



2024

HALF-YEAR FINANCIAL REPORT

Q2 and H1 2024

modulight

Implementation of the new business model progressed and cash flow improved

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

Highlights in April–June 2024

- ❑ The R&D pipeline grew to 30 (27). The projects focus on the commercialization of Modulight's state-of-art products, which are manufactured in Tampere, Finland.
- ❑ Pay per treatment (PPT) business model implementation progressed.
- ❑ Operating cash flow and net cash flow improved significantly due to increasing operational efficiency and completion of the investment program.
- ❑ Revenue was EUR 965 (1,107) thousand.
- ❑ EBITDA was EUR -1,221 (-1,581) thousand.
- ❑ EBITDA margin was -126.5 (-142.8) % of revenue.
- ❑ Operating result (EBIT) was EUR -2,047 (-2,095) thousand.
- ❑ Operating result margin (EBIT-%) was -212.2 (-189.2) % of revenue.
- ❑ Result for the reporting period was EUR -1,949 (-2,093) thousand.
- ❑ Operating cash flow was EUR -93 (-1,430) thousand.
- ❑ Net cash flow was EUR -1,891 (-5,017) thousand.
- ❑ Earnings per share was EUR -0.05 (-0.05).

Highlights in January–June 2024

- ❑ Revenue was EUR 2,024 (2,600) thousand.
- ❑ EBITDA was EUR -2,535 (-3,010) thousand.
- ❑ EBITDA margin was -125.3 (-115.8) % of revenue.
- ❑ Operating result (EBIT) was EUR -4,026 (-3,998) thousand.
- ❑ Operating result margin (EBIT-%) was -198.9 (-153.8) % of revenue.
- ❑ Result for the reporting period was EUR -3,821 (-3,831) thousand.
- ❑ Operating cash flow was EUR -1,022 (-3,712).
- ❑ Net cash flow was EUR -4,561 (-11,202) thousand.
- ❑ Earnings per share was EUR -0.09 (-0.09).

Key figures

Group EUR 1,000 unless otherwise noted	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023 ¹⁾
Revenue	965	1,107	2,024	2,600	4,025
EBITDA	-1,221	-1,581	-2,535	-3,010	-8,539
EBITDA-%	-126.5%	-142.8%	-125.3%	-115.8%	-212.1%
Operating result (EBIT)	-2,047	-2,095	-4,026	-3,998	-12,132
Operating result (EBIT) -%	-212.2%	-189.2%	-198.9%	-153.8%	-301.4%
Earnings for the period	-1,949	-2,093	-3,821	-3,831	-11,861
Earnings per share (EPS, EUR)	-0.05	-0.05	-0.09	-0.09	-0.28
Acquisition of fixed and intangible assets	-1,333	-3,262	-2,538	-6,745	-9,735
Free cash flow from operating activities	-2,554	-4,843	-5,073	-9,755	-18,274
Cash and cash equivalents ²⁾	20,565	32,661	20,565	32,661	25,131
Net debt ²⁾	-15,022	-25,122	-15,022	-25,122	-18,586
Gearing ratio ²⁾	-28.9%	-39.4%	-28.9%	-39.4%	-33.4%
Equity ratio ²⁾	85.7%	87.0%	85.7%	87.0%	87.1%
Headcount (FTE) ²⁾	79	74	79	74	70

¹⁾ Audited

²⁾ Figure refers to the end of the review period

Outlook for 2024

Modulight has not issued guidance for revenue or profitability in 2024. 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 2024. However, the company expects that changes in the operating environment caused by macroeconomic and geopolitical uncertainty will still impact its financial performance in the short term.

Seppo Orsila, CEO

In the second quarter, Modulight accelerated the implementation of the pay per treatment (PPT) business model and improved its operational efficiency. Net cash flow improved significantly. We continued our geographical expansion in line with our strategy and expanded our offering to new indications, which increased our product development pipeline.

Revenue in the second quarter amounted to EUR 1.0 million, which was 9% less than in the previous quarter and 13% less than in the corresponding period of 2023. Revenue development was affected by the transition to the PPT business model in line with our strategy as well as delays in delivering engineering prototypes to some customers. During the second quarter, we made progress with the implementation of our PPT business model, which achieved a six-figure revenue, while also expanding the customer base for the model.

