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To Nasdaq Copenhagen

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If takeover offer fails, Exiqon risks short-term profitability and plans for a capital increase to accelerate life sciences strategy

Exiqon A/S (Nasdaq Copenhagen: "EXQ") today reiterated the Board of Directors' support to the takeover offer submitted by QIAGEN N.V to buy the share capital of Exiqon A/S. If the takeover offer is not completed on or before 6 June 2016 in accordance with the recently announced extension of the offer period, Exiqon plans to focus future activities.

In a comment, Erik Walldén, Chairman of the Board of Directors of Exiqon A/S, said:

"If QIAGEN cannot complete their offer after the extended offer period, despite a recommendation by a unanimous Board of Directors to accept the offer, we need a new plan for the future stand-alone scenario that has the potential of generating longer term shareholder value above the current offer. Our industry is highly consolidated and size is increasingly becoming a competitive parameter. To more rapidly achieve size, we must accelerate revenue growth. We therefore plan to focus our resources on life sciences at the expense of our publically funded activities within diagnostics. Through a new financing round, we expect to invest more aggressively on two fronts; the development of new proprietary products, and the commercialization of our recently launched XploreRNA™ platform. In the short term, we may risk compromising our recently gained bottom line profitability, however, increased investment is necessary to achieve higher growth, which is critically important for Exiqon to develop a business that is sustainable in the long term."

Exiqon plans to accelerate the company's current Life Sciences strategy on two fronts (i) increased investment in to the company's research and development of proprietary products including new products for RNA sequencing, (ii) increased investment in to the commercialization of XploreRNA™, a new proprietary sales channel developed by Exiqon that holds promise of transforming industry work-flows by integrating RNAseq data analysis with custom assay design capabilities.

Additional capital will be required to finance the planned investments designed to accelerate the company's growth and achieve long-term sustainable profitability.

In consequence of the increased strategic focus, Exiqon plans to discontinue its current Diagnostic segment and write down all associated goodwill of DKK 49.4 million. The company's current diagnostic activities are financed by grant income that will expire shortly and new public funding is becoming less available. The company will only continue the development of the most promising program(s) and seek to commercialize any successfully developed products for diagnostic applications in line with the company's strategy that relies on partners to obtain regulatory approvals, market, and sell its diagnostic tests. Exiqon is not a diagnostic company. When the offer period is concluded, the company's full year financial guidance will be revised to reflect the write down of goodwill and total costs associated with the takeover offer by QIAGEN N.V.

Exiqon plans to call for an extraordinary general meeting after 6 June 2016 to seek approval from the company's shareholders to increase the current share capital when the company's share price has stabilized.



Additional information

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About Exiqon

At Exiqon, we advance the research of when and where genes are expressed. We empower scientists across the world with best-in-class products and user-friendly business solutions designed to transform workflows in our industry. Exiqon operates in two business areas: Exiqon Life Sciences is a leading provider of flexible solutions for gene expression analysis. Academia, biotech and pharmaceutical companies around the world use Exiqon's research products to make ground-breaking discoveries. Exiqon Diagnostics collaborates with diagnostic and pharmaceutical companies to develop novel molecular diagnostic tests for early detection of diseases, which can help physicians make better treatment decisions. Exiqon is listed on Nasdaq Copenhagen. For more information about us, please visit www.exiqon.com

