

PRESS RELEASE

UNIVERSITY OF CALIFORNIA, SAN FRANCISCO TO ANALYZE MULTIPLE SCLEROSIS GENES USING PYROSEQUENCING TECHNOLOGY

Uppsala, Sweden, December 6, 2001 − Pyrosequencing AB's Molecular Diagnostics Business Unit (Stockholm: PYRO A) announced today a research agreement with the University of California, San Francisco (UCSF) to analyze genes involved in the development and potential progression of multiple sclerosis (MS). Using Pyrosequencing's PSQ[™]96 System, UCSF researchers will analyze the genotypes of approximately 2,500 people, including MS patients, their affected siblings and unaffected family members. The sponsored study will examine the degree of variability in MS genes and correlate this information with carefully characterized clinical profiles to determine disease predisposition, development and progression.

"MS is a complex disease with an underlying genetic component that is likely acting in concert with undefined environmental exposures," said Jorge R. Oksenberg, Ph.D., UCSF associate professor of neurology and lead investigator for the study. "Our objective will be to accurately and rapidly determine variations in MS genes expressed in healthy and affected individuals. This information will help us to discover which variations are related to the evolution and severity of the disease. The goal would then be to direct appropriate treatments and develop new therapies for this incurable disease."

Researchers at UCSF and Stanford University Medical Center reported in the journal *Science* on November 22 that they had identified osteopontin (OPN) as a critical gene involved in the development of MS. Their large-scale sequencing study produced a gene library from the brains of people with MS and identified OPN as a gene that appeared most often. OPN is already known to be a factor in the inflammatory immune response characteristic of MS, but researchers believe it also may be genetically associated with disease progression.

"This collaboration is very timely and puts Pyrosequencing technology at the forefront of breakthrough research underway at UCSF in multiple sclerosis," said Jerry Williamson, VP and Molecular Diagnostics Business Head for Pyrosequencing AB. "We are confident that our technology will accelerate this important research and that the results will provide the foundation for developing rapid diagnostic tests for MS."

MS affects approximately one million people worldwide, with women being twice as likely as men to have the disease. At present, MS is incurable and the cause is unknown. The underlying problem may involve the inability of the body's immune system to distinguish "self" molecules from foreign molecules.



Pyrosequencing AB formed a Molecular Diagnostics Business Unit earlier this year to establish the Company's proprietary technology as a standard platform for clinical genetic analysis. Capitalizing on Pyrosequencing's worldwide market leadership in applied genetic analysis, the Unit is pursuing a global strategy to identify new diagnostic product opportunities, develop clinically useful molecular diagnostic assays, and collaborate with academic and commercial partners in the fields of disease diagnosis, clinical prognosis and pharmacogenomics. With this agreement, the Company has established seven important research collaborations to develop diagnostics in major diseases including infectious disease, cardiovascular disease, genetic disorders and hematology/oncology.

About Pyrosequencing AB

Pyrosequencing AB develops, manufactures and sells complete solutions for rapid applied genetic analysis based on its proprietary Pyrosequencing[™] technology, a simple-to-use DNA sequencing technique. Pyrosequencing leads the global market in Applied Genomics with over 120 systems sold to major pharmaceutical and biotech companies and prestigious research institutions worldwide.

Pyrosequencing technology is broadly applicable for the analysis of single nucleotide polymorphisms (SNPs) and for the identification and quantification of short DNA sequences used in bacterial and viral typing. The Company's products include the bench-top PSQ[™]96 System and a high-throughput PTP[™] system which utilize proprietary software and reagents. Among Pyrosequencing's customers are AstraZeneca, GlaxoSmithKline, Merck, the NIH, the Harvard Center for Cancer Prevention, the Karolinska Institute, Biogen, Oxagen, Ltd., and DuPont Agriculture. 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 Pyrosequencing'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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