

PHOTOCURE ASA BUILDING A SPECIALTY PHARMA COMPANY

RESULTS OF THE FIRST QUARTER 2013

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HIGHLIGHTS FIRST QUARTER 2013

- Positive final results of phase 2b study for Cevira in HPV diseases of the cervix
 - Significant and sustained lesion response and high HPV clearance in CIN2 patients
- Total sales revenues of Hexvix/Cysview increased 2% to NOK 14.7 million driven by increased end user sales volumes in the US and Ipsen territories
 - Total 1Q 2013 value of worldwide in-market sales of Hexvix/Cysview NOK 34 million
- Total revenues of NOK 15.7 million, result of lower milestone revenues and lower sales of active pharmaceutical ingredients
- Net loss of NOK 21.4 million, result of the higher and planned marketing and sales expenses, as well as lower milestone revenues
- Cash and cash equivalents of NOK 277.3 million on 31 March 2013

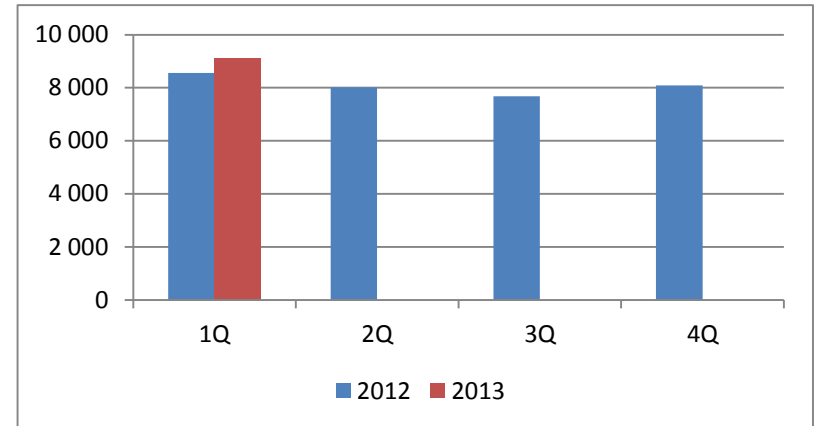
Commercial Update



VOLUME GROWTH BY IPSEN

- Positive 1Q growth in end user sales in key markets
 - Volume +6% vPY, driven by strong performance in Germany, Italy, Austria, Belgium
 - Inventory reduced from prior year, initial inventory stocking at launch in 1Q 2012
- EAU Guidelines strengthen recommendations on use of Hexvix
- Meta analysis, in 1293 patients confirms Hexvix significantly improves the detection of bladder cancer and reduces the risk of recurrence
- Ipsen reports €4.0 million in sales for 1Q 2013

Hexvix Partner Unit Sales Per Quarter



Successful EAU Congress

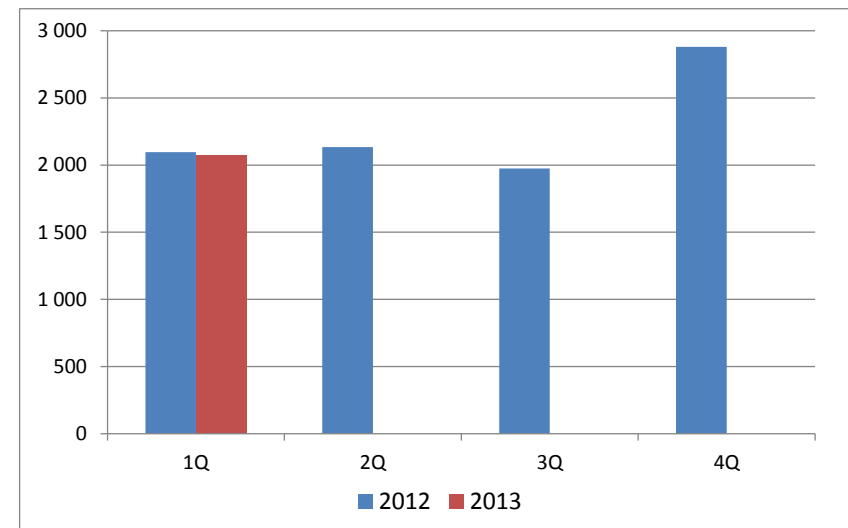


HEXVIX/CYSVIEW

MIXED PERFORMANCE IN OWN SALES

- PHO own sales revenues in the US and Nordics +5% vPY
- Nordic end user volume down 8% vPY due to inventory build at year end in Denmark
 - Solid performance in Sweden and Norway
- US end user volume growth 49% vPY
 - Temporary delayed process of cystoscopes placement
 - Coding changes and prolonged equipment capital processes
 - Target remains to exit year with 80 placements

