Photocure ASA
Results for 1st Quarter 2021

19 May 2021

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PHOTOCURE®

THE
BLADDER CANCER
COMPANY

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First Quarter 2021 Highlights:
Progress in both commercial regions despite Covid-19

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+50%

Hexvix®/Cysview® revenue growth

EBITDA of NOK 18 million

Two Publications:

World Journal of Urology: Cost compare BLC vs. WLC from claims data in Germany

BJUI: Meta-analysis of benefits of PDD plus chemotherapy at TURBT

Partnership activity:

Asieris: Licensed rights to Hexvix in China

Canada: Guidelines reinforced for Cysview

Genotests: Hexvix MAA filed in Chile

COVID-19 Update
Access restrictions continue due to "third wave"

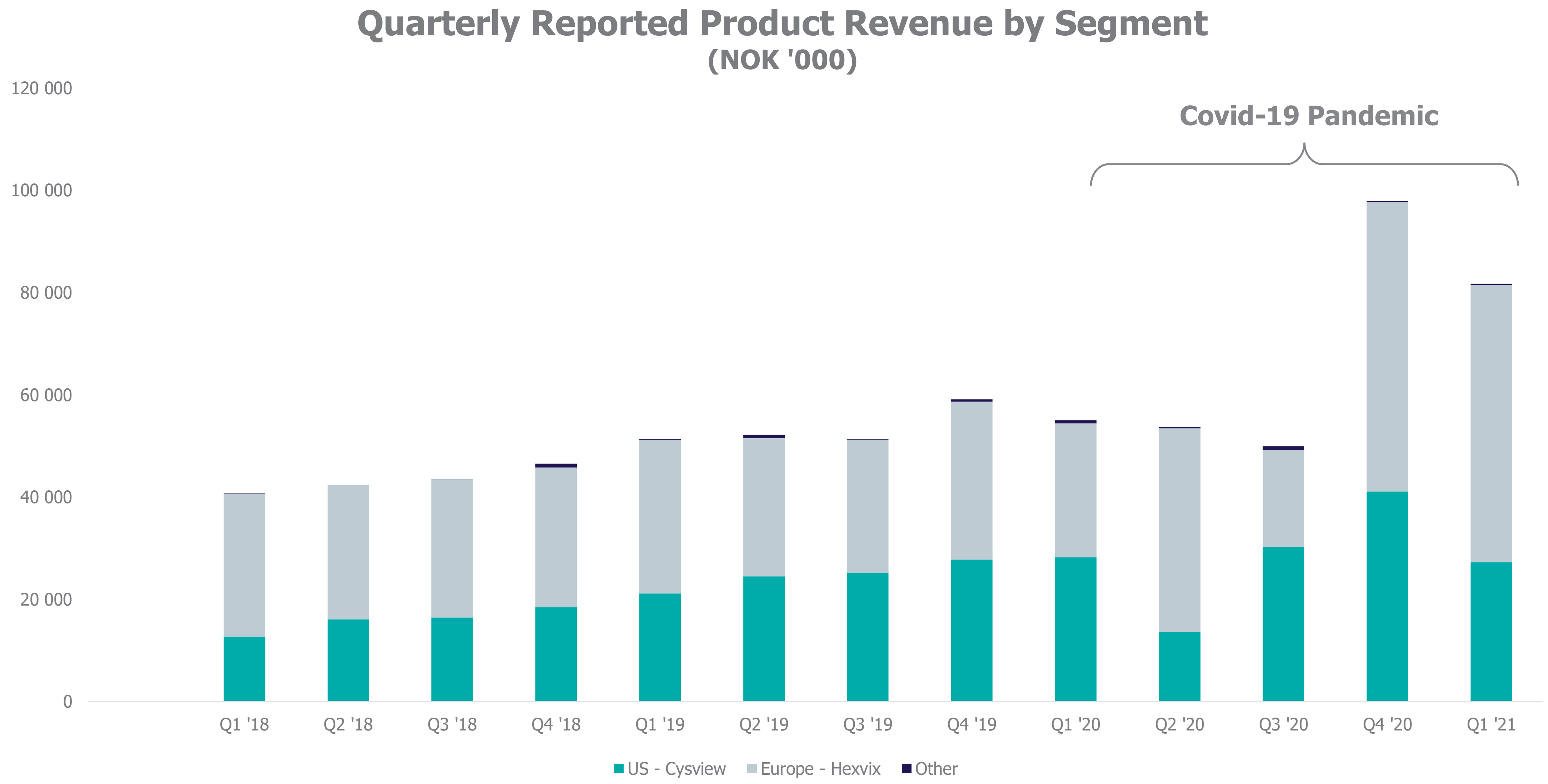
U.S.

