

PhotoCure ASA

**Results
1st quarter 2003**

13th of May 2003



Important Achievements

■ Metvix®

- 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

	Q1 2003	Q1 2002	% change	Comments
Sales revenues	10 425	3 697	182 %	Substantial increase
Other operating revenues	1 045	124		
Operating revenues	11 470	3 821	200 %	Substantial increase
Operating expenses	34 318	36 584	-6 %	Costs reduced/levelled out
Net financial income	4 370	3 253	34 %	Currency loss 2002
Net loss	-18 478	-29 510	-37 %	Substantial improvement
Liquid funds, end of period	215 557	358 196		



Metvix[®] – The Commercial Roll Out Gathers Momentum

PhotoCure 1st Photodynamic Therapy (PDT) Agent

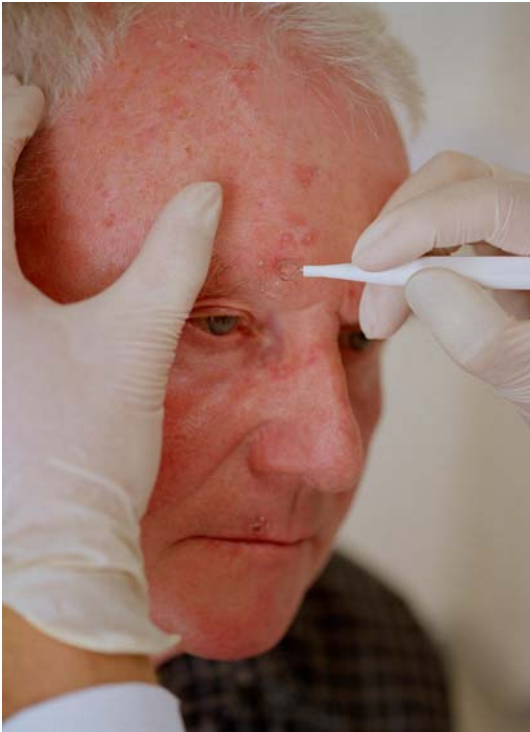
Rapid Growth in Revenues



Metvix®

– quick and easy treatment

