

THIS PRESS RELEASE MAY NOT BE MADE PUBLIC, PUBLISHED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEELAND, SINGAPORE, SOUTH AFRICA, SOUTH KOREA, SWITZERLAND, RUSSIA, BELARUS, OR ANY OTHER JURISDICTION IN WHICH SUCH ACTIONS, WHOLLY OR IN PART, WOULD BE UNLAWFUL OR DEMAND ADDITIONAL REGISTRATION OR OTHER MEASURES. PLEASE REFER TO "IMPORTANT INFORMATION" IN THE END OF THIS PRESS RELEASE.

## THE BOARD OF DIRECTORS OF MODELON HAS RESOLVED ON A RIGHTS ISSUE OF APPROXIMATELY SEK 50 MILLION, CONDITIONAL ON THE APPROVAL OF THE EXTRAORDINARY GENERAL MEETING

The Board of Directors of Modelon AB (publ) ("Modelon" or the "Company") has today, conditional on the approval of an extraordinary general meeting, resolved on a rights issue of approximately SEK 50.1 million (the "Rights Issue"), with the option to increase the issue amount by SEK 10 million in the event of sufficient interest from investors. The subscription price has been set to SEK 9.1 per share of series B (the "B-shares"). Those who on the record date 17 June 2024 are registered as shareholders in Modelon will receive one (1) subscription right for each share held. Two (2) subscription rights will entitle the holder to subscribe for one (1) newly issued B-share. The Company has received subscription undertakings for subscription of B-shares, with and without preferential rights, which in total amount to approximately SEK 45.3 million, corresponding to approximately 90.3 percent of the Rights Issue. Shareholders in the Company representing approximately 86 percent of the total number of shares of series A in the Company have committed to, at a general meeting, vote in favor of an amendment to the Company's articles of association whereby the separation between shares of series A and shares of series B is removed. After the amendment of the articles of association, all shares in the Company will therefore be of the same share class. The amendment to the articles of association will be implemented after the Rights Issue has been completed and will be resolved at a separate general meeting expected to take place in August or September.

Notice to the extraordinary general meeting for resolution on approval of the Rights Issue, which will be held on 7 June 2024, will be announced through a separate press release.

### Summary

- The Board of Directors of Modelon has today resolved on the Rights Issue, conditional on the subsequent approval of the extraordinary general meeting.
- The extraordinary general meeting will be held on 7 June 2024 and the notice will be published through a separate press release.

- The net proceeds from the Rights Issue are intended to be used for the following purposes listed in order of priority: (i) finance efficiency increasing measures, personnel and other costs related to key functions within sales and product development, (ii) strengthen the sales department with further investments in a growth team to increase pipeline development and match customer requirements and (iii) product development and initiatives to meet increasing information security requirements and other general corporate purposes.
- If the Rights Issue is fully subscribed, the Company will receive approximately SEK 50.1 million before deduction of transaction costs.
- In addition to the Rights Issue, and provided that the extraordinary general meeting resolves to approve the proposal and that the Rights Issue is oversubscribed, the Board of Directors is authorized to carry out another issue to meet potential additional demand from investors and thereby broaden the shareholder base in Modelon, which would provide the Company with up to SEK 10 million before transaction costs.
- The subscription price is SEK 9.1 per B-share.
- Those who on the record date 17 June 2024 are registered as shareholders in Modelon will receive one (1) subscription right for each share held.
- Two (2) subscription rights entitle to subscription for one (1) newly issued B-share.
- The subscription period in the Rights Issue runs from and includes 19 June 2024, up to and including 3 July 2024.
- Shareholders who choose not to participate in the Rights Issue will have their ownership diluted by up to approximately 33.3 percent but will have the opportunity to compensate themselves financially for the dilution effect by selling their subscription rights.
- In the event the Company increases the issue amount by SEK 10 million due to additional demand from investors, shareholders who choose not to participate in the Rights Issue will instead see their ownership diluted by up to approximately 37.5 percent.
- The subscription undertakings from existing shareholders, including members of senior management and members of the Board of Directors, amount to approximately SEK 41.8 million, corresponding to approximately 83.3 percent of the Rights Issue. In addition, the Company has received subscription undertakings from new investors for subscription of B-shares without preferential rights, amounting to SEK 3.5 million, which corresponds to approximately 7.0 percent of the Rights Issue. Consequently, the Rights Issue is covered by way of subscription undertakings to a total of approximately SEK 45.3 million, corresponding to approximately 90.3 percent of the Rights Issue.
- The full terms and conditions of the Rights Issue will be available in the prospectus, which is expected to be published around 17 June 2024.
- Due to the Rights Issue, the Board of Directors of the Company has decided to have the auditor review and submit an audit report on the Company's interim report for Q1 2024. The review report will be published on the Company's website in connection with the publication of this press release.

