

July 24, 2025: The Board of Directors and Chief Executive Officer of Modelon AB (publ.), listed on Nasdaq First North Growth Market, present the following report for the period January - June 2025.

Quarter, April - June

- ARR amounted to MSEK 55.5 (51.1), an annual growth of 9%.
- Net revenue amounted to MSEK 18.5 (21.9), of which software revenue was MSEK 14.4 (14.4).
- Cash flow from operations amounted to MSEK -14.6 (-14.6).
- Adjusted EBIT¹ amounted to MSEK -9.4 (-11.4).
- Operating expenses were MSEK 33.2 (34.8), including non-recurring items of MSEK 5.2 (1.5) and development costs of MSEK 10.5 (13.5).
- Net profit amounted to MSEK -14.6 (-12.4).
- Earnings per share amounted to SEK -0.85 (-1.13) before dilution.

Period, January – June

- Net revenue amounted to MSEK 38.9 (40.2), of which software revenues were MSEK 29.6 (27.9).
- Adjusted EBIT¹ amounted to MSEK -17.7 (-25.8).
- Operating expenses were MSEK 62.8 (68.7), including non-recurring items of MSEK 5.2 (1.5).
- Net profit amounted to MSEK -23.7 (-26.6).
- Earnings per share amounted to SEK -1.37 (-2.41) before dilution.

Summary Financials

| MSEK | Quarter, Apr - Jun | | | Period, Jan - Jun | | |
|--|--------------------|--------|--------|-------------------|--------|--------|
| | 2025 | 2024 | Change | 2025 | 2024 | Change |
| Annual recurring revenue, ARR | 55.5 | 51.1 | 9% | 55.5 | 51.1 | 9% |
| Net revenues | 18.5 | 21.9 | -16% | 38.9 | 40.2 | -3% |
| Software revenues | 14.4 | 14.4 | 0% | 29.6 | 27.9 | 6% |
| - whereof recurring revenue | 13.9 | 13.6 | 2% | 28.9 | 26.7 | 8% |
| Service revenues | 4.0 | 7.5 | -46% | 9.4 | 12.3 | -24% |
| Other operating income | 0.1 | -0.1 | | 0.9 | 1.1 | |
| EBIT | -14.6 | -12.9 | - | -22.9 | -27.4 | - |
| EBIT margin | -79.3% | -59.0% | | -58.9% | -68.0% | |
| Adjusted EBIT ¹ | -9.4 | -11.4 | - | -17.7 | -25.8 | - |
| Adj. EBIT margin | -51.1% | -52.2% | | -45.5% | -63.3% | |
| Net result after tax | -14.6 | -12.4 | - | -23.7 | -26.6 | - |
| Earnings per share (SEK) before dilution | -0.85 | -1.13 | | -1.37 | -2.41 | |
| Cash balance | 49.3 | 39.9 | 23% | 49.3 | 39.9 | 23% |

¹ Adjusted EBIT excl. non-recurring items related to restructuring costs.

Significant events during Q2 2025

- Annual General Meeting on May 6 resolved according to the nominating committee proposal and elected a Board with five members. AGM also resolved on authorization for the Board to decide on issue of new shares and approved a new share incentive program for all employees.

Significant events after the period

- On July 9, Modelon Board proposed a directed share issue to Briarwood Capital Partners.
- On July 15, a notice was published to attend an Extraordinary General Meeting to be held on August 20.

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Investor presentation

Modelon will hold a presentation of the Q2 interim report at 10:00 a.m. CET on July 24, 2025. CEO Jan Häglund and CFO Jonas Eborn will present the Q2 earnings in a webcast.

[Link to webcast](#)

Comments from the CEO

Business update

Annual recurring product revenues increased by 9 percent year-over-year in constant currencies, driven by a solid 28 percent growth in Modelon Impact. Net revenue in Q2 2025 was MSEK 18.5, a decrease of 16 percent compared with the same period last year. The decline was mainly due to weaker service business and negative currency effects. The lower services revenues relate to a change in product mix, as Modelon Impact is easier to use and requires less integration and customer support than our legacy multi-platform offering. A stronger SEK against the USD reduced reported revenues, since a significant portion of our business is in North America.

We welcomed Dandelion, a U.S.-based geothermal energy specialist, as a new customer. We also secured contracts with a Japanese heat pump manufacturer, a European leader in waste-to-energy, a high-profile motorsports company, and we expanded business with large clients in automotive, aerospace, and energy industries.

