



THE
BLADDER CANCER
COMPANY™

Photocure ASA - Contemplated Private Placement

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Oslo, Norway, 24 June 2020: Photocure ASA ("Photocure" or the "Company") has retained ABG Sundal Collier ASA and DNB Markets, a part of DNB Bank ASA as Joint Bookrunners (collectively referred to as the "Managers") to advise on and effect a contemplated private placement directed towards Norwegian and international investors, subject to and in compliance with applicable exemptions from relevant prospectus or registration requirements (the "Private Placement"). The Company is contemplating to issue up to 2,500,000 new shares in the Company (the "Offer Shares") corresponding to approximately 10% of the current outstanding shares in the Company, of which 98,300 Offer Shares will be issued and sold following exercise of fully vested employee options.

The Company intends to use the net proceeds from the Private Placement (i.e. net of transaction costs and employer's contributions triggered by the option exercise) to i) create and scale up a world-class marketing, sales, and distribution infrastructure after transfer of the business previously owned and managed by Ipsen; ii) finance growth and working capital, including expansion in underserved countries and new geographies currently not served by Photocure or Ipsen; iii) explore new product opportunities / development, and new geographies for Hexvix/Cysview to expand and secure its market position; and iv) general corporate purposes.

In addition to the contemplated Private Placement, the Company has agreed a three-year term loan with Nordea, secured under the State Guarantee Scheme to further strengthen the financing of the abovementioned use of proceeds.

As communicated in connection with the first quarter 2020 reporting, Photocure experienced near term temporary pressure on revenue due to COVID-19 impact. The Company has seen a rebound over recent weeks building comfort on the expectation of steady return to growth in second half 2020. Photocure has implemented strict cost control in line with the activity level in second quarter 2020. The 2023 group guidance remains firm on group revenue ambitions in the range of NOK 1 billion with EBITDA margins of approximately 40%.

The subscription price and the number of Offer Shares to be issued in the Private Placement will be determined by the board of directors of the Company (the "Board") following an accelerated bookbuilding process. The application period for the Private Placement will commence on 24 June 2020 at 16:30 hours CEST and is expected to close on 25 June 2020 at 08:00 hours CEST. The Company, after consultation with the Managers, reserves the right to at any time and in its sole discretion resolve to close or to extend the application period or to cancel the Private Placement in its entirety without further notice. If the Application Period is shortened or extended, any other dates referred to herein may be amended accordingly.

The minimum subscription and allocation amount in the Private Placement will be the NOK equivalent of EUR 100,000, provided that the Company may, at its sole discretion, allocate an amount below EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant to applicable regulations, including the Norwegian Securities Trading Act and ancillary regulations, are available.

The allocation will be made at the sole discretion of the Board after input from the Managers. Allocation will be based on criteria such as (but not limited to), existing ownership in the Company, timeliness of the application, price leadership, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon. Primary insiders will be allocated a number of Offer Shares needed to meet the required acquisition of shares pursuant to the option program as set out below. The Board may, at its sole discretion, reject and/or reduce any applications. There is no guarantee that any applicant will be allocated Offer Shares.

The Offer Shares will be issued based on a Board authorization granted by the Company's annual general meeting held on 10 June 2020. The Managers are expected to pre-fund the subscription price for the Offer Shares to facilitate a swift registration of the share capital in the Norwegian Register of Business Enterprises ("NRBE"). The Offer Shares will be tradeable from the registration of the share capital increase in the NRBE. Delivery of the Offer Shares will be on a delivery versus payment basis to the investors.

The Company will announce the results of the Private Placement in a stock exchange announcement expected to be published before opening of markets tomorrow, 25 June 2020. Completion of the Private Placement is subject to final approval by the Board.

The Board of Directors has considered the Private Placement in light of the equal treatment obligations under the Norwegian Securities Trading Act and Oslo Børs' Circular no. 2/2014, and is of the opinion that the proposed Private Placement is in compliance with these requirements. The Board has considered alternative structures for the raising of new equity. Following careful considerations, the Board is of the view that it will be in the common interest of the Company and its shareholders to raise equity through a private placement setting aside the pre-emptive rights of the shareholders. By structuring the transaction as a private placement, the Company expects to be in a position to complete the share issue in today's market conditions in an efficient manner. It also gives the Company the possibility of raising equity with a lower discount to the current trading price and with significantly lower execution risks compared to a rights issue. In addition, the Private Placement has been subject to a pre-sounding and is subject to a publicly announced bookbuilding process. By this, a market based subscription price will be achieved.

