

PHOTOCURE ASA

DNB'S 6TH ANNUAL HEALTH CARE CONFERENCE

DECEMBER 15, 2015



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



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Investment Highlights

- World leader in photodynamic technology
 - Hexvix[®] commercialized globally
 - Robust product pipeline
- Growing in-market sales +17% LTM 3Q2015 at NOK 204 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



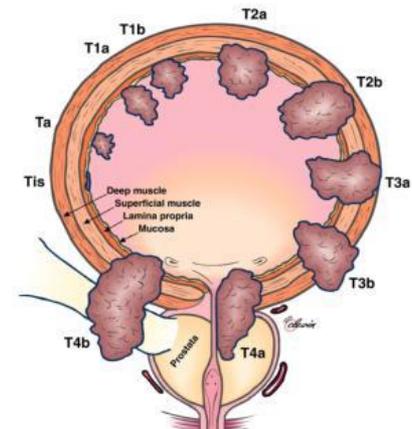
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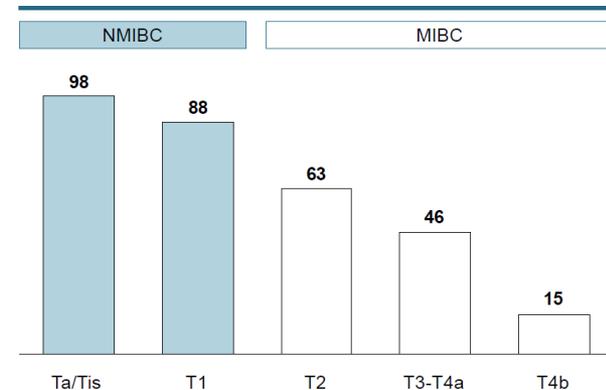
Bladder Cancer

Prevalent, Recurring, Progressing and Expensive

- **5th most common cancer type**
 - Most expensive cancer: \$96-187K/patient¹
 - > 200,000 new patients annually
 - 75% of patients diagnosed with NMIBC²
- **Key therapeutic aim is to avoid progression from NMIBC to muscle invasive disease**
 - ~ 6 million cystoscopies annually
 - ~ 600,000 procedures (TURBs³) annually
 - 10 – 30% progression rate
- **Regular ongoing surveillance required**
 - Recommend follow up cystoscopies every 3-9 months



5-year relative survival rate¹⁾ [%]



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

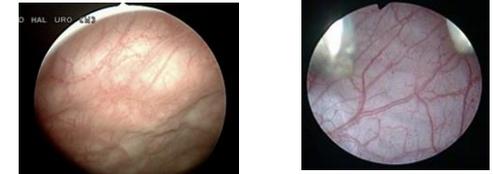
- **Continued positive data flow fuels forward momentum**

- *World Journal of Urology* (2015) publication validating positive impact on overall and progression free survival²

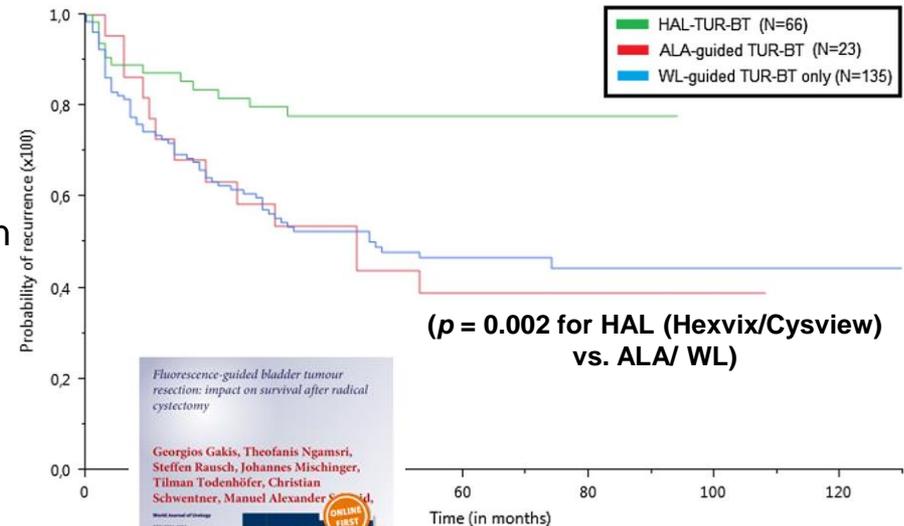
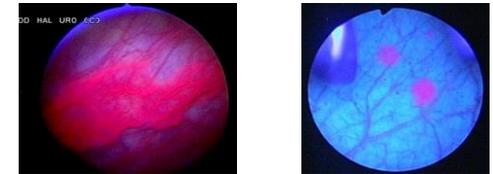
- **Transforming clinical practice**

