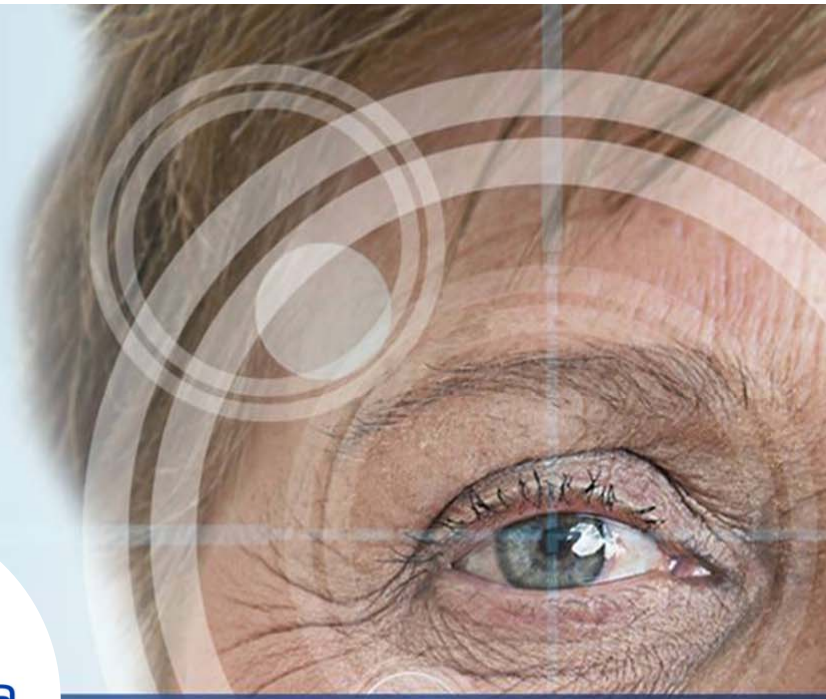
DELIVERING INNOVATION TO THE EYE



OCTOBER 2017

NASDAQ: PSDV

NANCY LURKER, PRESIDENT & CEO

SAFE HARBOR STATEMENT

SAFE HARBOR STATEMENTS UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: Various statements made in this release are forward-looking, and are inherently subject to risks, uncertainties and potentially inaccurate assumptions. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements. Some of the factors that could cause actual results to differ materially from the anticipated results or other expectations expressed, anticipated or implied in our forward-looking statements include uncertainties with respect to : our ability to achieve profitable operations and access to needed capital; fluctuations in our operating results; successful commercialization of, and receipt of revenues from, ILUVIEN® for diabetic macular edema ("ILUVIEN"), which depends on Alimera's ability to continue as a going concern and the effect of pricing and reimbursement decisions on sales of ILUVIEN; the number of clinical trials and data required for the Durasert three-year uveitis marketing approval applications in the U.S. and EU; our ability to file and the timing of filing and acceptance of the Durasert three-year uveitis marketing approval applications in the U.S.; our ability to use data in a U.S. NDA from clinical trials outside the U.S.; our ability to successfully commercialize Durasert three-year uveitis, if approved; potential off-label sales of ILUVIEN for uveitis; consequences of fluocinolone acetonide side effects; potential declines in Retisert® royalties;; efficacy and our future development of an implant to treat severe osteoarthritis; our ability to successfully develop product candidates, initiate and complete clinical trials and receive regulatory approvals; our ability to market and sell products; the success of current and future license agreements, including our agreement with Alimera; termination or breach of current license agreements, including our agreement with Alimera; our dependence on contract research organizations, vendors and investigators; effects of competition and other developments affecting sales of products; market acceptance of products; effects of guidelines, recommendations and studies; protection of intellectual property and avoiding intellectual property infringement; retention of key personnel; product liability; industry consolidation; compliance with environmental laws; manufacturing risks; risks and costs of international business operations; effects of the potential U.K. exit from the EU; legislative or regulatory changes; volatility of stock price; possible dilution; absence of dividends; and other factors described in our filings with the Securities and Exchange Commission. You should read and interpret any forward-looking statements in light of these risks. Should known or unknown risks materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected in the forward-looking statements. You should bear this in mind as you consider any forward-looking statements. Our forward-looking statements speak only as of the dates on which they are made. We do not undertake any obligation to publicly update or revise our forward-looking statements even if experience or future changes makes it clear that any projected results expressed or implied in such statements will not be realized.

