

H1 release, August 26, 2009



Agenda

- **Business highlights and update**
- Financial highlights
- Outlook 2009
- Q&A session

Operational highlights

Exiqon Diagnostics

- Launched KRAS test and after June 30 BRAF test for response to EGFR treatments
- Has been awarded DKK 24 mill from the Danish Advanced Technology Foundation to develop a diagnostic blood screening test early detection of colon cancer
- In July 2009 a prospective observational study was launched (ArQive™) designed to support Oncotech EDR tests and collect data to help develop miRNA based tests
- In July 2009 an electronic communication tool (PortiQo Doctors Portal) for transmission of patient reports to the physicians was launched

Exiqon Life Sciences

- First step in Home of LNA initiative completed: Increased revenue, improved manufacturing and logistics. First step in outsourcing
- A number of new or improved products have been launched
- Life Sciences has been restructured after fulfillment of product portfolio. Cost of operations thereby reduced by DKK 40 mill.



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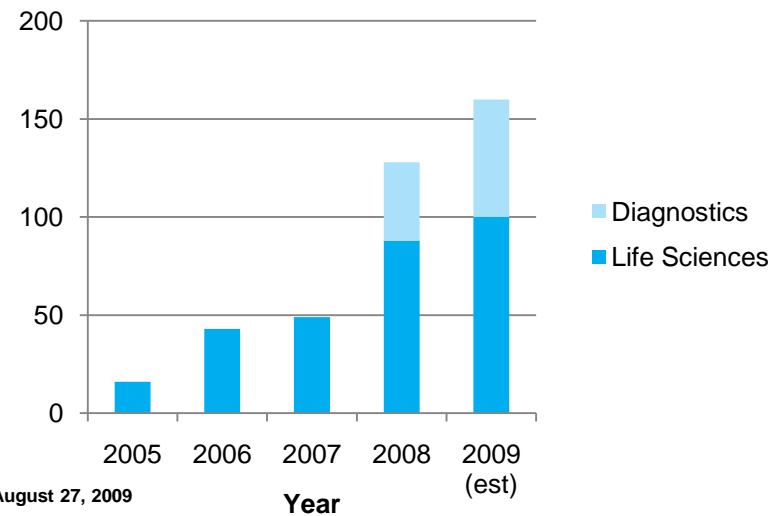
H1 2009 - Continued growth

Revenue of DKK 59 million; 32% increase (DKK 45 million in H1 2008)

- **Life Sciences revenue amounted to DKK 37 million; 21% organic growth**
 - Organic growth in product sales of 21%
 - Expected FY growth 2009; ~10% (USD/DKK 5.25)
- **Diagnostics revenue amounted to DKK 22 million**
 - Expected growth in 2009 is 25-50% (12 months in 2009 over 10 months in 2008) at USD/DKK 5.25)

Net result of DKK -81.2 million; costs of warrants DKK 3.0 million (DKK -63.5 million in H1 2008)

mDKK



August 27, 2009

	H1 2008	H1 2009
Product sales	41	51
License income	3	6
Contract research	1	2
Total	45	59
North America	29	39
Europe	15	17
Rest of World	1	3
Total	45	59
Life Sciences	28	37
Diagnostics	17	22

Focus on cost

- R&D costs (net) increased 25% to DKK 34 million
- Administrative costs (net) increased 4% to DKK 20.8 million
- S&M costs (net) increased 31% to DKK 40 million
- Cash flow improving measures necessary
- Life Sciences initiatives - ongoing:
 - ✓ Restructuring of operations
 - ✓ Outsourcing of manufacturing
- Diagnostics initiatives - ongoing:
 - ✓ Improve no. of specimens
 - ✓ Improve sales value per specimen
 - ✓ Complementary non-proprietary product offering (e.g. KRAS)
 - ✓ Improvements to Oncotech EDR test reimbursement

