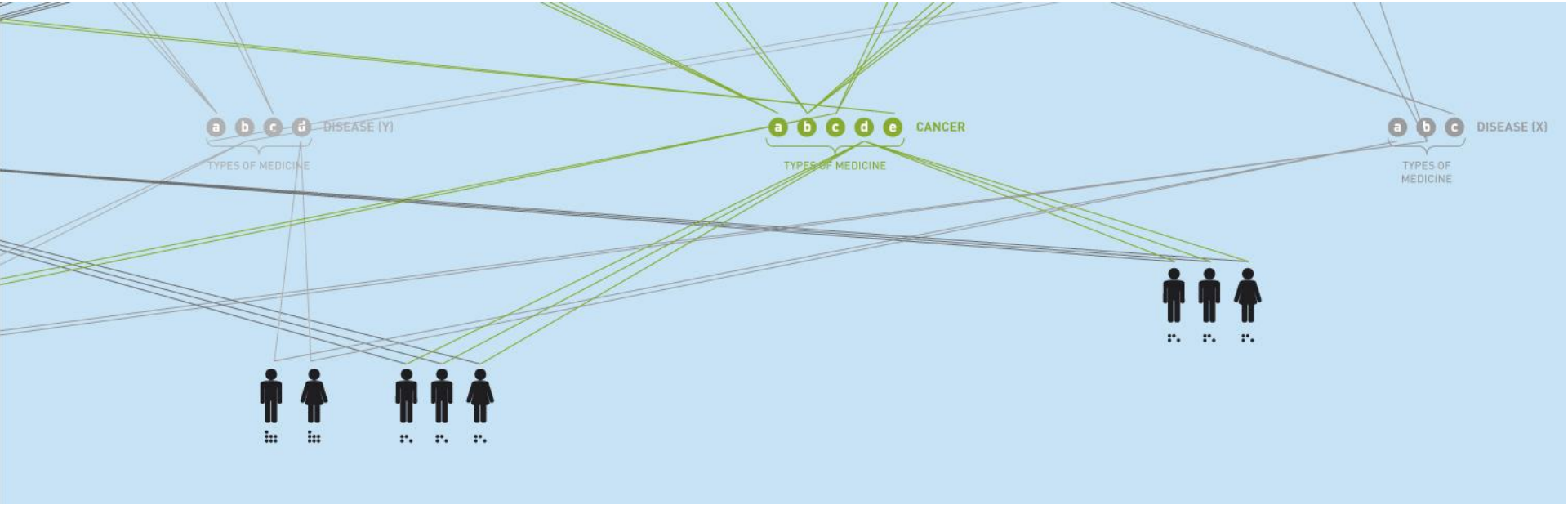

KORRAL Securities
8 December 2009

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Safe harbor

This presentation contains forward looking statements. The words “believe”, “expect”, “anticipate”, “intend”, “will”, “may”, “would”, “could” and “plan” and similar expressions identify forward looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our products), are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance, achievements to be materially different from any future results, performance, or achievements expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. The important factors that could cause our actual results, performance or achievements to differ materially from those in the forward looking statements include, among others, risks associated with product development and commercialization, the unenforceability or lack of protection of our patents and proprietary rights, uncertainties related to product manufacturing and supply chain, the lack of market acceptance of our products, our ability to manage growth, the competitive environment in relation to our business area and markets, our ability to attract and retain suitably qualified personnel, our relationships with third parties, changes and developments in technology and third party’s intellectual property rights which our products may become dependant upon, and other factors. Further, certain forward looking statements are based upon assumptions of future events which may not prove to be accurate. The forward looking statements in this document speak only as at the date of this presentation.

- History
- Company overview
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- Exiqon Life Sciences
- Exiqon financials
- News flow and value drivers

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Exiqon's history

2004

- The first LNA™ based product was the Universal ProbeLibrary™ launched in the spring of 2004
- Exclusive rights to the LNA™ technology secured

2005

- Strategic alliance with Roche Diagnostics: Sale of Universal ProbeLibrary™ through the Roche distribution network and grant of LNA™ license
- First miRNA product launched was detection Probes launched in 2005

2006

- Launch of knock down product in 2006
- Launch of array product in 2006
- Establishment of U.S. subsidiary and sales force
- Exiqon acquired LNA™ patents and patent applications from the Danish and Japanese inventors
- 4-party co-exclusive license to Tuschl III miRNA patents
- First miRNA biomarkers for diagnostic applications

2007

- Entered into license agreement with Life Technologies: The agreement covers the use of LNA™ in siRNA
- Listed NASDAQ OMX in Copenhagen on 29 May 2007