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PSIVIDA AT A GLANCE…

...a commercial stage company with multiple proprietary and partnered products based on a proven, de-risked drug delivery platform

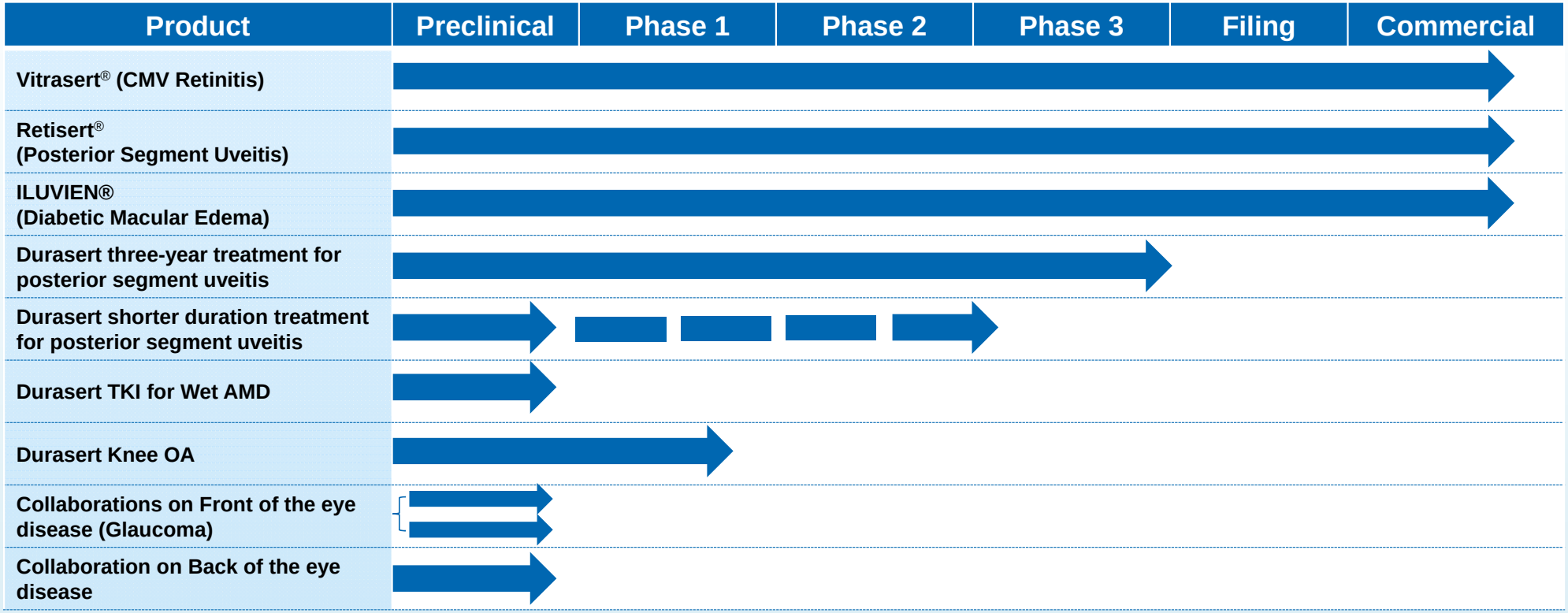
EXECUTING STRATEGIES TO BUILD VALUE BY DELIVERING LOW-RISK INNOVATION

Focused on preventing blindness through proprietary sustained release drug technologies

INVESTMENT CONSIDERATIONS

- **Durasert is based on proven technology: two commercial products and one product in regulatory approval submission phase**
- **Expect to submit next lead product candidate to the FDA in late December 2017/early January 2018**
- **Repeat FDA regulatory successes de-risks extensive product pipeline**
- **New collaboration agreement with Alimera expected to increase pSivida long-term returns**
- **Strong management team with clinical *and* commercial expertise**

