

November 10, 2023: 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 third quarter and the period January – September 2023.

### Q3 Highlights

- ARR increased to MSEK 48.0 (43.6), an annual growth of 10%.
- Net revenue amounted to MSEK 19.1 (16.1), of which software revenues were MSEK 12.3 (10.9)
- EBIT<sup>1</sup> amounted to MSEK -11.5 (-15.9), including development costs of MSEK 11.4 (13.1).
- Net income<sup>1</sup> amounted to MSEK -11.6 (-15.9).
- Earnings per share<sup>1</sup> amounted to SEK -1.05 (-1.45) before dilution.

### January – September in Summary

- Net revenue increased to MSEK 58.3 (49.0), of which software revenues were MSEK 38.6 (33.0).
- EBIT<sup>1</sup> amounted to MSEK -42.6 (-46.1).
- Net income<sup>1</sup> amounted to MSEK -42.2 (-46.2).
- Earnings per share<sup>1</sup> amounted to SEK -3.83 (-4.19) before dilution.



### Summary Financials

MSEK	Q3, Jul - Sep			YTD, Jan - Sep		
	2023	2022	Change	2023	2022	Change
Annual recurring revenue, ARR	48.0	43.6	10%	48.0	43.6	10%
Net revenues	19.1	16.1	19%	58.3	49.0	19%
Software revenues	12.3	10.9	13%	38.6	33.0	17%
- whereof recurring revenue	12.0	10.5	14%	35.3	30.7	15%
Service revenues	6.8	5.2	32%	19.6	16.0	22%
Other operating income	0.1	0.3		0.6	0.9	
EBIT	-11.5	-15.9	-	-42.6	-46.1	-
EBIT margin	-60.2%	-98.7%		-73.1%	-94.1%	
Net result after tax	-11.6	-15.9	-	-42.2	-46.2	-
Earnings per share (SEK) before dilution	-1.05	-1.45		-3.83	-4.19	
Cash balance	78.2	127.1	-38%	78.2	127.1	-38%

1. Development costs are taken as operating expenses and not capitalized, see page 3 and definition on page 9.

#### Significant events during the period

- No significant events

#### Significant events after the period

- No significant events

### Investor presentation

Modelon will hold a presentation of the Q3 interim report at 10am CET on November 10, 2023. CEO Magnus Gäfvert and CFO Jonas Eborn will present the Q3 earnings in a webcast.

 [Webcast registration](#)

### Modelon AB (publ)

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## Comments from the CEO

### Continued revenue growth in Q3

We are pleased to report continued growth of net revenues by 19% in the third quarter, while delivering slower growth in Annual Recurring Revenue (ARR), which grew by 10%, reaching 48.0 (43.6) MSEK at the end of the quarter.

Our flagship cloud platform Modelon Impact remains the strategic growth driver with the multi-platform Modelon Library Suite an entry-level product. The Library Suite is a subset of the full Modelon Impact cloud product, with a future migration path to the full offering. We see a larger share of our Modelon Library Suite in the product business mix in the third quarter with both new accounts and upsell. As previously reported, the ongoing transition from on-premise installations of Modelon Impact to more streamlined and managed cloud services is temporarily extending sales cycles, reducing the Modelon Impact contribution to ARR growth. Our outlook remains that this transition will continue through 2023 and then transition to shorter sales cycles in 2024, which we expect to drive faster growth.

### Customer wins and testimonials

Pipeline activity in the quarter was steady, with stable marketing lead generation in our focus industry segments and regions.

Notable new and upsell customers in Q3 include:

- US national energy research lab
- Indian multinational engineering consulting company
- French multinational aerospace company
- European multinational commercial aircraft manufacturer
- Korean multinational automotive manufacturer
- Chinese thermal power research institute
- Spanish provider of marine vessels and systems

The publication of customer testimonials and success stories continues to demonstrate how Modelon solutions enable technology companies to innovate and develop green and sustainable technologies. During the quarter, we published two new customer testimonials from ENGIE and R2M Solution.

