

Welcome to the 3Q23 webinar

20th October 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 flow cytometry, quantum computing and digital press

Today's agenda

- Q3 in brief
- US launch update
- Our technology
- Financial highlights
- R&D pipeline
- Customer base and events
- Revenue model
- Outlook
- Summary
- Q&A



Retina Associates of Utah, Salt Lake City, August 2023

Q3 in brief

- Focused especially on
 - projects based on the SaaS business model and related customer audits
 - improving our productivity
- Revenue EUR 406 thousand (delays PPT & projects)
- EBITDA EUR -2,210 thousand
- R&D pipeline remained at 27 projects, some close to commercialization but progressing slower than expected
- One customer using our technology from the very beginning progressed to phase-3 clinical trial with a large population
- A study of the benefits of our ML7710 platform device published in Science Advances



We will focus on implementing actions in line with our growth strategy and believe that our business will return 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)
- Customer visits continued
- Hired a Sales Director responsible for the North American market, will start at the turn of the year
- Customer information security audits with hospitals & insurance companies progressed and number increased
- Project planning with pharmaceutical partner company progressed



Unique technology

- Projects with experts in the field show confidence in our unique technology
- Example: a customer who has used our technology since 2014
 - Project has now progressed to Phase 3 clinical trials with a large population
 - P3 is purely based on our technology
- The customer has since then started several trials for multiple indications with our platform – most recently early this year
- Technology validated also in Science

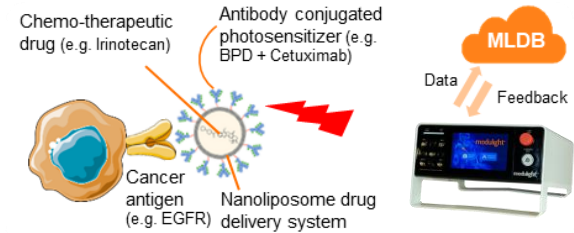


Benefits of our technology confirmed in a study

- In September, the prestigious Science Advances journal published a study on our technology used in treatment of ovarian cancer. Same article validates many of the medical claims of our platform and therapy.
- Collaboration between the University of Maryland (UMD) and Modulight
 - Modulight's platform – laser and cloud technology
 - UMD's nanotechnology
- The study demonstrates the benefits of our laser device in
 - treating cancer patients
 - prolonging drug lifespan
- Life cycle management investments in pharmaceutical industry are typically considered to have lower risk, higher ROI and faster time to market
- Cooperation with the University of Maryland continues and is expected to expand
 - E.g., an FDA-funded project to validate Modulight's solution for quality assurance of other drugs and markers used in photoimmunotherapy and fluorescent imaging

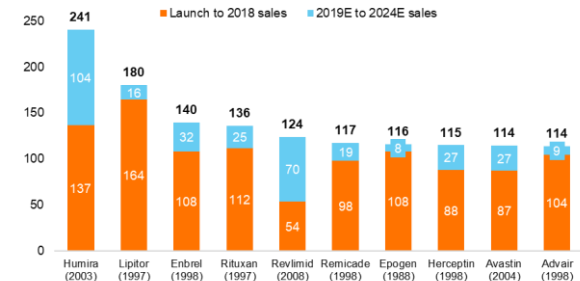


3rd generation (2025->)



Biopharmas able to extend the drug lifecycles

Projected global lifetime sales until 2024E of top selling drugs (USDbn, launch year in parenthesis)



Financial highlights July–September 2023

Revenue

EUR
406
thousand

EBITDA

EUR
-2,537
thousand
-625% of
revenue

EBIT

EUR
-3,074
thousand
-757% of
revenue

- Revenue -67% YoY due to delays in some projects
- Costs increased due to investments in developing our operations
 - Increased number of personnel
 - New production equipment
- Share of these costs is decreasing, effects will be seen next year

