

Annual Report

2024





MISSION
To deliver
transformative
solutions to improve
the lives of bladder
cancer patients

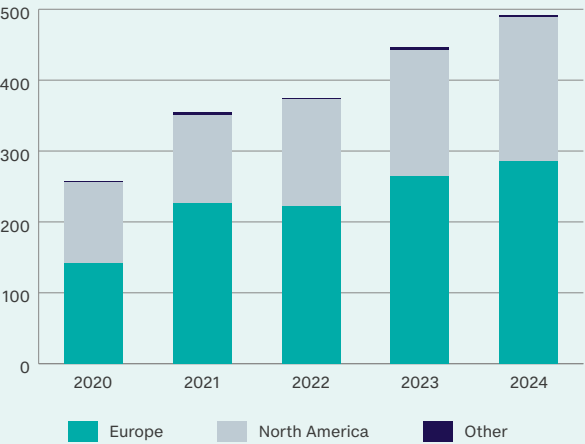
VISION
Leading change
in bladder
cancer

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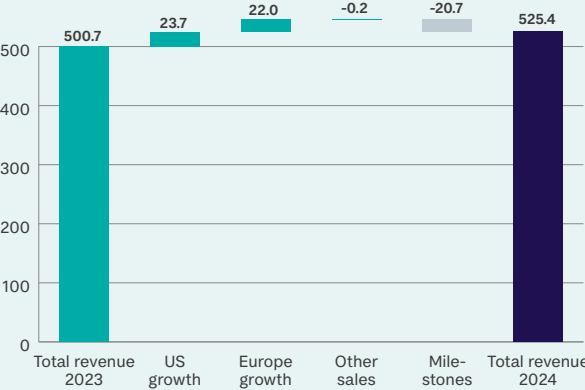
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2024 in brief

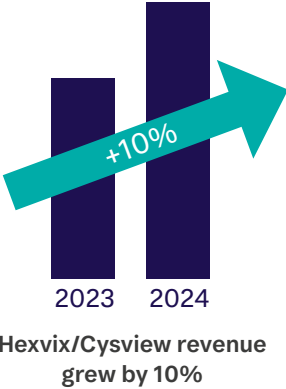
SALES REVENUE 2020-2024
(NOK million)



REVENUE 2023-2024
(NOK million)



FINANCIAL HIGHLIGHTS



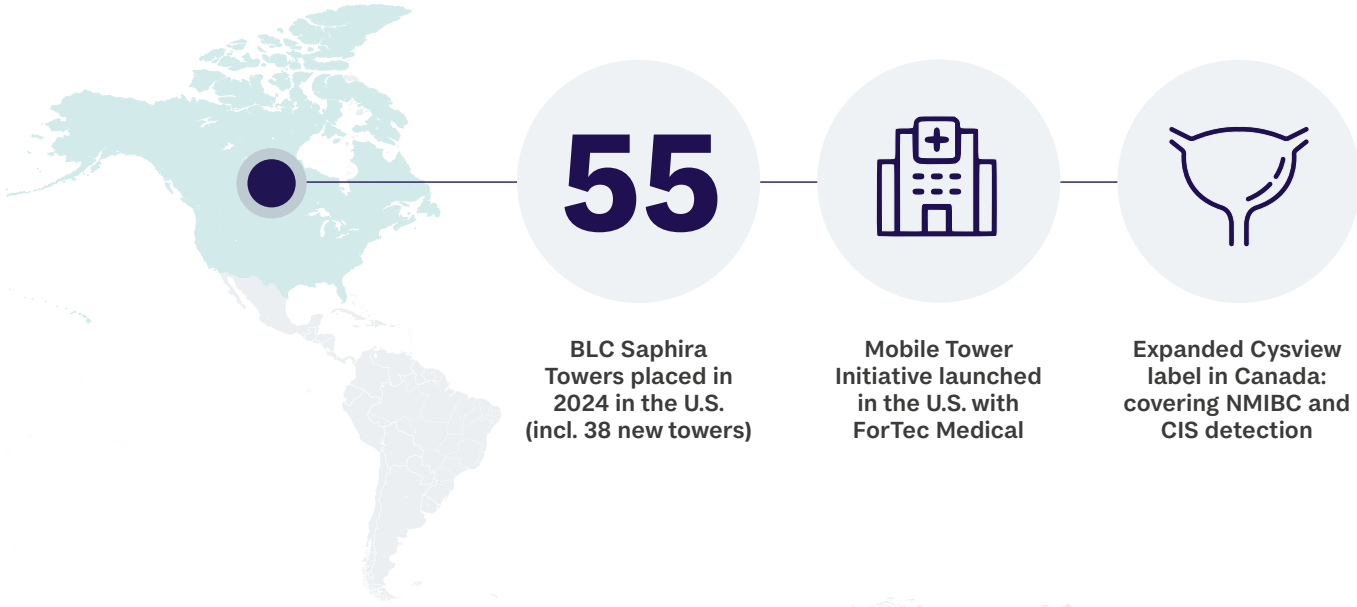
49.2
MILLION

NOK generated
in EBITDA

FINANCIAL OVERVIEW
(NOK million)

Commercial Franchise	2024 FY	2023 FY
Europe revenues	285.6	263.5
North America revenues	202.3	178.6
Other sales revenues	3.8	4.0
Total sales revenues	491.7	446.2
Signing fee and milestones	33.7	54.4
Total revenues	525.4	500.7
Gross profit	494.7	474.5
Operating expenses	-445.5	-419.0
EBITDA	49.2	55.5
Depreciation & Amortization	-28.8	-27.7
EBIT	20.4	27.8
Net financial items	-12.0	-18.1
Profit/loss(-) before tax	8.4	9.7
Tax expenses	-11.7	-8.8
Net profit/loss(-)	-3.3	1.0
Cash balance	293.9	259.5
Total assets	739.1	712.0
Total equity	501.7	482.8
Equity ratio	68%	68%

GLOBAL BUSINESS HIGHLIGHTS



7 Abstracts presented at 5 urology congresses

4 Medical journal articles & editorials published



Agreement to develop new HD Flexible BLC system with Richard Wolf



Named Patient Program providing access to Hexvix in South Africa



Asieris partner news: Hexvix MA approved in China
Cevira NDA acceptance for review in China

CEO letter

At Photocure, we focus all our efforts and resources on delivering transformative solutions to improve the lives of bladder cancer patients. Our medicinal product makes cancer cells visible for physicians so they can optimize the diagnoses, staging and treatments for cancer patients. More than 850 000 diagnostic procedures have been conducted around the world to date.

Since 2021, Photocure has been a participant of the United Nations Global Compact (UNGC); the world's largest corporate sustainability initiative. This commitment as part of a global movement means that we must adhere to the ten principles of the UNGC within human rights, labor, environment, and anti-corruption. For Photocure, sustainability is about both the quality products we make and the way we run our operations: we strive to give bladder cancer patients access to care in a sustainable way, while working to create value for our shareholders.

As a specialty healthcare products company, we believe responsibility, transparency and sustainability must be integrated in Photocure's business model and strategy, and that efficient, high-quality products manufactured, sold and used in a responsible manner is what makes us a successful company. The backbone for this success is our people and company culture. Photocure's core values comprise important standards for the company, both internally and externally, guiding

our behavior, what we believe and how we will succeed. They exist under the principle that We Care about everything we do and everyone we engage with. Our core values – Take Ownership, Be Passionate, Be Courageous, Be Agile, Be Curious and Work Together – have been established from within our teams.

Within this annual report we deliver Photocure's sixth sustainability report this year, prepared in accordance with the 2021 GRI Standards and with reference to Euronext guidelines for ESG reporting and the European Sustainability Reporting Standard (ESRS). We have implemented a process based on stakeholder dialogue and materiality assessment to ensure that Photocure reviews and reports on the most material topics for our company and our industry and that our reporting is aligned with our business objectives, supports our strategy, and minimizes risks. We also reference our attention to industry standards and regulations, which helps us implement our responsibilities across our value chain in a systematic manner.

In this year's report, we follow up on the targets and progress for each material topic, as defined in last year's ESG report and we continue to set goals for how to improve our work in the future. Going forward, we will work systematically on implementing sustainability targets in our purchasing and supply chain activities. We will also continue to strengthen the focus on a safe, healthy, productive and inclusive working environment and ensure the appropriate channels for reporting concerns are well known.

Photocure's mission is to deliver transformative solutions to improve the lives of bladder cancer patients. We seek to do so in a responsible way. We will continue to build a high-performance corporate culture based on a foundation that values diversity, equality, respect and inclusion, and operates with the highest level of integrity. I hope this report will highlight our commitment to sustainability as well as provide insights about our approach to its challenges and opportunities for our business and society.

«Photocure's mission is to deliver transformative solutions to improve the lives of bladder cancer patients. We seek to do so in a responsible way.»



Dan Schneider
President and CEO
of Photocure

Board of Directors Report 2024

Photocure delivered strong financial performance in 2024, with revenue growth of 10% and EBITDA of NOK 49.2 million. During the year, the Company focused on increasing its product sales, expanding and upgrading the installed base of blue light cystoscopes in North America and Europe, and advancing other key strategic initiatives. The number of rigid blue light cystoscopy (BLC®) towers installed in 2024 was the second largest in the U.S. since the Company launched Cysview®, and in Europe, Photocure has facilitated blue light image quality upgrades for over one-third of its target accounts since 2023. The investment in Photocure's Priority Growth Markets in Europe is paying off, with unit sales growth in the UK, France and Italy accelerating to 9% in 2024, compared to growth of 3% in 2023. While U.S. sales in the flexible cystoscopy segment continued to decline during the year due to Karl Storz discontinuing the manufacture and sale of new flexible BLC equipment, the Company continued to grow its rigid blue light cystoscopy business to more than offset the loss of flexible cystoscopy sales. The growth of Cysview in the rigid BLC segment was partially driven by the successful mid-year launch of a mobile blue light tower initiative in connection with a collaboration between ForTec Medical, Karl Storz and Photocure in the U.S. In response to the lack of flexible BLC equipment availability, Photocure announced a partnership with Richard Wolf during 2024 to develop and globally commercialize a new high-definition flexible blue light cystoscope solution to address this important and underserved market. In addition to this progress, the late 2024 launch of Olympus's new high-definition blue light cystoscopy upgrade in Europe, the possible reclassification of blue light cystoscopes in the U.S., and the advancement of the license agreements with Asieris have potential to become significant drivers of future growth.

In 2024, the installed base of rigid BLC towers increased with the continued adoption of Karl Storz' high definition Saphira™ blue light capital equipment. The number of new rigid BLC towers in the U.S. grew 11%, or 38 towers, from the fourth quarter of 2023, and there were 55 Saphira towers placed, both new and upgraded equipment, during 2024. The growth of rigid BLC capital equipment significantly outweighed the loss of flexible BLC towers, which fell from 27 to 25 towers throughout the year.

Hexvix®/Cysview® revenue grew 10% to NOK 487.9 million in 2024, and global unit sales increased 6% compared to 2023. Total revenue for the Company increased 5% to NOK 525.4. including milestones received from Asieris in both the 2023 and 2024 periods.

Milestone payments in 2024 from Asieris totalled NOK 33.7 million compared to NOK 54.4 million in 2023. As a result, reported operating profit in 2024 of NOK 20.4 million was NOK 7.4 million lower

than the NOK 27.8 million operating profit reported in 2023. Without the milestone revenue in both periods, adjusted operating profit increased by NOK 12.5 million in 2024 compared to 2023. The milestone revenue in both 2023 and 2024 reflects payments received from Asieris MediTech Co., Ltd. (Asieris) for the clinical trial and regulatory advancement of both Hexvix® in China and Cevira®, which are licensed to Asieris. Furthermore the 2024 and 2023 operating results include NOK 8.5 million and NOK 9.9 million,

respectively for non-recurring business development expenses associated with the Company's objective to expand its revenue opportunities. Net loss in 2024 was NOK 3.3 million, compared to a net profit of NOK 1.0 million in 2023.

Despite the ongoing challenges in 2024 including the phase-down of flexible BLC equipment in the U.S. and the launch delay of Olympus' upgraded blue light system in Europe, Photocure delivered on key corporate objectives during the year. The company reported significant product revenue growth and an increase in commercial EBITDA, driven by positive contributions from both its North American and European business units.

Photocure's North American commercial team grew the overall business by focusing on the TURBT* (rigid BLC) segment of the market and the initial roll-out of the mobile BLC collaboration with ForTec Medical beginning in mid-2024. In Europe, the Company delivered strong growth in the DACH region as well as unit sales acceleration in its Priority Growth Markets via image quality upgrades and commercial focus. Increasing support from key opinion leaders (KOLs) in several European countries and updated EAU guidelines in 2023, which clarify the benefits of BLC, were important drivers of the progress and should continue to reinforce the growth trend in these markets.

During 2024, the focus on non-muscle invasive bladder cancer (NMIBC) increased significantly within the urology treatment community driven by a wave of newly approved or late-stage therapeutics to treat the disease. Momentum in the NMIBC treatment landscape was evident at major medical congresses throughout 2024 such as the American Urological Association (AUA) and European Association of Urology (EAU) Annual Meetings with more than 20 ongoing clinical trials for

NMIBC treatments. For these drugs and drug candidates, finding patients whose treatments have failed or who are refractory to first-line treatments as early as possible is key to utilizing these next generation products. As a result, BLC with Hexvix/Cysview has seen increased industry attention as adoption continues to expand, and there is potential to use the technology to identify these patients earlier. With multiple drug companies expected to invest significantly to develop markets for these new therapies, Photocure is working to position BLC as a definitive diagnostic to help physicians make better decisions when selecting among these new NMIBC treatments.

In line with the increased innovation in NMIBC treatment, Photocure also announced clinical data presentations for BLC with Hexvix/Cysview at bladder cancer congresses in 2024 including those sponsored by the AUA, the American Society of Clinical Oncology (ASCO GU), and the EAU. In total, there were 7 abstracts accepted for presentation during 2024, and the Company also announced 4 publications in peer-reviewed journals highlighting the clinical and health economic benefits of using BLC with Hexvix/Cysview.

Supporting the Company's effort to position BLC with Hexvix/Cysview in the new NMIBC treatment paradigm, Photocure's U.S. Registry is the largest bladder cancer patient registry in the country with over 3,500 patients included in the database to date. In 2023 and 2024, the Company capitalized expenses associated with this asset, given the high interest from companies pursuing new bladder cancer treatments and seeking access to the real-world data generated by this Registry. The interest also relates to the use of BLC to identify patients who have failed first-line bladder cancer treatments. As a result, Photocure

expects that it will continue to monetize this important resource going forward.

Photocure is pursuing several strategic initiatives to accelerate the growth of its Hexvix/Cysview franchise by increasing the availability and access of BLC capital equipment globally. In 2024, the Company made significant progress on those initiatives and reported progress on its partnership with Asieris.

On June 4, Photocure announced that it commenced activities to support a new initiative enabling U.S. hospitals and clinics to offer blue light cystoscopy (BLC®) using a mobile capital equipment model. The initiative is aligned with an agreement between Karl Storz and ForTec Medical, aimed at providing on-demand Saphira™ BLC equipment to hospitals in the U.S. leveraging ForTec's utilization-driven mobile equipment business model. The mobile tower opportunity is intended to increase access to BLC by reducing or eliminating the need for capital budget approvals and instead, enabling hospitals to utilize operating budgets to bring the benefits of BLC with Cysview® to their physicians and patients. The mobile tower initiative began with 6 on-demand ForTec towers in the field and was expanded to 18 on-demand towers in September 2024.

* TURBT: trans-urethral resection of bladder tumors

In July 2024, Photocure announced that it had entered into a strategic agreement with Richard Wolf GmbH to develop and commercialize a next-generation 4K LED high-definition (HD) reusable flexible blue light cystoscope based on Richard Wolf's System blue technology. The agreement is focused on developing technologically advanced flexible blue light cystoscopy equipment for the global market so that physicians who treat patients with bladder cancer can offer the benefits of BLC with Hexvix® / Cysview® in the outpatient, or surveillance setting. Post-period, in February 2025, Photocure provided an update from its collaboration with Richard Wolf disclosing that a flexible BLC interim solution is now available in Europe. This solution can serve as a bridge to the fully optimized 4K LED HD flexible BLC system that remains under development.

In December 2024, Olympus launched a high-definition blue light cystoscopy upgrade for its state-of-the-art Viscera Elite III endoscopic platform in Europe. Photocure believes that this new blue light upgrade and the Company's collaborative efforts with Olympus' sales and marketing organization will increase the use of Hexvix in certain Nordic countries and elsewhere in Europe.

Photocure has vigorously supported the Citizen's Petition by Karl Storz requesting the U.S. Food and Drug

Administration (FDA) to reclassify BLC equipment from Class 3 to Class 2, potentially opening a new pathway for more capital equipment manufacturers to enter and expand the U.S. market for BLC. Since the Petition for reclassification was submitted in October 2022, the need for new equipment manufacturers in the U.S. market has been highlighted in several public comments from concerned individuals and organizations, submitted to the FDA and published in support of the Citizen's Petition including those from physicians, health systems, patient advocacy groups and equipment manufacturers such as Richard Wolf, Olympus and Stryker Corporation. On December 10, 2024, the FDA officially closed the public comment period for Karl Storz's Citizen's Petition. Photocure expects the FDA to publish a proposed order in The Federal Register to indicate next steps in the process for deciding on the Citizen's Petition.

Photocure's partner Asieris continued to advance its product candidates licensed from the Company. On November 5, 2024, Asieris announced that market authorization for Hexvix was granted by China's National Medicinal Products Administration (NMPA). The regulatory approval resulted in a USD 1.1 million milestone payment to Photocure in Q4 2024. Commercialization by Asieris in China is dependent upon the approval of Richard Wolf's blue

light equipment, which remains under regulatory review in China.

Additionally, Asieris is working toward market approval of Cevira in China, after announcing on May 12, 2024, that its NDA for Cevira was accepted by the NMPA for regulatory review.

About Photocure

Photocure ASA ("Photocure", "the Company" or "the Group"), the Bladder Cancer Company, delivers transformative solutions to improve the lives of bladder cancer patients. Photocure's unique product, sold under the brand names Cysview® (U.S. and Canada) and Hexvix® (all other markets), which make bladder cancer cells glow bright pink under blue light cystoscopy, has led to better health outcomes for patients worldwide.

Photocure is headquartered in Oslo, Norway and listed on the Oslo Stock Exchange (OSE: PHO).

Strategic direction – Photocure's strategy is to maximize the efforts of its commercial infrastructure and the market opportunity for its flagship brands Hexvix/Cysview in the management of bladder cancer. In addition, the Company will continue to explore new product and business opportunities that are complementary to Photocure's commercial activities and expertise in uro-oncology.

Commercial Segment

Hexvix®/Cysview® – the innovative product for improved detection and management of Bladder cancer

Bladder cancer ranks as the 8th most common cancer worldwide – the 5th most common in men – with 1 949 000 prevalent cases (5-year prevalence rate), 614 000 new cases and more than 220 000 deaths in 2022. (Globocan. Incidence/mortality by population: Available at: <https://gco.iarc.fr/today>, accessed February 2024). Bladder cancer has the highest lifetime treatment costs per patient of all cancers (Sievert KD et al. World J Urol 2009;27:295–300). Patients often must 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 carcinoma invasion in the bladder wall. NMIBC is the most common type of bladder cancer cases (75%). In MIBC, the cancer has grown into deeper layers of the bladder wall, is more likely to spread, and is harder to treat (Bladder Cancer. American Cancer Society. [https://www.cancer.org/cancer/ bladder-cancer.html](https://www.cancer.org/cancer/bladder-cancer.html)).

Photocure is leveraging its flagship brands Hexvix/Cysview to improve the detection of NMIBC and reduce disease recurrence and progression rates to improve cost-effective health outcomes for bladder cancer patients. Hexvix/Cysview is marketed in the U.S., Canada, and Europe by Photocure's own specialist commercial and medical teams and through partnerships in Chile, China, Australia/New Zealand, and Israel. Additionally, in September 2024, Photocure entered into an agreement with Equity Pharmaceuticals PTY Limited, part of the Clinigen group, to initiate a Named Patient Program

(NPP) enabling bladder cancer patients in South Africa to access blue light cystoscopy with Hexvix. In 2024 Photocure's revenues from Hexvix/ Cysview totalled NOK 487.9 million, compared to NOK 443.3 million in 2023.

The Company continues to see significant growth opportunities in its markets and believes that it has a solid foundation for future growth of its breakthrough bladder cancer product. Furthermore, Photocure is exploring expansion of its product portfolio through internal product development and the potential to acquire new technologies, products, or businesses.

The Company has continued to invest in its North American commercial organization, in line with its commercial market opportunities and strategic objectives. The added resources have driven growth in the number of blue light cystoscopes installed at leading U.S. hospitals/urology centres, as well as growth in unit sales and revenue. The use of Blue Light Cystoscopy (BLC®) with Cysview, in rigid and flexible cystoscopy procedures means that Cysview can be used for both bladder cancer surgery and follow-up surveillance cystoscopy, allowing physicians to detect patients with the disease earlier and manage them more appropriately. Revenue in the Company's North America segment increased 14% in 2024 to NOK 202.3 million from NOK 178.0 million in 2023. The increase was mainly driven by higher unit volume, average price increases, and a benefit from foreign exchange. The installed base of rigid blue light cystoscopes in the U.S. increased by 38 to a total of 390 at end of the year.

In addition to investments in the commercial capacity, growth has been supported by inclusion of Blue Light Cystoscopy with Cysview in prominent national guidelines for the management of bladder cancer and by improved reimbursement.

In February 2020, Photocure announced that the United States Patent and

Trademark Office (USPTO) had granted U.S. Patent No. 10,556,010 covering the use of Blue Light Cystoscopy with Hexvix/ Cysview as neoadjuvant therapy in the treatment of bladder cancer in patients who are scheduled for a cystectomy. The '010 patent expires in December 2036.

In July 2021, the USPTO granted U.S. Patent No. 11,066,478 which covers a method to treat bladder cancer including the intravesical instillation of a composition comprising Hexvix/ Cysview and anti-PD-L1 and/or anti-PD-1 antibodies followed by exposure of the inside of the bladder to light. The '478 patent expires in December 2036.

In February 2022, Photocure was granted U.S. Patent No. 11,235,168 covering the use of Blue Light Cystoscopy with Hexvix/ Cysview as an adjuvant or neoadjuvant therapy for the treatment of bladder cancer. The '168 patent will expire in January 2038.

In line with Photocure's ambition to significantly penetrate the U.S. market, Cysview is on its way to becoming the standard of care for bladder cancer patients. Keys to success are in place and include:

- Approvals – Market authorizations for use in both trans-urethral bladder tumour resection (TURBT) procedures as well as surveillance cystoscopy
- Acceptance – Recommended use of Hexvix/Cysview by the AUA, EAU, SUO, NCCN, and many regional and local guidelines, as well as the published Expert Consensus Guidelines for surveillance with flexible blue light cystoscopes
- Access – Permanent codes authorized in 2020 and 2021 for the use of BLC in TURBT procedures, and improved Medicare reimbursement in surveillance settings as of January 2023.

- Activated Awareness – Demand via advocacy groups, clinics' advertising, and media

- Acceleration – Commercial investment in the U.S. to optimize the opportunity.

Photocure plans to maximize the return on its commercial investment by growing its business in the largely untapped U.S. market, as well as in Europe where the Company expects to see strong returns in the form of revenue growth and improved profitability. Reacquisition of the broader European commercial rights has given Photocure global control of the Hexvix/Cysview brand, and the opportunity to generate sales in major countries in Europe where blue light cystoscopy is underpenetrated or not yet introduced.

On June 11, 2020, Photocure entered into an agreement with Ipsen Pharma SAS (Ipsen) regarding the return of Hexvix sales, marketing and distribution rights in Europe and other markets previously controlled by Ipsen to the Company. Commercial rights were transferred to Photocure on October 1, 2020. Photocure paid Ipsen EUR 15 million upon transfer on October 1, 2020, and Ipsen booked sales until this date. In addition, Ipsen is entitled to receive earn-out payments in the reacquired markets in the range of 10-15% of sales for the years 1-7 post-transfer and 7.5% of sales for the years 8-10 post-transfer.

By taking direct control of Photocure's own Hexvix/Cysview product in key regions, the Company is supporting its ambition to become a global leader in the treatment and management of bladder cancer, with a solid commercial foundation for expansion and further growth opportunities.

Full year 2024 European segment revenues increased 8.4% to NOK 285.6 million from NOK 263.5 million in 2023. The increase was mainly driven by higher

unit volume, average price increases, and a benefit from foreign exchange.

During 2024, several scientific publications and presentations highlighted and confirmed key benefits of BLC with Hexvix/Cysview. Main publications and presentations for the year are below:

- In March 2024, an article was published in the medical journal Cancers entitled Racial Difference in Detection Rate of Bladder Cancer Using Blue Light Cystoscopy: Insights from a Multicenter Registry. The study in the article evaluated heterogeneity in characteristics of blue light cystoscopy for detection of malignant lesions among various races with non-muscle invasive bladder cancer (NMIBC). Overall, 2379 separate samples were identified from 1292 patients, of whom, 1095 (85%) were White/Caucasian, 96 (7%) Black/African American, 51 (4%) Asian and 50 (4%) Hispanic. In all races, the sensitivity of BLC was significantly higher than WLC for detection of CIS (P<0.001). Also, the addition of BLC to standard WLC increased the detection rate by 10% for any malignant lesion in the total cohort. This rate increased to 18% in Asian patients. Positive predictive value of BLC was also highest in the Asian population (94.4%). The study authors concluded that regardless of race, BLC increased the detection of bladder cancer when combined with WLC. However, the difference was more pronounced in Asian patients. [Link to publication](#)

- In April 2024, two clinical abstracts featuring blue light cystoscopy were presented in abstract sessions at the 2024 European Association of Urology (EAU) Annual Congress. The first abstract evaluated whether 12-month recurrence-free survival after out-patient department photo coagulation of bladder tumors (PC-BT) is non-inferior to PDD-assisted

TUR-BT in patients with recurrent Ta low grade bladder tumor. For the 299 patients evaluable for 12-month follow-up, the findings demonstrated that the non-inferiority criterion was met. Recurrence-free survival was noninferior, incidence of long-term stage progression after outpatient PC-BT is noninferior to TUR-BT. Accordingly, the study authors noted that treatment of recurrent Ta low grade intermediate risk bladder tumor with outpatient PC-BT appears to be a safe alternative to TUR-BT. [Link to abstract](#)

The second abstract at the 2024 EUA Congress described the recent Hexvix randomized controlled Phase III trial in China in which 158 patients were enrolled, and 114 patients underwent Hexvix blue light cystoscopy (BLC). Among patients diagnosed with Ta, T1, or CIS, 42 out of 97 patients (43.3%) had at least one lesion detected by BLC but not by white light cystoscopy (WLC) (p<0.0001). Thirteen patients had CIS of which 11 (84.6%) showed additional CIS lesions. The BLC detection rates for PUNLMP, CIS, Ta, T1, and T2 ~ T4 tumors were NA, 94.7%, 100%, 98.2%, and 100%, respectively, while the WLC detection rates were NA, 42.1%, 76.1%, 91.2%, and 100%. These results confirm the superiority of HAL BLC over WLC in the detection of bladder cancer even if improved WLC using HD 4K equipment is utilized. In particular, additional high-risk difficult to see CIS lesions were identified in 85% of all CIS patients only by HAL BLC. [Link to abstract](#)

- In May 2024, a clinical abstract was presented at the 2024 American Urological Association (AUA) Annual Congress. The abstract featured results from the VA BRAVO (Bladder Cancer Recurrence Analysis in Veterans and Outcomes) study, a retrospective, propensity score matched analysis that evaluated oncologic outcomes following

BLC compared to WLC alone in patients from the Veterans Affairs (VA) Healthcare System. The study addresses a lack of practical real-world data comparing the impact of BLC versus WLC, specifically for recurrence, progression, and survival. The results of this study confirm that BLC use is associated with positive and statistically significant impacts on these outcomes. 626 patients were included in this study, 313 in each study arm (WLC vs. BLC). Risk of recurrence was significantly lower following BLC (HR 0.60, 95% CI 0.29-0.61), consistent with data from multiple RCT studies. Additionally, patients who underwent BLC had a significantly reduced risk of progression (HR 0.51, 95% CI 0.36-0.99) compared to patients who underwent WLC. The study also showed improved overall survival among patients receiving BLC vs. WLC (HR 0.41, 95% CI 0.30-0.72). The Principal Investigator of the

BRAVO Study, Dr. Steven Williams, commented: "The results of the BRAVO study performed within the VA healthcare system showed significant decreases in the risk of recurrence and progression, as well as the potential for improved overall survival in patients who received BLC compared to patients who received WLC only. The demonstrated impact on overall survival warrants future studies to better understand the oncologic benefit of BLC in NMIBC". [Link to abstracts](#)

- In August 2024, a case report was published in the journal European Urology Open Science, which described the first documented case of blue light cystoscopy used in the upper urinary tract to diagnose upper tract carcinoma in situ (CIS). The study author stated that "Photodynamic surgery using blue light with Cysview was uniquely added to the diagnostic and

therapeutic treatment of insidious upper tract urothelial carcinoma (UTUC) in a patient with a wide, patulous ureteral orifice." Photocure believes that this is the first instance of using blue light cystoscopy to evaluate the upper tract for UTUC. The patient's pathology was confirmed by biopsy to be CIS, and evaluation with white light alone likely would have under-staged the patient without the assistance of alternate wavelength diagnostics utilizing blue light and HAL. While the efficacy of blue-light cystoscopy for diagnosing tumors arising from the bladder is well established within the current literature, few studies have examined the utility of it in diagnosing tumors of the upper tract." The diagnosis and treatment of UTUC is not an approved indication for Hexvix/Cysview, and therefore more clinical studies would be required to advance the use of blue light cystoscopy in this indication. [Link to article.](#)





Development Portfolio

The Company's development portfolio mainly consists of projects related to the development of Hexvix/Cysview and activities related to the agreement with Asieris for Cevira.