Last year's efficiency programs have reduced our cost base, contributing to improved profitability. Given the uncertain market forecast, we have implemented additional measures that will generate annual cost reductions of MSEK 15, starting from Q3 this year. The associated re-structuring costs (MSEK 5.2) were recorded in Q2. Adjusted EBIT in Q2 2025, excluding non-recurring items, was MSEK -9.4, which is an MSEK 2.0 improvement over the same quarter last year. Operating cash flow was MSEK -14.6, flat vs. last year.

Effective July 1, two management team members have new roles: Pieter Dermont has been promoted to Chief Revenue Officer, and Thomas Nilsson has been recruited as the new Chief Product & Technology Officer. I am confident that a streamlined organization, consolidated product development sites, increased test automation, and greater use of AI tools will enhance value creation for customers.

Building simulations

In response to consistent market interest for building simulations, we have integrated the open-source buildings library from Lawrence Berkeley National Laboratories (LBNL) into Modelon Impact. This integration provides our customers with a wide range of pre-built simulation models, reducing time to results. For Modelon, it enhances our competitiveness in the building simulation market, which is expected to grow in all key geographies.

A Japanese customer, Takenaka Corporation, has selected Modelon Impact for optimizing climate control of buildings, at both design and operational stages. We are delighted with this contract and we look forward to new business opportunities based on successful initial projects with Takenaka Corporation.

New shareholders

On July 9, we announced an agreement with Briarwood Capital Partners LP (BCP), a U.S.-based investment fund. Under this agreement and subject to shareholder approval at an EGM to be held August 20, BCP will become a minority shareholder through an initial investment of MSEK 20 at SEK 20 per share. BCP has a successful investment track record in the simulation industry and will bolster our presence in the U.S., our largest market. The capital injection will strengthen our cash position and provide opportunities for further product and go-to-market investments, including acceleration of generative AI features.

Summary and outlook

During the second quarter, we improved the company's profitability, thanks to cost control and efficiency programs. We won new software license contracts, but also encountered customer investment delays, especially in North America. While this trend is expected to continue during the second half of the year, we judge that the underlying demand for system simulations remains healthy and that our cloud-based tools are competitive against alternatives on the market.

The integration of the open-source buildings library from LBNL opens new business opportunities and demonstrates the flexibility of our platform. The new agreement with a U.S.-based investor will strengthen our financial position and gives us opportunities to enhance the product portfolio and sales organization.

Financially, our ambition is to generate software ARR growth above 20 percent and positive free cash flow latest during 2026. Longer term, we target an EBIT margin above 20 percent.

Jan Häglund, CEO

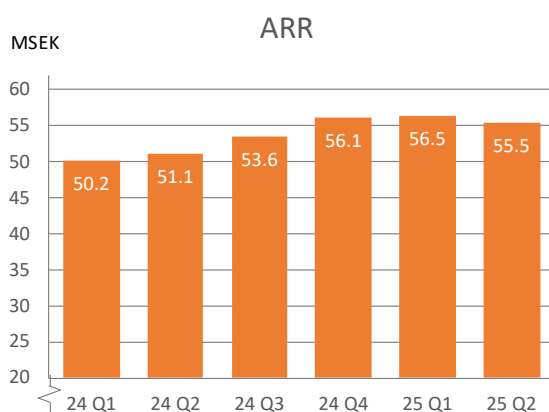


Financial development

Revenues

Annual recurring revenue

Total annual recurring software revenue in constant currency (ARR) amounted to MSEK 55.5 (51.1), an increase of 9 percent compared to Q2 2024, and a decrease of 2 percent compared to Q1 2025. We saw continued growth in Modelon Impact recurring revenues (ARR +28%), while the legacy multi-platform business decreased (ARR -6%). Total ARR before adjusting for currency effects amounted to MSEK 55.5 (54.2). The differences in exchange rates at the end of Q2 correspond to an FX adjustment of MSEK -3.2 for the comparison period.



