Press release for immediate release

Full Year Report 2000

The last year has been a landmark year for PhotoCure ASA with the company making excellent progress in all areas of its business. Highlights include:

- **Metvix® PDT**. PhotoCure's global development programme for its lead PDT (photodynamic therapy) agent Metvix® has advanced significantly over the last twelve months with two European Market Authorisation Applications (MAAs) being made. The first filing for the treatment of actinic keratosis (AK) took place in May 2000. The second MAA for "High Risk" basal cell carcinoma (BCC) was submitted in January 2001.
- **Hexvix® PD**. A Phase II clinical trial evaluating Hexvix® PD's (photodiagnosis) ability to enhance the detection of bladder cancer was started in 4th quarter 2000
- **Photochemical Internalisation**. PhotoCure has established a new subsidiary PCI Biotech AS and has recruited an experienced management team to maximise the potential of this novel technology.
- **Oslo Listing**. An IPO on the Oslo Stock Exchange in May 2000 was accompanied by a share issue, which raised NOK 356.5 million.
- **Solid Financial Position**. Liquid funds totalled NOK 399.7 million and shareholders equity totalled NOK 357.4 million as at 31st December 2000. The company's operating deficit in 2000 was as budgeted and amounted to NOK 66.8 million.

The year **2001** will see PhotoCure achieve a number of major milestones, which will play a pivotal role in the company's ambition to create significant value from its world leading photoactivation technology. The key milestones that PhotoCure expects to deliver in the next twelve months are:

- **Metvix® PDT**. PhotoCure expects to gain its first approval for Metvix® PDT for the treatment of AK. On-going discussions with the regulatory authorities in Sweden indicate that this will happen medio 2001. Swedish Marketing authorisation for "High risk" BCC is expected later in the year. PhotoCure plans to file MAA for the rest of the EU through the Mutual Recognition Procedure during the year.
  Outside Europe PhotoCure expects to file MAAs for AK in the US, Australia, New Zealand and Switzerland. Filings for "High Risk" BCC are planned in Australia, New Zealand and Switzerland**.**
- **Hexvix® PD**. The company expects to start phase III trials for the PD of bladder cancer in Europe and USA
- **Benzvix®**. PhotoCure plans to complete pre-clinical studies, in order to start the clinical development of Benzvix®, a new photosensitiser, which will be targeted at the diagnosis/treatment of cancers of the gastrointestinal tract.
- **PCI Biotech AS** plans to launch its first product for the life science research market based on this unique delivery technology.

Financial accounts

Profit & Loss

	Three months ended		Twelve months ended	
Figures in NOK 1000	**31/12/00**	**31/12/99**	**31/12/00**	**31/12/99**
Operating revenues	488	378	2,131	1,095
Other revenues	310	366	2,558	2,500
Total revenues	**798**	**744**	**4,689**	**3,595**
Operating expenses				
Labour cost	1,501	4,572	17,440	13,750
External R&D	18,422	10,765	42,299	28,403
Ordinary depreciation	143	64	410	201
Other operating expenses	4,261	3,959	11,322	7,286
Total expenses	**24,327**	**19,360**	**71,471**	**49,640**
Operating loss	**-23,529**	**-18,616**	**-66,782**	**-46,045**
Net financial income	**6,913**	**1,159**	**16,794**	**4,538**
Loss before tax	**-16,616**	**-17,457**	**-49,988**	**-41,507**
Taxes				
Net loss	**-16,616**	**-17,457**	**-49,988**	**-41,507**
Net loss per share (1) (NOK)	-1.03	-1.30	-3.11	-3.09

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

Balance sheet

Figures in NOK 1000	**31/12/00**	**31/12/99**
Fixed assets	2,563	524
Receivables	2,604	975
Securities	366,009	84,924
Cash & cash equivalents	33,674	14,439
Total assets	**404,850**	**100,862**
Shareholders' equity	**357,360**	**68,228**
Long term liabilities	17,155	16,841
Current liabilities	30,335	15,793
Total equity and liabilities	**404,850**	**100,862**

The Full Year Report for 2000 is available on the following link: www.photocure.com.