2008

- Acquisition of Oncotech, Inc. completed
- First miRNA-based test completed (colon RUO)

2009

- One-stop shop for miRNA research products
- New qPCR product launched in 2009
- Strategic decision to outsource manufacturing
- Complementary molecular tests launched (BRAF,KRAS)

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Exiqon at a glance

Business

Personalizing cancer treatment selection

Two financial business segments
- Diagnostics for cancer treatment selection
- Life Science products for miRNA analysis

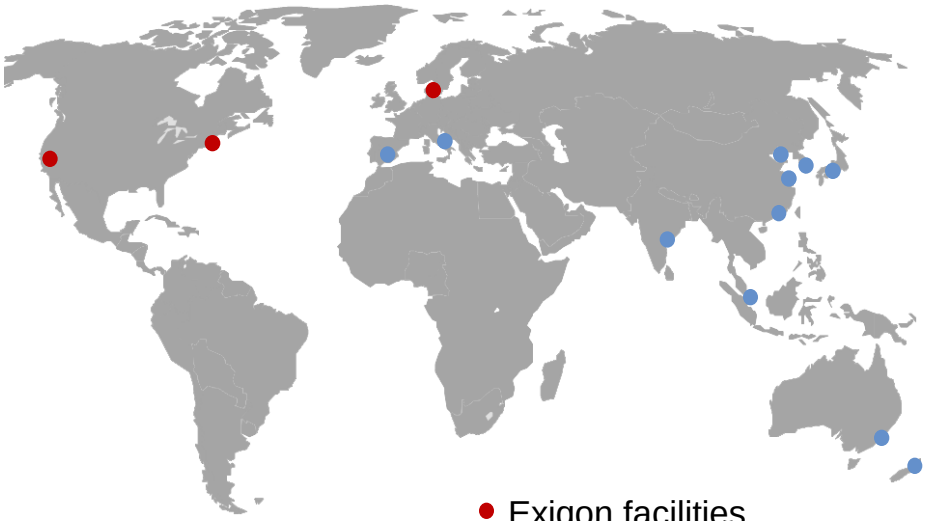
Proprietary detection technology
- Locked Nucleic Acid (“LNA™”) technology for precise detection
- 211 patents and patent applications

Proprietary biomarker position
- Proprietary miRNA portfolio
- 4-party co-exclusive licensee under Tüschl III patent portfolio

Proprietary biobank
- 150,000 tumor samples of which 50,000 are frozen samples

Listed at NASDAQ OMX Copenhagen, DK

Geographic presence



- Exiqon facilities
- Distributors

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Investment case

Exiqon characteristics:

- Unique value proposition
  - Proprietary technology (LNA™) and proprietary miRNAs
  - Right place, at right time, with the right products to support mega trend towards personalized medicine
- Addressing emerging markets for biological markers
  - miRNA research products, miRNA diagnostics & miRNA companion products (two financials segments)
- Established market position
- Growing revenues
- Huge potential

What to watch:

- Execution on diagnostic product development strategy/validation of miRNA as biological marker
- Financial performance of both financial segments; growth in Life Sciences and cash flow in Laboratory
- Strategic alliances reflecting big pharma's adoption of miRNA as biological markers
- LNA™ license grants outside core business of Exiqon

Key risks:

- Novel markets; developing trends and competition including timing
- Operational risks; cash flow management and planned diagnostic product launches
- Financing risk

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Market opportunity: miRNA research

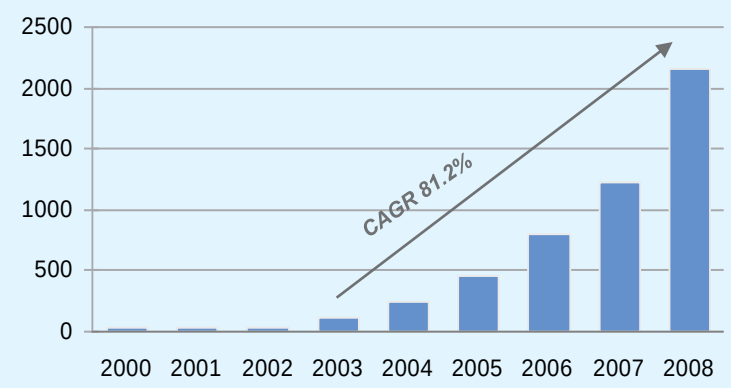
Need for biological insight drives market for research products

- **Growing need for nucleic acid analysis since the sequencing of the human genome in 2003**
  - Over 2,000 publication references to miRNA in 2008 – 5.0x increase since 2005
  - The market for miRNA research products is expected to grow at 50-75% in 2009
- **miRNAs "fit the bill" of a promising biological marker**
  - Involved in tissue differentiation and maintenance of cell identity
  - Associated with cancer and other diseases (demonstrated in altered expression profiles)
  - Stable in serum and plasma and in FFPE samples

