



2024

INTERIM REPORT

January-September 2024

modulight

Cash flow development continued positive, progress with new business models

The figures in brackets refer to the corresponding period of the previous year. This interim report is unaudited.

Highlights in July–September 2024

- ❑ The most significant progress in the product development pipeline was with the implementation of the pay per treatment (PPT) business model and the expansion of the device base also to a new continent.
- ❑ Cash flow from operations improved from the comparison period by 64%, amounting to EUR -622 (-1,738) thousand, and net cash flow by 53%, amounting to EUR -2,030 (-4,340) thousand. The improvement was due to the increases in operational efficiency and the end of the investment program.
- ❑ Revenue was EUR 640 (406) thousand.
- ❑ EBITDA was EUR -1,278 (-2,537) thousand.
- ❑ EBITDA margin was -199.6 (-624.8) % of revenue.
- ❑ Operating profit (EBIT) was EUR -2,108 (-3,074) thousand.
- ❑ Operating profit margin (EBIT-%) was -329.2 (-757.1) % of revenue.
- ❑ The result for the review period was EUR -1,967 (-3,062) thousand.
- ❑ Earnings per share were EUR -0.05 (-0.07).

Highlights in January–September 2024

- ❑ Revenue was EUR 2,664 (3,006) thousand.
- ❑ EBITDA was EUR -3,813 (-5,547) thousand.
- ❑ EBITDA margin was -143.1 (-184.5) % of revenue.
- ❑ Operating profit (EBIT) was EUR -6,134 (-7,072) thousand.
- ❑ Operating profit percentage (EBIT-%) was -230.2 (-235.3) % of revenue.
- ❑ The result for the review period was EUR -5,788 (-6,894) thousand.
- ❑ Cash flow from operations improved by 70% from the comparison period, amounting EUR -1,644 (-5,450) thousand, and net cash flow by 58%, amounting EUR -6,592 (-15,541) thousand. The improvement was due to the increases in operational efficiency and the end of the investment program.
- ❑ Earnings per share were EUR -0.13 (-0.16).

Key figures

Group EUR 1,000 unless otherwise noted	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023 ¹⁾
Revenue	640	406	2,664	3,006	4,025
EBITDA	-1,278	-2,537	-3,813	-5,547	-8,539
EBITDA-%	-199.6%	-624.8%	-143.1%	-184.5%	-212.1%
Operating result (EBIT)	-2,108	-3,074	-6,134	-7,072	-12,132
Operating result (EBIT) -%	-329.2%	-757.1%	-230.2%	-235.3%	-301.4%
Earnings for the period	-1,967	-3,062	-5,788	-6,894	-11,861
Earnings per share (EPS, EUR)	-0.05 €	-0.07	-0.13	-0.16	-0.28
Acquisition of fixed and intangible assets	-872	-2,041	-3,410	-8,786	-9,735
Free cash flow from operating activities	-2,150	-4,578	-7,223	-14,333	-18,274
Cash and cash equivalents ²⁾	18,531	28,323	18,531	28,323	25,131
Net debt ²⁾	-13,523	-21,328	-13,523	-21,328	-18,586
Gearing ratio ²⁾	-27.1%	-35.2%	-27.1%	-35.2%	-33.4%
Equity ratio ²⁾	86.7%	87.9%	86.7%	87.9%	87.1%
Headcount (FTE) ²⁾	67	70	67	70	70

¹⁾ Audited

²⁾ Figure refers to the end of the review period

Outlook for 2024

Most of Modulight's customer projects are various types in the early stages of development. In line with its strategy, Modulight is transitioning from a payment model based on device deliveries to one focused on treatment sessions (PPT business model). The progress of individual projects is difficult to predict, and macroeconomic and geopolitical uncertainties continue to influence market development. As a result, forecasting revenue is challenging, and Modulight does not provide guidance on revenue or profitability for 2024.

Seppo Orsila, CEO

During the third quarter, we focused on promoting the introduction of the PPT business model and improving our operational efficiency. The projects of certain customers progressed and we received small production orders. Net cash flow improved this quarter by EUR 2.3 million or 53% of a year ago, even though we increased investments into product development and sales and marketing. In accordance with our strategy, we continued to expand geographically and advance projects related to new indications. Our product development pipeline remained at the level of the previous quarter at 30 projects.

