

# PCI Biotech Holding ASA – Report 1<sup>st</sup> Quarter 2009

## Highlights

(1Q 2008 figures)

- **PCI Biotech-led consortium ranked 3rd of more than 300 European projects and awarded € 1.1 million grant from the EU Eurostars Programme**
- **Revenue of NOK 1.7 million in research grants (NOK 1.6 million)**
- **Total expenses of NOK 7.0 million (NOK 5.1 million)**
- **Cash of NOK 45.8 million at the end of first quarter 2009 (NOK 50.1 million at end 2008)**
- **Kristin Eivindvik MSc employed as Project Director**

\* \* \*

- **In addition, Clinical Trial Application for extension of the Amphinex phase 1 study to University College London Hospital approved by UK authorities in April**

## Good progression in research and development

PCI Biotech Holding ASA (PCI Biotech) focuses on the development of technology and products for the delivery of marketed drugs and drugs in development. The company has a patented technology platform within photochemical internalization (PCI), which can be used to increase the effectiveness of cytotoxics and other drugs by combining a light sensitive substance and light to deliver drugs into cells.

A PCI Biotech-led consortium that also comprises the two companies, SpectraCure (Sweden) and siRNAsense (Norway), was in the first quarter informed that it has been awarded € 1.1 million over 3 years from the Eurostars Programme. The project is entitled "Photochemical Internalisation for delivery of short interfering RNA (siRNA) - towards safe and specific cancer therapy". All the European project applications were assessed by carefully selected independent technical experts and an independent evaluation panel. They were then ranked across all industries based on an assessment of the project content, technology and innovation, and market and competitiveness factors. The PCI Biotech-led project was ranked as number three of the over 300 submitted applications.

Preparations for the start-up of the first clinical study with the PCI technology at the clinical trial unit at the Radium Hospital in Oslo were completed in 2008. The focus of the study will be on the safety profile of Amphinex<sup>®</sup> in combination with the cytotoxic Bleomycin. It has been more difficult than expected to get access to patients for this study in Norway. The company is therefore in the process of including the University College London Hospital in the study. The Clinical Trials Application has been approved by UK authorities and contract negotiations with the hospital are at an advanced stage.

## PCI Biotech strengthens its organization

PCI Biotech has further strengthened its organisation with the hiring of Kristin Eivindvik as Project Director from 1<sup>st</sup> March 2009. She was recently VP of Business Operations at Alertis Medical, and prior to this Global Project Director for pharmaceutical development projects at GE Healthcare.

Kristin Eivindvik has a MSc in pharmacy from the University of Oslo and has extensive experience within pharmaceutical and medical device development.

### **Results from 1<sup>st</sup> Quarter 2009**

Revenue was NOK 1.7 million in the first quarter of 2009 compared to NOK 1.6 million in the first quarter of 2008. The revenue is research grants from Norway and the EU.

Total expenses were NOK 7.0 million in the first quarter of 2009 compared to NOK 5.1 million in the first quarter of 2008.

Operating profit/loss was NOK –5.2 million in the first quarter of 2009, compared to NOK –3.5 million in the first quarter of 2008.

Net cash flow from operations was NOK -5.1 million in the first quarter of 2009 compared to NOK -2.1 million in the first quarter of 2008.

Cash and cash equivalents were NOK 45.8 million at the end of first quarter 2009 and NOK 50.1 million at the end of 2008. The funds are placed in Norwegian money market funds with approximately 3 months maturity. Total equity was NOK 45.0 million at the end of first quarter 2009 and NOK 49.3 million at the end of 2008. There were 5,416,390 shares outstanding on 31 March 2009.

### **Future prospects**

PCI Biotech will continue to focus on the development of the drug delivery products based on the company's unique technology platform.

Within research and development the focus will be on the performance of PCI Biotech's first clinical study at University College London Hospital and the Norwegian Radium Hospital, as well as continuing the pre-clinical activities to expand the application of the company's technology.

The Board of  
PCI Biotech Holding ASA  
Oslo, 29<sup>th</sup> of April 2009

## Financial statements

The financial statements have been prepared in accordance with IAS34 Interim Financial Statements and give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations. The first quarter 2009 financial statement is unaudited.

