

# PhotoCure ASA

## Presentation of Second Quarter 2005

12 August 2005



# Highlights second quarter 2005

- Hexvix®
  - Launch initiated in Sweden
  - NDA filed in the US
  - Negotiations with potential licensees outside the Nordic region
- Metvix®
  - European sales volumes continue to grow
  - Launched in Spain and Portugal
  - Filed for Bowen's disease in the EU
- R&D
  - Acne proof-of-concept study completed



**HEXVIX®**

**- a breakthrough in bladder cancer diagnostics**



# Hexvix

## - business update

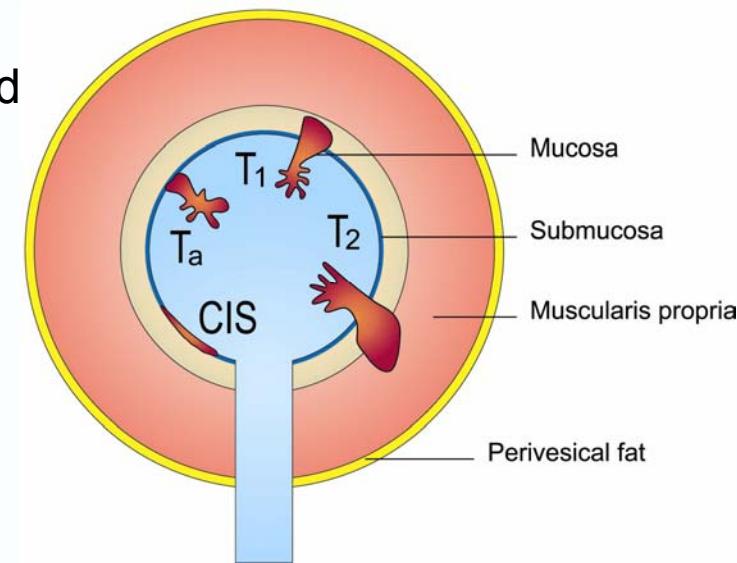


- Solid scientific platform
  - Started with data from University of Lausanne in 2000
  - App. 800 patients in clinical studies
  - 3 phase III studies in 50 leading university hospitals in the US and Europe
  - Long term patent protection (2018/2019)
- Regulatory approvals ahead of schedule
  - 27 European countries (marketing auth: UK, Sp, Nordic, NL, CzR, Ma)
  - NDA filed in US in June 2005
- Building long term market position
  - Launched initiated in Sweden in June 2005
  - Excellent reception at Urology congresses
  - Working with key opinion leaders
  - Establishing reference centres

# Hexvix

## - challenges in fighting bladder cancer

- Demographic trends indicate that bladder cancer is a significant and growing health problem
  - 4th most common cancer in terms of prevalence in men
  - Smoking is the most common reason
  - Mean age at diagnosis: 65
  - Many female patients not properly diagnosed
- Difficult to detect at early stages
  - Early detection improves prognosis
  - Most malignant tumors hardest to detect
  - Progression rate 10-30%
- High recurrence rate at 50-70%



Source: PhotoCure market research

# Hexvix

## - large market potential for diagnostics

Region	Incidence (new patients per year)	Prevalence (patients with bladder cancer)	Number of cystoscopies
Nordic	6,000	23,000	120,000
Europe	118,000	470,000	2,430,000
US & Canada	71,000	280,000	1,450,000
<b>Total</b>	<b>195,000</b>	<b>773,000</b>	<b>4,000,000</b>

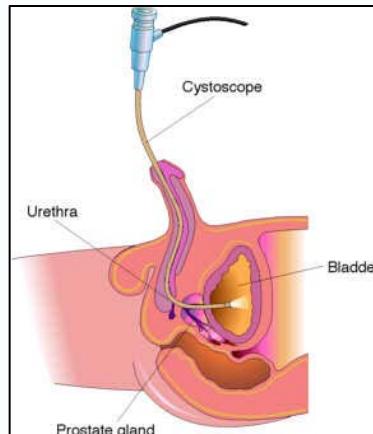
**App. 20 cystoscopies for every new patient with bladder cancer**