Revenue in the third quarter was EUR 0.6 million, which was 58% more than in the corresponding period of 2023 and 34% less than in the previous quarter. The development of revenue is affected by the transition to the PPT business model in accordance with our strategy, as well as delays in prototype deliveries. However, with the progress of our current customers' projects, our order backlog has grown steadily throughout the year. The projects in the order book are expected to accumulate revenue mainly in 2025. Although the revenue we get from the PPT model is still low, the related device deliveries progressed in the third quarter more quickly than before.

Our extensive investment program has been completed and the related implementation costs have decreased, which is reflected in profitability improvement. Measured by EBITDA, profitability increased by 50% to EUR -1.3 million. In addition, the reduced amount of commissioning work for production equipment enabled a record amount of work in product development itself. The total costs of our operations have decreased since the beginning of the year by 28% compared to the comparison period, although we have continued to increase our efforts in product development, sales and marketing. Operating cash flow improved by 63% and was EUR -0.6 (-1.7) million in the third quarter. The development in the operating cash flow is also clearly visible during the first three quarters, when it improved by 70% to EUR -1.6 (-5.5) million.

The development of our business models is bearing fruit to an increasing extent and can be seen in the growth rate of the install base as well as in customer feedback. Our role as a customer's partner has grown both in terms of the scope of what we do and the importance of our solutions. The goal of our projects is always the commercialization of our own products. Geographical expansion in line with our strategy is also progressing, and thanks to that, we received a couple of orders for the production phase during the past quarter. Geographical expansion has also led to finding new customers in our most important market, the United States.

The third phase studies are the focus of our clinical work, and new hospitals are being included in the studies at an accelerating pace. The customer feedback we receive in research projects from both doctors and pharmaceutical companies is very positive. As one study expanded globally, we introduced our first PPT business model device on the Australian mainland.

In addition to solutions intended for medical purposes, we also develop products for other high value-add applications. Thanks to the unique capabilities in high-power single-mode laser technology, in the third quarter we were able to deliver a product that a major company in quantum computing ordered from us in the previous quarter on a fast schedule.

Our product development pipeline remained at 30 projects. These projects focus on the commercialization of our product platform in several different indications and medicines. We also acquired new customers during this quarter, but our cooperation with these customers is not yet mature enough to report them as their own projects. In the product development pipeline, we focused on advancing existing projects, and based on customer feedback from projects in the third phase, we made good progress.

Investments in our factory's capabilities, such as production capacity and biolaboratory, have strengthened our competitiveness. In addition, the synergies of our platform solution are seen more and more often as a positive competitive factor and a differentiating offering. We have also continued our long-term and multifaceted work to promote sustainable development. We believe that these investments and measures will be significant for customers in a positive way. Our extensive expertise and vertical integration enable us to make better products in a shorter time period.

In the current global situation, our own state-of-the-art production facility is one of our most important strengths. It is also significant that our customer base has clearly expanded both this year and last year. We have very interesting customers, but also a good cash position and the ability to react quickly to market opportunities, for example by increasing our product development. We will continue to focus on activities in line with our growth strategy, such as expanding our PPT model, promoting projects and utilizing technology in the short term while keeping long-term strategic opportunities in mind. We believe that our operations and strengths in accordance with our growth strategy will contribute to our business returning to strong and profitable growth in our strategy period that runs to the end of 2025.

Progress of the product development pipeline

Modulight's most important indicator of progress, the product development pipeline, grew by three projects from the comparison period to 30 (27), staying at the level of the previous quarter. The projects aim to commercialize the company's own products in numerous different indications and applications.

