

Photocure ASA Results for 2nd Quarter 2021

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

+66%

**Hexvix®/Cysview®
revenue growth
(+87% constant
currency)**

**EBITDA of
NOK 5.8
million**

**3 Study
Publications:**

U.S. Registry:
smoking/recurrence risk
BLC in the detection of BCG-
refractory BC tumors
Macro/Microeconomics
of BLC.

**Partnership
activity:**

Asieris: First patient in Europe
dosed in Cevira Phase 3 Trial
Genotests: Hexvix MAA filing
accepted for Fast Track
review in Chile

COVID-19 Update

Access restrictions continue due to 3rd and 4th waves

U.S.

- Access restrictions continued in most of the U.S. during Q2
- Large metropolitan cities showed less access restriction in May & June of Q2 (Los Angeles/New York City regions hardest hit during 2020 outbreak)

Europe

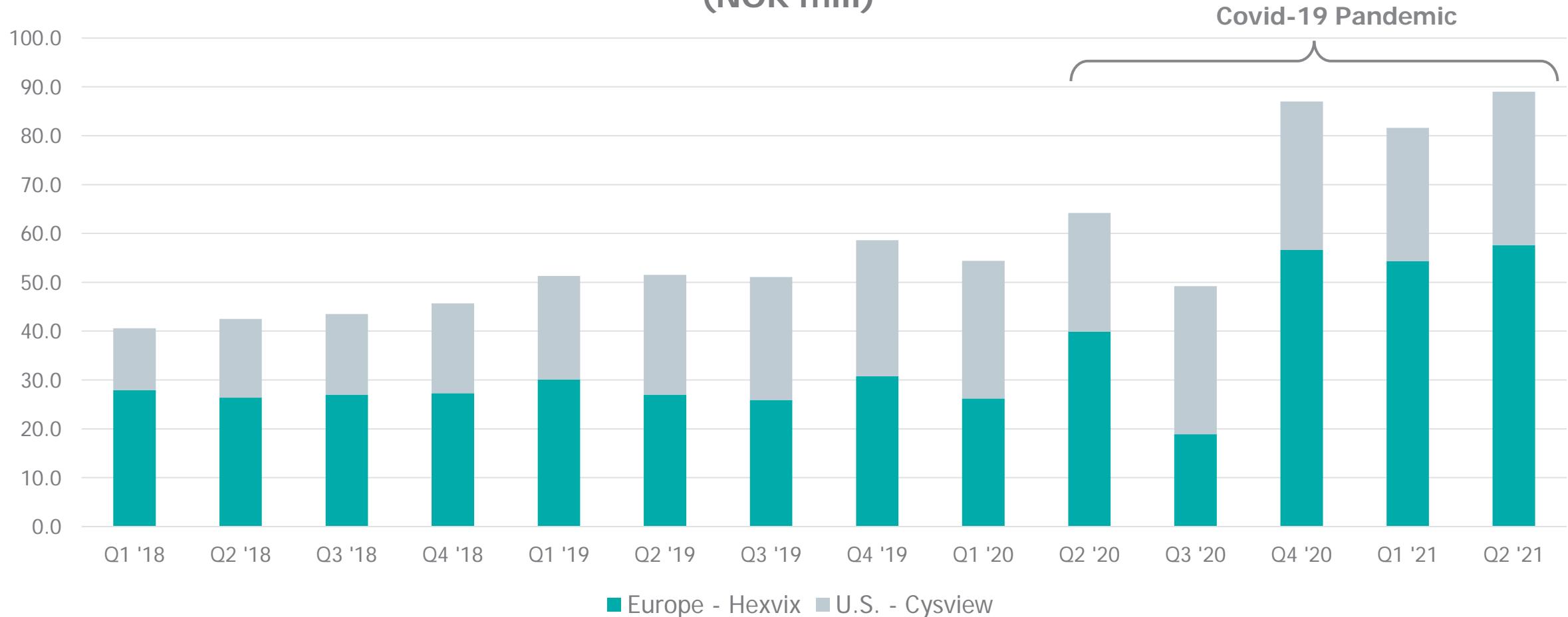
- Severe lockdowns and restrictions continued into Q2 with access to clinics improving toward end of quarter
- Hospitals preparing for 4th wave (Covid-19 Delta) after summer
- Successful remote interactions in established markets, but unique challenges connecting with customers in re-launch markets continue

Outlook both regions

- Pending the handling of the Covid-19 Delta surge, Continued interruptions are expected to impact business in H2 2021

Hexvix/Cysview Revenue Development

Quarterly Reported Product Revenue by Segment
(NOK mill)