Broad application of miRNAs

- Diagnosis; early detection
- Prognosis/recurrence
- Drug resistance/sensitivity
- Treatment response
- Therapy

Number of miRNA publications

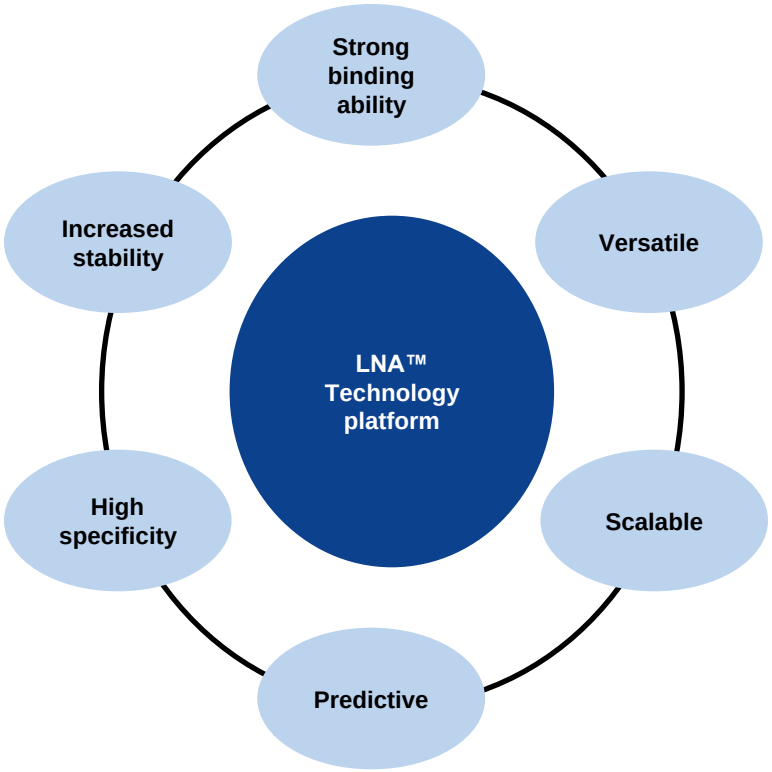


Exiqon is uniquely positioned to address miRNA research market

Competitive edge

- ✓ Ideal for detection of short RNA/DNA
- ✓ Compatible with standard processes
- ✓ Single base pair discrimination
- ✓ Bioinformatics applications for predictive capabilities
- ✓ Lower cost

The distinguishing characteristics of LNA™



The Results

- ✓ Unique performance
- ✓ Enables superior products
- ✓ Competitive positioning
- ✓ Provides advantageous pricing
- ✓ High demand
- ✓ Strong IP
- ✓ License potential

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Exiqon Life Sciences: One-stop shop for miRNA research

