

Photocure ASA Results for End of Year & 4th Quarter 2020

3 March 2021

Daniel Schneider, President and CEO

Erik Dahl, CFO



THE
BLADDER CANCER
COMPANY

Disclaimer

By reading this company presentation (the "Presentation") or attending any meeting or oral presentation held in relation thereto, you (the "Recipient") agree to be bound by the following terms, conditions and limitations.

The Presentation has been produced by Photocure ASA (the "Company") for information purposes only and does not in itself constitute, and should not be construed as, an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction. The distribution of this Presentation may be restricted by law in certain jurisdictions, and the Recipient should inform itself about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction.

The Recipient acknowledges that it will be solely responsible for its own assessment of the Company, the market and the market position of the Company and that it will conduct its own analysis and be solely responsible for forming its own view of the potential future performance of the Company's business. The Company shall not have any liability whatsoever (in negligence or otherwise) arising directly or indirectly from the use of this Presentation or its contents, including but not limited to any liability for errors, inaccuracies, omissions or misleading statements in this Presentation, or violation of distribution restrictions.

The Presentation will be used during an oral presentation and is therefore not a complete summary of the presentation held. Further, it is not the intention to provide, and the Recipient may not rely on the Presentation as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects. Several factors could adversely affect the business, legal or financial position of the Company or the value of its securities. For a further description of other relevant risk factors we refer to the Company's annual report for 2019. Should one or more of these or other risks and uncertainties materialize, actual results may vary significantly from those described in this Presentation.

This Presentation contains certain forward-looking statements relating to inter alia the business, financial performance and results of the Company and the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts. Any forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts and are subject to risks, uncertainties and other factors that may cause actual results and events to be materially different from those expected or implied by the forward-looking statements. The Company cannot provide any assurance that the assumptions underlying such forward-looking statements are free from errors nor do any of them accept any responsibility for the future accuracy of opinions expressed in this Presentation or the actual occurrence of forecasted developments.

This Presentation speaks as at the date set out on herein. Neither the delivery of this Presentation nor any further discussions of the Company shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. The Company does not assume any obligation to update or revise the Presentation or disclose any changes or revisions to the information contained in the Presentation (including in relation to forward-looking statements).

This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts.

Over half a million bladder cancer patients across the world have received our breakthrough product



THE
BLADDER CANCER
COMPANY

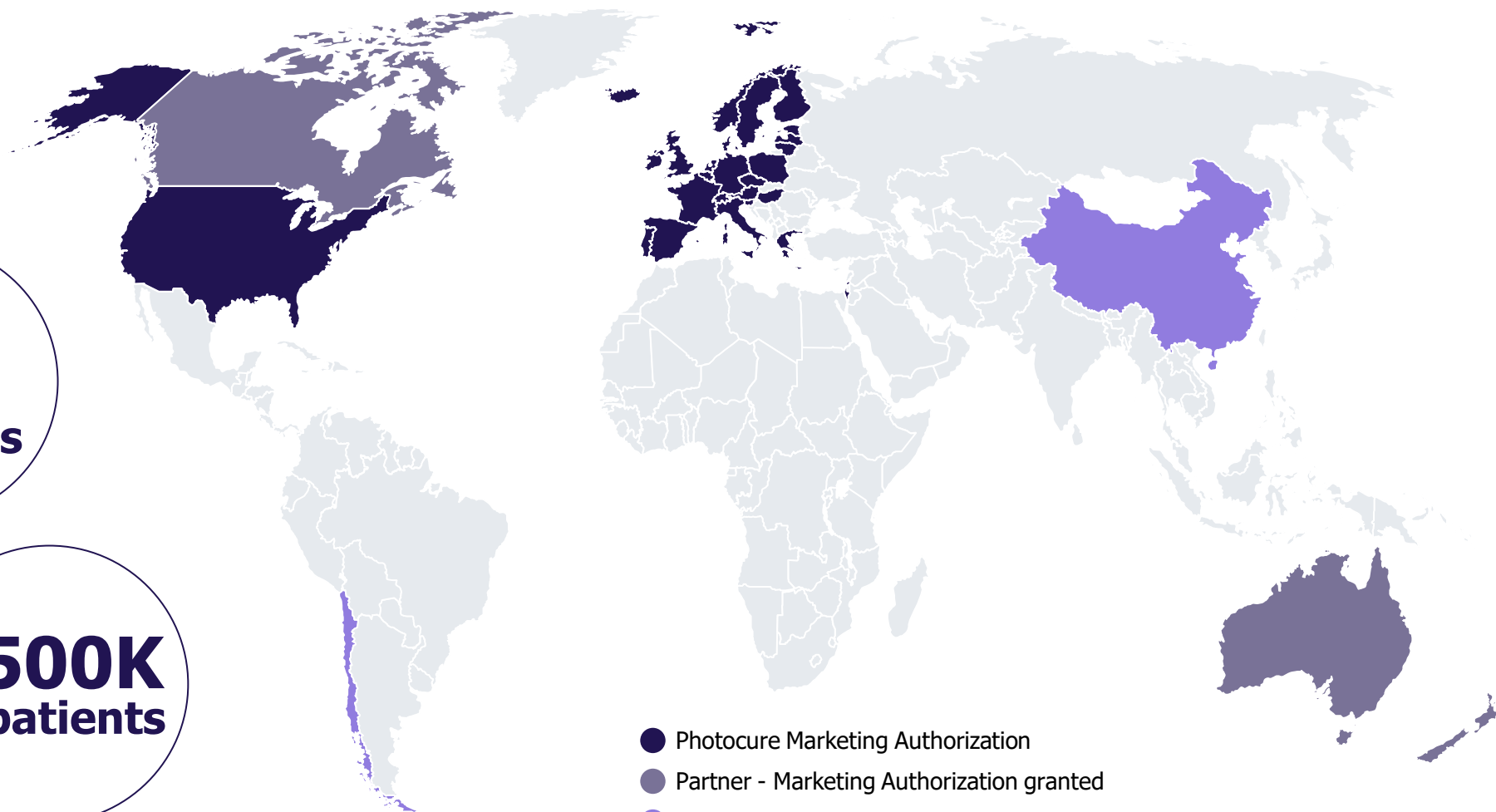
Direct sales in
U.S. & Europe
with worldwide
partnerships

