



# Quarterly Report

Q1 2024

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



THE  
BLADDER CANCER  
COMPANY



## Highlights for first quarter 2024 and post-period news

(Numbers in parentheses and comparisons are for the corresponding period in 2023.)

- Hexvix®/Cysview® revenue in the first quarter of 2024 increased 10% to NOK 116.8 million compared to the same period last year (NOK 105.9 million). The growth was primarily driven by increases in unit volume and pricing, and a benefit from foreign exchange.
- European unit sales increased 8% YoY in Q1, while North America unit sales increased 2%. Growth of Cysview kits used for TURBT procedures in the U.S. was partially offset by a decline in kits used for flexible cystoscopy. Photocure estimates that unit sales in the rigid segment grew 12% in Q1 2024, year over year, while unit sales in the flexible BLC segment declined by 41% over the same period.
- Q1 2024 EBITDA was NOK 7.9 million (NOK -1.2 million), an increase of NOK 9.1 million. Excluding business development (BD) expenses, Q1 2024 EBITDA was NOK 8.6 million (NOK -1.1 million)
- In the first quarter of 2024, the commercial franchise further improved its positive contribution margin. Photocure continues to control its operating expenses, with total headcount relatively level for the last 2 years as the Company remains focused on revenue growth and cost containment.
- At the end of Q1 2024, the installed base of rigid BLC systems in the U.S. was 364, up 14% since Q1 2023. This includes 6 mobile towers owned by ForTec Medical. In the U.S., 27 flexible BLC towers remain active.
- Asieris announced regulatory acceptance of its Cevira NDA in China on May 12 after presenting positive Phase III clinical trial results in Q1. Asieris also stated that it intends to submit a pre-NDA communication application to the European Medicines Agency in Q3 and expects to be in discussions with the U.S. FDA in H2 2024.
- In May 2024, results from the VA BRAVO II study were presented at the AUA Annual Congress demonstrating statistically significant reductions in recurrence and progression, and a statistically significant improvement in overall survival when patients were treated with BLC vs. white light cystoscopy (WLC) alone.
- Photocure reiterates its 2024 guidance and continues to expect new and upgraded Saphira™ blue light tower installations in the U.S. in the range of 40 to 70, consolidated product revenue growth of 6% to 9% in constant currency, and positive EBITDA excluding business development expenses.

### Key Figures:

<i>Figures in NOK million</i>	<b>Q1 2024</b>	<b>Q1 2023</b>	<b>Change</b>	<b>FY 2023</b>
<b>Hexvix/Cysview revenues</b>	<b>116.8</b>	<b>105.9</b>	<b>10%</b>	<b>443.3</b>
Other revenues	1.1	0.3	-	57.4
<b>Total revenues</b>	<b>118.0</b>	<b>106.2</b>	<b>11%</b>	<b>500.7</b>
Operating expenses	-102.4	-100.9	1%	-419.0
<b>EBITDA</b>	<b>7.9</b>	<b>-1.2</b>		<b>55.5</b>
EBITDA commercial franchise	11.7	0.6		17.3
EBITDA development portfolio	-3.8	-1.7		38.2
<b>EBIT</b>	<b>0.7</b>	<b>-7.7</b>		<b>27.8</b>
<b>Net Earnings</b>	<b>-7.9</b>	<b>-11.7</b>		<b>1.0</b>
<b>Cash &amp; cash equivalents</b>	<b>258.3</b>	<b>246.0</b>		<b>259.5</b>



## President & CEO Dan Schneider comments:

*"Photocure delivered positive results in Q1 2024 with Hexvix/Cysview revenue growth of 10% year-over-year and EBITDA of NOK 7.9 million (NOK 8.6 million ex-BD expense). Both our North American and European business segments had positive contributions in the quarter as we continue to grow revenues and contain expenses.*

*North American Cysview revenue grew 13% compared to Q1 2023, as higher sales in the rigid BLC segment again outweighed the anticipated ongoing decline in flexible BLC sales. During the first quarter, 17 new Saphira towers were installed including 6 new account placements, 5 accounts that upgraded to Saphira, and 6 mobile BLC towers delivered to ForTec Medical, who's business model is focused on expanding access and utilization. ForTec has decided to pursue a mobile BLC strategy, expanding on a pilot program that began in 2021. In addition to the 6 Saphira™ towers that it currently owns, ForTec intends to expand its portfolio of equipment and launch a mobile BLC program throughout the U.S. later this year. A national roll-out by ForTec's sales force would significantly increase the number of field-based account managers selling BLC with Cysview, and would also open the market to hospitals that currently do not have access to BLC equipment, particularly those in ForTec's vast customer network. High-definition Saphira™ systems now represent approximately 42% of the installed base of rigid BLC towers in the U.S., enabling our commercial team to continue increasing Cysview's market penetration.*

*In Europe, we believe that our medical and commercial efforts are paying off as we continue to gain traction in high-potential underpenetrated territories, known as our Priority Growth Markets. These markets include the U.K, France and Italy, all of which are anticipated to accelerate our growth in Europe. We have successfully facilitated 153 image quality upgrades since Karl Storz launched its upgraded components in 2023, and our primary focus this year is to harvest the recently expanded base of high-definition blue light equipment across Europe. We are planning to support the launch of the Olympus high-definition blue light system, which is expected in the second half of this year. We believe that this upgrade will re-energize Hexvix sales in the Nordic region and in other areas of Europe where Olympus has a dominant market share.*

*We continue to release clinical data at major conferences across the globe supporting the use of BLC. At the recent European Association of Urology (EAU) Congress in April, two datasets were presented including the Phase III results in China whereby high-definition BLC with Hexvix significantly outperformed high-definition white light cystoscopy. Earlier this month, we had a strong showing at the American Urological Association congress, where for the first time we showed that the use of BLC was associated with positive progression and overall survival outcomes based on clinical data from the real-world VA Bravo study.*

*Our partner Asieris continues to advance its programs with a new drug application (NDA) for Hexvix currently under review in China, and presentations of the positive Phase III results for Cevira™ at two medical conferences in March - EUROGIN HPV and the 2024 Society of Gynecologic Oncology Congress. Asieris announced that its NDA application for Cevira was accepted for regulatory review in China on May 12, and that it also plans to have discussions with European regulators to potentially file a Marketing Authorisation Application (MAA) in that region later this year. Additionally, Asieris expects to be in discussions with the FDA in the second half of 2024 to align with the agency on registration requirements for Cevira in the U.S.*

*Our Q1 results underscore that 2024 is off to a strong start as we remain focused on maximizing the growth and profitability of our Hexvix/Cysview franchise. We expect momentum to continue with the strong Saphira placements in the U.S., increasing penetration in Europe leveraging the recent image quality upgrades, the anticipated commercial expansion of Fortec's mobile tower strategy, and building upon the growing awareness of the benefits of blue light cystoscopy in light of the many new bladder cancer treatments coming to the market. Additionally, there are several initiatives and events that have potential to create a step change in the future growth of our business including potential reclassification of BLC equipment in the U.S., which is anticipated to open the market to multiple tower manufacturers, our plan to reintroduce a new flexible BLC solution globally through a partnership, and the anticipated market approvals of Asieris's product candidates; Cevira and Hexvix in China. Given the many initiatives and activities in progress, we believe that 2024 is setting up to be an exciting year for the Company."*



## Operational review

Photocure ASA (Photocure or the Company) delivers transformative solutions to improve the lives of bladder cancer patients.

