PhotoCure ASA

Results
1st quarter 2003

13th of May 2003
Important Achievements

- **Madvix®**
  - Launched in Germany by Galderma – February 2003
  - Launched in UK by Galderma – May 2003
  - Milestones payment of Euro 2 mill. from Galderma – May 2003
  - Approvable letter from US FDA – September 2002
  - NDA filed for BCC indication in the US – February 2003
  - Approval in Australia – April 2003
  - Increasing sales in the Nordic markets

- **Hexvix®**
  - Positive Phase III results in two European studies
  - European Marketing Authorisation Application filed - December 2002

- **Benzvix®**
  - Clinical pilot studies on track
The financial profile to succeed

<table>
<thead>
<tr>
<th>Sales revenues</th>
<th>10 425</th>
<th>3 697</th>
<th>182 %</th>
<th>Substantial increase</th>
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</thead>
<tbody>
<tr>
<td>Other operating revenues</td>
<td>1 045</td>
<td>124</td>
<td></td>
<td></td>
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<tr>
<td>Operating revenues</td>
<td>11 470</td>
<td>3 821</td>
<td>200 %</td>
<td>Substantial increase</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>34 318</td>
<td>36 584</td>
<td>-6 %</td>
<td>Costs reduced/levelled out</td>
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<tr>
<td>Net financial income</td>
<td>4 370</td>
<td>3 253</td>
<td>34 %</td>
<td>Currency loss 2002</td>
</tr>
<tr>
<td>Net loss</td>
<td>-18 478</td>
<td>-29 510</td>
<td>-37 %</td>
<td>Substantial improvement</td>
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<tr>
<td>Liquid funds, end of period</td>
<td>215 557</td>
<td>358 196</td>
<td></td>
<td></td>
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</table>
Mетvix® – The Commercial Roll Out Gathers Momentum

PhotoCure 1st Photodynamic Therapy (PDT) Agent
Rapid Growth in Revenues
Metvix®
– quick and easy treatment

Lesion preparation

Metvix® application

Red light illumination
Metvix®
– highly effective with superior cosmetic results
Metvix®
– highly effective with superior cosmetic results
Metvix®
– high penetration in the Nordic area
Metvix®
– marketing in the Nordic area

Clinics with PhotoCure lamps

Target

Acc. number of cli

Finland
Denmark
Norway
Sweden

Nov. 01  Febr. 02  May 02  Aug. 02  Nov. 02  Feb. 03  May 03
Marketing Metvix®
– Sweden

- Estimated market size:

<table>
<thead>
<tr>
<th></th>
<th>New cases per year</th>
<th>Treatments per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCC</td>
<td>20 000</td>
<td>30 000</td>
</tr>
<tr>
<td>AK</td>
<td>200 000</td>
<td>40 000</td>
</tr>
</tbody>
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- Reimbursed price of 1300 SEK per tube of Metvix® October 2001
Marketing Metvix® – Norway

- Estimated market size:

<table>
<thead>
<tr>
<th></th>
<th>New cases per year</th>
<th>Treatments per year</th>
</tr>
</thead>
<tbody>
<tr>
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<td>10 000</td>
<td>20 000</td>
</tr>
<tr>
<td>AK</td>
<td>100 000</td>
<td>30 000</td>
</tr>
</tbody>
</table>

- Approved price of 1100 NOK per tube of Metvix®
Marketing Metvix®
– Denmark

- Estimated market size:

<table>
<thead>
<tr>
<th></th>
<th>New cases per year</th>
<th>Treatments per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCC</td>
<td>10 000</td>
<td>20 000</td>
</tr>
<tr>
<td>AK</td>
<td>100 000</td>
<td>30 000</td>
</tr>
</tbody>
</table>

- Metvix® commercially available July 2002, priced at 1100 DKK per tube
- Drug reimbursement routinely on a named patient basis
- Procedure codes established in some counties
Marketing Metvix®  
– Finland

- Estimated market size:
  
<table>
<thead>
<tr>
<th>New cases per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCC</td>
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<tr>
<td>AK</td>
</tr>
<tr>
<td>5 000</td>
</tr>
<tr>
<td>50 000</td>
</tr>
</tbody>
</table>

- National approval May 2002
- Metvix® priced at 144 Euro per tube
- Drug reimbursement obtained at standard rate of 50% of sales price
Metvix®
– increasing sales in the Nordic area

Number of tubes sold to pharmacies

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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</thead>
<tbody>
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<td>4Q</td>
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<td>600</td>
<td>600</td>
<td>800</td>
<td>1200</td>
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<td>1Q</td>
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<td>2000</td>
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<td></td>
<td></td>
<td></td>
<td>1200</td>
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</table>

