

PhotoCure ASA

Company Presentation

January 2002



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What is PhotoCure ASA?

- A Norwegian pharmaceutical / biotech company
- Listed on the Oslo Stock Exchange (Ticker PHO, Reuters: PHO.OL)
- Products are based on novel Photodynamic Therapy technologies
 - Metvix[®]: A cream approved for treatment of skin cancer (BCC) and pre-cancerous skin lesions (AK)
 - Hexvix[®]: A drug for detecting bladder cancer.
 - Benzvix[®]: Under development for gastro-intestinal cancers
- PCI Biotech AS
 - A subsidiary of PhotoCure ASA developing new transfection technologies



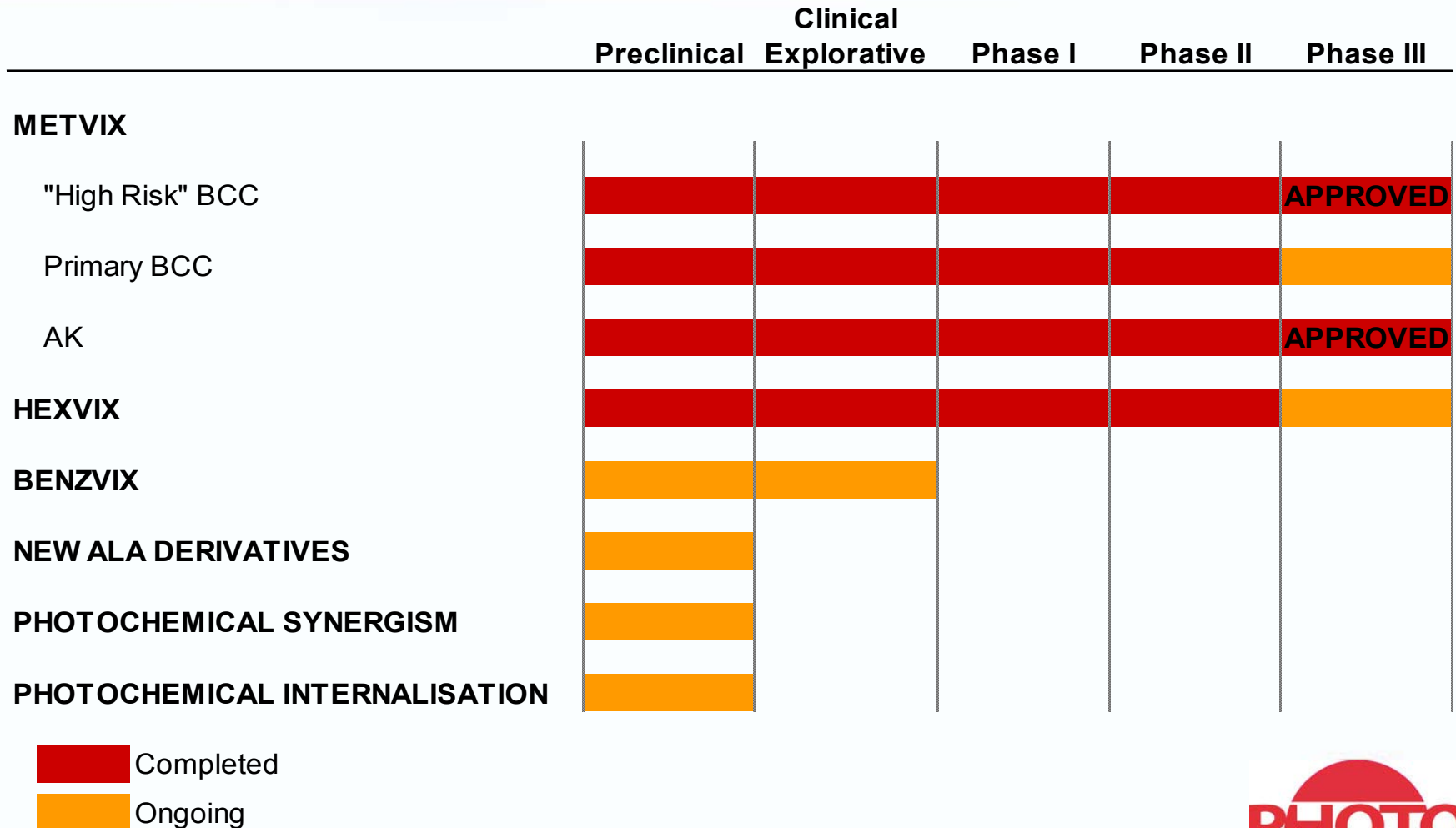
PhotoCure ASA

– Mission

Our mission is to develop and market novel therapeutic and diagnostic products and related medical devices based on our proprietary photodynamic therapy (PDT) technologies.



