

Photocure ASA Results for 1st Quarter 2022

May 11, 2022

Dan Schneider, President and CEO

Erik Dahl, CFO



THE
BLADDER CANCER
COMPANY



Disclaimer



THE
BLADDER CANCER
COMPANY

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 2021. 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.



First Quarter 2022 Highlights:

Omicron surge in early Q1 impacted performance

+2%

**Hexvix® /Cysview®
unit growth**

Low procedure volumes in Jan/Feb & staffing shortages caused by Covid-19 Omicron
Launched Operations in Canada in Q1 to create North American business segment

**EBITDA
NOK -13.9
million**

Commercial investment in preparation for post-Covid growth and launch of upgraded BLC system in U.S.
First quarter OPEX level with Q4 2021

**Studies &
Publications**

New pre-clinical data on Hexvix/Cysview's potential therapeutic effect

Potential for life-cycle management: "Antitumor Effect and Induced Immune Response Following Exposure of HAL..." Biomedicines journal (February 2022)

**Partnership
Activity Q1:**

Australia/New
Zealand
China

Australia/New Zealand: Signed exclusive distribution agreement with Endotherapeutics Group to commercialize Hexvix in AUS/NZ (March 2022)
China: Asieris obtained approval to conduct real-world evidence study as part of Hainan pilot program to support Phase III trial (February 2022)

Segment Trends

North America and Europe markets



COVID-19 Update

Pandemic conditions worsened early Q1, improvement seen late in the quarter



THE
BLADDER CANCER
COMPANY

U.S.

- Nearly half of U.S. hospitals postponed surgeries
- Eastern/Northern U.S. hit hardest (ex. MD, VA, OH) with statewide recommendations for surgery delays (NY, IL, and MA)*
- Leveraged community urology practices (flex)
- Hospitals working through staffing shortages
- Normalized access and procedure volumes anticipated H2 2022

Europe

- Limited access during Omicron wave in Q1
- Unprecedented staffing shortages in clinics due to sick leave/quarantine of personnel during Q1
- Hospital access (by appointment) anticipated to reach 100% during Q2 in Europe
- Germany recovering, but slower due to significant Covid-19 surge in Q1

Outlook both regions

- Expected procedure volume improvement in Q2 as Covid more manageable; staffing shortages still a challenge

*Source: Reuters News [New tab \(reuters.com\)](https://www.reuters.com)

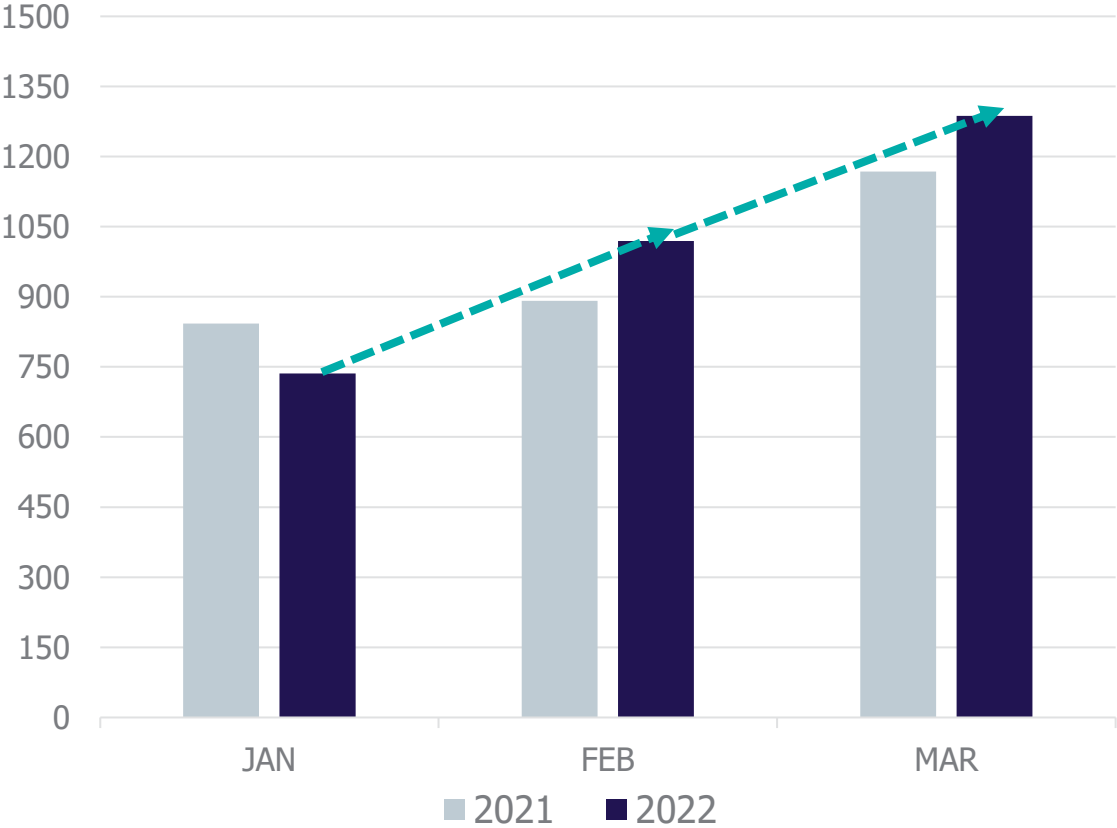
Improving Trend in Both Regions Exiting Q1

