside the rapid development of the digital environment and technology in general, it became clear that demand would seek not just the CMS software itself, but a complete platform-as-a-service (PaaS) based around it - a system that would make it possible to set up, manage and run complex, large-scale web projects, without requiring an expensive system operations team.

Geared towards market needs

The total PaaS market revenue is forecasted to reach USD 20 billion in 2019, and to exceed USD 34 billion in 2022, according to the latest forecast from Gartner.¹ Looking specifically at the sub-sector for web content management (WCM) the market is expected to continue to grow at a compound annual growth rate of 16.7 per cent, to USD 10.63 billion by 2022.²

Enterprises, businesses and digital agencies in search of solutions to their own web publishing needs have historically not always found the available options suitable - enterprise systems are typically very expensive.

¹ <https://www.gartner.com/en/newsroom/press-releases/2019-02-27-gartner-says-nearly-50-percent-of-paas-offerings-are->

² <http://www.marketsandmarkets.com/PressReleases/web-content-management.asp>

Open-source technologies have, on the other hand, opened up new possibilities to lower costs. However, the time investments required to extract the maximum benefit from them has been beyond the reach of many.

Divio's platform solves this by offering a commercial and easy-to-use platform that makes the world's best open-source technologies accessible to a wide range of agencies, teams, companies and developers, vastly lowers the technical investments required. This liberates technical teams from repetitive tasks, to focus on work that creates new value: better customisation and new functionality and applications closer to the actual end user experience.

End-to-end management, oversight and collaboration

Through the platform's control panel, the user gets an oversight of all web properties owned by their organisation. It allows non-technical users, such as web content managers, to launch new websites and add and configure integrated applications that provide functionality such as weblogs, news, vacancies and events. Even tasks that would normally require the intervention of a technical team, such as software updates and the application of security patches, can safely be performed with a few clicks.

Divio's Platform addresses all the phases in a web project's lifecycle, from initial development to on-going maintenance. It facilitates modern, independent collaboration practices and is designed with real-time collaboration in mind to help increase work productivity for agile teams.

The goal for the coming years will be to develop the customer base in Divio's main markets and to continue to grow subscription revenues - measured by monthly recurring revenues (MRR) - and continually add technology that put tasks on autopilot for our customers.

Listing on First North Growth Market

Divio's listing is a natural step towards its aim of becoming an important player in the global Platform as a Service (PaaS) and web content management (WCM) market. The listing on First North will represent a mark of quality, understood by customers, business partners and potential employees; it will also contribute to an increased interest in Divio among new groups of investors and other stakeholders.

Board assurance

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of Board meetings, auditors' records and other internal documents is included in the Company Description.

**The Board of Directors of Divio Technologies AB (publ)
Stockholm, December 12, 2019**

Letter from the CEO

From the first tweet in the morning, catching up on the news in a faraway land, a quick search for a flight at noon after seeing an Instagram post, to the video-conference update with colleagues at the end of a working day, the web and its instant connectivity has become an indispensable core of the global connected economy.

The Cloud and Web technologies and the underlying platforms are absolutely essential to modern businesses and enterprises. But these has to be reliable, cost efficient, scalable and future proofed. Without a cloud management platform (CMP) and Platform-as-a-Service (PaaS) companies will struggle to keep their businesses running.

Therefore, companies that wish to stay competitive today must be connected and up to date with the most current technology to be able to meet its users' needs and requests in real time. Internet of things (IoT), mobile enhancements with smartphones, artificial intelligence and big data are just some of the recent developments to which companies need to quickly adapt to within the fourth industrial revolution. Businesses need a continuous, integrated and secure digital presence on a platform that can evolve with changing conditions as well as overcome new challenges and draw use of future developments - which is exactly what Divio's customers rely on us to deliver.

Historically, businesses have relied on either enterprise solutions from software giants or puzzling together a technology stack from open source - freely available software components that solve different problem sets. Open-source software components are often of high quality. However, choosing the right combination of open source technologies and putting them together in a complete, secure and reliable system means you are dependent on in-depth specialist experience of each component and extensive resources. Competence that are hard and expensive to attract and retain. Open-source components can be adapted ad infinitum but does not come with any guarantees.

An enterprise solution may solve the problem of technical resources and the need of expertise in the business, but it may lack flexibility. Enterprise software will be supported and implemented by the vendor, but the customer will be at the mercy of a vendor's future plans for the product.

Consequently, the vast majority of organisations either use systems built from existing open-source components, or purchase traditional enterprise software, but face hard choices in either case with limits to flexibility, cost, security and customisation.

Enter a solution tailored for modern companies and web professionals

The Platform from Divio solves this common and critical business problem by resolving these conflicting choices:

- It leverages and combines popular open-source technologies to provide an enterprise-ready web publishing system.
- It is extensible by design, and backed by guarantees of security, performance and availability.
- New projects can be configured and launched on the platform with a few easy point-and-click steps, each one set up according to best practices and automatically deployed in moments.
- Looking forward - the technologies remain infinitely flexible and open to development by their users, backed by documentation to allow customers' own development teams to work with it effectively.
- Projects run on the platform are encapsulated in modular, well-engineered environments, that assure ease of on-going maintenance and extensive security.
- The clean and automation-focused architecture with swappable elements minimises future engineering effort required to update and extend even the most complex projects.

Websites that grow with business needs

Projects on Divio's Platform are based on a proven, indefinitely scalable architecture that is powered by automation and artificial intelligence.

Easy extensibility through integration

Divio's Platform can be integrated with almost any third-party tool or API that allows integration. Everything is ready not just for mobile and touchscreen device users, but also for content delivery to non-traditional platforms and devices.

High availability and security

Divio's global infrastructure and support network is geographically dispersed to provide redundancy and load distribution. This guarantees high availability, performance and resistance to malicious activity. The infrastructure is monitored proactively around the clock by an expert team of engineers and recurring independent security scans.

Customers around the globe rely on Divio

Today, the Platform meets the needs of enterprises, businesses and digital agencies in a wide variety of sectors from media, marketing, education, science, tech start-ups to finance. The platform serves over 2,000 subscriptions across over 300 customers. There are over 70 development agencies in our global partnership network

The platform puts control of their digital presence in the hands of their business teams and allows their technical staff to concentrate on building high value in the layers closest to the end-customers - while critical and unforgiving concerns such as security, maintenance and scaling is taken care of by Divio, and come with solid guarantees.

The Platform is now a polished, stable and highly effective service that sees daily use at the hands of thousands of users of all kinds: marketers, operations, web managers, software developers, content editors and more. It has entered a phase of steadily increasing growth and is ready to face commercialisation on a larger scale.

Future outlook

Having seen how our team and the Divio platform everyday adds value to customers in lowering technical burdens and ensuring quicker time to market with content and technology for enterprises, businesses and digital agencies around the world, we strongly believe in the Platform's future potential, marketability and remain fully committed to its success.

The listing on First North Growth Market marks an important step in the Company's success and enables strategically important opportunities. Combined with the platform's capabilities, the team's skills and expertise toward continued development and growth, we look forward to driving innovations to the next level of automation and work tirelessly in growing software subscriptions with recurring revenues at an increasing scale over time.

Stockholm, December 12, 2019

Jon Levin
CEO



Business description

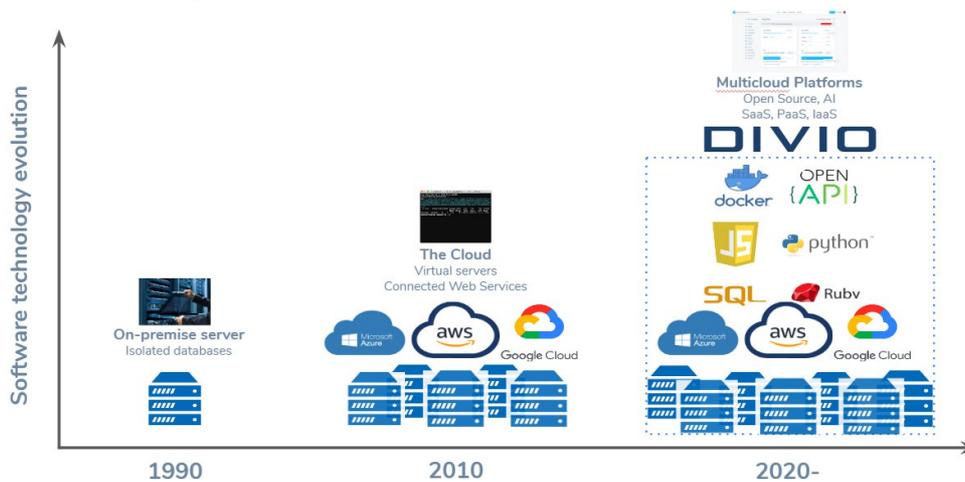
Divio helps enterprises, business and digital agencies make their web development efforts in the cloud more cost-effective, successful and future proof.

The platform helps companies with modern digital channels to:

- (i) Automate operations, maintenance, configuration and security in the Cloud, allowing developers and marketers to focus on value-creating activities.
- (ii) Simplify the application and development of open source technology.

THE SOFTWARE FRONTIER

Building on Cloud technology and Open Source, Divio has created a leading Multi-Cloud Management Platform.



Divio's Platform empowers the business teams to direct their web properties and content in direct alignment with business needs and liberates technical teams from the burden of maintenance and infrastructure - so they too can concentrate on creating new value.

Divio with its Platform offers easy-to-use tools that make popular open-source technologies (Docker, Python, Django, Ruby, Node, SQL and more) accessible to professionals in enterprises, businesses and digital agencies around the world without the need for in-depth technical know-how.

Divio achieves this by allowing its customers to set up, develop, run and maintain web projects with a point-and-click interface on a robust, high-availability platform. The Company acts as technology provider so customers can build and run highly personalised, performant and easy-to-manage websites and applications.

Divio applies a revenue model - Platform as a Service (PaaS) - that is based on monthly recurring revenue from subscriptions of used resources with high gross margins.

Autopilot for the cloud to make the life of customers easy

Content

The platform provides customers with efficient and modern content management tools that can be readily extended by integrating new applications and external services.

Code

Divio's developer tools bring powerful open-source technologies together in an integrated package. Applications can be built and tested locally and on test servers and guaranteed to function as expected when deployed to production, thus eliminating one of the biggest challenges that developers face. At the same time, Divio's platform frees developers and system administrators from the need to take responsibility for hosting architecture, allowing them to concentrate solely on value adding custom development.

Control

The Platform's control panel provides a streamlined and easy-to-use interface that extends secure and reliable control over projects - including such things as updates, backups and collaborators - into the hands of business teams, enabling them to share, contribute and control access without waiting upon the assistance of IT-system administrators.

Cloud

All websites hosted with Divio's technology are on a powerful, indefinitely scalable enterprise-grade infrastructure. It is secure and geographically distributed. Divio's architecture features high levels of redundancy and fail-over and includes extensive data protection technology such as automated backups and end-to-end data encryption.

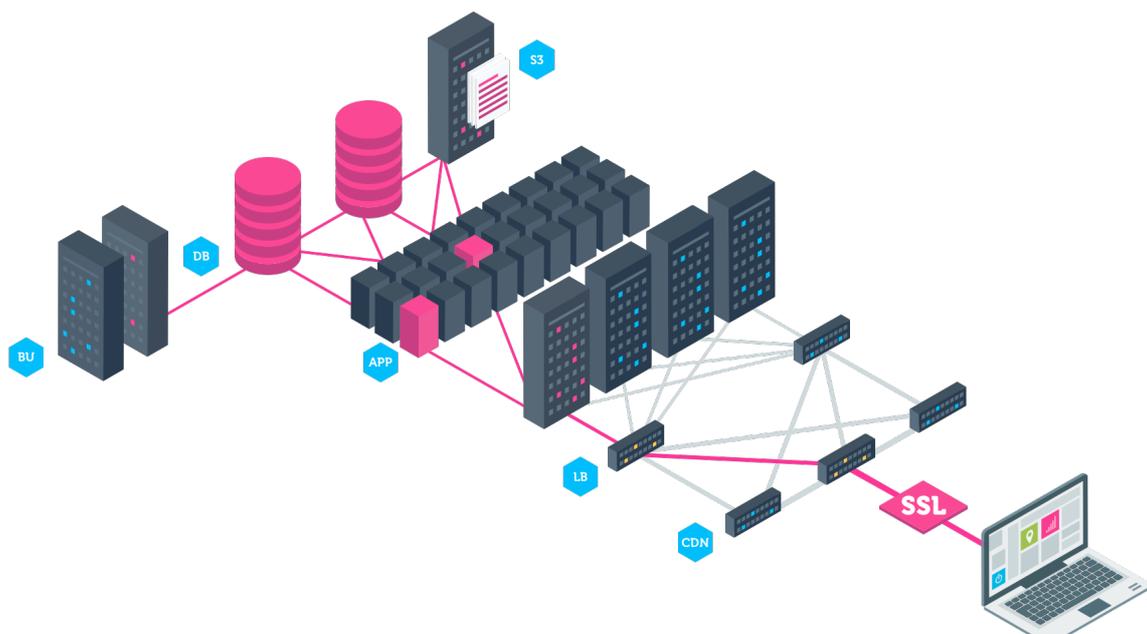


Figure 1: Abstract view of Divio's Cloud infrastructure

BU = Backup units; DB = Database; S3 = Cloud storage; APP = Application; LB = Loadbalancer;
CDN = Content deployment network; SSL = Secure sockets layer. **All automated with the Divio PaaS.**

Customers

Customers of the Platform represent a variety of business backgrounds, including health care, finance, advertising and education, as well as the software and digital sectors. The platform is equally suited to the business activities of digital agencies and software companies as to the needs of organisations aiming to use their internal teams to build their web presence.

