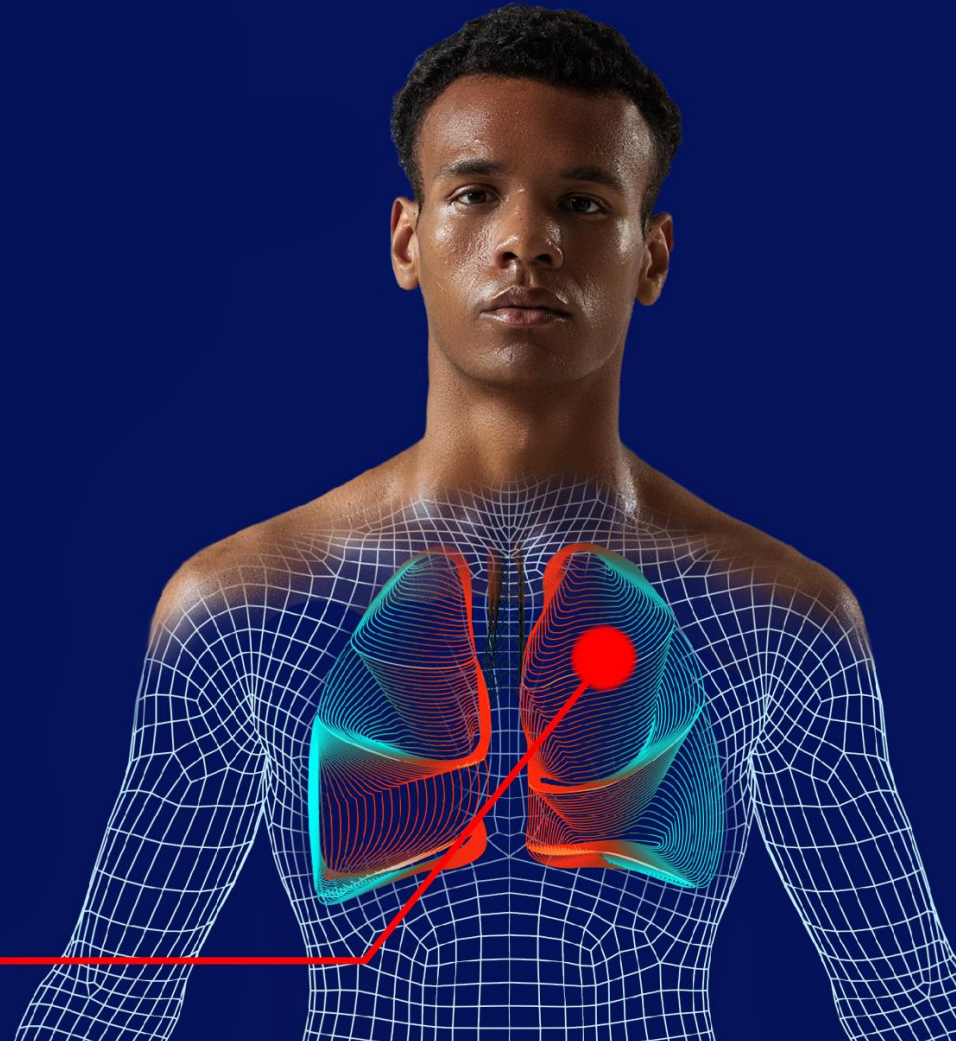


# Modulight Oyj

Seppo Orsila  
toimitusjohtaja  
29.11.2022

modulight

---



# Today's agenda

---

- ❑ Modulight in brief
- ❑ Q3 2022 highlights
- ❑ Objectives and Financial Targets
- ❑ Q&A