DURASERT TECHNOLOGY PRODUCT PIPELINE



DURASERT™: APPROVED TECHNOLOGY FOR OCULAR DELIVERY

Long Duration

- Up to 3 years from single injection minimizes ocular injections every 2-3 months; now focusing on 6-9 month regimen

Proprietary Sustained Polymer Technology

- Tailored to be bio-erodible or non-erodible

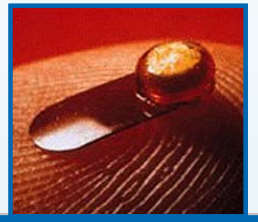
Broadly Applicable

- Can deliver many types of small molecule drugs

Strong Patent Estate

- Issued patents covering Durasert technology and inserter extend until 2027

APPROVED DURASERT TECHNOLOGY PRODUCTS



1st Generation

Vitrasert®
CMV retinitis
Approved 1996

20,000x less drug

2nd Generation

Retisert®
Uveitis
Approved 2005

200,000x less drug

3rd Generation

Iluvien®
DME
Approved 2012

400,000x less drug

NEXT OPPORTUNITY: DURASERT FOR UVEITIS

Preparing filing package for NDA filing in late December 2017/early January 2018

Study 001 Phase III clinical trial: 129 patients

Study 005 Phase III clinical trial: 150 patients

Filing Indication: Treatment and prevention of posterior uveitis

Study 006 Inserter clinical trial: 26 patients

OUR EXPERIENCED MANAGEMENT TEAM

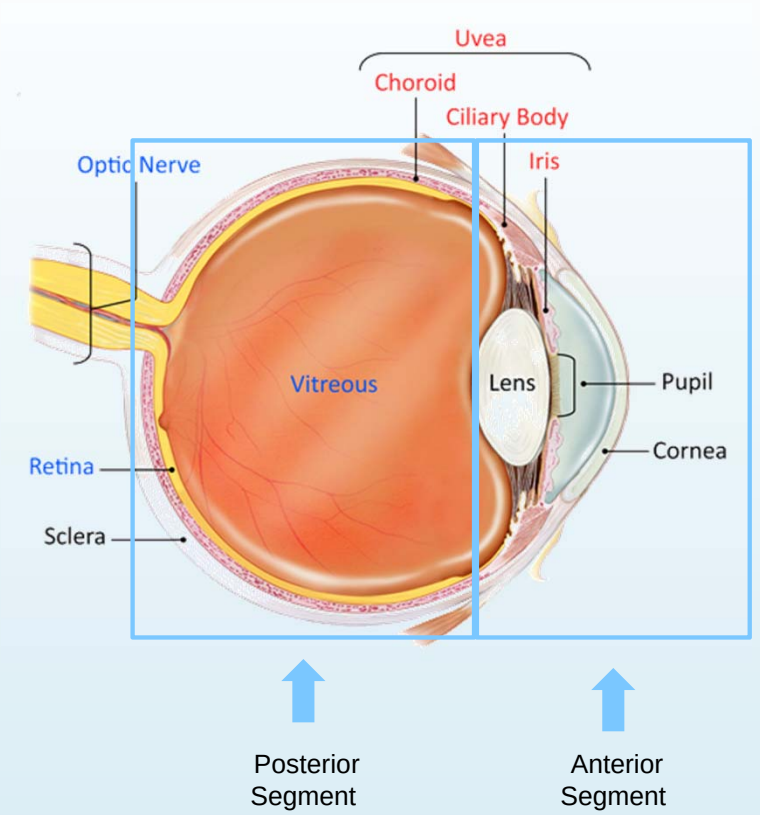
SIGNIFICANT CLINICAL AND COMMERCIAL EXPERIENCE

		Previous Companies	Drugs Launched
	**Nancy Lurker** President and CEO	PDI Performance Driven; Novartis; Bristol-Myers Squibb; Pharmacia; ImpactRx	Plavix Ambien Exforge Reclast Pravachol DiovanHCT Detrol/DetrolLA Xolair Axert Focalin XR Exelon Patch Famvir Estrace Inspra
	**Deb Jorn** Executive Vice President Corporate and Commercial Development	Schering-Plough; B+L Bausch + Lomb; Valeant Pharmaceuticals International; Johnson & Johnson	Vasotec Singulair Fosamax Nasonex Asmanex Jublia Detrol LA Ocuvite Prolensa Lotemax Gel Onexton
	**Dr. Dario Paggarino** Chief Medical Officer	Novartis; Pharmacia; Pfizer; Lpath Incorporated; Angelini	