- Significant access restrictions continued in Eastern states during Q1, access remains limited in certain areas (several waves of re-openings & closings)
- Large metropolitan cities beginning to loosen in Q2 (Los Angeles/New York City regions hardest hit during 2020 outbreak)
- New towers installed and placed into service during Q1, unit sales growth despite challenging environment

Europe

- Severe lockdowns and restrictions continued from Q4 2020 into Q1 2021
- Successful remote interactions in established markets, but difficulty in connecting with customers in re-launch markets
- Still in third wave of COVID-19 today: situation improving, expecting hospital access restrictions to lift over the summer

Hexvix/Cysview Revenue Development



Segment Trends

U.S. and Europe markets

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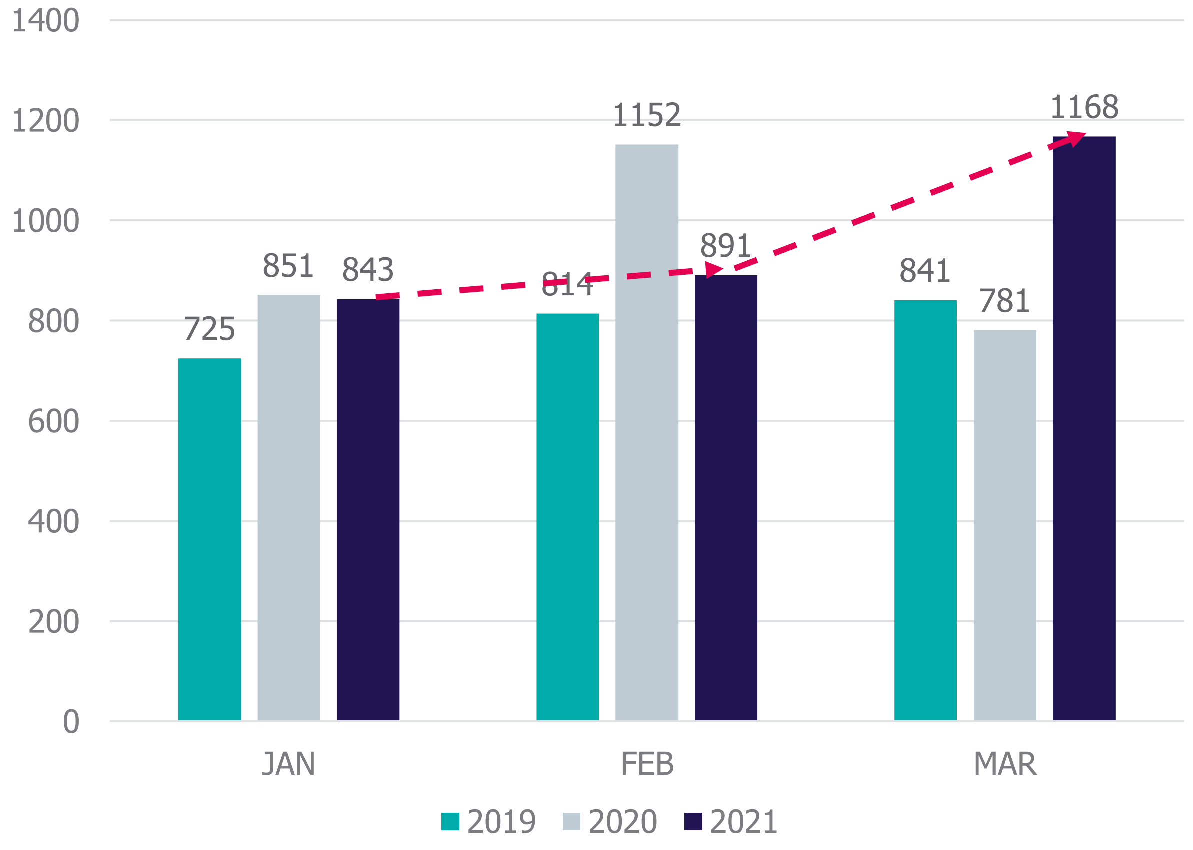
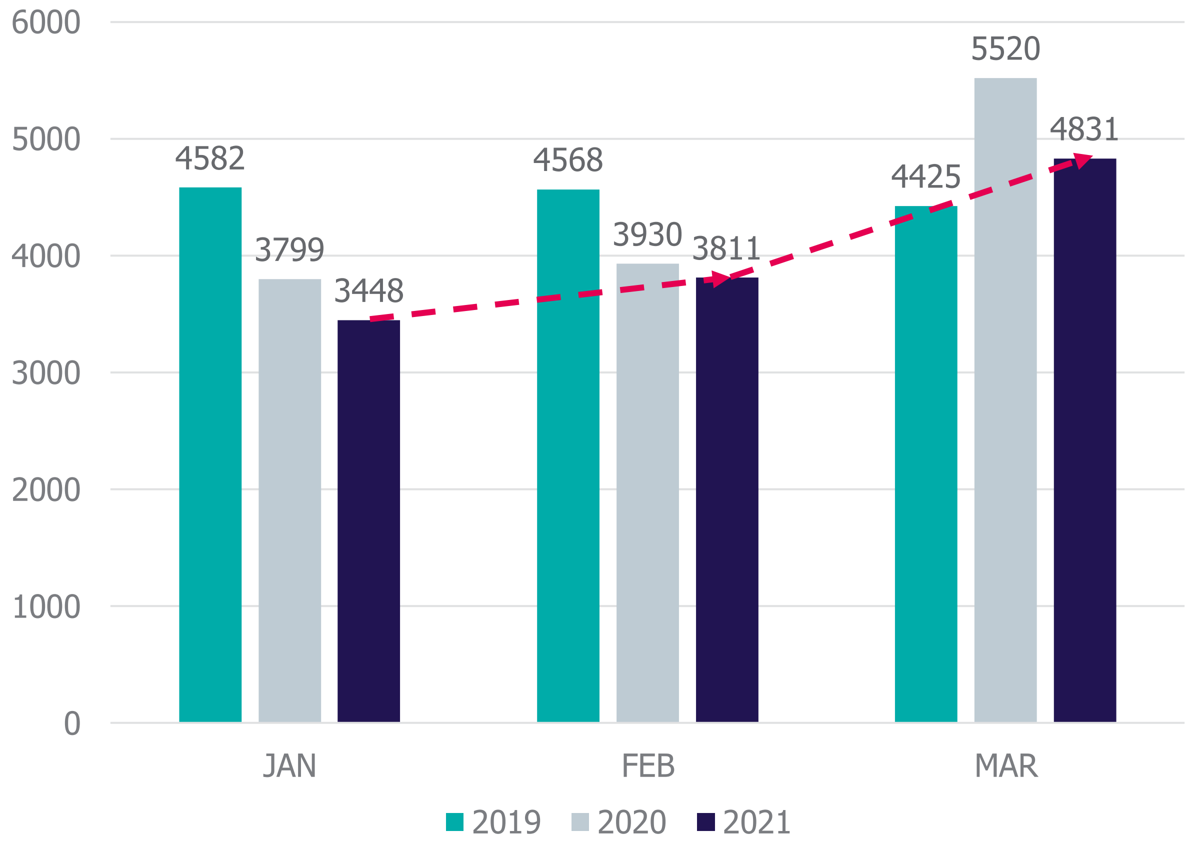
Improving Trend in Both Regions Exiting Q1

