

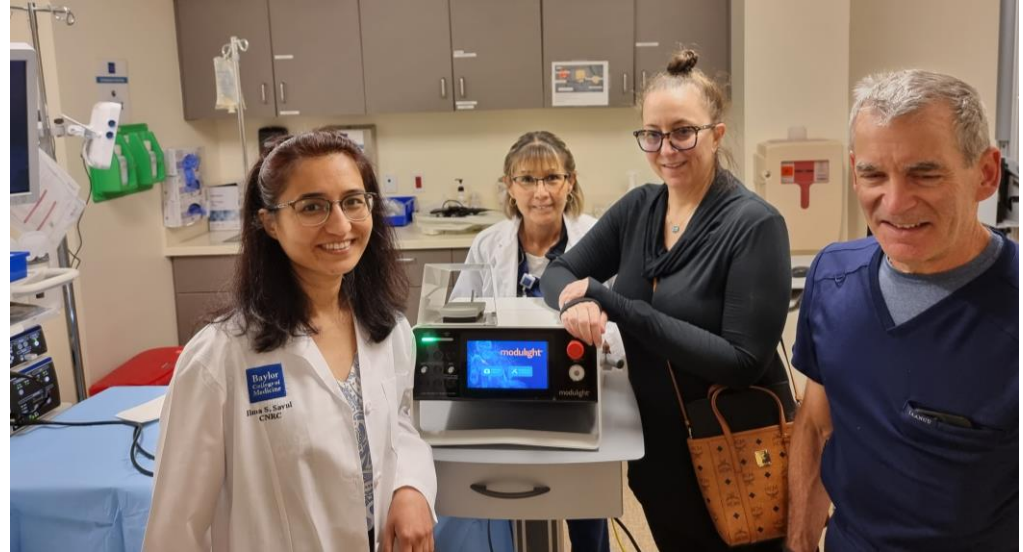
Welcome to the 4Q22 webinar



modulight

Today's agenda

- Updated strategy and FDA approval
- Q4 and full year 2022 highlights
- Project pipeline development
- Progress with investments
- Q&A



Baylor College of Medicine, Austin, TX (Dec-22)

Updated strategy and FDA approval

- Updated strategy with additional focus on the U.S. market and go-to-market strategy
- R&D Pipeline grew to 27 projects with major pharmas
- Significant progress in the R&D project pipeline and opportunities to accelerate the pay per treatment cloud strategy in the short term
- Customer activity still affected by coronavirus pandemic related delays, geopolitics and shortages in component availability but seeing improvement in business environment
- In January 2023, FDA PMA approval

FDA PMA approval for the ML6710i

- January 23, 2023: Modulight received an approval from the U.S. Food and Drug Administration FDA for its ML6710i laser device for the treatment of wet age-related macular degeneration (AMD) in the United States
- Cooperation with a prominent NYSE-listed pharmaceutical company on the preparation of a market authorization application for the FDA started already in 2018
- ML6710i is expected to be available for eye care professionals during the first half of 2023

Financial highlights October–December 2022

Revenue

EUR

1,268

thousand

EBITDA

EUR

-2,000

thousand

-158% of
revenue

EBIT

EUR

-2,501

thousand

-197% of
revenue

- Revenue -47% yoy mainly due to delays in customers' research projects and Modulight's long sales cycles
- Lower profitability due to lower revenue & decision to accelerate strategy implementation
- Costs increased due to growth strategy implementation

Financial highlights year 2022

Revenue

EUR

4,599

thousand

EBITDA

EUR

-5,936

thousand

-129% of
revenue

EBIT

EUR

-7,792

thousand

-169% of
revenue

- Revenue -49% yoy mainly due mainly due to pandemic restrictions and component availability + generic macroeconomic uncertainty
- Lower profitability due to lower revenue & decision to accelerate strategy implementation
- Costs increased due to growth strategy implementation

