# Photocure ASA: Results for the second quarter and first half of 2020

**Oslo, Norway, 18 August 2020: Photocure ASA (OSE:PHO) reported Hexvix®/Cysview® revenues of 53.5 million in the second quarter of 2020 (Q2 2019: NOK 52.1), corresponding to growth of three per cent, despite a significant Covid-19 impact in the beginning of the quarter in the U.S. market before a strong recovery towards the end of the period. The company has entered into an agreement with Ipsen Pharma SAS (Ipsen) for the return of Hexvix sales, marketing and distribution rights from the fourth quarter of 2020 and sees significant growth opportunities in Europe. The agreement is expected to be EBITDA accretive from full-year 2021 and beyond.**

"*Our second quarter results were negatively impacted by the Covid-19 pandemic with a significant decline in revenue at the beginning of the quarter but a strong recovery towards the end of the quarter. We are confident that we will return to strong growth rates with continued growth year over year once the Covid-19 epidemic subsides. We believe that BLC with Hexvix/Cysview can play an integral role in assuring that the first TURBT in a patient after postponement of procedures due to Covid-19 will be complete and thorough reducing the risks for repeat TURBT, reoccurrence and progression in that patient,"* says Daniel Schneider, President & Chief Executive Officer of Photocure.

Photocure reported total group revenues of NOK 53.7 million in the second quarter of 2020 (NOK 53.0 million), with an EBITDA before restructuring of NOK -8.9 million (NOK -2.6 million). The Hexvix/Cysview revenues ended at NOK 53.5 million (NOK 52.1 million). The demand in the U.S. market rebounded at the end of the quarter, with the in-market unit sales for June up 7 per cent compared to June last year.

The installed base of rigid cystoscopes in the U.S. was 246 at the end of the second quarter, an increase of 58 units or 31% since the same quarter last year. Blue Light Cystoscopy (BLC™) in the surveillance setting is a key priority for Photocure in the U.S. market. By the end of the second quarter, 30 flexible cystoscopes for the surveillance cystoscopy setting have been installed.

**Cash balance of NOK 500 million**

Photocure had a net cash flow from operations of NOK 11.4 million in the second quarter of 2020 (NOK -4.0 million) and completed two private placements on 27 April and 24 June, raising a total gross of NOK 333 million. The private placements attracted very strong interest from existing shareholders, as well as from new high-quality institutional investors and were multiple times oversubscribed. At the end of the quarter, Photocure had a cash balance of NOK 499.4 million (86.7).

**Regains worldwide rights of Hexvix**

Photocure has entered into an agreement with Ipsen for the return of Hexvix sales, marketing and distribution rights in Europe and other markets currently controlled by Ipsen. With taking direct control over Photocure's own Hexvix/Cysview product in key regions, the company supports the ambition of becoming a global leader in bladder cancer with a solid basis for expansion and further growth opportunities. Photocure will commence the Hexvix commercialization in Europe from the fourth quarter of 2020 and expects the Ipsen agreement to be EBITDA accretive from full-year 2021 and beyond.

"*In June, we signed the final agreement with Ipsen for the return of the marketing and sales rights for Hexvix in various European countries. This transaction further supports our strategy of building a strong and profitable global business within bladder cancer. We plan to leverage the extensive experience we have built in the U.S. and the Nordics to the markets that were previously controlled by Ipsen. We believe there is tremendous growth and expansion opportunities in all markets previously controlled by Ipsen. In addition, there are many markets where Ipsen never commercialized our products and we plan to address many of these markets in the future. In the second quarter, we successfully raised the necessary capital to fund the required milestone payments, training of people and working capital to transition the European business from Ipsen to Photocure,"* says Schneider.

**Group 2023 ambitions**

Photocure delivers transformative solutions that improve the lives of bladder cancer patients. Based on experience and the performance of the breakthrough bladder cancer product Hexvix/Cysview, Photocure has embarked on a stepwise approach for continued growth. Photocure sees significant long-term potential in the global bladder cancer market and has a defined growth strategy:

- Accelerating – Drive the breadth and depth of Hexvix/Cysview usage in key accounts
- Expanding – Generate sales in new geographies and product enhancements
- Acquiring – Products used in the management of bladder cancer patients
- Transforming – Partner and in-license assets to strengthen the bladder cancer portfolio

*"Based on the outlook and strategic opportunities, Photocure aims to maintain its group revenue ambitions for 2023 in the range of NOK 1 billion with EBITDA margins of approximately 40%, following the completion of the transaction with Ipsen,"* Schneider concludes.

Please find the full financial report and presentation enclosed.

EBITDA and other alternative performance measures (APMs) are defined and reconciled to the IFRS financial statements as a part of the APM section of the second quarter 2020 financial report on page 22-23.

Photocure will present its second quarter 2020 report on Tuesday 18 August 2020 at 14:00 CET. The investor presentation will be streamed live and be hosted by Daniel Schneider, CEO and Erik Dahl, CFO.

The presentation will be held in English and questions can be submitted throughout the event. The streaming event is available through https://channel.royalcast.com/webcast/hegnarmedia/20200818_11/. The presentation is scheduled to conclude at 14:45 CET.

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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, making 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). For more information, please visit us at www.photocure.com, www.hexvix.com, www.cysview.com