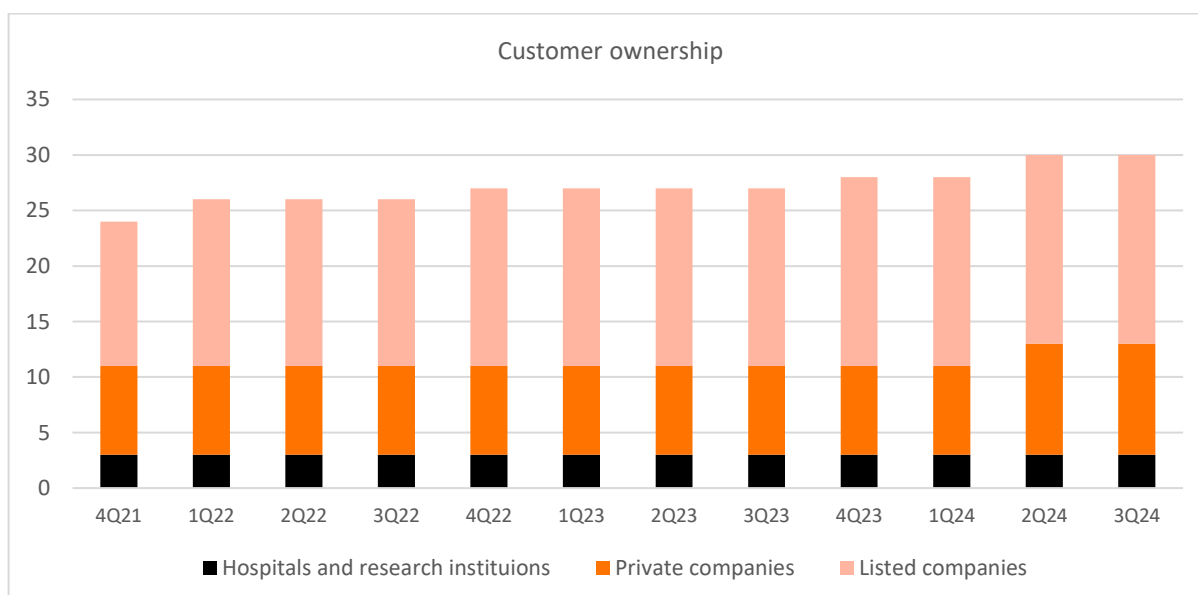
The main focus in the third quarter was on current projects and especially those in phase three. As an example of progress, we deployed our first medical device on the Australian continent as a study expanded globally. In addition to solutions intended for medical purposes, we also develop products for other high value-add applications. Thanks to our unique ability in the field of high-power single-mode laser technology, we were able to deliver a few prototypes on a fast schedule in the third quarter.

The new customers received during the quarter brought new opportunities with the future in mind, but due to the early stage of our collaboration, these projects are not yet considered part of the product development pipeline. The company estimates that the revenue potential of several projects under preparation is significant.

	2020				2021				2022				2023				2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total number of projects *	13	13	15	16	16	20	22	24	26	26	26	27	27	27	28	28	30	30	30

* All projects in the pipeline are about commercializing Modulight's own products. They need to fulfill strict criteria related to their potential for commercial roll-out and they must fit the company strategy and technological focus areas. In addition to the official projects listed in the above table, Modulight continues to work on several other initiatives, and eventually, some of these are expected to mature into projects. Classifying projects into customer groups and including or excluding them from the product development pipeline is not just the result of numerical analysis but ultimately a subjective process.

Additional information about Modulight's customers



Financial development

Revenue

July–September 2024

The Group's revenue in the third quarter of 2024 was EUR 640 (406). The change in revenue from the comparison period was EUR +234 thousand or +58 %.

January–September 2024

Revenue in January – September amounted to EUR 2,664 (3,006) thousand. The change in revenue from the comparison period was EUR -342 thousand or -11 %. The weak revenue development was due to the transition to the PPT business model and delays in some projects.

Profitability

July–September 2024

EBITDA in July–September 2024 was EUR -1,278 (-2,537) thousand or -199.6 (-624.8) % of revenue. Operating result (EBIT) was EUR -2,108 (-3,074) thousand or -329.2 (-757.1) % of revenue. Result for the reporting period was EUR -1,967 (-3,062) thousand. Earnings per share (EPS) were EUR -0.05 (-0.07). EBITDA improved due to improved operational efficiency.

January–September 2024

EBITDA in January – September was EUR -3,813 (-5,547) thousand or -143.1 (-184.5) % of revenue. Operating result (EBIT) was EUR -6,134 (-7,072) thousand or -230.2 (-235.3) % of revenue. Result for the reporting period was EUR -5,788 (-6,894) thousand. Earnings per share (EPS) were EUR -0.13 (-0.16). EBITDA improved due to improved operational efficiency.

