PHOTOCURE ASA

BUILDING A SPECIALTY PHARMA COMPANY

AUGUST 28, 2015

Disclaimer

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Investment Highlights

- World leader in photodynamic technology
  - Hexvix® commercialized globally
  - Robust product pipeline
- Growing in-market sales +17% LTM 2Q2015 at NOK 195 MNOK
  - Driven by Hexvix®/Cysview® for improved detection of bladder cancer and patient management
  - Significant Hexvix /Cysview growth opportunities in new territories and market segments
- Profitable Hexvix/Cysview commercial franchise
  - Commercial operations in Nordic region and United States
  - Strategic partnership with Ipsen in EU
- High potential pipeline addressing significant unmet medical needs
  - Cevira® Phase 3 targeting HPV and pre-cancerous lesions of the cervix
  - Visonac® Phase 3 for the treatment of Acne

Creating Value
Diverse Product Portfolio

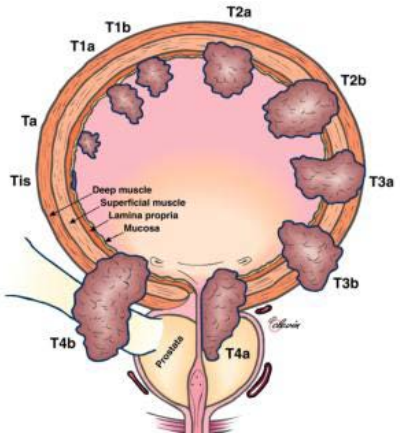
	Indication	Phase 1	Phase 2	Phase 3	Market	Status
Hexvix® (EU) Cysview® (US)	Optical imaging agent for improved bladder cancer detection and management					Marketed as adjunct to white light cystoscopy Phase 3 trial for expansion to surveillance market initiated
Cevira®	Treatment of precursors of cervical cancer					Positive Phase 2b results SPA approved 3Q Exploring partnerships
Visonac®	Treatment of moderate to severe acne					Positive Phase 2b results SPA and PIP approved Exploring partnerships

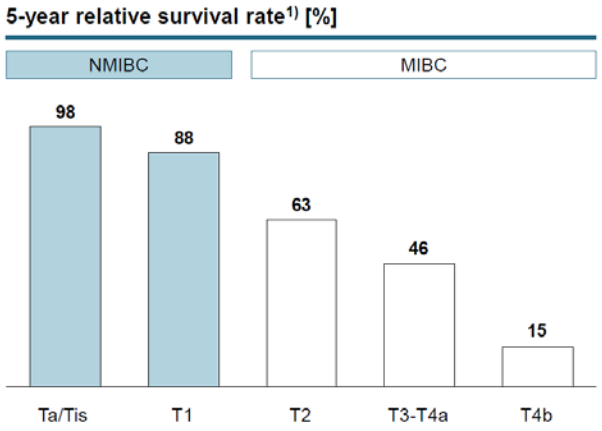
Hexvix/Cysview

First significant advance for the improved detection and management of bladder cancer in >50 years

Bladder Cancer
Prevalent, Recurring, Progressing and Expensive

- **5th most common cancer type**
  - Most expensive cancer: $96-187K/patient[1]
  - > 200,000 new patients annually
  - 75% of patients diagnosed with NMIBC[2]
- **Key therapeutic aim is to avoid progression from NMIBC to muscle invasive disease**
  - ~ 6 million cystoscopies annually
  - ~ 600,000 procedures (TURBs[3]) annually
  - 10 – 30% progression rate
- **Regular ongoing surveillance required**
  - Recommend follow up cystoscopies every 3-9 months



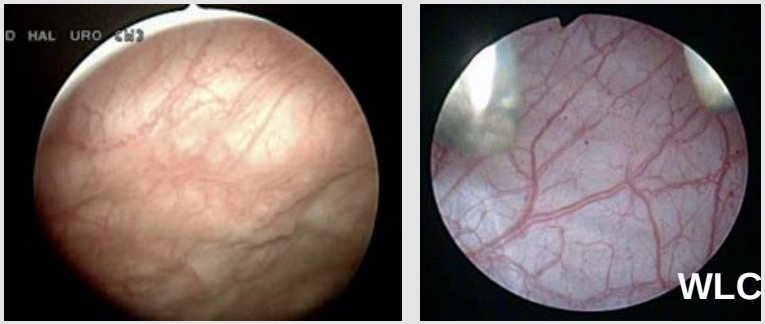


1) Scand J Urol Nephrol 2002; 36:344-7; 2) Non-muscle invasive Bladder cancer; 3) trans-urethral resection of the bladder