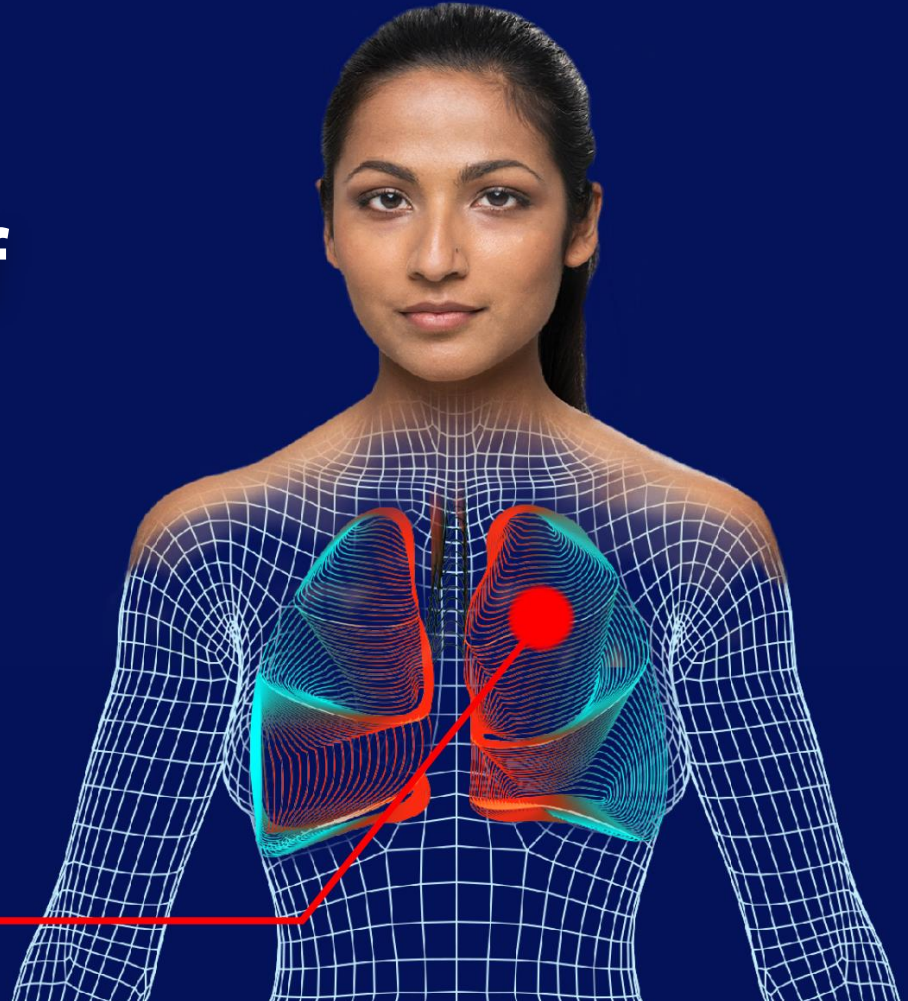


Memory Sloan Kettering Cancer Center, New York, NY (Nov-22)

# Modulight in Brief

modulight

---



# Modulight in brief

## Modulight provides lasers and optics for demanding applications

### Medicine- ja Biomedicine

- ❑ *Oncology* (cancer diseases) products
- ❑ *Ophthalmology products*
- ❑ *Genetics* and diagnostics products

### Other high-value add applications

- Modulight provides laser solutions for selected synergistic high customer value applications with own brand & technology*
- ❑ Quantum computing
  - ❑ Flow cytometry
  - ❑ Digital press

### Services

- ❑ Pay per Treatment (PPT) and other SaaS based business models
- ❑ Ability to speed up customer go to market and deployment to larger patient populations
- ❑ Regulatory design and approval support in clinical & documentation service
- ❑ Data Analytics & AI and Cloud Services for improved treatment result (efficacy)
- ❑ Lifecycle support with recurring service plans
- ❑ On-site or Online training and calibration
- ❑ Regulatory and feature software updates

44 %

EBITDA, % average  
2018-2021 (2022/1-3Qs at loss)

26

Projects with  
commercialization  
potential

10+

in total more than ten  
international pharmaceutical  
companies, Fortune 500 listed  
companies, cancer research  
centers and universities as  
clients.

