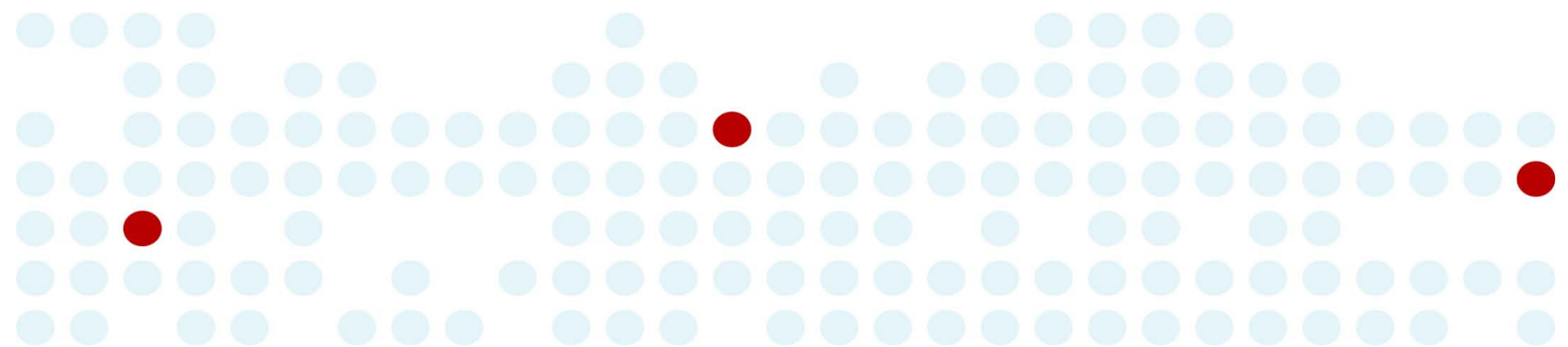


**Third quarter 2010 - update**

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- **Business overview**
- LNA™ technology platform
- Life Sciences segment (LS)
- Diagnostics segment (DX)
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- Financials
- Outlook

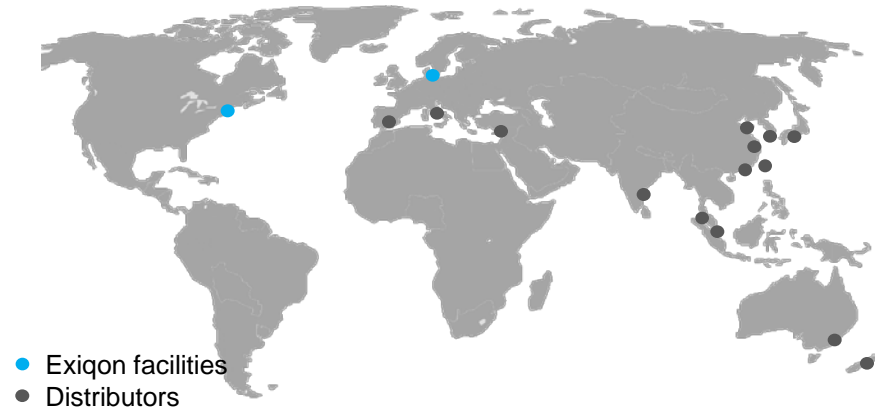
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## Exiqon at a glance

### Highlights

- Proprietary LNA™ detection technology
- Unique IP to novel group of miRNA biomarkers
- Established one-stop shop for Life Science products
- Unique platform for Molecular Diagnostics products
- Multiple license agreements with world leading companies
- Listed on NASDAQ OMX, Copenhagen ("EXQ")

### Locations



### Organised in two business divisions



Exiqon Life Sciences combines leading-edge scientific expertise in gene expression with our proprietary LNA™ technology. Our products, services and scientific staff enable life science researchers to make groundbreaking discoveries.



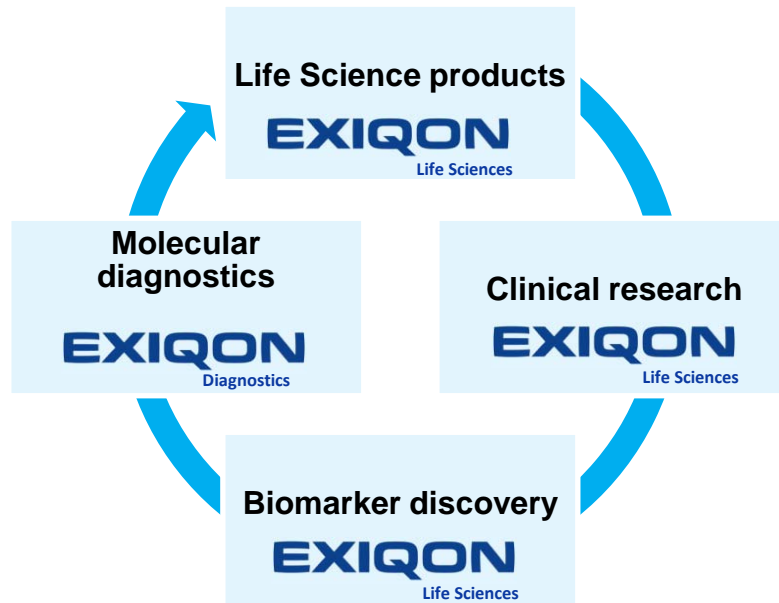
Exiqon Diagnostics is dedicated in collaboration with partners to develop novel molecular diagnostic test for early detection of diseases and knowledge-based treatment selection based on miRNA.