Business model

Divio's products are sold as subscriptions to customers world-wide, as direct-to-customer sales and via our global partnership network. Divio's New York office provides dedicated account management to the North American market, while accounts in Europe and the rest of the world are mainly served by the Swiss and Swedish offices.

Software distribution

The products from Divio run as cloud-based services and require no software installation on the customer's side. This distribution model, called "Software-as-a-Service", or "SaaS" for short, is very popular. It reduces maintenance costs for Divio's customers significantly and allows for fast time-to-market.

Global Partners

In 2016 Divio initiated a Partnership Programme and has since signed 75 partners around the world - mainly digital agencies. Partners use Divio's products to solve their own needs as digital agencies. Historically this has generated revenue mainly through mutual referrals.

Divio is now planning to transition Partners into Resellers of Divio's Platform on a commission basis to small and medium sized companies. As a Reseller, one would be responsible for both being an ambassador for Divio's products and as a first line of support, whilst Divio would supply second line support, sales materials and an extensive training program.



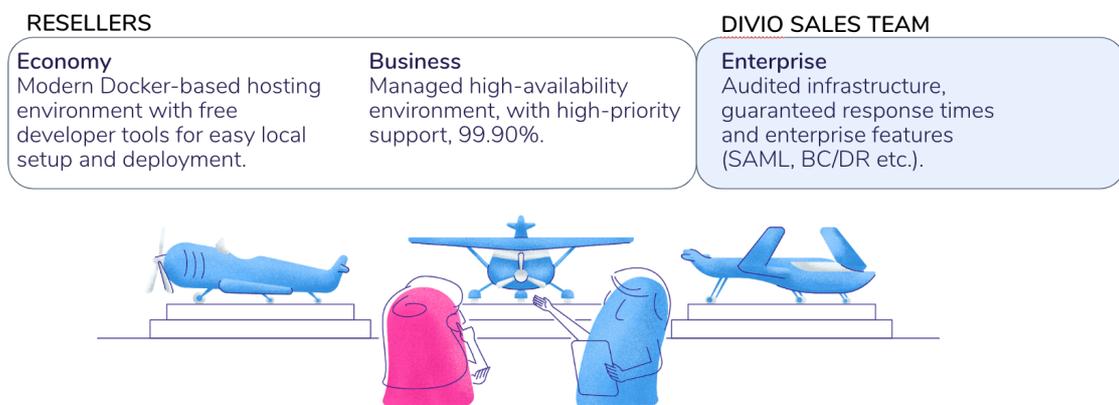
Figure 2: Map of Partnership Programme

Subscriptions

Divio's platform offers a smooth gradient of service offerings, from entry-level monthly subscriptions to yearly enterprise plans including more advanced service level agreements (SLA) and uptime guarantees.

Subscriptions, offered via agency resellers from October 2019, start with "Economy" that is aimed at small websites/apps/blogs. For larger projects Divio offers so called "Business" with higher demand for security and availability. These subscriptions include second line platform support, guaranteed uptime as well as other additional services.

Toward larger companies ("Enterprise") Divio focuses its offering on service level agreements and dedicated hosting solutions, multi-cloud, on-premise links and offer guaranteed response times and 24/7 on call support, whilst automating recurring maintenance work streams.



Additionally, Divio offers customers and partners expert consulting, training and accelerated roadmap development for the platform on a time and materials basis.

Over time, efforts into developing the Enterprise offering with key clients has spearheaded Sales so that the Company can start transitioning from the Development to Growth phase.



Figure 3: Source: Management Accounts

Strong customer retention

During the last 30 months very few clients have cancelled their Divio Cloud subscription. Aggregating the growth in monthly recurring revenue (MRR) with contractions and lost revenue yields an effective MRR churn rate of less than 0.05 per cent.

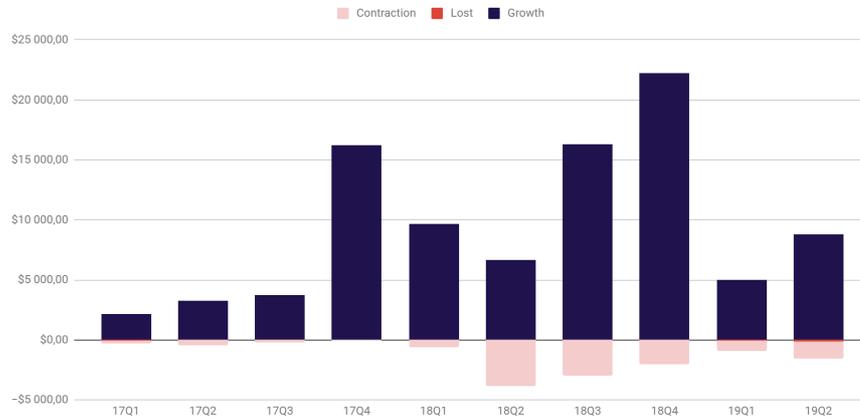


Figure 4: Source: Management Accounts

Subscription revenue growth

Divio has successfully been able to grow and upsell its client base over time since launching the Divio Cloud solution. The Compounded Annual Growth Rate was 100 per cent.

Thereto, the structure capital from the Django CMS³ open source community that Divio AG helped form and build historically, secures a steady stream of traffic to the platform that drives thousands of signups a year. These inbound leads have successfully been nurtured into business clients and enterprise solutions.

Significant effort and investments have been made the last 12 months in order to build and structure a repeatable and well-functioning sales process to acquire new clients, which the Company expects to yield an exponential return in terms of growth.



Figure 5: Source: Management Accounts

³ Django CMS has been actively developed and maintained by Divio since 2007. It was originally conceived by web developers frustrated with the technical and security limitations of other systems. django CMS is a well-behaved Django application and is user friendly with an intuitive drag-and-drop interface for designing and updating website content and web frontends.

Organisation

The Group has a lean setup for a global footprint, with 16 employees at the time of this Company Description. With presence in Sweden, Switzerland, United Kingdom, Germany, Ukraine and the United States the organisational structure is as follows:

- Sales and Marketing - grow revenues and brand around the globe.
- Customer Success - keeping customers satisfied and to keep churn rates low.
- Product Development - ensure continuous improvement / development of products.
- Engineering to build out functionality, monitor the customer's websites around the clock and to make sure that Divio's infrastructure stays up-to-date and secure.

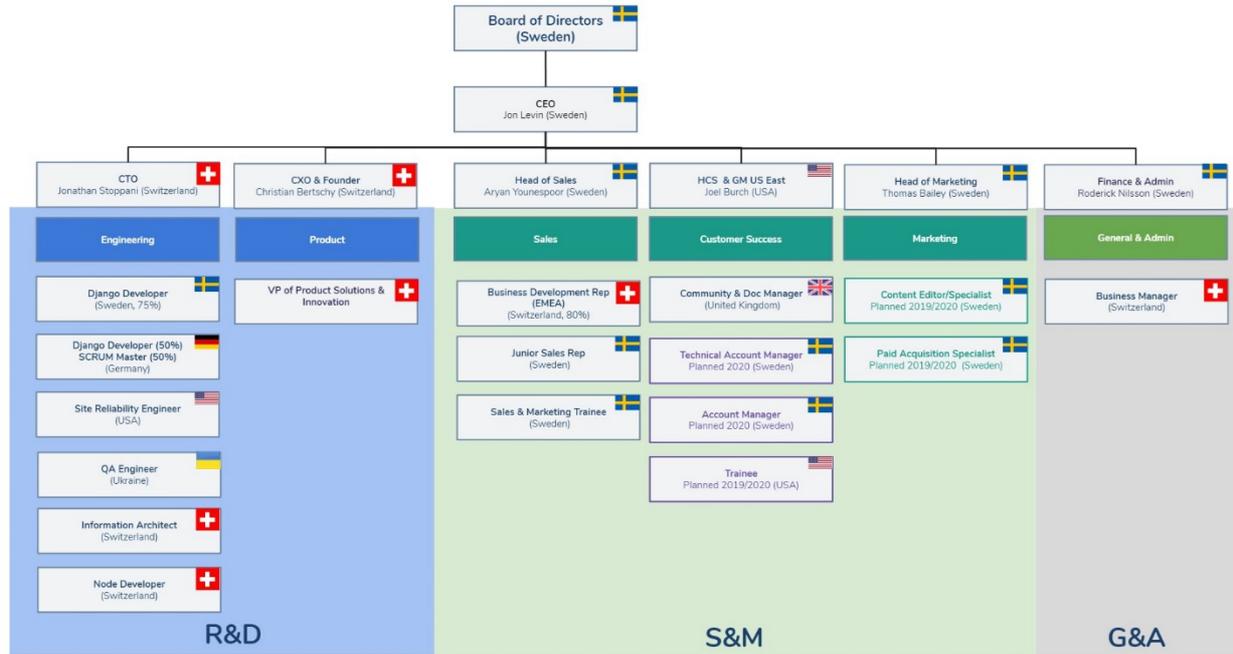


Figure 6: Consultants: Swiss CPO, Swiss Business Manager and two sales consultants not in line organisation.

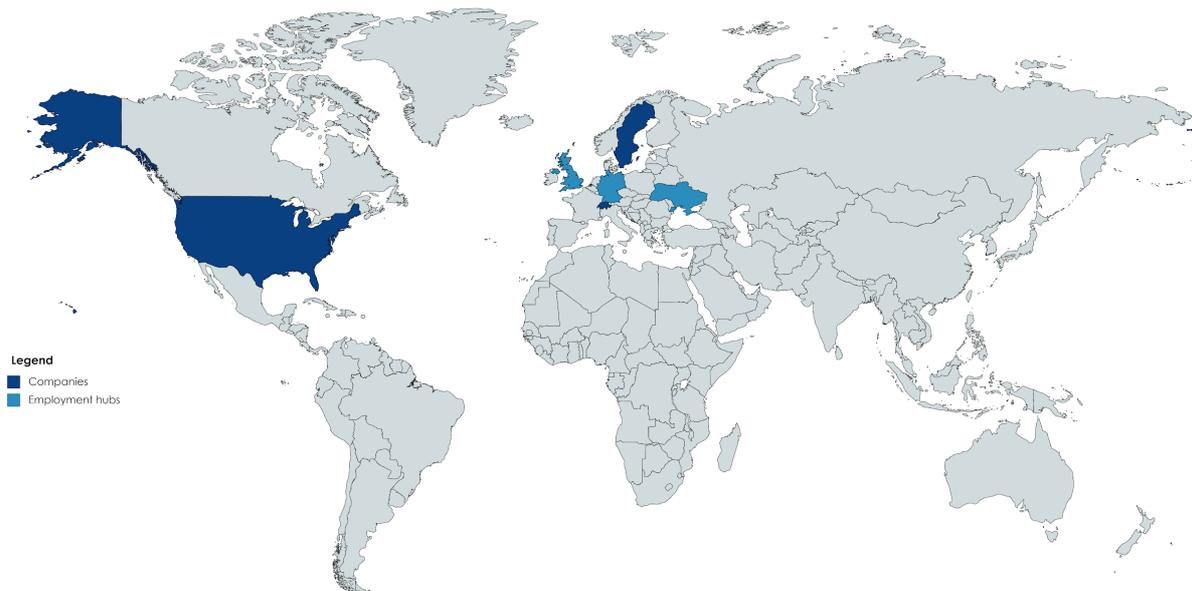


Figure 7: Global presence (navy blue are subsidiaries – sky-blue is foreign worksites)

Market overview

Microsoft and Amazon among others have for some time carved gold shifting customers IT infrastructure from on premises solution to the cloud. Next golden opportunity is the change of business model from huge capital expenditures to operational expenditures. Meaning reduced risk and less need of locking up capital.

Everything is going to “as-a-service” both hardware and software, as a fact revenue from Infrastructure as a Service (IaaS) and Platform as a Service (PaaS) are the highest growth segments in cloud infrastructure services last year. This is where Divio manoeuvres and builds our business.