Key figures

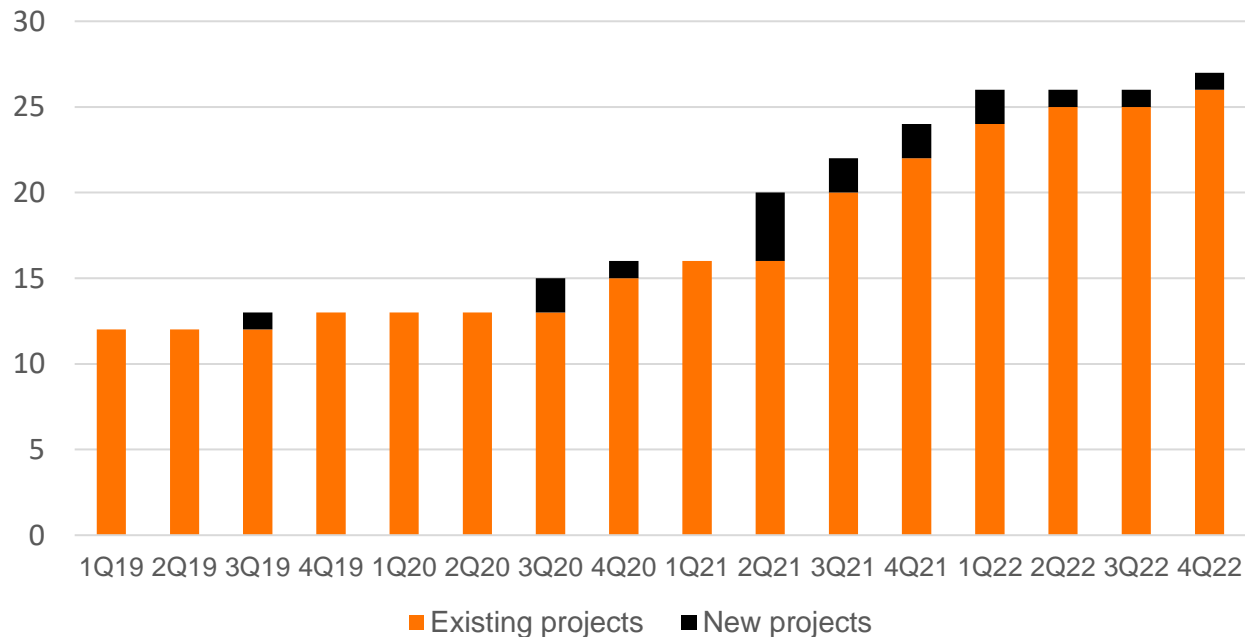
Group	10–12/2022	10–12/2021	7–12/2022	7–12/2021	1–12/2022	1–12/2021 ¹⁾
EUR 1,000 unless otherwise noted						
Revenue	1,268	2,374	2,499	4,511	4,599	9,071
EBITDA	-2,000	-3,715	-3,342	-2,690	-5,936	461
EBITDA - %	-157.7%	-156.5%	-133.7%	-59.6%	-129.1%	5.1%
Operating result (EBIT)	-2,501	-4,067	-4,313	-3,351	-7,792	-753
Operating result (EBIT) - %	-197.2%	-171.3%	-172.6%	-74.3%	-169.4%	-8.3%
Earnings for the period	-2,235	-4,234	-4,183	-7,076	-8,552	-5,061
Earnings per share (EPS, EUR)	-0.05	-0.10	-0.10	-0.19	-0.20	-0.15
Acquisition of fixed and intangible assets	-4,860	-6,119	-8,530	-6,428	-13,694	-9,617
Free cash flow from operating activities	-6,861	-9,834	-11,873	-9,118	-19,630	-9,156
Cash and cash equivalents ²⁾	43,870	62,978	43,870	62,978	43,870	62,978
Net debt ²⁾	-35,586	-53,415	-35,586	-53,415	-35,586	-53,415
Gearing ratio ²⁾	-52.7%	-70.1%	-52.7%	-70.1%	-52.7%	-70.1%
Equity ratio ²⁾	86.3%	87.0%	86.3%	87.0%	86.3%	87.0%
Headcount (FTE) ²⁾	62	52	62	52	62	52

