

Photocure ASA 1st Quarter 2023 Results

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1st Quarter 2023 Highlights:

Return to growth in both regions, continuing to execute on key initiatives

+30% Revenue growth

8% Hexvix®/Cysview® unit growth

Hexvix/Cysview sales up 12% sequentially from Q4 2022

Installed base of blue light continues to expand and improve: 18 new Saphira™ towers installed in Q1 + 12 upgrades from existing accounts; standard definition towers relocated within 4 accounts to create new blue light user facilities

Navigating ongoing market challenges: staffing shortages, hospital budget constraints improving but still present

EBITDA NOK -1.2 million

Improvement of NOK 12.7 million YoY

Commercial investment to support Hexvix/Cysview growth and launch of upgraded blue light system

Business Development spend back to base-line levels

NOK 246 million in cash and equivalents; expect to retire remainder of term debt in Q2 2023

Key news and events

Citizen's Petition (CP)* to re-classify BLC equipment: multiple public comments submitted to FDA support increasing the number of BLC equipment manufacturers in the U.S.; Karl Storz "Flex" discontinuation highlights the public health need

High visibility of Blue Light Cystoscopy at EAU, ASCO-GU, and AUA: Four abstracts presented, several well-attended scientific sessions included discussions on BLC.

Peer-reviewed publication backing health economics of BLC in Q1 2023

Segment Trends

North America and Europe markets



Global Healthcare Delivery: Pockets of Volatility Remain



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Staffing Shortages/Strikes

Continued impact to procedure volumes in both U.S. & Europe (strikes UK, France & Germany)