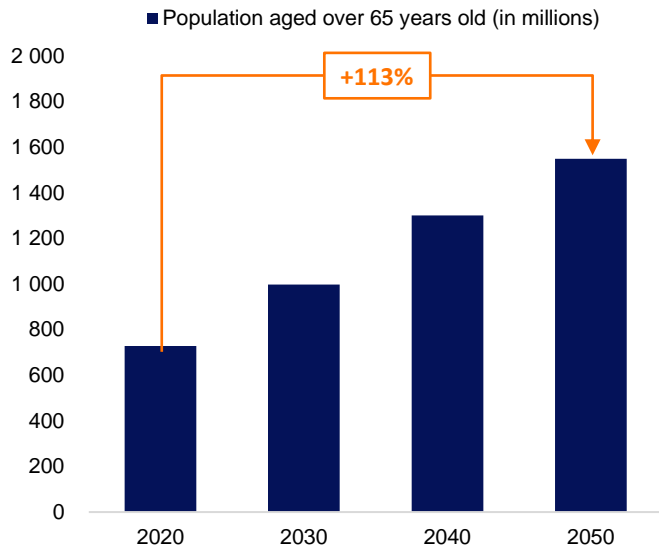
20+

years of experience in  
medical applications, the  
development and  
manufacture of lasers and  
optics.

