



Quarterly Report

Q2 2024

PHOTOCURE.COM/INVESTORS-HUB/INVESTORS-EVENTS-AND-PRESENTATIONS



THE
BLADDER CANCER
COMPANY



Highlights for second quarter 2024 and post-period news

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

- Hexvix®/Cysview® revenue in the second quarter of 2024 increased 6% to NOK 122.4 million compared to the same period last year (NOK 115.9 million). The revenue growth was primarily driven by 9% revenue growth in North America.
- North American unit sales increased 1% in Q2 2024 YoY while European unit sales declined by 1%. Unit sales growth in Europe was primarily impacted by customer order fluctuations in DACH countries and the healthcare strike in Sweden. H1 2024 European unit sales grew 4%; Long-term growth trend resumed in early Q3.
- Growth of Cysview kits used for TURBT procedures in the U.S. was mostly offset by a decline in kits used for flexible cystoscopy. Photocure estimates that unit sales in the rigid segment grew 11% in H1 2024, while unit sales in the flexible BLC segment declined by 43% during the same period.
- Q2 2024 EBITDA was NOK 27.8 million (NOK 23.4 million), an increase of NOK 4.4 million. Excluding business development (BD) expenses, Q2 2024 EBITDA was NOK 29.2 million (NOK 33.0 million).
- In Q2 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 10 quarters as the Company remains focused on building operating leverage.
- At the end of Q2 2024, the installed base of rigid BLC systems in the U.S. was 381, up 17% since Q2 2023. This includes 18 mobile towers owned by ForTec Medical. In the U.S. 25 flexible BLC towers remain active.
- Strategic Partnerships: On June 4, Photocure commenced activities to support ForTec Medical's mobile blue light capital equipment initiative. On July 15th post-period, the Company entered into an agreement with Richard Wolf to develop and globally commercialize a high-definition blue light flexible cystoscope.
- On May 12, 2024, the Company's license partner Asieris announced regulatory acceptance of its Cevira NDA in China after presenting positive Phase III clinical trial results in Q1. Asieris also 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.
- Photocure reiterates its 2024 financial guidance and continues to expect consolidated product revenue growth of 6% to 9% in constant currency and positive EBITDA excluding business development expenses. Photocure now expects new and upgraded Saphira™ installations in the U.S. in the range of 55 to 70 towers, up from the previous range of 40 to 70 towers for the full year.

Key Figures:

<i>Figures in NOK million</i>	Q2 2024	Q2 2023	Change	2024 YTD	2023 YTD	Change	FY 2023
Hexvix/Cysview revenues	122.4	115.9	6%	239.2	221.8	8%	443.3
Other revenues	23.0	28.4	-	24.3	28.7	-	57.4
Total revenues	145.4	144.3	1%	263.5	250.6	5%	500.7
Operating expenses	-110.0	-114.0	-4%	-212.4	-215.0	-1%	-419.0
EBITDA	27.8	23.4		35.7	22.2		55.5
EBITDA commercial franchise	11.8	7.4		23.4	8.0		17.3
EBITDA development portfolio	16.1	16.0		12.3	14.2		38.2
EBIT	20.7	16.8		21.4	9.2		27.8
Net Earnings	12.3	4.3		4.4	-7.4		1.0
Cash & cash equivalents	267.0	258.9		267.0	258.9		259.5



President & CEO Dan Schneider comments:

"Photocure had a productive second quarter as we delivered Hexvix/Cysview revenue growth of 6% year-over-year and EBITDA of NOK 27.8 million. Year-to-date, we have reported 8% revenue growth, on track with our top-line guidance for the year. Once again, both our North American and European business segments had positive contributions during the period as we continue to grow revenues and contain our expenses. We also initiated key business development activities to accelerate our growth in the coming quarters and years.

North American Cysview revenue grew 9% compared to Q2 2023, with higher sales in the rigid BLC segment outweighing the phase down of flexible BLC sales. We estimate that unit sales in the rigid segment grew by 11% in H1 2024, while flexible BLC unit sales declined by 43% year-over-year. During the second quarter, 20 new Saphira towers were installed including 5 new account placements, 3 accounts that upgraded to Saphira, and 12 mobile BLC towers delivered to ForTec Medical. High-definition Saphira™ systems now represent approximately 46% of the installed base of rigid BLC towers in the U.S. In early June, we announced our mobile tower initiative in the U.S. market, aligned with an agreement between ForTec and Karl Storz. ForTec is in the process of launching the program nationally, and we look forward to working with them to expand access to BLC procedures in the U.S.

