



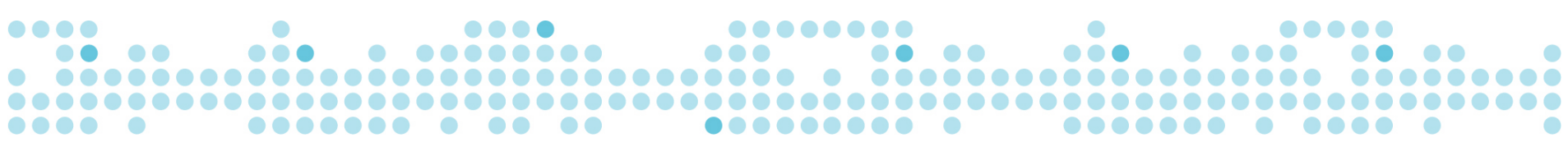
Carnegie's 2nd Annual Danish Biotech Seminar, October 4, 2007

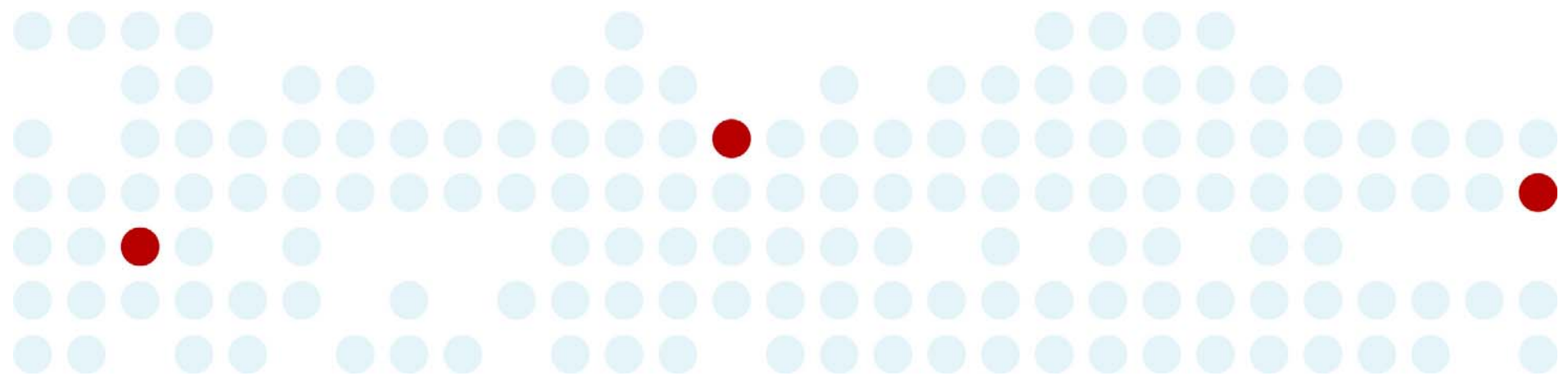
Lars Kongsbak, CEO

Hans Henrik C. Christensen, CFO

Disclaimer / Forward looking statement

This presentation contains certain “forward-looking Statements”, relating to Exiqon’s activities and business, which can be identified by the use of forward-looking terminology such as “estimates”, “believes”, “expects”, “may”, “are expected to”, “will”, “should” or similar expressions, or by discussions of strategy, plans and intentions. Such statements include descriptions of Exiqon’s product and diagnostic development programmes and anticipated markets, revenues and earnings in connection therewith. Such statements reflect the current views of Exiqon’s management and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of Exiqon to be materially different from any future results, performances or achievements that may be expressed or implied by such forward-looking statements. Such factors include, among others, risks associated with market developments, product discovery and development, manufacturing issues, and the lack of market approval as well as competitive risks and the lack of patents and proprietary rights’ protection. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from the forward-looking statements described in this presentation.



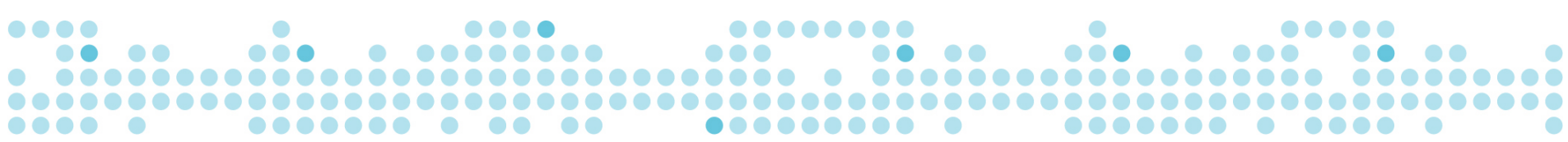


Business model

- Development and sale of unique research tools for gene expression analysis based on proprietary LNA technology
- Development of products for molecular diagnostics (primarily cancer) based on same LNA technology
- Rapidly growing markets with high profit margins
- Own sales force and strong partnerships
- Professional and loyal customers within life science, pharma, biotech and research