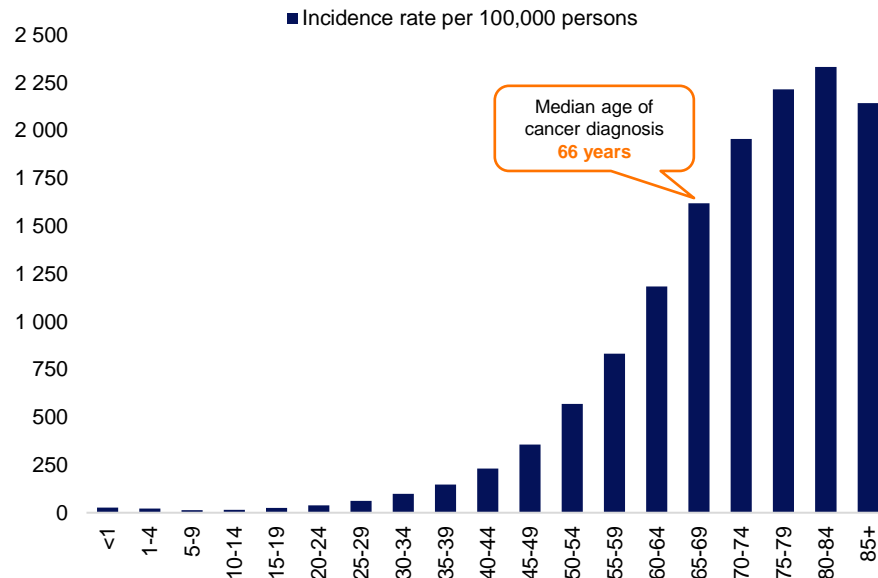
# Aging population driving demand

for better cancer treatment

## Elderly population doubling in size during the next decades

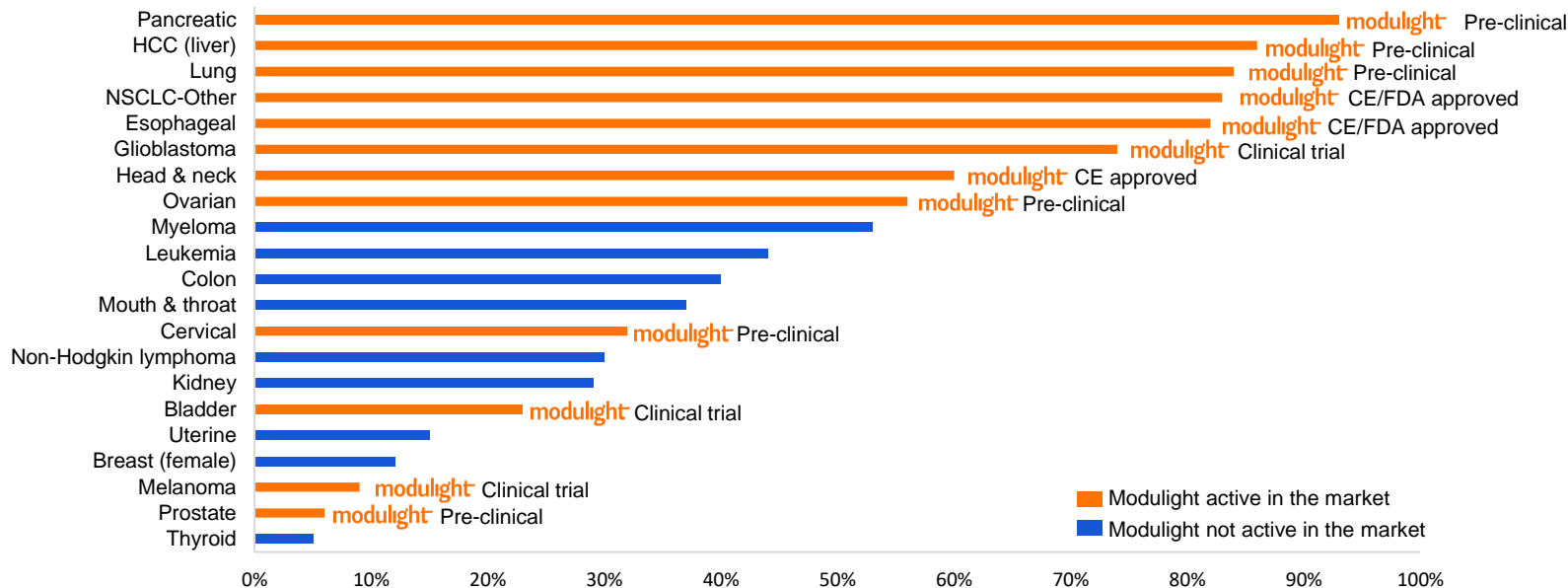


## Age is the biggest risk factor for cancer



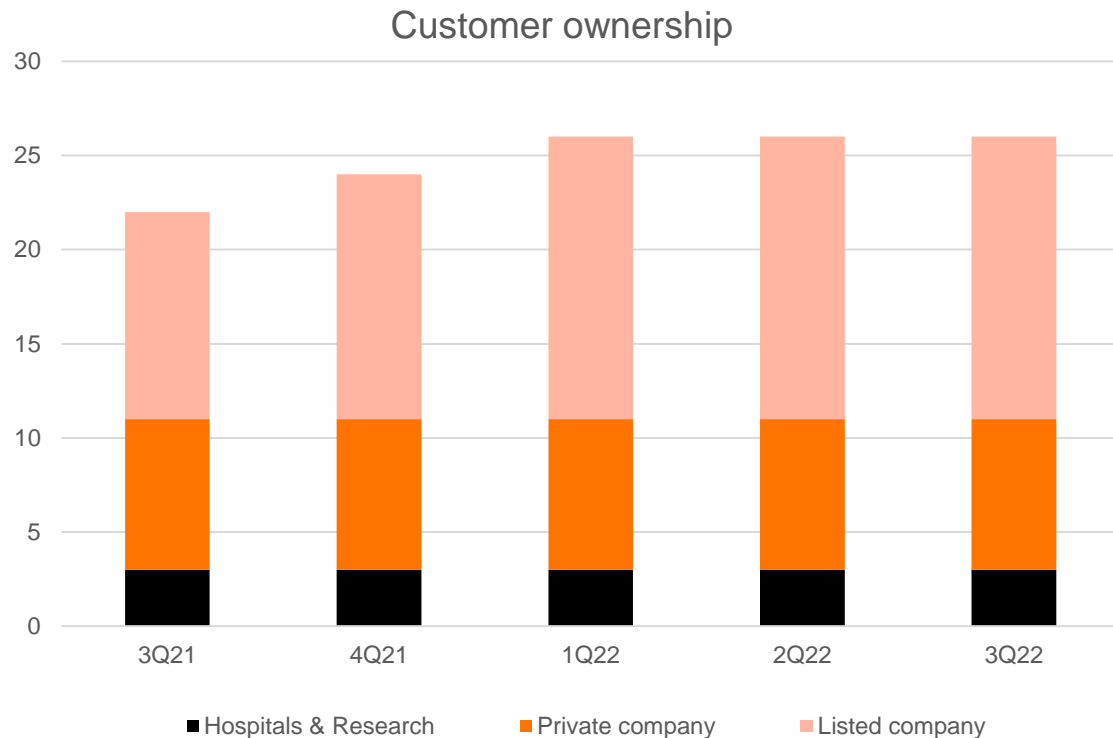
# Significant potential in indications with high unmet need