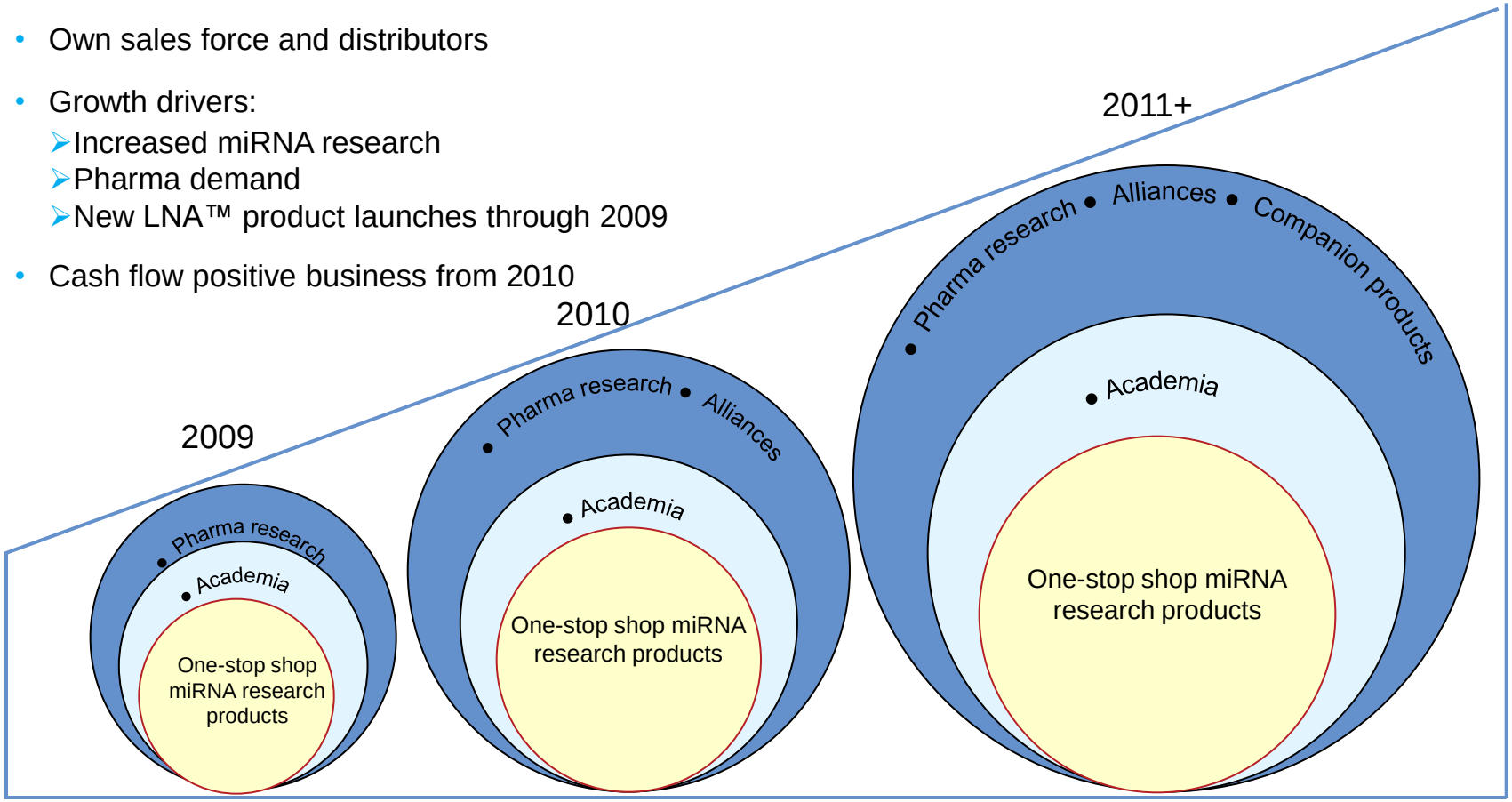
Process	Isolation	Expression Analysis		Localisation	Functional Analysis
Product	miRCURY™ sample isolation system	miRCURY LNA™ miRNA Array System	miRCURY LNA™ miRNA PCR System	miRCURY LNA™ miRNA Detection Probes	miRCURY LNA™ miRNA Knockdown System
Launch	2009	2006	2008 2nd gen. 2009	2005 & 2009 (Home of LNA™)	2006 & 2009 (Home of LNA™)
Patents expire	2019	2018	2029	2018	2028

Exiqon Life Sciences: Summarized commercial strategy and growth drivers

Est. USD 40 mill. ROU market in 2008; growing to USD 200 mill. in 2015 (avg CAGR 28% from 2008-2015)[1]

1) Frost & Sullivan

- One stop shop for miRNA research
- Own sales force and distributors
- Growth drivers:
  - Increased miRNA research
  - Pharma demand
  - New LNA™ product launches through 2009
- Cash flow positive business from 2010



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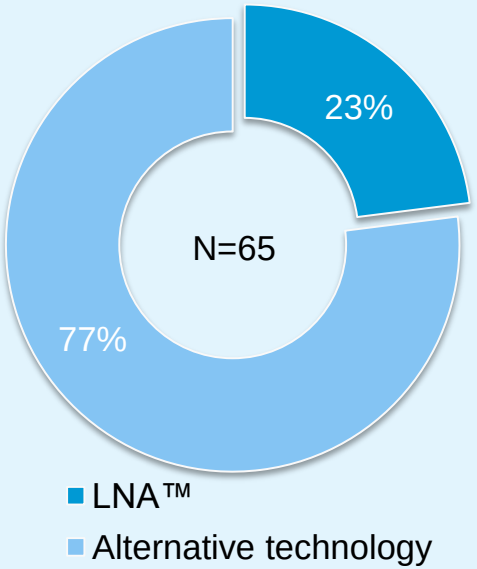
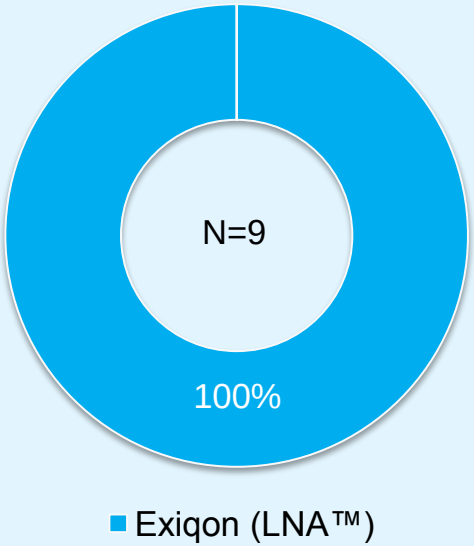
Strong market position