Hexvix/Cysview[1]
Seeing Bladder Cancer in a Different Light

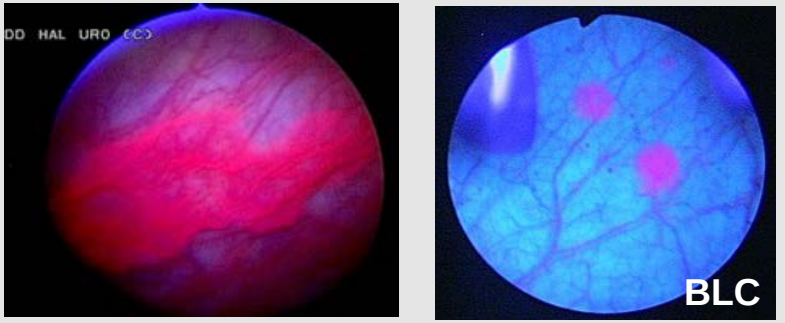
White Light Cystoscopy (WLC)

- Standard procedure used in the detection and monitoring of bladder cancer
- Key Challenges:
  - Detection rate
  - High recurrence and progression rate
  - Cost



Hexvix / Cysview (Blue LC)

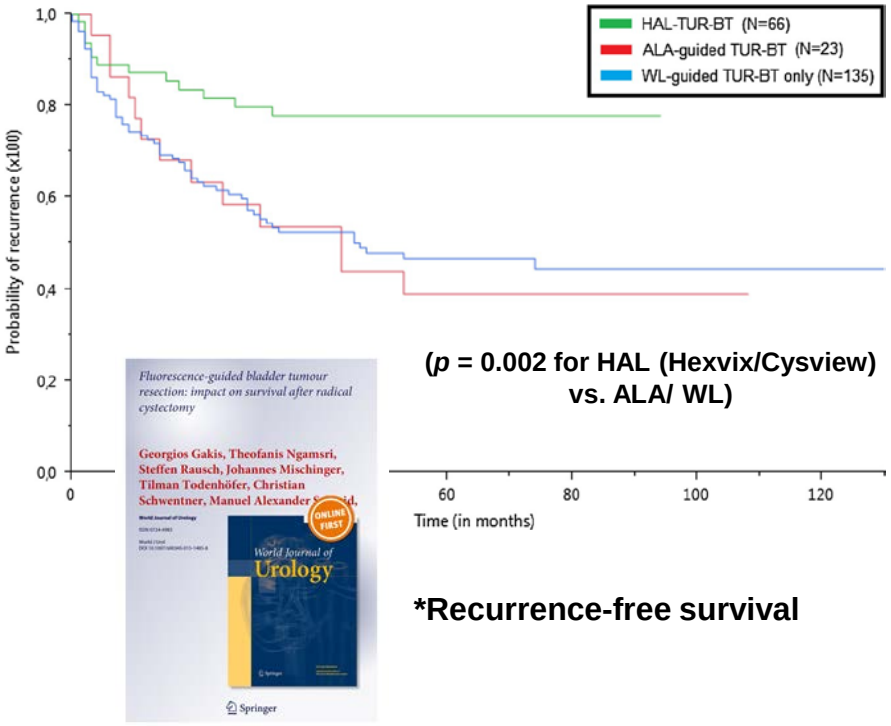
- Optical imaging agent + blue light adjunct for known/suspected bladder cancer
- Key Attributes:
  - Improved detection rates
  - Reduced recurrence rate
  - Beneficial impact on costs



1) Hexaminolevulinate HCl; Hexvix® (brand name in Europe) approved in 2005; Cysview® (brand name in US) approved in 2010

Hexvix/Cysview
Medical Benefits Validated

- **Landmark Meta-Analysis published in *European Urology* (2013)[1]**
  - significantly improves the detection of bladder cancer
  - reduces the risk of recurrence
- **Continued positive data flow fuels forward momentum**
  - *World Journal of Urology (2015)* publication validating positive impact on overall and progression free survival[2]
- **Transforming clinical practice**
  - Included in European and National Guidelines in several EU countries
  - Recommended use in 50-70% of TURB procedures[3]



(*p* = 0.002 for HAL (Hexvix/Cysview) vs. ALA/ WL)