1) Audited

2) Figure refers to the end of the review period

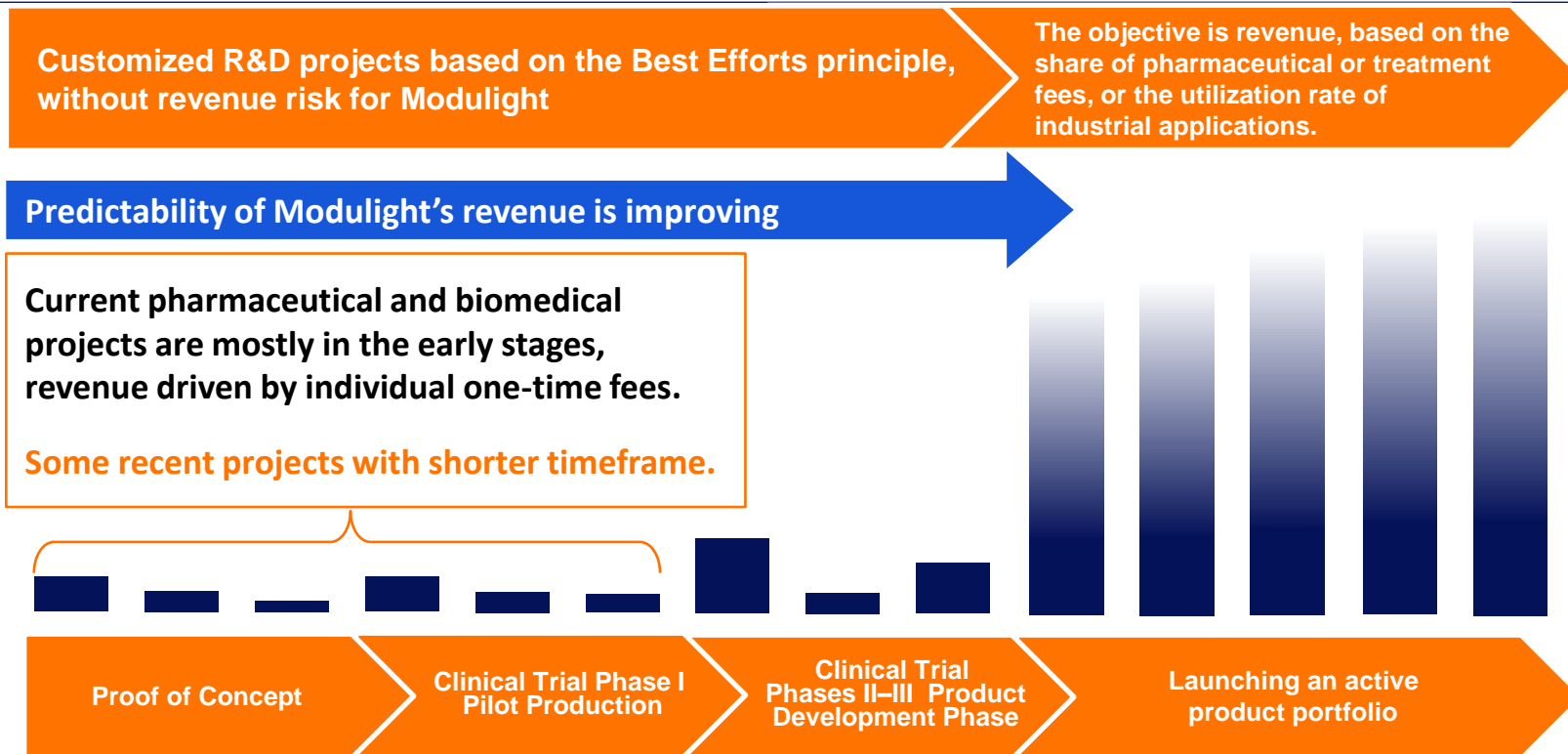
Solid R&D Pipeline

Number of projects
with commercialization potential

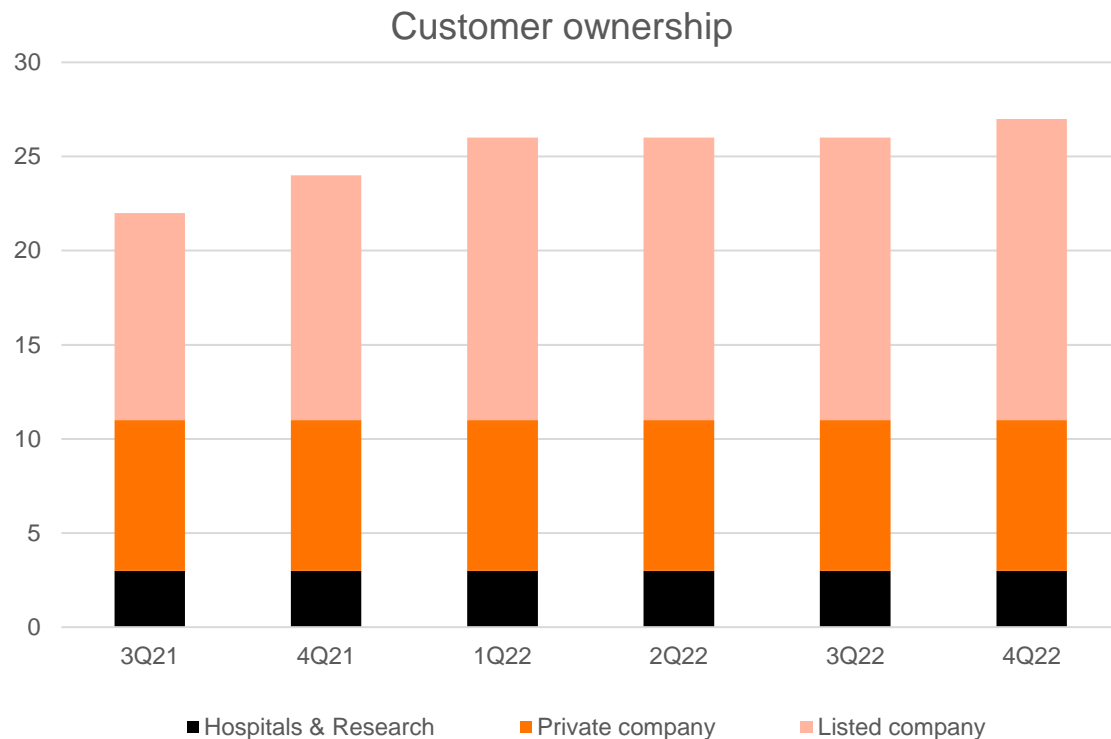


- 27 projects (+1 from 3Q22)
- Continued new business models e.g. Pay Per Treatment implementation
- One new project with existing blue chip pharma customer
- Several projects progressed well and expecting significantly increased business potential in 2023
- Jan-23: FDA PMA approval

Revenue model

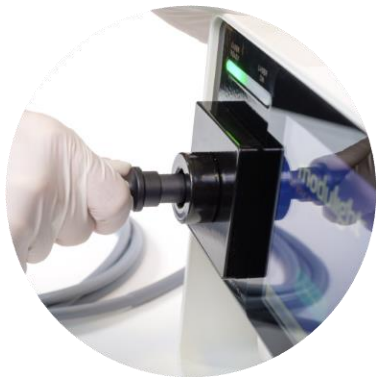


Modulight's customer base



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

R&D Pipeline progressing



Customer: Major NYSE listed pharmaceutical company

Indication: Fluorescence imaging

Customers develops new fluorescence imaging system to diagnose cancer for which we develop a new illumination source



Customer: NYSE listed US pharmaceutical company

Indication: Ophthalmology

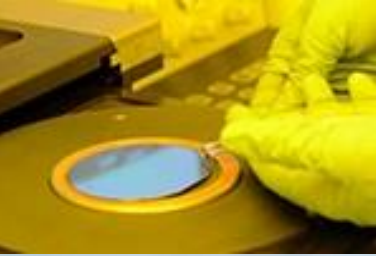
FDA PMA approval for ML6710i laser device for the treatment of wet age-related macular degeneration (AMD) in the US received in Jan 2023



