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MODELON ANNOUNCES OFFERING OF SHARES AND PUBLISHES PROSPECTUS IN CONNECTION WITH NASDAQ FIRST NORTH GROWTH MARKET LISTING

Modelon AB (publ) (“Modelon” or the “Company”), a leader within the simulation and analysis solutions market, offering software products and complementary consulting services in industrial mathematical modelling, simulation and analysis of complex technical systems, announced on 12 April 2021 its intention to conduct an offering to the public of the Company’s Class B shares to the public and to list the shares on Nasdaq First North Growth Market (the “Offering”). The Offering consists of new shares issued by the Company and existing shares in Modelon, which are offered by selling shareholders. The Offering is directed to institutional investors in Sweden and internationally as well as to the general public in Sweden. The Prospectus for the Offering has today been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) and has been published on the Company’s web page. The first day of trading in the Company’s class B shares is expected to commence on 28 April 2021.

The Offering in brief:

- The Offering will be conducted at a fixed price of SEK 44 per share, corresponding to a total market value of the Company’s shares of approximately SEK 335 million prior to the completion of the Offering.
- The Offering includes 345,270 Class A shares and 4,400,183 Class B shares, of which 1,136,363 shares (345,270 Class A shares and 791,093 Class B shares) are offered by Modelon Group AB[1] (the “**Main Shareholder**”) corresponding to approximately SEK 50 million, and 3,409,090 shares consist of newly issued shares that will generate approximately SEK 150 million in gross proceeds before deduction of costs relating to the Offering.
- To cover a potential over-allotment in connection with the Offering, the selling shareholders have undertaken, upon request by Pareto Securities, to sell an additional 681,818 class B shares corresponding to approximately SEK 30 million, or a maximum of 15 percent of the Offering (the “**Over-Allotment Option**”).
- Provided that the Over-Allotment option is fully exercised, the Offering is expected to amount to approximately SEK 230 million, which corresponds to approximately 47 percent of the total number of shares in Modelon after the completion of the Offering.

- Prior to the Offering, Accendo Captial SICAV RAIF (“**Accendo Capital**”) has undertaken, under certain conditions and at the same share price as other investors, to subscribe for shares corresponding to a total value of SEK 110 million, equivalent to 48 percent of the Offering including the Over-Allotment Option. Accendo Capital’s undertaking includes subscription of all Class A shares in the Offering, at a fixed price of SEK 44 per Class A share.
- The application period runs between 16 April and 26 April 2021 for the general public and between 16 April and 27 April 2021 for institutional investors.
- The Offering is directed to institutional investors in Sweden and internationally as well as to the general public in Sweden.
- First day of trading in the Company’s shares on Nasdaq First North Growth Market is 28 April 2021. The expected settlement date for the Offering is 30 April 2021 and the Company’s shares will trade under the ticker “MODEL B”.
- A prospectus with full terms and conditions for the Offering has today been published on Modelon’s website and on Pareto Securities’ website.

Background to the Offering

The reasons for the Offering are to create strong financial conditions for continued development of the Company’s products, to increase sales activities, and to diversify the Company’s shareholder base. To seize the growth opportunities that the Company has identified, the board of directors and management of Modelon believe that it is now an appropriate time to finance the next step of the growth plan for the cloud-based platform and list the Company’s Class B shares on Nasdaq First North Growth Market. In connection with the listing, the Company will issue new Class B shares to the public. The Offering and listing provide Modelon with improved access to capital markets, improved credibility and knowledge of the Company among customers, investors, and other stakeholders and a more diversified shareholder base of both Swedish and international investors.

The Company intends to use the net proceeds from the Offering for: (i) strengthening commercial operations (35-40 percent), which includes expansion of the sales-and partnership function, marketing and geographical expansion with establishing a presence in China, (ii) product development (35-40 percent), which includes development of research and development (R&D) capacity, acceleration of software product development and establishment of a cloud-based offering, and (iii) obtaining working capital for financial flexibility (20-30 percent).

