EXELIXIS INC
Form S-4/A
December 28, 2001

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 28, 2001

REGISTRATION NO. 333-74120

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 3

TO
FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

EXELIXIS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	8731	(I.
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	Ident

170 HARBOR WAY
P.O. BOX 511
SOUTH SAN FRANCISCO, CALIFORNIA 94083
(650) 837-7000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

GEORGE A. SCANGOS, PH.D.

PRESIDENT AND CHIEF EXECUTIVE OFFICER
EXELIXIS, INC.
170 HARBOR WAY
P.O. BOX 511
SOUTH SAN FRANCISCO, CALIFORNIA 94083
(650) 837-7000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPIES TO:

BRUCE W. JENETT, ESQ.
HELLER EHRMAN WHITE & MCAULIFFE LLP
275 Middlefield Road
Menlo Park, California 94025
(650) 324-7000

JAMES C.T. LINFIELD
COOLEY GODWARD
380 Interlocken Crescent
Broomfield, Colorad
(720) 566-400

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective and upon consummation of the transactions described in the enclosed prospectus.

If any of the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. [ ]

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

THE INFORMATION IN THIS PROSPECTUS MAY CHANGE. EXELIXIS, INC. MAY NOT COMPLETE THE EXCHANGE OFFER OR SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND EXELIXIS, INC. IS NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY STATE WHERE THE EXCHANGE OFFER OR SALE IS NOT PERMITTED.

PRELIMINARY PROSPECTUS, DATED DECEMBER 28, 2001

[EXELIXIS LOGO] EXELIXIS, INC.

OFFER TO EXCHANGE
OUTSTANDING SHARES OF COMMON STOCK

OF

GENOMICA CORPORATION
FOR

SHARES OF COMMON STOCK

OF

EXELIXIS, INC.

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, DECEMBER 28, 2001, UNLESS THE EXCHANGE OFFER IS EXTENDED. SHARES TENDERED PURSUANT TO THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME BEFORE THE EXPIRATION OF THE EXCHANGE OFFER, BUT NOT DURING ANY SUBSEQUENT OFFERING PERIOD.

On November 19, 2001, we entered into a merger agreement with Genomica Corporation. We are making this offer as part of the proposed merger with Genomica. The Genomica board of directors has unanimously approved the merger agreement, determined that the exchange offer and the merger together are fair to, and in the best interests of, Genomica stockholders and recommends that Genomica stockholders accept the exchange offer and tender their shares pursuant to the exchange offer.

Through our wholly owned subsidiary Bluegreen Acquisition Sub, Inc., we are hereby offering, upon the terms and subject to the conditions set forth in this document and in the enclosed letter of transmittal, to exchange a portion of a share of Exelixis common stock determined pursuant to an exchange ratio, described below, for each outstanding share of Genomica common stock that is validly tendered and not properly withdrawn on or before the expiration date of the exchange offer.

The exchange ratio is a number equal to the quotient obtained by dividing the Genomica common stock value, determined as described below, by the greater of (i) $13.30285 or (ii) the average closing sales price of Exelixis common stock on the Nasdaq National Market during the 18 trading-day period ending two trading days before the initial expiration of the exchange offer (as reported in The Wall Street Journal, or if not reported in The Wall Street Journal, any other authoritative source). The Genomica common stock value will be determined by dividing $110.0 million by the sum of the number of shares of Genomica common stock and Genomica preferred stock plus the number of shares of Genomica common stock issuable upon the exercise of all stock options and warrants with a per share exercise price of $5.00 or less, each as outstanding as of the date that we first accept shares of Genomica common stock for payment pursuant to the exchange offer.

On December 26, 2001, we fixed the Exelixis common stock price for use in computing the exchange ratio. The exact exchange ratio will be calculated based upon $15.88556, the average closing sales price of Exelixis common stock on the Nasdaq National Market during the 18 trading-day period ended on December 26, 2001.

Our obligation to exchange Exelixis common stock for Genomica common stock in the exchange offer is subject to the conditions listed in the section entitled "Certain Terms of the Merger Agreement -- Conditions to the Exchange Offer."

If the exchange offer is consummated, it will be followed by a merger of Bluegreen Acquisition Sub into Genomica in which shares of Genomica common stock not tendered in the exchange offer will be converted into the right to receive shares of Exelixis common stock at the same exchange ratio as used in the exchange offer, unless the holder properly perfects his or her appraisal rights, if available, under Delaware law. After completion of the merger, Genomica will be a wholly owned subsidiary of Exelixis.

Exelixis common stock is listed on the Nasdaq National Market under the symbol "EXEL," and Genomica common stock is listed on the Nasdaq National Market under the symbol "GNOM."

SEE "RISK FACTORS" BEGINNING ON PAGE 17 FOR A DISCUSSION OF IMPORTANT FACTORS THAT YOU SHOULD CONSIDER IN CONNECTION WITH THE EXCHANGE OFFER.

WE ARE NOT ASKING YOU FOR A PROXY NOR SHOULD YOU SEND US A PROXY. Any request for proxies will be made only pursuant to separate proxy solicitation materials complying with the requirements of Section 14(a) of the Securities Exchange Act of 1934.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this prospectus or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2001.

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REFERENCES TO ADDITIONAL INFORMATION

This document incorporates important business and financial information about Exelixis from documents filed with the Securities and Exchange Commission that have not been included in or delivered with this document. This information is available at the Internet website that the Securities and Exchange Commission maintains at http://www.sec.gov, as well as from other sources.

You may also request copies of these documents from Exelixis, without charge, upon written or oral request to:

Exelixis, Inc.
Investor Relations
170 Harbor Way
P.O. Box 511
South San Francisco, California 94083
Attn: Elizabeth Costa
(650) 837-7000

In order to receive timely delivery of the documents, you must make your request no later than December 20, 2001.