Platform as a Service (PaaS)

PaaS - Platform as a Service - can be defined as a complete cloud development and distribution environment, with resources and tools that allow you to deliver everything from simple cloud-based apps (e.g. blog) to advanced, cloud-compatible enterprise applications (e.g. e-commerce). Clients purchase the computing and hosting resources needed from a cloud service provider according to a Pay Per Use model and access them through a secure Internet connection.

Just like infrastructure as a service (IaaS), such as Google Cloud or Amazon Web Service, PaaS includes infrastructure - servers, storage and networks - but also adds middleware, development tools, BI (Business Intelligence) services, database management systems and more. PaaS can handle the entire lifecycle of web apps: creation, testing, distribution, management and updating. This makes life easier for developers, web agencies and companies with a complex digital footprint.

In recent years the Platform as a Service (PaaS) and web content management market has seen consistent growth in double figures, which is expected to continue strongly with an exceeding market value of more than USD 30 billion by 2022.⁴

Combined, the web hosting and content management sectors experience high levels of innovation. At the same time the need for ever-enhanced security, performance, personalisation as well as the flexibility to integrate custom applications and third-party tools and services are also increasing. Professional tools that reduce complexity and enhance efficiency are in urgent demand in this environment, in which Divio’s Platform has the opportunity to play a significant role.

Growth potential

Divio maintains one of the most popular projects in the entire Python/Django open-source ecosystem - django CMS. Downloaded tens of thousands of times each month, it is extremely well-regarded by end-users and developers alike - consistently ranking at the highest level both in web search results and in expert recommendations for enterprise web CMS software. The django CMS project has proven very valuable by consistently drawing large numbers of agencies, end-users and other visitors to Divio’s website. Over a thousand of those visitors each month sign up for an account on the Platform. Django CMS remains a cornerstone in the go-to-market strategy toward web content management, a segment that

⁴ <https://www.gartner.com/en/newsroom/press-releases/2019-02-27-gartner-says-nearly-50-percent-of-paas-offerings-are->

alone is expected to reach USD 10.63 billion in 2022 - growing at a compounded annual growth rate of 16.7 per cent.⁵

Building on the open source achievements and recent technological advancement within Divio, the backend system is now possible to incorporate and leverage further applications/frameworks/languages besides mainly Python. Recently, additional programming languages such as PHP and Node.JS was introduced, which will further increase the serviceability of the addressable market as we assess exponentially increase possible combinations.

Divio has an optimal position in a fast-growing market as 77 per cent of new web applications that will run in the cloud 2019. This gives Divio a serviceable addressable market that the Company estimates to more than EUR 1.2 billion in Europe alone, based solely on the cost of the repetitive work needed to make web applications operational - tasks that the platform automates.

Web Content Management Market growth in USD in billions

CAGR	USD in 2022
16.7%	10.63 Billion ⁵

Market drivers

Technological advances and ever-growing complexity represent increased burdens on organisations that need to maintain a web presence, driving the demand for fully managed solutions. The Platform addresses needs faced by companies across all industries.

Personalised experiences

Personalisation to the user has become an essential component in companies' online presentation as the expectations for user experiences continues to increase quickly from end-consumers and businesses. Modern websites and applications today are highly dynamic and personalised to each customer optimised for all kinds of devices.

Third-party tools

Company websites are no longer expected to be largely self-contained, but also to provide useful information through connections - automatically - derived from internal and external sources, databases and processes. These sources are often themselves business-critical (such as customer service, financial or support systems, or marketing, analytics and e-commerce products) and typically exist in the form of third-party services and tools, all of which need to be integrated seamlessly and reliably into a public-facing digital presence.

⁵<http://www.marketsandmarkets.com/Market-Reports/web-content-management-market-255522685.html>

Security and performance around the world

A website's performance includes its raw speed, but also its performance in different global locations, on different devices and under different network conditions. Performance in all these dimensions has a significant impact on its web search rankings and is vital to a company's web presence in a competitive marketplace.

As companies rely on their websites, outages and downtime are not merely embarrassments or inconveniences but systemic business failures - reliability and responsiveness is critical.

Meanwhile inadequate digital security can expose not just a company's public website but also its business data, operations and customers to the risks of attack, and the company itself to extensive regulatory and legal sanction. The rapid pace of change in the industry means that a vast amount of specialist up-to-date know-how is required to understand and mitigate these risks. Organisations increasingly demand that security features and protocols be built into the web systems they invest in and fit for purpose not just at the time of purchase but guaranteed to meet needs for the lifetime of a project.

Personalisation, extensibility, security and performance are real-world needs that drive the market, and that the Divio Platform is able to fulfil by design.

Scalability

Web loads are not always predictable, and modern businesses will sometimes see sudden, unforeseen and massive increases in load on their websites and applications. Scalability has thus become as important as sheer performance and reliability, as companies need to be sure that their websites will be able to meet unexpected peaks in demand and continue serving their visitors without interruptions or slow-downs.

Divio's Platform is a highly scalable cloud hosting solution, capable of fine-tuning the power of servers for cost effectiveness and control. The Platform is able to ramp up resource allocations smoothly and automatically to meet any traffic on the websites and applications it hosts. This is true even if the traffic it receives is multiplied by hundreds or thousands of times over just a couple of hours. The Platform leverages smart automation and artificial intelligence to scale down again to bring down the costs to the original state. Despite a sudden multiplication of load, the Platform can intelligently adapt without a risk that performance will be affected, because the infrastructure scales so efficiently and seamlessly. As the traffic changes, the system scales up or down to meet demand, launching or shutting down application instances, so that response times remain the same, no matter how many requests are made each second.

Market potential

Divio's Platform is available to businesses in any industry or sector. However, thanks to the seamless transitions it offers between the different stages of a web project's lifecycle and its power to enhance collaboration between teams, the Platform offers special advantages to enterprises, business and digital agencies that need to manage multiple web projects and environments in consistent and efficient ways.

The Platform's content tools, rich support for modern frontend (i.e. design and interaction), technologies and project management tools make it a powerful asset for professionals in a wide range of web disciplines.

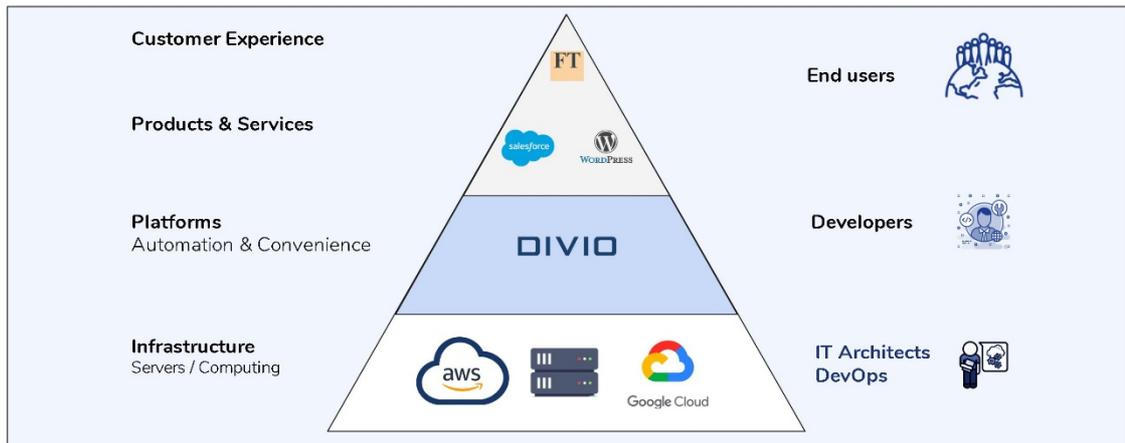


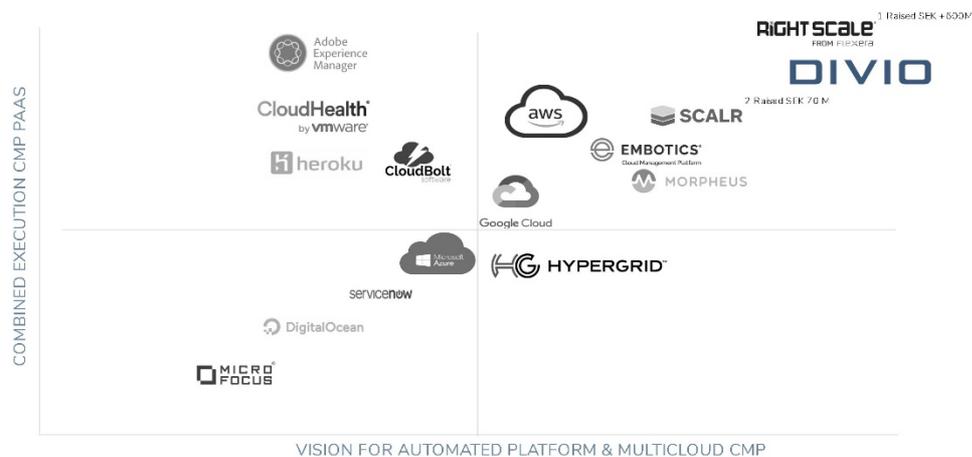
Figure 8: Abstract view of Divio's Cloud target markets

Competitive situation

There is much competition in the Platform as a Service (PaaS) and web content management market, but the market itself is very diverse with a vast variety of different needs and solutions to meet them across the sectors. For enterprise customers, the most visible and well-known options have been large, monolithic proprietary software products, but several other options exist, and some have made significant inroads into the market.

COMPETITIVE LANDSCAPE

Demand for automation is huge and established market need is growing rapidly (~20% p.a.).



1 - RightScale raised \$62M and was sold to Flexera in 2018 for an undisclosed amount
 2 - SCALR raised \$7.3M in 2016 and has an estimated revenue of \$13-17M p.a.

Figure 9: Competitive landscape source: Management opinion

At one end, “website builders”, such as Acquia, Wix.com, Sitecore or WordPress with hosting offerings, largely targeting small businesses or consumers, give users access to ready-made websites templates and formats that allow them to construct and host basic web pages without much coding, which severely limits options and advanced features/integrations but focuses implementation on content.

At the other end of the scale Infrastructure-as-a-Service (IaaS), dominated by Amazon Web Services, Google Cloud and Microsoft Azure providers offer vast flexibility to pay-as-you-go server/computing capacity with endless possibilities, but leave the implementation of content management systems, integration, security and customer experience to the user, which require expert knowledge in several domains to be of value.

In between are numerous platforms that package popular systems, of vastly differing scale and complexity, into ready-to-use services. This is the most open and vibrant segment of the market, where providers are able to integrate powerful software components into packages that are flexible enough to meet any technical demands and are at the same time of immediate use to customers.

Divio’s Platform is firmly in this rapidly growing sector. It occupies a particularly strong position, because the product fully connects the end-to-end of user needs. The platform enables websites and applications to be launched and managed as quickly and easily as those of any website builder, while still providing access to the most fundamental technical levels of the system for custom development, extension and integration. Alike IaaS providers, it grants almost limitless flexibility, but can guarantee stability and reliability for customer websites, removing huge implementation hurdles and risks. Thereto, it offers built-in and ready to go tooling for far more sophisticated content management than a website builder tool can offer - but is designed to be extended further through custom development to meet almost any imaginable web publishing and PaaS requirement. On top of that the platform even allows deployment across multiple IaaS solutions, even local on-premise, to enable failsafes and remove further infrastructural risks.

Divio’s Platform customers are able to move at will along these axes of technological depth, choosing how and when it suits them to avail themselves of the wider possibilities on offer. Always secure in the knowledge that whatever the entry-point, the system will be immediately useful, and at each point, enjoying vastly lower technical investment than would be required in systems of equivalent power. As a solution, the Platform is therefore immediately useful to a vast range of potential customers and is able to meet a wide range of practical requirements. The time to market is measured in seconds, not days.

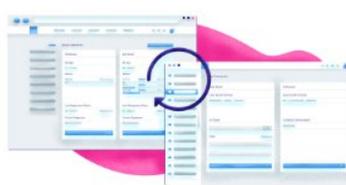
THE THIRD-GEN PAAS



1

Create a new project

Divio Control panels provides easy project configuration, settings and a centralised overview of all projects.



2

Setup your development environment

Divio Desktop can configure a local working environment and provide immediate access to project files and simplify deployment.



3

Deploy your Cloud Apps

Deploy to the included test environment for collaboration or share with the world with the live production environment.

Geographical markets

The Company currently targets Europe and North America as its primary geographical markets. With its headquarters in Switzerland and sales offices in Sweden and the United States, the Company has historically seen most demand in the European market, but more recently sales have grown significantly in North America (globally, the largest WCM market in 2017).⁶

Already today the Company's share of Marketing Qualified Leads from North America is considerable, representing the enormous potential of this region for the Company's future growth. Divio will continue to focus on these markets for the foreseeable future, while keeping open the possibility for new business development in the Middle East and Asia-Pacific region.