Hexvix/Cysview Units in First Quarter 2021 and 2022

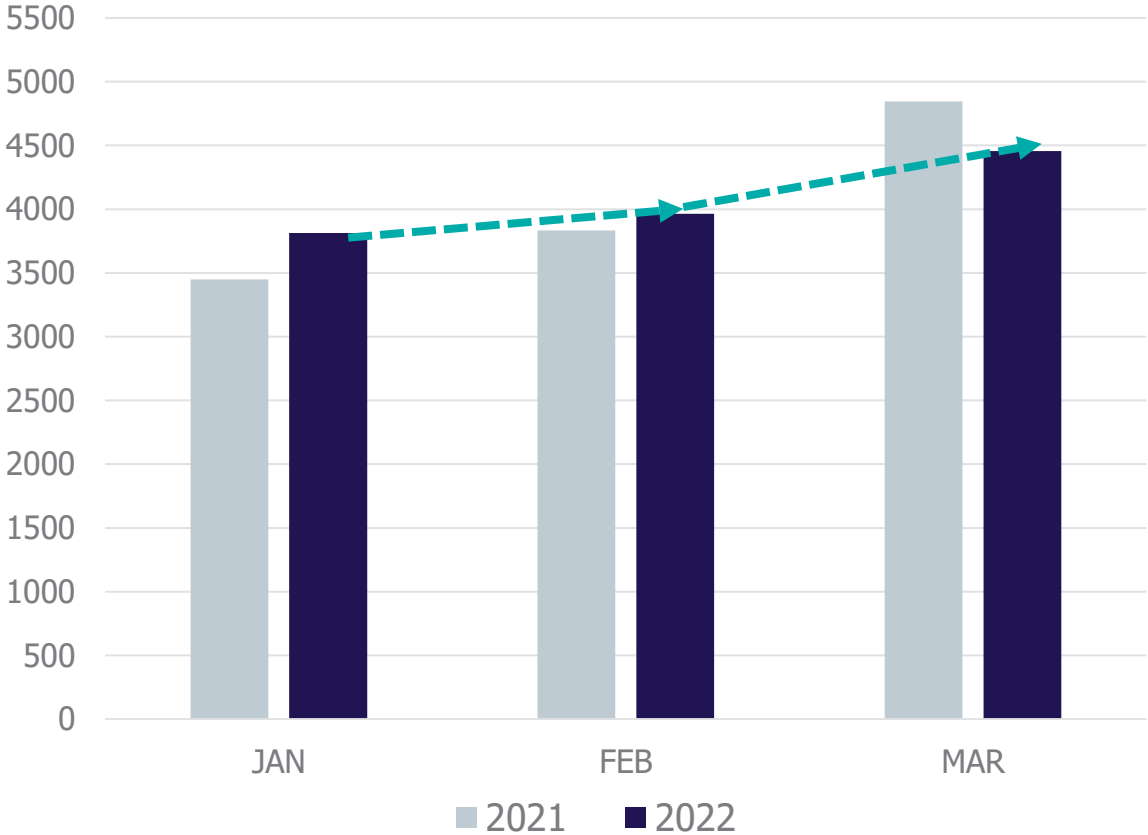


THE
BLADDER CANCER
COMPANY

U.S.