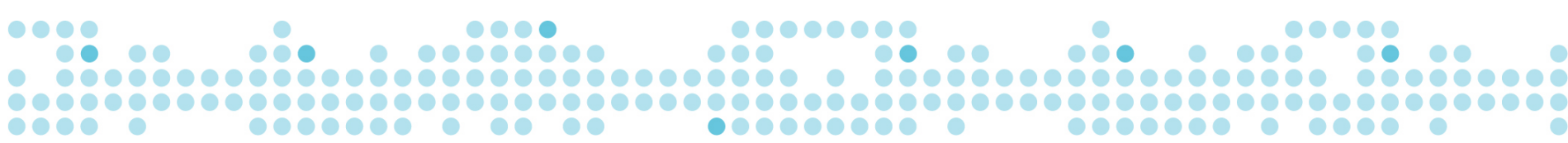
Investment case

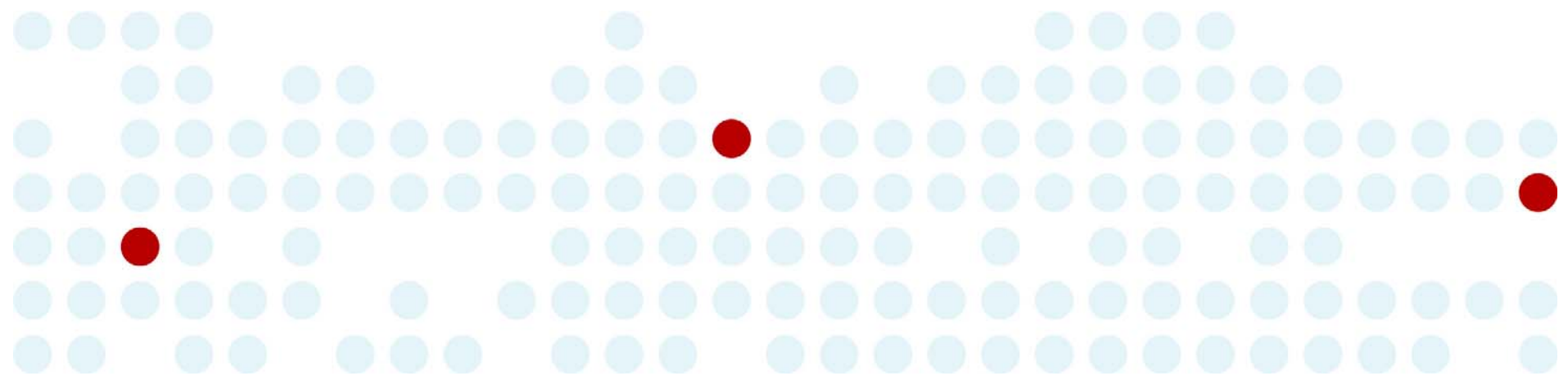
- Broad and growing research product portfolio
- Strong pipeline of product candidates within molecular cancer diagnostics
- Unique and global market position protected by strong IP
- Huge upside within all market segments
- Sales doubled each year since 2002, continued strong growth expected
- Research tools market > DKK 9 billion, annual growth 80-100% (in primary segment)
- Cancer diagnostic market > DKK 2.4 billion, annual growth around 50%
- Profit margins 65-70%, higher within diagnostics
- Break even (cash positive) by 2011 and fully financed until then
- Strong news flow in the years ahead (partnerships, collaboration deals, product launches etc.)



Highlights in 2007

- IPO:
 - 7 times over-subscribed
 - 2,500 new shareholders
 - Proceeds of DKK 400m
- Strong H1 results:
 - Revenue up by 78% to DKK 21m
 - Organic growth in product sales 76% - to DKK 15m
 - Total gross margin 64% (+8 pct. points)
- Distribution agreement with Luminex
- Launch of new products for miRNA array analysis
- Announcement of Per Wold-Olsen's candidature for Exiqon BoD





The proprietary LNA technology

- Exiqon's competitive edge
- Danish invention
- Strong IP position
- A building block for growth

LNA (Locked Nucleic Acid) technology

What is LNA?

- LNA is synthetic DNA

What is unique about the LNA technology?

- More specific and sensitive analysis of gene expression
- Compatible with standard equipment
- Binds DNA/RNA more strongly