### Background and reasons

Since the listing in 2021, the Company has successfully established itself as a global provider of cloud-based system simulation with its flagship product, Modelon Impact. This product has enabled technology companies to effectively digitize important aspects of innovation, product development and operations by creating and working with digital models of their products and systems. This has resulted in benefits such as shorter time to market, lower costs and improved performance and quality. Modelon has attracted several prominent global technology companies as customers since 2021, including MAN Energy Solutions, Engie, Rolls Royce, Siemens Energy and Volvo Autonomous Solutions, among others.

During this period, Modelon has also intensified the development of Modelon Impact and implemented several improvements through six major and several minor updates. Modelon has successfully established Modelon Impact as a cloud-based service (SaaS), which is now the primary delivery model, while a customer-installed cloud solution is still offered for certain market segments. The overwhelming majority of Modelon's customers are large companies with significant opportunities for expansion through upselling.

Modelon has experienced consistent annual recurring revenue (ARR) growth, successfully shifting revenue balance to 67% from software in 2023, compared to 32% in 2020.

Despite the positive progress since the listing, the development of the Company's products and organization has suffered from certain delays, which has negatively affected sales growth and development costs. However, Modelon believes that they have now overcome these obstacles and are well equipped for future growth.

In order to meet the increasing demand and improve its position in the market, Modelon plans to carry out the Rights Issue. This capital injection will be used to further improve their products and organization and to meet new challenges and opportunities in the market. In addition, Modelon intends to invest in areas such as IT security and strengthen its sales team and product development organization in order to better meet the needs of customers.

### Use of proceeds

If the Rights Issue is fully subscribed to, the Company will receive a maximum of approximately SEK 50.1 million before deduction of transaction costs. Given the Company's current business plan and against the above background, the Company intends to distribute the expected net proceeds in accordance with the below order of priority:

- Finance efficiency increasing measures, personnel and other costs related to key functions within sales and product development – approximately 60 percent.
- Strengthen the sales department with further investments in a growth team to increase pipeline development and match customer requirements – approximately 10 percent.
- Product development and initiatives to meet increasing information security requirements and other general corporate purposes – approximately 30 percent.

### Extraordinary general meeting

Through a separate press release, the Company will convene an extraordinary general meeting to be held on 7 June 2024 to approve the Rights Issue.

### The Rights Issue

Shareholders who are registered in the share register in Modelon on the record date on 17 June 2024 will receive one (1) subscription right for each share held in the Company. Two (2) subscription rights entitle the holder to subscribe for one (1) newly issued B-share. The subscription price is SEK 9.1 per share, which means that Modelon will receive gross proceeds of approximately SEK 50.1 million before deduction of transaction costs, provided that the Rights Issue is fully subscribed. In addition, investors are offered the opportunity to subscribe for B-shares without the support of subscription rights.

Provided that the Rights Issue is fully subscribed, and provided that the extraordinary general meeting resolves to approve the Rights Issue, the number of shares in Modelon will increase by 5,508,235, from 11,016,471 to 16,524,706 and the share capital will increase by a maximum of SEK 461,326.23, from SEK 922,652.55 to SEK 1,383,978.78.

Shareholders who choose not to participate in the Rights Issue will through the Rights Issue have their ownership diluted by up to approximately 33.3 percent (calculated on the total number of outstanding shares in the Company after completion of the Rights Issue). These shareholders have the opportunity to compensate themselves financially for this dilution effect by selling their received subscription rights. In addition to the Rights Issue, and provided that the extraordinary general meeting resolves to approve the proposal and that the Rights Issue is oversubscribed, the Board of Directors is authorized to carry out another issue to meet potential additional demand from investors and thereby broaden the shareholder base in Modelon, which would provide the Company with up to SEK 10 million before transaction costs. In the event that the Company increases the issue amount by SEK 10 million, the number of shares in Modelon will increase by a further 1,098,901 and the share capital will increase by a further approximately SEK 92,035.27. In the event that the Company increases the issue amount by SEK 10 million, shareholders who choose not to participate in the Rights Issue will instead have their share diluted by up to

approximately 37.5 percent.

The last day of trading in Modelon's shares including the right to receive subscription rights in the Rights Issue is 13 June 2024. The shares are traded excluding the right to receive subscription rights in the Rights Issue as of 14 June 2024. The subscription period, with or without the support of subscription rights, runs from and including 19 June 2024 up to and including 3 June 2024. Trading in subscription rights will take place on Nasdaq First North Growth Market during the period from 19 June 2024 up to and including 28 June 2024 and trading in BTAs (paid subscribed share) will take place on Nasdaq First North Growth Market during the period from and including 19 June 2024 until the registration of the Rights Issue with the Swedish Companies Registration Office.

The complete terms and conditions of the Rights Issue and information about the Company will be presented in a prospectus that is expected to be published on the Company's website around 17 June 2024.