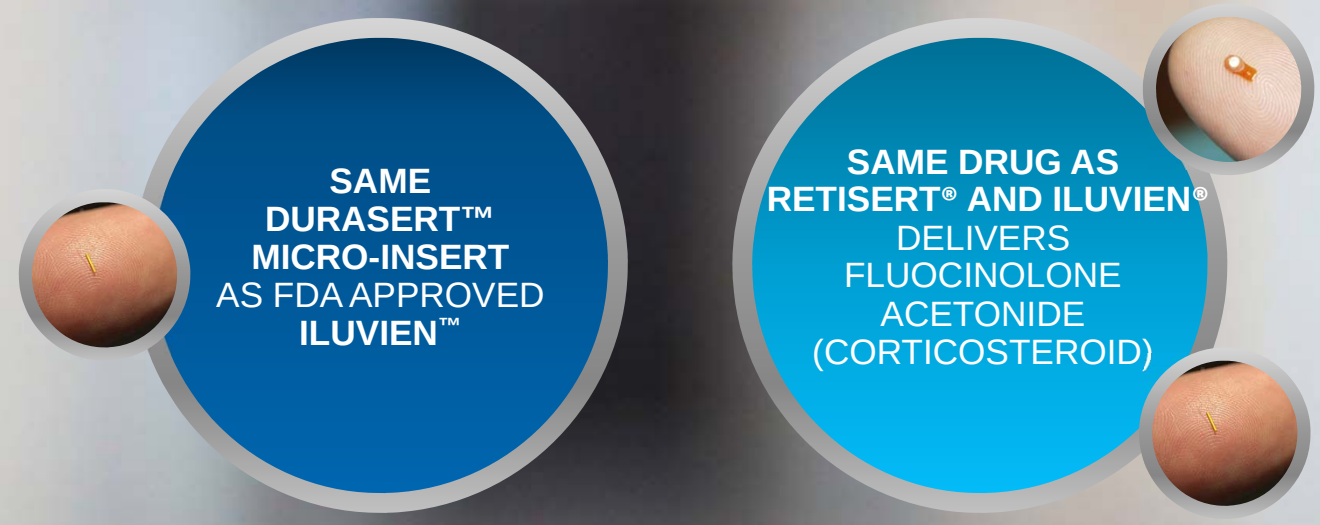
Source: The Ocular Immunology and Uveitis Foundation

UVEITIS REPRESENTS A SIGNIFICANT UNMET MEDICAL NEED

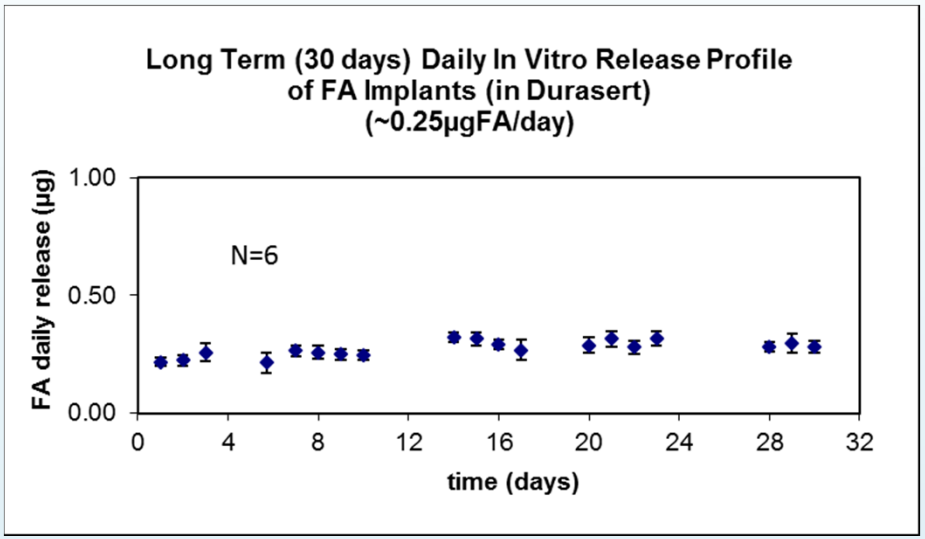
UVEITIS is inflammation of the uveal tract (iris, ciliary body, choroid) or adjacent structures

