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Provectus Biopharmaceuticals 2015 Second Quarter Business Update

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Operator: Greetings, and welcome to the Provectus Biopharmaceuticals Inc. 2015 Second Quarter Business Update Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require operator assistance during a conference, please press star-zero on your telephone keypad. As a reminder, this conference is being recorded.

I would now like to turn it over to your host, Michael J. Porter, President of Porter, Levay, and Rose. Thank you, Mr. Porter. You may begin.

Mr. Michael J. Porter: Thank you, Douglas [sp]. Good afternoon, everyone, and welcome to the Provectus Biopharmaceuticals Second Quarter Business Update Call. Before we get to the business at hand, I must remind you all that this call contains forward-looking statements as defined under the US Federal Securities Laws. These statements reflect the management's current knowledge, assumptions, beliefs, estimates, and expectations and express management's current view of future performance, results in trends, and such forward-looking statements may be identified by the use of the terms such as anticipate, believe, could, estimate, expect, intend, may, plan, predict, project, will, and other similar terms.

Forward-looking statements are subject to a number of risks and uncertainty that could cause our actual results to material differ from those described in the forward-looking statements. You should now--you should not place undue reliance on forward-looking statements. Such statements are made as of the date such statements that we make. We undertake no obligation to update such statements after this call. Risk and uncertainty that could cause our actual results to material differ from the described in the forward-looking statements, including those discussed in our filings with the Securities Exchange Commission, including those in Item

1A of the Annual Report on Form 10-K for the year ending December 31st, 2014, and our subsequent quarterly reports filed with the SEC.

At this time, I would like to turn the meeting over to Peter Culpepper, COO and CFO of Provectus. Good afternoon, Peter. The floor is yours.

Mr. Peter Culpepper: Welcome, everyone, and thank you, Mike, for that introduction. This conference call is coming live from the Atlanta Hartfield International Airport Concourse T, where following this call, we expect to have a meeting with physicians for purposes of further expanding our global reach of Provectus, growth development, and commercial vision.

We have committed to hold regular conference calls such as this timed to coincide with the filing of our annual and quarterly reports with the SEC to allow a greater interaction between the company and stockholders, as well as conference calls if and when especially notable news is at hand, such as a potential partner transaction.

Today, I want to go over the developments of Provectus since we last spoke to you from the Anti-Cancer Agent Development and Validation Workshop venue in the Washington, DC, metropolitan area on Thursday, May 7th. Here are the key supports for our expected success with both PV-10 and PH-10, clinical and business values proposition pillars of PV-10 and PH-10. Number one, intellectual property, including with Pfizer. Number two, drug product and substance supply chain. Number three, regulatory support from FDA and global counterparts. Number four, mechanisms of action for both PV-10 and PH-10. Number five, clinical study designs, which generate randomized data.

Our success in developing our halogenated xanthine API will [inaudible] in PV-10 and PH-10 enable us to focus in these areas, business and corporate development focus areas. Number one, more and enhanced company and PV-10 visibility and awareness. Two, nurturing co-development of drug combinations with Big Pharma. Number three, other strategic activity, for example, regional licenses, collaborations, investments, et cetera.

For pillar number five, clinical study designs, I want to start with PV-10 as an investigational treatment for melanoma, then move onto investigation of its potential use in treating cancers

of the liver and other solid tumor indications, as well as the co-development focus we have with PV-10 and systemic immunotherapies. Then, we will discuss global developments, finances, and new consulting agreements we have signed, which speak to our three key focus areas.

Let's begin with our international Phase III clinical trial of intralesional PV-10 as a treatment for locally advanced cutaneous melanoma. We are currently recruiting 225 patients for this pivotal setting. We have begun adding sites to the NIH registry at clinicaltrials.gov and will continue to add sites in the coming weeks in the US, Australia, and elsewhere. The primary outcome is progression-free survival, PFS, to be assessed every 12 weeks up to 18 months. The secondary outcome measures include complete response rates, CRR, and this duration to be assessed every 12 weeks up to 18 months, and overall survival to be assessed every 12 weeks up to 18 months.

Unlike our Phase II study, which was a single-arm study, the Phase III is a randomized trial, and Eric Wachter, our Chief Technology Officer will provide further detail. Our intent is to further

demonstrate conclusively that PV-10 works and is statistically superior to the control systemic chemotherapy.

We have an estimated primary completion date of September 2017 and an estimated study completion date of October 2017. An interim assessment of efficacy and safety will be performed by the independent data monitoring committee when 50 percent of the events required for the primary endpoint have occurred. Therefore, meaningful clinical data are potentially available via an interim analysis on a shorter timeline possibly around this time next year.

We continue to attend scientific conferences as well. Since we last spoke, Dr. Vernon Sondak of the Moffitt Cancer Center presented data on intralesional therapy for melanoma with PV-10 during the Fifth European Post-Chicago Melanoma Skin Cancer Meeting in Munich, Germany, at the end of June. As Dr. Sondak and others have stated, Moffitt continues to conduct translational research on the synergy of combining PV-10 and checkpoint inhibitors. Checkpoint inhibition is an important advance in the treatment of many cancers, including

melanoma, but recent commentators have concluded that checkpoint inhibitors need additional help to defeat cancer in most patients.

These inhibitors show promise by, quote, liberating the immune system by blocking the pathways that allow cancer cells to hide tumors from immune attack. However, checkpoint inhibitors cannot work on their own if the patient fails to mount an adequate immune response to the tumor or if the tumor evolves so that it is no longer recognized by the preexisting immune response. This may well apply to well over 50 percent of melanoma patients, especially those with late-stage disease and to an even higher percentage of patients with less immunogenic solid tumors that have not been caused by chemical carcinogens or ultraviolet light, end quote.

