

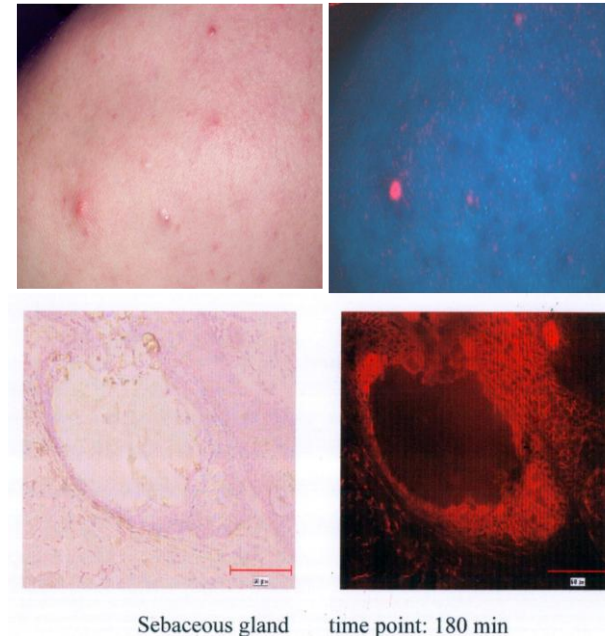
Visonac[®] Phase 2b Clinical Trial Results

May 31, 2012



Introduction

- Visonac[®] (methyl aminolevulinate) is a key late stage asset within the Photocure pipeline
- Visonac is non-systemic
- Dual mechanism of action – kills *P. acnes* and decreases sebum production
- Clinical experience gained in >400 patients
- Phase 2b clinical trial initiated in July '11
 - 15 centers across the US
 - Patient accrual goal reached within **6 months**
- Robust inclusion allows for earlier than expected results
- Lays the foundation for the global Phase 3 registration program to begin 2013



Program

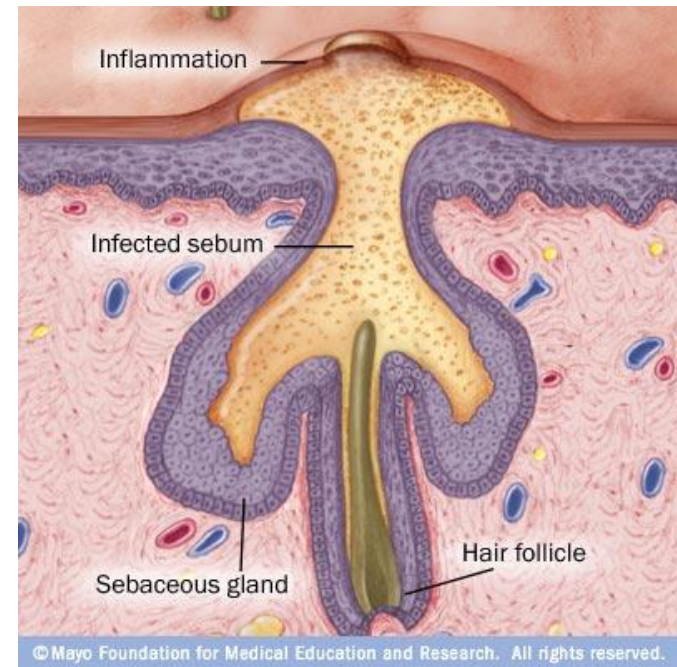
- Acne – Disease State and Market Dynamics
 - *Grete Hogstad, Vice President, Strategic Marketing*
- Results of phase 2b Trial
 - *David Pariser, MD, Principal Investigator*
Professor of Dermatology, Eastern Virginia Medical School,
Norfolk, Virginia
Former President of the American Academy of Dermatology
- Clinical Development Plan
 - *Inger Ferner Heglund, Vice President, Research & Development*
- Conclusion and Q&A
 - *Kjetil Hestdal, President & CEO*

