

NOTICE TO ATTEND EXTRAORDINARY GENERAL MEETING IN MODELON AB (PUBL)

The shareholders of Modelon AB (publ) ("Company") are hereby convened to an extraordinary general meeting on Friday 16 August 2024, 13:00 at IDEON Science Park, Scheelevägen 17, Lund.

Notification etc.

Shareholders wishing to participate in the general meeting shall:

- partly, be entered in their own name (not nominee-registered) in the shareholders' register kept by Euroclear Sweden AB on the record day 8 August 2024, and
- partly, register their registration so it is received by the Company no later than 12 August 2024, either by mail to Modelon AB, Att. Jonas Eborn, Ideon Science Park, 223 70 Lund (marked "general meeting") or by e-mail to jonas.eborn@modelon.com.

Registration must specify the shareholders name, personal or organization number (or corresponding), address, phone number, number of shares, information of any assistants (maximum two), and if necessary, information of deputy or proxy.

Nominee-registered shares

Shareholders who have had their shares registered with a nominee must, to be entitled to participate in the general meeting, temporarily register the shares in their own name in the share register kept by Euroclear Sweden AB as of the record date as described above. Shareholders who wish to register their shares in their own name must, in accordance with the respective nominee's routines, request that the nominee make such registration. Registration of voting rights that has been requested by shareholders at such a time that the registration has been made by the nominee no later than 12 August 2024 will be considered in the production of the share register.

Shareholders who intend to attend through proxy must issue a dated power of attorney for the proxy, signed by the shareholder. The Company provides proxy forms on request, and these are also available from the Company's website, www.modelon.com/investor-relations. If the shareholder is a legal entity, an attested copy of the certificate of registration or its equivalent for the for the legal entity must be enclosed. The period of validity of the power of attorney is permitted to extend to five years from the date of issue. An original power of attorney and copy of the certificate of registration should be sent well in advance to the Company at the above address.

Proposed agenda

1. Opening of the general meeting and election of chairman of the meeting
2. Preparation and approval of the voting register
3. Election of one or two persons to verify the minutes
4. Approval of the agenda
5. Determination as to whether the general meeting has been duly convened
6. Proposal for resolution to implement a warrant-based incentive program for the Company's CEO

7. Closing of the general meeting

Item 6 – Proposal for resolution to implement a warrant-based incentive program for the Company's CEO

The board of directors proposes that the general meeting, resolves to implement a warrant- based incentive program for the Company's CEO Jan Häglund (the "Warrant Program 2024/2027") through (A) a resolution to issue warrants of series 2024/2027 to the Company's wholly owned subsidiary Modelon Göteborg AB (the "Subsidiary") and (B) a resolution to approve transfers of warrants of series 2024/2027 from the Subsidiary to Jan Häglund, as set out below.

(A) Proposal for resolution to issue warrants of series 2024/2027

The board of directors proposes that the meeting resolves to issue a maximum of 220,000 warrants of series 2024/2027 on the following terms and conditions:

1. With deviation from the shareholders' preferential rights, the warrants may only be subscribed for by the Subsidiary, with the right and obligation for the Subsidiary to transfer the warrants to Jan Häglund in accordance with what is stated in the proposal under (B) below. The Subsidiary shall not be entitled to dispose of the warrants in any other way than what is stated in the proposal under (B) below.
2. The reasons for the deviation from the shareholders' preferential rights is that the warrants shall be used within the framework of Warrant Program 2024/2027.
3. The warrants shall be issued free of charge to the Subsidiary.
4. Subscription of warrants shall be made on a separate subscription list on 27 August 2024 at the latest. The board of directors shall have the right to prolong the subscription period.
5. Each warrant entitles the holder to subscribe for one new share of series B in the Company against cash payment at a subscription price of SEK 20. Upon subscription of shares, the part of the subscription price that exceeds the quotient value of the previous shares shall be allocated to the non-restricted share premium fund.
6. The warrants may be exercised for subscription of shares during the period from 27 August 2027 up to and including 30 September 2027.
7. Shares issued upon exercise of warrants confers right to dividend for the first time on the next record date for dividends which occurs after subscription is effected.
8. The full terms and conditions for the warrants of series 2024/2027 are set forth in Schedule A, (the "Terms"). According to the Terms the subscription price and the number of shares which each warrant confers right to subscribe for may be recalculated in the event of a bonus issue, new issue, issue of warrants or convertibles and under some other circumstances. Further, the period for exercise of warrants may be brought forward or be postponed in some cases.
9. If all warrants are subscribed for, all warrants are transferred to employees in the Group resident in Sweden in accordance with what is stated in the proposal under (B) below and all warrants are exercised for subscription of shares, the Company's share capital will increase by SEK 18,425.46 (with reservation for eventual recalculation according to the Terms).

