

Q1 2010 Presentation

EXIQON
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Q1 2010 Highlights

Off to a good start:

- Record revenues and strong organic growth on top of significantly improved gross margins and overall reduced costs set the tone for Q1 2010
- Conclusion of divestment of Oncotech expected before end of second quarter

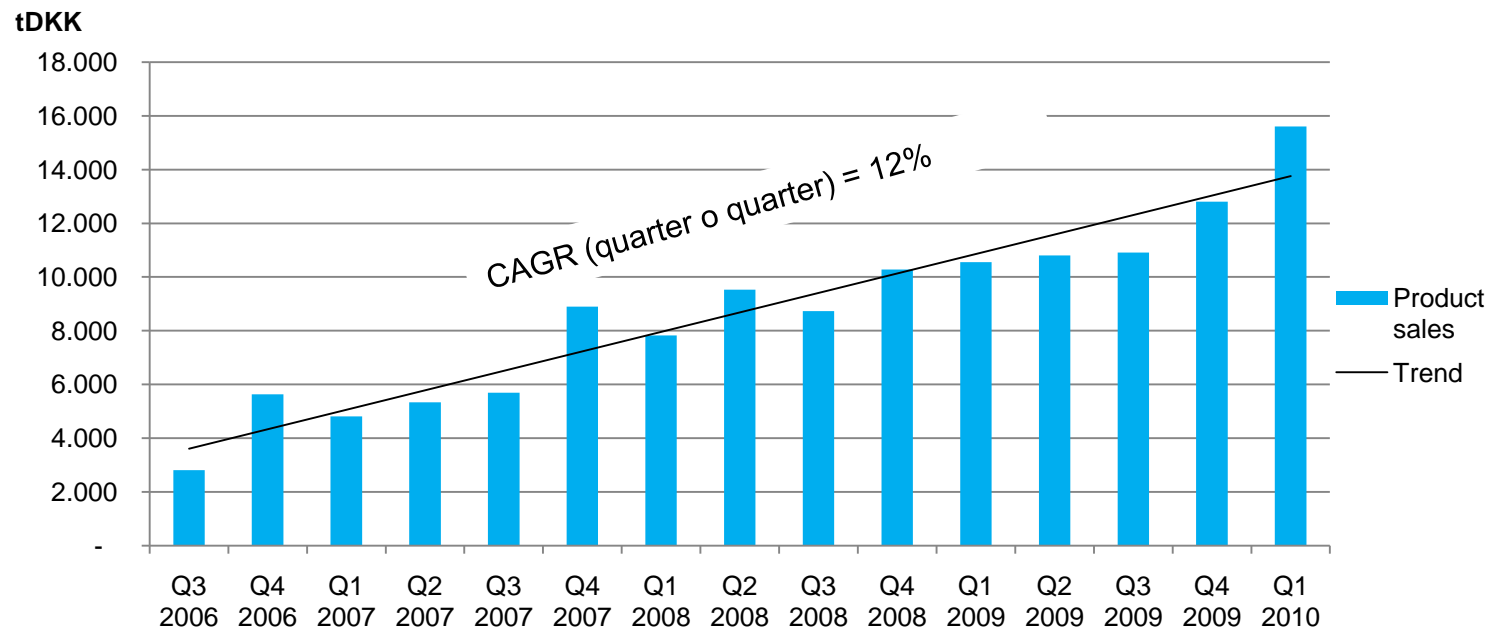
Financial effect of the 2009 restructuring is showing:

- Revenue of DKK 20.7 million; 29% increase (DKK 16.0 million)
- Operating expenses decreased 30% to DKK 21.9 million (DKK 31.3 million).
- Gross profit improved 118% to DKK 11.1 million (DKK 5.1 million).
- EBIT increased 59% to DKK -10.8 million (DKK - 26.2 million).
- Net result from continued operations of DKK -11.8 million (DKK -25 million)
- EPS amounted to DKK -0.37 per share from continued operations (DKK -0.84 per share)
- FY Guidance maintained (net effect of divestment from Oncotech, Inc. included with DKK 0.00 in full year guidance)