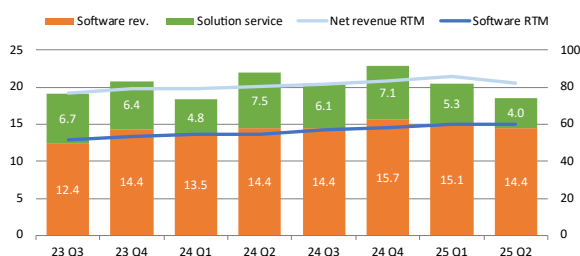
Software ARR growth is reported at constant currency, see quarterly figures and KPI definition on page 9. Total ARR numbers include revenue from Modelon Impact and from multi-platform libraries and software.

Quarter, April – June 2025

Net revenues amounted to MSEK 18.5 (21.9), a decrease of 16%. Software revenues amounted to MSEK 14.4 (14.4), the same as last year. Total service revenues amounted to MSEK 4.0 (7.5), a decrease of 46%.

Period, January – June 2025

Net revenues amounted to MSEK 38.9 (40.2), a decrease of 3%. Software revenues in the period amounted to MSEK 29.6 (27.9), an increase of 6%. Total service revenues in the period amounted to MSEK 9.4 (12.3).



Revenue development shows consistent growth in software revenue. Higher software revenue in the fourth quarters of 2023 and 2024 reflect non-recurring software sales in the quarter. Note that revenues are not FX adjusted.

Costs

Quarter, April – June 2025

Other external expenses amounted to MSEK 6.5 (9.8), where lower cost is mainly related to less use of external consultants. Personnel costs amounted to MSEK 26.8 (25.0), including non-recurring costs of MSEK 5.2 (1.5) related to restructuring in the second quarter. Depreciation amounted to MSEK 0.2 (0.2), and other operating expenses were MSEK -0.3 (-0.2).

Period, January – June 2025

Other external expenses amounted to MSEK 13.6 (20.9), where lower cost is mainly related to less use of external consultants. Personnel costs amounted to MSEK 48.7 (45.9), including non-recurring costs of MSEK 5.2 (1.9). Depreciation amounted to MSEK 0.5 (0.5) and other operating expenses were MSEK 0.1 (1.4).

Research and development costs are included in OPEX

Modelon recognizes all research and development costs as operating expenses and does not capitalize any development costs.

Development costs in the second quarter amounted to MSEK 10.5 (13.5), a decrease of 22 percent. For the trailing twelve-month (TTM) period, development costs were MSEK 47.4 (53.8), a decrease of 12 percent. Development costs are expected to decrease further from Q3, following restructuring in the second quarter.

Key Performance Indicator

KPIs are defined on page 9, under Quarterly development.

| MSEK | Quarter, Apr - Jun | | | Period, Jan - Jun | | |
|-------------------|--------------------|------|--------|-------------------|------|--------|
| | 2025 | 2024 | Change | 2025 | 2024 | Change |
| ARR* | 55.5 | 51.1 | 9% | 55.5 | 51.1 | 9% |
| Development costs | 10.5 | 13.5 | -22% | 21.1 | 28.3 | -26% |

*) Annual recurring revenue

Earnings

Quarter, April – June 2025

EBIT for the quarter amounted to MSEK -14.6 (-12.9). Adjusted EBIT for the quarter amounted to MSEK -9.4 (-11.4).

Period, January – June 2025

EBIT for the period amounted to MSEK -22.9 (-27.4). Adjusted EBIT for the period amounted to MSEK -17.7 (-25.8).

Net financial income

Net result from financial items for the quarter amounted to MSEK 0.1 (0.6). Net result from financial items for January – June amounted to MSEK -0.4 (0.6).

Net result after tax

Net result after tax in the quarter amounted to MSEK -14.6 (-12.4), corresponding to SEK -0.85 per share. Net result after tax for January – June amounted to MSEK -23.7 (-26.6), corresponding to SEK -1.37 per share.

Financing and cash flow

As of June 30, Modelon's total available liquidity amounted to MSEK 59.3 (49.9), of which the cash balance amounted to MSEK 49.3 (39.9), and unutilized credit facilities amounted to MSEK 10.0 (10.0). Cash flow from operating activities amounted to MSEK -14.6 (-14.6) for the second quarter. The change in working capital amounted to MSEK +0.1 (-3.1) in the quarter.

The share

As of June 30, 2025, the total number of shares in Modelon was 17,224,706 (11,016,471). The total number of shares after full dilution was 17,755,327. The company's registered share capital was SEK 1,442,605. The average number of shares in the quarter was 17,224,706 (11,016,471). The average number of shares in the period January - June was 17,224,706 (11,016,471).