**NOK
256.5M**
total company
revenue 2020

Approved for
use in
~30
countries

~90
employees

>500K
patients



- Photocure Marketing Authorization
- Partner - Marketing Authorization granted
- Partner - Marketing Authorization in process

Our Mission: Delivering transformative solutions to improve the lives of bladder cancer patients



THE
BLADDER CANCER
COMPANY

Photocure's four step strategy to deliver on our mission & vision



Photocure's global commercial bladder cancer platform will be the foundation for transformative deals and value growth

Highlights in fourth quarter 2020 and subsequent events:



THE
BLADDER CANCER
COMPANY

+48%

U.S. Revenue
Growth

+66%

Hexvix/Cysview
Revenue Growth
(adjusted)

**European
operations
live on
1 October**

**Partnership
news:**

Cevira: 1st Phase 3
patient dosed in Q4 2020

Asieris: Hexvix
partnership in China

HEXVIX[®]
Hexaminolevulinate 85mg

CYSVIEW[®]
Hexaminolevulinate HCl

Cash balance end of Q4 2020: NOK 334.9M

Bladder cancer has been chronically underserved



THE
BLADDER CANCER
COMPANY

COMMON (6th most common cancer worldwide^{1a})

550K
new cases
annually^{1b}



200K
deaths annually
of which 75%
are men^{1b}

EXPENSIVE

Highest
per patient
lifetime
treatment
costs of any
cancer²



**USD
5.7B**
Cost of Bladder Cancer
in the U.S., projection
for 2020³

RECURRENT

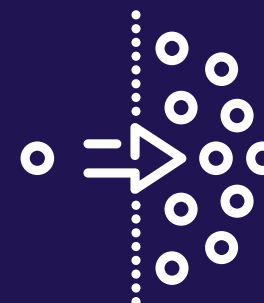
Up to
61%
Recurrence
in 1 year⁴



Up to
78%
Recurrence
in 5 years⁴

PROGRESSIVE (FROM NMIBC TO MIBC, at 5 years)⁴

1%



45%

1) Globocan. a) 5-year prevalence / b) incidence/mortality by population. Available at: <https://gco.iarc.fr/today>, accessed [December 2019]. 2) Sievert KD et al. World J Urol 2009;27:295–300 and Bladder Cancer. American Cancer Society. <https://www.cancer.org/cancer/bladder-cancer.html>. 3) Mariotto AB, Yabroff KR, Shao Y, Feuer EJ, Brown ML. Projections of the cost of cancer care in the United States: 2010–2020. J Natl Cancer Inst. 2011;103(2):117–28. 4) Sylvester RJ et al. Eur Urol 2006; 49:466–467 Global Data: Bladder Cancer Report

Hexvix®/Cysview® For better detection and management of NMIBC



THE
BLADDER CANCER
COMPANY

HEXVIX® | **CYSVIEW®**
Hexaminolevulinate 85mg | Hexaminolevulinate HCl

preferentially accumulates in
bladder cancer cells
making them glow
bright pink
under blue light

◀◀◀ A Drug Device combination
for better visual contrast
between benign
and malignant cells ▶▶▶



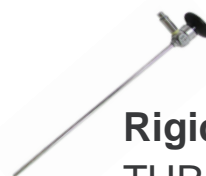
Blue Light Cystoscopy (BLC™)

Hexvix / Cysview is used
with a **blue light**
enabled cystoscope,
from Karl Storz, Wolf or
Olympus



Capital Equipment Tower

Rigid Scope (Surgical Resection)
TURBT Procedures



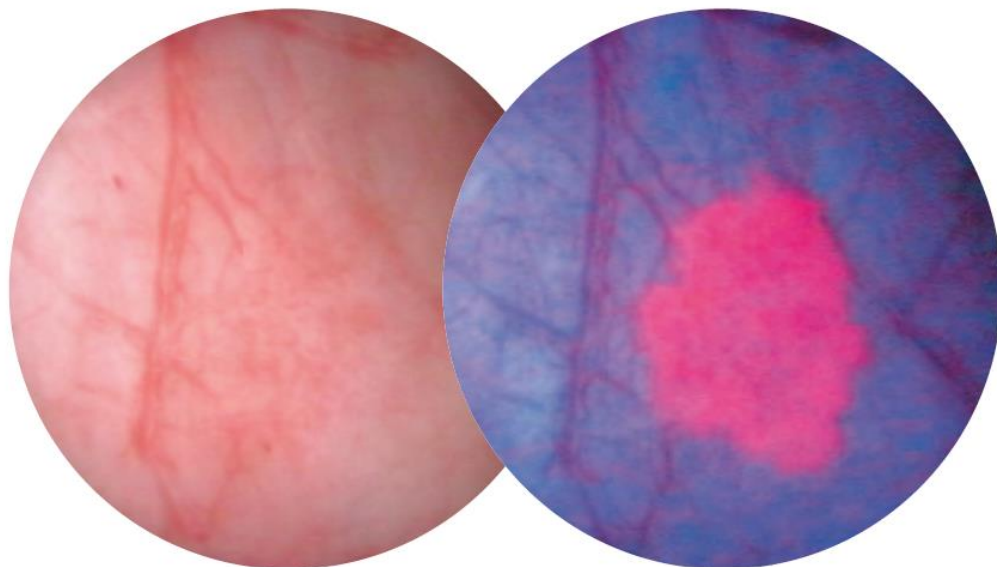
Flexible Scope (Outpatient Cystoscopy)
Routine Surveillance



Blue Light Cystoscopy: Creating a New Standard of Care “You cannot treat what you cannot see!”



THE
BLADDER CANCER
COMPANY



Bladder cancer seen under white light (left) and using Hexvix®/Cysview® blue light cystoscopy® (right)
- Courtesy of Professor Dirk Zaak; Traunstein, Germany.