PhotoCure ASA is a Norwegian listed company founded in 1993. PhotoCure ASA's mission is to develop and sell pharmaceuticals and medical devices based on proprietary photodynamic technologies. The company is developing products for skin cancer and other skin diseases, internal cancer, gene therapy and cancer vaccines. PhotoCure has filed two applications for European marketing approval for its first pharmaceutical product, Metvix®, for treatment of non-melanoma skin cancer (Basal cell carcinoma not suitable for traditional therapy) and pre-cancerous skin lesions (actinic keratosis) respectively. Hexvix®, PhotoCure's second pharmaceutical product, is currently in clinical phase II for photo detection of bladder cancer.

Oslo 14th of February 2001.

For more information contact:

PhotoCure ASA
Attn. Vidar Hansson, CEO
Hoffsveien 48
0377 Oslo
Norway

www.photocure.com

Telephone: +47 22 06 22 10
Fax: +47 22 06 22 18
E-mail: vh@photocure.no

Full Year Report 2000

PhotoCure ASA

Product development towards commercialisation on track

PhotoCure ASA is a Norwegian pharmaceutical company founded in 1993. The company's mission is to develop and sell pharmaceuticals and medical devices for photodynamic therapy and photodiagnosis of cancer and other diseases. Photodynamic therapy is a form of treatment, which makes use of light to activate light sensitive drugs. The company's products are based on proprietary technology developed through research carried out at the Norwegian Radium Hospital (Det Norske Radiumhospital, NRH) in Oslo.

PhotoCure's research and product development is based on its three platform technologies:

- Photodynamic Therapy (PDT) and Photodiagnosis (PD) based on the company's novel aminolevulinic acid (ALA) derivatives
- Photochemical synergism (PCS), and
- Photochemical internalisation (PCI).

The company currently has several products in development: the pharmaceutical products *Metvix®, Hexvix® and Benzvix®*, all of which are ALA derivatives and the light source *Curelight*. The two most advanced pharmaceutical products are Metvix® and Hexvix®. Development programs are on track as an European Marketing Authorisation Application for Metvix® is currently under review by the Swedish regulatory authorities and Hexvix® is currently the subject of multi-centre phase II clinical trial.

PCI Biotech AS was 1st of November 2000 established as a subsidiary of PhotoCure ASA to develop and commercialise the PCI technology.

Metvix® PDT closer to launch

Metvix® is PhotoCure's most advanced pharmaceutical product and its global development program has initially focused on the combination of Metvix® and Curelight as a topical treatment for non-melanoma skin cancers, including "high risk" Basal Cell Carcinoma (BCC), primary BCC and the pre-cancerous skin condition Actinic Keratosis (AK).

BCC is the most common form of skin cancer and is also the most common form of cancer of any kind amongst fair-skinned individuals. It should not be confused with malignant melanoma, which cannot not be treated with Metvix® PDT. AK is a pre-cancerous skin condition, also known as solar keratosis, that in some cases can progress to squamous cell carcinoma, a form of non-melanoma skin cancer that has the ability to metastasise to other parts of the body. BCC and AK are common disorders caused by exposure to sunlight, and their incidence is especially high amongst fair-skinned individuals living in sun rich areas. There are estimated to be more than 1.7 million cases of BCC and 15-20 million cases of AK each year in Europe, the U.S. and Australia. The fact that AK may progress to squamous cell carcinoma has led to increased attention to this condition and this change is expected to lead to an increase in the portion of cases that are treated.

The Metvix® PDT treatment regime consists of the application of Metvix® cream to the skin lesion followed by red light illumination by Curelight to the same area, three hours later.

Approximately 2,000 patients have been treated with Metvix® PDT during the course of 20 clinical trials, completed or ongoing, in approximately 100 clinical centres in Europe, U.S. and Australia. The clinical trials results obtained so far show that Metvix® PDT is an efficacious and safe treatment which produces a superior cosmetic outcome. In addition, the patients prefer the treatment.

