Proposal to the Annual General Meeting of Photocure ASA

To: The Board of Directors of Photocure ASA | Chairperson of the Board, Dylan Hallerberg and CEO Dan Schneider

Date: April 6, 2026

Subject: Shareholder Proposal for the Annual General Meeting pursuant to the Norwegian Public Limited Liability Companies Act § 5-11

1. Proposed Resolution

The General Meeting requests the Board of Directors to develop and implement a **Commercial Efficiency and Profitability Framework**, to be presented to shareholders no later than the publication of the Photocure ASA Q3 2026 interim report. The framework shall be applicable as of the second half of 2026 and shall include, as a minimum:

1.A. Targeted Efficiency KPIs and S&M Benchmarking

The Board is requested to establish and disclose specific efficiency targets for the commercial organization, including, as a minimum:

- **Sales & Marketing (S&M) expenses as a percentage of revenue:** A defined long-term target and a year-over-year reduction trajectory for S&M expenses relative to total product revenue across all market regions.
- **Trends for Customer Acquisition Cost (CAC):** Reporting on the efficiency of new account onboarding to evaluate the return on invested capital, particularly in the North American expansion.

1.B. Segment Margin Transparency (North America)

To allow shareholders to evaluate the underlying profitability of the North American market, the company shall report, as a minimum:

- **North American Contribution Margin:** Disclosing revenue minus COGS and direct regional S&M expenses.
- **Commercial Channel Mix:** Insight into the volume split and relative margin contribution between direct sales and the **ForTec** partnership model.
- **Path to EBITDA and EBIT Breakeven:** A specific timeline for when the North American business unit is expected to achieve self-sustaining profitability.

1.C. Strategic Adaptation

Following the FDA's decision in late March 2026, which requires Photocure to continue operating within a structural Class III regulatory framework for the foreseeable future, the Board shall present a "Plan B" roadmap focusing on, as a minimum:

- **Modernization of the Sales Model:** A detailed plan on how the company will utilize digital tools and data analytics to optimize sales territories, predict customer intent, and reduce the necessity of a high-density, labor-intensive physical presence.
- **Regulatory Resilience:** A strategy to maintain competitive advantage and clinical leadership within Class III constraints without further inflating the cost base.
- **Updated Timeline:** A revised schedule for key commercial and regulatory milestones under the current regime.

2. Rationale

This proposal follows the FDA's denial of the reclassification petition (FDA-2022-P-2644-0046).

Maturity and Market Presence

Photocure is not a startup. Following the FDA approval of Cysview in 2010 and more than a decade of commercial operations in the U.S., the expectation of a self-sustaining and profitable business unit is both reasonable and overdue. The prolonged characterization of U.S. operations as being in an "investment phase" is increasingly incongruent with this level of market maturity; strategic narratives must now transition into demonstrable bottom-line accountability. The commercial model must demonstrate its capacity to deliver a surplus.

Strategic Partnerships and Scalability

The Board and Management deserve recognition for the strategic partnership with ForTec, which represents a commendable capital-light approach to lowering barriers for U.S. hospitals. However, to evaluate the long-term efficiency of this model, shareholders require transparency on how this channel mix influences the overall S&M requirements and net contribution margins compared to traditional direct sales.

Structural Realities

Management has previously justified an high S&M cost base by citing the need to remain "ready" for the scaling opportunities provided by a Class II (510k) environment.

With the Class II pathway now closed, the justification for maintaining an outsized "readiness" organization has been removed. Photocure is now operating in a structural Class III reality for the foreseeable future. While the core product, Cysview, maintains an impressive gross margin of +90%, the current commercial engine consumes substantially all profit before it reaches the bottom line.

As noted by market analysts (e.g., ABG Sundal Collier), reclassification was the most "tangible path" to unlocking the potential of the North America market. In its absence, shareholders ask for a shift in focus toward internal operational discipline. The lack of specific, disclosed efficiency KPIs makes it difficult for the market and shareholders to value the current "labor-intensive" model appropriately. This proposal seeks to enhance market confidence through increased transparency and accountability.

3. Proposer's Note

The proposer remains a supportive long-term shareholder who believes that strategic excellence must be matched by capital discipline. This proposal is intended to provide the Board with a clear mandate to prioritize shareholder value and profitability.

While the requirements above represent a minimum, the proposer encourages the Board to enhance the framework further, ensuring Photocure develops as a leaner and more profitable organization.