## Exiqon has a competitive value proposition to the market

	<b>EXIQON</b> Life Sciences	<b>EXIQON</b> Diagnostics	
	<b>Sub segment: Basic research</b>	<b>Sub segment: Clinical research</b>	<b>Diagnostics</b>
Comp.	<ul style="list-style-type: none"> <li>Competitors: Agilent, Life Tech, Affymetrix and Qiagen</li> </ul>	<ul style="list-style-type: none"> <li>Competitors: Life Tech and Qiagen</li> </ul>	<ul style="list-style-type: none"> <li>Competitors: Asuragen and Rosetta Genomics</li> </ul>
Exiqon adv.	<ul style="list-style-type: none"> <li>Only Life Tech and Qiagen offer as broad product portfolio as Exiqon</li> </ul>	<ul style="list-style-type: none"> <li>Exiqon is the only company offering <i>in situ</i> (ISH) <u>and</u> qPCR products</li> </ul>	<ul style="list-style-type: none"> <li>Exiqon holds the enabling technology for <i>in situ</i> based diagnostics and qPCR platform</li> <li>miRNA 4-part co-exclusive license</li> </ul>
Go to market	<ul style="list-style-type: none"> <li>Market access through own sales force &amp; distributors</li> <li>Year of market entrance: 2005</li> </ul>	<ul style="list-style-type: none"> <li>Market access through own sales force &amp; distributors</li> <li>Year of market entrance: 2010</li> </ul>	<ul style="list-style-type: none"> <li>Commercialization through partners</li> <li>Year of market entrance (RUO kits): 2010 &amp; 11</li> </ul>
Exiqon products	<ul style="list-style-type: none"> <li>Array product offerings</li> <li>KD product offerings</li> <li>Custom oligonucleotides</li> <li><i>In situ</i> product offerings</li> <li>qPCR product offerings</li> </ul>		<ul style="list-style-type: none"> <li>IP/technology platform</li> <li>IP/technology platform</li> </ul>

## Exiqon's business model provides for a mitigated risk/reward profile

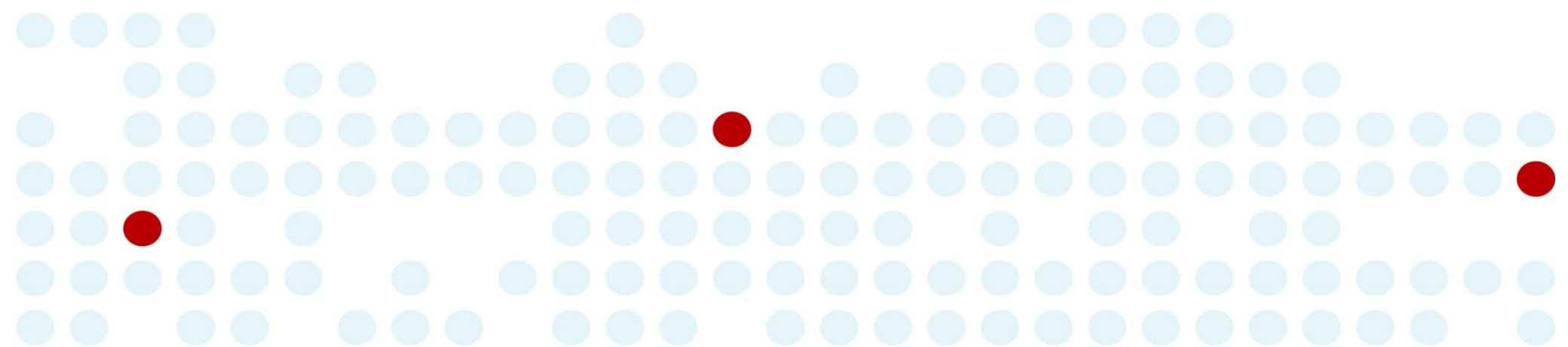
### Natural progression between two business segments



### Multiple revenue streams – each with large potential

- **Product sales (including services)**
  - Life Science research product sales
  - Diagnostic product sales; near term
- **License revenue**
  - LNA™ technology access licenses
  - Commercial miRNA licenses (4 party co-exclusive access)
  - Project specific licenses (Partnerships)
- **Contract research**
  - Awarded grants
  - Partner financed FTEs

- Reward promised through high growth in product sales, license potential and near term diagnostic products
- Risk mitigated through multiple revenue streams



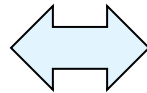
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## The combination of LNA™ and miRNA is the perfect match that drives results

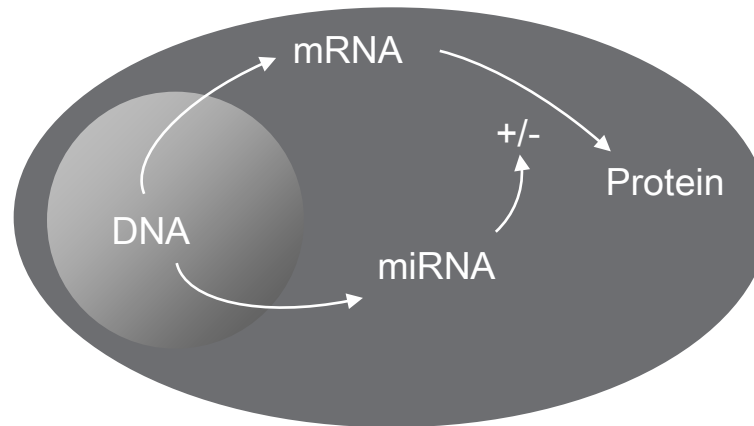
### miRNA is the ideal group of biomarkers

