

Welcome to the 1H23 webinar

August 18, 2023



modulight

This is Modulight

We fight cancer with science and technology

- We are a biomedical company that designs and manufactures laser devices for the treatment of cancer and eye diseases and for genetics
- We also manufacture products for other high-value applications such as quantum computing

Today's agenda

- H1 in brief
- US launch update
- Financial highlights
- R&D pipeline
- Revenue model and customer base
- Outlook
- Q&A



Munster University Hospital, June 2023

H1 in brief

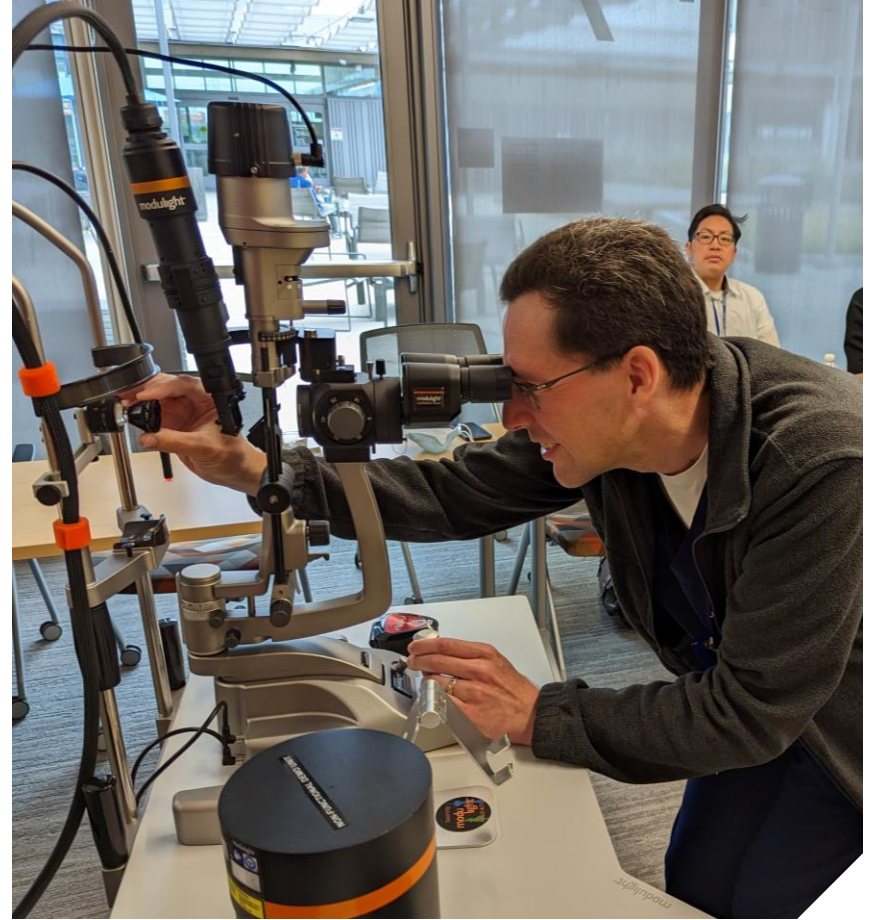
- Positive development continued:
 - Product development projects and customer relationships
 - Development of SaaS-based business models
 - Start-up of US operations
- Revenue EUR 2,600 thousand
- EBITDA EUR -3,010 thousand
- R&D pipeline remained on a record level
- Several projects progressed towards commercialization



We believe that actions in line with our growth strategy and our long-term investment program will contribute to the return of our business to strong, profitable growth.

U.S. launch update

- In January, pre-market approval (PMA) from the U.S. Food and Drug Administration (FDA) for our laser device for the treatment of wet age-related macular degeneration (AMD)
- First product support center on the East Coast
- Visits to customers in hospitals
- Pay per treatment (PPT) business model ("SaaS")
- Local organization being developed



Financial highlights April-June 2023

Revenue

EUR
1,107
thousand

EBITDA

EUR
-1,581
thousand

-142.8% of
revenue

EBIT

EUR
-2,095
thousand

-189.2% of
revenue

- Revenue +122% YoY due to delivery of existing projects
- Improvement in profitability
- Operating costs slightly higher YoY due to growth strategy implementation
- Due to completed investment program costs & CAPEX are expected to decrease
- Risk management working well and we see benefits to us and our customers

