PhotoCure ASA

Results
2nd quarter 2003

19th of August 2003
Progress towards sustained profitability

- Increased revenues and reduced costs
- **Mettvix®**
  - European roll out continues
  - Regulatory approvals expands the commercial potential
- **Hexvix®**
  - Closer to commercialisation
- **Exploratory projects**
  - Encouraging clinical pilot data
## The financial profile to succeed – first quarter with profit

<table>
<thead>
<tr>
<th></th>
<th>Q2 2003</th>
<th>Q2 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>24,285</td>
<td>4,594</td>
</tr>
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<td><strong>Net income / net loss</strong></td>
<td>7,561</td>
<td>-27,169</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>-7,405</td>
<td>-45,467</td>
</tr>
<tr>
<td>Liquid funds, end of period</td>
<td>213,227</td>
<td>305,158</td>
</tr>
</tbody>
</table>
Metvix® – 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®
– 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
Mettvix® – international roll out

- Launched in Germany by Galderma – February 2003
- Launched in UK by Galderma – May 2003
- Milestone payment of 2 mill. Euro from Galderma – May 2003
- Launch preparations ongoing in 4 other countries
Metvix®
– high penetration in the Nordic area
Metvix® – marketing in the Nordic area

Clinics with PhotoCure lamps

Acc. number of clinics

Nov. 01 | Febr. 02 | May 02 | Aug. 02 | Nov. 02 | Feb. 03 | May 03 | Aug 03

Target

Finland
Denmark
Norway
Sweden
Marketing Metvix®
– reimbursement progresses in the Nordic area

- Sweden
  - Drug reimbursement – October 2001

- Norway
  - Procedure reimbursement including drug – July 2003

- Denmark
  - Drug reimbursement routinely on a named patient basis
  - Procedure codes established in certain regions

- Finland
  - Drug reimbursement obtained at standard rate of 50% of sales price – April 2003
Metvix®
– increasing sales in the Nordic area

Number of tubes sold to pharmacies

Moving annual total

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<tbody>
<tr>
<td>0</td>
<td>1000</td>
<td>2000</td>
<td>3000</td>
<td>4000</td>
<td>5000</td>
<td>6000</td>
</tr>
</tbody>
</table>
Metvix®
– targeting increased sales in the Nordic area

- Increase usage at established clinics
  - Train additional doctors and nurses
  - Expand usage to additional lesions and patients
  - Improve patient and illumination logistics
- Establish new centers
- Establish drug reimbursement and procedure codes
- Increase GP awareness and patient referral to established clinics
- Increase patient awareness and pressure
Metvix®
– expanding the commercial potential

- Approvable letter from US FDA – September 2002

- NDA filed for BCC indication in the US – February 2003
  - Advisory committee meeting – September 2003

- Approval in Australia for AK & BCC – April & July 2003

- Recommended for approval in Switzerland for AK & BCC – July 2003

- Positive clinical results in squamos cell carcinoma – April 2003

- Positive clinical results in immuno suppressed organ transplant patients – May 2003
Metvix®
– positive results in organ transplant patients
Conclusion

- Effective and safe treatment for Actinic Keratosis (AK) in organ transplant patients
- Metvix® may prevent progression of AK to other cancers
- Possibility for repeated treatments of large lesional areas
Hexvix® – A Breakthrough in Bladder Cancer Diagnosis

PhotoCure’s 1st Photo-Diagnostic (PD) agent close to 1st launch
Hexvix® – preparation finished

Hexvix® solution
- Instilled 1 hour in the bladder
- Start blue light cystoscopy within 30 minutes

Hexvix 85 mg Powder for solution for intravesical use

+ 50 ml Solvent for Hexvix for intravesical use
Hexvix®
– CIS detected with Hexvix® only
Karl Storz is a leading manufacturer of cystoscopes for urologists as well as for other types of advanced endoscopes.

Karl Storz has a world wide presence in marketing and sales.

Its D-Light (blue light) system is used in all clinical trials with Hexvix® conducted by PhotoCure.

The D-Light system is already approved in Europe.

The US authorities (FDA) requires a combined application for approval of the D-light system and Hexvix®.

Karl Storz and PhotoCure have agreed to cooperate on filing for approval in the US.
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 Dec. 2003 in Sweden

- **USA**  
  - Investigational New Drug status obtained  
  - Phase III studies on-going  
  - Marketing application to be filed next year
Hexvix®
– the cystoscopy market explained

- 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

- Operating Room cystoscopies: 25%
- Follow-Up cystoscopies: 50%
- First cystoscopies: 25%

1/6 cancer

F_{\text{U}}\text{p}
cystoscopies

5/6 no cancer

Suspected bladder cancer
Hexvix®
– pre-Launch activities underway

- Contract manufacturer selected
- Agreement signed with Karl Storz
- Market research study completed
- Price and reimbursement preparations ongoing
- Clinical date presented at American Urology Association’s annual congress as well as to Scandinavian Urologists
- Out-licensing activities initiated
  - PhotoCure will retain the Nordic area as with Metvix®
Explorative projects – Strong pipeline

Encouraging clinical pilot data generated
Explorative projects
– strong pipeline

R&D opportunities outside of dermatology and urology

- Gastroenterology
  - Colo-rectal cancer - Clinical pilot study ongoing
  - Barrets oesophagus - Clinical pilot study initiated

- Gynaecology (vulva, cervix, ovarian)
  - Cervix cancer - Clinical pilot study ongoing

- Other areas
  - Bronchial cancers
  - Lesions in mouth, pharynx and larynx
  - Brain tumours
  - Mammary tumours (breast conserving surgery)
Fluorescence and standard image of cervical intraepithelial neoplasia

