

BOARD OF MODELON AB PROPOSES DIRECTED SHARE ISSUE OF SEK 20 MILLION AT SEK 20 PER SHARE AND ISSUE OF WARRANTS TO BRIARWOOD CAPITAL PARTNERS, AND RELEASES Q2 ARR FIGURES

Modelon AB (publ) has entered into an agreement, in which Briarwood Capital Partners LP (BCP), an investment fund based in the USA managed by Briarwood Chase Management LLC (BCM), will invest SEK 20 million in Modelon. The board proposes that the investment is made through the issuance of 1,000,000 new shares at a subscription price of SEK 20 per share, which represents a premium of 84% compared to the 20-day volume weighted average price of the company's share on Nasdaq First North Growth Market as of July 7. The new share issue will result in a dilution effect of 5.5%. The board also proposes that the company issues 2,666,667 warrants to BCP with a three-year duration, divided into two tranches. Of the 2,666,667 warrants, 2,000,000 have an exercise price of SEK 20 per share and 666,667 have an exercise price of SEK 30 per share. The maximum investment value and cash inflow to Modelon is SEK 80 million over three years, assuming full conversion of the warrants, corresponding to a dilution effect of 17.6%. The warrants are subject to certain agreed restrictions in relation to transfer of the warrants.

The transaction deviates from shareholders' preferential subscription rights and is strictly limited to new shares issued to BCP, which currently owns 0 shares in Modelon. The reasons for the deviation from shareholders' preferential subscription rights are to strengthen the company's balance sheet at terms beneficial to all shareholders, and to diversify the shareholder base with a shareholder that has a track record of successful long-term investments in the simulation software industry and is present in one of the company's most important geographic markets, namely the United States.

The subscription price of the shares and exercise price of the warrants have been set based on publicly disclosed reference transactions and negotiations with BCP. According to the Modelon board of directors, existing shareholders are compensated for potential ownership dilution through the pricing of the directed share issue and warrant exercise prices at a substantial premium to the volume-weighted average share price. The warrants are issued without any consideration.

The proposals for directed new share issue and issuance of warrants will be resolved at an extraordinary general meeting (EGM) on August 20. The EGM notice will be published during the week of July 14. The three largest shareholders in Modelon – Noledom Holding AB, Accendo Capital SICAV RAIF, and Roosgruppen AB – have committed to vote in favor of the new share issue and issuance of warrants at the upcoming EGM. The transaction is conditional upon approval at the EGM.

"I am pleased to welcome BCP as a new shareholder. The added funds strengthen our cash position during a period of market uncertainty and will be used to enhance our go-to-market capabilities and product portfolio," said Jan Häglund, CEO.

"As a US based fund with previous successful investments in the CAE and Simulation market BCP will strengthen Modelon in the US market and in the broader simulation domain," said Christer Ljungberg, Chairman.

In conjunction with the agreement, Modelon is disclosing preliminary figures for annual recurring revenue (ARR). Total ARR for Q2 2025 amounted to MSEK 55.5 (51.1), an increase of 9 percent in constant currencies compared to Q2 2024, and a decrease of 2 percent compared to Q1 2025. Recurring revenue for Modelon Impact shows continued annual growth (ARR +28%), while the legacy multi-platform business decreased compared to Q2 2024. Total ARR for the comparison period Q2 2024 has been FX adjusted by MSEK -3.2, due to a stronger SEK in Q2 2025 compared to 2024.

For further information, please contact:

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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. Redeye AB is appointed the Company's Certified Adviser.

About Briarwood Chase Management

Briarwood Chase Management LLC (BCM) is a registered investment adviser based in New York, United States and under the regulatory oversight of the SEC. The company employs a research-driven, value-oriented investment style focused on international equities. BCM is a long-term oriented owner, which seeks to form partnerships with management teams for an extended duration and to work collaboratively on areas where BCM can bring expertise such as capital markets. BCM's client base mirrors the firm's long-term investment style and consists of capital from global family offices, endowments, and foundations. For more information, visit www.briarwoodcap.com.

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 2025-07-09 07:05 CEST.

Attachments

Board of Modelon AB proposes directed share issue of SEK 20 million at SEK 20 per share and issue of warrants to Briarwood Capital Partners, and releases Q2 ARR figures