In Europe, we reported 3% revenue growth year-over-year. Unit growth in Europe was primarily impacted by customer order fluctuations in DACH and the healthcare worker strike in Sweden. The growth trend has resumed in July and these factors are not expected to impact full-year performance. We continue to gain traction in our Priority Growth Markets, and have successfully facilitated 176 image quality upgrades since Karl Storz launched new components in 2023. We will continue to focus on harvesting the recently expanded base of upgraded BLC equipment, and supporting Olympus' new BLC equipment launch, which is expected before year-end.

The focus on non-muscle invasive bladder cancer (NMIBC) and BLC has increased significantly, which has been evident at recent major urology congresses. Driving the enthusiasm, is the wave of newly approved or late-stage therapeutics to treat NMIBC. For these drugs, finding patients that have failed or are refractory to first-line treatments as early as possible is key to utilizing these next generation products. We believe that BLC with Cysview will play an important role in helping identify refractory patients earlier, given the ability to detect bladder tumors significantly better than white light cystoscopy alone. With multiple drug companies expected to invest significantly to develop markets for these new therapies, we believe that BLC's superiority to WLC will increase TURBT and surveillance procedure volumes accordingly as more options for bladder cancer patients become available.

Turning to potential drivers of our long-term growth, we were very pleased to announce our partnership with Richard Wolf to develop and commercialize a state of the art flexible high-definition blue light system. Given the number of new NMIBC therapeutics that have, or are expected to enter the market, we believe that BLC technology will be more important than ever to properly identify, stage and manage bladder cancer patients. Richard Wolf is a premier manufacturer of endoscopy equipment, and our partnership is focused on ensuring that physicians and patients have reliable access to state-of-the-art, high quality BLC in the surveillance setting.

We continue to monitor and proactively support Karl Storz' Citizen's Petition to have BLC equipment reclassified in the U.S. from Class 3 to Class 2. We believe that a reclassification decision by FDA would be key to enabling broad access to BLC procedures in the U.S. as it is expected to better align the regulatory process for new equipment manufacturers to enter the market and compete with state-of-the-art technology.

Additionally, our partner Asieris continues to advance its programs with new drug applications (NDAs) for both Hexvix and Cevira currently under regulatory review in China. Asieris plans to have discussions with European regulators to potentially file a Marketing Authorisation Application (MAA) for Cevira in that region later this year and expects to have discussions with the U.S. Food and Drug Administration (FDA) in the second half of 2024 to discuss registration requirements.

As we head into the remainder of the year, we are focused on accelerating the growth of our Hexvix/Cysview franchise, leveraging our established commercial infrastructure, and executing on the many initiatives and activities that can take Photocure to the next level."



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 second quarter revenue was favorably impacted by higher unit sales and higher average price in the U.S., and by the timing of wholesaler shipments in Europe.

Healthcare worker staffing shortages and hospital budget tightening globally also continued to limit growth. The Company continued to execute on its plan to expand blue light cystoscopy use in Q2 2024 with the installation of 20 new Saphira™ towers in the U.S. — 5 new accounts, 3 blue light tower upgrades and 12 mobile towers delivered to Fortec. In the EU, Photocure continued to facilitate image quality upgrades for existing accounts in key markets throughout the region. During the second quarter Photocure facilitated 23 image quality upgrades.

Revenues from Photocure's North American segment increased 9% in the second quarter of 2024, with unit sales up 1% YoY. The increase in revenue was primarily driven by an increase in unit sales and higher average pricing. Karl Storz's phase down of flexible blue light capital equipment resulted in lower flexible BLC kit sales, mostly offsetting the positive

unit sales development within the rigid segment. Photocure estimates that unit sales in the rigid segment grew 11% in H1 2024, year over year, while unit sales in the flexible BLC segment declined by 43% over the same period.

Revenues from the Company's European segment increased 3% in the second quarter of 2024 year over year, with in-market unit sales -1% compared to the second quarter of 2023. The increase in revenue was mainly driven by the timing of shipments to wholesalers in certain European markets, partially offset by NOK 0.4 million negative foreign exchange. The year over year decline in European unit sales was due primarily to customer order fluctuations in DACH countries and a healthcare worker strike in Sweden, with unit sales growth resuming in early Q3.

The consolidated YoY currency impact on sales revenue was negative NOK 0.3 million in the second quarter of 2024.