Photocure manufactures and commercializes Hexvix/Cysview, its flagship product, for more precise detection and resection of non-muscle invasive bladder cancer (NMIBC), reduction of disease recurrence and progression rates, and improved and cost-effective patient outcomes.

With established specialty commercial and medical teams in North America (U.S. and Canada) and Europe focused exclusively on the uro-oncology segment, Photocure has a solid foundation for the future growth of its breakthrough bladder cancer product, as well as the potential to expand its portfolio of solutions within the same uro-oncology domain.

Photocure continues to strive for ethical business operations, transparency and accountability in line with stakeholder expectations. In May 2021, the Company joined the UN Global Compact and in April 2024, Photocure published its sustainability (ESG) report for the year 2023, which can be accessed on the Company's website.

## Commercial segment update

Photocure's first quarter sales were favorably impacted by unit sales and price increases in the U.S. and Europe, and favorable foreign exchange. Unit sales performance was tempered by the phase down of Cysview usage in the flexible blue light cystoscopy setting due to Karl Storz discontinuing the sale of flexible BLC capital equipment in the U.S. in early 2023.

Healthcare worker staffing shortages and hospital budget tightening also continued to limit growth. The Company continued to execute on its plan to expand blue light cystoscopy use, with the Q1 2024 installation of 6 new Saphira™ towers and 5 Saphira™ tower upgrades in the U.S., plus the 6 mobile ForTec towers. In the EU, Photocure continued to facilitate image quality upgrades for existing accounts in key markets throughout the region.

Revenues from Photocure's North American segment increased 13% in the first quarter of 2024, with unit sales up 2% YoY. The increase in revenue was due to an increase in unit sales, higher pricing and a benefit from foreign exchange. Karl Storz's phase

down of flexible blue light capital equipment resulted in lower flexible BLC kit sales, partially offsetting the positive development within the rigid segment. Photocure estimates that unit sales in the rigid segment grew 12% in Q1 2024, year over year, while unit sales in the flexible BLC segment declined by 41% over the same period.

Revenues from the Company's European segment increased 9% in the first quarter of 2024 year over year, with in-market unit sales up 8% compared to the first quarter of 2023. The increase in revenue was mainly driven by an increase in unit sales, price increases and a benefit from foreign exchange.

The consolidated YoY currency impact on sales revenue was NOK 3.6 million in the first quarter of 2024.

<i>MNOK</i>	<u>Q1 '24</u>	<u>Q1 '23</u>	<u>FY '23</u>
North America revenues	47.5	42.1	178.0
Europe revenues	69.3	63.6	263.5
Partner revenues	0.0	0.2	1.7
<b>Hexvix/Cysview total</b>	<b>116.8</b>	<b>105.9</b>	<b>443.3</b>
<i>YoY growth</i>	<i>10%</i>		
Other revenues	0.4	0.3	2.9
<b>Total revenues</b>	<b>117.1</b>	<b>106.2</b>	<b>446.2</b>
<i>YoY growth</i>	<i>10%</i>		
<b>Gross profit</b>	<b>109.8</b>	<b>99.8</b>	<b>420.1</b>
Operating expenses	-98.1	-99.2	-402.8
<b>EBITDA</b>	<b>11.7</b>	<b>0.6</b>	<b>17.3</b>
<i>EBITDA margin</i>	<i>10%</i>	<i>1%</i>	<i>4%</i>

Total Hexvix/Cysview revenue increased 10% to NOK 116.8 million in Q1 2024, from the NOK 105.9 million reported in the same period in 2023. The results were mainly driven by higher unit sales, price increases in North America, and a positive impact from foreign exchange.

Other revenues included sales to license partners and revenue from Hivec sales associated with the Company's distribution agreement with Combat Medical in the Nordic region.

Operating expenses in the first quarter decreased 1% YoY to NOK 98.1 million (NOK 99.2 million). Operating efficiencies were partially offset by the negative impact of foreign exchange on expenses.

First quarter 2024 EBITDA for the commercial franchise was NOK 11.7 million, an increase of NOK 11.1 million from the first quarter of 2023 (NOK 0.6 million). The increase was mainly due to higher sales combined with cost containment.



## Hexvix/Cysview

Global in-market unit sales volume increased by 6% in the first quarter of 2024.

### *North America Cysview Segment*

Q1 2024 Cysview revenues in North America increased by 13% YoY to NOK 47.5 million (NOK 42.1 million). The increase was driven by 2% increase in unit sales, 5% higher pricing for Cysview kits, and a NOK 1.1 million benefit from foreign exchange.

Going forward, growth in U.S. unit volume is anticipated to be driven by focused sales resources and further penetration of Cysview in the surgical setting, until new flexible blue light cystoscopy equipment enters the market. Photocure continues to expect the U.S. to be the fastest growing segment of its business over the next several years.

At the end of the first quarter of 2024, the total installed base of rigid blue light cystoscopes in the U.S. was 364 including 6 mobile towers, an increase of 14% or 45 towers compared to the same period in 2023.

In early 2023, Karl Storz announced that it will no longer sell flexible BLC equipment for use in the surveillance setting and will cease servicing existing units when the availability of replacement parts has been exhausted. There were 69 flexible cystoscopy towers installed in the U.S. as of December 31, 2022, all of which are manufactured by Karl Storz. Photocure estimates that there were 27 active flexible blue light cystoscopes in the U.S. market at the end of Q1 2024.

Despite Karl Storz' decision, flexible BLC in the surveillance setting remains a strategic priority for Photocure, and the Company is pursuing initiatives to restore this specialized equipment in the U.S. and in international markets in the future. Until a solution is achieved, Photocure will focus its commercial efforts on the market for TURBT (Trans Urethral Resection of Bladder Tumor) surgeries using rigid blue light cystoscopes and on establishing BLC as standard-of-care in this market segment.

### *European Hexvix Segment*

In the first quarter of 2024, revenues in the Company's European segment increased by 9% to NOK 69.3 million (NOK 63.6 million), while in-market unit sales increased by 8% YoY. Revenue growth for the European segment was mainly driven by higher in-market unit sales, with strong growth now coming through in the Priority Growth Markets, and a NOK

2.5 million benefit from foreign exchange, partially offset by timing of shipments to wholesalers in certain markets.

Since Photocure's acquisition of the European territories outside of the Nordic countries in October 2020, the Company has dedicated significant resources and focused on a strategy to re-engage with physicians, key opinion leaders, and capital equipment manufacturers to rebuild or enter major markets in continental Europe. Photocure's European commercial organization is focused on growing its business in established markets such as Germany and other countries in the DACH region. In addition, Photocure focuses on the growing demand for Hexvix in large, underpenetrated countries such as the U.K., France, and Italy, referred to as the Company's "priority growth markets".