Our significant investment program has been completed, which is reflected in improved profitability due to the reduced costs associated with the initial implementation. Our operating cash flow improved significantly, reaching -0.1 million euros (-1.4 million euros) in the second quarter. The completion of the investment program is reflected, as expected, particularly in our overall cash flow, which improved significantly compared to the comparison period. The decrease in one-time costs related to the deployment of new equipment, together with increased operational efficiency, improved our EBITDA by 23% in the second quarter compared to the previous year. Additionally, the reduced workload from deployment of new equipment enabled us to allocate a record number of resources to product development.

Currently, a few leading hospitals on both, East and West Coasts of the United States are regularly using our technology for ophthalmological treatments utilizing the PPT model. Although the sales we receive from the PPT model are still small, it did amount to a low six-figure number in the second quarter. We have put in a lot of effort to tailor our operational models to meet the needs of our customers. We are pleased to see that certain key opinion leaders want to collaborate with us on high-quality medical publications while also developing the opportunities our technology offers to patients. A video by one such key opinion leader reached over 60,000 views on social media by the end of June. The work of these numerous doctors and researchers reflects confidence in our technology and its long-term potential.

Geographical expansion is progressing, and we have made advances particularly in the United States, but also in Europe and Asia. Through local sales and clinical support, our presence in the U.S. has attracted, for example, two Asian pharmaceutical companies as clients. Due to our resources, we have been able to develop our business in Europe and Asia simultaneously with our expansion in the U.S.

Phase III studies have been the primary focus of our clinical work, with new hospitals being included in the studies at an accelerating pace. As we examined several ongoing clinical trials in photoimmunotherapy, we observed that more than half of this global sample of clinical trials are using our product, and the user base continues to grow, which we believe reflects the strong confidence experts have in our product. The widespread use of our product, particularly in oncology, reinforces our belief in its versatility in cancer treatments. The best indicator of the competitiveness of our treatment and technology is the increasing number of projects in key indications. Our partners are generating world-class scientific evidence, further adding to the already impressive count of over 200 peer-reviewed medical reports. However, operationally we are focusing on advancing those projects with short-term potential.

Overall, our product development pipeline grew by two projects. This growth was supported by our efforts to commercialize our platform for various indications, our expertise in the United States, and our clinical network. Two pharmaceutical companies in the United States and Asia made progress in their existing projects and also initiated new ones. We also acquired new customers whose projects expanded our product development pipeline, while at the same time, we removed from the pipeline some projects that we assessed as unlikely to progress to significant commercial scale. I want to emphasize that we manufacture all our products in-house, and in all projects we are commercializing our state-of-art products made in Tampere, Finland.

A major well-known company designated us as a key partner for their lung research in the United States. We are also pleased that a very high-profile quantum company has ordered a product that we are likely uniquely qualified to deliver, thanks to our high-power single-mode laser technology investment program.

Our extensive investment program has now been completed, and in the current global situation, customers increasingly value our state-of-the-art production facility. We also have a strong cash position and the ability to respond quickly to market opportunities and enhance our product development efforts. We will continue to focus on actions aligned with our growth strategy, such as expanding our PPT model, advancing projects, and leveraging technology in the short-term, while also keeping long-term strategic opportunities in mind. We believe that our growth strategy and strengths will contribute to a return to strong and profitable growth during our strategic period, which extends through the end of 2025.

Progress of the product development pipeline

Modulight's most important measure of progress, the product development pipeline, grew by three projects compared to the previous period, reaching 30 (27), and by two projects since the end of the first quarter of 2024.

