

H1 2010 presentation

**EXIQON**  
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## H1 2010 Highlights

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### Operational update (Q2, 2010)

- On 4 June 2010; decision to close down Oncotech, Inc.
- On 21 June 2010; grant license to Becton Dickinson for infectious disease diagnostics.
- On 29 June 2010, registration of a capital increase of 3,030,000 new shares

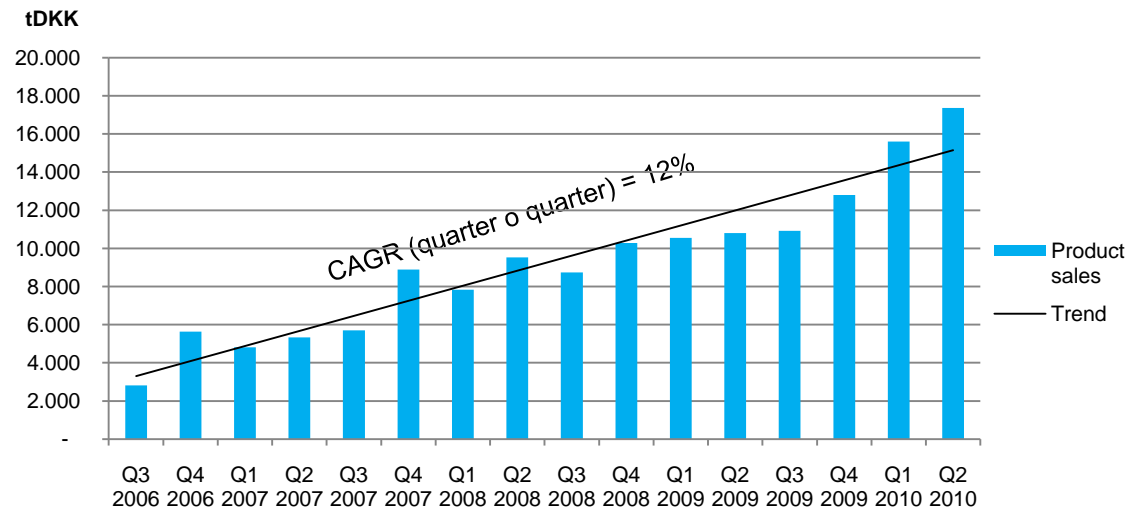
### Financial update

- The positive trend from Q1 2010 continues: Record revenues, strong organic growth in product sales, improved gross margins and overall reduced costs:
- 2010 guidance maintained
- Revenue of DKK 44.8 million; 27% increase (DKK 35.4 million)
- Gross profit improved 86% to DKK 23.5 million (DKK 12.6 million)
- Operating expenses decreased 27% to DKK 44.6 million (DKK 60.8 million)
- EBIT improved 56% to DKK -21.1 million (DKK -48.1 million)
- Net result from continued operations of DKK -21.4 million (DKK -46.8 million)
- EPS amounted to DKK -0.71 per share from continued operations (DKK -1.54 per share)

| mDKK     | Guidance |         |
|----------|----------|---------|
|          | H1 2010  | FY 2010 |
| Revenue  | 44.8     | 80-90   |
| Net loss | 21.4     | 40      |

## H1 2010 Highlights – continued strong revenue growth

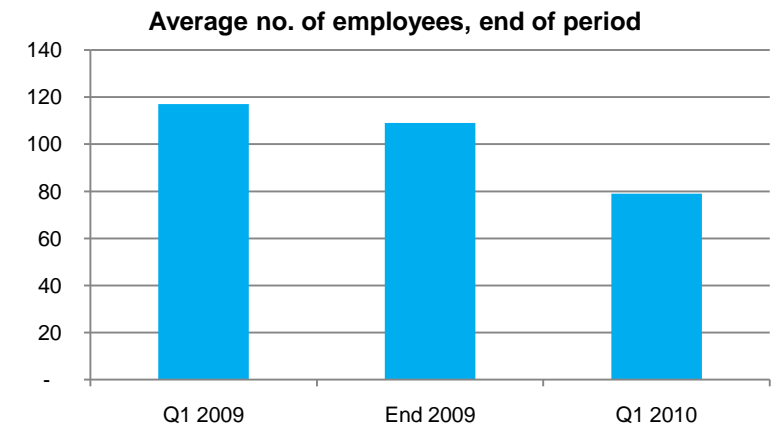
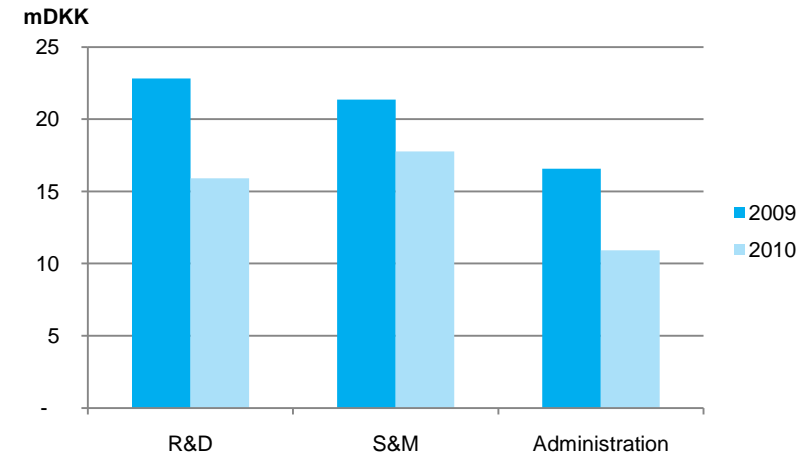
- Revenue increased 27% to DKK 44.8 million;
  - Research product sales increased 58%, when disregarding one-time reagent sales associated with license agreements and OEM
  - Quarterly growth of more than 12% over 16 consecutive quarters
  - Growth in 2010 driven by unique new PCR product launched in Q4 2009 for analysis of miRNA in blood (serum/plasma)