LNA vs competitors' technology

LNA



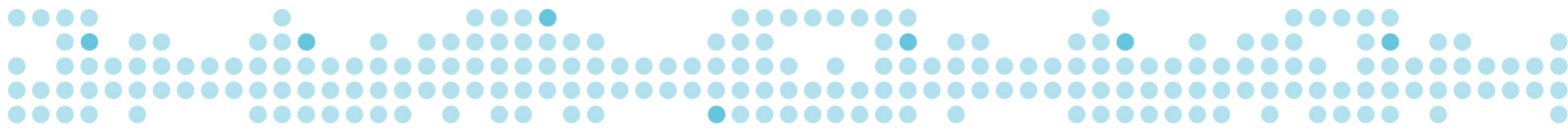
DNA

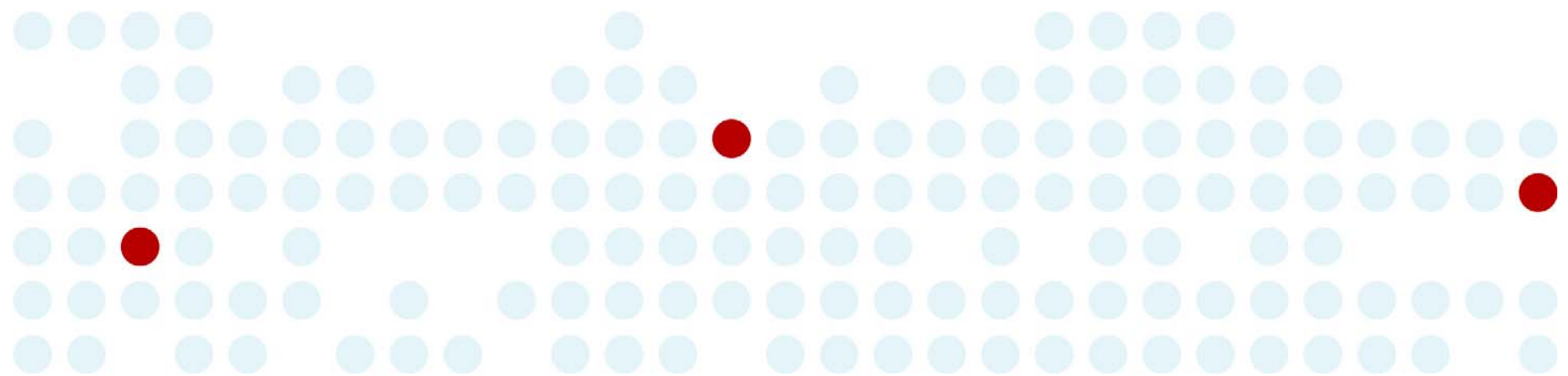


RNA



OME





Research products

- Products sold world wide
- DKK 9 billion market with 80-100% growth per year in primary segments
- Sales doubled each year since 2002, continued strong growth expected
- Product portfolio being broadened to support revenue growth
- Profit margins of 65-70%

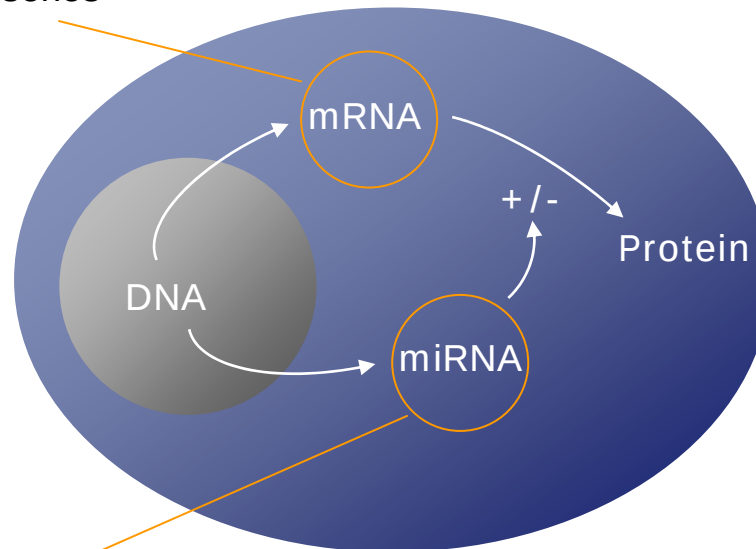
Research products



Product category	Products	Applications
miRCURY™ LNA Detection	miRNA analysis in tissues etc.	For detection of miRNA in tissue
miRCURY™ LNA Array	miRNA microarray products: • Arrays • Power labeling system • Buffer systems • Ready to spot probes	For highly multiplex miRNA analysis in microarray format. Works on total RNA
miRCURY™ LNA Knockdown	Products for deactivation of miRNA molecules	For functional analysis of miRNA. Highest biostability and potency in the market
miRCURY™ LNA qPCR	miRNA analysis by qPCR: • qPCR kits for mammalian miRNAs • RT kit • Buffers and polymerase	Sensitive and very accurate. Works on total RNA
Universal ProbeLibrary™ (UPL) 	mRNA analysis by qPCR: • UPL Human set • UPL Extension set • UPL Control set	For qPCR analysis of mRNA in various organisms. Comes with a very advanced web-site for assay design (www.universalprobelibrary.com)
FlexmiR™ 	System for bead-based miRNA analysis: • FlexmiR Human • FlexmiR Extension set • FlexmiR Control kit • FlexmiR Labeling	For bead based assays of miRNA in medium multiplex format. Works on total RNA.
LNA oligonucleotides	Special products	Customer defined LNA containing oligonucleotides
Services	Microarray miRNA expression analysis	Service conducted in ISO9001 certified laboratories

Research products

ProbeLibrary™ product series



miRCURY™ product series

Research products are applied in:

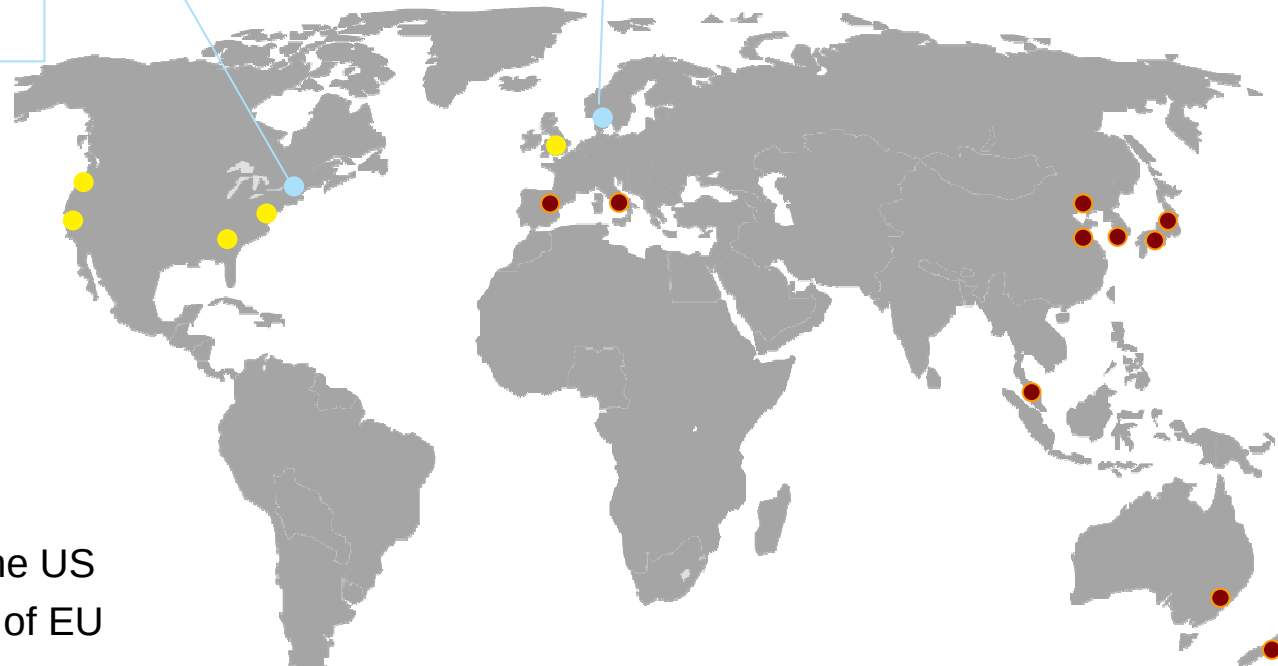
- Drug discovery
- Lead optimization
- Target validation
- Biomarker identification
- Basic research
- Genomics