Moffitt-generated data is encouraging to us on many levels as we optimize use of PV-10 and we look forward to more data communicated publicly this year. We believe PV-10 can improve results of checkpoint inhibitors on their own, and we anticipate future data to further demonstrate how we PV-10 works in combination with checkpoint inhibitors. A combination

patent allowance with Pfizer is a key leading indicator of the importance of what we are doing, and we expect further news flow on this topic this year.

Provectus also had a poster presentation at the June conference in Munich, titled "Trials in Progress: Intralesional Rose Bengal versus Systemic Chemotherapy for Treatment of Locally Advanced Cutaneous Melanoma". We expect to continue this type of Phase III trials in progress communication. Also, Dr. Sanjiv Agarwala, Chief of Medical Oncology and Hematology at St. Luke's Cancer Center in Bethlehem, Pennsylvania, and Professor of Medicine at Temple University School of Medicine in Philadelphia, shared his research on PV-10 as an investigational intralesional treatment of melanoma at the 2015 American Society of Clinical Oncology Annual Meeting on May 31st this year. Dr. Agarwala chaired an education session titled "Locoregional Therapies in the Setting of Systemic Treatment Advances: What's Next?"

The session was part of the conference's track, melanoma skin cancers, developmental therapeutic translational research. I, myself, also discussed the latest developments of Provectus, including the recently begun Phase III clinical trial of PV-10 for melanoma at the 2015 Bio International Convention in Philadelphia on June 16th.

While the use of PV-10 as an investigational treatment for melanoma remains the most advanced program for Provectus, investigation for the use of PV-10 in treating cancers of the liver is progressing as well. Eric Wachter, PhD, our Chief Technology Officer, made a poster presentation at the ESMO 17th World Congress on Gastrointestinal Cancer, ESMO GI, in Barcelona at the beginning of July. He detailed data from our Phase I study of PV-10 for chemoablation of the hepatocellular carcinoma, HPC, and cancers metastatic to the liver.

The main conclusion was that preliminary evidence of efficacy in treatment of cancers of the liver with PV-10 was observed. Dr. Agarwala was in Osaka, Japan, that same week presenting the data at the Sixth Asia Pacific Primary Liver Cancer Expert Meeting, APPLE 2015. Both of these posters can be found on our Web site, www.pvct.com.

Our data on cancers of the liver is consistent with what we've observed in melanoma, lesions of the skin, and mirrors non-clinical results we've seen in our own model testing, and that is outside groups like the team at Moffitt. While further research is necessary from a scientific standpoint and under the auspices of the FDA and global regulatory bodies, we believe that

these results for rapid development of PV-10 in a randomized Phase II study after dosing the standard of care is optimized.

We have reason to believe that the work done on melanoma will aid in our work on these other types of cancer and the path to market for other indications will be able to take advantage of what we've learned developing PV-10 for melanoma. Before we move on from PV-10 development, I want to mention that the Society of Surgical Oncology, SSO, has published an abstract describing preliminary research into the use of PV-10 in murine models for colon cancer.

A poster based on the published abstract was presented at the SSO's 68th Annual Cancer Symposium, titled "Intralesional Injection of Rose Bengal Induces an Anti-Tumor Immune Response in Potent Tumor Regressions in a Murine Model of the Colon Cancer". This is the first the research community is hearing about PV-10 as a potential treatment for cancer of the colon, and we expect much more in the months ahead.

This colorectal work being done out of the University of Illinois at Chicago with the team led by Dr. Maker is similar to the breast cancer and melanoma research done at Moffitt led by Dr. Pilon-Thomas. Researchers from both groups have independently concluded that intralesional PV-10 treatment leads to the induction of tumor-specific immunity.

As we noted in our last call, these conferences are important in light of the fact that our primary financial objective is to strategically monetize the core value of PV-10 and PH-10 through licensing and other transactions. These conferences are important in further developing relationships with potential partners who can help us do this. Participation in these conferences raises the profile of both PV-10 and Provectus itself. We have stated that our exit strategy is an acquisition, and these conferences are where we have been developing relationships with potential partners.

In addition, our participation in these conferences enhances our scientific credibility and awareness within the oncology and regulatory communities of the value of PV-10 as a local cancer treatment with potential for systemic benefits. There have been many attempts with other compounds without success, and as a result, the entire local approach is viewed very

carefully in light of meaningful data. The presentations and discussions at conferences go a long way to advancing our efforts.

Turning to further development globally and Asia in particular, discussion has continued on the basis of the memorandum of understanding signed last year with Sinopharm, China State Institute of Pharmaceutical Industry, CSIPI, the leader among all pharmaceutical research institutes in China and Sinopharm A-THINK Pharmaceutical Company Limited, Sinopharm A-THINK, the only injectable anti-tumor drug research and development manufacturer and distribution integrated platform within the Sinopharm group.

We have continued discussions with the frame of reference established in the original memorandum of understanding, or MOU, signed last year and extended since the passing of the original termination date. Since the signing of the MOU, management of Provectus and senior personnel at Sinopharm, CSIPI, and Sinopharm A-THINK has held numerous conference calls, has met face-to-face in both China and the US, and Chinese scientists on staff at Sinopharm have discussed in person PV-10 and its clinical results with various lead investigators we work with.

As noted in a press release we issued on July 15th, Dr. Zhidan Jia, Chief Executive Officer of Sinopharm A-THINK, stated that we continue to work closely with Provectus to arrive at an agreement which defines the terms of our collaboration in bringing PV-10 to the Chinese market. We hope to come to terms in the near future.