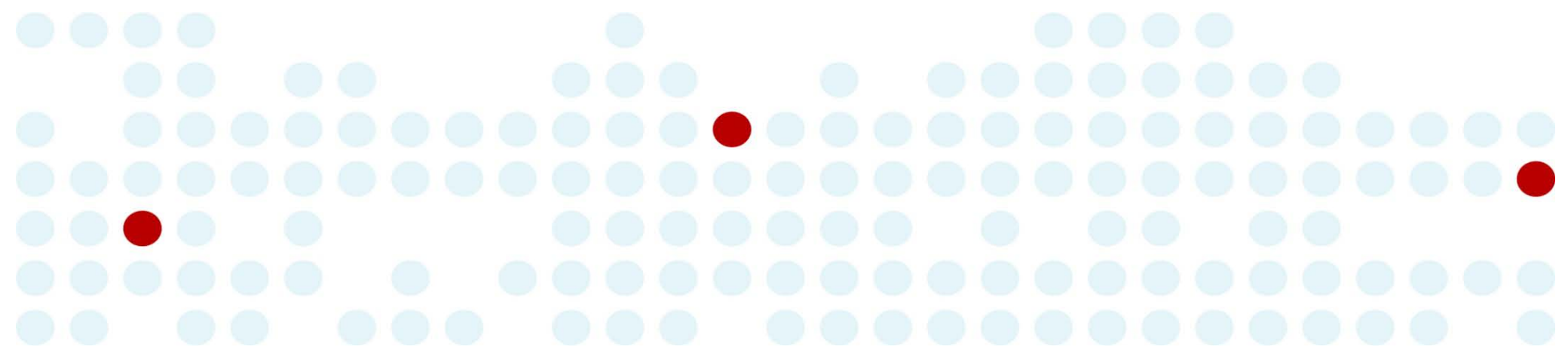
- miRNA is a group of biomarkers which has been extensively validated in the clinic
- miRNA is linked to disease and disease progression
- miRNA is biologically stable – even in blood & tissue samples



### LNA™ is perfect for detection of miRNA:

- LNA™ is able to monitor even small molecules like miRNA
- LNA™ allows for detection of miRNA directly in tissue
- LNA™ discriminates between even highly homologous miRNAs – often needed





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## Market opportunity: Products for miRNA research

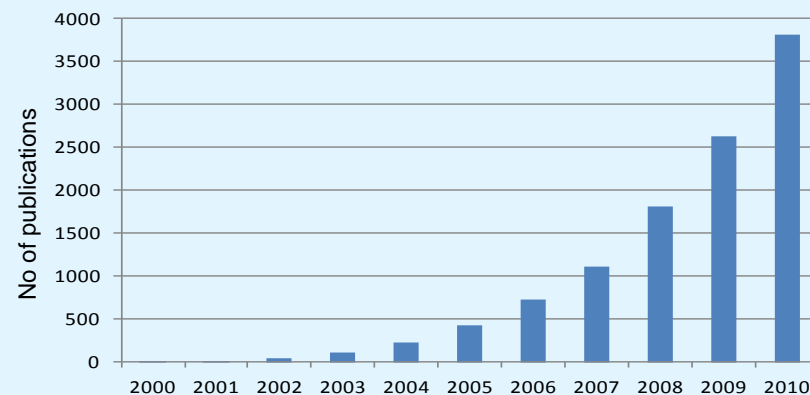
### Need for biological insight drives market for research products

- **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 approx 40% in 2010
- **miRNAs “fit the bill” of a promising biological marker**
  - Demonstrated to be associated with cancer and other major diseases
  - Stable in serum, plasma and in tissue samples – that’s how samples are obtained in the clinic!
  - Clinical power of miRNAs as biomarker has been demonstrated in more than 75 papers

### Clinical applications

- Early detection
- Prognosis/recurrence
- Drug resistance/sensitivity
- Treatment response
- Therapy