During the full year of 2024, Photocure received milestone payments from Asieris totalling NOK 33.7 million (NOK 54.4 million). Operating expenses include business development expenses, R&D expenses related to the development of Cevira and Hexvix in China, and an allocation of overhead expenses. Full year business development expenses were NOK 8.5 million (NOK 9.9 million).

Cevira® – in development for the non-surgical treatment of high-grade squamous intraepithelial lesions, including all HPV sub-types

Cevira is a photodynamic drug-device combination product candidate for the non-surgical treatment of high-grade cervical dysplasia.

Organization on Genital Infection and Neoplasia (EUROGIN) Congress and at the 2024 Society of Gynecologic Oncology (SGO) Annual Meeting. Information about the Phase III clinical trial for Cevira can be found by clicking the following link: <https://clinicaltrials.gov/study/NCT04484415>. Asieris is working toward market approval of Cevira in China, after announcing on May 12, 2024, that its NDA for Cevira was accepted by China's National Medical Products Administration (NMPA) for regulatory review. Asieris has also stated that it is actively exploring opportunities for overseas development partnerships for Cevira.

Under the License Agreement with Asieris, Photocure has received USD 17.0 million in milestones as of the end of 2024 including a signing fee of USD 5.0 million in 2019 and additional development milestone payments. Photocure is eligible for a USD 11.0 million milestone payment for the potential regulatory approval of Cevira in China. In addition, Photocure may also receive milestones of up to USD 31.0 million for regulatory submissions and approvals of Cevira in Europe and the U.S. Initiation of patient dosing for a second indication of Cevira and approvals for such an indication in China, Europe, and the U.S. would trigger additional aggregate development and regulatory milestone payments of up to USD 16.0 million to Photocure. The Company is also eligible to receive royalties between 10% and 20% of global sales based on the achievement of certain sales thresholds, as well as cumulative milestone payments up to USD 190.0 million associated with global sales, with a significant portion of those milestones being triggered if the product achieves blockbuster status.

In July 2019, the Company announced that it had entered into a License Agreement providing Asieris with a world-wide license to develop and commercialize Cevira (APL-1702) for the treatment of HPV-induced cervical precancerous lesions.

Subsequently, Asieris launched a global clinical development program initially focused on the Chinese market, based on Photocure's Phase IIb data for patients diagnosed with high grade lesions and Phase III study design elements discussed with the U.S. FDA. In late 2020, Asieris initiated patient enrolment in its global, multi-centered Phase III clinical trial for Cevira.

In August 2022, Asieris announced the completion of enrolment in this trial, accruing a total of 402 patients. The majority of patients in the study were enrolled in China, with the remainder enrolled in Europe. On September 20, 2023, Asieris announced that the Phase III trial met its primary endpoint, together with a robust safety profile. The full Phase III results were featured in oral presentations in March 2024 at the 2024 European Research

Financial review

The Photocure annual accounts have been prepared in accordance with IFRS® accounting standards as adopted by EU.

Total revenue was NOK 525.4 million in 2024, an increase from the NOK 500.7 million reported in 2023. Total revenue includes signing fees and milestones of NOK 33.7 million in 2024 and NOK 55.4 million in 2023.

Sales revenues reached NOK 491.7 million in 2024, an increase of 10% from NOK 446.2 million in 2023. Sales revenues comprise of the Company's own sales of Hexvix in Europe and Cysview in the U.S. and Canada and income from product sales from Photocure's license partners on sales of Hexvix/Cysview to hospitals and pharmacies in other regions. The increase in revenues was mainly driven by added volume, average price increases and impact from foreign exchange.

Operating expenses increased from NOK 419.0 million in 2023 to NOK 445.5 million in 2024. The increase in operating expenses is mainly driven by foreign exchange effects, merit and inflation. Operating expenses include a total of NOK 16.7 million amortization of intangible assets related to the return on October 1, 2020, of Hexvix sales, marketing and distribution rights in Europe and other markets previously controlled by Ipsen.

Photocure's operating result was NOK 20.4 million in 2024, compared to an operating result of NOK 27.8 million in 2023. The profit decrease is primarily attributable to the increases in sales revenues, offset by the decrease in milestone payments and an increase in

expenses because of foreign exchange, merit and inflation.

Net financial loss totalled NOK 12.0 million in 2024, compared to net financial loss of NOK 18.1 million in 2023. The net financial losses were driven mainly by the Ipsen earnout payments and foreign exchange losses and were partially offset by interest income and foreign exchange gains.

Result before tax was a profit of NOK 8.4 million in 2024, compared to a profit of NOK 9.7 million in 2023. Tax expense was NOK 11.7 million in 2024 and NOK 8.7 million in 2023. The calculation of deferred tax at year end was based on a tax rate of 22% for both 2024 and 2023.

The Group's net result after tax was NOK -3.3 million in 2024, compared to NOK 1.0 million in 2023. Net cash flow from operating activities was NOK 76.8 million in 2024 compared to NOK 48.3 million in 2023. The cash flow from operating activities in 2024 was mainly driven by positive operating results adjusted for non-cash items. Net cash flow from investing activities was NOK 1.4 million in 2024, compared to NOK -0.6 million in 2023.

Net cash flow from financing activities was NOK -43.8 million in 2024. This compares to net cash flow from financing activities in 2023 of NOK -56.3 million including 12.5 million in term loan principal payments. Net cash flow from financing activities includes annual earn-out payments to Ipsen of NOK 37.1 million in 2024 and NOK 34.4 million in 2023.

Photocure secured bank financing of NOK 50 million during the second quarter of 2020 and has fully paid off the principal during second quarter 2023. The bank loan was secured under the State Guarantee Scheme for Loans to SMEs as a buffer for Covid-19 impacts.

Photocure follows a low-risk investment strategy for its liquid funds. The return

on the liquid funds depends on the rate of interest in the money markets and will therefore vary over time. Liquid funds amounted to NOK 293.9 million on December 31, 2024, and NOK 259.5 million on December 31, 2023.

Shareholder equity was NOK 501.7 million on December 31, 2024, an equity ratio of 68%. At the end of 2023, shareholder equity was NOK 482.8 million (68%).

Dividend

The Board of Directors does not propose a dividend payment for 2024. Photocure is focusing its resources on building a therapeutic area-focused commercial stage pharmaceutical company with a focus on bladder cancer. The Board of Directors will recommend payment of dividends in line with the Company's results, financial position, product and market development plans, and outlook. Photocure does not expect to pay dividends in the near future.

Parent company

In 2024, Photocure ASA (Parent company) generated a profit after tax of NOK 24.9 million, compared to a loss after tax of NOK 3.6 million in 2023. The equity in Photocure ASA totalled NOK 833.2 million on December 31, 2024. The equity ratio was 78%.

Share capital and board mandates

On December 31, 2024, 27,120,820 Photocure shares were registered. At the Ordinary General Meeting on May 23, 2024, the Board of Directors was granted authorization to purchase up to 10% of its own shares. On December 31, 2024, Photocure held 15,122 own shares.

Going concern

Pursuant to § 3.3 (a) of the Norwegian Accounting Act, it is confirmed that the conditions for assuming that the Group is a going concern are present, and that the financial statements have been prepared on the basis of this assumption. After the reporting period ended, the Company repurchased 300,000 shares at an average price of NOK 60.41 per share, totaling NOK 18.1 million. The purpose of the repurchase program is to fulfill obligations arising in accordance with Photocure's long term incentive programs and the Company's guidelines for remuneration as approved by Photocure's annual general meeting held on 23 May 2024, or otherwise as decided in accordance with the authorization. No other events have occurred since the end of 2024, except those which are stated in this report that are of major significance for the assessment of the Company's financial position and results.

Risk factors and risk management

Photocure is subject to operational and financial risk factors and uncertainties which may affect parts or all the activities in the Group. The Company proactively manages such risks, and management and the Board of Directors regularly analyse operations and potential risk factors to take measures to reduce risk exposure.

Operational risk

Photocure develops innovative products and markets and sells these products through its own commercial teams and in partnerships with other companies. These activities entail exposure to various risks. The Board of Directors and management monitor and analyse the Company's operations and potential risk factors and actively take risk reduction measures.

Commercial risk

Photocure is commercializing Hexvix/ Cysview directly in the U.S., Canada, and Europe, and has strategic partnerships with Genotests SpA in Chile, Asieris in China, Endotherapeutics in Australia/ New Zealand, Equity Pharma in South Africa, and IGL Medical in Israel.

Any significant event that adversely affects revenues from Hexvix/Cysview could have a material and negative impact on Photocure's results and cash flows. Key commercial risks include:

- Reimbursement may be limited or unavailable in certain markets, which could make it more difficult to achieve profitability in these markets. Changes in reimbursement in Europe and the U.S. may have a material impact on Photocure's results and cash flows.
- Inflationary pressures in the economy and budget tightening may inhibit the hospitals' ability to invest in equipment. This may have a negative impact on the Company's revenues, results and cash flows.
- Hospitals and other medical institutions may restrict access for our staff which will make the sales and support activities more challenging and therefore may have a negative impact on Photocure's results and cash flows.
- Hospitals and other medical institutions may find limited availability of nursing and other staff. This may impact the demand for Photocure's products and therefore may have a negative impact on the Company's revenues, results and cash flows.
- Use of Hexvix/Cysview requires installation of Blue Light Cystoscopes which are manufactured and sold by other companies, only one of which

is approved with Cysview in the U.S. These companies' ability and willingness to develop and promote these products may affect Photocure's results and cash flows.

- Partners' ability to support the brand in key markets.
- The expiration or loss of patent protection may adversely affect Photocure's future results and cash flows. Third parties may challenge or seek to invalidate or circumvent Photocure's patents and patent applications. The patent for Hexvix expired in the main European countries in 2019 and the patent for Cysview in the U.S. expired in the fourth quarter 2020.
- Competitive products or technologies may emerge at any time, and changes in the competitive landscape may have a material impact on Photocure's results and cash flows.

Manufacturing risk

Photocure relies on third-party suppliers for manufacturing and assembly. Delays or interruptions and quality issues at the production facilities as well as improper transport, handling and delivery may impair supply of Hexvix/Cysview to the market and hence revenues, results, and cash flows.

Development and regulatory risk

Photocure's partner Asieris requires approval from regulatory authorities to market Cevira®. Efficacy or safety issues could arise, and approval may be denied, delayed or limited.

In general, successful launches and sales for pipeline products may not be achieved inter alia due to changes in market dynamics or competition, unsuccessful marketing, and/or pricing pressure due to limitations



on healthcare budgets. As with any drug or device intended for diagnostic or therapeutic use, adverse clinical reactions are always a possibility.

Financial risk

Photocure's international business operations are exposed to liquidity and funding risk, credit risk, currency risk and interest rate risk. At the end of 2024, the Company had no derivatives or other financial instruments to reduce the currency risk and interest rate risk. Company management is responsible for managing the financial risk. Financial risk is also monitored by the Board of Directors.

Liquidity and funding risk

The Company monitors its cash flows through planning and reporting. Photocure does not have any loan agreements that involve covenants or other restrictions. Photocure uses a multi-currency consolidated accounts system that provides flexibility in relation to drawing on multiple currencies.

The company may require new capital in the future. Adequate sources of capital funding may not be available

when needed or may not be available on favourable terms.

Credit risk

Photocure is primarily exposed to credit risk associated with accounts receivable and other short-term receivables. Photocure's sales are mainly to hospitals and pharmaceutical wholesalers. The credit risk is limited as the counterparties are mainly large and non-affiliated companies/hospitals. Photocure's credit risk is considered moderate, and the Company does not use credit insurance.

Currency risk

Because the Norwegian Kroner is the Company's presentation currency, Photocure is exposed to translation risk associated with the Company's net exposure in foreign currency. Photocure's revenues and costs are incurred in different currencies and the Company is therefore exposed to exchange rate fluctuations. The Company monitors the need for

hedging of large transactions on an ongoing basis. Photocure did not have outstanding hedges of future transactions on December 31, 2024, and December 31, 2023.

Interest rate risk

In the second quarter of 2020, Photocure received a loan of NOK 50 million, which is secured under the State Guarantee Scheme for Loans to SME's (Covid-19 related). The loan was a three-year term loan, with first year interest only and with quarterly repayments of NOK 6.25 million thereafter. The loan carried a floating interest rate, and the nominal interest rate at the end of the second quarter of 2023 was 5.4%. The loan was fully repaid in the second quarter of 2023. Interest rate risk is also associated with the Company's holdings of cash and cash equivalents. The main strategy is to diversify the risk and invest in money market funds and bond funds with low risk, high liquidity, and short duration. The investments are denominated in NOK.

Organization

The Group's Leadership Team at year- end consisted of Dan Schneider, President and Chief Executive Officer; Erik Dahl, Chief Financial Officer; Geoffrey Coy, Vice President and General Manager North America; Anja Gossens-von der Heidt, Head of Global Human Resources and Anders Neijber, M.D., Chief Medical Officer.

The Board of Directors held 16 meetings in 2024. All members of the Board of Directors are shareholder-elected. The members of the Board of Directors were at the end of 2024; Dylan Hallerberg, (Chairperson), Ghizlane Tagmouti, and Neal Shore, M.D.

Photocure ASA has acquired a director's and officer's liability insurance that applies to the board members and the CEO. The insurance also covers employees who assume independent managerial responsibilities and includes controlled subsidiaries.

Photocure ASA has offices in Oslo, Norway, in Princeton, New Jersey, U.S. and in Düsseldorf, Germany.

Corporate social responsibility

Photocure's mission is to deliver transformative solutions to improve the lives of bladder cancer patients. It is about patient access to healthcare and quality of life.

This mission in society encompasses all activities from developing products, gaining approval by relevant authorities, working with patient organizations and hospitals, and finally getting products to the market either through Photocure's own sales organization or by partners. The Company is also continuously supporting clinical research activities and training a growing number of physicians in using the blue light cystoscopy procedure. Photocure

is also taking part in community involvement activities and is partnering with prominent patient associations to enhance the access to care and awareness of bladder cancer in general.

Sustainability has been part of Photocure's strategy since its origin. The company believes that creating value for patients, customers and society strengthens the Company's business and provides value for shareholders. Beyond the business impact, Photocure has implemented further metrics and operating procedures linked to the UN Global Compact, the globally recognized framework for advancing sustainability in the public and private sectors, and to foster strong relationships with a variety of stakeholders through dialogue on material topics and through its commitment to corporate social responsibility.

Comprehensive ESG reporting for the Company is available at page 79 in this annual report.

The Norwegian Transparency Act has been implemented with written procedures. See further details on page 107 in the ESG section of this annual report. Photocure's Transparency Statement is available on <https://photocure.com/our-impact/corporate-social-responsibility>.

Photocure's corporate social responsibility guidelines are available at www.photocure.com.

Outlook

Photocure delivers transformative solutions that improve the lives of bladder cancer patients. Based on benefits of the Company's breakthrough product for the management of bladder cancer, Hexvix/ Cysview, the Company has embarked on a stepwise approach for continued growth. Photocure sees significant long-term potential in the global bladder cancer treatment market and employs the following growth strategy:

- Acceleration – Drive the breadth and depth of Hexvix/Cysview usage in key accounts.
- Expansion – Generate sales in new geographies and product enhancements.
- Acquisition – Find and acquire or partner additional products used in the management of bladder cancer patients.
- Transformation – Acquire assets to strengthen the Company's uro-oncology product portfolio.

North America and Europe are Photocure's primary markets for growth, given the Company's two direct sales organizations and a majority of the market still to be penetrated by Hexvix/ Cysview with BLC. Photocure regained the sales and marketing rights to Hexvix in continental Europe in the fourth quarter of 2020 and regained the rights to Cysview in Canada in January 2022. As a result, the Company remains positioned to take advantage of the growth opportunities in these regions.

Photocure believes that the benefits of Blue Light Cystoscopy with Hexvix/ Cysview offering superior detection and management of bladder cancer will continue to be adopted and become the standard of care. Indicators of continued growth in the Company's business are: (1) increased access to BLC through ongoing expansion of the installed base of rigid BLC towers in North America and increased interest in the mobile tower solution, (2) growing support behind the potential reclassification of BLC capital equipment from Class 3 to Class 2 in the U.S., which, if approved by the FDA, is expected to open the market for multiple manufacturers to offer BLC equipment (3) increasing momentum of BLC in the urology community and new NMIBC treatment options as observed at the European Association of Urology and American Urological Association congresses in 2024, (4) a high number of blue light image quality upgrades in

targeted European accounts, and (5) the introduction of an interim flexible BLC solution from Photocure's collaboration with Richard Wolf to address the current unmet need and serve as a bridge to a new optimized high-definition flexible BLC system for global distribution in the future. The Company plans to continue supporting its commercial efforts

with additional clinical publications in scientific journals and data presentations at medical conferences to underscore the clinical benefits and cost-effectiveness of using BLC with Hexvix/Cysview.

Photocure expects product revenue growth in the range of 7% to 11% and

YoY EBITDA improvement in 2025. While the Company is not providing a specific EBITDA guidance range, Photocure expects continued operating leverage flow-through in its core commercial business and significant growth in milestones this year.

Oslo, 11 April 2025
Photocure ASA

Dylan Hallerberg
Chairperson of the Board

Neal Shore
M.D., Director

Ghizlane Tagmouti
Director

Dan Schneider
President and CEO



Confirmation from the Board of Directors and CEO 2024

We confirm that, to the best of our knowledge, the financial statements for the period from January 1 to December 31, 2024 have been prepared in accordance with IFRS® accounting standards as adopted by EU and give a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations, and that the Report of the Board of Directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company together with a description of the key risks and uncertainty factors that the Company is facing.

Oslo, 11 April 2025
Photocure ASA

Dylan Hallerberg
Chairperson of the Board

Neal Shore
M.D., Director

Ghizlane Tagmouti
Director

Dan Schneider
President and CEO

Dylan Hallerberg

Chairperson of the Board



Attendance: Board meetings: 16/16
Compensation Committee: 3/3
Audit committee: 5/5

Dylan Hallerberg is an independent director, without material relationship with Photocure and being neither part of its executive team nor involved in the company's day-to-day operations. He holds 150,000 shares and 15,277 share options in Photocure.

Independent board member Dylan Hallerberg is a private equity and investment executive with extensive experience operating, improving and investing in businesses across all asset classes and sectors. He started his career in investment banking at Moelis & Company Los Angeles, after which he worked at The Carlyle Group in London from 2010 to 2017, where he invested in European public and private markets with a heavy operational focus. Following Carlyle, Mr. Hallerberg continued his investment career as an Analyst/PM at GoldenTree Asset Management in London before transitioning to leadership roles at Arcturus UAV and Fortress Marine Anchors in the United States. He has extensive board experience, having served on several boards as a member, observer, or an executive. Dylan Hallerberg currently serves as the President and Owner of Fortress Marine Anchors and is an active real estate and private equity investor and family office advisor. Additionally, he serves on the board of Veterans Exploring Treatment Solutions (VETS), the leading veteran's charity focused on serving Special Operations Forces (SOF) veterans suffering from TBI/CTE and PTSD. He graduated Summa Cum Laude with Highest Honors from University of California, Santa Barbara with a degree in Business Economics.

- Elected year 2023
- Chairperson of the Compensation Committee
- Member of the Audit Committee.

Neal Shore

M.D., Director



Attendance: Board meetings: 16/16
Scientific committee: 3/3

Neal Shore is an independent director, without material relationship with Photocure and being neither part of its executive team nor involved in the company's day-to-day operations. He holds no shares and 9,097 share options in Photocure.

Independent board member Dr. Shore is Medical Director for the Carolina Urologic Research Center and is a Fellow of the American College of Surgeons. He has conducted more than 400 clinical trials focusing mainly on genitourinary oncology. Dr. Shore performs peer reviews for Lancet Oncology, New England Journal of Medicine, European Urology, the Journal of Urology, Urology, BJUI, PCPD, and other high-impact scientific journals. He serves on the executive boards of the Society of Urologic Oncology and the Bladder Cancer Advocacy Network (BCAN). He has served as the National/Global Urology Research Director for GenesisCare from 2019-2023. From 2016 to 2018 Dr. Shore was the President of the Large Urology Group Practice Association. In addition, he has served on numerous Committees, Editorial and Review boards, such as the AUA Research and Innovations Committees, Health and Data Committees, the SITC Task Force for Prostate Cancer and Bladder Cancer, the Editorial Boards of Review in Urology, Urology Times, Chemotherapy Advisor, OncLive, PLOS ONE, Urology Practice, and the World Journal of Urology.

- Elected year 2022
- Chairperson of the Scientific Committee
- Advisor for ESG matters.

Ghizlane Tagmouti

Director



Attendance: Board meetings: 10/10
Compensation committee: 2/2
Audit committee: 3/3

Ghizlane Tagmouti is an independent director, without material relationship with Photocure and being neither part of its executive team nor involved in the company's day-to-day operations. She holds 25,000 shares and 5,124 share options in Photocure.

Independent board member Ghizlane Tagmouti is an experienced investment professional with a background in mergers and acquisitions. She worked in the private equity team at Advent International in London from 2015 to 2024 and contributed to several of the firm's investments including the acquisition of ICE Pharma and Zentiva, where she served as a board member. Prior to Advent, Ms. Tagmouti was a member of the investment banking team at Morgan Stanley in Paris and London. She holds a Master Grande Ecole in Finance from ESCP Europe (France) and a Bachelor in Management from ISCAE (Morocco). Ghizlane Tagmouti holds 25,000 shares and 5,124 share options in Photocure.

- Elected year 2024
- Chairperson of the Audit Committee
- Member of the Compensation Committee.

Corporate Governance Policy and Annual Review

Review of policy adopted by the Board, 11 April 2025.

Photocure is committed to Good Corporate Governance

Photocure ASA ("Photocure" or the "Company") has made a strong commitment to ensure trust in the Company and to enhance shareholder value through effective decision-making and improved communication between the management, the board of directors and the shareholders. The Company's framework for corporate governance is intended to decrease business risk, maximize value and utilize the Company's resources in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large.

The Company will seek to comply with the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code"), last revised on 14 October 2021 and available at the Norwegian Corporate Governance Board's web site www.nues.no, to the extent not considered unreasonable due to the Company's size and stage of development. The principal purpose of the Corporate Governance Code is (i) to ensure that listed companies implement corporate governance

that clarifies the respective roles of shareholders, the board of directors and senior management more comprehensively than what is required by legislation and (ii) to ensure effective management and control over activities with the aim of securing the greatest possible value creation over time in the best interest of companies, shareholders, employees and other parties concerned.

The Company is subject to reporting requirements for corporate governance under the Accounting Act section 2-9 as well as Oslo Børs "Continuing obligations of stock exchange listed companies" section 4. The board of directors will include a report on the Company's corporate governance in each annual report including an explanation of any deviations from the Corporate Governance Code. The corporate governance framework of the Company is subject to annual reviews and discussions by the board of directors.

The following provides a discussion of the Company's corporate governance in relation to each section of the Corporate Governance Code for the financial year 2024. Photocure's

compliance with the Corporate Governance Code is detailed in this report and section numbers refer to the Corporate Governance Code:

1. Implementation and reporting on Corporate Governance

The Company will seek to comply with the Corporate Governance Code. The board of directors shall include a report on the Company's corporate governance in its annual report, including an explanation of any deviations from the Corporate Governance Code.

Non-conformance with the recommendation: None

2. Business

Photocure's business is clearly defined in the Company's articles of association (the "Articles of Association"). The Company's objectives, strategies and risk profiles should be evaluated at least annually to create value for shareholders. Objectives and strategies are presented in the annual report and on the Company's website www.photocure.com.

The Company's business is defined in the following manner in the Articles of Association section 3:

«The purpose and main business of the company is to operate business related to medical use of photodynamic technology and other medical methods of treatment, and anything thereby connected.»

The board of directors of the Company has adopted several corporate governance guidelines, including rules of procedure for the board of directors, instructions for the audit committee, instructions for the compensation committee, insider manuals, manual on disclosure of information and guidelines for corporate social responsibility.

The board of directors is responsible for defining the Company's strategies, primary objectives and risk profile and to support the Company's value creation to shareholders in a sustainable way. The board of directors has taken into account financial, social and environmental factors when defining the Company's strategies, primary objectives and risk profile.

The Company's strategies, primary objectives and risk profile are evaluated by the board of directors on an annual basis and are further described in the annual report, ESG report and on the Company's website www.photocure.com.

Non-conformance with the recommendation: None

3. Equity and dividends

Capital Structure

On 31 December 2024, the Company's consolidated equity was NOK 501.7 million, an equity ratio of 68%. The



board of directors considers this equity level to be satisfactory. The Company had at 31 December 2024 interest-bearing debt totalling NOK 143.1 million. The Company's capital structure and financial strength is continuously considered in light of its objectives, strategy and risk profile.

Dividend Policy

Photocure is focusing its resources on building a specialty pharma company and the board of directors will recommend payment of dividends in line with the Company's results, financial position and outlook. The Company, due to its level of development, uneven revenue streams and net cash flows, does not expect to pay recurring dividends until justified by recurring cash flows. The dividend policy is disclosed in the annual report.

The ordinary general meeting resolves the annual dividend, based on the proposal by the board of directors.

The amount proposed sets an upper limit for the general meeting's resolution.

