

May 14, 2024: 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 – March 2024.

Q1 Highlights

- ARR increased to MSEK 52.6 (46.2), an annual growth of 14%
- Net revenue amounted to MSEK 18.3 (18.0), of which software revenues were MSEK 13.5 (12.0)
- Cash flow from operations amounted to MSEK -4.1 (-1.8)
- EBIT¹ amounted to MSEK -14.4 (-18.3), including development costs of MSEK 14.8 (15.6)
- Net income¹ amounted to MSEK -14.2 (-18.1)
- Earnings per share¹ amounted to SEK -1.29 (-1.65) before dilution.



Summary Financials

MSEK	Q1, Jan - Mar			Q1 - Q4
	2024	2023	Change	2023
Annual recurring revenue, ARR	52.6	46.2	14%	49.9
Net revenues	18.3	18.0	2%	79.0
Software revenues	13.5	12.0	12%	53.0
- whereof recurring revenue	13.1	11.8	11%	48.1
Service revenues	4.8	6.0	-20%	26.0
Other operating income	1.2	0.3		0.9
EBIT	-14.4	-18.3	-	-57.2
EBIT margin	-78.7%	-101.6%		-72.4%
Net result after tax	-14.2	-18.1	-	-55.6
Earnings per share (SEK) before dilution	-1.29	-1.65		-5.05
Cash balance	55.0	109.9	-50%	59.0

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

Significant events during Q1 2024

- No significant events

Significant events after the period

- New CEO Jan Häglund was announced on April 11 and will replace Magnus Gäfvert from July 1.
- Annual General Meeting to be held on May 14.

Investor presentation

Modelon will hold a presentation of the Q1 interim report at 10:00 a.m. CET on May 14, 2024. CEO Magnus Gäfvert and CFO Jonas Eborn will present the Q1 earnings in a webcast.

 [Webcast registration](#)

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Comments from the CEO

Faster Modelon Impact growth in Q1

The first quarter saw continued ARR growth driven by our flagship cloud platform Modelon Impact. ARR amounted to MSEK 52.6, 14% growth vs. 2023. Modelon Impact ARR growth was 29% vs. Q1 2023 with sequential growth of 19% vs. Q4 2023.

Certain sales bottlenecks that slowed Modelon Impact growth during 2023 have been resolved, in particular related to on-premise installation.

The professional services business supports new product sales and upsell activities with implementation and onboarding projects for new and existing customers. Services revenues during the first quarter were lower than in the comparable period and were affected by the major new release of Modelon Impact during the quarter, which demanded simulation engineering resources that otherwise deliver services to customers.

Customer wins, high pipeline activity and new growth initiatives

Positive developments during Q1 included new account wins, an increasing share of upsell, and a tendency toward larger initial deal sizes. Key customer wins included:

- British multi-national oil and gas company (upsell)
- US global leader in energy storage systems
- US multinational manufacturer of home appliances
- British multinational professional services firm
- US innovator in carbon-free energy systems for sustainable maritime transportation (upsell)
- Chinese commercial aircraft manufacturer
- German smart buildings energy systems consultancy
- Korean automotive thermal management system developer (upsell).

Global pipeline activity was high throughout Q1 and provides strong momentum for the coming quarters.

During Q1 we established a new, agile, cross-functional team to drive growth in selected high-potential industry verticals. The growth team is already increasing the sales pipeline with its focused outreach and rapid product iterations.

We have continued developing commercial opportunities broadly, frequently in applications related to clean, sustainable energy for the Energy, Aerospace, Automotive and Industrial Equipment industries. In these disciplines, Modelon Impact provides demonstrated high value across the engineering life cycle and particularly in the innovation and development phases.



A handwritten signature in black ink, which appears to read 'Magnus Gäfvert'.

Magnus Gäfvert, CEO

During the first quarter, we published a customer testimonial from Turboden, a Mitsubishi Heavy Industries Group company based in Italy. Turboden is a global leader in the design and production of large heat pumps for reliable clean energy systems integrating sources such as renewables (biomass, geothermal, solar), traditional fuels, and waste heat from industrial processes, waste incinerators, engines or gas turbines. Turboden is using Modelon Impact as a tool to deliver cutting-edge, resilient solutions in the field of sustainable energy. Modelon Impact enables Turboden to assess and validate their new heat pump technology.

