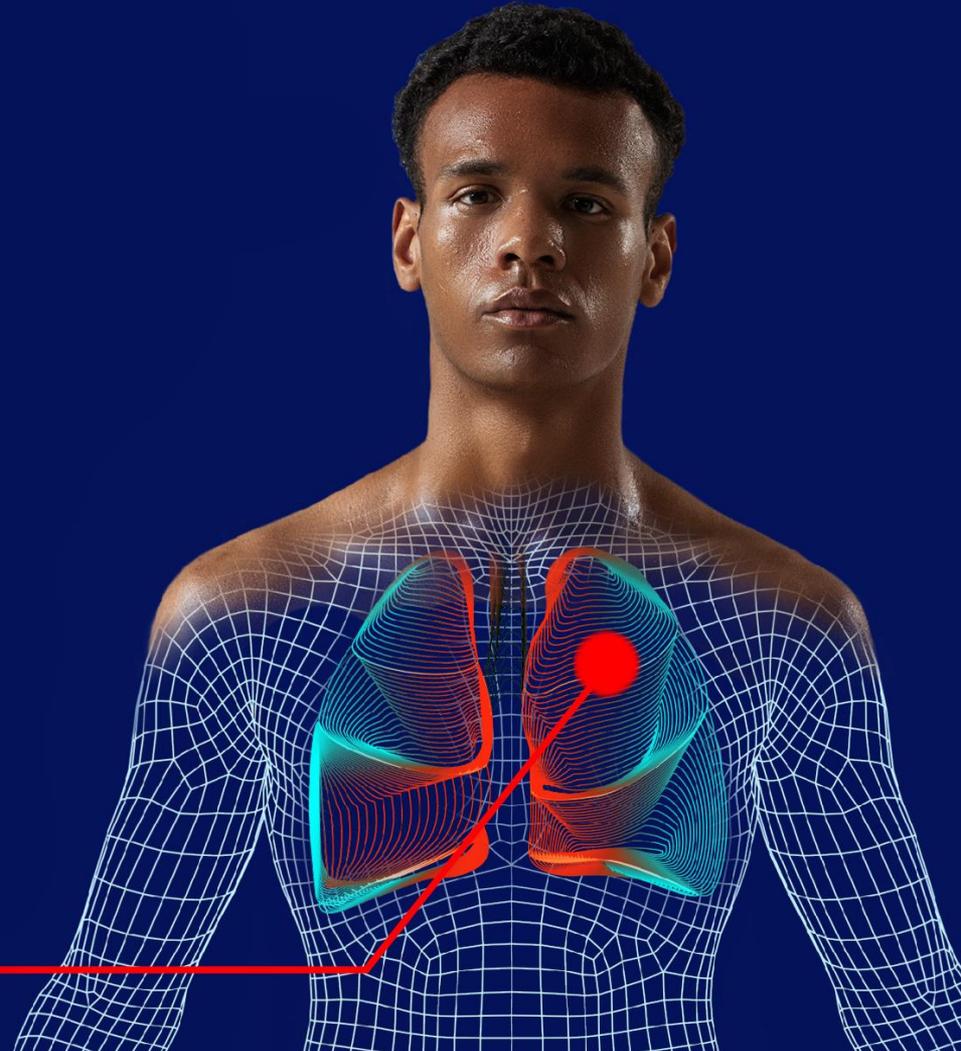


Welcome to the 3Q22 Webinar

modulight



Today's agenda

- Q3 highlights
- Project pipeline development
- Progress with investments
- Strategy
- Q&A



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

Strategy execution continued, significant progress in the R&D project pipeline

- Continued execution of the growth strategy and investments in increasing production capacity
- Significant progress in the R&D project pipeline and opportunities to accelerate the pay per treatment cloud strategy in the short term
- Product development pipeline remained solid at 26 projects
- Customer development projects still affected by COVID-19 related delays and shortages in component availability