Broad technology platforms and advanced development programmes



Metvix[®]

– quick and simple treatment

Lesion preparation



Metvix[®] application



Curelight illumination



Metvix[®]

– new light sources



Curelight 128

Curelight 16



Metvix[®]

– highly effective with superior cosmetic results



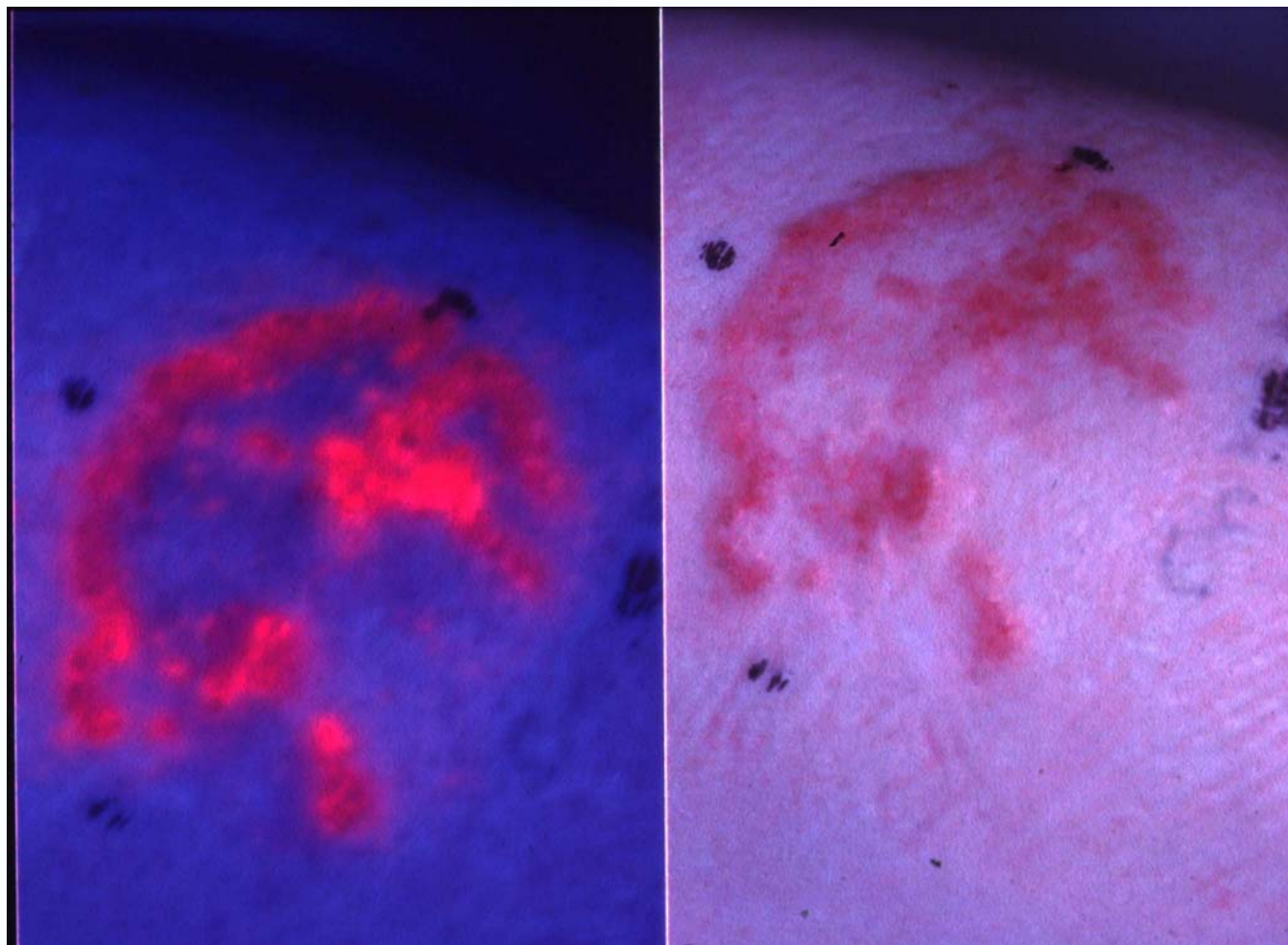
Metvix[®]

– highly effective with superior cosmetic results



Metvix[®]