Key benefits

- Hexvix/Cysview with BLC offers **improved detection and more complete surgical resection** leading to a reduced risk of recurrence vs. white light cystoscopy alone^{1–4,6–9}
- Enables **more accurate risk classification** leading to better management of disease
- Offers **improved patient monitoring with surveillance cystoscopy** for long-term disease management

Hexvix/Cysview detected **21%** of recurrent patients that were assessed as disease-free under WLC alone in follow-up/surveillance of non-muscle invasive bladder cancer (NMIBC)²

In the OR, Hexvix/Cysview found **35%** of patients with CIS (high-grade NMIBC) that were missed with WLC alone.²

Summary of product characteristics: <https://www.hexvix.com/safety-information/> / Cysview prescribing information: <https://packageinsert.s3.us-east-2.amazonaws.com/Cysview+PI+2020.pdf>

References: 1. Hermann GG et al. *BJU Int* 2011; 108(8 Pt 2):E297–E303. 2. Daneshmand S et al. *J Urol* 2018; 199(5):1158–1165. 3. Stenzl A et al. *J Urol* 2010; 184(5):1907–1913. 4. Burger M et al. *Eur Urol* 2013; 64(5):846–854. 5. Hexvix® (hexaminolevulinate hydrochloride) 85 mg Summary of Product Characteristics. 2019. 6. Drejer D et al. *Urology* 2020; 137:91–96. 7. Gallagher KM et al. *World J Urol* 2017; 35(12):1871–1877. 8. Geavlete B et al. *BJU Int* 2012; 109(4):549–556. 9. Grossman HB et al. *J Urol* 2012; 188(1):58–62.

Supportive environment for becoming the standard of care for the detection & management of bladder cancer

Recommended in global & national guidelines:



American
Urological
Association



European
Association
of Urology



Society of Urologic Oncology, Inc.