Performance of the European business has been pressured by a decline in sales of Hexvix in the Nordic region, particularly in Denmark. This is related to Olympus, who is the dominant capital equipment provider in Denmark and Norway. Olympus no longer actively markets or supports its' outdated standard definition blue light system; however, it is in the process of upgrading its blue light cystoscopy equipment to high-definition. Olympus is awaiting regulatory approvals for its high-definition blue light system, which Photocure expects will increase the use of Hexvix in the Nordic markets and elsewhere in Europe. Photocure expects Olympus to launch its upgraded blue light system in 2024.

The Company intends to enter other large unpenetrated European countries such as Spain and Poland in the future as market conditions provide opportunity.

### *Hexvix/Cysview partner sales*

Due to reimbursement, equipment supply-chain and ongoing staffing challenges, partnership revenues in the first quarter of 2024 were limited.

In August 2021, Photocure announced that it regained commercial rights to Cysview in Canada from its licensee BioSyent. On January 3, 2022, Photocure announced that it had launched its own commercial operations in Canada, combining this territory with its U.S. business to form the Company's North American business segment.

In March 2022, the Company announced that it had terminated its distribution agreement with Juno Pharmaceuticals and simultaneously entered into an



exclusive distribution agreement with Endotherapeutics Group to commercialize Hexvix in Australia and New Zealand. Endotherapeutics focuses on serving the urology market.

In January 2021, Photocure entered into a partnership agreement with Asieris, a division of Jiangsu Yahong Meditech Co., Ltd., whereby Asieris obtained exclusive rights to register and commercialize Hexvix in Mainland China and Taiwan. The Company received an upfront payment of USD 750,000 from Asieris for the rights to Hexvix in the designated territories and has potential to receive additional payments of up to USD 1.4 million for the achievement of certain regulatory milestones including market approvals in Mainland China and Taiwan. Photocure will manufacture and supply Hexvix and receive a transfer price from Asieris representing a markup on product provided under the agreement and will also receive royalties on any product sales.

In December 2021, Asieris announced that Hexvix was put into pilot use in the Boao Lecheng International Medical Tourism Pilot Zone in Hainan Province. Additionally, in March 2022, Asieris announced that it had obtained approval from the National Medical Products Administration (NMPA) to conduct a real-world evidence (RWE) study for Hexvix in Hainan, China. This study is expected to enable Asieris to capture real-world Hexvix data from the Hainan Pilot Study in order to augment the Phase III data package and expedite data collection, review and approval in China.

In February 2022, Asieris informed Photocure that it had obtained clinical trial application (CTA) approval from the National Medical Products Administration (NMPA) of China, enabling a Phase III clinical trial with Hexvix to be conducted in the region. In August 2023, Asieris announced that its Phase III Hexvix trial successfully met the primary endpoint. In October 2023 at the 43<sup>rd</sup> Congress of the Société Internationale d'Urologie (SIU) in Istanbul Turkey, Asieris presented the clinical results of the trial, which demonstrated that BLC with Hexvix outperformed white light cystoscopy in the detection of bladder cancer, particularly in cases of carcinoma in situ (CIS) and exhibited good tolerability.

The prospective, self-controlled, multi-center Phase III bridging trial evaluated the safety and detection benefits of blue light cystoscopy (BLC) with Hexvix compared to white light cystoscopy (WLC) in the diagnosis of non-muscle invasive bladder cancer

(NMIBC) in a Chinese population. In the trial, 114 patients underwent BLC, and of the 97 patients diagnosed with NMIBC, a total of 42 patients (43.3%) had one or more additional lesions detected with Hexvix BLC compared to WLC ( $p < 0.0001$ ). Among the 114 patients, 11.4% (13/114) had CIS lesions, and among these, 11 patients (84.6%, 11/13) had additional CIS lesions detected under Hexvix BLC that were not found under WLC. The detection rates for tumor lesion types CIS, Ta, T1, and T2-T4 in the BLC group were 94.7%, 100%, 98.2%, and 100%, respectively, while in the WLC group, they were 42.1%, 76.1%, 91.2%, and 100%, respectively.

The trial is the first randomized controlled clinical trial conducted with high definition (HD) blue light capital equipment. The highly statistically significant results support previous studies with Hexvix/Cysview, including Photocure's pivotal Phase III trials, which were used for market approval in major international markets. On November 29, 2023, Asieris announced that its new drug application for Hexvix in China was accepted by the NMPA for regulatory review.

Additionally, Photocure has Hexvix marketing and distribution agreements with IGL Medical Ltd. for Israel, and Genotests SpA for Chile.

#### *Hexvix/Cysview publications and presentations*

In January 2024, Photocure's partner Asieris presented Phase III clinical trial results and real-world evidence data for Hexvix (APL-1706) in China at the 2024 American Society of Clinical Oncology Genitourinary Cancers (ASCO-GU) Symposium.

The poster presentation was entitled *Blue Light Cystoscopy versus White Light Cystoscopy for the Detection of Bladder Cancer in China: An Analysis of Unpublished Clinical Trial and Real-World Data*, and included 158 patients enrolled in an RCT, of which 114 underwent Blue Light Cystoscopy (BLC<sup>®</sup>) with Hexvix. 19 patients were included in the real-world study (RWS). Among patients diagnosed with Ta, T1, or CIS, 42 out of 97 patients (43.3%) in the RCT and 4 out of 12 patients (33.3%) in the RWS had at least one lesion detected with BLC but not with white light cystoscopy (WLC) ( $p < 0.0001$ ).

Both the RCT and RWS confirmed that Blue Light Cystoscopy with Hexvix demonstrated good tolerability and superior detection of bladder cancer in the Chinese population compared to WLC, particularly in those patients with carcinoma in situ (CIS) lesions.



[Link to press release](#)

On March 18th, Asieris announced the Phase III clinical trial results for Cevira (APL-1702), its non-surgical treatment candidate for cervical high-grade squamous intraepithelial lesions (HSIL) that it licensed from Photocure. The results were presented at two recent medical congresses, the 2024 European Research Organization on Genital Infection and Neoplasia (EUROGIN) Congress and the 2024 Annual Meeting on Women’s Cancer of the Society of Gynecologic Oncology (SGO). The Phase III results demonstrated highly statistically significant efficacy and a favorable safety profile for Cevira, with a significant clearance rate of high-risk HPV16 and/or HPV18 compared to placebo (p=0.0001).

[Link to Asieris press release](#)

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*. This 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](#)

**Development portfolio update**

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®.

<i>MNOK</i>	<b>Q1 '24</b>	<b>Q1 '23</b>	<b>FY '23</b>
<b>Total revenues</b>	<b>0.9</b>	<b>-</b>	<b>54.4</b>
<b>Gross profit</b>	<b>0.5</b>	<b>-</b>	<b>54.4</b>
Operating expenses	-4.3	-1.7	-16.3
<b>EBITDA</b>	<b>-3.8</b>	<b>-1.7</b>	<b>38.2</b>

During the first quarter of 2024, development revenue was NOK 0.9 million, compared to NOK 0 million in the first quarter of 2023. The revenue in the first quarter of 2024 is related to the sale of Cevira API to Asieris. Full year 2023 revenue includes milestones payments received from Asieris related to the development of Cevira.