Own Hexvix/Cysview Unit Sales Per Quarter






Pipeline Update



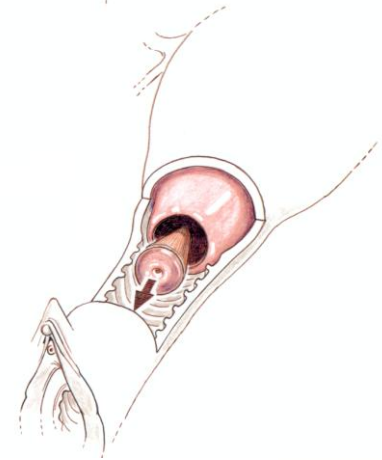
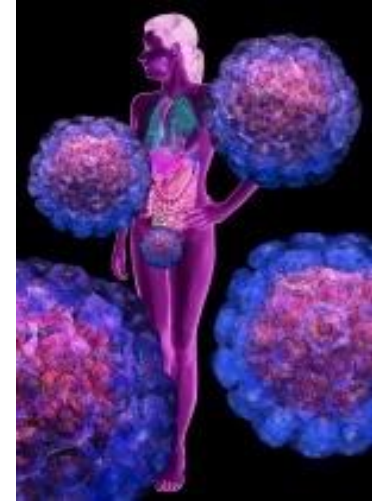
CREATING VALUE

DIVERSE PRODUCT PORTFOLIO

	Technology	Indication	Phase 1	Phase 2	Phase 3	Status
Lumacan®	PDD	Detection of colorectal cancer				<ul style="list-style-type: none"> • \$4.5M payment 4Q 2012 • Oral prototypes in clinic in 2013 • Worldwide license with Salix
Visonac®	PDT	Treatment of moderate to severe acne				<ul style="list-style-type: none"> • Positive Phase 2b results • End of Phase 2 meeting complete • Evaluating options for development and commercialization
Cevira®	PDT	Treatment of precursors of cervical cancer				<ul style="list-style-type: none"> • Positive final Phase 2b results • Commercialization through partners • Significant interest from potential partners

HPV - NEED FOR NOVEL TREATMENT OPTIONS

- HPV affects majority of women and risk of development of cervical cancer if not managed appropriately
 - Highly oncogenic subtypes 16 and 18 causal factor in
 - ~70% all cervical cancers
 - ~50% all high grade lesions
 - ~25% all low grade lesions
- Current screening and surveillance of low grade lesions (CIN1) complicated with high risk of women lost to follow up and possible disease progression
 - 30-75% of patients adhere to protocol
 - 30 million women globally with low grade lesions
- High grade lesions (CIN 2/3) treated with invasive surgery
 - Morbidities associated with the surgery are significant, particularly devastating in women of child bearing potential
 - 10 million women globally with high grade lesions



