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PRESS RELEASE

PYROSEQUENCING NAMED SPIN-OFF COMPANY OF THE YEAR BY ROYAL SWEDISH ACADEMY OF ENGINEERING SCIENCES

Uppsala, Sweden, December 14, 2000—Pyrosequencing AB (SSE:PYRO) has been named "Spin-off Company of the Year" by the Royal Swedish Academy of Engineering Sciences (IVA). Pyrosequencing, which develops, manufactures and markets systems for applied genetic analysis, was chosen from nearly 80 competing companies nationwide. The Company's DNA sequencing systems are based on a proprietary technology derived from the ideas and inventions of Professors Mathias Uhlén and Pål Nyrén at the Royal Institute of Technology (KTH).

The IVA prize "University and College Spin-off Company of the Year 2000" is intended to encourage students, researchers and teachers at colleges and universities and draw their attention to entrepreneurship. The prize is also intended to prompt the management at these institutions to provide a creative environment and a suitable medium in which this can flourish.

"Pyrosequencing is based on an outstanding Swedish research effort and involves a fascinating combination of technology and medicine. Swedish research scientists have traditionally been highly skilled in the area of biotechnology. This is something that is now being reflected in successful development companies. The interaction between company and college is decisive here," said Enrico Deiacco, Acting President of IVA.

"It's very flattering to receive this award. We have quickly been able to establish ourselves as a leading international company in applied genetic analysis, a key area of biotechnology research and drug development," said Erik Walldén, President and CEO of Pyrosequencing.

Pyrosequencing was founded in March 1997 and currently has a workforce of 80 employees worldwide. Earlier this year, the Company established a US subsidiary in Massachusetts. In June 2000, the Company completed an initial public offering and began trading on the "O" List of the OM Stockholm Exchange.

"Pyrosequencing is an excellent example of how Swedish high-tech research and industrial expertise can be combined to build an internationally competitive company. Being named Spin-off Company of the Year is a tremendous source of encouragement to all employees of the Company," added Walldén.

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Applied genetic analysis comprises the study of genetic variations between individuals of the same species and how these variations affect health. For such studies to be performed, researchers must analyze short and medium-length DNA sequences. The process of analyzing and interpreting these sequences is known as applied genetic analysis. Two important areas of applied genetics are SNP analysis and Tag sequencing. SNPs (Single Nucleotide Polymorphisms) are the most common genetic variations between individuals within a species. "Tags" are short DNA sequences that are used for genetic identification. Sequencing Tags means that the sequence of the chemical components is determined.

About Pyrosequencing

Pyrosequencing AB develops, manufactures and sells complete applied genetic analysis systems based on its Pyrosequencing™ technology, a simple-to-use DNA sequencing technique for accurate and consistent analysis. In the post-genome era, Pyrosequencing's technology addresses the increasing demand for applied genetic analysis across various markets, including research and routine clinical testing, as well as large-scale customized industrial applications, such as drug development by pharmaceutical companies. The Company's growing list of customers includes SmithKline Beecham, Astra Zeneca, CuraGen Corporation, Harvard Center for Cancer Prevention, DuPont Agriculture and the National Institutes of Health. The Company is headquartered in Uppsala, Sweden with North American operations located in Massachusetts. Pyrosequencing AB also has sales offices and distribution partners in Scandinavia, United Kingdom, Germany, BeNeLux, Switzerland and Japan. Pyrosequencing AB is listed on the OM Stockholm Exchange. The Company's Web site is WWW.PYROSEQUENCING.COM

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