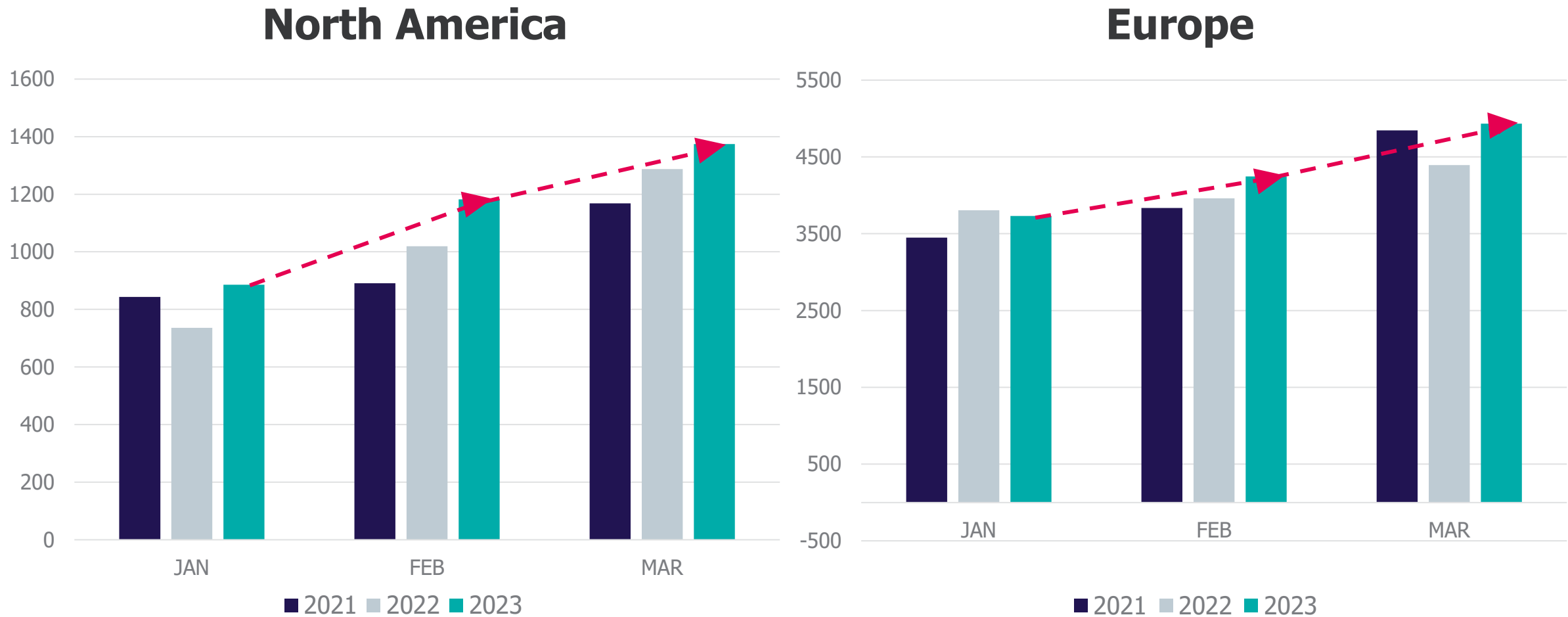
Hosp. Budget Pressures

Elevated staffing costs & general inflation resulting in prioritization of activities

Constraints easing but still present in both sales territories

Q1 Return to Growth in Both Commercial Territories

Monthly Hexvix/Cysview Unit Sales by Region Last 3 Years



Q1 2023 Trends in North America

- **Q1 revenues & in-market unit sales increased 38% & 16%, respectively; Unit sales also up 9% sequentially Q1'23/Q4'22;** Recovery in procedure volumes, pull through of new tower installations, and staffing shortage pressure beginning to ease drove the unit sales increase
- **Continued expansion of blue light tower installed base:** 18 new Saphira™ installations, 12 upgrades; 4 new user facilities created with relocation of legacy standard definition equipment
- **Demand for new blue light equipment remains strong:** New Tower pipeline remains robust, Karl Storz recently increased number of evaluation towers to support demand
- **Contracting & improved reimbursement:** Remain a key focus for adoption of BLC
- **Strong advocacy for Citizen's Petition** to reclassify blue light equipment; if approved, would enable an expedited pathway to expand the number of capital equipment manufacturers in the U.S.
 - Public comments by Photocure, KOLs, BCAN (U.S. Patient Advocacy), Equipment Manufacturers, Health systems, and others
 - Flex tower discontinuation highlights the need for BLC reclassification
 - Potential for Karl Storz to receive FDA feedback on Citizen's Petition with 210-day response period (May 25)



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Karl Storz SAPHIRA™ Blue Light System



