

From R&D to Market

-

4th Quarter 2008

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Chief Executive Officer

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Financial Controller

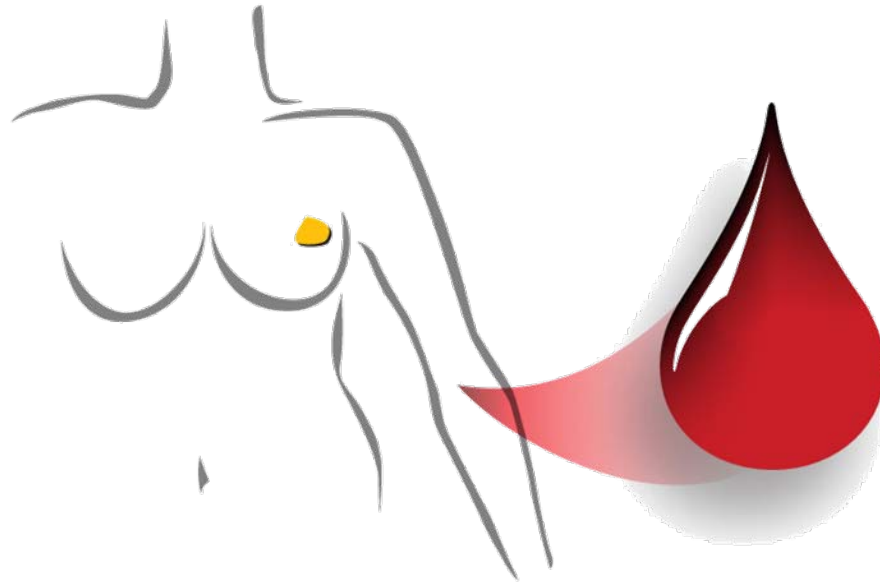


DiAGENiC

FOR EARLIER DISEASE DETECTION



DiaGenic's Vision



DiaGenic's vision is to offer patient friendly diagnostic tools for the early detection of diseases, thereby leading to an improved quality of life.

A quarter dedicated to progress for CE projects and to launch in India

4th Quarter Highlights

- Launched BCtect™ in India in November - DiaGenic's first tests ordered
- Secured agreement for DNAVision to be first European central testing laboratory
- Completed sourcing of patient blood samples for our CE studies
- Presented research results in Japan, UK and the US

Post quarter end

- 6 mill NOK research grant awarded for development of a Parkinson's Disease test

Agenda:

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BCtect[®]

DiaGenic for early Breast Cancer detection



**Launched November 8th
in New Delhi**

- **Launch phase (November):**

- Launch at the Norwegian embassy, hosted by the ambassador Ms. Ann Ollestad November 8th
 - 80 leading gynaecologists and oncologists attended
 - Scientific presentations from radiologists, oncologists and DiaGenic representatives
- Preparation of sales and marketing material
- Training of sales representatives by DiaGenic.