Market share based on 65 miRNA peer reviewed scientific papers published in October 2008[1]

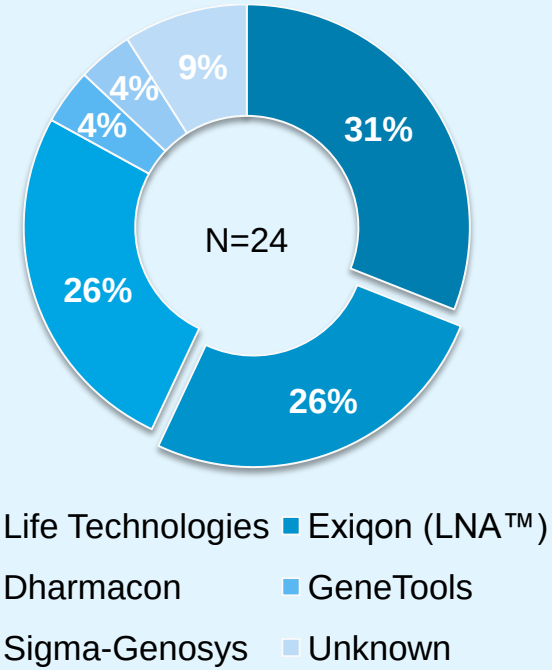
LNA™ applied in miRNA papers



Technology applied in miRNA *in situ*



Technology applied in miRNA knock down



[1] Based upon Company review of published scientific papers

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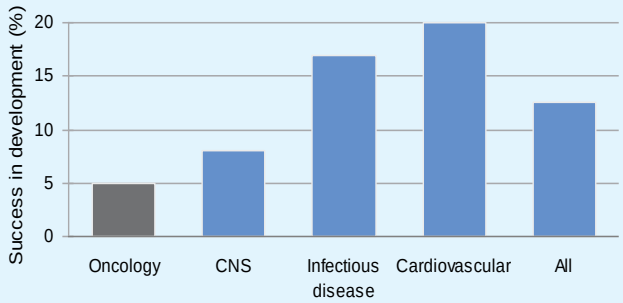
Market opportunity; molecular diagnostics

Increased healthcare costs drive new paradigm

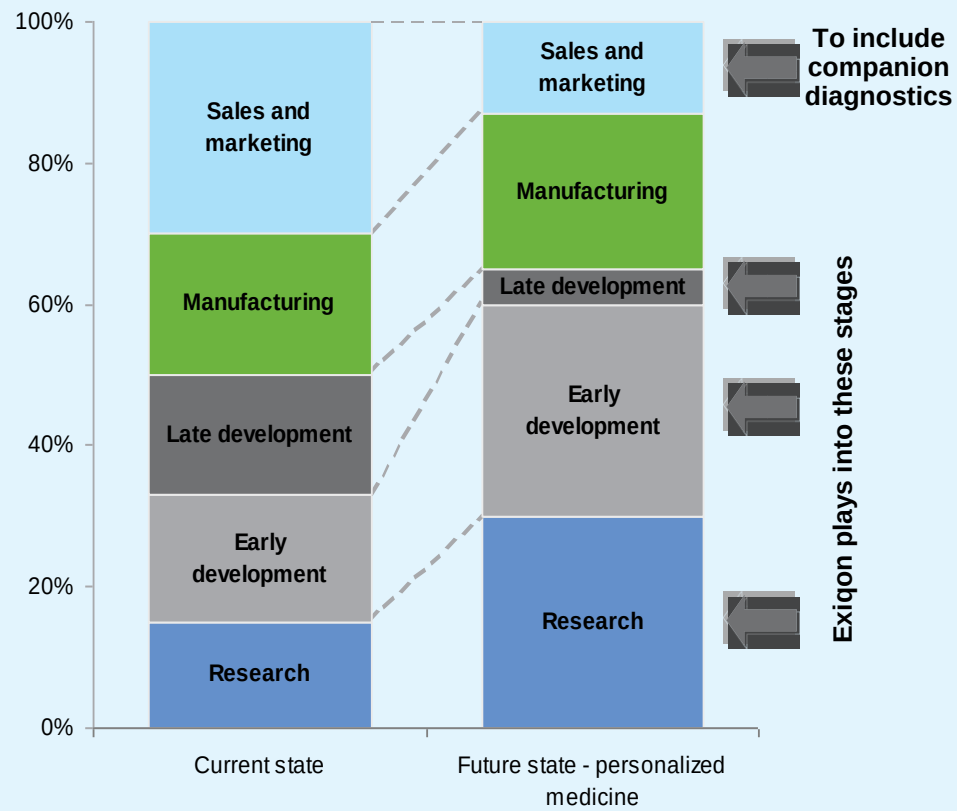
- Drug development based on “trial and error” is costly with only 5% success rate in oncology
- U.S. healthcare costs are expected to double by 2017 reaching USD 4.43 trillion nearly consuming 1/5 of the economy[1]
- Need for better biological insight

