



Quarterly Report

Q3 2024

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



THE
BLADDER CANCER
COMPANY



Highlights for third quarter 2024 and post-period news

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

- Hexvix®/Cysview® revenue in the third quarter of 2024 increased 12% to NOK 120.1 million compared to the same period last year (NOK 107.3 million). Year-over-year revenue growth was 12% in each of Photocure’s European and North American business segments.
- North American unit sales increased 6% while European unit sales increased by 9% compared to the third quarter of 2023.
- Growth of Cysview kits used for TURBT procedures in the U.S. was partially offset by a decline in kits used for flexible cystoscopy. Year-to-date, Photocure estimates that unit sales in the rigid segment grew 10%, while flexible BLC unit sales declined by 39% during the same period.
- Third quarter 2024 EBITDA was NOK 5.0 million (NOK 3.3 million), an increase of NOK 1.7 million YoY. Excluding business development (BD) expenses, Q3 2024 EBITDA was NOK 6.3 million (NOK 3.9 million).
- In the third quarter of 2024, the commercial franchise contributed positively to EBITDA. Photocure continues to contain its operating expenses with total headcount relatively level for the last 11 quarters as the Company remains focused on building operating leverage.
- At the end of Q3 2024, the installed base of rigid BLC systems in the U.S. was 387, up 13% since Q3 2023. This includes 18 mobile towers owned by ForTec Medical. Photocure estimates that 25 flexible BLC towers remain in the U.S. market.
- In July 2024, Photocure entered into a strategic agreement with Richard Wolf GmbH to develop and commercialize a next-generation flexible blue light cystoscope based on Richard Wolf’s System blue technology with the goal to reintroduce and grow the use of BLC with Cysview/Hexvix in the surveillance setting.
- On November 5, 2024 (post-period), Asieris and Photocure announced that market authorization for Hexvix was granted by China’s National Medicinal Products Administration (NMPA). Commercialization is dependent upon the approval of Richard Wolf’s blue light capital equipment, which is under regulatory review in China.
- Photocure reiterates its 2024 financial guidance and continues to expect consolidated product revenue growth of 6% to 9% in constant currency, positive EBITDA excluding business development expenses, and new and upgraded Saphira™ installations in the U.S. in the range of 55 to 70 towers.

Key Figures:

<i>Figures in NOK million</i>	Q3 2024	Q3 2023	Change	2024 YTD	2023 YTD	Change	FY 2023
Hexvix/Cysview revenues	120.1	107.3	12%	359.3	329.1	9%	443.3
Other revenues	0.1	0.3	-	24.4	29.0	-	57.4
Total revenues	120.2	107.5	12%	383.7	358.1	7%	500.7
Operating expenses	-107.3	-97.3	10%	-319.7	-312.3	5%	-419.0
EBITDA	5.0	3.3		40.7	25.6		55.5
EBITDA commercial franchise	6.9	6.1		30.3	14.1		17.3
EBITDA development portfolio	-1.9	-2.7		10.4	11.5		38.2
EBIT	-2.2	-3.9		19.2	5.3		27.8
Net Earnings	-3.5	-4.8		1.0	-12.2		1.0
Cash & cash equivalents	291.1	255.1		291.1	255.1		259.5



President & CEO Dan Schneider comments:

"We delivered solid performance in the third quarter, generating 12% Hexvix/Cysview revenue growth and NOK 5.0 million in EBITDA. Year-to-date, we have reported 9% growth in product revenues. Our business segments in North American and Europe both generated positive contributions during the quarter, and we made progress on key initiatives that we are pursuing to accelerate our growth going forward.

We reported 12% revenue growth in Europe during the third quarter, primarily due to strong performance in Germany and our Priority Growth Markets. We continue to execute on our strategy to gain additional key opinion leader support in continental Europe and to work closely with capital equipment manufacturers to facilitate additional BLC image quality upgrades. These efforts are now paying off, and we look forward to supporting Olympus' new blue light system launch, which is anticipated before year-end. We believe that Olympus's new high-definition BLC equipment can help us bring Hexvix growth back into the Nordic region and enhance growth in other parts of Europe.

North American Cysview revenue grew 12% compared to Q3 2023, with higher sales in the rigid BLC segment again outweighing the decline in flexible BLC sales. We estimate that unit sales in the rigid segment grew 10% so far this year, while flexible BLC unit sales declined by 39%. In the third quarter, 12 Saphira™ towers were installed including 6 new account placements and 6 accounts that upgraded to high-definition systems. This brings total Saphira installations through Q3 this year to 49 towers, including the ForTec mobile BLC towers.