Exiqon's current and future research products address a global market worth over DKK 9 billion

Sales and distribution

**Exiqon Inc: North America,
Sales & Distribution**

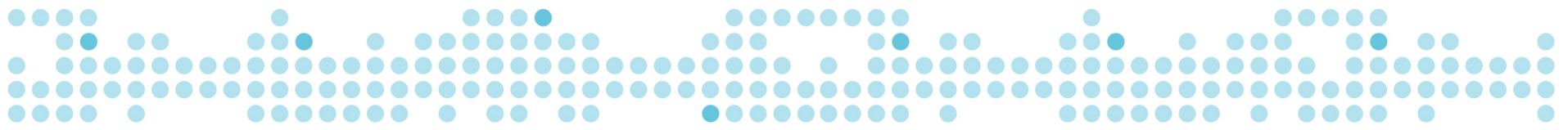
Headquarter Exiqon A/S

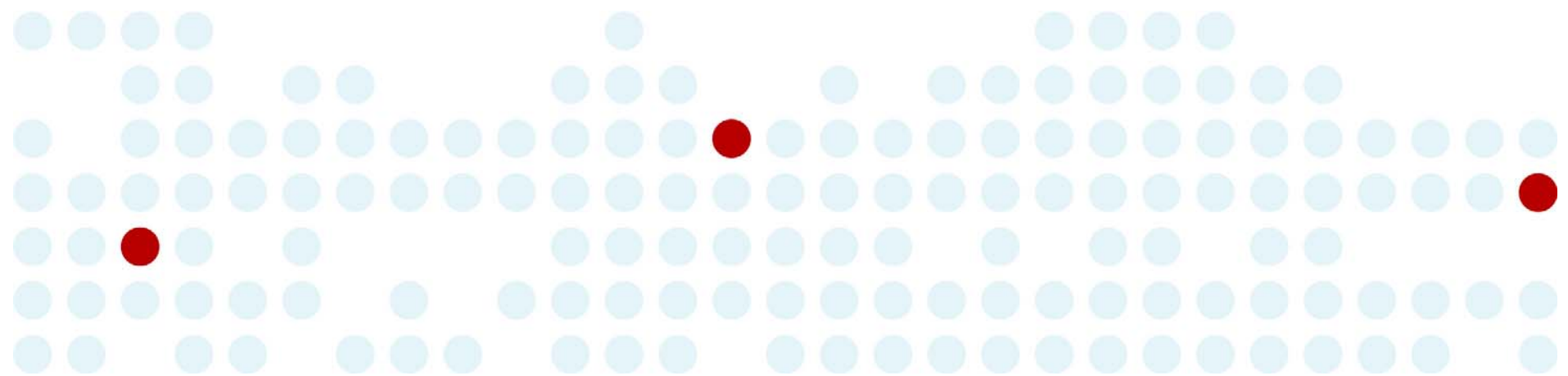


- Laboratory facilities in DK & the US
- Direct sales in the US & parts of EU
- Sales reps on the East & West coasts of the US & in London, UK
- Distributors in Spain, Italy & Far East
- Technical support out of Boston & Denmark

● **Sales representative**

● **Distributors**





Molecular diagnostics and biomarkers

- Growing market demand for new and improved diagnosis, early detection of diseases, improved prognosis and treatment selection (tailor-made therapeutics)
- DKK 2.4 billion market with annual growth around 50%
- Exiqon focuses on cancer diagnostics
- Exiqon excellent positioned to address this market as the LNA technology is a key tool for the detection of miRNA biomarkers
- Biomarkers are key to Big Pharma's future product development strategy

Big Pharma's focus on biomarkers

March 14, 2007



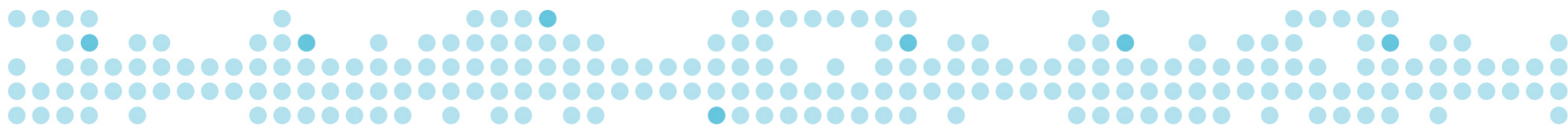
"One can say that, except for the very rare instance, Novartis' approach is that [unless] there is a drug with a really solid biomarker attached to it, we don't develop it," Robert Schmourer, executive director of translational medicine at Novartis, said at a Cambridge Healthtech Institute conference on translational medicine, held here last week.