Preliminary timetable

Application period for the general public	16 April – 26 April 2021
Application period for institutional investors	16 April – 27 April 2021
Announcement of outcome of the Offering	28 April 2021
First day of trading on Nasdaq First North Premier	28 April 2021
Settlement day	30 April 2021

About Modelon AB (publ)

Modelon offers software products and complementary consulting services in industrial mathematical modelling, simulation and analysis of complex technical systems, which enables companies to digitize, transform and improve their product development. The Company has established itself as a global player with several industry-leading companies as clients, including Carrier, NASA JPL, Tesla, MAN Group and Daimler.

Modelon's solutions are built on international open standards with a focus on Modelica, an open modelling language for component-oriented modelling of complex systems, and Functional Mock-Up Interface (FMI), a tool-independent standard to support both model exchange and simulation of dynamic models.

Modelon is a global company founded in 2004 with approximately 100 employees distributed among ten offices. The Company is headquartered in Lund, Sweden, where product development, consulting services, education and sales functions are centered. There are local offices in Stockholm and Gothenburg. Furthermore, the Company has several subsidiaries in the USA, Japan, Germany, and India. Modelon has over its history demonstrated consistent growth. In 2019, the Company's net revenue amounted to SEK 101.7 million with an adjusted EBIT[2] of SEK 2.7 million. In 2020, the Company reported net revenue of SEK 112.4 million, corresponding to 10.5 percent growth in comparison with 2019, with an adjusted EBIT of SEK 19.7 million.

About Accendo Capital

Accendo Capital is a Luxembourg-registered equity investment fund that invests in listed small-cap companies in northern Europe. Accendo Capital typically owns a significant minority stake and is an active shareholder in companies that drive, or benefit from, technological innovation. The fund, which is open to qualified professional investors only, was launched in 2008 and has received several HFM, EuroHedge and HedgeNordic awards. Current holdings include Hexatronic Group, Doro, Impact Coatings, Remedy Entertainment, and SSH Communications Security.

Prospectus and application forms

The Company has in connection with the Offering prepared a prospectus which today has been approved by the Swedish Financial Supervisory Authority. Complete information about the Offering and the terms and conditions is found in the prospectus which today has been published on Modelon's website (www.modelon.com) and Pareto Securities' website (www.paretosec.com). Application forms are available on Pareto Securities' website. Applications can also be submitted through the Aktieinvest's website (www.aktieinvest.se) and Avanza's website (www.avanza.se)

Advisors

Pareto Securities is Global Coordinator and Sole Bookrunner, Advokatfirman Lindahl is the legal advisor to Modelon and Baker McKenzie is the legal advisor to Pareto Securities.

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus has been prepared in connection with the Offering and scrutinized and approved by the Swedish Financial Supervisory Authority which is the national competent authority in Sweden with regard to the Prospectus Regulation.

In the United Kingdom, this press release and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision to acquire or subscribe for shares in connection with the Offering must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Joint Global Coordinators. The Joint Global Coordinators is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Offering. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the Group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Premier Growth Market rule book for issuers.

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 in Modelon 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 "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to

eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Modelon may decline and investors could lose all or part of their investment; the shares in Modelon offer no guaranteed income and no capital protection; and an investment in the shares in Modelon 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 Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

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 UK MiFIR; 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 Modelon.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Modelon and determining appropriate distribution channels

[1] Modelon Group AB's ownership amounts to 75.4 percent of the shares and 75.4 percent of the votes in Modelon AB and includes Magnus Gäfvert, Jonas Eborn, Johan Andreasson, Hubertus Tummescheit, Hilding Elmqvist, Johan Åkesson and Dag Brück's shareholdings.

[2] The Company's underlying EBIT generated by operating activities excluding costs for new development.

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.

Attachments

[Modelon announces offering of shares and publishes prospectus in connection with Nasdaq First North Growth Market listing](#)