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. In Q1 2024, business development expenses were NOK 0.8 million (NOK 0.1 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.

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 enrollment in its global, multi-centered Phase III clinical trial for Cevira.

In August 2022, Asieris announced the completion of enrollment 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. Results showed that the Cevira treatment group had a significantly higher response rate on the primary efficacy



endpoint, with a response rate 89.4% higher than the placebo group (41.1% vs. 21.7%,  $p=0.0001$ ). Additionally, Cevira treatment demonstrated a 103.9% improvement in the clearance rate of high-risk HPV16 and/or HPV18 compared to the control group (31.4% vs. 15.4%). These Phase III results were featured in oral presentations at the 2024 European Research Organization on Genital Infection and Neoplasia (EUROGIN) Congress and the 2024 Society of Gynecologic Oncology (SGO) Annual Meeting.

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 also intends to submit a pre-NDA communication application to the European Medicines Agency in the third quarter of 2024 and expects to be in discussions with the U.S. FDA in the second half of 2024 to align with the agency on the registration requirements in the US. Asieris stated that it is actively exploring opportunities for overseas development partnerships for Cevira.

Under the License Agreement with Asieris, Photocure has received USD 15.0 million in milestones to date including a signing fee of USD 5.0 million in 2019 and additional development milestone payments. Photocure is eligible for milestone payments totaling USD 13 million for both the regulatory acceptance and potential approval of Cevira in China. In addition, Photocure may also receive milestones of up to USD 31 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 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 million associated with global sales, with a significant portion of those milestones being triggered if the product achieves blockbuster status.

## Financial review

(Numbers in parentheses are for the corresponding period in 2023; references to the prior year refer to

a comparison to the same period 2023, unless otherwise stated).

<i>MNOK</i>	Q1 '24	Q1 '23	Change	FY '23
Hexvix / Cysview revenues	116.8	105.9	10%	443.3
Total other revenues	1.3	0.3	>100%	57.4
<b>Total revenues</b>	<b>118.0</b>	<b>106.2</b>	<b>11%</b>	<b>500.7</b>
<b>Gross profit</b>	<b>110.3</b>	<b>99.8</b>	<b>11%</b>	<b>474.5</b>
<b>Operating expenses</b>	<b>-102.4</b>	<b>-100.9</b>	<b>1%</b>	<b>-419.0</b>
<b>EBITDA</b>	<b>7.9</b>	<b>-1.2</b>		<b>55.5</b>
Depreciation & amortization	-7.1	-6.5		-27.7
<b>EBIT</b>	<b>0.7</b>	<b>-7.7</b>		<b>27.8</b>
Net financial items	-4.8	-2.4		-18.1
<b>Earnings before tax</b>	<b>-4.0</b>	<b>-10.1</b>		<b>9.7</b>
Tax expenses	-3.9	-1.6		-8.8
<b>Net earnings</b>	<b>-7.9</b>	<b>-11.7</b>		<b>1.0</b>

### Revenues

Hexvix/Cysview revenues in the first quarter of 2024 were NOK 116.8 million (NOK 105.9 million), a 10% increase versus Q1 2023. The sales increase is driven by a combination of a unit sales increase, price increases and positive effects of foreign currency exchange.

Other revenues were NOK 1.3 million (NOK 0.3 million) in the first quarter of 2024. In Q1 2024, Other revenues include revenue related to the sale of Cevira API to Asieris.

Total revenues in the first quarter of 2024 increased 11% to NOK 118.0 million (NOK 106.2 million). Excluding the positive effect of exchange, the revenue increase at constant currency in the first quarter of 2024 was 8% versus the first quarter of 2023. The positive impact of foreign exchange on revenues was NOK 3.5 million.

### Cost of goods sold (COGS)

First quarter 2024 COGS was NOK 7.7 million (NOK 6.5 million). As a percentage of sales revenue COGS was 7% and includes the cost of sales of the Cevira API which was sold to Asieris in Q1 2024.

### Operating expenses

Total operating expenses, excluding depreciation and amortization, were NOK 102.4 million (NOK 100.9 million) in the first quarter. Negative impact of foreign exchange of NOK 2.8 million was offset by cost containment measures and timing of project expenses.

First quarter 2024 research and development (R&D) costs were NOK 0.8 million (NOK 0.6 million). The R&D costs relate mainly to regulatory work and the





maintenance and expansion of Photocure's intellectual property.

Sales and marketing costs increased by 3% to NOK 77.6 million (NOK 75.6 million) in the first quarter of 2024. The expense increase was mainly driven by the negative impact of foreign exchange, partially offset by cost containment and timing of project expenses.

First quarter 2024 Other operating expenses, which include supply chain, business development, and general/administration costs, were NOK 20.1 million, compared to NOK 21.4 million in the same quarter of 2023. Business development expenses in Q1 2024 amounted to NOK 0.8 million (NOK 0.1 million).

#### *Financial results*

EBITDA was NOK 7.9 million (NOK -1.2 million) for the first quarter of 2024. The consolidated impact of foreign exchange on EBITDA was NOK 0.5 million.

First quarter 2024 depreciation and amortization totaled NOK 7.1 million (NOK 6.5 million). The main cost item was the amortization of intangible assets related to the reacquisition of Hexvix sales, marketing and distribution rights in Europe and other markets previously controlled by Ipsen.

Net financial items in the first quarter of 2024 were NOK 4.8 million (NOK 2.4 million). Net financial costs were driven by foreign exchange losses, as well as accrued interest costs included for the deferred earnout liability due to Ipsen, partially offset by gains on foreign exchange and incurred interest income.

Net loss before tax was NOK 4.0 million in the first quarter of 2024 (NOK 10.1 million). Net loss after tax was NOK 7.9 million for the first quarter of 2024 (NOK 11.7 million).

#### *Cash flow and statement of financial position*

Net cash flow from operations was NOK 5.1 million in the first quarter of 2024 (NOK -9.1 million). The cash flow increase versus Q1 2023 is mainly driven by a higher profit before tax and a smaller increase in working capital.

First quarter 2024 net cash flow from investments was NOK 0.2 million (NOK 0.6 million).

First quarter 2024 cash flow from financing was NOK -6.5 million (NOK -13.5 million). First quarter cash flow from financing was mainly driven by the payment of the Ipsen Earn-out. In the first quarter of 2023 the cash flow from financing was impacted by

the repayment of long-term debt (Nordea) of NOK 6.3 million.

Net change in cash for the first quarter of 2024 was NOK -1.2 million (NOK -22.0 million). Cash and cash equivalents were NOK 258.3 million at the end of the first quarter 2024.

Long term liabilities were NOK 151.3 million at the end of the first quarter of 2024, including the capitalized value of expected future earn-out payments to Ipsen totaling NOK 126.1 million.