Financial highlights January-June 2023

Revenue

EUR
2,600
thousand

EBITDA

EUR
-3,010
thousand

-115.8% of
revenue

EBIT

EUR
-3,998
thousand

-153.8% of
revenue

- Revenue +23.8% YoY due to delivery of existing projects
- Slight improvement in EBITDA-%
- Operating costs grew YoY due to growth strategy implementation
- Due to completed investment program costs & CAPEX are expected to decrease
- Risk management working well and we see benefits to us and our customers

Key figures

Group EUR 1,000 unless otherwise noted	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022 ¹⁾
Revenue	1,107	498	2,600	2,100	4,599
EBITDA	-1,581	-2,176	-3,010	-2,594	-5,936
EBITDA - %	-142.8%	-436.8%	-115.8%	-123.5%	-129.1%
Operating result (EBIT)	-2,095	-2,610	-3,998	-3,480	-7,792
Operating result (EBIT) - %	-189.2%	-524.2%	-153.8%	-165.7%	-169.4%
Earnings for the period	-2,093	-3,145	-3,831	-4,370	-8,552
Earnings per share (EPS, EUR)	-0.05	-0.07	-0.09	-0.10	-0.20
Acquisition of fixed and intangible assets	-3,262	-1,536	-6,745	-5,164	-13,694
Free cash flow from operating activities	-4,843	-3,711	-9,755	-7,758	-19,630
Cash and cash equivalents ²⁾	32,661	53,802	32,661	53,802	43,870
Net debt ²⁾	-25,122	-44,917	-25,122	-44,917	-35,586
Gearing ratio ²⁾	-39.4%	-62.6%	-39.4%	-62.6%	-52.7%
Equity ratio ²⁾	87.0%	86.1%	87.0%	86.1%	86.3%
Headcount (FTE) ²⁾	74	72	74	72	62