Segment Trends

U.S. and Europe markets

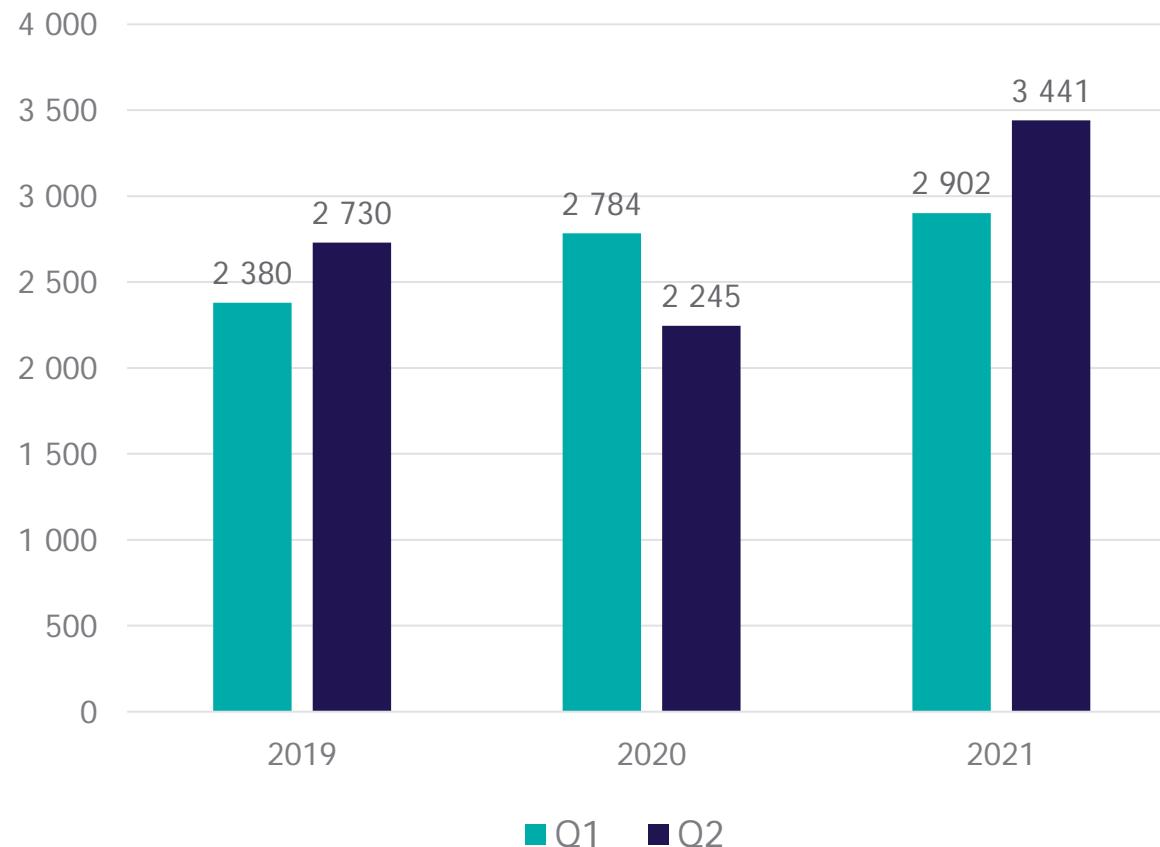


Q2 2021 Momentum in U.S.

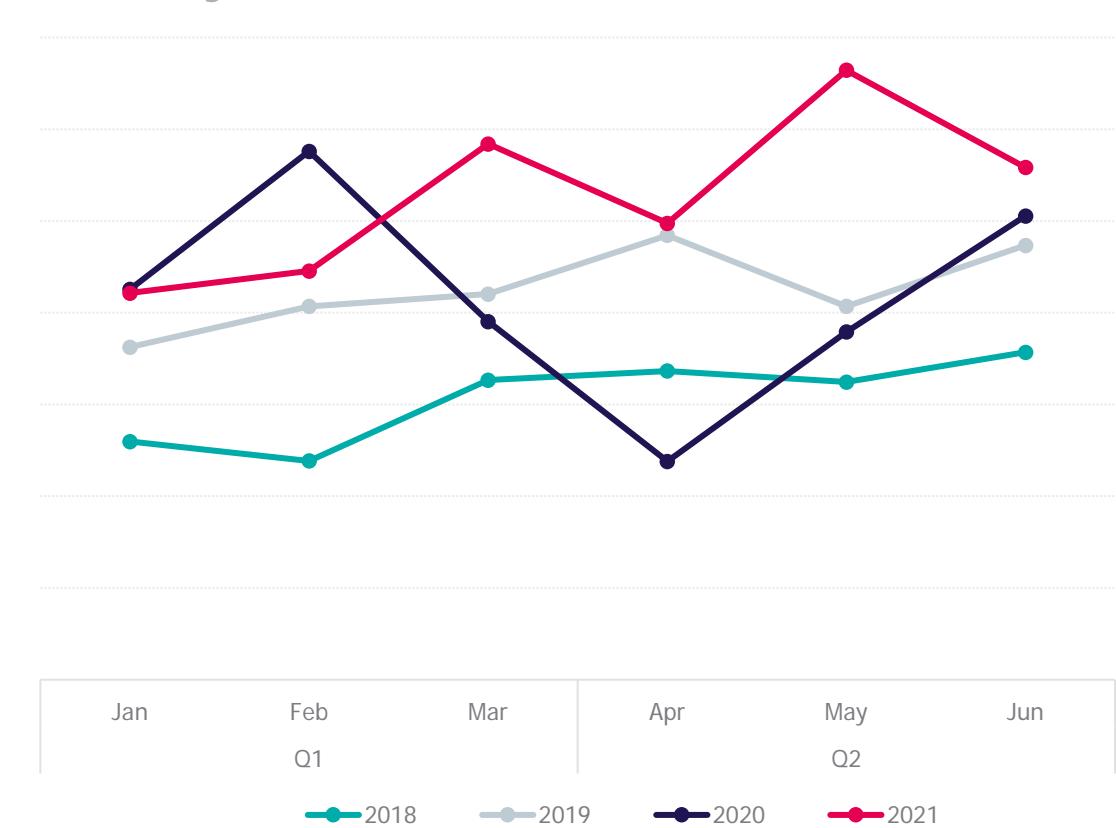
- Q2 of 2021 started slow due to Covid-19 resurgence, however improved accesses led to **53% unit growth vs Q2 2020** and **26% unit growth vs Q2 2019**
 - **Sequential 19% unit growth vs. Q1 2021**
- **Access restrictions lifted in Q2** with procedural volumes picking up across the United States; **current caution with Covid-19 Delta variant**
- **Momentum continuing with contracting efforts** to drive awareness and adoption of Cysview with both rigid and flexible cystoscopy towers
- May 2021 - **Highest month of Cysview kits sold in company history and Q2**