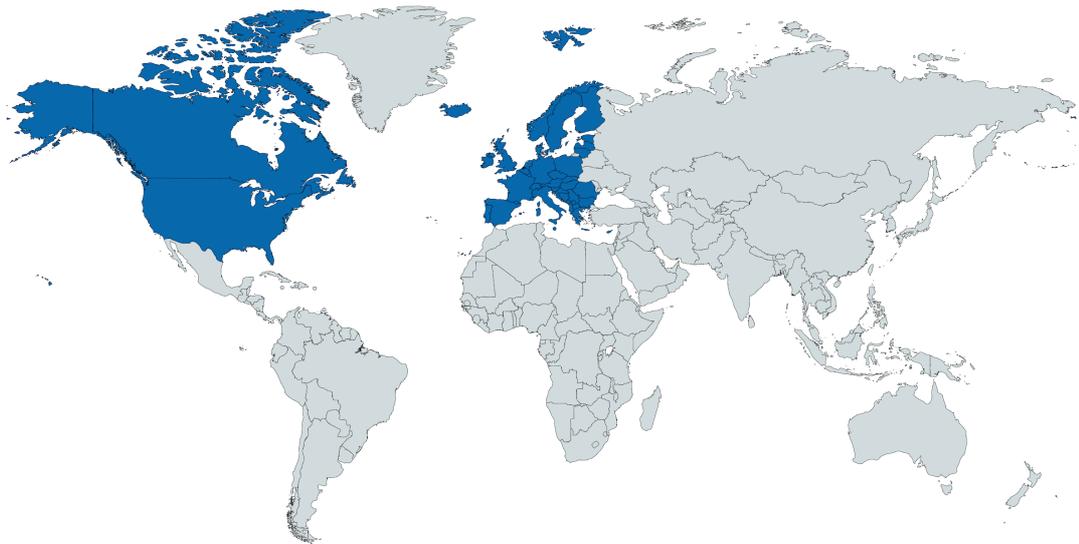


Figure 10: Primary geographical markets

⁶<http://www.marketsandmarkets.com/Market-Reports/web-content-management-market-255522685.html>

Financial overview

The Divio Group consists of the parent, Divio Technologies AB (publ), with fully owned subsidiary Divio AG together with its fully owned subsidiary Divio Inc. The financial information presented below has been derived from the companies' audited financial statements for the years ended 2018 and 2017, and have been, unless stated otherwise, prepared in accordance with the respective local Generally Accepted Accounting Principles and local regulations.

The annual reports for 2017 and 2018 of Divio Technologies AB (publ) have been prepared in accordance with the accounting principles of The Annual Accounts Act (Sw. *Årsredovisningslag (1995:1554)*) and the Book-keeping Act of 1999 (Sw. *Bokföringslag (1999:1078)*) according to Swedish law.

Following the Annual Accounts Act's exemption (Chapter 7 Section 3) for smaller Groups no consolidation of group accounts has been made historically. Following formation of the Group on 2018-05-14 via the reverse acquisition the Company will from start of 2019 voluntarily apply the Swedish accounting and annual report framework for larger companies - the Swedish Accounting Standards Board's general advice BFNAR 2012: 1 Annual Report and consolidated accounts (K3), in order to provide consolidated financial statements and reports.

Amounts described in the financial section have been rounded to thousands of SEK and thus the exact tables will not summarize exactly. All amounts presented in SEK unless otherwise stated. Financial reports from Divio AG are presented in CHF all these values were converted from CHF or USD to SEK for the purpose of this Company Description. Prevailing rates per the Swedish Central Bank have been applied for CHF/SEK and USD/SEK exchange rates.

Exchange rates	2018 H1	2019 H1	2018	2017
CHF SEK Avg.	8.678	9.315	8.885	8.678
CHF SEK Ultimo	8.890	9.510	9.100	8.510
USD SEK Avg.	8.387	9.310	8.690	8.547
USD SEK Ultimo	8.800	9.270	8.970	8.230

The interim statements for 1 Jan – 30 Jun 2019 have not been audited and have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012: 1 Annual Report and consolidated account.

The following information should be read in conjunction with section "Comments on the financial development" and the companies' respective audited financial statements, including the notes thereto.

Profit and loss

KSEK	Cons.	Divio	Divio AG ⁸		Divio Technologies	
	Divio Group	AG ⁷	audited		AB (publ)	
	unaudited	unaudited			audited	
	Jan-Jun	Jan-Jun	2018	2017-04-01	2018	2016-09-21
Profit and loss	2019	2018		2017-12-31		2017-12-31
Net sales	5,868	2,578	11,032	6,577	3,839 ⁹	-
Capitalised development	2,236	2,576	6,819	4,339	-	-
Other revenue	0	0	302	230	-	-
Total revenue	8,104	5,155	18,154	11,146	3,839	0
Cost of goods sold	-1,053	-4,041	-8,734	-3,794	-	-
Other external costs	-6,067	-2,892	-6,786	-1,545	-2,095	0
Personnel	-9,098	-5,679	-12,454	-10,061	-1,547	-
Depreciation / Amortization	-2,029	-2,541	-4,744	-4,751	-25	-
Other operating costs	0	0	-36	-10	-	-
Operating profit	-10,143	-9,998	-14,601	-9 015	172	0
Net financial items	36	-8	-841	-230	464	0
Allocations	0	0	0	0	-164	0
Earning before tax	-10,107	-10,006	-15,442	-9,245	472	0
Taxes on earnings	-77	-1	-1	-16	-108	0
Profit for the period	-10,185	-10,007	-15,443	-9,261	364	0

⁷ Divio AG's profit and loss 2018 H1 are essentially comparable to the consolidated Divio Group 2019 H1.

⁸ Divio Inc, Divio AG's subsidiary, generated an operating profit of 213 KSEK 2018 that is not consolidated.

⁹ Group internal revenues, services provided to Divio AG

Balance sheet

KSEK	Divio Group	Divio AG		Divio Technologies AB (publ)	
	unaudited	audited		audited	
	2019-06-30	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Assets					
Fixed assets					
<i>Immaterial fixed assets</i>					
Activated development	12,596	11,616	8,544	-	-
Other immaterial fixed assets	1,693	-	-	125	-
Total Immaterial fixed assets	14,288	11,616	8,544	125	-
<i>Material fixed assets</i>					
Equipment	16	27	196	-	-
Computers	123	124	190	-	-
Total material fixed assets	139	151	386	-	-
<i>Financial assets</i>					
Shares in Group companies	-	340	318	20,500	-
Non-current financial receivables from group companies	-	-	-	-	-
Other financial assets	401	-	-	-	-
Total financial assets	401	340	318	20,500	-
Total fixed assets	14,829	12,107	9,249	20,625	-
<i>Current assets</i>					
Trade receivables	445	672	569	4,303	-
Current financial receivables from group companies	-	-	-	15,000	-
Other current receivables	843	1,132	1,315	83	3,025
Total current assets	1,287	1,805	1,884	19,386	3,025
Cash and cash equivalents	10,695	4,584	450	874	12,803
Total assets	26,811	18,496	11,583	40,885	15,829

Balance sheet (cont.)	Divio Group unaudited	Divio AG audited		Divio Technologies AB (publ) audited	
KSEK					
Equity and liabilities	2019-06-30	2018-12-31	2017-12-31	2018-12-31	2017-12-31
Equity	20,151	-13,431	2,230	40,021	15,829
Reserves	164	8	7	164	-
Non-current liabilities	-	-	-	-	-
<i>Current liabilities</i>					
Trade payables	898	540	915	75	-
Current liabilities to group companies	-	22,786	2,566	-	-
Overdraft	-	3,824	1	-	-
Other current liabilities	5,598	4,770	5,864	625	-
Total current liabilities	6,497	31,920	9,346	701	-
Total Equity and liabilities	26,811	18,496	11,583	40,885	15,829

KSEK	Divio Group unaudited
Cash flow	Jan-Jun 2019
<i>Cash flow from operating activities</i>	
Operating profit	-10,143
Depreciation	2,029
Changes in operating receivables	760
Changes in operating liabilities	-533
Cash flow from operating activities	-7,886
<i>Cash flow from investing activities</i>	
Activated development costs	-2,236
Investments in other material assets	12
Cash flow from investing activities	-2,224
<i>Cash flow from financing activities</i>	
Rights issue	21,255
Investments in other immaterial assets	815
Repayment of loans	-4,013
Cash flow from financing activities	18,057

Comments on the financial development

2018 vs 2017 - Main operating company - Divio AG

The annual reports for the financial years 2017-04-01 to 2017-12-31 and 2018 of Divio AG have been prepared in accordance with the accounting principles of the Swiss Code of Obligation. The financial data is based on information in Divio AG's audited annual reports for 2017 and 2018. Divio AG elected to change to a calendar year based financial year during 2017.

Note: Comparative figures in () below for Divio AG refer to the previous financial year (2017-04-01 to 2017-12-31)

On 2018-05-14 Divio AG was acquired through and issue in kind and became a subsidiary of the Divio Technologies AB (publ).

Total revenues including consulting and other revenue totalled 18,154 KSEK (11,146 KSEK), whereof activated development for the cloud platform represented 6,819 KSEK (4,399 KSEK). Recurring revenues grew substantially to 5,100 KSEK for the financial year (1630 KSEK), driven mostly by added enterprise engagements and customer expansion. Consulting services and other revenue consequently grossed 6,235 KSEK (5,117 KSEK).

Expenses increased to 14,601 KSEK (9,015 KSEK), largely as the AG's organisation was complemented with sales and marketing as well as group management in the parent Company, which provided such services on behalf of Divio AG.

The net loss amounted to -15,442 KSEK (9,245 KSEK), with an equity position decreased to -13,431 KSEK (2,230 KSEK) which was offset by a conversion of loans to equity in February 2019. Total assets at the end of the year was 18,496 KSEK (11,583 KSEK).

Going concern risk of Divio AG has been present for the last five financial years and the subsidiary has been under financial pressure but has been able to continue to develop the platform and grow subscription revenues substantially during the same time.

Historically, financing has been secured by related parties, the parent Company and banking relationships in place. Divio AG still relies heavily on meeting future budget objectives as well as additional funding in order to reach profitability and long-term sustainability. Consequently, failing to meet future objectives or securing funding can be taken as an indication of impairment of capitalised assets. In February 2019, 15,000 KSEK of the loans from Divio Technologies AB (publ) was converted into equity.

Divio AG's subsidiary Divio Inc (US)

Divio AG formed a US subsidiary, Divio Inc., in June 2015. It currently acts as a reseller of services to a few US customers totalling less than 25 KUSD per year in recurring revenue. The expenses consist primarily of cost of goods sold (to Divio AG), wages, office rent, insurance, external service providers and federal/state tax payments and is not material on Group level. All expenses and revenues are included in the Group's transfer pricing setup and invoiced to Divio AG at arm's length.

Therefore, the expenses and revenues are included in the financial statements of Divio AG historically (unconsolidated), excluding the operating profit, which was 20 KUSD, resulting from operating margins on Group internal services.

2018 vs 2017 - Group parent -Divio Technologies AB (publ)

The Company was a dormant company until 14 May 2018, when an issue in kind was decided at an extraordinary general meeting. Divio AG (Switzerland) together with its subsidiary Divio Inc. (United States), was acquired through this issue in kind as a reverse acquisition.

The Company decided to change the name from Divio Holding AB (publ) to Divio Technologies AB (publ) on the extraordinary general meeting 2019-05-16. The Company did not pursue any business prior to the acquisition, and the sole assets of the Company was cash. Purchase price allocation below highlight the goodwill on the Group balance sheet.

PPA DIVIO TECHNOLOGIES AB (publ) of DIVIO AG

CHF/SEK Balance FX
2018-12-28 Swedish CB

9.0992

Acquisition date	2018-05-14	
Acquired shares	100%	
Acquisition value	MSEK 20,50	<i>(Issue in kind in Divio Holding AB of 20,5M shares á 1 SEK decided on 2018-05-14)</i>

The PPA is conducted on Divio Holding AB (publ) as the target due to the reverse acquisition.

	Value MSEK	Economical life
Fixed assets	0,000	5 yr
Other net assets	18,725	N/A
Total net assets	18,725	
Acquisition value	20,500	
Goodwill	1,775	10 yr

During the financial year ending 31st December 2017, no operations was underway in the Company leading to zero revenues and 0 KSEK in operating loss for the year. The following year, 2018, an operational ramp-up was set in motion to establish a head office with Sales and Marketing and Management functions for the Group.