See "Where You Can Find More Information," beginning on page 102 of this prospectus.

QUESTIONS AND ANSWERS ABOUT THE PROPOSED TRANSACTION

1. Q: WHAT ARE EXELIXIS AND GENOMICA PROPOSING?

   A: Exelixis proposes to acquire all of the outstanding shares of Genomica common stock, including the associated preferred stock purchase rights. Currently, there are no shares of Genomica preferred stock outstanding. We have entered into a merger agreement with Genomica in which we are offering to exchange shares of Exelixis common stock for all of the outstanding shares of Genomica common stock, including the associated preferred stock purchase rights. If the exchange offer is completed, Bluegreen Acquisition Sub, a wholly owned subsidiary of Exelixis, will merge with Genomica. As a result of the exchange offer and the merger, Genomica will become a wholly owned subsidiary of Exelixis.

2. Q: WHAT WILL I RECEIVE IN EXCHANGE FOR MY SHARES OF GENOMICA COMMON STOCK?

   A: You will be entitled to receive a portion of a share of Exelixis common stock in exchange for each share of Genomica common stock that you validly tender in the exchange offer based on an exchange ratio described below. The exchange offer will be followed by a merger in which Exelixis common stock will be issued at the same exchange ratio. For a complete description of the exchange ratio, see "The Transaction -- The Exchange Ratio" on page 30.

3. Q: HOW CAN I FIND OUT THE FINAL EXCHANGE RATIO?

   A: The final exchange ratio is a number equal to the quotient obtained by dividing the Genomica common stock value, determined as described below, by the greater of (i) $13.30285 or (ii) the average closing sales price of Exelixis common stock on the Nasdaq National Market during the 18 trading-day period ending two trading days before the initial expiration of the exchange offer (as reported in The Wall Street Journal, or if not reported in The Wall Street Journal, any other authoritative source). The Genomica common stock value will be determined by dividing $110.0 million by the sum of the number of shares of Genomica common stock and Genomica preferred stock plus the number of shares of Genomica common stock issuable upon the exercise of all stock options and warrants with a per share exercise price of $5.00 or less, each as outstanding as of the date that we first accept shares of Genomica common stock for payment pursuant to the exchange offer. We will notify you of the final exchange ratio by issuing a press release announcing the final exchange ratio and filing that press release with the Securities and Exchange Commission. Genomica stockholders can also call our information agent, Mellon Investor Services LLC, at any time toll free at (866) 323-8159 for the Exelixis average closing sales price for the preceding 18 trading days and the exchange ratio that would be in effect based on that price. On December 26, 2001, we fixed the Exelixis common stock price for use in computing the exchange ratio. The exact exchange ratio will be calculated based upon $15.88556, the average closing sales price of Exelixis common stock on the Nasdaq National Market during the 18 trading-day period ended on December 26, 2001. For a table illustrating examples of Exelixis average closing sales prices, the resulting exchange ratios and illustrations of the approximate value you would receive for your Genomica shares, see "The Transaction -- Illustrative Table of Exchange Ratios and Value of Exchange Offer/Merger Consideration" beginning on page 30.

4. Q: IS THE EXCHANGE OFFER BEING MADE BY EXELIXIS OR BLUEGREEN ACQUISITION SUB?

A: The exchange offer is technically being made by Bluegreen Acquisition Sub, which we formed specifically for the purpose of making the exchange offer and otherwise facilitating the transaction. Because Bluegreen Acquisition Sub is our wholly owned subsidiary, all of the shares of Genomica common stock acquired by Bluegreen Acquisition Sub in the exchange offer will actually be beneficially owned and controlled by Exelixis. Therefore, although Bluegreen Acquisition Sub is technically making the exchange offer and will be a party to the merger, when we discuss the exchange offer and the merger, we generally refer only to Exelixis.

5. Q: HOW LONG WILL IT TAKE TO COMPLETE THE EXCHANGE OFFER AND THE MERGER?

A: We hope to complete the exchange offer by December 28, 2001. However, we may extend the exchange offer if the conditions to the exchange offer have not been satisfied at the scheduled expiration date or if we are required to extend the exchange offer by the rules of the Securities and Exchange Commission. We expect to complete the merger shortly after we complete the exchange offer, or, if adoption of the merger agreement by Genomica stockholders is required, shortly after the special meeting of Genomica stockholders to adopt the merger agreement.

6. Q: WILL I HAVE TO PAY ANY BROKERAGE FEES OR COMMISSIONS?

A: If you are the record owner of your shares of Genomica common stock and you tender your shares in the exchange offer directly to the exchange agent, you will not incur any brokerage fees or commissions. If you own your shares through a broker or other nominee who tenders the shares on your behalf, your broker may charge you a commission for doing so. You should consult with your broker or nominee to determine whether any charges will apply.

7. Q: DOES GENOMICA SUPPORT THE EXCHANGE OFFER AND THE MERGER?

A: Yes. Genomica's board of directors has unanimously determined that the exchange offer and the merger are fair to, and in the best interests of, Genomica and Genomica stockholders and recommends that Genomica stockholders accept the exchange offer and tender their shares pursuant to the exchange offer. Genomica's board of directors has also approved the merger agreement and the merger. Information about the recommendation of Genomica's board of directors is more fully set forth under "The Transaction -- Reasons for the Exchange Offer and the Merger" beginning on page 36.

8. Q: HOW DO I PARTICIPATE IN THE EXCHANGE OFFER?

A: You are urged to read this entire prospectus carefully, and to consider how the exchange offer and the merger affect you. Then, if you wish to tender your shares of Genomica common stock, you should do the following:

- If you hold your shares in your own name, complete and sign the enclosed letter of transmittal and return it with your stock certificates to Mellon Investor Services LLC, the exchange agent for the exchange offer, at the appropriate address specified on the back

cover of this prospectus before the expiration date of the exchange offer.