<i>MNOK</i>	Q2 '24	Q2 '23	YTD '24	YTD '23
North America revenues	50.4	46.2	97.9	88.3
Europe revenues	72.0	69.7	141.3	133.3
Partner revenues	0.0	0.0	0.0	0.2
Hexvix/Cysview total	122.4	115.9	239.2	221.8
<i>YoY growth</i>	6%		8%	
Other revenues	1.4	1.5	2.6	1.8
Total revenues	123.8	117.4	241.8	223.6
<i>YoY growth</i>	5%		8%	
Gross profit	116.2	110.5	226.9	210.3
Operating expenses	-104.4	-103.1	-202.5	-202.3
EBITDA	11.8	7.4	24.4	8.0
<i>EBITDA margin</i>	10%	6%	10%	4%

Total Hexvix/Cysview revenue increased 6% to NOK 122.4 million in Q2 2024, from the NOK 115.9 million reported in the same period in 2023. The results were mainly driven by unit growth and a higher average price in North America, and the timing of shipments to wholesalers in certain European markets.

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 for the commercial franchise in the second quarter increased 1% YoY to NOK 104.4 million (NOK 103.1 million).

Second quarter 2024 EBITDA for the commercial franchise was NOK 11.8 million, an increase of NOK 4.4 million from the second quarter of 2023 (NOK 7.4 million). The increase was mainly due to higher revenue combined with cost containment.



Hexvix/Cysview

Global in-market unit sales volume was level in the second quarter of 2024 compared to the same period in 2023.

North America Cysview Segment

Q2 2024 Cysview revenues in North America increased by 9% YoY to NOK 50.4 million (NOK 46.2 million). The increase was driven by a 1% increase in unit sales, and 7% higher average price, and a NOK 0.2 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 second quarter of 2024, the total installed base of rigid blue light cystoscopes in the U.S. was 381, which includes 18 mobile towers owned by Fortec Medical. The installed base in the U.S. increased by 17%, or 54 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 25 active flexible blue light cystoscopes in the U.S. market at the end of Q2 2024.

Despite Karl Storz' decision, flexible BLC in the surveillance setting remains a strategic priority for Photocure. On July 15th 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. Until the new flexible BLC system is developed and approved in major markets, 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 second quarter of 2024, revenues in the Company's European segment increased by 3% to NOK 72.0 million (NOK 69.7 million), while in-market unit sales were negative 1% YoY. Revenue growth for the European segment was mainly driven timing of shipments to wholesalers in certain markets, partially offset by a NOK 0.4 million headwind from foreign exchange. The year over year decline in European unit sales was due primarily to fluctuations in ordering by hospital customers in DACH countries and the health care worker strike in Sweden.

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 the second half of 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 second 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.

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 its primary endpoint. In October 2023 at the 43rd 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 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. The product candidate is currently undergoing regulatory review in China.

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

Hexvix/Cysview publications and presentations

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 outpatient 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 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 and a poster featuring blue light cystoscopy were 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 abstract](#)

The poster presentation at AUA was an analysis of the Phase III clinical trial for Hexvix in China plus supporting real-world evidence also from China. The meta-analysis from these pooled datasets included 128 patients that underwent blue light cystoscopy (BLC) with Cysview (HAL). Among patients diagnosed with Ta, T1, or CIS, 46 out of 109 patients (42.2%) had at least one lesion detected by BLC but not by white light cystoscopy (WLC) ($p < 0.0001$). Fifteen patients had CIS of which 12 (80%) showed at least one additional CIS lesions found by BLC but not by WLC. The BLC detection rates for CIS, Ta, T1, and T2-T4 tumors were 95.2%, 100%, 98.3%, and 100%, respectively, while the WLC detection rates were 42.9%, 76.5%, 91.7%, and 100%, respectively.

[Link to abstract](#)

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>	Q2 '24	Q2 '23	YTD '24	YTD '23
Total revenues	21.6	26.9	22.6	26.9
Gross profit	21.6	26.9	22.1	26.9
Operating expenses	-5.6	-10.9	-9.9	-12.7
EBITDA	16.1	16.0	12.3	14.2

During the second quarter of 2024, development revenue was NOK 21.6 million, compared to NOK 26.9 million in the second quarter of 2023. The revenue in the second quarter of 2024 is related to the milestone payment received from Asieris related to the development of Cevira. Q2 2023 revenue also includes a milestone payment 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 Q2 2024, business development expenses were NOK 1.3 million (NOK 9.6 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 the Phase III 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 that is 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 at 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 17.0 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 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.

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).