Financial highlights January–September 2023

Revenue

EUR
3,006
thousand

EBITDA

EUR
-5,547
thousand

-185% of
revenue

EBIT

EUR
-7,072
thousand

-235% of
revenue

- Revenue -9,8% YoY due to delays in projects in commercialization phase
- Costs increased due to investments in developing our operations
 - Increased number of personnel
 - New production equipment
- Share of these costs is decreasing, effects will be seen next year

Key figures

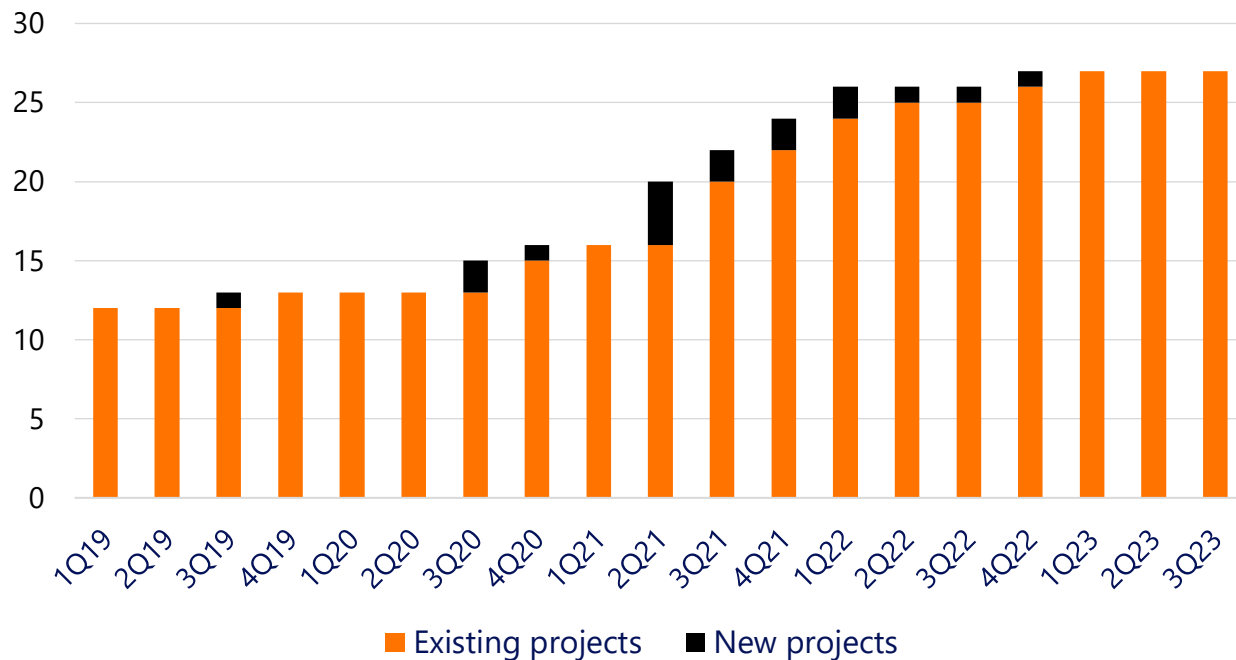
Group EUR 1,000 unless otherwise noted	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022 ¹⁾
Revenue	406	1,232	3,006	3,331	4,599
EBITDA	-2,537	-1,342	-5,547	-3,936	-5,936
EBITDA - %	-624.8%	-108.9%	-184.5%	-118.2%	-129.1%
Operating result (EBIT)	-3,074	-1,812	-7,072	-5,292	-7,792
Operating result (EBIT) - %	-757.1%	-147.1%	-235.3%	-158.9%	-169.4%
Earnings for the period	-3,062	-1,948	-6,894	-6,318	-8,552
Earnings per share (EPS, EUR)	-0.07	-0.05	-0.16	-0.15	-0.20
Acquisition of fixed and intangible assets	-2,041	-3,670	-8,786	-8,834	-13,694
Free cash flow from operating activities	-4,578	-5,012	-14,333	-12,770	-19,630
Cash and cash equivalents ²⁾	28,323	48,005	28,323	48,005	43,870
Net debt ²⁾	-21,328	-39,451	-21,328	-39,451	-35,586
Gearing ratio ²⁾	-35.2%	-56.5%	-35.2%	-56.5%	-52.7%
Equity ratio ²⁾	87.9%	85.8%	87.9%	85.8%	86.3%
Headcount (FTE) ²⁾	70	61	70	61	62