### Number of miRNA publications (as of Nov, 2010)



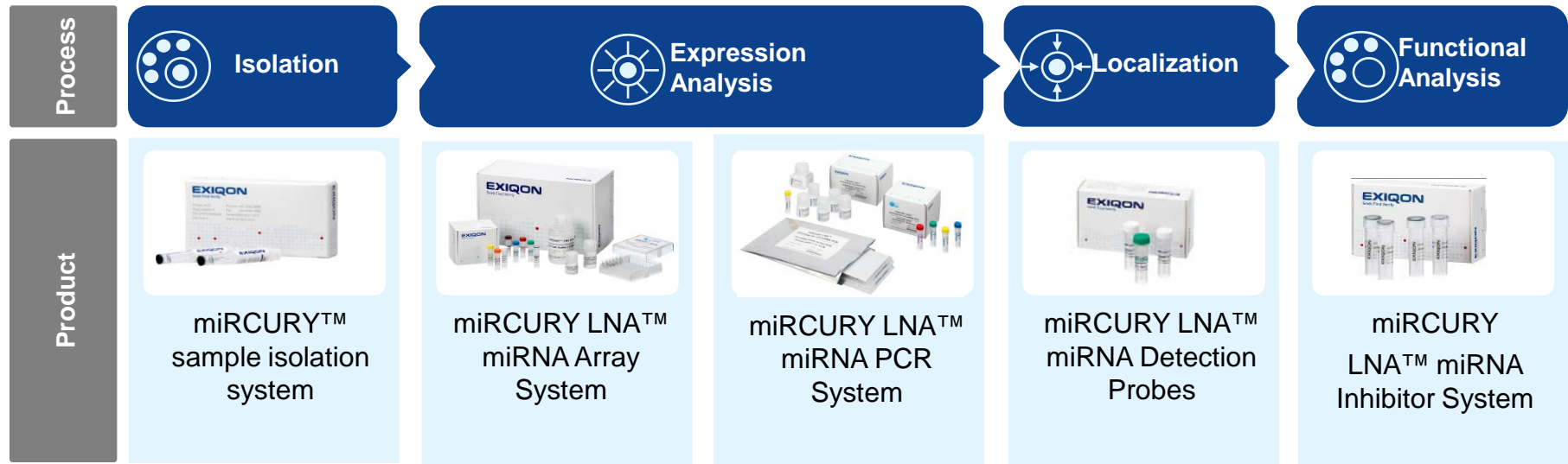
### Est. Market size\*

**2010:** 50 – 70 mUSD

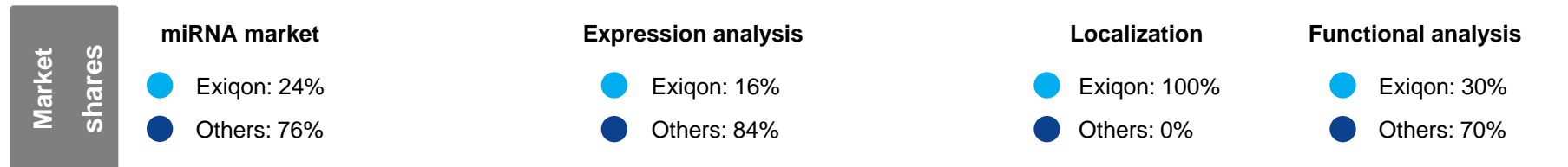
**2015:** 250 – 300 mUSD

\*Frost & Sullivan/Exiqon estimates

## Exiqon is an established market leader for miRNA research products



### miRNA market shares\*



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

## Exiqon Life Sciences strategy is based on current resources and capabilities

- Leverage LNA™ technology, IT platform, web shop and design tool to create basis for growth
- Transform Exiqon from a miRNA company to a qPCR and ISH company

### Today the *biology* (miRNA) is the focus

#### Exiqon offers products for:

- miRNA isolation
- miRNA expression analysis (arrays & qPCR)
- miRNA localization
- miRNA functional analysis

#### That leads to complex product development as:

- Many technologies must be mastered
- Complicated IP issues
- Difficulties in being provider of all needed components such as instrumentations, software etc

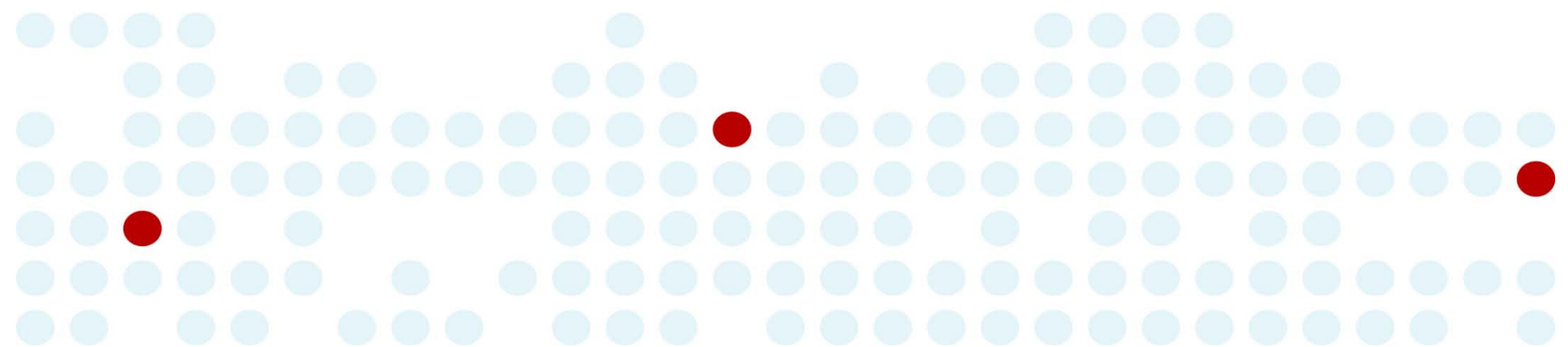
### Moving to focus on *technology* (qPCR)

#### Exiqon to offer products for:

- miRNA & mRNA isolation (all kind of samples)
- miRNA & mRNA expression analysis based on qPCR
- miRNA & mRNA localization
- DNA (copy number variation)

#### That leads to an improved positioning in terms of:

- Increased revenue potential
- More efficient use of IP and product development (reuse of tech-platform)
- Product offering to capitalize on next generation sequencing



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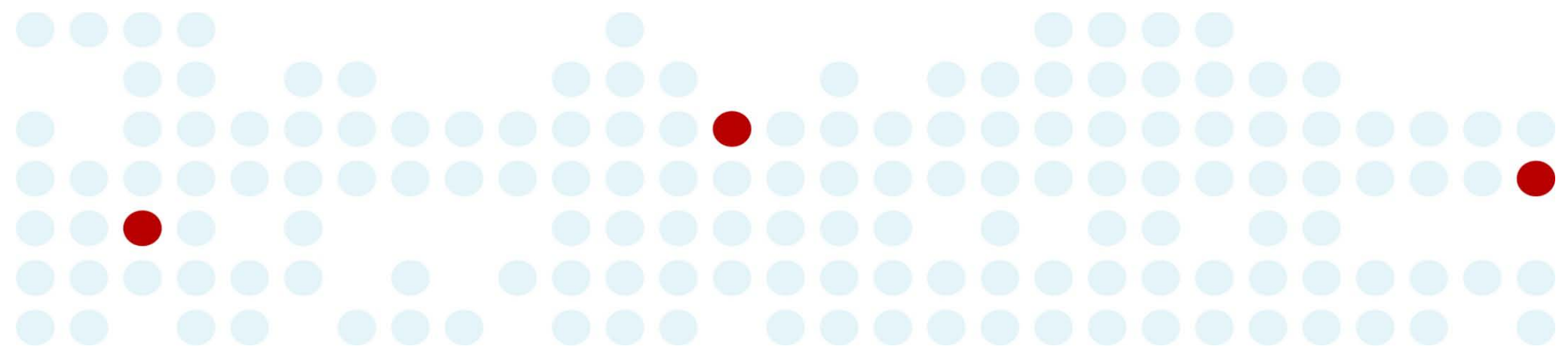
## Molecular diagnostics: Pipeline of projects for partnering and status