NICE National Institute for
Health and Care Excellence



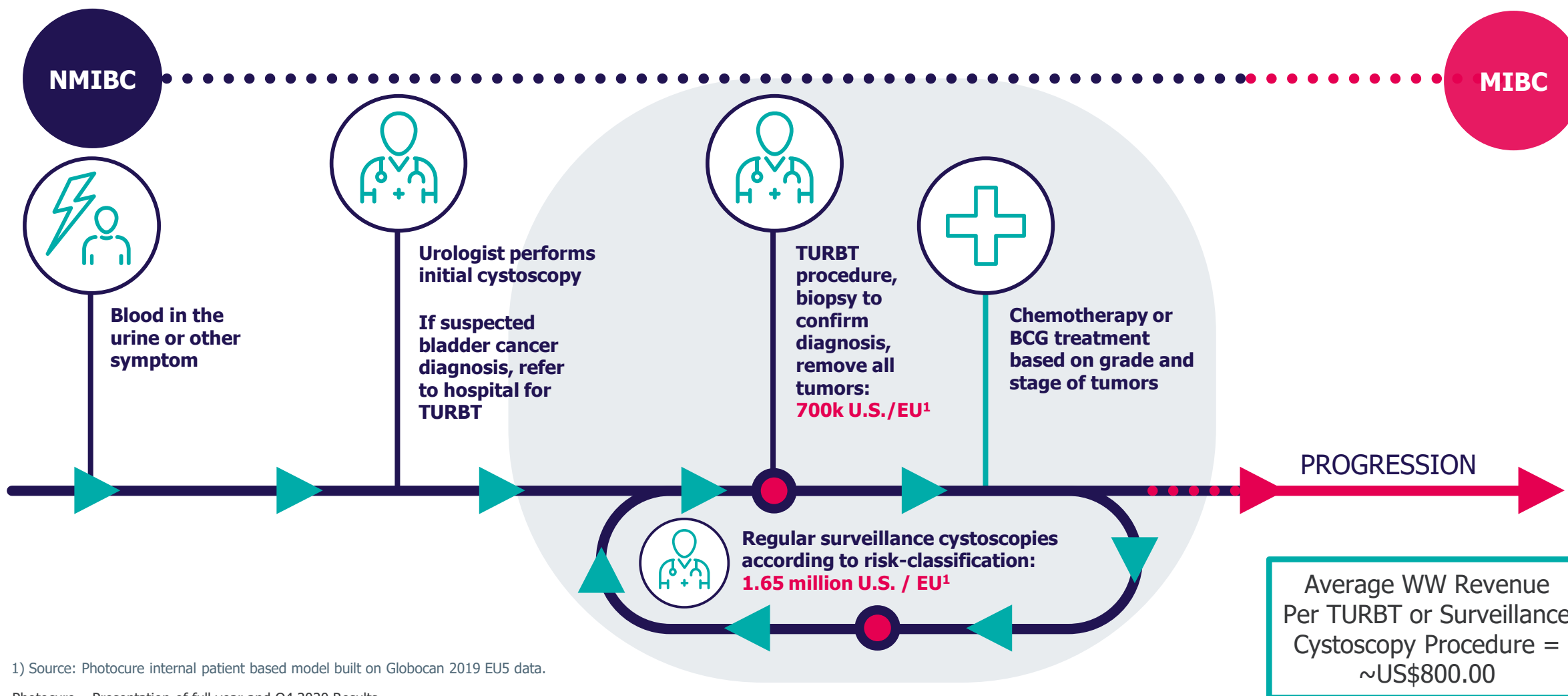
ASSOCIATION
FRANÇAISE
D'UROLOGIE



The Patient Journey: Characterized by long term follow-up with repeat procedures



THE
BLADDER CANCER
COMPANY



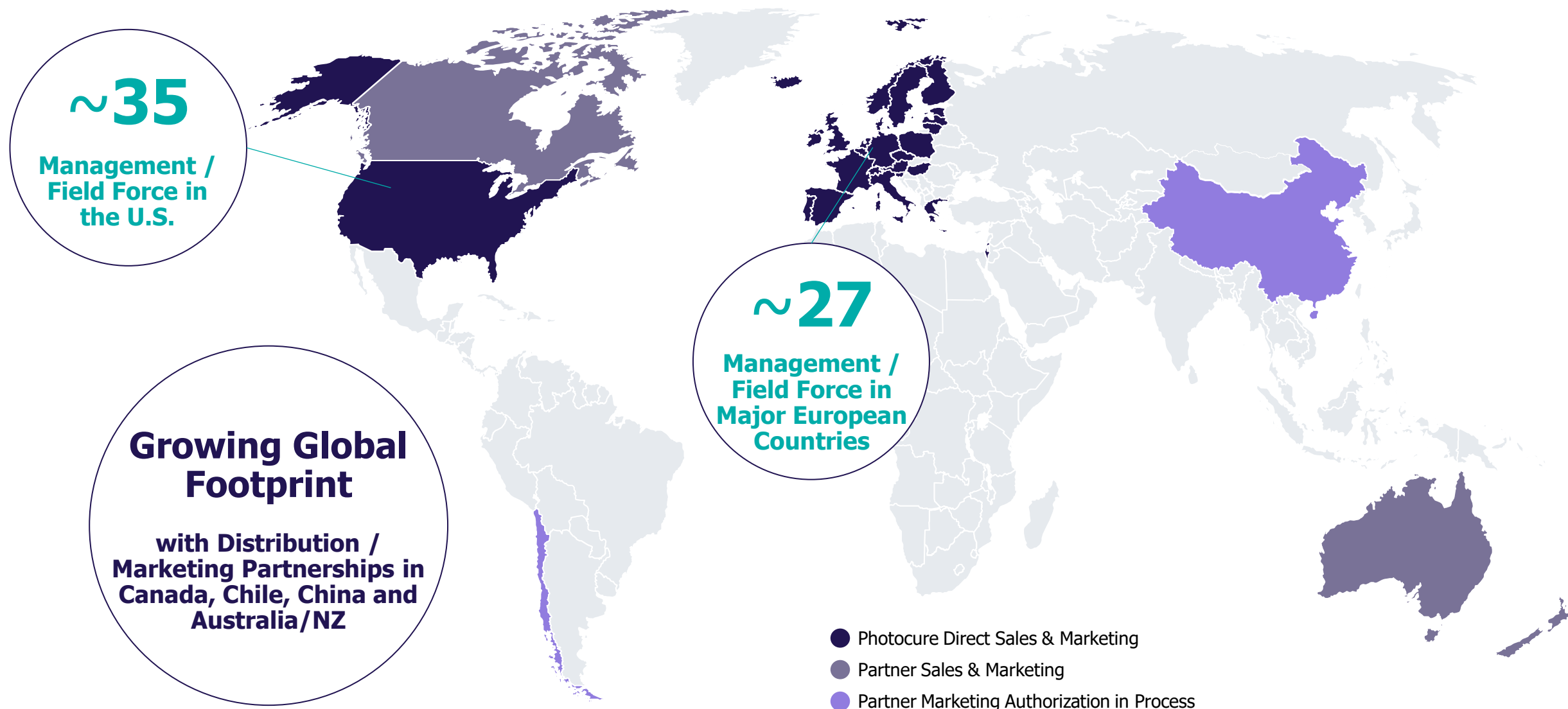
1) Source: Photocure internal patient based model built on Globocan 2019 EU5 data.

Photocure – Presentation of full year and Q4 2020 Results

Strategic commercial organization



THE
BLADDER CANCER
COMPANY



Q4 2020 Financials

Segment Performance

Fourth Quarter 2020



THE
BLADDER CANCER
COMPANY

<i>Amounts in NOK million</i>	Q4 '20	Q4 '19	Change	FY '20	FY '19	Change
Commercial Franchise						
U.S. Revenue	41.1	27.8	48%	113.2	98.7	15%
Europe Revenue ⁽¹⁾	56.6	30.8	83%	141.6	113.9	24%
Partner Revenue	-	0.1		0.4	0.7	
Total Hexvix®/Cysview®	97.7	58.8	66%	255.2	213.2	20%
Other Revenue	0.2	0.3		1.0	3.2	
Total Revenue	97.9	59.1	66%	256.2	216.4	18%
Operating Expenses	-73.0	-49.7	47%	-233.7	-186.6	25%
EBITDA before restr.	17.9	1.6		4.2	7.3	
Development Portfolio						
Total Revenue	-	56.4		0.3	65.1	
Operating Expenses	-2.7	-3.3	-16%	-8.2	-13.5	-39%
EBITDA before Restructuring	-2.7	53.2		-8.1	51.6	
Total Photocure						
EBITDA before Restructuring	15.2	54.8		-3.9	58.9	

(1) Europe revenue includes own revenue Q4 and partner (Ipsen) revenue Q1-3

Commercial Franchise

- **Revenue:** 66% growth in Q4, full year at 20%
- **U.S.:** Q4 revenue growth of 48%. Q4 unit sales 11% above Q4 2019, impacted by Covid-19
 - Release of accrual NOK 8 million in Q4, balance of Q2 accrual for discounts
- **Europe:** Q4 revenue growth of 83%, driven by inclusion of the former Ipsen business
 - Unit sale 11% below Q4 2019, impacted by Covid-19 including inventory imbalances at customers
- **EBITDA:** Q4 at NOK 17.9 million (18% of revenue), full year at NOK 4.2 million
 - Full year negatively impacted by costs associated with the transition of the European business; NOK 7.9 million

Development Portfolio

- Revenue in Q4 and full year 2019 is sign-on fee and milestones from Asieris
- Operating expenses in Q3 reduced YOY 39%

Consolidated Income Statement

Fourth Quarter 2020



THE
BLADDER CANCER
COMPANY

<i>Amounts in NOK million</i>	Q4 '20	Q4 '19	Change	FY '20	FY '19	Change
Hexvix®/Cysview® Revenue	97.7	58.8	66%	255.2	213.2	20%
Other Revenue	0.2	56.8		1.3	68.3	
Total Revenue	97.9	115.6	-15%	256.5	281.6	-9%
Gross Profit	91.0	107.7	-16%	238.0	259.0	-8%
Operating Expenses	-75.8	-52.9	43%	-241.9	-200.1	21%
EBITDA before Restructuring	15.2	54.8		-3.9	58.9	
Depreciation & Amort.	-7.7	-3.8		-19.3	-16.2	
EBIT before Restructuring	7.5	51.0		-23.2	42.7	
Restructuring Expenses	-2.5	-		-12.9	-	
Net Financial Items	-5.4	2.3		2.8	3.2	
Earnings before Tax	-0.4	53.3		-33.2	45.9	
Tax Expenses	10.6	-10.7		10.8	-14.1	
Net earnings	10.2	42.5		-22.4	31.8	

