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PRESS RELEASE

PYROSEQUENCING COLLABORATES WITH THE CHILDREN'S HOSPITAL OF PHILADELPHIA FOR DIAGNOSTIC TESTS

- Gene mutations in hearing loss are target of research and development -

Uppsala, Sweden and Philadelphia PA, June 18, 2001—Pyrosequencing AB (Stockholm: PYRO A) and The Children's Hospital of Philadelphia today announced that they have initiated a sponsored research agreement to analyze genes linked to hearing loss and to develop diagnostic tests using Pyrosequencing™ technology. Developing genetic tests will facilitate the diagnosis and allow for the early treatment of hearing loss, the most common birth defect in children.

"Pyrosequencing is pleased to have the opportunity to work with a leading clinical research institution to advance tests for the diagnosis of significant birth defects. Our research project with The Children's Hospital of Philadelphia demonstrates the interest that the molecular diagnostic community has in our DNA analysis solutions and our commitment to developing clinical applications of our technology," said Erik Walldén, CEO and President of Pyrosequencing AB.

The first phase of the sponsored research agreement involves analyzing genetic variations in the Connexin 26 gene. Mutations in this gene have been linked to 65 percent of autosomal recessive non-syndromic hearing loss patients. Individuals with apparent non-syndromic hearing loss will be screened at the Molecular Diagnostics Laboratory at The Children's Hospital of Philadelphia. Dr. Paolo Fortina, a leading clinical genetic researcher, will oversee the genetic analysis using the Pyrosequencing™ platform, a robust and easy-to-use DNA sequencing and analysis technique.

"Accurate and efficient diagnostic tests for genetic disorders such as sensorineural hearing loss are very important to the healthcare community and will trigger early intervention and better patient care," said Paolo Fortina, M.D., Ph.D., The Children's Hospital of Philadelphia and Associate Professor of Pediatrics at the University of Pennsylvania School of Medicine. "We look forward to using Pyrosequencing's technology to advance our research in this area."

As a second phase to the collaboration, Dr. Fortina will also coordinate the application of Pyrosequencing™ to the analysis of a specific genetic mutationon that has been implicated in hearing loss in children treated with aminoglyside antibiotics. The identification of susceptible individuals prior to antibiotic therapy may provide useful clinical information to guide treatment and possibly prevent life-long deafness.

The Children's Hospital of Philadelphia

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The Children's Hospital of Philadelphia is dedicated to the care and treatment of children with hearing loss, and established a Genetics of Hearing Loss Clinic more than three years ago. The clinic, directed by Dr. Ian Krantz, M.D., Ph.D., is one of the first clinics in the United States devoted specifically to genetic issues involved in hearing loss. Its objectives are to identify the underlying causes of hearing loss in children, to rule out cases associated with disease syndromes, and to assist in identifying genes that may significantly contribute to the molecular causes of hearing loss.

Founded in 1855 as the nation's first pediatric medical center, The Children's Hospital of Philadelphia is a leader in patient care, education and research. The Hospital is second in the United States among all children's hospitals in total research funding from the National Institutes of Health. Basic research in human genetics and clinical programs for children with genetic disease are major strengths at Children's Hospital.

About Pyrosequencing AB

Pyrosequencing AB develops, manufactures and sells complete solutions for applied genetic analysis based on its proprietary Pyrosequencing™ technology, a simple-to-use DNA sequencing technique. In the post-genome era, Pyrosequencing's technology has established the Company as one of the leading suppliers of solutions for accurate, consistent DNA analysis in research institutions and pharmaceutical, genomics and agbiotech companies.

For the analysis of single nucleotide polymorphisms (SNPs), the PSQ™96 System with SNP Software and Reagent Kits is used by customers such as AstraZeneca, GlaxoSmithKline, the Harvard Center for Cancer Prevention, the National Institutes of Health (NIH), the Karolinska Institute and DuPont Agriculture. The Company's Sequence Analysis Software and Reagent Kits together with the PSQ 96 System are used for the identification of gene-specific DNA sequences for applications such as bacterial and viral typing where speed and ease of use are essential.

The Company is headquartered in Uppsala, Sweden with North American operations located in Westborough, Massachusetts. Pyrosequencing AB also has sales offices and distribution partners in Europe, Japan and the Middle East. Pyrosequencing AB is listed on the OM Stockholm Exchange. The Company's web address is www.pyrosequencing.com.

Certain statements in this press release are forward-looking. These may be identified by the use of forward-looking words or phrases such as "believe," "expect," "intend," and "should," among others. These forward-looking statements are based on Pyro-sequencing's current expectations. The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for such forward-looking statements. In order to comply with the terms of the safe harbor, Pyrosequencing notes that a variety of factors could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in such forward-looking statements. Such uncertainties and risks include, but are not limited to, risks associated with management of growth and international operations (including the effects of currency fluctuations), variability of operating results, the commercial development of the DNA sequencing and genomics market, nucleic acid-based molecular diagnostics market, and genetic vaccination and gene therapy markets, competition, rapid or unexpected changes in technologies, fluctuations in demand for Pyrosequencing's products (including seasonal fluctuations), difficulties in successfully adapting the Company's products to integrated solutions and producing such products, and the Company's ability to identify and develop new products and to differentiate its products from competitors.

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