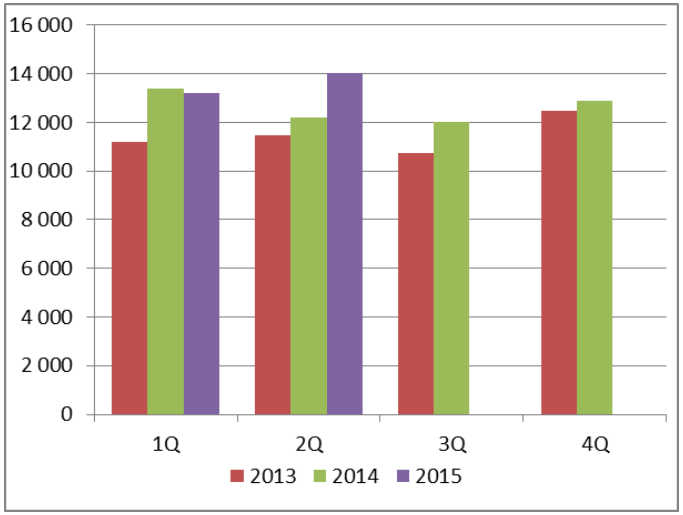
***Recurrence-free survival**

Source: 1.Landmark meta-analysis conducted on data from nine prospective studies incl. 1,345 patients published in European Urology (2013) – considered level Ia evidence, highest level of evidence as defined by AMA; 2. Gakis G, etal, World J Urol Jan 17, 2015 3 . Babjuk et al., Guidelines on non-muscle-invasive bladder cancer (Ta, T1 and CIS). EAU, 2014.

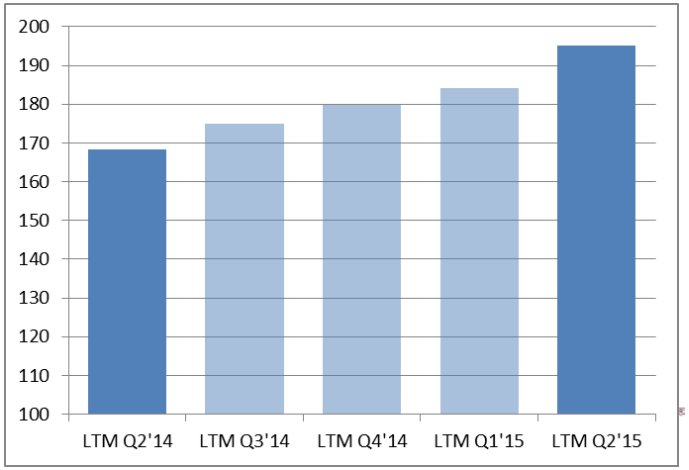
Hexvix/Cysview
A Significant Global Specialty Brand

- **Value of in-market sales of Hexvix/Cysview increased YOY 17% LTM 2Q2015 to NOK 195 MNOK**
- **Hexvix/Cysview global in-market volume growth 15% 2Q215**
  - Continued growth by increased market share of TURBs across all regions
- **Increased momentum in the US**
  - Revenue growth YOY of 117% 1H2015, driven by in-market volume growth of 57% as well as price increases and Fx
  - Increased number of new key hospitals with permanent Blue Light Cystoscopes to 58 at end of Q2 2015
  - Continued progress towards sustainable reimbursement
- **Overall franchise operating profit year to date at NOK 14.1 million, improvement of NOK 8.7 million from prior year**

Global in-market unit sales (by Q)



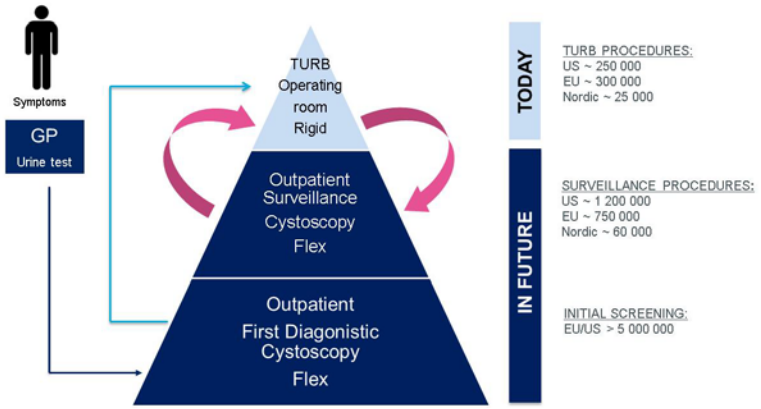
Global in-market value NOK mill (LTM)



Hexvix/Cysview
Future Growth Drivers

- **Volume growth in existing markets**
  - Increased penetration in the US
  - Incorporation in national guidelines (EU & US); publication of expert opinions
- **Expand into new markets**
  - Surveillance following initial diagnosis represents significant opportunities
  - Positive early clinical experience with flexible cystoscope
  - Clinical trials (Phase 3 and IITs) planned/underway
- **Expand into new territories**
  - In May, distribution agreement with Juno Pharmaceuticals for Hexvix in Australia and New Zealand with potential of 25 000 bladder cancer resections (TURBs) each year
  - In August, distribution agreement with BioSyent Pharmaceuticals for Cysview in Canada with potential of 25 000 bladder cancer resections (TURBs) each year
  - Recent approval of Hexvix in Russia