Capital Increases and Issuance of Shares

The board of directors currently does not hold any authorization to resolve increases of the Company's share capital. The board of directors expects to propose that the general meeting grants such authorizations for purposes of meeting the Company's obligations pursuant to its incentive programs and strategic purposes to be able to strengthen the Company's equity. The authorizations will be separate based on the corresponding defined purposes. As such, any proposed authorization will be restricted to defined purposes. Further, any proposed authorization will have a limited duration and will not last longer than to the Company's next annual general meeting.

Purchase of own Shares

The board of directors is authorized by the general meeting to purchase the Company's own shares on behalf of the Company. The authorization is restricted to defined purposes and does not last longer than to the Company's next annual general meeting.

Non-conformance with the recommendation: None

4. Equal treatment of shareholders

Pre-Emption rights to Subscribe

According to the Norwegian Public Limited Liability Companies Act, the Company's shareholders have pre-emption rights in share offerings against cash contribution. Such pre-emption rights may however be set aside, either by the general meeting or by the board of directors if the general meeting has granted a board authorization which allows for this. Any resolution to set aside pre-emption rights will be justified by the common

interests of the Company and the shareholders, and such justification will be publicly disclosed through a stock exchange notice from the Company.

Trading in own shares

Photocure owns a total of 15122 own shares as of 31 December 2024.

Photocure has acquired 300,000 own shares during the financial year 2024/2025. The acquisition of shares has been made under a share buy-back program in accordance with the authorization granted to the board of directors by the Company's annual general meeting held on 23 May 2024 and in accordance with the principles of the Market Abuse Regulation and related regulations regarding exemptions from market manipulation, insider trading, and the disclosure of inside information for share repurchase programs. The share buy-back program was carried out in the period from and including 19 December 2024, through 14 January 2025, the Company acquired a total of 300,000 shares at an average price of NOK 60.41 per share, all acquired as ordinary market transactions on Euronext Oslo Børs. The

acquisition was settled in January 2025 and will be recorded in the financial year 2025.

In implementing the share buy-back program, the board of directors has ensured that all transactions have been carried out through the trading system at Oslo Børs at prevailing prices. The board of directors has taken the Company's and shareholders' interests into consideration and maintained transparency and equal treatment of all shareholders.

Photocure has not sold any own shares during the financial year 2024.

Non-conformance with the recommendation: None

5. Shares and negotiability

The shares of the Company are freely transferable. There are no restrictions on ownership, trading and voting for shares in the Company pursuant to the Articles of Association.

Non-conformance with the recommendation: None



6. General meetings

The board of directors will make its best efforts with respect to the timing and facilitation of general meetings to ensure that as many shareholders as possible may exercise their rights by participating in general meetings, thereby making the general meeting an effective forum for the views of shareholders and the board of directors.

Notification

The notice for a general meeting, with reference to or attached support information on the resolutions to be considered at the general meeting, shall as a principal rule be sent to shareholders individually, or to their depository banks, no later than 21 days prior to the date of the general meeting. The notice of meeting includes information regarding shareholders' rights, guidelines for registering and voting at the meeting.

The board of directors will seek to ensure that the resolutions and supporting information distributed are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting. The notice and support information, as well as a proxy voting form, will normally be made available on the Company's website www.photocure.com no later than 21 days prior to the date of the general meeting.

Participation and Execution

Pursuant to the Articles of Association section 9 shareholders who want to participate at the general meeting shall notify the Company thereof within five days prior to the general meeting.

To the extent deemed appropriate or necessary, the board of directors will seek to arrange for the general meeting to vote separately on each candidate nominated for election to the Company's corporate bodies.

The chairperson of the board, the chief executive officer and the chief financial officer shall, as a general rule, be present at the annual general meeting. The board of directors and the chairperson of the nomination committee shall, as a general rule, be present at general meetings. The auditor should attend the ordinary general meeting and any extraordinary general meetings to the extent required by the agenda items or other relevant circumstances.

The chairperson of the board will normally be chairing the general meetings. The board of directors will seek to ensure that an independent chairperson is appointed if considered necessary based on the agenda items or other relevant circumstances.

The Company will prepare and facilitate the use of proxy forms which allow separate voting instructions to be given for each item on the agenda, and nominate a person who will be available to vote on behalf of shareholders as their proxy.

Non-conformance with the recommendation: Photocure has carried out one general meetings during 2024 and certain prior years where some of the board members have not been able to participate. The board has nevertheless been represented at all general meetings, including by the chairperson of the board of directors.

7. Nomination Committee

The nomination committee is governed by the Articles of Association section 7. In addition, the Company's general meeting adopts instructions for the nomination committee.

The nomination committee shall consist of two or three members who shall be shareholders or shareholder representatives. The members shall be elected by the general

meeting for a term of one year. The nomination committee shall give its recommendation to the general meeting on election of and compensation to members of the board of directors and members of the nomination committee. The proposals shall be justified.

Shareholders are encouraged to submit proposals to the nomination committee for candidates for election to the board of directors. Such proposals must be in writing and justified and be submitted minimum 2 months before the general meeting if they are to be considered by the nomination committee.

The nomination committee currently consists of the following three members: Robert Blatt (chairperson), Hans Peter Bøhn and Lars Viksmoen. The current members have been elected by the general meeting with a term until the Company's ordinary general meeting in 2025. All members are independent of the board of directors and senior management.

Non-conformance with the recommendation: None

8. Composition and independence of the Board of Directors

Pursuant to the Articles of Association section 5, the Company's board of directors shall consist of three to seven members. The board of directors currently consists of the following three members: Dylan Hallerberg (chairperson), Neal Shore and Ghizlane Tagmouti. The chairperson of the board has been elected by the general meeting. The term of office for members of the board of directors is one year at a time.

All members of the board are considered independent of the Company's senior management, material business contacts and the Company's main shareholders.

The Company's annual report provides information to illustrate the expertise of

the members of the board of directors and their record of attendance at board meetings. Board members are encouraged to own shares in the Company.

Non-conformance with the recommendation: None

9. The work of the Board of Directors

The Rules of Procedure for The Board of Directors

The board of directors is responsible for the over-all management of the Company and shall supervise the Company's day-to-day management and the Company's activities in general.

The Norwegian Public Limited Liability Companies Act regulates the duties and procedures of the board of directors. In addition, the board of directors has adopted supplementary rules of procedures, which provides further regulation on inter alia the duties of the board of directors and the chief executive officer, the division of work between the board of directors and the chief executive officer, the annual plan for the board of directors, notices of board proceedings, administrative procedures, minutes, board committees, transactions between the Company and the shareholders and confidentiality.

The board shall produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The chief executive officer shall at least once a month, by attendance or in writing, inform the board of directors about the Company's activities, position and profit trend.

The board of directors' consideration of material matters in which the chairperson of the board is, or has been, personally involved, shall be chaired by some other member of the board.

The board of directors shall evaluate its performance and expertise annually and make the evaluation available to the nomination committee.

The board of directors has adopted rules of procedures for the board of directors, which inter alia include guidelines for notification by members of the board of directors and senior management if they have any material direct or indirect interest in any transaction entered into by the Company.

The rules of procedures for the board of directors also includes a statement on how the board of directors and the senior management shall handle agreements with related parties, including whether an independent valuation shall be obtained. The board of directors shall include a report on such agreements in the annual report.

The Audit Committee

The Company's audit committee is governed by the Norwegian Public Limited Liability Companies Act and a separate instruction adopted by the board of directors.

The members of the audit committee are appointed by and among the members of the board of directors. A majority of the members shall be independent of the Company's senior management, and at least one member shall have qualifications within accounting or auditing. Board members who are also members of the senior management cannot be members of the audit committee.

The principal tasks of the audit committee are to:

- prepare the board of directors' supervision of the Company's financial reporting process;
- monitor the systems for internal control and risk management;

- have continuous contact with the Company's auditor regarding the audit of the annual accounts; and
- review and monitor the independence of the Company's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

The audit committee currently consists of the following two members: Ghizlane Tagmouti (chairperson) and Dylan Hallerberg.

The Compensation Committee

The Company's compensation committee is governed by a separate instruction adopted by the board of directors. The members of the compensation committee are appointed by and among the members of the board of directors and shall be independent of the Company's senior management.

The principal tasks of the compensation committee are to prepare:

- proposals for guidelines for remuneration of senior executives and board of directors in accordance with the Norwegian Public Limited Liability Companies Act section 6-16a;
- report on remuneration to senior executives in accordance with the Norwegian Public Limited Liability Companies Act section 6-16b; and
- other matters relating to remuneration and other material employment issues in respect of the senior management.

The compensation committee currently consists of the following two members: Dylan Hallerberg (chairperson) and Ghizlane Tagmouti.

Non-conformance with the recommendation: None

Other committees

In addition to the Audit Committee and the Compensation committee, the board of directors has established a scientific committee and an ESG advisory committee headed by board member Neal Shore, M.D.

10. Risk management and internal control

The board of directors should on an ongoing basis assess the Company's risks. Each year, as a minimum, the board of directors has a thorough assessment of the significant parts of the Group's business and outlook, in order to identify risks and potential risks, and remedy any incident that have occurred. The board of directors may engage external expertise if necessary. The objective is to have the best possible basis for, and control of, the Company's situation at any given time.

In addition to the annual risk assessment, the management should present quarterly financial statements that will inform the board and shareholders on current business performance, including risk. These reports should be subject to review at the board meetings.

Significant risks include strategic risks, financial risks, liquidity risks and operational risks. The Company's significant risks are assessed on an ongoing basis and at least once a year by the board.

The Company's finance function is responsible for the preparation of the financial statements and to ensure that these are prepared and reported according to applicable laws and regulations and in accordance with IFRS. The audit committee performs reviews of the quarterly and annual financial statements with special focus on transaction types which includes judgments, estimates or issues with major impact on the financial statement. In addition to the quarterly and annual

reporting, the board of directors receives monthly financial updates.

Management controls are performed at a senior level in the Company.

Non-conformance with the recommendation: None

11. Remuneration of the Board of Directors

The remuneration of the board of directors shall be decided at the Company's general meeting, and should reflect the board of directors' responsibility, expertise, time commitment and the complexity of the Company's activities. The remuneration is not linked to the Company's performance.

The nomination committee shall give a recommendation as to the size of the remuneration to the board of directors. Pursuant to the instructions for the nomination committee, the recommendation should normally be published on the Company's website at least 21 days prior to the general meeting that will decide on the remuneration.

The Company has implemented a board option remuneration in accordance with the approval by the annual general meeting in 2022, under which the board members of the Company have received options to acquire shares in the Company. The program was continued in 2023 and 2024. Details regarding the board option remuneration, inter alia information on pricing, vesting and exercise, can be found in the nomination committee's report and recommendations to the annual general meeting in 2022, 2023 and 2024.

Any remuneration in addition to normal fees to the members of the board of directors should be specifically identified in the annual report.

Members of the board of directors and/or companies with which they are associated should not take on specific

assignments for the Company in addition to their appointment as a member of the board unless approved by the board of directors. The remuneration for such additional duties should be approved by the board of directors. The Company has entered into a consultancy agreement with board member Neal D. Shore pursuant to which Mr. Shore may provide certain medical expert services to the Company. The agreement is dealt with and approved by the board. In 2024 the Company has paid NOK 269 thousand as remuneration pursuant to the consultancy agreement with Mr. Shore.

Non-conformance with the recommendation: The Company has granted options to the members of the board of directors. The board option remuneration has been presented to and approved by the general meeting of the Company. Other than this, the Company acts in compliance with the Corporate Governance Code with regards to remuneration of the board of directors.

12. Remuneration of the senior management

The Company has in accordance with the Norwegian Public Limited Liability Companies Act established guidelines for the remuneration of the senior executives in the Company. The remuneration guidelines have been approved by the general meeting. The remuneration guidelines shall be clear and understandable, and shall contribute to the Company's business strategy, long-term interests and financial sustainability. The arrangements for salary and other remuneration shall be simple and shall ensure convergence of the financial interests of the senior management and the shareholders.

The Company aims to ensure that performance-related remuneration is based on quantifiable factors which the employee in question can influence.

The remuneration guidelines are available at www.photocure.com.

The compensation scheme for the Company’s senior management is based on a fixed salary, performance related bonus (capped based on fixed salary), a share incentive scheme, pension benefits and certain other benefits. Performance-related remuneration is linked to value creation for the shareholders over time, and is based on quantifiable factors which the employees in question can influence.

Non-conformance with the recommendation: The maximum pay-out under the option program is not subject to an absolute limit. Other than this, the Company acts in compliance with the Corporate Governance Code with regards to remuneration of the senior management.

13. Information and communications

General

The Company has targeted investor relation activities with the aim to consistently provide the market with timely and accurate information.

The Company's reporting of financial and other information is based on openness and takes into account requirements for equal treatment of all investors.

The board of directors has adopted a separate manual on disclosure of information, which sets forth the Company's disclosure obligations and procedures. The board of directors will seek to ensure that market participants receive correct, clear, relevant and up-to-date information in a timely manner, taking into account the requirement for equal treatment of all participants in the securities market.

The Company will each year publish a financial calendar, providing an overview of the dates for major events such as its ordinary general meeting and publication of interim reports.

Information to Shareholders

The Company shall have procedures for establishing discussions with important shareholders to enable the board of directors to develop a balanced understanding of the circumstances and focus of such shareholders. Such discussions shall be done in compliance with the provisions of applicable laws and regulations.

All information distributed to the Company's shareholders will be published on the Company's web site at the same time as it is sent to shareholders. The chairperson of the board and the chief executive officer are authorized to speak on behalf of the Company, and delegate such authority as is appropriate in relevant cases.

Non-conformance with the recommendation: None

14. Take-overs

In the event the Company becomes the subject of a take-over offer, the board of directors shall ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The board of directors shall also ensure that the shareholders have sufficient information and time to assess the offer.

The board of directors will not attempt to influence, hinder or complicate the submission of bids for the acquisition of the Company's operations or shares, or prevent the execution thereof. There are no defence mechanisms against take-over bids in the Articles of Association, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company. The board of directors has not established written guiding principles for how it will act in the event of a take-over bid, as such situations are normally characterized by concrete and one-off situations which make a guideline challenging to prepare.

In the event a take-over was to occur, the board of directors will consider the relevant recommendations in the Corporate Governance Code and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

Non-conformance with the recommendation: The Company has not established separate principles for how to act in a take-over situation as described.

15. Auditor

The Company's external auditor is KPMG AS.

On an annual basis, the board of directors reviews with the auditor the Company's internal control procedures, including identified risk areas and proposals for improvement, as well as the main features of the plan for the audit of the Company.

Furthermore, the auditor participates in meetings of the board of directors that deal with the annual accounts and, at least once a year, carries out a review of the Company's procedures for internal control in collaboration with the audit committee. At least one board meeting with the auditor shall be held each year in which no member of the senior management is present.

The board of directors has established guidelines in respect of the use of the auditor by the senior management for services other than the audit.

The remuneration to the auditor will be approved by the ordinary general meeting. The board of directors will report to the general meeting details of fees for audit work and any fees for other specific assignments.

Non-conformance with the recommendation: None

Financial Statements

Photocure ASA

- STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME
- STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER
- STATEMENT OF CASH FLOWS
- STATEMENT OF CHANGES IN EQUITY

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

Parent		Amounts in NOK 1 000	Notes	Group	
2024	2023			2024	2023
300 033	280 281	Revenues from contract with customers	1, 2, 3	491 675	446 214
33 713	54 443	Signing fees and milestone revenues	1, 2, 3	33 713	54 443
333 746	334 724	Total revenues		525 387	500 657
-29 297	-25 389	Cost of goods sold	4	-30 716	-26 137
304 449	309 335	Gross profit		494 671	474 521
531	504	Other income		-	-
-16 223	-12 615	Indirect manufacturing expenses	5	-16 223	-12 615
-3 631	-2 070	Research and development expenses	5	-3 631	-2 070
-203 671	-210 863	Marketing and sales expenses	5	-354 928	-334 940
-74 475	-69 501	Other operating expenses	5, 6, 7, 8	-99 490	-97 089
-297 469	-294 545	Total other income and expenses		-474 272	-446 714
6 980	14 790	Operating profit/loss(-)		20 399	27 807
67 159	33 930	Financial income	9, 10	24 927	24 554
-38 846	-40 804	Financial expenses	9, 10	-36 937	-41 177
-	-5 828	Remeasure financial balances	9, 10	-	-1 444
28 313	-12 703	Net financial profit/loss(-)		-12 010	-18 067
35 294	2 087	Profit/loss(-) before tax		8 390	9 740
-10 406	-5 644	Income tax	11	-11 729	-8 761
24 888	-3 557	Net profit/loss(-)		-3 340	979
		Currency translation		5 239	-1 021
		Total other comprehensive income items that may be reclassified to profit & loss		5 239	-1 021
		Comprehensive income		1 899	-42
		Earnings per share (Amounts in NOK):	12		
		Basic		-0.12	0.04
		Diluted		-0.12	0.04

STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER – ASSETS

Parent		Amounts in NOK 1 000	Notes	Group	
2024	2023			2024	2023
		ASSETS			
95 865	112 537	Customer relations	13	95 865	112 537
144 000	144 000	Goodwill	13	144 000	144 000
10 158	12 593	Property, plant, equipment and other assets	14	36 173	33 529
393 841	340 918	Loan to group company	10, 11	-	-
26 626	22 696	Shares in subsidiaries	15	-	-
39 070	49 476	Deferred tax asset	11	39 070	49 476
709 560	682 219	Total non-current assets		315 107	339 541
36 494	34 411	Inventories	16	39 536	37 190
56 182	43 602	Accounts receivable	17, 19	66 856	59 704
11 767	8 268	Other receivables	17, 19	23 737	16 033
259 400	238 252	Cash and short term deposits	18, 20	293 852	259 504
363 843	324 533	Total current assets		423 981	372 431
1 073 403	1 006 752	Total assets		739 088	711 973

STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER – EQUITY AND LIABILITIES

Parent				Group	
2024	2023	Amounts in NOK 1 000	Notes	2024	2023
EQUITY AND LIABILITIES					
13 560	13 560	Share capital	21	13 560	13 560
477 542	460 572	Other paid-in capital		477 542	460 572
342 051	317 162	Retained earnings		10 614	8 716
833 152	791 294	Total equity		501 716	482 848
117 126	127 680	Earnout liability	22	117 126	127 680
1 994	1 701	Pension liabilities	8	5 722	4 322
4 577	6 875	Lease liabilities	22	10 660	13 974
123 696	136 256	Total non-current liabilities		133 507	145 976
72 164	14 544	Accounts payable	17, 23	19 443	19 660
2 424	2 205	Employee withholding taxes, social security tax and VAT		2 594	1 230
12 267	11 292	Short term part non-current liabilities	22	15 784	14 017
29 700	51 161	Other current liabilities	17, 23	66 045	48 241
116 554	79 202	Total current liabilities		103 865	83 148
240 250	215 458	Total liabilities		237 372	229 125
1 073 403	1 006 752	Total equity and liabilities		739 088	711 973

Oslo, 11 April 2025
Photocure ASA

Dylan Hallerberg
Chairperson

Neal Shore
Director

Ghizlane Tagmouti
Director

Dan Schneider
President and CEO

STATEMENT OF CASH FLOWS

Parent		Amounts in NOK 1 000	Notes	Group	
2024	2023			2024	2023
35 294	2 087	Profit/loss (-) before tax		8 390	9 740
20 931	20 803	Ordinary depreciation & amortisation	13, 14	28 798	27 687
13 040	14 631	Share-based payments expense	6	16 970	20 156
293	328	Pension costs	8	1 400	1 127
-11 739	-11 122	Interest income	9	-12 868	-11 712
27 616	25 965	Interest expenses	9	28 073	26 336
-	1 444	Remeasured earnout	13, 22	-	1 444
-43 361	-9 965	Unrealized currency (gain)/loss loan subsidiary	9	-	-
-65	857	Unrealized currency (gain)/loss other		-65	858
-799	-1 739	Other items		4 399	-738
-2 083	-9 999	Changes in - inventories		-2 346	-10 656
-16 079	-13 615	- trade and other receivables		-14 856	-12 118
57 620	-1 323	- trade and other payables		-218	-1 620
-20 010	17 417	- provisions and other accruals		20 396	2 482
-	4 384	Loss allowance internal loan		-	-
-	-1 151	Settlement employee benefits		-	-1 560
-	-	Tax paid	11	-1 323	-3 117
60 658	39 002	Net cash flow from operating activities		76 750	48 309
11 739	11 122	Interest received		12 868	11 712
-9 562	-19 907	Loan to subsidiary	10	-	-
-1 673	-1 918	Investments in systems and equipment	14	-11 446	-12 306
504	-10 703	Net cash flow from investing activities		1 422	-594
-2 556	-1 669	Lease offices and company cars	14, 22	-5 945	-8 475
-	-12 500	Loan financial institution	22	-	-12 500
-323	-540	Interest paid financial loans		-742	-912
-37 135	-34 397	Earnout liability	22	-37 135	-34 397
-40 014	-49 106	Net cash flow from financing activities		-43 822	-56 284
21 148	-20 807	Net change in cash during the year		34 350	-8 569
238 252	259 058	Cash and cash equivalents as of 01 January		259 504	268 073
259 400	238 252	Cash and cash equivalents as of 31 December		293 852	259 504

STATEMENT OF CHANGES IN EQUITY - Parent Company

Parent company

	Issued capital	Treasury shares	Other paid-in equity	Translation reserve	Retained earnings	Total equity
(Amounts in NOK 1 000)						
Equity as of 31 December 2022	13 560	-301	440 718	-	320 293	774 271
Comprehensive income:						
Net profit for the year					-3 557	-3 557
Adjustment previous year					423	423
Other comprehensive income that may be reclassified to p&l						-
Total comprehensive income	-	-	-	-	-3 134	-3 134
Transaction with owners:						
Capital increase						-
Sale own shares						-
Buy back own shares						-
Employees' options			20 156			20 156
Total transaction with owners	-	-	20 156	-	-	20 156
Equity as of 31 December 2023	13 560	-301	460 874	-	317 160	791 294
Comprehensive income:						
Net profit for the year					24 888	24 888
Adjustment previous year						-
Other comprehensive income that may be reclassified to p&l						-
Total comprehensive income	-	-	-	-	24 888	24 888
Transaction with owners:						
Capital increase						-
Sale own shares						-
Buy back own shares						-
Employees' options			16 970			16 970
Total transaction with owners	-	-	16 970	-	-	16 970
Equity as of 31 December 2024	13 560	-301	477 844	-	342 047	833 152

STATEMENT OF CHANGES IN EQUITY - Group

Group

	Issued capital	Treasury shares	Other paid-in equity	Translation reserve	Retained earnings	Total equity
(Amounts in NOK 1 000)						
Equity as of 31 December 2022	13 560	-300	440 717	118	8 638	462 733
Comprehensive income:						
Net profit for the year					979	979
Other comprehensive income that may be reclassified to p&l				-1 021		-1 021
Total comprehensive income	-	-	-	-1 021	979	-42
Transaction with owners:						
Capital increase						-
Sale own shares						-
Buy back own shares						-
Employees' options			20 156			20 156
Total transaction with owners	-	-	20 156	-	-	20 156
Equity as of 31 December 2023	13 560	-300	460 873	-903	9 617	482 848
Comprehensive income:						
Net profit for the year					-3 340	-3 340
Other comprehensive income that may be reclassified to p&l				5 239		5 239
Total comprehensive income	-	-	-	5 239	-3 340	1 899
Transaction with owners:						
Capital increase						-
Sale own shares						-
Buy back own shares						-
Employees' options			16 970			16 970
Total transaction with owners	-	-	16 970	-	-	16 970
Equity as of 31 December 2024	13 560	-300	477 843	4 336	6 277	501 716

Accounting principles 2024

I. General information

The annual accounts for 2024 for Photocure Group (Photocure) include Photocure ASA and its four wholly owned subsidiaries: Photocure Inc. registered in the U.S., Photocure GmbH registered in Germany, Photocure SAS registered in France, and Photocure Canada Inc. registered in Canada. The Board of Directors approved the annual accounts for Photocure for publication on April 11, 2025.

Photocure ASA is a public limited company based in Norway. The business activities of the Group involve research, development, production, distribution, marketing, and sales of pharmaceutical products. The Company's shares are listed on the Oslo Stock Exchange. The Parent Company's registered office is located at Hoffsvæien 4, NO-0275 Oslo, Norway.

II. Basis for preparation of the annual accounts

The annual accounts for the Group and the Parent Company are prepared based on historical cost, except for money market funds and earnout liability, which are valued at fair value.

The Group and the Parent Company's annual accounts comply with IFRS Accounting Standards as specified by the International Accounting Standards Board and adopted by the European Union as of 31 December 2024.

Photocure ASA uses NOK (Norwegian kroner) as its functional and presentation currency. Unless stated otherwise, all financial information is reported in whole thousands. As a result of rounding adjustments, figures in the financial statements may not sum to the totals.

Photocure performs sales and distribution of Hexvix in the European markets through wholly owned subsidiaries in Germany (Photocure GmbH) and France (Photocure SAS), which provide marketing and promotion services. These entities use the Euro (EUR) as their functional currency. In North America, sales, marketing, and distribution are managed under the trade name Cysview by wholly owned subsidiary Photocure Inc. in the U.S. and Photocure Canada Inc. in Canada. Photocure Inc. uses U.S. dollars (USD) as its functional currency, while Photocure Canada Inc. operates in Canadian dollars (CAD).

III. Changes in significant accounting policies

There are no significant new IFRS standards taking effect in 2024 that impact the group accounts of Photocure.



IV. Disclosures regarding new standards not yet effective

There are no IFRS or IFRIC interpretations that are not yet effective, which would be expected to materially impact the Group. The new and amended standards and interpretations from IFRS adopted by the EU with effect from 2024 did not significantly impact the reporting for 2024.

V. Use of judgements and estimates

During the preparation of these consolidated financial statements, management has made judgments, estimates, and assumptions that impact the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may vary from these estimates.

Estimates and underlying assumptions are continually reviewed. Any revisions to estimates are recognized prospectively. This includes information about judgments made in applying accounting policies that significantly affect the amounts recognized, as well as information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments to the financial statements. The following notes are relevant as of 31 December 2024:

- Note 13 and 22: Goodwill and customer relations - assumptions for IAS 36 goodwill impairment analysis and IFRS 9 fair value remeasurement of earnout liability.
- Note 11: Recognition of deferred tax asset - future taxable profit for utilizing carried forward tax losses.
- Note 9 and 10: Long term loan subsidiaries - impairment and key balance sheet assumptions in Parent company.

Judgments in Relation to Accounting Principles

Photocure adheres to the International Financial Reporting Standards (IFRS) and ensures transparency in its accounting principles. In accordance with IAS 1.122, Photocure discloses judgments made in relation to accounting principles, especially those that are not straightforward and require such judgments. This includes:

- Foreign Exchange Gains/Losses: According to IAS 21.15 and IAS 21.32, foreign exchange gains and losses arising on a monetary item that is part of a reporting entity's net investment in a foreign operation should be recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of the net investment
- Other Judgments: Photocure has made judgments in relation to other accounting principles that may have a significant effect on the amounts recognized in the financial statements. These judgments are documented and disclosed in the accounting principles to ensure transparency and understanding of the accounting decisions

VI. Summary of important guidelines for accounting for the Group

A. Currency

Foreign currency transactions are recorded at the exchange rate on the transaction date. Assets and liabilities in foreign currencies are translated into NOK at the balance sheet date's exchange rate. Unless stated otherwise, realized and unrealized exchange rate gains and losses are included in financial income or expenses.

B. Property, plant, equipment and intangible assets

Property, plant, and equipment (PPE) are recognized at their cost, net of accumulated depreciation and accumulated impairment losses. PPE are depreciated over their estimated useful lives, considering any residual value. Expenditures incurred for significant replacements and upgrades of PPE are capitalized if it is probable that these costs will yield future economic benefits to the Group and if they can be reliably measured. Routine maintenance expenses are recognized as incurred.

