

PHOTOCURE ASA

NORTH-AMERICAN LIFE SCIENCE CONFERENCE

New York, 29 November 2018

Daniel Schneider, President and CEO



THE
BLADDER CANCER
COMPANY™

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PHOTOCURE AT A GLANCE

Norwegian commercial-stage company focused on bladder cancer.

Own commercial operations in Nordics and USA. Partners in Europe, Canada, Australia and New Zealand.

CORE PRODUCT ON MARKET:

HEXVIX[®]
Hexaminolevulinate 85mg

CYSVIEW[®]
Hexaminolevulinate HCl

Bladder cancer detection & management

70

EMPLOYEES
Of which 40 in US

REVENUES

US \$21

MILLION

OSLO (HQ)

PRINCETON, NJ

NORWAY
SWEDEN
DENMARK
FINLAND
U.S.A.

OSLO BØRS

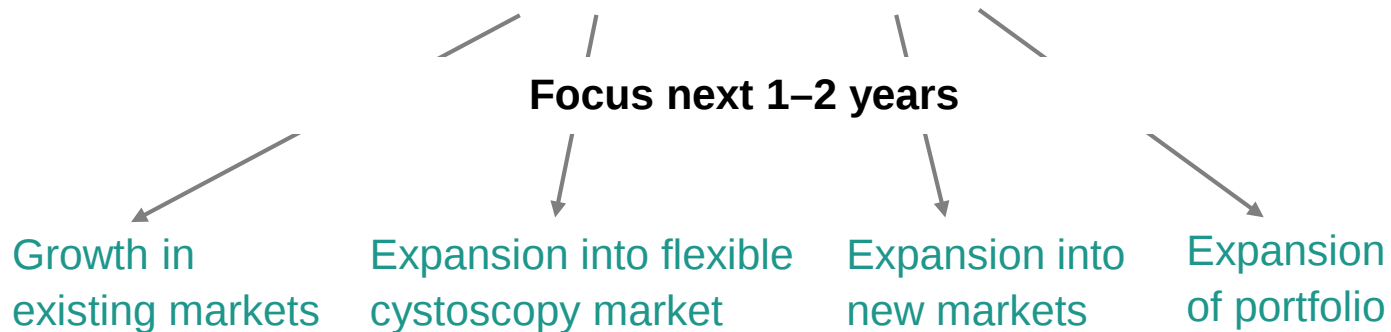
OSLO STOCK EXCHANGE

ON OSLO STOCK
EXCHANGE SINCE 2000

STRATEGIC FOCUS ON TRANSFORMING BLADDER CANCER MANAGEMENT

HEXVIX[®] CYSVIEW[®]

Strategic focus on bladder cancer detection & management core products, including potential new, complementary products



NON-CORE PIPELINE PRODUCTS:

Visonac[®] (Acne treatment)

Cevira[®] (Cervical disease treatment)

Partner out

Assess partnering opportunities and strategic alternatives

Strategy built on leveraging our unique know-how and capabilities

DELIVERING ON KEY 2018 OBJECTIVES

Q3 UPDATE

Significant growth of Cysview® in US TURBT market

- Q3 US sales revenue up 42% in US\$ YOY, driven by in-market volume increase in Q3 of 35%. YTD revenue growth 45% in US\$
- 43% growth YOY in installed blue light enabled cystoscopes in market to 137 by end of Q3
- Improved reimbursement has positively impacted sales development including new account install base

Launch Cysview® in US flexible cystoscopy surveillance market

- Our launch priority is focused on the accounts that participated in the BL Flex trial, current existing targeted accounts and the top large Urology groups in the US
- Our pipeline of potential new accounts continues to grow driven by customer and patient demand

Increase Hexvix® / Cysview® global in-market unit sales

- Total Hexvix/Cysview revenue increased 26% YOY to NOK 43.5 million in Q3, highest ever. YTD growth of 16% (proforma)
- Total in-market unit sales increased 8% in Q3. YTD increase of 2% driven by US

CYSVIEW CONTINUED STRONG MOMENTUM IN US

- Year to date U.S. revenues increased 45% and unit growth of 38%
- 43% YoY increase in permanent Blue Light Cystoscope placements finishing with 137 installed Blue Light scopes including 6 Blue Light flex scopes
- Positive reimbursement for BLC with Cysview continues to drive sales volume and install base for BLC with Cysview in multiple settings of care
 - In November CMS announced a permanent A Code for Cysview for use in the physician office and clinic starting in January 1st 2019 and an additional \$1,187 / case reimbursement for certain BLC with Cysview procedures
- Increasing awareness on BLC with Cysview coming from new clinical publications, CME symposium and podium presentations at multiple international, national and regional medical meetings.
- US strategic investment plan is on track with additional sales resources that are positively impacting productivity