ENGIE is a French multi-national energy company with ambitious goals in carbon neutrality that uses Modelon Impact for a model-based approach to efficient and optimal asset performance in solar power farms. Real-time model-based simulations with Modelon Impact enable ENGIE to make informed and reliable decisions for remote diagnostics.

R2M Solution is an Italian multinational research and innovation company with a focus on commercializing disruptive sustainability technologies through collaborative research across Europe, with applications in energy, buildings and smart grids. R2M Solution uses Modelon Impact for performance analysis and optimization of building energy systems and appreciates how the ease-of-use enables fast onboarding and quick engineering decision making.

### Continued transition to the cloud

During the quarter we have had full focus on development and execution of the cloud transition. We are moving towards a continuous release model and multiple drops with improvements have been released to SaaS customers on Modelon Impact since the 2023.2 release in Q2. Substantial new capabilities that will enable more streamlined and scalable on-premise deployments are ready for pilot customer testing. The cloud transition also includes information security initiatives to meet demanding market requirements.

Despite geopolitical and macroeconomic uncertainty, we remain confident in the system simulation market and our growth potential. System simulation is critical for technology industries worldwide in addressing urgent global challenges. We are eager to complete the current cloud transition activities and resume higher ARR growth. Our financial targets remain to turn cash flow positive in the short term, reach an ARR growth of 35% in the medium term, and exceed profit levels of 20% in the long term.



Magnus Gäfvert, CEO

## Financial development

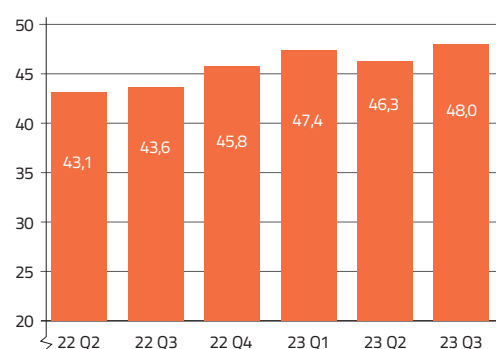
### Revenues

#### Annual recurring revenue

The total software annual recurring revenue at constant currency (ARR) amounted to MSEK 48.0 (43.6), an increase of 10% compared to Q3 2022 while increasing 4% compared to MSEK 46.3 in Q2 2023. Modelon Impact is the main growth driver, and the total software ARR includes an annual growth rate of 19% in recurring revenues for Modelon Impact. The total ARR before adjusting for currency effects amounted to MSEK 48.0 (42.1). The differences in exchange rate at the end of Q3 gave an FX adjustment of MSEK +1.5 for the comparison period.

#### ARR

MSEK



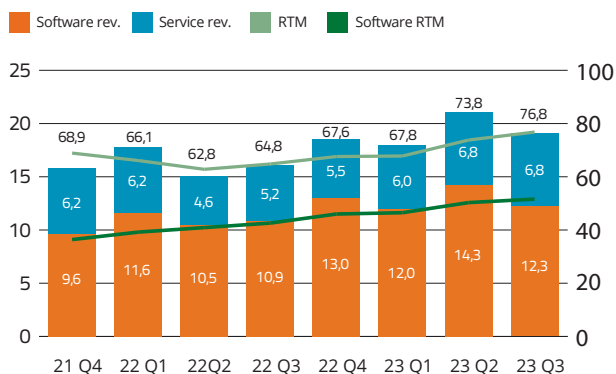
Software ARR is growing since the launch of Modelon Impact in July 2020, see quarterly development figures in the table on page 9. Total ARR numbers include revenue from Modelon Impact and from multi-platform library and deployment products.

#### Third quarter 2023

Software revenues amounted to MSEK 12.3 (10.9), an increase of 13%. Higher software revenue in Q2 2023 of MSEK 14.3 was due to non-recurring software sales in Asia. Total service revenues amounted to MSEK 6.8 (5.2). Net revenues amounted to MSEK 19.1 (16.1), an increase of 19%.