PPE are depreciated on a straight-line basis over the estimated useful life of the asset as follows:

Production and test equipment	5 years
Furniture and office equipment	3–5 years

Intangible development expenditures are amortized on a straight-line basis as follows:

Product development	4 - 10 years
Customer relations	10 years

C. Impairment

Non-current and intangible assets recognized in the balance sheet are subject to impairment testing if there are indications of a decline in value. If the carrying amount of an asset exceeds its recoverable amount, the impairment loss is recorded in the profit and loss statement. The recoverable amount is the higher of the net sale value and the value in use of the asset. Assets are grouped and measured at the lowest level for which identifiable cash flows are largely independent when determining impairment.

Goodwill undergoes annual impairment testing. For this purpose, assets generating cash inflows from continuing use

that are largely independent from other assets or cash-generating units (CGU) are grouped together. The recoverable amount of the asset is the greater of its value in use and its fair value less costs of disposal. Value in use is determined based on estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is initially allocated to reduce the book value of the goodwill related to the CGU, followed by a pro-rata reduction of the carrying amounts of the other assets within the CGU. Impairment losses concerning goodwill are not reversed.

D. Research and development costs

Research costs are expensed as they are incurred. Development costs are recognized on the balance sheet as intangible assets only if there is an identifiable asset expected to generate future financial benefits, and if the costs of such an asset can be reliably measured. Development costs that have been expensed in previous accounting periods cannot be later recognized on the balance sheet. Cost-sharing of research and development expenses with license partners is recorded as a reduction in costs.

The tasks of the regulatory function and services provided are related to both market expansion and product development. For this reason, Photocure classifies the regulatory function into the following two categories:

- Regulatory work and services related to new products or product development based on new clinical trials up to and including phase 3 are classified as R&D costs.
- Regulatory work and services for new markets based on existing clinical data are classified as marketing costs.

E. Investment in subsidiary companies

Long-term investments are recorded in the balance sheet at the lower of cost or fair value. Permanent declines in value lead to write-downs based on individual assessments. Any profits, losses, or write-downs for these investments are recorded in the income statement as financial items.

F. Inventories

Raw materials are valued at the lower of cost and net sales value following the first-in, first-out (FIFO) method. Semi-finished and finished goods are valued at production cost, which includes a portion of the indirect production costs, also based on the FIFO method.

G. Financial assets and liabilities

All financial assets not measured at amortized cost or fair value through comprehensive income are measured at fair value through profit and loss. Photocure's money market fund investments follow this rule.

The earnout liability is measured at fair value on the acquisition date and remeasured at each reporting date, with changes recognized in profit or loss.

Interest-bearing liabilities are initially recognized at fair value and subsequently booked at amortized cost using the effective interest rate method.

Financial income includes interest from bank balances and money market funds, and exchange rate gains. Financial expense comprises interest on borrowings and exchange rate losses.

Impairment

The Group recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost.

The Group measures most loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities with low credit risk at the reporting date.
- Other debt securities and bank balances without significant credit risk increase since initial recognition.

The Group considers a financial asset's credit risk increased if it is over 60 days past due.

Trade receivables and contract assets always have loss allowances measured at lifetime ECLs. The Group uses an allowance matrix based on historical losses adjusted for forward-looking information.

H. Revenue recognition

The company's primary revenue comes from pharmaceutical product sales, recognized on delivery when control and risk transfer to the customer. License fees and milestones are recorded as revenue when contractual conditions are met. Royalty revenue aligns with the licensee's sales.

IFRS 15 mandates revenue recognition based on transferring promised goods or services to customers for an agreed amount. The five-step approach includes identifying customer contracts, performance obligations, transaction prices, allocating prices, and recognizing revenue upon satisfaction of obligations.

Photocure's up-front fees not tied to separate obligations are recognized over the contract term upon delivery. If granting a license is distinct, it becomes a separate obligation. The total transaction price, including up-front fees, milestone payments, and royalties, is allocated based on standalone selling prices. Variable milestone payments are recognized when achieved, and sales-based royalties are recognized when sales occur.

I. Share remuneration and other benefits related to share based remuneration

Employees are granted share options as part of the Group's employee incentive policy. If the Group holds its own shares, it may allocate these instead of issuing new shares upon the exercise of share options. All share options are offered at strike prices set at 10% above the market price at the time the rights are allotted.

The fair value of the share options is expensed over the vesting period, resulting in a corresponding increase in the Company's equity. The fair value is determined using the Black-Scholes model, with each program being calculated separately based on the specific strike price and duration. Share options become invalid when an employee leaves the Company. Employer's social security contributions on outstanding share options are accrued as personnel costs based on the intrinsic value of the rights.

J. Tax

The tax expense in the income statement encompasses both the income tax payable for the period and the changes in deferred tax. Deferred tax is calculated at a rate of 22% in Norway and 21% in the USA, based on the temporary differences existing between the tax value of assets and liabilities and their book value.

Liabilities for deferred tax are recognized for all temporary differences that increase tax, except when the asset associated with deferred tax arises from the initial recognition of an asset or liability in a transaction that is not part of a business combination and does not affect either accounting profit or taxable profit or loss at the time of the transaction.

Assets related to deferred tax are recognized for all tax-reducing



temporary differences, carryforwards of tax deductions, and tax losses to the extent that there is objective evidence indicating that sufficient taxable profits will be available to offset these tax-reducing temporary differences, unused tax deductions, and tax losses.

The book value of deferred tax assets is reviewed on each balance sheet date and is reduced to the extent that there is no longer objective evidence that sufficient taxable profits will be available to utilize all or part of the deferred tax assets. Non-recognized deferred tax assets are re-evaluated on each balance sheet date and are recognized to the extent that it is probable that future taxable profits will facilitate the recovery of these deferred tax assets. Each taxable entity within the Group is treated separately.

K. Contingent liabilities and assets

Contingent liabilities are defined as:

- Potential liabilities arising from past events, with their existence dependent on future occurrences;
- Liabilities excluded from the accounts due to the improbability of resulting in an outflow of resources from the Group;
- Liabilities that cannot be measured with adequate reliability.

Contingent liabilities are not included in the annual accounts. However, notes are provided for significant contingent liabilities, except for those with a low probability of occurrence.

Contingent assets are not included in the annual accounts but are reported when there is a certain likelihood of benefiting the Group.

L. Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. Cash and cash equivalents consist of cash, bank deposits and other current investments like money market funds.

M. Lease agreements

The primary rule is that leased assets are recognized in the balance sheet as a fixed asset or in a disclosure note for fixed assets. Leased assets are shown separately from other fixed assets owned by the company as "Right of use assets" in the related disclosure note. Although a lease represents a right to use an asset rather than a purchase, the classification in the balance sheet aligns with the leased asset.

The net present value of the lease liability is calculated by discounting the rental payments using the implicit interest rate of the lease, or the business's marginal borrowing rate if the implicit interest rate is unknown.

Under IFRS 16, depreciation is calculated for the right of use assets. Depreciation is presented together with other depreciation, while interest cost is included in financial expenses in the income statement.

Leased assets are depreciated over their useful lives, which is the shorter of the rental period and the assets' economic life.



Notes to the Financial Statements for 2024

Photocure ASA

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0. CURRENCY RATES CHANGES

Photocure's revenues and costs are predominantly in EUR and USD, while the functional currency is NOK. In 2024, the strengthening of the USD and EUR impacted both revenues and costs. The following table illustrates the average currency rates between NOK and USD/EUR in 2024 compared to 2023.

Currency rates development 2024 vs 2023:			
	2024	2023	% 24 vs 23
Average currency rate NOK/USD	10.74	10.57	2%
Average currency rate NOK/EUR	11.63	11.43	2%

1. PARTNERSHIPS

In July 2019, Photocure entered into a license agreement with Asieris MediTech Co, granting them a worldwide license to develop and commercialize Cevira® for the treatment of HPV-induced cervical precancerous lesions. Under this agreement, Photocure will receive signing fees, development and approval milestones, as well as sales royalties.

In January 2021, Photocure entered into another license agreement with Asieris MediTech Co, granting them a license to commercialize Hexvix in mainland China and Taiwan. Under this agreement, Photocure will receive signing fees and approval milestones, in addition to sales royalties.

2. OPERATING SEGMENTS

Photocure operates through two segments: the Commercial Franchise and the Development Portfolio. The Commercial Franchise includes Hexvix/Cysview by geography (North America and Europe) and other sales (partners and other products). The Development Portfolio focuses on the development of pipeline products.

The Development segment is divided into the development of Cevira and other pipeline products.

Operating costs are directly charged to the respective segment if they are directly related. Indirect manufacturing costs are allocated based on sales within the Commercial segment, while other indirect costs are allocated based on the time and resources utilized within the different subsegments.

Segments are reported in a manner consistent with internal reporting to the Group's Chief Operating Decision Makers (CODM), defined as the Group's senior management. Segment assets and liabilities are not reported to the CODM and are therefore not allocated to reportable segments.

1 Jan - 31 December 2024	Commercial Franchise				Development Portfolio			
	North Am.	Europe	Other Markets	Total Sales	Cevira	PDT & Explorativ	Total R&D	Grand Total
(Amounts in NOK 1 000)								
Revenues from contract with customers	202 322	285 561	1 865	489 749	1 926	-	1 926	491 675
Signing fees and milestone revenues	-	-	-	-	33 713	-	33 713	33 713
Cost of goods sold	-5 889	-23 236	-225	-29 349	-1 367	-	-1 367	-30 716
Gross profit	196 434	262 326	1 641	460 400	34 271	-	34 271	494 671
Gross profit of sales %	97%	92%	88%	94%	29%		29%	94%
R&D	-753	-2 724	-108	-3 585	-729	682	-47	-3 632
Sales & marketing	-178 339	-144 679	-4 155	-327 173	-1 497	-5 141	-6 638	-333 811
Other & allocations	-38 458	-50 864	-6 066	-95 388	-1 881	-10 767	-12 648	-108 036
Operating expenses	-217 550	-198 267	-10 329	-426 146	-4 107	-15 226	-19 333	-445 479
EBITDA	-21 116	64 059	-8 688	34 254	30 164	-15 226	14 938	49 192
Depreciation and Amortization				-28 695			-98	-28 793
EBIT				5 559			14 840	20 399

1 Jan - 31 December 2023	Commercial Franchise				Development Portfolio			
	North Am.	Europe	Other Markets	Total Sales	Cevira	PDT & Explorativ	Total R&D	Grand Total
(Amounts in NOK 1 000)								
Revenues from contract with customers	178 630	263 547	4 037	446 214	-	-	-	446 214
Signing fees and milestone revenues	-	-	-	-	54 443	-	54 443	54 443
Cost of goods sold	-5 866	-19 286	-986	-26 137	-	-	-	-26 137
Gross profit	172 764	244 262	3 051	420 077	54 443	-	54 443	474 520
Gross profit of sales %	97 %	93 %	76 %	94 %				94 %
R&D	-254	-867	-	-1 113	-818	-139	-957	-2 070
Sales & marketing	-164 622	-147 079	-3 621	-315 322	-941	-	-941	-316 262
Other & allocations	-37 369	-43 947	-5 009	-86 325	-1 693	-12 677	-14 370	-100 695
Operating expenses	-202 242	-191 893	-8 630	-402 760	-3 452	-2 816	-16 268	-419 028
EBITDA	-56 292	52 369	-5 579	17 317	50 991	-12 816	38 175	55 492
Depreciation and Amortization				-27 541			-146	-27 687
EBIT				-10 224			38 029	27 807

The definition of EBITDA is "Earnings Before Interest, Tax, Depreciation and Amortization.

3. REVENUES FROM CONTRACT WITH CUSTOMERS

Performance obligation product deliveries

For the general supply of products, Photocure satisfies the contractual performance obligation upon delivery according to the agreed terms. Invoices are issued at that point, with payment terms typically within 30 days. No discounts were provided to customers, and no product returns were accepted within the product expiry period.

Performance Obligation: License

Cevira

In July 2019, Photocure entered into a license agreement with Asieris for the pipeline product Cevira. The agreement was based on a "ready for Phase 3 study" concept, with the study conducted by Asieris in China from 2020 until September 2023. Under the agreement, Photocure transferred the rights for Cevira (license agreement) and entered into a supply agreement for the active substance for the Phase 3 clinical study and potential commercialization. Asieris is responsible for the remaining development of Cevira and will cover all associated costs. The license grants Asieris the right to use Photocure's intellectual property as it existed at the contract date. The active substance will not be further developed or modified by Photocure for Asieris's use. The transfer of the license and the delivery of the active substance are regarded by Photocure as two separate performance obligations.

In 2024, Asieris paid a milestone of USD 2 million after Cevira was accepted for regulatory review in China in May 2024. In 2023 Photocure received two times USD 2.5 million in milestone payments from Asieris. To date, Asieris has paid USD 17 million in milestones for Cevira. The agreement includes additional regulatory and sales milestones, as well as sales royalties if a commercial product is approved. The transaction price allocated to the license consists of a signing fee, various milestone payments, and sales-based royalty payments. The portion of the transaction price related to milestone payments is estimated as the most likely amount but is constrained, meaning these revenues will be recognized if and when the relevant milestones are achieved. Revenue for the sale of the active substance is recognized when the customer takes control of the goods, which occurs at the time of shipment.

Hexvix

In January 2021, Photocure entered into a partnership agreement with Asieris, granting them exclusive rights to register and commercialize Hexvix® in Mainland China and Taiwan. Asieris received marketing authorization for Hexvix® in China in November 2024, for which Photocure received a USD 1.1 million milestone payment. To date, Asieris has paid USD 1.85 million in milestones for Hexvix.

The license of the Group's intellectual property under all current licensing agreements is considered distinct from the delivery of goods and thus a separate performance obligation. Furthermore, the licenses are considered to be a right to use the company's intellectual property as is, and therefore revenue allocated to the license is recognized at a point in time, taking into consideration the variable constraint for milestone payments that have not yet occurred and sales-based royalties. Milestone payments related to future events and sales-based royalties are recognized when the events and sales actually occur.

Geographical information

(Amounts in NOK 1 000)

Group revenues from contract with customers	2024	2023
Nordic countries	22 214	22 390
Germany	199 937	182 199
France	33 414	31 404
Austria	12 723	12 070
UK	2 456	2 411
BeNeLux	5 694	5 804
Italy	5 510	5 057
Other European countries	4 129	3 025
United States	201 616	175 845
Canada	2 055	2 785
Own sales	489 748	442 990
Partner countries rest of world	1 927	3 224
	491 675	446 214

The geographical revenue in all countries except North America are in the parent company.
The geographical revenue information is based on the location of the end customers.
The signing fees and milestone revenue are not included in the table above.

Revenue recognition by segments

1 Jan - 31 December 2024	Commercial Franchise				Development Portfolio		Grand Total
	Hexvix/Cysview			Total Sales	Pipeline	Total R&D	
(Amounts in NOK 1 000)	Own sales	Partner	Other Sales				
Contract revenue at point in time		-	3 276	3 276		-	3 276
Signing fees and milestone revenues at point in time				-	33 713	33 713	33 713
Sales order revenue at point in time	487 883		516	488 399		-	488 399
	487 883	-	3 792	491 675	33 713	33 713	525 387

Revenue recognition by segments

1 Jan - 31 December 2023	Commercial Franchise				Development Portfolio		Grand Total
	Hexvix/Cysview			Total Sales	Pipeline	Total R&D	
(Amounts in NOK 1 000)	Own sales	Partner	Other Sales				
Contract revenue at point in time		1 700	1 524	3 224		-	3 224
Signing fees and milestone revenues at point in time				-	54 443	54 443	54 443
Sales order revenue at point in time	442 177		813	442 990		-	442 990
	442 177	1 700	2 337	446 214	54 443	54 443	500 656

4. COST OF GOODS SOLD

Total cost of goods sold includes direct materials, services provided by contract manufacturers and packaging suppliers, products freights and distribution costs.

5. INCOME STATEMENT CLASSIFIED BY NATURE

(Amounts in NOK 1 000)

	Note	Group		Parent	
		2024	2023	2024	2023
Revenues from contract with customers	2	491 675	446 214	300 033	280 281
Signing fees and milestone revenues	2	33 713	54 443	33 713	54 443
Cost of goods sold		-30 716	-26 137	-29 297	-25 389
Gross profit		494 671	474 521	304 449	309 335
Other income		-	-	531	504
Payroll expenses	6, 7	-285 700	-276 192	-124 027	-117 117
R&D costs excluding payroll expenses/other operating expenses		-47	-964	-47	-964
Ordinary depreciation and amortisation	13, 14	-28 793	-27 687	-20 931	-20 803
Other operating expenses		-159 732	-141 871	-152 995	-156 165
Total operating expenses		-474 272	-446 714	-297 469	-294 545
Operating profit / loss (-)		20 399	27 807	6 980	14 790

Specification of Other operating expenses:	2024	2023	2024	2023
Marketing expenses	38 742	37 493	16 460	15 691
Profit split coverage US and Canada	-	-	-	158
Sales and marketing costs Europe	-	-	67 331	79 484
Travel expenses	22 769	21 152	7 457	5 028
Patent costs, legal and other fees	54 941	47 464	38 683	32 840
Other expenses	43 281	35 763	23 063	22 965
Total other operating expenses	159 732	141 871	152 995	156 165

6. PERSONNEL EXPENSES

(Amounts in NOK 1 000)

	Note	Group		Parent	
		2024	2023	2024	2023
Salaries		217 236	208 298	85 993	83 636
Employer's social security contributions on salaries, etc.		23 488	23 885	10 195	9 662
Option costs incl employer's social security contributions		16 878	19 368	12 948	13 843
Pension costs	8	13 061	13 976	5 374	5 988
Other benefits		15 038	10 665	9 517	3 989
Total payroll expenses		285 700	276 192	124 027	117 117
No. of full-time equivalent positions		101	102	33	36

Share-based remuneration

As part of the company's incentive policy, employees have been offered share options to the company's shares (referred to as 'options'). Allocated share options vest over three years: 25% after the first year, 25% after the second year, and 50% after the third year. The rights expire after seven years or upon termination of the employee. Share option programs in 2023 and earlier had an expiration date of five years.

The number of employee share options and average exercise prices for Photocure, and developments during the year:

	2024		2023	
	Number	Average exercise price (NOK)	Number	Average exercise price (NOK)
Outstanding at start of year	2 076 178	80.55	1 922 778	116.04
Granted during the year	1 073 482	60.40	1 180 900	61.03
Cancelled during the year	509 900	127.39	798 000	128.69
Become invalid during the year	260 312	67.82	229 500	110.11
Exercised during the year	-	0.00	-	0.00
Expired during the year	69 000	54.70	-	0.00
Outstanding at end of year	2 310 448	63.05	2 076 178	80.55
Exercisable options as per 31 December	585 569	71.02	586 653	95.41

The average weighted life of outstanding share options was 4.3 years at 31 December 2024 and 3.6 years at 31 December 2023

The exercise prices and the average life of outstanding share options as per 31 December 2024 were as follows:

Average remaining life	No. of options	Exercise price NOK
1 year	238 750	78.65-81.41
2 years	30 500	87.39-139.41
3 years	804	115.70
4 years	1 236 667	57.14-61.03
5 years	150 000	61.92
7 years	653 727	59.57-69.36
Total	2 310 448	

Calculation method for market value of employee share options:

The market value of share options is calculated using the Black-Scholes method. Volatility is determined based on the historical share price development over the lifetime of the options, assuming that historical volatility indicates future volatility, which may not always be the case. Strike prices are set at the listed price plus 10% at the time of allocation. The risk-free interest rate is based on Norwegian government bond rates. Each option program is calculated separately, considering the actual exercise price and duration of the program. The exercise date for the options is estimated based on historical company experience and varies between senior management and other employees. The interest advantage is considered insignificant and has not been included in the accounts. The table below shows the values used in the model.

	2024*	2023*
Dividends (NOK)	0.00	0.00
Expected volatility (%)	47.16	47.85
Historical volatility (%)	47.16	47.85
Risk-free interest (%)	3.65	3.33
Expected life of options (years)	3.21	3.25

*Weighted average parameters at grant of instrument

7. REMUNERATION OF MANAGEMENT AND BOARD OF DIRECTORS

(Amounts in NOK 1 000)	Pay currency	Directors' fees paid	Salaries paid	Bonuses accrued	Benefits in kind	Pension cost	Total
Senior management 2024							
President and CEO	USD		7 359	3 232	285	631	11 507
Chief Financial Officer	NOK		2 841	820	16	409	4 086
VP and General Manager North America	USD		4 612	2 271	285	433	7 601
VP and General Manager Europe	EUR		3 615	1 351	-	-	4 966
Chief Medical Officer	SEK		2 977	983	-	293	4 253
VP Global Human Resources	EUR		2 140	708	-	146	2 994
Total senior management			23 544	9 364	586	1 912	35 406
Board of Directors 2024							
			Consultant fee				
Chairperson of the Board	NOK	751					751
Members of the Board	NOK	1 080	269				1 349
Total remuneration		1 831	23 813	9 364	586	1 912	37 506

In 2024, the Group utilized the professional services of one of its Directors for consulting work beyond regular board duties. The consultancy fees were based on a contract approved by the board.

(Amounts in NOK 1 000)	Pay currency	Directors' fees paid	Salaries paid	Bonuses accrued	Benefits in kind	Pension cost	Total
Senior management 2023							
President and CEO	USD		6 953	2 792	1 004	602	11 351
Chief Financial Officer	NOK		2 776	924	16	383	4 099
VP and General Manager North America	USD		4 387	1 375	601	382	6 745
VP and General Manager Europe	EUR		3 431	1 008	488	-	4 928
VP Global Strategic Marketing & BD to June	NOK		1 035	-	1 052	117	2 203
Chief Medical Officer	SEK		2 555	867	96	379	3 898
VP Global Human Resources to April	USD		1 572	-	100	35	1 707
VP Global Human Resources from April	EUR		1 474	323	-	101	1 898
Total senior management			24 183	7 288	3 358	1 998	36 827
Board of Directors 2023							
			Consultant fee				
Chairperson of the Board	NOK	620					620
Members of the Board	NOK	1 440	529				1 969
Total remuneration		2 060	24 711	7 288	3 358	1 998	39 415

In 2023, the Group utilized the professional services of one of its Directors for consulting work beyond regular board duties. The consultancy fees were based on a contract approved by the board.

Currency rates development 2024 vs 2023:	2024	2023
Average currency rate NOK/USD	10.74	10.57
Average currency rate NOK/EUR	11.63	11.43
Average currency rate NOK/SEK	1.02	1.00

Share options senior management

Senior managers’ holdings of shares in Photocure ASA are detailed in the note concerning share capital. The allocation and exercise of share options, as well as the holdings of share options for senior managers, are presented in the following overview:

	Share options awarded	Expired share options	Share options cancelled	Holding of share options at 31 December 2024	Weighted Average Strike Price
Share options for senior management 2024					
President & CEO	125 000	-	-	457 500	62.96
Chief Financial Officer	65 000	-	-	278 750	62.85
VP and General Manager North America	50 000	45 000	-	221 250	63.57
VP and General Manager Europe	-	-	203 750	-	0.00
VP Global Human Resources	40 000	-	-	66 750	61.98
Chief Medical Officer	50 000	-	-	164 000	60.11
Total	330 000	45 000	203 750	1 188 250	

	Share options awarded	Expired share options	Share options cancelled	Holding of share options at 31 December 2023	Weighted Average Strike Price
Share options for senior management 2023					
President & CEO	272 500	-	265 000	332 500	64.24
Chief Financial Officer	178 750	-	157 500	213 750	63.84
VP and General Manager North America	136 250	-	132 500	216 250	63.09
VP and General Manager Europe	136 250	-	132 500	203 750	67.40
VP Global Human Resources from April	28 750	-	22 500	26 750	65.58
Chief Medical Officer	114 000	-	88 000	114 000	60.34
Total	866 500	-	798 000	1 107 000	

Auditing fees

(Amounts in NOK 1 000 ex VAT)	Group and parent	
	2024	2023
Statutory auditing	1 816	1 086
Other attestation services	250	172
Other services excluding auditing	15	27
Tax advice	47	36
Total	2 128	1 320

8. PENSION COSTS

Photocure ASA has an agreement with a life assurance company for contribution-based pensions for its employees in Norway. The contribution plan complies with revised national pension regulations. Contributions are 6% of the employee's ordinary salary up to 7.1 times the basic amount (G) of the Norwegian National Insurance scheme, and 16% for salaries between 7.1 and 12 times G. The national insurance covers pensions for salaries up to 7.1 G. Pension contributions are paid into the employee's contribution account with the life assurance company. As of December 31, 2024, and December 31, 2023, the company had no deposits in the premium and contribution fund.

Photocure ASA employees in other European countries have individual defined contribution pension plans according to local regulations and their employment agreements.

Photocure Inc matches its employees' contributions to the 401(k) plan dollar for dollar up to 4% of salary for employees who elect to join the plan. There is a salary maximum set by the IRS, which was \$345,000 in 2024.

Employees in Photocure GmbH in Germany who came from Ipsen have defined benefit pension plans through the TUPE regulations in Germany. Photocure GmbH has a re-assurance agreement with an assurance company in Germany to balance the pension liability. New employees in Photocure GmbH are offered a defined contribution plan.

Salaries for senior management employees in Photocure ASA above 12 times G are subject to agreements concerning operational coverage of pensions for salaries above this level in the form of contribution-based pensions. The calculated contribution is 16% of the employee's salary above 12 times G. Photocure Inc has established additional unfunded pension coverage for senior managers, accruing annually an amount equal to 4% of salary and earned bonus.

The pension cost for the year is calculated as follows:

(Amounts in NOK 1 000)	Group		Parent	
	2024	2023	2024	2023
Total pension costs, contribution scheme in life assurance	11 922	12 940	5 081	5 660
Total pension costs, company scheme	1 139	1 036	293	328
Total	13 061	13 976	5 374	5 988

9. FINANCIAL INCOME AND EXPENSE

(Amounts in NOK 1 000)	Group		Parent	
	2024	2023	2024	2023
Interest income	12 868	11 714	11 739	11 124
Foreign exchange gains	12 059	12 841	55 420	22 806
Total financial income	24 927	24 554	67 159	33 930
Interest costs long term liabilities and lease	742	903	307	540
Interest costs earnout	27 292	25 424	27 292	25 424
Foreign exchange losses	8 864	14 850	11 230	14 849
Other financial expense	39	-	16	-9
Total financial expense	36 937	41 177	38 846	40 804
Remeasure financial balances	-	1 444	-	5 828
Net financial income and expenses	-12 010	-18 067	28 313	-12 703

The foreign exchange gain in the parent company for 2024 includes an unrealized exchange gain on the long-term loan to the subsidiary, which is denominated in USD. The exchange rate for NOK/USD increased to 11.3 as of December 31, 2024, compared to 10.4 at the end of the previous year. This resulted in an unrealized gain of NOK 43.3 million in 2024, compared to a gain of NOK 9.9 million in 2023. In the consolidated accounts, the unrealized gain/loss is eliminated against the change in equity as part of other comprehensive income.

Remeasure financial balances

Information regarding the remeasured value of the earnout liability is provided in Note 22.

A loss allowance on the parent company's loan to the US subsidiary was recognized in 2023 according to IFRS as a probability-weighted estimate of future loan repayments. In 2024, there was no increase. The total allowance as of December 31, 2024, is NOK 39.4 million, based on a probability-weighted scenario that the loan will not be repaid in full. Nonetheless, the parent company is committed to securing operations in the US.