- Included in European and National Guidelines in several EU countries
- Recommended use in 50-70% of TURB procedures³

WLC



Hexvix/Cysview
BLC



***Recurrence-free survival**

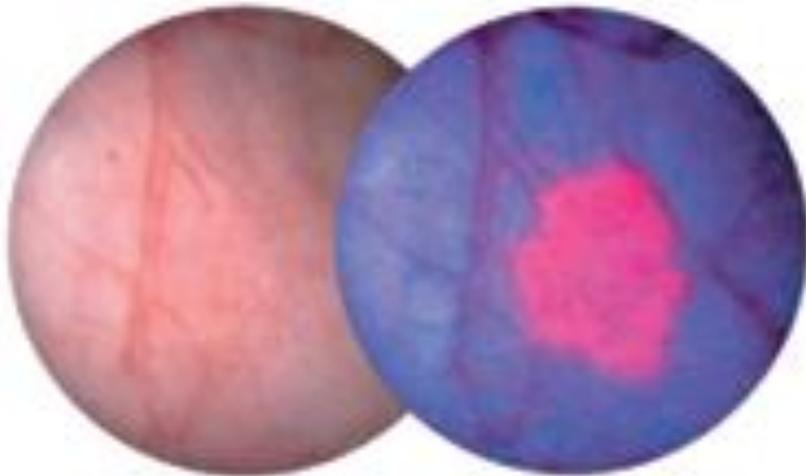
Source: 1. Landmark meta-analysis conducted on data from nine prospective studies incl. 1,345 patients published in *European Urology* (2013) – considered level Ia evidence, highest level of evidence as defined by AMA; 2. Gakis G, et al, *World J Urol* Jan 17, 2015 3. Babjuk et al., Guidelines on non-muscle-invasive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