MNOK	Q2 '24	Q2 '23	YTD '24	YTD '23
Hexvix / Cysview revenues	122.4	115.9	239.2	221.8
Total other revenues	23.0	28.4	24.3	28.7
Total revenues	145.4	144.3	263.5	250.6
Gross profit	137.8	137.4	248.1	237.2
Research & Development	-1.1	-0.2	-1.9	-0.8
Sales & Marketing	-86.3	-82.4	-163.9	-158.1
Other Opex	-22.6	-31.4	-46.6	-56.1
Operating expenses	-110.0	-114.0	-212.4	-215.0
EBITDA	27.8	23.4	35.7	22.2
Depreciation & amortization	-7.2	-6.5	-14.3	-13.1
EBIT	20.7	16.8	21.4	9.2
Net financial items	-4.5	-4.9	-9.2	-7.3
Earnings before tax	16.2	12.0	12.2	1.9
Tax expenses	-3.8	-7.6	-7.7	-9.3
Net earnings	12.3	4.3	4.4	-7.4



Revenues

Hexvix/Cysview revenues in the second quarter of 2024 were NOK 122.4 million (NOK 115.9 million), a 6% increase versus Q2 2023. The sales increase is driven by a combination of a unit sales increase and higher average pricing in North America and wholesaler shipment timing in Europe.

Other revenues were NOK 23.0 million (NOK 28.4 million) in the second quarter of 2024. Other revenues in Q2 2024 include a milestone payment related to the development of Cevira by Asieris of NOK 21.6 million. In Q2 2023, Other revenues of NOK 26.9 million also include a milestone payment related to the development of Cevira by Asieris.

Total revenues in the second quarter of 2024 increased 1% to NOK 145.4 million (NOK 144.3 million). The impact of foreign exchange on total revenues was not material in Q2 2024.

Cost of goods sold (COGS)

Second quarter 2024 COGS was NOK 7.6 million (NOK 6.9 million). As a percentage of sales revenue COGS was 6% of sales revenue, in line with COGS for the full year 2023 (6%).

Operating expenses

Total operating expenses, excluding depreciation and amortization, were NOK 110.0 million (NOK 114.0 million) in the second quarter. The decrease in expenses is driven by cost containment measures and timing of project expenses. The impact of foreign exchange was not material.

Second quarter 2024 research and development (R&D) costs were NOK 1.1 million (NOK 0.2 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 4% to NOK 86.3 million (NOK 82.4 million) in the second quarter of 2024. The expense increase was mainly driven by the inflation.

Second quarter 2024 Other operating expenses, which include supply chain, business development, and general/administration costs, were NOK 22.6 million, compared to NOK 31.4 million in the same quarter of 2023. Business development expenses in the second quarter of 2024 amounted to NOK 1.3 million (NOK 9.6 million).

Financial results

EBITDA was NOK 27.8 million (NOK 23.4 million) for the second quarter of 2024. The consolidated impact of foreign exchange on EBITDA was not material.

Second quarter 2024 depreciation and amortization totaled NOK 7.2 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 second quarter of 2024 were NOK -4.5 million (NOK -4.9 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 income before tax was NOK 16.2 million in the second quarter of 2024 (NOK 12.0 million). Net earnings after tax were NOK 12.3 million for the second quarter of 2024 (NOK 4.3 million).

Cash flow and statement of financial position

Net cash flow from operations was NOK 19.5 million in the second quarter of 2024 (NOK 29.1 million). The cash flow decrease versus Q2 2023 is mainly driven by an increase in working capital and is partially offset by an increase in Profit before tax capital.

Second quarter 2024 net cash flow from investments was NOK 0.5 million (NOK 0.1 million).

Second quarter 2024 cash flow from financing was NOK -11.3 million (NOK -16.3 million). Second quarter cash flow from financing was mainly driven by the payment of the Ipsen Earn-out. In the second 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 second quarter of 2024 was NOK 8.7 million (NOK 12.9 million). Cash and cash equivalents were NOK 267.0 million at the end of the second quarter 2024.

Long term liabilities were NOK 147.3 million at the end of the second quarter of 2024, including the capitalized value of expected future earn-out payments to Ipsen totaling NOK 123.0 million.

Shareholders' equity was NOK 500.0 million at the end of the second quarter 2024, representing an equity ratio of 70%.

As of June 30, 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 through its partnership agreement with Richard Wolf. 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 2024 financial guidance and continues to expect consolidated product revenue growth of 6% to 9% in constant currency and positive EBITDA excluding business development expenses. Photocure now expects new and upgraded Saphira™ installations in the U.S. in the range of 55 to 70 towers, up from the previous range of 40 to 70 towers for the full year.

Responsibility statement

We confirm that, to the best of our knowledge, the unaudited condensed set of financial statements for the first half year of 2024 which has been prepared in accordance with IAS 34 Interim Financial Statements gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the first half 2023 report includes a fair review of the



information required under the Norwegian Securities trading Act section 5-6 fourth paragraph.