Global Cystoscopy Market Consists of Three Distinct Market Segments

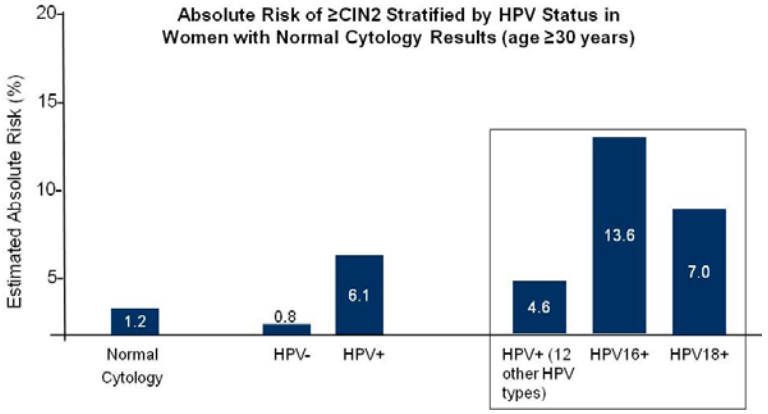


Cevira

Novel treatment for HPV related diseases of the cervix

Cevira[1]
Addressing Unmet Needs in Cervical Disease

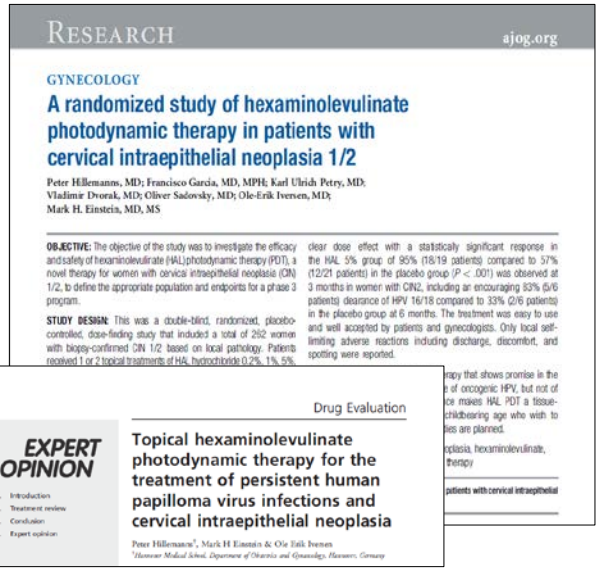
- **Oncogenic Human Papilloma Virus (HPV) is a highly prevalent sexually transmitted disease**
- **Well established cause of Cervical Intraepithelial Neoplasia (CIN) and cervical cancer**
  - Close association of HPV induced cell changes and invasive cancer
  - 30 million women globally with low grade lesions/CIN1; 10 million with high grade lesions/CIN2
- **High unmet medical need for novel therapies**



1) Hexaminolevulinate Cevira® (investigational agent) with fully integrated light device

CEVIRA
A Major Opportunity

- **Breakthrough single use and fully integrated drug-device technology to satisfy high need for novel therapies to treat global epidemic of HPV/CIN populations**
  - A well tolerated non-systemic treatment option for patients which preserves fertility and avoids the morbidities of invasive surgery
- **Results of the Phase 2b trial are significant**
  - Statistically significant HSIL (CIN2,3) regression in the FDA agreed phase 3 patient population (p=0.004)
  - Statistically significant virologic clearance of oncogenic HPV at 9 months after first treatment (p=0.045)
  - Excellent tolerability and high physician & patient acceptance
- **Achieved Special Protocol Agreement with FDA in August for patients with HSIL**
  - Alignment on clinical phase 3 program of two similar double blind, placebo controlled studies with ~200 patients in each study with primary efficacy end point 6 months after treatment


RESEARCH ajog.org

GYNECOLOGY

A randomized study of hexaminolevulinate photodynamic therapy in patients with cervical intraepithelial neoplasia 1/2

Peter Hillemanns, MD; Francisco Garcia, MD, MPH; Karl Ulrich Petry, MD; Vladimir Dvorak, MD; Oliver Sadovsky, MD; Ole-Erik Iversen, MD; Mark H. Einstein, MD, MS