10. The board of directors, or anyone appointed by the board of directors, shall be authorized to make such minor formal adjustments in the issue resolution that may be required in connection with registration of the resolution at the Swedish Companies Registration Office.

(B) Proposal for resolution to approve transfers of warrants of series 2024/2027

The board of directors proposes that the meeting resolves to approve that the Subsidiary, within the framework of Warrant Program 2024/2027, transfers a maximum of 220,000 warrants of series 2024 /2027 to the Company's CEO Jan Häglund on the following terms and conditions:

1. The right to acquire warrants from the Subsidiary shall belong to the Company's CEO Jan Häglund. The participant may apply for acquisition of a lower number of warrants than the participant is offered to acquire.
2. Upon acquisition, the participant shall pay the market value of the warrants calculated using an usual valuation model (the so-called Black & Scholes formula) based on a share price that shall correspond to the volume weighted average price paid for the Company's share of series B on Nasdaq First North Growth Market during the period from 19 August 2024 up to and including 23 August 2024, and other prevailing market conditions on the day of the transfer. The calculation of the warrant's market value shall be performed by People & Corporate Performance AB, as an independent valuation institute, applying the Black & Scholes valuation model.
3. Application for acquisition of warrants shall be made on a special application form on 27 August 2024 at the latest. The board of directors shall have the right to prolong the application period.
4. A prerequisite for being entitled to acquire warrants from the Subsidiary is (i) that the entitled person is employed by the Company at the time of the acquisition and that it at that time has neither given nor received any notice of termination of its employment, (ii) that acquisition of warrants can take place in accordance with applicable laws, and (iii) that the employee at the time of the acquisition has entered into a so-called pre-emption agreement with the Company, according to which the employee is obliged to offer the Company, or the person designated by the Company, to buy the warrants if the employee intends to transfer the warrants or where the employee's employment in the Company ceases within a certain time and in some other cases.
5. Warrants of series 2024/2027 which are not transferred to the participant, as well as warrants of series 2024/2027 which, where applicable, are later repurchased, may be canceled.

The motive for the proposal and the reasons for the deviation from the shareholder's preferential rights

The motive for the proposal and the reasons for the deviation from the shareholders' preferential rights is to offer the Company's CEO an opportunity to take part in a value growth in the Company's share of series B, which can be expected to lead to increased commitment to the Company's operations and earnings development and to increased motivation and sense of belonging with the Company. The program is expected to lead to an increased alignment of interests between the CEO and the Company's shareholders. The board of directors considers that the program can have a positive impact on the Company's continued development and that it promotes the Company's long-term value creation, to the benefit of the Company and its shareholders. The board therefore assesses, based on the design of the incentive program, that there is no need to establish any predetermined and measurable performance criteria for participation in the program.

Dilution and information about other share-related incentive programs

Per the day of this proposal there are 17,224,706 shares in the Company, whereof 1,421,218 shares of series A and 15,803,488 shares of series B. A share of series A carry ten votes and a share of series B carry one vote.

If all warrants that can be issued within the framework of Warrant Program 2024/2027 (warrants of series 2024/2027) are subscribed for, transferred and exercised for subscription of shares of series B, the number of shares and votes in the Company will increase by 220,000 (with reservation for eventual recalculation according to the Terms), which corresponds to a dilution of approx. 1.3 percent of the number of shares and approx. 0.7 percent of the number of votes in the Company.

