PhotoCure ASA

Company Presentation

January 2002
Disclaimers

- This document includes forward-looking statements. These statements are based on current expectations and projections about future events. Actual results could differ materially from those discussed in, or implied by, these forward-looking statements.

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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)
  - Benzvix®: Under development for gastro-intestinal cancers
- PCI Biotech AS
  - A subsidiary of PhotoCure ASA developing new transfection technologies
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

<table>
<thead>
<tr>
<th>METVIX</th>
<th>Preclinical</th>
<th>Explorative</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;High Risk&quot; BCC</td>
<td>Completed</td>
<td></td>
<td>APPROVED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary BCC</td>
<td>Completed</td>
<td></td>
<td>APPROVED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AK</td>
<td>Completed</td>
<td></td>
<td>APPROVED</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>HEXVIX</th>
<th>Preclinical</th>
<th>Explorative</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
</tr>
</thead>
<tbody>
<tr>
<td>BENZVIX</td>
<td>Ongoing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NEW ALA DERIVATIVES</th>
<th>Preclinical</th>
<th>Explorative</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>PHOTOCHEMICAL SYNERGISM</th>
<th>Preclinical</th>
<th>Explorative</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>PHOTOCHEMICAL INTERNALISATION</th>
<th>Preclinical</th>
<th>Explorative</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
</tr>
</thead>
</table>

- Red: Completed
- Orange: Ongoing
Metvix®
– quick and simple treatment

Lesion preparation  Metvix® application  Curelight illumination
Mettvix®
– new light sources

Curelight 128

Curelight 16
Mettix®
– highly effective with superior cosmetic results
Mettix®
– highly effective with superior cosmetic results
Mettvix®
– highly selective
Metvix® – excellent clinical results in BCC

**Lesion response**

<table>
<thead>
<tr>
<th></th>
<th>Primary BCC</th>
<th>High risk BCC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>Long term</td>
<td>80%</td>
<td>80%</td>
</tr>
</tbody>
</table>

**Cosmetic outcome**

<table>
<thead>
<tr>
<th></th>
<th>Investigator</th>
<th>Patient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor/fair</td>
<td>0%</td>
<td>20%</td>
</tr>
<tr>
<td>Good</td>
<td>20%</td>
<td>60%</td>
</tr>
<tr>
<td>Excellent</td>
<td>80%</td>
<td>80%</td>
</tr>
</tbody>
</table>

%
Mettix®
– excellent clinical results in AK

Lesion response

<table>
<thead>
<tr>
<th>Treatment</th>
<th>0%</th>
<th>20%</th>
<th>40%</th>
<th>60%</th>
<th>80%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metvix</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cryotherapy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Placebo</td>
<td></td>
<td></td>
<td>60%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cosmetic outcome

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Fair</th>
<th>Good</th>
<th>Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metvix</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cryotherapy</td>
<td></td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Fair: 0%, Good: 20%, Excellent: 40%
Patient preference – Metvix® vs. other therapies in AK

- Cryo
- 5 FU
- Surgery

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cryo</td>
<td>Preferred</td>
</tr>
<tr>
<td>5 FU</td>
<td>Preferred</td>
</tr>
<tr>
<td>Surgery</td>
<td>Other</td>
</tr>
</tbody>
</table>

Preferred Metvix®
Preferred other therapies
**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
Mettvix® 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 worldwide 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 pilosebacious 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

<table>
<thead>
<tr>
<th>Hexvix®</th>
<th>White light</th>
</tr>
</thead>
<tbody>
<tr>
<td>44 / 45</td>
<td>36 / 45</td>
</tr>
<tr>
<td>98%</td>
<td>80%</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Hexvix®</th>
<th>White light</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 / 13</td>
<td>3 / 13</td>
</tr>
<tr>
<td>92%</td>
<td>23%</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th></th>
<th>Three months ended</th>
<th>Nine months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>750</td>
<td>967</td>
</tr>
<tr>
<td>Other revenues</td>
<td>86</td>
<td>824</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>836</td>
<td>1 792</td>
</tr>
<tr>
<td>Labour costs</td>
<td>3 980</td>
<td>3 502</td>
</tr>
<tr>
<td>External R&amp;D costs</td>
<td>21 029</td>
<td>9 660</td>
</tr>
<tr>
<td>Ordinary depreciation</td>
<td>213</td>
<td>113</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>5 587</td>
<td>3 992</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>30 808</td>
<td>17 266</td>
</tr>
<tr>
<td>Operating income</td>
<td>-29 972</td>
<td>-15 474</td>
</tr>
<tr>
<td>Interests income</td>
<td>7 170</td>
<td>6 926</td>
</tr>
<tr>
<td>Interests expense</td>
<td>58</td>
<td>509</td>
</tr>
<tr>
<td>Net financial income</td>
<td>7 112</td>
<td>6 417</td>
</tr>
<tr>
<td>Loss before tax</td>
<td>-22 860</td>
<td>-9 057</td>
</tr>
<tr>
<td>Minority interests</td>
<td>320</td>
<td>-</td>
</tr>
<tr>
<td>Tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net loss for the period</td>
<td>-22 540</td>
<td>-9 057</td>
</tr>
<tr>
<td>Net loss per share (NOK)</td>
<td>-1,32</td>
<td>-0,57</td>
</tr>
</tbody>
</table>
**Balance sheet (Group) – strong financial position**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>2 598</td>
<td>1 710</td>
<td>2 563</td>
</tr>
<tr>
<td>Receivables</td>
<td>6 411</td>
<td>2 707</td>
<td>2 604</td>
</tr>
<tr>
<td>Securities</td>
<td>314 132</td>
<td>374 356</td>
<td>366 009</td>
</tr>
<tr>
<td>Cash and bank deposits</td>
<td>28 266</td>
<td>31 173</td>
<td>33 674</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>351 407</strong></td>
<td><strong>409 946</strong></td>
<td><strong>404 850</strong></td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>304 754</td>
<td>367 638</td>
<td>357 360</td>
</tr>
<tr>
<td>Long term liabilities</td>
<td>17 071</td>
<td>16 620</td>
<td>17 155</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>29 582</td>
<td>25 689</td>
<td>30 335</td>
</tr>
<tr>
<td><strong>Total shareholders' capital &amp; liabilities</strong></td>
<td><strong>351 407</strong></td>
<td><strong>409 946</strong></td>
<td><strong>404 850</strong></td>
</tr>
<tr>
<td></td>
<td>Old product</td>
<td>New product</td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>-------------</td>
<td>-------------</td>
<td></td>
</tr>
<tr>
<td><strong>Old Market</strong></td>
<td>Renaissance</td>
<td>Penetration</td>
<td></td>
</tr>
<tr>
<td><strong>New Market</strong></td>
<td>Market development</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Mettix®
– sales volume development