



Brilliance in photodynamic technology

Photocure ASA

The world leader in Photodynamic Technology

DnB Nor Nordic Health Care Conference 2011

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Photocure Business Strategy

Objectives:

- **Build a specialty pharma company**
- **Maximise potential of innovative Photodynamic Technology Platform**

Strategy:

- **Leverage proven experience to develop, register and commercialise new products in dermatology and cancer**

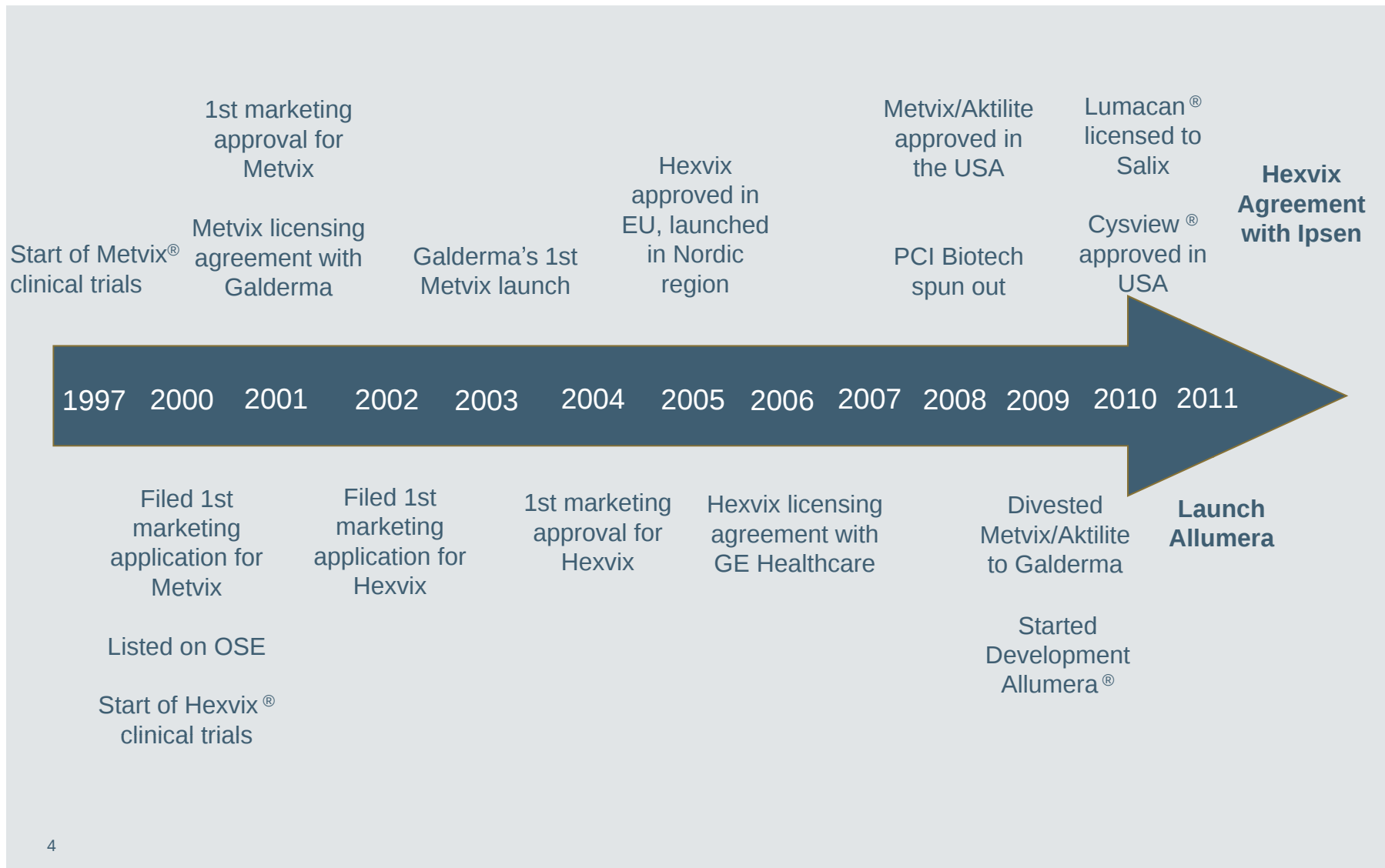
Cancer:

- Develop to Proof of Concept and partner before Phase III
- Retain rights to co-market selected products in selected territories

Dermatology:

- Develop, register and commercialise own products
- Establish specialty dermatology operations in the US

Transition from R&D Focus to Specialty Pharma



Highlights 2011



- New commercial strategy for Hexvix®/Cysview™
 - Signed partnership agreement with Ipsen worldwide, ex USA and Nordics
 - Commercializing directly in the US market
 - Continue commercialization in Nordics
- Launch of Allumera® in the US
- Enrolled patients in Cevira® phase IIb trial with convenient single use device
- Started phase IIb study trial for Visonac® for moderate to severe acne

Creating Value

Diverse Product Portfolio



		Technology	Indication	Pre-Clinical	Phase I	Phase II	Phase III	Market	Status
CANCER	Hexvix®	PDD	Detection of bladder cancer						Marketed in Europe and the US
	Cevira®	PDT	Treatment of precursors of cervical cancer						Phase IIb
	Lumacan®	PDD	Detection of colon cancer						Licensed to Salix
DERMATOLOGY	Visonac®	PDT	Treatment of moderate to severe acne						Phase IIb
	Allumera®	PDC	Cosmetic for improving the appearance of skin						Marketed in the US by Photocure

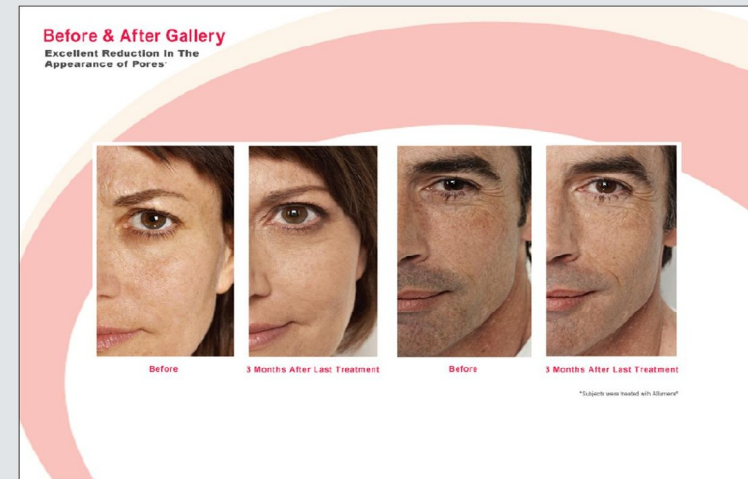
Allumera

The first in a New Class of Photodynamic Cosmetics



What is Allumera?

- The first in a new class of photodynamic cosmetics
- Clinically proven to
 - improve the overall appearance of skin
 - visibly reduce the outward signs of aging
 - reduce the appearance of pores
- With results that last
- Treatment with Allumera is non invasive
- Has minimal down time as compared to more aggressive cosmetic procedures



Allumera Launched

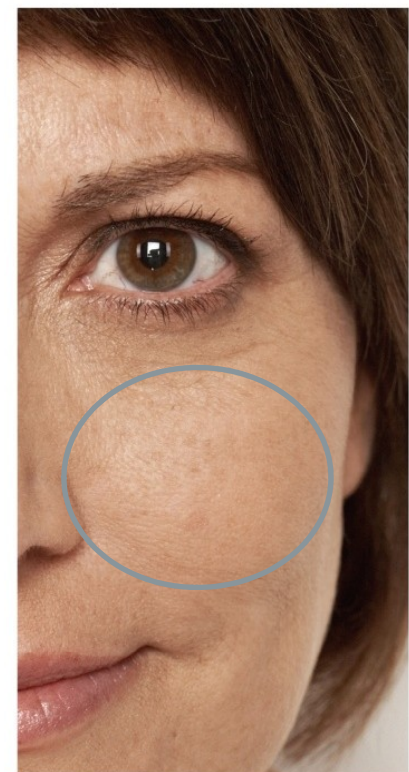
Improves Appearance of Pores



- RevitAll trial with 120 subjects completed in 2010/2011 with excellent results
- Launched in June 2011 to US cosmetic dermatologists
 - 10 regions in US with more than 1200 potential customers
 - > 50 buying customers in first months