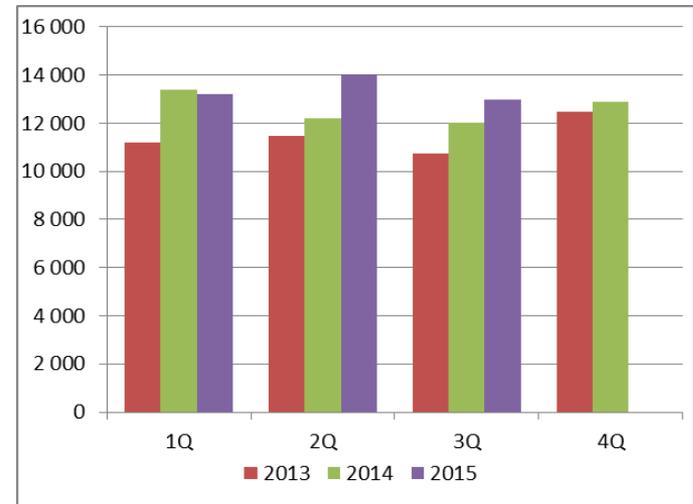
Hexvix/Cysview

A Significant Global Specialty Brand

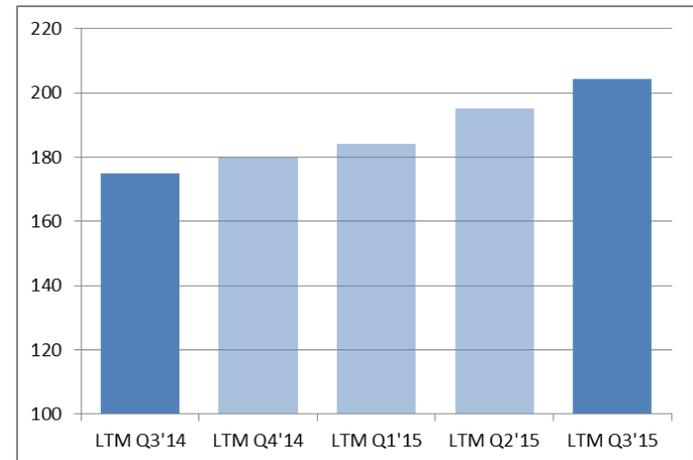
- Value of in-market sales of Hexvix/Cysview increased YoY 19% year to date to NOK 204 million LTM
- Hexvix/Cysview global in-market volume increased YoY 8% in the quarter, and 7% year to date
- Overall franchise EBIT year to date at NOK 23.1 million, improvement of NOK 12.0 million from prior year



Global in-market unit sales (by Q)



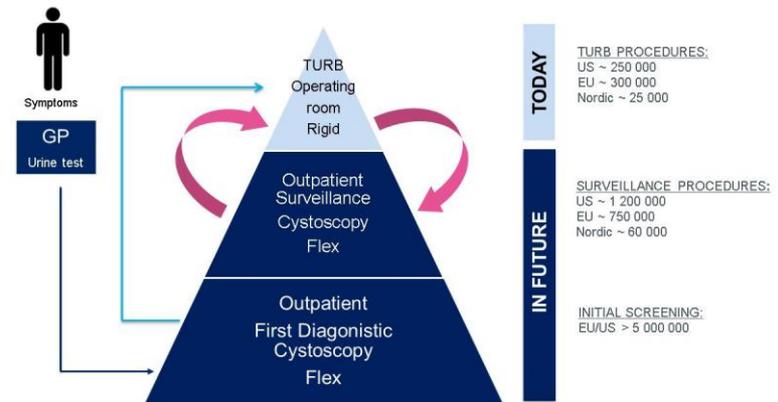
Global in-market value NOK mill (LTM)



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 BioSynt 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*



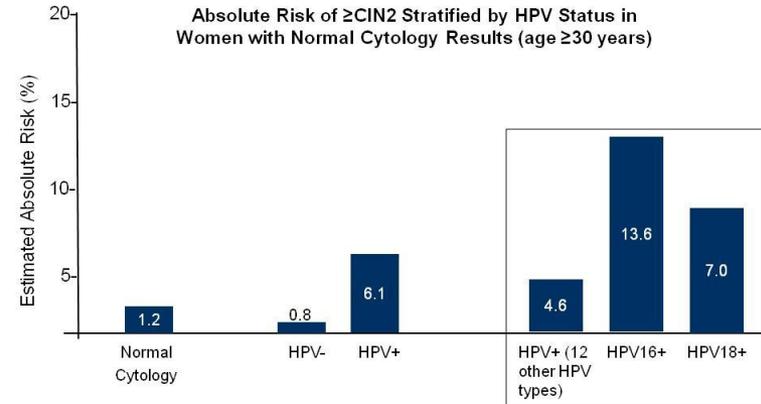
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Cevira¹

Addressing Unmet Needs in Cervical Disease

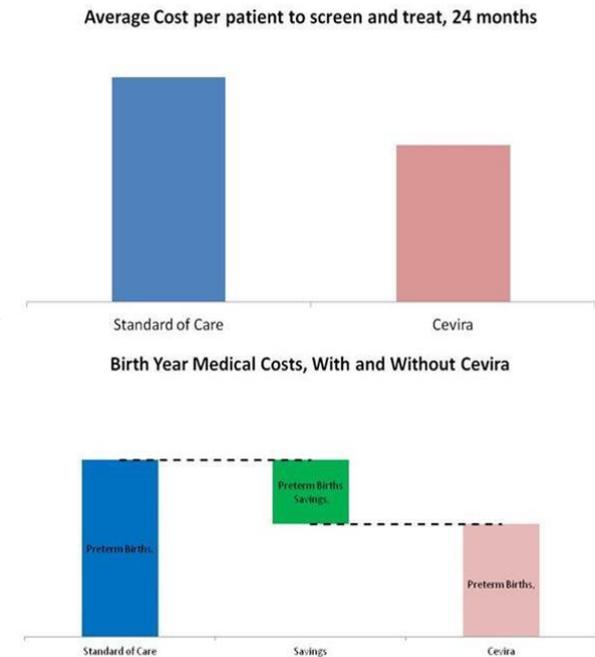
- **Oncogenic Human Papilloma Virus (HPV) is a highly prevalent sexually transmitted disease**
- **Well established cause of Cervical Intraepithelial Neoplasia (CIN) and cervical cancer**
 - Close association of HPV induced cell changes and invasive cancer
 - 30 million women globally with low grade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