Planning is underway of our second international user conference Modelon Innovate, to be held in Copenhagen October 10-11, with a strong line-up of customer presentations under the theme "Where Simulation Meets Sustainability."

Modelon Impact 2024.1 released in Q1

Version 2024.1 of Modelon Impact was released to SaaS customers on February 27, including improvements and new capabilities in online collaboration with workspace and app sharing, a seamless upgrade experience, and strengthened integration with Microsoft Excel, as well as improvements related to the model builder, experimentation, simulation solvers and diagnostics. The new release also included a significantly improved and streamlined packaging of the customer managed on-premise version of Modelon Impact.

The 2024.1 release introduced the new Energy Systems Optimization solution, which is a streamlined packaging of capabilities in Modelon Impact evolved in a sequence of customer engagements, such as the previous case study with Honda Motor Company on "Driving Towards Carbon Neutrality with System Simulation." The solution enables energy system engineers to optimize their decision making in component selection and sizing, operation of energy storage systems and energy source selection. This enables Honda, for example, to simultaneously meet demanding requirements on working capital, operating cost and sustainability in the design and configuration of complex manufacturing sites.

The release included new industry-specific capabilities and improvements including hydrogen storage, CAD geometry import, thermal management system enhancements, direct air capture technologies, residential heat pumps, refrigeration, electrification, and general thermo-fluid system enhancements.

With the return to robust growth of our flagship product Modelon Impact during Q1 and the high pipeline activity level, we enter the spring and summer months with energy, confidence and optimism. Our financial goals remain our top focus, to turn cash flow positive in the short term, reach 35% ARR growth in the medium term, and exceed a profit margin of 20% in the long term.

Passing the baton to Modelon's new CEO

After twelve years as CEO of Modelon I will hand over the role to Jan Häglund on July 1st. I am humbled, proud and deeply grateful to have worked with such an outstanding and unique global team during this period. Together, we have transformed the company with our strong vision and, through Modelon Impact, we have established Modelon as a global leader in system simulation on the cloud. I am thrilled about the opportunities ahead and certain that the company is positioned for continued success.

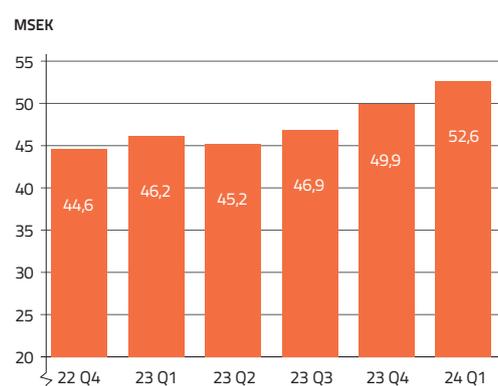
Financial development

Revenues

Annual recurring revenue

Total software annual recurring revenue at constant currency (ARR) amounted to MSEK 52.6 (46.2), an increase of 14% compared to Q1 2023 while increasing 5% compared to MSEK 49.9 in Q4 2023. Modelon Impact was the principal growth driver. Total software ARR includes an annual growth rate of 29% in recurring revenues for Modelon Impact. Total ARR before adjusting for currency effects amounted to MSEK 52.6 (47.2). The differences in exchange rate at the end of Q1 gave an FX adjustment of MSEK -1.06 for the comparison period.

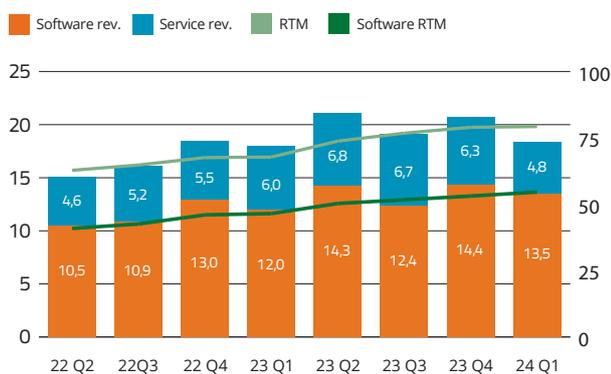
ARR



Software ARR has grown since the launch of Modelon Impact in July 2020, see quarterly development figures in the table on page 13. Total ARR numbers include revenue from Modelon Impact and from multi-platform library and deployment products.