#### January – September 2023

Software revenues in the period amounted to MSEK 38.6 (33.0), an increase of 17%. Total service revenues in the period amounted to MSEK 19.6 (16.0). Net revenues amounted to MSEK 58.3 (49.0), an increase of 19%.



Revenue development shows the transition to Software and Solutions, with consistent growth in software revenue. Note that revenues are not FX adjusted.

### Costs

#### Third quarter 2023

Other external expenses amounted to MSEK 11.4 (11.3), mainly related to sales activities, consultancy fees and premises. Personnel costs amounted to MSEK 19.1 (19.8), decreasing due to effects of cost savings and delays in recruitment. Depreciation amounted to MSEK 0.3 (0.3) and other operating expenses were MSEK 0.0 (0.9).

#### January – September 2023

Other external expenses amounted to MSEK 35.4 (33.5), mainly related to sales activities, consultancy fees and premises. Personnel costs amounted to MSEK 64.2 (59.5), including the one-time cost of MSEK 1.9 for organization changes as previously reported. Depreciation amounted to MSEK 1.0 (0.7) and other operating expenses were MSEK 0.9 (2.4).

#### 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. This approach is consistent with that of most SaaS companies, since product development expenses are a recurring cost that is matched to recurring revenues.

Development costs in the third quarter amounted to MSEK 11.4 (13.1), decreasing 13% due to slow recruitment of certain open positions. For the period January - September the development costs amounted to MSEK 39.5 (40.7) and the development costs were MSEK 56.2 (54.2) for the trailing twelve-month (TTM) period from Q4 2022. The 4% increase in development costs for the TTM period reflects the current investment pace and is in line with the company's strategy. In line with our communicated financial targets, product sales and ARR are expected to grow at a faster pace than development costs.

### Key Performance Indicators

KPI's are defined on page 9, under Quarterly development.

MSEK	Q3, Jul - Sep			YTD, Jan - Sep		
	2023	2022	Change	2023	2022	Change
Annual recurring revenue, ARR	48.0	43.6	10%	48.0	43.6	10%
Development costs	11.4	13.1	-13%	39.5	40.7	-3%

### Earnings

#### Third quarter 2023

The financial development in Q3 reflects the planned investment pace in product development and commercial expansion using proceeds from financing activities. EBIT for the quarter amounted to MSEK -11.5 (-15.9), including research and development costs of MSEK 11.4.

#### January – September 2023

EBIT for the period amounted to MSEK -42.6 (-46.1), including research and development costs of MSEK 39.5, and is in line with expectations considering the planned self-funding of software development.

## Net financial income

Net result from financial items for the quarter amounted to MSEK 0.1 (0.1). Net result from financial items for January – September amounted to MSEK 0.3 (-0.1).

## Net result after tax

Net result after tax in the quarter amounted to MSEK -11.6 (-15.9), corresponding to SEK -1.05 per share (comparable figure). Net result after tax for January – September amounted to MSEK -42.2 (-46.2), corresponding to SEK -3.83 per share (comparable figure).

## Financing and cash flow

As of September 30, Modelon's total available liquidity amounted to MSEK 88.2 (137.1), of which the cash balance amounted to MSEK 78.2 (127.1) and unutilized credit facilities amounted to MSEK 10.0 (10.0). Cash flow from operating activities amounted to MSEK -11.9 (-20.3) for the quarter. The change in working capital amounted to MSEK 0.0 (-4.7) in the quarter. The net zero change in working capital for the quarter is related to payments received and lower accounts receivable vs. second quarter. Cash flow from investing activities amounted to MSEK 0.0 (-0.9) during the quarter. Cash flow from financing activities amounted to MSEK 0.0 (0.0) during the quarter. Operating cash flow for the YTD period is MSEK -33.5 (-40.5), improving mainly due to higher revenue.