Revenue, Significant One-off Items

- Excluding one-off's in Q4, YoY revenue increased 52%
 - Q4 2020: Release of accrual NOK 8 million
 - Q4 2019: Sign-on fee & milestones from Asieris of NOK 56.5 million

Operating Expenses

- Q4 increased mainly due to investment in the European commercial operation
 - Successful transition of the Ipsen territories

EBITDA

- Excluding one-off's in Q4, YoY EBITDA increased by NOK 8.9 million

Restructuring Expenses

- One-off costs related to transition of the Ipsen territories

Cash Flow

Fourth quarter 2020



THE
BLADDER CANCER
COMPANY

<i>Amounts in NOK million</i>	Q4 '20	Q4 '19	FY '20	FY '19
Operations Cash Flow	11.1	30.4	15.6	20.7
Earnings before Tax	-0.4	53.3	-33.2	45.7
Contract receivable	10.6	-23.0	23.0	-23.0
Working Capital	-16.1	3.1	-5.9	-7.1
Other	16.9	-3.0	31.7	4.8
Investments Cash Flow	-0.3	-	-166.8	0.6
Fixed & Intangible Assets	-0.2	-0.4	-1.6	-1.1
Return of Marketing Rights	-	-	-166.7	-
Other	-0.1	0.4	1.6	1.7
Financing Cash Flow	2.3	-1.0	360.8	-2.8
Private Placements	-	-	301.7	-
Loan	-0.3	-	49.7	-
Other	2.6	-1.0	9.4	-2.8
Net Change in Cash	13.0	29.4	209.6	18.5
Ending Cash Balance	334.9	125.3	334.9	125.3

Cash Flow from Operations

- Comparison with Q4 2019 driven by sign-on and milestones from Asieris in Q4 2019 of NOK 56.5 million
- Working capital increased in Q4 2020 due to the transition of the Ipsen territories

Cash Flow from Investments

- Full year includes acquisition of marketing rights from Ipsen, EUR 15 million

Cash Flow from Financing

- Full year net proceeds from private placements of NOK 302 million as well as a loan provided of NOK 50 million

Cash Balance Year End

- Year end cash balance at 335 million after net cash inflow in Q4 of NOK 13 million

Balance Sheet

December 31, 2020



THE
BLADDER CANCER
COMPANY

<i>Amounts in NOK million</i>	2020 Dec. 31	2019 Dec. 31
Non-Current Assets	363.8	70.5
Customer relationship	162.6	-
Goodwill	144.0	-
Tax Asset	49.9	38.3
Other	7.4	32.1
Current Assets	412.2	186.9
Inventory & receivables	77.4	61.6
Cash & equivalents	334.9	125.3
Total Assets	776.0	257.4
Shareholders' equity	508.1	208.6
Earn-out liability	143.7	-
Loan	50.0	-
Other long-term liabilities	7.0	10.0
Current liabilities	67.3	38.7
Total Equity & Liabilities	776.0	257.4

Non-Current Assets

- Ipsen transaction
 - Accounted for in accordance with IFRS 3. Total Assets includes up-front payment (EUR 15 million) and capitalized value of estimated future earn-out payments
 - Customer relationship NOK 162.6 million, amortized in Q4 NOK 4.2 million
 - Goodwill, based on purchase price allocation
- Deferred tax asset of NOK 49.9 million, relates to parent company only
- Other items include impact from adoption of IFRS 16 (Leases) as well as net investments. Reduction due to the Cysview Phase 3 project being fully amortized in 2020, and payments of milestones from Asieris during 2020

Current Assets

- Inventory & receivables increased YoY, mainly driven by inventory return from Ipsen and increased receivables due to the inclusion of European revenues

Equity & Liabilities

- Shareholders' equity of NOK 508.1 million. Equity ratio of 65%
- Three-year term loan of NOK 50 million, floating interest rate (2.7% in 2020)
- Earn-out liability: Capitalized value of assumed future earn-out payments