April 2023: Satellite Symposium + AUA congress booth

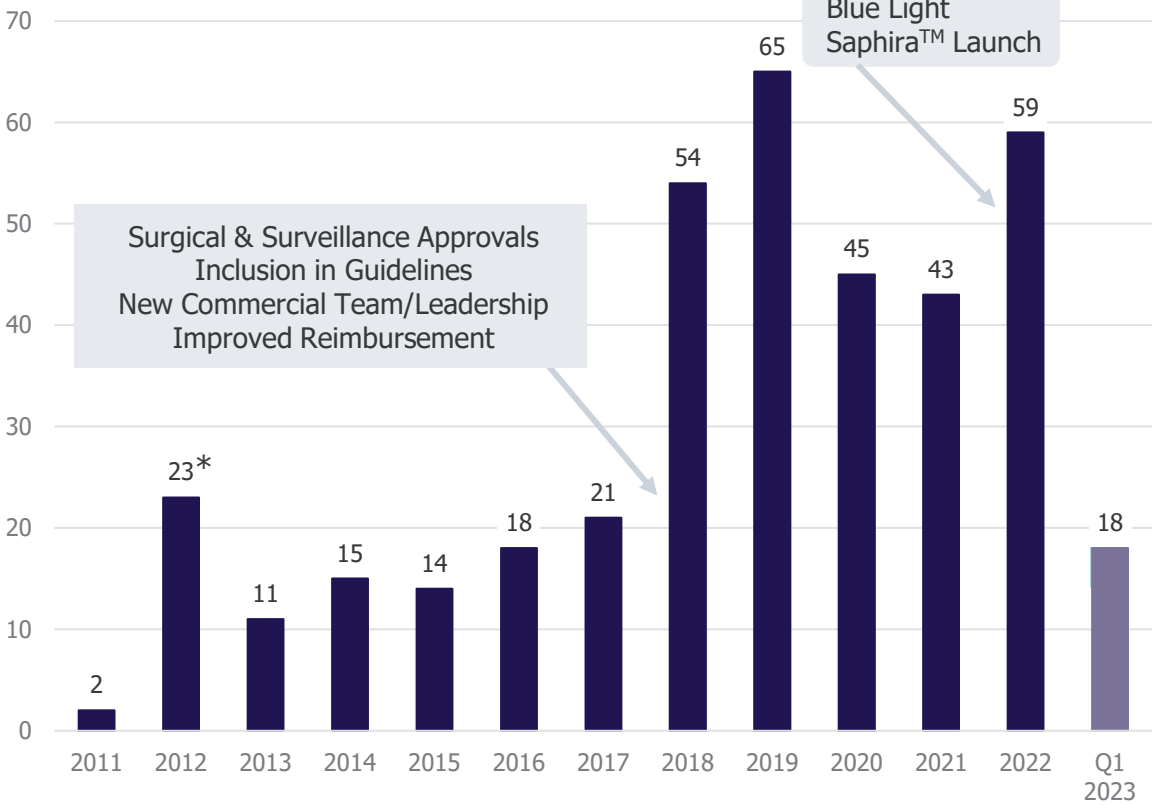
Saphira™ now 25% of rigid BLC installed base in U.S.