Lesion preparation



Metvix® application

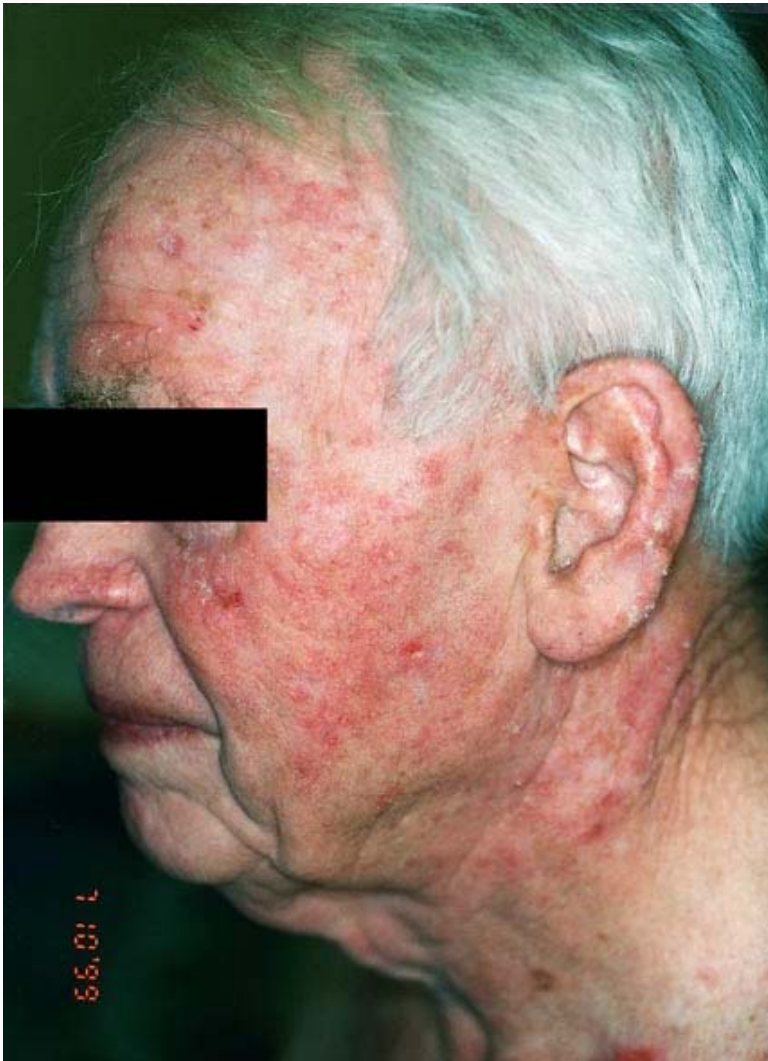


Red light illumination



Metvix®

– highly effective with superior cosmetic results



Metvix®

– highly effective with superior cosmetic results



Metvix®

- high penetration in the Nordic area

METVIX® PDT

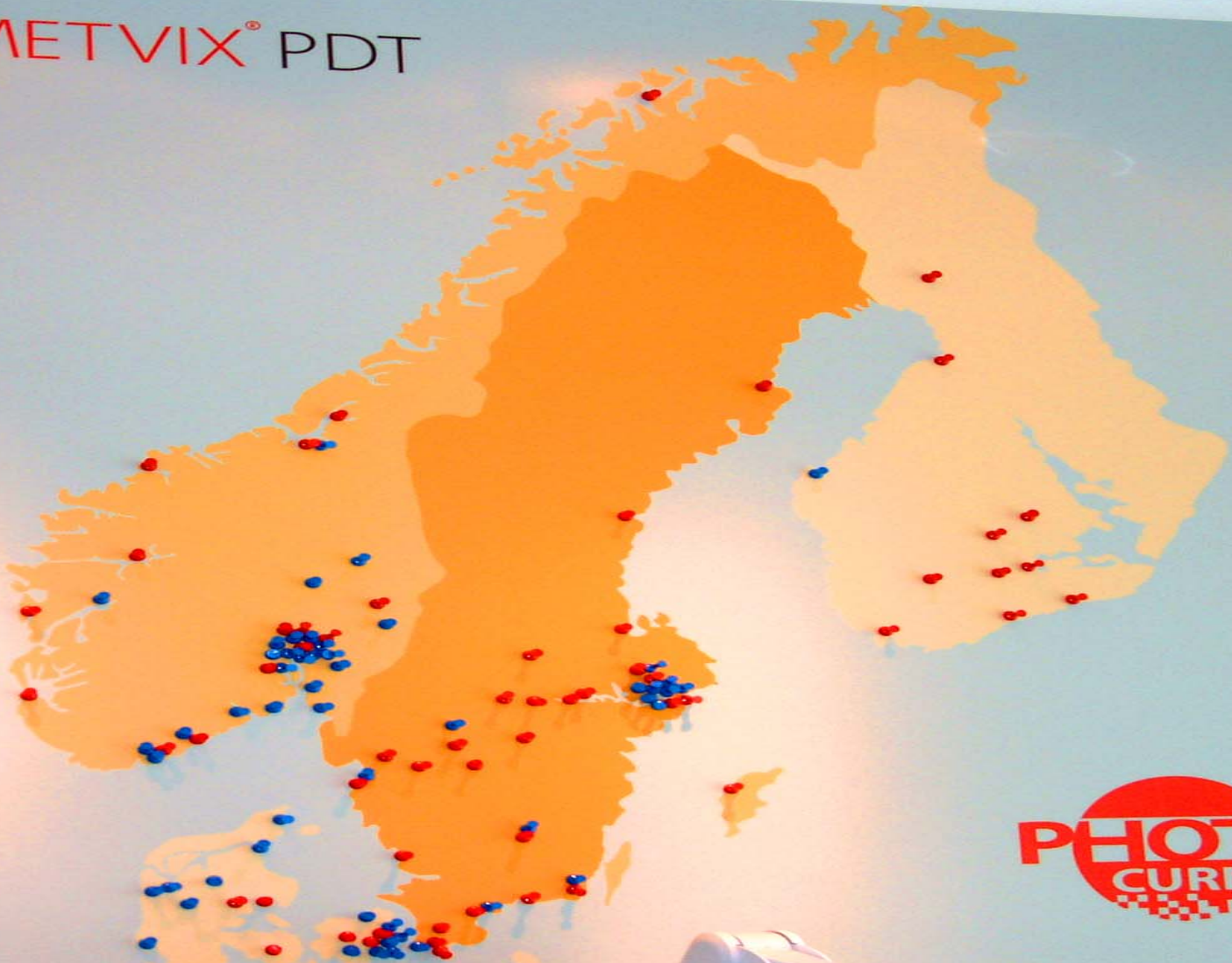
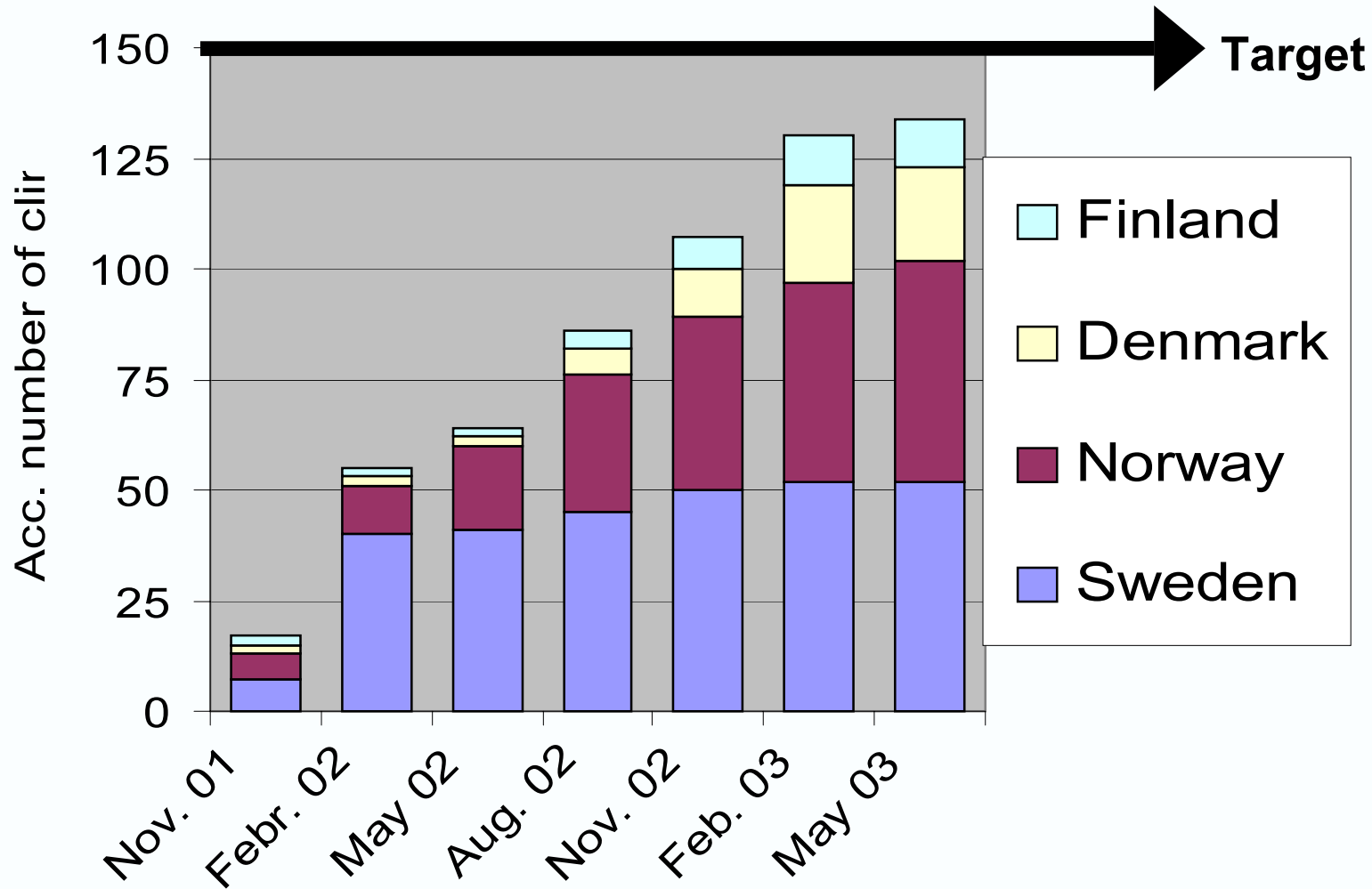