We have also been particularly encouraged by the interest we had in China with our announcement on July 2nd in Barcelona at ESMO, where we presented our PV-10 liver clinical data for the first time. We signed a letter of intent with Boehringer Ingelheim China Investment Company Limited. The purpose of the LOI is to lay a foundation for the two sides to collaborate in bringing PV-10 to market in mainland China, Hong Kong, and Taiwan. Maxim Group LLC is acting as our strategic advisor in this relationship.

Boehringer entered the Chinese market in 1994 and has been one of the fastest growing international pharmaceutical companies in China in the past few years. They are the largest contract pharmaceutical manufacturer in China, and their interest in Provectus is very exciting for melanoma, cancers of the liver, and even potentially other solid tumor indications. Under

the terms of the LOI, Boehringer will provide certain commercially reasonable support in the aspects of product registration with the China Foods and Drug Administration, communication preparation, market intelligence, and other assistance to Provectus in China to the extent that is within Boehringer's approved business goals and permissible by Chinese laws.

In return, Provectus will grant Boehringer the first priority to be the exclusive collaborator of Provectus in China for PV-10 in the event that PV-10 is successfully registered and approved by the CFDA. The exclusive collaboration may take the form of exclusive distribution and promotion, exclusive licensing or other agreements, subject to both parties' mutual agreement.

We hope that eventually this will lead to a definitive agreement, including a non-compete provision for PV-10 to be exclusively developed, distributed, and promoted through the collaboration within China. Although there can be no assurance that there will be a definitive agreement, it could take the form of exclusive commercial supply, distribution, and promotion, partnership, or any other form suitable to both parties' interest.

We are confident that Boehringer Inc. will have expertise in navigating the regulatory requirements in China will prove beneficial to us, and we are also confident that a commercial collaboration will benefit both companies. In addition, we believe that a successful partnership with Boehringer Ingelheim in China will provide us with experience in dealing with regulatory systems outside the US and help us take PV-10 to a global marketplace.

It should be noted that we have no active signed working relationship of any sort with Sinopharm, whereas we do with Boehringer. In the vernacular here in the south with NASCAR prominent, Boehringer is in the pole position with Provectus insofar as the business relationship. We very much appreciate the manner that Boehringer has taken in a leadership position with respect to PV-10 commercialization, although we continue to value our ongoing relationship with Sinopharm.

I also want to mention here that we've been developing ties to India, the second biggest nation in the world by population after China. We were recently recognized by the American Association of Physicians of Indian Origin, or AAPI, the largest medical association of physicians in the United States after the American Medical Association, for helping to develop AAPI's

global clinical research and trial network. This network focuses on patient recruitment and clinical research. We believe that the relationship will boost patient recruitment, heightened interest for--in Provectus in India, and eventually lead to the entry of PV-10 into the market there.

We have had discussions with several firms and experts in India, including face-to-face meetings as well as electronic correspondence. We are clearly not as far along here as we are in China, but the environment we feel is promising, and we believe we can make progress here in the next quarter or two.

Leaving Asia, Provectus has retained healthcare communications company PharmaHEALTHlabs to coordinate and facilitate an investor advisory board meeting to be held during the 11th Brazilian Melanoma Conference in mid-August in Goiania, Brazil. The meeting will include the key opinion leader oncologists, who will be attending the conference and who are active in the investigator community in Brazil for the treatment of melanoma.

The purpose is to offer insight and feedback into the status of treatment of melanoma in Brazil as well as the feasibility of initiating expected Phase III melanoma PV-10 trial in Brazil. We will report on that in full after the meeting when appropriate.

Everyone knows the development of PV-10 as a treatment for melanoma is the most advanced of our programs. But, we are also making headway in our development of PV-10 to treat cancers of the liver and other uses of PV-10. We expect further data to be communicated in a published--in a peer-reviewed publication in due course this year.

Moving on to PH-10, we believe that the PH-10 mechanism study is going extremely well. We look forward to better characterizing how PH-10 is anti-inflammatory agent which properly modulates the immune system. The mechanism data is expected to confirm and help us better articulate what we believe about PH-10's unique safety and efficacy. This study will provide us with the data necessary to further discussions with potential PH-10 partners with monetization and commercialization of PH-10 as our corporate objective.

Let's move on now to our financial condition. In our last call, I said, quote, given our current rate of expenditures and our ability to curtail or defer certain controllable expenditures, I reiterate what I said during our last call. We do not anticipate needing to raise additional capital to further develop PV-10 on our own to treat locally advanced cutaneous melanoma, cancers of the liver, recurrent breast cancer, bladder cancer, lung cancer, pancreatic cancer, and other indications because we plan to strategically monetize PV-10 through appropriate regional license transactions, licensed PH-10 for psoriasis and other related indications described as inflammatory dermatoses and also complete the spinout of Pure-ific Corporation and the other non-core subsidiaries.

This was and is necessary for purposes of establishing our ability to continue as a growing concern well into 2016. On June 24th, we now--we had completed a public offering of common stock and warrants that raised 13.1 million. This enables us to now continue as a growing concern well into 2017. We continue to state that we will raise funds as necessary to ensure adequate cash on hand for purposes of our interaction with DDO, our external auditors, and the New York Stock Exchange as well.

As of June 30th, 2015, we have over 23 million in cash and cash equivalents, and we have refreshed our 100 million shelf registration statement with SEC to ensure that we continue to meet our obligations as a public company. As we proceed with our Phase III study of PV-10 for melanoma and our other PV-10 development programs, we have determined that Provectus must devote greater resources to our contacts with the public by way of the media. We have therefore retained Allison and Partners to manage our media relations and to coordinate with Porter, Levay, and Rose, which is handling our investor relations council.