GLOBAL CONGRESS ON BLADDER CANCER

American Urological Association

Advancing Urology

Calendar of Events

- AUA Castration-Resistant Prostate Cancer (CRPC) Guideline Amendment: Webinar**
 Date: 14
 Format: Online
 Register: [Register](#)
- Emerging Treatment of Non-Metastatic Castration-Resistant Prostate Cancer (CRPC): Webinar**
 Date: 22
 Format: Online
 Register: [Register](#)
- Androgen Axis Agents and Bone Target Therapies in Advanced Prostate Cancer: Webinar**
 Date: 12
 Format: Online
 Register: [Register](#)
- Life Long Learning Prep Course: A Focused Review**
 Date: 14
 Format: Online
 Register: [Register](#)

Enhanced Endoscopy in Bladder Cancer

Shane Pearce¹ · Siamak Daneshmand¹

Springer Science+Business Media, LLC, part of Springer Nature 2018

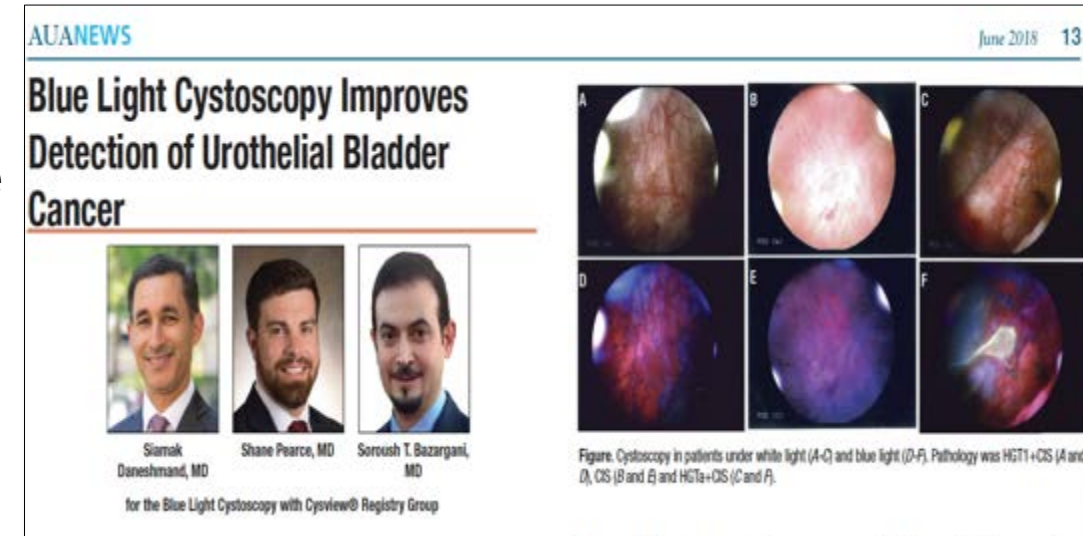
Abstract
Purpose of Review Endoscopy coupled with targeted resections represents a cornerstone in the diagnosis, staging, and treatment of patients with bladder cancer. Direct visualization can be challenging and imprecise due to patient-, tumor-, and surgeon-specific factors. We will review contemporary endoscopic technologies and techniques used to improve our ability to safely identify and resect malignant lesions in patients with bladder cancer.
Recent Findings Enhanced endoscopic imaging technology may improve detection rates for bladder cancer throughout the upper and lower urinary tract, which may lead to improvements in recurrence and progression rates for non-muscle invasive bladder cancer (NMIBC). New techniques including narrow-band imaging (NBI), photodynamic diagnosis (PDD), Storz Professional Image Enhancement System (SPIES), optical coherence tomography (OCT), and others have shown benefit and may further improve our ability to detect and stage bladder tumors.
Summary Enhanced endoscopy technologies have already demonstrated value in improving the sensitivity of bladder cancer detection and early results suggest they may improve short- and long-term oncologic outcomes.