There are six outstanding share-related incentive programs in the Company since earlier – Warrant Program 2022/2026, Employee Stock Option Program 2022/2026, Warrant Program 2023/2027, Employee Stock Option Program 2023/2027, Warrant Program 2024/2028 and Employee Stock Option Program 2024/2028. Per the day of this proposal there are 35,000 outstanding warrants in Warrant Program 2022/2026, 42,000 outstanding employee stock options in Employee Stock Option Program 2022/2026, 27,500 outstanding warrants in Warrant Program 2023/2027, 48,500 outstanding employee stock options in Employee Stock Option Program 2023/2027, 36,500 outstanding warrants in Warrant Program 2024/2028 and 52,500 outstanding employee stock options in Employee Stock Option Program 2024/2028. Each warrant in Warrant Program 2022/2026 and employee stock option in Employee Stock Option Program 2022/2026 entitles for subscription/acquisition of one share of series B in the Company during the period from 15 May 2026 up to and including 30 June 2026 at a subscription price/an exercise price of SEK 28. Each warrant in Warrant Program 2023/2027 and employee stock option in Employee Stock Option Program 2023/2027 entitles for subscription/acquisition of one share of series B in the Company during the period from 15 May 2027 up to and including 30 June 2027 at a subscription price/an exercise price of SEK 26.98. Each warrant in Warrant Program 2024/2028 and employee stock option in Employee Stock Option Program 2024/2028 entitles for subscription/acquisition of one share of series B in the Company during the period from 15 May 2028 up to and including 30 June 2028 at a subscription price/an exercise price of SEK 15. The Company's obligations under the Employee Stock Option Program 2022/2026, Employee Stock Option Program 2023/2027 and Employee Stock Option Program 2024/2028 (delivery of shares) have been secured by warrants.

If (i) all outstanding warrants and employee stock options in Warrant Program 2022/2026, Employee Stock Option Program 2022/2026, Warrant Program 2023/2027, Employee Stock Option Program 2023/2027, Warrant Program 2024/2028 and Employee Stock Option Program 2024/2028 are exercised for subscription/acquisition of shares, (ii) the general meeting resolves on the implementation of Warrant Program 2024/2027 in accordance with the proposal, (iii) and all warrants that can be issued within the framework of Warrant Program 2024/2027 are subscribed for, transferred and exercised for subscription of shares, the number of shares and votes in the Company will increase by 462,000 in total (with reservation for eventual recalculation according to the Terms), which corresponds to a dilution of approx. 2.6 percent of the number of shares and approx. 1.5 percent of the number of votes the Company in total.

The dilution effects have been calculated as the number of additional shares and votes in relation to the number of existing and additional shares and votes.

Preliminary valuation, costs and effects on key figures

A preliminary valuation of the market value of a warrant of series 2024/2027 has been made, applying the Black & Scholes valuation model. Based on an assumed share price of SEK 12.50 at the time of the issuance of the warrants, an assumed subscription price of SEK 20.00 upon exercise of the warrants, a term of 3.08 years, an assumed volatility of 40 percent, a risk-free interest rate of 2.08 percent and full compensation through recalculation in the event of payment of any dividend during the term, the market value of a warrant of series 2024/2027 has been calculated to SEK 1.83. When transferring the warrants, the market value will be determined based on updated assumptions and then known parameters.

Since the warrants are transferred to the participant at market value, it is the Company's assessment that no costs for social security fees or similar will arise for the Company as a result of the issue. The costs will therefore mainly only consist of limited costs for implementation and administration of the warrants. The incentive program is not expected to entail any significant costs for the Company. For that reason, no measures have been taken to secure the program.

Warrant Program 2024/2027 will have a marginal effect on the Company's key figures.

Preparation of the proposals

The proposals for resolutions under (A) and (B) above have been prepared by the board of directors together with external advisors.

Majority requirements

It is proposed that resolutions in accordance with the proposals under (A) and (B) above shall be adopted as one joint resolution. For a valid resolution in accordance with the proposals, the resolution must be supported by shareholders with at least nine-tenths of the votes cast as well as the shares represented at the meeting.

Shareholders' right to request information

The board of directors and the CEO shall, upon request by any shareholder and where the board of directors believes that it can be done without significant harm to the Company, provide information concerning circumstances which may affect the assessment of an item on the agenda.

Documentation for the general meeting

The complete proposals of the board of directors in accordance with the above as well as other documents pursuant to the Swedish Companies Act, will be available at the Company's office on Ideon Science Park, 223 70 Lund, Sweden, and on the Company's website, www.modelon.com/investor-relations, no later than two weeks before the extraordinary general meeting. The documents will also be sent free of charge to shareholders who have requested this and provided their postal address. The documents will also be available at the extraordinary general meeting.

Processing of personal data

For information on how personal data is processed in connection with the general meeting, please refer to the privacy policy available on Euroclear Sweden AB's website, <https://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf>.

Modelon AB (publ)

The Board of Directors

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

Attachments

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