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 18³
 - ~30% risk of progress to cervical cancer⁴
 - 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 EU⁶ detected through routine cervical screening programs
 - Persistent infection occurs in 10-20% of the cases⁷
- **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 practice⁵
 - Additional significant savings when avoidance of costs associated with preterm births factored in⁵
- **Continued discussions with potential partners for development and commercialization**



Visonac

*Novel non-antibiotic
treatment of acne*



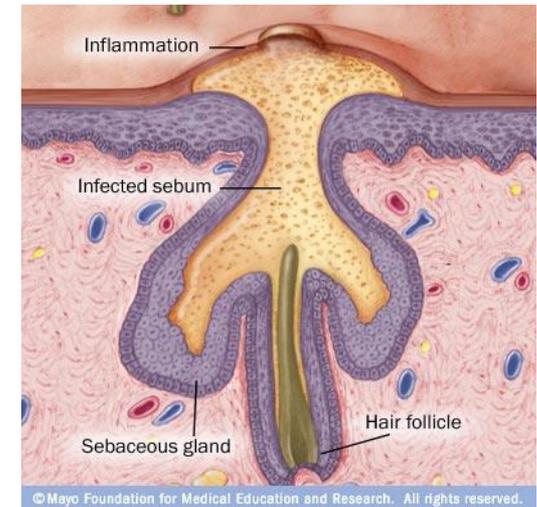
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Visonac¹

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



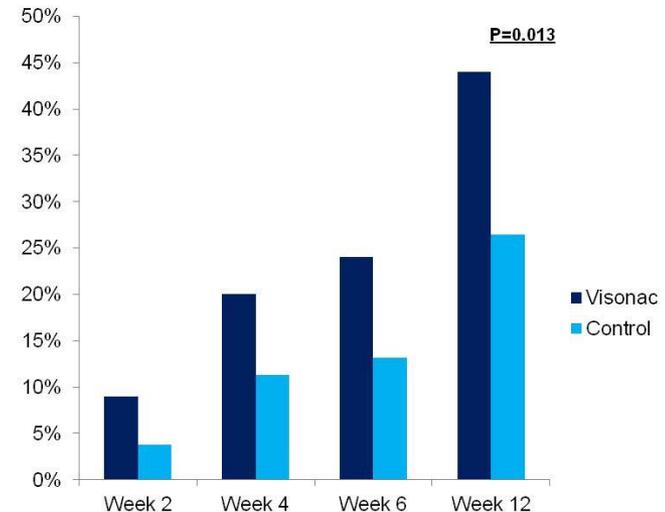
Visonac

Strong Phase 2b Results

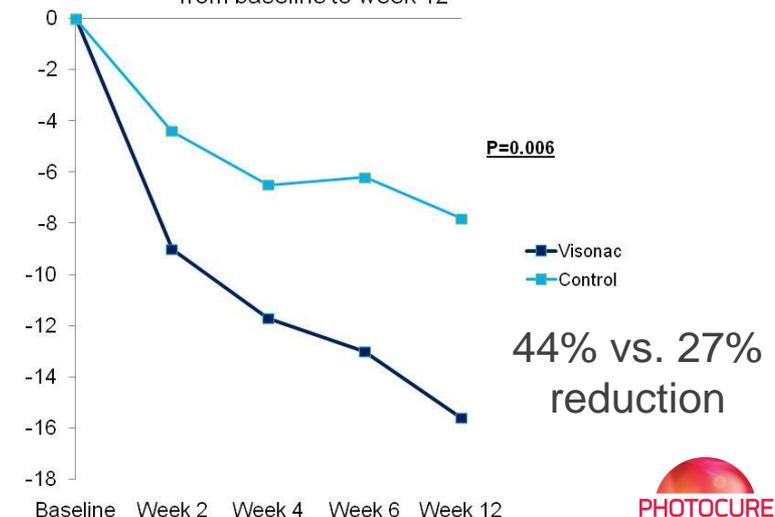
- **Solid Phase 2b results**
 - Significant reduction in inflammatory lesions
 - Overall improvement in acne severity
 - Well tolerated regimen
- **Ready for Phase 3 registration trials**
 - Clinical Phase 3 program in place and SPA obtained from FDA
- **Patent coverage across major markets to 2025**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