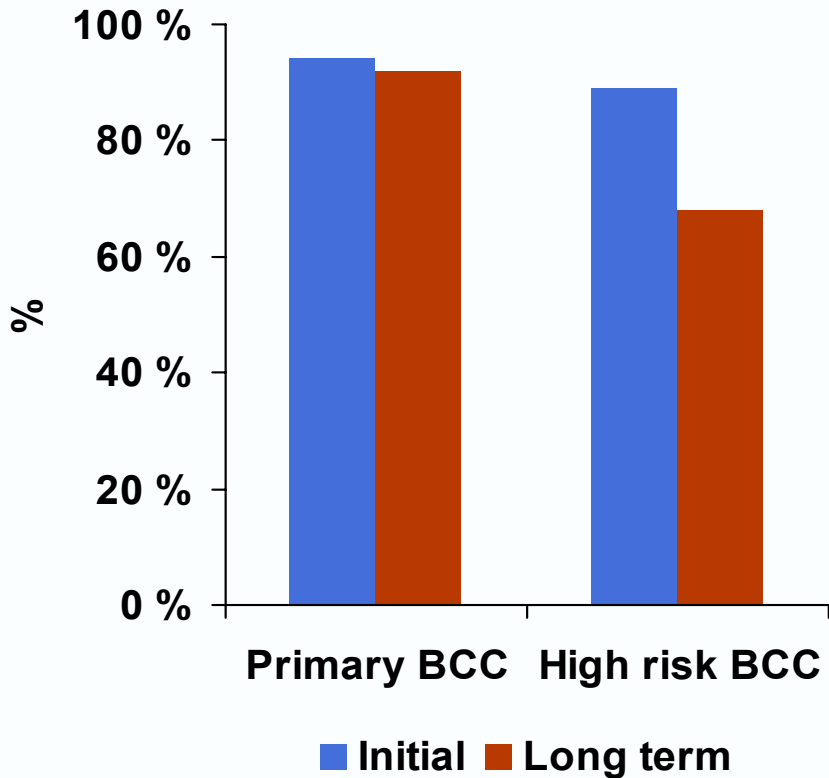
– highly selective



Metvix[®]

– excellent clinical results in BCC

Lesion response



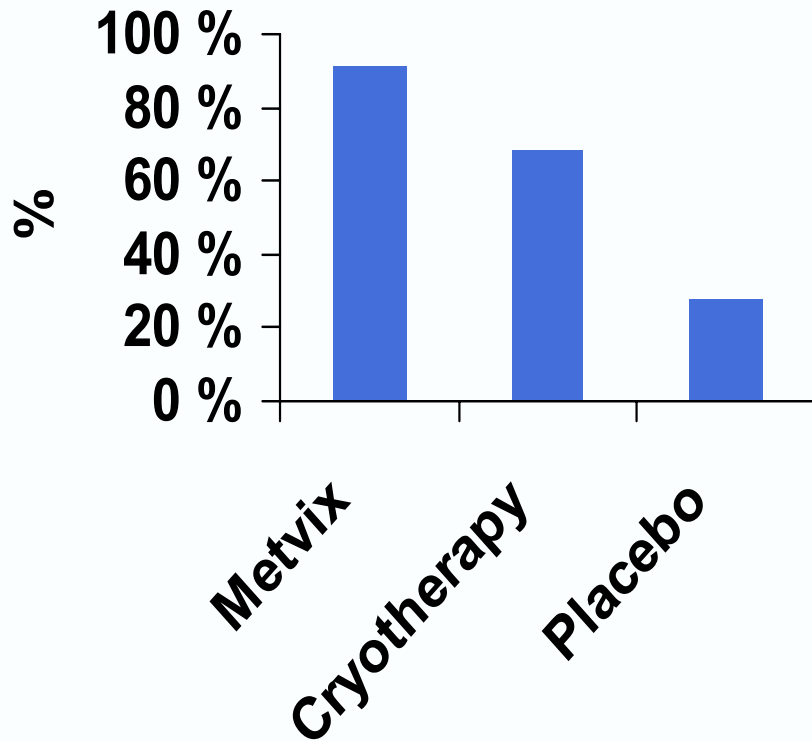
Cosmetic outcome



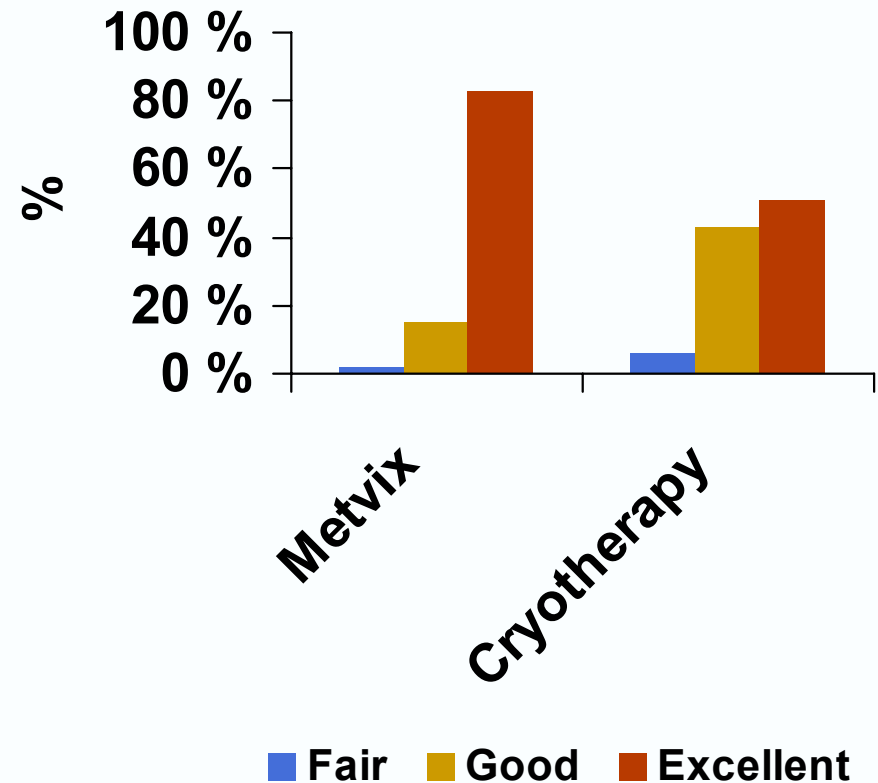
Metvix[®]