Allison and Partners is well established, well respected, and well connected. With PHARMA, the Pharmaceutical Research and Manufacturers of America, on its roster of clients, we are confident that they understand our communication needs and will be able to raise our profile even higher. So, as we recap our five value proposition pillars, we have the right clinical studies to generate meaningful clinical data either now in place or on the verge of commencement such that we can fully focus on our three business and corporate development focus areas.

Number one, we expect enhanced company and PV-10 visibility and awareness with Allison and Partners, media exposure, our boehringer relationship, the Phase III progress, and our Pfizer

patent allowance. Number two, we expect co-development opportunities with partners because of Moffitt, University of Illinois, and PH-10 mechanism data. Number three, we expect other strategic activity like regional licenses and collaborations in India, Brazil, and elsewhere, along with further progress in China.

I'd like to now turn this call over to Eric Wachter, our Chief Technology Officer and Value Driver of our Clinical Development Program. Eric, please take it from here.

Dr. Eric Wachter: Thanks for that overview, Pete. I'd to reiterate some of the information Pete just presented in his overview and to add some additional detail on key topics. These will include status of our Phase III study of PV-10 and locally advanced cutaneous melanoma, our efforts to commercialize and conduct testing of PV-10 in combination with immune checkpoint inhibition in more advanced melanoma, what we're doing to advance our liver cancer indication, where we stand with PH-10, and the role these efforts are expected to play in fostering close relationships with potential corporate partners.

Starting with the PV-10 Phase III study in locally advanced cutaneous melanoma, we've listed our second study site on the clinicaltrials.gov Web site and are in the final steps of opening a number of others in the US and Australia. We will continue to add sites to the Web site as they're brought online to provide full transparency to patients and stakeholders alike. However, this has gone slower than hoped. We're working to speed up site startup and anticipate that this will accelerate in the present quarter.

Note that sites will only be listed on the NIH Web site once we have a finalized study agreement and have received IRB approval. Status of sites will typically be listed as not yet recruiting for several weeks until final site training has been completed, at which time, status will be changed to recruiting.

As we have noted previously and done in the past, we're focusing initial attention on opening key strategically significant investigators and sites first to establish a critical mass for the program and will expand from that base in coming months. In the US, this is a site-by-site process, where each site has unique contractual, indemnification, and Institutional Review Board, or IRB, requirements.

In Australia, we're using the new National Ethics Application Process, or NEAP, along with standard contract and indemnification agreements for the first time nationwide. These features are representative of a constantly evolving process for conduct of clinical trials, and the recent delay was necessary to properly address the changing needs of our sites.

We can't change the a la carte nature of site startup in the US, but the nationwide approach in Australia is expected to expedite startup there once our initial site is active. And as Pete noted, we're actively engaged in bringing additional sites both in these countries and in a number of other strategically selected countries into the program. Regions in particular interest include China, Brazil, Mexico, and Western Europe, and our development team is actively working to address the unique regulatory and operational needs in each of these countries.

As in the US and Australia, this effort is targeting strategically important investigators and sites that will form a central core around which additional sites are added. Our initial focus on strategically significant investigators and sites is crucial in ensuring that the study is built on a firm clinical foundation. These global leaders will typically provide the lead geographically for

other investigators in the region, providing key study coordination oversight necessary to make sure the study is conducted to the highest standards.

I will note that in addition to the clinicaltrials.gov Web site, the Phase III study is likely to appear on other clinical trial listings. In some cases, we have a--we may have a role in curating such listings. In others, we don't. An example is recent University of Pennsylvania Clinical Trials Database that listed the Phase III study. We have no role behind this listing, and in this particular case, it seems to be a resource for referral patients to various clinical trials, either at Penn or at other institutions.

So, to dispel any potential ambiguity, I'd like to reiterate that we will list all study sites on the clinicaltrials.gov Web site. This has always been a policy and will continue to be the case for the foreseeable future.

As I noted in the last conference call, I don't anticipate that the company will provide site-by-site or patient-by-patient announcements or study milestones, since this would be highly unusual for our industry. But, we do insist they provide a periodic summary of study status.

Obviously, at this early point in the study, we won't be providing a summary of what has been to date the single open center.

As we continue to add study centers, we will monitor progress on enrollment, particularly as it relates to further optimizing implementation of the study. We continue to expect overall enrollment to be approximately one-third from the US, one-third from Australia, and one-third from the rest of the world. If this balance ends up shifted more to non-US and non-Australian patients, our efforts to access key investigators and patients from different parts of the world should help assure that we have a diverse patient population that is similar to patients in the US.

We believe the second half of this year will be crucial in determining whether the initial study timelines can be met. As we make progress toward adding sites, we will continue to monitor the impact that this is likely to have on patient accrual and assess options for adding additional sites in the regions I've noted as well as potentially adding additional regions as necessary.

We will also continue to monitor the changing treatment options available to patients in these regions and if necessary adjust certain study elements to address these changes. For instance, our last conference call was made immediately on the heels of a key FDA review committee meeting regarding possible approval of another intralesional agent for melanoma, that is T-VEC.

A decision on approval with T-VEC is scheduled for late October, and if this agent is approved and becomes readily available as standard care, we anticipate adding it as a comparator in those areas where it is available. Any such modification should not negatively impact the study timeline or--nor the integrity of study results.

Turning to the other primary component of our development plan for melanoma, we've continued to move towards commencement of a post-clinical study of PV-10 in combination with a new checkpoint inhibition in patients with advanced metastatic melanoma. After thorough consultation with leading investigators who will conduct this work, we have a study design that is undergoing final investigator review and anticipate completing the protocol before the end of the present quarter.