1) Audited

2) Figure refers to the end of the review period

Solid R&D pipeline

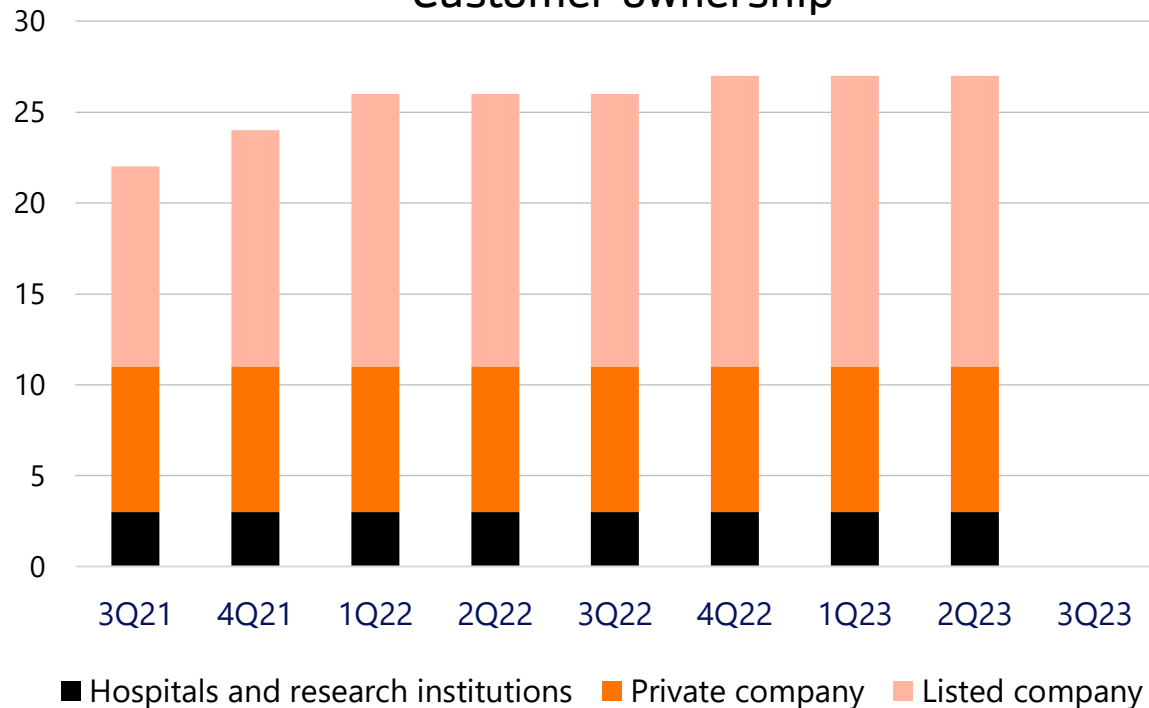
Number of projects with commercialization potential



- 27 projects
- All projects progressed
- Several projects are close to the commercialization phase, and we estimate their revenue potential to be significant next year
- One new patent application filed
- A few new blanks identified, could lead to patents