First Quarter Hexvix/Cysview Units Last 3 Years by Month

U.S.



Europe



Q1 2021 Momentum in U.S.

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- **12 new towers installed** in Q1 2021, **backlog suggests acceleration** in Q2 and throughout 2021
- **Unit volume up 4.2% in Q1** vs. prior year where Covid-19 surge occurred late March 2020
- Access restrictions are lifting in Q2 and **procedural volumes starting to pick up** across the United States
- **Contracting** led to first multi-hospital system agreement which included 5 rigid towers in 4 hospitals from a key health system in the Mid-Atlantic Region
- Momentum also being seen with contracting efforts to drive adoption and awareness of **surveillance opportunity** (flexible BLC)
- **Significant pick up in unit sales in March 2021** following challenging January and February

U.S.: Continued blue light cystoscope placements

Strong Start with 12 Installations in Q1 2021 Despite Access Restrictions

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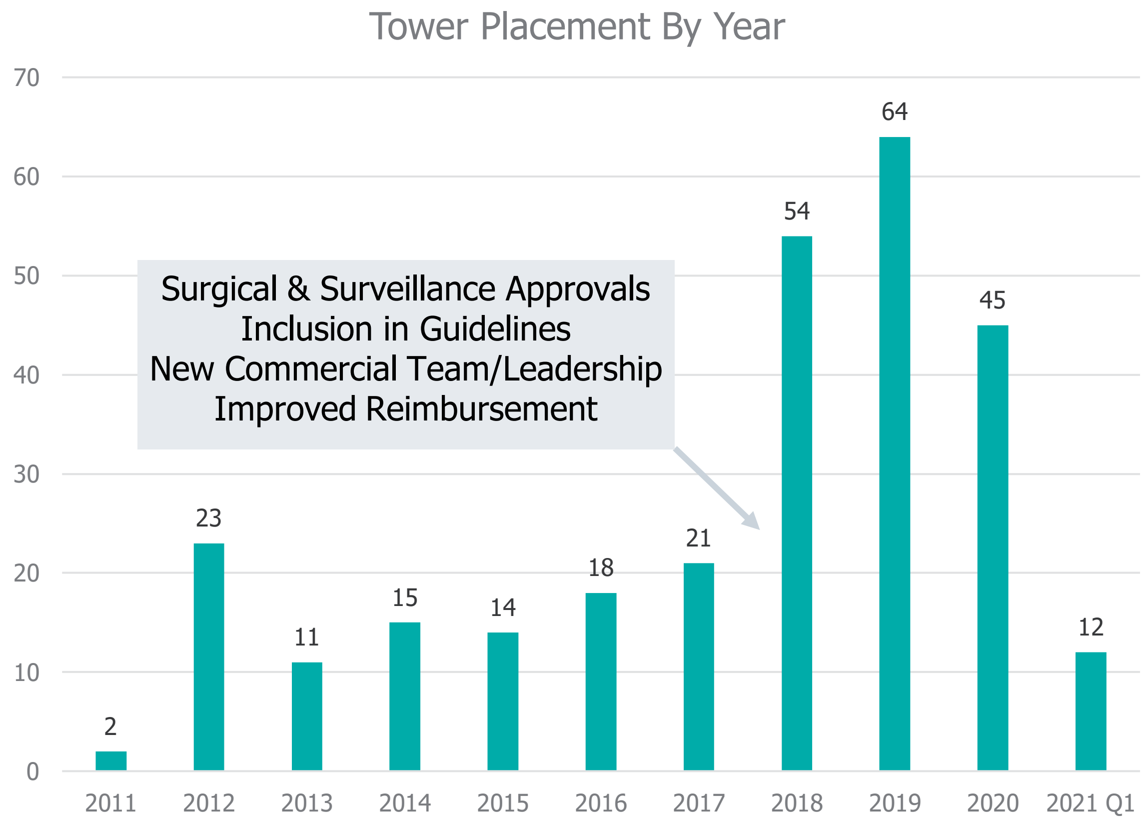
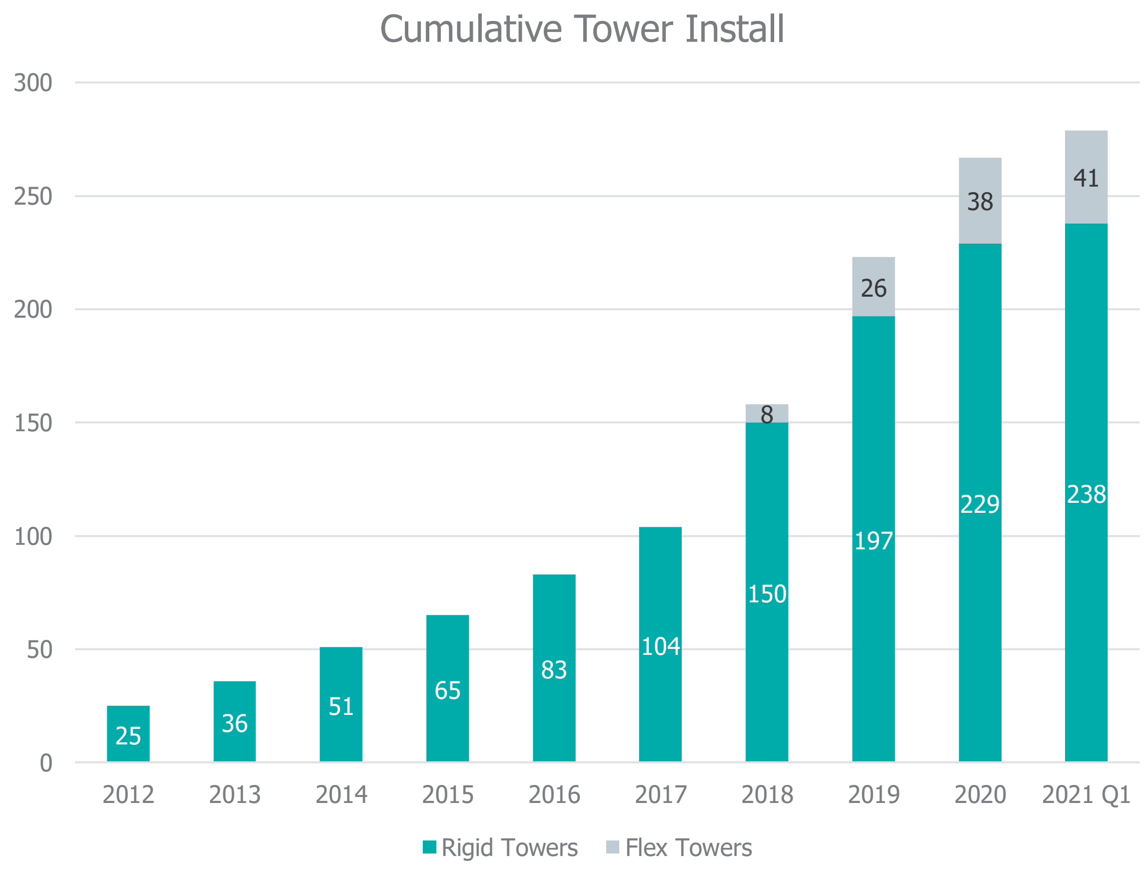
Annual New Installations