Europe



Q1 2022 Trends in North America



THE
BLADDER CANCER
COMPANY

- **Continued business growth** despite latest Covid-19 surge; Q1 U.S. Units up 5% YoY
- **Cysview uptake in the clinic remained a focus in Q1**; flexible cystoscopy momentum continues to be strong in addition to high demand for rigid towers
- **Contracting continues to be a key growth driver** with accounts taking advantage of volume-based programs
- **Procedure volumes softened in Q1** with improvement end of quarter
- **Cysview units continue to outpace TURBT procedure market** based on Definitive Health data
- **Staffing shortages remain a challenge** nationwide

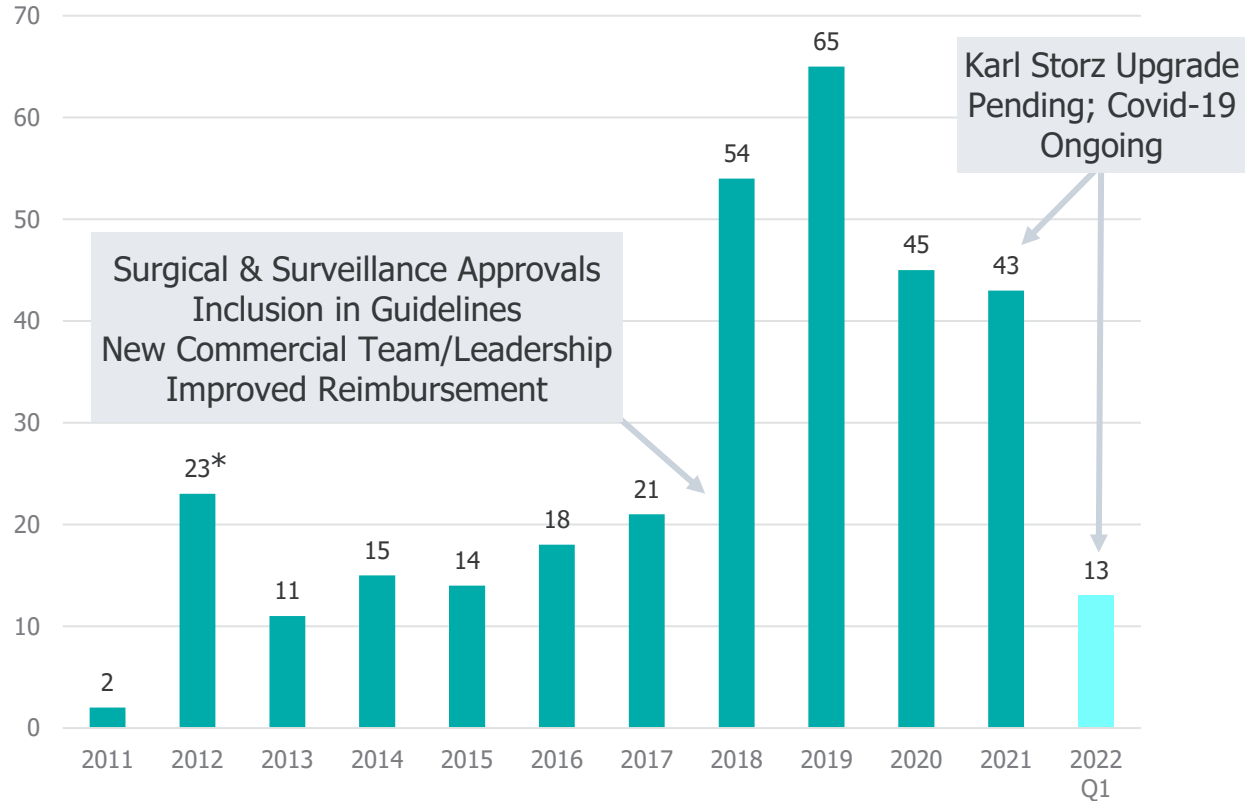
U.S. continued blue light cystoscope placements