Initial experience post launch

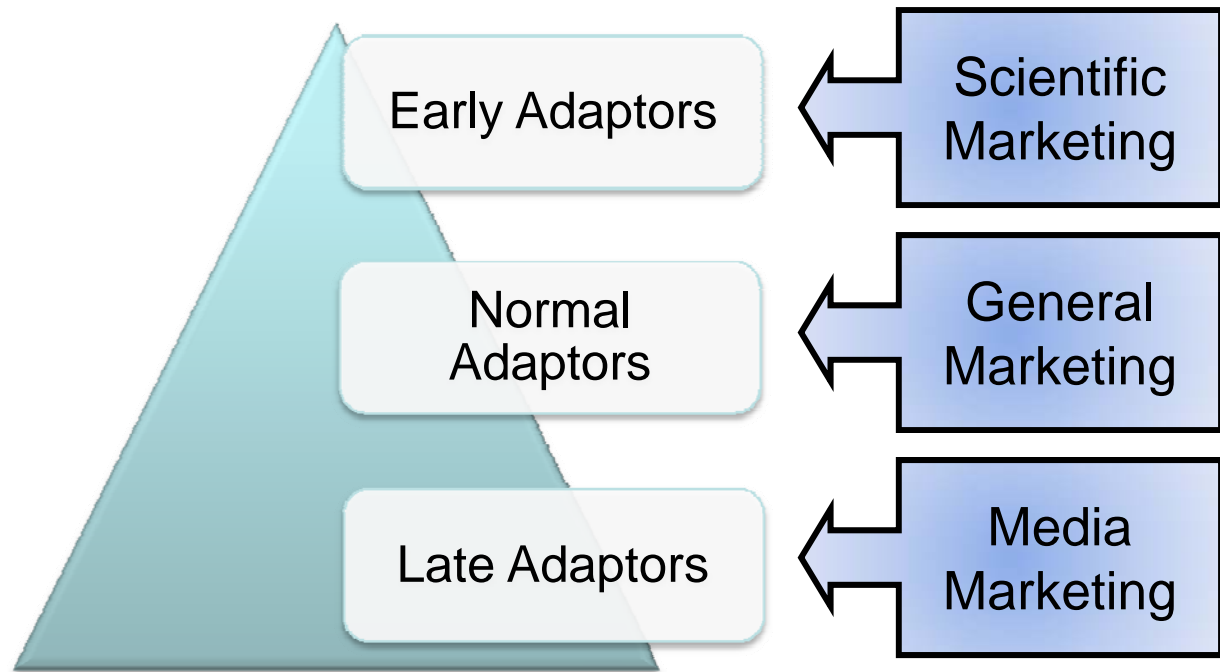
- Launching new tests have a lag time before picking up, in spite of positive feedback from key opinion leaders!
- Due to the use of seeding kits no sales have been invoiced from DiaGenic in Q4 08 and limited so far in 2009.
- DiaGenic has a stock of 1500 tests ready at Labindia for processing upon orders from SRL Diagnostics.

Are these females aware of Breast Cancer, and when are they willing to be tested?



**All new and innovative medical procedures
will follow the same route in the marketplace**

Market
Development





Key market considerations

- Pricing is high by Indian standards
 - 72% of Indian HC spending is out of the pocket money
 - 14.750 INR, \approx 300 euro
 - Twice the price of MRI
 - One tenth of an expression analysis on BC tissue in India (Mammaprint) or BRAC1-2 testing
- Clinical accuracy (\approx 73%)
 - More concerns on false positives than on improved sensitivity
 - Promote the need for early detection to save lives
 - False positives are a consequence of all tumour markers whether blood or imaging based.

Scientific Marketing phase in New Delhi (December – April)

- Targeting top 100 gynaecologists and oncologists in Delhi
- Provide seeding tests (free of charge)
 - to gain commitment and experience.
- Close follow up on all positive test results
 - SRL Medical team and external consultants.
- Continue scientific meetings
 - blending early adaptors with potential followers to spread gained experience.
- Change test usage from seeding kits to full priced tests
 - upon gained commitment and acceptance.

Early
Adaptors

Normal
Adaptors

Late
Adaptors

BCtect™
DiaGenic for early Breast Cancer detection



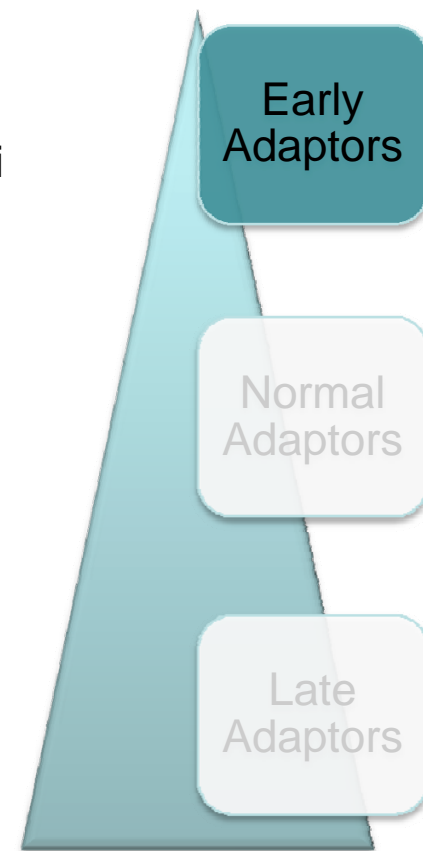
SRL
Diagnostics
activities



SRL Diagnostics activities

National rollout (estimated in April)