Balance sheet, financing and investments

In January–September 2024, investments amounted to EUR -3,410 (-8,786) thousand. Free cash flow from operating activities was EUR -7,223 (-14,333) thousand. Cash flow from operating activities was EUR -1,644 (-5,450) thousand. Net cash flow for the period was EUR -6,592 (-15,541) thousand. Most of the net cash flow was related to product development investments in line with the company's strategy.

On September 30, 2024, the Group's cash and cash equivalents were EUR 18,531 (28,323) thousand. Financial securities included in this sum are considered alternative to bank deposits and are measured at fair value through profit or loss if the fair value is lower than the acquisition value.

On September 30, 2024, net debt was EUR -13,523 (-21,328) thousand, and net gearing was -27.1 (-35.2) %. Equity ratio was 86.7 (87.9) %. Return on equity in January–September 2024 was -11 (-10) %.

Capitalized development expenses were EUR 2,468 (2,953) thousand or 28 (27) % of total operating expenses.

On September 30, 2024, the total amount of trade receivables was EUR 813 (926) thousand. The company considers risks related to trade receivables as reasonable.

Personnel and management

On September 30, 2024, the number of employees (FTE) was 67 (70) and the average number of employees during January–September 2024 was 73 (70). Personnel expenses in January–September 2024 totaled EUR -4,589 (-4,158) thousand.

On September 30, 2024, the members of Modulight Corporation's Management Team were Seppo Orsila (CEO), Anca Guina (CFO), Ulla Haapanen (Marketing Director), Kati Reiman (People & Culture Director), Jari Sillanpää (Vice President, Sales), Kalle Palomäki (Vice President, New Product Introduction), Jukka-Pekka Alanko (Service Director), Petteri Uusimaa (Chief Technology Officer) and Ville Vilokinen (Vice President, Operations).

On September 30, 2024, the members of Modulight Corporation's Board of Directors were Anne Koutonen (Chair), Pia Kantola, Timur Kärki, Jyrki Liljeroos and Seppo Orsila.

Annual General Meeting

The Annual General Meeting of Modulight Corporation was held on May 2, 2024. The Annual General meeting adopted the company's financial statements for the financial period of January 1–December 31, 2023, and discharged the members of the Board of Directors and the CEO from liability for the financial period of January 1–December 31, 2023. Additionally, the Annual General Meeting approved the Board of Directors' proposal that the result for the year 2023 of EUR -11,773 thousand would be transferred to retained earnings and that dividends would not be paid.

The Annual General Meeting resolved that the Board of Directors consists of five members. Jyrki Liljeroos, Seppo Orsila, Pia Kantola, Timur Kärki and Anne Koutonen were re-elected as members of the Board. In the Board's inaugural meeting after the Annual General Meeting, Anne Koutonen was elected as the Chair of the Board. Anne Koutonen (Chair), Jyrki Liljeroos, Pia Kantola and Timur Kärki were elected as members of the Remuneration Committee of the Board of Directors.

The Annual General Meeting adopted the Remuneration Report for the Governing Bodies.

Authorized Public Accounting firm Moore Idman Oy was re-elected as the auditor of the company for a term that will end at the end of the next Annual General Meeting. Jari Paloniemi, Authorised Public Accountant, will be the auditor with principal responsibility.

The Annual General Meeting decided to authorize the Board of Directors to decide upon the acquisition of a maximum of 4,261,694 of the company's own shares and/or accepting the same number of the company's own shares as a pledge, in one or several tranches, by using the company's unrestricted equity. The maximum total of shares that will be acquired and/or accepted as a pledge corresponds to approximately 10% of all shares in the company as of the date of the notice to the Annual General Meeting. The shares will be repurchased otherwise than in proportion to the holdings of the shareholders via public trading arranged by

Nasdaq Helsinki Oy at the market price that applies on the date of the repurchase or at a price otherwise formed on the market. Shares can be acquired and/or accepted as a pledge e.g., in order to execute a transaction or implement share-based incentive schemes or for other purposes as decided by the Board of Directors or otherwise for the purposes of further assignment, retention or cancellation. The Board of Directors is authorized to decide on all other terms and conditions that will apply to the acquisition and/or acceptance as a pledge of the company's own shares. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than June 30, 2025.