THE
BLADDER CANCER
COMPANY

13 Towers installed in Q1 ahead of upgraded Karl Storz system launch

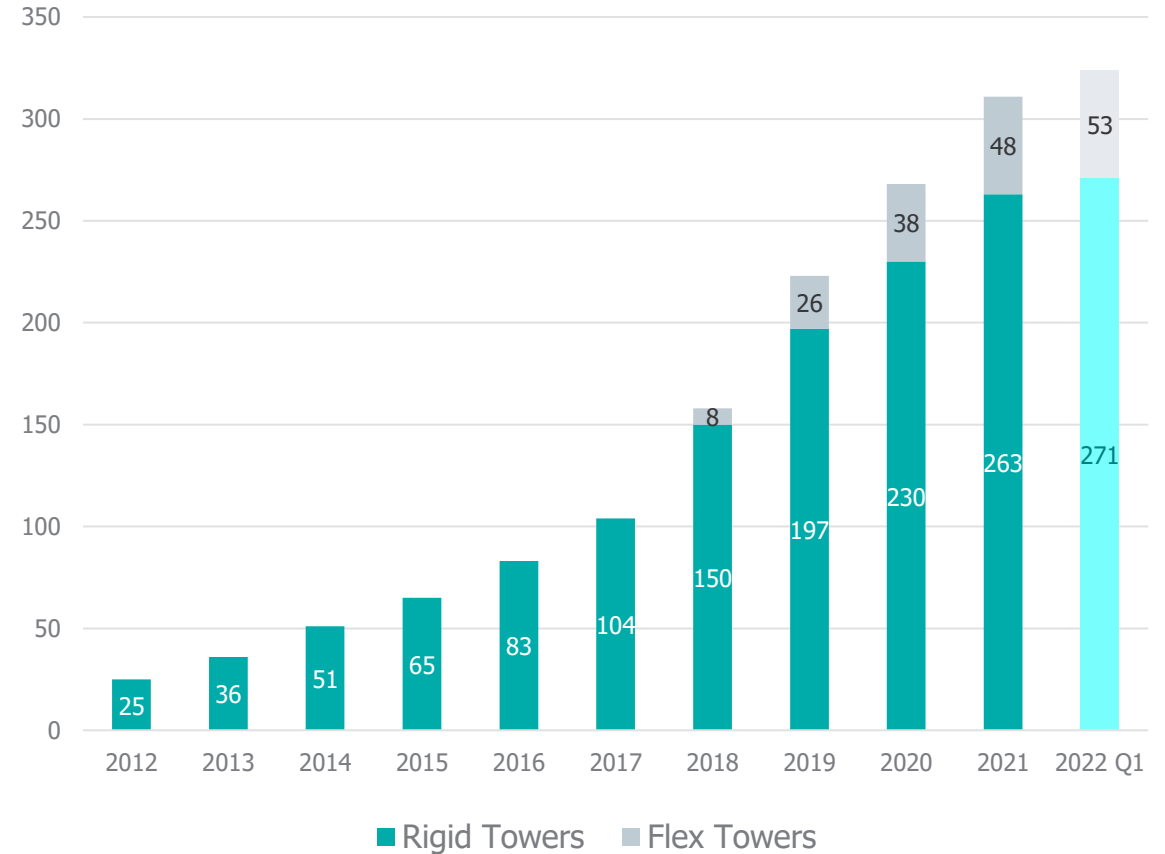
Annual New Installations



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

Q2 2021: 8 Installations (7 Rigid & 1 Flex)
Q3 2021: 14 Installations (11 Rigid & 3 Flex)
Q4 2021: 9 Installations (6 Rigid & 3 Flex)
Q1 2022: 13 installations (8 Rigid & 5 Flex)

Cumulative install base continues strong trend



The New Blue Light will “Elevate the Standard”:

***"In Blue Light, I can see
tumor margins better"***

"Wow. There is clear visibility"

***"The new camera head feels
good in your hand"***

***Positive feedback from early user
experiences***

The **NEW** Blue Light powered by **SAPHIRA**



Key Features and Benefits

Feature	Benefit
High Definition	Enabling precision Blue Light and razor-sharp quality in all visualization modes
New LED Light Source with 30,000-Hour Life	Providing more consistent light which won't degrade over time
New Fiber Light Cable	Giving HCPs convenient autoclave (sterilization) options
CHROMA Red Contrast Enhancement	Allowing more visualization of vascularity
Ergonomic Integrated Camera Head	Enabling “Blue Light Intensity Control” with an easy toggle between visualization modes and blue light output