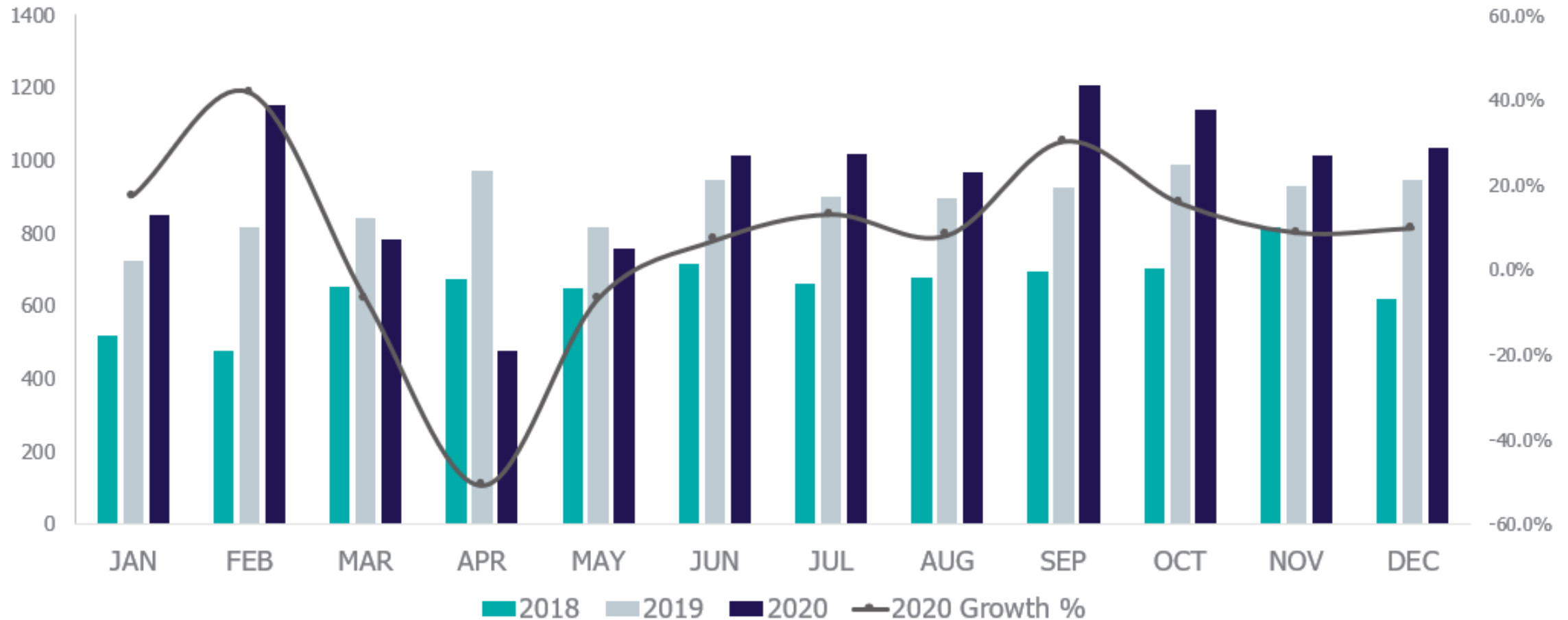
U.S. Positioned for Growth

Cysview Performance: Kit Volume Last 3 Years

Covid-19 volatility in 2020; significant impact in Q2 & Q4



THE
BLADDER CANCER
COMPANY



U.S.: Continued blue light cystoscope placements

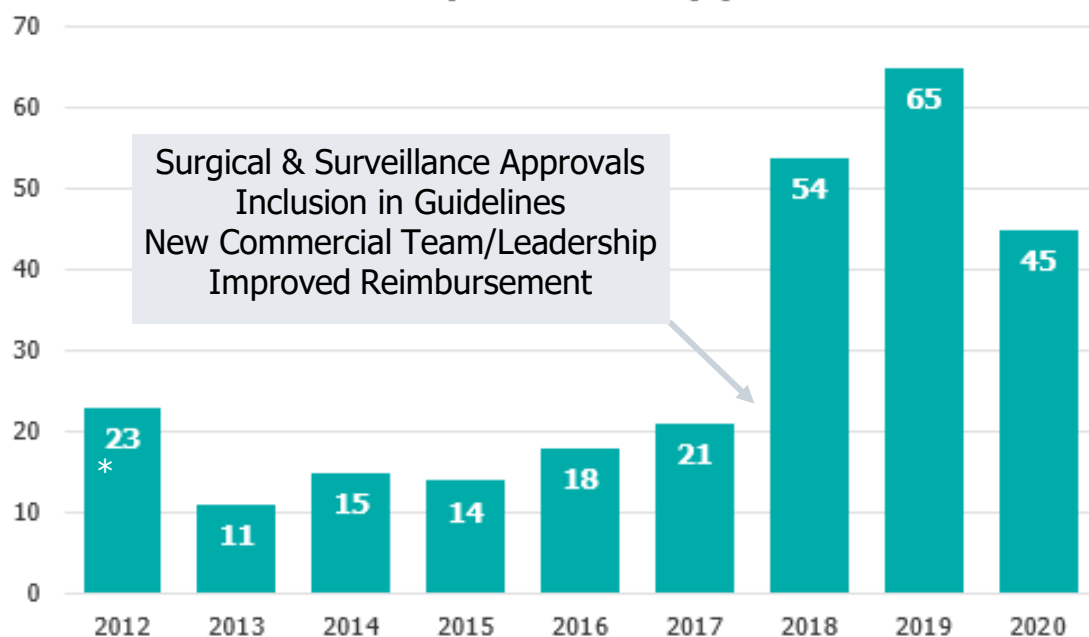
despite challenges of pandemic



THE
BLADDER CANCER
COMPANY

Annual New Installations

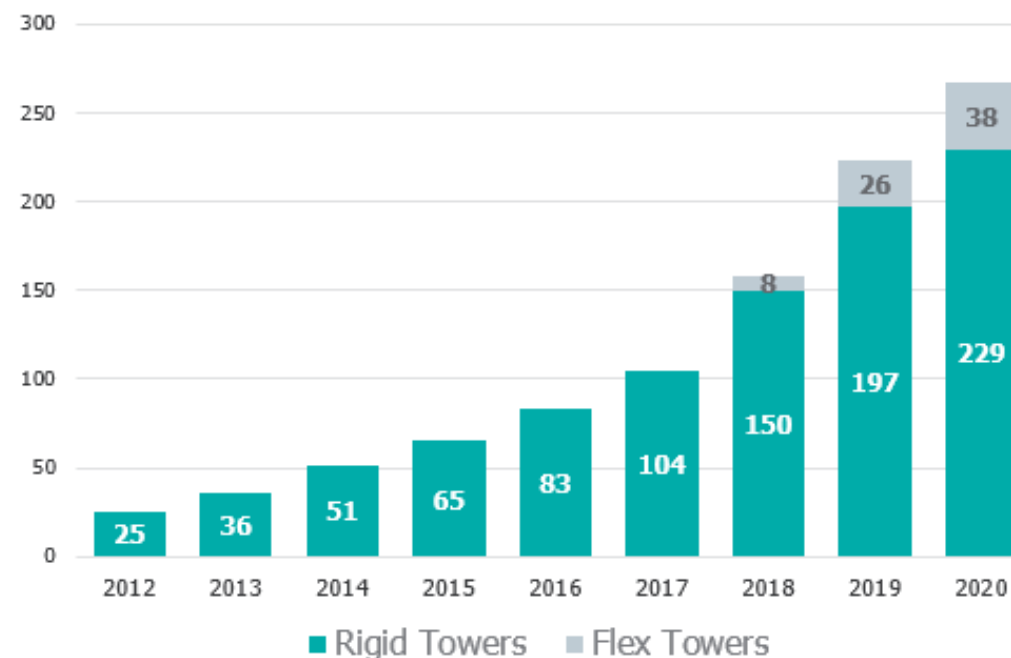
Tower placements by year



Q1 2020: 12 installations (11 Rigid & 1 Flex)
Q2 2020: 11 installations (8 Rigid & 3 Flex)
Q3 2020: 7 installations (4 Rigid & 3 Flex)
Q4 2020: 15 installations (10 Rigid & 5 Flex)