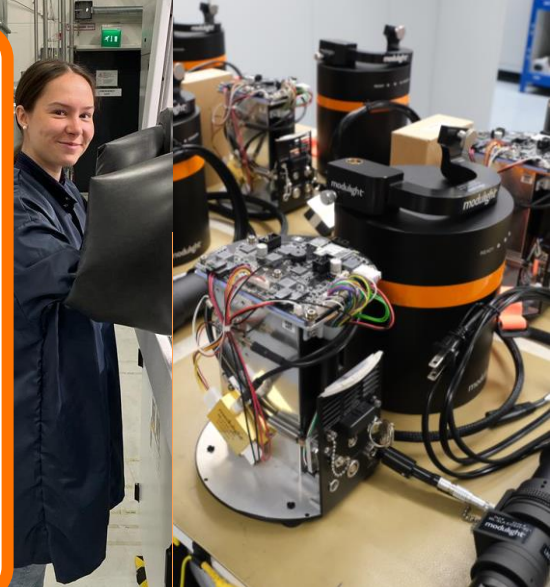
New business models (“SaaS”):
Utilizing cloud.modulight.com services

Progress with multiple customers on deploying the cloud services and new business models faster. Example the pay per treatment model, while aiming to reduce GTM in several projects in the R&D pipeline.

Investment program complete



- ❑ Investments starting to show operational benefits:
 - ❖ Further differentiation
 - ❖ Expanded offering
 - ❖ Increased productivity
 - ❖ Higher capacity
- ❑ Record number of CAPEX tool investments done in 4Q22 and seeing all of the above improvements based on 2022 experiences
- ❑ Some delays due to component shortages with equipment suppliers but by and large now all equipment at the fab



Strategy update

Geographical expansion

- Local operations in the U.S.
- Focus on selected partnerships in Europe and Asia
- At least three commercial roll outs of projects in the current R&D pipeline

Expanding the offering to new indications and applications

- Productizing platform devices for various indications and applications
- Improving treatment efficacy and accessibility with cloud-based services

New business models

- Developing a pay per treatment model and other SaaS-based business models
- Cloud technology and cloud-based services development

Commercial and operational excellence

- Sales, marketing and operations development
- Development of ESG, governance and reporting
- Carbon-neutral operations in 2025

State-of-the-art laser technology expertise

- Technology development based on the completed investment program
- Taking advantage of the state-of-the-art technology production capacity
- Continuing to focus on the company's unique laser technology expertise

Outlook

Modulight has not issued guidance for revenue or profitability.

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 changes in the operating environment caused by corona pandemic restrictions as well as macroeconomic and geopolitical uncertainty will still impact its financial performance in the short term.

Summary

- Updated strategy with additional focus on the U.S. market and go-to-market strategy
- Product development pipeline grew to 27 projects
- Significant progress in the R&D project pipeline (including FDA PMA approval) and opportunities to accelerate the pay per treatment cloud strategy in the short term
- Customer development projects still affected by coronavirus pandemic related delays and shortages in component availability
- Strong balance sheet, unique technology and supporting megatrends are a good basis for continuing the execution of the growth strategy

Thank you! Questions?

Learn more and follow us in LinkedIn,
twitter, Facebook, Youtube and Instagram:



modulight

Financial highlights July–December 2022

Revenue

EUR

2,499

thousand

EBITDA

EUR

-3,342

thousand

-134% of
revenue

EBIT

EUR

-4,313

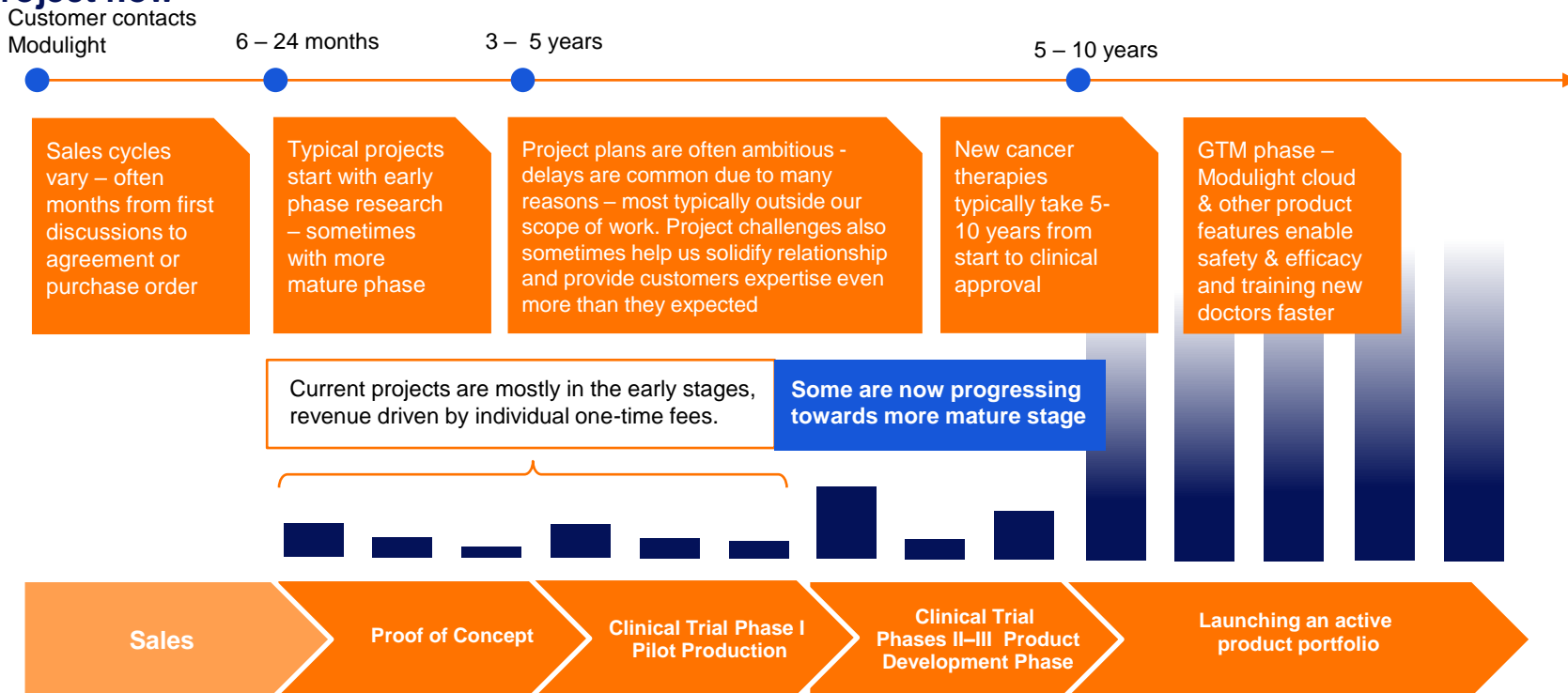
thousand

-173% of
revenue

- Revenue -45% yoy mainly due to pandemic restrictions and component availability + generic macroeconomic uncertainty
- Lower profitability due to lower revenue
- Costs increased due to growth strategy implementation

A typical project

CASE EXAMPLE: Generic Modulight customer project flow



Updated strategy and financial targets 2023–2025



Targeting strong annual growth and a return to strong profitability



Continuing to focus on the company's unique laser technology expertise and expanding its offering to new indications and applications



Taking advantage of the state-of-the-art technology production capacity



Seeking growth especially in the US market and SaaS-based business models



Targeting also carbon-neutral business by 2025

Strategy and targets



Strategic programs

Sales, marketing and operations development



Cloud technology and cloud based service development



Productizing platform devices for various indications & applications



Technology development based on the completed investment program



Development of ESG, governance and reporting