The Annual General Meeting resolved to authorize the Board of Directors to resolve on the issuance of shares as well as the issuance of option rights and other special rights entitling to shares referred to in Chapter 10, section 1 of the Finnish Limited Liability Companies Act, in one or several tranches, either against payment or without payment. The number of shares to be issued, including the shares received on the basis of the option rights and other special rights, may not exceed 4,261,694 shares, which amounts to approximately 10% of all shares in the company as of the date of the notice to the Annual General Meeting. The Board of Directors may decide to either issue new shares or to assign company shares that are held by the company. The authorization remains in force until the end of the next Annual General Meeting, however not for longer than until June 30, 2024. This authorization revokes any existing, unused authorizations to decide on a share issue and the issuance of option rights or other special rights entitling to shares.

The minutes of the Annual General Meeting can be viewed on the company's website at <https://modulight.com/agm2024/>.

Shares and shareholders

Modulight has one class of shares, and all shares have equal voting rights and the right to dividends and the company's assets. The number of shares on September 30, 2024 was 42,616,936 (42,616,936). At the end of the reporting period, the company held 51,123 (51,123) own shares.

The company's stock is traded on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Oy. During the reporting period, the highest price of the share was EUR 1.36 (2.46) and the lowest price was EUR 1.00 (1.40). The weighted average share price in the period was EUR 1.33 (1.82). The closing price on September 30, 2024 was EUR 1.11 (1.92). On September 30, 2024, the group's market value was EUR 47,305 (81,825) thousand.

On 30 September 2024, Modulight Corporation had 12,475 (12,297) shareholders. The members of the board, the CEO and the management team owned 39.9 (41.2) % of the shares, and the 20 largest shareholders accounted for 75.3 (81.9) % of the total number of shares. Modulight Oyj's 20 largest shareholders on 30 September 2024 are presented in the table below.

	Shareholder	Number of shares	% of shares and votes
1	Seppo Orsila	6,205,500	14.56 %
2	Petteri Uusimaa	6,205,500	14.56 %
3	Varma Mutual Pension Insurance Company	3,276,074	7.69 %
4	Pekka Savolainen	3,054,422	7.17 %

5	Ville Vilokkinen	3,039,750	7.13 %
6	Petri Melanen	2,173,500	5.10 %
7	Pekko Sipilä	1,630,125	3.83 %
8	Mika Saarinen	1,630,125	3.83 %
9	Mandatum Life Insurance Company	824,882	1.94 %
10	Ancuta Guina	670,320	1.57 %
11	Juha Lemmetti	553,140	1.30 %
12	Jyri Merivirta	500,000	1.17 %
13	Jyrki Liljeroos	460,950	1.08 %
14	Kalle Palomäki	414,855	0.97 %
15	Protean Funds Scandinavia	364,504	0.86 %
16	Kati Reiman	293,580	0.69 %
17	Petri Suokas with close associates	244,450	0.57 %
18	Hubert Jouve	200,737	0.47 %
19	Aktia Asset Management	198,700	0.47 %
20	Kaleva Mutual Insurance Company	149,957	0.35 %

Option programs

Modulight has offered its personnel stock option programs as part of the incentive and commitment program.

The company had two option programs at the end of September 2024. There was a total of 1,101,945 unused options on September 30, 2024. No new shares were subscribed with stock options during January-September 2024.

Outstanding option programs are presented in the table below.

Option Program	Authorization given by the general meeting	Option rights granted according to authorization	Option rights not granted according to authorization	Of the options granted, exercised	Unused Options	Subscription Price EUR	Subscription Period
2021	852,758	667,021	185,737	0	667,021	6.49	Dec 31, 2023– Dec 31, 2025
2023	500,000	434,924	65,076	0	434,924	2.43	Dec 31, 2025– Dec 31, 2028

Assessment of short-term risks and uncertainties

Modulight's short-term risks and uncertainties primarily concern the company's business and industry. These risks relate, for example, to technological developments and the competitive situation, the supply chain, the availability of materials, the development of the healthcare sector and the availability of skilled labor. In addition, there are risks associated with the company's intellectual property rights, as well as with obtaining market authorizations for products. The general global political situation may affect both customers and the company and its business significantly and more than previously estimated.

The company operates in the medical and biomedical field and focuses especially on the US market. Various product and patient liability issues can be a significant risk for the company.