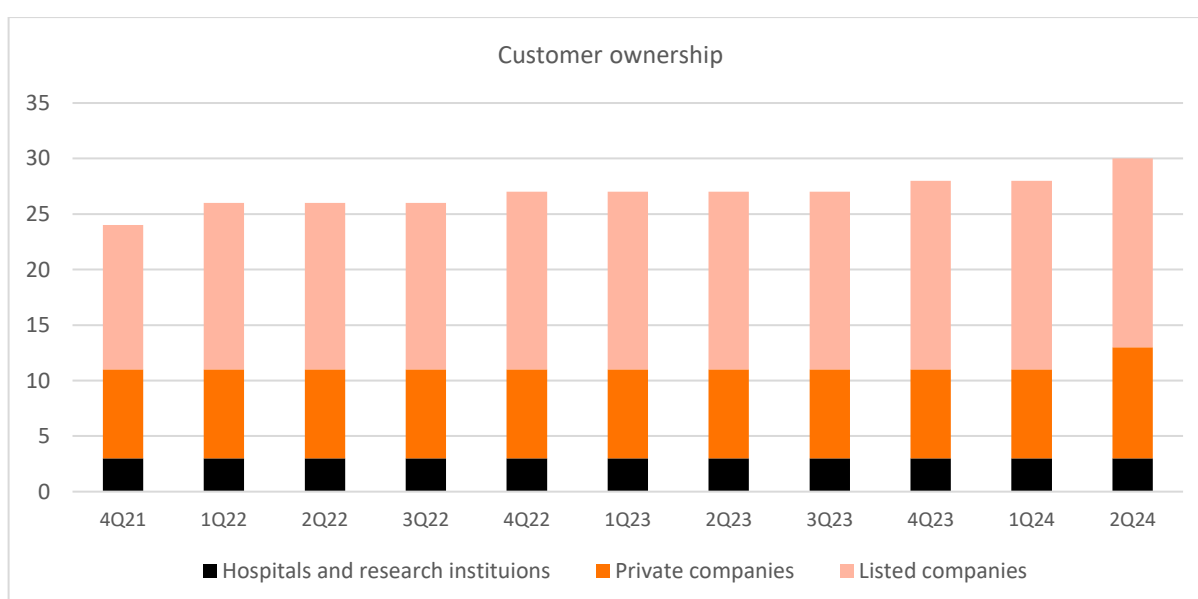
The primary focus in the second quarter was on more mature projects as well as in Phase 3 projects, but new medium- and long-term projects were also advanced. Both geographical expansion and the commercialization of our platform for new indications and strategic projects contributed to the growth of the product development pipeline. Our customers increasingly value our expanded geographical footprint and clinical network, with one new customer specifically citing this as a key reason for choosing to partner with us. The company estimates that several of the projects currently in development have significant revenue potential.

During the review period, Modulight continued to focus on advancing Phase 3 projects in the life sciences R&D pipeline and implementing the PPT business model. The company believes that Phase 3 projects have a strong likelihood of progressing to the commercial phase, as these projects represent substantial investments for its customers. The company's growth strategy is also generating initiatives that are expected to have significant short-term potential. A good recent example of achievements in laser technology is winning a competitive bid against a leading laser company in the field of flow cytometry.

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

April–June 2024

The Group's revenue in the second quarter of 2024 was EUR 965 (1,107). The change in revenue from the comparison period was EUR -142 thousand or -13 %. The weak revenue development was due to the transition to the PPT business model and delays in some projects.

January–June 2024

Revenue for the first half of 2024 amounted to EUR 2,024 (2,600) thousand. The change in revenue from the comparison period was EUR -576 thousand or -22 %. The weak revenue development was due to the transition to the PPT business model and delays in some projects.

Profitability

April–June 2024

EBITDA in April–June 2024 was EUR -1,221 (-1,581) thousand or -127 (-143) % of revenue. Operating result (EBIT) was EUR -2,047 (-2,095) thousand or -212 (-189) % of revenue. Result for the reporting period was EUR -1,949 (-2,093) thousand. Earnings per share (EPS) were EUR -0.05 (-0.05). EBITDA improved due to improved operational efficiency, but due to the increase in the depreciation base of fixed assets, the operating result was weaker than in the comparison period.

January–June 2024

EBITDA in the first half of 2024 was EUR -2,535 (-3,010) thousand or -125 (-116) % of revenue. Operating result (EBIT) was EUR -4,026 (-3,998) thousand or -199 (-154) % of revenue. Result for the reporting period was EUR -3,821 (-3,831) thousand. Earnings per share (EPS) were EUR -0.09 (-0.09). EBITDA improved due to improved operational efficiency, but due to the increase in the depreciation base of fixed assets, the operating result was weaker than in the comparison period.

Balance sheet, financing and investments

In January–June 2024, investments amounted to EUR 2,538 (6,745) thousand. Free cash flow from operating activities was EUR -5,073 (-9,755) thousand. Cash flow from operating activities was EUR -1,022 (-3,712) thousand. Net cash flow for the period was EUR -4,561 (-11,202) thousand. Most of the net cash flow was related to product development investments in line with the company's strategy.

On June 30, 2024, the Group's cash and cash equivalents were EUR 20,565 (32,661) 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 June 30, 2024, net debt was EUR -15,022 (-25,122) thousand, and net gearing was -29 (-39) %. Equity ratio was 86 (87) %. Return on equity in January–June 2024 was -7 (-6) %.