Financial highlights July–September 2022

Revenue

EUR

1,232

thousand

EBITDA

EUR

-1,342

thousand

-109% of
revenue

EBIT

EUR

-1,812

thousand

-147% of
revenue

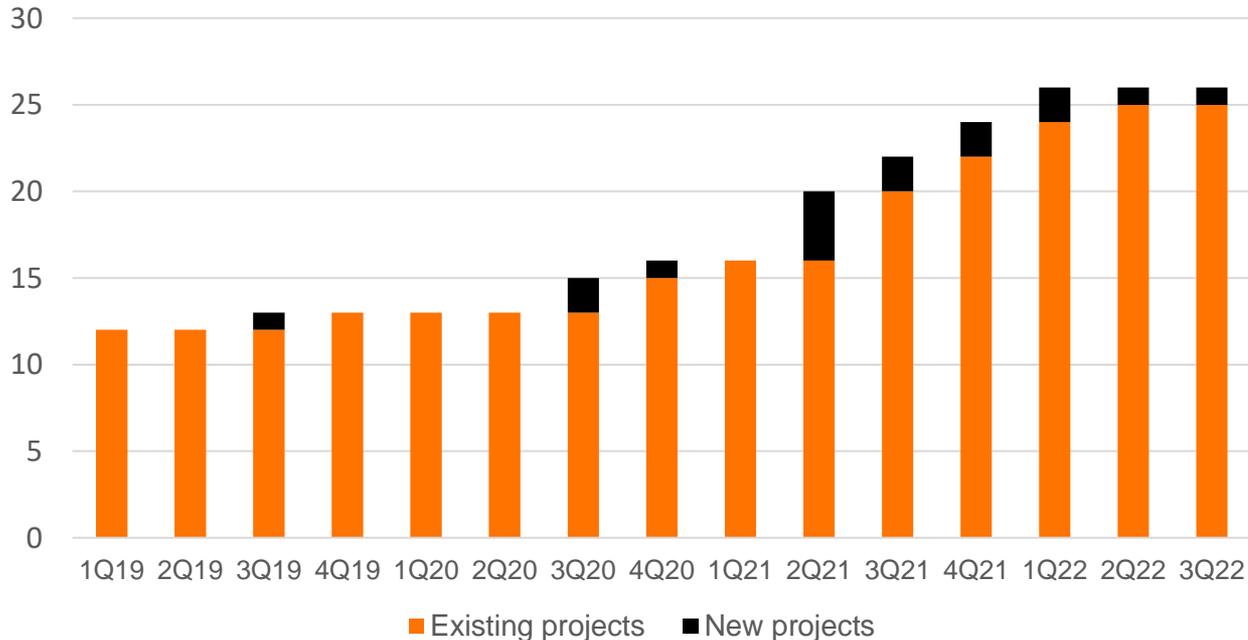
- Revenue -42% yoy mainly due to uncertainty in the business environment
- Lower profitability due to lower revenue
- Costs increased due to growth strategy implementation
- Employee satisfaction survey continues at very high level (record number)

Key figures

Key figures ¹⁾ (EUR 1,000 unless otherwise noted)	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021 ²⁾
Revenue	1,232	2,137	3,331	6,697	9,071
EBITDA	-1,342	1,025	-3,936	4,183	461
EBITDA-%	-108.9%	48.0%	-118.2%	62.5%	5.1%
Operating result (EBIT)	-1,812	716	-5,292	3,321	- 753
Operating result (EBIT) margin %	-147.1%	33.5%	-158.9%	49.6%	-8.3%
Earnings for the period	-1,948	-2,843	-6,318	-821	-5,061
Earnings per share (EPS, EUR)	-0.05	-0.09	-0.15	-0.03	-0.15
Acquisition of fixed and intangible assets	-3,670	-3,088	-8,834	-6,277	-9,617
Free cash flow from operating activities	-5,012	-2,062	-12,770	-2,093	-9,156
Cash and cash equivalents ³⁾	48,005	60,228	48,005	60,228	62,978
Net debt ³⁾	-39,451	-51,269	-39,451	-51,269	-53,415
Gearing ratio ³⁾	-56.5%	-74.8%	-56.5%	-74.8%	-70.1%
Equity ratio ³⁾	85.8%	80.3%	85.8%	80.3%	87.0%
Headcount (FTE) ³⁾	61	56	61	56	52