PHOTO
CURE

Metvix®

– marketing in the Nordic area

Clinics with PhotoCure lamps



Marketing Metvix®

– Sweden

■ Estimated market size:

	<u>New cases per year</u>	<u>Treatments per year</u>
– BCC	20 000	30 000
– AK	200 000	40 000

■ Reimbursed price of 1300 SEK per tube of Metvix® October 2001



Marketing Metvix®

– Norway

■ Estimated market size:

	<u>New cases per year</u>	<u>Treatments per year</u>
– BCC	10 000	20 000
– AK	100 000	30 000

■ Approved price of 1100 NOK per tube of Metvix®



Marketing Metvix®

– Denmark

■ Estimated market size:

	<u>New cases per year</u>	<u>Treatments per year</u>
– BCC	10 000	20 000
– AK	100 000	30 000

- 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:

	<u>New cases per year</u>
– BCC	5 000
– AK	50 000

- National approval May 2002

- Metvix® priced at 144 Euro per tube

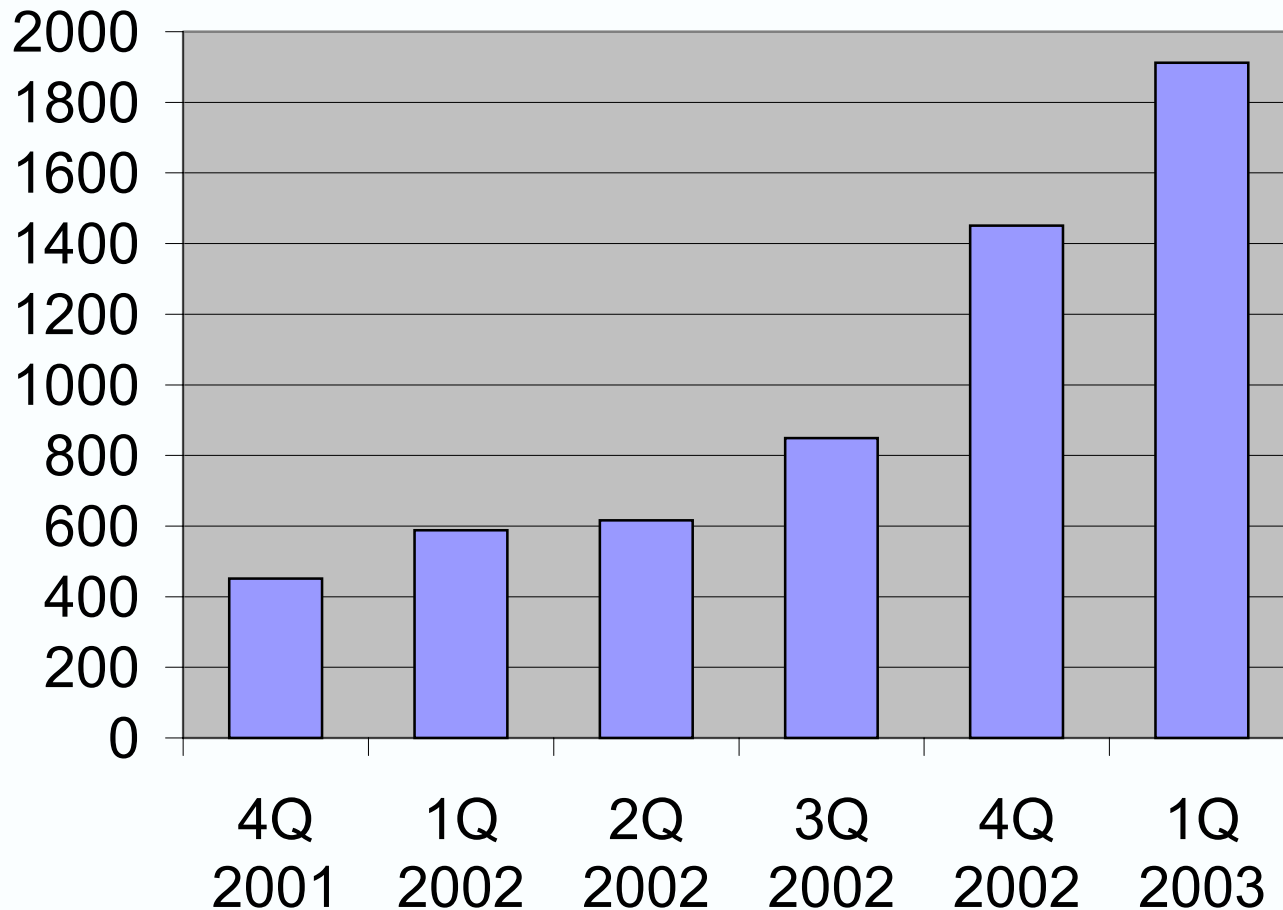
- Drug reimbursement obtained at standard rate of 50% of sales price