Keywords Bladder cancer · Endoscopy · Cystoscopy · Transurethral resection · Diagnosis · Surveillance

38th Congress of the Société Internationale d'Urologie (SIU) 2018
 October 4-7, 2018
 SEOUL
 WE BRING UROLOGISTS TOGETHER
 Featuring the SIU-ICUD Joint Consultation on Congenital Lifelong Urology and the 4th SIU Global Nurses' Educational Symposium

US LAUNCH OF CYSVIEW IN SURVEILLANCE OF BLADDER CANCER PATIENTS PRESENTS A LARGE MARKET OPPORTUNITY

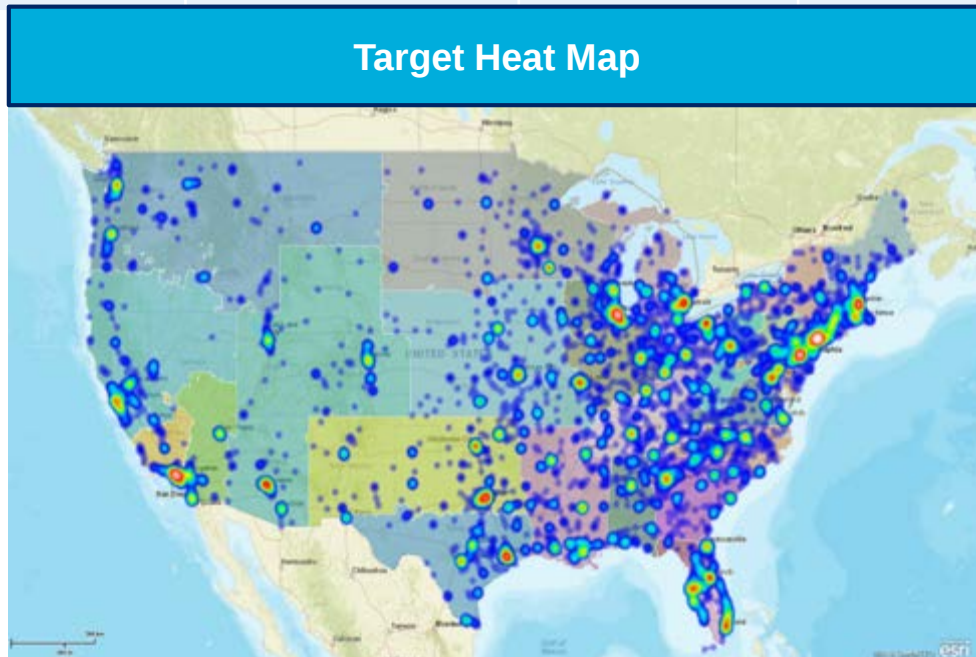
- BLC with Cysview for surveillance launch strategy is focused on the accounts that participated in the BL Flex trial, current existing BL enabled accounts and the top large Urology groups in the US in the top MSA's
- Building on the positive clinical data published in Urologic Oncology Journal and British Journal of International Urology
- Continually assess the opportunities within flex and appropriately align our resources against those targets.
 - Market opportunity is ~4 times the size of the TURBT market
- BLC with Cysview with flexible cystoscopes current install base of six centers
 - Customer and Patient demand has resulted in a robust pipeline of potential flex accounts and rapidly working to close those accounts



CYSVIEW

SIGNIFICANT GROWTH OPPORTUNITY WITH NEW US LABEL

BLC with Cysview Market segment	Total Number of Cystoscopy Procedures	Number of Procedures in top 25 MSA*	Market potential in top 25 MSAs*
TURBT	324,094	130 000	130 MUSD
Surveillance Cystoscopy	1.2 - 1.4 million	540 000	540 MUSD



- Our focus is to establish and build BLC with Cysview business in the top 25 TURBT and Surveillance markets utilizing the MSA Strategy
- BLC with Cysview has achieved significant market penetration in In the top 10 MSA's: *New York , Los Angeles, Houston, Chicago and Washington DC* in the last 18 months
 - Large install base in TURBT segment has set a great stage for the surveillance BLC with Cysview opportunity
- Focused investment of commercial and medical resources is driving our growth

HEXVIX NORDIC UPDATE

- Third quarter revenue increased 14% YoY (19% in constant currencies). The increase was driven by higher billing compared to last year as distributors third quarter last year reduced their inventory
- YTD revenue increased 14% to USD 4.2 million. In constant currencies, the increase was 9%
- In-market unit sales declined 3% YTD, partly due to large deliveries to hospitals at the end of the fourth quarter 2017. Third quarter in-market unit sales was at level with last year
- In August we signed an exclusive distribution agreement for Combat Medical's HIVEC for the Nordic region leveraging our existing Hexvix infrastructure
 - Commercial sales to commence in the first quarter of 2019.



