



Photocure Enters into Final Agreement to Regain Worldwide Rights of Hexvix

Oslo, Norway, 11 June 2020: Reference is made to the OSE notification 27 April 2020 from Photocure ASA (Photocure, PHO: OSE) regarding the return of Hexvix® sales, marketing and distribution rights in Europe and other markets currently controlled by Ipsen Pharma SAS (Ipsen). Photocure and Ipsen have today entered into a final agreement.

"We have entered into a final agreement with Ipsen that will have a transformative impact on Photocure, in line with our strategy of building a strong and profitable global business within the diagnosis and treatment of bladder cancer. We have built a successful commercial organization for Hexvix/Cysview in the U.S. and the Nordics, with a solid underlying growth potential post the Covid-19 situation. Photocure has a unique understanding of the disease and bladder cancer care. We aim to apply lessons learned in the Nordic region and the U.S. and see significant growth opportunities in Europe and other markets currently not served by Ipsen," says Dan Schneider, President and CEO.

Photocure entered into a global commercialization agreement with Ipsen in 2011 for the sales, marketing and distribution of Hexvix outside the Nordic region and the U.S. Ipsen has served as strategic partner and has built a solid position for the brand in select key European markets. Photocure announced on 27 April 2020 that the company had agreed terms for an agreement with Ipsen to regain the global commercialization of Hexvix, an extensive commercial opportunity going forward, consistent with the company's pure-play bladder cancer focus and solid track-record from other markets. The parties have today entered into a final agreement in which commercial rights will be officially transferred to Photocure on 1 October 2020.

"To retrieve the rights for developing Hexvix in major markets brings flexibility and expansion at a perfect point in time. There is a considerable and growing interest in the bladder cancer market, as the disease remains the most expensive cancer to treat, and we see significant opportunities ahead," Schneider concludes.

The parties have entered into a final agreement where Photocure will pay Ipsen EUR 15 million upon transfer on 1 October 2020. Ipsen will book sales up until this date. Ipsen will in addition receive earn-out payments in the range of 10-15% of sales (years 1-7 post-transfer) and 7.5% of sales (years 8-10) in the current Ipsen markets.

Photocure had a cash position at the end of the first quarter of 2020 of NOK 127 million and conducted a private placement on 27 April 2020 raising NOK 143 million in gross proceeds. Reference is made to OSE notifications 27 and 28 April regarding the private placement.

Photocure outlines the following key financial targets for the acquired rights:

- 2019 royalty received by Photocure was NOK 61 million excluding IFRS adjustments. Following the potential transfer of the rights for the Ipsen territories to Photocure, the revenue recognized by Photocure is expected to increase around 3x to 2021 compared to 2019, driven by Photocure being granted the in-market sale in the territories and growth in market penetration. Beyond FY 2021, Photocure is targeting approximately 30% annual revenue growth in current Ipsen territories
- Photocure will incur approximately NOK 30 million in integration and ramp-up costs in 2020
- Photocure will incur approximately NOK 90 million in increased SG&A costs in Europe from FY 2021 and beyond.

Group 2023 ambitions

Photocure delivers transformative solutions which improve the lives of bladder cancer patients. Based on experience and the performance of the breakthrough bladder cancer product Hexvix/Cysview, Photocure has embarked on a stepwise approach to continued growth. Photocure sees significant long-term value creation potential in the global bladder cancer market and has developed a defined growth strategy:

- Accelerating – Drive the breadth and depth of Hexvix/Cysview usage in key accounts
- Expanding – Generate sales in new geographies and product enhancements
- Acquiring – Products used in the management of bladder cancer patients
- Transforming – Partner and in-license assets to strengthen the bladder cancer portfolio

The primary growth geographies for Photocure are the U.S. and European markets with large untapped market opportunities. The company sees significant growth opportunities in Europe and other countries not currently commercialized by Ipsen. The agreement is expected to be EBITDA accretive from full-year 2021 and beyond.