Source: PhotoCure market research



# Hexvix

## - procedure in the operating room



One  
Hexvix kit  
per patient

Preparation of  
Hexvix solution

Instillation of  
Hexvix in bladder  
followed by  
cystoscopy after  
one hour

Visualisation of bladder  
cancer

# Hexvix

## - key medical benefits

- Diagnosis of more patients with CIS
- Diagnosis at earlier stages
- Diagnosis of more papillary lesions (1 of 4 tumors overlooked when not using Hexvix)
- Improves patient management
  - Improved diagnosis leads to more adequate treatment
  - Improved quality of life for patients
  - Health economical benefits

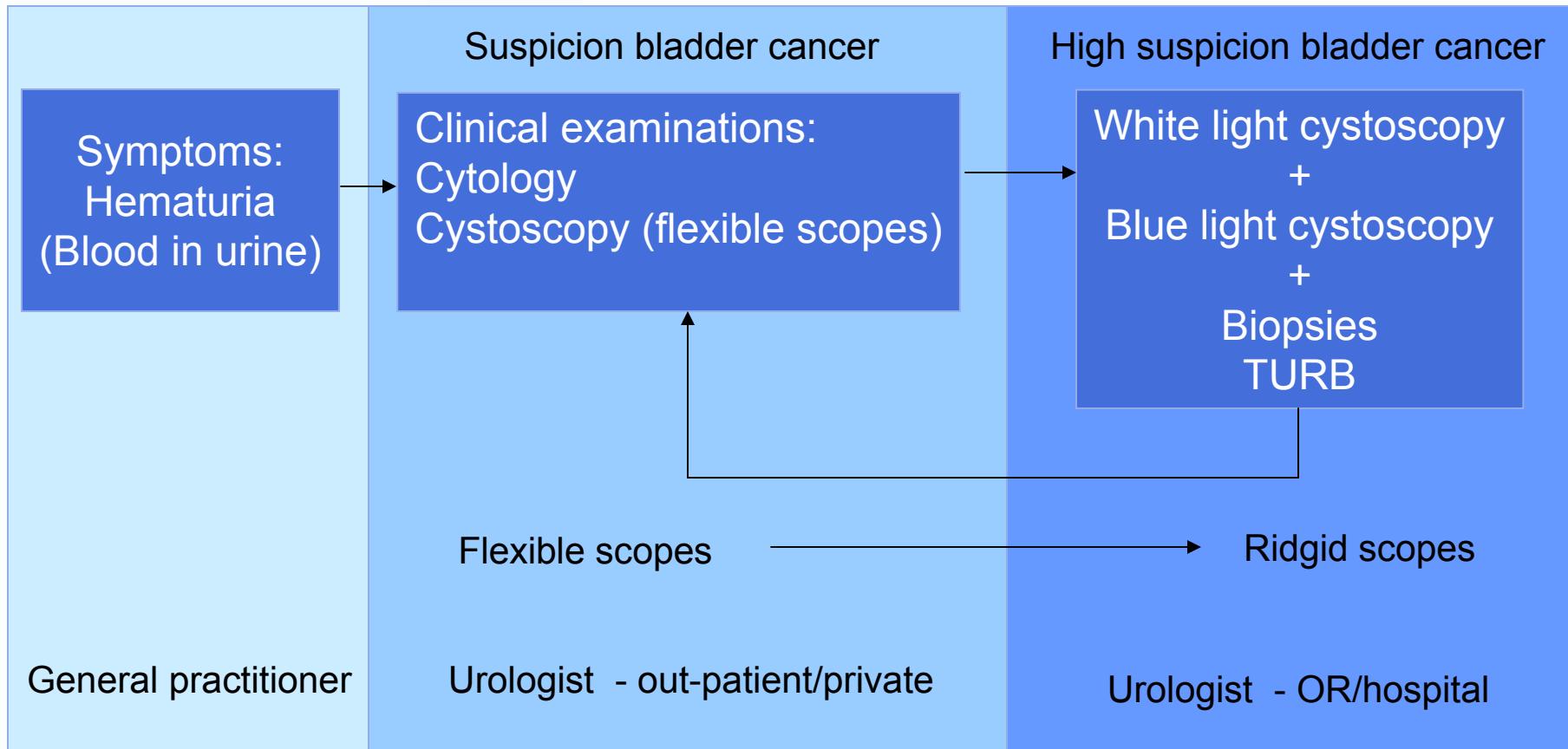


