

Divio Technologies AB is carrying out a directed share issue and entering into a convertible loan to secure financing until reaching positive cash flow.

Divio Technologies AB ("Divio" or the "Company") announces that the Company's Board of Directors has today resolved to carry out a directed share issue of Class B shares of initially approximately SEK 5.6 million (the "Directed Share Issue"), to enter into a convertible loan through a directed issue of convertibles of approximately SEK 4.0 million (the "Convertible Issue"), and to issue warrants of series TO5B and TO6B (the "Warrants"). The Directed Share Issue, the Convertible Issue, and the Warrants are collectively referred to as the "Financing". The Financing, totaling approximately SEK 9.6 million initially, aims to address the temporary cash flow challenge communicated by the Company on 23 May 2025, strengthen the Company's financial position, and ensure sufficient funding until the business reaches positive cash flow. The Company has also chosen to issue Warrants which, if fully exercised, may provide the Company with additional proceeds of approximately SEK 8.2 million in two tranches over the next 24 months. The proceeds from the Warrants are intended to be invested in the Company's continued growth.

"We now see a clear and tangible path to profitability, which we are very proud of. Our focus is on closing the remaining, relatively limited gap, and we are working diligently to achieve this.

While our cash flow-adjusted EBITDA is approaching breakeven, cash flow in 2025 has been insufficient, mainly due to the large upfront payment we received at the end of 2023, covering the service period 2024–2025. For more details, please refer to the 2024 Annual Report.

This financing is intended to bridge the short-term cash flow gap. The transaction is also structured to provide us with the opportunity for additional capital injections in June 2026 and June 2027. Provided that the Company has reached positive cash flow by then, these funds are intended to be used to accelerate our growth journey.

With this new capital injection, we are significantly reducing the financial risk in the Company and can now fully focus on reaching sustained profitability," says CEO Jon Levin.

Today, on 27 June 2025, the Board of Directors of Divio has carried out the following transactions with a group of new and existing shareholders, based on the authorization granted by the Annual General Meeting held on 13 June 2025.

The Directed Share Issue

The Directed Share Issue will provide the Company with approximately SEK 5.6 million before deduction of transaction-related costs and comprises 40,000,000 Class B shares at a subscription price of SEK 0.14 per share. The subscription price represents a discount of approximately 11.4 percent compared to the volume-weighted average share price (VWAP) during the period from 12 June 2025 to 26 June 2025. The subscription price has been determined through arm's length negotiations and is considered to be market-based.

The Directed Share Issue has been subscribed by Jinderman & Partners AB, JJV Investment Group AB, Alexander Schoeneck, Tellus Equity Partners AB, Torsion Invest AB, Östen Carlsson, Germinare AB, Niklas Estensson, Niklas Engman AB (existing shareholder), Aktiebolaget Lundgren, Nilsson & Moll, Jonas Larsson (existing shareholder), and Axel Lindberg. The two existing shareholders who were offered to participate in the Directed Share Issue were given the opportunity to do so in light of their historical investments in the Company, which the Company believes demonstrates a long-term interest that contributes to stability for the Company and its shareholders.

For every SEK 1 subscribed in the Directed Share Issue, the investor will receive 2.5 warrants of series TO5B and 2.5 warrants of series TO6B. The warrants are issued free of charge.

The Convertible Issue

The Convertible Issue amounts to SEK 4,000,000 and is represented by 4,000,000 convertibles, each with a nominal value of SEK 1. For each (1) subscribed convertible in the Convertible Issue, the subscriber will receive 2.5 warrants of series TO5B and 2.5 warrants of series TO6B. The warrants are issued free of charge.

The Convertible Issue carries an accrued monthly interest rate of 1.5 percent and an arrangement fee of 5.0 percent. The lenders have the right to convert the outstanding loan amount into Class B shares in the Company at a conversion price of SEK 0.15. Conversion may take place during a two-week period following the Company's publication of either its year-end report for 2025 or key financial figures for 2025. Upon conversion, the Company has the option to convert accrued interest into Class B shares. Until the start of the conversion period, the lenders, by a 51 percent majority, have the right to convert the entire loan at the above-mentioned conversion price. If the loan is not converted, it will become due for cash repayment 60 days after the last day of the conversion period, but no later than 30 April 2026. The Convertible Issue has been subscribed by JEQ Capital AB, Torsion Invest AB, Östen Carlsson, and Stora Södergatans Fastigheter AB.

Warrants of Series TO5B

Each warrant of series TO5B entitles the holder to subscribe for one (1) new Class B share in Divio during the period from 1 July 2026 to 15 July 2026. The subscription price per share upon exercise of the warrants is SEK 0.16.

The warrants will not be admitted to trading on any marketplace. Warrant holders representing at least 51 percent of the outstanding TO5B warrants may, by agreement with the Company, bring forward the subscription period.

If a rights issue of shares in Divio is carried out during the period from the registration of the warrants with the Swedish Companies Registration Office (Bolagsverket) until 1 July 2026, the subscription price of the warrants shall be recalculated to the lower of (i) SEK 0.16 and (ii) the subscription price in such rights issue. The warrants are otherwise subject to standard recalculation provisions.

Upon full exercise of all TO5B warrants, the Company may receive up to approximately SEK 3.9 million before deduction of transaction-related costs. The proceeds are intended to be invested in the Company's continued growth.

Warrants of Series TO6B

Each warrant of series TO6B entitles the holder to subscribe for one (1) new Class B share in Divio during the period from 1 July 2027 to 15 July 2027. The subscription price per share upon exercise of the warrants is SEK 0.18.