August 19, 2010

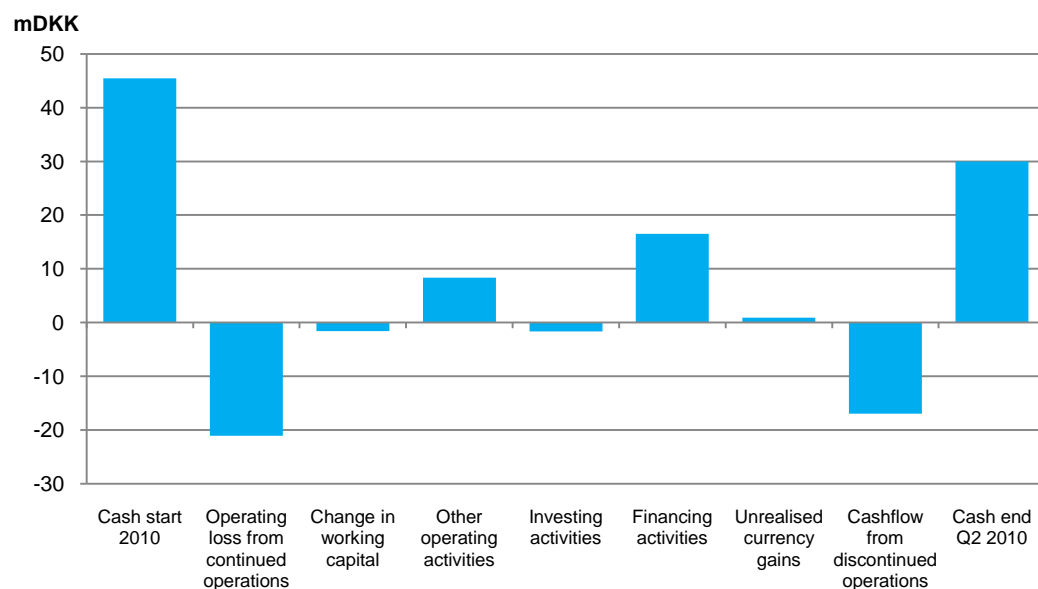
## H1 2010 Highlights – significantly reduced cost-base

- Total operating expenses decreased 27% to DKK 44.6m
  - Restructuring of Exiqon Life Sciences in 2009 impacts the numbers significantly
  - Gross profit improved 86% to DKK 23.5m
  - Gross margin increased to 52.5% from 35.7%
  - R&D costs (net) decreased 30% to DKK 16m
  - Administrative costs (net) decreased 25% to DKK 11m
  - Sales and marketing costs (net) decreased 19% to DKK 17m



## 2010 Highlights – improved cash flow

- Significantly reduced cash-burn in H1 2010
- Future diagnostic product development will be partnered from end year 2010
- Capital resources strengthened through directed issue of new shares (gross proceeds of DKK 19.7m)
- Focus on positive cash flow by end 2010



mDKK

|  |            |            |
|--|------------|------------|
| Operating profit                       | -48        | -21        |
| Change in working capital              | -4         | -2         |
| Other operating activities             | 8          | 9          |
| Investing activities                   | -4         | -2         |
| Financing activities                   | -2         | 17         |
| Cash flow from discontinued operations | -35        | -17        |
| <b>Change in cash</b>                  | <b>-85</b> | <b>-16</b> |
| Cash at the beginning of year          | 174        | 45         |
| Unrealised currency gains              | 3          | 1          |
| <b>Cash at the end of period</b>       | <b>92</b>  | <b>30</b>  |

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## Diagnostic update

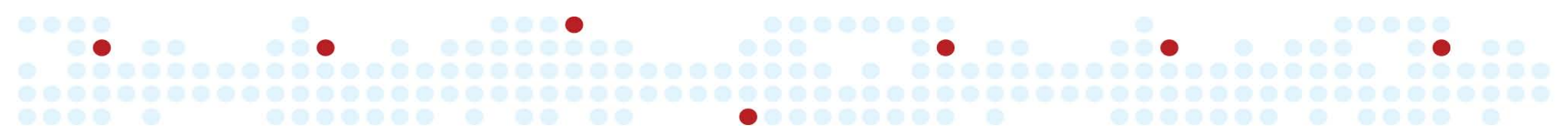
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The program for **Colon cancer stage II recurrence** continues and Exiqon plans to partner the program before year-end

The program for **Colon cancer early detection in blood** is progressing as planned. We expect to communicate data by year-end

Within the program for **Cancer of Unknown Primary (CUP)**, the biomarker signature is being optimized for Exiqon's LNA qPCR platform. The commercial future of the CUP program will depend on a partner in line with the revised strategy for Exiqon Diagnostics

Following the divestment of Oncotech, Inc., Exiqon will focus on licensing and partnering its unique competencies and technologies (LNA™ technology) outside the fields of oncology and miRNA to reduce the net operating expenses of its diagnostic segment forward going in support the company's plans for profitability by 2011.



## 2010 outlook; continued growth expected

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- **Cash flow positive** Life Sciences business projected by end 2010
- New UniRT qPCR products important **revenue driver** (biggest market segment with significant growth)
- **Double digit growth** in product sales expected throughout 2010 compared to 2009
- **Partnership for diagnostic** commercialization expected to be concluded in 2010
- First **data from early colon cancer detection** program 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)