Key Initiatives to Drive Growth in North America



THE
BLADDER CANCER
COMPANY

NEW BLUE LIGHT SYSTEM LAUNCH

National roll out of Karl Storz high-definition Blue Light
Powered by Saphira towers anticipated Q2 2022

CONTRACTING

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

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
access and 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 2022 Trends in Europe



THE
BLADDER CANCER
COMPANY

- **First Quarter units +1% vs. Q1 2021;** Despite heavy Omicron wave, Germany remained stable & turn in trends continued in priority growth markets (France, U.K., Italy)
- **Photocure European KOL Faculty** preparing for physician education programs during 2022. First in a series of country BLC advisory boards in Europe was conducted in Denmark in Q1
- **Close cooperation between Photocure and equipment suppliers in process** for new BLC system launches
- **Photocure testing a new system** from Richard Wolf for remote OR access/training in France, with potential to expand to all of Europe
- **Photocure Bladder Cancer Bus Tour Events Scheduled;** Denmark in May and at the European Association of Urology (EAU) Congress in July

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

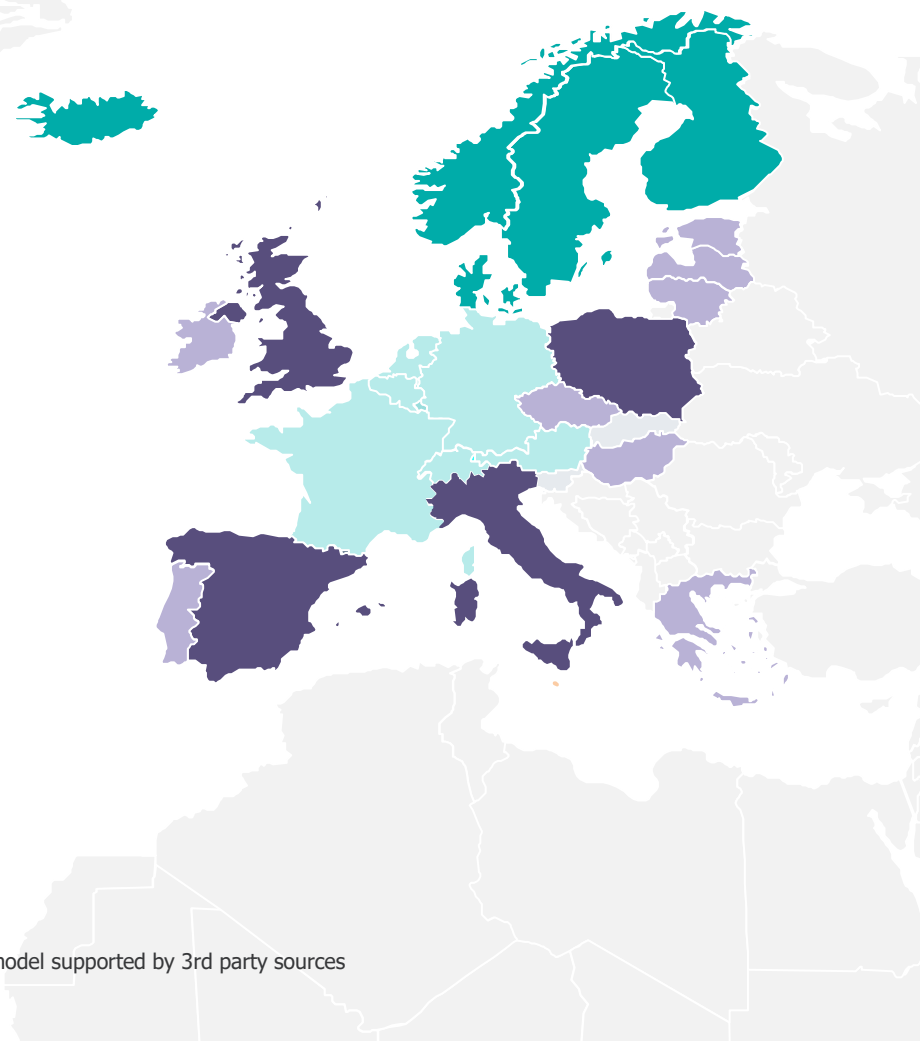
UK, Italy, Spain, Poland

~0% penetration

Untapped Small EU Markets

Baltics, Czech Rep, Hungary,
Ireland, Greece, Portugal

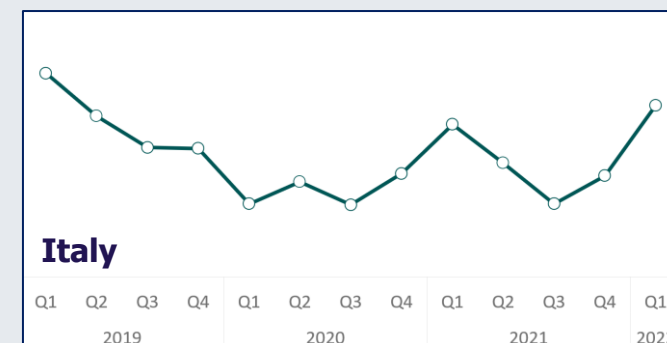
