

PhotoCure ASA

Presentation

First quarter 2005

May 3, 2005



Obtaining milestones and building value

■ Hexvix®

- Approval in 27 EU/EEA countries, working on national approvals
- Ongoing phase III study for extended indication in the US
- Nordic pre-launch activities ongoing

■ Metvix®

- European sales continue to grow, launch in Holland
- Discussions with FDA regarding Aktelite and BCC
- Favourable court decision in Australia for Metvix

■ R&D

- Acne program started



Financial statements (Group)



Profit & Loss

in accordance with IFRS

	2005	2004	2004
All figures in NOK 1,000	01.01 - 31.03	01.01 - 31.03	01.01 - 31.12
Sales revenues	8 799	10 179	36 855
Signing fee and milestone revenues	3 908	3 909	40 954
Sales, signing fee and milestone revenues	12 707	14 087	77 809
Cost of products sold	-3 903	-3 999	-13 066
Gross profit	8 804	10 089	64 743
Other operating revenues	954	1 263	4 597
Payroll expenses	-8 286	-8 227	-35 282
External R&D	-7 885	-6 478	-31 718
Ord.depr. & other operating expenses	-7 272	-13 549	-43 201
Operating income/-loss	-13 684	-16 901	-40 861
Net financial income	590	538	-4 462
Income/-loss before tax	-13 094	-16 363	-45 323
Net income/-loss per share (NOK)	-0,74	-0,93	-2,58



Balance Sheet

in accordance with IFRS

	2005	2004	2004
Figures in NOK 1,000	31.03	31.03	31.12
Machinery & equipment	1 842	2 850	2 080
Financial fixed assets	-	6 250	-
Inventory	16 613	22 309	17 533
Receivables	15 023	16 519	16 146
Securities	97 839	147 336	111 219
Cash & cash equivalents	19 859	16 201	26 733
Total assets	151 177	211 465	173 711
Total equity	72 797	114 200	85 566
Long term liabilities	13 024	13 659	13 438
Current liabilities	65 356	83 606	74 707
Total shareholders' capital & liabilities	151 177	211 465	173 711



Cash Flow Statement

in accordance with IFRS

(all amounts in NOK 1,000)

	Three months ended		2004
	31.03.05	31.03.04	01.01 - 31.12
Loss before taxes	-13 094	-16 363	-45 323
Interest paid	-20	-31	-103
Other operational items	-7 449	-6 849	-4 822
Net cash flow from operations	-20 563	-23 243	-50 248
Cash flow from investments	609	1 038	2 758
Cash flow from capital transactions	-300	-103	-403
Net change in cash during the period	-20 254	-22 308	-47 893
Cash & cash equivalents at beginning of period	137 952	185 845	185 845
Cash & cash equivalents at end of period	117 698	163 537	137 952



Financial highlights

- increased Metvix sales offset by lower lamp sales and lower prices for Metvix to Galderma

■ Nordic region

- 3183 Metvix tubes sold in Q1 (+ 9 %)
- Lower Aktelite sales in Q1 2005 of MNOK – 0.4 vs Q1 2004
- Inventory build-down of MNOK 0.3

■ Outside Nordic Region

- 4991 Metvix tubes sold in Q1 (+ 85 %)
- Lower Aktelite sales in Q1 2005 of MNOK –0.5 vs Q1 2004
- Prices for Metvix reduced in 2005 vs Q1 2004 due to lower COGS
- Final reconcilliation for 2004 reduced sales by MNOK 0.7



Hexvix[®] – a breakthrough in bladder cancer diagnosis



Hexvix®

– approved in 27 EU/EEA countries



- MRP approval in 27 EU/EEA countries
- Working on national approvals
- Excellent reception at EAU, Turkey
- Nordic launch planned at NUF,
 - June 8-10 in Gothenburg
- Price SEK 3884 per kit (from pharm)
- Working with key opinion leaders
- Establishing reference centers



Hexvix[®]

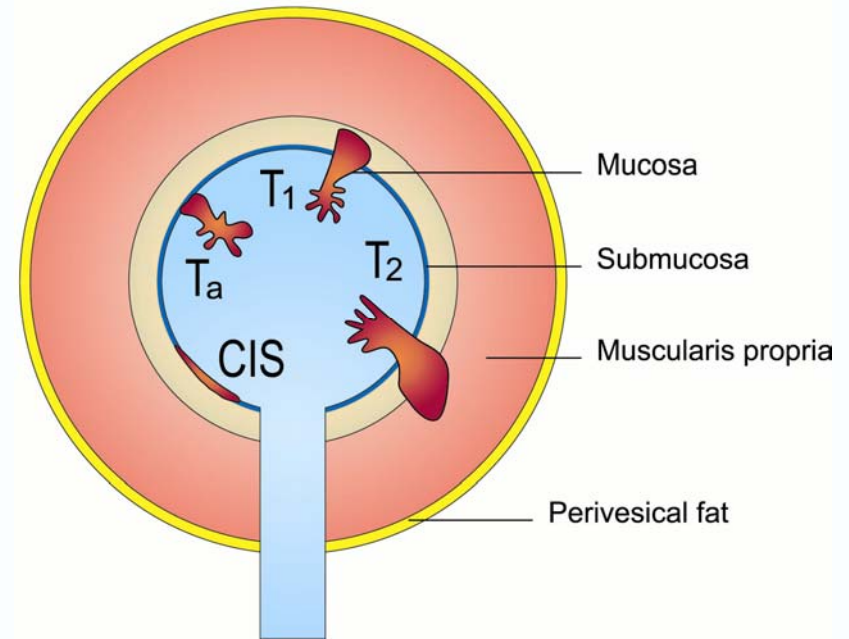
– preparing the new drug application in the US