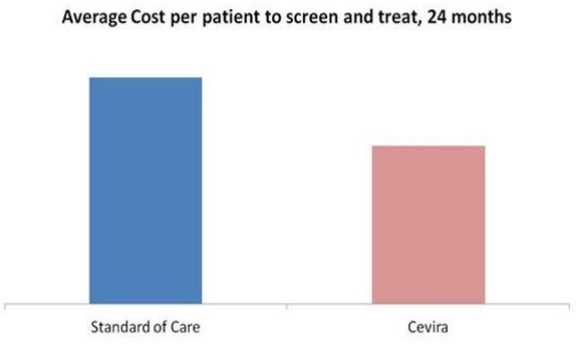
Drug Evaluation

EXPERT OPINION

Topical hexaminolevulinate photodynamic therapy for the treatment of persistent human papilloma virus infections and cervical intraepithelial neoplasia

CEVIRA
Significant Sales Potential

- **Large patient population based on biopsy confirmed histology of HSIL**
  - ~1M cases HSIL annually in US & West EU[1,2] detected through routine cervical screening programs; 50% of these are caused by HPV strain 16 or 18[3]
  - ~30% risk of progress to cervical cancer[4]
  - Upside exists in Latin America, Asia and East EU, where burden of HPV is higher
- **LCM Opportunity for clearance of oncogenic HPV in patients with normal cytology/LSIL**
  - It is estimated that ~35M are HPV infected in US & EU, with a prevalence of HPV strains 16 or 18 of 32% (~11M)
  - 10-15M cases oncogenic HPV annually in US & West EU[6] detected through routine cervical screening programs
  - Persistent infection occurs in 10-20% of the cases[7]
- **Blockbuster sales potential based on premium pricing opportunity**
  - At premium price levels, cost impact model demonstrates cost savings / benefit to the US health care system as compared to current treatment practice[5]
  - Additional significant savings when avoidance of costs associated with preterm births factored in[5]
- **Continued discussions with potential partners for development and commercialization**



1.Solomon 2007, Antilla 2009 2. Stoler 2011, Wright 2012 3. Smith 2007 4. Stanley 2010 5. Internal assessment perfomed by Bridgehead 6. Wright 2012, Dunne 2007 7. Moscicki 1998

Visonac

Novel non-antibiotic treatment of acne

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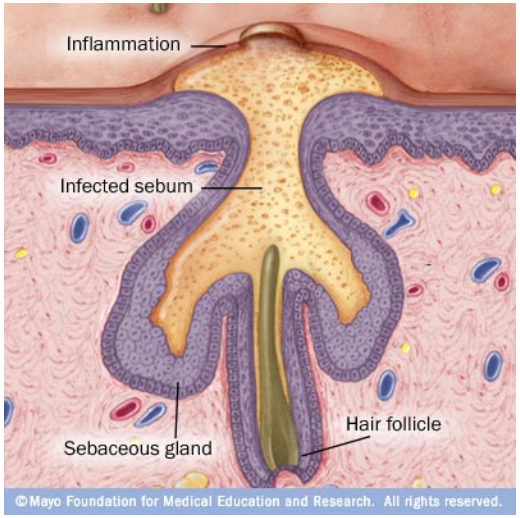
Visonac[1]
First Photodynamic Treatment for Inflammatory Acne

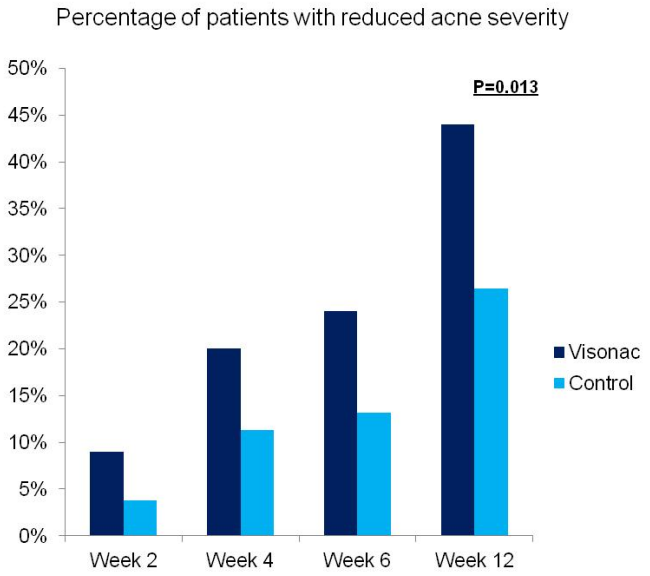
- **Late Stage Development Compound**
  - Phase 3 ready
  - Development and regulatory risks significantly reduced
- **High Market Need**
  - Current treatment options, antibiotics and isotretinoin, hampered by possible development of antibiotic resistance and major safety issues
  - Need to improve patient compliance through MD controlled treatment options
  - Large unsatisfied patient population with >2 million patients in EU and USA in need of second line treatment options
  - Payers and patients willingness to pay due to limited effective and safe treatment options