Source: Jocham D. Et al, J Urol, (in press)  
Scmidbauer, S. Et al, J Urol 2002; 170:226-9



# Hexvix

## - detection, treatment and follow-up



Marketshare of cystoscopies

80 %

20 %



# Hexvix

## - blue light equipment is the key to success

### ■ Availability of blue light equipment

- Key equipment manufacturers; Storz, Wolf, Olympus
- Rigid white light system app. € 30 000
- Add on cost app. € 7 000 for blue light
- Total new cystoscope including tools cost app. € 50 000

### ■ Average life span for cystoscopes

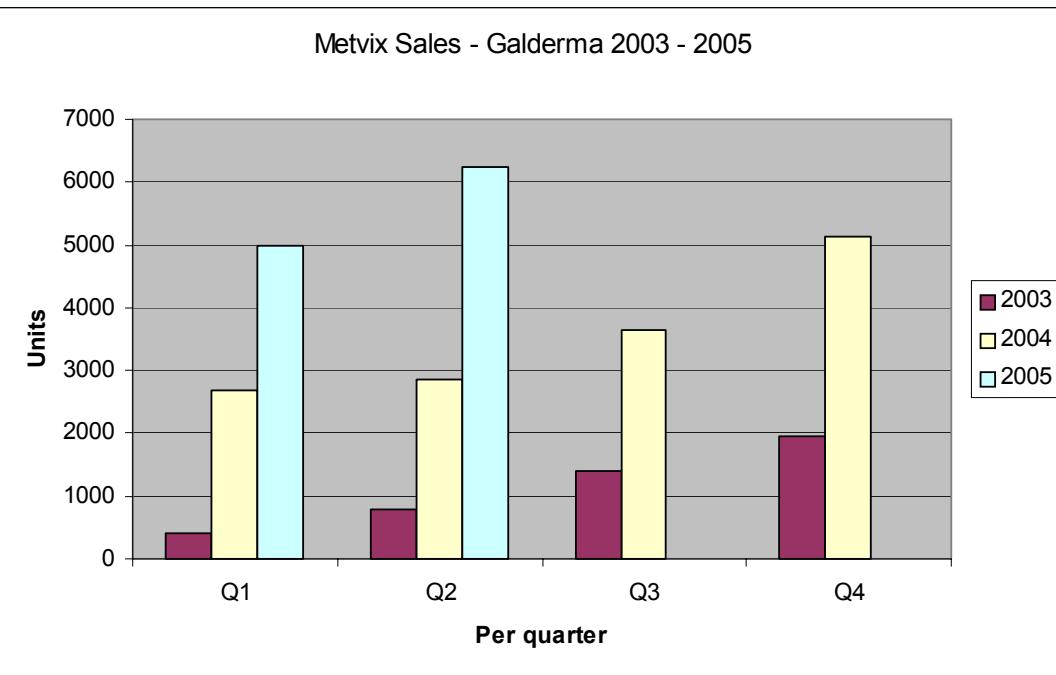
- Rigid cystoscopes 3-6 years
- Flexible cystoscopes 1-2 years