Modulight's customer base

Customer ownership



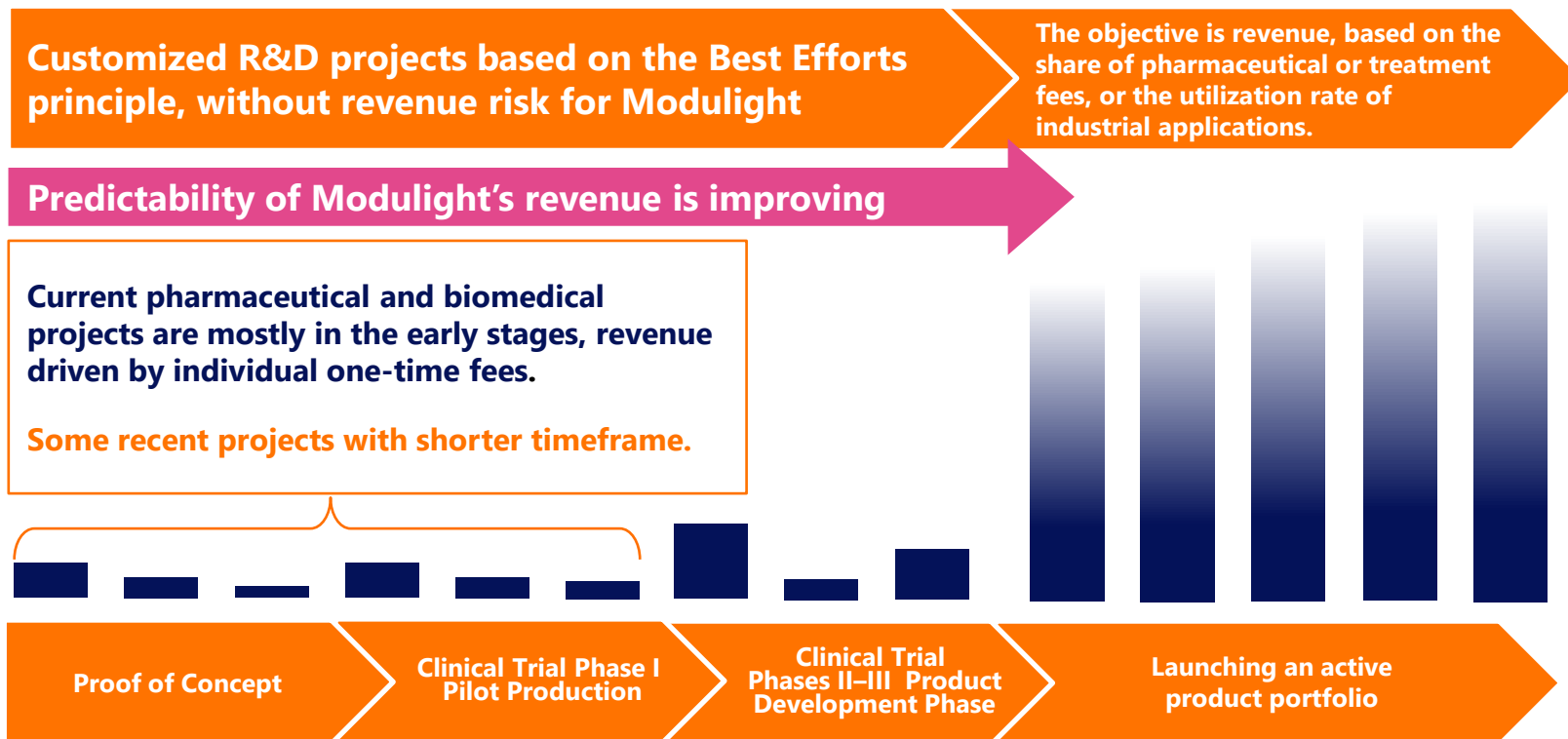
- 11% are research companies
- 30% are privately owned
- 59% of customers are listed companies
- 63% are established companies
- 30% have over 1bn revenue

International Photodynamic Association's World Congress

- In July, Modulight organized and hosted the World Congress of the International Photodynamic Association in Tampere, Finland
- 250 participants from 29 countries with many being the most senior scientists and thought leaders in the field – without exception they praised us for our long-term industry participation & arranging the conference
- 6-day event with 5 plenary sessions, 21 parallel sessions, invited talks, and hands-on clinical workshops



Revenue model



Pay Per Treatment update


















- We promote transition to pay per treatment pricing
- Based on our 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
- We are currently developing information security processes for the PPT model
- 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.