Q2 2020: 11 installations (8 Rigid & 3 Flex)
Q3 2020: 7 installations (4 Rigid & 3 Flex)
Q4 2020: 15 installations (10 Rigid & 5 Flex)
Q1 2021: 12 installations (9 Rigid & 3 Flex)

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

Cumulative install base continues strong trend



Key Initiatives Will Drive Growth for the U.S.

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CONTRACTING

Ongoing contracting with key health systems such as Kaiser and community-based Urology Groups

REFRESHED CYSVIEW CAMPAIGN

New campaign tailored to key physician segments & to educate on the disadvantage of using WLC alone

VETERANS AFFAIRS

Recent tower installations, pipeline building interest and demand with key VAs in the United States

PEER-TO-PEER

Virtual and on-site programs have increased given the surge of interest in Blue Light

PATIENT DEMAND

Cysview website locator map serving as a useful tool to get physicians to notice patients are looking for BLC locally

NON-PERSONAL PROMOTION

Expanding brand awareness, opening doors for sales reps through advertisements, mailers etc.

Q1 2021 Momentum in Europe

- **European business exceeded forecast** from original business plan
- Successfully re-connecting with leading **European KOL community "**as Photocure"
  - Introduced our commercial/medical team as the sponsor of Hexvix in priority markets
  - Very positive response to future cooperation with Photocure
- Established **cooperation projects with European capital equipment providers**
- **Completed work-down of excess inventory** in Germany from 2020 tax incentive
- **First signals of turn-around** in large growth markets (UK, FR, IT)

Large Untapped Potential in European Market

Established Hexvix Markets

Nordics: ~40% penetration

Active Hexvix Markets

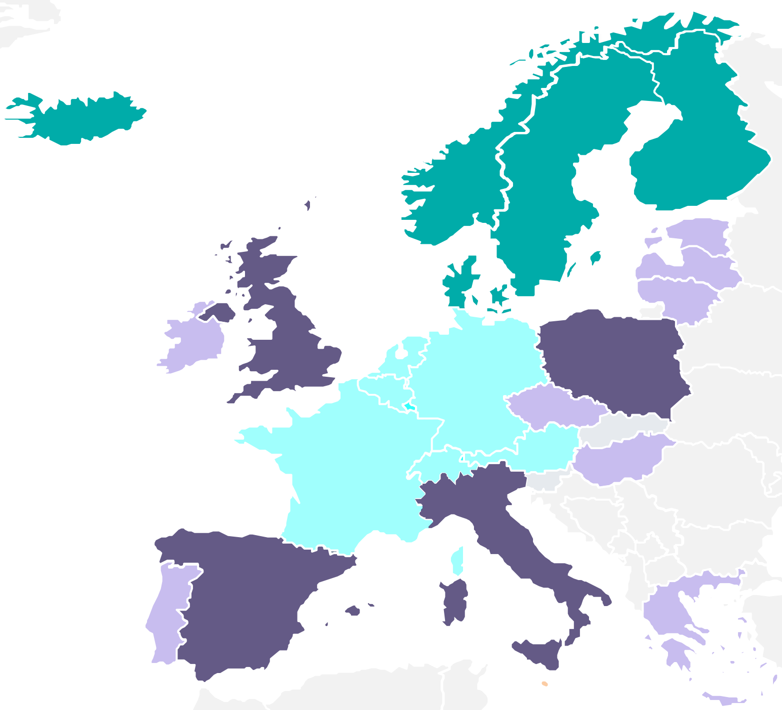
DACH region: ~30% penetration
France: ~10% penetration
Benelux: ~10% penetration