### Subscription undertakings

Modelon has received subscription undertakings from existing shareholders, including members of senior management and members of the Board of Directors, amounting to approximately SEK 41.8 million, corresponding to approximately 83.3 percent of the Rights Issue. In addition, the Company has received subscription undertakings from new investors for subscription of B-shares without preferential right, amounting to SEK 3.5 million, corresponding to approximately 7.0 percent of the Rights Issue.

Consequently, the Rights Issue is covered by way of subscription undertakings to a total of approximately SEK 45.3 million, corresponding to approximately 90.3 percent of the Rights Issue. The subscription undertakings are not secured by bank guarantees, escrow funds, pledges or similar arrangements. No commission is paid for the subscription undertakings.

The full terms and conditions of the Rights Issue and further information about the parties that have entered into subscription undertakings will be presented in the prospectus that is expected to be published around 17 June 2024.

### Lock-up undertakings

Prior to the execution of the Rights Issue, members of the Board of Directors and senior management of the Company have entered into lock-up undertakings, which, among other things mean that they, with customary exceptions, have undertaken not to sell shares in the Company. The lock-up undertakings expire on the day that falls 180 days after the announcement date of the outcome in the Rights Issue. Further information about the parties that have entered into lock-up undertakings will be presented in the prospectus that is expected to be published around 17 June 2024.

Furthermore, the Company has undertaken towards Pareto Securities AB, subject to customary exceptions, not to issue additional shares or other share-related instruments for a period of 12 months after the end of the subscription period.

### Indicative time plan

The following time plan for the Rights Issue is preliminary and subject to change.

Extraordinary general meeting to resolve on the Rights Issue	7 June 2024
Last day of trading in shares including right to receive subscription rights	13 June 2024
First day of trading in shares excluding right to receive subscription rights	14 June 2024
Record date for the Rights Issue	17 June 2024
Planned publishing date of prospectus	17 June 2024
Trading in subscription rights	19 – 28 June 2024

---

Subscription period	19 June – 3 July 2024
Trading in paid subscribed share (BTA)	19 June – 15 July 2024
Expected announcement of the preliminary outcome in the Rights Issue	3 July 2024

---

### Advisers

Pareto Securities AB is Sole Manager and Bookrunner. Advokatfirman Lindahl KB is legal adviser to the Company and Baker & McKenzie Advokatbyrå is legal adviser to Pareto Securities in connection with the Rights Issue.

### For further information, please contact:

---

Christer Ljungberg, Chairman  
Cell phone: +46-70-811 0909  
[christer.ljungberg@modelon.com](mailto:christer.ljungberg@modelon.com)

Investor Relations: [ir@modelon.com](mailto:ir@modelon.com)

### About Modelon

---

Modelon offers systems modeling and simulation software that accelerates product innovation, development and operations in a range of industries. Modelon's flagship product, Modelon Impact, is a cloud-native system simulation software platform featuring a collaborative browser-based interface and thousands of proven models and components spanning a broad range of applications. Headquartered in Lund, Sweden, and with global reach, Modelon is an expert industry leader in model-based systems engineering with a focus on leveraging open standard technologies.

Modelon AB is listed on Nasdaq First North Growth Market with ticker symbol MODEL B. Redeye AB is appointed the Company's Certified Adviser.

*This information is information that Modelon AB 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 2024-05-21 17:30 CEST.*

### Important information

---

Publication, announcement, or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in the Company in any jurisdiction.

Any offer of securities in the Company mentioned in this press release will be made through a prospectus or with an applicable exemption in accordance with the Prospectus Regulation. This press release is not a prospectus according to Regulation (EU) 2017/1129 (together with relevant implementations and delegated regulations "Prospectus Regulation").

No securities described herein have been, nor will they be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws in any other state or jurisdiction in the USA and no securities may be offered or transferred (as defined in Regulation S under the Securities Act), directly or

indirectly, in or into the USA other than pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the USA. This press release does not constitute an offer or invitation to acquire or subscribe for shares or other securities in the USA. No securities will be offered to the public in the United States.

In the United Kingdom, this release is only being distributed to persons who are "qualified investors" within the meaning of the Prospectus Regulation, as it forms part of English law by virtue of the European Union (Withdrawal) Act 2018, and who are (i) investment professionals within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) persons who falls within Article 49(2)(a) to (d) of the Order, or (iii) other persons to whom this release may lawfully be communicated.

Within the European Economic Area ("EEA"), no public offering of securities is made in other countries than Sweden. In other member states of the EU, such an offering of securities may only be made in accordance with an applicable exemption in the Prospectus Regulation.

The press release contains certain forward-looking statements that reflect the Company's current views or expectations with respect to future events and financial and operational performance. The words "intend", "estimate", "expect", "may", "plan", "anticipate" or similar expressions regarding indications or forecasts of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.

### Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment").

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the

Company.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the shares in the Company and determining appropriate distribution channels.

## Attachments

---

The Board of Directors of Modelon has resolved on a rights issue of approximately SEK 50 million, conditional on the approval of the extraordinary general meeting