- If you hold your shares in "street name" through a broker, ask your broker to tender your shares before the expiration date.

Alternatively, you may comply with the guaranteed delivery procedures set forth in "The Transaction -- Guaranteed Delivery" on page 49. Read this prospectus carefully for more information about procedures for tendering your shares, the timing of the exchange offer, extensions of the exchange offer period and your rights to withdraw your shares from the exchange offer before the expiration date.

9. Q: WHEN AND HOW CAN I WITHDRAW TENDERED SHARES?

A: You may withdraw any shares you have tendered at any time before the time we accept the shares.

For a withdrawal to become effective, our exchange agent must receive a written or facsimile transmission notice of withdrawal before the time we accept the shares. In a notice of withdrawal you must specify your name, the number of shares to be withdrawn and the name in which the certificates are registered, if different from your name. If you have delivered to our exchange agent certificates for shares to be withdrawn, you must also indicate the serial numbers shown on the particular certificates evidencing the shares to be withdrawn.

10. Q: WHAT ARE THE MOST SIGNIFICANT CONDITIONS TO THE EXCHANGE OFFER?

A: Our obligation to accept shares of Genomica common stock for exchange in the exchange offer is subject to several conditions, including:

- a number of shares of Genomica common stock equal to at least the sum of a majority of the total number of shares of Genomica common stock plus the total number of shares of Genomica common stock issuable upon exercise of options to acquire Genomica common stock, each as outstanding immediately before the expiration of the exchange offer, as it may be extended pursuant to the merger agreement, having been validly tendered and not properly withdrawn, which is referred to in this prospectus as the "minimum tender condition";

- the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the HSR Act, must have expired or been terminated;

- the registration statement of which this prospectus is a part must have been declared effective by the Securities and Exchange Commission; and

- Genomica must have cash, cash equivalents and short-term and long-term investments, net of all current liabilities of Genomica, totaling at least $108,750,000.

These and other conditions to the exchange offer are discussed in this prospectus in the section entitled "Certain Terms of the Merger Agreement -- Conditions to the Exchange Offer" beginning on page 68.

12. Q: WHAT HAPPENS IF I DO NOT TENDER MY SHARES OF GENOMICA COMMON STOCK?

A: If, after completion of the exchange offer, we own a majority of the outstanding shares of Genomica common stock, we intend to complete a merger of our wholly owned subsidiary, Bluegreen Acquisition Sub, with Genomica. Upon completion of the merger, each share of Genomica common stock that has not been tendered and accepted for exchange in the exchange offer will be converted into the right to receive a portion of a share of Exelixis common stock at the same exchange ratio used in the exchange offer, unless you properly perfect your appraisal rights, if available, under Delaware law. The appraisal process is discussed more fully in the section of this prospectus entitled "The Transaction -- Appraisal Rights," beginning on page 56.

13. Q: ARE EXELIXIS' BUSINESS, PROSPECTS AND FINANCIAL CONDITION RELEVANT TO MY DECISION TO TENDER MY SHARES IN THE EXCHANGE OFFER?

A: Yes. Shares of Genomica common stock accepted in the exchange offer will be exchanged for Exelixis common stock, and therefore, you should consider our business and financial condition before you decide to tender your shares in the exchange offer. In considering our business and financial condition, you should review the documents incorporated by reference in this prospectus because they contain detailed business, financial and other information about us.

14. Q: WILL I BE TAXED ON THE EXELIXIS SHARES I RECEIVE?

A: Your receipt of shares of Exelixis common stock in the transaction will be tax-free for U.S. federal income tax purposes (except for taxes, if any, resulting from the receipt of cash instead of fractional shares of Exelixis common stock) if: (i) the transaction is completed under the current terms of the merger agreement; (ii) the minimum tender condition to the exchange offer is satisfied; and (iii) the merger is completed promptly after the exchange offer. Because only the satisfaction of the minimum tender condition will be known at the time the exchange offer closes, the tax opinions required by Exelixis and Genomica will assume that the other conditions will be met. If they are not met, the closing of the exchange offer could be taxable to you. We urge you to read the information regarding material U.S. federal income tax consequences contained in this prospectus carefully. Because tax matters are very complicated and because the tax consequences will depend on the facts of your own situation, you should consult with your tax advisor regarding the consequences of participation in the exchange offer and the merger.

15. Q: HAS THE EXCHANGE OFFER COMMENCED?

A: Yes. The exchange offer commenced on November 29, 2001. At the same time we commenced the exchange offer, we filed a registration statement covering the shares of Exelixis common stock to be issued in exchange for shares of Genomica common stock. You may now tender shares of Genomica common stock in accordance with the procedures outlined in this prospectus. We cannot, however, accept for exchange and pay for any shares tendered in the exchange offer until the registration statement is declared effective by the Securities and Exchange Commission and the other conditions to the exchange offer have been satisfied or, where permissible, waived.

16. Q: WHERE CAN I FIND MORE INFORMATION ABOUT EXELIXIS AND GENOMICA?

A: You can find more information about Exelixis and Genomica as described

in the section entitled "Where You Can Find More Information" beginning on page 102 of this prospectus.

17. Q: WHOM SHOULD I CONTACT IF I HAVE MORE QUESTIONS ABOUT THE TRANSACTION?

A: You may contact the information agent using the following contact information:

Information Agent
MELLON INVESTOR SERVICES LLC
120 Broadway
New York, New York 10271

Call Toll Free: (866) 323-8159

SUMMARY

This summary highlights selected information from this prospectus and may not contain all of the information that is important to you. You should carefully read this entire document and the other documents to which this document refers you or that are incorporated by reference in this prospectus in order to understand fully the exchange offer and the merger. See "Where You Can Find More Information" beginning on page 102 for the location of these documents. The merger agreement is attached as Annex A to this prospectus. Exelixis and Genomica encourage you to read the merger agreement as it is the legal document that governs the exchange offer and the merger. We have included page references in parentheses, where applicable, to other sections of this prospectus in order to direct you to a more detailed description of the topics presented in this summary.