First quarter 2024

Software revenues amounted to MSEK 13.5 (12.0), an increase of 17%. Total service revenues amounted to MSEK 4.8 (6.0), a decrease of 20%. The decreased service revenue in the quarter was mainly due to increased efforts on the 2024.1 release and expert engineers supporting new Modelon Impact sales. Net revenues amounted to MSEK 18.3 (18.0), an increase of 2%.



Revenue development shows the transition to Software and Solutions, with consistent growth in software revenue. Higher software revenue in the second and fourth quarters of 2023 reflect non-recurring software sales in the quarter. Note that revenues are not FX adjusted.

Costs

First quarter 2024

Other external expenses amounted to MSEK 13.4 (15.0), mainly related to sales activities, consultancy fees and premises. Personnel costs amounted to MSEK 22.0 (22.0), with cost savings counteracting effects of inflation. Depreciation amounted to MSEK 0.2 (0.3) and other operating expenses were MSEK 0.0 (0.2).

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 first quarter amounted to MSEK 14.8 (15.6), a decrease of 5%. For the trailing twelve-month (TTM) period from Q2 2023 development costs decreased by 12% to MSEK 52.7 (59.6). Development costs for the period reflect the current investment pace and are 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.

MSEK	Q1, Jan - Mar			Q1 - Q4
	2024	2023	Change	2023
Annual recurring revenue, ARR	52.6	46.2	14%	49.9
Development costs	14.8	15.6	-5%	53.5

Key Performance Indicators

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

Earnings

First quarter 2024

The financial development in Q1 reflects the planned investment pace in product development and commercial expansion using proceeds from financing activities. EBIT for the quarter amounted to MSEK -14.4 (-18.3), including research and development costs of MSEK 14.8.

Net financial income

Net result from financial items for the quarter amounted to MSEK 0.0 (0.1).

Net result after tax

Net result after tax in the quarter amounted to MSEK -14.2 (-18.1), corresponding to SEK -1.29 per share (comparable figure).

Financing and cash flow

As of March 31, Modelon's total available liquidity amounted to MSEK 65.0 (119.9), of which the cash balance amounted to MSEK 55.0 (109.9) and unutilized credit facilities amounted to MSEK 10.0 (10.0). The board's assessment is that the available liquidity is sufficient for at least 12 months of operations from today's date. Cash flow from operating activities amounted to MSEK -4.1 (-1.8) for the first quarter. The change in working capital amounted to MSEK 11.1 (16.5) in the quarter. The positive change in working capital for the quarter is related to higher software sales, resulting in higher deferred (pre-paid) revenue, combined with a decrease in receivables. Cash flow from investing activities amounted to MSEK -0.2 (-0.1) during the first quarter. Cash flow from financing activities amounted to MSEK 0.0 (0.0) during the quarter.

The share

As of March 31, 2024, 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 11,170,971. 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 154,500, and the total dilution effect from share incentive programs if all warrants and options are allotted, vested and exercised for acquisition of shares is 1.40% per March 31, 2024.

Related party transactions

During the first quarter, consulting fees of TSEK 0 (409) were 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 – March 2024

Total revenues of the parent company for the period amounted to MSEK 13.2 (12.2) with an EBIT of MSEK -12.5 (-17.5). 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 0.0 (0.1) and the net result was MSEK -12.4 (-16.9).

Largest shareholders

The table below shows the major shareholders in the company per March 31, 2024.

Owner	A shares	B shares	Votes	Capital
Noledom Holding AB ¹	802,551	3,214,894	47.2%	36.5%
Accendo Capital	345,270	2,328,099	24.3%	24.3%
RoosGruppen AB	72,843	1,105,021	7.7%	10.7%
Ansys Inc.	129,000	516,000	7.6%	5.9%
Avanza Pension	0	308,792	1.3%	2.8%
Total top 5	1,349,664	7,472,806	88.1%	80.1%
Other owners	71,554	2,122,447	11.9%	19.9%
Total number of shares	1,421,218	9,595,253		

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

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. 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 litigation. 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 annual report for 2023.

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 2023.