We continue to grow our Hexvix/Cysview business, and we have consistently produced positive EBITDA over the last 6 quarters. Our mobile tower strategy with ForTec is gaining traction, with 18 Saphira systems now fully deployed and able to provide hospitals throughout the U.S. on-demand access to state-of-the-art blue light equipment. We believe access to BLC technology is becoming increasingly important given the many new therapeutics that have come to market or are in drug development pipelines to treat patients with non-muscle invasive bladder cancer. With multiple drug companies expected to invest significantly to develop markets for these new therapies, we believe that BLC's superiority to WLC will help to increase TURBT and surveillance procedure demand as more options for bladder cancer patients become available.

We are also positioning for the future with our Richard Wolf partnership to develop and commercialize a state-of-the-art flexible high-definition blue light system. This partnership is focused on ensuring that physicians and patients have reliable access to high quality BLC equipment in the surveillance setting. The development project is well underway, with the goal to bring a new flexible BLC system to patients globally as soon as possible. Additionally, the Karl Storz' Citizen's Petition to have BLC equipment reclassified in the U.S. from Class 3 to Class 2 is another significant opportunity that we continue to monitor and pro-actively support

Our license partner Asieris continues to move forward on projects that can generate additional value to Photocure shareholders. Hexvix received Chinese regulatory approval several months ahead of expectations given the favorable Phase 3 clinical trial results and high-quality regulatory application that we and our partner submitted last November. Additionally, Cevira continues to undergo regulatory review in China, and Asieris plans to submit a pre-submission to the European Medicines Agency later this quarter. Asieris also aims to be in discussion with the U.S. FDA this year on the design of a pivotal clinical program for Cevira for the North American market.

With our business continuing to show steady growth, industry trends in our favor, and a number of initiatives underway that can enable Hexvix/Cysview to grow faster, I believe Photocure is well-positioned to deliver value to patients and our shareholders in the coming quarters."



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 third quarter revenue was favorably impacted by higher unit sales in Europe and North America, higher average pricing in the U.S., and a positive impact from foreign exchange.

The Company continued to execute on its plan to expand blue light cystoscopy use in Q3 2024 with the installation of 12 new Saphira™ towers in the U.S. – 6 new accounts and 6 blue light tower upgrades. In the EU, Photocure continued to facilitate image quality upgrades for existing accounts in key markets throughout the region. During the third quarter Photocure facilitated 44 image quality upgrades in Europe.

Revenues from Photocure's North American segment increased 12% in the third quarter of 2024, with unit sales up 6% YoY. The increase in revenue was primarily driven by higher unit sales and higher average pricing, combined with a favorable impact of foreign exchange of approximately NOK 0.5 million. Karl Storz's phase down of flexible blue light capital equipment resulted in lower flexible BLC kit sales, partly offsetting the positive unit sales development

within the rigid segment. Photocure estimates that unit sales in the rigid segment grew 10% during the third quarter of 2024, year over year, while unit sales in the flexible BLC segment declined by 24% over the same period. Year-to-date Photocure estimates that unit sales in the rigid segment grew 10%, while flexible BLC unit sales declined by 39% during the same period.

Revenues from the Company's European segment increased 12% in the third quarter of 2024 year over year, with in-market unit sales increasing by 9% compared to the third quarter of 2023. Growth in Germany and continued traction in the Priority Growth Markets were the main contributors to the unit sales increase. Foreign exchange favorably impacted the third quarter of 2024 for the European segment by NOK 1.9 million.

The consolidated YoY currency impact on sales revenue was NOK 2.4 million in the third quarter of 2024.

<i>MNOK</i>	<u>Q3 '24</u>	<u>Q3 '23</u>	<u>YTD '24</u>	<u>YTD '23</u>
North America revenues	49.0	43.6	146.9	132.0
Europe revenues	71.1	63.4	212.4	196.7
Partner revenues	0.0	0.2	0.0	0.4
Hexvix/Cysview total	120.1	107.3	359.3	329.1
<i>YoY growth</i>	12%		9%	
Other revenues	0.1	0.3	2.8	2.1
Total revenues	120.2	107.5	362.1	331.2
<i>YoY growth</i>	12%		9%	
Gross profit	112.4	100.7	339.3	310.9
Operating expenses	-105.5	-94.6	-308.0	-296.8
EBITDA	6.9	6.1	31.3	14.1
<i>EBITDA margin</i>	6%	6%	9%	4%

Total Hexvix/Cysview revenue increased 12% to NOK 120.1 million in the third quarter of 2024, from NOK 107.3 million reported in the same period in 2023. The results were mainly driven by unit growth in North America and Europe, and a NOK 2.4 million favorable impact of 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. The distribution agreement with Combat Medical was terminated during Q3 2024.