Based on the outlook and strategic opportunities, Photocure targets group revenues for 2023 in the range of NOK 1 billion with EBITDA margins of approximately 40%, following the completion of the transaction.

Market conditions are affected by the COVID-19 virus outbreak. See OSE notification of 7 April 2020 for an in-depth analysis of risk and effects of the COVID-19 situation, in addition the trading update 27 April 2020 and the first quarter 2020 presentation and board of directors' report of 7 May 2020.

EBITDA and other alternative performance measures (APMs) are defined and reconciled to the IFRS financial statements as a part of the APM section of the first quarter 2020 financial report on pages 20-21.

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Notes to editors

About Hexvix[®]/Cysview[®] (hexaminolevulinate HCl)

Hexvix[®]/Cysview[®] is a drug that is selectively taken up by tumor cells in the bladder making them glow bright pink during Blue Light Cystoscopy (BLC[™]). BLC[™] with Hexvix[®]/Cysview[®] improves the detection of tumors and leads to more complete resection, fewer residual tumors and better management decisions. Cysview[®] is the tradename in the U.S. and Canada, Hexvix[®] is the tradename in all other markets.

About bladder cancer

Bladder cancer ranks as the sixth most common cancer worldwide with 1 650 000 prevalent cases (5-year prevalence rate), 550 000 new cases and almost 200 000 deaths annually in 2018.¹

Approx. 75% of all bladder cancer cases occur in men.¹ It has a high recurrence rate with an average of 61% in year one and 78% over five years.² Bladder cancer has the highest lifetime treatment costs per patient of all cancers.³

Bladder cancer is a costly, potentially progressive disease for which patients have to undergo multiple cystoscopies due to the high risk of recurrence. There is an urgent need to improve both the diagnosis and the management of bladder cancer for the benefit of patients and healthcare systems alike.

Bladder cancer is classified into two types, non-muscle invasive bladder cancer (NMIBC) and muscle-invasive bladder cancer (MIBC), depending on the depth of invasion in the bladder wall. NMIBC remains in the inner layer of cells lining the bladder. These cancers are the most common (75%) of all BC cases and include the subtypes Ta, carcinoma in situ (CIS) and T1 lesions. In MIBC the cancer has grown into deeper layers of the bladder wall. These cancers, including subtypes T2, T3 and T4, are more likely to spread and are harder to treat.⁴

¹ Globocan. Incidence/mortality by population. Available at: http://globocan.iarc.fr/Pages/bar_pop_sel.aspx

² Babjuk M et al. Eur Urol. 2019; 76(5): 639-657

³ Sievert KD et al. World J Urol 2009; 27:295–300

⁴ Bladder Cancer. American Cancer Society. <https://www.cancer.org/cancer/bladder-cancer.html>

About Photocure

Photocure: The Bladder Cancer Company delivers transformative solutions to improve the lives of bladder cancer patients. Our unique technology, making 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). For more information, please visit us at www.photocure.com, www.hexvix.com, www.cysview.com

About Ipsen

Ipsen is a global specialty-driven biopharmaceutical group focused on innovation and Specialty Care. The Group develops and commercializes innovative medicines in three key therapeutic areas – Oncology, Neuroscience and Rare Diseases. Its commitment to oncology is exemplified through its growing portfolio of key therapies for prostate cancer, neuroendocrine tumors, renal cell carcinoma and pancreatic cancer. Ipsen also has a well-established Consumer Healthcare business. With total sales over €2.5 billion in 2019, Ipsen sells more than 20 drugs in over 115 countries, with a direct commercial presence in more than 30 countries. Ipsen's R&D is focused on its innovative and differentiated technological platforms located in the heart of the leading biotechnological and life sciences hubs (Paris- Saclay, France; Oxford, UK; Cambridge, US). The Group has about 5,800 employees worldwide. Ipsen is listed in Paris (Euronext: IPN) and in the United States through a Sponsored Level I American Depositary Receipt program (ADR: IPSEY). For more information on Ipsen, visit www.ipсен.com.

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