Favorable Trend Continues in U.S.

Q2 2021 exceeds pre-COVID levels



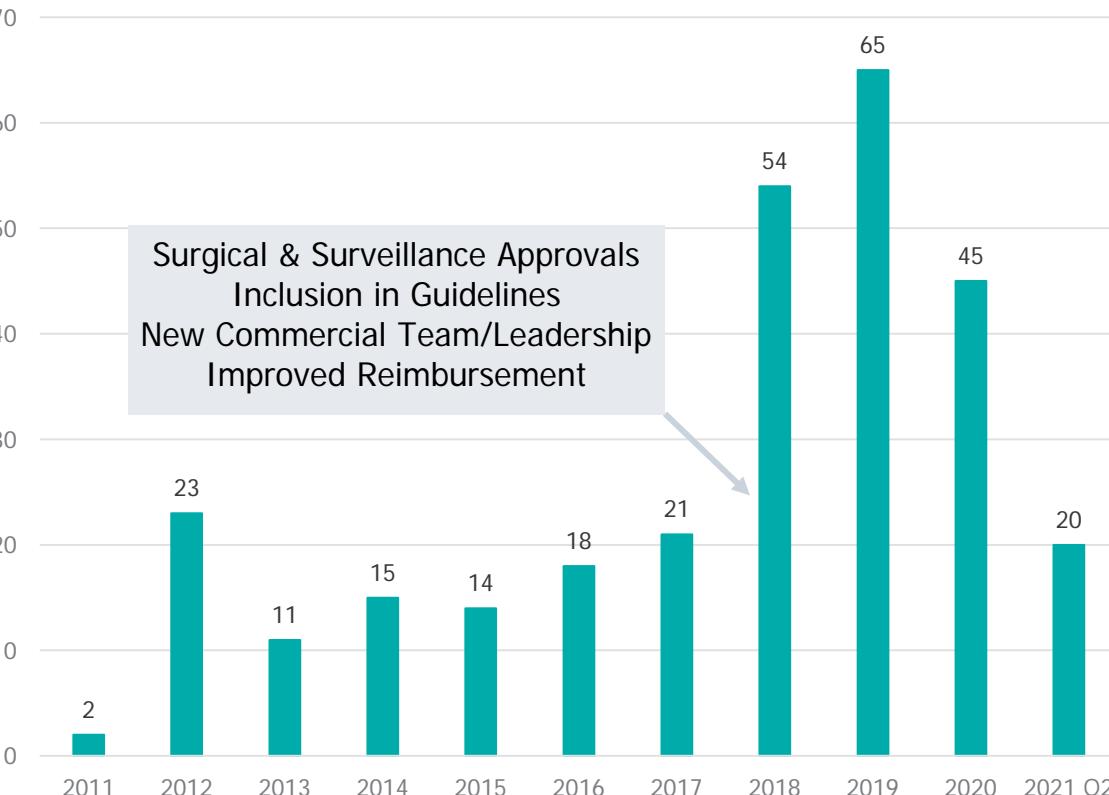
Monthly Unit Sales Trend



U.S.: Continued blue light cystoscopy placements

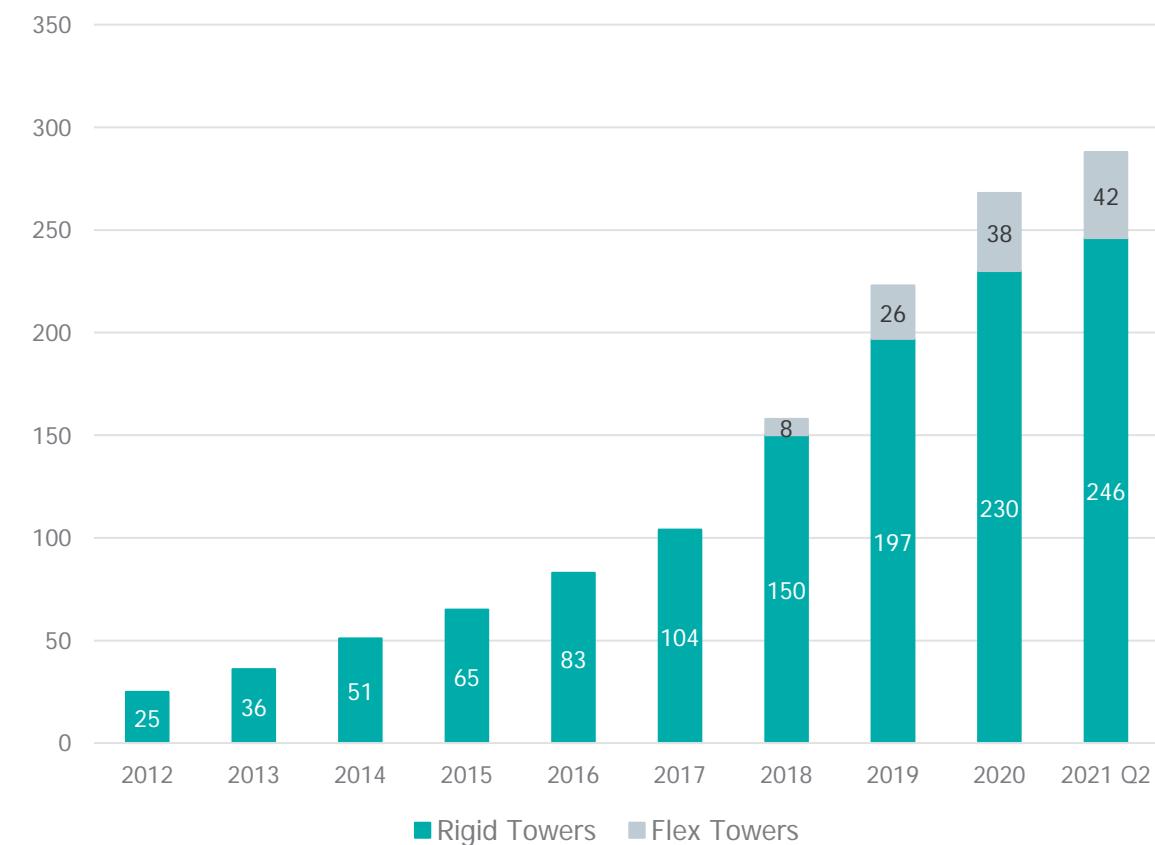
20 new tower installations in H1 2021

Annual New Installations



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