Operating expenses for the commercial franchise in the third quarter increased 12% YoY to NOK 105.5 million (NOK 94.6 million). Timing of the capitalization of year-to-date U.S. Cysview registry



costs in Q3 2023 drove 6% of the YoY increase in Q3 2024 operating expenses. Timing of project expenses, the negative impact of foreign exchange and inflation further contributed to the year-over-year increase in operating expenses.

Third quarter 2024 EBITDA for the commercial franchise was NOK 6.9 million, an increase of NOK 0.8 million from the third quarter of 2023 (NOK 6.1 million).

Hexvix/Cysview

Global in-market unit sales volume increased by 8% in the third quarter of 2024, compared to the same period in 2023.

North America Cysview Segment

Q3 2024 Cysview revenues in North America increased by 12% YoY to NOK 49.0 million (NOK 43.6 million). The increase was driven by a 6% increase in unit sales, higher average pricing, and a NOK 0.5 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 third quarter of 2024, the total installed base of rigid blue light cystoscopes in the U.S. was 387, which includes 18 mobile towers owned by Fortec Medical. The installed base in the U.S. increased by 13%, or 45 towers, compared to the same period in 2023.

In early 2023, Karl Storz announced that it would 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 flexible blue light cystoscopes remaining in the U.S. market at the end of Q3 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 third quarter of 2024, revenues in the Company's European segment increased by 12% to NOK 71.1 million (NOK 63.4 million). The increase was mainly driven by in-market unit sales growth of 9% YoY, and a NOK 1.8 million benefit from foreign exchange.

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 fourth quarter 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 third 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 September 2024, Photocure entered into an agreement with Equity Pharmaceuticals PTY Limited, part of the Clinigen group, to initiate a Named Patient Program (NPP) enabling bladder cancer patients in South Africa to access blue light cystoscopy with Hexvix. Equity Pharmaceuticals will administer the NPP, and product sales are anticipated to begin in Q4 2024.

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. In November 2023, Asieris announced that its new drug application for Hexvix in China was accepted by the NMPA, and the product received Chinese regulatory approval in November 2024. Commercialization will take place after Richard Wolf's System Blue capital equipment receives approval in China. The System Blue capital equipment 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 August 2024, a case report was published in the journal *European Urology Open Science*, which described the first documented case of blue light cystoscopy used in the upper urinary tract to diagnose upper tract carcinoma in situ (CIS). The study author stated that “Photodynamic surgery using blue light with Cysview was uniquely added to the diagnostic and therapeutic treatment of insidious upper tract urothelial carcinoma (UTUC) in a patient with a wide, patulous ureteral orifice. Photocure believes that this is the first instance of using blue light cystoscopy to evaluate the upper tract for UTUC. The patient’s pathology was confirmed by biopsy to be CIS, and evaluation with white light alone likely would have under-staged the patient without the assistance of alternate wavelength diagnostics utilizing blue light and HAL. While the efficacy of blue-light cystoscopy for diagnosing tumors arising from the bladder is well established within the current literature, few studies have examined the utility of it in diagnosing tumors of the upper tract.” The diagnosis and treatment of UTUC is not an approved indication for Hexvix/Cysview, and therefore further clinical studies would be required to advance the use of blue light cystoscopy in this indication. [Link to article](#)

Development portfolio

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

MNOK	Q3 '24	Q3 '23	YTD '24	YTD '23
Total revenues	-	-	22.6	26.9
Gross profit	-0.0	-	22.1	26.9
Operating expenses	-1.8	-2.7	-11.7	-15.4
EBITDA	-1.9	-2.7	10.4	11.5

During the third quarter of 2024 and 2023 there was no reported development revenue. Year-to-date development revenue includes milestone payments received from Asieris for the clinical 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.