This includes comprehensive definition of patient population, dosing schedule for both agents, and the study endpoints. As I've indicated previously, to assess potential benefit of PV-10 for patients with advanced melanoma, this Phase Ib/II study will incorporate a modest-sized single-arm Phase I key--Phase Ib component of 24 patients with expedited safety and efficacy endpoints.

Completion of this initial phase is expected to support expansion to a larger randomized Phase II component having an estimated 120 patients. The actual size of the Phase II component will be determined by modeling and response data among Phase Ib participants, that is the so-called observed effect size.

Endpoints for Phase Ib will comprise assessment of acute safety of the combination regimen and objective response rate at three to four months. For the Phase II portion, endpoints will be overall survival, progression-free survival, and objective response rate.

We anticipate using the anti-PD1 drug pembrolizumab, also known as Keytruda, as the checkpoint inhibitor. This class of drug has been shown to work favorably with PV-10 in mouse

models with melanoma, as presented by our colleagues at Moffitt last November at the Annual Meeting of the Society for Immunotherapy Cancer, and as anticipated in our allowed drug patent application with Pfizer, the two drugs have largely unrelated or orthogonal side effect profiles.

These factors provide justification for conducting the study. Also, since pembro is standard of care for the study of patient population, it is standard practice to conduct these kinds of studies in an add-on mode where all patients receive standard of care.

We're optimistic that we can leverage existing investigator and site relationships to commence this study by the end of the calendar year. And since pembrolizumab is licensed in the US, we can commence this study with or without the assistance of a partner. If ongoing negotiations with prospective corporate partners lead to interest in testing PV-10 with a different checkpoint inhibitor, the study is designed to facilitate use with other drugs to enable such testing in a straightforward manner.

Moving onto our liver cancer indications, Pete noted we presented data from our Phase I study to international liver cancer conferences last month in Europe and in Japan. These meetings provided a means to present initial data to investigators active in this arena in two important regions. They also provided a perfect venue for announcement of our relationship with Boehringer, particularly as it pertains to advancing development of PV-10 for hepatocellular carcinoma, a major concern in many parts of Asia as well as certain parts of Europe. As we continue learning about PV-10 in liver cancers from our ongoing Phase I study, this relationship with Boehringer is likely to play a pivotal role in finalizing plans for transition to Phase II in HCC in Asia and could impact companion work in the West.

We expect substantial progress on this front throughout the remainder of the year. Work we've been conducting in our melanoma program for regulatory filing in China and elsewhere aid in this process, and our fundamental design of a Phase Ib/II study of PV-10 plus standard of care for HCC remains unchanged.

In addition to these core studies, enrollment is also continuing under our expand access protocol for PV-10 at sites in the U.S. and Australia. Since this protocol excludes patients or

candidates for other PV-10 trials, we continue to expect to keep this protocol open at least through the near term. And it continues to address demand for PV-10 for patients with melanoma and other cutaneous and subcutaneous malignancies.

We've also recently completed manufacturer of an additional clinical lot of PV-10, assuring that we have sufficient supply for all of these efforts.

Moving onto PH-10, at the beginning of the year, we began enrollment in our Phase II mechanism of action study of PH-10 in up to 30 patients with mild to moderate psoriasis. And enrollment is nearly complete at our three study centers in the U.S.

This work builds on prior testing in Phase I and II studies in total of 226 patients. This mechanism study is probing possible changes in the immunologic, structural, and hyperproliferative state of the skin in target plaques and evidence of cellular atypia following PH-10 application.

Data from the study should aid further development of PH-10 with our objective to co-develop or license PH-10 to a dermatologic partner. We expect data collection to be completed by the end of the year.

Progress in all of these areas, PV-10 for local advanced cutaneous melanoma, combination work in advanced metastatic melanoma, ablation of liver tumors, and elucidating the mechanism of action for PH-10, which is following closely on the heels of similar work with PV-10, all establish critical scientific, medical, and regulatory basis for close relationships with potential corporate partners.

In his remarks, Pete outlined various efforts we're making on this front. And some of the fruits of these efforts are starting to bear. In the coming months, we expect much further progress on this front, keeping foremost in mind the needs of both patients and our many corporate stakeholders.

With that, I believe we're ready for questions. Operator?

Operator: Thank you. Ladies and gentlemen, at this time, we will be conducting a question-and-answer session. If you'd like to ask a question, you may press star-one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star-two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star key. One moment while we poll for questions.

On moment as we poll for questions.

Our first question comes from the line of Robert Bertoli from Looking Glass Consulting. Please proceed with your question.

Mr. Robert Bertoli: Hello, everybody. Thank you, gentlemen. I'd like to just comment on the apparent 800-pound gorilla in the room, if you will. And that is the surprise to investors with respect to the last Maxim capital raise. Given the statements that Peter had made and later reiterated concerning that capital position for prospectus, what was the dire need for that

surprise capital raise? Why did it come about so quickly? And shouldn't management have anticipated better those needs? And why the need for such a desperate measure?

My second question would be with respect to that raise. Are the warrants callable? And are they exercisable in the event of a tender offer for the company or a buyout? Thank you, gentlemen.

Mr. Peter Culpepper: Yes, thank you. I'll start with the second question first. The warrants can be exercised at any time prior to their expiration June 2020. And they will be just like all other warrants outstanding and stock options outstanding. They are appropriate in the context of an acquisition of Provectus for owner--beneficial ownership of Provectus equity.

So, warrant holders, just like stockholders, have beneficial ownership if they own the warrants that are tradeable.

On the first question, we continue to evaluate our financing objectives. And we made very clear our focus on ensuring that BDO and New York Stock Exchange interaction is appropriate.