PORES BEFORE



PORES AFTER

Expanding Dermatology Franchise

Visonac First Patient Enrolled in Phase IIb Study



- Acne is an attractive market
 - Impacts 85% of all 12-24 year olds
 - High unmet need for moderate to severe acne – avoid antibiotic resistance, need for an effective alternative to isotretinoin
- Market research in US confirms acceptance of Photodynamic therapeutic for acne
 - Respondents see clear benefit for up to 20% of their patients with moderate to severe acne
 - Occlusion time of 1.5 hours manageable in practice setting
- Started placebo controlled multicenter Phase IIb in July 2011
 - The trial will enroll app. 150 patients at 12 centres in the US with severe facial acne
 - Regimen = 4 treatments, 2 weeks apart
 - Results expected in H2 2012



Patient before Visonac treatment



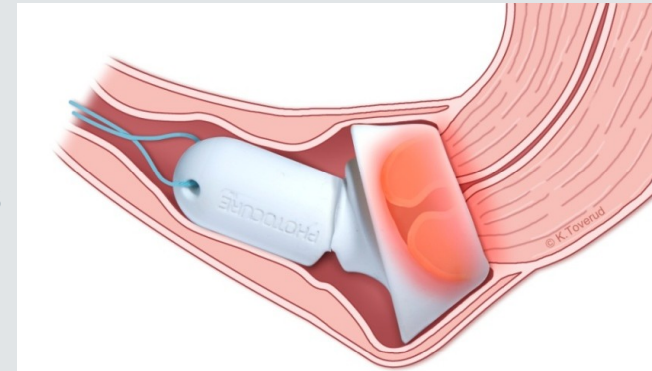
Patient 18 weeks after last treatment with Visonac. Patient above is from a previous phase II study

Cevira

First Patient Enrolled in Phase IIb Study



- Cervical HPV infection highly prevalent and growing
 - 80% of all women have HPV infections
 - No therapeutic treatment available, surgical options fraught with high morbidity
 - Represents 4-5 million women in US alone
- Phase IIb study with integrated drug-delivery device started in June 2011
 - The trial will enroll app. 240 patients at 21 centres across Europe and the US
 - Placebo controlled with 4 arms
 - Primary endpoint: Complete or partial response 3 months after treatment (histology, cytology and HPV)
 - Sets platform for initiation of pivotal Phase III program



The Cevira drug-delivery system applied to the cervix

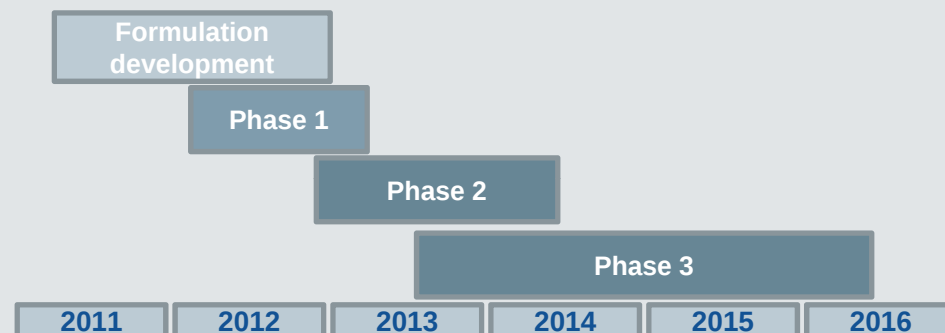
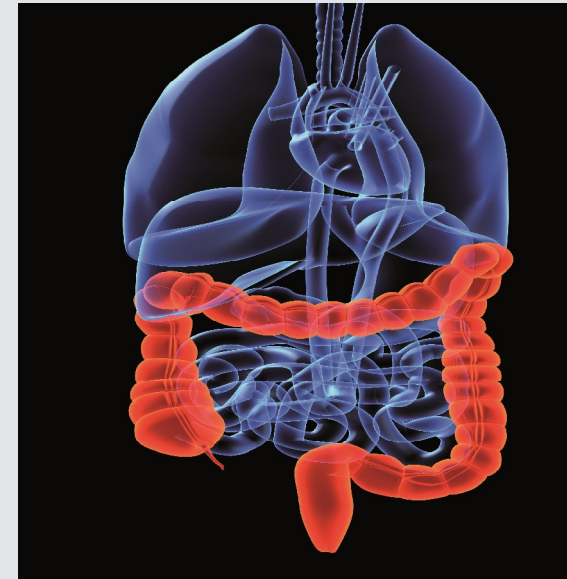