Granted that all main external operation remains in the Swiss subsidiary Divio AG, a transfer pricing arrangement was set up whereby the Company would provide these services and provide financing to the Swiss subsidiary at arm's length.

For 2018, such internal services grossed 3,839 KSEK (0 KSEK) in revenues plus 464 KSEK (0 KSEK) in interest earned, which together yielded a net income of 363 KSEK (0 KSEK). Costs mostly related to employment and operational costs related to providing sales and marketing and management service to Divio AG.

Total assets in the Company increased to 40,885 KSEK (15,829 KSEK) following the acquisition and equity investments made during 2018.

In February 2019, 15,000 KSEK of the Company's loans to Divio AG was converted into equity.

Comments on the Group's Consolidated development 2019H1 (2018H1)

Revenues totalled 8,104 KSEK (5,155 KSEK) with net sales reaching 5,868 KSEK (2,578 KSEK), mainly comprising of growing subscription revenues at 3,963 KSEK, up 103% from 2018H1 totalling 1,949 KSEK. Subscription, recurring revenues, run rate in June 2019 grew to 81.0 KUSD in terms of monthly recurring revenue (MRR), up 12 per cent compared to MRR run rate in December 2018, which was 72.5 KUSD.

Operating costs increased to 16,218 KSEK (12,612 KSEK), up 29% compared to 2018 H1 and in line with expectations of the Group organisational design – scaling for further growth. While the period included non-recurring expenses related to listing and hiring management, these were immaterial.

Operating loss of 10,143 KSEK (10,006 KSEK) continues as the Group remains in a scale-up phase, meaning that the company relies on external capital to fund losses due to investments into accelerating growth in revenue and development.

Total assets reached 26,811 KSEK following the rights issue that added 21,255 KSEK in May 2019. Liabilities decreased given repayments of loans to shareholders amounting to 4 MSEK during the period. Operating liabilities stands at 5,598 KSEK including prepayments from customers on annual subscriptions.

Cash flow from operations was negative with 7,886 KSEK, in line with expectations as the Group is continuing to invest heavily in sales and development for future growth and future profitability. Investments into the platform continued at 2,236 KSEK, whilst cash flow from financing activities was positive with 18,057 KSEK given the successful rights and repayments of bridge financing.

Significant financial events after 2019H1

A rights issue was decided by an extraordinary general assembly in October, to issue up to 6 million B-shares at 1,50 SEK coupled with up to 12 million warrants of a new class (TO 1C) to be issued twofold together with each subscribed share(s) to investors at no cost. Two warrants grant the future right to acquire one B-share at a strike price 2,50 SEK with expiry set 2020-06-16. The Company raised 7,395,960 SEK over 4,930,640 shares together with 9,861,280 warrants of series C, which are registered.

On October 9th, 2019, The Company decided to convert loans outstanding of CHF 2.436 million into new equity of Divio AG, approved by an extraordinary general meeting on November 5th, 2019. The Company also instructed Divio AG to opt-out of the Swiss statutory audit system that was previously opted into, in order to transition to a group audit setup fully aligned with Swedish accounting standards.

Equity, liabilities and other financial information

The tables below accounts for the Company's equity and financial indebtedness as of 31 October 2019, including October's rights issue. Note that the Group business model leads to a significant of prepayments on annual basis, usually during the start of the calendar year.

The tables should be read together with all the sections in the "Financial overview" and along with the Company's financial statements and accompanying notes which are incorporated in this Company Description by reference. See section "Share capital and ownership structure" for further information about the Company's share capital and shares.

Net indebtedness

KSEK	Divio Group 2019-10-31
A - Cash	9,176
B - Cash equivalents	-
C - Trading Securities	-
D - Liquidity (A+B+C)	9,176
E - Current financial receivables	-
F - Current bank debt	-
G - Current portion of non-current debt	-
H - Other current financial debt	-
I - Other financial debt (F+G+H)	-
J - Net current financial indebtedness (I-E-D)	-9,176
K - Non-current bank loans	-
L - Bonds issued	-
M - Other non-current financial debt	-
N - Non-current financial indebtedness (K+L+M)	-
O - Net financial indebtedness (J+N)	- 9,176

Investments

The table below, shows the Group's investments. The Group's main ongoing investments consist mainly of Software. The Group's ongoing investments have been mainly funded through equity investments.

Description (KSEK)	2019 H1	2018	2017
Furniture and equipment	-	-	32
Office machines, computer systems	-	86	57
Software	2,236	6,819	4,339
Total	2,236	6,905	4,429

Research and Development

The Company's research and development will be financed with cashflow from business activities and equity investment. The table below shows the amounts activated and depreciated for research and development of Software in Divio AG.

	2019 H1	2018	2017
Amount activated KSEK	2,236	6,819	4,339
Software depreciation	-1,993	- 4,399	- 4,556

Statement regarding capital requirements, profit and financing

The board of directors of Divio Technologies AB (publ) assesses that the Company has sufficient working capital to run its current operations for the upcoming 12 months after the date of the publication of the Company Description and for the upcoming 12 months after the first day of trading on First North. The Company's working capital for the upcoming 12 months is ensured by the cash at hand, cash flow from operating activities, the proceeds from the share issue conducted before the listing.

As of October 31st, 2019, the cash at hand amounted to SEK 9.17 million in the Group, including the rights issue during October 2019. The Company expects to be cash flow positive within 24-36 months and able to shift the operations to either profitability or investment into further acceleration of growth.

Until the Company is profitable, operations will be financed through revenues that generate prepayments, additional consultancy/training revenues, and/or by external fundraising from equity and/or debt. There is a financing structure in place with warrants to investors and employees through 2019-2022, which can accelerate growth plans and profitability.

Significant changes in the financial position or market position after 31 December 2018

The intra group loan of CHF 1,701,176.98 from the Company to Divio AG was converted into capital in February 2019 in order to restore the equity position. The Company has warranted to continue to support the subsidiary Divio AG.

Company secured additional funding of 20,100,000 SEK from investors during April-May of 2019 and structured a long-term financing plan with warrants that would allow further investments to flow in pending that certain valuation thresholds are achieved.

Founder Christian Bertschy and Business Manager Daniela Streuli left their respective employment on 31 August 2019 and will continue to serve the Group as independent consultants. Jon Levin was hired as CEO in the Group parent and will also take place in board of directors of Divio AG.

A rights issue was decided by an extraordinary general assembly in October, to issue up to 6 million B-shares at 1,50 SEK coupled with up to 12 million warrants of a new class (TO 1C) to be issued twofold together with each subscribed share(s) to investors at no cost. Two warrants grant the future right to acquire one B-share at a strike price 2,50 SEK with expiry set 2020-06-16. The Company raised 7,395,960 SEK over 4,930,640 shares together with 9,861,280 warrants of series C, which are registered.

On October 9th, 2019, The Company decided to convert loans outstanding of CHF 2.436 million into new equity of Divio AG, approved by an extraordinary general meeting on November 5th, 2019. The Company also instructed Divio AG to opt-out of the Swiss statutory audit system that was previously opted into, in order to transition to a group audit setup fully aligned with Swedish accounting standards. Thereto, the Company's CEO Jon Levin will join the Divio AG board on the EGM.

Since 30 June 2019 the Group has no significant changes except the changes as mentioned above.

Future outlook on trends and prospects

In addition to what has been stated in this Company Description, the Company does not know any other trends, uncertainties, potential claims or other claims or events, that can be expected to materially affect the Group's business prospects.

Thereto, in addition to what has been stated in this Company Description, the Company does not know any public, economic, fiscal, monetary or other factors that, directly or indirectly, materially can affect or could affect the Group's business.

Share capital and ownership structure

Share capital

The shares in the Company have been issued in accordance with Swedish law and are denominated in Swedish kronor. The Company's share capital shall, as set out in the Company's articles of association, amount to a minimum of SEK 2,500,000 and a maximum of SEK 10,000,000, divided into a minimum of 25,000,000 and a maximum of 100,000,000 shares. Shares may be issued in two classes, of series A with ten votes per share and of series B with one vote per share.

At the date of this Company Description, the share capital amounts to 4,398,918.60 SEK divided into 43,989,186 shares (750,000 of Series A and 43,239,186 of Series B). The shares have been issued in accordance with Swedish law and are denominated in Swedish kronor. The shares are registered in a shareholder register maintained by Euroclear. The ISIN-code of the share of series B is SE0011311554.

Each share has equal rights to the Company's assets and profits. At the general meeting of shareholders, each shareholder is entitled to vote the full number of shares that the shareholder holds in the Company, without limitations in the voting rights. All shares normally have preferential rights to subscribe for shares on issue of new shares unless the general meeting, or the board of directors by authorisation by the general meeting, resolves to deviate from the shareholders' preferential rights. For information regarding preferential rights please see the section "Articles of Association" below. There are no restrictions on the transferability of the shares. The Company's shares are not subject to offers as a result of a mandatory bid provision, right of redemption or right to sell-out. The shares have not been subject to any public purchase offer during this or previous financial year.

Share capital development

The table below shows the changes in the share capital of the Company from formation to the date of this Company Description.

<u>Date (registration)</u>	<u>Event</u>	<u>Number of new shares</u>	<u>Changes in share capital (SEK)</u>	<u>Subscription price (SEK)</u>	<u>Number of shares</u>	<u>Share capital (SEK)</u>	<u>Quota value (SEK)</u>
2016-09-21	Formation	50,000 (ordinary shares)	50,000.00	-	50,000	50,000.00	1
2016-10-10	Split	950,000 (ordinary shares)	-	-	1,000,000	50,000.00	0.05
2018-01-29	Creation of share series A and B*	-	-	-	1,000,000	50,000.00	0.05
2018-02-27	Issue (cash)	1,000,000 (all of series B)	50,000.00	0.05	2,000,000	100,000.00	0.05
2018-02-27	Issue (cash)	4,718,601 (all of series B)	235,930.05	3.33	6,718,601	335,930.05	0.05
2018-05-16	Issue (cash)	998,491 (all of series B)	49,924.55	3.33	7,717,092	385,854.60	0.05
2018-05-28	Issue (in-kind)	20,500,000 (1,500,000 of series A and 19,000,000 of series B)	1,025,000.00	1.00	28,217,092	1,410,854.60	0.05
2018-05-28	Reverse split	- 14,108,546 (750,000 of series A and 13,358,546 of series B)	-	-	14,108,546	1,410,854.60	0.10
2019-05-27	Issue (cash)	1,400,000 (all of series B)	140,000.00	1.50	15,508,546	1,550,854.60	0.10
2019-05-27	Issue (cash)	5,600,000 (all of series B)	560,000.00	1.50	21,108,546	2,110,854.60	0.10
2019-06-04	Issue (cash/set-off)	6,400,000 (all of series B)	640,000.00	1.50	27,508,546	2,750,854.60	0.10
2019-06-07	Issue (cash)	1,050,000 (all of series B)	105,000.00	0.10**	28,558,546	2,855,854.60	0.10
2019-06-07	Issue (cash)	10,500,000 (all of series B)	1,050,000.00	0.10**	39,058,546	3,905,854.60	0.10
2019-11-07	Issue (cash)	4,930,640 (all of series B)	493,640.00	1.50	43,989,186	4,398,918.60	0.10

*It was resolved that all existing shares at this time should be of series B.

** Part of the May-June 2019 rights issues included shares issued at nominal value, as Shareholders agreed to grant (i) the commissioner their fee in shares and (ii) restore Founder/management shareholding that was procured during the issue in-kind in 2018, with agreed investments thereto that remained unfulfilled.

Authorisation of the board of directors to resolve upon share issues

On 19 July 2019 the Annual General Meeting resolved to authorise the board of directors to, on one or more occasions, prior to the next Annual General Meeting, with or without preferential rights for the shareholders, resolve to issue new shares, warrants and/or convertibles. The maximum number of shares that may be issued based upon the authorisation is ten per cent of the outstanding number of shares and votes in the Company, based on the amount that is outstanding per 17 June 2019 including issued warrants (which amounts to 5,917,505 shares).

The purpose of the authorisation, as well as the reasons for deviation from the shareholders' preferential rights, is that the Company should be able to enable acquisitions, have the possibility to quickly improve its financial position and to be able to increase the shareholder value by giving one or more new strategic investors the opportunity to invest in the Company.

The authorisation further entails a right for the board of directors to resolve that payment shall be made with cash, through set-off or by payment in kind or on conditions set out in in Chapter 2 Section 5 Paragraph 2-3 and 5 of the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*).

Incentive programmes

On the extraordinary general meeting on 14 May 2018 an issue of 1,666,500 warrants, to Divio AG for transfer to the Group's employees were resolved. One (1) warrant gives the right to subscribe for one (1) new share of series B for 9.30 SEK per share during the period from 1 June 2020 to 31 May 2022. If all the warrants are exercised the share capital will increase with SEK 166,650. If all warrants are exercised that will lead to a dilution of 3.79 per cent. The 2018 warrants are not registered in a register maintained by Euroclear and have not been sold nor transferred from the subsidiary Divio AG.

