Photocure ASA: Results for the fourth quarter of 2018

Oslo, Norway, 27 February 2019: Photocure ASA (OSE:PHO), today reported a revenue growth of 76% in local currency for the U.S. market in the fourth quarter of 2018, contributing to Hexvix/Cysview revenues of NOK 46.3 million (Q4 2017: NOK 39.4) and a recurring EBITDA of NOK -4.1 million (NOK -13.1 million). The company maintains its 2020 forecasted revenue range of USD 20-25 million in the U.S., up from USD 7.8 million in 2018, and sees significant continued revenue growth and profit opportunities in the U.S. market beyond 2020.

“We closed 2018 with an acceleration in forward momentum posting another record quarter with a revenue increase of 76% in the U.S., our largest and largely untapped market. Notably, and key to increased Cysview future sales, one third of the cystoscopes in the market were installed during 2018 alone. Since January 2019, we have now achieved permanent and favorable reimbursement in all settings of care which will further support adoption of Cysview used in Blue Light Cystoscopy when treating bladder cancer patients. We will continue to invest in the growing, largely untapped U.S. market where we expect to see our greatest returns in the form of significant and sustainable revenue and profitability growth,” says Daniel Schneider, President & Chief Executive Officer of Photocure.

Photocure reported total group revenues of NOK 49.9 million in the fourth quarter of 2018 (NOK 39.4 million), with a recurring EBITDA of NOK -4.1 million (NOK -10.8 million). Net result was NOK -12.0 million (NOK -13.0 million), while the cash position ended at NOK 106.8 million. The sales development in the U.S. was strong with a unit sales increase of 69% in the quarter. The revenues in the Nordics increased 5% to NOK 13.5 million (NOK 12.9 million) in the fourth quarter. EBITDA for the Hexvix/Cysview commercial franchise ended at NOK 1.3 million in the fourth quarter of 2018. At the end of the quarter the total installed base of permanent blue light cystoscopes (BLCs) in was 149 the U.S. In addition, 8 flexible cystoscopes for the surveillance setting have been installed.

Photocure has built considerable experience in the bladder cancer market through its Hexvix/Cysview franchise and sees significant long-term value creation potential in this market segment. The company aims to capitalize on a number of factors including inclusion in the AUA-SUO guidelines, increased patient awareness and the improved reimbursement of Cysview. These drivers will significantly increase penetration in the U.S. market. Furthermore, with the approval of Cysview to be used with flexible cystoscopes, a significant market opportunity has opened in the surveillance segment.

"Given the large untapped market opportunities, the company will continue to invest in the U.S. commercial and medical infrastructure in 2019. Photocure is fully funded for this market strategy. The company maintains its 2020 forecasted revenue range of USD 20-25 million in the U.S., up from USD 7.8 million in 2018, and sees significant continued revenue growth and profit opportunities in the U.S. market beyond 2020,” Schneider says.

Along with partner Karl Storz, Photocure has doubled the number of installed blue light cystoscopes in the U.S. since 2016. The company believe the continued strong installation growth rates will drive future revenue growth for Cysview. The improved permanent reimbursement rates went into effect 1 January 2019 and will provide physicians the ability to use Cysview in Blue Light Cystoscopy procedures on the majority of their patients without negatively affecting their practice economics.

"Key to our continued success is the acceleration and adoption of the newly approved Flexible Blue Light Surveillance Cystoscopy with Cysview performed in the larger surveillance market. Our future growth rates will also be significant and sustainable through continued investment and focused execution," Schneider concludes.

Please find the full financial report and presentation enclosed.

Photocure will present its fourth quarter report on Wednesday 27 February 2019 at Hotel Continental, Oslo, Norway. The presentation will begin at 08:30 (CET) and representatives from the company will be Daniel Schneider, President & CEO and Erik Dahl, CFO. The presentation will be held in English.

It will be possible to follow the presentation through http://webtv.hegnar.no/presentation.php?webcastId=97605538.

A light snack will be served from 08:00 (CET). The presentation is scheduled to conclude at 09:15 (CET).

As the presentation will be held in English, there will be no audio webcast and conference call in the afternoon.

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About Photocure ASA

Photocure, The Bladder Cancer Company, delivers transformative solutions to improve the lives of bladder cancer patients. Our unique technology, which makes cancer cells glow bright pink, has led to better health outcomes for patients worldwide. Photocure is headquartered in Oslo, Norway, and listed on the Oslo Stock Exchange (OSE: PHO). The US headquarters for Photocure Inc., are in Princeton, New Jersey. For more information, please visit us at www.photocure.com, www.hexvix.com or www.cysview.com