■ US

- Agreement with FDA that existing clinical documentation can be submitted
- Phase III multi-center study ongoing in US and Europe

■ Goal

- Submit NDA in 2005



Urinary bladder with superficial cancer tumors.



Hexvix[®]

– building value

- Licensing activities ongoing
 - Negotiations with potential licensees
 - PhotoCure will retain the Nordic area
 - Australian court decision removed important obstacle.
 - Proves PhotoCure's strong patent position
 - Proves that products based on derivatives of ALA are novel and independent of ALA products.
- Enhanced acceptance of Hexvix in the medical community.



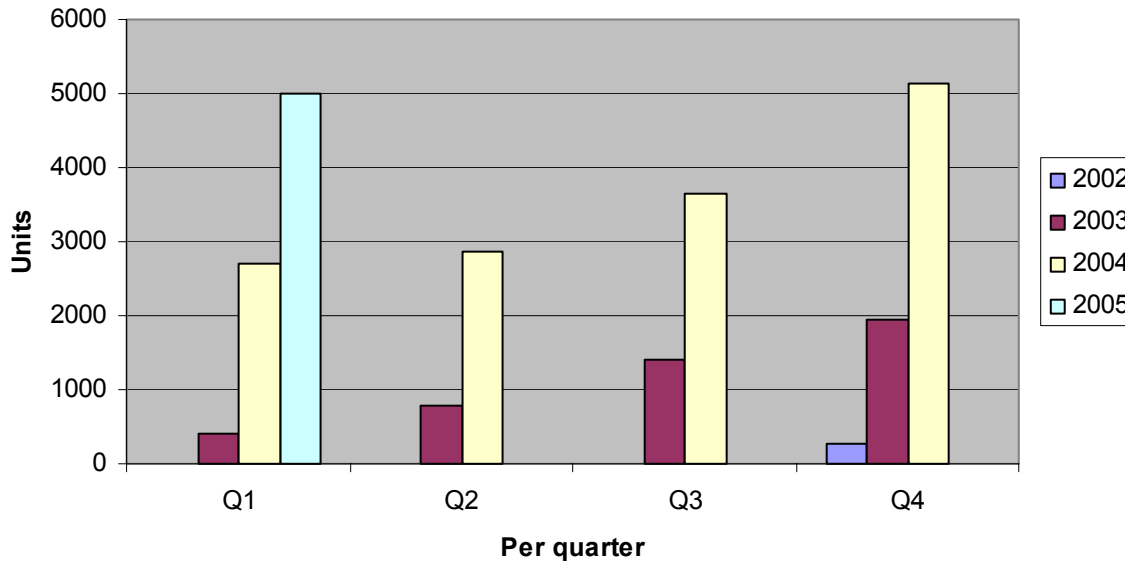
Metvix[®] roll-out continues



Metvix[®]