Financial statements

Condensed Consolidated Income Statement

MSEK	Q1, Jan - Mar		Q1 - Q4
	2024	2023	2023
Net revenue	18.3	18.0	79.0
Other operating income	1.2	0.3	0.9
Total revenue	19.5	18.4	79.9
Operating expenses			
Other external expenses	-11.2	-12.5	-48.8
Personnel costs	-20.9	-23.5	-86.3
Depreciation and amortization	-0.3	-0.4	-1.1
Other operating expenses	-1.5	-0.4	-0.9
Total operating expenses	-33.9	-36.7	-137.0
Operating result	-14.4	-18.3	-57.2
Financial items			
Interest income and similar items	0.2	0.2	1.9
Interest expenses and similar items	-0.1	-0.1	-0.1
Net result from financial items	0.0	0.1	1.8
Profit/loss before tax	-14.4	-18.2	-55.4
Tax	0.2	0.1	-0.2
Net profit/loss	-14.2	-18.1	-55.6

Condensed Consolidated Balance Sheet

MSEK	2024-03-31	2023-03-31	2023-12-31
Fixed assets			
Licenses	0.0	0.2	0.0
Equipment	2.5	3.1	2.6
Deferred tax assets	16.3	15.9	15.8
Total fixed assets	18.8	19.1	18.4
Current assets			
Accounts receivable	9.7	10.3	20.1
Other receivables	8.3	7.6	7.7
Other short-term investments	20.0	0.0	20.0
Cash and bank	35.0	109.9	39.0
Total current assets	73.0	127.8	86.8
TOTAL ASSETS	91.9	146.9	105.2

Consolidated Balance Sheet, cont.

MSEK	2024-03-31	2023-03-31	2023-12-31
Shareholders' equity			
Share capital	0.9	0.9	0.9
Other equity incl. net profit/loss	39.2	90.7	53.0
Total shareholders' equity	40.1	91.6	53.9
Liabilities			
Deferred tax liabilities	0.0	0.0	0.0
Accounts payable	5.4	3.2	5.4
Deferred revenue, prepaid licenses	31.5	30.0	30.2
Other liabilities	14.9	22.0	15.8
Total liabilities	51.7	55.2	51.3
TOTAL EQUITY AND LIABILITIES	91.9	146.9	105.2

Condensed Consolidated Cash Flow Statement

MSEK	Q1, Jan - Mar		Q1 - Q4
	2024	2023	2023
Operating income	-14.4	-18.3	-57.2
Adjustment for non-cash items	-0.2	0.2	1.9
Interests and paid taxes	-0.5	-0.3	1.5
Change in working cap. receivables	11.9	11.6	-0.2
Change in working cap. liabilities	-0.8	4.9	1.7
Cash flow from operating activities	-4.1	-1.8	-52.2
Investments	-0.2	-0.1	-0.3
Cash flow from investing activities	-0.2	-0.1	-0.3
New share issue	0.0	0.0	0.0
Transaction costs, new share issue	0.0	0.0	0.0
Repurchased warrants	0.0	0.0	0.0
New borrowings/amortization	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.0	0.0
Net increase/decrease in cash and equiv.	-4.3	-1.9	-52.5
Cash and liquid assets at start of period	59.0	111.9	111.9
Exchange rate differences	0.3	0.0	-0.4
Cash and liquid assets at end of period	55.0	109.9	59.0

Condensed Consolidated Changes in Equity

MSEK	Share capital	Other contr. of equity	Other equity incl. profit	Total equity
As of January 1, 2023	0.9	200.1	-91.2	109.8
Exchange differences			-0.1	-0.1
Net loss for the period			-18.1	-18.1
Transactions with owners:				
Repurchased warrants		0.0		0.0
As of March 31, 2023	0.9	200.1	-109.4	91.6
Exchange differences			-0.4	-0.4
Net loss for the period			-37.5	-37.5
Transactions with owners:				
Issued warrants		0.1		0.1
Repurchased warrants		0.0		0.0
Share-based payments			0.0	0.0
As of January 1, 2024	0.9	200.2	-147.2	53.9
Exchange differences			0.4	0.4
Net loss for the period			-14.2	-14.2
Transactions with owners:				
Repurchased warrants		0.0		0.0
As of March 31, 2024	0.9	200.2	-161.0	40.1