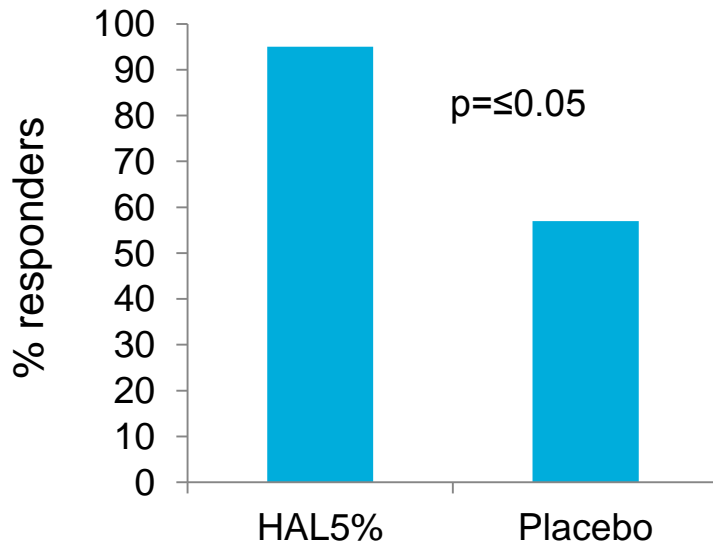
BREAKTHROUGH PLATFORM TECHNOLOGY DESIGNED FOR EASE OF USE

- First fully integrated drug-delivery device in photodynamic technology
- Novel single use, disposable intra-vaginal device developed for ease of use
 - Obviates clinical and commercial barriers
- Simple application in office setting
 - Does not require additional equipment
 - Auto-activation
 - Patient free to resume normal daily activities
- Designed to treat the entire epithelial sheet
- Outstanding Physician and Patient Acceptance

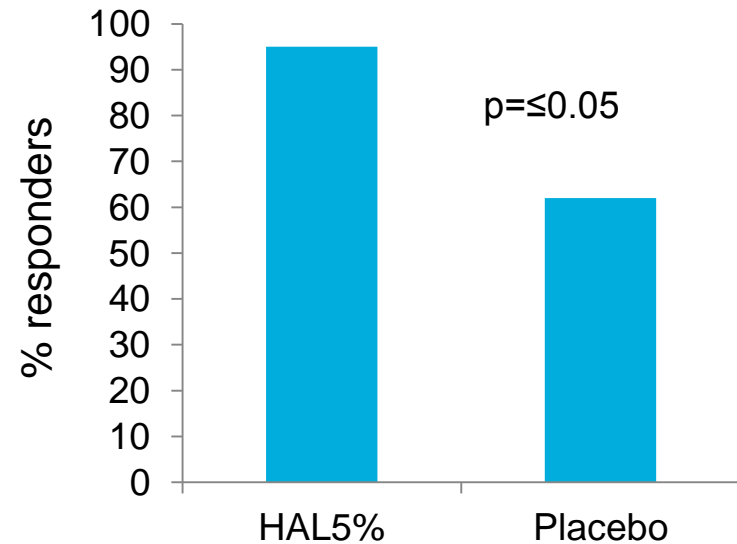


Cevira Demonstrated Significant and Sustained Efficacy in **CIN2** patients after 6 months

CIN2 overall response 3 months after last treatment (n=40)

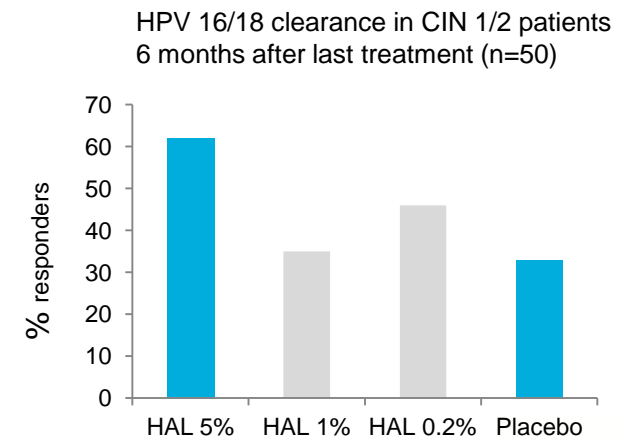
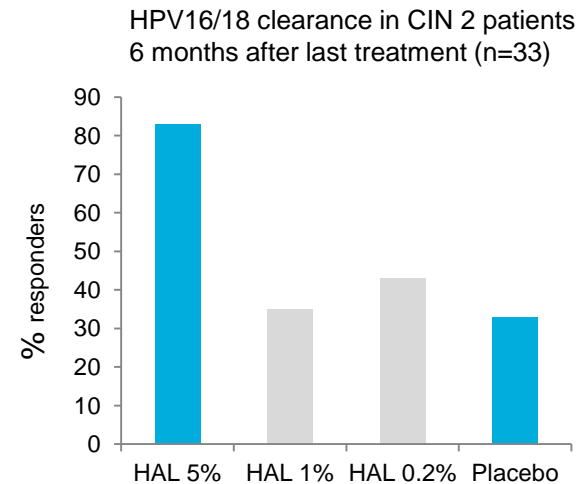