Novartis peers Bristol-Myers Squibb, Wyeth, and Roche, among others, have similarly changed their R&D strategies and pharmacogenomic outlook.

Novartis is not alone in incorporating biomarkers into drug development and embracing the learn-and-confirm model. Encouraged by a willingness at the FDA to accept adaptive clinical trial designs, Novartis is following a larger shift within pharma toward more predictive drug-development strategies.

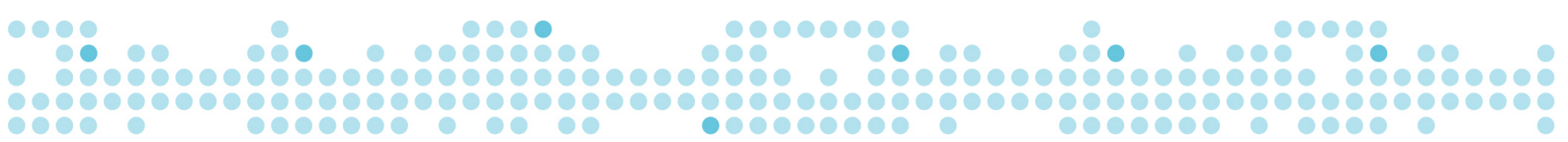
For instance, Bristol-Myers Squibb uses biomarkers and pharmacogenomics to expand the indications for existing oncologics [see [PGx Reporter 01-10-07](#)].

Also, Wyeth instated a learn-and-confirm model of its own last year, hoping that in two years the strategy will enable 75 percent of its drug program to have some kind of pharmacogenomic component.