Applied platform				
Technology		Assay (test)		Biomarkers
LNA™ detection technology		qPCR platform and/or ISH platform		Tüschi III patent access miRNA signatures (pipeline)

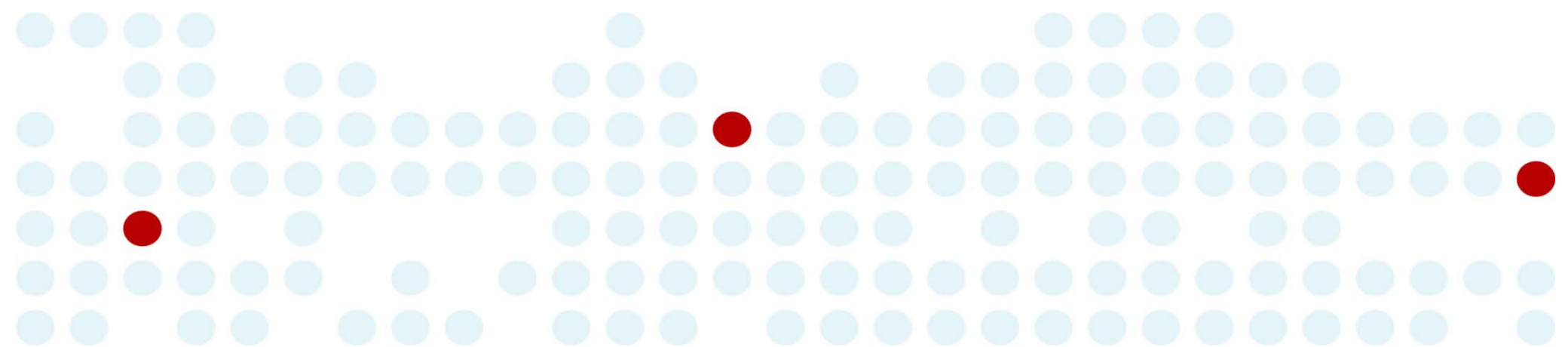
Pipeline summary (partnering projects )				
Cancer	Product	Available platforms	IP	Status
<b>Cancer vs. non-cancer (colon)</b>	miRSign RUO	qPCR	LNA™ /Tüschi III	Clinical validation/partner
<b>Colon</b>	Recurrence	qPCR/ISH	LNA™ /Tüschi III	Clinical validation/partner
	Diagnosis (blood)	qPCR	LNA™ /Tüschi III	Clinical proof of concept
<b>CUP</b>	Tissue identifier	qPCR/ISH	LNA™ /Tüschi III	Various specific applications being investigated with pharma
		qPCR/ISH	LNA™ /Tüschi III	

CUP = Cancer of Unknown Primary; RUO = Research Use Only

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## YTD Q3 2010 Financial highlights

### The positive trend from H1 2010 continues:

- Revenue of DKK 65.7 million; 5% increase (DKK 62.6 million) and 36% when excluding one-time payment in the comparative numbers.
- YTD organic growth in life science research product sales was 53% when excluding OEM sales and reagent sales associated with license agreements.
- Gross profit improved 3% to DKK 32.7 million (DKK 31.6 million)
- Total operating expenses decreased 28% to DKK 64.5 million (DKK 89.8 million)
- EBIT increased 45% to DKK -31.8 million (DKK - 58.2 million)
- Net result from continued operations of DKK -33.5 million (DKK -56.8 million)

mDKK	YTD Q3	FY 2010
Revenue	66	80-90 *
Gross profit	33	
R&D costs	-22	
S&M costs	-26	
Admin. costs	-16	
<b>Net result</b>	<b>-34</b>	<b>-40</b>
Non-cash items	9	15

\* As of November 12, the guidance has been adjusted to “the upper end”

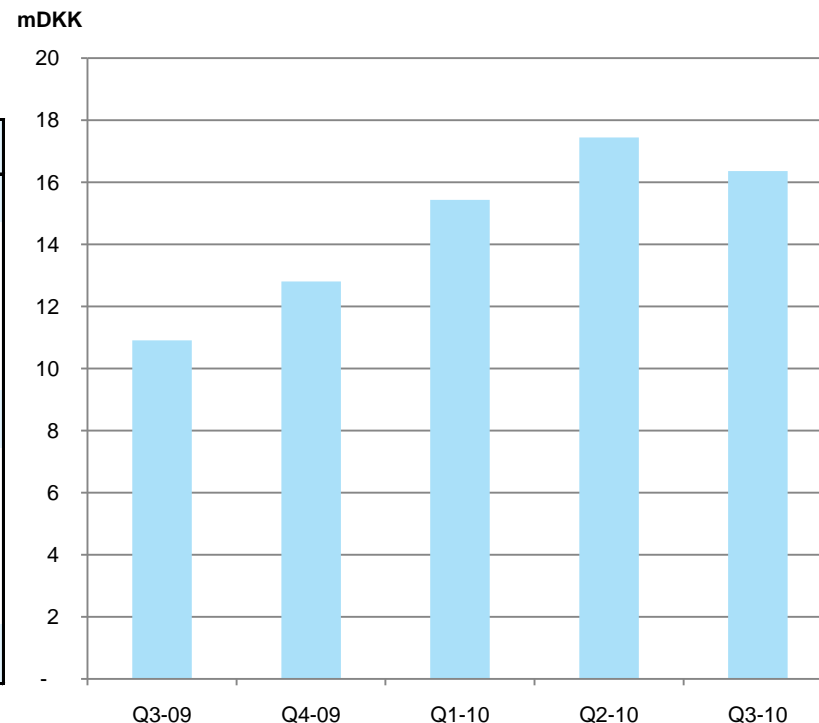
## Q3 2010 - Continued strong revenue growth