CIN2 overall response 6 months after last treatment (n=40)



Cevira Demonstrated Sustained Clearance of HPV including HPV 16/18 at 6 months

- Several HPV subtypes can cause precancerous lesions which lead to cervical cancer
- HPV 16 and 18 have the highest risks, accounting for
 - 70% of all cervical cancers
 - 50% of all high grade lesions
 - 25% of all low grade lesions
- Cevira showed superior clearance of high risk HPV 16/18 in the CIN 2 and overall study populations
- By clearing the virus rapidly, Cevira has the potential to significantly reduce the potential of progression to cervical cancer



CEVIRA A MAJOR OPPORTUNITY

- High unmet medical need for novel therapies to treat epidemic proportions of HPV/CIN populations
- Breakthrough technology allows for convenience and simplicity which can be integrated in even under-developed healthcare systems
- Results of the Phase 2b trial are significant and lay the foundation for the Phase 3 registration program
 - Significant overall response in CIN 2
 - High clearance of HPV, including highly oncogenic HPV 16/18
 - Excellent tolerability and high physician & patient acceptance
- Discussions underway to secure ideal global development and commercialization partner



VISONAC PREPARING FOR PHASE 3

- High unmet need for novel treatments for moderate – severe acne
- Positive phase 2b results
 - Significant reduction in inflammatory lesions
 - Overall improvement in acne severity
 - Well tolerated regimen
- Preparing for phase 3 registration trials
 - SPA submitted in 1Q 2013
- Evaluating various options for further development

Baseline



Week 12
6 weeks after last treatment



Financials



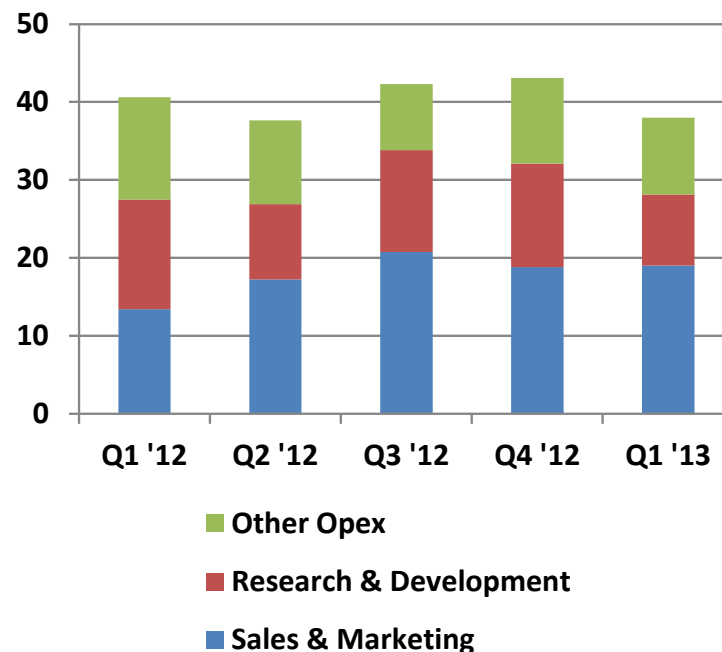
ENCOURAGING UNDERLYING VOLUME GROWTH

- Revenue from own sales of Hexvix/
Cysview up 5% in the quarter
 - Nordic unit sales to pharmacies down 8%, driven by inventory build at year end in Denmark, however solid performance in Sweden and Norway
 - US end user volume growth 49%
- Partner revenue at level with last year
 - In-market volume growth of 6%, revenue however offset by Ipsen inventory reductions compared to prior year
- Milestone revenues and API revenues driving total revenue down 52%

