



## Press release

15<sup>th</sup> of November 2022

# **The Board of Directors of Divio Technologies AB decides on a rights issue of units of initially approx. SEK 12 million for the purpose of accelerating growth.**

The Board of Directors of Divio Technologies AB ("Divio" or "the Company") has today, the 15 November 2022, decided to execute an issue of units, consisting of shares and free warrants, with preferential right for the Company's existing shareholders, of initially a maximum of approx. SEK 12 million before transaction costs. The subscription price has been set at SEK 2.10 per unit, which corresponds to SEK 0.15 per new B-share (the "Rights Issue"). The Board's decision is subject to an approval by the Extraordinary General Meeting (the "EGM") which will be held on the 2<sup>nd</sup> of December 2022. The Company initially raises a loan of approx. SEK 2 million, to finance the Company's activities until the execution of the planned Rights Issue. Upon full exercise of all free warrants issued in the Rights Issue, the Company can receive an additional approx. SEK 5.1-9.6 million before transaction costs. The Rights Issue is secured in writing to approx. 70 percent through pre-subscription- and guarantee commitment agreements, whereof the Board, management and related parties have secured SEK 2 million. The memorandum, with a more detailed description of the offer, will be published by the time of the commencement of the subscription period of the Rights Issue, at the latest. Sedermera Corporate Finance AB assists the Company as financial advisor in connection with the Rights Issue.

## **Background**

Divio is a Swedish company with wholly owned subsidiaries in Switzerland and the USA. Divio develops and sells a software platform (PaaS - Platform-as-a-Service) that enables companies to effortlessly run and develop critical web applications in the cloud, in a secure, user-friendly and cost-effective way. The company is ISO 27001 certified and facilitates the management and maintenance of complex cloud infrastructures with multiple third-party clouds, ranging from the largest players such as AWS, Azure and Google Cloud to smaller cloud providers.

## **Motive and Objectives**

The objective of the planned Rights Issue is to fund the Company's operations to accelerate sales growth by investing in a certified partnership with one of the world's largest Infrastructure-as-a-Service (IaaS) providers where together we will offer a combined solution. In addition, Divio will invest in consultative technical sales with a focus on small and medium-sized businesses (SME), which will mean increased efficiency and shorter sales cycles. Divio also intends to establish the Software platform in new markets, which will require marketing activities. Assuming that the planned Rights Issue is fully subscribed, the Board of Directors believes that the Company has sufficient cash to take the Company to cash breakeven in Q4 2023. Divio aims to grow MRR stock by at least 30% per year on average over the next five years.

## **Loan**

The overall transaction has a built in loan element of SEK 2 million to release cash before the execution of the Rights Issue. The loan runs with a monthly interest rate of 2 percent and is to be repaid with the funds from the planned Rights Issue. The proceeds from the loan will be used to ensure the ability to quickly build up the sales team.

## **Use of proceeds**

Through the Rights Issue the Company can initially receive a maximum of approx. SEK 12 million and if all warrants issued in the Rights Issue are exercised at the highest subscription price, the Company can receive an additional maximum of approx. SEK 9.6 million before transaction costs.



## Press release

15<sup>th</sup> of November 2022

The capital provided to the Company through the capitalization is intended to finance:

### Sales & Partnerships

- Further boost and aggressively scale up SME sales (recruitment of technical sales).
- Harvest from one of the world's biggest cloud providers.
- New and existing markets.
- Initiated incentivized sales.

### Product & Finance.

- Increasing the engineering team to secure market lead.
- Repayment of loan.

### **Planned terms for the Rights Issue**

The Board of Directors has today decided on an issue of a maximum of 5,708,205 units, consisting of 79,914,870 B-shares and 34,249,230 warrants of series TO 1 ("TO 1"). The decision is subject to approval by the Extraordinary General Meeting. The Rights Issue can initially provide the Company with a maximum of approx. SEK 12 million before transaction costs. In the event of full subscription of units and full exercise of all TO 1 at the highest subscription price, the Company can receive additional proceeds of up to approx. SEK 9.6 million. Divio's existing shareholders have preferential right to subscribe for units in proportion to their existing shareholdings. The public is also entitled to subscribe for units in the Rights Issue.

One (1) existing share in the Company entitles the holder to one (1) unit right. Fifteen (15) unit rights entitle the holder to subscribe for one (1) unit in Divio. Each unit consists of fourteen (14) B-shares and six (6) warrants. The subscription price in the Rights Issue has been set at SEK 2.10 per unit, which corresponds to SEK 0.15 per new B-share. The warrants will be issued free of charge.

Subscription of units shall take place during the subscription period running from the 7<sup>th</sup> of December until the 21<sup>st</sup> of December 2022. Unit rights not exercised during the subscription period will become invalid and will lose their value. Trading in unit rights is expected to take place on the Nasdaq First North Growth Market from the 7<sup>th</sup> of December 2022 until the 16<sup>th</sup> of December 2022. Trading in BTU (Betald Tecknad Unit) is expected to take place during the period from the 7<sup>th</sup> of December 2022 until the issue is registered with the Swedish Companies Registration Office.