The first Marketing Authorisation Application for Metvix® was filed for AK in May 2000 to the Swedish Authorities as the first step in a European approval procedure. PhotoCure received an initial preliminary assessment report from the regulatory authorities in November 2000 and based on this response and subsequent communication, the company expects to receive the first Marketing Approval for Metvix® in the middle of 2001. In addition, PhotoCure filed a second Marketing Authorisation Application for Metvix® for BCC that carry a high risk for complications and poor cosmetic outcome ("High risk" BCC) in January 2001. PhotoCure plans to file Marketing Authorisation Application for Metvix® in the rest of the EU through the Mutual Recognition procedure during 2001. Furthermore, PhotoCure also plans to file Marketing Authorisation Applications for Metvix® in Australia and New Zealand during the first quarter, and in the U.S. and in Switzerland during the second half of 2001.

Clinical trials Phase III are ongoing for primary BCC and early squamous cell carcinoma in situ, also called Bowens disease.

The positive data from the phase II and III Metvix® PDT clinical studies have been presented at a number of scientific conferences during year 2000. These conferences have included the PDT meeting in Leeds, the Annual Meeting of the Finish Dermatology Society, the 13th International Congress on PhotoBiology and 28th Annual Meeting of the American Society for Photobiology in San Francisco, the Annual Meeting of the Norwegian Dermatology Society in Tromsø as well as the European Academy of Dermatology and Venerology in Geneva.

PhotoCure intends to market Metvix® PDT in the Nordic region through its own sales force which is currently under establishment. For the rest of the world, the company is evaluating possible licensing arrangements with sales and marketing partners.

PhotoCure is also evaluating other medical indications in dermatology that can be treated by Metvix® and new products based on new proprietary chemical entities.

Hexvix® PDT in phase II clinical development

A European clinical phase II study with Hexvix® for bladder cancer PD was initiated 4th quarter of 2000. The diagnosis of bladder cancer is a major clinical problem globally. Although there are only approximately 100.000-150.000 cases of bladder cancer reported in the U.S. and Europe each year, an estimated 2.8 million cystoscopic procedures (for diagnostic purposes) are performed on bladder cancer patients annually. However, the main problem with conventional cystoscopy is that a significant number of early cancers are not detected, and hence, recurrence rates after treatment are reported to be as high as 70%. PhotoCure believes that Hexvix® in combination with blue light for diagnosis and red light for

treatment, will provide a substantial improvement in the early detection and treatment of bladder cancer.

The phase II clinical study for detection of bladder cancer using Hexvix® and blue light to improve the cystoscopic procedure will enrol a total of 50 patients. This study will take place at five different clinical centres in Europe and Phase III studies are scheduled to start during 2001.

In order to develop Hexvix® for the diagnosis and treatment of bladder cancer, PhotoCure is cooperating with amongst others the scientists at the Swiss Federal Institute of Technology as well as the University Hospital of Lausanne, Switzerland. The results so far indicate that Hexvix® PD provides clear clinical benefits and causes minimal side effects.

Meetings with regulatory agencies in Europe and the U.S. (FDA) have been held in order to achieve a common understanding of the documentation required to obtain regulatory approval for Hexvix® PD for bladder cancer.

Pre-clinical research and development with Benzvix® progressing

Benzvix® is being developed for the photodiagnosis and photodynamic therapy of pre-malignant and malignant lesions in the gastrointestinal tract including the oesophagus, stomach and colon. The product is in pre-clinical development with the chemical development program and the toxicology program ongoing.

PCI Biotech AS established

PhotoCure has established PCI Biotech AS as a subsidiary to ensure the optimal development of products based on this new and patented transfection technology platform. This technology platform is the basis for products aimed at both the research market and the clinical marked.

Dr. Andreas Grimeland is hired as the CEO of PCI Biotech AS. Dr. Anders Høgseth, one of the founders of this technology platform, is hired as Vice President of R&D and in addition two project managers are currently being recruited.

Improved financial situation

The PhotoCure group currently has limited sales of its products, which are under development and total sales in 2000 amounted to NOK 2.1 million as compared to NOK 1.1 million in 1999.