On the extraordinary general meeting on 16 May 2019 an issue of 8,000,000 warrants of series B resolved upon by the board of directors on 11 April 2019 contingent upon the annual general meetings approval were resolved upon. The issue was directed to Divio AG which are obligated to transfer them to key employees of the Group, directors of the Company and other persons who promotes the Company's business. In total, 7,500,000 of these warrants have been procured by the employees at market price during September.

Two (2) warrants of series B gives the right to subscribe for one (1) new share of series B for 3 SEK per share until 15 April 2022. If all the warrants are exercised the share capital will increase with SEK 400,000. If all warrants directed to employees alone are exercised that will lead to a dilution of 9.09 per cent. The warrants are registered in a register maintained by Euroclear.

Warrants to Investors

On the extraordinary general meeting on 16 May 2019 an issue of 14,450,000 warrants of series A resolved upon by the board of directors on 11 April 2019 contingent upon the annual general meetings approval were resolved upon. Two (2) warrants of series A gives the right to subscribe for one (1) new share of series B for 2 SEK per share until 15 October 2019. If all the warrants are exercised the share capital will increase with SEK 722,500. None of the issued warrants of Series A were exercised and thus all expired 15 October 2019.

On the extraordinary general meeting on 16 May 2019 an issue of 14,450,000 warrants of series B resolved upon by the board of directors on 11 April 2019 contingent upon the annual general meetings approval were resolved upon. Two (2) warrants of series A gives the right to subscribe for one (1) new share of series B for 3 SEK per share until 15 April 2022. If all the warrants are exercised the share capital will increase with SEK 722,500. If all warrants are exercised that will lead to a dilution of 25.52 per cent. The warrants are registered in a register maintained by Euroclear.

On the extraordinary general meeting on 18 October 2019 an issue of up to 12,000,000 warrants of series C was resolved upon by the board of directors, whereof 9,861,280 was subscribed through the rights issue. Two (2) warrants of series C will give the right to subscribe for one (1) new share of series B for 2.50 SEK per share until 15 June 2020. If all warrants are exercised that will lead to a dilution of 11.21 per cent. The warrants shall be registered in a register maintained by Euroclear.

If all the active warrants are exercised the share capital will increase by SEK 1,782,214. If all active warrants are exercised that will lead to a dilution of 40.51 per cent.

Active warrants can be overviewed in the following table:

Incentive Prog. Warrant 2018/2022	Whereof for Employees (in reserve)	Whereof Investors	Expiry	Strike	Potential shares (1 warrant = 1 share)
1,666,500	1,666,500 (1,666,500)	0	2022-05-31	9,30 SEK	1,666,500
Warrant Series B 2019/2022	Whereof Employees (in reserve)	Whereof Investors	Expiry	Strike	Potential shares (2 warrant = 1 share)
22,450,000	8,000,000 (500,000)	14,450,000	2022-04-15	3,00 SEK	11,225,000
Warrant Series C 2019/2020	Whereof Employees (in reserve)	Whereof Investors	Expiry	Strike	Potential shares (2 warrant = 1 share)
9,861,280	0	9,861,280	2020-06-15	2,50 SEK	4,930,640

Dividend policy

The board of directors will consider several factors, including the Company's business, operating result and financial position, present and future cash requirements, expansion plans, contractual constraints and other essential factors, in making their proposal for any future dividends.

Ownership structure

The table below shows the Company's major shareholders (owners of five per cent or more of the votes or share capital) at the day for this Company Description.

Major Shareholders*	A-Shares	B-Shares	Capital	Voting
CHRISTIAN BERTSCHY (FOUNDER)	750,000	6,029,907	15.4%	26.7%
VIMPU INTRESSETER		5,342,702	12.1%	10.5%
BROOMHILDA AB		4,800,000	10.9%	9.5%
VENTURE HOLDING SARL, SPF (LENNART EDLUND)		2,291,119	5.2%	4.5%
BLASIEHOLMEN INVESTMENT GROUP EQUITY		2,206,997	5.0%	4.3%
TOTAL	750,000	20,670,725	48.6%	55.5%

*Including newly registered rights issue (2019-11-07)

Lock-up agreements

Christian Bertschy, who represent 15.4 per cent of the shares has undertaken to not sell his shares or warrants in the Company until 12 months have elapsed after the date of the listing of the shares.

Thereto, the other board of directors and other management, excluding Christian Bertschy, with shareholding representing another 12.3 per cent has also undertaken to not sell shares or warrants in the Company until 12 months have elapsed after the date of the listing of the shares.

Thus, in total 27.7 per cent of shares has undertaken to not sell his or her shares or warrants in the Company until a period of twelve months has elapsed after the date of the listing of the shares.

Board of directors, senior executives and auditor

Board of directors

As set out in the Company's articles of association, the board of directors shall consist of not less than three and not more than eight board members.

The board of directors consists of four members, including the chairman, and is based in Stockholm, Sweden. The board members are elected annually at the annual general meeting for the period until the end of the next annual general meeting. The annual general meeting on 16 July 2019 resolved that the board should consist of the persons presented below. The current board members have their assignments until the end of the next annual general meeting 2020.

The board's work is governed by the Swedish Companies Act (*Sw. Aktiebolagslagen (2005:551)*), the articles of association and the board's rules of procedure.

Gustav Martner (born 1979)

Chairman of the board since 2017

Other current assignments: Head of Digital (Nordics) Greenpeace, Member of the board in Martner Group AB, Digital Reliance AB and Gardenize AB. Deputy board member of the board in Göteborg Vintage AB, Stuffstory AB and YAAM art & architecture AB.

Experience: Executive Creative Director and Vice President at Crispin Porter + Bogusky Europe AB, CEO and Vice President at Crispin Porter + Bogusky Scandinavia AB, co-founder of Burt AB and owner of Martner Group AB.

Previous assignments (past five years): Chairman of the board in Burt AB, Crispin Porter + Bogusky Scandinavia AB, Sveriges Kommunikationsbyråer Aktiebolag and Sveriges Kommunikationsbyråer Värphönan AB. Member of the board in Burt AB and Crispin Porter + Bogusky Scandinavia AB.

Education: Electro engineering from Sven Erikssonskolan, Sweden and education in Advertising and Marketing laws (*Sw. Ansvarig reklamutgivare*) from Berghs School of Communication, Sweden.

Shareholding in the Company: 513 436 B shares (266 667 B shares via Broomhilda AB).

Warrants in the Company: None.

Independent in relation to the Company and the Company management: Yes.

Independent in relation to major shareholders: No.

Behzad Ardakani (born 1976)

Member of the board since 2017

Other current assignments: Member of the board in Skillmatic AB. Deputy member of the board in Ardazaei AB.

Experience: Owner of Skillmatic AB, over 20 years' experience from several software development companies.

Previous assignments (past five years): Founder and board member of Amido AB

Education: mathematics, computer science and electronics within computer engineering program from University of Gävle, Sweden.

Shareholding in the Company: 430 727 B Shares (133 333 B shares via Broomhilda AB).

Warrants in the Company: 66,666 B.

Independent in relation to the Company and the Company management: Yes.

Independent in relation to major shareholders: No.

Christian Bertschy (born 1980)

Chief Product Officer since 2019 and Member of the board since 2017 (member and chairman of the board in Divio AG since 2011 and 2012 respectively, and Sole Director of the Board of Directors of Divio Inc. since 2015).

Other current assignments: Chairman of the board in Divio AG and Sole Director of the Board of Directors of Divio Inc.

Experience: CEO Divio Technologies AB (publ), Co-founder and CEO of Divio AG, Treasurer and Secretary of the board of Divio Inc., CEO of Divio Aldryn GmbH, CEO and owner of Bertschy.biz GmbH, Regular Designer at Crealogix AG.

Previous assignments (past five years): Chairman of the board in Stadtfuchs AG, member of the board in Nephila AG (former Stadtfuchs AG).

Education: Matura at KS Luzern, Switzerland.

Shareholding in the Company: 750,000 A Shares, 6,029,907 B Shares

Warrants in the Company: None.

Independent in relation to the Company and the Company management: No.

Independent in relation to major shareholders: No.

Måns Danielson (born 1964)

Member of the board since 2019

Other current assignments: *Member of the board in Nebit AB, QC Corner AB and Markov Capital AB. Deputy board member in IOD Entertainment AB.*

Experience: Co-founder and CEO at Matse Holding AB (publ), Program director at Santa Maria AB and CEO at Discovery foods Ltd

Previous assignments (past five years): Chairman of the board in Middagsfrid AB, Dinnerpeace International AB and Namaste Holding AB. Member of the board in Spisa Nu I Göteborg AB, Kokaihop Media AB, Cold Cargo Sweden AB and Matse AB. Member of the board and CEO in Bonheur AB. CEO in Matse Holding AB (publ).

Education: M.Sc in Industrial Engineering and Management, Chalmers University of Technology, Göteborg

Shareholding in the Company: 45,000 B Shares.

Warrants in the Company: none.

Independent in relation to the Company and the Company management: Yes

Independent in relation to major shareholders: Yes

Senior executives

Jon Levin (born 1972)

CEO since October 2019.

Other current assignments: Member of the board of LEVINVEST Aktiebolag.

Experience: Application Manager CRM Sales and offering Stratiteq, Head of Product dev E.ON, Founder & Commercial Director Amok Studios, Country Manger CEO Uniwire, Nordic Mobile & New Business Manger MTV Networks

Previous assignments (past five years):

Education: B.Sc. in Financial Economics, University of Lund

Shareholding in the Company: 1,250,000 B Shares.

Warrants in the Company: 2,000,000 B.

Roderick Nilsson (born 1988)

CFO since April 2019.

Other current assignments: Chairman of the board in Houston Media AB. Member of the board and CEO of Beserkers Holding AB.

Experience: CFO of Techno Creatives AB and Director of Finance and Financial Analyst at Burt AB.

Previous assignments (past five years): Member of the board in Burt Data Cloud AB and Burt Intelligence AB.

Education: M.Sc. in Financial Economics from the School of Business, Economics and Law in Gothenburg and B.Sc. in Financial Economics from the School of Business, Economics and Law in Gothenburg.

Shareholding in Company: None.

Warrants in the Company: 500 000 B.

Christian Bertschy (born 1980)

Chief Product Officer since 2019. Founder and CEO in Divio AG up to 2019, for more information see Board above.

Auditors

Since the extraordinary general meeting on 22 November 2017, MAZARS SET Revisionsbyrå AB is the Company's auditor. Michael Olsson, authorised accountant and member of FAR, is the auditor in charge. During the financial period covered in this Company Description BDO Ltd was the auditor of Divio AG, with René Krügel and Daniel Zumbühl as auditors in charge.

Other information about the board of directors and the executive officers

Christian Bertschy is in a domestic partnership with Daniela Streuli, the Business Manager at Divio AG. None of the other board members or the Company's senior executives have any family ties with any of the other board members or senior executives.

Some of the board members and the CEO have financial interests in the Company because of their shareholding in the Company. In addition to this, there are no conflict of interests or potential conflicts of interests between the board members' or the senior executives' obligations in relation to the Company and such board members' or senior executives' private interests and/or other obligations. None of the board members are entitled to any benefits in conjunction with the termination of an assignment as a board member.

None of the board members or the executive officers have over the last five years (i) been convicted of a fraud or other financial crime related case, (ii) represented a company that has been declared bankrupt or has applied for compulsory liquidation, (iii) been subject of sanctions or accused by authorities or bodies acting for particular professional groups under public law, or (iv) been subject to injunctions against

carrying on business. All members of the board and the members of the executive management are available through the Company's office at Telefonvägen 3, vån 10, 126 26 Hägersten.

Remuneration to the members of the board

Remuneration to the members of the board of directors is resolved by the general meeting. At ordinary general meeting held on 16 July 2019 it was resolved that the remuneration to the board members should be SEK 100,000 per board member who is not employed by the Group and SEK 150,000 to the chairman of the board.

Remuneration to the CEO

The CEO is employed by Divio Technologies AB. The employment agreement can be terminated subject to a mutual notice period of six months. The CEO is entitled to a salary of SEK 85,000 per month. Further, Divio Technologies AB pays contributions to the CEO's pension insurance corresponding to 4.5 per cent of his salary.

Corporate governance

General about corporate governance

The Swedish Corporate Governance Code (*Sw. Svensk kod för bolagsstyrning*) ("the Code") applies to Swedish limited companies whose shares are traded on a regulated market in Sweden, currently Nasdaq Stockholm and NGM Equity. Therefore, the Company is not covered by the Code, since the Company's shares are not intended to be traded on a regulated market. The Company is not currently applying the Code.

