

Appendix

Information from Photocure on financial and strategic implications of the transaction

Key pro forma figures (all figures in NOK thousand)

Profit & Loss

	<i>Published financial report</i>		<i>Discontinued operations</i>		<i>Continued operations</i>	
	2009 1.1-30.6	2008 1.1-31.12	2009 1.1-30.6	2008 1.1-31.12	2009 1.1-30.6	2008 1.1-31.12
Sales revenues	57 962	100 917	36 385	64 063	21 577	36 854
Signing fee and milestone revenues		1 303		1 303	0	0
Total revenues	57 962	102 220	36 385	65 366	21 577	36 854
Cost of products sold	-9 538	-19 074	-7 525	-14 699	-2 013	-4 374
Gross profit	48 424	83 147	28 860	50 667	19 564	32 480
Other income	2 023	6 257	0	0	2 023	6 257
Indirect manufacturing expenses	-4 929	-8 607	-1 009	-1 694	-3 920	-6 913
Research and development expenses	-32 897	-84 303	-481	-1 557	-32 416	-82 746
Marketing and sales expenses	-23 301	-45 916	-10 787	-21 642	-12 514	-24 274
General and administrative expenses	-9 561	-17 951	-1 025	-362	-8 536	-17 589
Operating profit/loss(-)	-20 240	-67 374	15 558	25 412	-35 799	-92 786
Financial income	7 092	16 103			7 092	16 103
Financial expenses	-7 559	-13 111			-7 559	-13 111
Net financial profit/loss(-)	-467	2 991	0	0	-467	2 991
Profit/loss(-) before tax	-20 706	-64 382	15 558	25 412	-36 266	-89 794
Tax expenses	0	0	0	0	0	0
Net profit/loss(-)	-20 706	-64 382	15 558	25 412	-36 266	-89 794
Other comprehensive income	1 048	0	0	0	1 048	0
Comprehensive income	-19 658	-64 382	15 558	25 412	-35 218	-89 794

Balance sheet

Balance Sheet (all amounts in NOK 1,000)

	30.06.2009	31.12.2008	30.06.2009	31.12.2008	30.06.2009	31.12.2008
Non-current assets						
Intangible assets, software	472	534			472	534
Machinery & equipment	3 449	3 939	1 436	1 548	2 013	2 391
Other investments	8 384	11 528			8 384	11 528
Total non-current assets	12 305	16 001	1 436	1 548	10 869	14 453
Current assets						
Inventory	19 013	12 792	5 903	5 461	13 110	7 331
Receivables	30 617	29 158	13 442	8 253	17 175	20 905
Cash & cash equivalents	150 556	179 897				
Total current assets	200 185	221 846	19 345	13 714	180 840	208 133
Total assets	212 490	237 847	20 781	15 262	191 709	222 585
Equity and liabilities						
Paid-in capital	11 047	11 047			11 047	11 047
Other paid-in capital	190 476	15 467			190 476	15 467
Retained earnings	-19 658	173 181	18 083	12 617	-37 741	160 564
Total equity	181 864	199 694	18 083	12 617	163 782	187 077
Liabilities						
Long-term liabilities						
Other non-current liabilities	0	0				
Total long-term liabilities	0	0	0	0	0	0
Current liabilities	30 627	38 153	2 698	2 645	27 929	35 508
Total liabilities	30 627	38 153	2 698	2 645	27 929	35 508
Total equity and liabilities	212 490	237 847	20 781	15 262	191 710	222 585

The divested products, consisting of the Metvix[®] cream and the Aktilite[®] light source, was first approved in EU in 2001 and internationally launched by Galderma in 2003. Metvix[®] is a topical cream that is applied on the skin for 3 hours. Then the diseased area is exposed to uniform red light of 633 nm wavelength from Aktilite[®] for approximately 10 minutes which destroys cancerous cells.

Metvix[®]/Aktilite[®] is now approved for treatment of BCC (basal cell carcinoma, non-malignant skin cancer) and AK (actinic keratosis, pre-cancerous skin lesions) in over 30 countries, including the EU, Australia, New Zealand and Brazil. Metvix[®]/Aktilite[®] were

recently also recognized for treatment of Bowen's disease in 22 European countries. In the US, Metvix[®]/Aktilite[®] were approved for AK in 2008.

The transfer of rights, assets and liabilities to Galderma includes Photocure's Nordic marketing and sales organisation for Metvix[®] and Aktilite[®], which comprises 10 employees in Norway, Denmark, Sweden and Finland. The employees have been informed that the responsibility for their employment contracts will be transferred to Galderma. Sales outside of the Nordic region were already out-licensed to Galderma.

Following the divestment of Metvix/Aktilite, Photocure will focus its dermatology activities on the development and commercialisation of Visonac[™] and in-licensing of other products to establish a strong commercial platform with PDT based technology.

As described above, Photocure will deploy the proceeds from the divestment into the development and commercialisation of new products and markets. The company had a net cash position of NOK 151 million at 30 June, 2009, and will after the transaction have funding for both the current development program and to evaluate new opportunities.