



THE
BLADDER CANCER
COMPANY™

Photocure ASA: Results for the third quarter of 2019

Oslo, Norway, 7 November 2019: Photocure ASA (OSE:PHO), today reported a revenue growth of 42% in local currency for the U.S. market in the third quarter of 2019, contributing to Hexvix/Cysview revenues of NOK 51.1 million (Q3 2018: NOK 43.5) and an EBITDA of NOK 8.3 million (NOK -3.1 million). The company entered into a license agreement with Asieris for the global commercialization of Cevira® and reiterates the significant revenue growth and profit opportunities in the U.S. market.

"The third quarter was a busy period for Photocure with continued strong growth in the important U.S. market and an increase in the installed base of blue light cystoscopes to 211 at the end of the quarter. This development provides a solid platform for further growth in 2020 and beyond, as we see a large untapped potential in the U.S. We will continue to develop the significant commercial opportunities in the U.S. in order to achieve our ambition to make Cysview the standard of care for bladder cancer patients," says Daniel Schneider, President & Chief Executive Officer of Photocure.

Photocure reported total group revenues of NOK 60.8 million in the third quarter of 2019 (NOK 44.4 million), with an EBITDA of NOK 8.3 million (NOK -3.1 million). Net result was NOK -0.6 million (NOK -4.8 million), while the cash position ended at NOK 95.9 million. The sales development in the U.S. was strong with an accelerated unit sales increase of 34% in the quarter. The revenues in the Nordics declined 7% to NOK 9.9 million (NOK 10.6 million) in the third quarter. EBITDA for the Hexvix/Cysview commercial franchise ended at NOK 2.6 million in the third quarter of 2019. At the end of the period, the total installed base of permanent blue light cystoscopes (BLCs) in the U.S. was 189. In addition, 22 flexible cystoscopes for the surveillance setting have been installed, which represents an increase of 8 in the quarter.

Photocure has built considerable experience in the bladder cancer market through its Hexvix/Cysview franchise and sees significant long-term value creation potential in this market segment. The company aims to capitalize on a number of factors including inclusion in the AUA-SUO guidelines, increased patient awareness and the improved reimbursement of Cysview from 2020. These drivers will significantly increase penetration in the U.S. market. Furthermore, with the approval of Cysview to be used with flexible cystoscopes, a significant market opportunity has opened in the surveillance segment.

Given the large untapped market opportunities, the company has invested in the U.S. commercial and medical infrastructure. October 1, Geoffrey Coy joined Photocure as Vice President and General Manager of U.S. operations to strengthen the growth initiatives further. The company has a 2020 forecasted revenue range of USD 20-25 million in the U.S., up from USD 7.8 million in 2018, and sees significant continued revenue growth and profit opportunities in the U.S. market beyond 2020. The company is fully funded for this strategy.

During the third quarter, Photocure entered into a license agreement providing Asieris Meditech Co., Ltd (Asieris) with a world-wide license to develop and commercialize Cevira® for the treatment of HPV induced cervical precancerous lesions.

Asieris plans to launch a global clinical development program with an initial focus on the China market based on Photocure's Phase 2b data and the Phase 3 study design elements agreed with the U.S. FDA. The development for the US and EU markets will follow when clinical data from the China focused Phase 3 study confirms the safety and efficacy, estimated to be finished in 2022. Asieris will assume responsibility for the manufacture of the Cevira® product while Photocure retains responsibility for the manufacture of the active pharmaceutical ingredient. Under the License Agreement, Photocure will receive a total signing fee of USD 5 million within 6 months after signing. In addition, the company may receive a total of USD 18 million based upon achievement of certain clinical and regulatory milestones in China and up to USD 36 million for certain clinical and regulatory milestones in USA and EU. Approval of a second indication in China, the US and the EU would result in payments of up to USD 14 million. Additionally, sales milestones and royalties of 10% to 20% will apply in all markets.

"We were proud to announce the agreement with Asieris during the quarter. Asieris will have the world-wide license to develop and commercialize Cevira for the treatment of HPV induced cervical precancerous lesions. Under the agreement, Photocure will receive signing fees, and potentially development and approval milestones and sales milestones in total up to USD 250 million, in addition to sales royalties. The Cevira deal is in line with our strategy of divest and maximize the value of products that do not fit our strategic focus, and to build the Bladder Cancer Company," Schneider concludes.

Please find the full financial report and presentation enclosed.

Photocure will present its third quarter report on Thursday 7 November 2019 at Hotel Continental, Oslo, Norway. The presentation will begin at 08:30 (CET) and representatives from the company will be Daniel Schneider, President & CEO and Erik Dahl, CFO. The presentation will be held in English.

It will be possible to follow the presentation through <https://webtv.hegнар.no/presentation.php?webcastId=9816440>

A light snack will be served from 08:00 (CET). The presentation is scheduled to conclude at 09:15 (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, which makes 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). The US headquarters for Photocure Inc., are in Princeton, New Jersey. For more information, please visit us at www.photocure.com, www.hexvix.com or www.cysview.com