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 intends to submit a pre-submission to the European Medicines Agency in the fourth quarter of 2024 and also aims to be in discussion with the U.S. Food and Drug Administration (FDA) this year on the design of a pivotal clinical program for the North American market and will apply for a phase III trial in due



course. 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 third 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	Q3 '24	Q3 '23	YTD '24	YTD '23
Hexvix / Cysview revenues	120.1	107.3	359.3	329.1
Total other revenues	0.1	0.3	24.4	29.0
Total revenues	120.2	107.5	383.7	358.1
Gross profit	112.4	100.7	360.5	337.9
Research & Development	-1.6	-1.0	-3.5	-1.8
Sales & Marketing	-78.6	-72.5	-241.3	-230.6
Other Opex	-27.1	-23.9	-75.0	-80.0
Operating expenses	-107.3	-97.3	-319.7	-312.3
EBITDA	5.0	3.3	40.7	25.6
Depreciation & amortization	-7.2	-7.2	-21.5	-20.2
EBIT	-2.2	-3.9	19.2	5.3
Net financial items	-2.8	-4.8	-12.0	-12.1
Earnings before tax	-4.9	-8.7	7.2	-6.8
Tax expenses	1.5	3.9	-6.2	-5.4
Net earnings	-3.5	-4.8	1.0	-12.2

Revenues

Hexvix/Cysview revenues in the third quarter of 2024 were NOK 120.1 million (NOK 107.3 million), a 12% increase versus Q3 2023. The sales increase is driven

by a combination of a unit sales increase in North America and Europe, higher average pricing in North America, and a favorable impact of foreign exchange.

Other revenues were NOK 0.1 million (NOK 0.3 million) in the third quarter of 2024. 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. The distribution agreement with Combat Medical was terminated during Q3.

Total revenues in the third quarter of 2024 increased 12% to NOK 120.2 million (NOK 107.5 million). The impact of foreign exchange on total revenues was circa NOK 2.4 million in Q3 2024.

Cost of goods sold (COGS)

Third quarter 2024 COGS was NOK 7.9 million (NOK 6.9 million). As a percentage of sales revenue COGS was 6.5% of sales revenue, in line with COGS for the full year 2023 (6.4%).

Operating expenses

Total operating expenses, excluding depreciation and amortization, were NOK 107.3 million (NOK 97.3 million) in the third quarter. The increase in expenses is driven by timing of project expenses and asset capitalization, and a negative impact of foreign exchange of circa NOK 1.7 million.

Third quarter 2024 research and development (R&D) costs were NOK 1.6 million (NOK 1.0 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 8% to NOK 78.6 million (NOK 72.5 million) in the third quarter of 2024. The expense increase was mainly driven by timing of project expenses and asset capitalization, and the impact of foreign exchange.

Third quarter 2024 Other operating expenses, which include supply chain, business development, and general/administration costs, were NOK 27.1 million, compared to NOK 23.9 million in the same quarter of 2023. The increase is mainly driven by an expense reclass from Sales and Marketing and timing of project related expenses. Business development expenses in the third quarter of 2024 amounted to NOK 1.2 million (NOK 0.6 million).



Financial results

EBITDA was NOK 5.0 million (NOK 3.3 million) for the third quarter of 2024. The consolidated impact of foreign exchange on EBITDA was circa NOK 0.5 million.

Third quarter 2024 depreciation and amortization totaled NOK 7.2 million (NOK 7.2 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 third quarter of 2024 were NOK -2.8 million (NOK -4.8 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 4.9 million in the third quarter of 2024 (NOK 8.7 million). Net earnings after tax were NOK -3.5 million for the third quarter of 2024 (NOK -4.8 million).

Cash flow and statement of financial position

Net cash flow from operations was NOK 34.5 million in the third quarter of 2024 (NOK 8.7 million). The cash flow from operations in Q3 is mainly driven by a net loss of NOK 4.9 million adjusted for non-cash items of NOK 15.6 million and a decrease in working capital by NOK 23.9 million which is mainly driven by a decrease in accounts receivable due to cash collections and an increase in payable incentives due to timing of yearly payout.

Third quarter 2024 net cash flow from investments was NOK 2.4 million (NOK -2.5 million).

Third quarter 2024 cash flow from financing was NOK -12.9 million (NOK -10.0 million). Third quarter cash flow from financing was mainly driven by the payment of the Ipsen Earn-out.

Net change in cash for the third quarter of 2024 was NOK 24.1 million (NOK -3.9 million). Cash and cash equivalents were NOK 291.1 million at the end of the third quarter 2024.