## The share

As of September 30, 2023, the total number of shares in Modelon was 11,016,471 (11,016,471), comprising 1,421,218 A shares and 9,595,253 B shares. The total number of shares after full dilution is 11,188,471. The number of shares did not change during the period. The company's registered share capital is SEK 922,653.

Modelon has shares in two series, A and B. Each A share has 10 votes, and each B share has 1 vote. Series B shares are listed on Nasdaq First North Growth Market. Series A shares are not exchange-listed but can be converted into B shares upon request of the shareholder.

## Share incentive programs

Modelon has two active share incentive programs for all employees, 2022/2026 and 2023/2027. Each program 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 programs is 162,000, and the total dilution effect from share incentive programs if all warrants and options are allotted, vested and exercised for acquisition of shares is 1.47% per September 30, 2023.

## Related party transactions

During the third quarter, consulting fees of total TSEK 140 (408) have been paid to board members for additional assignments outside of board work. All transactions with related parties are deemed to be conducted under market conditions.

## Parent Company

### January – September 2023

Total revenues of the parent company for the period amounted to MSEK 36.6 (30.2) with an EBIT of MSEK -39.6 (-43.4). 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 0.2 (0.1) and the net result was MSEK -39.6 (-43.2).

## Risk factors

Modelon operates in a competitive market where competitors are both global and local. Some of Modelon's competitors are companies with significantly more extensive sales and marketing organizations than Modelon. Such companies can expose Modelon to competition because they can sell broad, comprehensive software solutions, higher up in customer organizations, which in the long run has an impact on the customer's entire organization. Read more about company-specific risk factors in our annual report for 2022.

## Sustainability

Modelon's sustainability work is in two parts: internal activities and initiatives to become more sustainable, and the offerings to customers, which is about Modelon with its deep expertise in digitization based on system modeling and simulation, being able to 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 above all Modelon's solutions are often used to enable and drive innovation and conversion of products to 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 annual report for 2022.

## Largest shareholders

The table below shows the major shareholders in the company per September 30, 2023.

Owner	A shares	B shares	Votes	Capital
Noledom Holding AB <sup>1</sup>	802,551	3,214,894	47.2%	36.5%
Accendo Capital	345,270	2,328,099	24.3%	24.3%
RoosGruppen AB	72,843	1,051,371	7.5%	10.2%
Ansys Inc.	129,000	516,000	7.6%	5.9%
Avanza Pension	0	327,501	1.4%	3.0%
<b>Total top 5</b>	<b>1,349,664</b>	<b>7,404,174</b>	<b>87.9%</b>	<b>79.8%</b>
<b>Other owners</b>	<b>71,554</b>	<b>2,191,079</b>	<b>12.1%</b>	<b>20.2%</b>
<b>Total number of shares</b>	<b>1,421,218</b>	<b>9,595,253</b>		

1. Noledom Holding AB comprises company co-founders that are active in company management and operations.

## Financial statement

### Condensed Consolidated Income Statement

MSEK	Q3, Jul-Sep		YTD, Jan - Sep	
	2023	2022	2023	2022
Net revenue	19.1	16.1	58.3	49.0
Other operating income	0.1	0.3	0.6	0.9
<b>Total revenue</b>	<b>19.2</b>	<b>16.4</b>	<b>58.9</b>	<b>49.9</b>
<b>Operating expenses</b>				
Other external expenses	-11.4	-11.3	-35.4	-33.5
Personnel costs	-19.1	-19.8	-64.2	-59.5
Depreciation and amortization	-0.3	-0.3	-1.0	-0.7
Other operating expenses	0.0	-0.9	-0.9	-2.4
<b>Total operating expenses</b>	<b>-30.7</b>	<b>-32.3</b>	<b>-101.5</b>	<b>-96.1</b>
<b>Operating result</b>	<b>-11.5</b>	<b>-15.9</b>	<b>-42.6</b>	<b>-46.1</b>
<b>Financial items</b>				
Interest income and similar items	0.1	0.0	0.4	0.0
Interest expenses and similar items	0.0	0.1	-0.1	-0.1
<b>Net result from financial items</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>-0.1</b>
<b>Profit/loss before tax</b>	<b>-11.5</b>	<b>-15.8</b>	<b>-42.3</b>	<b>-46.2</b>
Tax	-0.1	-0.2	0.1	0.0
<b>Net profit/loss</b>	<b>-11.6</b>	<b>-15.9</b>	<b>-42.2</b>	<b>-46.2</b>