Share incentive programs

Modelon has five active share incentive programs: 2024/2027 for CEO Jan Häglund, and 2022/2026, 2023/2027, 2024/2028 and 2025/2029 for all employees. Each of the employee incentive programs is split into two series in which warrants are offered to Swedish employees, and stock options are offered to employees outside Sweden. The number of outstanding warrants and stock options in these five programs is 530,621, and the total dilution effect from share incentive programs if all warrants and options are allotted, vested, and exercised for acquisition of shares is 2.99% per June 30, 2025.

Parent Company

January – June 2025

Total revenues of the parent company for the period amounted to MSEK 26.1 (25.0) with an EBIT of MSEK -20.6 (-25.4). Since the parent company owns all IP rights in Modelon software products, it is also carrying all development costs. Net result from financial items for the period amounted to MSEK -0.5 (0.6) and the net result was MSEK -21.2 (-24.8).

Largest shareholders

The table below shows the major shareholders in the company per June 30, 2025.

| Owner | Shares | Capital |
|---------------------------------|------------|---------|
| Noledom Holding AB ¹ | 5,021,806 | 29.2% |
| Accendo Capital | 4,010,053 | 23.3% |
| RoosGruppen AB | 1,766,796 | 10.3% |
| ES Aktiehandel AB | 725,699 | 4.2% |
| Ansys Inc. | 645,000 | 3.7% |
| Challengers Europe | 427,882 | 2.5% |
| Ålandsbanken | 405,000 | 2.4% |
| Hubertus Tummescheit | 329,670 | 1.9% |
| Avanza Pension | 294,944 | 1.7% |
| Johan Andreasson | 293,959 | 1.7% |
| Total top 10 | 13,920,809 | 80.8% |
| Other owners | 3,303,897 | 19.2% |
| Total number of shares | 17,224,706 | |

¹ Noledom Holding AB comprises company co-founders that currently are or previously have been active in the company management or board.

Risk factors

Modelon operates in a market where competitors are both global and local. Some of Modelon's competitors are companies with significantly more extensive sales and marketing organizations. These companies can expose Modelon to competition by selling broad, comprehensive software solutions, higher up in customer organizations, which in the long run has an impact on the customer's entire organization. Risks also include technical development and production safety, IT and information security, and the ability to attract and retain key personnel. Financial risks include financing of the business and possible future financing; legal risks consist of new or changed regulations as well as disputes and litigations. Risks that are managed well can lead to opportunities and create value, while risks that are not managed properly can lead to damage and unnecessary costs for the company. Read more about company-specific risk factors in our 2024 annual report.

Sustainability

Modelon's sustainability work includes two areas: internal activities to become more sustainable and offerings to customers. Modelon can, with its deep expertise in digitization based on system modeling and simulation, help its customers in the field of sustainability. Digitalization generally entails a reduction or elimination of transport, travel and resource-intensive prototype construction and related testing, and Modelon's solutions are often used to enable and drive innovation and conversion of products into more sustainable technology and solutions. The work revolves around Modelon's most important stakeholders: employees, customers, owners, and the community in which the group operates. Read more about sustainability in our 2024 annual report.

Financial targets

| | |
|-------------------------|--|
| Revenue | Annual Recurring Revenue growth above 20 percent |
| Cash Flow | Free Cash Flow positive from 2026 |
| Operating Profit | Long-term Operating Profit Margin above 20 percent |

Financial targets should not be viewed as a forecast but rather as the ambition that the board of directors and executive management believe are reasonable long-term objectives for the company.