PHOTO CURE
Metvix®
– increasing sales in the Nordic area

Number of tubes sold to pharmacies

Moving annual total

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</thead>
<tbody>
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<td>4Q</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<td>1Q</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Marketing Metvix®
– targeting increased sales

- Establish new centers
- Increase usage at established clinics
  - Train additional doctors and nurses
  - Expand usage to additional lesions and patients
  - Improve patient and illumination logistics
- Establish drug reimbursement and procedure codes
- Increase GP awareness and patient referral to established clinics
- Increase patient awareness and pressure
Wall mounting of Aktilite improves flexibility and logistics
Metvix®
– great international potential

- Basal cell carcinoma (BCC)
  - Appr. 2 mill. new cases per year in EU, America & AUS
  - Current therapies give disfiguration / morbidity

- Aktinic Keratosis (AK)
  - Appr. 20 mill. new cases per year in EU, America & AUS
  - Current therapies give white spots, poor patient compliance
Metvix®
– Galderma, the optimal marketing partner

- Dermatology specialist – Sales + production + research
- Strong shareholders – Owned 50/50 by Nestlé and L’Oréal
- The only global company 100% focused on dermatology
  - reaching dermatologists in more than 70 countries
  - worlds largest sales force in dermatology
  - US No1 market for Galderma
- Sales 2002 – Euro 642 million
- Organisation strongly dedicated to maximising the potential of the Metvix® franchise
Marketing Metvix®
– the Galderma commitment

- Metvix® subject to biggest launch investment ever
- Dedicated international marketing team in place
- Metvix® could in time be Galderma’s biggest product
Marketing Metvix®
– Launch activities initiated in United Kingdom

- Pre launch activities been done by a dedicated development team for six months
- Launch symposium primo May
  - Held in Seville as part of the World Congress of Skin Cancers
  - Meeting held for 30 selected key opinion leaders
- Dedicated product management and sales force
- Educational centres are established
- Price and reimbursement underway
Red light that fights skin cancer

A THERAPY which can cure skin cancer by blasting it with red light is to be made available on the Health Service.

Hospital trials show the treatment destroys more than 90 per cent of even the most aggressive tumours. Doctors say it is virtually pain-free and quick, with patients recovering within two or three weeks. It also leaves little scarring, making it an attractive alternative to surgery, particularly for those with lesions on the face.

Skin cancer is now the most commonly diagnosed cancer in the UK. Its incidence has doubled in the last 20 years. Experts say the problem is growing because Britons fail to take precautions in the sun.

The light - or photodynamic therapy - follows a simple procedure. A cream is applied to the affected area and left for about three hours to allow a drug called Merck to penetrate the cancerous tissue. It is then exposed to red light for 10 minutes - triggering a chemical reaction that experts describe as a "chemical bomb" which destroys the cancer cells.

A trial of more than 100 patients with the most common form of cancer suggested the treatment was just as effective as surgery.

Dr Lesley Rhodes, a consultant dermatologist at Chelsea and Westminster Hospital, said: "Generally, treatments for skin cancer involve surgical removal or destruction in the affected area. This selectively targets and destroys the cancerous cells, leaving healthy skin unaffected."

"Healing is usually within two to three weeks and with minimal scarring. Extremely good cosmetic results and high patient satisfaction compared to traditional surgery."

By James Chapman
Science Correspondent

matologist at the University of Manchester who led the trial, said: 'After three months, the complete response rate was 91per cent. It's an important breakthrough.'

Initially, the outpatient treatment - which costs between £500 and £600 - will be carried out at Health Service hospitals in London, Portsmouth, Dundee, Harrogate, Newport, Truro and Wolverhampton.

It can be used on the two most common skin cancers - basal cell carcinomas and squamous cell carcinomas. Although a small number of patients feel itching or tingling sensations, the procedure is largely pain-free.

Healthy skin cells are not affected because they have not absorbed large amounts of the drug. As it dies, the cancerous lesion forms a crust, which falls off in five to 10 days later.

Professor Richard Greaves, consultant dermatologist at Chelsea and Westminster Hospital, said: 'Generally, treatments for skin cancer involve surgical removal or destruction in the affected area. This selectively targets and destroys the cancerous cells, leaving healthy skin unaffected."