Condensed Income Statement, Parent company

MSEK	YTD, Jan - Mar		Q1 - Q4
	2024	2023	2023
Net revenue	12.0	11.9	48.8
Other operating income	1.2	0.3	0.9
Total revenue	13.2	12.2	49.7
Operating expenses			
Other external expenses	-13.3	-15.5	-56.9
Personnel costs	-11.3	-13.1	-45.1
Depreciation and amortization	-0.1	-0.2	-0.6
Other operating expenses	-0.9	-0.3	-1.6
Total operating expenses	-25.6	-29.2	-104.2
Operating result	-12.5	-17.0	-54.5
Financial items			
Loss from shares in group companies	0.0	0.0	-0.1
Interest income and similar items	0.1	0.2	1.9
Interest expenses and similar items	-0.1	-0.1	-0.1
Net result from financial items	0.0	0.1	1.7
Profit/loss before tax	-12.4	-16.9	-52.8
Tax	0.0	0.0	0.0
Net profit/loss	-12.4	-16.9	-52.8

Condensed Balance Sheet, Parent company

MSEK	2024-03-31	2023-03-31	2023-12-31
Fixed assets			
Licenses	0.0	0.2	0.0
Equipment	1.2	1.5	1.3
Shares in group companies	6.2	6.2	6.2
Deferred tax assets	15.5	15.5	15.5
Total fixed assets	22.8	23.3	23.0
Current assets			
Accounts receivable	1.3	3.4	4.6
Receivables from group companies	0.0	0.0	0.0
Other receivables	6.0	5.5	6.0
Other short-term investments	20.0	0.0	20.0
Cash and bank	24.8	96.5	31.1
Total current assets	52.2	105.4	61.6
TOTAL ASSETS	75.0	128.8	84.6
Shareholders' equity	37.2	85.5	49.6
Liabilities			
Accounts payable	5.1	3.2	5.1
Short-term liabilities to group companies	11.8	12.7	7.0
Other liabilities	20.9	27.4	22.9
Total liabilities	37.8	43.3	35.0
TOTAL EQUITY AND LIABILITIES	75.0	128.8	84.6

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 2023 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 somewhat higher in 2024 compared to 2023, approximately 1.5 MUSD, corresponding to 15.0 MSEK per the USD rate at the end of the period. A ± 5 percent change in the USD/SEK exchange rate would impact the net result by approximately ± 0.8 MSEK over the fiscal year. A higher USD exchange rate vs. SEK would result in an increased revenue and EBIT.

Quarterly development

MSEK	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1
Annual recurring revenue	52.6	49.9	46.9	45.2	46.2
Change	5%	6%	4%	-2%	4%
Net revenues	18.3	20.7	19.1	21.1	18.0
Software revenues	13.5	14.4	12.3	14.3	12.0
Service revenues	4.8	6.4	6.8	6.8	6.0
Other operating income	1.2	0.2	0.1	0.2	0.3
EBIT	-14.4	-14.6	-11.5	-12.8	-18.3
EBIT margin	-78.7%	-70.3%	-60.2%	-60.5%	-101.6%
Net result after tax	-14.2	-13.4	-11.6	-12.4	-18.1
Net result per share (SEK)	-1.29	-1.22	-1.05	-1.13	-1.65
Deferred revenue (pre-paid), per EOQ	31.5	30.2	27.3	29.3	30.0
Cash flow from operations	-4.1	-18.7	-11.9	-19.8	-1.8
Development costs	14.8	14.1	11.4	12.4	15.6
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

The Board proposes that no dividend is paid, as communicated in the announcement of the annual general meeting.

More information about the AGM is available at www.modelon.com/agm2024.

Financial Calendar

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

May 14, 2024	Annual General Meeting
August 21, 2024	Q2 Interim Report
November 7, 2024	Q3 Interim Report
February 27, 2025	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

Growth	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%
Profitability	EBIT margin >20%	EBIT shall after a negative period turn positive and long-term in a mature state exceed 20%
Operating cash flow	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

ELEVATING HVAC-R & ENERGY SYSTEMS SIMULATION: NEW MODELON LIBRARY CONTENT

FEBRUARY 27, 2024

Modelon's experts understand the unique challenges faced by design and system engineers in the HVAC-R and energy industries. The latest library content demonstrates our continued commitment to empowering users in modeling cutting-edge HVAC-R equipment and energy systems using validated components.

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



LOOKING AHEAD TO INNOVATIONS IN AIRCRAFT HYDROGEN STORAGE IN 2024

JANUARY 29, 2024

Various challenges remain as the aviation industry attempts to accelerate progress toward a decarbonized future. Modelon's aerospace industry director, Michael Sielemann, sees three essential design and engineering opportunities that can streamline progress for aircraft hydrogen storage in 2024: gravimetric efficiency, insulation choices, and fueling times.

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



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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.

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