FORWARD-LOOKING INFORMATION

Certain of the information relating to Exelixis, Genomica and the combined company contained in or incorporated by reference into this prospectus is forward-looking in nature. All statements included or incorporated by reference into this prospectus or made by management of Exelixis or Genomica, other than statements of historical fact regarding Exelixis or Genomica, are forward-looking statements. Examples of forward-looking statements include statements regarding Exelixis', Genomica's or the combined company's future financial results, operating results, product successes, business strategies, projected costs, future products and services, competitive positions and plans and objectives of management for future operations. In some cases, you can identify forward-looking statements by terminology, such as "may," "will," "intends," "should," "would," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other comparable terminology. Any expectations based on these forward-looking statements are subject to risks and uncertainties and other important factors, including those discussed in the section entitled "Risk Factors." These and many other factors could affect the future financial and operating results of Exelixis, Genomica or the combined company and could cause actual results to differ materially from expectations based on forward-looking statements made in this document or elsewhere by or on behalf of Exelixis, Genomica or the combined company.

THE COMPANIES

EXELIXIS, INC.
170 Harbor Way
South San Francisco, California 94080

Telephone: (650) 837-7000

We are a leading worldwide genomics-based drug discovery company focused on product development through our expertise in comparative genomics and model system genetics. An outstanding team of company scientists has developed multiple fungal, nematode, insect, plant and vertebrate genetic systems. Our proprietary model systems and comparative genomics technologies address gene function by using biologically relevant functional genomics information very early on in the process to rapidly, efficiently and cost-effectively translate sequence data to knowledge about the function of genes and the proteins that they encode. We have a significant internal cancer discovery and drug development program, through which a number of compounds are expected to complete screening by the end of the year. We believe that our technology is broadly applicable to all life science industries including pharmaceutical, diagnostic, agricultural biotechnology and animal health. We have active partnerships with Aventis CropScience S.A., Bayer Corporation, Bristol-Myers Squibb Company, Elan Pharmaceuticals, Inc., Pharmacia Corporation, Protein Design Labs, Inc., Scios Inc. and Dow AgroSciences LLC, and are building our internal development program in the area of oncology.

Exelixis common stock is listed on the Nasdaq National Market under the symbol "EXEL." We maintain a site on the world wide web at "exelixis.com"; however, information found on our website is not part of this prospectus.

BLUEGREEN ACQUISITION SUB, INC.
c/o Exelixis, Inc.
170 Harbor Way
South San Francisco, California 94080
Telephone: (650) 837-7000

Bluegreen Acquisition Sub is a wholly owned subsidiary of Exelixis and was incorporated on November 15, 2001, in the State of Delaware. Bluegreen Acquisition Sub has not engaged in any operations and exists solely to make the exchange offer and otherwise facilitate the transaction. Therefore, although Bluegreen Acquisition Sub is technically making the exchange offer and will be a party to the merger, when we discuss the transaction in this prospectus, we generally refer only to Exelixis.

GENOMICA CORPORATION
1715 38th Street
Boulder, Colorado 80301
Telephone: (720) 565-4500

Genomica is a provider of innovative software products and services that are designed to enable pharmaceutical and biotechnology researchers to accelerate the drug discovery and development process. Discovery Manager(TM) software, Genomica's first product, is used for genomics research, including genetic research, gene discovery and pharmacogenomics. This product allows researchers to turn the vast volumes of gene, single nucleotide polymorphism, or SNP, protein and patient data from diverse sources into information useful for drug discovery. Genomica licenses Discovery Manager to leading genomics-based research organizations, including AstraZeneca, PLC, GlaxoSmithKline, Inc. and the National Cancer Institute. Genomica has a strategic alliance with Applied Biosystems, Inc. to develop software products to be used with Applied Biosystems' industry-leading hardware and software systems for drug discovery.

Genomica recently announced that, as a result of observable developments in the market environment for life science information products, it was adopting a new product and corporate strategy that requires a restructuring of its

operations and consolidation of its facilities, and which involved the involuntary termination of a significant portion of its workforce.

Genomica common stock is listed on the Nasdaq National Market under the symbol "GNOM." Genomica maintains a site on the world wide web at "genomica.com"; however, information found on Genomica's website is not part of this prospectus.

THE TRANSACTION (PAGE 29)

Exelixis and Genomica are proposing a two-part business combination transaction, in which Exelixis intends to acquire all of the outstanding shares of Genomica common stock. In the exchange offer, we are offering to exchange a portion of a share of Exelixis common stock, as calculated below, for each outstanding share of Genomica common stock that is validly tendered and not properly withdrawn on or before the expiration date of the exchange offer. If we complete the exchange offer, it will be followed by a merger of Bluegreen Acquisition Sub into Genomica.