McKinsey study shows high unmet need in several tumor types<sup>1)</sup>



Modulight is targeting indications where the need for new treatment options is high

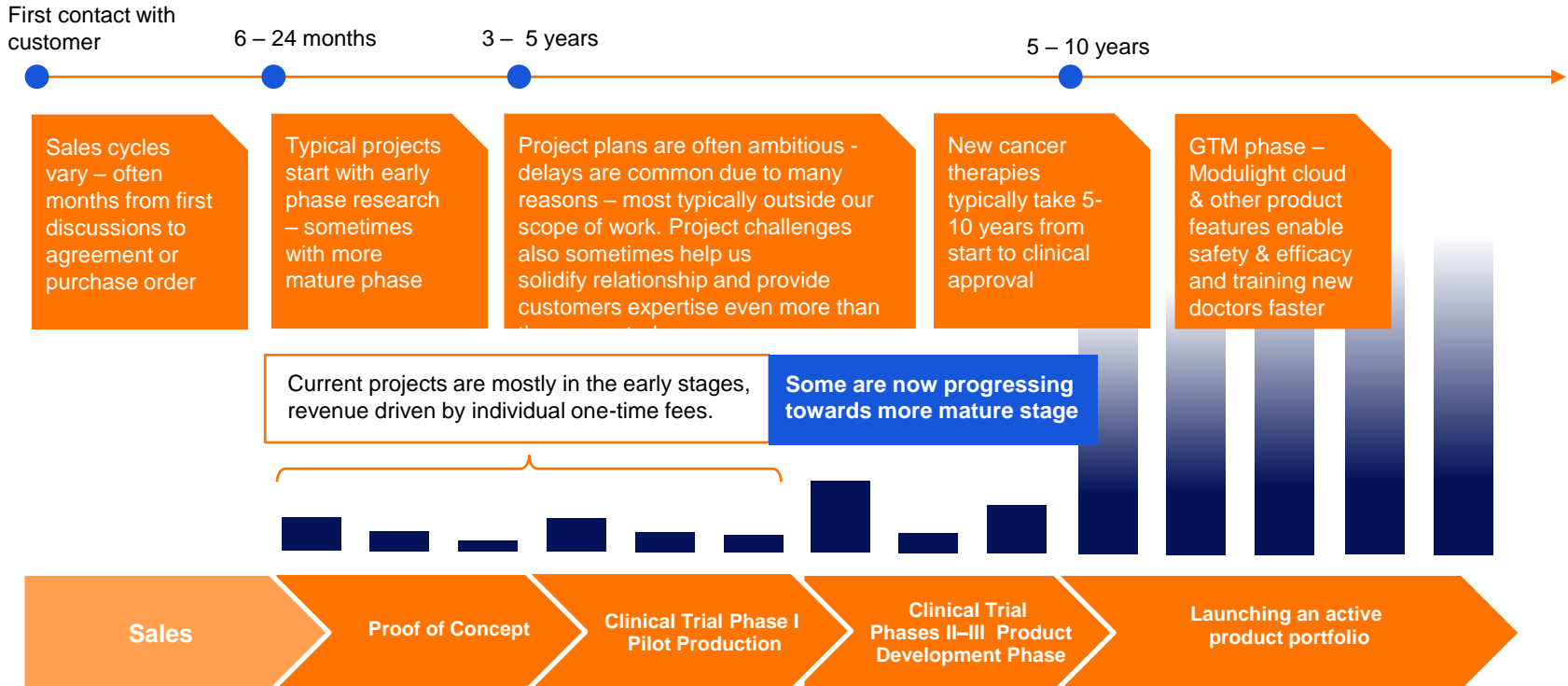
# Modulight's customer base



- ❑ 12% are research companies
- ❑ 31% are privately owned
- ❑ 58% of customers are listed companies
- ❑ 62% are established companies
- ❑ 27% have over 1bn revenue