Untapped Large EU Markets

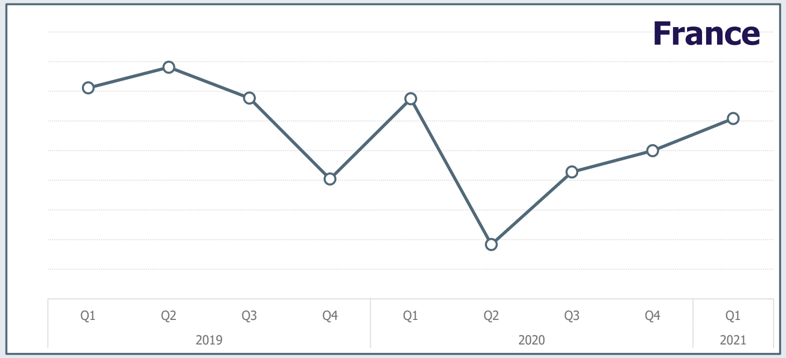
UK, Italy, Spain, Poland
~0% penetration

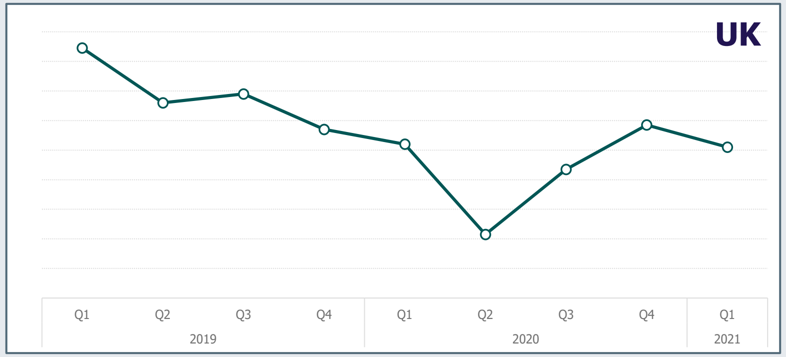
Untapped Small EU Markets

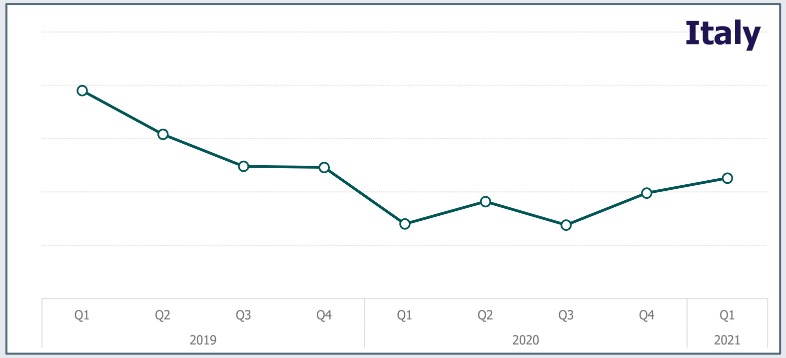
Baltics, Czech Rep, Hungary,
Ireland, Greece, Portugal
~0% penetration



First Signals of Turn-Around in Large European Future Growth Markets







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

Q1 2021 Financials

Segment Performance
First Quarter 2021

U.S. Segment

Amounts in NOK million	Q1 '21	Q1 '20	Change
Total revenues	**27.3**	**28.2**	**-3%**
Gross profit	26.6	26.7	- %
% of revenue	*98%*	*95%*	
Direct costs	-30.2	-34.9	-14%
Contribution (2)	**-3.6**	**-8.2**	
% of revenue	*-13%*	*-29%*	

- Revenue growth in USD: 8% (FX impact -10%)
- Volume increase 4% YoY
- Direct cost driven by cost containment and FX
- Covid-19 impact

Europe Segment

Amounts in NOK million	Q1 '21	Q1 '20	Change
Total revenues (1)	**54.3**	**26.2**	**128%**
Gross profit	50.0	21.9	128%
% of revenue	*92%*	*84%*	
Direct costs	-16.1	-3.9	
Contribution (2)	**33.8**	**18.0**	**88%**
% of revenue	*62%*	*69%*	

- FX impact:-2%
- Volume decline 9% YoY
- Staffing w/ additional FTEs as Covid-19 resolves
- Covid-19 impact

(1) Europe revenue includes own revenue from Q4 '20 and partner (Ipsen) revenue Q1-3 '20
(2) Contribution = revenue – COGS – direct/local sales, marketing, medical and G&A costs