Shareholders' equity was NOK 483.1 million at the end of the first quarter 2024, representing an equity ratio of 68%.

As of March 31, 2024, Photocure held 15,122 of its own shares.

## Risks and uncertainty factors

Photocure is exposed to risk and uncertainty factors, which may affect some or all the Company's activities. Photocure has commercial risk, financial risk, market risk, legal and regulatory risk, as well as operational risk and risk related to the development of new products.

The Company is exposed to risks associated with market development for Hexvix/Cysview, progress of partnering activities, the availability and operating condition of capital equipment supplied by third-party companies, as well as financial risks related to inflation, interest rates, liquidity and currency fluctuations.

There are no significant changes in the risks and uncertainty factors compared to the descriptions in the Annual Report for 2023.

## 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 via 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) ongoing expansion of the installed base of rigid BLC towers in North America, (2) growing support behind the potential reclassification of BLC capital equipment from Class 3 to Class 2 in the U.S., which is expected to open the market for multiple manufacturers to offer BLC equipment (3) increasing momentum of BLC in the urology community 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) Photocure's plan to reintroduce flexible BLC in high definition globally. 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 reiterates its business and financial guidance for 2024: The Company anticipates new and upgraded Saphira™ blue light tower installations in the U.S. in the range of 40 to 70, consolidated product revenue growth of 6% to 9% in constant currency, and positive EBITDA excluding business development expenses.



The Board of Directors and CEO  
Photocure ASA

Oslo, May 14, 2024

Dylan Hallerberg  
Interim Chairperson

Malene Brondberg  
Director

Johanna Holldack  
Director

Neal Shore  
Director

Dan Schneider  
President and CEO



## Photocure Group

### Accounts for first quarter 2024

#### Photocure Group – Statement of comprehensive income

		2024	2023	2023
<i>(all amounts in NOK 1,000 except per share data)</i>	Note	Q1	Q1	1.1 - 31.12
Sales revenues		118,034	106,242	446,214
Signing fees and milestone revenues	4	-	-	54,443
<b>Total revenues</b>		<b>118,034</b>	<b>106,242</b>	<b>500,657</b>
Cost of goods sold		-7,743	-6,481	-26,137
<b>Gross profit</b>		<b>110,292</b>	<b>99,761</b>	<b>474,521</b>
Indirect manufacturing expenses	3	-3,885	-3,302	-12,615
Research and development expenses	3	-783	-588	-2,070
Marketing and sales expenses	3	-82,341	-79,995	-334,940
Other operating expenses	3	-22,537	-23,536	-97,089
<b>Total operating expenses</b>		<b>-109,546</b>	<b>-107,421</b>	<b>-446,714</b>
<b>EBIT</b>		<b>746</b>	<b>-7,659</b>	<b>27,807</b>
Financial income		6,523	5,811	24,554
Financial expenses		-11,275	-8,257	-42,621
<b>Net financial profit/loss(-)</b>		<b>-4,752</b>	<b>-2,446</b>	<b>-18,067</b>
<b>Profit/loss(-) before tax</b>		<b>-4,006</b>	<b>-10,105</b>	<b>9,740</b>
Tax expenses	5	-3,883	-1,626	-8,761
<b>Net profit/loss(-)</b>		<b>-7,889</b>	<b>-11,732</b>	<b>979</b>
Other comprehensive income		3,009	-71	-1,021
<b>Total comprehensive income</b>		<b>-4,880</b>	<b>-11,803</b>	<b>-42</b>
Net profit/loss(-) per share, undiluted	6	-0.29	-0.43	0.04
Net profit/loss(-) per share, diluted	6	-0.29	-0.43	0.04



## Photocure Group – Statement of financial position

<i>(Amounts in NOK 1,000)</i>	Note	3/31/2024	3/31/2023	12/31/2023
<b>Non-current assets</b>				
Customer relationship	7	108,369	125,041	112,537
Goodwill	7	144,000	144,000	144,000
Intangible and fixed assets	7	35,805	34,308	33,529
Deferred tax asset	5	45,604	53,636	49,476
<b>Total non-current assets</b>		<b>333,778</b>	<b>356,984</b>	<b>339,541</b>
<b>Current assets</b>				
Inventories		33,307	26,622	37,190
Accounts receivable		70,924	58,276	59,704
Other receivables		18,333	18,037	16,033
Cash and short term deposits	9	258,268	246,036	259,504
<b>Total current assets</b>		<b>380,833</b>	<b>348,970</b>	<b>372,431</b>
<b>Total assets</b>		<b>714,611</b>	<b>705,954</b>	<b>711,973</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	11	13,560	13,560	13,560
Other paid-in capital		464,355	443,478	460,572
Retained earnings		5,181	-1,714	8,716
<b>Shareholders' equity</b>		<b>483,096</b>	<b>455,324</b>	<b>482,848</b>
<b>Long-term liabilities</b>				
Earnout liability	8, 9	126,072	133,066	127,680
Long term loan financial institution	10	-	0	-
Other long-term liabilities		25,245	32,549	23,909
<b>Total long-term liabilities</b>		<b>151,317</b>	<b>165,615</b>	<b>151,589</b>
Accounts payable		12,989	17,987	19,660
Short term part of longterm liability	10	-	6,250	-
Other short-term liabilities		67,208	60,777	57,875
<b>Total liabilities</b>		<b>231,514</b>	<b>250,629</b>	<b>229,125</b>
<b>Total equity and liabilities</b>		<b>714,611</b>	<b>705,954</b>	<b>711,973</b>



## Photocure Group – Changes in equity

	2024	2023	2023
<i>(Amounts in NOK 1,000)</i>	Q1	Q1	1.1 - 31.12
<b>Equity at end of prior period</b>	<b>482,848</b>	<b>462,733</b>	<b>462,733</b>
Capital increase	-	-	-
Share-based compensation (share options employees)	5,128	4,394	20,156
Own shares	-	-	-
Comprehensive income	-4,880	-11,803	-42
<b>Equity at end of period</b>	<b>483,096</b>	<b>455,324</b>	<b>482,848</b>

## Photocure Group – Cash flow statement

	2024	2023
<i>(Amounts in NOK 1,000)</i>	Q1	Q1
Profit/loss(-) before tax	-4,006	-10,105
Depreciation and amortisation	7,119	6,503
Share-based compensation	4,904	4,394
Interest income	-2,942	-2,396
Interest costs	7,693	6,669
Remeasured earnout	-	-
Unrealized currency (- gains) / losses	-437	-2,350
Changes in working capital	-6,977	-10,691
Other operational items	-278	-1,143
<b>Net cash flow from operations</b>	<b>5,076</b>	<b>-9,119</b>
Net investments in fixed assets	-272	-1,836
Investments in intangible assets	-2,507	-
Received interest payments	2,942	2,396
<b>Cash flow from investments</b>	<b>163</b>	<b>560</b>
Share capital increase employees	-	-
Paid earnout	-8,666	-7,964
Payment of lease liability	2,380	1,078
Long term loan	-	-6,250
Other financial payments and transactions	-187	-342
<b>Cash flow from financing activities</b>	<b>-6,473</b>	<b>-13,478</b>
<b>Net change in cash during the period</b>	<b>-1,234</b>	<b>-22,037</b>
Cash & cash equivalents at beginning of period	259,502	268,073
<b>Cash &amp; cash equivalents at end of period</b>	<b>258,268</b>	<b>246,036</b>

## Notes to the accounts for first quarter 2024

### Note 1 – General accounting principles

#### General information

Photocure ASA is a public limited company domiciled in Norway. The business of the Company is associated with development, production, distribution, marketing and sales of pharmaceutical products and related technical medical equipment. The Company's shares are listed on the Oslo Stock Exchange (OSE: PHO). The Company's registered office is Hoffsvveien 4, NO-0275 Oslo, Norway.