[1] Keenan. Health Affairs 2008; 27:145-155



Source: Kola & Landis J. Nature Rev. Drug Discov. 2004, 3:711-715

Paradigm shift in oncology



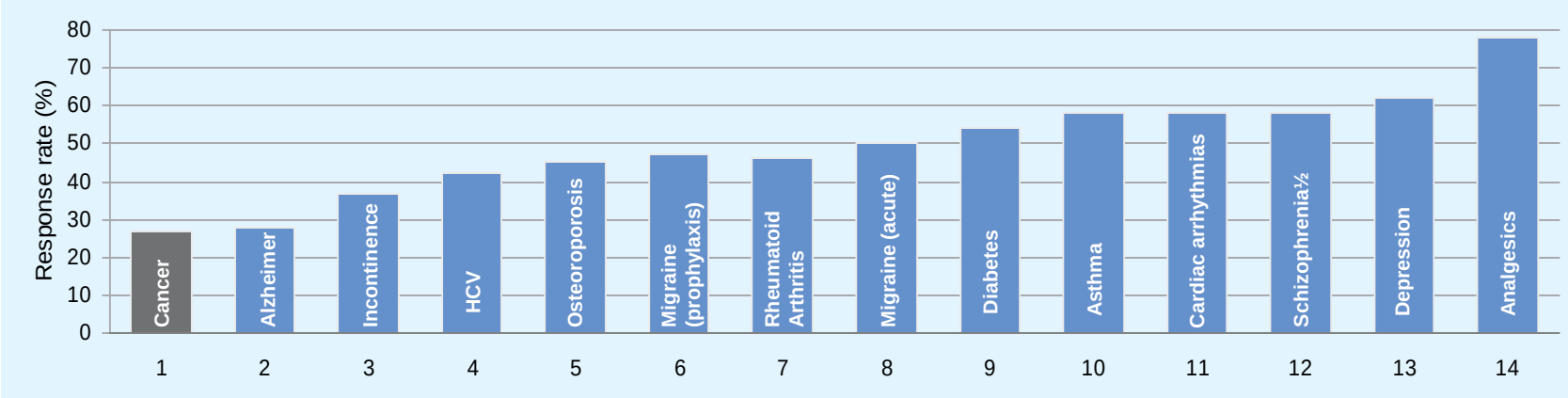
Source: Ernst & Young, Beyond Borders – Global Biotechnology Report, 2008

Need for a different approach in oncology

Market necessity

- FDA has approved more than 150 cancer drugs
- In the U.S. alone, oncologists give more than 600,000 chemotherapy regimens annually, but only 30% of the patients benefit from the treatment they receive: USD 8.4 billion are spent without effect.
- Why not start using existing cancer drugs more efficiently?

Low patient response



Source: Paul Waring, Genentech

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Exiqon Diagnostics addresses unmet need for cancer treatment selection

Disease management

Process	Diagnosis	If surgery, then adjuvant therapy?	Which adjuvant therapy?	Monitor disease treatment
Product	Early detection	Prognosis/recurrence	Drug resistance/ sensitivity	Treatment response