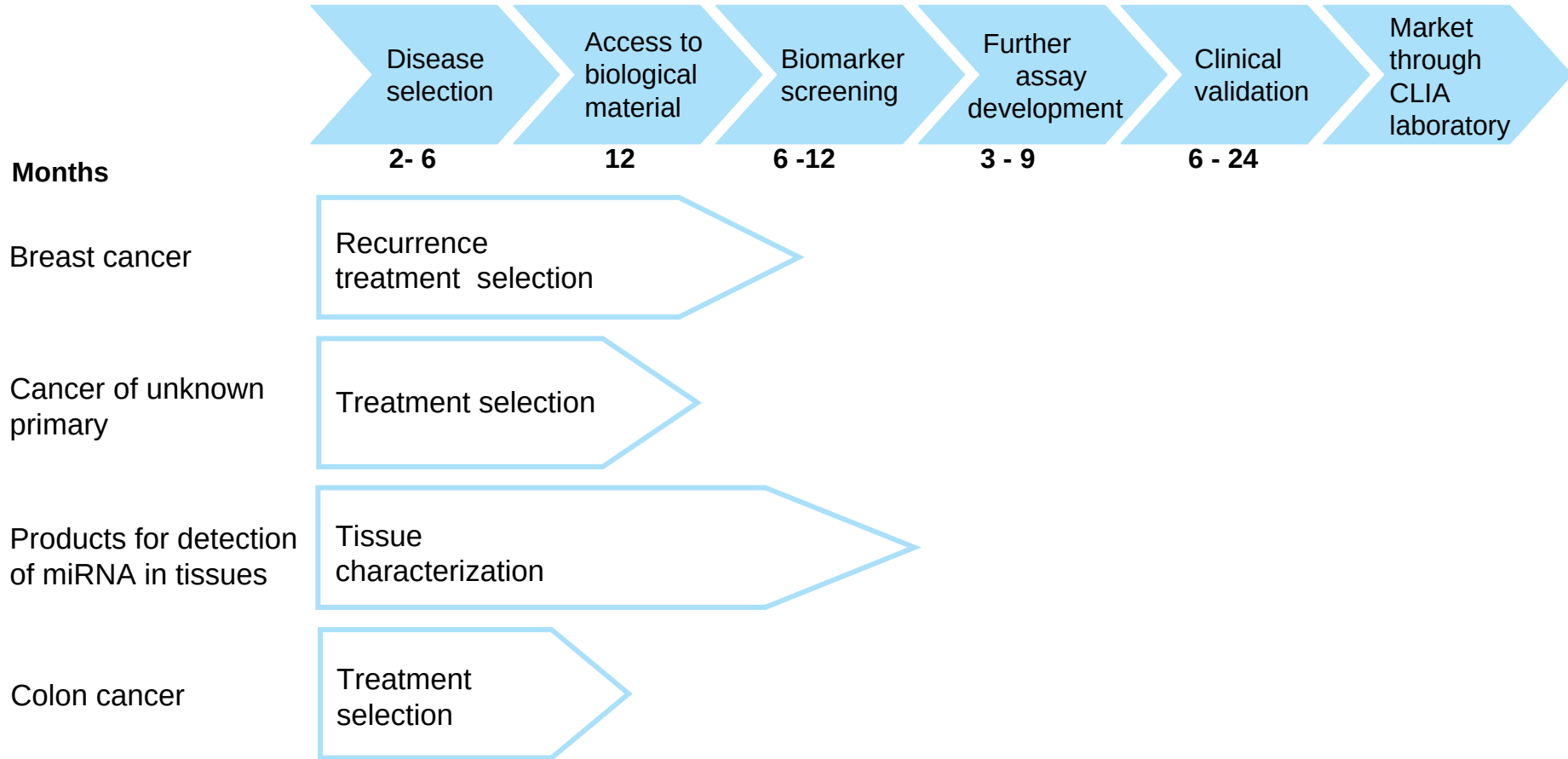


Market potential

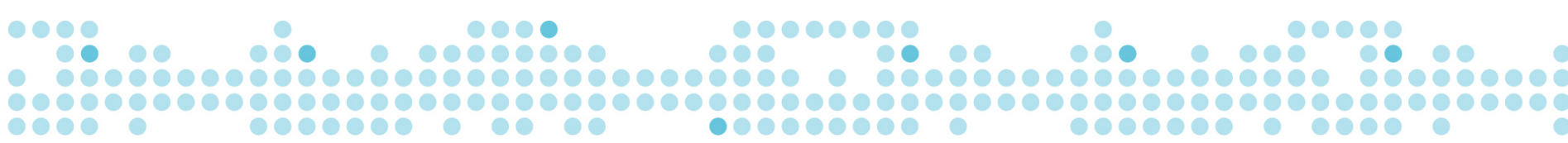
- Global market for molecular diagnostics DKK 22 billion
- Cancer diagnostic market is a DKK 2.4 billion market with annual growth around 50%
- Around 1.5 million new cancer patients in the U.S. per year
- microRNA biomarkers to be applied in:
 - Stratifications of patients in clinical trials
 - Early diagnoses
 - Prognoses
 - Treatment selection
- Revenue expected from 2008
- First products:
 - Optimized clinical trial through biomarker stratification
 - Improved cancer diagnostics through tissue analyses

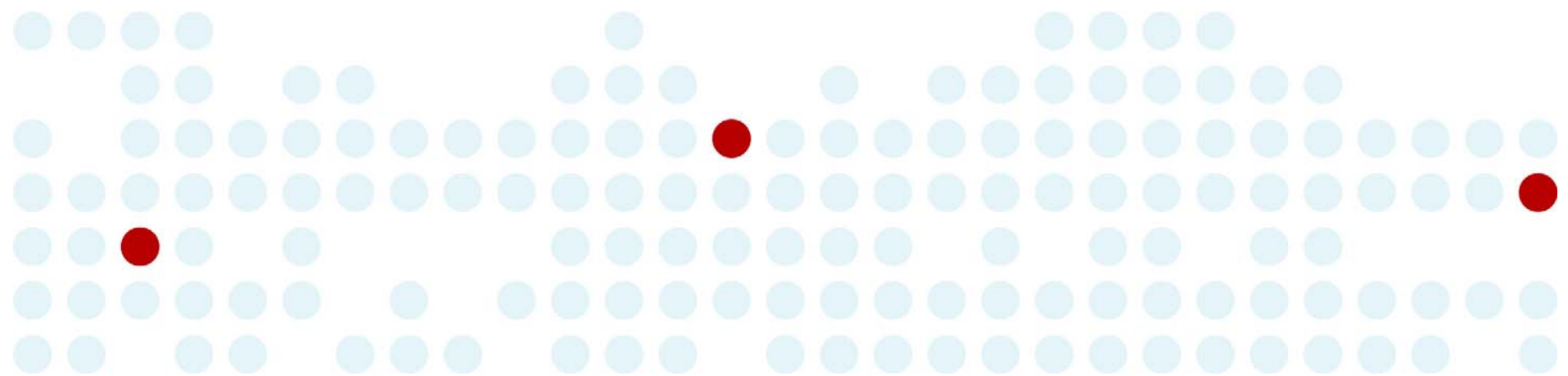


Pipeline of in vitro diagnostics products



Short time to market!





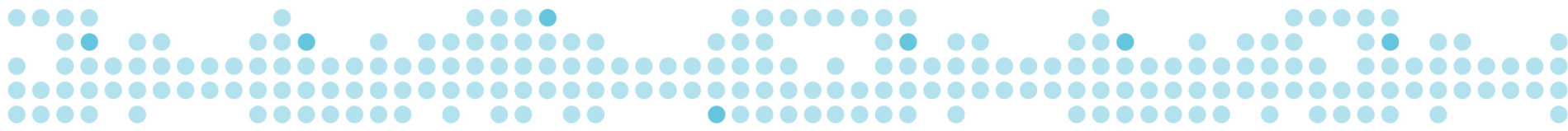
Financials

- Growing revenues
- Strong balance sheet
- Fully funded until expected break even in 2011

Key figures – P&L account 2004-2006

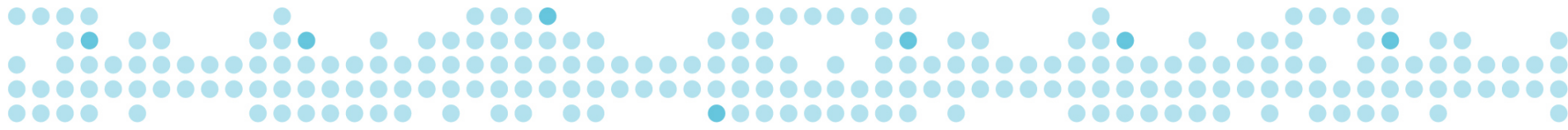
DKK '000	2004	2005	2006
Product sales	5,209	9,866	20,973
License income	2,993	6,080	18,667
Contract research	2,104	55	3,456
Total revenue	10,306	16,001	43,096
Production cost	(4,744)	(5,427)	(11,936)
R&D costs	(16,969)	(14,194)	(27,624)
Sales & marketing costs	(4,168)	(9,620)	(19,425)
Administrative costs	(5,995)	(6,778)	(9,616)
Operating profit (EBIT)	(21,570)	(20,018)	(25,505)
Net financial items	(7,179)	(3,249)	587
Profit for the year	(28,749)	(23,267)	(24,918)