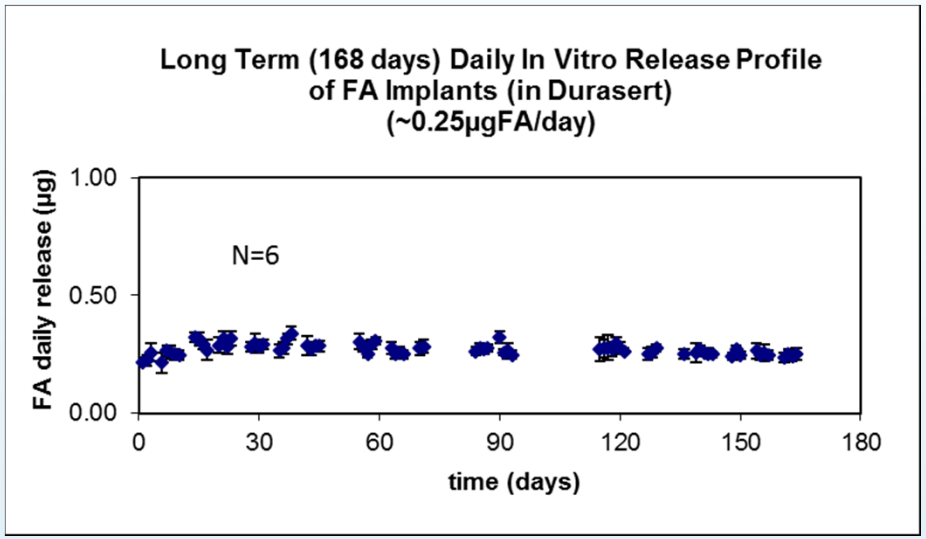


DURASERT™ PHASE III
TREATMENT FOR POSTERIOR SEGMENT UVEITIS



CONSISTENT DAILY MICRODOSING WITH DURASERT MINIMIZES IOP SPIKES





DURASERT™ 3-YEAR CLINICAL PROGRAM WITH HIGHLY POSITIVE RESULTS

FIRST PHASE III TRIAL: PREVENTION OF RECURRENCE PRIMARY ANALYSIS COMPLETED	SECOND PHASE III TRIAL: PREVENTION OF RECURRENCE PRIMARY ANALYSIS COMPLETED	INSERTER TRIAL: EASE OF ADMINISTRATION PRIMARY ANALYSIS COMPLETED
Study 001 Phase III clinical trial: 129 patients	Study 005 Phase III clinical trial: 153 patients	Study 006 Phase III clinical trial: 26 patients
Primary end-point: Prevention of recurrence	Primary end-point: Prevention of recurrence	Primary end-point: Ease of administration
Result: $p < 0.001$	Result: $p < 0.001$	Result: Positive usability

EFFICACY END-POINT: UVEITIS RECURRENCE RATES AT 6 AND 12 MONTHS (STUDY OO1)

6 MONTHS RECURRENCE	**18.4%** **Durasert™ eyes** vs 78.6% sham	**Durasert™ eyes** **3.9X** more likely to be **recurrence free**	**Primary end-point achieved** p < 0.001
12 MONTHS RECURRENCE	**27.6%** **Durasert™ eyes** vs 85.7% sham	**Durasert™ eyes** **5.1X** more likely to be **recurrence free**	**Evidence of durable response** p < 0.001

EFFICACY END-POINT: UVEITIS RECURRENCE RATES AT 6 (STUDY OO5)