10. RELATED PARTIES - COMPANIES

Photocure has established a wholly owned subsidiary in the US, Photocure Inc, to manage the sales, marketing, and distribution activities for the Cysview product. Photocure ASA retains ownership of the patent rights and trademark and is responsible for the development and manufacturing of the product within the Group. Photocure Inc purchases the finished product from the parent company and distributes it in the United States. Photocure Inc has its own marketing organization, funded by a loan from the parent company in addition to its own revenues. Transactions between Photocure ASA and Photocure Inc are conducted on arm's length terms, and the loan is interest-free until further notice.

Photocure established wholly owned subsidiaries in Germany and France. Photocure ASA handles the sales and distribution of Hexvix in Europe, while the marketing and promotion activities for Hexvix in Continental Europe are managed by Photocure GmbH and Photocure SAS. A markup is applied to fully loaded local costs for the services rendered to the parent company.

In January 2022, Photocure established a sales subsidiary in Canada to manage the sales, marketing, and distribution of Cysview in Canada. Photocure ASA holds the pharmaceutical market authorization for the sale of Cysview in the US and Canada.

Transactions and intercompany balances:

(Amounts in NOK 1 000)	2024	2023
Sales of products	12 562	12 710
Sales of services	-	504
Intercompany sales	12 562	13 214
Purchase of marketing and promotion services	-67 331	-67 701
	31-Dec-24	31-Dec-23
Accounts receivables and other storm-term receivables	19 696	6 473
Long term loan given	393 841	380 368
Accounts payables and other short-term liabilities	-56 865	-17 039
Total subsidiaries	356 671	369 802
Guarantees to bank in favor of subsidiary for requested security	2 804	2 804

These bank guarantuees are provided for licenses pertaining to the sale of Cysview in the states of Maryland, Mississippi, Nevada, and California, as well as the office lease deposit.

11. TAX

(Amounts in NOK 1 000)

(Amounts in NOK 1 000)	Parent & Group	
	2024	2023
Income tax expense		
Tax payable	1 323	3 117
Changes in deferred tax	10 406	5 644
Total income tax expense	11 729	8 761
Tax base calculation parent		
Profit(-loss) before income tax	35 294	2 088
Permanent differences *)	12 008	22 947
Change in temporary differences	-56 312	-17 691
(Utilized)/Increased tax loss carried forward	9 010	-7 344
Tax base	-	-
Temporary differences		
Receivables	-565	-565
Inventories	4 207	5 522
Non current assets	30 097	29 893
Long term currency loans	175 824	126 176
Earnout liability	-19 422	-19 422
Change in earnout true up	-692	-11 243
Provisions	-143	-236
Pensions	-1 994	-1 701
Gains and loss account	10 310	12 887
Total	197 622	141 311
Tax loss carried forward	-375 211	-366 202
Net temporary differences	-177 589	-224 891
Deferred tax liability (asset)	-39 070	-49 476
	Parent & Group	
Reconciliation of effective tax rate	2024	2023
Profit(-loss) before income tax Group	8 390	9 740
Expected income taxes at statutory tax rate	1 846	2 143
Effect tax rates foreign entities	3 981	1 144
Permanent differences	3 737	6 241
Prior year adjustment	2 165	-767
Income tax expense	11 729	8 761
Effective tax rate in % **)	139.8 %	89.9 %

Temporary differences are recognized for the Parent company only and the note disclosure for the Group is of this reason identical to the disclosure for the Parent company. The tax payable is however due to the subsidiaries in Europe that received a residual share of profit in Germany and France in 2023 and a minimum mark up of the costs incurred in 2024.

*) Permanent differences consist of non-deductible costs and non-taxable income and deduction.

**) Tax expense related to profit before tax.

The parent company reported a taxable loss of NOK 9 million in 2024, compared to a profit of NOK 7.3 million in 2023. The deferred tax asset, along with changes in temporary differences, decreased to NOK 39.1 million as of December 31, 2024, from NOK 49.5 million as of December 31, 2023. The recognition of a tax asset in Norway is based on predicted future profits according to the business plan for all major markets and the reversal of temporary differences in the coming years. Therefore, the remaining deferred tax asset is maintained as of December 31, 2024.

The European business contributed to Photocure's profitability in 2024 and is expected to continue doing so. The parent company is the selling entity for the Hexvix product in all European countries, while the marketing and promotion activities in Germany and France are carried out by the subsidiaries in those countries.

Photocure anticipates that its US operations will become more profitable, contributing to the pre-tax result of the parent company. This expectation is based on a cash flow model that considers a balanced view of the market share for Cysview in the US compared to Hexvix sales in Europe. The US sales and marketing force continues to expand its coverage of the US market and gain further market shares.

Photocure continues to see growth opportunities in European countries, particularly in several large untapped markets. With Photocure's dedicated sales force in place in Europe, we believe this will further strengthen sales. Several studies have been published highlighting and verifying key clinical benefits, including the positive impact of Hexvix/Cysview on reduced disease progression, bladder cancer detection, and the safety of repeated use of Hexvix/Cysview. The basis for recognizing the tax asset is the assessment that there is convincing evidence that the deferred tax benefit will be utilized.

There is no expiry on losses to be carried forward in Norway, while in the US, losses expire after 20 years according to tax legislation valid until the end of 2017. The new US tax legislation, valid for taxable years from 2018, has no expiry for loss carryforwards but imposes an 80% limit on utilization.

Deferred tax assets have not been recognized for the following items in the US subsidiary due to the lack of a history of pre-tax profit at this time:

(Amounts in NOK 1 000)	2024		2023	
Unrecognised deferred tax assets	Amount	Tax effect	Amount	Tax effect
Net deductible temporary differences	-10 695	-2 315	-8 690	-2 444
Tax losses	177 523	53 013	185 681	52 194
Net unrecognised deferred tax asset US	166 828	50 699	176 990	49 751

Tax losses for which no deferred tax asset was recognized, expire as follows:

(Amounts in NOK 1 000)	2024		2023	
	Amount	Expiry date	Amount	Expiry date
Expire Federal	23 169	2030 - 2037	22 718	2030 - 2037
Expire State	16 219	2030 - 2043	15 929	2030 - 2043
Never expire	11 270		11 103	
Total	50 658		49 751	

12. EARNINGS PER SHARE

Earnings per share are calculated based on the profit/loss for the year after tax, excluding other comprehensive items. The result is divided by the weighted average number of outstanding shares over the year, adjusted for the acquisition of treasury shares. Diluted earnings per share are calculated by adjusting the average number of outstanding shares by the number of employee share options that can be exercised. Antidilution effects are not considered.

	2024	2023
Figures indicate the number of shares		
Ordinary shares 1 January	27 120 820	27 120 820
Effect of treasury shares	-15 122	-15 122
Effect of share options exercised		
Weighted average number of shares, 31 December	27 105 698	27 105 698
Effect of outstanding share options	169	27 797
Weighted average number of diluted shares, 31 December	27 105 867	27 133 495
Net profit/loss(-)	-3 339	979
(Amounts in NOK 1 000)		
Earnings per share	2024	2023
Earnings per share in NOK basic	-0.12	0.04
Earnings per share in NOK diluted	-0.12	0.04

13. GOODWILL AND CUSTOMER RELATIONS

(Amounts in NOK 1 000)

Hexvix sales, marketing, and distribution rights in Europe and other markets previously controlled by Ipsen Pharma SAS (Ipsen) were acquired by Photocure on October 1, 2020. Under the final agreement, Photocure paid Ipsen EUR 15 million upon transfer on October 1, 2020. Additionally, Ipsen receives a deferred consideration of 15% of sales (years 1-7 post-transfer) and 7.5% of sales (years 8-10) in the former major Ipsen markets.

One intangible asset has been identified: customer relationships. These relationships pertain to existing customers in Europe who were previously served by Ipsen. Customer relationships have been valued using a multiperiod excess earnings method, with a value of NOK 166.7 million at the transaction date. Photocure has estimated this asset to have a useful life of 10 years from the transaction date, and the intangible asset is depreciated on a straight-line basis over this period. The net book value of the customer relationships as of December 31, 2024, is NOK 95.9 million.

Goodwill amounts to NOK 144 million and is not depreciated but is tested for impairment as of the end of December 2024. The impairment analysis confirms the goodwill value, given the performance in 2024 and future growth opportunities that are expected to align with forecasts prepared in connection with the transaction.

Group and parent	Customer relations	Goodwill
(Amounts in NOK 1 000)		
Accumulated cost at 31 December 2021	166 720	144 000
Additions	-	-
Accumulated cost at 31 December 2022	166 720	144 000
Additions	-	-
Accumulated cost at 31 December 2023	166 720	144 000
Additions	-	-
Accumulated cost at 31 December 2024	166 720	144 000
Accumulated depreciation at 31 December 2021	20 840	-
Amortization and impairment	16 672	-
Accumulated depreciation at 31 December 2022	37 512	-
Amortization and impairment	16 672	-
Accumulated depreciation at 31 December 2023	54 184	-
Amortization and impairment	16 672	-
Accumulated depreciation at 31 December 2024	70 856	-
Book value at 31 December 2021	145 880	144 000
Book value at 31 December 2022	129 209	144 000
Book value at 31 December 2023	112 536	144 000
Book value at 31 December 2024	95 865	144 000

The carrying amount of goodwill is allocated to the acquired business in Europe at NOK 144 million. The recoverable amount has been determined based on its value in use.

The impairment test is based on cash flow projections for the business related to the investment, using the most recent financial forecast. The main assumptions are:

- Sales growth and related expenses are based on current penetration and future growth potential as assessed by management. This assessment considers experiences from high-growth markets as well as more mature markets within the company portfolio.
- With minor exceptions, sales are in Euro. The assumed exchange rate in the forecast projection for NOK/EUR is 11.7, compared to an exchange rate of 11.6 used for the 2024 testing.
- The impairment test is based on a 10-year cash flow projection, excluding the terminal year. A 10-year period is applied as it reflects changes in hospital practices driven by the product and the low churn experienced in other markets.
- The applied discount rate for the testing is 22.0% post-tax, equal to the discount rate in the 2024 testing.
- The applied tax rate is 22%.

14. PROPERTY, PLANT, EQUIPMENT AND LEASE ASSETS

(Amounts in NOK 1 000)

Group	Intangible assets		Right-of-use	Machinery and Equipment		Total
	Registry intangible	Software Systems		Medical & manu-facture	Office	
Accumulated cost at 31 December 2021	-	4 933	31 062	776	9 348	46 119
Additions		1 133	3 498	78	3 532	8 241
Disposals and lease expiry	-		-83		-1 797	-1 880
Accumulated cost at 31 December 2022	-	6 066	34 477	854	11 083	52 480
Additions	8 250	1 505	2 582	260	2 371	14 968
Disposals and lease expiry			-8 324			-8 324
Accumulated cost at 31 December 2023	8 250	7 571	28 735	1 114	13 454	59 124
Additions	9 240	1 286	5 083		3 034	18 643
Disposals and lease expiry					-354	-354
Accumulated cost at 31 December 2024	17 490	8 857	33 818	1 114	16 134	77 413
Accumulated depreciation at 31 December 2021	-	3 778	2 371	442	5 954	12 545
Amortization and depreciation		615	5 779	161	1 151	7 706
Disposals and lease expiry	-		236		-486	-250
Accumulated depreciation at 31 December 2022	-	4 393	8 386	603	6 619	20 001
Amortization and depreciation	849	1 178	6 729	145	2 113	11 014
Disposals and lease expiry			-5 420			-5 420
Accumulated depreciation at 31 December 2023	849	5 571	9 695	748	8 732	25 595
Amortization and depreciation	3 091	1 204	5932	104	1 794	12 125
Disposals and lease expiry	252	11	1918		1 340	3 521
Accumulated depreciation at 31 December 2024	4 192	6 786	17 545	852	11 866	41 241
Book value at 31 December 2022	-	1 673	26 091	251	4 464	32 479
Book value at 31 December 2023	7 401	2 000	19 040	366	4 722	33 529
Book value at 31 December 2024	13 298	2 071	16 273	262	4 268	36 173

PPE are depreciated on a straight-line basis over the estimated useful life of the asset as follows

	4 years	3 - 5 years	Contract period	3 - 5 years	3 - 5 years
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The registry intangible, with a net book value of NOK 13.3 million, is recorded in the Photocure Inc accounts. The right-of-use assets include a net book value of NOK 7.3 million in Photocure Inc and NOK 2.3 million in Photocure GmbH. Machinery and equipment have a net book value of NOK 2.5 million in Photocure Inc and NOK 0.5 million in Photocure GmbH. The remaining assets belong to the parent company.

Right-of-use assets (Lease)	31-Dec-23				31-Dec-24	
(Amounts in NOK 1 000)	Discount rate	Contract value	Expiry	New/ increase contracts	Remeasure	Contract value
Right-of-use office contract Norway	3.15%	14 340			-	14 340
Right-of-use office contract US	3.70%	11 524			1 298	12 822
Right-of-use office contract Germany	1.40%	(0)		1 936		1 936
Right-of-use office company car fleet Germany	1.40%	2 872		348	1 500	4 720
Total lease assets		28 735				33 818

The right-of-use assets comprise office lease contracts covered by IFRS 16, including lease contracts for the company car fleet in Germany. The calculation of the lease asset excludes utility services shared by the tenants.

The parent company has a 6-year rental agreement for office premises at Hoffsveien 4 in Oslo, starting September 1, 2021, and ending August 31, 2027. The agreement gives Photocure an option to extend the rental period by 4 years. The rent amounts to NOK 2.9 million for the period from January 1, 2025, to December 31, 2025. The rent for the remaining period until the expiry of the agreement amounts to NOK 7.6 million.

Photocure Inc rented office premises at Carnegie Center, Princeton, New Jersey, from April 1, 2011, through December 10, 2022. On December 13, 2021, Photocure Inc signed a lease amendment to move to a new office of 5,212 square feet in Carnegie Center and to extend the lease term by six years, with an expiration date of December 31, 2028. The lease commitment is NOK 11.2 million (USD 1.1 million) at a 3.7% discount rate. The rent commitment for the period from January 1, 2025, to December 31, 2025, is NOK 2.2 million, while the rent for the remaining period until the expiry of the agreement amounts to NOK 8.9 million.

Photocure GmbH entered into a new office lease agreement in Düsseldorf from January 1, 2024, ending December 31, 2026. The lease commitment is NOK 1.9 million, and the rent commitment for the period from January 1, 2025, to December 31, 2025, is NOK 0.8 million. The standard lease period for the car fleet in Germany is 36 months. As of December 31, 2024, Photocure GmbH had 10 lease agreements with an average remaining lease term of 22.3 months.

15. SUBSIDIARIES

(Amounts in NOK 1,000)

Company	Country	Ownership		Book value	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Photocure Inc.	USA	100%	100%	22 596	19 567
Photocure GmbH	Germany	100%	100%	3 388	2 647
Photocure SAS	France	100%	100%	641	482
Photocure Canada Inc.	Canada	100%	100%		-
Total subsidiaries				26 626	22 696

16. INVENTORIES

(Amounts in NOK 1 000)

	Group		Parent	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Raw materials	2 022	2 254	2 022	2 254
Resale products	6	81	6	81
Semi-finished and finished goods	37 508	34 855	34 466	32 077
Total inventories	39 536	37 190	36 494	34 411

The raw materials inventory consists of active substances for pharmaceutical products. Raw materials are valued at cost. Finished and semi-finished goods are valued at full manufacturing cost. Consumption is accounted for in accordance with the FIFO principle. Obsolete goods are written down to net realizable value. Provisions and write-downs of inventories are included in the cost of goods sold in the income statement.

17. FINANCIAL RISK

The note describes the Company's various financial risks and their management. Additionally, it includes numerical presentations of risks associated with financial risks.

(I) Organization of financial risk management

Photocure operates internationally and is exposed to various financial risks, including currency risk, interest rate risk, commodity price risk, liquidity risk, and credit risk. Responsibility for managing these financial risks lies with the company's management, encompassing financing, interest rate and currency management, as well as risks within business areas and those associated with the company's business processes. Financial risk is also monitored by the Board of Directors.

Centralized risk management

Photocure has a centralized finance department that ensures the company's financial flexibility for both long-term and short-term actions. This department monitors and manages financial risk in collaboration with the individual business units within the company. The finance department maintains communication with the company's banking partners and executes hedging transactions related to interest and currency when necessary. Required authorizations for borrowing and entering into derivative agreements are granted by the Board of Directors. Any transactions involving financial instruments are supported by an underlying commercial hedging requirement.

Commercial operations – production, sales and marketing

Photocure manufactures, markets, and sells its products through its own sales organization in Europe and North America, as well as through license partners in other countries. Revenues from license partners consist of two elements: sales of products to license partners and milestone revenues. Photocure manufactures its products through renowned contract manufacturers in Italy, Spain, the Netherlands, and Austria. The prices of raw materials are a risk factor. Photocure's commercial operations in North America expose the company to currency risk against USD/CAD, as both revenues and expenses are in USD/CAD. The same applies to commercial operations in Europe, which are mostly in Euros. Currency risks are partly naturally hedged by purchasing goods and services in EUR and USD.

(II) Classes of financial risk

Interest rate risk

Photocure has an interest-bearing earnout liability from 2020, with an original interest rate equal to the internal rate of return for the investment project, which has since been adjusted according to changes in interest rate levels. Additionally, Photocure has interest-bearing leasing and pension liabilities. The long-term bank loan, which was settled in 2023, had a floating interest rate, and 90% of the loan was state-guaranteed.

The company's risk related to interest income is mainly associated with its holdings of cash and cash equivalents. The main strategy is to diversify the risk by investing in money market funds and bond funds with low risk, high liquidity, and short duration. More than 90% of the investments are denominated in NOK and are not hedged.

Liquidity and funding risk

The Company monitors its cash flows from both long-term and short-term perspectives through planning and reporting. Photocure does not have any loan agreements that involve covenants or other restrictions. Photocure uses a multi-currency consolidated bank account system that provides flexibility in drawing on multiple currencies. The company may require new capital in the future, and adequate sources of capital funding may not be available when needed or may not be available on favorable terms.

A main objective of Photocure's financial policy is to ensure that the company has the financial freedom to act both short-term and long-term to achieve strategic and operational goals. Photocure's policy is to have sufficient funds to cover known capital requirements for the forthcoming 12 months, in addition to maintaining a strategic reserve. Photocure follows a low-risk investment strategy for its liquid funds. The return on these liquid funds depends on the interest rates in the money markets and will therefore vary over time.

The following table presents an overview of the maturity structure of the Group's financial obligations, based on non-discounted contractual payments:

(Amounts in NOK 1 000)	Remaining period				Total
	Less than 1 month	1–3 months	3–12 months	1–5 years	
31-Dec-24					
Accounts payable	18 767	676			19 443
Withholding tax and social securities	2 594				2 594
Other current liabilities	30 272	18 920	26 487		75 678
Loan and lease liabilities		11 173	33 519	104 599	149 291
31-Dec-23					
Accounts payable	16 710	2 950			19 660
Withholding tax and social securities	1 230				1 230
Other current liabilities	22 640	14 150	19 857		56 647
Loan and lease liabilities		3 250	9 500	134 510	147 260

Credit risk

Management of credit risk associated with accounts receivable and other operational receivables is handled as part of the commercial risk and is continuously monitored as part of normal operations. Photocure is primarily exposed to credit risk associated with accounts receivable and other short-term receivables. Photocure's sales consist of a mix of direct sales to hospitals, pharmacies, and wholesalers in Europe and North America. The credit risk is limited as the customers are hospitals that are either publicly owned or financed by public funds or insurance companies. The same applies to wholesaler customers. Photocure's credit risk is considered moderate, and the company does not use credit insurance.

Currency risk

As NOK is the Company's presentation currency, Photocure is exposed to translation risk associated with its foreign net exposure. Photocure's revenues and costs are incurred in different currencies, primarily EUR and USD, exposing the company to exchange rate fluctuations. The company regularly monitors the need for hedging large transactions. Bank accounts in foreign currencies are actively used to reduce exposure to all main currencies, and currency risk is somewhat naturally hedged in EUR and USD, by having both revenues and costs in the same currency. However, in both 2024 and 2023, Photocure had a cash surplus in EUR and a cash deficit in USD. The Company did not enter into any currency hedging contracts during 2024.

The following table shows the Company's sensitivity to potential changes in the NOK exchange rate, assuming all other factors remain constant. The calculation is based on the same change relative to all relevant currencies. The effect on the income statement arises from changes in the value of monetary items.

(Amounts in NOK 1 000)	Change in the NOK exchange rate	Effect on operating profit/loss
2024	+/- 10 %	+/-12.451
2023	+/- 10 %	+/-15.374
2022	+/- 10 %	+/-2.270

18. FAIR VALUE

The table below provides an overview of financial assets recognized in the balance sheet at fair value according to the valuation method. The different levels are defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques using observable inputs other than quoted prices included in Level 1, either directly (i.e., as prices) or indirectly (i.e., derived from prices of equivalent items).
Level 3: Valuation techniques using inputs that are not based on observable market data.

(Amounts in NOK 1 000)				
Market value hierarchy	Level 1	Level 2	Level 3	Total
Money market funds	200 511			200 511
Earnout liability, ref note 22			(117 126)	(117 126)
Total	200 511	-	(117 126)	83 386

19. RECEIVABLES

The company's maximum credit risk associated with financial instruments corresponds to gross receivables. In a hypothetical situation where no receivables are actually paid, this would correspond to:

(Amounts in NOK 1 000)				
	Group		Parent	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Accounts receivable	66 856	59 704	36 486	37 129
Accounts receivable intercompany	-	-	19 696	6 473
Total	66 856	59 704	56 182	43 602
Prepaid expenses	18 367	11 352	11 297	7 720
Other receivables and deposits	5 370	4 681	469	548
Total other receivables	23 737	16 033	11 767	8 268

Loan to the subsidiary is disclosed in Note 10.

Age breakdown of group accounts receivable	Not yet due	0–30 days	30–60 days	60–90 days	Over 90 days	Total
31 December 2024	42 760	15 115	3 923	4 722	335	66 856
31 December 2023	40 324	12 703	4 197	2 066	415	59 704

Photocure's sales are primarily to hospitals, pharmacies, and wholesalers in Europe and North America.

Photocure has implemented the expected loss model under IFRS 9 for trade receivables. The expected loss as of December 31, 2024, amounts to NOK 0.9 million. Realized bad debt losses in 2023 and 2024 have been immaterial. Credit risk and foreign exchange risk related to trade accounts receivable are discussed in more detail in Note 17.

20. CASH AND SHORT TERM DEPOSITS

(Amounts in NOK 1 000)				
	Group		Parent	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Cash and cash equivalents, restricted	5 018	3 168	5 018	3 168
Cash and cash equivalents, non-restricted	88 323	63 675	53 871	42 423
Money market funds, non-restricted	200 511	192 661	200 511	192 661
Total	293 852	259 504	259 400	238 252

Money market funds are considered cash equivalents because they are readily convertible to known amounts of cash and are held for the purpose of meeting short-term cash commitments.

Restricted cash and cash equivalents as of December 31, 2024, include NOK 1.4 million for employees' withholding tax security, with the remaining amount referring to a deposit for office rent.

21. SHARE CAPITAL

Amounts that are distributed to or contributed by shareholders are included directly in the equity. The Group's equity is increased in direct relation to the cost of share-based remuneration for employees.

- The nominal value of treasury shares is presented in the balance sheet as a negative equity element. The net purchase price is entered as a reduction of other paid-in equity. Profits or losses on transactions in treasury shares are not included in the income statement.
- Transaction charges in connection with equity transactions are included directly in equity after deduction for tax. Only transaction charges that are directly attributable to the equity transaction are included directly in equity.

Registered share capital in Photocure ASA amounted to:

	No. of shares	Nominal value per share NOK	Share capital in NOK
Share capital at 31 December 2023	27 120 820	0.50	13 560 410
Share capital at 31 December 2024	27 120 820	0.50	13 560 410

Treasury shares:			
Holdings of treasury shares at 31 December 2022	15 122		7 561
Holdings of treasury shares at 31 December 2023	15 122		7 561
Buy-back of treasury shares	-	0.50	-
Share options exercised from treasury shares	-	0.50	-
Holdings of treasury shares at 31 December 2024	15 122		7 561

All shares have equal rights. Ordinary shares are classified as equity. Expenses that are directly attributable to the issue of ordinary shares are included as a reduction of equity.

At the General Meeting 23 May 2024, the Board of Directors of Photocure ASA was granted authorization to purchase treasury shares to 2.7 million shares.

All authorizations are valid up until the Ordinary General Meeting in 2025. Previously issued authorizations have expired.

The table below indicates the status of authorizations at 31 December 2024:

	Purchase, treasury shares
(Figures indicate the number of shares)	
Authorization issued at the General Meeting on 23 May 2024	2 712 082
Purchase of treasury shares after 23 May 2024	-
Remaining under authorizations at 31 December 2024	2 712 082

2 310 448 share options have been allocated to employees 31 December 2024 (see note 6).

Ownership structure

The major shareholders in Photocure as of 31 December 2024 were:

	Shares	Shareholding
Morgan Stanley & Co. LLC	4 592 380	16.9 %
Skandinaviska Enskilda Banken AB	2 000 000	7.4 %
Skandinaviska Enskilda Banken AB	955 575	3.5 %
Skandinaviska Enskilda Banken AB	851 100	3.1 %
Skandinaviska Enskilda Banken AB	843 778	3.1 %
J.P. Morgan SE	727 330	2.7 %
MP Pensjon PK	688 418	2.5 %
The Bank of New York Mellon SA/NV	684 051	2.5 %
Nordnet Bank AB	660 431	2.4 %
JPMorgan Chase Bank, N.A., London	450 189	1.7 %
Nordnet Livsforsikring AS	401 112	1.5 %
Danske Bank A/S	336 924	1.2 %
Verdipapirfondet KLP Aksjenorge IN	277 839	1.0 %
BNP Paribas	259 000	1.0 %
Avanza Bank AB	232 083	0.9 %
J.P. Morgan SE	230 000	0.8 %
Svenska Handelsbanken' AB	213 226	0.8 %
Verdipapirfondet Storebrand Indeks	207 155	0.8 %
Billington, Erik	204 853	0.8 %
Verdipapirfondet KLP Aksjenorge	195 630	0.7 %
Total of 20 largest shareholders	15 011 074	55.3 %
Treasury shares	15 122	0.1 %
Total other shareholders	12 094 624	44.6 %
Total number of shares	27 120 820	100.0 %

Shares owned, directly or indirectly, by members of the Board of Directors, the President and CEO and senior management and their closely related associates as of 31 December 2024:

Name	Position	No. of shares	No. of share options**
Daniel Schneider	President & CEO	99 689	457 500
Erik Dahl	Chief Financial Officer	32 750	278 750
Anders Neijber	Chief Medical Officer	-	164 000
Anja Gossens-von der Heidt	Head of Global Human Resources	-	66 750
Geoffrey Coy	VP and General Manager North America	15 207	221 250
Dylan Hallerberg	Chairperson of the board	150 000	15 277
Ghizlane Tagmouti	Board member	25 000	5 124
Neal Shore	Board member	-	9 097

** See note 6 for additional information about the share options.

22. LOAN TERMS AND REPAYMENT

(Amounts in NOK 1 000)	Currency	Nominal interest rate	Year of maturity	Loan amount 01.01	Instal- ments paid	Book value 31-Dec-24	1st year instal- ments
Deferred consideration (Earnout)	NOK/EUR		2030	136 084	-37 135	126 761	9 636
Right-of-use office contract Norway	NOK	3.15%	2027	9 764	-2 556	7 208	2 631
Right-of-use office contract US	USD	3.70%	2028	8 231	-1 733	7 327	1 795
Right-of-use office contract Germany	EUR	1.40%	2026	-	-588	933	645
Right-of-use company car fleet Germany *	EUR	1.40%	2025	1 592	-1 062	1 340	1 077
Total non-current liabilities				155 671		143 569	15 784

* There are seperate lease agreements for each lease subject

Hexvix sales, marketing, and distribution rights in Europe and other markets previously controlled by Ipsen Pharma SAS (Ipsen) were acquired by Photocure on October 1, 2020. Under the final agreement, Photocure paid Ipsen EUR 15 million upon transfer on October 1, 2020. Additionally, Ipsen receives a deferred consideration of 15% of sales (years 1-7 post-transfer) and 7.5% of sales (years 8-10) in the former Ipsen major markets. The deferred consideration is paid as quarterly earnout payments in EUR after the close of each quarter.