We also continue to monitor how we can minimize cash on hand, which is why we did not do a raise in Q1. We try to minimize dilution. And at the same time, we try to work with potential partners, we have to be sensitive to when it's appropriate to do financing, when not.

Now, we are very adequately capitalized. We are--we have more cash on hand than at any time in our history. And so, at this particular junction, we are especially focused on work now with these activities with potential partners for purposes of nondilutive cash inflow. But, this continues to be an ongoing effort on our part to--as we are large stockholders ourselves, Eric Wachter and myself and the other founders of Provectus, Craig Dees and Tim Scott. We are all very sensitive as are our independent board members and stockholders that we talk to minimizing dilution until we can get to the point where we do a transaction that we'll all be pleased with as--for again, as Eric said, for patients and stockholders.

Operator: Our next question comes from the line of Bruce Spinsel [sp]. Please proceed with your question.

Mr. Bruce Spinsel: Yes, I will continue with that line of discussion. I don't think that Pete answered that, last quarter, you made the statement that you did not anticipate the need to raise further capital. And yet, you did.

But, I'm going more toward the terms of the deal. And it's--I don't know if you were surprised by the way the market values the warrants. I think it was probably a good idea to make them tradeable in that we're now seeing that trade above 30 cents. So, though we have a stock price of 83 before the--it was announced, for 75 cents, they got a unit of stock and a unit of--and a share of the warrants, which are now--the one's trading for 50 cents, and the other's trading above 30. So, the Maxim people got in above--or what they got for 75 cents, they're in the green or black, if you prefer.

So, I'm wondering if you realized how much the market would value those warrants. It certainly surprised me. They're--also, if you did further warrants offered, whether you'd make them tradeable under the same rules and same symbol, keep the--what would that be, a June 2020 expiration date.

And then I guess in terms of the ability to raise capital, the question gets to be, when do you see--when does it--you've got maybe 6 million more authorized shares when you count all the diluted shares you're allowed to--you've had 300 million shares authorized, and you're around 294 million that are spoken for. Do you plan to go to shareholders to ask for more authority to issue more shares?

And--well, we'll--I'll form my follow-up question as you answer those.

Mr. Peter Culpepper: To start with, let me reemphasize that our runway now goes well into 2017 versus before 2016. So, we have to be cognizant of the fact that we have more cash on hand now to continue our--meet our operating objectives than we did previously. So, that's a key point to keep in mind.

We have to be sensitive to what the market conditions are as to when to access the capital markets. So, this particular--we continue to monitor the capital markets. We continue to work with potential--and with potential structures. We continue to look at the different options. We try to optimize as best we can so that we can minimum--so we can be as strong as we need to

be as we are going forward working with the potential partners and as we continue to conduct the research to generate the data that we need to get the visibility and awareness that we need.

So, that's--those are the--again, as we continue to look at this, we'll try to maintain in the best fashion what's appropriate for all stockholders that we can so that we can be successful as we generate the data as necessary.

Mr. Bruce Spinsel: I don't sense that you're picking up the outrage that two, three months ago, you spoke to us, you said you had plenty of capital. And those shareholders holding stock at that time have seen a 35 percent or more loss, boom, gone. And you've got a lot of upset people on this side of the phone that you're not addressing. And to--at that time, you said you had sufficient cash going into 2016.

Mr. Peter Culpepper: That's right. But, we have to be cognizant--I--and I am very aware of the stock price. We--there's no doubt. The--many of my--the people that I know are--been longstanding stockholders. I am a large stockholder. I know that what's important is to make

sure that we have adequate financial resources, the capital resources in order to be successful. We need to make sure that we are moving forward as we should. And tough calls--this is a tough call.

We have to do what is best to ensure that we're going to be ultimately successful. And that's what we'll make sure we'll do. So, we--this is a tough call. I recognize that. And I'm not at all concerned about going forward. I don't like the fact that it took the hit on the stock price. I believe it's going to be transient. And I believe we'll be very successful at the end of the day.

Operator: Ladies and gentlemen, as a reminder, it is star-one to ask a question. Our next question comes from the line of Ted Kid [sp], a private investor. Please proceed with your question.

Mr. Ted Kid: Hi, Pete. My question is about Boehringer. And can you define their role a little more? Are--is there going to be any type of monetary contribution from them, or they just going to be in a liaison's role between us and key opinion leaders there in China, or they're going to be a buffer between us to sign a farm [sp], or exactly what is their role going to be?

Mr. Peter Culpepper: I will take a [unintelligible] and then Eric can address it as well. Boehringer is a very sophisticated global pharmaceutical company just like Pfizer, just like a number of other global companies that we deal with. They are very focused on PD-10 at treating disease. So, a good way to think about what they're doing is that they're enabling, with their resources, their personnel, they're leveraging their resources and personnel as if they were Provectus employees or Provectus resources. So, essentially they're providing soft cost benefit to us so that we can operate more effectively. So, we're levering Boehringer's unique expertise, particularly in mainland China, Hong Kong, and Taiwan.

But their unique expertise is something that we cannot actually pay for. It's very valuable. It's the industry's specific information that enables us to be more effective at--in the context of our clinical studies. So, in our phase three study, our phase--as we get to the phase two [unintelligible] liver study, as we get to other study programs in China, and et cetera, Boehringer is going to be very helpful in helping to enable us to be as successful as possible.

And so, that's very important to keep in mind, that they're providing that infrastructure support, enabling us to move forward more exponentially. Eric?

Dr. Eric Wachter: Yes. And I would reiterate on that situation that they are serving at least initially in the role essentially a super consultant organization for very experienced in oncology in China and providing us with both their own internal experience, access to their own internal experience, and access to third-parties that they work with that are crucial for us to implement successful programming in China.