*Acne – Disease State and
Market Dynamics
Grete Hogstad*



Acne – The Disease

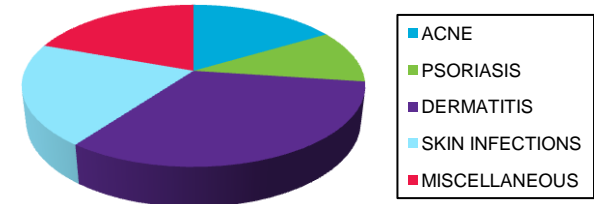
- Acne is a high prevalence disease
 - 120 million patients afflicted in US and top 5 EU markets
 - Impacts 80-90% of young people
 - Continues through age 20-40
 - 95% of patients seek medical advice
- Clinical studies demonstrate that acne has a greater impact on emotional state and social function than other serious diseases (e.g. asthma, epilepsy)
- Mild acne is dominated by non-inflammatory lesions
- Moderate and severe acne are dominated by inflammatory lesions and can lead to scarring



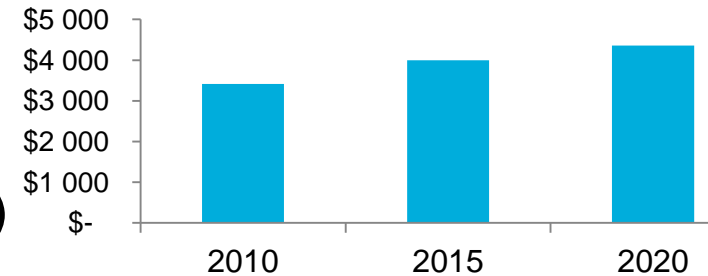
Acne an Attractive Market

- Acne is a large and growing segment in Dermatology
 - 3rd largest segment in Dermatology
 - Represents 17% of the overall dermatology market globally
 - Global acne market projected to reach ~ \$4.3 billion by 2020
- Robust market for prescription products (Rxs) for Acne
 - ~ 40Million Rxs (new and refills) in US in 2009
 - Rxs growing 4% annually
 - Dermatologists represent the highest volume prescribers in this class, 45% all Rxs

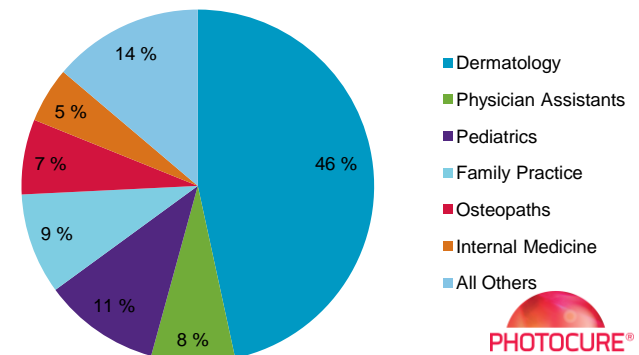
Leading Dermatology Markets
Forecast, 2012 est



Global Acne Market Forecasts 2010 -2020
\$ 000



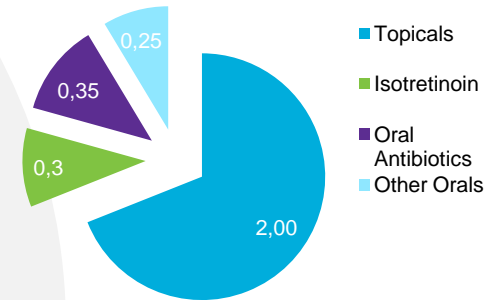
Prescribers



High Unmet Need in Acne

- High unmet need in the segment of moderate to severe acne
 - Current mainstay of therapy are oral, systemic antibiotics, retinoids, combinations
 - Value of this segment ~\$900 million globally
 - Most widely prescribed Rx in the US dermatology market both in \$ and # of scripts is Solodyn (Medicis)
 - Indicated to treat inflammatory lesions of non-nodular moderate to severe acne
- Shortfalls of existing therapies
 - Development of antimicrobial resistance
 - Lack of sustainable responses
 - Risk of severe toxicities
 - Risk of severe toxicities including teratogenicity, ocular and gastro-intestinal
 - Restrictions on prescribing of isotretinoin (iPledge)