- Upon solid commitment from the New Delhi area
- Countrywide tour
 - Scientific presentations
 - Supported by regional key opinion leaders.
- Using key opinion leaders from New Delhi as a reference, the scientific marketing phase is expected to be shorter in the national rollout phase.



Statement from SRL Diagnostics CEO Dr. Sanjeev Chaudhry this week:

“The Product Management Team and Sales and Marketing Teams at SRL are both optimistic and enthusiastic and believe in the potential of this test. “

Awaiting
success for
BCtect™ in
India

- We are confident in our partner's strategies and abilities in the Indian marketplace.
 - Through the strategy a solid ground is set for future success.
- The rollout is also supported by increasing awareness through the Indian printed press.

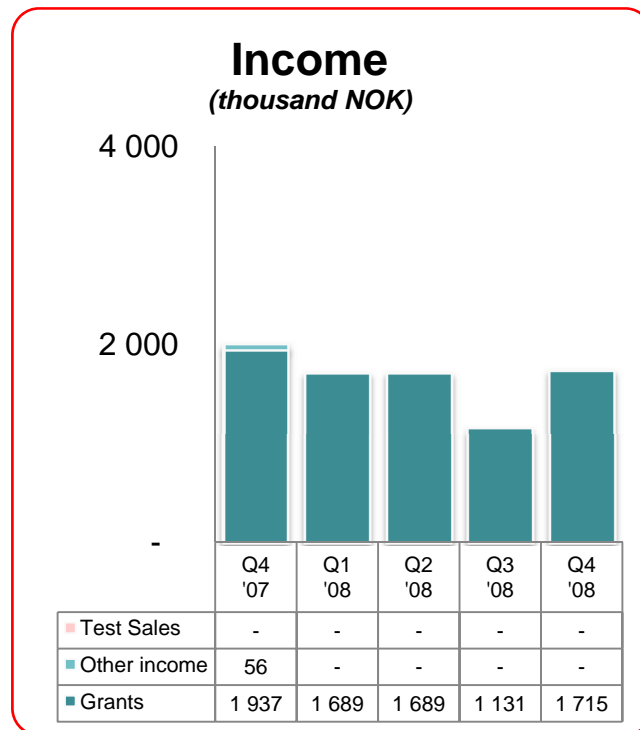


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Finance, Income

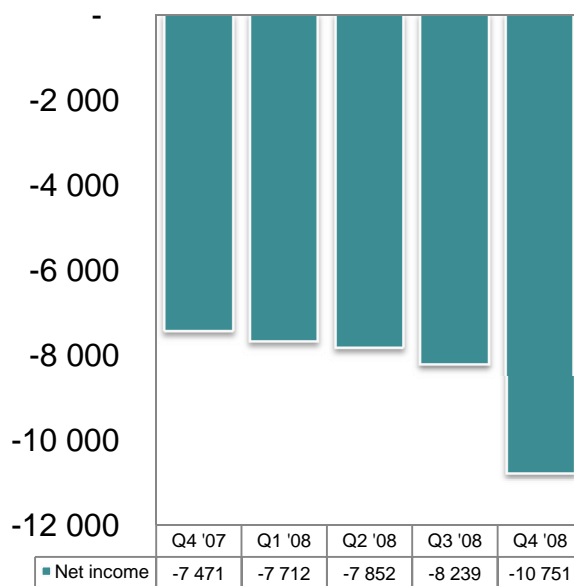


- **Research grants consist of support from:**

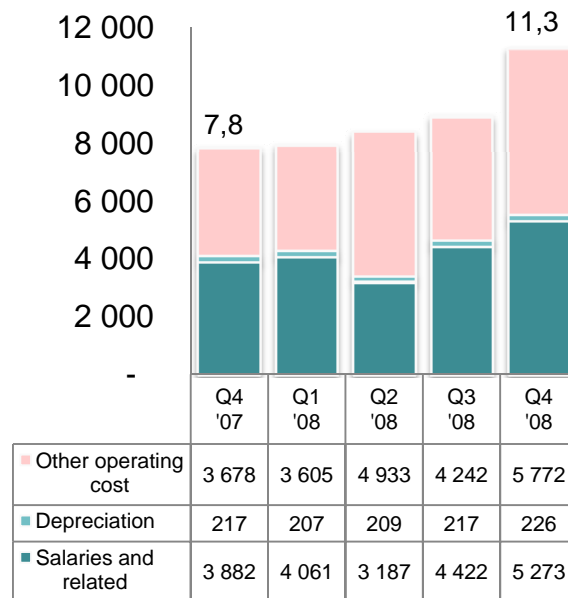
- Norwegian Research Counsel
- Michael J. Fox Foundation
- Innovation Norway
- EU Commission

Finance, Profit & Loss

Net Income (thousand NOK)

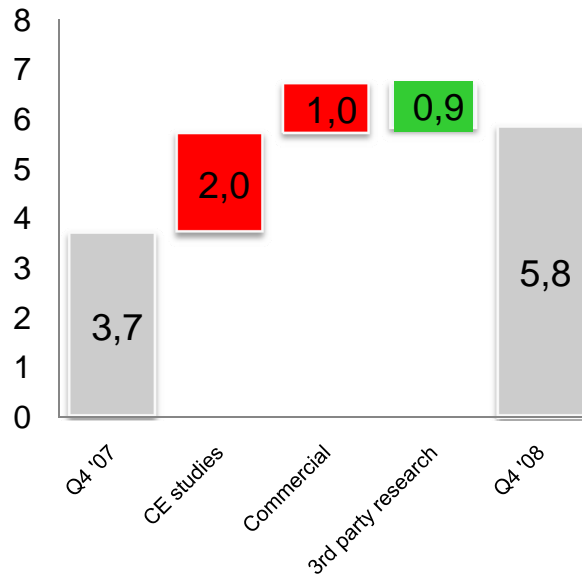


Operating Cost (thousand NOK)



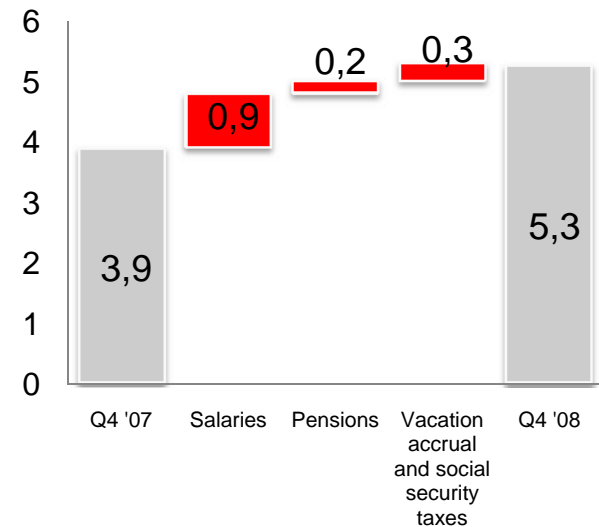
Finance, Operating cost details

Other operating Cost (million NOK)