The Company, members of the board of directors and senior management team will be subject to a customary lock-up for a period of six months following issuance and listing of the Offer Shares.

The option exercise in relation to the Private Placement refers to the Company's stock exchange release on 31 December 2019, with the final number of shares issued following the exercise being 98,300. The remaining of these exercised options have been settled by the Company. Pursuant to the terms of the employee option program, members of the Executive Management are required to acquire a number of shares equivalent to 1/10 of the options exercised. The following primary insiders are the option holders who participate

in the of sale of Offer Shares:

- Erik Dahl, CFO, selling 24,000 Offer Shares and subscribing for 2,400 Offer Shares;
- Grete Hogstad, VP Strategic Marketing, selling 24,000 Offer Shares and subscribing for 2,400 Offer Shares;
- Gry Stensrud, VP Technical Development and Operation, selling 27,000 Offer Shares and subscribing for 2,700 Offer Shares;
- Espen Njåstein, Head Nordic Cancer Commercial Operations, selling 23,300 Offer Shares and subscribing for 2,330 Offer Shares;

Advokatfirmaet Selmer AS is acting as legal adviser to Photocure ASA.

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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

Important information

This announcement does not constitute or form a part of any offer of securities for sale or a solicitation of an offer to purchase securities of the Company in the United States or any other jurisdiction. The distribution of this announcement and other information may be restricted by law in certain jurisdictions. Copies of this announcement are not being made and may not be distributed or sent into any jurisdiction in which such distribution would be unlawful or would require registration or other measures. Persons into whose possession this announcement or such other information should come are required to inform themselves about and to observe any such restrictions.

The securities of the Company may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). The securities of the Company have not been, and will not be, registered under the U.S. Securities Act. Any sale in the United States of the securities mentioned in this communication will be made solely to "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act. No public offering of the securities will be made in the United States.

In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State. The expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (together with any applicable implementing measures in any Member State).

In the United Kingdom, this communication is only addressed to and is only directed at Qualified Investors who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or (ii) are persons falling within Article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations, etc.) (all such persons together being referred to as "Relevant Persons"). These materials are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Any Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Company's shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Company's shares and determining appropriate distribution channels.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intends", "may", "should", "will" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

Actual events may differ significantly from any anticipated development due to a number of factors, including without limitation, changes in investment levels and need for the Company's services, changes in the general economic, political and market conditions in the markets in which the Company operate, the Company's ability to attract, retain and motivate qualified personnel, changes in the Company's ability to engage in commercially acceptable acquisitions and strategic investments, and changes in laws and regulation and the potential impact of legal proceedings and actions. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.

The Company does not provide any guarantees that the assumptions underlying the forward-looking statements in this announcement are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this announcement or any obligation to update or revise the statements in this announcement to reflect subsequent events. You should not place undue reliance on the forward-looking statements in this document. Current market conditions are affected by the COVID-19 virus outbreak. The development in both Photocure's operations as well as relevant financial markets in general may be affected by government measures to mitigate the effect of the virus, reduction in activity, unavailable financial markets and other. See OSE notification of 7 April 2020 for an in-depth analysis of risk and effects of the COVID-19 situation.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice. Each of the Company, the Managers and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any statement contained in this announcement whether as a result of new information, future developments or otherwise.

This announcement is made by and, and is the responsibility of, the Company. The Managers are acting exclusively for the Company and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, or for advice in relation to the contents of this announcement or any of the matters referred to herein.

Neither the Managers nor any of their respective affiliates makes any representation as to the accuracy or completeness of this announcement and none of them accepts any responsibility for the contents of this announcement or any matters referred to herein.

This announcement is for information purposes only and is not to be relied upon in substitution for the exercise of independent judgment. It is not intended as investment advice and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of an offer to buy any securities or a recommendation to buy or sell any securities of the Company. Neither the Managers nor any of their respective affiliates accepts any liability arising from the use of this announcement.