Sales, Billions



Preparations to Secure Optimal Market Access

- Pricing and reimbursement
- Expand clinical trials
- Expand Key Opinion Leader network
- Sales force sizing and targeting
- Packaging and supply
 - Including lamp distribution and service
- Finalize strategy ex-US



Photocure's US Commercial Operation laying the groundwork for market entry

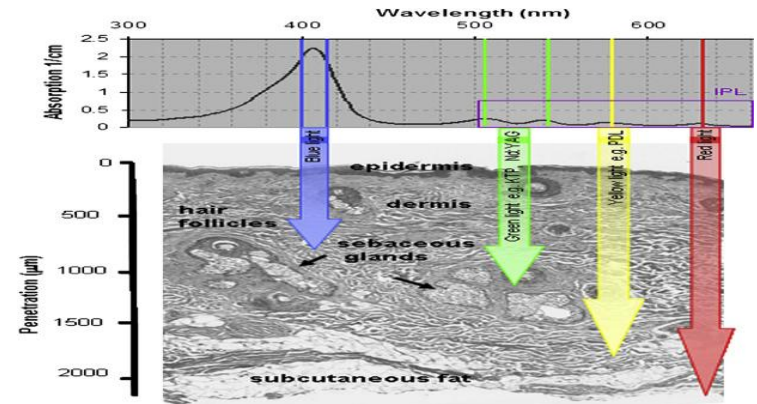
*A double blinded, prospective,
randomized, vehicle controlled
multi-center study of photodynamic
therapy with Visonac cream in patients
with acne vulgaris*

David Pariser, MD

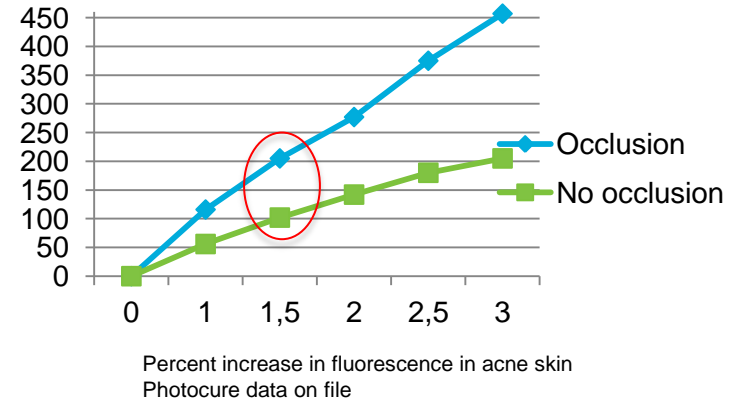


Trial Designed Based on Previous Clinical Experience

- Red light selected as optimal wavelength to adequately penetrate sebaceous glands
- Selection of optimal dose and incubation time based on degree of accumulation of fluorescence in both sebaceous glands and acne skin
- Efficacy and safety observed in earlier phase 2 trials in acne patients >15 years of age with different light source (Aktilite)
- Designed the phase 2b with well defined inclusion and exclusion criteria including younger patients and the optimal procedure



Wavelength dependent penetration of light into human skin
Sakamoto et al, J Am Acad Dermatol, Vol 63, 2, p 203, 2010



Acne Inclusion Criteria

- High degree of acne severity due to numerous inflammatory lesions
 - IGA score 4
 - Most of face involved, with comedones, numerous papules and pustules, and/or few nodules (<4)
- Lesion count:
 - 25-75 inflammatory lesions (papules, pustules, and nodules)
 - 20-100 non-inflammatory lesions (open and closed comedones)



Example of eligible patient to be included in the study and used as model for all investigators to secure standardization across study centers

Clinical Trial Design

- Patients randomized to either Visonac cream plus red light illumination or Control (vehicle cream plus red light illumination) (2:1)
 - Independent review of eligibility of all patients at baseline
- 1.5 hour incubation with occlusion followed by red light illumination
 - (632 nm with light dose of 37 J/cm²)
- Nedax[®] full face lamp
- 4 Visonac sessions 2 weeks apart
- 12 weeks study duration
- Primary end point: reduction in inflammatory lesions 6 weeks after last treatment