– excellent clinical results in AK

Lesion response

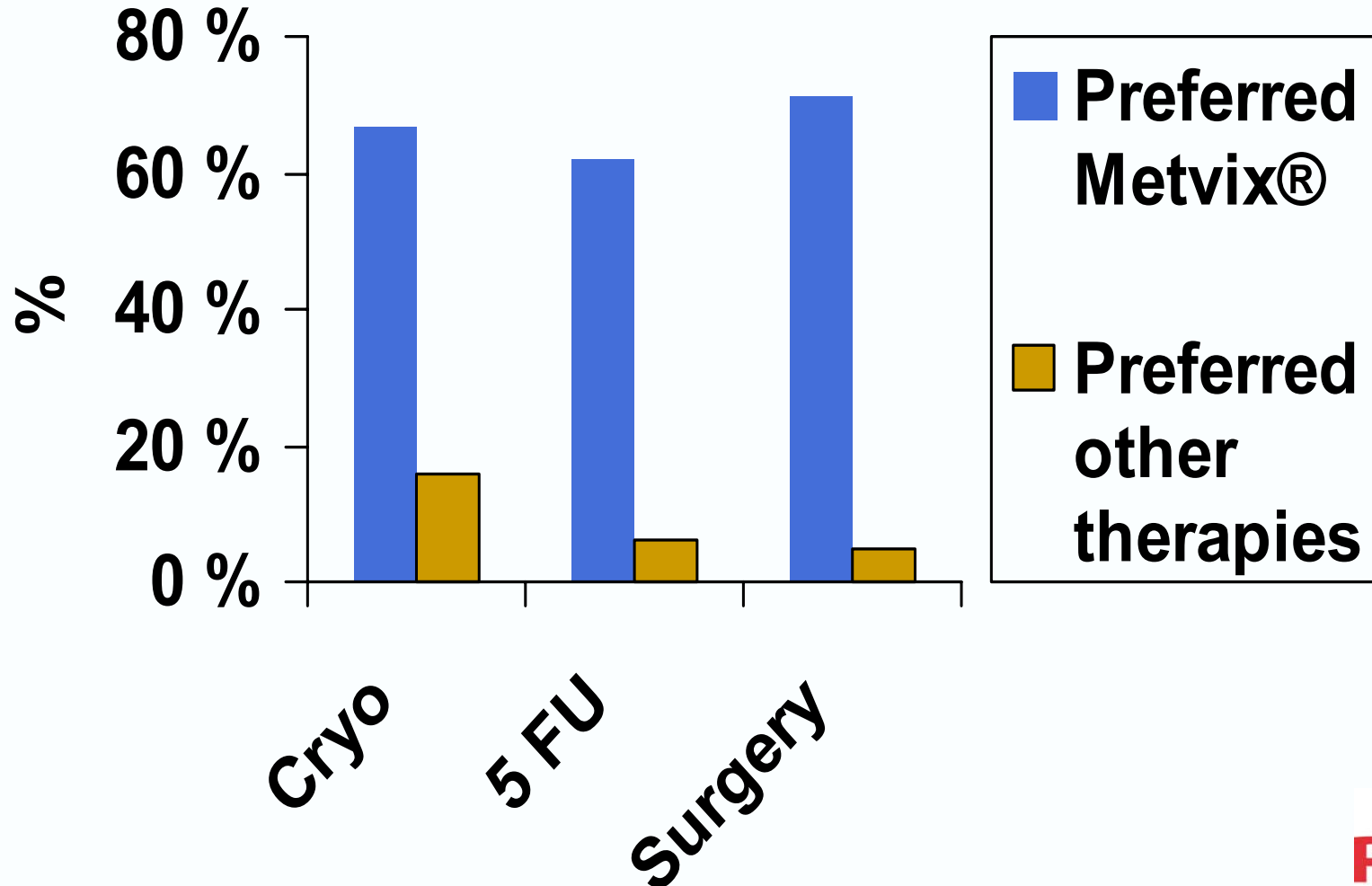


Cosmetic outcome



Patient preference

– Metvix[®] vs. other therapies in AK



Metvix[®]

– great market opportunities

■ BCC

- Appr. 2 mill. new cases per year in EU, America & AUS
- Current therapies give disfiguration / morbidity

■ AK

- Appr. 20 mill. new cases per year in EU, America & AUS
- Current therapies give white spots, poor patient compliance

■ Dermatologists view Metvix[®] as a real improvement

- Easy to use (fast, not time consuming)
- Additional medical indications
- Practice builder (less referrals to surgeons)



Marketing Metvix®

– on track for world wide launch

- Launched in 1st EU country (Sweden)
 - Reimbursed price of 1300 SEK per tube of Metvix®
 - Two product specialist promotes Metvix® in Sweden
- Marketing authorisation granted in Europe for AK and BCC in 14 countries
- Applications pending Australia and New Zealand for AK and BCC
- NDA filed in the US for AK September 2001



Metvix[®] sales and marketing strategy

– balanced risk and reward

■ Nordic region

- commercial rights retained
- small, specialised sales force established
- retain additional value
- maintain close contact with the needs of physicians

■ Rest of World (more than 60 countries)

- partnership with Galderma S.A.