6 MONTHS RECURRENCE

21.8%
Durasert™ eyes
vs
53.8%
sham

Durasert™ eyes
2.5X
more likely to be
recurrence free

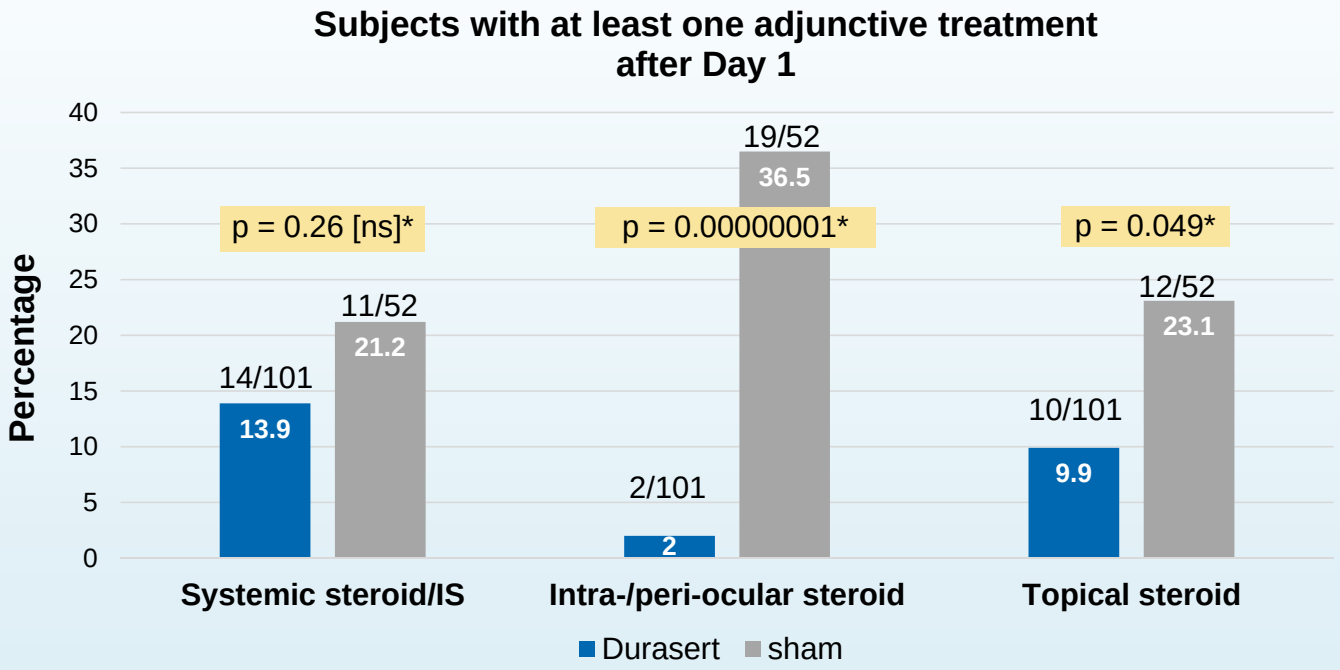
Primary end-point achieved
$p < 0.001$

SAFETY RESULTS OF STUDY-005 AND STUDY-001

- **Intraocular pressure (IOP) mean increase of +1.3mm HG (-005 study) and +1.7mmHG (-001 study) at six months, similar to known corticosteroid effects.**
- **Cataract surgery incidence at six months of 4.9% for Durasert vs 8.6% for Sham (-005 study) and 9.5% Durasert vs 4.8% sham (-001 study) similar to known effects of corticosteroids.**

ADJUNCTIVE TREATMENTS [EXPLORATORY ENDPOINT]

- **Durasert group required fewer adjunctive treatments than sham group**



*Fisher's Exact Test

DURASERT™ 3-YEAR PRODUCT FOR POSTERIOR SEGMENT UVEITIS

HIGH UNMET NEED WITH PENT-UP DEMAND

- **pSivida intends to commercialize Durasert for posterior segment uveitis in the US**
- **Uveitis has high unmet need for sustained delivery of efficacious drugs**
  - **Corticosteroids are first line treatment**
- **Relatively modest size market but limited number of uveitis specialists to call on**
- **Expected highly profitable product due to modest commercial costs and low COGS**
- **pSivida will continue to receive royalties on global sales of ILUVIEN for DME and EMEA sales for posterior segment uveitis**