The Board of Directors and CEO
Photocure ASA

Oslo, August 6, 2024

Dylan Hallerberg
Chairperson

Ghizlane Tagmouti
Director

Neal Shore
Director

Dan Schneider
President and CEO



Photocure Group

Accounts for second quarter and first half 2024

Photocure Group – Statement of comprehensive income

		2024	2023	2024	2023	2023
	Note	Q2	Q2	1.1 - 30.06	1.1 - 30.06	1.1 - 31.12
<i>(all amounts in NOK 1,000 except per share data)</i>						
Sales revenues		123,809	117,397	241,844	223,639	446,214
Signing fees and milestone revenues	4	21,640	26,924	21,640	26,924	54,443
Total revenues		145,448	144,321	263,483	250,563	500,657
Cost of goods sold		-7,629	-6,883	-15,372	-13,364	-26,137
Gross profit		137,819	137,438	248,111	237,199	474,521
Indirect manufacturing expenses	3	-3,490	-2,729	-7,375	-6,031	-12,615
Research and development expenses	3	-1,101	-211	-1,884	-798	-2,070
Marketing and sales expenses	3	-90,704	-86,845	-173,045	-166,840	-334,940
Other operating expenses	3	-21,868	-30,811	-44,404	-54,348	-97,089
Total operating expenses		-117,163	-120,597	-226,709	-228,017	-446,714
EBIT		20,656	16,841	21,402	9,182	27,807
Financial income		5,238	4,082	11,761	9,893	24,554
Financial expenses		-9,732	-8,968	-21,007	-17,225	-42,621
Net financial profit/loss(-)		-4,494	-4,886	-9,246	-7,332	-18,067
Profit/loss(-) before tax		16,162	11,956	12,156	1,850	9,740
Tax expenses	5	-3,830	-7,644	-7,713	-9,271	-8,761
Net profit/loss(-)		12,332	4,311	4,443	-7,421	979
Other comprehensive income		-1,220	1,597	1,790	1,526	-1,021
Total comprehensive income		11,112	5,909	6,233	-5,894	-42
Net profit/loss(-) per share, undiluted	6	0.45	0.16	0.16	-0.27	0.04
Net profit/loss(-) per share, diluted	6	0.45	0.16	0.16	-0.27	0.04



Photocure Group – Statement of financial position

<i>(Amounts in NOK 1,000)</i>	Note	6/30/2024	6/30/2023	12/31/2023
Non-current assets				
Customer relationship	7	104,201	120,873	112,537
Goodwill	7	144,000	144,000	144,000
Intangible and fixed assets	7	35,906	34,330	33,529
Deferred tax asset	5	41,840	46,225	49,476
Total non-current assets		325,946	345,427	339,541
Current assets				
Inventories		34,702	29,251	37,190
Accounts receivable		72,037	58,694	59,704
Other receivables		13,904	14,272	16,033
Cash and short term deposits	9	266,993	258,945	259,504
Total current assets		387,636	361,163	372,431
Total assets		713,582	706,590	711,973
Equity and liabilities				
Equity				
Share capital	11	13,560	13,560	13,560
Other paid-in capital		468,702	448,277	460,572
Retained earnings		17,402	5,708	8,716
Shareholders' equity		499,665	467,544	482,848
Long-term liabilities				
Earmout liability	8, 9	123,006	130,325	127,680
Long term loan financial institution	10	-	0	-
Other long-term liabilities		24,260	31,726	23,909
Total long-term liabilities		147,267	162,051	151,589
Accounts payable		16,206	10,817	19,660
Short term part of longterm liability	10	-	0	-
Other short-term liabilities		50,445	66,177	57,875
Total liabilities		213,918	239,046	229,125
Total equity and liabilities		713,582	706,590	711,973



Photocure Group – Changes in equity

Changes in equity

	2024	2023	2024	2023	2023
<i>(Amounts in NOK 1,000)</i>	Q2	Q2	1.1 - 30.06	1.1 - 30.06	1.1 - 31.12
Equity at end of prior period	483,096	455,324	482,848	462,733	462,733
Capital increase	-	-	-	-	-
Share-based compensation (share options employees)	5,456	6,311	10,584	10,705	20,156
Own shares	-	-	-	-	-
Comprehensive income	11,112	5,909	6,233	-5,894	-42
Equity at end of period	499,665	467,544	499,665	467,544	482,848