Lumacan

Development on Track

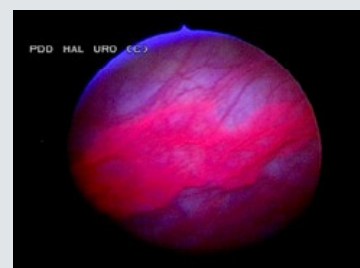
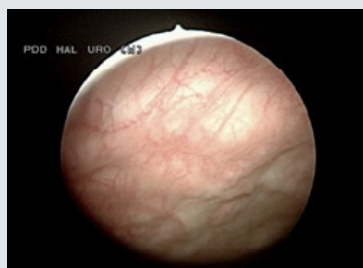


- Lumacan: Photodynamic colorectal diagnosis
 - Increases detection rate for colon cancer
 - Fluorescence diagnosis - used as adjunct to standard white light colonoscopy
 - Colorectal Cancer 3rd most commonly diagnosed - and 2nd most deadly cancer worldwide* with 500,000 new cases each year in the US and EU combined
- Lumacan licensed to Salix in October 2010
 - Partnership established on several levels
 - Salix US revenue target of USD 500 M
 - Development of oral formulation ongoing
 - NDA submission anticipated 2016
 - US approval anticipated 2017



Hexvix/Cysview

- Detects more patients with Bladder Cancer
- Detects more lesions within the same patient
- Improves the surgical resection
- Reduces tumor recurrence
- A significant advance for the patient management



Hexvix

New Commercial Strategy for Hexvix/Cysview



Continued execution of our strategy to build Photocure into a specialty pharmaceutical company by:

Entering into strategic collaboration with Ipsen

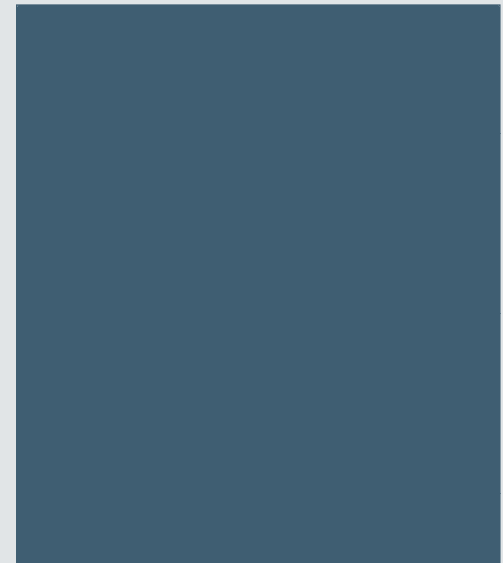
- Ipsen territory is worldwide, ex USA and Nordics

Commercializing directly in the US market

- Photocure will directly market and sell to capitalize on untapped potential

Continued commercialization in Nordics

- Maintain the profitable operation with Hexvix in the Nordics

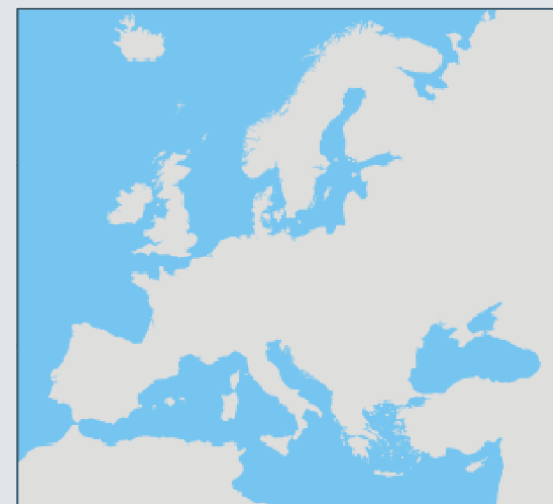


Hexvix

Ipsen – a Strong, Strategic Partner



- Global, specialty-driven pharmaceutical company focused on four franchises, most importantly Uro-Oncology
 - Sales > €1.1B in 2010
- Strong and well established Uro-Oncology Franchise, led by Decapeptyl®
 - Decapeptyl sales > €270M in 2010
 - Marketed in over 60 countries
- Dedicated Uro-Oncology Sales Force
 - Over 200 sales reps across the EU
- Committed partner to drive growth for Hexvix
 - Initial focus on markets generating >90% sales
 - Creating a Key Account Management Structure