Increasing cybercrime can also be a significant and growing risk, especially since the company is now more widely recognized. The company may suffer malfunctions or outages in its information technology, network or communications systems and/or be subject to cyber security breaches.

The company is also exposed to credit and counterparty and risks if its contractual parties are unable to fulfil their contractual obligations. Counterparty risk is mainly related to trade receivables and receivables related to financing instruments.

The success of Modulight's business and growth strategies also depends on the company's ability to recruit and retain skilled personnel. The availability or loss of key personnel could have a material adverse effect on Modulight's business.

Market overview and operating environment

The medical markets relevant to Modulight Corporation are particularly related to cancer treatment (oncology), ophthalmology, genetics and diagnostics. In addition to the medical market, Modulight has identified business opportunities for its technology in the markets of other high value-add applications, such as quantum computing, flow cytometry, diagnostics and digital printing.

The global oncology pharmaceutical market was USD 185 billion in 2021 and is expected to grow to USD 307 billion by 2027. Although Modulight is targeting only a portion of the global oncology market and concentrating on the U.S. market in particular, the significant growth in the overall market also means an increase in the demand for laser-based oncology treatments and new opportunities globally. Growth in the oncology market is driven especially by a globally aging population. Age is known to be one major factor in the increase in the incidence of cancers. In 2023, as part of the transition to the PPT business model, Modulight studied the cost of cancer treatment in the United States for indications relevant or otherwise interesting to the company. The studied indications do not represent the company's entire product development pipeline. The study currently covers 10 different indications in the field of oncology. The median (weighted) cost of standard of care per patient for these indications is USD 320,000 and ranges between USD 100,000 and USD 420,000 for different indications. The company expects that using its treatment with the PPT business model and technology will not only improve the outcome of treatment and its accessibility, but also reduce the total cost of treatment. The number of patients and treatment costs for specific cancers in the United States are presented below.

Indication	Annual incidence in United States (patients)	Median cost of treatment path (USD)
Retinal cancer of the eye	2,000	100,000
Head and neck cancer	66,000	200,000
Pancreatic cancer	64,000	275,000

The ophthalmic treatment market has also continued to grow. The global market totaled USD 33 billion in 2022, and it is expected to grow to USD 54 billion by 2030. The growth of the market is supported primarily by the continuous increase in ophthalmic diseases due to the aging population and the growing R&D investments in the development of eye disease treatments.

In the fields of genetics and diagnostics, the combined market for next-generation sequencing, endoscopes and flow cytometry is estimated to grow from USD 26 billion in 2022 to USD 52 billion by the end of the decade. One of the main growth factors in the genetics and diagnostics market is the need for personalized drug therapies in the treatment of cancers. Other important drivers of growth include the need for scalable cloud-based care solutions.

The quantum computing market is just emerging. Forecasts of its growth vary significantly, but all point to significant growth in the industry in the next few years. Modulight monitors the market mainly through its customers and, in line with its strategy, aims to offer its products also for quantum computing to maximize synergy benefits.

Strategy and targets

Modulight's growth targets in the strategy period 2023–2025 are based on the following key strategic factors:

1. geographical expansion
2. extension of the offering to new indications and applications
3. new business models
4. commercial and operational excellence
5. state-of-the-art laser technology expertise

Modulight's main business targets are:

- at least three commercial roll outs of projects in the current R&D pipeline
- local operations in the U.S. and focusing on selected partnerships in Europe and Asia
- developing a pay per treatment model and other SaaS-based business models
- improving treatment efficacy and accessibility with cloud-based services
- carbon-neutral operations in 2025

Modulight implements its strategy especially through the following programs:

- sales, marketing and operations development
- cloud technology and cloud-based services development
- productizing platform devices for various indications and applications
- technology development based on the completed investment program
- development of ESG, governance and reporting

Modulight's financial target is strong annual growth and a return to strong profitability during the strategy period 2023–2025. The company's dividend policy remains unchanged.

- Growth: strong annual revenue growth
- Profitability: return to strong profitability in terms of operating margin (EBITDA-%)
- Dividend policy: all returns invested in organic and inorganic growth, and the company distributes little or no dividends

Tables January 1–September 30, 2024

Accounting principles for the interim report

The financial figures have been prepared in accordance with the Finnish Accounting Standards (FAS). The figures in this interim report are unaudited, unless otherwise mentioned. Full-year 2023 figures are audited.