Financial statements

Condensed Consolidated Income Statement

| MSEK | Quarter, Apr - Jun | | Period, Jan - Jun | |
|-------------------------------------|--------------------|-------|-------------------|-------|
| | 2025 | 2024 | 2025 | 2024 |
| Net revenue | 18.5 | 21.9 | 38.9 | 40.2 |
| Other operating income | 0.1 | -0.1 | 0.9 | 1.1 |
| Total revenue | 18.5 | 21.9 | 39.8 | 41.4 |
| Operating expenses | | | | |
| Other external expenses | -6.5 | -9.8 | -13.6 | -20.9 |
| Personnel costs | -21.6 | -23.5 | -43.5 | -44.4 |
| Non-recurring items ¹ | -5.2 | -1.5 | -5.2 | -1.5 |
| Depreciation and amortization | -0.2 | -0.2 | -0.5 | -0.5 |
| Other operating expenses | 0.3 | 0.2 | -0.1 | -1.4 |
| Total operating expenses | -33.2 | -34.8 | -62.8 | -68.7 |
| Operating result | -14.6 | -12.9 | -22.9 | -27.4 |
| Financial items | | | | |
| Interest income and similar items | 0.2 | 0.8 | 0.3 | 1.0 |
| Interest expenses and similar items | -0.1 | -0.2 | -0.7 | -0.4 |
| Net result from financial items | 0.1 | 0.6 | -0.4 | 0.6 |
| Profit/loss before tax | -14.6 | -12.3 | -23.3 | -26.7 |
| Tax | 0.0 | -0.1 | -0.4 | 0.1 |
| Net profit/loss | -14.6 | -12.4 | -23.7 | -26.6 |

¹ Non-recurring items consist of personnel costs related to restructuring in Q2 2025.

Condensed Consolidated Balance Sheet

| MSEK | 2025-06-30 | 2024-06-30 | 2024-12-31 |
|------------------------------|-------------|-------------|--------------|
| Fixed assets | | | |
| Licenses | 0.0 | 0.0 | 0.0 |
| Equipment | 1.5 | 2.4 | 2.1 |
| Deferred tax assets | 16.3 | 16.2 | 16.5 |
| Total fixed assets | 17.8 | 18.6 | 18.6 |
| Current assets | | | |
| Accounts receivable | 8.2 | 15.4 | 34.2 |
| Other receivables | 4.8 | 9.4 | 5.6 |
| Other short-term investments | 0.0 | 20.0 | 0.0 |
| Cash and bank | 49.3 | 19.9 | 62.6 |
| Total current assets | 62.3 | 64.7 | 102.3 |
| TOTAL ASSETS | 80.1 | 83.3 | 121.0 |

Consolidated Balance Sheet, cont.

| MSEK | 2025-06-30 | 2024-06-30 | 2024-12-31 |
|-------------------------------------|-------------|-------------|--------------|
| Shareholders' equity | | | |
| Share capital | 1.4 | 0.9 | 1.4 |
| Other equity incl. net profit/loss | 21.4 | 26.7 | 45.1 |
| Total shareholders' equity | 22.9 | 27.6 | 46.5 |
| Liabilities | | | |
| Deferred tax liabilities | 0.0 | 0.0 | 0.0 |
| Accounts payable | 1.9 | 6.0 | 2.5 |
| Deferred revenue, prepaid licenses | 32.4 | 32.9 | 45.7 |
| Other liabilities | 22.9 | 16.8 | 26.2 |
| Total liabilities | 57.2 | 55.7 | 74.4 |
| TOTAL EQUITY AND LIABILITIES | 80.1 | 83.3 | 121.0 |

Condensed Consolidated Cash Flow Statement

| MSEK | Quarter, Apr - Jun | | Period, Jan - Jun | |
|---|--------------------|-------|-------------------|-------|
| | 2025 | 2024 | 2025 | 2024 |
| Operating income | -14.6 | -12.9 | -22.9 | -27.4 |
| Adjustment for non-cash items | -0.2 | 0.6 | 1.4 | 0.5 |
| Interests and paid taxes | 0.1 | 0.8 | -0.1 | 0.5 |
| Change in working cap. receivables | 1.4 | -8.5 | 24.0 | 3.4 |
| Change in working cap. liabilities | -1.3 | 5.4 | -13.9 | 4.3 |
| Cash flow from operating activities | -14.6 | -14.6 | -11.6 | -18.7 |
| Investments | 0.0 | -0.1 | 0.0 | -0.3 |
| Cash flow from investing activities | 0.0 | -0.1 | 0.0 | -0.3 |
| New share issue | 0.0 | 0.0 | 0.0 | 0.0 |
| Transaction costs, new share issue | 0.0 | 0.0 | 0.0 | 0.0 |
| Repurchased warrants | 0.0 | 0.0 | 0.0 | 0.0 |
| Premiums received for warrants | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from financing activities | 0.0 | 0.0 | 0.0 | 0.0 |
| Net increase/decrease in cash and equiv. | -14.6 | -14.7 | -11.6 | -19.0 |
| Cash and liquid assets at start of period | 64.1 | 55.0 | 62.6 | 59.0 |
| Exchange rate differences | -0.2 | -0.4 | -1.7 | -0.1 |
| Cash and liquid assets at end of period | 49.3 | 39.9 | 49.3 | 39.9 |