The fair value of the deferred consideration is driven by future expected sales and is remeasured on a yearly basis. There was no remeasurement as of December 31, 2024. The remeasurement for 2023 resulted in an increase in fair value of NOK 1.4 million. Photocure has discounted the estimated earnout payments by an IRR aligned with the investment project, adjusted for changes in borrowing interest levels. This IRR is deemed appropriate as a discount rate for the earnout payments since the level of the payments will be subject to the same risk factors as the cash flow prognosis for the acquisition as a whole. Future sales, given performance in 2024 and growth opportunities going forward, are expected to align with forecasts prepared in connection with the transaction.

Photocure has remeasured the earnout liability in NOK and based the forecasted cash flow on a fixed exchange rate of EUR/NOK 11.7, compared to an exchange rate of 11.6 in the prior year's remeasurement.

The agreement with Ipsen established a floor revenue for the earnout from 2022 to the end of the forecast period, with no upper cap on revenue. The total undiscounted amount of the earnout may range from NOK 150 million to NOK 250 million, depending on revenue and the development of the exchange rate between EUR and NOK. According to our sensitivity analysis, the corresponding net present value of the liability may decrease or increase by NOK 29 million.

Group

	Earnout liability	Financial loan bank	Office Lease Oslo	Office Lease Princeton, US	Office and car Lease Germany	Total
Accumulated 31 December 2022	142 709	12 500	11 433	9 592	6 013	174 871
Proceeds from loans and borrowing					1 023	1 023
Loan repayment and earnout instalments	-8 940	-12 500				-21 440
Payment of lease liabilities			-2 427	-1 360	-2 794	-6 581
Total changes from financing	-8 940	-12 500	-2 427	-1 360	-1 771	-26 998
Remeasurerd liability	2 472		758	-1	631	2 832
Terminated lease liability					-3 282	-3 282
New lease liability						-
Interest expense	25 424	209	332	273	99	26 336
Interest paid	-25 581	-209	-332	-273	-99	-26 493
Total liability related changes	2 315	-	758	-1	-2 651	-607
Accumulated 31 December 2023	136 084	-	9 764	8 231	1 591	147 266
1th year instalments	-8 404	-	-2 889	-1 745	-980	-14 017

Accumulated 31 December 2023	136 084	-	9 764	8 231	1 591	147 266
Proceeds from loans and borrowing					2 284	2 284
Loan repayment and earnout instalments	-10 554					-11 266
Payment of lease liabilities			-2 556	-1 733	-1 650	-5 939
Total changes from financing	-10 554	-	-2 556	-1 733	634	-14 921
Remeasurerd liability	537			829	48	877
Terminated lease liability						-
Interest expense	27 292	-	308	278	157	28 035
Interest paid	-26 580	-	-308	-278	-157	-27 323
Total liability related changes	1 249	-	-	829	48	1 589
Accumulated 31 December 2024	126 779	-	7 208	7 327	2 273	133 935
1th year instalments	-9 636	-	-2 631	-1 795	-1 722	-15 784

23. ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

(Amounts in NOK 1 000)	Group		Parent	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Accounts payable	19 443	19 660	15 299	13 324
Accounts payable intercompany	-	-	50 463	1 220
Total	19 443	19 660	65 762	14 544
Accrued bonus, holiday pay, salaries	44 184	35 378	21 665	18 817
Short-term payable, intercompany	-	-	6 402	25 863
Miscellaneous other accrued costs	21 861	12 863	8 035	6 481
Total other current liabilities	66 045	48 241	36 102	51 161

The incurred earnout liability is for net sales in the last quarter. Accrued bonus, holiday pay, and salaries include accruals for the estimated annual bonus as of December 31, 2024. The final annual bonus for the Group will be decided by the Board of Directors.

24. SUBSEQUENT EVENTS

After the reporting period ended, the Company repurchased 300,000 shares at an average price of NOK 60.41 per share, totaling NOK 18.1 million. The purpose of the repurchase program is to fulfill obligations arising in accordance with Photocure's long term incentive programs and the Company's guidelines for remuneration as approved by Photocure's annual general meeting held on 23 May 2024, or otherwise as decided in accordance with the authorization.

There are no other subsequent events after December 31, 2024, that had any material impact on the Financial Statements.



To the General Meeting of Photocure ASA

Independent Auditor’s Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Photocure ASA, which comprise:

- the financial statements of the parent company Photocure ASA (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Photocure ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Offices in:

Oslo	Elverum	Mo i Rana	Tromsø
Alta	Finnsnes	Molde	Trondheim
Arendal	Hamar	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bodø	Knarvik	Stord	Ålesund
Drammen	Kristiansand	Straume	

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Photocure ASA for 16 years from the election by the general meeting of the shareholders on 29 April 2009 for the accounting year 2009.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Deferred tax asset

Reference is made to Note 11 Tax in the financial statements

The Key Audit Matter	How the matter was addressed in our audit
The Group has recognized a deferred tax asset of NOK 39.1 million in the Company and Group's financial statements as of 31 December 2024. The recognized deferred tax asset relates to deductible temporary differences and unused tax losses in the Company in Norway. Management has assessed that there is convincing evidence that it is probable that taxable profits will be available in the future, against which unused tax losses in Norway can be utilized. Due to the application of the transfer pricing method for the business in the US, future taxable profits in Norway are not only dependent on the development for Hexvix® in Europe, but also the market development for Cysview ® in the US. We have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount of future taxable profits.	Our audit procedures included, among others: - Evaluating the appropriateness of key assumptions in the estimated future taxable profit analysis prepared by management, including revenue and cash flow growth, the impact of the expiry of patents and the reversal of significant temporary differences - Comparing financial performance with the original forecasts, to evaluate the reliability of management’s prognoses related to future taxable profit - Evaluating management’s sensitivity analysis to assess the impact of reasonable changes in key assumptions including future sales for Hexvix®/Cysview ® - Evaluating the adequacy of the disclosures in the financial statements.

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Penneo Dokumentnøkkel: VUPZM-Y6R5V-HRTBC-PXAK4-8A74A-7GAQQ

2. Loan to subsidiary

Reference is made Note 10 Related Parties – Companies in the financial statements

<i>The Key Audit Matter</i>	<i>How the matter was addressed in our audit</i>
Photocure ASAs subsidiary, Photocure Inc, was established in order to carry out the marketing-, selling- and distribution activities for the Cysview ® product in the US. Photocure ASA has a long-term loan to Photocure Inc. that is recognized at NOK 391.8 million in the Company's financial statement as of 31 December 2024. We have determined risk of impairment of the loan to be a key audit matter, due to the inherent risk related to future cash flow estimates and the Group's ability to successfully commercialize the individual product concerned.	Our audit procedures in this area included, among others: • Challenging management and applying our own knowledge of the business and the industry to identify any indicators of impairment of the loan • Assessing the impairment documentation prepared by management • Evaluating the appropriateness of key assumptions in the impairment documentation, including revenue and cash flow growth, the impact of the expiry of patents and agree these with the relevant key assumptions used in determining the expected credit loss • Comparing historical cash flow development in mature markets in Europe with expected future cash flows in the US market • Evaluating management's sensitivity analysis to assess the impact of reasonable changes in key assumptions like future sales in the US for Cysview ® • Evaluating the adequacy of the financial statement disclosures in the Company's financial statement

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Photocure ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXG8OW35-2024-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 11 April 2025

KPMG AS

Gunnar Sotnakk
State Authorised Public Accountant
 (This document is signed electronically)

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Sotnakk, Gunnar

Statsautorisert revisor

På vegne av: KPMG AS

Serienummer; no_bankid:9578-5993-4-2025853

IP: 80.232.xxx.xxx

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Alternative Performance Measures

(Information provided based on Guidelines on Alternative Performance Measures (APMs) for listed issuers by The European Securities and Markets Authority - ESMA)

Photocure reports certain performance measures that are not defined under IFRS, but which serve as additional metrics used by the Board and management for assessing performance and for reporting both internally and to shareholders. The presentation of these non-IFRS performance measures provides readers with additional information to understand the financial and operating performance of the Company when viewed alongside the IFRS financial information.

Photocure uses the following alternative performance measures:

EBITDA & EBIT

Photocure considers EBITDA to be a useful measure for pre-tax operating cash flow, as it reflects cash generation before changes in working capital and capital expenditures. Investors frequently use EBITDA to evaluate and compare businesses, as it provides an analysis of operating results excluding depreciation and amortization. Depreciation and amortization, which are non-cash elements, can vary significantly between companies due to differences in asset value and type.

EBITDA is defined as "Earnings Before Interest, Tax, Depreciation and Amortization."



The reconciliation to the IFRS accounts is as follows:

	2024 11-31.12	2023 11-31.12
All amounts in NOK 1 000		
Gross profit	494 671	474 521
Operating expenses excl depreciation & amortization	-445 479	-419 028
EBITDA	49 192	55 492
Depreciation & amortizaation	-28 793	-27 687
EBIT	20 399	27 806

Revenue growth in constant currency

Photocure operates internationally, with circa 1% of its revenue in Norwegian Kroner. Exchange rate fluctuations can significantly affect reported revenue in Norwegian kroner. To clarify revenue trends, Photocure provides revenue growth data by region and for the whole company in local currencies.

The average exchange rates used for translating revenues on reporting dates were:

	2024 11-31.12	2023 11-31.12
USD (NOK per 1 USD)	10.74	10.57
EUR (NOK per 1 EUR)	11.63	11.43

Financial Calendar

Follow us at our quarterly financial presentations and annual general meeting.

**Annual
General
Meeting:**
**May 5,
2025**

The dates are subject to change.
The time and location of the
presentations will be announced
in due time.

Results:
1st quarter
May 8, 2025
2nd quarter
July 30, 2025
3rd quarter
October 29, 2025

[HTTPS://PHOTOCURE.COM/INVESTORS-HUB/INVESTORS-EVENTS-AND-PRESENTATIONS](https://photocure.com/investors-hub/investors-events-and-presentations)



ESG Report 2024

Sustainability Statement

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General information

General basis for preparation of sustainability statements (BP-1)

This is Photocure's sixth annual sustainability statement and is applicable for the period January 1st - December 31st, 2024. The sustainability statement has been prepared on a consolidated basis, which is the same as for the company's financial statements. The sustainability statement covers Photocure's upstream and downstream value chain.

This report is prepared in accordance with the 2021 GRI Standards and with reference to Euronext guidelines for ESG reporting and the European

Sustainability Reporting Standard (ESRS). The claims and data in this report have not been audited by a third party.

For information about this report and its content, please contact Photocure ASA and CFO Erik Dahl or Corporate Communications Director Maja Bergmann.

Disclosures in relation to specific circumstances (BP-2)

Photocure is using the same time horizons as defined by ESRS 1, section 6.4:

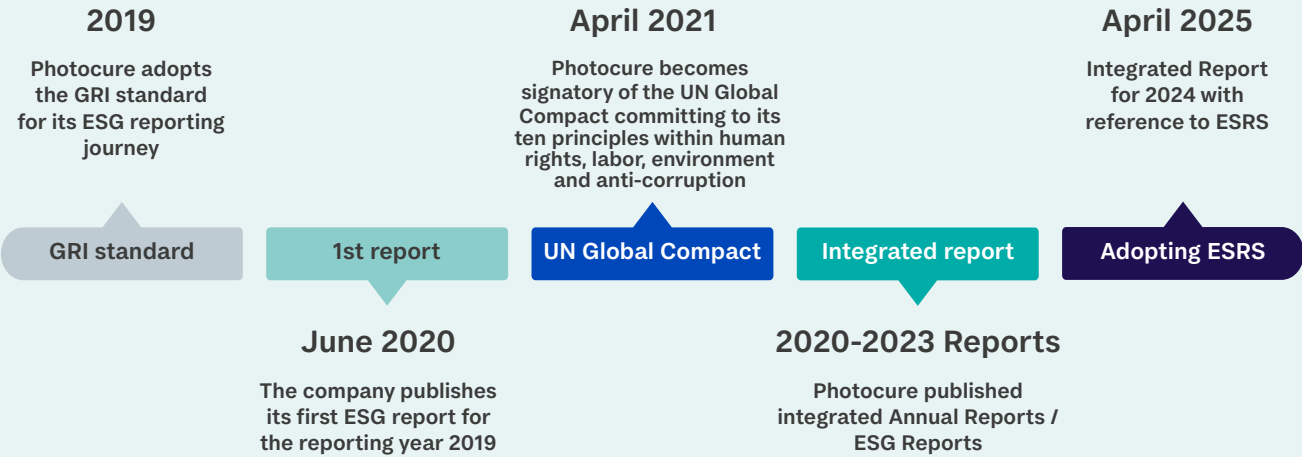
- Short-term refers to the reporting period as defined in our financial statements

- Medium-term refers from the end of the short-term period up to five years
- Long-term refers to more than five years

In the sustainability statement, we do not rely on data estimations from indirect sources, neither have we identified any sources of estimation and/or outcome uncertainty. We have not identified any reporting errors (restatement of information) from prior reporting periods.

As part of its sustainability statement, Photocure is reporting on information stemming from other legislation, such as reporting requirements of the Norwegian Transparency Act.

Photocure's ESG sustainability reporting journey





Governance

(GOV-1 to GOV-5)

The role of the administrative, management and supervisory bodies

Board composition, including independence, gender split, professional and committee roles can be found in the Leadership / Board of Directors section of the company website.

The Board of Directors is responsible for the overall management of the company and shall supervise the company's day-to-day management and the company's activities in general. The Annual General Meeting (AGM) is Photocure's supreme governing body at which shareholders can influence how sustainability is practiced. Photocure's Board of Directors bears the ultimate responsibility for the company's sustainability approach and the sustainability statement is discussed and approved by the Board.

Photocure has made a strong commitment to ensure trust in the company and to enhance shareholder value through effective decision-making and improved communication between the management, the Board of Directors and the shareholders. The company's framework for corporate governance is intended to decrease business risk, maximize value and utilize the company's resources in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large. The Company will seek to comply with the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code"), last revised on 14 October 2021 and available at the Norwegian Corporate Governance Board's website www.nues.no, to the extent not considered unreasonable due to the Company size and stage of development.

Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies

The company discloses board and governance guidelines annually in the annual report and on photocure.com (Corporate Governance Policy and Annual Review).

While the Board is overseeing the management of the organization's impacts on the economy, environment and people, no specific Board committees are assigned to this task. The Board has delegated responsibility for managing sustainability impacts to the CEO and operational responsibility is delegated to Finance, Quality/Regulatory/Compliance and Corporate Communications functions. The process and frequency to report back to the Board is through the quarterly ESG goal tracking and the annual sustainability statement.

Material topics have been reviewed and approved by the Board of Directors. Dr. Neal Shore, an assigned member of the Board, provided guidance to the internal ESG task force on behalf of the Board. The achievements and goals are followed up quarterly with the leadership team, tracked and documented with the oversight from the Global Head of Regulatory, Quality & Compliance Lise Borgen Carlson.

For more information about Corporate Governance, Nomination Committee, Audit Committee and ESG Board Advisor, please see the Photocure corporate governance policy in the 2024 annual report on pages 24-30.

Integration of sustainability-related performance in incentive schemes

The remuneration policy is published on the Photocure website in the Our Impact / ESG report section. In addition, the Nomination Committee report, also available on the company website (Investors – Events & Presentations section), provides details on the Nomination Committee mandate, membership and remuneration.

Photocure has not integrated sustainability-related performance in incentive schemes.

Statement on due diligence

For information about the main steps of due diligence, please refer to the Transparency Act Statement in appendix 1 or on Photocure's website.

Risk management and internal controls

For information about risk management and internal controls, please refer to the risk section of the Board of Directors' report (p. 8).



Photocure's Core Values

Photocure's core values set important standards for the company, both internally and externally. Our values guide what we believe and how we will succeed. These standards ensure that we always act in a responsible way. They exist under the principle that We Care - about everything we do and everyone we engage with.

We are respectful and inclusive, and we operate with the highest level of

integrity. Our values guide the behavior of employees and form the basis for Photocure's ethical guidelines:

- **Take Ownership:** Take initiative and responsibility
- **Be Passionate:** Care deeply about what we do
- **Be Courageous:** Take action in the face of obstacles

- **Be Agile:** Move quickly, act decisively
- **Be Curious:** Have the desire and interest to learn new things, grow and develop
- **Work Together:** Think individually, act as One Team to achieve more

Strategy

(SBM-1 to SBM-3)

Strategy, business model and value chain

Photocure was founded by the Norwegian Radium Hospital to develop and commercialize a promising photodynamic non-melanoma skin cancer product with a vision to become a global leader in photodynamic technology. Photocure has since transformed from a technology-based focus and being a global leader in photodynamic therapy to a valued

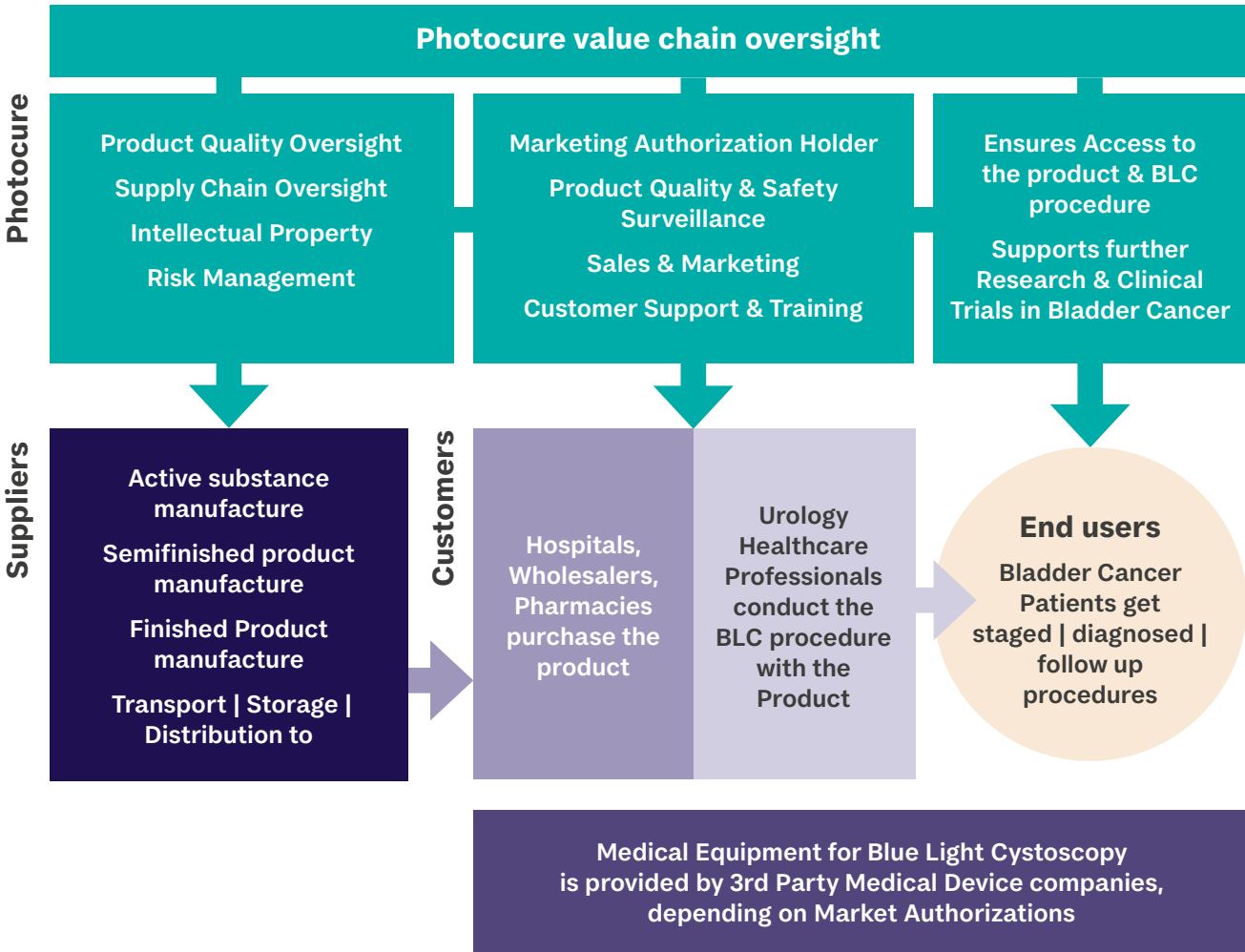
player in the bladder cancer area. Based on its experience, solid foundation and the growth of its breakthrough bladder cancer product, the company has a stepwise approach to further developing its products and services for the benefit of patients, urology care providers and the health care community.

Photocure has a strong track record of developing and commercializing pharmaceutical products based on photodynamic technology. Photocure has since evolved into a therapeutic area-focused commercial stage pharmaceutical company with a focus

on bladder cancer. The company is exploring expansion opportunities within uro-oncology.

Today, the company's vision is driving change in bladder cancer and its mission is to deliver transformative solutions to improve the lives of bladder cancer patients. There have been no significant changes to the sectors in which Photocure is active, the company's value chain or other relevant business relationships compared to the previous reporting period. Photocure is member of NHO (The Confederation of Norwegian Enterprise) and the Oslo Cancer Cluster.

Value chain oversight



Interests and views of stakeholders

The identification of priority stakeholders for the company was done by an interdisciplinary working group consisting of Photocure employees representing medical affairs, finance, operations, HR, communications, IT, compliance, and quality management. The model on the next page illustrates our key stakeholder groups.

We continuously engage with stakeholders regarding sustainability issues and priorities. Since 2020, we have

carried out systematic stakeholder dialogue on this topic regularly (at least annually), to make sure that we report on relevant topics, and we communicate on our progress through the annual sustainability reports.

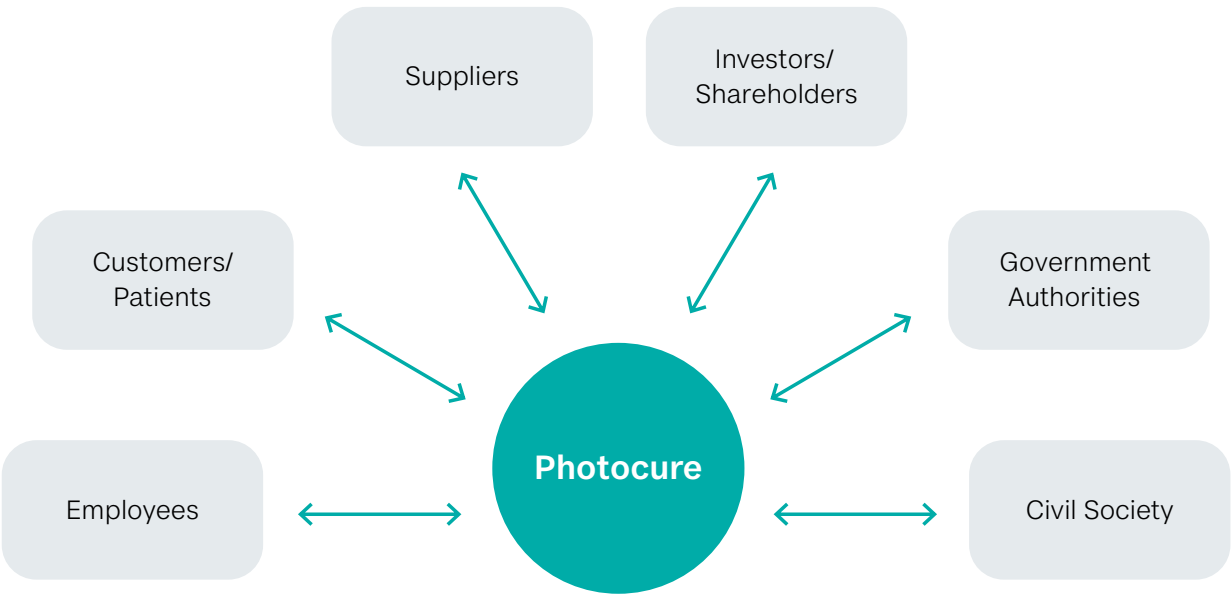
When conducting stakeholder dialogue, we make sure to talk to as many relevant stakeholders as possible, including representatives among Photocure's investors, employees, customers and suppliers. The last systematic stakeholder dialogue was carried out at the end of 2023 / beginning of 2024 and consisted of short semi-structured interviews,

in addition to a review of relevant documentation, such as the annual employee survey, sustainability ratings and industry level ESG topics / reports.

In the stakeholder interviews / document reviews, we seek information about the stakeholder's own sustainability priorities, guidelines and procedures (in order to learn from them, and to make sure that we are collaborating with responsible partners), as well as industry specific topics, stakeholders' impression of Photocure's performance and where / how they think we can improve.



Photocure's stakeholders



Employees

Photocure's employees are directly affected by the company's internal policies and activities, and directly affect the company through their performance and actions.

Customers/Patients

Photocure's customers consist of urologists, hospitals, clinics and the bladder cancer patients they treat. Customers are directly affected by the quality and safety of Photocure products. Customers directly affect the company economically and customer expectations also impact Photocure's sustainability priorities.

Suppliers

Photocure's suppliers are economically affected by the company and their responsibility is indirectly affected by Photocure's focus on responsible practices and the expectations placed on them by the company. Suppliers directly affect the company through the quality and pricing of their products and services.

Investors / Shareholders

Photocure's investors and owners are primary stakeholders and directly affect the company's priorities and strategic direction. Photocure's economic and business performance may affect the priorities of investors and shareholders.

Government authorities

Government and regulatory authorities affect the company's operating conditions directly and indirectly.

Civil society

Civil society affect the company's operating conditions directly and indirectly. Local communities are indirectly socially, environmentally and economically affected by Photocure's activities in terms of job creation, contribution to local value creation and environmental impact.

Material impacts, risks and opportunities

This report covers sustainability topics that are of importance to Photocure and the company's stakeholders.

Since 2020, Photocure has conducted materiality assessments in line with the principles of the GRI Standards. This means that the company has reported on topics on which we have an actual or potential positive or negative impact.

In 2024, Photocure conducted a double materiality assessment (DMA), in line with ESRS 1, section 3. In addition to assessing impacts, we have also

evaluated risks and opportunities for the company.

The outcome of the 2024 DMA has not significantly changed the list of sustainability topics but it has led us to rename some of the topics that we were already reporting on, to match the sustainability matters covered in topical ESRS (ESRS 1, AR 16). The order in which we report on material sustainability topics has also changed, following the guidelines in ESRS 1, Section 8. The sustainability statement is now structured in four main parts: General information, Environmental, Social and Governance, with our material topics listed in the table below:

Topical ESRS	Topic	Sub-topic	Section in the sustainability statement
ESRS S1	Own workforce	– Working environment – Employee engagement – Policies & workplace key figures – Headcount turnover – Employees by region – Gender equality and diversity – Compensation equity – S1 Goals and targets for 2025	Social
ESRS S4	Consumers and end-users	– Product quality and safety – Ethical marketing and disclosure – Supply chain responsibility – Research activities & supporting the scientific community – Clinical trials – Real world data & patient registries – Data protection & IT security – S4 Goals and targets for 2025	Social
ESRS G1	Business conduct	– Business ethics & transparency – Compliance program – Reporting and monitoring – G1 Goals and targets for 2025	Governance

Impacts, risks and opportunity management

(IRO-1 & IRO-2)

A detailed description of the process to identify and assess material impacts, risks and opportunities will be included in the 2025 sustainability statement.