Cumulative Installation Base



Key Initiatives to Drive Growth in the U.S.

CONTRACTING

Ongoing contracting with key health systems 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

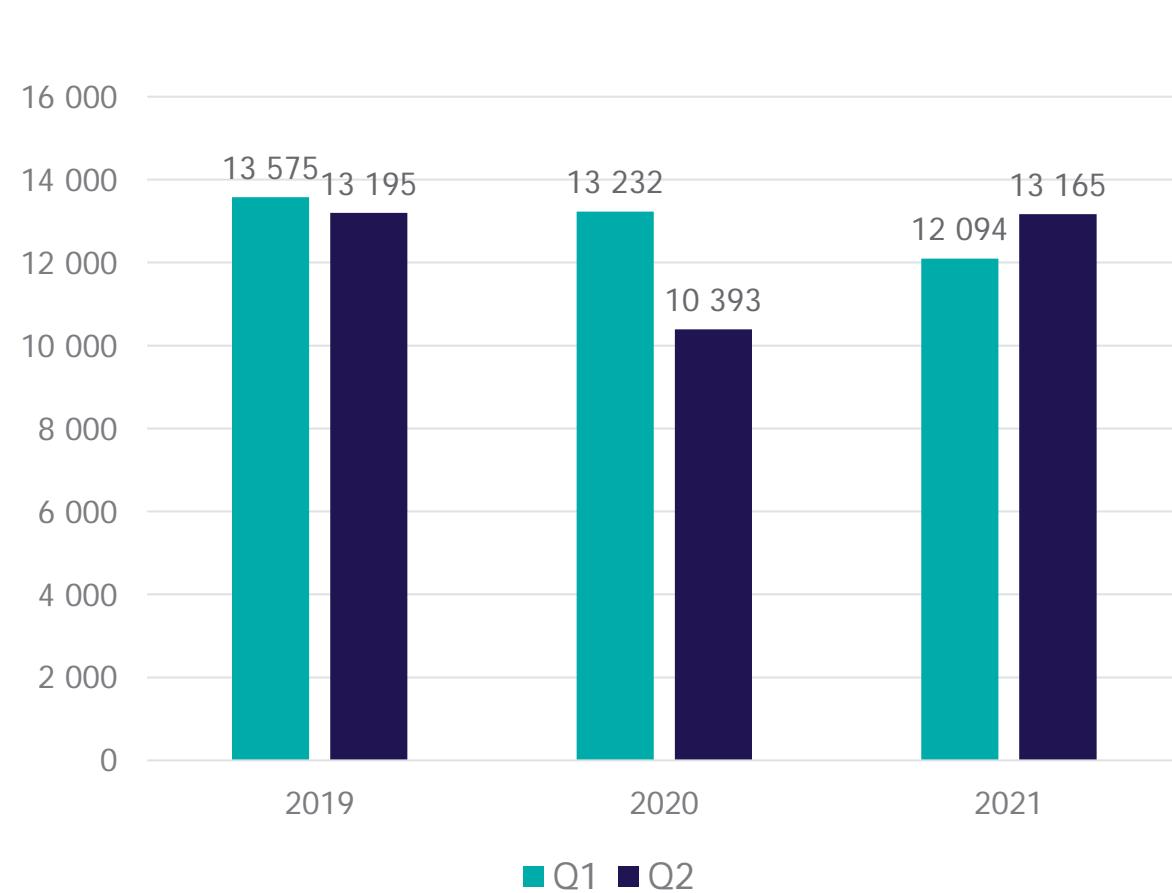
Expanding brand awareness, opening doors for sales reps through advertisements, mailers etc.