Q1 2023: 18 new placements, 12 upgrades, 4 std. definition tower relocations



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Annual New Installations

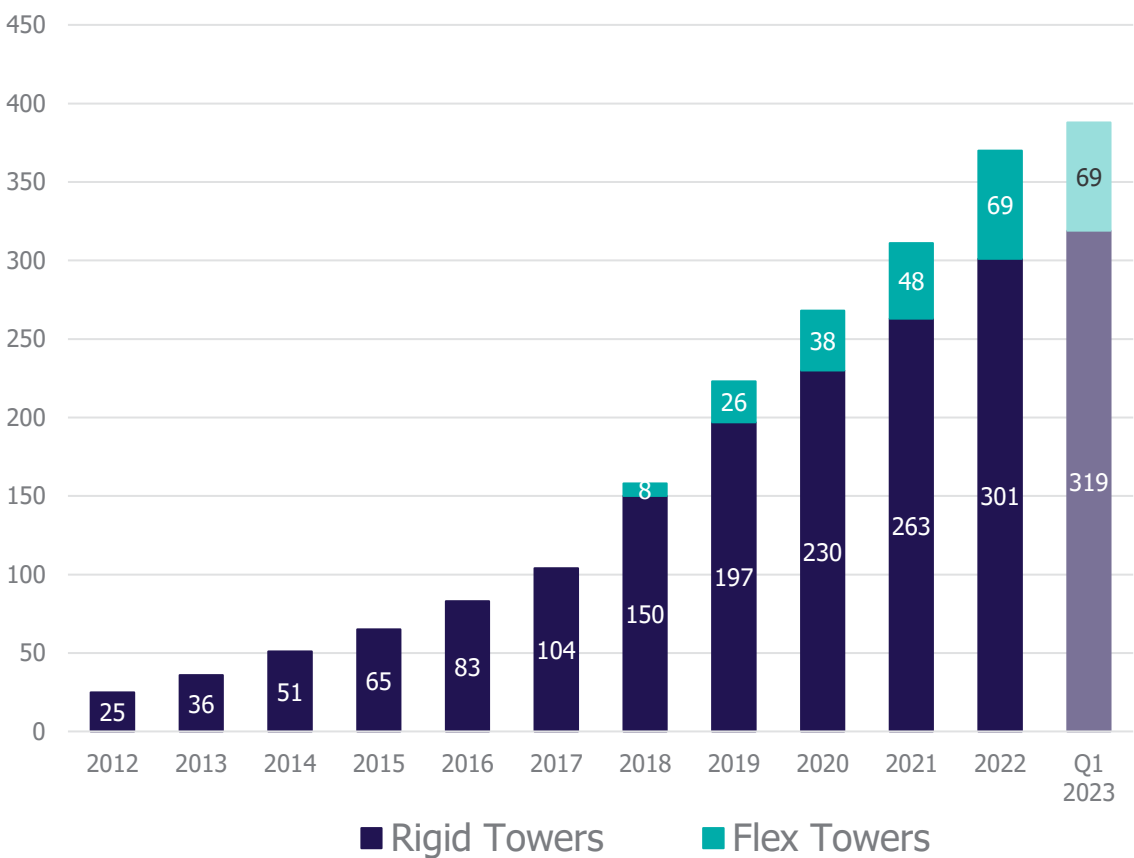


New Account Installations

Q2 2022: 5 Installations (5 Flex)
Q3 2022: 10 installations (6 Rigid & 4 Flex)
Q4 2022: 31 installations (24 Rigid & 7 Flex)
Q1 2023: 18 Installations (Rigid only)

80 Saphira™ Towers installed since Q4 2022 launch;
40 New & 40 Upgrades

Cumulative Installed Base in U.S.



■ Rigid Towers ■ Flex Towers

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

Q1 2023 Trends in Europe



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- **Q1 revenues & in-market unit sales increased 26% & 6%, respectively:** Continuing to increase penetration despite ongoing challenges of staffing shortages, strikes, hospital budget constraints
- **2023 is first year where access is fully open since re-acquiring the territory in Oct. 2020** (focused on the 80% of existing accounts that are underpenetrated)
- **Blue light gaining traction in urology community**
Increasing KOL support broadly, high visibility at EAU,
Additional data strengthens EAU guidelines
- **Karl Storz Saphira™ system rollout gaining traction;**
image quality upgrades a key initiative in 2023
- **Photocure 2023 Bladder Cancer Bus Tour:** high demand from German hospitals interested in BLC



September 2022: Bladder Cancer Bus with BLC at DGU to recruit hospitals for 2023 tour

Growth acceleration in Europe expected



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Q1 2023

Established Business

Nordic (excl. DK)/DACH
26% to 58% range of
penetration

- **Continuous Investment in Commercial Excellence**
- Good Penetration, Guidelines & Procedure Funding
- Germ/Austria (70% of EU unit sales) consistently increasing market share YoY
- Addressing DK situation pulling down Nordics

- **Steady Growth in DACH continues**
- **Nordic Stable (except DK)**

Priority Growth Markets

France, UK, Italy, Be/Ne
2% to 14% penetration

- **Active Pipeline for Image Quality Upgrades (Reactivation) & New Installations**
- Mostly good installed base of equipment but dated, underpenetrated, clinical practice & awareness differs
- Stabilized sales during the pandemic after years of decline before re-acquisition