- In the third quarter of 2010, research product sales increased 45%, when disregarding one-time reagent sales associated with license agreements and OEM

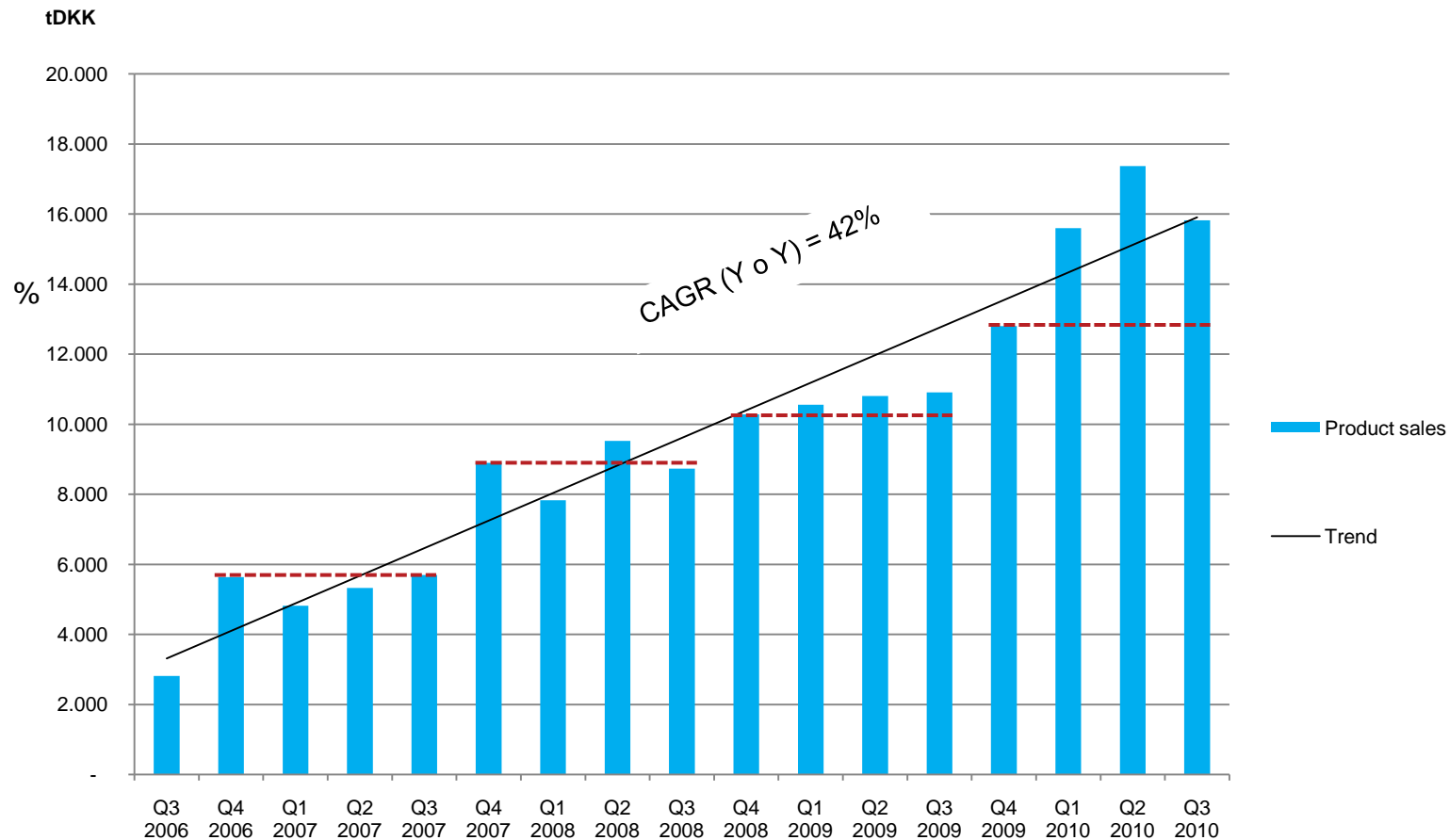
mDKK	Q3-09	Q4-09 *)	Q1-10	Q2-10	Q3-10
<b>Revenue</b>	<b>27.221</b>	<b>19.640</b>	<b>20.692</b>	<b>24.129</b>	<b>20.884</b>
Product sales	13.461	14.834	16.987	19.620	18.529
Product sales excl OEM and licensed supplies	11.293	12.963	15.435	17.445	16.360
<b>Gross profit</b>	<b>18.951</b>	<b>8.868</b>	<b>11.132</b>	<b>12.384</b>	<b>9.171</b>
R&D costs	-9.998	-10.482	-8.082	-7.819	-6.081
S&M costs	-11.837	-11.619	-8.935	-8.833	-8.449
Admin. costs	-7.460	-7.115	-4.916	-5.992	-5.388
<b>Net result</b>	<b>-10.072</b>	<b>-19.252</b>	<b>-11.068</b>	<b>-10.333</b>	<b>-12.110</b>