Photocure Group – Cash flow statement

	2024	2023	2024	2023	2023
<i>(Amounts in NOK 1,000)</i>	Q2	Q2	1.1 - 30.06	1.1 - 30.06	1.1 - 31.12
Profit/loss(-) before tax	16,162	11,956	12,156	1,850	9,740
Depreciation and amortisation	7,192	6,549	14,311	13,052	27,687
Share-based compensation	5,680	6,311	10,584	10,705	20,156
Interest income	-3,295	-1,438	-6,237	-3,834	-11,712
Interest costs	6,828	6,879	14,521	13,548	26,336
Remeasured earnout	-	-	-	-	1,444
Unrealized currency (- gains) / losses	541	1,936	104	-414	857
Changes in working capital	-11,625	-1,053	-18,602	-10,691	-11,745
Other operational items	-1,961	-2,016	1,070	-4,213	-14,455
Net cash flow from operations	19,523	29,123	27,908	20,004	48,307
Net investments in fixed assets	-1,650	-1,309	-1,922	-3,145	-4,056
Investments in intangible assets	-1,173	-	-3,680	-	-8,250
Received interest payments	3,295	1,438	6,237	3,834	11,712
Cash flow from investments	472	129	635	689	-594
Share capital increase employees	-	-	-	-	-
Paid earnout	-9,080	-8,089	-17,746	-16,053	-34,397
Payment of lease liability	-1,852	-1,774	-2,780	-696	-8,475
Long term loan	-	-6,250	-	-12,500	-12,500
Other financial payments and transactions	-341	-230	-528	-572	-912
Cash flow from financing activities	-11,273	-16,343	-21,054	-29,821	-56,284
Net change in cash during the period	8,722	12,909	7,489	-9,128	-8,571
Cash & cash equivalents at beginning of period	258,269	246,036	259,502	268,073	268,073
Cash & cash equivalents at end of period	266,991	258,945	266,992	258,945	259,502

Notes to the accounts for second quarter and first half 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 Hoffsvæien 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 August 6, 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 June 30, 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 reports 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.

Q2 2024

(Amounts in NOK 1 000)	Hexvix Europe	Cysview North Am	Other Sales	Total Sales	Total R&D	Grand Total
Sales revenues	72,013	50,431	1,366	123,810	-	123,810
Milestone revenues	-	-	-	-	21,640	21,640
Cost of goods sold	-6,048	-1,478	-103	-7,629	-	-7,629
Gross profit	65,965	48,953	1,262	116,181	21,640	137,820
Gross profit of sales %	92%	97%	92%	94%		94%
R&D	-1,082	-299	-43	-1,423	323	-1,101
Sales & marketing	-35,687	-44,352	-1,887	-81,925	-3,636	-85,561
Other & allocations	-10,362	-9,412	-1,285	-21,059	-2,253	-23,313
Operating expenses	-47,130	-54,063	-3,215	-104,407	-5,567	-109,974
EBITDA	18,835	-5,110	-1,952	11,773	16,073	27,846

Q2 2023

(Amounts in NOK 1 000)	Hexvix Europe	Cysview North Am	Other Sales	Total Sales	Total R&D	Grand Total
Sales revenues	69,718	46,211	1,467	117,397	-	117,397
Milestone revenues	-	-	-	-	26,924	26,924
Cost of goods sold	-4,559	-1,413	-911	-6,883	-	-6,883
Gross profit	65,159	44,798	556	110,514	26,924	137,438
Gross profit of sales %	93%	97%	38%	94%		94%
R&D	-242	-68	-	-311	100	-211
Sales & marketing	-35,679	-45,527	-958	-82,163	-254	-82,418
Other & allocations	-9,764	-9,534	-1,331	-20,628	-10,791	-31,419
Operating expenses	-45,685	-55,129	-2,288	-103,102	-10,945	-114,047
EBITDA	19,475	-10,331	-1,732	7,412	15,979	23,390



Photocure – Results for second quarter and first half 2024

1.1-30.6 2024

(Amounts in NOK 1 000)	Hexvix Europe	Cysview North Am	Other Sales	Total Sales	Total R&D	Grand Total
Sales revenues	141,302	97,895	1,720	240,917	927	241,844
Milestone revenues	-	-	-	-	21,640	21,640
Cost of goods sold	-11,934	-2,835	-159	-14,929	-443	-15,372
Gross profit	129,367	95,060	1,561	225,988	22,123	248,111
Gross profit of sales %	92%	97%	91%	94%	52%	94%
R&D	-1,394	-385	-55	-1,835	-49	-1,884
Sales & marketing	-67,678	-86,059	-3,143	-156,881	-5,743	-162,624
Other & allocations	-22,460	-18,844	-2,523	-43,828	-4,066	-47,894
Operating expenses	-91,533	-105,289	-5,722	-202,543	-9,858	-212,401
EBITDA	37,835	-10,229	-4,161	23,445	12,265	35,710