Solid product development pipeline

Number of projects
with commercialization potential



- 26 projects
- Opportunity to accelerate cloud strategy (pay per treatment business model) from recent talks in Chicago and elsewhere in US but also European customers
- 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

A typical project

CASE EXAMPLE: Generic Modulight customer project flow

Customer contacts
Modulight

6 – 24 months

3 – 5 years

5 – 10 years

Sales cycles vary – often months from first discussions to agreement or purchase order

Typical projects start with early phase research – sometimes with more mature phase

Project plans are often ambitious - delays are common due to many reasons – most typically outside our scope of work. Project challenges also sometimes help us solidify relationship and provide customers expertise even more than they expected

New cancer therapies typically take 5-10 years from start to clinical approval

GTM phase – Modulight cloud & other product features enable safety & efficacy and training new doctors faster

Current projects are mostly in the early stages, revenue driven by individual one-time fees.

Some are now progressing towards more mature stage



Revenue model

Customized R&D projects based on the Best Efforts principle, without revenue risk for Modulight

The objective is revenue, based on the share of pharmaceutical or treatment fees, or the utilization rate of industrial applications.

Predictability of Modulight's revenue is improving

Current pharmaceutical and biomedical projects are mostly in the early stages, revenue driven by individual one-time fees.

Some recent projects with shorter timeframe.



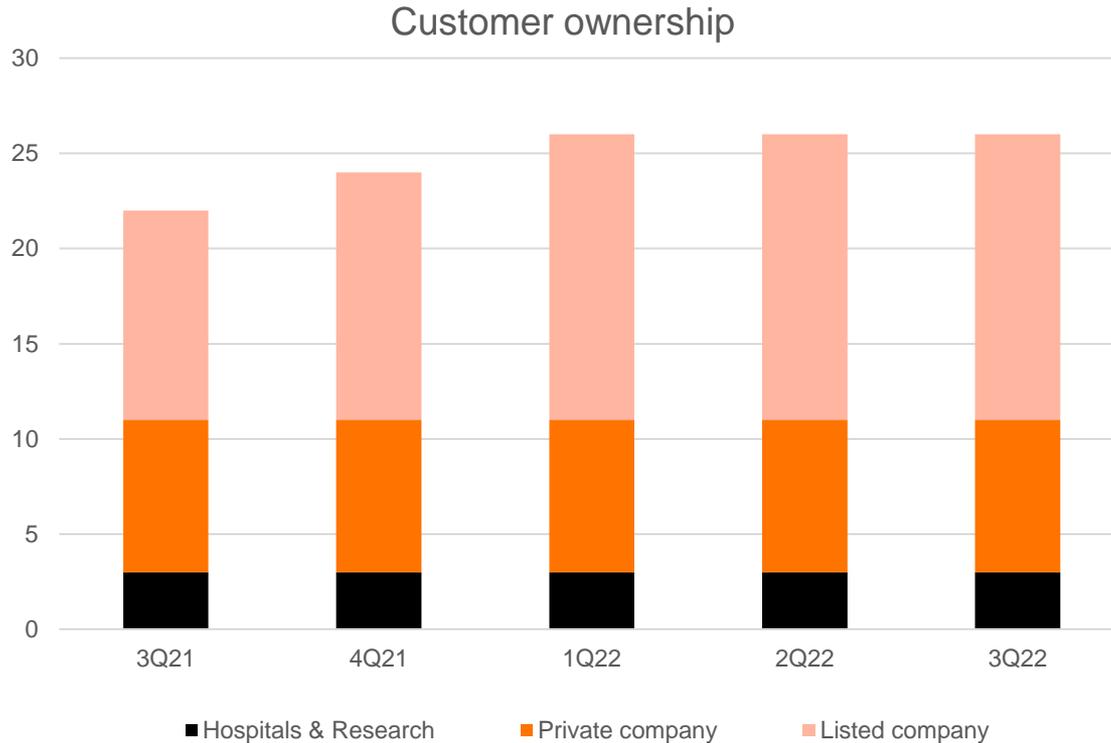
Proof of Concept

Clinical Trial Phase I
Pilot Production

Clinical Trial
Phases II-III Product
Development Phase

Launching an active
product portfolio

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

Product development pipeline progressing



Customer: Major NYSE listed pharmaceutical company

Indication: Ophthalmology

In recent meetings with customer and their advisory board the clinicians suggested bringing forward “classical click fee model” which means basically pay per treatment