Q2 2021 Momentum in Europe

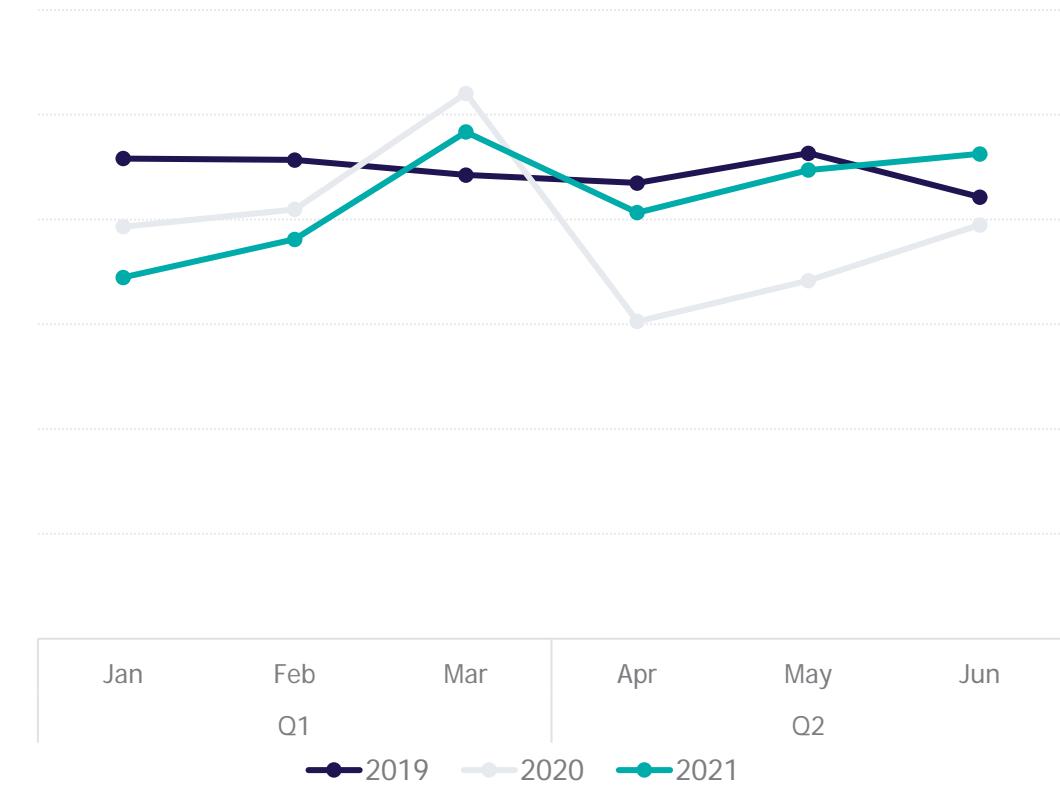
- **Second Quarter unit volume up 9% vs. First Quarter, catching up to Pre-COVID Levels comparing to Q2 2019**
- Successfully (re)connecting with leading European KOL community “as Photocure”: Top experts agreed to participate in Photocure’s Faculty to cascade education on high quality TURBT/BLC throughout Europe.
- Established **cooperation projects with European capital equipment providers**. Mutual trainings and action planning for H2 completed.
- **Change of Trend** in Large European Future Growth Markets during H1: France, UK and Italy