Photocure Group (Photocure) comprises Photocure ASA and four wholly owned subsidiaries; Photocure Inc. registered in U.S, Photocure GmbH registered in Germany, Photocure SAS registered in France and Photocure Canada Inc. registered in Canada.

#### Basis of preparation

These condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These interim financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023 (the Annual Financial Statements) as they provide an update of previously reported information.

The interim report has not been subject to an audit. The Board of Directors approved the interim financial statements on May 14, 2024.

Photocure performs the sales and distribution of Hexvix in the European markets. Photocure has established wholly owned subsidiaries in Germany (Photocure GmbH) and France (Photocure SAS) that provide marketing and promotion services. These entities have Euro (EUR) as functional currency. The sales, marketing and distribution in the U.S. are performed through Photocure's wholly owned subsidiary Photocure Inc. and Photocure Canada Inc., in both countries under the trade name Cysview. Photocure Inc. has U.S. dollars (USD) as functional currency while Photocure Canada Inc. has Canadian dollars (CAD) as functional currency.

Photocure ASA uses Norwegian kroner (NOK) as its functional currency and presentation currency. In the absence of any statement to the contrary, all financial information is reported in whole thousands. As a result of rounding adjustments, the figures in the financial statements may not add up to the totals.

#### Important accounting valuations, estimates and assumptions

##### IFRS 3

Photocure has in 2020 acquired back the Hexvix sales, marketing and distribution rights in Europe and other markets previously controlled by Ipsen Pharma SAS. The residual value in the acquisition constituted goodwill and is tested at end of 2023 for impairment. The deferred consideration was measured at fair value at the date of acquisition and is remeasured at fair value as of March 31, 2024. The changes in the fair value are recognized in profit or loss as financial income or expense.

Preparation of the accounts in accordance with IFRS requires the use of judgment, estimates and assumptions that have consequences for recognition in the balance sheet of assets and liabilities, the estimation of contingent liabilities and recorded revenues and expenses. The use of estimates and assumptions is based on the best discretionary judgement of the Group management.



## Note 2 - Photocure Group – Segment information

Photocure has two segments: Commercial Franchise and Development Portfolio. Commercial Franchise includes Hexvix/Cysview by geography (North America and Europe) and other sales (partners and other products including sales revenues for Hivec). Development Portfolio includes development of pipeline products.

### Q1 2024

(Amounts in NOK 1 000)	Hexvix Europe	Cysview North Am	Other Sales	Total Sales	Total R&D	Grand Total
Sales revenues	69,289	47,464	355	117,107	927	118,034
Milestone revenues	-	-	-	-	-	-
Cost of goods sold	-5,886	-1,358	-56	-7,300	-443	-7,743
<b>Gross profit</b>	<b>63,402</b>	<b>46,106</b>	<b>298</b>	<b>109,807</b>	<b>484</b>	<b>110,291</b>
Gross profit of sales %	92%	97%	84%	94%	52%	93%
R&D	-313	-86	-12	-411	-372	-783
Sales & marketing	-31,991	-41,708	-1,256	-74,955	-2,107	-77,062
Other & allocations	-12,099	-9,432	-1,238	-22,769	-1,812	-24,581
<b>Operating expenses</b>	<b>-44,403</b>	<b>-51,226</b>	<b>-2,507</b>	<b>-98,135</b>	<b>-4,292</b>	<b>-102,427</b>
<b>EBITDA</b>	<b>19,000</b>	<b>-5,119</b>	<b>-2,209</b>	<b>11,672</b>	<b>-3,808</b>	<b>7,864</b>

### Q1 2023

(Amounts in NOK 1 000)	Hexvix Europe	Cysview North Am	Other Sales	Total Sales	Total R&D	Grand Total
Sales revenues	63,569	42,136	538	106,242	-	106,242
Milestone revenues	-	-	-	-	-	-
Cost of goods sold	-4,984	-1,395	-102	-6,481	-	-6,481
<b>Gross profit</b>	<b>58,585</b>	<b>40,740</b>	<b>436</b>	<b>99,761</b>	<b>-</b>	<b>99,761</b>
Gross profit of sales %	92%	97%	81%	94%		94%
R&D	-123	-35	-	-158	-429	-588
Sales & marketing	-32,144	-42,559	-744	-75,447	-200	-75,647
Other & allocations	-12,625	-9,776	-1,163	-23,564	-1,120	-24,684
<b>Operating expenses</b>	<b>-44,893</b>	<b>-52,370</b>	<b>-1,907</b>	<b>-99,169</b>	<b>-1,749</b>	<b>-100,918</b>
<b>EBITDA</b>	<b>13,692</b>	<b>-11,629</b>	<b>-1,471</b>	<b>592</b>	<b>-1,749</b>	<b>-1,157</b>





### Note 3 – Income statement classified by nature

	2024	2023
<i>(Amounts in NOK 1 000)</i>	1.1-31.03	1.1-31.03
Sales revenues	118,034	106,242
Signing fees and milestone revenues	-	-
Cost of goods sold	-7,743	-6,481
<b>Gross profit</b>	<b>110,292</b>	<b>99,761</b>
Payroll expenses	-69,944	-68,660
R&D costs excl. payroll expenses/other operating	-372	-429
Ordinary depreciation and amortisation	-7,119	-6,503
Other operating expenses	-32,111	-31,828
<b>Total operating expenses</b>	<b>-109,546</b>	<b>-107,421</b>
<b>EBIT</b>	<b>746</b>	<b>-7,659</b>

### Note 4 – Signing fee

Photocure has not received any milestone payments in the first quarter of 2024. During the full year of 2023, Photocure received milestones payments from Asieris Pharmaceuticals related to the ongoing clinical development of Cevira of USD 5 million (NOK 54.4 million).

### Note 5 – Tax

<i>(Amounts in NOK 1 000)</i>	3/31/2024	12/31/2023
<b>Income tax expense</b>		
Tax payable	-11	-3,117
Changes in deferred tax	-3,872	-5,644
<b>Total income tax expense(-)/income</b>	<b>-3,883</b>	<b>-8,761</b>
<b>Tax base calculation</b>		
Profit before income tax	-4,006	9,740
Permanent differences	3,570	16,126
Temporary differences	-12,941	-17,691
Change in tax loss carried forward	13,377	-10,568
<b>Tax base</b>	<b>-0</b>	<b>-0</b>
<b>Temporary differences:</b>		
<b>Total</b>	<b>-155,121</b>	<b>-141,309</b>
Tax loss carried forward	362,412	366,201
<b>Net temporary differences</b>	<b>207,291</b>	<b>224,892</b>
<b>Deferred tax benefit</b>	<b>207,291</b>	<b>224,892</b>
<b>Deferred tax asset</b>	<b>45,604</b>	<b>49,476</b>

Temporary differences are recognized for the parent company only and the note disclosure for the Group is of this reason identic to the disclosure for parent company.