The exchange ratio is a number that is equal to the quotient obtained by dividing the Genomica common stock value, determined as described below, by the greater of (i) 13.30285 or (ii) the average closing sales price of Exelixis common stock on the Nasdaq National Market during the 18 trading-day period ending two trading days before the initial expiration of the exchange offer (as reported in The Wall Street Journal, or if not reported in The Wall Street Journal, any other authoritative source). The Genomica common stock value is determined by dividing $110.0 million by the sum of the number of shares of Genomica common stock and Genomica preferred stock plus the number of shares of Genomica common stock issuable upon the exercise of all stock options and warrants with a per share exercise price of $5.00 or less, each as outstanding as of the date that we first accept shares of Genomica common stock for payment pursuant to the exchange offer. On December 26, 2001, we fixed the Exelixis common stock price for use in computing the exchange ratio. The exact exchange ratio will be calculated based upon $15.88556, the average closing sales price of Exelixis

common stock on the Nasdaq National Market during the 18 trading-day period ended on December 26, 2001. We will announce the final exchange ratio by issuing a press release and filing that press release with the Securities and Exchange Commission. Genomica stockholders can also call our information agent, Mellon Investor Services LLC, at any time toll free at (866) 323-8159 to request information about the exchange ratio.

The exchange offer is conditioned on a number of shares of Genomica common stock equal to at least the sum of a majority of the total number of shares of Genomica common stock plus the total number of shares of Genomica common stock issuable upon exercise of options to acquire Genomica common stock, each as outstanding immediately before the expiration of the exchange offer, as it may be extended pursuant to the merger agreement, having been validly tendered and not properly withdrawn. We may not waive this condition without Genomica's consent. In addition, our obligation to consummate the exchange offer and deliver shares of Exelixis common stock in exchange for shares of Genomica common stock pursuant to the exchange offer is subject to several other conditions referred to below in the section entitled "Certain Terms of the Merger Agreement -- Conditions to the Exchange Offer" beginning on page 68.

Promptly after completion of the exchange offer, we intend to merge our wholly owned subsidiary, Bluegreen Acquisition Sub, with Genomica. Each share of Genomica common stock which has not been tendered and accepted for exchange in the exchange offer will be converted in the merger into the right to receive shares of Exelixis common stock at the same exchange ratio used in the exchange offer, unless the holder properly perfects his or her appraisal rights, if available, under Delaware law. We seek to acquire ownership of 100% of the outstanding shares of Genomica common stock through the exchange offer and the merger. The exchange offer and the merger are sometimes collectively referred to in this prospectus as the "transaction."

We will not issue any fractional shares of common stock in connection with the exchange offer or the merger. Genomica stockholders will instead receive cash for any fractional shares otherwise issuable to them.

MARKET PRICE AND DIVIDEND INFORMATION (PAGE 9)

Exelixis common stock is listed on the Nasdaq National Market under the symbol "EXEL," and Genomica common stock is listed on the Nasdaq National Market under the symbol "GNOM." On November 19, 2001, the last full trading day before the public announcement of the exchange offer and the merger, the closing sales price per share of Exelixis common stock on the Nasdaq National Market was $15.24, and the closing sales price per share of Genomica common stock on the Nasdaq National Market was $3.38. On December 26, 2001, the most recent practicable date before the filing of this prospectus, the closing sales price per share of Exelixis common stock on the Nasdaq National Market was $15.50, and the closing sales price per share of Genomica common stock on the Nasdaq National Market was $4.45.

REASONS FOR THE EXCHANGE OFFER AND THE MERGER (PAGE 36)

GENOMICA. Genomica's board of directors believes that the transaction could result in a number of benefits to Genomica and its stockholders, including the following:

- the opportunity for Genomica stockholders to participate in a significantly larger and more diversified company and, as stockholders of the combined company, to have greater liquidity in their shares and to benefit from any future growth of the combined company;

- the opportunity for Genomica stockholders to receive shares of Exelixis common stock in a tax-free exchange at approximately a 33% premium over the prevailing market price for shares of Genomica common stock immediately before the announcement of the exchange offer;

- enabling the combined company to benefit from the depth and experience of Exelixis' management team and board of directors; and

- enabling the combined company to benefit from Genomica's software products to enhance the effectiveness of Exelixis' research and development efforts.

See the section entitled "The Transaction -- Reasons for the Exchange Offer and the Merger; Recommendation of Genomica's Board of Directors" beginning on page 36 of this prospectus, as well as Genomica's Solicitation/Recommendation Statement on Schedule 14D-9, which is being mailed to you together with this prospectus.

EXELIXIS. Our board of directors believes that the transaction could result in a number of benefits to Exelixis and our stockholders, including the following:

- access to additional cash enabling us to fund our research and development programs at a higher level to enhance our core technologies and expand product development;

- the opportunity to leverage our infrastructure and technologies to create additional corporate collaborations to diversify our business risk and increase our future revenue stream; and

- access to complementary technology and expertise to advance the drug discovery and development process at Exelixis.

RECOMMENDATION TO GENOMICA STOCKHOLDERS

Genomica's board of directors has unanimously approved the merger agreement, determined that the exchange offer and the merger together are advisable and fair to and in the best interests of, Genomica and its stockholders and unanimously recommends that Genomica stockholders accept the exchange offer and tender their shares pursuant to the exchange offer. Information about the unanimous recommendation of Genomica's board of directors is more fully described in Genomica's Solicitation/Recommendation Statement on Schedule 14D-9, which is being mailed to you together with this prospectus.

OPINION OF GENOMICA'S FINANCIAL ADVISOR

Genomica's board of directors has received a written opinion, dated November 19, 2001, from CIBC World Markets Corp., Genomica's exclusive financial advisor in connection with the exchange offer and the merger, to the effect that, as of the date of the opinion and based on and subject to the matters described in its opinion, the exchange ratio was fair, from a financial point of view, to the holders of Genomica common stock (other than Exelixis and its affiliates). The full text of CIBC World Markets' written opinion dated November 19, 2001, which describes the assumptions made, matters considered and limitations on the review undertaken, is attached as Schedule II to Genomica's Solicitation/Recommendation Statement on Schedule 14D-9, which is being mailed to you together with this prospectus. THE OPINION IS ADDRESSED TO THE GENOMICA BOARD OF DIRECTORS AND DOES NOT CONSTITUTE A RECOMMENDATION TO ANY STOCKHOLDER REGARDING WHETHER STOCKHOLDERS SHOULD EXCHANGE SHARES PURSUANT TO THE EXCHANGE OFFER, OR HOW STOCKHOLDERS SHOULD VOTE OR ACT ON ANY MATTER RELATING TO THE EXCHANGE OFFER OR THE MERGER.

