

Present:

Exiqon: Lars Kongsbak, Hans Henrik Chrois Christensen

Investors: ~25 private investors and a representative from ATP (Claus Berner Møller)

Key takeaways:

- Irrespective of whether the company's shareholders will accept the offer or not, the company's situation is affected by the takeover offer
- It was discussed what shareholders "say yes to" if they say "no" to the takeover offer:
 - a) There won't be an Exiqon "as is" in a standalone scenario. First the board must convene a general meeting to ensure support from the shareholders
 - b) The new board must then evaluate whether the current management team can continue
 - c) A new company strategy must be formulated since the existing plan does not warrant a stand alone value greater than 18 DKK (otherwise the board would not have recommended to accept the offer of 18 DKK)
 - d) Exiqon's business operation is under pressure due to the offer from QIAGEN; several commercial partners and distributors are becoming reluctant since they do not know what will be the future ownership of Exiqon. This delays the implementation of the company's operational plans for 2016
 - e) Delays in the execution of the company's operational plans may negatively affect stipulated terms and covenants from the company's loan providers. This could result in a need to raise new capital from the shareholders during the summer
- It was noted that ~36% of Exiqon's shareholders has been acquired by hedge funds since the announcement of QIAGEN's offer. These funds will expectedly sell their shares immediately after a transaction has failed due to lack of support from the shareholders. Hence, the share price may drop significantly, which is not helpful in a situation where a capital raise may be necessary
- It was noted that ~36% of the shareholders have sold their shares at 17.7 DKK or 17.8 DKK since the announcement of QIAGEN's offer, which indicates that many investors have found a price lower than 18 DKK attractive
- The offer is attractive compared to the premium on other transactions on Nasdaq Copenhagen and relative to other precedent transactions in the life science industry (see the attached presentation)
- Exiqon's diagnostic development programs were discussed, and it was noted that Exiqon have not had ambitions on its own within diagnostics since 2009, which is why the company today is dependent on financing from funds and partners for sale, testing and development
- It is difficult to price Exiqon's diagnostics development programs. However, one thing is certain – significant capital is needed before existing programs can be sold; not less than 100 DKKm for the prostate cancer programs. This is capital cannot be raised via public funding as it has been done in the past, which is why shareholders are likely to be the source of any future funding. Exiqon does not have a

commercial organization and the competencies necessary to market diagnostics products. None of Exiqon's diagnostics development programs are validated enough for marketing at this point in time.

- ATP was present, represented by Claus Berner Møller, and expressed support for the takeover offer
- The Danish small cap stock market is dysfunctional. Exiqon has improved its key ratios over the past 5 years and achieved profitability without this being reflected in the share price. In other words, it has proven difficult to convert strong operational performance in to shareholder value. It is uncertain whether if this will change in the coming years, which also supports a transaction

Q&A session:

Q: Is 18 DKK the best possible price achievable?

A: Exiqon has not been pressured into accepting a given price in the negotiations with QIAGEN. It was QIAGEN who initiated contact with Exiqon. In the end, the offer was of such (DKK 18) that the board felt obliged to present it to the shareholders. The large trading volume in the share after the announcement of the offer bears witness that it was a sound decision to let investors evaluate the offer

Q: Have you tried to increase the price?

A: The price is the result of a negotiation, and agreed at a point where QIAGEN apparently can not increase it further. This is reflected in current press coverage. Actually, Exiqon twice declined offers from QIAGEN because the offers did not reflect the value of the company. The offer of DKK 18 is deemed very attractive based on a range of valuation parameters

Q: What happens if 90% acceptance is not achieved?

A: That is up to QIAGEN to decide. They can prolong the offer period by 14 days. They can acquire additional shares in the market. They can also settle with less than 90% whereby the shareholders who do not accept the offer will become minority shareholders. QIAGEN have previously shown willingness to do so.

Q: Can you obtain a higher price if you hold on to the share, if QIAGEN subsequently acquires shares in the market to get above the 90% threshold?

A: No, they are obliged to pay the same price for 6 months

Q: What consequences will it have if 90% acceptance is not achieved and the offer falls so the company has to continue as is?

A: It will have a range of strategic and organizational consequences. In principle, the composition of the board and management team has to be evaluated. And a new business plan will have to be developed – because the current plan does not justify a price above DKK 18 per share – and new capital will potentially have to be raised for a new business plan, and here share issues and restructuring may be part of the package. Potential capital raises may expectedly take place at a lower price level in case the share price may fall after a cancelled offer. This is due to the fact that many hedge funds have acquired the share over the past weeks, and they speculate in the share instead of being long-term investors. In addition, the company may compromise loan covenants since the company's circumstances have changed.

Q: What bank valued Exiqon at the IPO, and what has changed since?

A: The investors valued Exiqon at the IPO. The price at that time reflected 40% of the value allocated to diagnostics. Since then, Exiqon diagnostic activities in the U.S. have been closed down to focus on Life Sciences. Exiqon has not had its own activities within diagnostics since 2009. In addition, the market environment has changed significantly since the IPO – it was before the financial crisis, where small cap companies were perceived differently, and companies traded at other levels.

Q: Can colon cancer create short term revenue?

A: Exiqon has greater belief in the prostate cancer are since it a more homogenous type of sickness, where the company has good partnerships, e.g. with Skejby Sygehus. But here is a long way to generating revenue – validation is still needed. This will require significant capital and partners that the company does not currently have. Public funding has become increasingly hard to come by due to budget cut backs and the fact that the programs is no longer in the research stage, but in the late development stage.

Q: Is it not unusual that such small companies are spotted for takeovers?

A: Actually there has been many takeover of company's at similar size. Exiqon is one of few companies not yet acquired. Interest will typically arise again once the company has reached a size of ~50 USDm, which is further down the road for Exiqon

Q: Can you rule out that other buyers will show interest, and should they be approached actively?

A: It cannot be ruled out, but Exiqon does not think it is likely. It is publicly known that the company has received a takeover offer, thus relevant buyers do not need an invitation from the board or others if they are interested

Q: Have there been other potential buyers?

A: Yes, interest has been expressed in the past, but no concrete offers were made, and only indications at significantly lower valuation levels, which is why they have been rejected

Q: Has ATP accepted the offer?

A: ATP is positive towards the offer and intends to sell, but have not committed hereto. ATP thinks it is an attractive price, and believe in acceptance at DKK 18

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