Metvix®

– increasing sales in the Nordic area

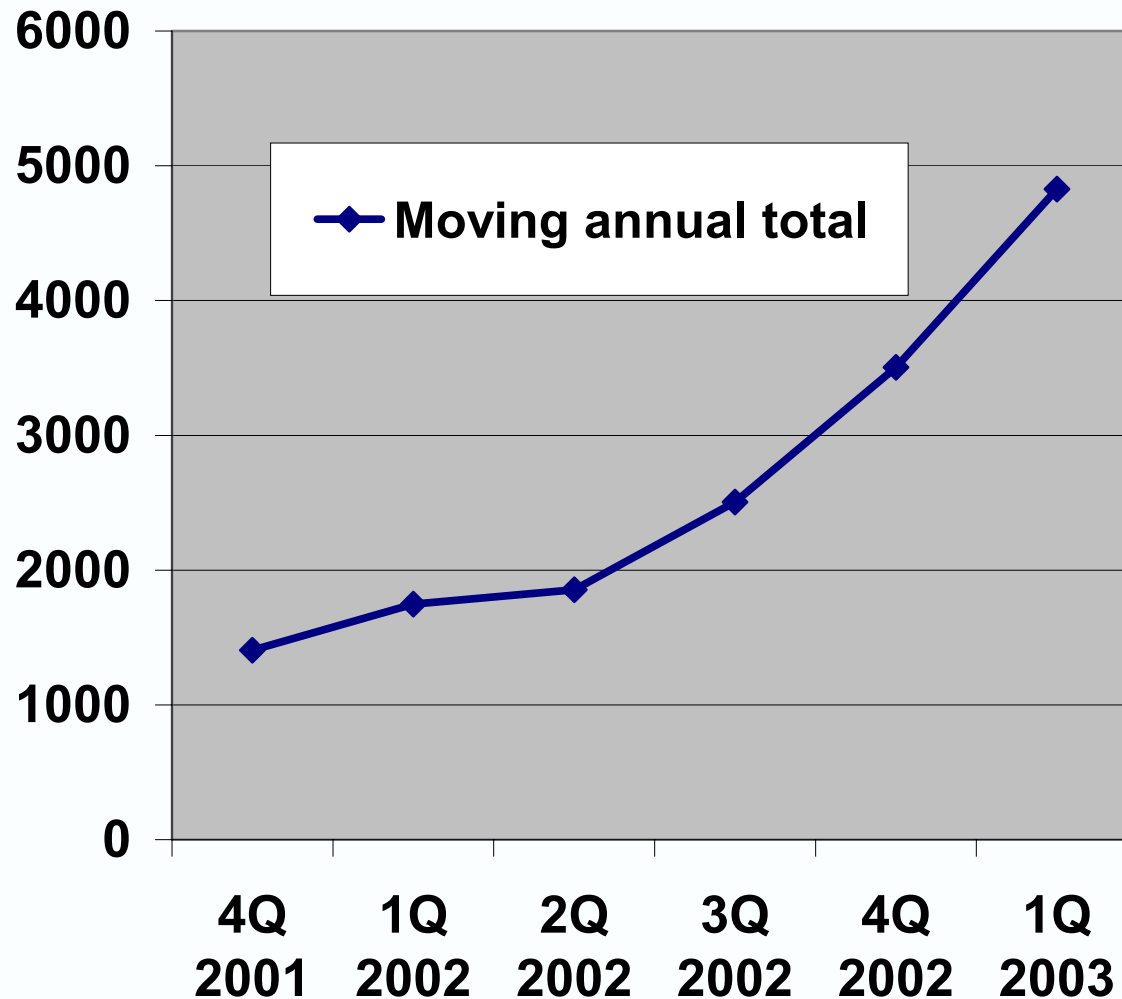
Number of tubes sold to pharmacies



Metvix®

– increasing sales in the Nordic area

Number of tubes sold to pharmacies



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



daily Mail 9 March 2003

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 Metvix to penetrate the cancerous tissue.

It is then exposed to red light for ten minutes - triggering a chemical reaction that experts describe as a 'small atomic 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 der-

By **James Chapman**
Science Correspondent

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

Initially, the outpatient treatment - which costs between £200 and £400 - 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 carcinoma and squamous cell carcinoma.

Although a small number of patients feel itching or tingling sensations, the process 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 five to ten days later.

Professor Richard Groves, consultant dermatologist at Chelsea and Westminster Hospital, said: 'Generally, treatments for skin cancer involve indiscriminate skin 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

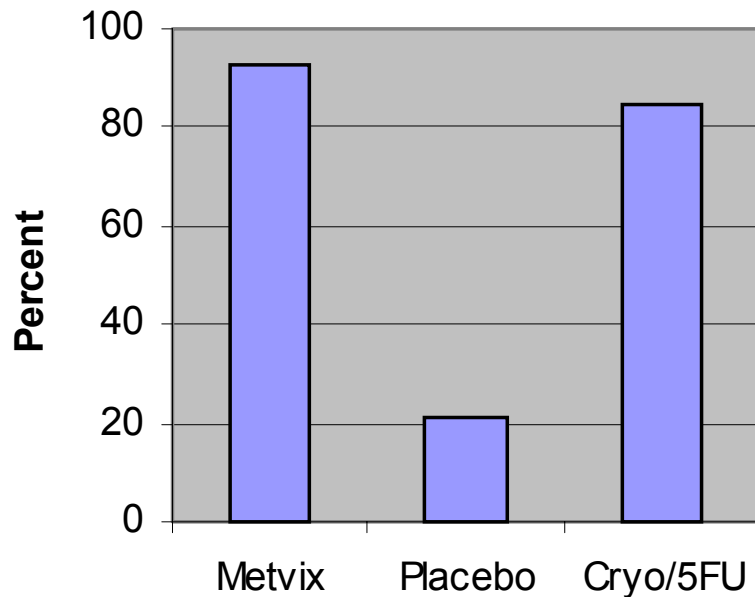
- Approvable letter for AK received
- NDA for BCC now filed
- Pre-launch activities starting
- Opinion leader education started



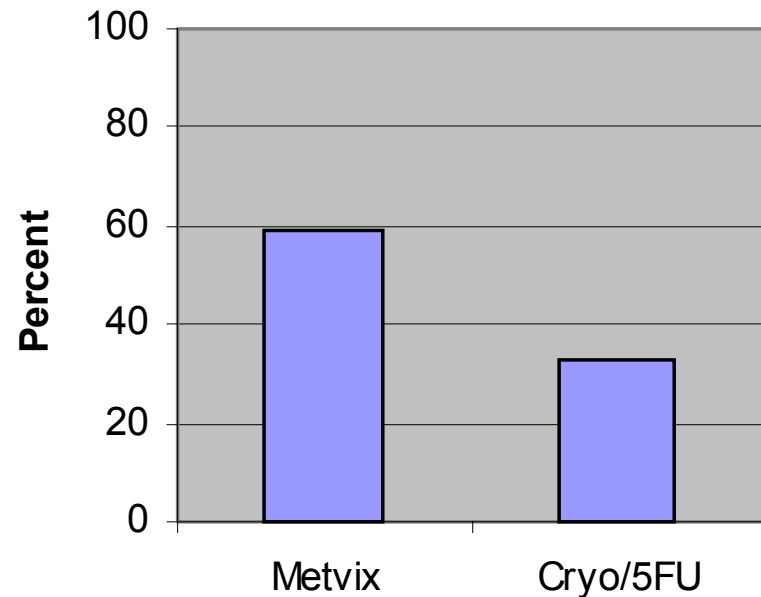
Metvix®

- New Data showing superiority in SCC in situ (Bowens disease)