Photocure is currently in the process of defining relevant ESRS disclosures and will adjust reporting according to these for future sustainability statements.



Environmental information

Statement regarding environment & climate

In Photocure, we focus all our efforts and resources to improve the lives of bladder cancer patients, and we recognize that we do have an economic, social, and environmental impact on our surroundings. In the 2024 double materiality assessment (DMA) we concluded that E1 Climate change was not considered material to Photocure. While Photocure recognizes the critical importance of addressing environmental and climate change issues, these concerns are not classified as material topics within the framework of ESRS. This assessment is primarily due to Photocure's limited direct environmental impact, as the manufacturing of our healthcare product is outsourced to external suppliers. Consequently, our control over production-related environmental factors is indirect and limited. Nonetheless, we continue to report

on emissions related to our office locations and IT operations, as well as environmental considerations related to our product itself.

Within Photocure's supply chain, we remain committed to monitoring and promoting sustainable practices as well as engaging with our suppliers to ensure adherence to environmental standards. In addition, we continue to monitor environmental topics of real estate providers for Photocure locations and include them in any new real estate searches. We also continue our stakeholder dialogue to assess evolving environmental and climate reporting needs. Nevertheless, our focus remains on social and governance related areas where we can exert the most influence, ensuring the efficacy and integrity of our sustainability efforts.

As a participant of the United Nations Global Compact and committed

to upholding the Ten Principles, Photocure supports a precautionary approach to environmental challenges; the company shall undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies. This commitment is also part of the Photocure Supplier Code of Conduct as well as Photocure's own [Environmental Policy](#), implemented in 2023.

Scope 1 & 2 emissions

Photocure's business locations contribute to environmental and climate impact directly through energy use in our offices (see table below), waste generated at our offices, and employee business travel. In addition, the manufacture, transport and use of pharmaceutical products and their disposal can lead to impacts on the environment.

Photocure Location	kWh electricity			kWh district heating			Total Kg CO ₂ e		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Headquarter (Oslo)	68 818	68 571	60 241	57 284	57 206	38 304	1 410	2 161	2 140
Europe (Düsseldorf) ¹	11 087*	5 371***	NA	26 077**	25 024****	NA	13 530	3 046	NA*****
North America (Princeton) ²	37 958	63 076	56 534	-	-	-	8 460	14 066	12 530

¹ Düsseldorf office: data reported as stated or from latest available 12-month period: *May 2021-May 2022, **Jan-Dec2022 ***2112.2022-41.2024 ****Dec 2022-Nov 2023. Electricity 100% from Renewable energy sources (Information: Vattenfall).*****2024 consumption not available from the rented shared office space at the date of publication.
² North America office: Photocure share of energy use (electricity + heating).



Office locations & emissions

● **Global Headquarters**
Photocure's headquarter is located in an office building in Oslo, Norway, that is certified by the BREEAM Code for a sustainable built environment. The certificate is renewed annually, and the building obtained "very good" in the asset performance and building management categories.

In addition, a best-in-class approach (100%) to waste was highlighted in the April 2022 BREEAM assessment. New waste sorting containers in 7 categories have been deployed in November 2024 in Photocure's office.

The professional property company managing the building publishes their sustainability strategy and ethical guidelines annually, focusing in priority on energy savings in their buildings, increasing the source sorting rate of waste and on environmental certification of the buildings. They are ISO 9001 and 14001 certified and a member of Grønn Byggallianse.

● **North America**
In December 2022 Photocure's North America operations moved to

a different office within the same building complex, the Carnegie Center, prioritizing open plan and meeting spaces to better accommodate the evolving and flexible office usages. This office building complex in Princeton, USA, has been "Energy Star" certified from 2017 to 2024 and has seen a number of energy and water conservation upgrades in 2023. In addition, Carnegie Center has been awarded Gold Tier Certification for Conservation and Sustainability by the Wildlife Habitat Council (WHC) for 2024. Carnegie Center is currently the only multi-tenant office facility in the Northeastern US to achieve Gold Tier Certification.

In response to growing focus on occupant health during the Covid-19 pandemic, the "Fitwel Viral Response Module" was created in order to set the global standard for safeguarding occupant health and wellness, offering the premier evidence-based, third- party certification to mitigate viral transmission in buildings. Carnegie Center also has an extensive recycling program, diverting over 50% of waste from the landfill. Recycled items include paper, glass, cardboard, plastic, electronics,

lightbulbs, pallets, plant material, asphalt, concrete and food waste.

The commercial real estate company is included in the GRESB: The Global Real Estate Sustainability Benchmark, the worldwide portfolio-level standard for environmental, social and governance (ESG) benchmarking for real estate Corporate Level Disclosure. The real estate company also earned the BOMA 360 label for operational best practices of its building management.

● **Europe**
In January 2024, Photocure GmbH moved to a new office location in central Düsseldorf, better matching office surface and people present in the office versus the colleagues traveling or working from home. Shared office management and meeting facilities provide economies of scale. In addition, the central location is easy to reach, making public transport the evident and environmentally friendly choice for our employees based in Düsseldorf.

The group will continue to broaden its focus on monitoring ESG criteria regarding its existing and future locations.

Scope 3 emissions

Carbon footprint linked to third-party IT hardware & services

Photocure contracts its IT services, hardware, servers and data centers from a third party corresponding to approximately 75% of its activity in that

domain: Microsoft 365 for all Photocure users, Microsoft Azure, servers including website servers, PCs managed for approximately 50% of Photocure employees. This third- party vendor uses the cradle-to-gate method for the calculation of product lifetime emissions, in accordance with the GHG protocol. The cradle-to-gate method calculates the total CO₂e of each asset in the year

of acquisition. All mobile devices (mobile phones and tablets) used by employees for professional purposes are included for the first time in 2024, also using the cradle-to-gate method.

The following graph & table provide information about the company's share of emissions resulting from that vendor & activity:



Photocure data provided by third party

	2022	2023	2024*
Total scope 3 CO ₂ e emissions	4.89 t	1.84 t	8.23 t
CO ₂ e emissions per employee	77.42 kg	28.41 kg	130.79 kg

* The inclusion of mobile devices in 2024 represents the major share of the emission (6.73 t).

Supply chain monitoring, packaging & transportation

As a business with outsourced manufacturing and logistics, Photocure relies on suppliers, individuals or organizations who provide goods and services to the company (see p. 99 “Supply chain responsibility”). Beyond resource consumption at its office locations, Photocure acknowledges that an impact on the environment and climate is found in the company's indirect impact through suppliers and raw materials.

Photocure aims to minimize the carbon footprint caused by transportation, by utilizing as much of the pallet and vehicle capacities as possible. In addition, when selecting primary containers and secondary packaging of our product, Photocure takes into consideration the environmental impact of the different options available.

In 2021-2024, all Photocure's critical suppliers within the supply chain were screened for environmental criteria, such as the existence of an Environmental Policy and the location of their operations in high water-stress areas (see next page). All 11 suppliers are in either a low or low- medium water risk area. None are located in a high-water stress area.

Environmental risk related to Photocure's medicinal product

Pharmaceuticals can be considered as a class of environmental contaminants when they are responsible for bioaccumulation and toxic effects in aquatic and terrestrial ecosystems. The active ingredient in Photocure's Hexvix/ Cysview product, Hexaminolevulinate hydrochloride (HAL), is instilled in the patient's bladder and after about one hour the bladder is emptied, so that the urologist can look for bladder tumors, highlighted by the product's fluorescence. The risk for residuals of HAL in nature has been evaluated.

HAL has very limited stability in biological tissues and fluids and is readily biodegradable. The products of hydrolysis are two substances; one which is a natural compound found in all living cells, and it will readily be biodegraded or metabolized in a natural environment and the second one is a fatty alcohol, which is derived from natural fats and oils, and it can be found in fruits, animal, vegetable, and marine sources.

The Hexvix/Cysview product is non-reactive under normal conditions of use, storage and transport and chemically stable under normal conditions. The product is not considered toxic or harmful to aquatic

organisms nor to cause long-term adverse effects in the environment. The product contains no REACH substances as per the EU regulations*.

In conclusion:

- Environmental risk: Use of HAL has been considered to result in insignificant environmental risk.
- Degradation: The predicted environmental concentration of HAL is so low that it did not reach the prespecified action limit for further risk investigations at time of approval (2010).
- Bioaccumulation: HAL has low potential for bioaccumulation

Within Environment & climate impact, the following achievements can be reported for 2024:

- Environmental Risk Assessment of the Hexvix/Cysview product's active ingredient reviewed against current guidelines and concluded valid.
- Revised Code of Conduct shared with all critical suppliers
- Building / Real estate provider monitoring of environmentally friendly upgrades.

Critical supplier screening; manufacturing and supply chain	2022	2023	2024
Total number of critical suppliers in Photocure's manufacturing and supply chain	11	11	11
Critical suppliers with Environmental policy available on website or shared otherwise with Photocure	9 (82%)	10** (91%)	11 (100%)
Critical suppliers located in high-water stress area	0 (0%)	0 (0%)	0 (0%)

Suppliers screened for Environmental criteria – Source: Aqueduct Water Risk Atlas

* REACH is a European Regulation and is an acronym for the Registration, Evaluation, Authorization and Restriction of Chemicals

** The only exception is an IT-service provider.

Social information

Own workforce

(S1)

Working environment

We continue to work on different projects and measures supporting our ambition 'To create a great place – for great people – being able to do great work'. It is based on this desire that we build our working environment. The ability to attract, engage and retain a skilled workforce as well as maintaining a safe and healthy working environment are key interests of both the company and its stakeholders.

The company follows all regulations related to Employee Health & Safety (e.g. the Norwegian "Working Environment Act). Whether working in an office environment or remotely as part of our sales team, the company and its employees are mainly exposed to

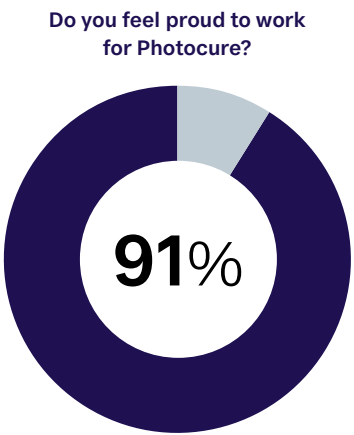
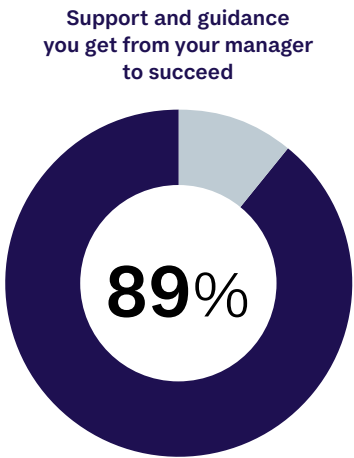
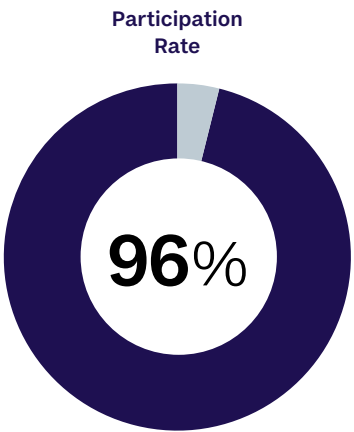
risk related to the working environment, such as the mental well-being of employees and physical risks related to an office setting, e.g. ergonomics and sedentary work and risk associated with business travel.

In the reporting period, the company was not involved with any negative impacts in the working environment, through its activities or business relationships. Our policy commitment regarding a safe and healthy working environment is further outlined in the company Code of Conduct and our values statements, which are available on the Photocure.com website.

Photocure directly impacts the working environment through its strong "We Care" culture, policies and agreements, and by keeping an active and regular dialogue with colleagues across the globe both in virtual and in-person

meetings. As our culture is built on trust, Photocure offers hybrid remote work arrangements across its locations in Norway, Germany and the U.S. for its non-customer facing employees, which represents approximately 40% of its global team. If possible, employees aim to work from their offices on an average of two to three days per week and engage in regular in-person meetings, as needed. Colleagues express satisfaction with the choice of locations and office environment, which is seen as very beneficial for the overall well-being and spirit of the team.

«To create a great place – for great people – being able to do great work.»



Photocure 2024 Global Employee Survey

Employee engagement

All Photocure employees have the opportunity to actively engage and participate in creating a positive work environment where all can thrive.

This year again we asked employees to provide their insights and opinions through our Annual Pulse survey. With a very strong 96% participation rate, the results indicated a workforce that is to a very large extent "Proud to Work for the Company" scoring in the 90th percentile.

Our survey process includes a transparent sharing of the overall results and then going back into the organization to gain clarification and testing assumptions from the scores and comments. These feedback sessions are organized throughout all of our countries and regions, subsequently using employee input to drive improvements and using their perspective to implement new ideas.

Another avenue where employees have a direct say in shaping our culture is through participation in the Care and Respect Council which was established in 2021 as a result of feedback from our Annual Pulse survey. 2024 was a reorganizing year for the council but the goal and its charter remain the same – which is to foster ideas and actions that create an inclusive work environment. In addition, the council will continue to bring awareness around intercultural and interpersonal communication, maintaining a healthy and sustainable work life balance and identifying and address emerging issues that may impact our diverse culture.

There were no cases of discrimination reported in 2024. All employees are being trained in Photocure's Code of Conduct and would be aware how to raise an issue if there was any concern.

Policies & workplace key figures

Photocure strives to ensure a good working environment for all employees

and aims to be a workplace with equal opportunities in all areas. The company's policy is to ensure and provide equal employment rights and opportunities for all persons employed by, or seeking employment with Photocure without regard to race, age, color, religion, sexual orientation, citizenship, gender, marital status, pregnancy, national origin, disability, or other non-work-related criteria as may be protected by local or country law. This extends to the employment relationship and all other areas of personnel activity, such as recruitment, selection, job assignment, supervision, training, promotions, performance evaluations, transfers, terminations, compensation, benefits, educational opportunities, recreational activities, and work facilities.

Photocure recognizes its obligation to actively promote such opportunities for all qualified people and will take reasonable and necessary action to ensure that these objectives are met.

The company has implemented separate processes for talent acquisition, compensation, training and development, performance management and communications. These processes ensure a non-discriminating, secure working environment, follow local labor law regulations and are compliant with the Norwegian Working Environment Act, the European Directive 89/381-OSH and the U.S. employment law and standards, as well as aligning to industry best practices. The company does not have employee representatives on the Board due to the size of the company. The number of employees covered by collective bargaining agreements in 2024 was 0%. Working conditions are being determined through local industry benchmark data and employee feedback through the global annual employee survey.

At the end of 2024, the organization comprised of 101 employees, all but two of whom were full-time employees.

In addition, Photocure continues to successfully utilize a strong network of consultants to support the operations and development as needed, and the company's practice is to outsource non-core operations and highly specialized skills and services where it makes sense. This practice allows the company to manage its resources in an effective, and practical way.

The mid-year as well as the year-end performance appraisal for Photocure employees and management includes an assessment of the performance in relation to the company's values in addition to goal achievement. Participation and execution rate is >95%.

Even if our strong and very valued company culture is one of our key assets and supports talent retention, we make talent retention one of the focus topics for the company. Complementary to the close communication between manager and employee and to ensure valuable cooperation and leadership, Photocure also implemented a risk of loss assessment process. In addition, we developed a concept for developmental assignments to support individual on the job development. Also,

remuneration comparisons are carried out on a regular basis to keep in line with our remuneration guidelines.

In the reporting period, Photocure had no employee or contractor fatalities to report. The Company had a low incidence of accidents and absences due to illness in the countries where this is actively tracked. There was no on-the-job accident reported globally that resulted in an absence from work. Absences due to illness in the reporting countries was 3.3% of total hours for Germany .and 0.5% for Norway and included no long-term illness during the year. In the U.S. sick leave is not tracked due to the company's paid time-off policy (PTO). There were no on-the-job accidents reported in 2024 in the U.S.

During 2024 no one in the company took parental leave.

Photocure has not been in any legal proceedings regarding working environment in 2024.

Headcount turnover

Turnover at Photocure is monitored on a rolling 12-month basis. Turnover in a company is very natural and that

the “right” amount of change in the organization is healthy to promote a growing and developing environment. Longstanding ways and new thoughts come together in a way that keeps the organization fresh, combining consistency with new ideas. We track and report overall turnover as well as turnover deemed regrettable. We further establish goals to help to ensure that senior leaders and HR business partners work together to remain highly conscious of engaging and motivating colleagues.

Employees by region

An overview of the number of employees by region is provided in the table below, all numbers are provided as headcount at the end of the reporting period

Gender equality and diversity

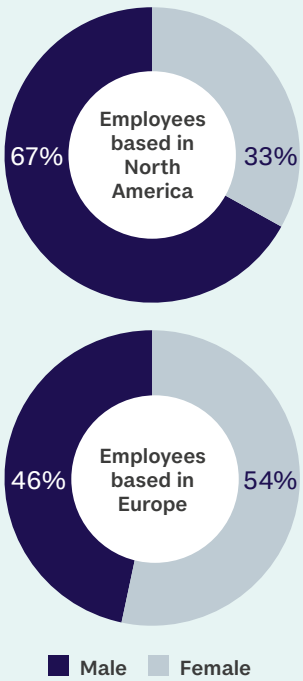
In terms of gender equality, one of the three Photocure's Board members is female, as are 33% of the 6-member Executive Leadership Team (ELT) and 50% (= 10) of the 20-member Global Leadership Team (GLT) at the end of 2024. Globally, Photocure employs 55.5% men and 44.5% women.

Employees by region

	(Corp.) Functions	Commercial Operations	Total
Based in North America (USA and Canada)	15	30	45
Based in Europe (HQ Oslo and other countries)	25	31	56
Total	40	61	101

Gender Split	Male	Female	Male	Female	Male	Female
Based in North America (USA and Canada)	9	6	21	9	30	15
Based in Europe (HQ Oslo and other countries)	10	15	16	15	26	30
Total	19	21	37	24	56	45
Total in %	47.50	52.50	60.66	39.34	55.45	44.55

Gender split by geography



Compensation equity

To support growth and fulfil our ambitious strategy and targets, we need highly qualified professionals. Thus, reward and recognition are key parts of our HR strategy to attract, engage, motivate and retain great talent at Photocure.

We are proud to actively work on our compensation philosophy to offer fair, attractive, equitable pay based on experience, knowledge, and position responsibilities. We consider both internal pay guidelines and external market competitive financials when developing our remuneration package, independent of age, gender, origin, nationality, or any other. This is further communicated in our Code of Conduct.

Photocure is a small organization of 101 employees who are based in 11

countries. Due to the size, geographic diversity, and the fact that 60% of the roles in the organization are unique, we are unable to make general compensation comparisons that are meaningful. This is specifically challenging due to the uniqueness of the roles, confidentiality of the data, and overall data privacy.

Where we have larger populations of similar roles, as in our customer-facing positions, we report that we fare well in terms of our gender comparisons as it relates to salaries:

- U.S. sales force women earn 100.94% compared to men in that category
- Europe sales force women earn 103.6% compared to men in that category

Breakdown of employees

	2022			2023			2024		
Organization	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of FTE	59	46	105	58	44	102	55	44	99
Part time employees	0	1	0	0	0	0	1	1	2
Temporarily hired	0	0	0	0	0	0	0	0	0
Total of employees	59	47	106	58	44	102	56	45	101
Newly hired									
Total number of newly hired employees in 2022-2024	12	8	20	8	3	11	10	6	16
Employee turnover									
Number of employees who have left the company	4	8	12	8	7	15	12	5	17
Parental leave									
Number of employees on parental leave	1	2	3	2	2	4	0	0	0

Turnover

Dec-24	Headcount Dec-24	New Hires (last 12 month)	Terms last 12 month	Turnover % last 12 month	Regret. Turnover (last 12 month)
TOTAL	101	16	17	17.30%	7.10%

Breakdown of employees and board members by gender:

	2022		2023		2024	
	Men	Women	Men	Women	Men	Women
Organization total	59	47	59	43	56	45
Board of Directors	3	2	2	2	2	1
Executive level management	4	3	4	2	4	2
Non-executive level management	10	13	11	11	11	12

Within working environment several notable achievements can be reported for 2024:

- All colleagues on-boarded have received the on-boarding training needed
- 96% response rate in Pulse Survey with over 85% indicating satisfaction with the company
- Internal training program continued on emotional intelligence and other individual training opportunities.
- Focus on global leadership development (GLT Summit implemented)
- Succession planning for key functions implemented with development plans being established for key talent and successors
- Recognizing exemplary behavior in line with our values (establishment of Value Awards)



Goals and targets for 2025

- Maintain engagement to be measured by low regrettable turnover, high participation (>80%) and high overall score in the employee survey (>75%).
- Continue to build a strong performance driven culture where all colleagues feel respected and are motivated to do their best work.
- Support talents on their development being able to meet the future needs of the organization
- driving towards a strong, diverse pool of successors to key positions in the organization.
- Focus on a holistic employee experience (along the employee life cycle)
- Encourage and support our colleagues to have a learning mindset and to think innovatively by providing opportunities for training and development and through experiential projects.

Consumers and end-users

(S4)

Product quality and safety

Photocure's high quality products and processes are a prerequisite for the company's contribution to value creation for both owners and society and for future growth. Providing access to safe and high-quality healthcare is at the core of what the company aims for. A negative management of this area could impact patients' wellbeing and endanger the company reputation. In the reporting period, the company was not involved with any negative impacts in the product quality & safety area, neither through its activities nor through business relationships. Photocure's product Hexvix®/Cysview® is available in over 30 countries, with its established specialist commercial and medical teams in North America and Europe. The quality policy and the quality and compliance manual are the overarching documents describing the company's quality goals and quality system. The Quality Management System (QMS) is a set of written policies, standard operating procedures, work instructions and forms managed in a validated computer system.

Photocure holds a manufacturing license and a good manufacturing practice certificate issued by the Norwegian Medicine Agency which is available on the EudraGMDP public database.

An annual review of all aspects of the quality system, product quality and safety are conducted with the management team.

All reports of adverse events and/or product complaints are promptly investigated and assessed. Adverse events are reported to applicable health authorities according to procedures.

All complaints are investigated to identify if the root cause is linked to the manufacturing process and if there is a

potential quality issue / defect with the product. In 2024 there were no quality and/or safety incidents that led to any market actions or need for reporting to health authorities e.g. product recall or healthcare information letter.

At Photocure we aim to be accessible to any healthcare provider who needs information or wants to submit feedback regarding our product. Our medical information team replies to any requests received.

Ethical marketing and disclosure

Photocure complies with pharma industry codes in all markets where we promote our product and interact with health care professionals and health care organizations. In Europe, the company follows the European Federation of Pharmaceutical Industries and Association's (EFPIA) code of practice, while for the U.S. market, Photocure follows the Pharma Code. Written procedures are established to ensure promotional materials are reviewed and approved and that promotional and medical activities are conducted responsibly and according to industry standards.

In the reporting period no cases of promotional material recalls or fines related to improper promotion of pharmaceutical products have been reported in any of the markets where Photocure operates.

A transparent disclosure regarding payments and transfers of value between the medical community and the pharmaceutical industry is important to keep a trustworthy and healthy relationship with patients, health care professionals, government officials and the public, and it also strengthens the company's commitment to keep a high ethical business standard.

Therefore, Photocure publishes annual disclosure reports describing these payments and transfers on its website

or applicable external websites. Photocure is equally disclosing its support for research and open access to scientific publications.

Supply chain responsibility

As a business with outsourced manufacturing and logistics, Photocure relies on suppliers, individuals or organizations who provide goods and services to the company. Photocure is thereby directly and indirectly exposed to risks and opportunities in its business relations and supply chain.

Photocure has procedures in place for the interaction with suppliers, including qualification and follow up, risk assessment, auditing and procurement. As a part of the initial and ongoing evaluation of suppliers, Photocure obtains confidence that the supplier is able to deliver the materials/services as requested with the required quality, and that the supplier complies with all applicable laws relating to ethical and responsible standards of behavior in accordance with the United Nations Global Compact or similar. Photocure continuously keeps close dialogue with all its suppliers. Further, the company performs risk assessments (measures and analyzes potential risks) in its supply chain on a regular basis.



Safety feature:
All Photocure products sold in Europe have a unique identifier (2D barcode) as a safety feature. In addition, all product packs have tamper evidence in the form of glued cartons.

Upon engagement of any new suppliers, Photocure has in place written procedures, with regards to qualification and follow up of such suppliers. Upon engagement of new critical suppliers, these procedures also include a detailed questionnaire in order for Photocure to collect the necessary information for the company to be able to assess, among other things, any human rights risks associated with the new supplier.

All new and revised supplier contracts include a claim that the supplier shall materially comply with all applicable laws relating to ethical and responsible standards of behavior, including, without limitation, those dealing with human rights, labor, environmental protection, sustainable development and bribery and corruption in accordance with the Ten Principles of the UN Global Compact.

Suppliers’ Business Conduct and responsible business practice is part of the agenda on regular business review meetings with the suppliers. All suppliers have received our Supplier and Partner Code of Conduct (“Code”). In addition, all Photocure’s critical suppliers (as defined according to internal procedure and risk matrix) have been assessed for the presence of a Code of conduct / corporate responsibility policy. Photocure has not terminated or discontinued contracts with any suppliers due to sustainability breaches.

Within Supply chain responsibility several notable achievements can be reported for 2024:

- Environmental, social and governance topics were followed up in regular business review meetings.
- The status of ESG topics related policies from all critical suppliers was assessed.
- One critical supplier was encouraged to improve their ESG policy.

Our Supplier and Partner Code of Conduct was introduced in 2021 and updated in 2024. As our suppliers are seen as an extension of Photocure, we require our suppliers and partners, to comply with this Code which is based on The Ten principles of the UN Global Compact. Photocure also expects its suppliers and partners to require their own suppliers and subcontractors to follow these principles. In contracts with business partners and suppliers, Photocure has included statements that both parties are obliged to follow all applicable laws, rules and regulations, and this general statement also includes anti-corruption laws. To strengthen the internal awareness of the importance of oversight and follow up on suppliers, a written procedure applicable for all suppliers’ engagement is in place.

There have been no confirmed incidents of corruption in the reporting

period, nor has any Photocure employee been dismissed or disciplined for corruption. There have been no cases of terminations or contracts not being renewed due to suspected business ethics breaches in 2024, nor has Photocure been involved in any legal proceedings regarding business ethics or corruption. More information on business ethics and whistleblowing procedures is in the “Governance” chapter on page 104 / 105.

Research activities & supporting the scientific community

Photocure delivers transformative solutions to improve the lives of bladder cancer patients. New clinical research and real world data provide the scientific community with new insights to improve bladder cancer care. In 2024, we have engaged in 15 research projects, underscoring our commitment and tangible contribution to the lives of bladder cancer patients through our support of the scientific advancement of care in this domain.

A potential negative impact stemming from the non-respect of our policies, best practices and international requirements for trials and studies, could be flawed results leading to uninformed medical decisions. In the reporting period, Photocure was not involved with any negative impacts in

Critical supplier screening: manufacturing and supply chain	2022	2023	2024
Number of critical suppliers	11	11	11
Location of the critical suppliers	Europe and North-America	Europe and North-America	Europe and North-America
Critical suppliers with Code of conduct / corporate responsibility policy available on website or shared with Photocure	10 (91%)	11 (100%)	11 (100%)
Critical supplier with clear statements for adherence and respecting human rights available on website or shared with Photocure	10 (91%)	11 (100%)	11 (100%)

*Critical suppliers are defined according to internal procedure and risk matrix.



its research activities or relationships with the scientific community.