Long term liabilities were NOK 143.5 million at the end of the third quarter of 2024, including the capitalized value of expected future earn-out payments to Ipsen totaling NOK 120.3 million.

Shareholders' equity was NOK 499.7 million at the end of the third quarter 2024, representing an equity ratio of 69%.

As of September 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 and new NMIBC treatment options as observed at the European Association of

Urology and American Urological Association congresses in 2024, (4) a high number of blue light image quality upgrades in targeted European accounts, and (5) 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, positive EBITDA excluding business development expenses, and new and upgraded Saphira™ installations in the U.S. in the range of 55 to 70 towers.

The Board of Directors and CEO
Photocure ASA

Oslo, November 12, 2024

Dylan Hallerberg
Chairperson

Ghizlane Tagmouti
Director

Neal Shore
Director

Dan Schneider
President and CEO



Photocure Group

Accounts for third quarter and the first nine months of 2024

Photocure Group – Statement of comprehensive income

<i>(all amounts in NOK 1,000 except per share data)</i>	Note	2024 Q3	2023 Q3	2024 1.1 - 30.09	2023 1.1 - 30.09	2023 1.1 - 31.12
Sales revenues		120,225	107,548	362,068	331,187	446,214
Signing fees and milestone revenues	4	-	-	21,640	26,924	54,443
Total revenues		120,225	107,548	383,708	358,111	500,657
Cost of goods sold		-7,857	-6,896	-23,229	-20,260	-26,137
Gross profit		112,368	100,652	360,479	337,851	474,521
Indirect manufacturing expenses	3	-4,003	-4,325	-11,378	-10,356	-12,615
Research and development expenses	3	-1,643	-952	-3,527	-1,751	-2,070
Marketing and sales expenses	3	-83,884	-77,590	-256,929	-244,430	-334,940
Other operating expenses	3	-25,023	-21,636	-69,428	-75,984	-97,089
Total operating expenses		-114,553	-104,504	-341,262	-332,521	-446,714
EBIT		-2,185	-3,852	19,218	5,330	27,807
Financial income		6,897	6,611	18,658	16,504	24,554
Financial expenses		-9,654	-11,425	-30,661	-28,650	-42,621
Net financial profit/loss(-)		-2,757	-4,814	-12,003	-12,146	-18,067
Profit/loss(-) before tax		-4,942	-8,666	7,214	-6,816	9,740
Tax expenses	5	1,476	3,878	-6,238	-5,392	-8,761
Net profit/loss(-)		-3,466	-4,788	977	-12,208	979
Other comprehensive income		-248	135	1,542	1,661	-1,021
Total comprehensive income		-3,714	-4,653	2,519	-10,547	-42
Net profit/loss(-) per share, undiluted	6	-0.13	-0.18	0.04	-0.27	0.04
Net profit/loss(-) per share, diluted	6	-0.13	-0.18	0.04	-0.27	0.04



Photocure Group – Statement of financial position

<i>(Amounts in NOK 1,000)</i>	Note	9/30/2024	9/30/2023	12/31/2023
Non-current assets				
Customer relationship	7	100,033	116,705	112,537
Goodwill	7	144,000	144,000	144,000
Intangible and fixed assets	7	34,680	36,757	33,529
Deferred tax asset	5	43,373	50,278	49,476
Total non-current assets		322,086	347,740	339,541
Current assets				
Inventories		33,207	33,190	37,190
Accounts receivable		62,559	53,785	59,704
Other receivables		11,567	15,832	16,033
Cash and short term deposits	9	291,051	255,057	259,504
Total current assets		398,384	357,864	372,431
Total assets		720,470	705,603	711,973
Equity and liabilities				
Equity				
Share capital	11	13,560	13,560	13,560
Other paid-in capital		471,689	452,774	460,572
Retained earnings		14,481	2,608	8,716
Shareholders' equity		499,731	468,942	482,848
Long-term liabilities				
Earnout liability	8, 9	120,293	128,658	127,680
Long term loan financial institution	10	-	0	-
Other long-term liabilities		23,188	28,663	23,909
Total long-term liabilities		143,481	157,321	151,589
Accounts payable		16,934	24,026	19,660
Short term part of longterm liability	10	-	0	-
Other short-term liabilities		60,325	55,314	57,875
Total liabilities		220,739	236,661	229,125
Total equity and liabilities		720,470	705,603	711,973