Favorable Trend Continues in Europe

Q2 2021 reaches pre-COVID levels of 2019



Monthly Unit Sales Trend



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

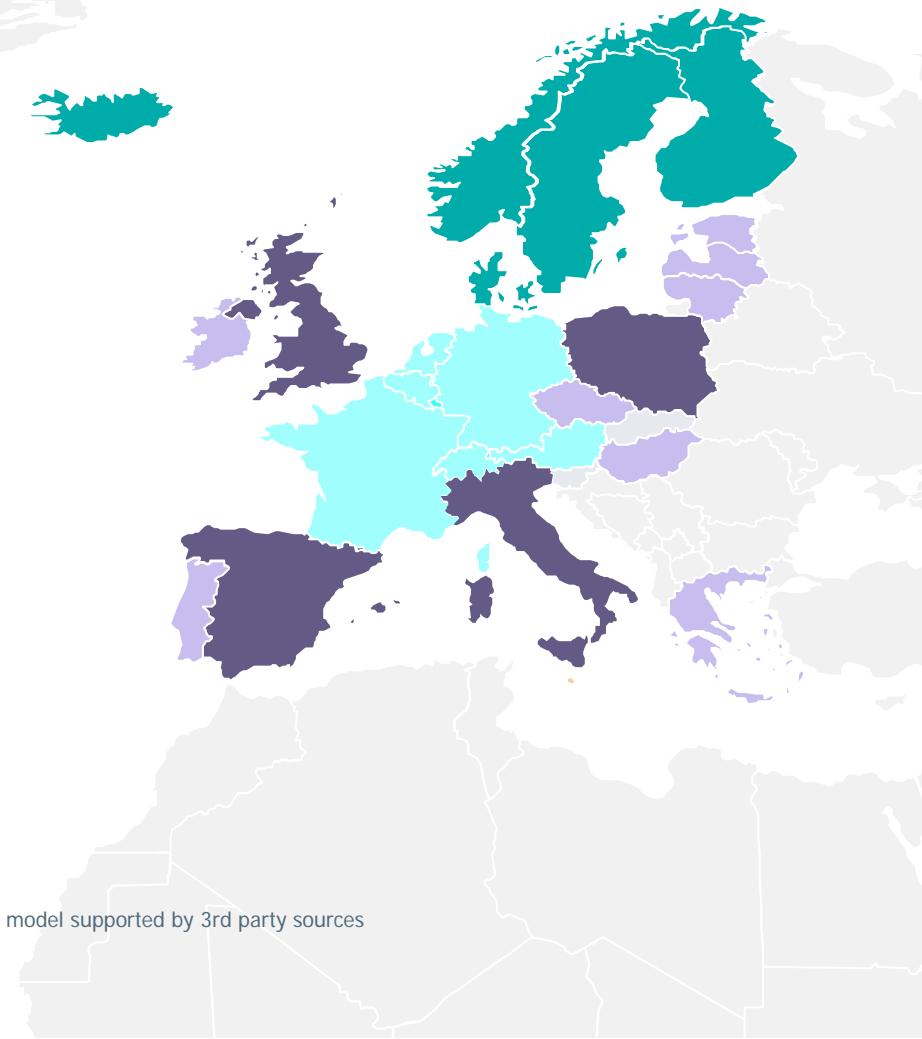
~0% penetration

Untapped Small EU Markets

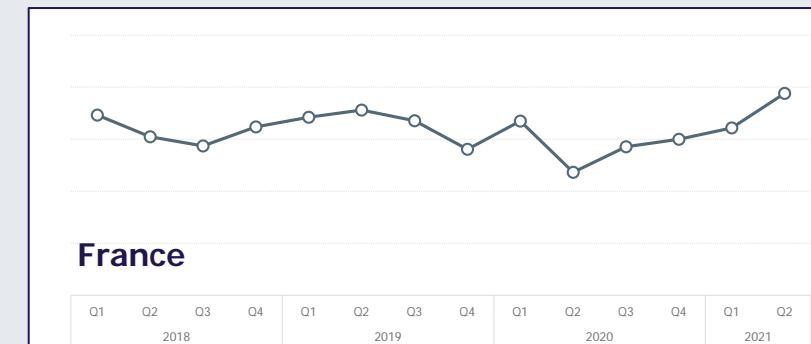
Baltics, Czech Rep, Hungary,

Ireland, Greece, Portugal

~0% penetration



Change of Trend in Large European Future Growth Markets during H1



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

Key Initiatives to Drive Growth in Europe

ESTABLISH ADVOCACY

Identify the strongest advocates for BLC among European top experts and leverage their experience

HEXVIX (RE)LAUNCH CAMPAIGN

Impactful campaign to clarify potential misconceptions about Hexvix in formerly neglected/new territories

BLC EQUIPMENT SUPPLIERS

Leverage cooperation opportunities with Equipment Suppliers realizing common business interests

KEY OPINION LEADER FACULTY

Group of experts to educate about BLC supported by developing Centers of Excellence across Europe

ORGANIZATION

Consistently meet opportunity with the right resource and competence level as the commercial situation develops in Europe

BUILD CUSTOMER INSIGHT

Build a strong customer data base in new territories identifying the hot spots for growth and execute