<i>MNOK</i>	Q1 '13	Q1 '12
Hexvix own sales	6,4	6,1
<i>YoY growth</i>	4,8 %	
Hexvix partner sales	8,1	8,1
<i>YoY growth</i>	0,3 %	
Total Hexvix sales	14,5	14,2
<i>YoY growth</i>	2,2 %	
Other sales	0,1	4,7
Total sales revenue	14,6	18,9
<i>YoY growth</i>	-22,5 %	
Milestones	1,0	14,1
Total revenue	15,7	33,0
<i>YoY growth</i>	-52,5 %	

OPERATING EXPENSES IN LINE WITH PREVIOUS QUARTERS AND EXPECTATIONS

- R&D expenses at NOK 9.1 million in 1Q
 - Main R&D activity was phase 2b study in EU/USA for Cevira
- S&M expenses increased to NOK 19.0 million in 1Q, an increase of 41%
 - Increased commercial activities in the US
- Spending level in line with expectations



<i>MNOK</i>	Q1 '13	Q1 '12	Change
Research & Development	9,1	14,0	-35 %
Sales & Marketing	19,0	13,4	41 %
Other Opex	9,8	13,2	-25 %
Operating expenses	38,0	40,6	-7 %

PROFIT & LOSS

FIRST QUARTER 2013

MNOK

	Q1 '13	Q1 '12	Change
Sales revenues	14,6	18,9	-23 %
Signing fee and milestones	1,0	14,1	-93 %
Total revenues	15,7	33,0	-52 %
Gross profit	14,3	31,0	-54 %
Operating expenses	-38,0	-40,6	-7 %
Operating profit/loss(-)	-23,6	-9,7	>100%
Profit/loss(-) before tax	-21,4	-6,8	
Discontinued operations	0,0	-4,8	
Net profit/loss(-)	-21,4	-11,7	
Total comprehensive income	-35,4	-8,6	

- Total revenues for 1Q NOK 15.7 million, down 52% from prior year driven by both milestone revenues and sales of API
- Operating loss in the quarter of NOK 23.6 million, driven by spending to establish US commercial organization

CASH FLOW

FIRST QUARTER 2013

MNOK

	Q1 '13	Q1 '12
Cash flow from:		
- Operations	-26,7	-28,3
- Investments	1,8	2,5
- Financing activities	-0,6	-3,4
Net change in cash	-25,5	-29,1
Ending cash balance	277,3	326,1

- Quarter cash flow from operations NOK -26.7 million
- Cash and cash equivalents on 31 March 2013 of NOK 277.3 million, compared to 31 December 2012 at NOK 302.8 million

BALANCE SHEET PER 31 MARCH 2013

- Non current assets includes NOK 32.5 million in shares in PCI Biotech
- Deferred tax asset of NOK 40.8 million
- No interest bearing debt
- Shareholder's equity of NOK 344.9 million
- Equity ratio of 88%
- Photocure held 162,296 own shares at end of 1Q

<i>MNOK</i>	31.03 2013	31.12 2012
Non-current assets	91,5	104,9
Inventory & receivables	23,0	25,3
Cash & equivalents	277,3	302,8
Total assets	391,9	433,0
Shareholders equity	344,9	380,3
Long term liabilities	1,8	1,6
Current liabilities	45,2	51,1
Total equity & liabilities	391,9	433,0
Equity ratio	88 %	88 %

Summary and Outlook



EXECUTING OUR STRATEGY

- Build a speciality pharma company, focused on cancer and dermatology
- Maximize the potential of the company's Photodynamic Technology Platform – Photocure Technology™
- Leverage our experience to develop, register and commercialize new products based on Photocure Technology™
- Build a strong commercial platform in select territories

Key Achievements 1Q 2013:

- ✓ Positive final results achieved in Cevira phase 2b clinical trial, generating partner interest
- ✓ Increasing momentum in Partner sales
- ✓ Continue to build momentum in own sales of Hexvix/Cysview
- ✓ Special Protocol Assessment for phase 3 Visonac trial filed

KEY MILESTONES 2013



2013

Focus

- Drive growth of Cysview in the US
- Work closely in partnership with Ipsen to increase sales of Hexvix in Europe
- Progress partner discussions for Cevira
- Lumacan oral prototypes enter clinical development
- Progress Visonac development and commercialization