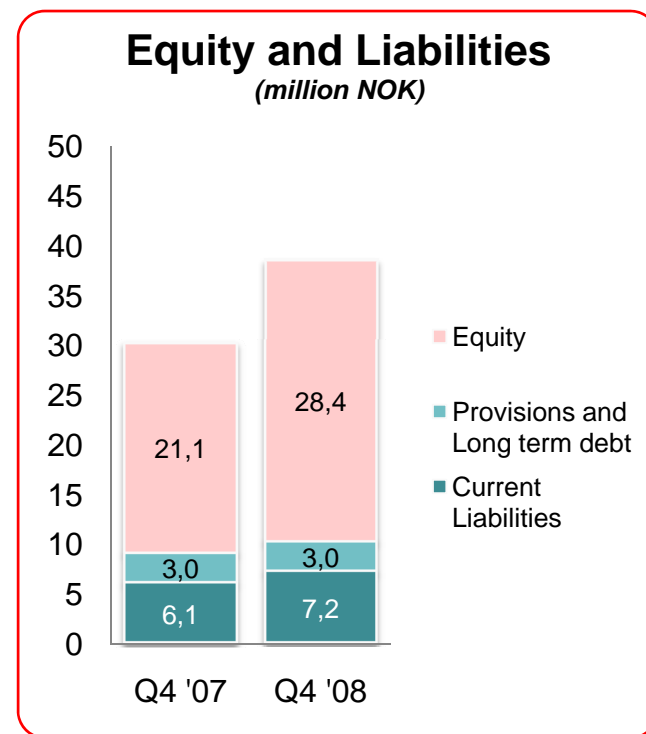
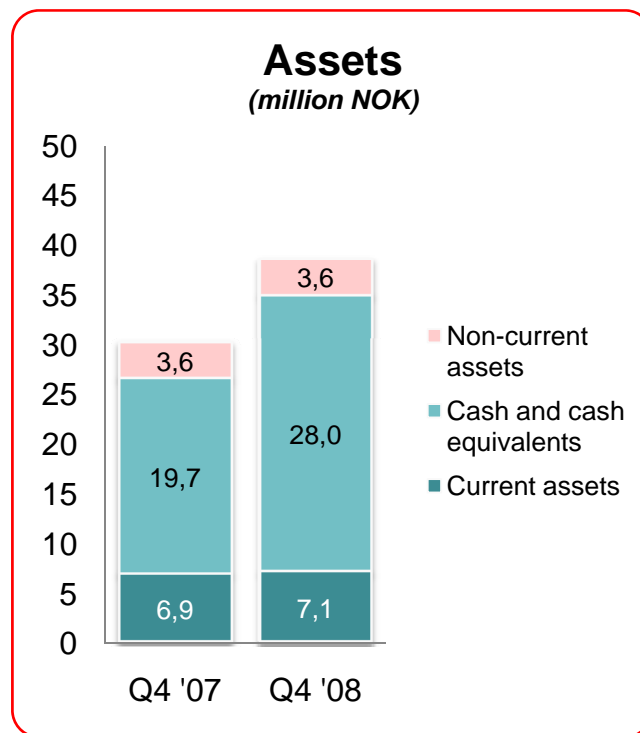
- CE studies account for approx. 2m in increased expenditure in Q4
- Commercial activities for Europe and India has increased in Q4
- 3rd party research costs has been reduced in the quarter - in line with DiaGenic's core strategy

Salaries and related Cost (million NOK)



- Strengthening of the organisation following increased level of activity
- No. of employees at the end of:
 - 2007: 16 employees
 - 2008: 21 employees

Balance sheet



Finance, conclusion and outlook

- Q4 2008
 - Total operating costs up in Q4 due to CE studies
 - NOK 28M cash at end of quarter
- Key financial milestones and activities for first half '09
 - CE mark studies to be concluded
 - First traces of sales revenue expected
- Burn rate for first half '09 expected to be in the same territory as second half '08.
- Search for external funding such as research grants, partner deals and non dilutive finance continues
 - Like the recently awarded PD grant

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Compliance
Studies
ongoing



✓ Documenting clinical utility:

- 580 patient samples tested
 - 6 sites from Norway, Sweden and the US
 - Interfering diseases checked
- Follows a strict model
 - Calibration set first, then an independent test set validation

✓ Documenting technical robustness

- 15 different studies
 - Variability across the whole process
 - Stability upon different conditions

• Data management ongoing

- Calibration model by multivariate regression analysis
 - More than 57.000 data points to be reviewed!
- Software implementation of the model
- Data and report compilation