### Condensed Consolidated Balance Sheet

MSEK	2023-09-30	2022-09-30	2022-12-31
<b>Fixed assets</b>			
Licenses	0.1	0.2	0.2
Equipment	2.8	3.4	3.3
Deferred tax assets	15.9	16.1	15.7
<b>Total fixed assets</b>	<b>18.7</b>	<b>19.7</b>	<b>19.2</b>
<b>Current assets</b>			
Accounts receivable	10.6	10.4	20.7
Other receivables	8.1	8.8	8.5
Cash and bank	78.2	127.1	111.9
<b>Total current assets</b>	<b>96.9</b>	<b>146.3</b>	<b>141.0</b>
<b>TOTAL ASSETS</b>	<b>115.6</b>	<b>166.0</b>	<b>160.3</b>

## Consolidated Balance Sheet, cont.

MSEK	2023-09-30	2022-09-30	2022-12-31
<b>Shareholders' equity</b>			
Share capital	0.9	0.9	0.9
Other equity incl. net profit/loss	67.0	127.7	108.9
<b>Total shareholders' equity</b>	<b>67.9</b>	<b>128.7</b>	<b>109.8</b>
<b>Liabilities</b>			
Deferred tax liabilities	0.0	0.0	0.0
Accounts payable	4.4	3.9	5.1
Deferred revenue, prepaid licenses	27.3	20.6	24.5
Other liabilities	16.1	12.9	20.8
<b>Total liabilities</b>	<b>47.7</b>	<b>37.4</b>	<b>50.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>115.6</b>	<b>166.0</b>	<b>160.3</b>

## Condensed Consolidated Cash Flow Statement

MSEK	Q3, Jul-Sep		YTD, Jan - Sep	
	2023	2022	2023	2022
Operating income	-11.5	-15.9	-42.6	-46.1
Adjustment for non-cash items	0.1	0.5	1.2	2.2
Interests and paid taxes	-0.5	-0.3	-1.0	-0.7
Change in working cap. receivables	4.6	1.0	12.1	9.0
Change in working cap. liabilities	-4.6	-5.7	-3.2	-4.9
<b>Cash flow from operating activities</b>	<b>-11.9</b>	<b>-20.3</b>	<b>-33.5</b>	<b>-40.5</b>
<b>Cash flow from investing activities</b>	<b>0.0</b>	<b>-0.9</b>	<b>-0.2</b>	<b>-2.6</b>
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>
<b>Net increase/decrease in cash and equiv.</b>	<b>-11.9</b>	<b>-21.2</b>	<b>-33.8</b>	<b>-43.2</b>
Cash and liquid assets at start of period	90.4	148.1	111.9	169.4
Exchange rate differences	-0.2	0.2	0.1	0.9
<b>Cash and liquid assets at end of period</b>	<b>78.2</b>	<b>127.1</b>	<b>78.2</b>	<b>127.1</b>