So, it's a very limited [unintelligible] level they're providing us with key expertise that we couldn't have access to otherwise.

Mr. Ted Kid: Okay. All right. Very good. You guys keep pushing hard.

Mr. Michael J. Porter: Thank you.

Dr. Eric Wachter: Thank you, Ted.

Mr. Michael J. Porter: Our next question comes from the line of Jerry Maguire from South Hampton Funding. Please proceed with your question.

Mr. Jerry Maguire: Yes. Hi. First question is why does management hire and work with experts in other countries like [unintelligible] River, but seems obstinate about hiring a seasoned executive with experience in navigating FDA approval and garnering Wall Street respect so we don't dilute the hell out of all shareholders?

Mr. Peter Culpepper: We could certainly say that we have become the experts in the US at [unintelligible] Asia. So, I believe it's very important to recognize that what Provectus is actually doing is very novel in the way that we're using for the first time an industrial chemical, a small molecule to effectively treat multiple different indications. So, we're the first group of individuals who has seized on the importance to be able to determine the importance of this class of compounds, the halogenated [unintelligible] that we referred to of which [unintelligible] the one that we're dealing with now with PD-10 and PH-10.

We're the first group of people that have actually done that, and it's been in an existence for decades. So, actually on the contrary, this is the message that groups like Pfizer, Boehringer Ingelheim, have now been waking up to, is that they [unintelligible] them.

The most sophisticated drug developers globally have missed [unintelligible] at Provectus Biopharmaceuticals have determined can be used on multiple [unintelligible] and in multiple [unintelligible].

So, actually we are the leaders. And this is why this is so profound, the uniqueness of how we're approaching this. And it has been even with the most sophisticated individuals in Big Pharma. They've never seen a compound like this work. They're never seen a mechanism, they've never seen a small molecule perform in this fashion. So, it's--even with the people in the industry, what we're doing is the first. And whenever you're first at doing something like this, you have to continue to get after the fundamental basics. That's why we went over the five pillars, the intellectual properties, the supply chain, the mechanism data, the FDA and regulatory support, and the clinical studies that are appropriate for generating randomized data.

So, on the contrary, more people are paying attention now to Provectus than in any time in our history, and this is the most by far exciting time to be involved in the company and what we're actively pursuing.

Dr. Eric Wachter: And I'd also like to [unintelligible] that it's not, it's not accurate that we don't have US advisors helping us on a daily basis. We have an extended regulatory team that assists us in navigating what is uncharted waters. There was a--I mentioned in my introductory remarks about the FDA advisory committee meeting in the spring of this year regarding the other [unintelligible] agent from [unintelligible] that's under MDA review at this point in time.

And the topics that were brought up during that advisory committee meeting were all very familiar to me because we've gone over those ourselves with our regulatory agent. So, we've been adjusting to the very difficult regulatory climate when you're trying to develop something that's novel using both the experience of outside specialists and our own innovation. So, I'm quite proud of the success we've made in that regard, and we're doing something [unintelligible] new.

Mr. Jerry Maguire: All right. Well, my follow-up to that for Pete, Eric, and other management that are not on the call: All enterprises are measured for performance. Typically, equities are measured by return on investment or price performance across time as a proxy. What do you feel about how you performed as a steward of investor's funds? Do you find such performance acceptable? If not, what immediate steps are you taking to close the spread between scientific gains and market value? The shareholders feel abused and disrespected.

Mr. Peter Culpepper: This is very fundamental topic to be [unintelligible] for development stage, for critical development stage companies. No doubt about it. This has been popularized by the concept of the [unintelligible] or the J-Curve where, typically, very novel approaches have to be proven out. And there's some good industry comparators for this sort of activity where there is a--the flat line of stock performance, or even a dipping of stock performance before the key inflection point.

So, what we're looking for--and this is typical in biopharma. And again, there's numerous examples of this. It's typical where biopharma continues to struggle to prove out--and the

more novel it is, the more at least short-term challenging it is. But this is where we who are in our capacity, in our [unintelligible] capacity, which we take very seriously, we understand the landscape of the development to a much greater extent. Of course, that's because we are very intimate with the details, and no information is not yet public.

We are very keen In our focus to ensure that, as we go through to that key inflection point, that we're doing everything exactly correctly, everything exactly right, so that we can do our best to optimize the success to ensure that our [unintelligible] risk is as appropriate as it can be. We're minimizing risks, and maximizing the benefits so that we can ensure that we'll all be pleased at the end of the day.

But this is why this is the type of investment where it's typically recommended for stockholders to be sensitive to these challenges in the [unintelligible] and the point before that inflection point.

Mr. Michael J. Porter: Our next question comes from the line of George Cloth, a private investor. Please proceed with your question.

George Cloth: Yes. Peter, in regard to your statement that Boehringer is in the pole position, can you tell me what reason or reasons that you're talking about, a license in China or a buyout?

Mr. Peter Culpepper: Thank you. And when we refer to--when I referred to the pole position, it's Boehringer Ingelheim with respect to of course [unintelligible] and mainly in China and then with [unintelligible] and mainland China. And then with Boehringer, it includes Hong Kong and Taiwan. So, in this case, what we're referring to in Boehringer here is the commercialization interest in mainland China, Hong Kong, and Taiwan.

So, we're not talking about Boehringer as, in this context, necessarily as an acquirer of Provectus. But it would take the form of a transaction in China that grants us a license transaction. That would be the typical transaction. Some sort of financial transaction on the benefit of their aid and outer-commercialization of PD-10 in those, in mainland China, Hong Kong, and Taiwan.