**METVIX®**  
**- roll out continues**



# Metvix

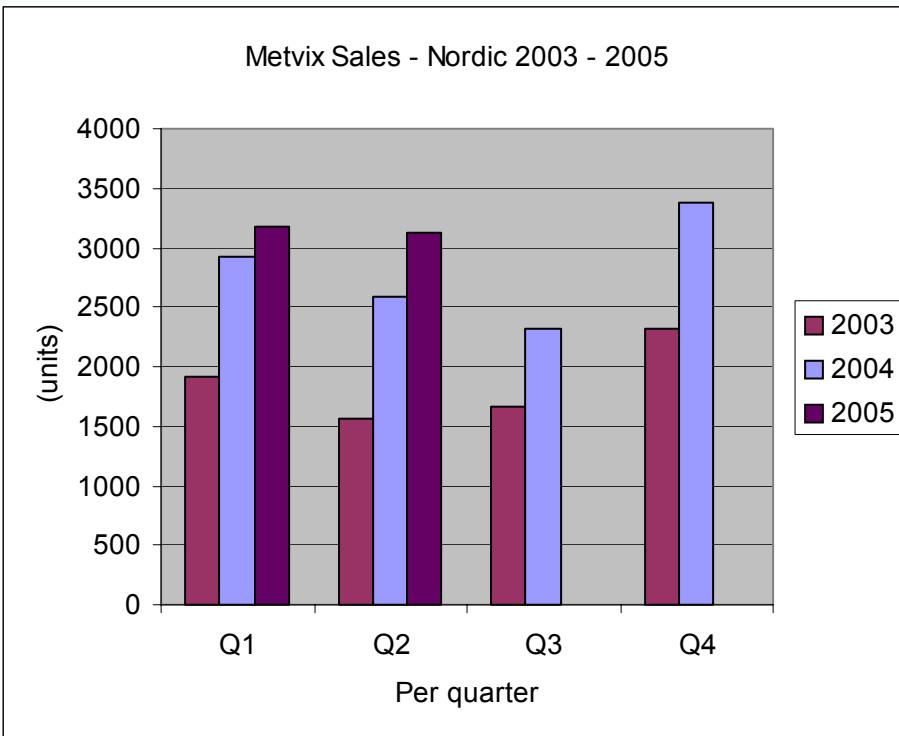
## - Galderma sales increase 118% in units



- Sales increase in units of 118% vs Q2 2004 and increase of 25% vs Q1 2005
- Launch in Spain and Portugal in Q2
- Continuing to file new marketing authorisation applications
- 57 lamps sold to Galderma in Q2 vs 89 in Q2 2004, with over 900 Aktelite lamps in market

# Metvix

## - Nordic sales increase 21 % in units



- Sales increase in units of 21% vs Q2 2004
- Working on reimbursement in Norway and Finland
- Focus on building volume in existing centers for AK indication
- 3 lamps sold in Q2 vs 12 lamps sold in Q2 2004, with over 300 Aktilite lamps in market

# Metvix

## - business update

- Strengthening the position of Metvix in non-melanoma skin cancer by filing for Bowen's disease in 22 EU countries
- Pre cancerous skin lesions (AK) in the US
  - Discussing clinical program for Aktilite with FDA
- Skin cancer (BCC) in the US
  - Discussing BCC clinical program with FDA
- Acne
  - Proof-of-concept study completed - presentation at the annual meeting of European Society for Photodynamic Therapy (Euro-PDT) in first half 2006