Research and Reports in Urology

Dovepress

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ORIGINAL RESEARCH

Can routine outpatient follow-up of patients with bladder cancer be improved? A multicenter prospective observational assessment of blue light flexible cystoscopy and fulguration

This article was published in the following Dove Press journal
Research and Reports in Urology

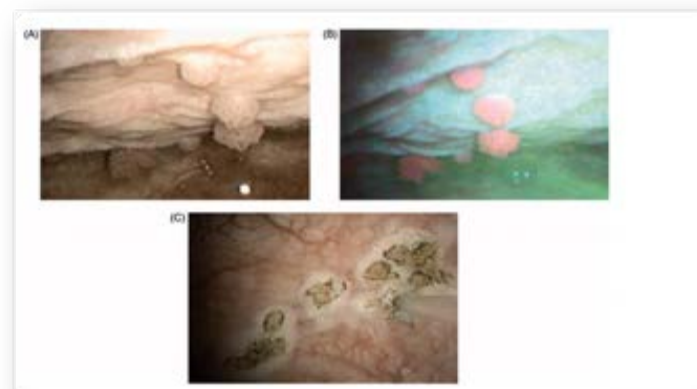
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Background: The aim of this prospective cohort study was to determine the feasibility of incorporating blue light flexible cystoscopy (BLFC) and biopsy/fulguration into routine outpatient follow-up of non-muscle-invasive bladder cancer patients.

Methods: The study included patients with non-muscle-invasive bladder cancer (NMIBC) who were scheduled for routine follow-up. Hexaminolevulinate was instilled in the outpatient department, and the bladder was examined under white light and then with BLFC. Biopsies were taken from all suspicious lesions. Small tumors and suspicious lesions were fulgurated on site; patients with larger lesions were referred to the operating room for resection.

Results: The study included 69 patients, with a mean age of 70 years (range 33–89 years) and a mean duration since NMIBC diagnosis of 8 years. Most patients had high-grade cancer at initial diagnosis (52/69) and were at high risk of recurrence (48/69). Two patients per hour could be assessed using outpatient BLFC. Preparation and instillation of hexaminolevulinate