# A typical project

## CASE EXAMPLE: Generic Modulight customer project flow

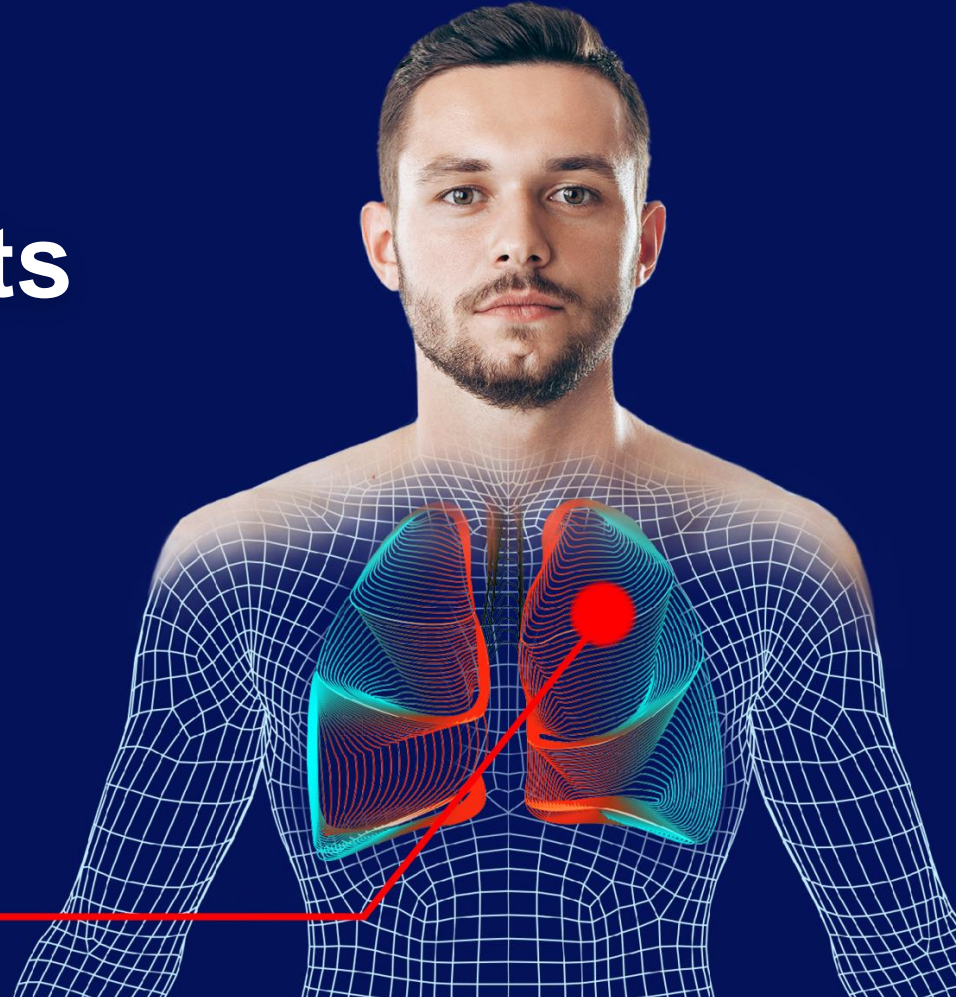




# Q3 2022 Highlights

modulight

---



# Q3 2022 financial highlights

---

Revenue

EUR

1,232

thousand

EBITDA

EUR

-1,342

thousand

-109% of  
revenue

EBIT

EUR

-1,812

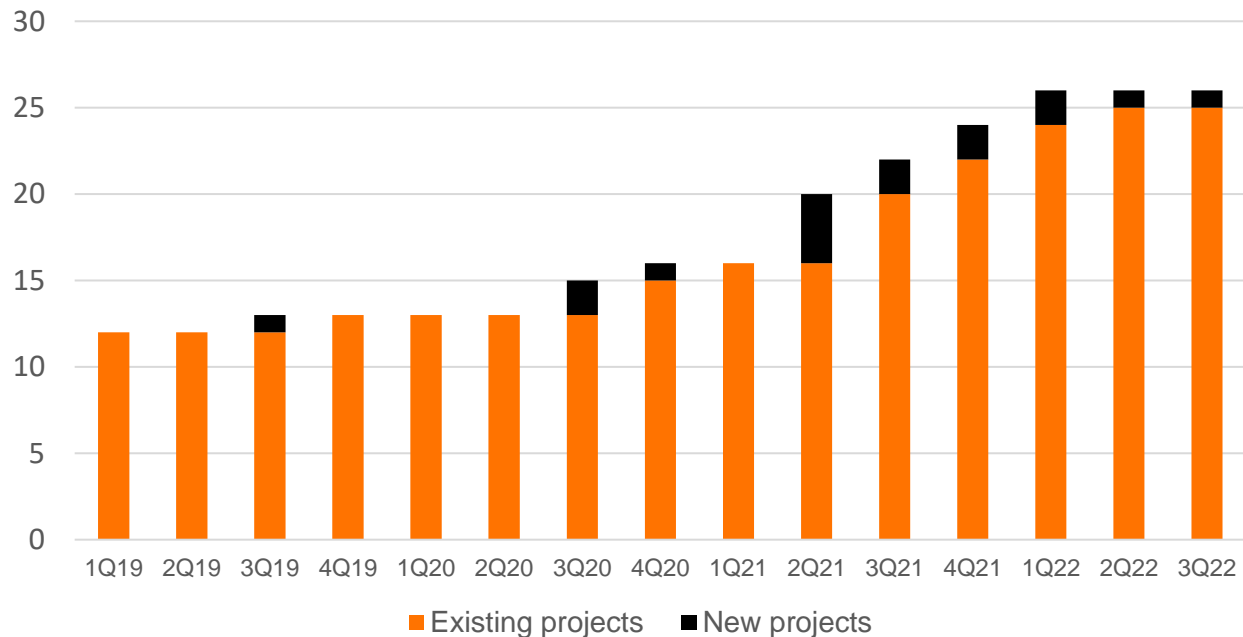
thousand

-147% of  
revenue

- ❑ Revenue -42% YoY mainly due to uncertainty in the business environment
- ❑ Lower profitability due to lower revenue
- ❑ Costs increased due to growth strategy implementation
- ❑ Employee satisfaction survey continues at very high level (record number)

# Solid product development pipeline

Number of projects  
with commercialization potential



- 26 projects
- Opportunity to accelerate cloud strategy (pay per treatment business model)
- One new project initiated in dermatology with an existing customer
- One project with a blue-chip company stopped
- Bladder cancer study with the first patient treated

# Product development pipeline progressing

---



**Customer:** Major NYSE listed pharmaceutical company

**Indication:** Ophthalmology

*Discussions about a “classical click fee model” or pay per treatment model.*



**Customer:** Publicly listed US pharmaceutical company

**Indication:** Bladder cancer

*Important milestone reaches as the first patient in the study was treated.*

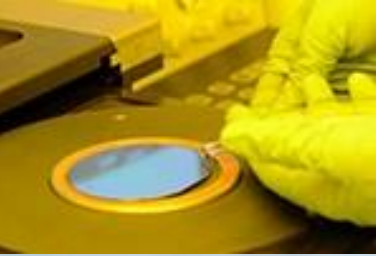


**Customer:** Publicly listed US medical device company

**Indication:** Dermatology

*In addition to an on-going major project, discussions about a new high priority project with aim to launch product next year.*

# Investment program update



- ❑ Investments starting to show operational benefits:
  - ❖ Further differentiation
  - ❖ Expanded offering
  - ❖ Increased productivity
  - ❖ Higher capacity
- ❑ Record number of CAPEX tool investments ongoing & several installation teams from Japan and elsewhere at Modulight concurrently
- ❑ Some delays due to component shortages with equipment suppliers