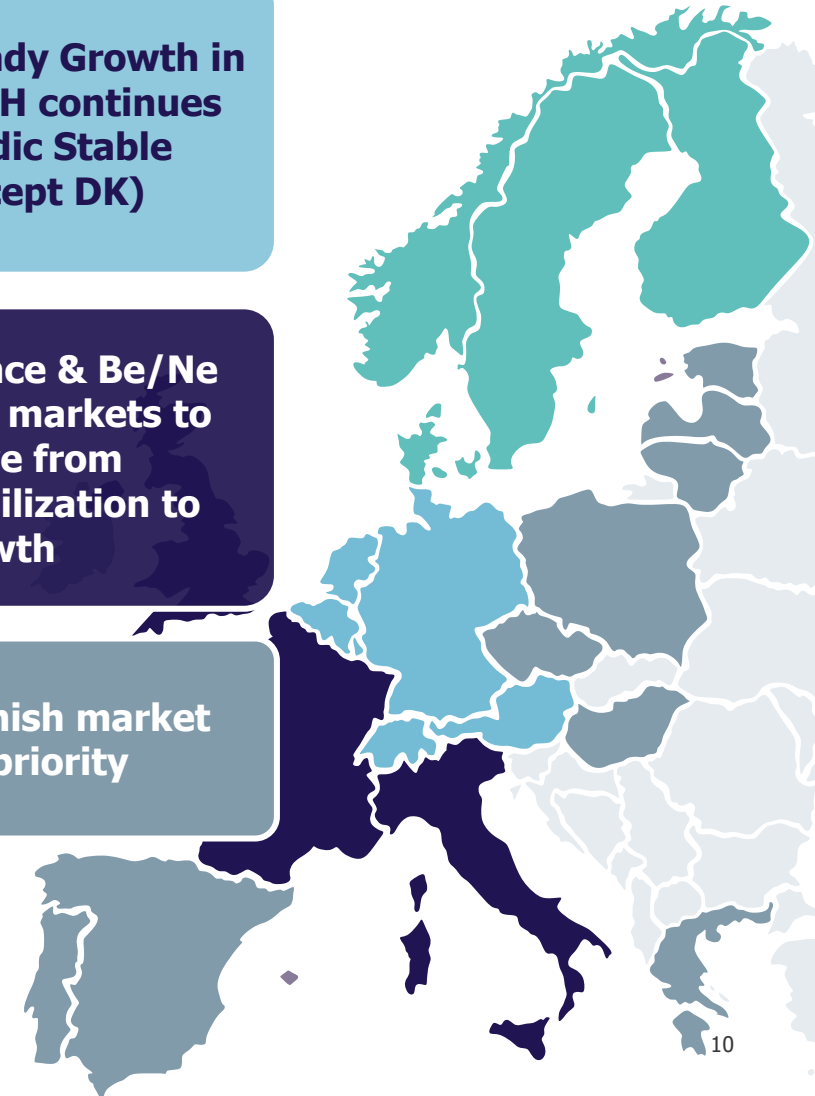
- **France & Be/Ne first markets to move from stabilization to growth**

Untapped EU Markets

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

- **Evaluating key launch factors in each territory:**
 - Availability of capital equipment
 - Local treatment guidelines
 - KOL engagement
 - Coverage/reimbursement
 - Decision on direct/distribution strategy