Planned investments 2007: DKK 16m in total capital investments



Key figures – Balance Sheet 2004-2006

DKK '000	2004	2005	2006
Fixed assets	5,988	8,915	19,719
Inventories	1,303	2,351	4,637
Receivables	961	2,311	22,233
Cash	1,681	40,199	20,396
Assets	9,933	53,776	66,985
Equity	(43,888)	27,986	33,973
Non-current liabilities	1,500	2,771	5,275
Short term liabilities	52,321	23,019	27,737
Equity & liabilities	9,933	53,776	66,985

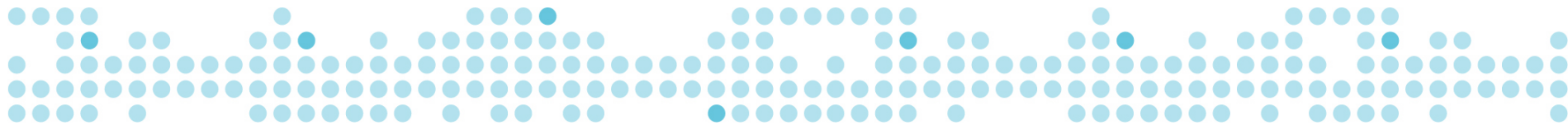


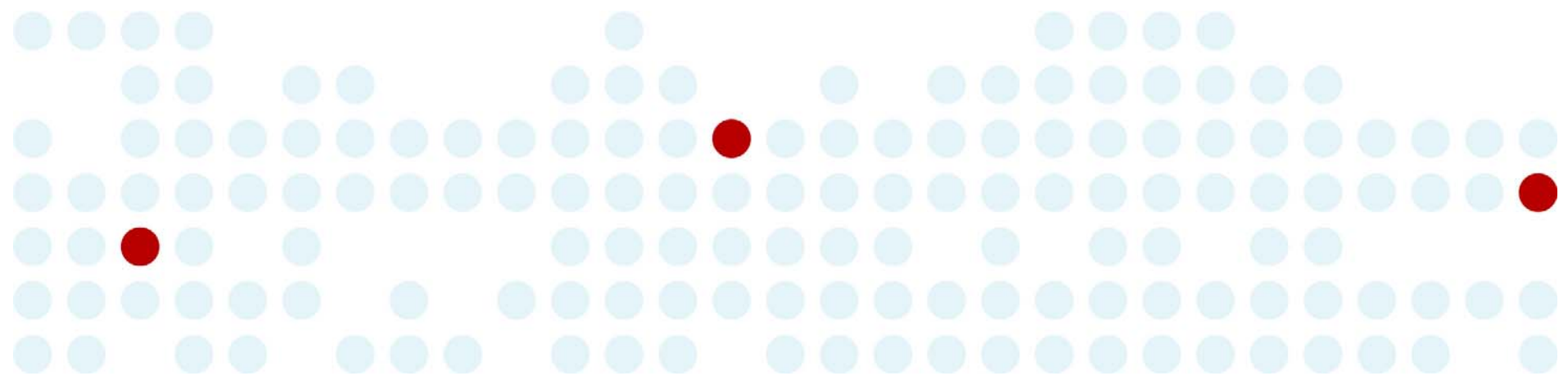
Key figures – P&L account H1 2007

DKK '000	H1 2007	H1 2006	2006
Product sales	14,592	8,294	20,973
License income	2,811	2,487	18,667
Contract research	3,636	969	3,456
Revenue	21,039	11,750	43,096
Production cost	(7,595)	(5,146)	(11,936)
R&D costs	(13,847)	(10,901)	(27,624)
Sales & marketing costs	(15,128)	(6,904)	(19,425)
Administrative costs	(14,931)	(4,180)	(9,616)
Operating profit (EBIT)	(30,462)	(15,381)	(25,505)
Net financial items	133	178	587
Profit for the year	(30,329)	(15,203)	(24,918)

Key figures – Balance Sheet H1 2007

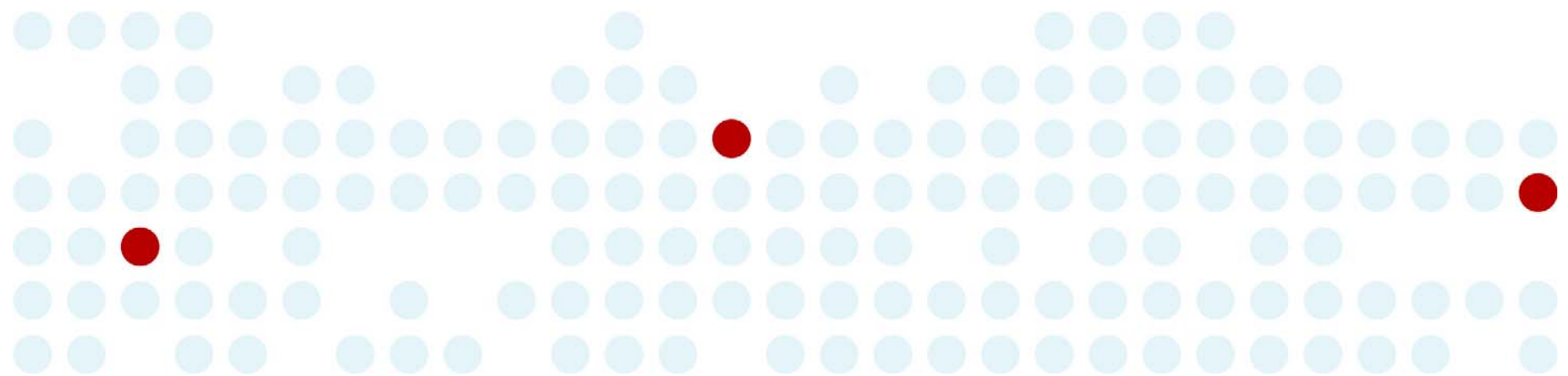
DKK '000	H1 2007	H2 2006	2006
Fixed assets	22,910	11,307	19,719
Inventories	6,568	2,438	4,637
Receivables	14,568	4,918	22,233
Cash	371,133	43,471	20,396
Assets	415,179	62,134	66,985
Equity	373,782	35,750	33,973
Non-current liabilities	6,925	4,189	5,275
Short term liabilities	34,472	22,195	27,737
Equity & liabilities	415,179	62,134	66,985