Marketing Metvix®

– Galderma SA preferred partner

- Owned 50/50 by Nestlé and L'Oréal
- Exclusively dedicated to dermatology
- World wide presence in more than 60 countries
- World wide largest sales force in dermatology
- Largest investment in R&D in dermatology



Metvix[®]

– Galderma licensing agreement

- Marketing and sales
 - Galderma will promote Metvix[®] & PhotoCure lightsources world wide outside the Nordic area
- Regulatory approvals
 - PhotoCure will be responsible for MAA in EU, US, AUS and NZ
 - Galderma will file MAA's in other countries
- Research & development
 - Galderma will fund 75% of costs for new projects
 - Additional milestone payments at approval of new indications
 - Both companies see several possible new indications



Metvix®

– significant payments from Galderma

- Up front payment of 12 mill Euro
- Regulatory milestones: 18 mill Euro
 - Approval and launch in certain countries
- Sales milestones
 - For global sales level of 25 mill Euro per year and above
- Royalties for existing and new indications
- Payments for manufacturing
 - Metvix®, active ingredient and PhotoCure lightsources
- Significant guaranteed min. payments of royalties & sales milestones



Metvix[®]

– several potential new indications

- Inhibitory effect on pilosebaceous units
 - Acne (pilot study ongoing)
 - Oily skin
- Anti-wrinkles
 - Photoaging (skin rejuvenation)
- Anti-microbial
 - Wound healing (pilot study planned)
- Anti-viral
 - Warts



Hexvix[®]

– great market opportunities

Bladder cancer

- Significant medical problem: appr. 115,000 cases annually in the US & Europe
- > 2.5 million diagnostic cystoscopic procedures annually in Europe and the US
- On first diagnosis 70-80% of patients have superficial tumours
- Over 70% will have one or more recurrences after initial therapy
- In over 30% cases, tumour progression occurs
- Cause of the high recurrence rate generally believed to be that the lesions are *overlooked*

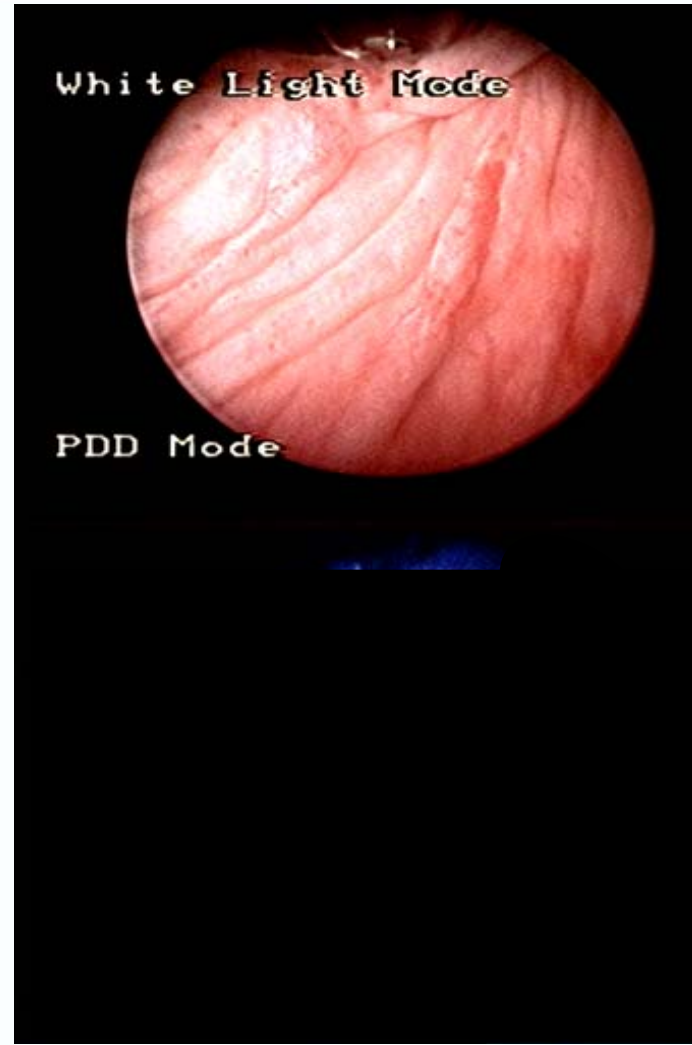
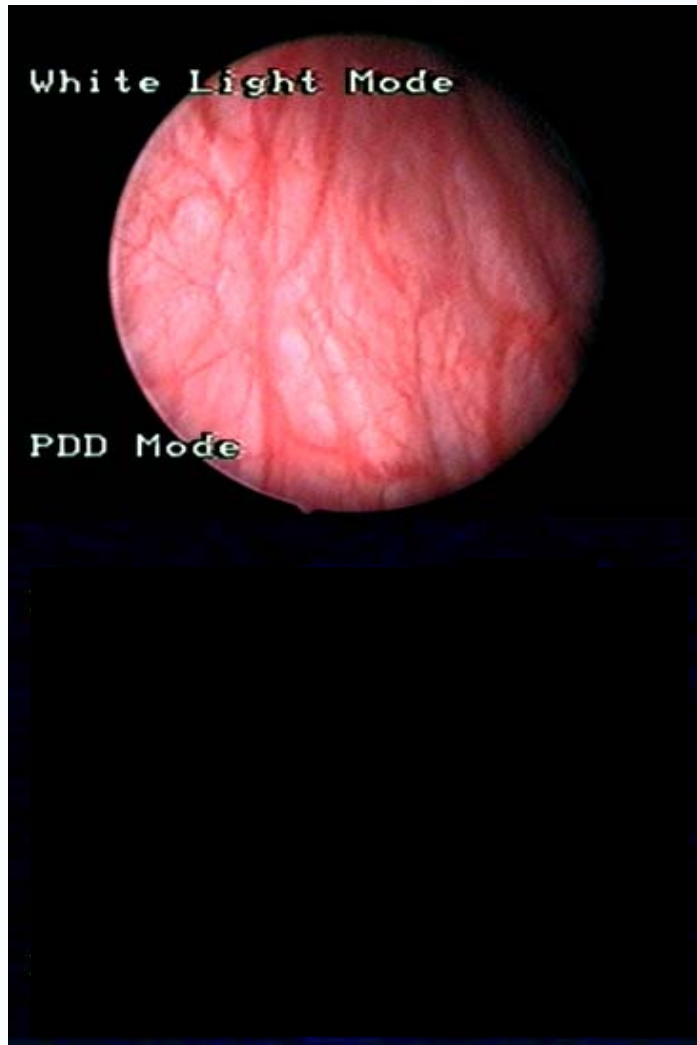
Development status