1.1-30.6 2023

(Amounts in NOK 1 000)	Hexvix Europe	Cysview North Am	Other Sales	Total Sales	Total R&D	Grand Total
Sales revenues	133,287	88,347	2,005	223,639	-	223,639
Milestone revenues	-	-	-	-	26,924	26,924
Cost of goods sold	-9,542	-2,809	-1,013	-13,364	-	-13,364
Gross profit	123,744	85,538	992	210,275	26,924	237,199
Gross profit of sales %	93%	97%	49%	94%		94%
R&D	-366	-103	-	-469	-329	-798
Sales & marketing	-67,823	-88,086	-1,701	-157,610	-454	-158,064
Other & allocations	-22,389	-19,310	-2,494	-44,192	-11,910	-56,103
Operating expenses	-90,577	-107,499	-4,195	-202,272	-12,694	-214,965
EBITDA	33,167	-21,961	-3,203	8,004	14,230	22,234

1.1-31.12 2023

(Amounts in NOK 1 000)	Hexvix Europe	Cysview North Am	Other Sales	Total Sales	Total R&D	Grand Total
Sales revenues	263,547	178,630	4,037	446,214	-	446,214
Milestone revenues	-	-	-	-	54,443	54,443
Cost of goods sold	-19,286	-5,866	-986	-26,137	-	-26,137
Gross profit	244,262	172,764	3,051	420,077	54,443	474,520
Gross profit of sales %	93%	97%	76%	94%		94%
R&D	-867	-245	-	-1,113	-957	-2,070
Sales & marketing	-147,079	-164,622	-3,621	-315,322	-941	-316,262
Other & allocations	-43,947	-37,369	-5,009	-86,326	-14,370	-100,696
Operating expenses	-191,893	-202,237	-8,631	-402,760	-16,268	-419,028
EBITDA	52,369	-29,473	-5,579	17,317	38,175	55,492



Note 3 – Income statement classified by nature

	2024	2023	2023
<i>(Amounts in NOK 1 000)</i>	1.1 - 30.06	1.1 - 30.06	1.1 - 31.12
Sales revenues	241,844	223,639	446,214
Signing fees and milestone revenues	21,640	26,924	54,443
Cost of goods sold	-15,372	-13,364	-26,137
Gross profit	248,111	237,199	474,521
Payroll expenses	-136,308	-139,730	-276,192
R&D costs excl. payroll expenses/other operating	-49	-329	-957
Ordinary depreciation and amortisation	-14,307	-13,052	-27,687
Other operating expenses	-76,044	-74,906	-141,879
Total operating expenses	-226,709	-228,017	-446,714
EBIT	21,402	9,182	27,807

Note 4 – Milestone Payments

During the second quarter of 2024, Photocure received a milestone payment from Asieris Pharmaceuticals related to the ongoing clinical development of Cevira of USD 2 million (NOK 21.6 million). During the second quarter of 2023, Photocure received milestone payments from Asieris Pharmaceuticals related to the ongoing clinical development of Cevira of USD 2.5 million (NOK 26.9 million) and 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>	6/30/2024	12/31/2023
Income tax expense		
Tax payable	-77	-3,117
Changes in deferred tax	-7,636	-5,644
Total income tax expense(-)/income	-7,713	-8,761
Tax base calculation		
Profit before income tax	16,162	9,740
Permanent differences	7,933	16,126
Temporary differences	-14,870	-17,691
Change in tax loss carried forward	-9,225	-10,568
Tax base	-0	-0
Temporary differences:		
Total	-158,245	-141,309
Tax loss carried forward	348,425	366,201
Net temporary differences	190,180	224,892
Deferred tax benefit	190,180	224,892
Deferred tax asset	41,840	49,476



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 parent company.

The calculation of deferred tax asset June 30, 2024, and December 31, 2023, is based on a tax rate of 22%. The deferred tax asset is decreased to NOK 41.8 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 based on 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.