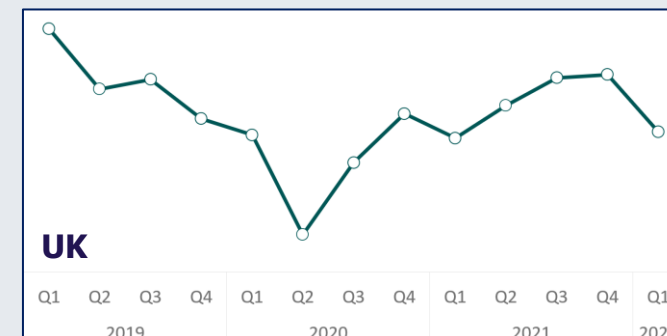
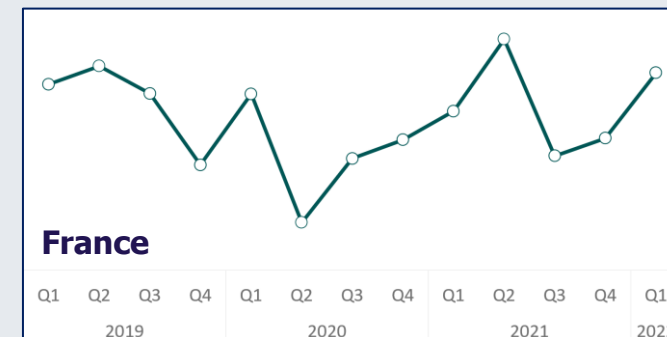
~0% penetration



1. Globocan 2018 data on bladder cancer. Internal patient-based model supported by 3rd party sources

Photocure – Presentation of Q1 2022 Results

Change of Trend* in large European Priority Growth Markets continues despite Covid



*In-Market Units Sales

Key Initiatives to Drive Growth in Europe



THE
BLADDER CANCER
COMPANY

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

Q1 2022 Financials



Segment Performance First Quarter 2022



THE
BLADDER CANCER
COMPANY

North America Segment

<i>Amounts in NOK million</i>	Q1 '22	Q1 '21	Change	FY '21
Total revenues	30.5	27.3	12%	125.2
Gross profit	29.3	26.6	10%	121.3
<i>% of revenue</i>	<i>96%</i>	<i>98%</i>		<i>97%</i>
Direct costs	-38.0	-30.2	26%	-128.6
Contribution ⁽¹⁾	-8.6	-3.6		-7.3
EBITDA	-17.5	-8.8		-35.2
<i>% of revenue</i>	<i>-58%</i>	<i>-32%</i>		<i>-28%</i>

- Q1 revenue growth 12%. FX impact Q1 4%
- In market unit sales increase Q1 for U.S. 5%
- Q1 direct costs growth as planned
 - Includes NOK 0.9 million in expenses related to launch of Canadian operations

Europe Segment

<i>Amounts in NOK million</i>	Q1 '22	Q1 '21	Change	FY '21
Total revenues	50.4	54.3	-7%	225.8
Gross profit	45.7	50.0	-8%	207.3
<i>% of revenue</i>	<i>91%</i>	<i>92%</i>		<i>92%</i>
Direct costs	-21.5	-16.1	33%	-88.7
Contribution ⁽¹⁾	24.2	33.8		118.6
EBITDA	8.2	23.0		63.8
<i>% of revenue</i>	<i>16%</i>	<i>42%</i>		<i>28%</i>