Cumulative Installed Base

Cumulative US Tower Base



*2012 – 17 of the 23 installations were converted clinical sites upon Cysview approval

Hexvix[®] European Operations



Large Untapped Potential in the 150 Mill EUR European Market

Established Hexvix Markets

Nordics: ~40% penetration

Active Hexvix Markets

DACH region: ~30% penetration

France: ~10% penetration

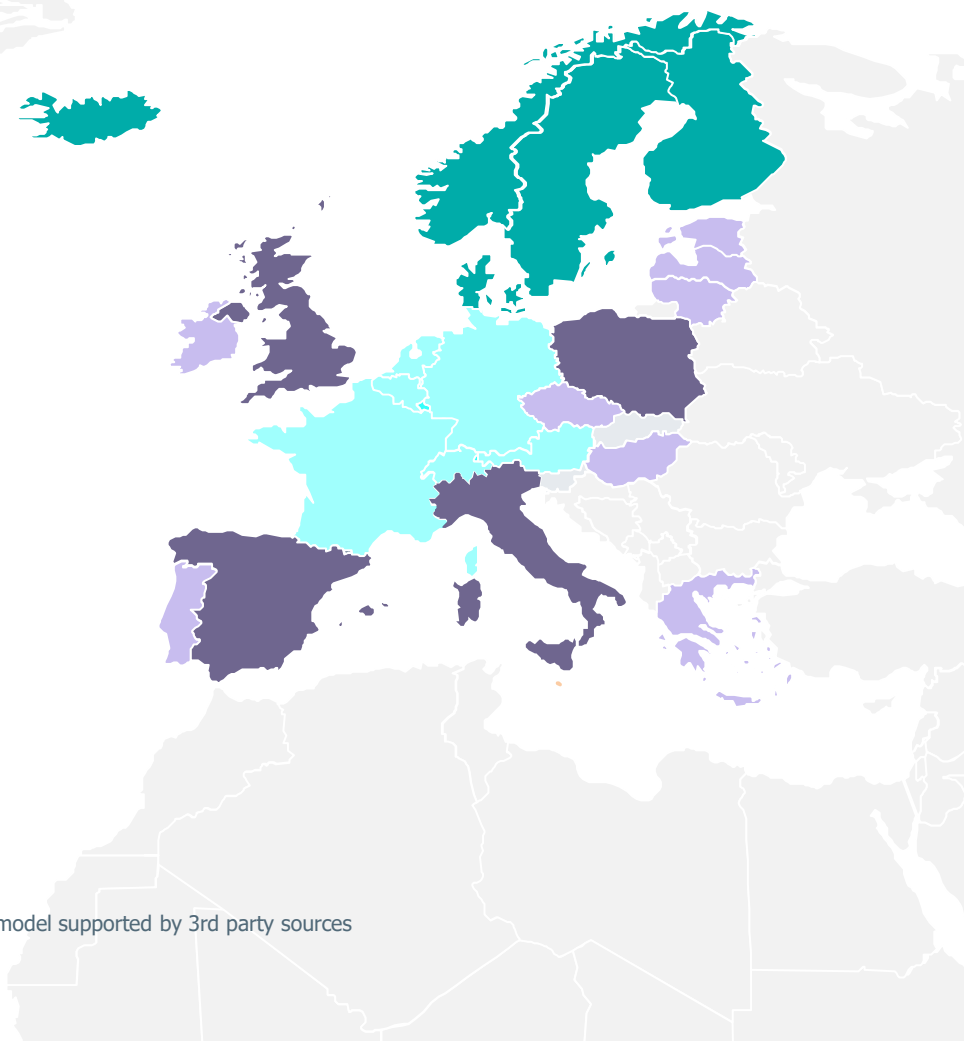
Benelux: ~10% penetration

Untapped Large EU Markets

UK, Italy, Spain, Poland
~0% penetration

Untapped Small EU Markets

Baltics, Czech Rep, Hungary,
Ireland, Greece, Portugal
~0% penetration



Europe

Europe: 165,000 new cases and more than 50,000 deaths annually¹

EU5: 360,000 TURBTs

Ave. Hexvix® price
~ EUR 420

Germany: current penetration, >3,500 units per sales FTE, growing

Major markets like UK, Spain were not pursued, very limited resources in Italy, France

U.S.

US: 82,500 new cases and more than 18,000 deaths annually¹

US: 315,000 TURBTs

Ave. Cysview® price
~ USD 1071

Penetration 5-10%

Growth rate in excess of 35% Y-o-Y

Increased commercial investment and focus delivering results

1. Globocan 2018 data on bladder cancer. Internal patient-based model supported by 3rd party sources
Potential = Total TURBTs in EU5 x Hexvix price