The warrants will not be admitted to trading on any marketplace. Warrant holders representing at least 51 percent of the outstanding TO6B warrants may, by agreement with the Company, bring forward the subscription period.

If a rights issue of shares in Divio is carried out during the period from the registration of the warrants with the Swedish Companies Registration Office (Bolagsverket) until 1 July 2027, the subscription price shall be recalculated to the lower of (i) SEK 0.18 and (ii) the subscription price in such rights issue. The warrants are otherwise subject to standard recalculation provisions.

Upon full exercise of all TO6B warrants, the Company may receive up to approximately SEK 4.3 million before deduction of transaction-related costs. The proceeds are intended to be invested in the Company's continued growth.

Deviation from Shareholders' Pre-Emptive Rights

The Board of Directors has assessed that, considering the Company's capital needs and current market conditions, it has been in the best interest of the Company and its shareholders to carry out a directed share issue with deviation from the shareholders' pre-emptive rights. The purpose of the share issue is to raise capital in a time- and cost-efficient manner.

The Board has also taken into account that a rights issue would have been significantly more time- and resource-consuming compared to the completed financing. Such an issue would likely have required extensive underwriting commitments from a guarantee consortium, which in turn would have entailed additional costs and/or increased dilution for shareholders depending on the terms of the guarantees. Moreover, there are no assurances that a rights issue would have been fully subscribed, further increasing the uncertainty. It is also relevant to consider the outcome of the rights issue resolved by the Board in October 2024, in which only 25.0 percent was subscribed for by the underwriting consortium. Given the above, and considering the size of the Directed Share

Issue, the Board believes that the Directed Share Issue and the Convertible Issue, both carried out on market terms, are preferable to a rights issue which would likely have required a significant discount and thus resulted in greater dilution for existing shareholders.

In determining the conversion price for the Convertible Loan, the Board has considered, among other factors, the loan's interest rate, the current and historical share price, and the term of the loan. The Board considers that the Financing has been carried out on market terms following negotiations with the investors and that it strengthens the Company's financial position.

In light of the above, the Board's overall assessment is that the deviation from the shareholders' pre-emptive rights is justified and in the long-term interests of both the Company and its shareholders.

Number of Shares, Share Capital and Dilution

Through the Directed Share Issue, the number of shares in the Company increases by 40,000,000 Class B shares, from a total of 333,840,085 Class A and B shares to a total of 373,840,085 Class A and B shares. The share capital increases by SEK 4,000,000, from SEK 33,384,008.50 to SEK 37,384,008.50. This corresponds to a dilution effect of approximately 10.51 percent of the votes and 10.70 percent of the capital.

In the event of full conversion of the Convertible Loan, including maximum accrued interest, a maximum of 30,490,399 new Class B shares may be issued, corresponding to a dilution of approximately 7.42 percent of the votes and 7.54 percent of the capital.

Upon full exercise of all warrants of series TO5B, the number of shares in the Company will increase by 23,999,991 Class B shares and the share capital will increase by SEK 2,399,999.10. This corresponds to a dilution effect of approximately 5.52 percent of the votes and 5.60 percent of the capital, assuming that the Convertible Loan and maximum accrued interest have been converted into shares.

Upon full exercise of all warrants of series TO6B, the number of shares in the Company will increase by 23,999,991 Class B shares and the share capital will increase by SEK 2,399,999.10. This corresponds to a dilution effect of approximately 5.23 percent of the votes and 5.31 percent of the capital, assuming that the Convertible Loan and maximum accrued interest have been converted into shares and that all warrants of series TO5B have been exercised.

For more information about Divio, please contact:

Jon Levin, CEO, Divio
Phone: +46 (0) 73 244 701 66
Email: jon.levin@divio.ch

Certified Adviser

FNCA Sweden AB
Phone: +46 (0)8 528 00 399
Email: info@fnca.se

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Forward-Looking Statements

This press release contains forward-looking statements regarding the Company's intentions, assessments, or expectations concerning the Company's future results, financial position, liquidity, development, outlook, expected growth, strategies, and opportunities, as well as the markets in which the Company operates. Forward-looking statements are statements that do not relate to historical facts and can be identified by terms such as "believes," "assesses," "expects," "anticipates," "intends," "estimates," "will," "may," "assumes," "should," "could," and, in each case, their negatives, or similar expressions.

The forward-looking statements in this press release are based on various assumptions, many of which are, in turn, based on further assumptions. Although the Company believes the assumptions reflected in these forward-looking statements are reasonable, there is no guarantee that they will materialize or prove to be correct. As these assumptions are based on estimates and are subject to risks and uncertainties, actual outcomes or results may differ materially from those expressed in the forward-looking statements due to various factors.

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The information, views, and forward-looking statements contained herein are provided only as of the date of this press release and may be subject to change. Neither the Company nor any other party undertakes any obligation to review, update, confirm, or publicly announce any revision of any forward-looking statement to reflect events or circumstances occurring in relation to the content of this press release, except as required by law or the rules of Nasdaq First North Growth Market.

Press enquiries

For further information about Divio Technologies, please visit divio.com or contact CEO Jon Levin (ir@divio.com)

The company's Certified Adviser is FNCA Sweden AB.

About Divio Technologies

Divio Technologies AB (Publ) is the PaaS and 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 information is information that Divio Technologies is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2025-06-27 22:15 CEST.

Attachments

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