	2024	2023	2023
<i>(Figures indicate the number of shares)</i>	1.1 - 30.06	1.1 - 30.06	1.1 - 31.12
Issued ordinary shares 1 January	27,120,820	27,120,820	27,120,820
Effects of share options exercised	-	-	-
Effect of treasury shares	-15,122	-15,122	-15,122
Effect of shares issued	-	-	-
Weighted average number of shares	27,105,698	27,105,698	27,105,698
Effect of outstanding share options	8,762	51,154	27,797
Weighted average number of diluted shares	27,114,460	27,156,852	27,133,495
Earnings per share in NOK	0.16	-0.27	0.04
Earnings per share in NOK diluted	0.16	-0.27	0.04

Note 7 – Intangible and Fixed Assets

	Goodwill	Customer relations	Right of use	Equipment	Registry Intangibles	Other Intangibles	Total fixed assets
<i>(Amounts in NOK 1 000)</i>							
Net book value 31.12.2023	144,000	112,537	19,038	5,089	7,402	2,000	33,529
Net investments and revaluation 2024	-	-	2,592	887	4,574	298	8,351
Termination leasing	-	-	-	-	-	-	-
Depreciation and amortization	-	-8,336	-2,932	-1,136	-1,266	-640	-5,974
Net book value 30.06.2024	144,000	104,201	18,698	4,840	10,710	1,658	35,906

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 June 30, 2024, are NOK 19.4 million compared to NOK 19.6 million as of December 31, 2023, and the interest expense is NOK 528 thousand.

Photocure has the ownership of valuable patient registries with the treatment of blue-light diagnosis of bladder cancer. The registry in USA is interesting for external parties and Photocure has decided to capitalize the registry costs from start of 2023, and as of June 30, 2024, it is capitalized NOK 12.9 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 as of end June 2024 paid NOK 17.7 million including interest, compared to NOK 16 million as of June 2023. In 2024 the liability has been reduced by NOK 4.7 million based on the sales in the former Ipsen markets and the total liability is NOK 123 million as of June 30, 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

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



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 30 June 2024	27,120,820	NOK 0.50	13,560,410
Treasury shares:			
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	-
Holdings of treasury shares at 30 June 2024	15,122		7,971

The table below indicates the status of authorizations as of June 30, 2024:

	Purchase, treasury shares
<i>(Figures indicate the number of shares)</i>	
Authorisation issued at the General Meeting on 23 May 2024	2,712,082
Purchase of treasury shares after 23 May 2024	-
Remaining under authorisations at 30 June 2024	2,712,082

Shares owned, directly or indirectly, by members of the board, the President and CEO and senior management and their closely related associates as of June 30, 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	Chief Medical Officer	-	114,000
Susanne Strauss	VP & General Manager Europe	1,392	203,750
Anja Gossens-von der Heidt	Head of Global Human Resources	-	26,750
Neal Shore	Board member	-	3,973
Dylan Hallerberg	Chairperson of the board	150,000	5,298



Note 12 – Share options

On June 30, 2024, employees in Photocure participated in the following share option schemes:

Year of allocation	2024	2023	2022	2021	2020	2020	2020
Option program	2023	2023	2022	2021	2020	2020	2019
Number	150,000	1,403,755	4,528	30,500	311,250	69,000	
Exercise price (NOK)	61.92	57.14-61.03	115.70	87.39-139.41	78.65-81.41	50.72-56.83	
Year of expiry	2029	2028	2027	2026	2025	2024	

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

	6/30/2024		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	419,755	61.21	1,180,900	61.03
Cancelled during the year	509,900	127.39	798,000	128.69
Become invalid during the year	17,000	73.09	229,500	110.11
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at end of period	1,969,033	64.36	2,076,178	80.55
Exercisable options at end of period	615,333	72.48	586,653	95.41



Note 13 – Shareholders

Overview of the major shareholders as of June 30, 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	2024	2023	2023
	Q2	Q2	YTD Jun.	YTD Jun.	Full Year
<i>(All amounts in NOK 1 000)</i>					
Gross profit	137,820	137,438	248,111	237,199	474,521
Operating expenses excl depreciation & amortization	-109,975	-114,048	-212,401	-214,965	-419,027
EBITDA	27,845	23,390	35,710	22,234	55,494
Depreciation & amortization	-7,188	-6,549	-14,307	-13,052	-27,687
EBIT	20,656	16,841	21,402	9,182	27,807

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	2024	2023	2023
	Q2	Q2	YTD Jun.	YTD Jun.	Full Year
USD (NOK per 1 USD)	10.74	10.70	10.63	10.47	10.56
EUR (NOK per 1 EUR)	11.56	11.66	11.49	11.32	11.42



For more information, please contact:

Dan Schneider, President and CEO
Email: ds@photocure.com

Erik Dahl, CFO
Email: ed@photocure.com

David Moskowitz, Head of Investor Relations
Email: dm@photocure.com

Photocure ASA
Hoffsveien 4,
NO - 0275 Oslo,
Norway

Tel: +47 22 06 22 10
Fax: +47 22 06 22 18

Please visit our websites for information about our products:

www.photocure.com

www.hexvix.com

www.cysview.com



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