mDKK		
	Q1 2010	Guidance FY 2010
Revenue	20.7	80-90
Net loss	11.1	40

Q1 2010 Highlights – continued strong revenue growth

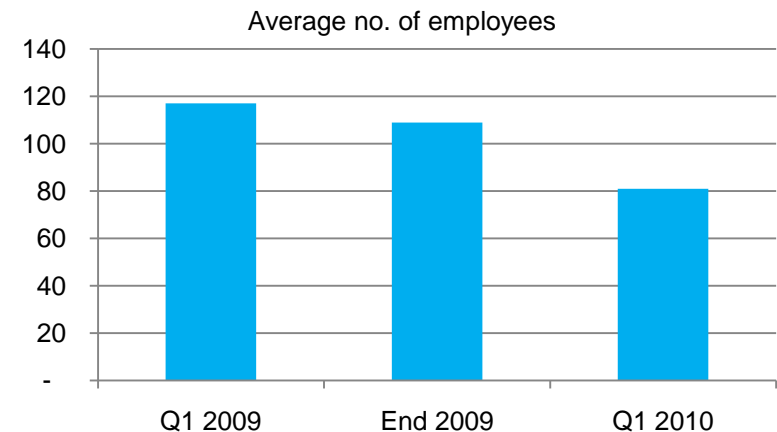
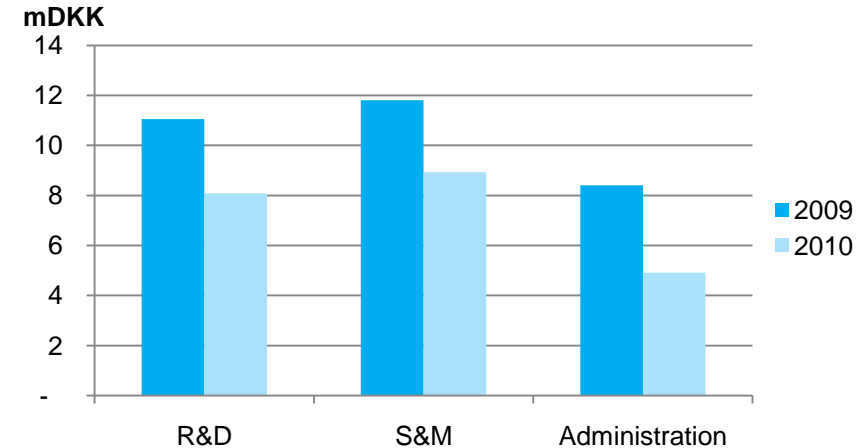
- Revenue increased 29% to DKK 20.7 million (31% growth when excluding currency impact)
 - Research product sales increased 45%, when excluding one-time reagent sales associated with OEM agreement (47% growth when excluding currency impact)
 - Quarterly growth of more than 12% over the last 15 consecutive quarters
 - Growth in 2010 driven by unique new PCR product launched in Q4 2009 for analysis of miRNA in blood (serum/plasma)



19 May 2010

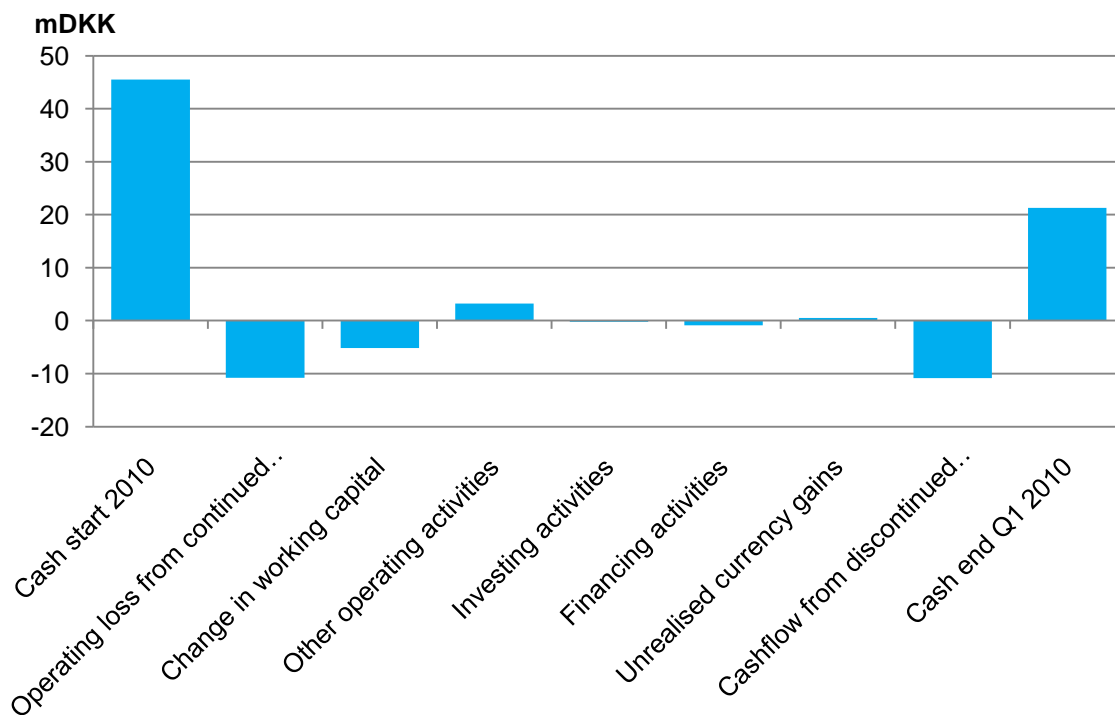
Q1 2010 Highlights – significantly reduced cost-base