Consolidated Income Statement First Quarter 2021

Amounts in NOK million	Q1 '21	Q1 '20	Change	FY '20
Hexvix®/Cysview® Revenue	81.6	54.4	50%	255.2
Other Revenue	6.6	0.6		1.3
Total Revenue	**88.2**	**55.0**	60%	**256.5**
Gross Profit	**83.1**	**48.8**	70%	**238.0**
Operating Expenses	-65.0	-53.6	21%	-241.9
EBITDA before Restructuring	**18.1**	**-4.8**		**-3.9**
Depreciation & Amort.	-5.9	-3.9		-19.3
EBIT before Restructuring	**12.3**	**-8.6**		**-23.2**
Restructuring Expenses	-	-1.9		-12.9
Net Financial Items	8.1	5.7		2.8
Earnings before Tax	**20.3**	**-4.8**		**-33.2**
Tax Expenses	-5.2	-12.9		10.8
Net earnings	**15.2**	**-17.7**		**-22.4**

Revenue

- Revenue driven by inclusion of European operations
  - Foreign exchange impact: USD down 10%
  - Sign-on fee from Asieris of NOK 6.4 million (Hexvix)

Operating Expenses

- Q1 increased due to investment in the European commercial operation
  - Operating expenses excluding European operation level with Q1 '20

EBITDA

- EBITDA improved NOK 22.9 million YoY
  - Driven by Asieris milestone (NOK 6.4 million), improved contribution Europe (NOK 15.8 million)

Net financial items

- Driven by interest component of Ipsen earnout and currency gain on earnout liability (Note 6 to accounts)

Cash Flow & Balance Sheet First quarter 2021

Amounts in NOK million	Q1 '21	Q1 '20	FY '20
Operations Cash Flow	**-8.2**	**3.0**	**15.6**
Earnings before tax	20.3	-4.8	-33.2
Currency gain, unrealized	-14.0	-0.6	0.8
Contract receivable	-	12.3	23.0
Working capital	-20.5	-6.6	-5.9
Other	6.0	2.7	30.9
Investments Cash Flow	**-0.3**	**-0.4**	**-166.2**
Financing Cash Flow	**3.0**	**-0.4**	**360.2**
Net Change in Cash	**-5.5**	**2.3**	**209.6**

Amounts in NOK million	31.03.21	31.03.20	31.12.20
Non-current assets	353.9	54.6	363.8
Inventory & receivables	83.6	57.8	77.4
Cash & short-term deposits	329.4	127.6	334.9
Equity	530.0	190.4	508.1
Long-term liabilities	165.0	9.8	188.1
Current liabilities	71.8	39.8	79.8
Total balance	**766.9**	**239.9**	**776.0**

Cash Flow

- Comparison with Q1 '20 mainly driven by improved EBITDA from the European operation and from Asieris milestone payment (Hexvix), offset by one-off items
  - Q1 '20: Payment of contract receivable by Asieris
  - Q1 '21: Cash outflow from working capital, driven by European integration, accounts payable and receivables
- Net cash flow NOK -5.5 million, cash balance end of first quarter 2021 NOK 329.4 million

Assets

- Non-current assets includes intangibles and goodwill from Ipsen transaction totaling NOK 302.4 million