"Healing is usually within two to three weeks and with minimal scarring. Extremely good cosmetic results and high patient satisfaction compared to traditional surgery."

j Chapman@dailymail.co.uk
Marketing Metvix®
– Germany, a significant potential

- The first major market addressed
- Launch symposium 1st of February in Berlin
  - attended by 150 key opinion leaders
- Enthusiastic response from opinion leaders to launch
- Dedicated product management and sales force
- Educational centres in place
- Price and reimbursement
  - negotiations successfully finalised for privately insured patients
- Galderma pleased with the market development so far
Metvix® in the US

- Approvable letter for AK received
- NDA for BCC now filed
- Pre-launch activities starting
- Opinion leader education started
Metvix®
– New Data showing superiority in SCC in situ (Bowens disease)

**Lesion Response**

<table>
<thead>
<tr>
<th></th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metvix</td>
<td>100</td>
</tr>
<tr>
<td>Placebo</td>
<td>20</td>
</tr>
<tr>
<td>Cryo/5FU</td>
<td>80</td>
</tr>
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</table>

**Excellent Cosmetic Outcome**

<table>
<thead>
<tr>
<th></th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metvix</td>
<td>60</td>
</tr>
<tr>
<td>Cryo/5FU</td>
<td>20</td>
</tr>
</tbody>
</table>
Hexvix® – A Breakthrough in Bladder Cancer Diagnosis

PhotoCure’s 1st Photo-Diagnostic (PD) agent close to 1st launch
Hexvix® solution
- Instilled 1 hour in the bladder
- Start cystoscopy within 30 minutes

Hexvix® – preparation finished

Hexvix 85 mg Powder for solution for intravesical use

+ 50 ml Solvent for Hexvix for intravesical use
Hexvix®
– CIS detected with Hexvix® only
Hexvix®
– papillary tumour
Hexvix®
– excellent results in two phase III studies

Hexvix detected 97% of CIS lesions
(CIS = Carcinoma in Situ)

<table>
<thead>
<tr>
<th>Hexvix® cystoscopy</th>
<th>Standard white light cystoscopy</th>
</tr>
</thead>
<tbody>
<tr>
<td>97%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Improved bladder cancer detection changed patient management in 20 to 30% of bladder cancer patients
Hexvix®
– 1st MAA already filed

Europe
– Clinical phase III studies completed with positive results
– Marketing application for EU filed in Sweden - December 2003

USA
– Investigational New Drug status obtained
– Phase III studies on-going
Hexvix® – the commercial opportunity

- Newly diagnosed patients, annually
  - Europe and North America: 200,000

- Fourth leading cause of cancer in men
- Eighth leading cause in women
- Related to smoking, exposure to carcinogens
Patients with suspicious or diagnosed bladder cancer will go through 1-2 cystoscopies for further diagnoses and treatment.

Thereafter patients will be followed up 1-4 times annually for years.

More than 4 million cystoscopies performed every year in Europe and North America.
Hexvix® – cystoscopy market

25% Operating Room cystoscopies

50% Follow-Up cystoscopies

25% first cystoscopies

1/6 cancer

5/6 no cancer

Suspected bladder cancer
Hexvix®
– pre-Launch activities underway

- Contract manufacturer selected
- Market research study completed
- Price and reimbursement preparations ongoing
- Clinical date presented at American Urology Association’s annual congress
- Out-licensing activities initiated
  - PhotoCure will retain the Nordic region as with Metvix®
Hexvix price potential

- Hexvix detects more cancer lesions
- Patients treated in the operating room experience recurrences and non-complete resections

  Hexvix may reduce the number of retreatments

- Costs for treating bladder cancer (examples)

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Removal of lesions (TURB)</td>
<td>18 000 SEK</td>
<td>5 000 USD</td>
</tr>
<tr>
<td>Removal of bladder (Cystectomy)</td>
<td>137 000 SEK</td>
<td>20 000 USD</td>
</tr>
</tbody>
</table>

  Significant price potential for Hexvix
We will continue to deliver – milestones for the next twelve months

- **Mettvix**
  - Final approval Australia
  - UK launch
  - 150 clinical centres established in the Nordic area
  - Final approval US
  - Update regulatory dossier for remaining EU countries
  - Initiate clinical study for new indication

- **Hexvix**
  - Swedish marketing approval
  - File marketing application (Mutual Recognition Procedure) in the EU
  - Start clinical studies for treatment of bladder cancer

- **Benzvix**
  - Complete ongoing clinical studies – initiate new studies

- **PCI Biotech AS**
  - First product on the research market
## Financial Statements – Profit & Loss