LESION RESPONSE



EXCELLENT COSMETIC OUTCOME



Hexvix[®] – A Breakthrough in Bladder Cancer Diagnosis

PhotoCure's 1st Photo-Diagnostic (PD) agent close to 1st launch



Hexvix®

– preparation finished



**Hexvix 85 mg Powder
for solution
for intravesical use**

+

**50 ml Solvent for Hexvix
for intravesical use**

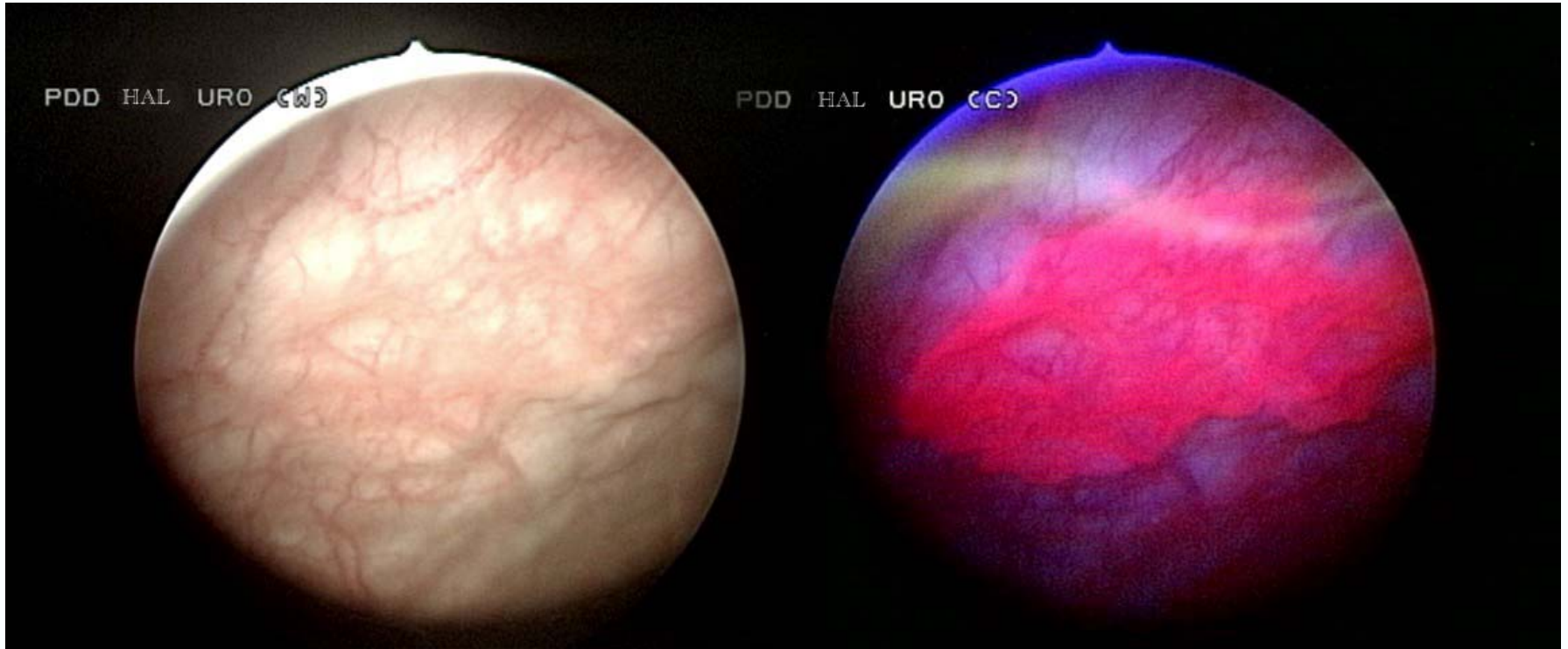
Hexvix® solution

- Instilled 1 hour in the bladder
- Start cystoscopy within 30 minutes



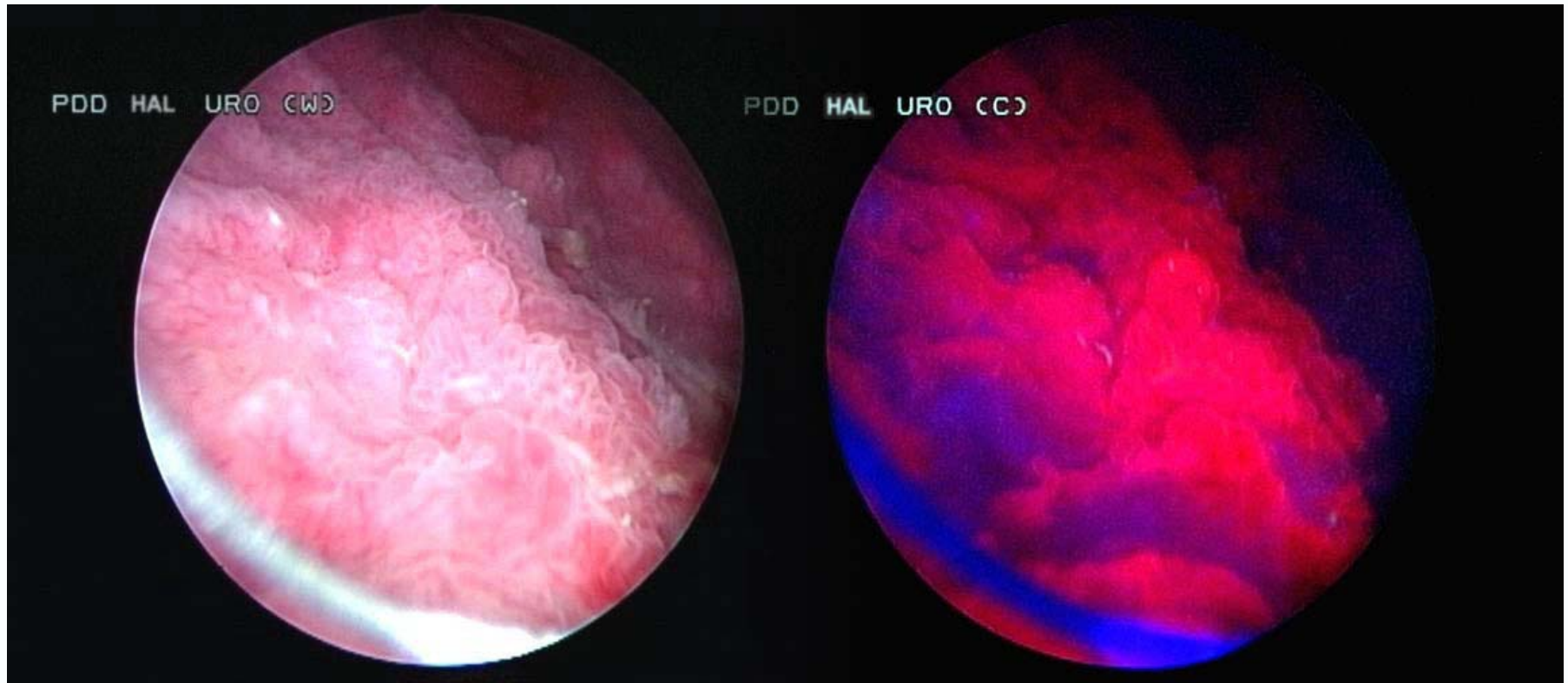
Hexvix®

– 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)**

Hexvix® cystoscopy	Standard white light cystoscopy
97%	59%

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



Hexvix®

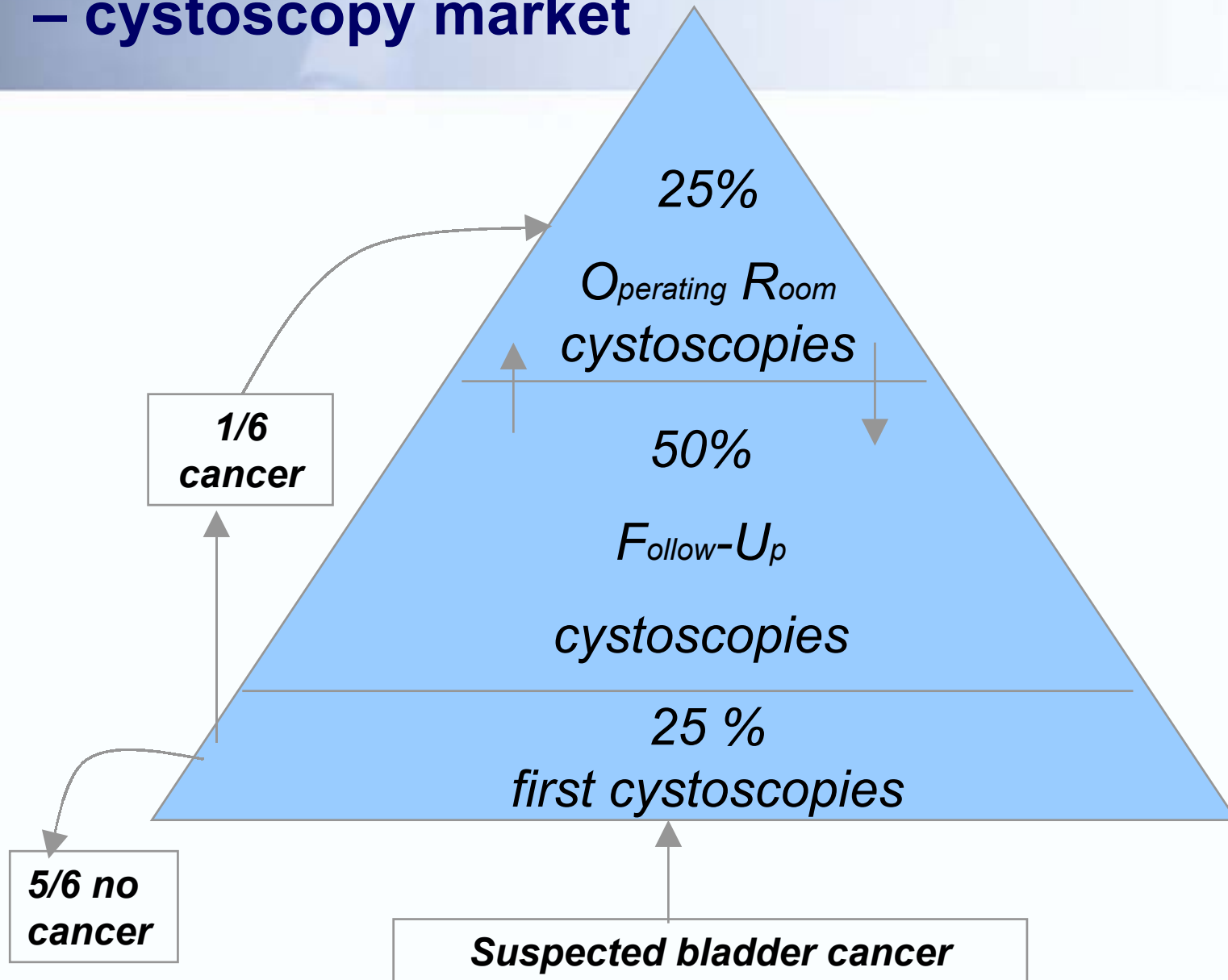
– the cystoscopy market explained

- 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



Hexvix®

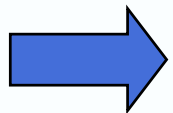
– pre-Launch activities underway

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



Hexvix price potential

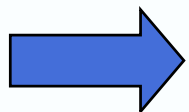
- Hexvix detects more cancer lesions
- Patients treated in the operating room experiences recurrences and non complete resections