Condensed Consolidated Changes in Equity

| MSEK | Share capital | Other contr. of equity | Other equity incl. profit | Total equity |
|------------------------------------|---------------|------------------------|---------------------------|--------------|
| As of January 1, 2024 | 0.9 | 200.2 | -147.2 | 53.9 |
| Exchange differences | | | 0.3 | 0.3 |
| Net loss for the period | | | -26.6 | -26.6 |
| Transactions with owners: | | | | |
| Issued warrants | | 0.1 | | 0.1 |
| Repurchased warrants | | 0.0 | | 0.0 |
| As of June 30, 2024 | 0.9 | 200.3 | -173.5 | 27.6 |
| Exchange differences | | | 0.1 | 0.1 |
| Net loss for the period | | | -32.8 | -32.8 |
| Transactions with owners: | | | | |
| New share issue | 0.5 | 56.0 | | 56.5 |
| Transaction costs, new share issue | | -5.2 | | -5.2 |
| Premiums received for warrants | | 0.3 | | 0.3 |
| Repurchased warrants | | 0.0 | | 0.0 |
| Share-based payments | | | 0.0 | 0.0 |
| As of January 1, 2025 | 1.4 | 251.3 | -206.3 | 46.5 |
| Exchange differences | | | -0.1 | -0.1 |
| Net loss for the period | | | -23.7 | -23.7 |
| Transactions with owners: | | | | |
| Issued warrants | | 0.1 | | 0.1 |
| Repurchased warrants | | 0.0 | | 0.0 |
| As of June 30, 2025 | 1.4 | 251.5 | -230.1 | 22.9 |

Condensed Income Statement, Parent company

| MSEK | YTD, Jan - Jun | |
|-------------------------------------|----------------|-------|
| | 2025 | 2024 |
| Net revenue | 26.1 | 25.0 |
| Other operating income | 0.9 | 1.1 |
| Total revenue | 27.0 | 26.1 |
| Operating expenses | | |
| Other external expenses | -15.4 | -24.6 |
| Personnel costs | -29.9 | -25.7 |
| Depreciation and amortization | -0.2 | -0.2 |
| Other operating expenses | -2.1 | -1.0 |
| Total operating expenses | -47.6 | -51.5 |
| Operating result | -20.6 | -25.4 |
| Financial items | | |
| Loss from shares in group companies | -0.1 | -0.1 |
| Interest income and similar items | 0.3 | 1.0 |
| Interest expenses and similar items | -0.7 | -0.4 |
| Net result from financial items | -0.5 | 0.6 |
| Profit/loss before tax | -21.2 | -24.8 |
| Tax | 0.0 | 0.0 |
| Net profit/loss | -21.2 | -24.8 |

Condensed Balance Sheet, Parent company

| MSEK | 2025-06-30 | 2024-06-30 | 2024-12-31 |
|---|-------------|-------------|-------------|
| Fixed assets | | | |
| Licenses | 0.0 | 0.0 | 0.0 |
| Equipment | 0.7 | 1.1 | 0.9 |
| Shares in group companies | 6.2 | 6.2 | 6.2 |
| Deferred tax assets | 15.5 | 15.5 | 15.5 |
| Total fixed assets | 22.4 | 22.7 | 22.5 |
| Current assets | | | |
| Accounts receivable | 1.6 | 3.1 | 9.8 |
| Receivables from group companies | 0.9 | 0.0 | 2.4 |
| Other receivables | 3.6 | 6.1 | 4.0 |
| Other short-term investments | 0.0 | 20.0 | 0.0 |
| Cash and bank | 40.4 | 13.3 | 51.0 |
| Total current assets | 46.5 | 42.5 | 67.2 |
| TOTAL ASSETS | 68.8 | 65.2 | 89.7 |
| Shareholders' equity | 28.8 | 24.8 | 49.8 |
| Liabilities | | | |
| Accounts payable | 1.9 | 5.6 | 2.3 |
| Short-term liabilities to group companies | 8.7 | 10.8 | 2.1 |
| Other liabilities | 29.4 | 23.9 | 35.5 |
| Total liabilities | 40.0 | 40.4 | 39.9 |
| TOTAL EQUITY AND LIABILITIES | 68.8 | 65.2 | 89.7 |

Accounting principles and currency exposure

The consolidated interim quarterly report for the Group is prepared in accordance with Swedish GAAP, annual accounting act, following the same principles as the annual report. There has been no change in principles since the 2024 annual report was published.