US healthcare market economics

- To support the implementation of pay-per-treatment business models, we have studied & analysed the costs related to current standard of care in the US with KPMG for 11 indications in oncology and ophthalmology – work continues but we can now share some interim results which are better than our previous understanding as mentioned also during Q2 reporting
- For cancer diseases, weighted average for standard of care cost per patient is \$320K, while in ophthalmology it is \$107K
- In total, the estimate of new cancer cases in the US is about 2M for 2023

	 Brain cancer	 Ophthalmology		 Ocular oncology		 Urology		 Lung cancer		 Gastrointestinal cancer		Conclusion
	 Glioblastoma	 Polypoidal Choroidal Vasculopathy (PCV)	 Choroidal neovascularization (CNV)	 Choroidal melanoma	 Choroidal metastasis	 Bladder cancer (NMIBC & MIBC)	 Upper track urothelial carcinoma (UTUC)	 Non-small cell lung cancer (NSCLC)	 Small cell lung cancer (SCLC)	 Pancreatic cancer	 Hepatocellular carcinoma (HCC)	
Annual incidence Estimated annual new cases, US	13,000	20,000	150,000	2,000	5,000	80,000	5,000	200,000	40,000	64,000	42,000	Total annual incidence 621,000
Standard of care treatment (SOC) The most typical therapy, US	Surgery-radiation-chemotherapy	Anti-VEGF	Anti-VEGF	Radiation	Chemotherapy-immunotherapy	TURBT surgery-chemotherapy-BCG immunotherapy	Laser ablation (low-grade) / surgery (high-grade)	Immunotherapy	Immunotherapy	Chemotherapy	Immunotherapy & Anti-VEGF-Multi-TKI	-
Median cost of treatment path for SOC \$/patient over treatment path, US	\$200K	\$125K	\$105K	\$100K	\$350K	\$120K	\$125K	\$420K	\$320K	\$275K	\$360K	Average \$262K ²
Median treatment path Years	1	15	10	5	1.5	5	5	2	1.5	1.5	2	Average 4.7 ²
Estimated market size for treatment path (annual) ¹ Annual incidence x median cost, \$B, US (annual=divided by years)	\$2.6B (\$2.6B)	\$2.5B (\$0.2B)	\$15.8B (\$1.6B)	\$0.2B (\$0.04B)	\$1.8B (\$1.2B)	\$9.6B (\$1.9B)	\$0.6B (\$0.1B)	\$84B (\$42B)	\$12.8B (\$8.5B)	\$18.6B (\$12.4B)	\$15.1B (\$7.6B)	Total market size \$162.5B (\$77.4B)

Outlook

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

- Focused especially on projects based on the SaaS business model and related customer audits, as well as improving our productivity
- 3Q23 Revenue 406 thousand due to delay in projects & PPT model implementation and EBITDA - 2,210 impacted by our investments in developing and growing our operations
- R&D pipeline remained at 27 projects, some close to commercialization but progressing slower than expected
- The potential of Modulight's technology was confirmed by a customer project that progressed to Phase 3 and a study published in a top scientific publication
- We will continue to actively develop SaaS business models and promote the transition to pay per treatment pricing
- We will focus on implementing actions in line with our growth strategy and believe that our business will return to strong, profitable growth



**Thank you!
Questions?**

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The background is a dark blue gradient. On the left, there is a faint, light blue DNA double helix structure. Overlaid on the entire background is a complex network of thin white lines connecting small blue dots, resembling a molecular or data network. In the top right corner, there is a starburst or sunburst pattern of white lines radiating from a single point.

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Thank you

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