Percentage of patients with reduced acne severity



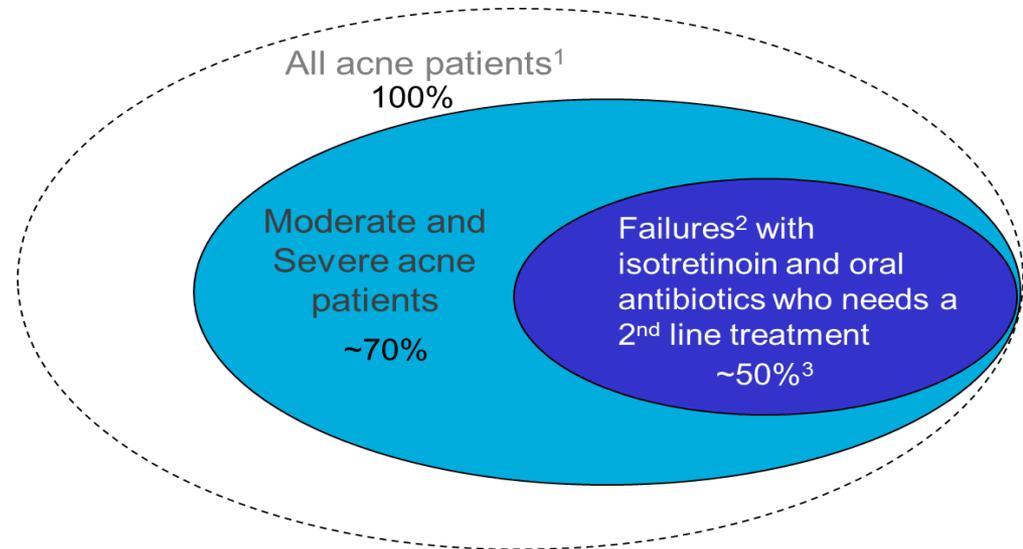
Reduction in number of inflammatory lesions from baseline to week 12



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



¹Patients who require some form of prescription medicine treatment

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

³Estimate based on market research among dermatologists

Financials



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Results by Segment

Third Quarter 2015

- Commercial franchise:
 - Continued improvement in revenues and EBIT
 - EBIT margin year to date at 23%
 - Total in market sales value increased YoY 22% in 3Q and 19% year to date
- Development portfolio:
 - Activities related to Cevira
 - Cysview post marketing commitment phase 3 capitalized
- Quarter end cash balance at NOK 139.5 million

<i>MNOK</i>	<u>Q3 '15</u>	<u>Q3 '14</u>	<u>YTD '15</u>	<u>YTD '14</u>	<u>LTM</u>
<u>Commercial Franchise</u>					
Total revenues	35,9	26,1	100,2	72,2	126,2
Gross profit	33,9	24,5	94,0	67,1	118,2
Operating expenses	-24,8	-18,8	-70,9	-56,0	-90,2
EBIT	9,0	5,7	23,1	11,1	28,0
<u>Development Portfolio</u>					
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	-11,7	-12,6	-34,9	-37,4	-49,8
EBIT	-11,7	-12,6	-34,9	-37,4	-49,8
<u>Total</u>					
EBIT	-2,7	-6,9	-11,8	-26,4	-21,8
(*) One-Off's excluded					
Salix termination fee		30,8		30,8	0,0

Outlook



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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
- Reporting of clinical results of Hexvix/Cysview phase 3 market expansion study in 2017

PARTNERSHIP

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