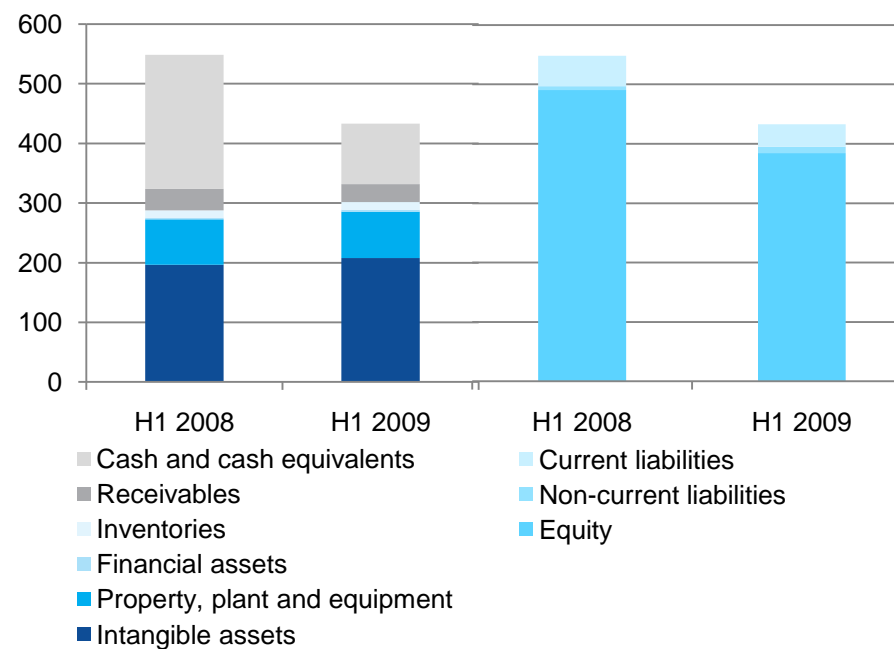
Financial highlights

• Balance Sheet

mDKK

	H1 2008	H1 2009
Non-current assets	275	289
Cash and cash equivalents	225	101
Other current assets	48	43
Assets	548	433
Equity	490	384
Non-current liabilities	6	11
Current liabilities	52	38
Equity and liabilities	548	433

mDKK

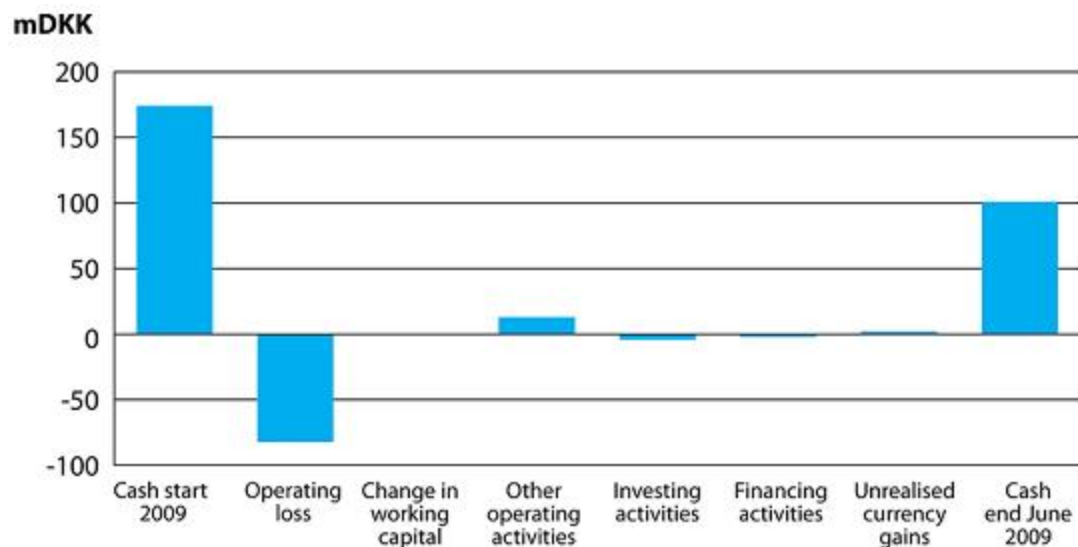


Financial highlights

- **Cash flow**

Negative cash flow from operations of DKK 82m

✓ H1 investments in product development and S&M



	H1 2008	H1 2009
Operating loss	-68	-82
Change in working capital	-36	-
Other operating activities	19	13
Investing activities	-19	-4
Financing activities	-2	-2
Change in cash	-106	-75
Cash at beginning of year	332	174
Unrealised currency gains	-1	2
Cash at the end of period	225	101



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Outlook 2009 – Financial expectations

- **For 2009 a Revenue of DKK 135-160 million is expected (USD/DKK 5.25)**
 - ✓ Life Sciences is expected to contribute DKK 85-100 million
 - ✓ Diagnostics is expected to contribute DKK 50-60 million (down DKK 10 million)
- **Continued investments in product development and Sales & Marketing**
- **For 2009 a Net loss of DKK 115-130 million is expected (USD/DKK 5.25)**
- **Long-term ambitions intact:**
 - ✓ Profitability by 2011 with current capital
 - ✓ Improved COGS during 2009
 - ✓ Cash flow positive Life Sciences business by end of 2009
 - ✓ Margins expected to align with industry standards over time: 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.

Outlook 2009 – Summary of revisions

Q1 2009 guidance was revised because of expectations to Exiqon Life Sciences that were reduced by DKK 10 million (indicated in red font below):

		USD/DKK 6.00		USD/DKK 5.25
Exiqon Group revenue	DKK	165 - 190 million	DKK	145 - 170 million
Exiqon Diagnostics revenue	DKK	70 - 80 million	DKK	60 - 70 million
Exiqon Life Sciences revenue	DKK	95 - 110 million	DKK	85 - 100 million
Net loss	DKK	120 - 135 million	DKK	115 - 130 million

H1 2009 guidance was revised because of expectations to Exiqon Diagnostics that were reduced by DKK 10 million (indicated in red font below):

		USD/DKK 6.00		USD/DKK 5.25
Exiqon Group revenue	DKK	155 - 180 million	DKK	135 - 160 million
Exiqon Diagnostics revenue	DKK	60 - 70 million	DKK	50 - 60 million
Exiqon Life Sciences revenue	DKK	95 - 110 million	DKK	85 - 100 million
Net loss	DKK	120 - 135 million	DKK	115 - 130 million



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