Of course, Boehringer is a global entity. They're the largest private pharma company in the world. So, certainly, they will be as interested potentially in a global relationship as Pfizer or a number of other entities. But right now, it's [unintelligible] mainland China, Hong Kong, and Taiwan. We're focused on their financial interest in PD-10 commercialization in that part of the world.

Dr. Eric Wachter: It--this is Eric. It also provides us with access to their expertise in terms of study design and implementation that optimally provides us with data that we can use in China and globally to support approval of PD-10 for indication such as [unintelligible].

Mr. Michael J. Porter: Our next question comes from the line of Phillip Smith, a private investor. Please proceed with your question.

Mr. Phillip Smith: Hey, Pete and Eric. I'm probably going to be the only guy that gives you a kudos for doing that financing and putting those [unintelligible] out there. I'm very familiar with that. I [unintelligible] been the chairman of [unintelligible] when we went from $0 to $250

for each of the warrants. So, I love the leverage possibility. So, I'm probably the only guy that's going to say, "Great job for doing that. It gave me a chance to leverage more up on your stock."

But the question I have for you guys here is more for Eric. I remember the press release at the end of last year said you were going to come out with the liver protocols by the end of the year. Then, Eric got on the phone in the first quarter conference call and I think he said, "I'm going to focus on that full-time. We're going to get these protocols out."

And I think I remember [unintelligible] that was one of the key ingredients to getting them to sign off. Did I miss something in the first part of the call? Where--what is status of liver protocols that you guys are developing for phase two liver tests?

Dr. Eric Wachter: All right. So, that's a very good question, Phillip. So we have had some slippage in that schedule, and part due to difficulties we've had in reaching a definitive agreement with partnerships [unintelligible]. Now that we're moving forward with Boehringer in what is truly a [unintelligible] fashion, we expect to be able to get that process back on track.

We've had initial meetings with them on the technical level to put into place the necessary steps to get that process completed.

Mr. Phillip Smith: Every young company has slippage. I'm not concerned about that. I'm just wondering--so, you are focused on still delivering the liver protocols to the FDA at some time in the future, hopefully the near future?

Dr. Eric Wachter: We would certainly design a protocol that would be acceptable to both the FDA in the US and in the case of appealing to Boehringer to the CFDA in China. As I eluded to in my introductory comments, that may take the shape of a global study, or more likely would take the shape, as I've mentioned previously in other calls, a dual process where we would have an Asia or Asia Pacific study that would be focused on China, and then the rest of the world, which would look at principally North America and Europe.

The ladder strategy is one that was used to successfully license [unintelligible] for [unintelligible] and I think it's a template that we can presumably use going forward.

Mr. Michael J. Porter: We have time for one last question. Our last question is a follow-up question from the line of Ted Kid, a private investor. Please proceed with your question.

Mr. Ted Kid: Hey, Pete. We--over the years, we've heard a lot about the Compassionate Use Program. And how are the Compassionate Use going to figure into, you know, the trial sides? And one other thing, we don't hear a whole lot from Dr. [unintelligible]. We'd like to hear a little bit more from him occasionally.

Dr. Eric Wachter: This is Eric. I'll handle the Compassionate Use aspect of the question. So, they have traditionally served several roles. One, they've provided a bridge while we did not have active clinical work in the particular indication to allow us to continue to provide access to patients that deemed to be appropriate candidates for PD-10.

Secondly, they allowed us to refine our understanding of the drug beyond what we were able to gleam in phase one and phase two, especially in melanoma.

And thirdly, they provided--have provided a strong foundation based on the understanding for design of our phase three study. In fact, the dosing schedule that we're using in the phase three are the same that we'll be using in the combination protocol, and they're related to the same dosing schedule that we're using in the liver indication.

So, it's provided a very valuable, multifaceted wealth of information to us. As we move forward, as I mentioned in the introductory comments, the eligibility criteria for that program excludes patients that are candidates for other active protocols. So, we're not looking at a situation where that would substantially rob potential patients from another active study. It does provide us with a means to develop relationships with investigators on their site that we can leverage moving forward.

When we opened our first site at St. Luke's, we were able to take advantage of that experience at the contractual level, and with the IRB to allow us to get the study documentation in place for the phase three study. The same is the case with [unintelligible] which was recently put up on the clinical trial's website. We expect to have several additional of our [unintelligible] access site showing up in the near future in that capacity.

So, there are a number of reasons to keep that program open. And so, as I said in the introductory comments, we expect that that will remain the case for the foreseeable future.

Mr. Michael J. Porter: That is all the time we have for questions. I'd like to hand the call back over to management for closing comments.

Mr. Michael J. Porter: I want to thank all of you for joining us on the call today. As we sign off, I want to reiterate my appreciation for your interest as a stockholder as we work to bring PD-1O and PH-10 to market. I also want to reiterate that our [unintelligible] with PD-10 for all the indications we've identified in our pursuing is extremely promising.

Our relationship with Boehringer strengthens our efforts in China, and we continue to work the details of potential agreements with large global pharma funders. We raised money the second quarter to ensure we extend our runway [unintelligible] call, we had enough cash to cover in 2016. This call, enough cash to cover into 2017.

We want to be flexible when we return to the market for funding. We want to be ahead of the ballgame. We want to concentrate now fully on potential non-dilutive sources of funding for the [unintelligible] of the year. We'll continue to showcase our research and development progress at global scientific conferences to boost our profile amongst potential partners. This enhances the possibility of the exit strategy we seek, we all seek sooner rather than later. Thank you.

Mr. Michael J. Porter: [Unintelligible].

Operator: Ladies and gentlemen, this does conclude today's teleconference. Thank you for your participation. You may disconnect your lines at this time, and have a wonderful day.