Photocure Group – Changes in equity

	2024	2023	2024	2023	2023
<i>(Amounts in NOK 1,000)</i>	Q3	Q3	1.1 - 30.09	1.1 - 30.09	1.1 - 31.12
Equity at end of prior period	499,665	467,544	482,848	462,733	462,733
Capital increase	-	-	-	-	-
Share-based compensation (share options employees)	3,780	6,051	14,364	16,756	20,156
Own shares	-	-	-	-	-
Comprehensive income	-3,714	-4,653	2,519	-10,547	-42
Equity at end of period	499,731	468,942	499,731	468,942	482,848

Photocure Group – Cash flow statement

	2024	2023	2024	2023	2023
<i>(Amounts in NOK 1,000)</i>	Q3	Q3	1.1 - 30.09	1.1 - 30.09	1.1 - 31.12
Profit/loss(-) before tax	-4,942	-8,666	7,214	-6,816	9,740
Depreciation and amortisation	7,213	7,190	21,524	20,242	27,687
Share-based compensation	3,780	6,051	14,364	16,756	20,156
Interest income	-3,890	-3,368	-10,127	-7,202	-11,712
Interest costs	7,162	6,450	21,683	19,998	26,336
Remeasured earnout	-	-	-	-	1,444
Unrealized currency (- gains) / losses	-267	838	-163	424	857
Changes in working capital	23,917	1,756	5,315	-9,988	-11,745
Other operational items	1,557	-1,582	1,523	-4,742	-14,455
Net cash flow from operations	34,529	8,669	61,333	28,673	48,307
Net investments in fixed assets	907	-682	-858	-3,827	-4,056
Investments in intangible assets	-2,371	-5,206	-6,208	-5,206	-8,250
Received interest payments	3,890	3,368	10,127	7,202	11,712
Cash flow from investments	2,426	-2,520	3,061	-1,831	-594
Share capital increase employees	-	-	-	-	-
Paid earnout including interest	-9,805	-9,938	-27,551	-25,991	-34,397
Payment of lease liability	-2,754	72	-4,428	-624	-8,475
Long term loan	-	-	-	-12,500	-12,500
Other financial payments and transactions	-338	-171	-866	-744	-912
Cash flow from financing activities	-12,897	-10,037	-32,845	-39,858	-56,284
Net change in cash during the period	24,058	-3,888	31,549	-13,016	-8,571
Cash & cash equivalents at beginning of period	266,994	258,945	259,502	268,073	268,073
Cash & cash equivalents at end of period	291,051	255,057	291,051	255,057	259,502



Notes to the accounts for third quarter and the first nine months of 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 November 12, 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 September 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.

Q3 2024

(Amounts in NOK 1 000)	Hexvix Europe	Cysview North Am	Other Sales	Total Sales	Total R&D	Grand Total
Sales revenues	71,111	48,968	145	120,225	-	120,225
Milestone revenues	-	-	-	-	-	-
Cost of goods sold	-6,085	-1,678	-65	-7,829	-28	-7,857
Gross profit	65,026	47,290	80	112,396	-28	112,368
Gross profit of sales %	91%	97%	55%	93%		93%
R&D	-1,152	-318	-45	-1,515	-128	-1,643
Sales & marketing	-35,517	-43,784	-6	-79,307	733	-78,574
Other & allocations	-13,088	-10,065	-1,515	-24,668	-2,450	-27,118
Operating expenses	-49,757	-54,168	-1,567	-105,491	-1,845	-107,336
EBITDA	15,269	-6,878	-1,487	6,905	-1,873	5,032

Q3 2023

(Amounts in NOK 1 000)	Hexvix Europe	Cysview North Am	Other Sales	Total Sales	Total R&D	Grand Total
Sales revenues	63,442	43,615	491	107,547	-	107,547
Milestone revenues	-	-	-	-	-	-
Cost of goods sold	-5,238	-1,426	-232	-6,895	-	-6,895
Gross profit	58,204	42,189	259	100,652	-	100,652
Gross profit of sales %	92%	97%	53%	94%		94%
R&D	-140	-40	-	-180	-772	-952
Sales & marketing	-35,770	-35,357	-1,078	-72,204	-237	-72,441
Other & allocations	-11,931	-9,005	-1,245	-22,182	-1,738	-23,920
Operating expenses	-47,841	-44,402	-2,323	-94,566	-2,747	-97,314
EBITDA	10,363	-2,213	-2,064	6,086	-2,747	3,339