Capitalized development expenses were EUR 1,853 (2,150) thousand or 31 (30) % of total operating expenses.

On June 30, 2024, the total amount of trade receivables was EUR 931 (2,629) thousand. The company considers risks related to trade receivables as reasonable.

Personnel and management

On June 30, 2024, the number of employees (FTE) was 79 (74) and the average number of employees during January–June 2024 was 73 (67). Personnel expenses in January–June 2024 totaled EUR 3,325 (2,907) thousand.

On June 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 Vilokkinen (Vice President, Operations).

On June 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.

Shares and shareholders

Modulight has one class of shares, and all shares have the same voting rights and the right to a dividend and the company's assets. On June 30, 2024, the number of the company's shares was 42,616,936 (42,616,936). At the end of the financial period, the company owned 51,123 (0) equity shares.

The company's share is traded on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Ltd. During the reporting period, the highest share price was EUR 1.55 (4.34) and the lowest price EUR 0.70 (1.76). The weighted average price of the share during the financial period was EUR 1.03 (2.87). The closing price on June 28, 2024, was EUR 1.22 (2.27). On June 28, 2024, the Group's market value was EUR 51,993 (96,527) thousand.

On June 28, 2024, Modulight Corporation had 12,593 (12,277) shareholders. The members of the Board of Directors, the President and CEO and the Management Team held 39.9 (41.2) % of the shares, and the 20 largest shareholders held 75.6 (82.3) % of the total number of shares. Modulight Corporation's 20 largest shareholders on June 28, 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	825,108	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	Petri Suokas with close associates	324,450	0.76 %
17	Kati Reiman	293,580	0.69 %
18	Aktia Asset Management	240,000	0.56 %
19	Hubert Jouve	200,737	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.

At the end of June 2024, the company had two option programs. The total number of unused options on June 30, 2023, was 1,165,665. No new shares were subscribed with stock options during the first half of 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	714,472	138,286	0	714,472	6.49	Dec 31, 2023– Dec 31, 2025
2023	500,000	451,193	48,807	0	451,193	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

Financial reporting in 2024

In 2024, Modulight will publish the following financial reports:

- Interim report: January–September 2024: October 18, 2024

Tables January 1–June 30, 2024

Accounting principles for the half-year report

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

Consolidated income statement

EUR 1,000	4–6/2024	4–6/2023	1–6/2024	1–6/2023	1–12/2023
REVENUE	965	1,107	2,024	2,600	4,025
Change in inventory	6	81	289	151	304
Manufacturing for own use	926	1,196	1,853	2,150	3,349
Other operating income		349	22	615	1,171
Raw materials and services					
Raw materials and consumables					
Purchases during reporting period	-357	-682	-969	-1,270	-2,693
Change in inventory	-16	90	-164	128	-2
External services	-63	-264	-117	-471	-571
Total raw materials and services	-436	-856	-1,249	-1,614	-3,266
Personnel expenses					
Wages and salaries	-1,450	-1,353	-2,786	-2,441	-4,792
Social security services					
Pension expenses	-241	-231	-476	-426	-851
Other social security services	-15	1	-63	-40	-115
Total personnel expenses	-1,706	-1,583	-3,325	-2,907	-5,757
Depreciation and amortization					
Depreciation and amortization according to plan	-826	-514	-1,491	-988	-3,593
Other operating expenses	-976	-1,875	-2,148	-4,005	-8,365
OPERATING PROFIT(-LOSS)	-2,047	-2,095	-4,026	-3,998	-12,132
Financial income and expenses					
Other interest and financial income	161	20	289	27	246
Interest and financial expenses	-63	-18	-84	140	26
Total financial income and expenses	98	2	205	167	272
PROFIT (-LOSS) BEFORE APPROPRIATIONS AND TAXES	-1,949	-2,093	-3,821	-3,831	-11,860
Income taxes					-1
PROFIT (-LOSS) FOR THE REPORTING PERIOD	-1,949	-2,093	-3,821	-3,831	-11,861