Customer: Publicly listed US pharmaceutical company

Indication: Bladder cancer

The first patient in the study was treated. This is considered an important milestone by the customer.

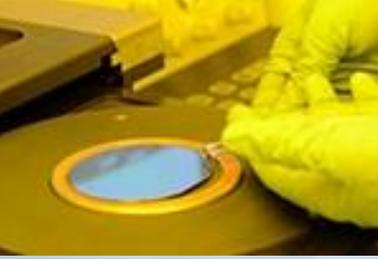


Customer: Publicly listed US medical device company

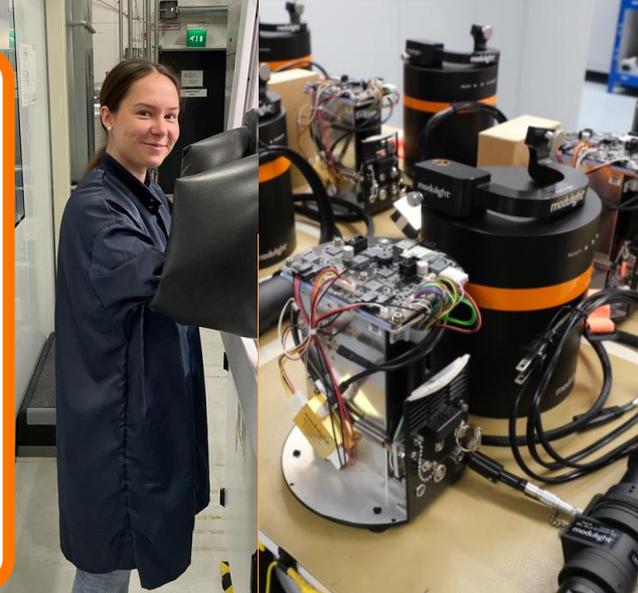
Indication: Dermatology

Modulight has on-going major project with customer for their new device. They have asked us to collaborate on high priority new project with aim to launch product next year

Progress with investments



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



Growth strategy execution

Go-to-market strategy update progressing well, to be announced later this year

Increasing production capacity

- Expansion of capacity and capability continued under EUR 23 million investment program
- Benefits starting to be visible in various technical activities, increasing differentiation & wider offering

Geographical expansion

- Expand business in key regions in the United States, and in selected markets
- We are updating our go to market strategy & expect several operational announcements this year
- Sales & marketing activity increased

Expanding the product range other indications

- Q1 order from one of the world's largest pharmaceutical companies (lung cancer)
- Q2 existing U.S. customer order (diagnostics)
- Q3 new product platform received well, into production towards end of 2023

Opportunities for expansion in the field of cloud analytics

- Analytics team is working on several patent applications
- Short-term opportunity to accelerate pay per treatment cloud strategy
- Several customers express interest to cloud our technology

Continuous investments in software and laser technology

- Some delays and risks with new machine deliveries
- A new U.S. patent related to cloud (filed several years ago)
- More R&D activity happening in parallel than ever

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.

Summary

- Significant progress in the R&D project pipeline and opportunities to accelerate the pay per treatment cloud strategy in the short term
- Product development pipeline remained solid at 26 projects
- Customer development projects still affected by COVID-19 related delays and shortages in component availability
- As a result of changes in the operating environment, strategy is being reviewed with focus on the go-to-market strategy
 - Updates will be announced later this year
- Strong balance sheet, unique technology and supporting megatrends are a good basis for continuing the execution of the growth strategy

Thank you! Questions?

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