- Q1 revenue decline 7%. FX impact Q1 -3%
- In-market unit sales increase Q1 1%. Main contributors France and Italy
- Headcount and costs increase as access to care improves
 - Expenses declined compared to Q4 2021 related to pandemic interruptions

Consolidated Income Statement

First Quarter 2022



THE
BLADDER CANCER
COMPANY

<i>Amounts in NOK million</i>	Q1 '22	Q1 '21	Change	FY '21
Hexvix/Cysview Revenue	81.4	81.6	-%	351.4
Other Revenue	0.3	6.6		9.2
Total Revenue	81.6	88.2	-7%	360.5
Gross Profit	75.6	83.1	-9%	336.5
Operating Expenses	-89.5	-65.0	38%	-318.2
EBITDA	-13.8	18.1		18.3
Depreciation & Amortization	-6.0	-5.9		-24.1
EBIT	-19.9	12.3		-5.8
Net Financial Items	-7.4	8.1		-25.8
Earnings before Tax	-27.3	20.3		-31.7
Tax Expenses	5.3	-5.2		0.8
Net earnings	-22.0	15.2		-30.9

Revenue

- Q1 Hexvix/Cysview revenue level with last year due to Omicron wave. FX neutral at consolidated level
- Total revenue 7% below last year. Driven by sign-on fee from Asieris of NOK 6.4 million Q1 2021

Operating Expenses

- Q1 operating expenses increased YoY mainly due to investment in the European commercial operation and increased activity level in North America including start up of the Canadian operation
- Q1 operating expenses mostly level compared to Q4 2021 (down 3%)

EBITDA

- Decline in Q1 EBITDA driven by higher operating costs as well as decline in other revenue. Limited FX impact

Net financial items

- Q1 for both years driven mainly by the Ipsen earnout payment. 2021 net financial income driven by unrealized currency gain of NOK 14 million

Cash Flow & Balance Sheet

First Quarter 2022



THE
BLADDER CANCER
COMPANY

<i>Amounts in NOK million</i>	Q1 '22	Q1 '21	FY '21
Operations Cash Flow	-22.1	-1.9	23.9
Earnings before tax	-27.3	20.3	-31.7
Depreciation & amortization	6.0	5.9	24.1
Adjustment earnout liability	-	-	17.2
Working capital	-8.5	-20.5	-3.2
Other	7.7	-7.6	17.4
Investments Cash Flow	0.5	-0.3	-1.9
Financing Cash Flow	-15.8	-3.3	-34.0
Net Change in Cash	-37.4	-5.5	-12.0

<i>Amounts in NOK million</i>	31.03.22	31.03.21	31.12.21
Non-current assets	375.9	353.9	376.5
Inventory & receivables	76.7	83.6	90.3
Cash & short-term deposits	285.5	329.4	322.9
Equity	481.0	530.0	502.6
Long-term liabilities	176.8	165.0	185.0
Current liabilities	80.3	71.8	102.0
Total balance	738.1	766.9	789.6

Cash Flow

- Net cash flow from operations in Q1 NOK -22.1 million, driven by EBITDA NOK -13.8 million and working capital NOK -8.5 million
- Net cash flow from financing in Q1 NOK -15.8 million includes loan repayment of NOK 6.3 million and earnout payments of NOK 7.6 million. The loan will be fully repaid in 2023
- Net cash flow Q1 NOK -37.4 million, cash end of Q1 2022 NOK 285.5 million