White light  

Fluorescence  

Blue Light Mode  
PDD Mode
CIN III x20 (exocol), HAL 0,5%, 75 min application

E- epithelium, LP-lamina propria
**CIN II x 20 (exocol), HAL 0,5%, 180 min application**

glande endo-cervicale

CIN II

stroma
Explorative projects
- ovarian cancer

**Epithelial ovarian cancer PDD in NuTu-19 rat model**

8mM h-ALA IP prior to photodetection 2 hours later
Explorative projects – colon cancer

- Second leading cause of cancer death

- 270,000 new patients (1990/94) EU+US

- 140,000 deaths

- Screening recommended age 40-50

- High risk patients (ulcerous colitis, family)
We will continue to deliver – milestones for the next twelve months

- **Metrivix®**
  - ✔ 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
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- **Hexvix**
  - Closer to commercialisation
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  - Encouraging clinical pilot data
Financial Statements
### Financial Statements – Profit & Loss (group)

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th>Six months ended</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30/06/2003</td>
<td>30/06/2002</td>
<td>All figures in NOK 1,000</td>
</tr>
<tr>
<td><strong>Sales revenues</strong></td>
<td>24,285</td>
<td>4,594</td>
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<td>6</td>
<td></td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>25,330</strong></td>
<td><strong>4,601</strong></td>
<td></td>
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<tr>
<td><strong>Cost of products sold</strong></td>
<td>1,634</td>
<td>536</td>
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<tr>
<td><strong>Payroll expenses</strong></td>
<td>5,383</td>
<td>1,028</td>
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<tr>
<td><strong>External R&amp;D costs</strong></td>
<td>4,299</td>
<td>21,821</td>
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<tr>
<td><strong>Ordinary depreciation</strong></td>
<td>423</td>
<td>312</td>
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<tr>
<td><strong>Other operating expenses</strong></td>
<td>9,739</td>
<td>10,348</td>
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<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>21,478</strong></td>
<td><strong>34,045</strong></td>
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<tr>
<td><strong>Operating income/-loss</strong></td>
<td>3,852</td>
<td>-29,444</td>
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<tr>
<td><strong>Net financial income</strong></td>
<td>3,710</td>
<td>2,275</td>
<td></td>
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<tr>
<td><strong>Income/-loss before tax</strong></td>
<td>7,561</td>
<td>-27,169</td>
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<tr>
<td><strong>Tax expenses</strong></td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
<td><strong>Net income/-loss for the period</strong></td>
<td>7,561</td>
<td>-27,169</td>
<td></td>
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<tr>
<td><strong>Of this minority interests</strong></td>
<td>-157</td>
<td>-235</td>
<td></td>
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<tr>
<td><strong>Earnings/-loss per share (NOK)</strong></td>
<td>0.43</td>
<td>-1.56</td>
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</table>
## Financial Statements
- Balance Sheet (group)

<table>
<thead>
<tr>
<th>Figures in NOK 1,000</th>
<th>30.06.03</th>
<th>30.06.02</th>
<th>31.12.02</th>
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</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>11,815</td>
<td>11,413</td>
<td>12,421</td>
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<tr>
<td>Inventory</td>
<td>26,147</td>
<td>19,400</td>
<td>26,132</td>
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<tr>
<td>Receivables</td>
<td>16,734</td>
<td>4,781</td>
<td>10,950</td>
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<tr>
<td>Securities</td>
<td>181,949</td>
<td>221,229</td>
<td>215,414</td>
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<tr>
<td>Cash and bank deposits</td>
<td>31,278</td>
<td>83,930</td>
<td>34,089</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>267,924</strong></td>
<td><strong>340,752</strong></td>
<td><strong>299,006</strong></td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>161,651</td>
<td>206,212</td>
<td>166,999</td>
</tr>
<tr>
<td>Long term liabilities</td>
<td>17,661</td>
<td>17,524</td>
<td>17,879</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>88,612</td>
<td>117,016</td>
<td>114,127</td>
</tr>
<tr>
<td><strong>Total shareholders' capital &amp; liabilities</strong></td>
<td><strong>267,924</strong></td>
<td><strong>340,752</strong></td>
<td><strong>299,006</strong></td>
</tr>
</tbody>
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## Financial Statements
- Cash Flow Statement (group)

<table>
<thead>
<tr>
<th></th>
<th>Six months ended</th>
<th>2002 01.01-31.12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.06.03</td>
<td>30.06.02</td>
</tr>
<tr>
<td>Loss before taxes</td>
<td>-10,917</td>
<td>-56,678</td>
</tr>
<tr>
<td>Other operational items</td>
<td>-30,425</td>
<td>61,330</td>
</tr>
<tr>
<td><strong>Net Cash Flow from Operations</strong></td>
<td><strong>-41,341</strong></td>
<td><strong>4,652</strong></td>
</tr>
<tr>
<td>Cash Flow from Investing</td>
<td>-101</td>
<td>-8,022</td>
</tr>
<tr>
<td>Cash Flow from Financing</td>
<td>5,167</td>
<td>3,350</td>
</tr>
<tr>
<td><strong>Net Change in Cash &amp; cash equivalents</strong></td>
<td><strong>-36,276</strong></td>
<td><strong>-20</strong></td>
</tr>
<tr>
<td>Cash &amp; cash equivalents at beginning of period</td>
<td>249,503</td>
<td>305,178</td>
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<tr>
<td><strong>Cash &amp; cash equivalents at end of period</strong></td>
<td><strong>213,227</strong></td>
<td><strong>305,158</strong></td>
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