Consolidated income statement

EUR 1,000	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
REVENUE	640	406	2,664	3,006	4,025
Change in inventory	-80	362	209	513	304
Manufacturing for own use	616	803	2,468	2,953	3,349
Other operating income	42	218	64	833	1,171
Raw materials and services					
Raw materials and consumables					
Purchases during reporting period	-262	-551	-1,231	-1,821	-2,693
Change in inventory	141	-274	-22	-147	-2
External services	-24	42	-141	-429	-571
Total raw materials and services	-145	-784	-1,394	-2,397	-3,266
Personnel expenses					
Wages and salaries	-1,063	-1,029	-3,848	-3,471	-4,792
Social security services					
Pension expenses	-181	-184	-657	-611	-851
Other social security services	-21	-37	-84	-77	-115
Total personnel expenses	-1,264	-1,251	-4,589	-4,158	-5,757
Depreciation and amortization					
Depreciation and amortization according to plan	-830	-537	-2,321	-1,526	-3,593
Other operating expenses	-1,087	-2,292	-3,235	-6,297	-8,365
OPERATING PROFIT(-LOSS)	-2,108	-3,074	-6,134	-7,072	-12,132
Financial income and expenses					
Other interest and financial income	184	35	473	61	246
Interest and financial expenses	-43	-23	-128	117	26
Total financial income and expenses	141	12	345	178	272
PROFIT (-LOSS) BEFORE APPROPRIATIONS AND TAXES	-1,967	-3,062	-5,788	-6,894	-11,860
Income taxes					-1
PROFIT (-LOSS) FOR THE REPORTING PERIOD	-1,967	-3,062	-5,788	-6,894	-11,861

Consolidated balance sheet

EUR 1,000	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
ASSETS			
Non-current assets			
Intangible assets			
Development expenditure	10,462	10,207	8,916
Intangible rights	69		
Total intangible assets	10,531	10,207	8,916
Fixed assets			
Buildings and structures	3,208	3,337	3,326
Machinery and equipment	20,857	15,795	21,266
Other fixed assets	287	5,573	285
Total fixed assets	24,351	24,705	24,877
Total non-current assets	34,882	34,912	33,793
Current assets			
Inventory			
Raw materials and consumables	1,535	1,416	1,560
Finished products	1,202	1,203	993
Total inventory	2,738	2,618	2,553
Receivables			
Short-term receivables			
Accounts receivable	813	926	915
Other receivables	92	1,553	1,209
Prepayments and accrued income	321	636	360
Total short-term receivables	1,226	3,115	2,485
Financial securities	17,175	27,721	24,721
Cash and cash equivalents	1,356	602	409
Total current assets	22,495	34,056	30,169
TOTAL ASSETS	57,377	68,968	63,962

EUR 1,000	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	80	80	80
Reserve for invested unrestricted equity	75,317	75,317	75,317
Retained earnings	-19,679	-7,846	-7,809
Earnings for the reporting period	-5,788	-6,897	-11,861
Total equity	49,931	60,655	55,727
Liabilities			
Non-current liabilities			
Loans from financial institutions	3,006	4,993	4,543
Total non-current liabilities	3,006	4,993	4,543
Current liabilities			
Loans from financial institutions	2,002	2,002	2,002
Advances received	651	86	55
Accounts payable	457	378	569
Other liabilities	122	123	136
Accrued expenses	1,208	732	930
Total current liabilities	4,441	3,321	3,692
Total liabilities	7,446	8,313	8,235
TOTAL EQUITY AND LIABILITIES	57,377	68,968	63,962