The calculation of deferred tax asset March 31, 2024 and December 31, 2023 is based on a tax rate of 22%. The deferred tax asset is decreased to NOK 45.6 million due to the profit and the movements in tax loss in the period. The deferred tax asset was NOK 49.5 million as of December 31, 2023. There is no expiry on losses to be carried forward in Norway. The basis for recognition of a tax asset in Norway are the expected future profits according to



the business plan for all major markets and the assumption that temporary differences for the coming years will be reversed.

For further information refer to the consolidated financial statements for the year ended 31 December 2023 Note 11.

## Note 6 – Earnings per share

Earnings per share are calculated on the basis of the profit/loss for the year after tax but excluding other comprehensive items. The result is divided by a weighted average number of outstanding shares over the year, reduced by acquired treasury shares. The diluted earnings per share is calculated by adjusting the average number of outstanding shares by the number of employee options that can be exercised. Antidilution effects are not taken into consideration.

	<b>2024</b>	<b>2023</b>
<i>(Figures indicate the number of shares)</i>	<b>1.1-31.03</b>	<b>1.1-31.03</b>
Issued ordinary shares 1 January	27,120,820	27,120,820
Effects of share options exercised	-	-
Effect of treasury shares	-15,122	-15,122
Effect of shares issued	-	-
<b>Weighted average number of shares</b>	<b>27,105,698</b>	<b>27,105,698</b>
Effect of outstanding share options	7,289	78,975
<b>Weighted average number of diluted shares</b>	<b>27,105,698</b>	<b>27,184,673</b>
Earnings per share in NOK	-0.29	-0.43
Earnings per share in NOK diluted	-0.29	-0.43

## Note 7 – Intangible and Fixed Assets

<i>(Amounts in NOK 1 000)</i>	<b>Goodwill</b>	<b>Customer relations</b>	<b>Right of use</b>	<b>Equipment</b>	<b>Registry Intangibles</b>	<b>Other Intangibles</b>	<b>Total fixed assets</b>
<b>Net book value 31.12.2023</b>	<b>144,000</b>	<b>112,537</b>	<b>19,038</b>	<b>5,089</b>	<b>7,402</b>	<b>2,000</b>	<b>33,529</b>
Net investments and revaluation 2024	-	-	2,446	276	2,507	-4	5,225
Termination leasing	-	-	-	-	-	-	-
Depreciation and amortization	-	-4,168	-1,456	-650	-566	-277	-2,949
<b>Net book value 31.03.2024</b>	<b>144,000</b>	<b>108,369</b>	<b>20,028</b>	<b>4,715</b>	<b>9,343</b>	<b>1,719</b>	<b>35,805</b>

Goodwill amounts to NOK 144 million and relate to the Hexvix sales, marketing and distribution rights in Europe previously controlled by Ipsen Pharma SAS (Ipsen) that were acquired by Photocure on October 1, 2020. The goodwill is not depreciated but was tested against impairment as of end December 2023. The impairment analysis carried out confirmed the goodwill value given the performance in 2023 and future growth opportunities that are expected to exceed forecasts prepared in connection with the transaction.

The customer relationships relate to existing customers in Europe which have previously been served by Ipsen. Customer relationships has been valued using a multiperiod excess earnings method and the value 1 October 2020 was NOK 166.7 million. Photocure has evaluated this asset to have an estimated value for 10 years and the intangible assets is depreciated on a straight-line basis over this period.

The right of use assets include the office rental agreements for Norway, US and Germany. A new leasing contract was signed by January 1st in Germany and the old one was terminated at end December 2023. In addition, a company car fleet related to the sales organization in Germany is included. The related lease liability is measured



at the present value of the lease payments that are not paid at the commencement, discounted using the Groups incremental borrowing rate as the discount rate. The lease liabilities as of March 31, 2023, are NOK 12.9 million compared to NOK 19.6 million as of December 31, 2023 and the interest expense is NOK 187 thousand. Photocure has the ownership of valuable patient registries with the treatment of blue-light diagnosis of bladder cancer. The registry in USA is particular interesting for external parties and Photocure has decided to capitalize the registry costs from start of 2023 of NOK 10.8 million for amortization of a limited time period.

## Note 8 – Earnout

Ipsen receives a deferred payment of 15% of net sales (years 1-7 post-transfer) and 7.5% of net sales (years 8-10) in the former Ipsen major markets. The payments are made quarterly in Euro after the close of the quarter. The fair value of the remaining payments is classified as long term Earnout liability. Photocure has during Q1 2024 paid NOK 9.0 million including interest, compared to NOK 8 million in Q1 2023. In Q1 2024 the liability has been reduced by NOK 1.6 million based on the sales in the former Ipsen markets and the total liability is NOK 126.1 million as of March 31, 2024.

The fair value of the Earnout liability is driven by future expected sales and is remeasured on a yearly basis. Photocure carried out a remeasurement as of December 31, 2023. The remeasurement resulted in an increase of the Earnout liability by NOK 1.4 million. The increased fair value was recognized in the statement of comprehensive income as a financial cost in 2023. To arrive at the remeasured fair value, Photocure has discounted the estimated earnout payments by an IRR equal to the IRR applied at license acquisition adjusted for later changes in the interest levels. This IRR has been 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.

## Note 9 – Fair value financial assets

The table below details financial assets recognized in the balance sheet at fair value according to the valuation method. The different levels have been defined as follows:

Level 1: Noted prices in active markets for corresponding assets or liabilities

Level 2: Available value measurements other than the noted prices classified as Level 1, either directly observable in the form of agreed prices or indirectly as derived from the price of equivalent

Level 3: Value measurements of assets or liabilities that are not based on observed market values

<b>Market value hierarchy</b> <i>(Amounts in NOK 1 000)</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
- Money market funds	195,038	-	-	<b>195,038</b>
- Earnout liability			-126,072	<b>-126,072</b>
<b>Total</b>	<b>195,038</b>	<b>-</b>	<b>-126,072</b>	

## Note 10 – Long term loan

Photocure received in the second quarter of 2020 a loan of NOK 50.0 million from Nordea. The loan was secured under the State Guarantee Scheme for Loans to SME's (Covid-19 related). The loan has been fully repaid during the second quarter in 2023.