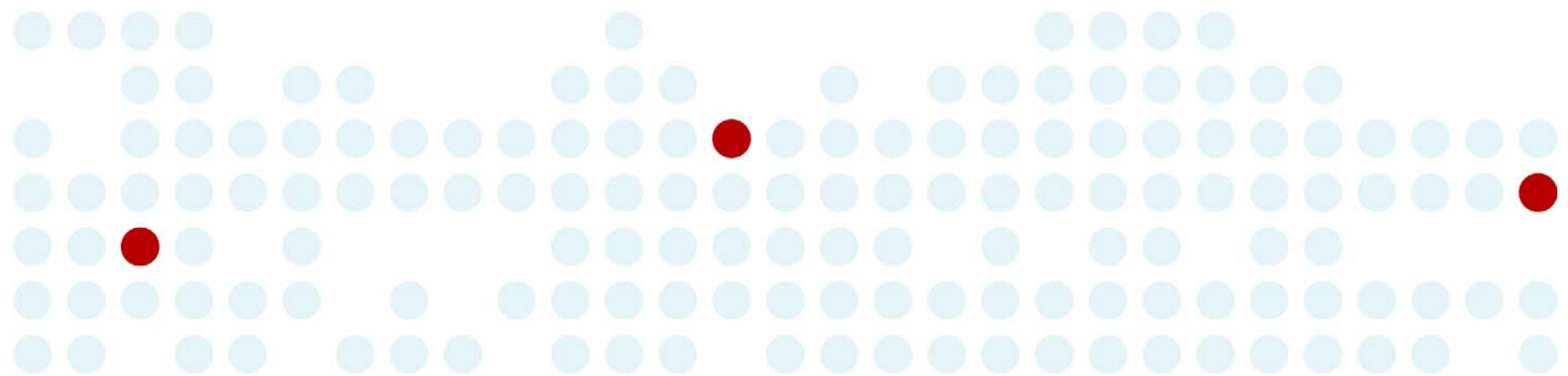
Guidance for 2007

- Revenue expected to amount to DKK 55m
- Product sales expected to amount to DKK 45m
- Operating profit of minus DKK 60m
- Profit forecast for the year of minus DKK 50m



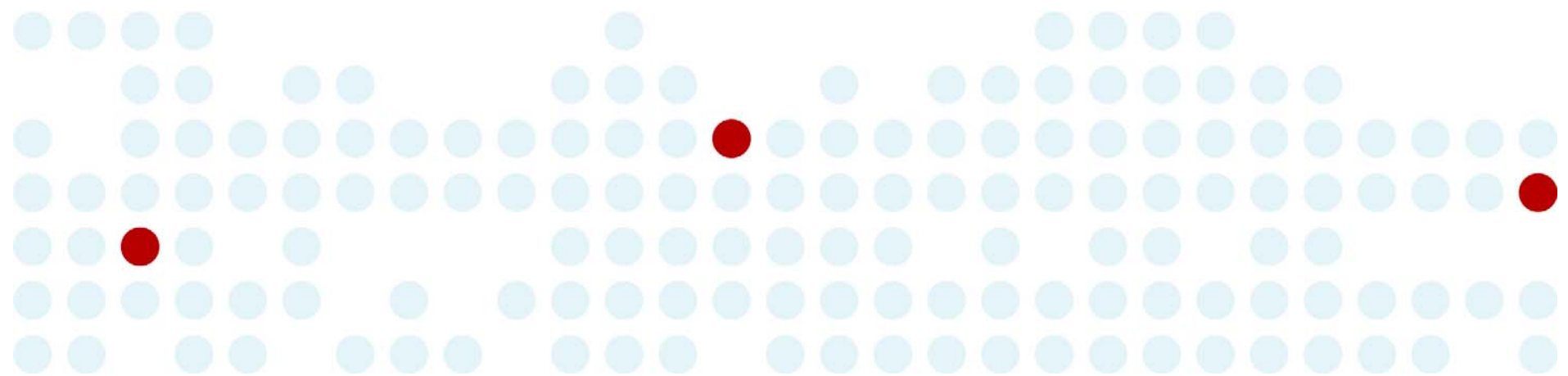
Financial outlook beyond 2007

- Funded until expected break even: cash positive by 2011
- Research business expected to be cash positive before then
- Economies of scale: COGS expected to improve over time, particularly during 2008-09
- Margins expected to align with industry standards: 65-70%
- R&D costs expected to align with industry standards over time: 15% of revenue
- SG&A costs expected to align with industry standards over time: 30% of revenue



Near term news flow

- Launch of major product line for quantitative analyses of miRNA
- Start-up of new U.S. manufacturing facility and U.S.-based application laboratory
- Collaboration agreement with world leading cancer research institution (diagnostics)
- Agreement with major research tool provider on the use of our LNA technology
- Agreement with pharma/biotech company on using miRCURY™ for stratification
- Completion of first breast cancer biomarker screening



Thank you for your attention!

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