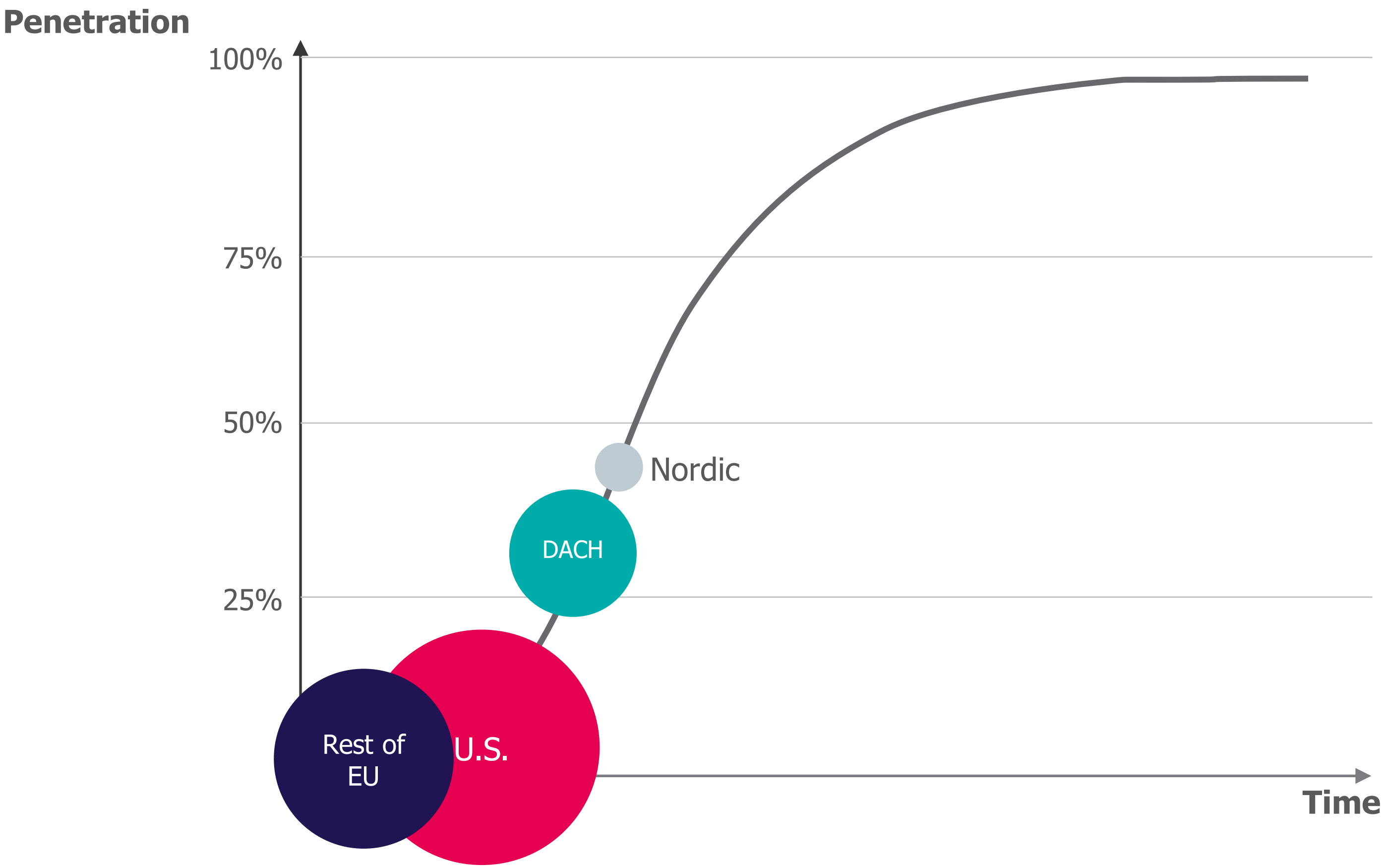
Liabilities

- Long-term liabilities includes deferred Ipsen earnout (NOK 126.9 million) and long-term portion of bank term loan (NOK 31.3 million)

Strategy for Shareholder Value Creation

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

POSITION IN THE LIFE CYCLE



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

*AUA, EAU, SUO, AFU, NICE, DGU guidelines
**TAM = estimation of total addressable market U.S. and EU5
[1]Source: Photocure internal patient-based model built on Globocan 2019 EU5 data.

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

PHOTOCURE® THE BLADDER CANCER COMPANY

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

1 Accelerate
Drive the breadth and depth of Hexvix®/Cysview®

2 Expand
Generate sales in new geographies
Enhance the value of Hexvix®/Cysview®

ONE PRODUCT

3 Acquire
Partner and in-license synergistic assets to strengthen the portfolio

MULTIPLE PRODUCTS
SMALL PARTNERSHIP DEALS

4 Transform
Build a global Bladder Cancer Company
Build pipeline – partner/ acquisitions

BROAD PORTFOLIO

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

Anticipated Milestones & Corporate Priorities

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- Regain prior sales momentum once Covid-19 is in significant decline
- Continue geographic expansion by penetrating untapped European markets, and through additional Hexvix licensing agreements ROW
- Further execute on contracting with Group Purchasing Organizations and Key Hospital/Health Systems in the U.S.
- Present/publish additional clinical data on the use of BLC with Hexvix/Cysview at medical conferences and in journals
- Report on progress of partnered companies and projects -- including Asieris agreements: Hexvix in China & Chile, Cevira Phase III development
- Continue evaluating strategic product or business opportunities

Summary

Summary

Continuing to execute; positioned for growth

- Managed well through a challenging quarter
- Achieved Hexvix/Cysview sales growth in Q1 2021, despite Covid-19 & foreign currency headwinds
- Added 12 new towers in Q1; run-rate above 2020 and current backlog suggests acceleration in 2021
- Continued to drive key initiatives in both commercial regions and with licensing partners
- Delivered positive EBITDA in Q1; Cash position NOK 329.4M vs. NOK 127.6M in Q1 2020
- Covid-19 volatility remains; guidance to be issued when trends are more clear
- Photocure is well-positioned for strong growth post-pandemic

Leading change in bladder cancer

Q&A