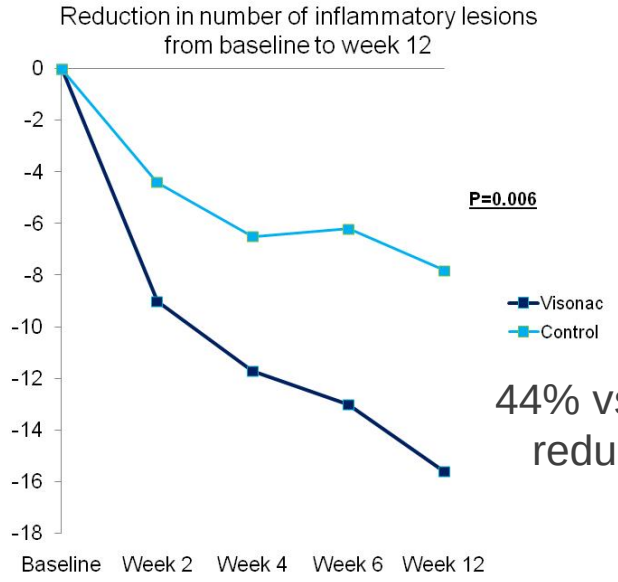


1) Methyl aminolevulinate 80mg/g photodynamic therapy

Visonac
Strong Phase 2b Results

- **Solid Phase 2b results**
  - Significant reduction in inflammatory lesions
  - Overall improvement in acne severity
  - Well tolerated regimen
- **Ready for Phase 3 registration trials**
  - Clinical Phase 3 program in place and SPA obtained from FDA
- **Patent coverage across major markets to 2025**
- **Partner search for development and commercialization ongoing**



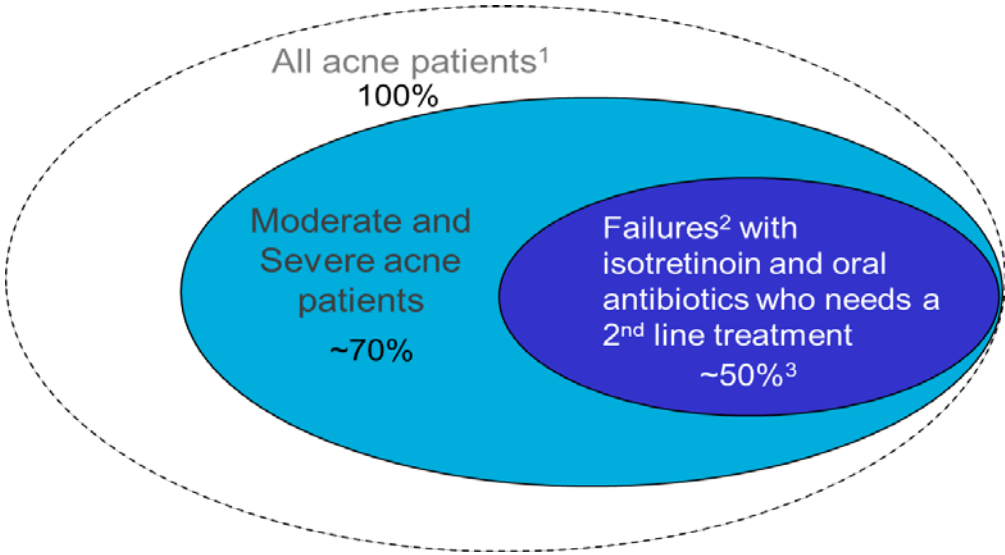


44% vs. 27% reduction

Source: Presented at AAD 2013 (Dr. D Pariser)

Visonac
Significant Sales Potential

- **$900M USD Market in Moderate-Severe Acne**
  - Dermatologists are main prescriber of oral antibiotics and retinoids
- **Visonac positioned as second line alternative**
  - Over 2M patients in need of second line treatment options (U.S. and EU)
  - Favorable risk profile compared to existing treatment options
  - Sustained efficacy allows for premium price



[1]Patients who require some form of prescription medicine treatment

[2]Patients who are unsuitable for, or recalcitrant to, oral antibiotics and/or isotretinoin

[3]Estimate based on market research among dermatologists

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Financials


Our mission is to improve
patient care and quality of life
by making solutions based on
photodynamic technology
accessible to patients and
consumers worldwide

Financials 2012-2015

- **Financial run rates reflecting PHO growth within specialty pharma**
- **Commercial activities profitable from 2014**
  - Q2 2015 LTM sales revenue growth YoY 26% (measured in NOK)
  - Significant reductions in operational expenses
- **R&D spending still significant given strong product pipeline**
  - R&D 23% of total Opex