Hexvix

Deal Terms with Ipsen



Worldwide, ex USA and Nordics

- Exclusive license with Ipsen
 - Global, specialty-driven pharmaceutical company focused on four franchises, including Uro-Oncology
- Photocure to receive:
 - €1.5M at signing
 - €5M at completion of manufacturing transition milestones
 - Sales achievement milestones
 - Double digit royalties on net sales
 - Manufacturing revenues
- Photocure will invest up to €3 million with Ipsen in marketing and sales programs to drive sales momentum in 2012 and 2013

Hexvix

Significant Potential 5 years after Launch



Background:

- EMEA approved Hexvix in 2005, and Photocure started selling in the Nordic countries
- GE Healthcare licensed Hexvix in 2006 and started selling in Europe
- FDA approved Hexvix in May 2010 under the tradename Cysview

Status:

- Photocure has achieved +30% Nordic market share
- GE Healthcare achieved >10% market share in Europe and had not launched Cysview in the US

The Hexvix Opportunity:

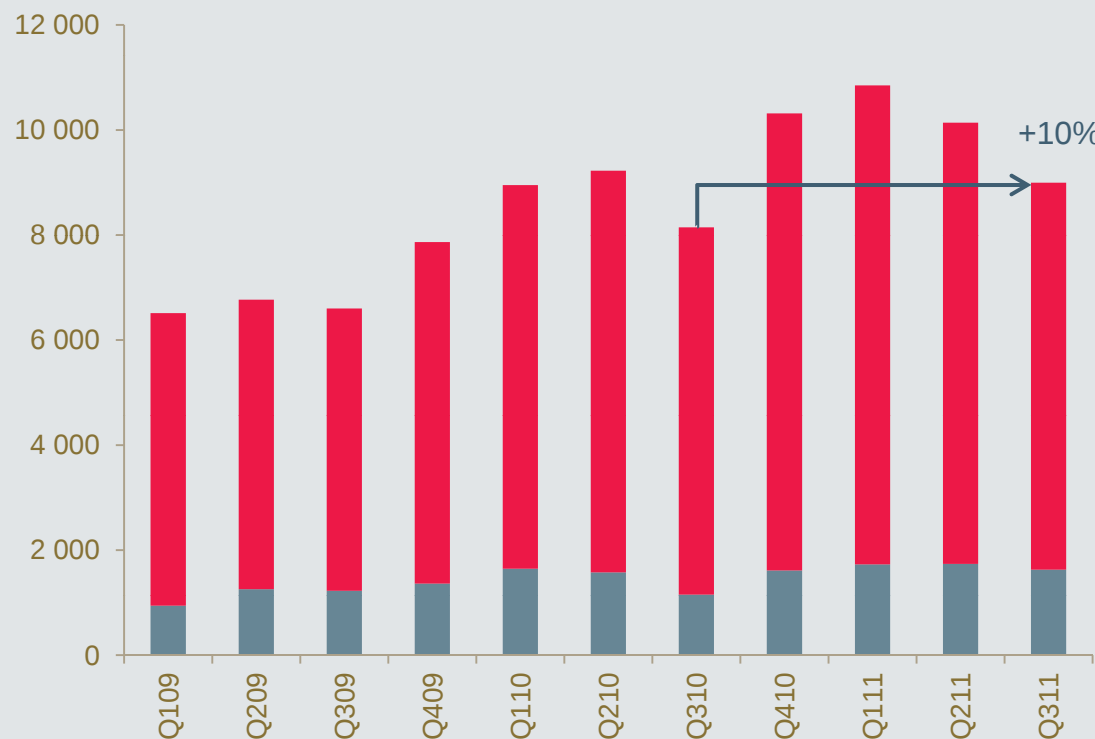
- Excellent clinical data drives growth and market share
- Strong patent protection until 2020 in key markets
- Significant growth opportunity exists in all markets globally to realize sales potential

Hexvix

Nordic Sales Growing 41% in Units, and Total Sales Growing 10% in Units in Q3



Hexvix units sold per quarter



Partner sales (unit sales outside Nordic):

- +5% in Q3 2011 to 7,369 units
- +13% for YTD 2011 to 24,894 units
- Germany and France largest markets, accounting for ~80% of volume

Own sales (Nordic):