Software license renewals and subscription revenue are accrued over the license validity period, and service revenue is generated as the services are completed (POC, percentage of completion).

The financial statements are presented in SEK, the functional currency of Modelon AB. Foreign subsidiaries are included in the consolidation. Sales are largely generated in foreign currencies, with USD as the dominant sales currency.

The income statement is translated at the period-average exchange rate while balance sheet items are translated at the closing rate. Net exposure in USD (i.e., the difference between sales and costs in USD) is expected to be somewhat higher in 2025 compared to 2024, approximately 1.5 MUSD, corresponding to 14.3 MSEK per USD rate at the end of the period. A ± 5 percent change in the USD/SEK exchange rate would affect the net result by approximately ± 0.7 MSEK over the fiscal year. A higher USD exchange rate vs. SEK would result in increased revenue and EBIT.

Quarterly development

| MSEK | 2025 Q2 | 2025 Q1 | 2024 Q4 | 2024 Q3 | 2024 Q2 |
|--------------------------------------|------------|------------|------------|------------|------------|
| Annual recurring revenue | 55.5 | 56.5 | 56.1 | 53.6 | 51.1 |
| Change QoQ | -2% | 1% | 5% | 5% | 2% |
| Net revenues | 18.5 | 20.4 | 22.8 | 20.5 | 21.9 |
| Software revenues | 14.4 | 15.1 | 15.7 | 14.4 | 14.4 |
| Service revenues | 4.0 | 5.3 | 7.1 | 6.1 | 7.5 |
| Other operating income | 0.1 | 0.9 | 1.2 | 0.2 | -0.1 |
| Adjusted EBIT | -9.4 | -8.3 | -11.6 | -12.0 | -11.4 |
| Adj. EBIT margin | -51.1% | -40.5% | -50.7% | -58.5% | -52.1% |
| Net result after tax | -14.6 | -9.0 | -14.1 | -18.8 | -12.4 |
| Net result per share (SEK) | -0.85 | -0.52 | -0.82 | -1.09 | -1.13 |
| Deferred revenue (pre-paid), per EOQ | 32.4 | 39.3 | 45.7 | 25.2 | 32.9 |
| Cash flow from operations | -14.6 | 3.0 | -11.4 | -17.6 | -14.6 |
| Development costs | 10.5 | 10.6 | 12.6 | 13.8 | 13.5 |
| Average number of shares | 17,224,706 | 17,224,706 | 17,224,706 | 16,954,783 | 11,016,471 |

Definitions

Annual Recurring Revenue (ARR) is defined as the recurring software revenue from the reporting quarter multiplied by four. ARR for previous periods is reported at constant currency, evaluated at the current period's average exchange rate.

Development costs include the operating costs and investments in our complete software product portfolio.

Modelon presents selected financial Key Performance Indicators (KPI's) that are not defined by Swedish GAAP, and which are considered to provide valuable complementary information to investors in assessing company performance. Since companies may define such metrics differently, we suggest caution in using these for comparison among companies. These metrics should not be considered as replacing any metrics defined in Swedish GAAP.

Financial Calendar

Financial reports are published and made available at www.modelon.com

| | |
|-------------------|-------------------------------|
| August 20, 2025 | Extraordinary General Meeting |
| October 30, 2025 | Q3 Interim Report |
| February 17, 2026 | Q4 and Year-end Report 2025 |

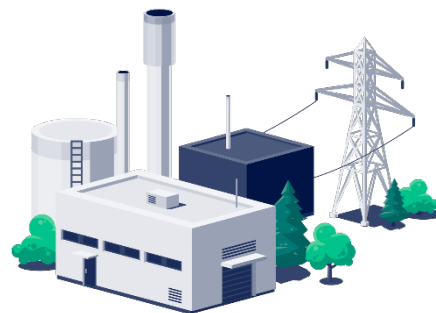
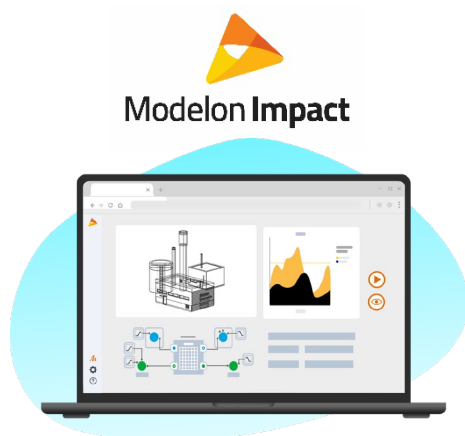
Review

This interim report has not been reviewed by the company's auditor.