Hexvix may reduce the number of retreatments

- Costs for treating bladder cancer (examples)

	<u>Sweden</u>	<u>USA</u>
– Removal of lesions (TURB)	18 000 SEK	5 000 USD
– Removal of bladder (Cystectomy)	137 000 SEK	20 000 USD



Significant price potential for Hexvix



We will continue to deliver

– milestones for the next twelve months

■ Metvix®

- ✓ 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

Three months ended			2002
31.03.2003	31.03.2002	All figures in NOK 1,000	01.01-31.12
10 425	3 697	Sales revenues	25 222
1 045	124	Other operating revenues	3 486
11 470	3 821	Total operating revenues	28 708
3 830	69	Cost of products sold	5 832
7 343	3 845	Labour costs	18 796
14 219	23 536	External R&D costs	77 300
437	232	Ordinary depreciation	1 269
8 490	8 902	Other operating expenses	35 039
34 318	36 584	Total operating expenses	138 235
-22 848	-32 763	Operating loss	-109 527
4 370	3 253	Net financial income	13 521
-18 478	-29 510	Loss before tax	-96 006
-	-	Taxes	-
-18 478	-29 510	Net loss for the period	-96 006
-72	-313	Of this minority interests	-906
-1.06	-1.70	Net loss per share (NOK)	-5.51



Financial Statements

- Balance Sheet

Figures in NOK 1,000	31.03.03	31.03.02	31.12.02
Fixed assets	12 166	4 075	12 421
Inventory	26 431	-	26 132
Receivables	17 208	18 445	10 950
Securities	197 687	241 556	215 414
Cash and bank deposits	17 870	116 640	34 089
Total assets	271 361	380 716	299 006
Shareholders' equity	148 722	233 108	166 999
Long term liabilities	17 941	17 447	17 879
Current liabilities	104 698	130 161	114 127
Total equity & liabilities	271 361	380 716	299 006



Financial Statements

- Cash Flow Statement

	Three month ended		2002
	31.03.03	31.03.02	01.01-31.12
Loss before taxes	-18 478	-29 510	-96 006
Other operational items	-15 458	79 628	45 100
Net Cash Flow from Operations	-33 936	50 119	-50 906
Cash Flow from Investing	-10	-372	-8 906
Cash Flow from Financing	0	3 272	4 137
Net Change in Cash & cash equivalents	-33 946	53 018	-55 675
Cash & cash equivalents at beginning of period	249 503	305 178	305 178
Cash & cash equivalents at end of period	215 557	358 196	249 503



Important Achievements

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