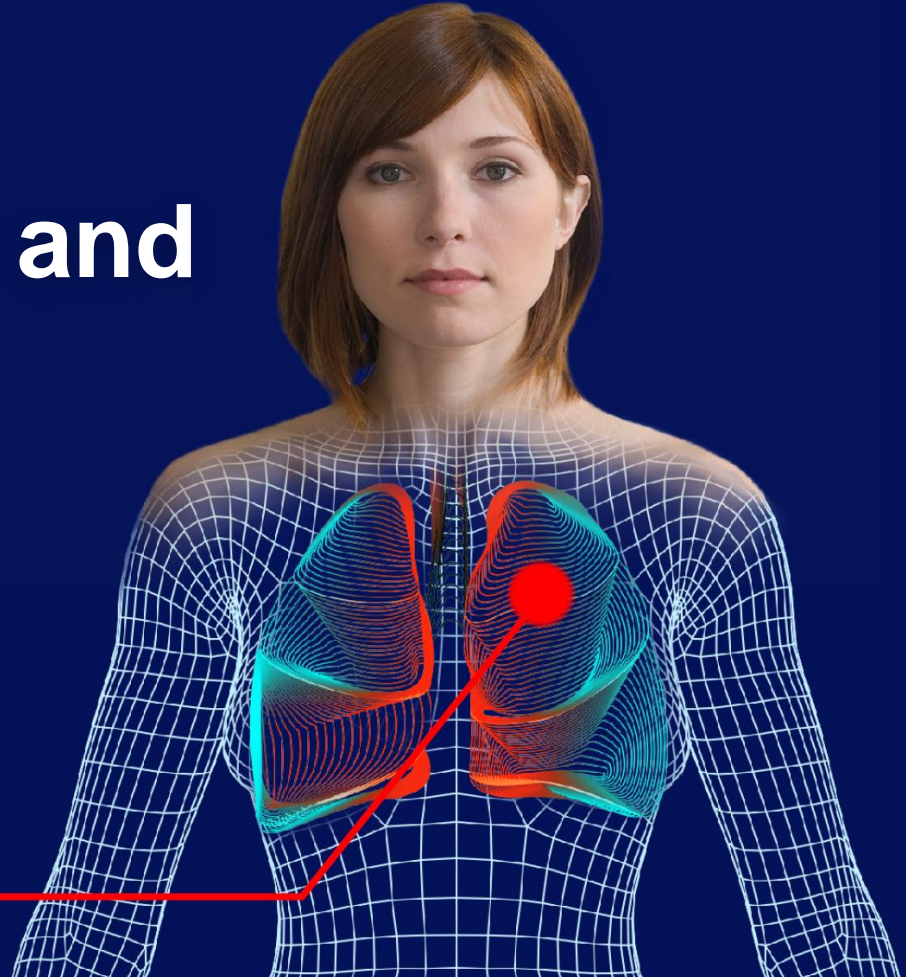




# Updated Strategy and Financial Targets

modulight

---



# 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





# Outlook

Modulight has not issued a guidance for revenue or profitability in 2022.

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 2022.

However, we expect that changes in the operating environment caused by COVID-19 restrictions as well as macroeconomic and geopolitical uncertainty still impact our financial performance in the short term.



Carolina Urologic Research Center, Myrtle Beach, SC (Sep-22)

# Summary

---

- ❑ 26 projects R&D pipeline with US and other international pharmaceuticals and life science / technology companies. Typically Modulight is sole source technology partner with also wide clinical responsibilities
- ❑ Focus on local presence in US (sales+service+regulatory) and proactive sales work with continuation of marketing to create inbound flow
- ❑ Vertical integration expanded with 23m€ investment program (2019 – 2022 ) progressed to point where we expect to start reaping benefits – this is now expected to give increasing benefits over several coming years
- ❑ Unique, patented product platforms & technology used by multiple leading pharmaceutical and technology companies to increasing number of indications and even some indications addressed by several companies using our technology
- ❑ Strong balance sheet, unique technology, Modulight branded product platforms 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

---