## Condensed Consolidated Changes in Equity

MSEK	Share capital	Other contr. of equity	Other equity incl. profit	Total equity
<b>As of January 1, 2022</b>	<b>0.9</b>	<b>200.1</b>	<b>-27.9</b>	<b>173.1</b>
Exchange differences			1.8	1.8
Net loss for the period			-46.2	-46.2
<b>Transactions with owners:</b>				
Repurchased warrants		-0.1		-0.1
<b>As of September 30, 2022</b>	<b>0.9</b>	<b>200.0</b>	<b>-72.3</b>	<b>128.7</b>
Exchange differences			-0.3	-0.3
Net loss for the period			-18.6	-18.6
<b>Transactions with owners:</b>				
Issued warrants		0.1		0.1
Repurchased warrants		0.0		0.0
Share-based payments			0.0	0.0
<b>As of January 1, 2023</b>	<b>0.9</b>	<b>200.1</b>	<b>-91.2</b>	<b>109.8</b>
Exchange differences			0.2	0.2
Net loss for the period			-42.2	-42.2
<b>Transactions with owners:</b>				
Issued warrants		0.1		0.1
Repurchased warrants		0.0		0.0
<b>As of September 30, 2023</b>	<b>0.9</b>	<b>200.2</b>	<b>-133.2</b>	<b>67.9</b>

## Condensed Income Statement, Parent company

MSEK	YTD, Jan - Sep	
	2023	2022
Net revenue	36.0	29.6
Other operating income	0.6	0.6
<b>Total revenue</b>	<b>36.6</b>	<b>30.2</b>
<b>Operating expenses</b>		
Other external expenses	-42.0	-39.1
Personnel costs	-33.2	-33.1
Depreciation and amortization	-0.5	-0.4
Other operating expenses	-0.7	-0.9
<b>Total operating expenses</b>	<b>-76.5</b>	<b>-73.6</b>
<b>Operating result</b>	<b>-39.8</b>	<b>-43.4</b>
<b>Financial items</b>		
Loss from shares in group companies	-0.1	0.0
Interest income and similar items	0.4	0.2
Interest expenses and similar items	-0.1	-0.1
<b>Net result from financial items</b>	<b>0.2</b>	<b>0.1</b>
<b>Profit/loss before tax</b>	<b>-39.6</b>	<b>-43.2</b>
Tax	0.0	0.0
<b>Net profit/loss</b>	<b>-39.6</b>	<b>-43.2</b>



## Condensed Balance Sheet, Parent company

MSEK	2023-09-30	2022-09-30	2022-12-31
<b>Fixed assets</b>			
Licenses	0.1	0.2	0.2
Equipment	1.3	1.7	1.7
Long-term receivables from group comp.	0.0	5.1	0.0
Deferred tax assets and shares in group companies	21.7	16.5	21.7
<b>Total fixed assets</b>	<b>23.0</b>	<b>23.6</b>	<b>23.5</b>
<b>Current assets</b>			
Accounts receivable	2.0	2.3	4.0
Receivables from group companies	0.0	0.0	0.0
Other receivables	5.2	5.7	6.1
Cash and bank	69.1	119.7	104.3
<b>Total current assets</b>	<b>76.3</b>	<b>127.7</b>	<b>114.4</b>
<b>TOTAL ASSETS</b>	<b>99.4</b>	<b>151.3</b>	<b>137.9</b>
<b>Shareholders' equity</b>	<b>62.8</b>	<b>122.3</b>	<b>102.4</b>
<b>Liabilities</b>			
Accounts payable	4.2	3.7	4.8
Short-term liabilities to group companies	9.3	9.8	11.1
Other liabilities	23.0	15.5	19.7
<b>Total liabilities</b>	<b>36.5</b>	<b>29.0</b>	<b>35.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>99.4</b>	<b>151.3</b>	<b>137.9</b>

## Accounting principles and currency exposure

The consolidated interim quarterly report for the Group is prepared in accordance with Swedish GAAP, annual accounting act, according to the same principles as the annual report. There has been no change in principles since the 2022 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. Sales are largely generated in foreign currency, mainly USD and EUR, in addition, foreign subsidiaries are

included in the consolidation. USD is 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., difference between sales and costs in USD) is expected to be similar in 2023 to 2022, approximately 1 MUSD, corresponding to 10.8 MSEK per the USD rate at the end of the period. A  $\pm 5$  percent change in the USD/SEK exchange rate would impact the net result by approximately  $\pm 0.5$  MSEK over the fiscal year. A higher USD exchange rate vs. SEK would result in an increased revenue and EBIT.