1) Audited

2) Figure refers to the end of the review period

Strategic programs

1. Sales, marketing and operations development



2. Cloud technology and cloud based service development



3. Productizing platform devices for various indications & applications



4. Technology development based on the completed investment program

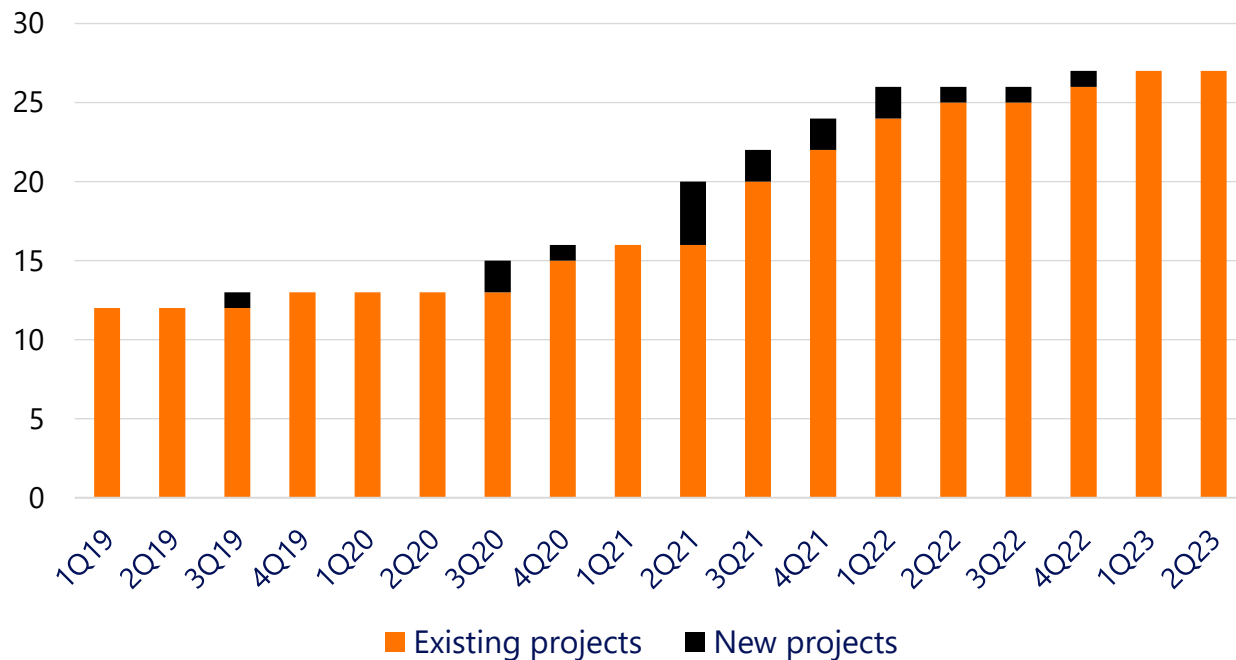


5. Development of ESG, governance and reporting



Solid R&D pipeline

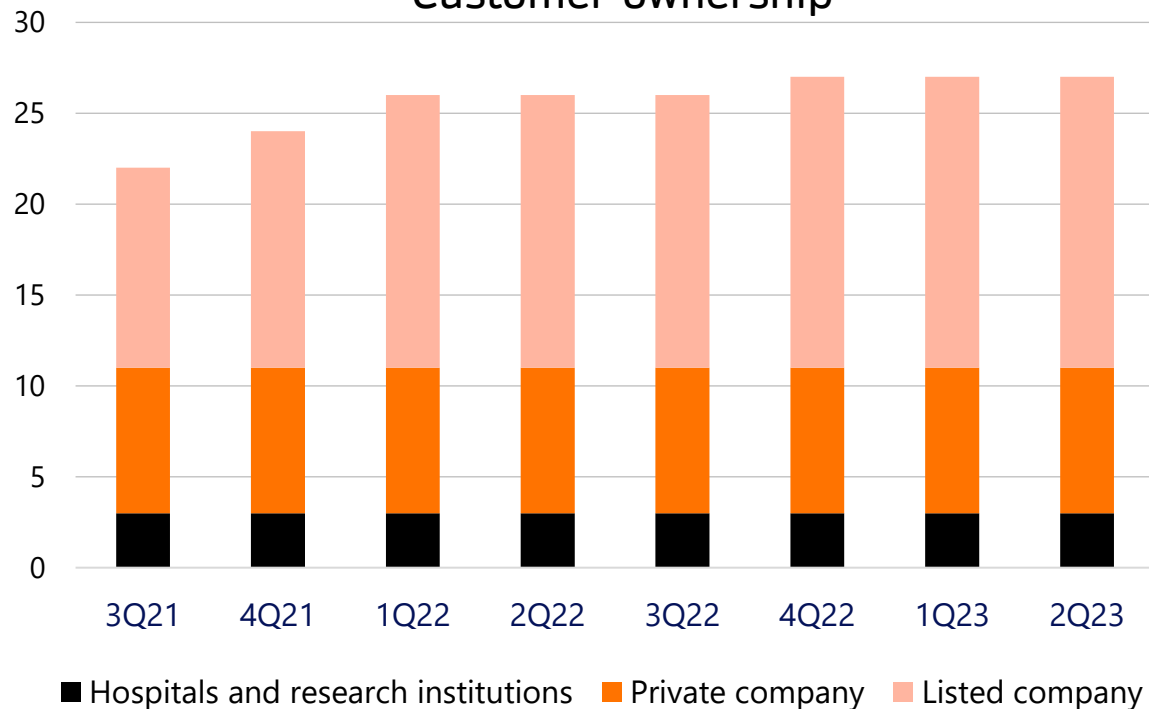
Number of projects with commercialization potential



- 27 projects
- Projects progressed well, significant revenue potential
- Positive development in e.g. cloud technology related to treatment of bladder cancer and eye diseases, in new business models and related clinical trials
- Studies and patient recruitments related to treatment of glioblastoma also progressed
- Commercialization of subsystems development progressed
- Economic analysis

Modulight's customer base

Customer ownership



- 11% are research companies
- 30% are privately owned
- 59% of customers are listed companies
- 63% are established companies
- 30% have over 1bn revenue