- Phase III trial in Europe ongoing
- IND in place - phase III trial in US to be started shortly



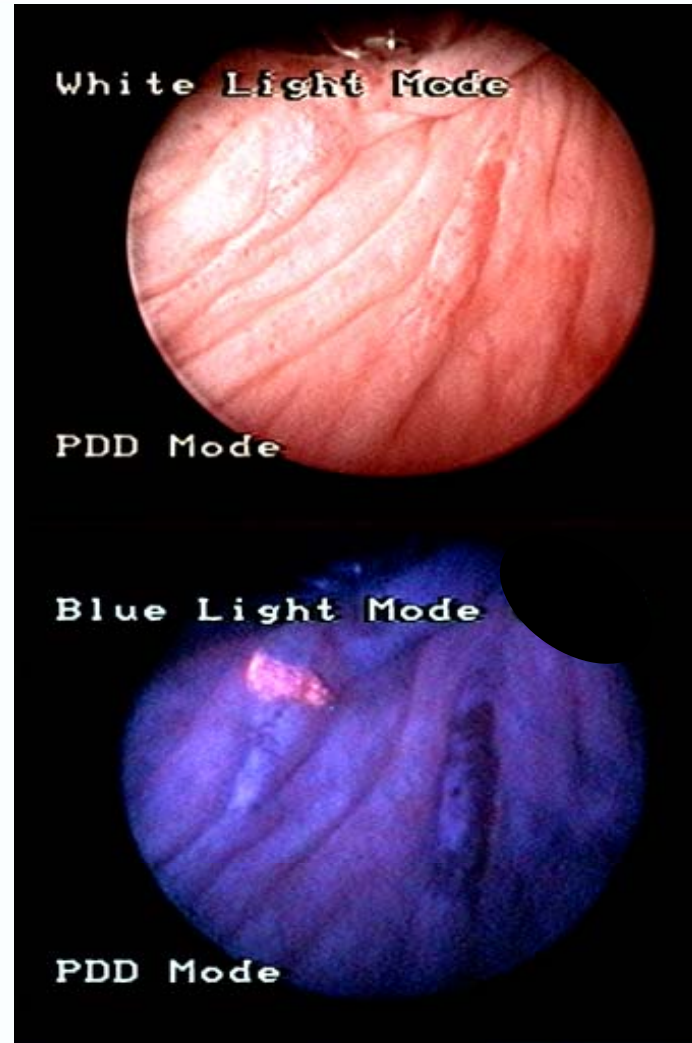
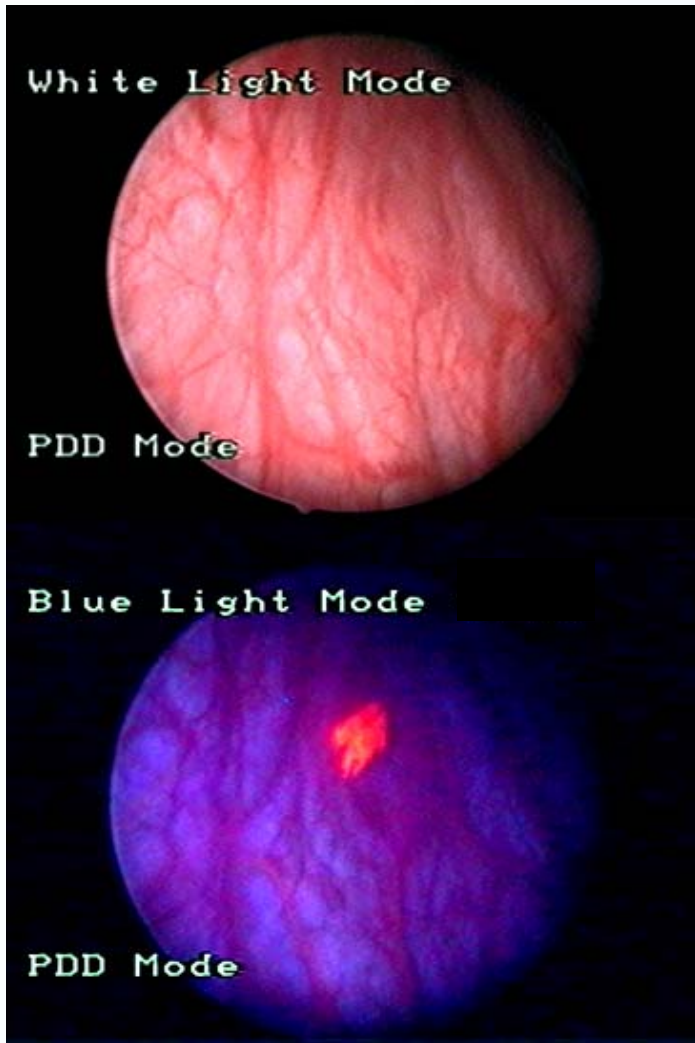
Bladder cancer