\*) adjusted for impairment on Goodwill, mDKK 70.7

Product sales excl OEM and licensed supplies

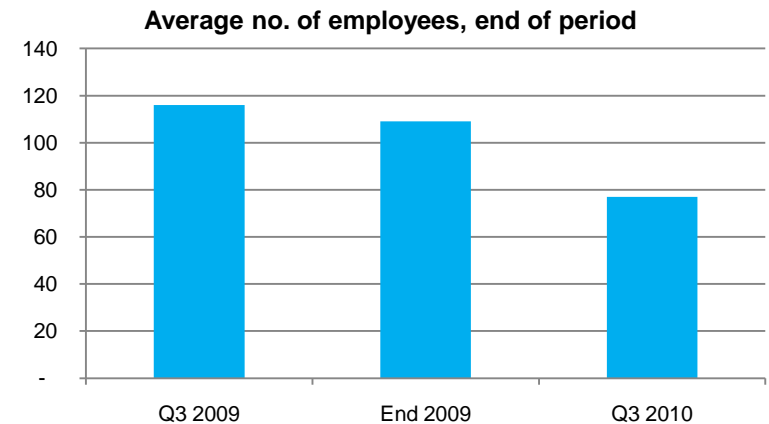
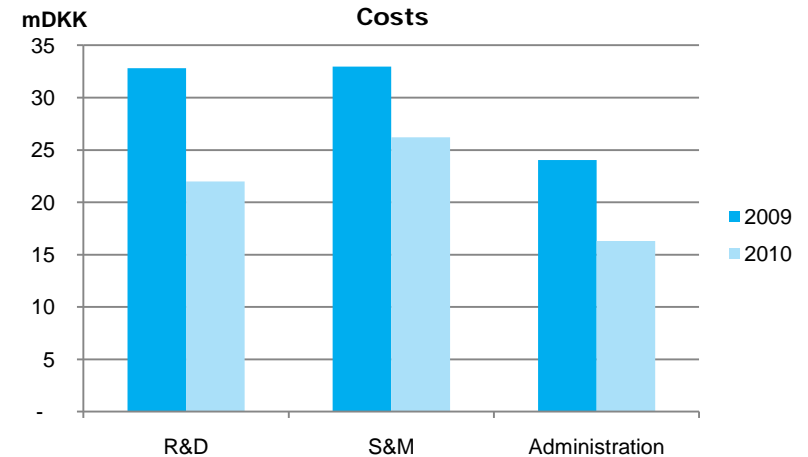


## CAGR – Product sales (Exiqon direct sales only), Q3 2006 through Q3 2010



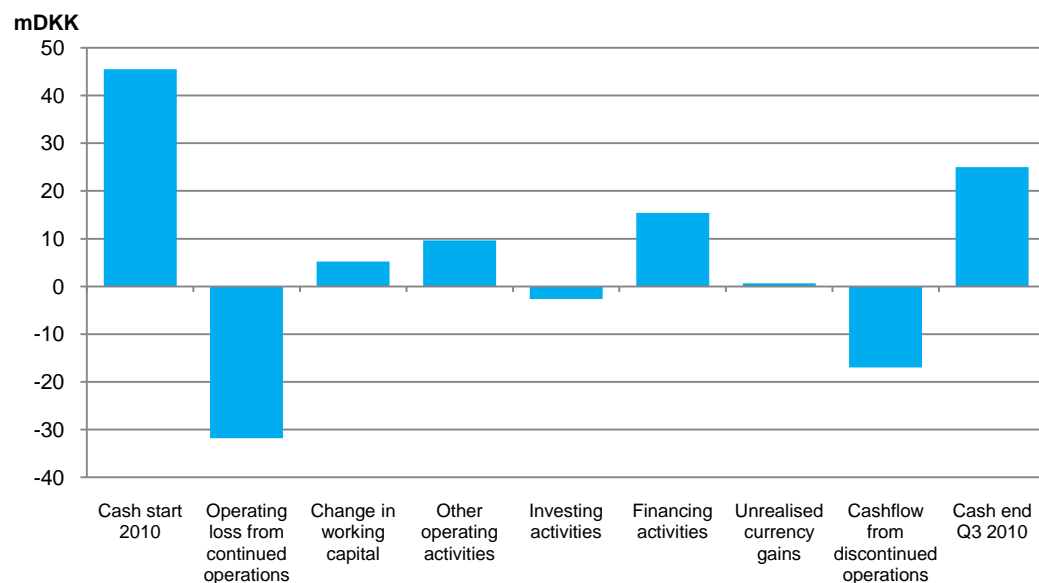
## YTD Q3 2010 - Significantly reduced cost-base

- Total operating expenses decreased 28% to DKK 64.5m
  - Restructuring of Exiqon Life Sciences in 2009 impacts the numbers significantly
  - Gross profit improved 3% to DKK 32.7m (2009 numbers affected by milestone payment)
  - Gross margin decreased to 49.7% from 50.5% (2009 numbers affected by milestone payment)
  - R&D costs (net) decreased 33% to DKK 22m
  - Administrative costs (net) decreased 26% to DKK 16m
  - Sales and marketing costs (net) decreased 22% to DKK 25m