Photocure – Results for third quarter and the first nine months of 2024

1.1-30.9 2024

(Amounts in NOK 1 000)	Hexvix Europe	Cysview North Am	Other Sales	Total Sales	Total R&D	Grand Total
Sales revenues	212,413	146,863	1,865	361,142	927	362,068
Milestone revenues	-	-	-	-	21,640	21,640
Cost of goods sold	-18,020	-4,513	-225	-22,758	-471	-23,229
Gross profit	194,393	142,350	1,641	338,384	22,095	360,479
Gross profit of sales %	92%	97%	88%	94%	49%	94%
R&D	-2,546	-704	-101	-3,350	-177	-3,527
Sales & marketing	-103,195	-129,844	-3,149	-236,188	-5,010	-241,198
Other & allocations	-35,548	-28,909	-4,039	-68,496	-6,516	-75,012
Operating expenses	-141,289	-159,456	-7,289	-308,034	-11,703	-319,737
EBITDA	53,104	-17,107	-5,648	30,349	10,392	40,742

1.1-30.9 2023

(Amounts in NOK 1 000)	Hexvix Europe	Cysview North Am	Other Sales	Total Sales	Total R&D	Grand Total
Sales revenues	196,729	131,962	2,496	331,187	-	331,187
Milestone revenues	-	-	-	-	26,924	26,924
Cost of goods sold	-14,780	-4,235	-1,245	-20,260	-	-20,260
Gross profit	181,949	127,727	1,251	310,927	26,924	337,851
Gross profit of sales %	92%	97%	50%	94%		94%
R&D	-506	-143	-	-649	-1,101	-1,751
Sales & marketing	-103,593	-123,443	-2,779	-229,814	-691	-230,505
Other & allocations	-34,320	-28,315	-3,739	-66,374	-13,649	-80,023
Operating expenses	-138,419	-151,901	-6,518	-296,838	-15,441	-312,279
EBITDA	43,530	-24,174	-5,267	14,089	11,483	25,572

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 - 30.09	1.1 - 30.09	1.1 - 31.12
Sales revenues	362,068	331,187	446,214
Signing fees and milestone revenues	21,640	26,924	54,443
Cost of goods sold	-23,229	-20,260	-26,137
Gross profit	360,479	337,851	474,521
Payroll expenses	-208,319	-207,350	-276,192
R&D costs excl. payroll expenses/other operating ex	-177	-1,101	-957
Ordinary depreciation and amortisation	-21,524	-20,241	-27,687
Other operating expenses	-111,241	-103,828	-141,879
Total operating expenses	-341,262	-332,521	-446,714
EBIT	19,218	5,330	27,807

Note 4 – Milestone Payments

No milestone payments were received during the third quarter of 2024. 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). Revenue recognition for the clinical development is point in time and the milestone payment follows the timing of the revenue recognition.

Note 5 – Tax

<i>(Amounts in NOK 1 000)</i>	9/30/2024	12/31/2023
Income tax expense		
Tax payable	-134	-3,117
Changes in deferred tax	-6,103	-5,644
Total income tax expense(-)/income	-6,237	-8,761
Tax base calculation		
Profit before income tax	-4,942	9,740
Permanent differences	15,286	16,126
Temporary differences	-23,038	-17,691
Change in tax loss carried forward	12,694	-10,568
Tax base	0	-0
Temporary differences:		
Total	-164,347	-141,309
Tax loss carried forward	361,497	366,201
Net temporary differences	197,150	224,892
Deferred tax benefit	197,150	224,892
Deferred tax asset	43,373	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 temporary differences are estimated based on the results and balances in the parent company as of 09/30/2024, using the estimated annual effective tax rate.

The calculation of deferred tax asset September 30, 2024, and December 31, 2023, is based on a tax rate of 22%. The deferred tax asset is decreased to NOK 43.4 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 - 30.09	1.1 - 30.09	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	169	13,169	27,797
Weighted average number of diluted shares	27,105,867	27,118,867	27,133,495
Earnings per share in NOK	0.04	-0.45	0.04
Earnings per share in NOK diluted	0.04	-0.45	0.04

Note 7 – Intangible and Fixed Assets

<i>(Amounts in NOK 1 000)</i>	Goodwill	Customer relations	Right of use	Equipment	Registry Intangibles	Other Intangibles	Total fixed assets
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	-	-	2,589	944	6,208	430	10,171
Termination leasing	-	-	-	-	-	-	-
Depreciation and amortization	-	-12,504	-4,418	-1,564	-2,089	-949	-9,020
Net book value 30.06.2024	144,000	100,033	17,209	4,469	11,521	1,481	34,680