Q2 2021 Financials

Segment Performance

Second Quarter 2021

U.S. Segment

Amounts in NOK million	Q2 '21	Q2 '20	Change	YTD '21	YTD '20	Change
Total revenues	31.4	13.6	131%	58.6	41.8	40%
Gross profit	30.3	12.7	139%	56.9	39.4	44%
% of revenue	97%	94%		97%	94%	
Direct costs	-29.1	-33.5	-13%	-61.7	-68.4	-10%
Contribution (2)	-1.2	-20.8		-4.8	-29.0	
EBITDA	-7.9	-25.2		-16.7	-36.2	
% of revenue	-25%	-186%		-28%	-86%	

- Revenue growth Q2 in USD: 187%
 - FX impact -16%
 - 340B accrual in Q2 2020 NOK 11 mill
- Unit volume increase Q2: 53% YoY
- Direct costs driven by cost containment and FX
- Covid-19 impact ongoing

Europe Segment

Amounts in NOK million	Q2 '21	Q2 '20	Change	YTD '21	YTD '20	Change
Total revenues (1)	57.6	39.9	44%	111.9	66.1	69%
Gross profit	53.4	38.9	37%	103.4	60.8	70%
% of revenue	93%	97%		92%	92%	
Direct costs	-23.0	-4.4		-39.1	-8.3	
Contribution (2)	30.4	34.5		64.3	52.5	
EBITDA	17.7	20.3		40.7	28.6	
% of revenue	31%	51%		36%	43%	

- FX impact Q2: -8%
 - Royalty true-up in Q2 2020 NOK +13 mill (Q4 '19 & Q1 '20)
- Unit volume increase Q2: 24% YoY
- Headcount and expense increase as access to care opens
- Covid-19 impact ongoing

(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

Second Quarter 2021

Amounts in NOK million	Q2 '21	Q2 '20	Change	YTD '21	YTD '20	Change	FY '20
Hexvix®/Cysview® Revenue	88.9	53.5	66%	170.5	107.9	58%	255.2
Other Revenue	1.5	0.2		8.1	0.8		1.3
Total Revenue	90.4	53.7	68%	178.6	108.6	64%	256.5
Gross Profit	84.3	51.7	63%	167.4	100.5	67%	238.0
Operating Expenses	-78.5	-60.6	29%	-143.5	-114.2	26%	-241.9
EBITDA before Restructuring	5.8	-8.9		24.0	-13.7		-3.9
Depreciation & Amortization	-6.1	-3.9		-11.9	-7.8		-19.3
EBIT before Restructuring	-0.2	-12.8		12.0	-21.4		-23.2
Restructuring Expenses	-	-1.3		-	-3.2		-12.9
Net Financial Items	-7.3	0.3		0.8	6.0		2.8
Earnings before Tax	-7.6	-13.8		12.8	-18.7		-33.2
Tax Expenses	-3.0	5.1		-8.2	-7.8		10.8
Net earnings	-10.6	-8.7		4.6	-26.4		-22.4

Revenue

- Q2 revenue driven by inclusion of European operations, lower Covid-19 impact, partly offset by negative FX impact (-11%)

Operating Expenses

- Q2 increased YoY mainly due to investment in the European commercial operation
 - Q2 operating expenses excluding Europe flat YoY, helped by negative FX

EBITDA

- Q2 EBITDA improved NOK 14.7 million YoY
 - Driven by Hexvix/Cysview revenue
 - Significant pandemic impact in Q2 2020

Net financial items

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

Cash Flow & Balance Sheet

Second Quarter 2021

Amounts in NOK million	Q2 '21	Q2 '20	YTD '21	YTD '20	FY '20
Operations Cash Flow	8.4	11.4	0.2	14.4	15.6
Earnings before tax	-7.6	-13.8	12.8	-18.7	-33.2
Depreciation & amortization	6.1	3.9	11.9	7.8	19.3
Contract receivable	-	-	-	12.3	23.0
Working capital	7.2	21.0	-13.3	14.4	-5.9
Other	2.7	0.4	-11.2	-1.4	12.5
Investments Cash Flow	-6.9	0.3	-7.3	-0.1	-166.2
Financing Cash Flow	9.3	360.1	12.3	359.7	359.9
Net Change in Cash	10.8	371.9	5.3	374.1	209.2
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Amounts in NOK million	30.06.21	30.06.20	31.12.20		
Non-current assets	352.3	55.9	363.8		
Inventory & receivables	84.7	56.9	77.4		
Cash & short-term deposits	340.2	499.4	334.9		
Equity	525.7	496.9	508.1		
Long-term liabilities	165.2	58.8	188.1		
Current liabilities	86.4	56.6	79.8		
Total balance	777.2	612.3	776.0		

Cash Flow

- Cash flow from operations in Q2 driven by positive EBITDA and working capital development
- Cash flow in Q2 2020 driven by private placements and borrowings
- Net cash flow NOK 10.8 million, cash end of 2Q 2021 NOK 340.2 million