TIMING OF THE EXCHANGE OFFER

The exchange offer commenced on November 29, 2001 and is currently scheduled to expire at 12:00 midnight, New York City time, on December 28, 2001. However, under certain circumstances the exchange offer may be extended. If we decide to extend the exchange offer, we will make an announcement regarding that extension as described under "The Transaction -- Extension, Termination and Amendment" beginning on page 45.

EXTENSION, TERMINATION AND AMENDMENT (PAGE 45)

Subject to the terms of the merger agreement, we may extend the exchange offer for successive extension periods not in excess of 10 business days per extension if, at the scheduled expiration date of the exchange offer, any condition to the exchange offer has not been satisfied or, where permissible, waived. In addition, we are entitled to extend the exchange offer if required by the rules of the Securities and Exchange Commission or the National Association

of Securities Dealers, Inc. We are not giving any assurance that we will exercise our right to extend our exchange offer, although we currently intend to do so until all conditions have been satisfied or, where permissible, waived. During an extension, all shares of Genomica common stock previously

tendered and not properly withdrawn will remain subject to the exchange offer, subject to your right to withdraw your shares of Genomica common stock. An extension of the exchange offer is different than a subsequent offering period. The effects of a subsequent offering period are described below.

We reserve the right to make any changes in the terms and conditions of the exchange offer by giving oral or written notice of the changes to the exchange agent and by making a public announcement of the changes. However, we cannot make certain changes that might be adverse to Genomica or its stockholders without the prior written consent of Genomica.

We are required to follow any extension, termination, amendment or delay, as promptly as practicable, with a public announcement. Any announcement about an extension is required to be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date of the exchange offer. Subject to applicable law, and without limiting the manner in which we may choose to make any public announcement, we assume no obligation to publish, advertise or otherwise communicate the public announcement other than by making a release to the Dow Jones News Service.

SUBSEQUENT OFFERING PERIOD (PAGE 46)

We may elect to provide a subsequent offering period of not less than three nor more than 20 business days after the acceptance of shares of Genomica common stock in the exchange offer if the requirements of Rule 14d-11 under the Securities Exchange Act of 1934 have been met. You will not have the right to withdraw any shares of Genomica common stock that you tender during the subsequent offering period. We are required to accept for exchange, and to deliver shares of Exelixis common stock in exchange for, shares of Genomica common stock that are validly tendered promptly after they are tendered during any subsequent offering period. If we elect to provide a subsequent offering period, we are required to make a public announcement to that effect no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date of the exchange offer.

EXCHANGE OF SHARES OF GENOMICA COMMON STOCK; DELIVERY OF SHARES OF EXELIXIS COMMON STOCK (PAGE 46)

We are required to accept for exchange, and to deliver shares of Exelixis common stock in exchange for, shares of Genomica common stock validly tendered and not properly withdrawn, promptly after the expiration date, upon the terms and conditions to the exchange offer, including the terms and conditions of any extension or amendment. In addition, we are required to accept for exchange, and to deliver shares of Exelixis common stock in exchange for, shares of Genomica common stock promptly after they are validly tendered during any subsequent offering period, upon the terms and conditions to the exchange offer, including the terms and conditions of any extension or termination.

WITHDRAWAL RIGHTS (PAGE 47)

Your tender of shares of Genomica common stock pursuant to the exchange offer is irrevocable, except that shares of Genomica common stock tendered pursuant to the exchange offer may be withdrawn at any time before the time we first accept tendered shares of Genomica common stock for exchange pursuant to the exchange offer. Once we have accepted shares of Genomica common stock for

purchase pursuant to the exchange offer, all tenders are irrevocable.

If we elect to provide a subsequent offering period pursuant to Rule 14d-11 under the Securities Exchange Act of 1934, you will not have the right to withdraw shares of Genomica common stock that you tender in the subsequent offering period.

PROCEDURE FOR TENDERING (PAGE 48)

The method of tendering your shares in the exchange offer will depend on whether the shares are held in certificate or book-entry form.

- If your shares are held in certificate form, you must deliver the certificates, a properly completed and duly executed letter of transmittal, or a manually executed facsimile of that document, and any other required documents to the exchange agent at one of its addresses set forth on the back cover of this prospectus. In the circumstances detailed in the letter of transmittal, the signatures on the letter of transmittal must be guaranteed.

- If your shares of Genomica common stock are held in book-entry form, the shares must be tendered in accordance with the procedures for book-entry tender, and the exchange agent must receive a so-called "agent's message" and a confirmation of receipt of the tender. The procedures for book-entry transfer are described under "The Transaction -- Procedure for Tendering" beginning on page 48.

- If you hold your shares in "street name" through a broker, ask your broker to tender your shares before the expiration date.

In all cases, deliveries to the exchange agent must be made before the expiration of the exchange offer.

If your shares are not currently available and you cannot now comply with the preceding requirements, you can still participate in the exchange offer by complying with the guaranteed delivery procedures set forth under "The Transaction -- Guaranteed Delivery" on page 49.

A STOCKHOLDER VOTE MAY BE REQUIRED TO ADOPT THE MERGER AGREEMENT

If, after completion of the exchange offer, as it may be extended and including any subsequent offering period, we own 90% or more of the outstanding shares of Genomica common stock, the merger can be accomplished without a vote of Genomica stockholders. If, on the other hand, after completion of the exchange offer, as it may be extended and including any subsequent offering period, we own more than 50% but less than 90% of the outstanding shares of Genomica common stock, a meeting of Genomica stockholders and the affirmative vote by the holders of at least a majority of the shares of Genomica common stock outstanding on the record date for such meeting will be needed to complete the merger. If we complete the exchange offer, we will own a majority of the shares of Genomica common stock outstanding on the record date for the merger, so adoption of the merger agreement by Genomica stockholders will be assured.