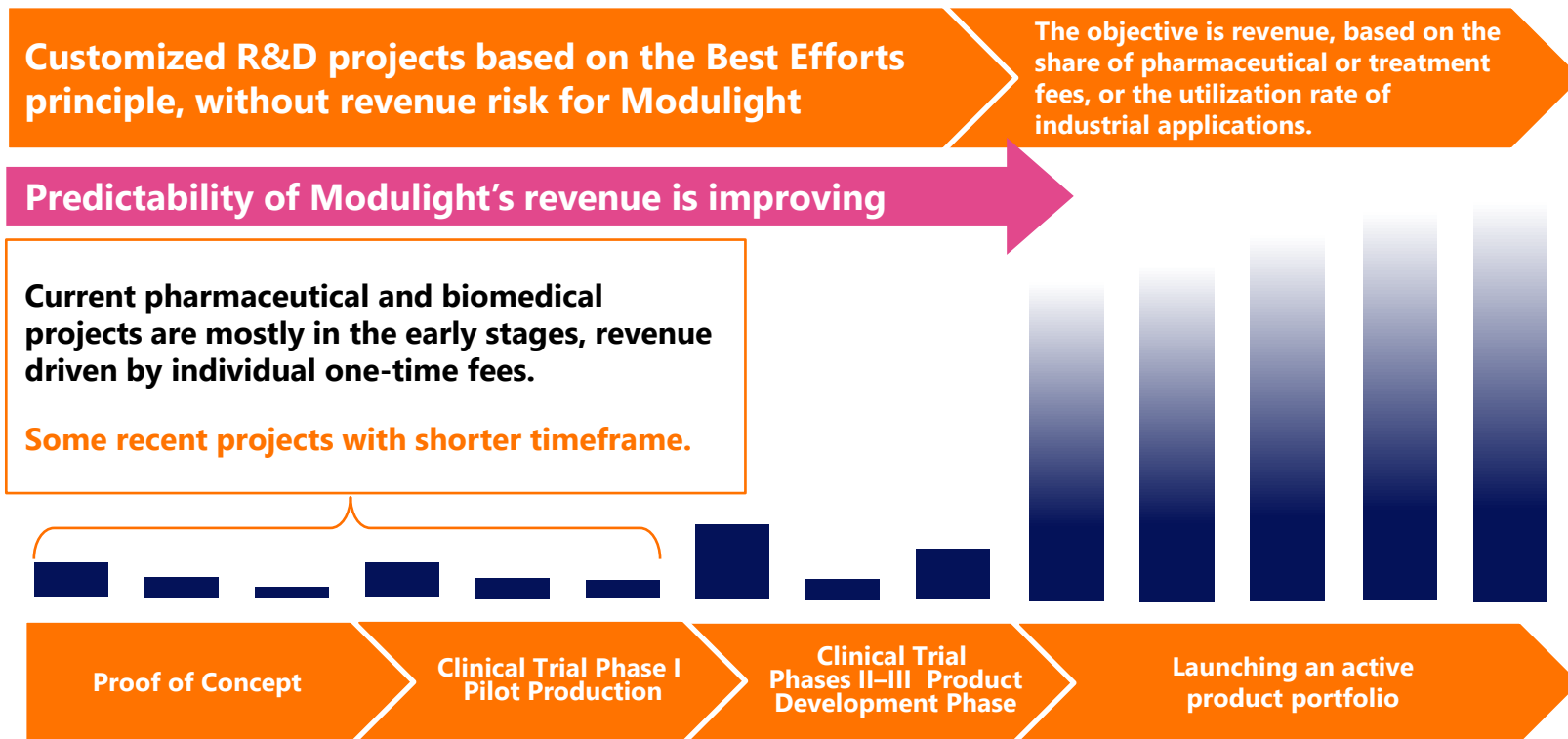
Economics and Pay Per Treatment

- An analysis of the product development pipeline potential was finalized with KPMG in Q3 2022.
- The results and further studies have now been used to analyse the pricing for the Pay Per Treatment (PPT) payment model.
- Based on the analysis and discussions with many customers, we estimate that the price per treatment session is around 1,000€ – 10,000€.
- This price range typically represents 1–10% of the total cancer treatment costs.
- Implementation of this pricing model is expected to have a financial impact in the short term.



In addition to the other benefits to patients, we believe our treatment with this pricing model would reduce the overall cost of treatment.

Revenue model



Outlook

A man wearing safety glasses is working on a device with blue lights. The background is dark with a network overlay of blue lines and dots.

Modulight has not issued guidance for revenue or profitability in 2023.

As the company's customer projects are still distributed across varying early stages of development, and predicting developments in the market remains challenging, it is difficult to forecast performance in 2023.

However, the company expects that macroeconomic and geopolitical uncertainty will still impact its financial performance in the short term.

Summary

- Positive development continued with R&D pipeline, customer interaction & new business models.
- Discussions with new partners progressed well, and number of customer meetings continued to grow.
- Product development pipeline stayed at record level with 27 projects, and several projects progressed towards commercialization.
- Development of SaaS-based business models and start-up of local operations in the US progressed well.
- We believe that the actions in line with our growth strategy and our long-term investment program will contribute to the return to strong, profitable growth.
- Thanks to the completed investment program we expect operational costs and CAPEX to decrease.
- Our goal is to grow strongly in each calendar year and return to strong profitability during the strategy period 2023–2025



**Thank you!
Questions?**

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Thank you

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