Our focus

EXIQON Diagnostics

miRNA based diagnostics

- Prognosis/recurrence
- EDR™: Extreme Drug Resistance
- Drug metabolism

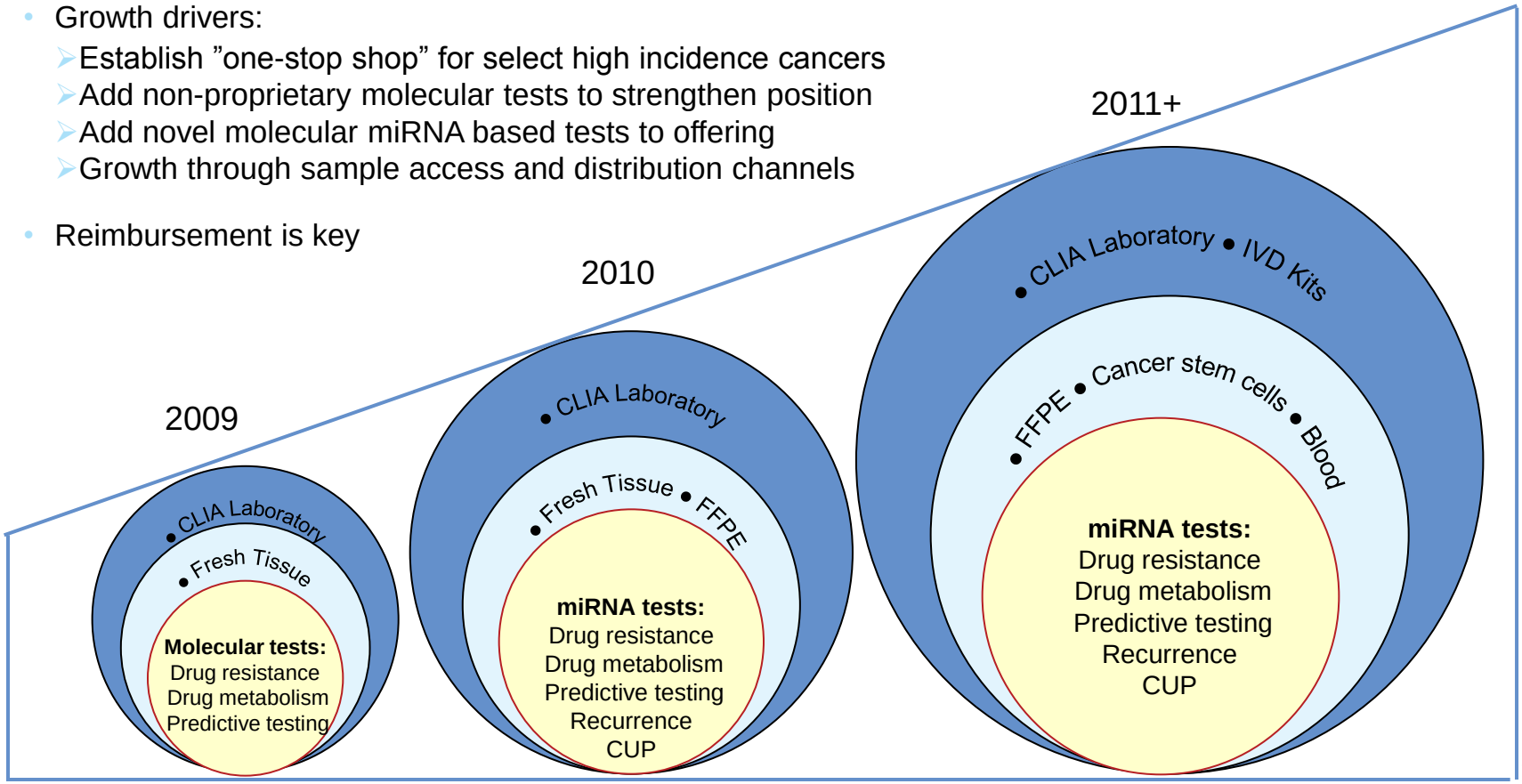
More clinical & health economic value

Exiqon Diagnostics: Summarized commercial strategy and growth drivers

Est. USD 380 million market MDX in 2005 and is expected to grow at a 24.6% CAGR to USD 2.2 billion 2013 1)

1) Kalorama Information

- Market access through CLIA Laboratory acquired end February 2008
- Growth drivers:
  - Establish ”one-stop shop” for select high incidence cancers
  - Add non-proprietary molecular tests to strengthen position
  - Add novel molecular miRNA based tests to offering
  - Growth through sample access and distribution channels
- Reimbursement is key



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Exiqon Diagnostics' pipeline addresses a significant market potential

Summary pipeline

Cancer	Product	Stage	Commercially available	Incidences in the U.S.
Colon	Recurrence	Clinical studies	2010	26,000
	Diagnosis (early detection in blood)	Discovery	2012	Screening
Endometrial	Recurrence	Discovery	2011	28,000
CUP	Tissue identifier	Clinical evaluation	2010	80,000
Stem cells	Cancer stem cells: Drug response, etc.	Discovery	Discovery	Most cancers

Product development process for miRNA diagnostics

Discovery		Assay development		Clinical implementation		
Discovery	miRNA signature identification	Clinical proof of concept	Clinical evaluation	CLIA Research use only assay launch	Clinical studies	CLIA Diagnostic test launch