**PCI Biotech Holding ASA**  
**Profit & Loss**  
*(all amounts in 000 NOK)*

Q1 2009	Q1 2008		2009 1.1-31.3	2008 1.1-31.3	2008 1.1-31.12
1 716	1 554	Other Income	1 716	1 554	7 367
<b>1 716</b>	<b>1 554</b>	<b>Total revenue</b>	<b>1 716</b>	<b>1 554</b>	<b>7 367</b>
-4 960	-4 704	Research and development expenses	-4 960	-4 704	-14 323
-2 002	-390	General and administrative expenses	-2 002	-390	-5 182
<b>-6 962</b>	<b>-5 094</b>	<b>Operating costs</b>	<b>-6 962</b>	<b>-5 094</b>	<b>-19 505</b>
<b>-5 246</b>	<b>-3 540</b>	<b>Operating profit/loss(-)</b>	<b>-5 246</b>	<b>-3 540</b>	<b>-12 138</b>
867	32	Financial income	867	32	992
-43	-12	Financial expenses	-43	-12	-229
<b>824</b>	<b>20</b>	<b>Net financial profit/loss(-)</b>	<b>824</b>	<b>20</b>	<b>763</b>
<b>-4 422</b>	<b>-3 520</b>	<b>Profit/loss(-) before tax</b>	<b>-4 422</b>	<b>-3 520</b>	<b>-11 375</b>
0	0	Tax expenses	0	0	0
<b>-4 422</b>	<b>-3 520</b>	<b>Net profit/loss(-)</b>	<b>-4 422</b>	<b>-3 520</b>	<b>-11 375</b>
0	0	Other comprehensive income	0	0	0
<b>-4 422</b>	<b>-3 520</b>	<b>Comprehensive income</b>	<b>-4 422</b>	<b>-3 520</b>	<b>-11 375</b>
-0,82		Net income/loss(-) per share, basic (1)	-0,82		(2,82)
-0,82		Net income/loss(-) per share, diluted (2)	-0,82		(2,82)

(1) Basic income/loss per share is calculation based on average weighted number of shares outstanding.

(2) Diluted income per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

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

	31.03.2009	31.03.2008	31.12.2008
<b>Non-current assets</b>			
Intangible assets	63	117	76
Machinery & equipment	178	13	119
<b>Total non-current assets</b>	<b>241</b>	<b>130</b>	<b>195</b>
<b>Current assets</b>			
Receivables	3 629	2 881	4 238
Cash & cash equivalents	45 757	1 649	50 142
<b>Total current assets</b>	<b>49 387</b>	<b>4 530</b>	<b>54 380</b>
<b>Total assets</b>	<b>49 627</b>	<b>4 660</b>	<b>54 575</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Paid-in capital	104 842	20 443	104 700
Retained earnings	-59 821	-18 724	-55 399
<b>Shareholders' equity</b>	<b>45 021</b>	<b>1 719</b>	<b>49 301</b>
<b>Liabilities</b>			
Payables	1 661		
Current liabilities	4 607	2 941	5 275
<b>Total liabilities</b>	<b>4 607</b>	<b>2 941</b>	<b>5 275</b>
<b>Total equity and liabilities</b>	<b>49 627</b>	<b>4 660</b>	<b>54 576</b>

**Statement of changes in equity (all amounts in 000 NOK)**

	2009 1.1-31.3	2008 1.1 - 31.3	2008 1.1 - 31.12
<b>Equity at beginning of period</b>	<b>49 301</b>	<b>5 239</b>	<b>5 239</b>
Share issue			60 000
IPO, expenses			-4 954
Consolidation effect			-24
Share-based compensation	142		415
Net income/loss(-) for the period	-4 422	-3 520	-11 375
<b>Equity at end of period</b>	<b>45 021</b>	<b>1 719</b>	<b>49 301</b>

0

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

	2009 1.1-31.3	2008 1.1 - 31.3	2008 1.1 - 31.12
Profit/loss(-) before tax	-4 422	-3 520	-11 375
Other operational items	-675	1 470	1 966
<b>Net cash flow from operations</b>	<b>-5 096</b>	<b>-2 050</b>	<b>-9 409</b>
Cash flow from investments	710		810
Cash flow from capital transactions	0		55 042
<b>Net change in cash during the period</b>	<b>-4 386</b>	<b>-2 050</b>	<b>46 444</b>
Cash & cash equivalents at beginning of period	50 142	3 699	3 699
<b>Cash &amp; cash equivalents at end of period</b>	<b>45 757</b>	<b>1 649</b>	<b>50 142</b>