Consolidated balance sheet

EUR 1,000	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
ASSETS			
Non-current assets			
Intangible assets			
Development expenditure	10,147	9,569	8,916
Intangible rights	83		
Total intangible assets	10,230	9,569	8,916
Fixed assets			
Buildings and structures	3,269	3,475	3,326
Machinery and equipment	21,254	14,728	21,266
Other fixed assets	87	5,635	285
Total fixed assets	24,610	23,839	24,877
Total non-current assets	34,840	33,408	33,793
Current assets			
Inventory			
Raw materials and consumables	1,396	1,690	1,560
Finished products	1,282	840	993
Total inventory	2,678	2,530	2,553
Receivables			
Short-term receivables			
Sales receivables	931	2,629	915
Other receivables	1,026	1,318	1,209
Prepayments and accrued income	525	639	360
Total short-term receivables	2,482	4,587	2,485
Financial securities	19,593	32,152	24,721
Cash and cash equivalents	972	509	409
Total current assets	25,726	39,778	30,169
TOTAL ASSETS	60,566	73,185	63,962

EUR 1,000	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	80	80	80
Reserve for invested unrestricted equity	75,317	75,334	75,317
Retained earnings	-19,675	-7,850	-7,809
Earnings for the reporting period	-3,821	-3,831	-11,861
Total equity	51,902	63,732	55,727
Liabilities			
Non-current liabilities			
Loans from financial institutions	3,542	5,781	4,543
Total non-current liabilities	3,542	5,781	4,543
Current liabilities			
Loans from financial institutions	2,002	1,758	2,002
Advances received	639	158	55
Accounts payable	589	454	569
Other liabilities	223	117	136
Accrued expenses	1,669	1,186	930
Total current liabilities	5,122	3,673	3,692
Total liabilities	8,664	9,454	8,235
TOTAL EQUITY AND LIABILITIES	60,566	73,185	63,962

Consolidated cash flow statement

EUR 1,000	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Cash flow from operating activities					
Operating profit	-2,047	-2,095	-4,026	-3,998	-12,132
Depreciation and amortization	826	514	1,491	988	3,593
Net financial expenses	98	2	205	167	272
Change in working capital, increase (-), decrease (+)	1,030	149	-1,308	-869	986
Taxes paid					-1
Cash flow from operating activities (A)	-93	-1,430	-1,022	-3,712	-7,281
Cash flow from investing activities					
Investments in tangible and intangible assets	-1,532	-5,618	-2,736	-7,355	-15,695
Advance payments	198	2,356	198	610	5,960
Cash flow from investing activities (B)	-1,333	-3,262	-2,538	-6,745	-9,735
Cash flow from financing activities					
Change in interest-bearing debts	-465	-325	-1,001	-745	-1,739
Acquisition of own shares (-) / transfer (+)					-16
Cash flow from financing activities (C)	-465	-325	-1,001	-745	-1,755
Net cash flow (A+B+C)	-1,891	-5,017	-4,561	-11,202	-18,772
Cash and financial securities at the beginning of the period	22,452	37,674	25,131	43,870	43,870
Exchange rate differences	4	3	-4	-7	33
Cash and financial securities at the end of the period	20,565	32,661	20,565	32,661	25,131

Changes in equity items and distributable funds

EUR 1,000	1-6/2024	1-6/2023
Restricted equity		
Share capital January 1	80	80
Share capital increases		
Share capital June 30	80	80
Total restricted equity June 30	80	80
Unrestricted equity		
Reserve for invested unrestricted equity January 1	75,317	75,334
Increases in the reserve for invested unrestricted equity		
Reserve for invested unrestricted equity June 30	75,317	75,334
Profit (-loss) for previous financial years January 1	-19,671	-7,843
Translation difference	-4	-7
Dividends distributed in the reporting period		
Profit (-loss) for previous financial years June 30	-19,675	-7,850
Profit for the reporting period	-3,821	-3,831
Unrestricted equity June 30	51,822	63,652
Total equity June 30	51,902	63,732

Calculation formulas for key figures

Key figures	Definition	Reason for the use
Growth of revenue-%	$(\text{Revenue for the period} - \text{The revenue of the previous reference period}) / \text{Previous revenue for the period}$	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
EBTIDA-%	$\text{EBITDA} / \text{Revenue}$	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	$\text{Earning from the period} / \text{weighted average number of outstanding shares during the period}$	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 produces 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 financial 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

For further information, please contact:

CEO: Seppo Orsila m. +358 40 830 4671

IR: Ulla Haapanen m. +358 40 830 4676

email: ir@modulight.com

Certified adviser: Sisu Partners Oy

www.modulight.com

Twitter: [@modulight](https://twitter.com/modulight)

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

modulight

www.modulight.com