- **Spanish market top priority**

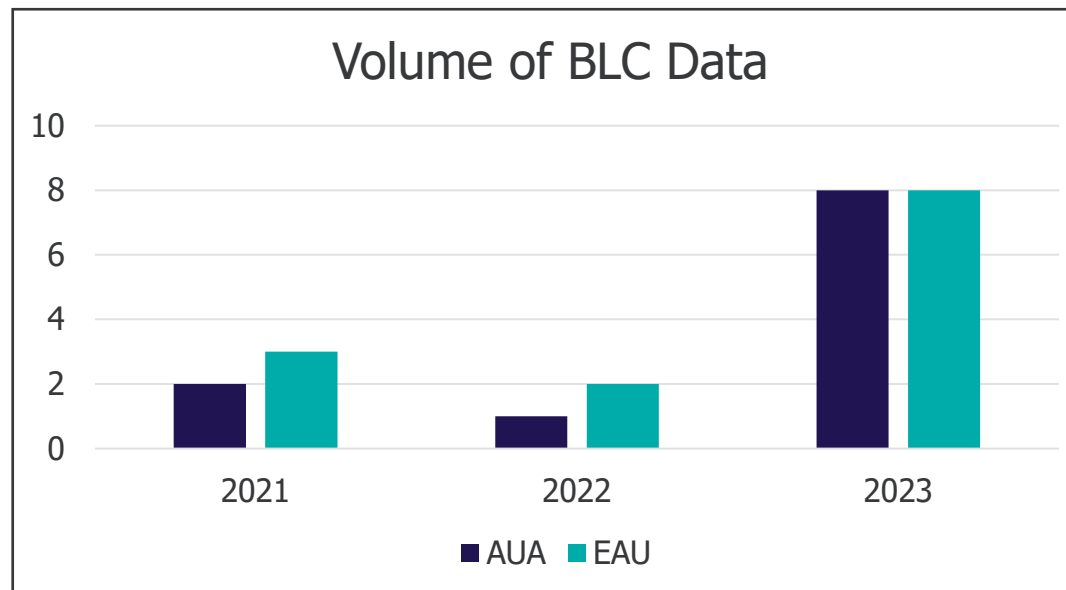


Investments in medical & data generation activities driving awareness/growth opportunities for BLC



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Data Type
Podiums or Debates
BLC Data Presentations
CME Instructions Courses



Additional activities:

- Supported conversations for potential company collaborations (Pharma: 2nd line therapeutics & Dx: biomarker tests)
- Paved the way to potential new relationships with KOLs of interest
- Provided a springboard for debate that has kept BLC in conversation

Q1 Financials

Consolidated Income Statement

First Quarter 2023



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<i>Amounts in NOK million</i>	Q1 '23	Q1 '22	Change	FY '22
Hexvix/Cysview Revenue	105.9	81.4	30%	373.0
Other Revenue	0.3	0.3		20.1
Total Revenue	106.2	81.6	30%	393.1
Gross Profit	99.8	75.6	32%	370.4
Operating Expenses excl BD	-100.5	-86.9	16%	-375.3
Business Development Expenses	-0.4	-2.6		-19.8
EBITDA – excluding BD	-0.8	-11.3		-4.8
EBITDA – including BD	-1.2	-13.9		-24.6
Depreciation & Amortization	-6.5	-6.0		-24.4
EBIT	-7.7	-19.9		-49.0
Net Financial Items	-2.4	-7.4		-22.1
Earnings before Tax	-10.1	-27.3		-71.1
Tax Expenses	-1.6	5.3		-0.7
Net earnings	-11.7	-22.0		-71.9

Revenue

- Q1 Hexvix/Cysview revenue 30% above last year, driven by volume, price and FX
- Consolidated volume increased YoY 8% and sequentially from Q4 2022 9%

Operating Expenses

- Q1 operating expenses excluding business development costs increased 16% YoY, mainly due to FX and inflation. Sequentially, from Q4 2022 the operating expenses excluding business development costs decreased 6%
- Operating expenses within business development are related to the objective to increase the Company's product offering

EBITDA

- Q1 EBITDA including business development expenses improved NOK 12.7 million YoY, driven by revenue. Positive impact from FX NOK 1 million

Net financial items

- Q1 for both years driven by the Ipsen earnout; partly offset by FX gains and interest income in 2023

Segment Performance First Quarter 2023



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North America Segment

<i>Amounts in NOK million</i>	Q1 '23	Q1 '22	Change	FY '22
Total revenues	42.1	30.5	38%	150.8
Gross profit	40.7	29.3	39%	145.9
<i>% of revenue</i>	<i>97%</i>	<i>96%</i>		<i>97%</i>
Direct costs	-43.5	-38.0	15%	-162.9
Contribution ⁽¹⁾	-2.8	-8.6		-16.9
EBITDA, excl BD	-11.6	-17.5		-49.4
<i>% of revenue</i>	<i>-28%</i>	<i>-57%</i>		<i>-33%</i>

- Q1 revenue growth 38% driven by volume, price increases and FX.
 - In-market unit sales increased 16%, USD appreciated 15%, price increase 3% in US
- Q1 direct costs development as planned in local currencies
- Contribution improved NOK 5.8 million YoY driven by revenue