- +41% in Q3 2011, to 1,629 units
- +16% for YTD 2011 to 5,095 units

Cysview

USA is a great untapped opportunity



- Manageable size of target audience
- Internal knowledge/expertise as innovator and Nordic experience
- High awareness of Cysview by urologists in the US
- Strong collaboration with equipment supplier Karl Storz
- Consistent with strategy of building specialty pharma

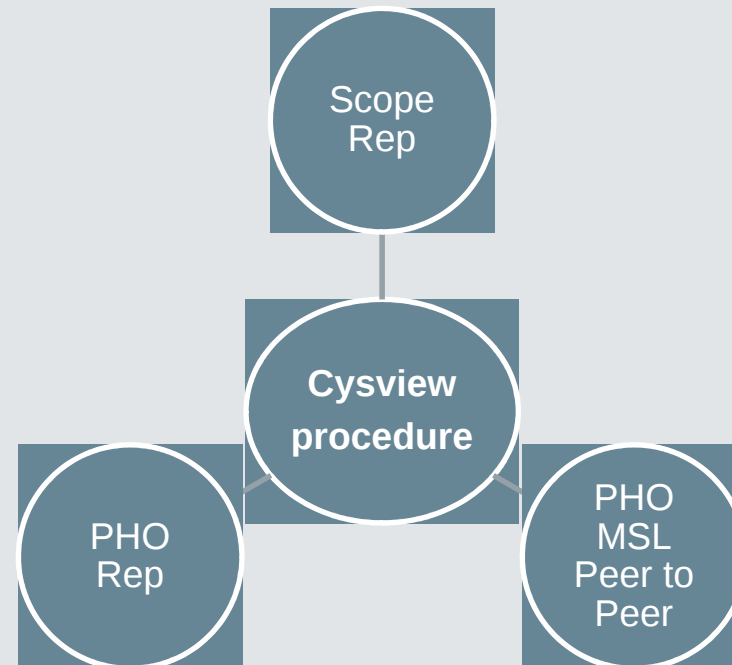
"We are dedicated to finding new ways to improve the lives of patients living with serious diseases such as cancer, and Cysview is the latest example. By facilitating early diagnosis of bladder cancer, this innovative imaging agent can enable appropriate, timely treatment that may improve patients' chances of survival."

Dr. Leonard Gomella, M.D., F.A.C.S. Chair of the Department of Urology at Thomas Jefferson University Hospital



Key to successful selling

- Partner with Scope manufacturers
- Key Account Managers skilled at B2B selling
- Medical Science Liaisons support with training and peer-to-peer interactions