– Galderma sales increase 85% in units

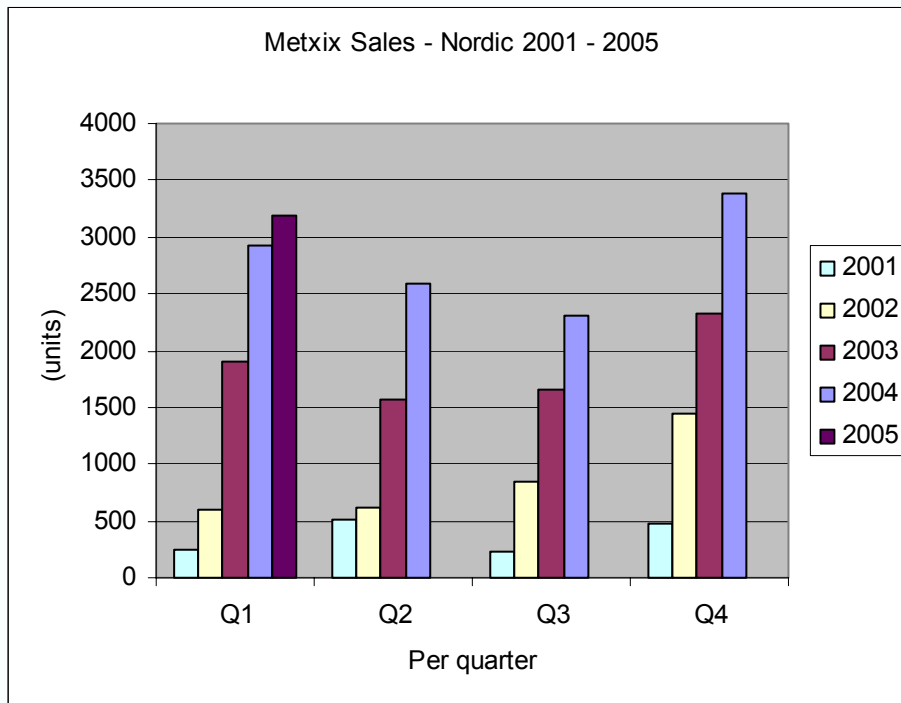
Metvix Sales - Galderma 2002 - 2005



- Sales increase in units of 85% vs Q1 2004
- Launch in Holland in Q1

Metvix®

– Nordic sales increase 9% in units



- Sales increase in units of 9% in Q1 vs 2004
- Metvix is medically accepted with app. 200 clinics and app. 300 Aktelite lamps in market.
- Working on reimbursement and increasing sales in existing clinics
- Grete Hogstad new VP S&M



Metvix[®]

– regulatory update

- Approved in 29 countries including actinic keratosis (AK) in the US
- Pending applications in 3 countries
- Strengthening the position of Metvix in the treatment of non melanoma skin cancer by filing for Bowen's disease in 22 EU/EEA countries
- AK in the US
 - Metvixia/Curelight approved
 - Clinical studies required for approval of Aktelite in the US
- BCC in the US
 - Meeting FDA in May to discuss BCC clinical program



Acne – a promising opportunity



Acne

- an attractive market

- In the US over 17 million people are affected
- The lifetime risk for acne is about 85%
- The worldwide pharmaceutical anti acne market is USD 2.3 billion
 - (21% of worldwide dermatology market)
- The value of the worldwide pharmaceutical moderate to severe acne market is app. USD 1.3 billion



Acne

- need for new treatments



Acne patient before treatment

Acne patients' dissatisfaction with current treatment:

Improved less than 50% and 60% reported side effects*

*Online survey conducted by Candela of 200 parents whose teenagers had acne

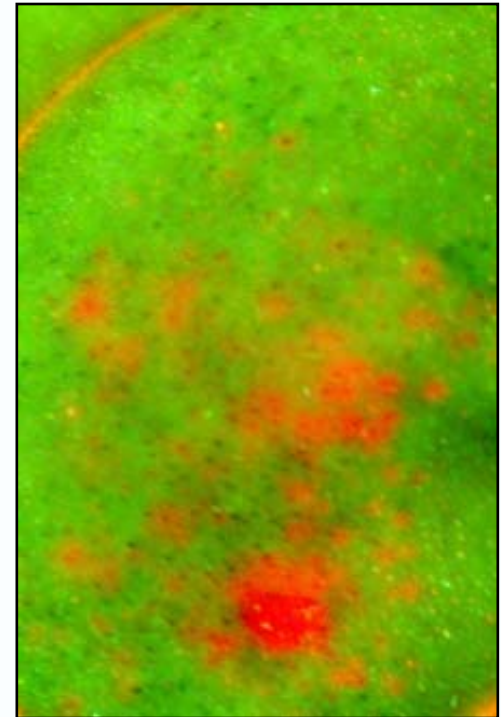
Competitor	Segment	Therapeutic modalities
Isotretinoin (eg.Roaccutan)	Oral Vitamin-A	<ul style="list-style-type: none">• Highly effective• Long term treatment• Severe side effects• Risk management program US/EU
Oral Antibiotics	Oral Antibiotics	<ul style="list-style-type: none">• Moderate effect• Long term treatment• Resistance issues



Acne

– PhotoCure PDT – unique mechanisms of action

- Preclinical experience shows that PhotoCure PDT kills *P.acnes* bacteria
- International clinical experience shows a **selective build-up of Photoactive porphyrins** in sebaceous glands after PhotoCure PDT (Bissonnette, Canada)
- Clinical study showed mean reduction in the **number of inflamed acne lesions** of 63% after PhotoCure PDT (Cunliffe, Leeds, UK)
- Clinical study showed mean reduction in “**P.acnes**” **bacteria** of 23 % after PhotoCure PDT (Cunliffe, Leeds, UK)
- PDT decreases sebum production and the **size of sebaceous glands** (Rox Anderson, MIT, US 2000)



Acne with PAP fluorescence



Acne

– further development

- Proof of concept study with 30 patients with moderate to severe acne to be completed in Q3 2005 (Norway and Sweden)
- Establish close cooperation with Galderma
- **Milestone**
 - Start of phase II program in 2006



Illustration of PhotoCure's PDT treatment

Goals and milestones

■ Hexvix®

- Sign licencing agreement
- Secure national approvals in Europe
- File new drug application (NDA) in the US
- Nordic launches

■ Metvix®

- Sales growth in existing markets and new launches
- File for approval of Bowen's disease in the EU

■ Research and development

- Acne: complete proof-of-concept study
- Colon: start proof-of-concept study