Europe Segment

<i>Amounts in NOK million</i>	Q1 '23	Q1 '22	Change	FY '22
Total revenues	63.6	50.4	26%	221.8
Gross profit	58.6	45.7	28%	205.0
<i>% of revenue</i>	<i>92%</i>	<i>91%</i>		<i>92%</i>
Direct costs	-29.0	-21.5	35%	-102.9
Contribution ⁽¹⁾	29.6	24.2		102.1
EBITDA, excl BD	13.7	8.2		42.4
<i>% of revenue</i>	<i>22%</i>	<i>16%</i>		<i>19%</i>

- Q1 revenue increased 26% YoY. EUR appreciated 10%
- In-market unit sales increased 6% YoY; 9% sequential growth from Q4 2022
- Expenses were driven by activity (phasing) and FX impact
- Contribution improved NOK 5.4 million YoY, driven by revenue

Cash Flow & Balance Sheet

First Quarter 2023



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<i>Amounts in NOK million</i>	Q1 '23	Q1 '22	FY '22
Operations Cash Flow	-9.1	-22.1	-2.0
Earnings before tax	-10.1	-27.3	-71.1
Depreciation & amortization	6.5	6.0	24.4
Working capital	-10.7	-8.5	-0.2
Other	5.2	7.7	44.9
Investments Cash Flow	0.6	0.5	-1.5
Financing Cash Flow	-13.5	-15.8	-51.3
Net Change in Cash	-22.0	-37.4	-54.8

<i>Amounts in NOK million</i>	31.01.23	31.03.22	31.12.22
Non-current assets	357.0	375.9	360.8
Inventory & receivables	102.9	76.7	90.2
Cash & short-term deposits	246.0	285.5	268.1
Equity	455.3	481.0	462.7
Long-term liabilities	165.6	176.8	167.1
Current liabilities	85.0	80.3	89.2
Total balance	706.0	738.1	719.0

Cash Flow

- Net cash flow from operations in Q1 NOK -9.1 million, impacted by EBITDA including Business Development expenses of NOK -1.2 million and working capital of NOK -10.7 million
- Net cash flow from financing NOK -13.5 million includes loan repayment of NOK 6.3 million and earnout payments of NOK 8.0 million
- Remaining term loan NOK 6.3 million, will be fully repaid in Q2 2023
- Net cash flow in Q1 NOK -22.0 million, cash balance end of Q1 NOK 246.0 million

Financial position

- Non-current assets includes intangibles and goodwill from Ipsen transaction totaling NOK 269.0 million
- Long-term liabilities includes deferred Ipsen earnout totaling NOK 133.1 million
- Equity NOK 455.3 million, 64% of total assets

Summary



Summary of results



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- 30% rev. growth/8% unit growth in Q1; 12% sequential rev. growth highlights rebound from Q4 anomaly
- 30 Saphira™ towers installed in U.S. in Q1 (18 new, 12 upgrades)
- Saphira™ high-definition equipment now 25% of rigid tower base in U.S.; Pipeline remains strong
- Continuing to drive key initiatives in both commercial regions and with licensing partners
- Healthcare delivery/hospital budgets still under some constraints globally but improving
- BLC awareness rising with clinical data, KOL support, and equipment/image quality upgrades
- Potential re-classification of BLC equipment could “unlock” the market for Cysview in the U.S.

2023 Anticipated Milestones & Corporate Objectives



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- Deliver 65-75 Saphira™ installs, product revenue growth above 20%, and generate positive EBITDA in 2023
- Continue to grow the base of rigid blue light towers in North America, upgrade BLC® image quality throughout Europe, and pursue strategy to establish a durable solution for flexible BLC equipment globally
- Proactively support the Citizen's Petition for the U.S. FDA to reclassify BLC equipment from Class 3 to Class 2, creating an expedited pathway for additional BLC manufacturers to enter the U.S. market
- Continue to geographically expand commercial business by penetrating untapped European and Canadian markets, and through additional Hexvix® licensing agreements ROW
- Present/publish additional data from patient registries and other studies on the use of BLC® with Hexvix/Cysview
- Evaluate strategic product or business opportunities that leverage organizational strengths

Leading change in bladder cancer

Q&A