General meetings

The shareholders' meeting is in accordance with the Swedish Companies Act (*Sw. Aktiebolagslagen (2005:551)*), the ultimate decision-making body of the Company. At the shareholders' meeting the shareholders can decide in any matter that does not explicitly fall under the exclusive competence of another corporate body. At the annual general meeting, which should be held within six months from the end of the financial year, the shareholders exercise their voting rights in matters such as the adoption of income statements and balance sheets, allocation of the Company's results, discharge from liability for the board of directors and the CEO for the financial year, election of board members and auditor and remuneration to the board and auditor.

Right to participate in a general meeting

All shareholders that have been entered in the shareholder register maintained by Euroclear no later than five weekdays before the general meeting and that has notified the Company about the intention to participate no later than the date that is stated in the articles of association, has the right to participate and are entitled to vote the full number of shares that the shareholder holds in the Company.

The shareholders have a right to participate in the general meeting personally or through a representative and a shareholder may also bring one or two advisors.

Board of directors

The board of directors is the second-highest decision-making body of the Company after the shareholders' meeting and the board is the highest executive body. The board shall continuously assess the Company's financial situation as well as ensure that the Company's organisation is composed so that the accounting, financial management and the Company's financial conditions are controlled in a satisfactory manner. According to the Swedish Companies Act (*Sw. Aktiebolagslagen (2005:551)*), the board is responsible for the organisation of the Company and management of the Company's affairs.

The board of directors is responsible for setting targets and strategies, securing routines and systems for evaluation of the Company's business and to ensure that there is a satisfactory control of the Company's compliance with the laws and rules that applies to the Company's business.

The board of directors decides on matters relating to the Company's business focus, strategies, business plan, resources and capital structure, organisation, acquisitions, bigger investments, disposals and annual reports and other strategic questions. In addition to that, the board decides on matters deemed to be outside the scope of the CEO's powers. The board shall also ensure that the disclosure of information is transparent and accurate, relevant and reliable.

The board of directors has not established a remuneration committee, audit committee or any other committees. Instead the board fulfils the tasks of such committees in its entirety.

CEO and other senior management

The Company's CEO is subordinated the board of directors and is according to the Swedish Companies Act (*Sw. Aktiebolagslagen (2005:551)*) responsible for the day-to-day management and operations of the Company pursuant to guidelines and instructions issued by the board. The board of directors has established an instruction for the CEO that clarifies the CEO's responsibilities and powers ("CEO's instruction"). The board shall continuously evaluate the CEO's work. According to the instruction the CEO shall for example provide the board with satisfactory information in order for the board to be able reach decisions and be able to fulfil the board's assignment to manage the Company's affairs and to continuously control the Company's business. The CEO shall, in accordance with the Swedish Companies Act (*Sw. Aktiebolagslagen (2005:551)*) and the business plan issued by the board, the budget and the CEO instruction and other guidelines and instructions that the board has issued, make the decisions required by the Company's day-to-day business.

Articles of association

NB. The English text is an in-house translation. In case of any discrepancy between the English version and the Swedish version, the Swedish version shall prevail.

Divio Technologies AB (publ)

Org nr 559077-0730

Reg no 559077-0730

Bolagsordning

Articles of association

Antagen vid bolagsstämman den 16 maj 2019.
Adopted at the general meeting held on 16 May 2019.

§ 1

Bolagets firma är Divio Technologies AB (publ).
The company's name is Divio Technologies AB (publ).

§ 2

Styrelsen ska ha sitt säte i Stockholm.
The Board of Directors' registered office shall be situated in Stockholm, Sweden.

§ 3

Bolaget skall, direkt eller genom hel- eller delägda bolag, tillhandahålla infrastrukturtjänster för it-applikationer, webbapplikationer och tillhörande tjänster som utbildning, konsulttjänster och supporttjänster samt därmed förenlig verksamhet.
The company's business is to, directly or through wholly or partly owned subsidiaries, provide infrastructure services for IT applications, web applications and associated services as education, consulting services and support services, as well as related activities.

§ 4

Aktiekapitalet ska vara lägst 2 500 000 kronor och högst 10 000 000 kronor.
The share capital shall be no less than 2,500,000 SEK and no more than 10,000,000 SEK.

Antalet aktier ska vara lägst 25 000 000 och högst 100 000 000.
The number of shares shall be no less than 25,000,000 and no more than 100,000,000.

Aktier får utges i två serier, A-aktier med tio röster per aktie och B-aktier med en röst per aktie. Aktier i båda serierna får vardera utges till ett belopp som motsvarar hela aktiekapitalet.

The shares may be issued in two series, series A shares with ten votes per share and series B shares with one vote per share. Shares of both series may each be issued to an amount equivalent to the entire share capital.

Samtliga aktier har samma rätt till andel i bolagets vinst.

All shares carries equal rights to the company's profit.

§ 5

Beslutar bolaget att genom kontantemission eller kvittningsemission ge ut nya aktier av serie A och serie B, ska ägare av aktier av serie A och ägare av aktier av serie B äga företrädesrätt att teckna nya aktier av samma aktieslag i förhållande till det antal aktier innehavaren förut äger (primär företrädesrätt). Aktier som inte tecknas med primär företrädesrätt ska erbjudas samtliga aktieägare till teckning (subsidiär företrädesrätt). Om inte sålunda erbjudna aktier räcker för den teckning som sker med subsidiär företrädesrätt, ska aktierna fördelas mellan tecknarna i förhållande till det antal aktier de förut äger och, i den mån detta inte kan ske genom lottning.

If the company decides to issue new series A and series B shares, either through a cash issue or an issue by set-off, each shareholder of series A shares and series B shares shall have preferential right to subscribe for new shares of the same series in relation to the number of shares held by the shareholder prior to the new issue (primary preferential right). Shares that are not subscribed for with primary preferential rights shall be offered for subscription by all shareholders (secondary preferential right). If the number of shares thus offered is not sufficient for the subscription made with secondary preferential rights, the shares shall be allocated among the subscribers in relation to the total number of shares (series A and series B) owned prior to the new issue, and to the extent this cannot be effected, the shares shall be allocated by way of drawing lots.

Beslutar bolaget att genom kontantemission eller kvittningsemission ge ut aktier endast av serie B, ska samtliga aktieägare oavsett om deras aktier är av serie A eller serie B äga företrädesrätt att teckna nya aktier i förhållande till det antal aktier de förut äger. Kontantemission eller kvittningsemission av enbart aktier av serie A ska inte ske.

If the company decides to issue new shares of series B only, either through a cash issue or an issue by set-off, all shareholders shall have a preferential right to subscribe for new shares in relation to the total number of shares (series A and series B) owned prior to the new issue regardless if their shares are series A or series B shares. Cash issue or an issue by set-off of series A shares only shall not take place.

Beslutar bolaget att genom kontantemission eller kvittningsemission ge ut teckningsoptioner eller konvertibler har aktieägarna företrädesrätt att teckna teckningsoptioner som om emissionen gällde de aktier som kan komma att nytecknas på grund av optionsrätten respektive företrädesrätt att teckna konvertibler som om emissionen gällde de aktier som konvertiblerna kan komma att bytas ut mot.

If the company decides to issue subscription warrants or convertibles, through a cash issue or an issue by set-off, the shareholders shall have a preferential right to subscribe for the subscription warrants, as if the issue had been of the shares that may be subscribed for under the warrants, or a preferential right to

subscribe for convertibles as if the issue had been of the shares that the convertibles may be converted to, respectively.

Vad som ovan sagts ska inte innebära någon inskränkning i möjligheten att fatta beslut om kontantemission eller kvittningsemission med avvikelse från aktieägarnas företrädesrätt.

The aforesaid shall not in any way be interpreted as a restriction of the possibility to decide on a new cash issue or issue by set-off with deviation from the preferential rights of the shareholders.

Vid ökning av aktiekapitalet genom fondemission ska nya aktier av serie A och serie B emitteras av respektive aktieslag, så att förhållandet mellan det antal aktier av dessa slag som finns sedan tidigare bibehålls. Därvid ska gamla aktier av visst aktieslag medföra rätt till nya aktier av samma aktieslag.

In case the share capital is increased through a bonus issue, new shares of series A and B shall be issued so that relation between these series of shares remains the same. Old shares of a certain series shall thereby entitle the holder to new shares of the same series.

Vad nu sagts ska inte innebära någon inskränkning i möjligheten att genom fondemission, efter erforderlig ändring av bolagsordningen, ge ut aktier av nytt slag.

The aforesaid shall not in any way be interpreted as a restriction of the possibility to issue shares of a new series of shares through a bonus issue after a required change of the articles of association.

Aktier av serie A ska på begäran av ägare till sådana aktier omvandlas till aktier av serie B. Begäran om omvandling, som ska vara skriftlig och ange det antal aktier av serie A som ska omvandlas till aktier av serie B samt om begäran inte omfattar hela innehavet, vilka aktier av serie A omvandlingen avser, ska göras hos styrelsen. Bolaget ska genast anmäla omvandlingen till Bolagsverket för registrering i aktiebolagsregistret. Omvandlingen är verkställd när registrering skett samt antecknats i avstämningsregistret.

Series A shares shall, at the request of the holder, be converted to series B shares. Conversion requests must be made in writing to the Board of Directors. The request shall state the number of shares to be converted and if the holder's entire holding of series A shares is not to be converted, then, the request shall stipulate the number of such shares to be converted. Any conversion shall be registered without delay at the Swedish Companies Registration Office and will be considered to have been executed when it is registered in the Register of Companies and is noted in the CSD register.

§ 6

Styrelsen ska bestå av lägst tre (3) och högst åtta (8) ledamöter utan suppleanter.

The Board of Directors shall consist of no less than three (3) and no more than eight (8) directors, without deputy directors.

§ 7

Bolaget ska ha en eller två revisorer med eller utan revisorssuppleant(er) eller ett registrerat revisionsbolag.

The company shall have one or two auditors, with or without deputy auditors or a registered public accounting firm.

§ 8

Kallelse till bolagsstämma ska ske genom annonsering i Post och Inrikes Tidningar samt på bolagets webbplats. Att kallelse har skett ska annonseras i Svenska Dagbladet.

Notices of shareholders' meetings shall be published in Post- och Inrikes Tidningar (the Swedish Official Gazette) and be kept available on the company's website. An announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

Kallelse till årsstämma och till extra bolagsstämma där fråga om ändring av bolagsordningen ska behandlas ska utfärdas tidigast sex veckor och senast fyra veckor före bolagsstämman. Kallelse till annan extra bolagsstämma ska utfärdas tidigast sex veckor och senast två veckor före bolagsstämman.

Notice of annual shareholders' meetings as well as of extraordinary shareholders' meetings at which matters regarding amendments to the articles of association are to be addressed, shall be issued no earlier than six weeks and no later than four weeks prior to the shareholders' meeting. Notice of other extraordinary shareholders' meetings shall be issued no earlier than six weeks and no later than two weeks prior to the shareholders' meeting.

För att få deltaga i bolagsstämma ska aktieägare anmäla sig hos styrelsen senast den dag som anges i kallelsen till stämman. Denna dag får inte vara söndag, annan allmän helgdag, lördag, midsommarafton, julafton eller nyårsafton och ej infalla tidigare än femte vardagen före stämman.

To be able to participate in shareholders' meetings the shareholder shall notify the Board of Directors of the company regarding participation at latest the day which is specified in the notice. The last-mentioned day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday prior to the meeting.

§ 9

Kalenderåret ska vara bolagets räkenskapsår.

The calendar year shall be the company's financial year.

§ 10

Bolagets aktier ska vara registrerade i ett avstämningsregister enligt lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument.

The company's shares shall be registered in a securities register according to the Swedish Financial Instruments Accounts Act (1998:1479).

Legal considerations and supplementary information

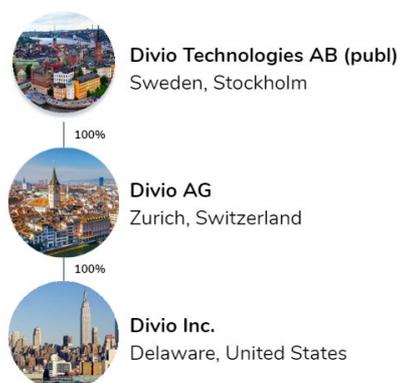
General Corporate information

Divio Technologies AB (publ), organisation number 559077-0730, is a public limited liability company founded 1 September 2016 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) 21 September 2016. The Company operates in accordance with the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*) and the board has its registered office in Stockholm, Sweden.

Group structure

The Company was a dormant company until 14 May 2018, when an issue in kind was decided at the extraordinary general meeting. Divio AG (Switzerland), with its subsidiary Divio Inc. (United States) was acquired through an issue in kind.

See group sketch below over the Group structure as of the day for this Company Description.