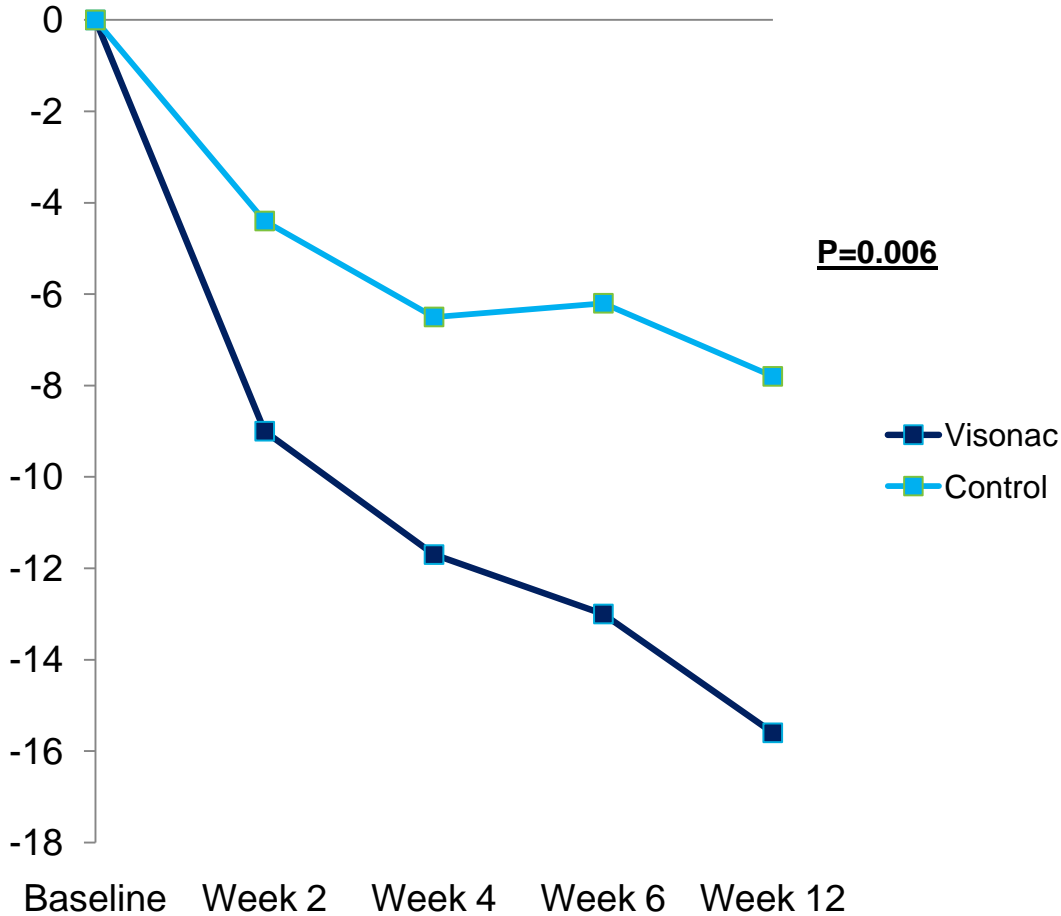


Patient Demographics

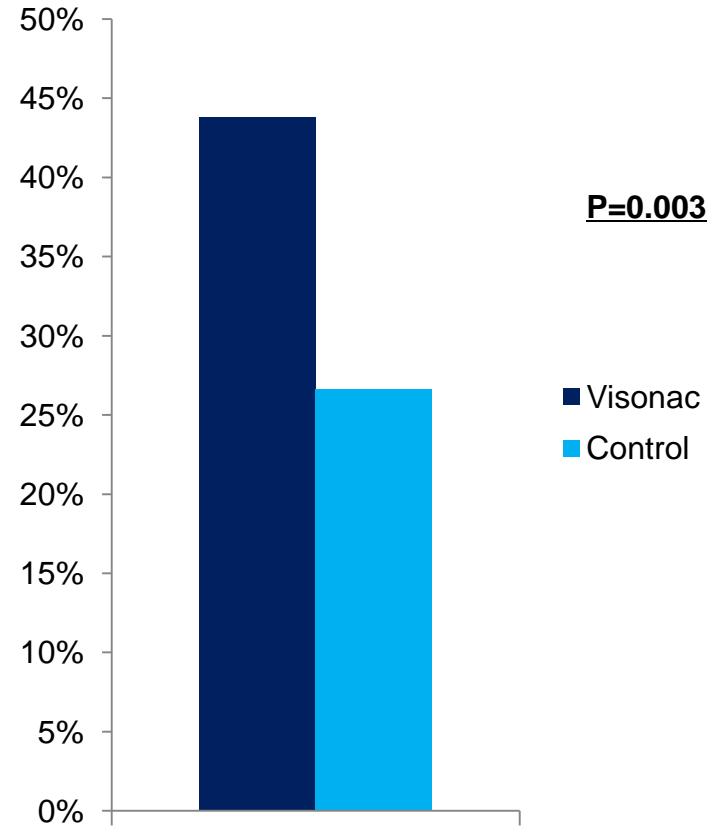
Demographics	Visonac (N=100)	Control (N=53)
Mean age, years	18.6	18.6
Age 12-17 years	59 (59.0%)	35 (66.0%)
Females/Males	44 / 56 (44.0% / 56.0%)	22 / 31 (41.5% / 58.5%)
Skin type:		
I-III	73 (73.0%)	39 (73.6%)
IV	15 (15.0%)	7 (13.2%)
V-VI	12 (12.0%)	7 (13.2%)
Received systemic treatment for their acne within the last 2 years	49 (49.0%)	26 (49.1%)
Inflammatory lesions mean (range)	41.9 (25 - 117)	42.3 (25 - 88)
Non-inflammatory lesions mean (range)	43.6 (20 - 96)	43.7 (21 - 95)