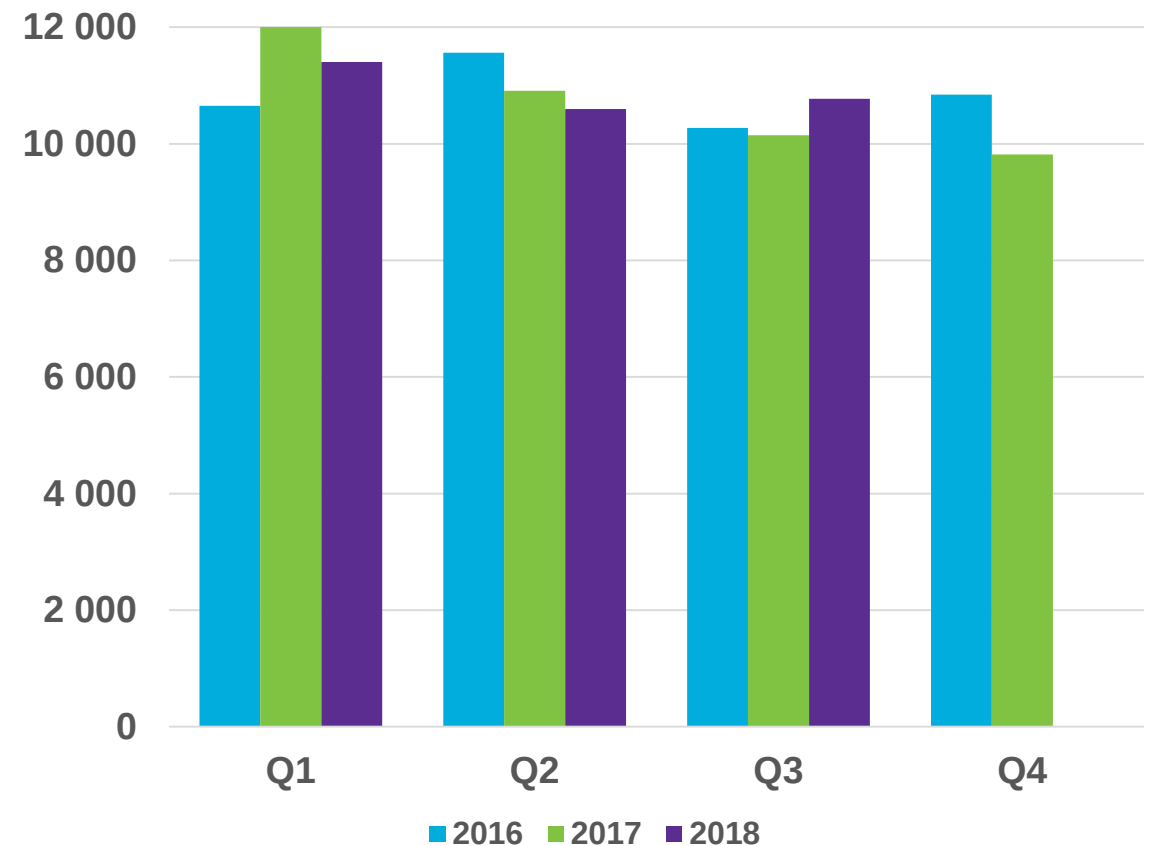


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HEXVIX/CYSVIEW PARTNER UPDATE

- Partner in-market unit sales increased 6% YoY in the third quarter. YTD decline of 1%
 - Germany at level with last year.
 - Decline in France caused by loss of very favorable reimbursement since Q2'17; decline counteracted by strong guideline recommendation
 - Other countries in total at level with last year
- Revenue decline (proforma) YTD of 2% in constant currencies

In-market unit sales (by Q)



FINANCIAL UPDATE - PROFORMA

YTD THIRD QUARTER 2018

Commercial Franchise

- Strong revenue growth in US, YTD revenue growth 45%
- Continued progress in Nordic. YTD revenue growth 14%, 9% in constant currencies
- Ipsen improvements in third quarter, rebound driven mainly by Germany and France. YTD revenue decline 2% in constant currencies (proforma) driven by unit sales
- Increased operating expenses in quarter and full year driven by commercial organization in US

Development Portfolio

- Significant cost reduction YOY driven by activity level and capacity reductions

Cash position

- Cash balance end of Q3 at USD 11.4 million. Q3 net cash flow USD -0.7 million

<i>MUSD</i>	<u>YTD '18</u>	<u>ProF YTD '17</u>	<u>Change</u>
<u>Commercial Franchise</u>			
Nordic revenues	4.2	3.7	14 %
US revenues	5.6	3.9	45 %
Partner revenues	6.0	5.6	6 %
Hexvix/Cysview revenue	15.8	13.2	20 %
Other revenues	0.6	0.5	18 %
Total revenues	16.4	13.7	20 %
Gross profit	14.9	12.7	18 %
EBITDA recurring	0.9	1.4	-37 %
<u>Development Portfolio</u>			
Operating expenses	-1.7	-3.3	-50 %
EBITDA recurring	-1.7	-3.3	-50 %
<u>Total</u>			
EBITDA recurring	-0.8	-1.9	
Ending cash balance	11.4	15.4	

The statement is prepared on the proforma basis as if the accounting principles IFRS 15 and IFRS 9 had been adopted 1 January 2017



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OUTLOOK

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- **Short and medium term growth to come mostly from the US market**

- Growth drivers:**

- Expansion of the US commercial team opening up new territories and gaining key accounts
 - Inclusion in the key clinical guidelines in the US (AUA, NCCN)
 - Permanent and favorable reimbursement
 - Increase installed base of BLC in collaboration with Karl Storz, both rigid and flex
 - Penetration of the surveillance market with the largest untapped patient base

- **Reiterate strong outlook for significant U.S. revenue growth**

- The company will update the market on the US 2020 revenue outlook at latest when releasing full year 2018 results

INVESTMENT CASE

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- **Profitable commercial franchise focused on bladder cancer**
 - Hexvix/Cysview for improved detection and management of bladder cancer, with USD ~30M global in-market sales
- **Strong competitive position with differentiated business model**
 - Own commercial operations in the US and Nordic region, collaborations in other territories
- **Significant growth prospects within bladder cancer**
 - Large untapped potential for Hexvix/Cysview in current and near term market segments and territories will drive further value creation
- **Strong commercial footprint and platform in the Bladder Urology market**
 - Uniquely positioned for partnerships and in-licensing