THE STOCKHOLDER TENDER AGREEMENTS (PAGE 73)

Genomica's directors, officers and affiliated stockholders who have beneficial ownership of 6,061,663 shares of Genomica common stock in the aggregate have agreed to tender and not withdraw their shares of Genomica common stock in the exchange offer. In addition, if certain conditions are met, the

officers, directors and affiliated stockholders of Genomica who are parties to the stockholder tender agreements may be obligated to exercise options and warrants to purchase up to 1,114,587 shares of Genomica common stock in the aggregate and tender the shares issued upon exercise of the options and warrants if and to the extent necessary to satisfy the minimum tender condition for the exchange offer.

INTERESTS OF GENOMICA'S OFFICERS AND DIRECTORS IN THE TRANSACTION (PAGE 50)

When you consider Genomica's board of directors' unanimous recommendation that Genomica stockholders accept the exchange offer and tender their shares in the exchange offer, you should be aware that some Genomica officers and directors may have interests in the transaction that may be different from, or in addition to, their interests as stockholders of Genomica. See the section entitled "The Transaction -- Interests of Genomica's Officers and Directors in the Transaction" beginning on page 50 of this prospectus, as well as Genomica's Solicitation/Recommendation Statement on Schedule 14D-9, which is being mailed to you together with this prospectus.

TREATMENT OF GENOMICA STOCK OPTIONS BY EXELIXIS (PAGE 64)

We are not assuming any outstanding options to purchase Genomica common stock. Pursuant to the terms of Genomica's stock option plans, all outstanding options to purchase Genomica common stock that are not assumed in connection with the consummation of the exchange offer will accelerate and become fully

vested and exercisable. All options to purchase Genomica common stock that are not exercised on or before the day we accept shares of Genomica common stock for payment pursuant to the exchange offer will terminate.

LIMITATION ON GENOMICA'S ABILITY TO CONSIDER OTHER ACQUISITION PROPOSALS (PAGE 65)

Genomica has agreed not to solicit, initiate or knowingly take any action to encourage or discuss any proposal for a business combination or other similar transaction involving the acquisition or purchase of (i) more than 20% of any class of voting securities of Genomica or any of its subsidiaries or (ii) businesses or assets that account for 20% or more of Genomica's consolidated assets or involving the liquidation or dissolution of Genomica or any of its subsidiaries, before completion of the merger unless the other party has made a written proposal to Genomica, not solicited in violation of the merger agreement, for a transaction which Genomica's board of directors believes in good faith, after consultation with a nationally recognized independent financial advisor, is reasonably likely to be consummated and would, if consummated, be more favorable to Genomica's stockholders than the transaction described in this prospectus, provided that a number of other conditions are satisfied.

TERMINATION OF THE MERGER AGREEMENT (PAGE 70)

Exelixis and Genomica can terminate the merger agreement under certain circumstances, including if the exchange offer is not consummated by March 1, 2002.

EXPENSES (PAGE 72)

The merger agreement provides that all fees and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement are to be paid by the party incurring such expenses. However, if the merger agreement is terminated for any reason other than a material

breach of the merger agreement by us, Genomica is required to pay us $750,000 for reimbursement of our fees and expenses.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES (PAGE 52)

The transaction will qualify as an integrated tax-free reorganization for U.S. federal income tax purposes if: (i) the transaction is completed under the current terms of the merger agreement; (ii) the minimum tender condition to the exchange offer is satisfied; and (iii) the merger is completed promptly after the exchange offer. If the transaction is a reorganization for U.S. federal income tax purposes, your receipt of Exelixis common stock in the transaction will be tax-free for U.S. federal income tax purposes (except for taxes, if any, resulting from the receipt of cash instead of fractional shares of Exelixis common stock).

The above-described tax treatment of the exchange offer and the merger to Genomica stockholders depends on, among other things, some facts that will not be known before the completion of the merger. Genomica stockholders are urged to carefully read the discussion in the section entitled "The Transaction -- Material United States Federal Income Tax Consequences" beginning on page 52 of this prospectus. That discussion includes a summary of the material U.S. federal income tax consequences of participation in the exchange offer and the merger in the event that the conditions described above are not satisfied.

TAX MATTERS ARE COMPLICATED, AND THE TAX CONSEQUENCES OF THE EXCHANGE OFFER AND THE MERGER TO YOU WILL DEPEND ON FACTS OF YOUR OWN SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISORS TO FULLY UNDERSTAND THE TAX CONSEQUENCES OF THE EXCHANGE OFFER AND THE MERGER TO YOU.

ACCOUNTING TREATMENT (PAGE 55)

We will account for the merger as a purchase for financial reporting purposes.

APPRAISAL RIGHTS (PAGE 56)

Genomica stockholders are not entitled to appraisal rights in connection with the exchange offer. If, after completion of the exchange offer, as it may be extended and including any subsequent offering period, we own a majority but less than 90% of the outstanding shares of Genomica common stock, we have agreed to effect a long-form merger as permitted under Delaware law, which would require notice to and adoption of the merger agreement by Genomica stockholders. Genomica stockholders who have not exchanged their shares of Genomica common stock in the exchange offer will not have appraisal rights in connection with a long-form merger unless, on the date fixed to determine stockholders entitled to vote on the merger agreement, the shares of Genomica common stock are (i) not listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. and (ii) held of record by fewer than 2,000 holders.