Significant agreements

There is a strategic framework agreement with a leading financial institution, Fidelity International. Fidelity International is a leading global investment management services group including mutual funds, pension management and fund platforms to private and institutional investors.

This framework agreement with the Fidelity Intl. Group was entered into in mid-2017 and subsidiaries in the group calling upon this agreement equate to circa 46 per cent of recurring revenues in the first half of 2019, as revenue has been steadily increased throughout the roll-out. Following the successful implementation on time, the customer offers an excellent reference on Divio's capabilities.

Whilst this is a substantial relationship and concentrates revenue at a certain client the Company is confident that as additional large Enterprises are onboarded as the concentration and dependency will rapidly decrease. Thereto, the main driver of the revenue website and applications remains, whereby the plethora of websites, regions and subsidiaries (current and possible expansions) included in the agreement further adds diversification.

There are no significant agreements in Divio outside of the normal ongoing business activities of the Group and the above agreement, i.e. there are no significant agreements or agreements containing undertaking or rights of significant importance for the Group, other than agreement which has been entered as part of the day-to-day business.

General on agreements with customers

As a result of the Group's previous business model as a web agency, the Group still has a small group of large customers which constitutes the core of the Group's revenue. The Group has entered into written agreements with these customers with both the Group's standard terms and conditions and other terms and conditions. None of these agreements are of greater importance than the other and in general the agreements have no notice period and may be terminated at any time.

As a result of the Group's shift from agency business towards a product-focused model built around the Platform and its related products, the Group sees a growing number of customers on the Platform. This accounts for an increasing proportion of recurring product revenue. The Group has entered into agreements with these customers with both the Group's standard terms and conditions and other terms and conditions. In general, the agreements have no notice period and may be terminated at any time. The main revenue driver in these contracts is the number of websites maintained under the contract and hence, the industry or identity of the customer does not impact revenue.

General on agreements with suppliers

The Group has contracts with several suppliers of technical solutions which is used in the Group's business. Several of these are important for the Group's business but alternative solutions exist if any of these were to terminate the business relationship with the Group.

Employees

The Group employs approximately 16 full time equivalent employees, on average during the second quarter 2019, and engages 4 consultants. All agreements include customary confidentiality undertakings and provisions stating that all potential intellectual property rights emanating from the work performed under the agreements shall be transferred to the relevant Group company.

Disputes and legal procedures

The Group is not, nor has it been a party to any legal proceedings or arbitration proceedings, including not yet settled cases or cases that the Group is aware of or that may arise, during the past 12 months that recently has had or will have significant effect on the Group's financial position or profitability.

Agreements and transactions with related parties

Indian Assault AB, company affiliated to Kimmo Björnsson, former board member of Divio AG, has during the financial period covered in this Company Description lent the Group CHF 43,583.50. The Group has paid Indian Assault AB a total of CHF 3,678.31 in interest during this period. The loans have been repaid and there are no outstanding obligations to Indian Assault AB per the date of this Company Description.

Daniela Streuli, affiliate to board member Christian Bertschy, has during the financial period covered in this Company Description lent the Group CHF 12,000. The Group has paid Daniela Streuli no interest during

this period. The loan has been repaid in full and there are no outstanding obligations to Daniela Streuli per the date of this Company Description.

Christian Bertschy, board member of the Company, has during the financial period covered in this Company Description lent the Group CHF 646,432.41. The Group has paid Christian Bertschy a total of CHF 23,010.95 in interest during the period 1 January 2017 – 19 June 2019. CHF 5,860 of the loan have been converted into shares and the rest of the loans have been repaid in full and there are no outstanding obligations to Christian Bertschy per the date of this Company Description.

Armin Schmid, board member of the Company, has during the financial period covered in this Company Description lent the Group CHF 45,000.00. The Group has paid Armin Schmid a total of CHF 4,587.46 in interest during this period. CHF 13,829.60 of the loan have been converted into shares and the rest of the loans have been repaid in full and there are no outstanding obligations to Armin Schmid per the date of this Company Description.

Christian Zenker, affiliate to board member Christian Bertschy, has during the financial period covered in this Company Description lent the Group CHF 24,000.00. The Group has paid Christian Zenker a total of CHF 1,719.86 in interest during this period. The loans have been repaid in full and there are no outstanding obligations to Christian Zenker per the date of this Company Description.

Martner Group, company affiliated to Gustav Martner, President of the Board of the Company, has during the financial period covered in this Company Description lent the Group CHF 23,448.43. No interest has been paid since the loan was converted into shares. There are no outstanding obligations to Martner Group per the date of this Company Description.

Divio Aldryn GmbH, a former subsidiary of the Company, has during the financial period covered in this Company Description lent the Group CHF 1,000.00. The Group has paid Divio Aldryn GmbH a total of CHF 0 in interest during this period. Divio Aldryn GmbH has been sold and the loan corrected with the Accounting Year-end Correction 2017. There are no outstanding obligations to Divio Aldryn GmbH per the date of this Company Description.

bertschy.biz GmbH, a company affiliated to Christian Bertschy, board member of the Company, has during the financial period covered in this Company Description lent the Group CHF 1500.00. The Group has paid bertschy.biz a total of CHF 0 in interest during this period. The loans have been repaid in full and there are no outstanding obligations to bertschy.biz per the date of this Company Description. Following the transition to a consultancy arrangement, for Christian Bertschy and Daniel Streuli, from September 2019, bertschy.biz GmbH provides consulting services to Divio AG, with a value of a minimum fee of CHF 15,000 per month for 100 working hours, with any deviations added at comparable rates pending which service has been provided. The agreement is for six months with an option for prolongation pending mutual consent and is deemed by the Company's Board to be at a fair market value.

Nebit AB, a company affiliated to Måns Danielsson, board member of the Company, has during the financial period covered in this Company Description provided consulting services totalling SEK 449,600 plus coverage for direct expenses as special advisor to the Group prior to joining the Board. There are no outstanding obligations to Nebit AB per the date of this Company Description and customary agreement was in place.

Except the above and inter-group transactions there have been no transactions between the Group and the shareholders, the board members, senior management, auditor or related parties.

Intellectual property rights

Divio AG is the registered holder of the national Swiss trademarks “Aldryn” (Nr. 650955) and “Divio” (Nr. 668360). The trademarks are registered as Swiss trademarks for certain goods and/or services in class 9 of the Nice classification. The trademarks are protected against unauthorized use by third parties in Switzerland.

Certified adviser and advisers

The Company has prior to the listing of the Company’s shares on First North entered into an agreement with FNCA Sweden AB, who will be the Company’s certified adviser. FNCA Sweden AB does not own and does not intend to own any shares in the Company. In connection with the listing that is described in this Company Description, Törngren Magnell has acted as a legal adviser to the Company’s board of directors. Törngren Magnell and FNCA Sweden AB receive ongoing compensation for the services rendered in conjunction with the listing. Törngren Magnell does not own and does not intend to own any shares in the Company.

Insurances

The Group has one for the industry customary insurance coverage and the Company’s board considers that the Group’s current insurance coverage is satisfactory in terms of the nature and the extent of the business.

Tax considerations in Sweden

Below is a summary of certain Swedish tax issues for the shareholders in the Company, and who are subject to unlimited tax liability in Sweden (unless otherwise stated). The summary is based on current legislation and is intended only to provide general information for the time that the shares are traded on Nasdaq First North.

For example, the summary does not cover:

- *circumstances when securities are held as inventories in an economic activity,*
- *the special rules that apply to so-called “qualified shares” in closely held companies,*
- *circumstances when securities are held by a limited partnership or a partnership,*
- *circumstances when securities are held in an investment saving account (Sw. investeringssparkonto) or endowment insurance (Sw. kapitalförsäkring),*
- *the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends that may be applicable when investors hold shares in the Company that are deemed to be held for business purposes (for tax purposes),*
- *foreign companies conducting business through a permanent establishment in Sweden, or*
- *foreign companies that have been Swedish companies.*

Furthermore, special tax provisions apply to certain categories of companies, e.g. investment companies and insurance companies. The tax consequences for each individual shareholder depend on, amongst others, the shareholder’s particular circumstances. Each shareholder is advised to consult an independent tax advisor as to the tax consequences relating to the shareholder’s particular circumstances that could arise from the shareholdings, including the applicability and effect of foreign tax legislation and provisions in tax treaties.

General

Natural persons

For natural persons that are subject to unlimited tax liability in Sweden, tax is imposed on capital income, such as interest income, dividends and capital gains, in the capital income category. The tax rate for the capital income category is 30 per cent.

The capital gain or the capital loss at disposal of shares and other partnership rights is computed as the difference between the consideration, less selling expenses, and the acquisition value. The acquisition value for all shares of the same class and type shall be added together and computed collectively in accordance with the so-called average method (Sw. *genomsnittsmetoden*). The so-called standard method (Sw. *schablonmetoden*) may be used at the disposal of shares in the Company. This method means that the acquisition value may be determined as 20 per cent of the consideration less selling expenses.

Capital losses on shares and other listed partnership rights in the Company (for example subscription rights and BTA (paid and subscribed shares)) may be fully deducted against taxable capital gains realized in the same year on shares, as well as other listed partnership rights (however not listed shares in mutual funds or investment funds that contains Swedish receivables only (Sw. *räntefonder*)). 70 per cent of capital losses not absorbed by the presented set-off rules are deductible in the capital income category.

If there is a net loss in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as national and municipal property tax. This tax reduction is 30 per cent of the net loss that does not exceed SEK 100,000 and 21 per cent of any remaining net loss. A net loss cannot be carried forward to future tax years. The computation is also affected if an investor deduction (Sw. *investeraravdrag*) has been made during the year.

For natural persons and estates after deceased individuals that are subject to unlimited tax liability in Sweden, a preliminary tax of 30 per cent is withheld on dividends. The preliminary tax is normally withheld by Euroclear Sweden or, regarding nominee-registered shares, by the trustee.

Limited liability companies

For limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and taxable dividends, is taxed as income from business operations at a rate of 21,4 per cent. Capital gains and capital losses are computed in the same way as described for natural persons above.

Deductible capital losses on shares and other partnership rights may only offset taxable capital gains on shares and other partnership rights. If a capital loss cannot be deducted by the company that has suffered the loss, it may be deducted from taxable capital gains on shares and other partnership rights at another company, provided that each and one of the companies are entitled to give an intra-group contribution to the other company and that both of the company's request this treatment for a tax year having the same filing date for each company or, if one of the companies' accounting liability cease, would have had the same filing date. Capital losses on shares and other partnership rights that could not have been utilized during a certain year, may be carried forward (by the limited liability company that has suffered the loss) and offset taxable capital gains on shares and other partnership rights in the following tax year without any limitation in time.

Shareholders and holders of partnership rights with limited tax liability in Sweden

For shareholders who are subject to limited tax liability in Sweden and receive dividends on shares in a Swedish limited company usually pays Swedish coupon tax. The same applies to payments made by Swedish limited companies in connection with, among other things, the redemption of shares and repurchase of own shares through an offer directed to all shareholders or all holders of shares of a certain kind. The tax rate is 30 per cent. The coupon tax rate is however in general reduced by double taxation agreements. In Sweden, normally Euroclear Sweden or, nominee-registered shares execute a tax reduction of the deductibles for the nominee on the coupon tax. The Company does not execute deductions for coupon tax other than when it is required by law. In cases where coupon tax has been held by 30 per cent, even though the shareholder is entitled to a lower coupon tax rate, the shareholder can request a refund in writing from the Swedish Tax Agency before the end of the fifth calendar year after the payment date of the dividends.

Shareholders with limited tax liability in Sweden – and who do not conduct business from a permanent establishment in Sweden – capital gain is normally not taxed in Sweden on the disposal of shares or other partnership rights. Shareholders as well as holders of other partnership rights may however become subject to taxation in their residence state.

According to a special rule, natural persons who are subject to limited tax liability in Sweden becomes subject to capital gains taxation in Sweden upon disposal of shares in the Company, if at any time during

the calendar year of disposal or the ten calendar years preceding the year of disposal has been resident or had a continuous stay (Sw. *stadigvarande vistats*) lived permanently in Sweden. The applicability of the rules is in many cases limited by double taxation agreements.

Documents incorporated by reference

The information below is incorporated into the Company Description by reference:

- Divio Technologies AB (publ) annual report including audit report 2018
- Divio Technologies AB (publ) annual report including audit report, for 21 September 2016 – 31 December 2017
- Divio AG's annual report, including the audit report, for March 2017 - December 2017
- Divio AG's annual report, including the audit report, for January 2018 - December 2018

The information, to which the reference is made should be seen as a part of this Company Description. The information and the Company's articles of association are available at the Company's website www.divio.com. The memorandum of association can be obtained from the Swedish Companies Registration Office (Sw. *Bolagsverket*).

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