MNOK	2012 FY	2013 FY	2014 FY	Q2 '15 LTM
Hexvix own revenues	29,5	38,1	45,7	54,3
Hexvix partner revenues	38,3	39,8	46,3	50,1
Hexvix / Cysview revenues	**67,8**	**77,9**	**92,0**	**104,4**
Other sales revenues	7,3	1,4	1,6	5,1
Total sales revenues	**75,1**	**79,3**	**93,6**	**109,6**
Signing fee and milestones	58,7	4,3	35,4	37,6
Total revenues	**133,8**	**83,6**	**129,0**	**147,1**
Cost of goods sold	-9,4	-6,8	-7,0	-7,6
Gross profit	**124,4**	**76,8**	**122,0**	**139,5**
Other income	2,2	1,6	-	-0,0
Research & Development	-50,1	-34,0	-32,6	-31,4
Sales & Marketing	-70,2	-68,4	-54,6	-61,3
Other Opex	-45,6	-47,8	-40,5	-42,1
Operating expenses	-163,7	-148,6	-127,6	-134,8
EBIT recurring	**-39,2**	**-71,8**	**-5,6**	**4,7**

Segments and Profit/Loss
Second quarter 2015

- **Commercial franchise**
  - Continued improvement in revenues (+39% year to date) and EBIT
  - EBIT margin year to date at 22%
- **Development portfolio:**
  - Activities related to Cevira SPA
  - Cysview post marketing commitment phase 3 capitalized
- **Total Opex increased 12% in year to date**
  - Increased investment in S&M and FX impact

MNOK	Q2 '15	Q2 '14	YTD '15	YTD '14	LTM
Commercial Franchise					
Total revenues	**34,8**	**25,5**	**64,4**	**46,2**	**116,4**
Gross profit	**32,6**	**23,5**	**60,2**	**42,6**	**108,8**
Operating expenses	-22,7	-18,1	-46,1	-37,2	-84,1
EBIT	**9,9**	**5,4**	**14,1**	**5,4**	**24,6**
Development Portfolio					
Total revenues	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**
Gross profit	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**
Operating expenses	-11,8	-11,0	-23,2	-24,8	-50,7
EBIT	**-11,8**	**-11,0**	**-23,2**	**-24,8**	**-50,7**
Total					
EBIT	**-1,9**	**-5,7**	**-9,1**	**-19,4**	**-26,0**
(*) One-Off's excluded					
Salix termination fee					30,8

Operating loss (EBIT) at NOK 1.9 million in 2Q and NOK 9.1 million year to date

Improvements of NOK 10 million from first half last year

Cash balance of NOK 147 million at end of 2Q2015

Outlook


Our mission is to improve
patient care and quality of life
by making solutions based on
photodynamic technology
accessible to patients and
consumers worldwide

Outlook

FINANCIAL

- Hexvix/Cysview global in-market unit sales growth of ≥10% in 2015

CLINICAL

- Initiate necessary documentation for the Cevira device to ensure readiness for the Phase 3 trial following the SPA approval
- Initiate Phase 3 clinical trial to expand the use of Hexvix/Cysview into the surveillance market and fulfill the US post marketing commitments in 2015

PARTNERSHIP

- Secure partnership for further development and commercialization of Visonac and Cevira reflecting the product potential

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Q&A


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Attachments

Largest Shareholders

Shareholder	Account type	Citizen	No of shares	%
J.P. MORGAN CHASE BANK N.A. LONDON	NOM	GBR	3 153 874	14,72 %
RADIUMHOSPITALETS FORSKNINGSSTIFTELSE		NOR	1 929 000	9,00 %
FONDSFINANS NORGE		NOR	1 475 000	6,88 %
KLP AKSJE NORGE VPF		NOR	1 279 984	5,97 %
KOMMUNAL LANDSPENSJONSKASSE		NOR	950 000	4,43 %
MP PENSJON PK		NOR	825 000	3,85 %
SKAGEN VEKST		NOR	626 466	2,92 %
DANSKE INVEST NORSKE INSTIT. II.		NOR	422 703	1,97 %
VERDIPAPIRFONDET EIKA NORGE		NOR	406 517	1,90 %
ARTAL AS		NOR	381 118	1,78 %
BERGEN KOMMUNALE PENSJONSKASSE		NOR	370 000	1,73 %
DANSKE INVEST NORSKE AKSJER INST		NOR	360 714	1,68 %
FONDSFINANS GLOBAL HELSE		NOR	357 806	1,67 %
VICAMA AS		NOR	345 384	1,61 %
VERDIPAPIRFONDET DNB NORGE (IV)		NOR	287 193	1,34 %
RUL AS		NOR	281 475	1,31 %
POLAR CAPITAL GLOBAL HSBC BANK PLC.		GBR	254 537	1,19 %
SVENSKA HANDELSBANKEN		SWE	250 000	1,17 %
VERDIPAPIRFONDET DNB SMB		NOR	217 500	1,02 %
HOLMEN SPESIALFOND		NOR	200 000	0,93 %
Total 20 largest shareholders			14 374 271	67,09 %
Total other shareholders			7 051 194	32,91 %
Total number of shares			21 425 465	100,00 %