<table>
<thead>
<tr>
<th></th>
<th>31.03.2003</th>
<th>31.03.2002</th>
<th>All figures in NOK 1,000</th>
<th>01.01-31.12</th>
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<tbody>
<tr>
<td><strong>Sales revenues</strong></td>
<td>10 425</td>
<td>3 697</td>
<td></td>
<td>25 222</td>
</tr>
<tr>
<td><strong>Other operating revenues</strong></td>
<td>1 045</td>
<td>124</td>
<td></td>
<td>3 486</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>11 470</td>
<td>3 821</td>
<td></td>
<td>28 708</td>
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<tr>
<td><strong>Cost of products sold</strong></td>
<td>3 830</td>
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<td><strong>Labour costs</strong></td>
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<td>3 845</td>
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<td>18 796</td>
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<tr>
<td><strong>External R&amp;D costs</strong></td>
<td>14 219</td>
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<td>77 300</td>
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<tr>
<td><strong>Ordinary depreciation</strong></td>
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<td><strong>Other operating expenses</strong></td>
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<td>8 902</td>
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<td>35 039</td>
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<tr>
<td><strong>Total operating expenses</strong></td>
<td>34 318</td>
<td>36 584</td>
<td></td>
<td>138 235</td>
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<tr>
<td><strong>Operating loss</strong></td>
<td>-22 848</td>
<td>-32 763</td>
<td></td>
<td>-109 527</td>
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<tr>
<td><strong>Net financial income</strong></td>
<td>4 370</td>
<td>3 253</td>
<td></td>
<td>13 521</td>
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<tr>
<td><strong>Loss before tax</strong></td>
<td>-18 478</td>
<td>-29 510</td>
<td></td>
<td>-96 006</td>
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<tr>
<td><strong>Taxes</strong></td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
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<tr>
<td><strong>Net loss for the period</strong></td>
<td>-18 478</td>
<td>-29 510</td>
<td></td>
<td>-96 006</td>
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<tr>
<td><strong>Of this minority interests</strong></td>
<td>-72</td>
<td>-313</td>
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<td>-906</td>
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<td><strong>Net loss per share (NOK)</strong></td>
<td>-1.06</td>
<td>-1.70</td>
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<td>-5.51</td>
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</table>
# Financial Statements

- **Balance Sheet**

<table>
<thead>
<tr>
<th>Figures in NOK 1,000</th>
<th>31.03.03</th>
<th>31.03.02</th>
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<tr>
<td>Fixed assets</td>
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<td>Inventory</td>
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<td>-</td>
<td>26 132</td>
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<td>Receivables</td>
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<td>10 950</td>
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<td>Securities</td>
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<td>215 414</td>
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<tr>
<td>Cash and bank deposits</td>
<td>17 870</td>
<td>116 640</td>
<td>34 089</td>
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<td><strong>Total assets</strong></td>
<td><strong>271 361</strong></td>
<td><strong>380 716</strong></td>
<td><strong>299 006</strong></td>
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<tr>
<td>Shareholders' equity</td>
<td>148 722</td>
<td>233 108</td>
<td>166 999</td>
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<tr>
<td>Long term liabilities</td>
<td>17 941</td>
<td>17 447</td>
<td>17 879</td>
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<tr>
<td>Current liabilities</td>
<td>104 698</td>
<td>130 161</td>
<td>114 127</td>
</tr>
<tr>
<td><strong>Total equity &amp; liabilities</strong></td>
<td><strong>271 361</strong></td>
<td><strong>380 716</strong></td>
<td><strong>299 006</strong></td>
</tr>
</tbody>
</table>
# Financial Statements

## - Cash Flow Statement

<table>
<thead>
<tr>
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<th>Three month ended</th>
<th>2002</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>31.03.03</td>
<td>31.03.02</td>
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<tr>
<td>Loss before taxes</td>
<td>-18 478</td>
<td>-29 510</td>
</tr>
<tr>
<td>Other operational items</td>
<td>-15 458</td>
<td>79 628</td>
</tr>
<tr>
<td><strong>Net Cash Flow from Operations</strong></td>
<td><strong>-33 936</strong></td>
<td><strong>50 119</strong></td>
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<tr>
<td>Cash Flow from Investing</td>
<td>-10</td>
<td>-372</td>
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<tr>
<td>Cash Flow from Financing</td>
<td>0</td>
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<td>Net Change in Cash &amp; cash equivalents</td>
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<td>53 018</td>
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<td>Cash &amp; cash equivalents at beginning of period</td>
<td>249 503</td>
<td>305 178</td>
</tr>
<tr>
<td>Cash &amp; cash equivalents at end of period</td>
<td>215 557</td>
<td>358 196</td>
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