## Note 11 – Share capital

Registered share capital in Photocure ASA amounts to:

	No. of shares	Nominal value per share	Share capital in NOK
Share capital at 31 December 2023	27,120,820	NOK 0.50	13,560,410
Share capital at 31 March 2024	27,120,820	NOK 0.50	13,560,410
<b>Treasury shares:</b>			
Holdings of treasury shares at 31 December 2023	15,122		7,971
Sale/Buy-back of shares	-	NOK 0.50	-
Sale(-)/Buy-back of restricted shares	-	NOK 0.50	-
<b>Holdings of treasury shares at 31 March 2024</b>	<b>15,122</b>		<b>7,971</b>

The table below indicates the status of authorizations as of March 31, 2024:

	Purchase, treasury shares	Ordinary share issue	Employee share issues
<i>(Figures indicate the number of shares)</i>			
Authorisation issued at the General Meeting on 3 May 2023	2,712,082	4,068,123	750,000
Share issues after the General Meeting on 3 May 2023	-	-	-
Purchase of treasury shares after 3 May 2023	-	-	-
<b>Remaining under authorisations at 31 March 2024</b>	<b>2,712,082</b>	<b>4,068,123</b>	<b>750,000</b>

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

Name	Position	No. of shares	No. of subscription rights
Daniel Schneider	President & CEO	99,689	332,500
Erik Dahl	Chief Financial Officer	32,750	213,750
Geoffrey Coy	VP & General Manager North America	15,207	216,250
Anders Neijber	VP Global Medical Affairs and Clinical Development	-	114,000
Susanne Strauss	VP & General Manager Europe	1,392	203,750
Anja Gossens-von der Heide	Head of Global Human Resources	-	26,750
Johanna Holldack	Board member	-	804
Neal Shore	Board member	-	804
Dylan Hallerberg	Chairperson of the board (interim)	150,000	-



## Note 12 – Share options

On March 31, 2024, employees in Photocure participated in the following share option schemes:

Year of allocation	2023	2022	2021	2020	2020
Option program	2023	2022	2021	2020	2019
Number	1,392,950	4,528	34,500	316,250	69,000
Exercise price (NOK)	59.91-61.03	115.70	87.39-139.41	78.65-81.41	50.72-56.83
Year of expiry	2028	2027	2026	2025	2024

The number of employee options, including conditional grants, and average exercise prices for Photocure, and development during the year:

	3/31/2024		12/31/2023	
	No. of shares	Average exercise price (NOK)	No. of shares	Average exercise price (NOK)
Outstanding at start of year	2,076,178	80.55	1,922,778	116.04
Allocated during the year	254,950	61.03	1,180,900	61.03
Cancelled during the year	509,900	127.39	798,000	128.69
Become invalid during the year	4,000	60.47	229,500	110.11
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at end of period	1,817,228	64.71	2,076,178	80.55
Exercisable options at end of period	423,028	78.58	586,653	95.41



## Note 13 – Shareholders

Overview of the major shareholders as of March 31, 2024:

Name	Citizenship	Type of ac Holding	Stake
Morgan Stanley & Co. LLC	United States	Nominee	4,182,826 15.42%
Skandinaviska Enskilda Banken AB	Sweden	Nominee	1,940,000 7.15%
SKANDINAVISKA ENSKILDA BANKEN AB	Luxembourg	Nominee	964,228 3.56%
Skandinaviska Enskilda Banken AB	Ireland	Nominee	952,100 3.51%
Skandinaviska Enskilda Banken AB	Sweden	Nominee	799,178 2.95%
The Bank of New York Mellon SA/NV	United Kingdom	Nominee	768,759 2.83%
MP PENSJON PK	Norway	Ordinary	661,093 2.44%
Nordnet Bank AB	Sweden	Nominee	589,255 2.17%
J.P. Morgan SE	Sweden	Nominee	577,638 2.13%
JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee	414,084 1.53%
VERDIPAPIRFONDET EQUINOR AKSJER NO	Norway	Ordinary	408,572 1.51%
VERDIPAPIRFONDET KLP AKSJENORGE	Norway	Ordinary	375,630 1.39%
Danske Bank A/S	Denmark	Nominee	319,888 1.18%
Skandinaviska Enskilda Banken AB	Finland	Nominee	314,000 1.16%
SVENSKA HANDELSBANKEN AB	Sweden	Nominee	297,681 1.10%
NORDNET LIVSFORSIKRING AS	Norway	Ordinary	252,864 0.93%
Avanza Bank AB	Sweden	Nominee	250,914 0.93%
BNP Paribas	Luxembourg	Nominee	232,900 0.86%
MUSTANG CAPITAL AS	Norway	Ordinary	221,000 0.81%
BILLINGTON	Norway	Ordinary	206,653 0.76%
Total 20 largest shareholders			14,729,263 54.31%
Total Other shareholders			12,391,557 45.69%
Total number of shares			27,120,820 100.00%



## Photocure Group – 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 represent additional measures used by the Board and management in assessing performance as well as for reporting both internally and to shareholders. Photocure believes that the presentation of these non-IFRS performance measures provides useful information which provides readers with a more meaningful understanding of the underlying financial and operating performance of the Company when viewed in conjunction with the IFRS financial information.

Photocure uses the following alternative performance measures.

### EBITDA & EBIT

Photocure regards EBITDA as the best approximation to pre-tax operating cash flow and reflects cash generation before working capital changes and capex. EBITDA is widely used by investors when evaluating and comparing businesses and provides an analysis of the operating results excluding depreciation and amortization. The non-cash elements depreciation and amortization may vary significantly between companies depending on the value and type of assets.

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

The reconciliation to the IFRS accounts is as follows:

	2024	2023	2023
<i>(All amounts in NOK 1 000)</i>	Q1	Q1	Full Year
<b>Gross profit</b>	<b>110,292</b>	<b>99,761</b>	<b>474,521</b>
Operating expenses excl depreciation & amortization	-102,427	-100,918	-419,027
<b>EBITDA</b>	<b>7,865</b>	<b>-1,156</b>	<b>55,494</b>
Depreciation & amortization	-7,119	-6,503	-27,687
<b>EBIT</b>	<b>746</b>	<b>-7,659</b>	<b>27,807</b>

### Revenue growth in constant currency

Photocure's business is conducted internationally and in respective local currency. Less than 5% of the revenue is conducted in Norwegian kroner, Photocure's functional currency. Fluctuations in foreign exchange rates may have a significant impact on reported revenue in Norwegian kroner. To eliminate the translational effect of foreign exchange and to better understand the revenue development in the various regions, Photocure provides calculated revenue growth information by region and in total for the Company. The average exchange rates used to translate revenues as per the reporting dates were as follows:

	2024	2023	2023
	Q1	Q1	Full Year
USD (NOK per 1 USD)	10.51	10.24	10.56
EUR (NOK per 1 EUR)	11.42	10.98	11.42



**PHOTOCURE ASA**  
Hoffsveien 4  
0275 Oslo, Norway  
+47 22 06 22 10  
info@photocure.no

**PHOTOCURE INC.**  
202 Carnegie Center, suite 101  
Princeton, NJ 08540, USA  
+1 609 759 6500  
info@photocure.com

**PHOTOCURE GMBH**  
Breite Str. 27  
40213 Düsseldorf, Germany  
kontakt@photocure.com