– detection of flat lesions (CIS) difficult



Hexvix[®] in bladder cancer

- detects CIS lesions with blue light



Hexvix® in bladder cancer

– positive results in phase II clinical trial

More patients with tumour lesions detected

Hexvix®		White light	
44 / 45	98%	36 / 45	80%

Histology positive = CIS, Ta, T1

Histology positive patients have one or more tumours



Hexvix[®] in bladder cancer

– positive results in phase II clinical trial

Four times more patients with CIS lesions detected

(CIS = Carcinoma in Situ)

Hexvix [®]		White light	
12 / 13	92%	3 / 13	23%

Patients have one or more CIS lesions



Research and development – strong pipeline

ALA derivatives R&D opportunities (excluding dermatology)

- Barrets esophagus
- Colo-rectal cancer
- Lesions in mouth, pharynx and larynx
- Gynegology (vulva, cervix, ovarian)
- Brain tumours
- Mammary tumours (breast conserving surgery)



PCI Biotech AS

– focus on new transfection technologies

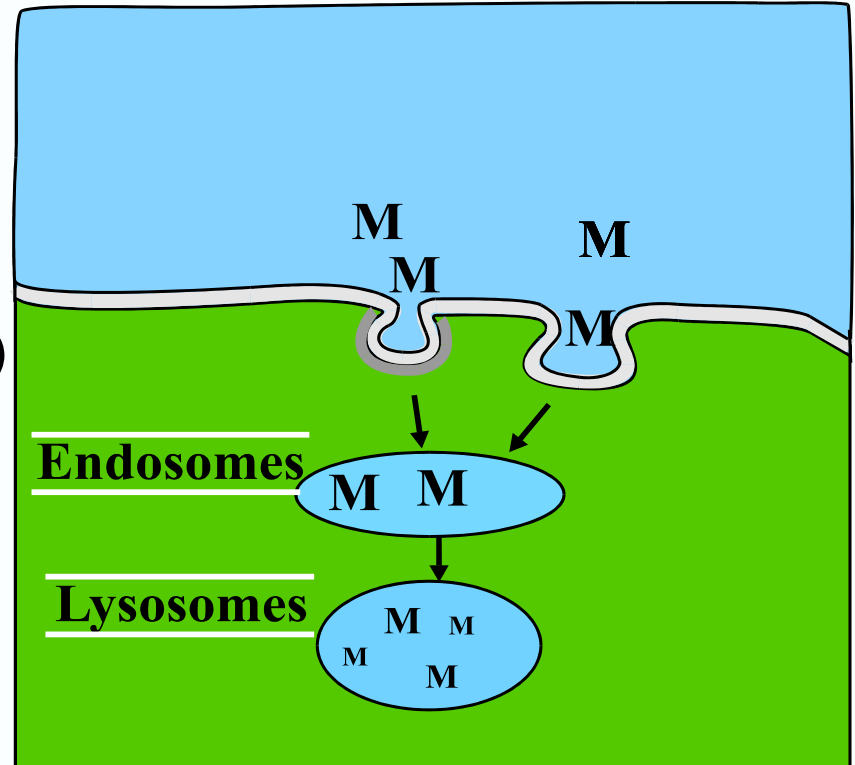
- Increased focus on Photchemical Internalisation (PCI)
 - PCI Biotech AS established as a subsidiary of PhotoCure ASA
- PCI Biotech's product development focuses on:
 - new transfection technology for the research market
 - improve existing technologies for clinical gene therapy
 - new concepts for light directed chemotherapy



PCI Biotech AS

– PCI makes macromolecules work as drugs

- Proteins
(e.g. protein toxins, antibodies)
- Peptides
- DNA/RNA
(e.g. virus, plasmids, ribozymes etc.)