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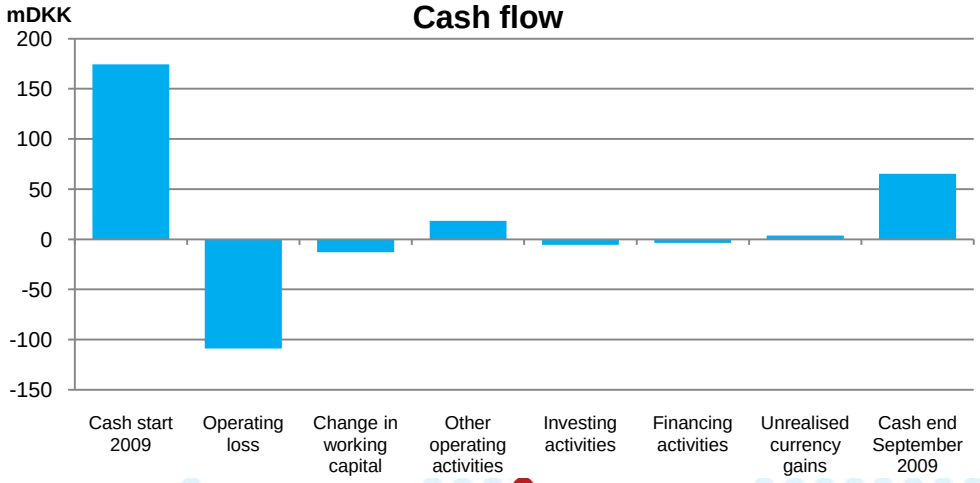
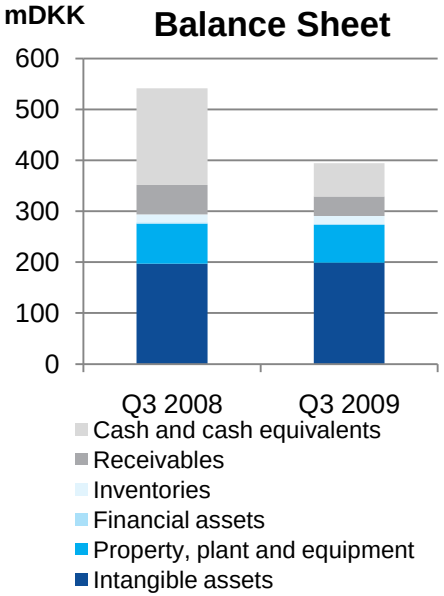
First nine months of 2009 - Continued growth

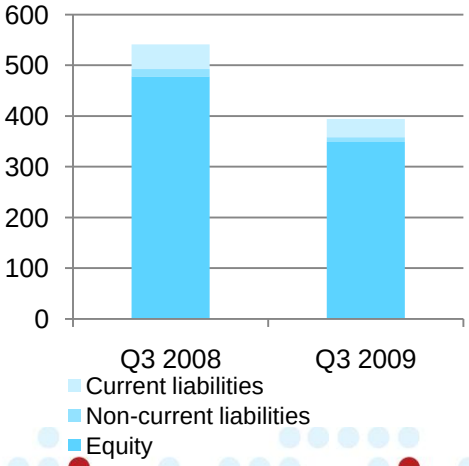
Revenue in the first 9 months of 2009 was DKK 99.1 million; 3% increase over same period of 2008

- **Life Sciences revenue amounted to DKK 66.2 million**
  - Organic growth in product sales of 11%
  - Expected FY growth 2009; 2% to -15%
- **Diagnostics revenue amounted to DKK 32.9 million**
  - Expected FY growth in 2009 is up to 40% (12 months in 2009 over 10 months in 2008)

Net result in the first 9 months of 2009 was DKK -108.3 million; costs of warrants DKK 4.0 million (DKK -73.6 million in same period of 2008)







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Exiqon – News flow and value drivers 2009 and beyond

LNA™ License grant(s) Strategic collaboration(s) and alliance(s) Manufacturing outsourced Sales growth (effects of one-stop supplier strategy)	2009	Partner for miRNA colon test validation Oncotech EDR® Assay re-launched News on EDR® reimbursement New complementary product offerings Cancer stem cell publication/EDR®
	2010	Clinical validation of miRNA colon test CUP validation data
Cash flow positive segment		**Cash flow positive laboratory**
Growth through Pharma demand Strategic collaborations	2011	miRNA endometrial test launched
Profitability		**Profitability**
Margins: 65-70% R&D costs : 15% of revenue SG&A costs : 30% of revenue	2012+	Early detection miRNA blood test (Colon) Focus on IVD potential and distribution

Group | Life Sciences | Diagnostics

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