Annual General Meeting

Modelon held its Annual General meeting in Lund on May 6, 2025.

More information about the AGM is available at www.modelon.com/agm2025.



Modelon Overview

Business and Operations

Modelon is a global company founded in 2004 with approximately 100 employees distributed among seven offices in five countries (Sweden, USA, Japan, Germany, and India). The company is headquartered in Lund, Sweden, where senior executives, group administration including finance, HR, and IT, as well as product development functions are based. Modelon has historically demonstrated consistent growth in annual recurring revenues.

Modelon offers software products and complementary consulting services in physics-based modelling, simulation, and analysis of complex technical systems, which enable companies to digitize, transform, and improve their product development and operations. Modelon is a global player with several industry-leading companies as clients, including Carrier, NASA JPL, Toyota, MAN Group, and Mercedes-Benz.

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. Modelon's solutions are built on international open standards including Modelica, an open modeling language for component-oriented modelling of complex systems, and Functional Mock-Up Interface (FMI), a tool-independent standard to support model exchange and simulation of dynamic models. Modelon Impact is based on modeling and simulation technology that has been developed over 20 years and includes a cloud native simulation platform, compiler, and model libraries.

Modelon's vision is to be a global SaaS leader and to empower technology industries world-wide to accelerate their product innovation, development, and operations with Modelon Impact, the industry-leading cloud native systems modeling and simulation platform.

Learn more about Modelon Impact on our blog or follow us on LinkedIn:

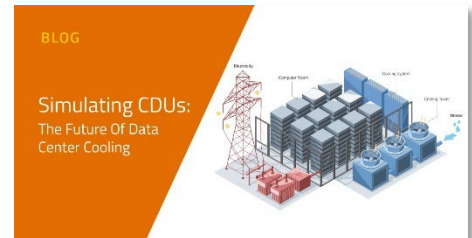
www.linkedin.com/company/modelon

SIMULATING COOLANT DISTRIBUTION UNITS: THE FUTURE OF DATA CENTER COOLING

JUNE 25, 2025

Why Coolant Distribution Units are the key to liquid-cooling efficiency and how they can be simulated.

<https://modelon.com/blog/simulating-coolant-distribution-units/>

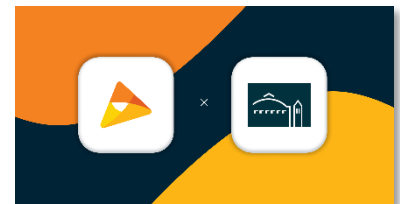


MODELICA BUILDINGS LIBRARY NOW AVAILABLE IN MODELON IMPACT

JUNE 4, 2025

Modelon is happy to announce that the Modelica **Buildings Library** is included and fully supported in **Modelon Impact**. This integration allows Modelon to address the growing market for buildings performance, enabling scalable modeling and simulation within a modern, collaborative environment.

<https://modelon.com/blog/modelica-buildings-library-now-in-modelon-impact/>

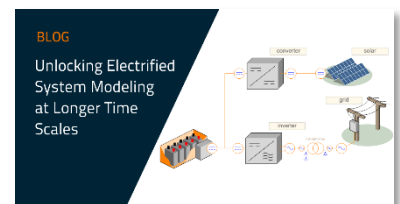


UNLOCKING ELECTRIFIED SYSTEM MODELING AT LONGER TIME SCALES

MAY 19, 2025

Engineers designing electrified systems, from smart grids to electric vehicles, rely on simulation tools to validate performance, efficiency, and control strategies. **Modelon Impact's Electrification Library** gives the ability to simulate these systems over extended durations with preserved accuracy.

<https://modelon.com/blog/unlocking-electrified-system-modeling-at-longer-time-scales/>



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.

Welcome to our blog on www.modelon.com/news-blog
and to follow us on LinkedIn: www.linkedin.com/company/modelon