Efficacy Results - Inflammatory Lesions

Reduction in number of inflammatory lesions from baseline to week 12



Percent reduction of inflammatory lesions at week 12

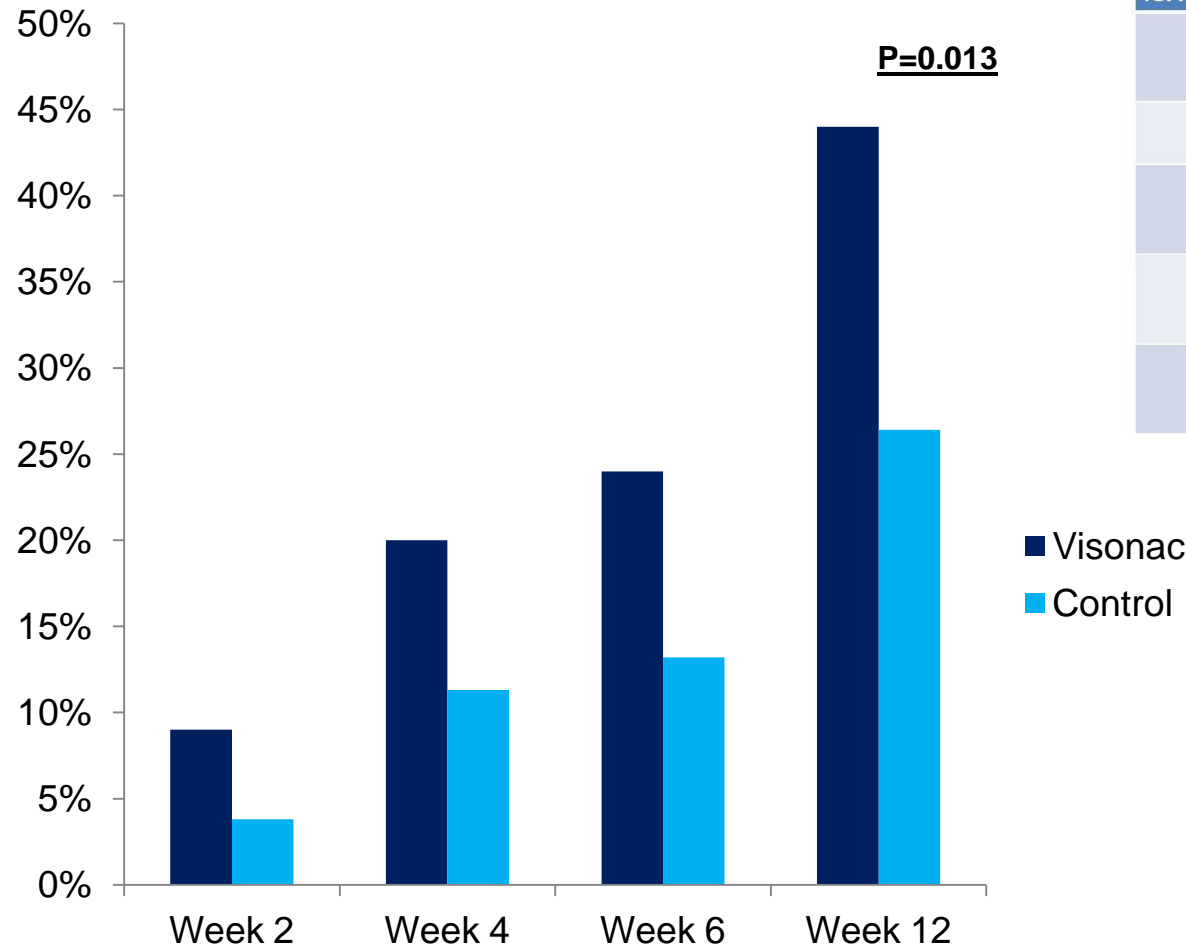


Efficacy Results - Improvement in Severity of Acne

Percentage of patients with reduced acne severity

IGA scale

IGA Scale	Grade	Description
0	Clear	Residual hyperpigmentation and erythema may be present
1	Almost Clear	Few scattered comedones and a few small papules
2	Mild	Easily recognizable: less than half of the face is involved. Some comedones and some papules and pustules
3	Moderate	More than half of the face is involved. Many comedones, papules and pustules. One nodule may be present
4	Severe	Most of face is involved, with comedones, numerous papules and pustules, and/or few nodules