Assets

- Non-current assets includes intangibles and goodwill from Ipsen transaction totaling NOK 298.2 million

Liabilities

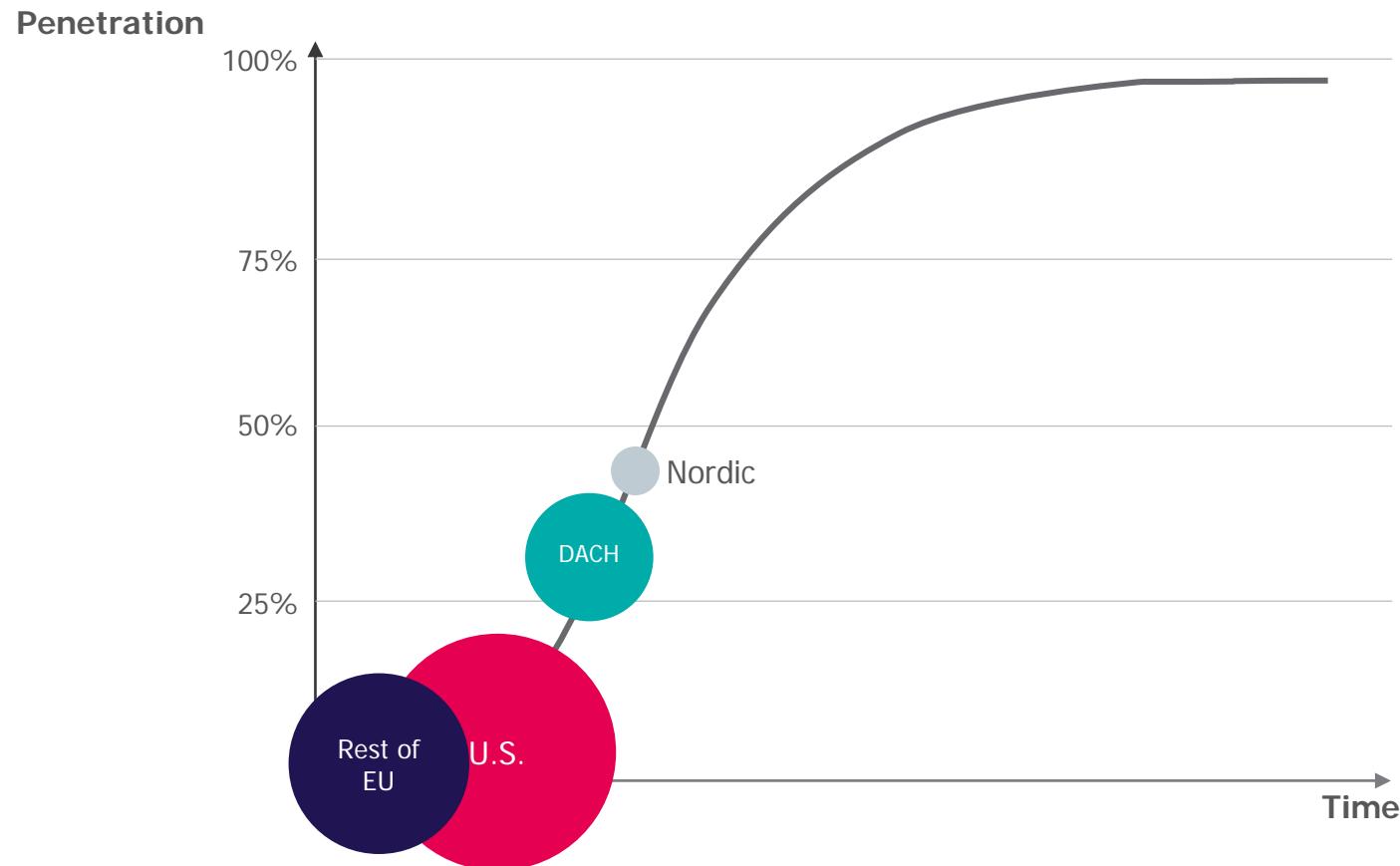
- Long-term liabilities includes deferred Ipsen earnout (NOK 128.0 million) and long-term portion of bank term loan (NOK 25.0 million)

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



*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.

Photocure – Presentation of Q2 2021 Results

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

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

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

Anticipated Milestones & Corporate Priorities



- 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
- Continue evaluating strategic product or business opportunities

Summary



Summary

Continuing to execute despite ongoing Covid-19 impact

- Delivered strong Hexvix/Cysview revenue growth in Q2 2021, despite Covid-19 & FX headwinds
- Achieved positive EBITDA; Cash position increased by NOK 10.8M to NOK 340.2M in Q2
- 8 new BLC towers placed in Q2; 4 were delayed due to component backorders (all installed in July)
- Strong new account pipeline; customers anticipating new BLC system may postpone orders in H2 2021
- Continuing to drive key initiatives in both commercial regions and with licensing partners
- Photocure is well-positioned for strong growth post-pandemic

Leading change in bladder cancer

Q&A