## Quarterly development

MSEK	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3
Annual recurring revenue	48.0	46.3	47.4	45.8	43.6
Change	4%	-2%	4%	5%	1%
Net revenues	19.1	21.1	18.0	18.6	16.1
Software revenues	12.3	14.3	12.0	13.0	10.9
Service revenues	6.8	6.8	6.0	5.5	5.2
Other operating income	0.1	0.2	0.3	0.4	0.3
EBIT	-11.5	-12.8	-18.3	-18.5	-15.9
EBIT margin	-60.2%	-60.5%	-101.6%	-99.7%	-98.7%
Net result after tax	-11.6	-12.4	-18.1	-18.6	-15.9
Net result per share (SEK)	-1.05	-1.13	-1.65	-1.69	-1.45
Deferred revenue (pre-paid), per EOQ	27.3	29.3	30.0	24.5	20.6
Cash flow from operations	-11.9	-19.8	-1.8	-15.1	-20.3
Development costs	11.4	12.4	15.6	16.7	13.1
Average number of shares	11,016,471	11,016,471	11,016,471	11,016,471	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.

## Annual General Meeting

Modelon will hold its annual general meeting in Lund on May 14, 2024. The three largest shareholders in Modelon have formed a nomination committee with the following representation:

- Johan Andreasson, Chairman, representing Noledom Holding AB
- Kai Tavakka, representing Accendo Capital SICAV RAIF
- Matt Zack, representing Ansys Inc.
- Christer Ljungberg, Chairman of the Board, adjunct member

More information about the AGM will be made available at [www.modelon.com/investor-relations](http://www.modelon.com/investor-relations).

## Financial Calendar

<b>February 29, 2024</b>	Q4 and Year-End Report 2023
<b>March 28, 2024</b>	2023 Annual Report
<b>May 14, 2024</b>	Q1 Interim Report
<b>August 21, 2024</b>	Q2 Interim Report
<b>November 7, 2024</b>	Q3 Interim Report
<b>February 27, 2025</b>	Q4 and Year-End Report 2024

## Review

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

## Modelon Overview

### Business and Operations

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 and operations. The company has established itself as a global player with several industry-leading companies as clients, including Carrier, NASA JPL, Toyota, MAN Group and Daimler.

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 with a focus on Modelica, an open modeling 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 Impact is built on and embeds the modeling and simulation technology developed over 15 years and industry proven in our multi-platform software portfolio including the Modelon Library Suite, Modelon Deployment Suite and OEM components.

Modelon is a global company founded in 2004 with approximately 100 employees distributed among ten offices in six countries. The company is headquartered in Lund, Sweden, where senior executives, group administration including finance, HR, and IT, as well as product development functions are centered. There are local offices in Stockholm and Gothenburg. Furthermore, the company has subsidiaries in the USA, Japan, Germany, and India. Modelon has historically demonstrated consistent growth in annual recurring revenues.

### Vision

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

### Strategy

Modelon's strategy builds on three pillars: People, Product and Reach.

### People

As a first-choice employer, Modelon attracts, grows, and retains a global team of world-class talent and thought leaders with a passion for solving real-world problems. Modelon nurtures a strong company culture based on our core values: Collaboration, Engagement, Openness, and Innovation.

### Product

The roadmap for Modelon's flagship product Modelon Impact leads towards a fully SaaS-enabled, seamless, and scalable cloud-platform supporting all major model-based engineering workflows in the digital domain across a range of industries and throughout the full product lifecycle from early concept phases through design, integration, and testing to operations. As pioneers in bringing systems modeling and simulation to the cloud, we offer a balanced mix of managed and on-premise delivery tuned to industry market trends and preferences. A modern and low threshold browser-based user experience with web-app customization enables true democratization of simulation to address a very broad and large user base of engineers and more. Natively built on the Modelica and FMI open standards and with a general philosophy of openness, Modelon Impact enables the formation of strong ecosystems of content, service and platform partners and high impact re-use, sharing, connectivity and integration of data, toolchains, and workflows.