PhotoCure has earned NOK 2.5 million in government grants in 2000 from the Research Council of Norway (Norges forskningsråd, NFR). A similar grant of NOK 2.5 million has been approved for 2001.

The development of pharmaceuticals involves significant expenditures. As planned, and according to budget, the PhotoCure group's operating deficit amounted to NOK 66.8

million in 2000, compared to an operating deficit in 1999 of NOK 46.0 million. All research and development costs are expensed when incurred. The increase in the operating deficit reflects significant increased R&D activity, mainly in respect of Metvix® and Hexvix®. Higher wage and salary costs were due to the rise in the headcount as well as increased social security tax payments and provisions amounting to NOK 4.0 million which have resulted from the employee's share option scheme.

Net financial items for the group improved from a positive NOK 4.5 million in 1999 to NOK 16.8 million in 2000 as a result of the capital raised in May 2000 in connection with the listing of PhotoCure's shares on the Oslo Stock Exchange. The share issue raised a total of NOK 356.5 million (before deducting the expenses of the share issue totalling NOK 21.5 million). A total of 17,115,000 shares in PhotoCure ASA were outstanding on 31 December 2000 of which 25,000 shares were not yet registered in The Register of Business Enterprises.

The group's deficit amounted to NOK 50.0 million in 2000, compared to a deficit of NOK 41.5 million in 1999. PhotoCure ASA (the mother company) had a deficit of NOK 49.7 million in 2000 compared to a deficit of NOK 41.5 million in 1999. The Board of Directors proposes that the deficit for the year is to be covered by a transfer from the company's share premium reserve. The Board does not propose the payment of any dividend in respect of the 2000 financial year.

The group has adopted a cautious investment strategy for its liquid assets. These are invested in bank deposits and money market funds with maturities of up to 1 year. The return on the company's liquid assets is dependent on interest rates in the money market and can accordingly fluctuate considerably. Liquid funds amounted to NOK 399.7 million and shareholders' equity for the group amounted to NOK 357.4 million at 31 December 2000.

The group incurs costs in a number of foreign currencies, and also receives income denominated in foreign currencies. PhotoCure is accordingly exposed to movements in exchange rates. The company is continually assessing this foreign exchange risk.

The financial statements have been prepared on the assumption that the company is a going concern, cf. Section 4-5 of the Accounting Act.

There have been no events since the end of the 2000 financial year that are of any material significance to an evaluation of the company's financial condition and results.

Organisation

During 2000, PhotoCure moved into new office facilities in Oslo, adjacent to the Norwegian Radium Hospital. The company had 22 employees at the end of 2000, as compared to 17 employees at the beginning of the year.

The working environment in the company is considered good. No accidents or injuries were recorded in 2000. Absence from work due to sickness totalled 3,7% of the working days for the year. One employee of the company has been registered as being on long-term sick leave.

The company does not pollute the external environment.

Future prospects

The focus of the company's research and development activity is now on Metvix® PDT and Hexvix® PD. PhotoCure expects to obtain Marketing Authorisation for Metvix® in Sweden in the middle of 2001 and plans to file for Marketing Authorisations in the rest of EU through the Mutual Recognition procedure during 2001. Furthermore, MAA's for Metvix® are planned to be filed in Australia, New Zealand, Switzerland and the U.S. during 2001. In addition, phase III studies for Hexvix® PD are planned to start during the year.

Future research and development activities will be focused to an increasing extent on the diagnosis and treatment of various types of internal cancer and pre-cancerous lesions. As a result of PhotoCure's continuing significant investments in research and development, the company expects to incur a loss also in 2001.

PhotoCure is a development stage pharmaceutical company that reached all pre-set milestones for year 2000 and made significant progress towards the commercialisation of its first products during the year. The company would however like to stress that there are still risks associated with the development and commercialisation of its products.

Oslo, 13th of February 2001

Halvor Bjerke, Chairman — Per-Olof Mårtensson, Deputy Chairman

Tharald Brøvig — Stener Kvinnsland

Lars Lindegren — Åse Aulie Michelet

Vidar Hansson, President and CEO

This is a translation from Norwegian.