**All lab analysis completed inhouse.
CE marking pending data analysis**



Compliance
studies
ongoing



✓ **Documenting clinical utility:**

- 470 patient samples tested
 - 8 sites from several European countries
 - All samples reviewed by an external review board
 - Interfering diseases checked
- Follows a strict model
 - Calibration set first, then an independent test set validation

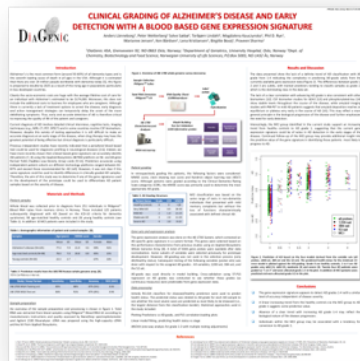
✓ **Documenting technical robustness**

- 15 different studies
 - Variability across the whole process
 - Stability upon different conditions
- **Data management ongoing**
 - Calibration model by multivariate regression models
 - More than 50.000 data points to be reviewed
 - Software implementation of the model
 - Data and report compilation

**All lab analysis completed at DNAVision.
CE marking pending data analysis**

Mild Cognitive Impairment (MCI)

- Through the FUGE studies and their extension to Sweden DiaGenic has for the last 3 years performed multicentre studies within the MCI field
 - The first patients are now converting to AD and other dementia
 - The aim is to develop a biomarker and a diagnostic test
 - Completion depends on external funding
- Mild Cognitive Impairment is a condition with reduced cognitive functions, but retained the levels needed for normal functions in daily life
 - MCI is regarded as a risk factor for developing Alzheimer's disease
- Increased interest on diagnostics for MCI from pharma
 - New clinical studies on disease modifying drugs are now targeted in this patient group



Product
Update

PDtectTM

DiaGenic for early Parkinsons Disease detection





- **The Michael J. Fox Foundation**

- 490K USD grant over 2 years
- Awarded December 20th 2007
- In cooperation with Harvard Medical School
- Aims to develop a biomarker
- Project progress and initial results accepted and final financing granted Dec 2008.



- **The Norwegian Research Council's BIA grant**

- 6 mill NOK over 4 years
- Multicentre trials with university hospitals in Norway (Rikshospitalet and St Olav), Sweden and other European countries
- Aims to develop a diagnostic test
- Multicentre trial already started by DiaGenic's own means, excellent compliance from the hospitals.



Research
grants
awarded

Development of DiaGenic's new tests



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1

Biomarker (R&D Pharma)

2

India – BCtect™

H2 '08

3

Europe - BCtect® + ADtect®

H1 '09

Market Entry
Strategy
with
Revenue
Streams

- Established the first centralised lab for our tests in Europe



YOUR GENETIC SOLUTION

1

Biomarker (R&D Pharma)

2

India – BCtect™

H2 '08

3

Europe - BCtect® + ADtect®

H1 '09

Market Entry
Strategy
with
Revenue
Streams

- Established the centralised lab for our tests
- Strengthening the organisation:
 - International Business Development Director Morten Sten Johansen
- Establishing a distributor network in countries with a sizeable private payer segment.
 - Ongoing discussions with distributors across Europe.
 - Pending distributors market research
 - Pending clinical accuracy data
- Also targeting larger private hospitals

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Next steps

- DiaGenic expects to finalise CE marking of ADtect® and BCtect® within a few months.
- Distributor agreements in selected markets are expected to be signed within the same timeframe.
- SRL and DiaGenic are confident in BCtect®, but sales in India are expected to be limited until national roll-out takes place.
- DiaGenic will continue to seek external funding (research grants, partner deals and non dilutive financing) of costly clinical studies for development of new products and for entry into new geographic markets.