- Total operating expenses decreased 30% to DKK 21.9m
 - Restructuring of Exiqon Life Sciences in 2009 impacts the numbers significantly
 - Gross profit improved 118% to DKK 11m
 - Gross margin increased to 53.8% from 31.6%
 - R&D costs (net) decreased 26% to DKK 8m
 - Administrative costs (net) decreased 34% to DKK 5m
 - Sales and marketing costs (net) decreased 23% to DKK 9m



2010 Highlights – improved cash flow

- Significantly reduced cash-burn in 2010
- Continued investments in diagnostic product development
- Focus on cash situation forward going
- Means to strengthen capital resources being explored



19 May 2010

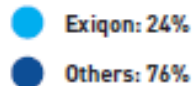
mDKK

	Q1 2009	Q1 2010
Operating loss	-26	-11
Change in working capital	-3	-5
Other operating activities	10	3
Investing activities	-2	-
Financing activities	-1	-1
Cashflow from discontinued operations	-19	-11
Change in cash	-41	-25
Cash at beginning of year	174	45
Unrealised currency gains	3	1
Cash at the end of year	136	21

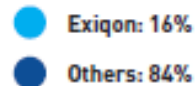
Successful penetration into the miRNA market segment



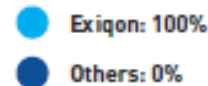
miRNA Market



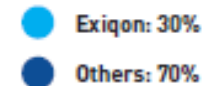
Expression Analysis



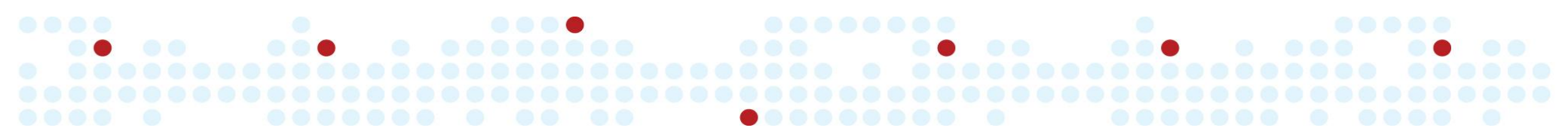
Localization



Functional Analysis



The analysis is based on 103 peer-reviewed scientific articles on miRNA published in November 2009



Life Science & clinical research products facilitate biomarker discovery

Life Science products focus at:

- qPCR assays
- ISH assays

Unique Life Science products lead to **clinical research**

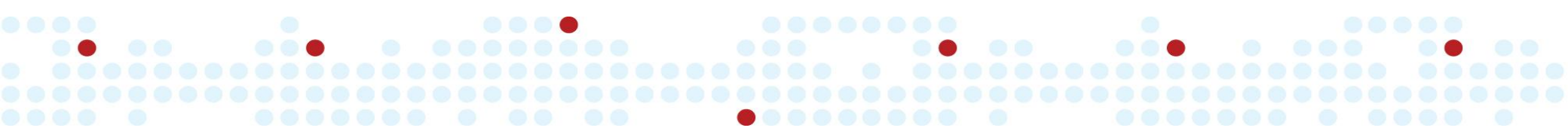
- Sale of RUO products
- Possible sale of all assays published in literature readily available to clinical market (community)

Unique Life Science products are applied in clinical research

- leads to the discovery of new **biomarkers** (so far, >75 papers on validated miRNA biomarkers)

Exiqon can “harvest” biomarkers developed (and validated) by customers:

- This will lead to reduced risk and cost of new **Diagnostics**



Recent product offerings address clinical research market segment

miRNA market segments

Basic research

- Market size: 50-60 mUSD
- Competitors: Agilent, Life Tech, Affymetrix and Qiagen
- Only Life Tech and Qiagen offer as broad product portfolio as Exiqon
- Market access through own sales force & distributors
- Year of market entrance: 2005

Clinical research

- Market size: Emerging/pharma
- Competitors: Life Tech and Qiagen
- Exiqon is the only company offering *in situ* and qPCR products
- Market access through own sales force & distributors
- Year of market entrance: 2010

Diagnostics

- Market size: miRNA-based diagnostics is still in its infancy
- Competitors: Asuragen and Rosetta Genomics
- Exiqon holds the enabling technology for *in situ* based diagnostics
- To be marketed through partners
- Year of market entrance: 2011

Exiqon products

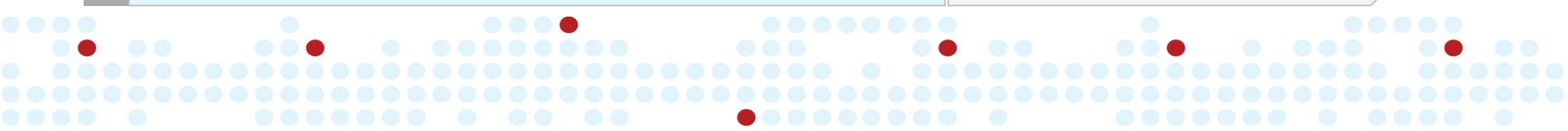
Array product offerings

KD product offerings

Custom oligonucleotides

In situ product offerings

qPCR product offerings



Addressable markets and est. size (qPCR and ISH)

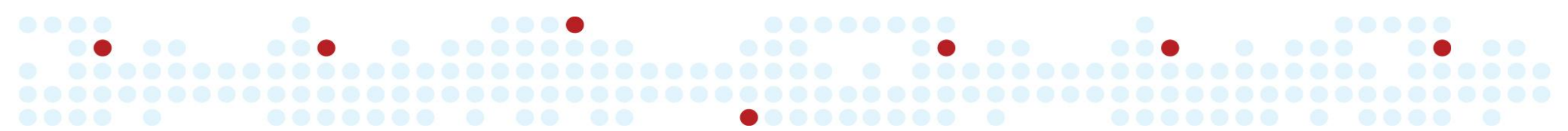
Segment	qPCR Research (mUSD)	PCR Dx (mUSD)	ISH Research (RNA + DNA) (mUSD)	ISH All segments (mUSD)
Reagents (DNA, mRNA & miRNA)	800-1,000	7,000	200-300	1,500 ¹ Cancer Dx: 670 ²
Reagents miRNA	20-40	0	1-2	NA
Instruments	125	Not known	Microscopes + software	Not known
EXQ revenue	1,5	0	0,8	-

Based on own research and the following sources:

- 1) Source: Roche investor presentation
- 2) Source: Kalorama Information: The Worldwide Market for Cancer Diagnostics, 4th Edition

Diagnostic pipeline: Current stage of development

- First product developed to discriminate between **cancer and non-cancer in tissue** from colon. Is marketed as a RUO product (Research Use Only).
- Collaboration established with a number of Danish hospitals and universities to identify miRNA biomarkers in blood for **early discovery of colon cancer**. Targeted market amounts to USD 3.75 billion. We expect to publish the first data by year end, although the product development is expected to take three years.
- Development of a test to identify colon **cancer patients with high risk of recurrence**. First data has been posted for publication. We expect to announce partnership in 2010. The targeted market amounts to approx. USD 175 million per year.
- Test to determine the origin of the **cancer of unknown primary tumor (CUP)** is expected to be validated in collaboration with Danish hospitals. The product may be launched by end 2011. The targeted market amounts to approx. USD 500 million per year.



2010 outlook; continued growth expected

- **Cash flow positive** Life Sciences business projected for 2010
- New UniRT qPCR products important **revenue driver** (biggest market segment with significant growth)
- **Double growth** in product sales expected compared to 2009
- Recent product launches address market **needs in clinical research** → diagnostics
- **Partnership for diagnostic** commercialization expected to be concluded in 2010
- First data from program on **early detection of colon cancer** expected towards end 2010
- **Revenue of DKK 80-90 million** in 2010
- **Net loss of DKK 40 million** (including DKK 15m non-cash; excluding discontinued business)