# Financial Statements (Group)

# Profit & Loss

In accordance with IFRS

2005 31.03 - 30.06	2004 31.03 - 30.06	All figures in NOK 1,000	2005 01.01 - 30.06	2004 01.01 - 30.06	2004 01.01 - 31.12
8 874	9 607	Sales revenues	17 673	19 786	36 855
3 908	3 908	Signing fee and milestone revenues	7 817	7 817	40 954
<b>12 782</b>	<b>13 516</b>	<b>Sales, signing fee and milestone revenues</b>	<b>25 490</b>	<b>27 603</b>	<b>77 809</b>
<b>-3 601</b>	<b>-4 085</b>	<b>Cost of products sold</b>	<b>-7 504</b>	<b>-8 083</b>	<b>-13 066</b>
<b>9 181</b>	<b>9 431</b>	<b>Gross profit</b>	<b>17 986</b>	<b>19 520</b>	<b>64 743</b>
11 379	1 182	Other operating revenues	12 333	2 445	4 597
-5 657	-5 774	Payroll expenses	-13 943	-14 001	-35 282
-14 671	-7 655	External R&D	-22 555	-14 132	-31 718
-9 686	-13 386	Ord.depr. & other operating expenses	-16 958	-26 934	-43 201
<b>-9 453</b>	<b>-16 201</b>	<b>Operating income/-loss</b>	<b>-23 137</b>	<b>-33 102</b>	<b>-40 861</b>
<b>2 289</b>	<b>956</b>	<b>Net financial income</b>	<b>2 878</b>	<b>1 494</b>	<b>-4 462</b>
<b>-7 165</b>	<b>-15 245</b>	<b>Income/-loss before tax</b>	<b>-20 259</b>	<b>-31 608</b>	<b>-45 323</b>
-0.41	-0.87	Net income/-loss per share (NOK)	-1.15	-1.80	-2.58

- Other operating revenues includes reclassification of NOK 10.4 million
- External R&D includes NOK 6 million associated with NDA for Hexvix



# Balance Sheet

## In accordance with IFRS

Figures in NOK 1,000	2005 30.06	2004 30.06	2004 31.12
Machinery & equipment	1 906	2 474	2 080
Financial fixed assets	-	6 250	-
Inventory	13 950	20 251	17 533
Receivables	17 223	15 344	16 146
Securities	84 325	129 000	111 219
Cash & cash equivalents	15 777	15 819	26 733
<b>Total assets</b>	<b>133 180</b>	<b>189 138</b>	<b>173 711</b>
 Total equity	 65 957	 99 063	 85 566
Long term liabilities	405	13 561	13 438
Current liabilities	66 818	76 514	74 707
<b>Total equity &amp; liabilities</b>	<b>133 180</b>	<b>189 138</b>	<b>173 711</b>

- Cash and cash equivalents of NOK 100.1 million per 30.6.2005



# Cash Flow Statement

In accordance with IFRS

	Six months ended		2004
	30.06.2005	30.06.2004	01.01 - 31.12
Loss before taxes	-20 259	-31 608	-45 323
Interest paid	-32	-56	-103
Other operational items	-17 739	-11 280	-4 822
<b>Net cash flow from operations</b>	<b>-38 030</b>	<b>-42 944</b>	<b>-50 248</b>
Cash flow from investments	779	1 721	2 758
Cash flow from financing transactions	-600	197	-403
<b>Net change in cash during the period</b>	<b>-37 851</b>	<b>-41 026</b>	<b>-47 893</b>
Cash & cash equivalents at beginning of period	137 952	185 845	185 845
<b>Cash &amp; cash equivalents at end of period</b>	<b>100 102</b>	<b>144 819</b>	<b>137 952</b>

# Goals and Milestones

# Strategic and operational goals

(Presented in February 2005)

- Launch Hexvix program
  - Complete MRP procedure in EU/EEA countries
  - Launch initiated in Nordic countries
  - File NDA in US
  - Secure licencing partner
- Continue investing in Metvix
  - Galderma will launch in new countries
  - Seek Akltilite approval in US
  - Start BCC studies to support US NDA
  - Expand in NMSC indications
  - Initiate Acne program
- Solve patent dispute with DUSA
- Investigate other indications where PDT is favourable

**STATUS:**

- YES – March 2005
- YES – June 2005
- YES – June 2005
- Negotiations ongoing
- YES - Netherlands, Spain, Portugal
- Discussions with FDA
- Discussions with FDA
- YES - filed for Bowen's in EU
- YES - POC study completed
- Negotiations ongoing
- YES – POC studies initiated

# Current business focus

- Hexvix®
  - Negotiate and sign licencing agreement
  - Build strong long-term Nordic market position
- Metvix®
  - Sales growth in existing markets
  - Launches in new markets
- Research and development
  - Acne: complete development plan
  - Cervix: complete POC study (Q4 2005)
  - Colon: complete POC study (Q3 2006)