Conclusion

- DiaGenic's first ever product launch
 - Careful start but momentum is building in India
- Quarter dedicated to CE study progression
 - All lab analysis done
- Key priority is to launching and selling CE marked products in Europe
 - Good progress in establishing distributor network

**We are motivated,
on track and confident**



DiaGENiC

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Disclaimer

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20 Largest Share Holders

February
18th 17:00

Shares	Percent	Name
3 344 000	6.46	Tredje AP-Fonden C/O HANDELSBANKEN AS
3 202 000	6.19	NORDEA BANK SWEDEN A A/C NORDEA HEDGE FUN
2 890 000	5.59	LØNNEBORG ERIK ANDERS
2 800 000	5.41	JPMORGAN LUXEMBOURG CARNEGIE FCP'S'
2 510 000	4.85	SHARMA PRAVEEN
1 914 000	3.70	A/S SKARV
1 444 870	2.79	HOLBERG NORDEN V/HOLBERG FONDSFORVA
1 401 670	2.71	NORDEA BANK PLC FINL
1 400 000	2.71	SKAGEN VEKST
1 097 387	2.12	HOLBERG NORGE V/HOLBERG FONDSFORVA
1 003 100	1.94	LIVSFORSIKRINGSSELSK STRATEGISK
868 478	1.68	SÆTERØY HÅKON
858 000	1.66	HAAVIND KARL WILHELM
783 300	1.51	VERDIPAPIRFONDET NOR V/NORDEA FONDENE AS
708 000	1.37	AMFIBIEN AS V/ JOHN HESTAD
650 378	1.26	STORHAUG DAG
535 000	1.03	DnB NOR MARKETS, AKS MARKET-MAKING DERIVA
476 100	0.92	SANDEN A/S C/O JAN PETTER COLLI
420 000	0.81	BRYNILDSSEN KJELL-IVAR
410 000	0.79	KIKUT AS
28 716 283	55.50	Sum top 20
	Aprox. 14%	Employee owned shares

Breast cancer

- Breast cancer is the most common for of cancers among women with more 600,000 new cases and 150,000 deaths in Europe and the US alone. Early diagnosis and treatments holds the key to survival. This has lead most western countries to establish a screening program for BC. However, the current testing methods - mammography, ultrasound and MRI - all have increasingly recognized limitations. The too low accuracy of mammography especially in women below the age of 50 and in women with dense breasts results in too many missed cancers. There is a clear need for additional and better diagnostic tools, both to improve the detection rate when using conventional mammography, and to select the appropriate patients for the new and costly MRI method. DiaGenic's concept is ideal – peripheral blood is a convenient and easily accessible clinical sample



Parkinson's disease

- Parkinson's disease (PD) is a chronic, degenerative neurological disorder and belongs to a group of conditions called motor system disorders. There is no objective test, or biomarker, for Parkinson's, so the rate of misdiagnosis can be relatively high, especially when the diagnosis is made by a non-specialist. Estimates regarding the number of people in the United States with Parkinson's range from 500,000 to 1,500,000 with 50,000 new cases reported annually. Since Parkinson's is more common in people 60 years old and older, it is expected that the incidence of Parkinson's will increase with the ageing of the baby boomers. Although PD is more common in older persons, some people begin to show symptoms before reach the age of 40. The diagnostic accuracy is only 47% in a community setting, 74% in standard geriatric and neurological practice. Experts in neurological movements disorders achieve 92-98% accuracy.
- The MJ Fox Foundation is funding a DiaGenic study together with Dr Clemens R Scherzer, Assistant Professor of Neurology at Brigham and Womens Hospital and Harvard Medical School to develop the first blood test for Parkinson's disease. This involves identification of, and independent validation of a unique gene expression signature for Parkinson using peripheral blood. Since blood samples have already been collected, the immediate start of the analytical and bioinformatics studies will ensure a rapid development of a prototype of the blood test preceding an approved diagnostic test

Alzheimer's disease



- Alzheimer's disease is the leading cause of dementia and a recent update estimates that more than 20 million people currently have the disease. Even more threatening is that these figures expect to triple in the next 30-40 years. Diagnosis of AD involves a large battery of assessments, including clinical interviews, cognitive function, and, sometimes, also functional imaging and measurements of neuro-physiological function. However, with all these tests it is still difficult to make an accurate diagnosis, especially at an early stage of the disease. There are today more than 14 disease modifying drugs in clinical phase III and it is expected that several of them will be on the market in 2 - 4 years time. Efficacy of the new drugs will depend on early diagnosis and thus boost the diagnostic market.