Resources Committed for Hexvix® Growth in Europe

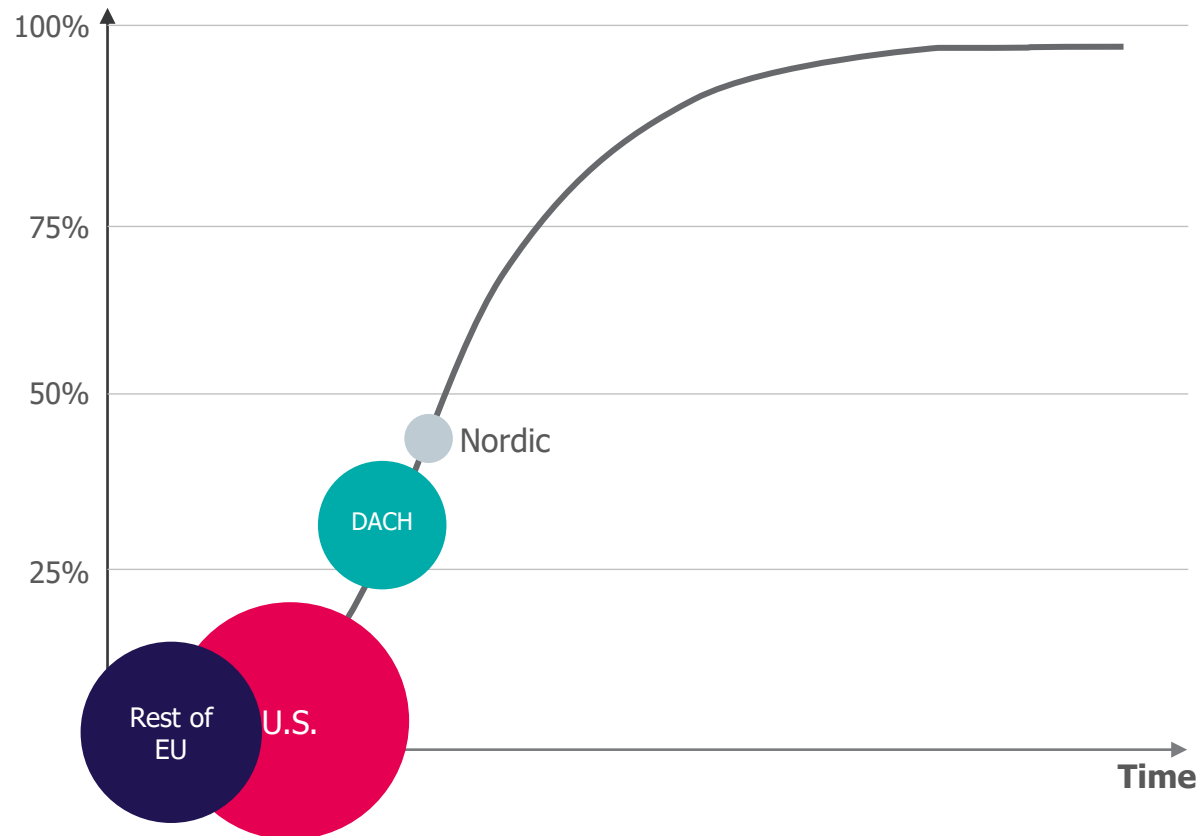
- Direct promotion initiated 1 October 2020
- Expanded Photocure EU commercial organization from 7 employees to 27 from July 2020 through Feb. 2021
- 5 experienced Country Managers covering priority regions
- Distribution channels built across all of Europe
- Will continue to invest in commercial team opportunistically after Covid-19 has lifted
- EBITDA-positive segment



Hexvix[®]/Cysview[®] – ambition to become standard of care in a \$1.9 billion total addressable market**

POSITION IN THE LIFE CYCLE

Penetration



*AUA, EAU, SUO, AFU, NICE, DGU guidelines

**TAM = estimation of total addressable market U.S. and EU5

¹Source: Photocure internal patient-based model built on Globocan 2019 EU5 data.

KEY SUCCESS FACTORS

APPROVAL



SURGICAL & SURVEILLANCE

ACCEPTANCE



MAJOR & LOCAL GUIDELINES*

ACCESS



PERMANENT AND FAVORABLE
REIMBURSEMENT

"ACTIVATED"
AWARENESS



PATIENT DEMAND VIA ADVOCACY
GROUPS AND MEDIA

ACCELERATE



COMMERCIAL INVESTMENT TO
OPTIMIZE THE OPPORTUNITY

LABORATORY

Cevira® License Agreement

CEVIRA®: Value From License of Non-Core Asset to Asieris



THE
BLADDER CANCER
COMPANY

Asieris is a Chinese subsidiary focused on genito-urinary diseases, with their own product candidate in clinical development in China and the U.S. for the treatment of NMIBC 1B

CEVIRA® – CERVICAL CANCER

- Breakthrough, single use, integrated drug-device technology.
- Potential to fill high unmet need for non-surgical treatment of HPV/CIN populations
- Potential to treat high grade cervical dysplasia independent of HPV genotype



License Agreement terms: USD 250M potential in total:

➤ **USD 5M UP-FRONT SIGNING FEE**

➤ **USD 18M FOR APPROVAL OF 1ST INDICATION IN CHINA (EST 2024) AND USD 36M FOR APPROVAL OF 1ST INDICATION IN U.S./EUROPE (EST 2026)**

➤ **PAYMENTS UP TO USD 14M FOR SECOND INDICATIONS IN CHINA, U.S. AND EUROPE**

➤ **ROYALTIES AND MILESTONES ON SALES IN ALL MARKETS**

Q3 / Q4 NEWS ON CEVIRA:

- November 2020: First patient dosed in Phase 3 study in China, \$1.5M milestone payment received
- October 2020: New EP 2983780 Patent in Europe covering the commercial Cevira device in Europe until 2034
- July 2020: Asieris received China NMPA's approval to start global Phase 3 clinical trial for APL-1702 (Cevira)

Summary and outlook

Summary & Guidance



THE
BLADDER CANCER
COMPANY

Continuing to execute; positioned for growth

- Hexvix/Cysview sales increased in Q4 and FY 2020 YoY, despite Covid-19 pandemic
- Added 45 new cystoscope towers in 2020, Installations continuing into early 2021 in both the U.S. and Europe
- Delivered positive EBITDA in Q4; Cash position grew to NOK 335M from NOK 322M in Q4 vs. Q3 2020
- Integrated Ipsen acquisition and consolidated rights to Hexvix/Cysview in major markets
- Managed well through a challenging year, maintained full U.S. commercial team and launched commercial organization in Europe in Q4 2020 to remain prepared for future growth
- Pandemic not yet resolved; long-term ambition guidance suspended
- New guidance to be issued when Covid-19 becomes better managed and is in decline
- Photocure is well-positioned for strong growth post-pandemic

Investment Highlights



THE
BLADDER CANCER
COMPANY



Photocure has established a position as an innovation leader in the large and underserved bladder cancer treatment market



Our Hexvix[®]/Cysview[®] product is a best-in-class solution for the detection, staging, and long-term management of bladder cancer



Treatment guidelines and reimbursement support our market penetration efforts – demonstrated commercial execution



Significant upside potential with only ~5% U.S. market penetration today, recent re-launch of Hexvix in underpenetrated European region, and ROW partnering opportunities



Strategy to grow organically and inorganically with plans to acquire new products, technologies, or businesses to build our bladder cancer franchise

Leading change in bladder cancer

Q&A