Photocure is dedicated to improving bladder cancer care and is conducting clinical trials and data generation activities in advancing this mission. In doing so, Photocure has established a full set of standard operating procedures for all research and development related activities, including laboratory, pre-clinical and clinical research, including also grants and non-sponsored trials. The procedures outline our commitment to ensure research activities are conducted in an ethical manner in compliance with all applicable laws and regulations as well as industry best practice and international codes.

Photocure’s standard operating procedures about research and clinical trial management cover various aspects including responsible management of trials, commitment to publish trials in clinical trial registries like clinicaltrials.gov, patients’ informed consent and independent ethical committee approval, sponsor oversight of outsourced activities risk assessments before and during the conduct of a trial, monitoring, vendor and internal team qualification, and commitment to

publish results, including when results are negative. Our procedures are subject to regular review and audits. Photocure is headquartered in Oslo, Norway, which requires Institutional Review Boards in Norway to review applicable clinical trials to ensure that they comply with applicable regulations, meet commonly accepted ethical standards, follow institutional policies, and adequately protect research participants, even when the trial is conducted in another country. The Institutional Review Board at each site will also approve the trial, patient information and patient consent procedure as well as ensure protection of vulnerable patient groups in trials. In addition, authorities approve the relevance of clinical trial populations in relation to the investigated product. The local ethical committee, the Norwegian ethical committee, or the authorities independently have the prerogative to approve, modify or stop any applicable trial and to request information on trial progress and trial results, including individual safety signals.

Clinical trials

Photocure’s latest clinical trial (NCT05600322) comparing Hexvix blue light cystoscopy with standard white

light cystoscopy in the detection of bladder cancer in a Chinese population was conducted as part of the process to obtain marketing authorization approval in China. The study was completed and first results published in October 2023. In November 2024, the Chinese National Medical Products Administration granted the marketing authorization for Hexvix® in China. The study was a collaboration with Photocure’s partner Asieris. Photocure did not conduct any sponsored clinical trials or experimental studies on animals in 2024.

Real world data & patient registries

Beyond clinical trials, Photocure has a commitment to bridge the gap between randomized clinical trials and real-world outcomes in bladder cancer care. The company has established partnerships with different organizations to help generate the long-term real-world data needed in bladder cancer treatment across diverse and otherwise underserved sub-groups of patients. Due to factors including a restricted patient pool defined by comprehensive eligibility criteria, controlled trial settings, as well as set trial durations, randomized clinical trial outcomes may

have gaps that need to be addressed by other means to progress therapy options. To bridge the knowledge gap that exists in bladder cancer care, Photocure has supported and worked closely with several patient registries to benefit from such real world data.

One such real world, non-interventional Photocure sponsored study (Blue Light Cystoscopy with Cysview® registry in the U.S.: Clinicaltrials NCT02660645) was ongoing in the reporting period. The Blue Light Cystoscopy with Cysview Registry was established by Photocure in the U.S. in 2014 and is projected to enroll 4,400 patients. This large, prospective, longitudinal, multisite registry collects data on non-muscle-invasive bladder cancer patients who have undergone transurethral resection of bladder tumor using blue Light as an adjunct to white light cystoscopy. Several other real world evidence projects also receive Photocure's support.

In addition, Photocure has provided multiple research grants, supported investigator-initiated trials and research collaborations. During 2024, a number of studies were published, or presented at the major urology conferences, highlighting and confirming key benefits of blue light cystoscopy with Hexvix/ Cysview.

Main publications and presentations can be found in the Annual Report 2024 on pages 12-13.

Moving forward, Photocure expects that the Precision Medicine / Precision Diagnostics movement will grow more important. We anticipate that the application of precision uro-oncology will continue to be implemented at all stages of bladder cancer, starting with the research stage, with the aim of customizing cancer treatment. Blue light cystoscopy with Hexvix/Cysview will likely be key in identifying certain types of patients in order to tailor their cancer treatment. Additionally, precision diagnosis can reduce misdiagnosis, delayed diagnosis, under-



treatment and use of unnecessary treatments. It is also indispensable in therapeutic monitoring i.e. the progression of disease and predicting and assessing responses to treatment. It can help address cancer inequalities by providing higher quality care to more patients.

Data protection & IT security

As a company in the pharmaceutical sector working with research and development and cooperating with physicians and patient advocacy groups, Photocure and/or its research partners may need to gather and store personal data as part of its research and development practices or business operations. In addition, as a listed company on the Oslo Stock Exchange, information security and data protection are also an important

part of the company's obligations to its shareholders and the marketplace.

Data and information security is a priority for Photocure and described in the company's quality manual. IT activities and security are evaluated, and if necessary new risk analyses are performed. Management is informed about the result of the evaluations and approves corrective and preventive actions. The company has received no substantiated complaints concerning breaches of customer privacy in 2024, nor has it reported any leaks, loss or theft of customer data in the reporting period.

Photocure has invested in an extensive security and information security platform based on international standards ISAE3402 and ISAE3000. Furthermore, Photocure's IT-provider Intility has a Security Operations

Centre (SOC) which is responsible for managing all suspected and confirmed cyber security incidents 24/7/365. This is performed in close collaboration with other operational departments and renowned external security partners.

The procedures and processes that Photocure has established for personal data protection are based on the General Data Protection Regulation (GDPR), EU 2016/679, including legislation incorporating these rules in specific jurisdictions, e.g., Norway and Germany and the California Consumer Privacy Act (CCPA). A personal data protection group has been established, and a procedure is in place to describe the responsibility and process for data protection issues. Photocure has a dedicated personal data contact person with delegated responsibility from the board and management.

To ensure appropriate management and documentation of electronic files critical for Photocure's activities in a GxP environment, Photocure has a number of standard operating procedures. For instance, Photocure has established processing of personal data, that is governed by applicable privacy laws and regulations. In addition, there are several Photocure procedures that describe the personal data process for a specific task. These procedures include work instructions for relevant roles such as employees, contractors, job candidates and Board members.

The privacy laws in the U.S. are being implemented at a state level effective from 2023 and continuing through 2026. The California Privacy Rights Act (CPRA) is modelled after GDPR.

The objective from 2024 to perform a third-party review of existing data privacy procedure, including underlying instructions were performed and finalized in 2024.

The Data Privacy SOP has become a global SOP for all employees. The entire

SOP, including underlying documents have had a legal review for continued compliance and to ensure compliance with the CCPA – California Consumer Privacy Act in the U.S.

The security platform is supported by an industrialized information security and compliance service that simplifies work to ensure compliance with internal and external audits. This security and compliance service also acts as a compliance hub when leveraging public cloud services.

Photocure's security platform is audited annually according to ISAE3402 and ISAE3000 by PWC. The ISAE reports are also mapped up to the Cloud Control Matrix framework to fit industry standards defined by the Cloud Security Alliance. Photocure keeps a live dashboard on all security incidents. In addition, Photocure employees are encouraged to actively report all

suspicious e-mails they receive via the MailRisk solution in Outlook. In 2024, 566 suspicious e-mails were reported by 33 employees.

Notable achievements in Data protection & IT security in 2024:

- Kept security tickets with severity "critical" to zero.
- Data Privacy refresher training for all employees held to make sure every employee gets a better understanding on how to handle personal data in their daily work
- Implemented Mobile Security Management for all mobile devices having access to company data. It increases the security for mobile devices and a remote wipe-out of all company data is possible when an employee leaves the company or if the device is stolen.

Security tickets and breaches	2022	2023	2024
Number of normal security tickets registered	9	14	19
Number of critical security tickets registered	0	0	0
Number of personal data breaches	0	0	0

Goals and targets for 2025

- Maintain Photocure's track record of no quality and/or safety incidents leading to any market actions e.g. product recall or healthcare information letter.
- Follow up with critical suppliers on CSRD data preparations
- Follow up with critical suppliers on CSRD data preparations
- Include following up on environmental, social and governance topics in regular business review meetings
- Implement a global Photocure IT-policy to be read and understood by all employees
- Assess the status of ESG topics related policies from all critical suppliers
- Keep Security tickets with priority "critical" to zero

Governance information



Business conduct

(G1)

Business ethics & transparency

Being part of a global value chain, Photocure is directly and indirectly exposed to ethical risks through its business operations. Ethical misconduct could negatively impact

Photocure's business reputation whereas a solid corporate governance generates trust in the company's ability to do things the right way.

Therefore, Photocure has high focus on conducting business in the most ethical and transparent way. This includes good corporate governance, commitment to local and industry specific business ethics norms, such as

pharma industry associations ethical codes for interactions with health care professionals, ethical research, as well as anti-corruption and adherence to Photocure's core values and respect for human rights.

In the reporting period, Photocure was not involved with any negative impacts related to business ethics or as a result of its business relationships.

In 2021 Photocure became a participant of the UN Global Compact which commit the company to respect the ten principles related to human rights, environment, labor, and anti-corruption. The company's CEO and management team are responsible for following up business ethics and anti-corruption work at Photocure. As part of this, the anti-corruption policy was reviewed and updated in Q4 2023.

Photocure has high focus on conducting business in the most ethical and transparent way.

Senior management are responsible for the implementation of Policy commitments related to responsible business conduct in daily company activity. New and reviewed policies are being introduced to all relevant employee categories or functions within Photocure's quality system.

Trainings on newly introduced policies and standard operation procedures ensure that daily practices are adapted as appropriate.

Each year, the Board of Directors conducts a thorough risk assessment of the significant parts of the company's business and outlook in order to identify risks and potential risks and remedy any incident that may have occurred. This company risk assessment includes areas relating to corruption and business ethics. In 2024, suppliers and sub-contractors were subject to a human rights review including the risk of corruption; see Human Rights Chapter in the appendix.

New Board members receive a general introduction training from management and the legal counsel. The training includes an introduction to business ethics and insider rules, as well as a review of the company's corporate governance and sustainability strategy. In addition, new Board members receive an introduction to quality and compliance. A process has been established to ensure conflicts of

interest are prevented / mitigated. The topic is included in all Board agendas: Board members need to confirm that there are no conflicts of interest related to any agenda items. Furthermore, the "Board rules of procedure" state that "Members of the Board shall notify the board if they hold a material direct or indirect interest in any agreement or transaction entered into by the company". Conflicts of interest are not disclosed to stakeholders. In 2024 one new board member was appointed and trained according to the above process.

Photocure's framework for corporate governance is intended to decrease business risk, maximize value and utilize the company's resources in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large. The company seeks to comply with the Norwegian Code of Practice for corporate governance (NUES). Critical concerns are being communicated to the Board. The Leadership team has reported no critical concerns to the board in 2024. There have been no significant instances of non-compliance with laws and regulations in the reporting period, and no fines or non-monetary sanctions were incurred or paid.

Compliance program

Photocure has established a compliance program in line with the U.S. "OIG Compliance Program Guidance for Pharmaceutical Manufacturers". The program has the following pillars: risk assessment, policies & procedures, training, supplier management, monitoring, and reporting and investigations. The purpose of the compliance program is to ensure ethical and responsible interactions with health care organizations, professionals and stakeholders.

The following policies set the frame for business ethics and compliance:

- [Code of Conduct](#)
- [Anti-corruption policy](#)

- [Supplier and Partner Code of Conduct](#)
- Quality and compliance policy
- Quality and compliance manual

The Code of Conduct, Anti-corruption policy and the Supplier and Partner Code of Conduct are available on Photocure's website and have been approved by senior leadership. All policies above are periodically reviewed, and all employees are trained. All new employees are introduced to the content of the documents as part of their onboarding. More detailed written procedures are in place to ensure policies are being implemented in business activities and that they are in line with applicable regulations and guidelines.

Reporting and monitoring

Employees and external stakeholders can report suspected cases of business ethics breaches or corruption through a whistleblowing channel with several anonymous and non-anonymous contact options. All employees have been introduced to the channel, both in meetings and in writing.

Within Business ethics & transparency several notable achievements can be reported for 2024:

- All new employees were trained in business ethics and compliance. All relevant employees had refresher trainings in the applicable industry codes for ethical sales and marketing.

Goals and targets for 2025

- Maintain the compliance breaches with severity "critical" to zero
- Maintain employee awareness including training on compliance and execution of the activities as outlined in the compliance program

APPENDIX 1: Transparency Act statement 2024

Photocure ASA ("Photocure") is covered by the Norwegian Transparency Act and is obliged to publish an annual due diligence statement regarding our investigations whether there are any actual or potential adverse impacts on human rights or decent working conditions in our own operations, our supply chain and other business relationships.



Human Rights and Transparency Act Report

1. About this report

The Norwegian Transparency Act, effective from 1 July 2022, aims to ensure that enterprises respect fundamental human rights and maintain decent working conditions in their production and services. It also grants the public access to information on how enterprises manage negative impacts in these areas. Photocure ASA ("Photocure") is covered by the Norwegian Transparency Act and is obliged to publish an annual due diligence statement regarding our investigations whether there are any actual or potential adverse impacts on human rights or decent working conditions in our own operations, our supply chain and other business relationships.

This statement sets out Photocure's commitment, ambitions and work related to human rights and decent working conditions. It has been approved by Photocure's management and Board of Directors, and comprises both the operations of Photocure ASA and our subsidiaries. However, as Photocure shares its governance system on compliance, business ethics and human rights within the whole organization, the content of this statement reflects the Photocure's work on human rights due diligence.

2. Policy for handling information requests

To ensure consistent and effective internal handling of information

requests in compliance with the Norwegian Transparency Act, the following policy has been established:

Photocure's Head of Global Regulatory, Quality and Compliance is responsible for managing and overseeing all incoming information requests. All inquiries regarding this statement or Photocure's due diligence work should be directed to: compliance@photocure.com.

Upon receipt, all requests are logged in the internal tracking system, noting the date received, requester's details, and the nature of the information requested. Requests will be evaluated to determine if they fall within the scope of the Transparency Act, focusing on the company's handling of adverse impacts on human rights and working conditions. If the request is unclear, the requester should be contacted promptly to clarify and obtain additional details if necessary.

The required information will be provided within three weeks upon receiving the request. If the request is extensive or complex, the requester should be notified within three weeks about the extension, explaining the reasons and setting a new deadline of up to two months. If the request is denied, the requester shall be informed of the reasons, the legal basis for the denial, and their right to demand a more detailed justification.

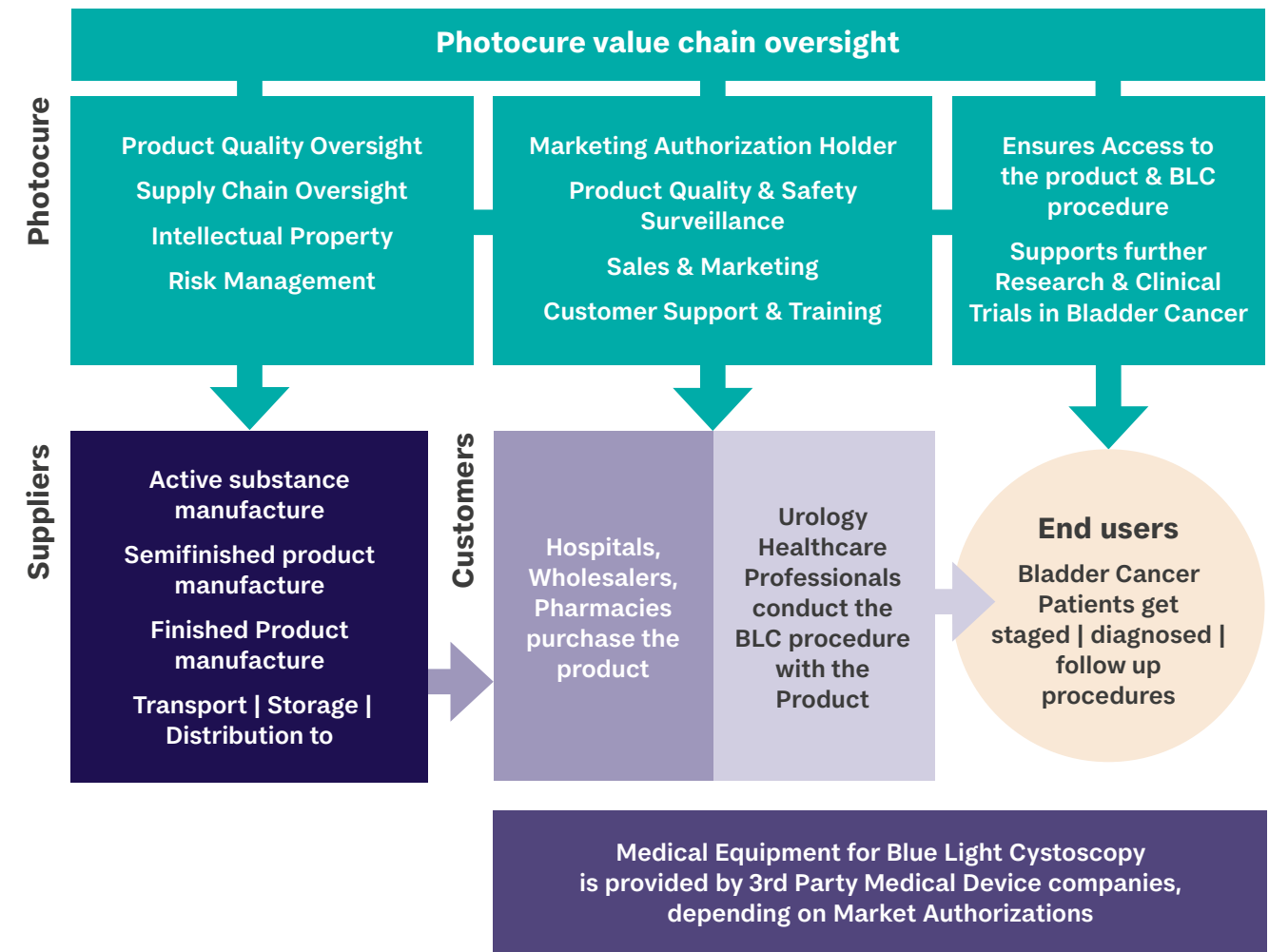
This report will be updated and published on Photocure's website by 30 June each year.

3. About Photocure

Established in 1997 by the Norwegian Radium Hospital, Photocure has since transformed from a technology-based focus and being a global leader in photodynamic therapy to a valued contributor in the care and treatment of bladder cancer patients. Photocure has successfully commercialized products like Metvix® for non-melanoma skin cancer and Hexvix®/Cysview® for enhanced bladder cancer detection and management. At Photocure, we focus all our efforts and resources on improving care for bladder cancer patients. Our medicinal product makes cancer cells visible for physicians so they can optimize the diagnoses, staging and treatments for cancer patients. More than 850 000 diagnostic procedures have been conducted around the world to date.

Operating within a highly regulated business, we acknowledge our economic, social, and environmental impact on stakeholders and surroundings. Our mission is to deliver transformative solutions for bladder cancer patients, benefiting healthcare providers and the broader medical community. Through a steadfast commitment to trust and maximizing shareholder value, we strive to generate positive impacts on the economy, environment and society. Our value chain is detailed in the figure below.

Value chain oversight



4. Our principles regarding human rights and decent working conditions

4.1 Human rights

Photocure is committed to respecting and promoting human rights throughout the value chain, from employees to our suppliers to the communities served. Suppliers and partners are expected to uphold high ethical standards when it comes to respecting human rights within their own workforce and their subcontractors.

4.2 Prohibition of child labor and forced labor

Photocure does not accept any form of child labor or forced labor. We fully adhere to the principles outlined in the UN Convention on the Rights of the Child, and expect our suppliers and business partners do the same.

4.3 Labor rights, health, and safety

Photocure expects all our suppliers and business partners to adhere to fundamental labor rights, as well as all relevant laws and regulations. Suppliers and business partners are

expected to guarantee equitable wages, a good workplace environment and safe working conditions, the freedom of association and the effective acknowledgment of the right to collective bargaining.

4.4 Discrimination and harassment

Photocure does not accept any form of discrimination based on gender, gender identity, age, origin, religion, sexual orientation, physical appearance, health, disability, trade union activity, political opinions, nationality, or family situation. Interactions with individuals

both inside and outside our company are conducted with dignity and respect. Harassment and discrimination are not tolerated.

5. Guidelines and routines

Our Code of Conduct, together with our Corporate Governance Code and Standard Operating Procedures, outlines how we manage and operate at Photocure. Additionally, we have established procedures for interacting with our suppliers, including qualification and follow up, risk assessments, auditing, and procurement.

5.1 Code of Conduct

Photocure's Code of Conduct and the Supplier and Partner Code of Conduct (the Codes) contain the principles that guide our behavior and highlight important cultural value.

The Codes apply to every Photocure employee, contractor and to everyone who does business on behalf of the company. New employees receive information about the Code as part of the onboarding process, and the Codes are accessible to all employees and contractors through the Quality Management System and at Photocure website. Employees are responsible for understanding the content, and act in compliance with the Codes of Conduct.

Annual training on the Code of Conduct is mandatory for employees, and failure to complete the required training on time may result in disciplinary actions.

As our business and external environment change, the Codes will also change. Through our compliance program, the Codes will be subject to periodic review and updates. The most updated Code of Conduct was approved on 4th March 2024.

5.2 Supplier and Partner Code of Conduct

In our operations, we rely on several suppliers and business partners.

We consider them extensions of our company, and therefore, we insist that they too maintain high ethical standards.

We have established a Supplier and Partner Code of Conduct or our suppliers and business partners. It aligns with the ten principles of the UN Global Compact, which are based on the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

The Supplier and Partner Code of Conduct is communicated to suppliers and business partners, who must confirm their compliance with this. We also expect our suppliers and partners to require their own suppliers and subcontractors to follow these principles.

If we become aware of any actions or conditions not in compliance with the

Supplier and Partner Code of Conduct, and which is not corrected within a reasonable time, our company reserves the right to terminate the agreement with the supplier or partner. The most updated Supplier and Partner Code of Conduct was approved on 23rd May 2024.

5.3 Raising concerns – whistleblowing policy

We require all Photocure personnel to immediately report any suspected violation of our ethical principles. Suspected violations should be reported to the employee's manager, the HR-department, the Chairman of the Board or to compliance@photocure.com.

Emailed concerns will be forwarded to the Compliance Officer and the Chief Financial Officer (CFO) for evaluation and appropriate action.

We strictly prohibit retaliation against anyone for making a good-faith report. All reports of suspected violations are taken seriously and will be followed up, as appropriate. Reports may be made anonymously.



6. Risks of negative consequences

As a business with outsourced manufacturing and logistics, we rely on suppliers, individuals or organizations who provide goods and services. We are thereby directly and indirectly exposed to risks and opportunities in its business relations and supply chain.

Photocure operates globally with headquarters in Oslo, Norway, and additional offices in Princeton, USA, and Düsseldorf, Germany. We also maintain affiliates in France and Canada. According to the Global Rights Index provided by Transparency International and the International Trade Union Confederation (ITUC), the countries where we operate are categorized as having low to moderate risks of workers' rights violations. We require and routinely audit partners' adherence to contracts and agreements. Contract manufacturers and their subcontractors undergo due diligence and annual risk assessments (measures and analyses potential risks) related to human rights and working conditions. The outcomes are also published in the annual ESG report on the Photocure website.

6.1 Mapping and risk assessment of suppliers

In 2024, suppliers and sub-contractors were subject to a human rights review. The risk assessment was divided in two; 1) a risk assessment of the suppliers contributing to the company's daily operations, and 2) a more in-depth risk assessment of the supply chain related to its contract manufacturers and their sub-contractors.

1) In the human rights risk assessment of the relevant suppliers contributing to our daily operations, such as consultants, rent of offices and canteen services, all these suppliers were considered as "low risk". This risk assessment of these suppliers is based on the risk criteria "country risk" and "industry risk".

2) For the outsourced part of our business (product manufacturing), a human rights risk assessment was conducted based on the geographic location of the company's contract manufacturers, as well as their subcontractors for raw materials. Within the supply chain no new contracts were signed in the reporting period. Out of 22 suppliers contributing to our product (including sub-contractors of our suppliers), seven subcontractors were rated as "medium risk" and 15 as "low risk". The medium risk suppliers are located in India, Israel, Italy, Spain and US.

The Indian subcontractors (3) are subcontractors and provider of raw materials to one of our main suppliers. None of the these three are considered as critical for our company. According to the Global Rights Index, India is inter alia especially exposed to human rights risks with regards to low wages, lack of social security, gender discrimination, harassment at work and indecent working conditions. We have however not identified any potential or actual adverse impacts related to human rights with the Indian subcontractor.

One of the other medium risk suppliers is in Israel. This subcontractor is owned by a major and renowned international company. In this region, water scarcity is a concern, and Israel's control over water resources and access to water in Palestinian territories, whether for the population or production, poses known human rights risk. In the case of this subcontractor, the production facility is situated near Tel Aviv, not in occupied territory. We have assessed the risk of the water used in the production facility originating from occupied territories and considers it to be low. However, we will continue to monitor this issue closely. Despite this assessment, no potential or actual adverse impacts related to human rights concerning the Israeli subcontractor have been identified.

The remaining supplier's (3) rated as medium risk are in Italy, Spain and

US. These are renowned international companies and have policies and procedures in line with UN Global Compact.

6.2 Process to remediate negative impacts

All suppliers have received Photocure's Supplier and Partner Code of Conduct. In addition, all Photocure's critical suppliers¹ are assessed for presence of a Code of conduct/corporate responsibility policy.

When engaging new suppliers, we have established written procedures for qualification and follow up. For new critical suppliers, these procedures also include a detailed questionnaire aimed at gathering necessary information for us to assess, among other factors, any human rights risks associated with the new supplier.

All new and revised supplier contracts contain a provision requiring suppliers to materially comply with all relevant laws concerning ethical and responsible standards of behavior. This includes, but is not limited to, regulations regarding human rights, labor practices, environmental protection, sustainable development and the prevention of bribery and corruption, as outlined in the Ten Principles of the UN Global Compact.

We maintain continuous and close dialogue with all our suppliers, regularly reviewing their business conduct and adherence to responsible practices during business meetings.

7. Measures

To mitigate the risks associated with the three medium risks suppliers in India we have been in dialogue with the primary supplier in Spain and requested information concerning the company's human rights assessment of the supply chain. Initial feedback from the supplier regarding the medium risk subcontractors suggests

¹ Critical suppliers are defined according to internal procedure and risk matrix

that no specific risks have been identified as materialized or imminent. Consequently, there is currently no justification for implementing any mitigation measures. The Spanish supplier has also confirmed that they are in the process of monitoring the relevant subcontractors for human rights risks.

As of the present, the information we have received gives us no reason to suspect any human rights violations by our subcontractors. However, given the associated risk in both India and Israel, we will maintain ongoing follow up with the relevant suppliers and subcontractors to secure all necessary and relevant information to assess whether any mitigating measures should be implemented.

As a part of our initial and ongoing evaluation of suppliers, we are confident that our suppliers have the capability to deliver the materials/ services as requested with the necessary quality, and comply with all relevant laws regarding ethical and responsible standards of behavior in accordance with the United Nations Global Compact or similar.

8. Results

- The status of ESG topics related policies from all critical suppliers was assessed.
- Photocure has not terminated or discontinued contracts with any suppliers due to sustainability breaches.

Goals and targets for 2025

- Discuss the "medium risk" rated Indian sub-contractors in business review meetings with the supplier.
- Follow up to ensure we receive all requested information from subcontractors and assess the need for any mitigating measures.
- Incorporate the monitoring of environmental, social and governance topics in regular business review meetings.
- Continuously assess the ESG topics related policies of all critical suppliers to ensure they meet our standards.



Images

Photocure: p. 2, 7, 21, 22, 23, 75, 86, 89, 91, 109.
iStock: p. 13, 14, 19, 26, 38, 41, 42, 82, 94, 98, 101, 102, 104, 106, 111.
Unsplash: p. 17.

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