



**Press Release  
For Immediate Release**

## **PhotoCure ASA – Results 2004**

Oslo, Norway, 24 February 2005

PhotoCure ASA (Oslo Stock Exchange: PHO) presents today its results for 2004. The main items in the report are:

- **Increased Metvix<sup>®</sup> revenues**  
During 2004, Metvix revenues increased by 65 % in the Nordic countries and by 52 % in the markets outside the Nordic region.
- **Galderma continues to launch Metvix in new markets**  
Galderma S.A., PhotoCure's marketing partner outside the Nordic region, launched Metvix in Italy, Belgium, Australia and Switzerland in 2004.
- **First US approval for Metvix**  
PhotoCure received approval from the FDA regarding the marketing of Metvix for the treatment of AK (actinic keratosis).
- **Hexvix<sup>®</sup> closer to commercialisation**  
The first marketing authorisation for Hexvix for detection of bladder cancer was issued by Swedish authorities in 2004. Hexvix is more efficient than current methods and covers a large medical need for improvement in bladder cancer detection. Marketing applications are filed in 26 additional EU/EEA countries.
- **Ongoing explorative clinical studies**  
PhotoCure has initiated several clinical pilot studies to explore the possibilities to use the company's products for new indications.
- **Increasing revenues**  
Total revenues in 2004 amounted to NOK 82.4 million, an increase of 37 % or NOK 22.1 million compared to 2003. Net loss amounted to NOK 44.7 million in 2004, compared to NOK 42.8 million in 2003. One time costs of NOK 12.7 million were charged to the 4<sup>th</sup> quarter accounts. Net cash flow from operations amounted to NOK - 47,1 million in 2004, compared to NOK - 70.5 million in 2003. Liquid funds amounted to NOK 138 million as of 31.12.2004 and the equity ratio was 50%.

President and CEO of PhotoCure, Dr. Kjetil Hestdal, says in a comment to the results: "We are pleased to see the growing success of Metvix. Galderma's major investments in sales and marketing of Metvix form a solid base for a substantial increase in future sales revenues. We are also pleased that the

European MRP application for Hexvix is submitted. This is an important step towards a significant extension of our commercial platform.”

**PhotoCure ASA** is a Norwegian pharmaceutical company founded in 1993 and listed on Oslo Stock Exchange. The company develops and sells pharmaceuticals and medical devices based on proprietary photodynamic technologies, targeting key dermatology and oncology markets.

PhotoCure has two products with sales and marketing approvals: Metvix®, which is a product developed for the treatment of skin cancer (basal cell carcinoma) and pre-cancerous skin lesions (actinic keratosis), and Hexvix®, which is developed for the detection of bladder cancer. Both products are based on the same photodynamic technology, combining the drug known as a photosensitiser with a light source that activates the photosensitiser. PhotoCure is currently testing both products for new indications and aims to develop a pipeline of follow-on products and technologies.

**For further information, contact:**

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**PhotoCure**

**Profit & Loss (Group)**

(all amounts in NOK 1,000 except per share data)

Three months ended			2004	2003
31.12.04	31.12.03		01.01 - 31.12	01.01 - 31.12
8 935	7 379	Sales revenues	36 855	23 380
3 908	3 908	Signing fee and milestone revenues	40 954	31 774
1 062	2 015	Other operating revenues	4 597	5 150
<b>13 906</b>	<b>13 302</b>	<b>Operating revenues</b>	<b>82 406</b>	<b>60 304</b>
<b>2 307</b>	<b>1 976</b>	<b>Cost of products sold</b>	<b>13 066</b>	<b>9 514</b>
<b>11 599</b>	<b>11 326</b>	<b>Gross profit</b>	<b>69 340</b>	<b>50 790</b>
13 883	8 017	Payroll expenses	34 684	27 757
9 476	12 521	External R&D	31 718	38 377
398	401	Ordinary depreciation	1 530	1 677
9 176	8 847	Other operating expenses	41 671	36 635
<b>32 934</b>	<b>29 786</b>	<b>Total operating expenses</b>	<b>109 603</b>	<b>104 446</b>
<b>-21 334</b>	<b>-18 460</b>	<b>Operating income/-loss</b>	<b>-40 263</b>	<b>-53 655</b>
1 155	2 078	Financial income	4 687	14 014
7 296	692	Financial expense	9 149	3 126
<b>-6 141</b>	<b>1 386</b>	<b>Net financial income</b>	<b>-4 462</b>	<b>10 888</b>
<b>-27 475</b>	<b>-17 074</b>	<b>Income/-loss before tax</b>	<b>-44 725</b>	<b>-42 767</b>
-	-	Tax expenses	-	-
<b>-27 475</b>	<b>-17 074</b>	<b>Net income/-loss</b>	<b>-44 725</b>	<b>-42 767</b>
-65	-109	Incl. minority interests in the amount of	-284	-441
-1.56	-0.97	Net loss per share (1)	-2.54	-2.44

(1) Calculation based on average weighted number of shares outstanding.

**Balance Sheet (all amounts in NOK 1,000)**

	2004	2003
	31.12	31.12
Machinery & equipment	2 080	3 222
Financial fixed assets	1 750	7 832
<b>Total fixed assets</b>	<b>3 829</b>	<b>11 054</b>
<b>Current assets</b>		
Inventory	17 533	23 167
Receivables	16 146	13 335
Securities	111 219	170 309
Cash & cash equivalents	26 733	15 536
<b>Total current assets</b>	<b>171 631</b>	<b>222 348</b>
<b>Total assets</b>	<b>175 460</b>	<b>233 402</b>
Paid in capital	70 228	69 866
Retained earnings	17 307	62 031
<b>Shareholders' equity</b>	<b>87 534</b>	<b>131 897</b>
Long term liabilities	13 219	13 519
Current liabilities	74 707	87 985
<b>Total liabilities</b>	<b>87 926</b>	<b>101 504</b>
<b>Total equity and liabilities</b>	<b>175 460</b>	<b>233 402</b>

**Change in Equity (all amounts in NOK 1,000)**

	Twelve months ended	
	31.12.04	31.12.03
<b>Equity at beginning of period</b>	<b>131 897</b>	<b>166 999</b>
Accrued subscription rights	165	-910
Share issue employees	197	5 883
Share increase in subsidiary	-	2 692
Net income/-loss for the period	-44 725	-42 767
<b>Equity at end of period</b>	<b>87 534</b>	<b>131 897</b>

**Cash Flow Statement (all amounts in NOK 1,000)**

	Twelve months ended	
	31.12.04	31.12.03
Loss before taxes	-44 725	-42 767
Other operational items	-2 378	-27 740
<b>Net cash flow from operations</b>	<b>-47 102</b>	<b>-70 507</b>
Cash flow from investments	-387	-1 426
Cash flow from capital transactions	-403	8 275
<b>Net change in cash during the period</b>	<b>-47 892</b>	<b>-63 658</b>
Cash & cash equivalents at beginning of period	185 845	249 503
<b>Cash &amp; cash equivalents at end of period</b>	<b>137 952</b>	<b>185 845</b>