### Reach

Modelon's market reach is defined by a global commercial team of experienced business developers working with a dedicated customer success team of application engineers and supported by subject matter experts on modeling and simulation in a range of industry applications and domains. The direct sales force is complemented by carefully selected reseller partners to increase the market contact surface and cover all relevant regions. Systematic lead generation, branding and awareness is managed by a team of marketing specialists with a focus on digital channels and content marketing with blogs, webinars, and success stories. The software business is accelerated and boosted by a global solution services expert team to accelerate adoption and scaling of Modelon software by high impact and transformational consulting services to support and ensure success of digital transformation, workflow implementation, customizations, and deployment. The transformation towards a SaaS business tears down barriers for adoption, deployment, and scaling of Modelon Impact to exploit the full potential of the large and growing global addressable market.

## Financial targets

<b>Growth</b>	ARR >35%	Overall ARR growth shall in the medium term exceed 35% annually. Modelon Impact is expected to grow at a substantially higher rate than 35%
<b>Profitability</b>	EBIT margin >20%	EBIT shall after a negative period turn positive and long-term in a mature state exceed 20%
<b>Operating cash flow</b>	Positive in the short term	Modelon seeks to attain positive cash flow from operations in the short term.

(Short term = 1–3 years, Medium term = 3–5 years, Long term = >5 years)

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

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

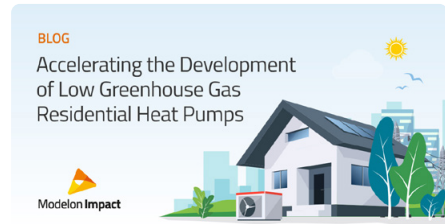
[www.linkedin.com/company/modelon](https://www.linkedin.com/company/modelon)

### ACCELERATING THE DEVELOPMENT OF LOW GREENHOUSE GAS RESIDENTIAL HEAT PUMPS

SEPTEMBER 13, 2023

Learn how comprehensive simulation of heat pump systems can improve efficiency and overcome the problem of working fluids with high global warming potential.

<https://www.modelon.com/news-blog/>



### OVERCOMING BARRIERS TO HEAT PUMP ADOPTION

AUGUST 8, 2023

Broad, global adoption of heat pumps is needed to reduce emissions and reach carbon neutrality. Learn how Physics-based simulations using Modelon Impact can lower design and engineering costs and increase affordability of heat pump systems.

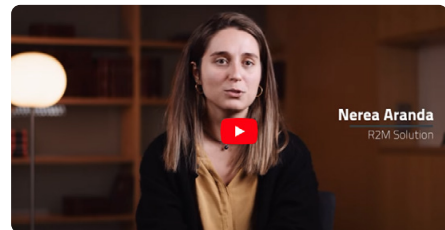
<https://www.modelon.com/news-blog/>



CUSTOMER TESTIMONIAL:

### OPTIMIZING BUILDING EFFICIENCY THROUGH PERFORMANCE ANALYSIS AND MODEL VALIDATION AT R2M SOLUTIONS

<https://www.modelon.com/support/optimizing-building-efficiency-through-performance-analysis-and-model-validation-at-r2m-solutions/>



## About Modelon

Modelon provides software solutions and expert services to organizations that use model-based simulation tools to innovate, design and operate technical systems. Our customers are global technology and engineering companies in automotive, aerospace, energy, and industrial equipment industries. Modelon has approximately 100 employees with headquarters in Lund, Sweden, and offices in Sweden, USA, Germany, Japan, India, and Czech Republic.

Welcome to our blog on [www.modelon.com/news-blog](https://www.modelon.com/news-blog)  
and to follow us on LinkedIn: [www.linkedin.com/company/modelon](https://www.linkedin.com/company/modelon)