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Profit & Loss
Second Quarter 2015

MNOK	Q2 '15	Q2 '14	Change	YTD '15	YTD '14	Change
Hexvix / Cysview revenues	28,9	23,8	21 %	55,6	43,2	29 %
Other sales revenues	2,6	0,5		4,3	0,7	>100%
Signing fee and milestones	3,3	1,1		4,5	2,3	96 %
Total revenues	**34,8**	**25,5**	**36 %**	**64,4**	**46,2**	**39 %**
Gross profit	**32,6**	**23,5**	**39 %**	**60,2**	**42,6**	**41 %**
Operating expenses	-34,5	-29,2	18 %	-69,2	-62,0	12 %
EBIT / Operating profit/loss(-)	**-1,9**	**-5,7**	**-67 %**	**-9,1**	**-19,4**	**-53 %**
Profit/loss(-) before PCIB and tax	**-0,4**	**-4,2**		**-7,4**	**-17,2**	

- Total revenue increase YoY 36% in 2Q and 39% year to date
- Operating expenses increase YoY 18% in 2Q and 12% year to date
  - Mainly driven by planned activities in sales and marketing, as well as FX impact
- Operating loss (EBIT) at NOK 1.9 million in 2Q and NOK 9.1 million year to date
  - Significant improvements from last year

Hexvix/Cysview
Continued Growth in Second Quarter 2015

- Revenue from own sales of Hexvix/ Cysview increased YoY 42% in 2Q and 43% year to date
  - Nordic 2Q revenue growth of 19%
  - US 2Q revenue growth of 118%
- Partner 2Q revenue increased YoY 3% and year to date with 16%
  - Changed timing of supply to partner compared to the same period in 2014
- Total in market sales value increased YoY 26% in 2Q and 17% year to date
  - LTM value NOK 195 million

SALES - MNOK	Q2 '15	YTD '15
Hexvix - Nordic	**10,0**	**18,2**
YoY growth	*19 %*	*20 %*
Cysview - US	**5,8**	**10,3**
YoY growth	*118 %*	*117 %*
Hexvix own sales	**15,7**	**28,6**
YoY growth	*42 %*	*43 %*
Hexvix partner sales	**13,2**	**27,0**
YoY growth	*3 %*	*16 %*
Total Photocure	**28,9**	**55,6**
YoY growth	*21 %*	*29 %*
Revenue in-market (*)	**53,8**	**104,4**
YoY growth	*26 %*	*17 %*
Units in-market (*)	**14 043**	**27 257**
YoY growth	*15 %*	*6 %*

(*) Calculated in-market sales

Cash Flow
Second Quarter 2015

MNOK	Q2 '15	Q2 '14	YTD '15	YTD '14
Cash flow from:				
- Operations	-2,5	-9,8	-14,4	-28,5
- Investments	-1,5	0,8	-5,1	1,9
- Financing	0,9	0,0	0,9	0,0
Net change in cash	**-3,1**	**-9,0**	**-18,6**	**-26,5**
Ending cash balance	**146,7**	**140,7**	**146,7**	**140,7**

- 2Q cash flow from operations NOK -2.5 million, year to date NOK -14.4 million
  - Year to date improvement of NOK 14.1 million from last year.
- Year to date cash flow from investments NOK -5.1 million.
  - Includes investments of NOK 7.0 million in intangible assets mainly related to the initiation of the phase 3 post-marketing commitment trial for Cysview
- Quarter end cash balance at NOK 147 million

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Balance Sheet
Per 30 June 2015

- Non current assets includes NOK 8.9 million in shares in PCI Biotech and deferred tax asset of NOK 24.3 million
- No interest bearing debt at quarter end
- Shareholder's equity of NOK 220.9 million
- Equity ratio of 89%
- Photocure held 35,476 own shares at end of quarter

MNOK	**30.06 2015**	**31.12 2014**
Non-current assets	70,0	76,5
Inventory & receivables	32,8	28,8
Cash & equivalents	146,7	165,2
Total assets	**249,5**	**270,6**
Shareholders equity	220,9	240,1
Long term liabilities	3,5	3,1
Current liabilities	25,1	27,5
Total equity & liabilities	**249,5**	**270,6**
Equity ratio	89 %	89 %