Consolidated cash flow statement

EUR 1,000	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Cash flow from operating activities					
Operating profit	-2,108	-3,074	-6,134	-7,072	-12,132
Depreciation and amortization	830	537	2,321	1,526	3,593
Net financial expenses	141	12	345	178	272
Change in working capital, increase (-), decrease (+)	515	788	1,823	-81	986
Taxes paid					-1
Cash flow from operating activities (A)	-622	-1,738	-1,644	-5,450	-7,281
Cash flow from investing activities					
Investments in tangible and intangible assets	-673	-2,103	-3,409	-9,458	-15,695
Advance payments	-200	62	-1	671	5,960
Cash flow from investing activities (B)	-872	-2,041	-3,410	-8,786	-9,735
Cash flow from financing activities					
Change in interest-bearing debts	-536	-545	-1,537	-1,290	-1,739
Acquisition of own shares (-) / transfer (+)		-16		-16	-16
Cash flow from financing activities (C)	-536	-561	-1,537	-1,306	-1,755
Net cash flow (A+B+C)	-2,030	-4,340	-6,592	-15,541	-18,772
Cash and financial securities at the beginning of the period	20,565	32,661	25,131	43,870	43,870
Exchange rate differences	-4	2	-8	-6	33
Cash and financial securities at the end of the period	18,531	28,323	18,531	28,323	25,131

Changes in equity items and distributable funds

EUR 1,000	7-9/2024	7-9/2023	1-9/2024	1-9/2023
Restricted equity				
Share capital January 1	80	80	80	80
Share capital increases				
Share capital September 30	80	80	80	80
Total restricted equity September 30	80	80	80	80
Unrestricted equity				
Reserve for invested unrestricted equity January 1	75,317	75,334	75,317	75,334
Increases in the reserve for invested unrestricted equity		-16		-16
Reserve for invested unrestricted equity September 30	75,317	75,317	75,317	75,317
Profit (-loss) for previous financial years January 1	-19,675	-7,850	-19,671	-7,843
Exchange rate differences	-4	5	-8	-3
Dividends distributed in the reporting period				
Profit (-loss) for previous financial years September 30	-19,679	-7,846	-19,679	-7,846
Profit for the reporting period	-5,788	-6,897	-5,788	-6,897
Unrestricted equity September 30	49,851	60,575	49,851	60,575
Total equity September 30	49,931	60,655	49,931	60,655

Calculation formulas for key figures

Key figures	Definition	Reason for the use
Growth of revenue, %	$(\text{Revenue for the period} - \text{revenue for the previous reference period}) / \text{Revenue for the previous period}$	Revenue growth is an indicator to measure the growth of the company.
EBITDA	Operating result before depreciation and amortization	EBITDA is an indicator to measure the operational performance of the company.
EBITDA, %	$\text{EBITDA} / \text{Revenue}$	Operating margin is an indicator to measure the operational performance of the company.
Operating result	Operating result as presented in the income statement	Operating result is an essential indicator for the understanding of the company's financial performance.
Operating result, %	$\text{Operating result} / \text{Revenue}$	Operating result is an essential indicator for the understanding of the company's financial performance.
Earnings per share	$\text{Earnings for the period} / \text{weighted average number of outstanding shares during the period}$	Indicator describes the distribution of operating result to individual shares.
Acquisition & scrapping on fixed and intangible assets	Acquisition & scrapping of fixed and intangible assets as presented in the statement of cash flow	Indicator produces more information on the cash flow needs for operational investments.
Free cash flow operating activities	$\text{EBITDA} - \text{Acquisitions \& scrapping of fixed and intangible assets as presented in the statement of cash flow}$	Indicator gives information of the cash flow which the company is able to generate after operational investments.
Net debt	$\text{Interest-bearing debt} - \text{Cash and cash equivalents (at the end of the period)}$	Net debt is an indicator to measure the total external debt financing of the company.
Gearing ratio	$(\text{Interest-bearing debt} + \text{Cash and cash equivalents (at the end of the period)}) / \text{Equity}$	Indicator for the management to track the company's level of equity.
Equity ratio	$\text{Equity} / \text{Total equity}$	Indicator for the proportion of the company's assets that have been financed with equity.
Return on equity, %	$100 \times \text{Earnings for the period} / \text{Adjusted average equity}$	Indicator for the company's ability to generate profits in relation to equity belonging to the owners.

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Modulight in brief

Modulight Corporation is a biomedical laser company that designs and manufactures products for oncology, ophthalmology and genetics. The company also provides solutions for selected high value-add applications including quantum computing and digital press. The company's products include medical devices, subsystems, software, cloud services and specialized semiconductors. Modulight's products are used worldwide by many Fortune 500 companies, pharmaceutical companies, and well-known cancer centers and universities.

Modulight was founded in 2000 and is headquartered in Tampere, Finland. www.modulight.com

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