PCI Biotech AS

– PCI has important benefits

- Independent of molecule
- High specificity
- High efficacy (30-300 fold amplification of effect)
- Treatment of many diseases
(oncology, vaccination, gene therapy)



PCI Biotech AS

– first product close to launch

- PCI product for the research market (pre-clinical)
 - Lumitrans™ and a Lumisource
- Market size
 - More than 5 mill. transfections per year
 - Growing market
- Benefits
 - Can use less or cheaper vectors
 - Transfer macromolecules to a larger fraction of cells with the same amount of vector
 - Transfer genes to new cell types to which gene transfer with other methods is difficult
 - Can also be used for protein internalisation (peptides, proteins, antibodies)



PhotoCure

– strong intellectual property position

<i>Main patent applications</i>	<i>Priority date</i>	<i>Status</i>	<i>Progress</i>
1. Transfer of molecules to cells (PCI)	Sept. 1994	Published	Granted: Norway, Australia, US, Singapore, Czech Rep. Accepted: NZ
2. Esters of ALA	March & Dec. 1995	Published	Granted in US, EU, Australia, Singapore
3. PCS	Jan. 1997	Published	National phase
4. Illumination source	May 1997	Published	Granted: Australia
5. Cancer vaccines	1999	Not published	
6. ALA derivatives I	2000	Not published	
7. ALA derivatives II	2000	Not published	
8. Formulations I	2000	Not published	
9. Formulations II	2000	Not published	
10. PDT new diseases	2000	Not published	



PhotoCure

– track record for achieving milestones

Milestones for next twelve months as of May 2001

Metvix[®]

- ✓ File MAA's for AK & "High Risk" BCC in Australia & NZ- Q1 2001
- ✓ Achieve marketing authorisation (MA) for AK in Sweden – Q2 2001
- ✓ Achieve MA for "High Risk" BCC first EU country (Sweden) – Q2 2001
- ✓ File mutual recognition procedure in other EU countries – Q3 2001
- ✓ File New Drug Application for AK in US – 2H 2001
- ✓ Marketing partner outside Nordic area
- ✓ File MAA for "High Risk" BCC & AK in Switzerland
- MAA for primary BCC ready for submission in EU



PhotoCure

– track record for achieving milestones

Milestones for next twelve months as of May 2001

Hexvix®

- ✓ Enter Phase III trial for PD of bladder cancer in Europe
- ✓ Enter Phase III trial for PD of bladder cancer in US

Benzvix®

- Complete pre-clinical studies necessary for clinical trials

PCI Biotech AS

- Launch first product for the research market



Strategy

- Continue to develop, and obtain marketing approval for our products in all major markets
- Leverage our broad platform technologies to develop and commercialise new pharmaceutical products
- Maintain focus on oncology market
- Establish sales and marketing partnerships and infrastructure to promote our products
- Maintain and strengthen development collaborations with leading academic institutions



Key investment highlights

- Leader in photodynamic therapeutics and diagnostics
- Metvix[®] PDT new treatment in dermatology:
 - Launched for AK & BCC in first EU country (Sweden)
 - Approved in 14 European countries, pending in US, Australia & NZ
- Hexvix[®] in phase III for bladder cancer detection
 - Phase II completed with positive results
- PCI Biotech AS established – first product close to launch
- Strong cash position
- All commercial rights retained
- Targeting large markets and medical needs
- Strong pipeline of follow-on products & technologies to drive future value
- Strong and experienced management team



Appendix



Financial Statements

– Profit & Loss (Group)

Three months ended		All figures in NOK 1,000	Nine months ended	
30.09.2001	30.09.2000		30.09.2001	30.09.2000
750	967	Sales	1 682	1 643
86	824	Other revenues	2 772	2 248
836	1 792	Total operating revenues	4 453	3 891
3 980	3 502	Labour costs	14 620	15 939
21 029	9 660	External R&D costs	48 580	26 125
213	113	Ordinary depreciation	554	267
5 587	3 992	Other operating expenses	16 792	9 310
30 808	17 266	Total operating expenses	80 546	51 641
-29 972	-15 474	Operating income	-76 092	-47 749
7 170	6 926	Interests income	21 243	10 978
58	509	Interests expense	830	1 097
7 112	6 417	Net financial income	20 413	9 881
-22 860	-9 057	Loss before tax	-55 680	-37 868
320	-	Minority interests	422	-
-	-	Tax	-	-
-22 540	-9 057	Net loss for the period	-55 258	-37 868
-1,32	-0,57	Net loss per share (NOK)	-3,23	-2,40



Balance sheet (Group)

– strong financial position

Figures in NOK 1,000	30.09.2001	30.09.2000	31.12.2000
Fixed assets	2 598	1 710	2 563
Receivables	6 411	2 707	2 604
Securities	314 132	374 356	366 009
Cash and bank deposits	28 266	31 173	33 674
Total assets	351 407	409 946	404 850
Shareholders' equity	304 754	367 638	357 360
Long term liabilities	17 071	16 620	17 155
Current liabilities	29 582	25 689	30 335
Total shareholders' capital & liabilities	351 407	409 946	404 850



Metvix®

– market introduction

	Old product	New product
Old Market	Renaissance	Penetration
New Market	Market development	



Metvix[®]

– sales volume development