Financial position

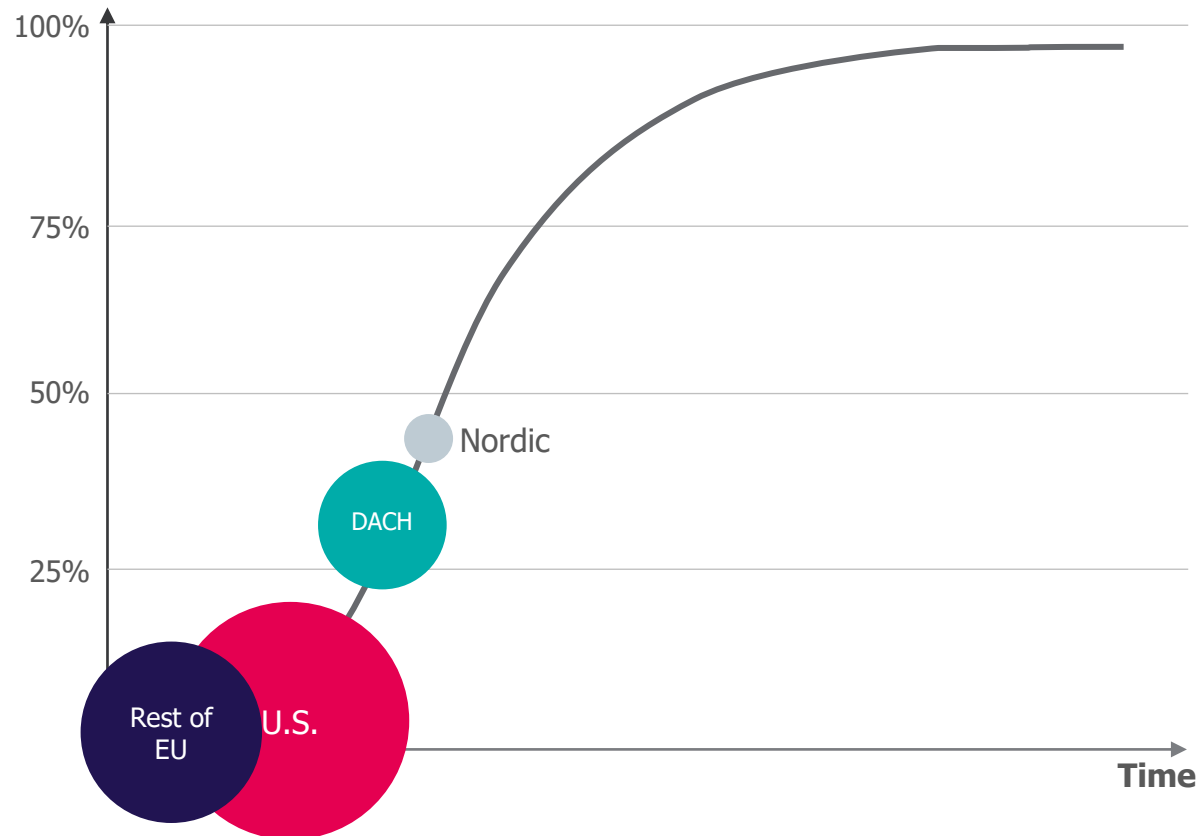
- Non-current assets includes intangibles and goodwill from Ipsen transaction totaling NOK 285.7 million
- Long-term liabilities includes deferred Ipsen earnout (NOK 138.9 million) and long-term portion of bank term loan (NOK 6.3 million)

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

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.

Photocure – Presentation of Q1 2022 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

Anticipated Milestones & Corporate Priorities



THE
BLADDER CANCER
COMPANY

- Regain prior sales momentum once Covid-19 is consistently in decline
- Launch of Karl Storz's upgraded Blue Light system in U.S.; continue expanding base of BLC capital equipment in North America
- Further execute on contracting with GPOs and large Hospital/Health Systems in the U.S.
- Continue geographic expansion by penetrating untapped European and Canadian markets, and through additional Hexvix licensing agreements ROW
- Present/publish additional clinical data on the use of BLC[®] with Hexvix[®]/Cysview[®]
- Report on the progress of partnered companies and license agreements
- Continue evaluating strategic product or business opportunities

Summary



Summary



THE
BLADDER CANCER
COMPANY

Continuing to execute despite recent Covid-19 surge & pending Karl Storz system launch

- Delivered Hexvix/Cysview unit growth in Q1 2021 despite significant Covid-19 pressures
- Strong new account pipeline; customers anticipating new Karl Storz Blue Light system
- 13 new towers placed in the U.S. during Q1; including 5 flexible tower installations
- New Karl Storz system FDA-approved in February; National launch expected second quarter 2022
- Continuing to drive key initiatives in both commercial regions and with licensing partners
- Photocure is well-positioned for strong post-pandemic growth

Leading change in bladder cancer

Q&A