Example of Reduction in Acne Severity Grade

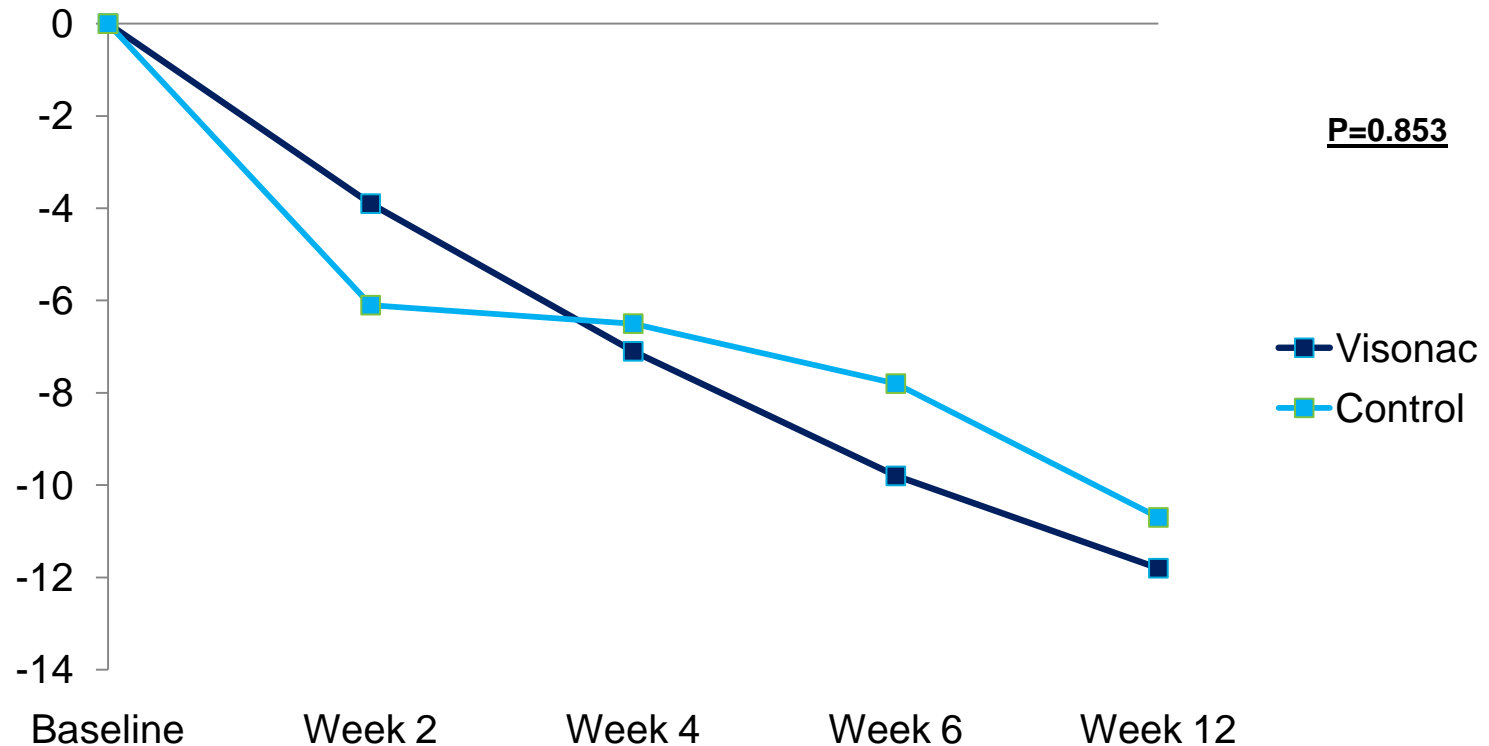
Baseline



Week 12
6 weeks after last treatment



Efficacy Results – Non-Inflammatory Lesions



Significant and Comparable Results in Both Groups

Summary of Clinical Trial Results

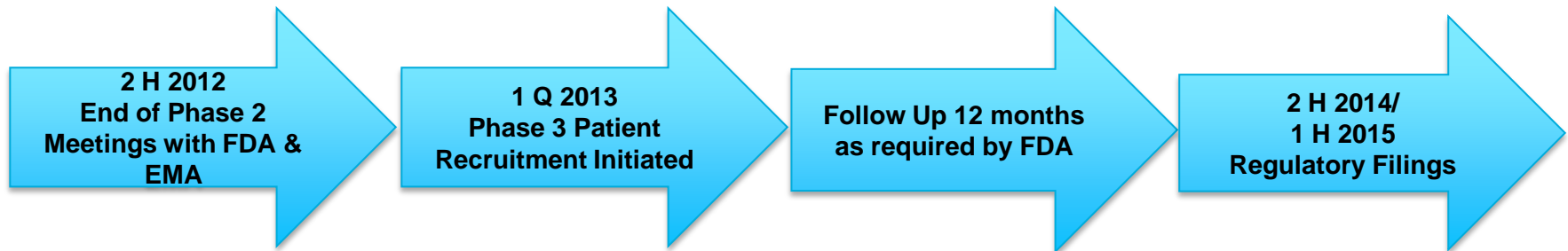
- Visonac demonstrated efficacy versus control
 - Statistically significant reduction in inflammatory lesions
 - Statistically significant higher treatment success rate as defined by reduction in acne severity grade
 - Non-inflammatory lesions were reduced in both arms of the study
- Visonac treatment was well tolerated
 - Adverse events were predominately local pain and erythema
 - No serious adverse events were reported
 - No systemic side effects were reported
- This study supports the continued development of Visonac in a patient population of moderate to severe acne in which there is a high unmet medical need

Clinical Development Plan
Inger Ferner Heglund



Phase 3 Development Plan

- PHO will complete development and registration for both US and EU, leveraging its expertise with previous drug-device approvals
- Continue discussions with regulatory authorities to finalize phase 3 study design
 - Number of subjects, duration of follow up, others



- Estimated market entry 2015/2016

Concluding Remarks and Q&A
Kjetil Hestdal



Concluding Remarks

- Photocure Technology™ to solve high unmet needs of patients and consumers worldwide
- Results of the phase 2b trial are significant and position Photocure to advance into the global phase III registration trials
- Demonstrates the continued commitment to deliver on the milestones as the evolution into a specialty pharma company continues



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