A fully subscribed Rights Issue will increase the share capital by SEK 7,991,487, from SEK 8,562,308 to SEK 16,553,795 and the total number of shares will increase by 79,914,870 B-shares, from 85,623,080 A- and B-shares to 165,537,950 A- and B-shares. Existing shareholders who choose not to participate in the Rights Issue will experience a dilution effect corresponding to approx. 46.4 percent of the votes and 48.3 percent of the capital, calculated on the number of shares in the Company after a fully subscribed initial Rights Issue. Shareholders who choose not to participate in the Rights Issue can compensate for the financial dilution effect by selling their unit rights no later than on the 16<sup>th</sup> of December 2022.

### **Planned terms for warrants of series TO 1**

One (1) TO 1 will entitle the holder to subscribe for one (1) new B-share in Divio, during the exercise period which runs from the 7<sup>th</sup> of June 2023 until the 21<sup>st</sup> of June 2023. The subscription price in the warrant exercise will amount to 70 percent of the average volume-weighted price of the B-share



## **Press release**

15<sup>th</sup> of November 2022

according to the official price statistics of Nasdaq First North Growth Market during a period of ten trading days ending two business days before the start of the exercise period and the price will be set within the range of SEK 0.15-0.28 per share. The Company will announce the subscription price the day before the first day of the exercise period. Divio can through the warrants receive up to SEK 9.6 million before transaction costs if all TO 1 are exercised at the highest subscription price. Through the warrant exercise, the share capital can increase by a maximum of SEK 3,424,923. Assuming that the Rights Issue is fully subscribed and that TO 1 is fully exercised, the exercise will result in an additional dilution of approx. 16.6 percent of the votes and approx. 17.1 percent of the capital. TO 1 is intended to be admitted to trading on Nasdaq First North Growth Market after final registration with the Swedish Companies Registration Office. The last day of trading in TO 1 is expected to be on the 19<sup>th</sup> of June 2023.

### **Pre-subscription- and guarantee commitments**

Divio has received pre-subscription- and guarantee commitments totaling approx. SEK 8.4 million, which in total corresponds to approx. 70 percent of the Rights Issue. Pre-subscription commitments from members of the Board, management, and Company contacts, with and without preferential right, amount to approx. SEK 2 million, corresponding to approx. 16 percent of the Rights Issue. Guarantee commitments from external investors amount to a total of approx. SEK 6.45 million, corresponding to approx. 53.8 percent of the Rights Issue. The guaranteed amount is divided into two parts – one directly on top of the pre-subscription and up to approx. 53.2 percent of the Rights Issue, and another from the level of approx. 53.2 percent and up to approx. 70 percent of the Rights Issue. For the first part of the guarantee, a cash payment of 12 percent of the guaranteed amount, or an optional payment of 16 percent in the form of units, is payable. For the second part of the guarantee, a cash payment of 15 percent of the guaranteed amount, or an optional payment of 20 percent in the form of units, is payable.

### **Lock-up**

Shareholders who are also members of the Board and management have agreed to sign so-called lock up agreements, where these parties commit not to divest any of their shareholdings for a period of six months following the execution of the Rights Issue.

### **Time plan for the Rights Issue**

- Last day of trading in shares, including the right to receive unit rights: 1 December 2022.
- First day of trading excluding the right to unit rights: 2 December 2022.
- Record date for participation in the Rights Issue: 5 December 2022.
- Subscription period: 7 December 2022 - 21 December 2022.
- Trading in unit rights: 7 December 2022 - 16 December 2022.
- Trading with BTU: 7 December 2022 until the Rights Issue has been registered with the Swedish Companies Registration Office.
- Announcement of outcome in the Rights Issue: around 23 December 2022.

### **Memorandum, teaser and possibility to subscribe**

Memorandum and teaser regarding the Rights Issue will be made available via the Company's ([www.divio.com](http://www.divio.com)), Sedermera Corporate Finance AB's ([www.sedermera.se](http://www.sedermera.se)) and Nordic Issuing AB's ([www.nordic-issuing.se](http://www.nordic-issuing.se)) website by the time of the commencement of the subscription period, at the latest. Through Nordic Issuing AB's website, it will also be possible to subscribe for units.

### **Advisors**

In connection with the Rights Issue, Divio has assigned Sedermera Corporate Finance AB as financial advisor, Markets & Corporate Law Nordic AB as legal advisor and Nordic Issuing AB as issuing agent.



**Press release**

15<sup>th</sup> of November 2022

**For more information about the Rights Issue, please contact:**

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**About Divio Technologies**

Divio Technologies AB (Publ) is the Cloud Management Software development group behind the Divio platform, which simplifies cloud hosting, deployment and development via a PaaS solution. The platform allows enterprises to reduce costs, time to market and the burden on employees, as well as decreasing dependency on cloud vendors.

*This disclosure contains information that Divio is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 15-11-2022 22:00 CET.*