## YTD Q3 2010 - Improved cash flow

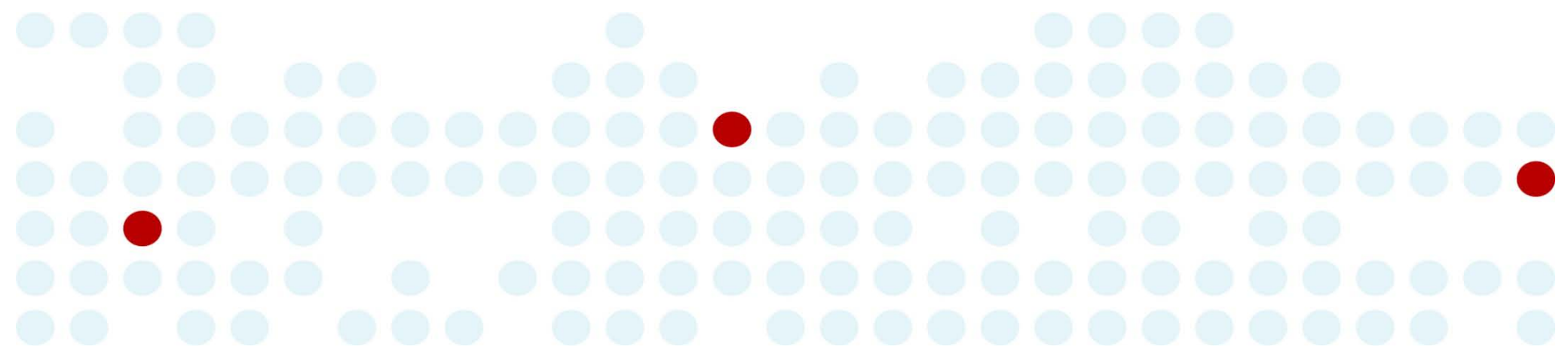
- Significantly reduced cash-burn in the first 9 months of 2010 compared to the same period last year
- Capital resources strengthened through directed issue of new shares (gross proceeds of DKK 19.7m)
- Continued focus on positive cash flow
- Diagnostic product development will be financed by grants or through partnerships from end year 2010



mDKK

Operating profit	-58	-32
Change in working capital	-23	5
Other operating activities	9	10
Investing activities	-4	-2
Financing activities	-3	15
Cash flow from discontinued operations	-32	-17
<b>Change in cash</b>	<b>-111</b>	<b>-21</b>
Cash at the beginning of year	174	45
Unrealised currency gains	2	1
<b>Cash at the end of period</b>	<b>65</b>	<b>25</b>

	YTD Q3 2009	YTD Q3 2010
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## Summarized business objectives – focus on short term profitability

- Short term objective is financial profitability based on Exiqon Life Sciences
- Longer term objective is profitability based on Exiqon Life Sciences and Exiqon Diagnostics

### Business goals for 2011

- Cash flow positive
- >70% of product revenue generated from kit sales
- Additional product launches including focused qPCR panels
- Complete clinical trial of colon cancer marker profile on 3000 individuals

### Business goals for 2013

- >20% market share of miRNA qPCR market
- Comprehensive qPCR product offering incl. LNA™ and bioinformatics tools to support vast sequence information, DNA & mRNA products.
- Additional program(s) for serum based Dx launched

### Business goals for 2015

- Highly profitable business: Margins >65%
- Leading qPCR provider
- First LNA™ IVD kit approved
- Strong pipeline of serum based Dx
- Numerous licenses/partnerships

## Preliminary financial outlook for 2011

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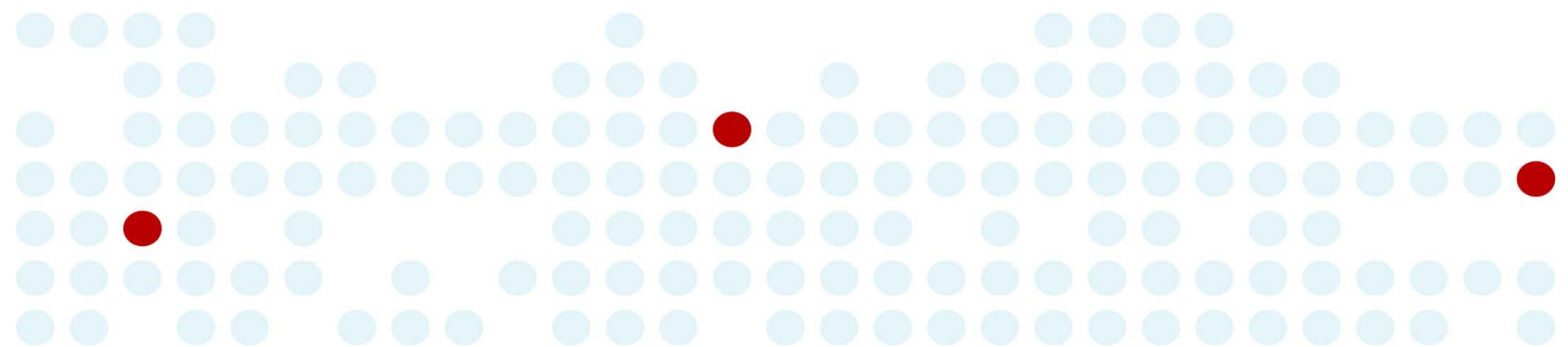
Exiqon's preliminary financial outlook for 2011 is summarized in the table below and does not include any potential one-time payments from new license agreements or otherwise:

### 2011

Revenues	DKK 105-115 million
EBITDA	DKK 0.00

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This preliminary outlook for 2011 is based on an average USD/DKK exchange rate of DKK 5.25.



Thank you for your attention!

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