Goodwill amounts to NOK 144.0 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 September 30, 2024, are NOK 18.1 million compared to NOK 19.6 million as of December 31, 2023, and the interest expense is NOK 866 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 September 30, 2024, it is capitalized NOK 14.5 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 September 2024 paid NOK 27.5 million including interest, compared to NOK 26.0 million as of September 2023. In 2024 the liability has been reduced by NOK 7.4 million based on the sales in the former Ipsen markets and the total liability is NOK 120.0 million as of September 30, 2024. Out of the NOK 27.5 million payment, NOK 20.1million is interest.

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 <i>(Amounts in NOK 1 000)</i>	Level 1	Level 2	Level 3	Total
- Money market funds	198,539	-	-	198,539
- Earnout liability			-120,293	-120,293
Total	198,539	-	-120,293	



Note 10 – Long term loan

Photocure received in the Third 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:

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 September 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 September 2024	15,122		7,971

The table below indicates the status of authorizations as of September 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 September 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 September 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	171,250
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 September 30, 2024, employees in Photocure participated in the following share option schemes:

Year of allocation	2024	2023	2022	2021	2020
Option program	2023	2023	2022	2021	2020
Number	150,000	1,379,255	4,528	30,500	306,250
Exercise price (NOK)	61.92	57.14-61.03	115.70	87.39-139.41	78.65-81.41
Year of expiry	2029	2028	2027	2026	2025

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

	9/30/2024		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	46,500	67.28	229,500	110.11
Exercised during the year	-	-	-	-
Expired during the year	69,000	54.70	-	-
Outstanding at end of period	1,870,533	64.36	2,076,178	80.55
Exercisable options at end of period	537,708	74.77	586,653	95.41



Note 13 – Shareholders

Overview of the major shareholders as of September 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	2,000,000	7.37%
SKANDINAVISKA ENSKILDA BANKEN AB	Luxembourg	Nominee	955,575	3.52%
Skandinaviska Enskilda Banken AB	Ireland	Nominee	942,100	3.47%
Skandinaviska Enskilda Banken AB	Sweden	Nominee	843,778	3.11%
The Bank of New York Mellon SA/NV	United Kingdom	Nominee	697,602	2.57%
Nordnet Bank AB	Sweden	Nominee	694,231	2.56%
J.P. Morgan SE	Sweden	Nominee	682,064	2.51%
MP PENSJON PK	Norway	Ordinary	674,093	2.49%
JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee	485,286	1.79%
VERDIPAPIRFONDET KLP AKSJENORGE	Norway	Ordinary	375,630	1.39%
NORDNET LIVSFORSIKRING AS	Norway	Ordinary	339,934	1.25%
Danske Bank A/S	Denmark	Nominee	321,297	1.18%
VERDIPAPIRFONDET EQUINOR AKSJER NO	Norway	Ordinary	298,572	1.10%
BNP Paribas	Luxembourg	Nominee	289,000	1.07%
VERDIPAPIRFONDET KLP AKSJENORGE IN	Norway	Ordinary	272,506	1.00%
Avanza Bank AB	Sweden	Broker	245,809	0.91%
SVENSKA HANDELSBANKEN AB	Sweden	Nominee	245,799	0.91%
J.P. Morgan SE	Luxembourg	Nominee	230,000	0.85%
Skandinaviska Enskilda Banken AB	Finland	Nominee	214,000	0.79%
Total 20 largest shareholders			14,990,102	55.27%
Total Other shareholders			12,130,718	44.73%
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 Q3	2023 Q3	2024 YTD Sep.	2023 YTD Sep.	2023 Full Year
<i>(All amounts in NOK 1 000)</i>					
Gross profit	112,368	100,652	360,479	337,851	474,521
Operating expenses excl depreciation & amortization	-107,336	-97,314	-319,738	-312,280	-419,027
EBITDA	5,032	3,338	40,741	25,571	55,494
Depreciation & amortization	-7,216	-7,190	-21,523	-20,241	-27,687
EBIT	-2,185	-3,852	19,218	5,330	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 Q3	2023 Q3	2024 YTD Sep.	2023 YTD Sep.	2023 Full Year
USD (NOK per 1 USD)	10.71	10.48	10.65	10.47	10.56
EUR (NOK per 1 EUR)	11.76	11.40	11.58	11.35	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