Sales Process Requires Building a Valued Partnership

1. Target center

2. Equip center
with Blue Light

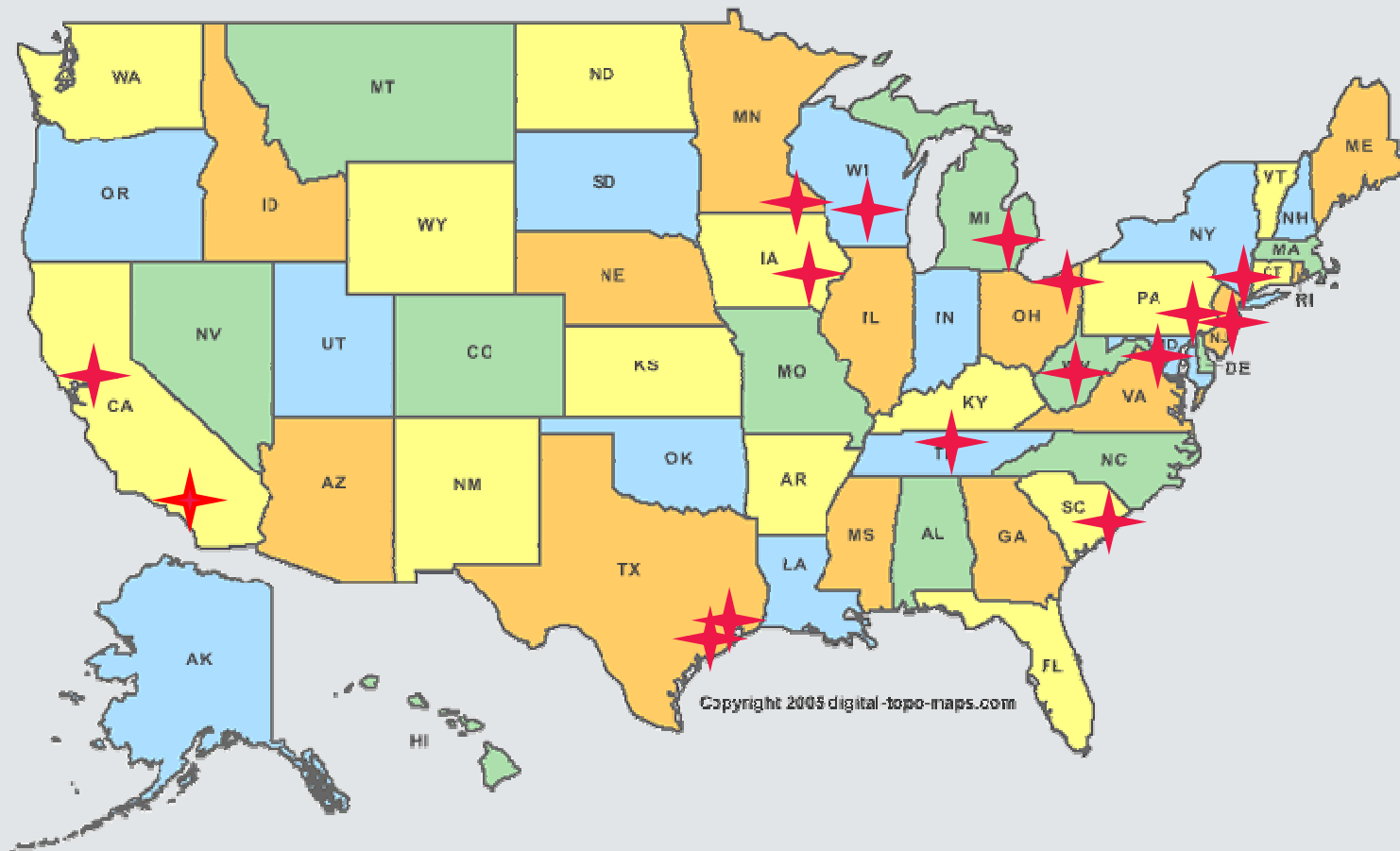
3. Initiate Hexvix®
use

4. Develop Hexvix®
use

Current BLC placements at Centers of Excellence



16 Blue Light scopes placed to date, 2 pending contract approval
3 remaining units available to place prior to upgraded light source approval



Cysview

Critical Success Factors in USA



- Drive installed base of blue light scopes
 - *Further enhance strong collaboration with Karl Storz Americas*
- Target high volume procedure urology centers
 - *Start with 10 Key Account Managers... expand with installed base expansion*
- Train hospital staff, beyond the Operating Room, to ensure streamlined logistics for procedure
 - *Start with 2 Regional Medical Science Liaisons*
- Build awareness in bladder cancer advocacy
 - *Patient demand and pull through*
- Become a partner in patient care with the Urology Community
 - *Secure permanent reimbursement and expand usage*
- Capitalize on synergies with US Dermatology Operation
 - *US HQ established in Princeton, NJ, systems in place*

Investing in a major transformational opportunity for Photocure



Financial Summary

- Total revenues 1Q-3Q 2011 MNOK 72.5 (FY 2010 MNOK 177.4)
- Operating result 1Q-3Q 2011 MNOK -48.9 (FY 2010 MNOK 7.5)
- MNOK 336.1 in cash & cash equivalents per 30 September 2011
- Other investments includes MNOK 60.0 in shares in PCI Biotech



Executing our Strategy

Photocure's strategic objective is to build a specialty pharma company

- Maximizing the potential of the Photodynamic Technology Platform
- Develop, register and commercialize products in Dermatology and Cancer

Key Achievements 2011

- New commercial strategy for Hexvix
- Ongoing launch of Allumera in the US
- Robust enrollment of patients in:
 - Cevira IIb trial with convenient single use device
 - Visonac IIb trial for patients with facial acne



Key Milestones

2011

2012

Drive Hexvix growth
Transition to Ipsen and train sales force
Grow Nordic operation
Transfer Cysview rights in USA to Photocure
Launch Cysview

Drive Allumera growth

Cevira Phase IIb

Visonac Phase IIb

Lumacan
Phase I

Lumacan
Phase II