*Internal Market Research. EU Orphaned Disease

DURASERT™ UVEITIS SHORT-ACTING PROGRAM DELIVERING SUPERIOR SUSTAINED RELEASE

Corticosteroid injections are frequently required to address uveitis flares

Corticosteroids approved for the IVT Rx include Retisert®, Ozurdex®, Triesence® and Trivaris®

- Retisert (FA) is the only true sustained release product for uveitis but requires surgery to implant
- Ozurdex sustained clinical efficacy is known to be only approx. 3 months 2016 global revenue at $263M for uveitis/DME/RVO

~ 9 month FA delivery

Market research consistently demonstrates preference for both 6-9 month and three year delivery over multiple shorter ocular indications

Completed Formulation Development

- Preliminary animal safety complete and indicates well tolerated
- In vitro release testing shows release is linear and rates of release on target
- GLP safety/PK to be initiated September 2017

A “TRUE” sustained delivery implant

PHYSICIAN MARKET RESEARCH FINDINGS

HIGH LEVEL OF INTEREST IN USING DURASERT FOR UVEITIS

- **Product was perceived as a very positive addition to current treatment options given ability to provide continuous, long-term control of chronic condition**
- **Level of interest in using the product on a scale of 1-10 (low to high) ranged from an “8” to a “10”**
- **Strong interest driven by Phase 3 study results showing significant efficacy and safety over full 12 month follow-up**
- **Physicians indicated that Durasert will likely source patients from Ozurdex because of longer duration and Retisert because of ease of administration (injection versus surgical implantation) and safety profile**

NEW COLLABORATION AGREEMENT WITH ALIMERA

Global Diabetic Macular Edema

- Approved for DME in US, 17 EU countries
- PSDV received over $55M up front payments received from 2008-2014
- ALIM generated DME revenue of $16.9 million in 1H 2017, $33.4 million in FY 2016

Posterior Segment Uveitis

- EU Type II Variation to be filed in 1Q 2018 for Uveitis
- ALIM has key relationships in EU with target market
  - Regulatory and product knowledge
- PSDV maintains US rights and plans to commercialize through direct sales force; intend to file with the FDA in December 2017 or early January 2018

BENEFITS OF COLLABORATION AGREEMENT TO PSIVIDA

OLD COLLABORATION AGREEMENT

Royalties on DME Net Profit Share:

- 20% of any product profit plus net losses for commercialization, effectively enabling the company to receive 16% of the profit
- Alimera cash basis profitability unpredictable
- Cumulative revenue received between ’15-’17 equals $0.78 million
- Complicated accounting monitoring required

NEW COLLABORATION AGREEMENT

- Royalties on Global DME+ EMA Uveitis Net Sales:
  - 2% on global sales, 6% no later than 1/1/2019
  - 8% after $75M in global ILUVIEN revenues; partial royalty offsets on accumulated ILUVIEN commercial losses
- Greater transparency
- Predictable revenue
- Substantially improve the potential total value of the Global Alimera agreement beyond a stand alone EU uveitis partner alone

DURASERT™ KNEE OA CLINICAL PROGRAM

PRELIMINARY DATA SHOW HIGHLY POSITIVE RESULTS

INVESTIGATOR-SPONSORED IND
PHASE 1 EFFICACY AND SAFETY STUDY IN SEVERE KNEE OSTEOARTHRITIS
STUDY ONGOING

Site:	Hospital for Special Surgery
Study Design:	Open label
Sample Size:	6 patients
Primary Endpoint:	Efficacy and Safety
Secondary Endpoints:	Pain Assessment
Status:	Final patient implanted in April 2017

DURASERT™ WITH TKI FOR WET AMD

- Tyrosine kinase inhibitors (TKIs) are antiangiogenic small molecules known to inhibit VEGF, a factor involved in wet AMD
- Sustained delivery of a TKI could result in reduced frequency of intravitreal injections versus current therapies
- TKI candidate demonstrated effectiveness in a non-clinical model of wet AMD with Durasert™
- Ongoing TKI candidate evaluation underway – additional formulation study to optimize candidate selection

FINANCIAL HIGHLIGHTS

CASH:
$16.9M
At June 30, 2017

NO DEBT

39M SHARES

SUMMARY HIGHLIGHTS

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