If, however, after completion of the exchange offer, as it may be extended and including any subsequent offering period, we own 90% or more of the outstanding shares of Genomica common stock, we have agreed to effect a short-form merger as permitted under Delaware law. In the event that we complete the transaction through a short-form merger, stockholders who did not tender, or who tendered and withdrew, their shares of Genomica common stock in the exchange offer would have the right under Delaware law to demand appraisal of their shares of Genomica common stock, but only if they comply with certain statutory requirements. Stockholders who comply with the applicable statutory procedures

will be entitled to receive a judicial determination of the fair value of their shares of Genomica common stock, exclusive of any elements of value arising from the accomplishment or expectation of the merger, and to receive payment of this fair value in cash, together with a fair rate of interest. In the event of a short-form merger, information regarding these requirements will be provided to Genomica stockholders who have not exchanged their shares of Genomica common stock in the exchange offer.

REGULATORY APPROVALS (PAGE 55)

Transactions such as the merger are subject to review by the Department of Justice and the Federal Trade Commission, or FTC, to determine whether they comply with applicable antitrust laws. Under the provisions of the HSR Act the merger may not be consummated until the specified waiting period requirements of the HSR Act have been satisfied. Exelixis and Genomica filed premerger notification reports, together with requests for early termination of the waiting period, with the Department of Justice and the FTC under the HSR Act on November 23, 2001, and the waiting period will terminate on December 26, 2001.

COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

Since April 11, 2000, Exelixis common stock has been listed on the Nasdaq National Market under the symbol "EXEL." Since September 29, 2000, Genomica common stock has been listed on the Nasdaq National Market under the symbol "GNOM." The table below sets forth, for the periods indicated, the range of high and low closing per share sales prices for Exelixis common stock and Genomica common stock as reported on the Nasdaq National Market.

	EXELIXIS COMMON STOCK		GENOMICA COMMON STOCK	
	LOW	HIGH	LOW	HIGH
CALENDAR YEAR ENDED DECEMBER 31, 2000				
First quarter	$ --	$ --	$ --	$ --
Second quarter (for Exelixis from April 11, 2000)	14.00	35.25	--	--
Third quarter (for Genomica from September 29, 2000)	31.38	49.25	19.44	19.44
Fourth quarter	11.56	32.94	5.03	19.06
CALENDAR YEAR ENDING DECEMBER 31, 2001				
First quarter	$ 8.00	$15.88	$ 3.69	$ 9.00
Second quarter	8.00	18.97	3.56	4.99
Third quarter	10.58	19.15	2.42	4.30
Fourth quarter (through December 26, 2001)	11.14	17.11	2.30	4.66

As of December 26, 2001, there were approximately 527 record holders of Exelixis common stock. As of December 26, 2001, there were approximately 168 record holders of Genomica common stock. Neither Exelixis nor Genomica has ever paid cash dividends on their respective common stock. Exelixis and Genomica intend to retain earnings, if any, to support the development of their respective businesses, and neither anticipates paying cash dividends for the foreseeable future.

The following table presents:

- the closing sales price or the 18 trading-day average closing sales price, as indicated, of Exelixis' common stock, as reported on the Nasdaq National Market;

- the closing sales price of Genomica's common stock, as reported on the Nasdaq National Market; and

- the market value based on the closing sales price or the 18 trading-day average closing sales price of the fraction of a share of Exelixis common stock to be received in exchange for one share of Genomica common stock in the exchange offer

in each case as if the exchange ratio had been determined on (i) November 19, 2001, the last full trading day before the public announcement of the proposed transaction, (ii) December 26, 2001, the last full trading day for which such information could be practicably calculated before the date of the prospectus and (iii) December 26, 2001 using the average closing sales price of Exelixis common stock for the 18 trading days ended on December 26, 2001. The numbers have been calculated assuming that (i) as of November 19, 2001, the Genomica common stock value would have been $4.49, the closing sales price of Exelixis common stock would have been $15.24 and the exchange ratio would have been .29490, (ii) as of December 26, 2001, the Genomica common stock value would have been $4.49, the closing sales price of Exelixis common stock would have been $15.50 and the exchange ratio would have been .29010 and (iii) as of December 26, 2001, the Genomica common stock value would have been $4.49, the average closing sales price of Exelixis common stock for the 18 trading days ended on December 26, 2001 would have been $15.88556 and the exchange ratio would have been .28306. The assumed Genomica common stock value as of November 19, 2001 is based on the quotient obtained by dividing $110.0 million by 24,475,490, which equals the total number of shares of Genomica common stock outstanding as of November 19, 2001 plus the number of shares of Genomica common stock issuable upon the exercise of stock options and warrants with a per share exercise price of $5.00 or less that were outstanding as of November 19, 2001. The assumed Genomica common stock value as of

December 26, 2001 is based on the quotient obtained by dividing $110.0 million by 24,463,141, which equals the total number of shares of Genomica common stock outstanding as of December 26, 2001 plus the number of shares of Genomica common stock issuable upon the exercise of stock options and warrants with a per share exercise price of $5.00 or less that were outstanding as of December 26, 2001.

	PRICE OF EXELIXIS COMMON STOCK	CLOSING SALES PRICE OF GENOMICA COMMON STOCK	ESTIMATED EQUIVA PER SHARE OF G COMMON STOC
November 19, 2001(2).....	$15.24	$3.38	$4.49
December 26, 2001(2).....	15.50	4.45	4.49
December 26, 2001(3).....	15.88	4.45	4.49

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(1) Computed as the product of the price for Exelixis common stock on the dates indicated above multiplied by the assumed exchange ratios for those dates as set forth above.

(2) Based on the closing sales price at the specified date.

(3) Based on the average closing sales price for the 18 trading days ended on December 26, 2001.

ON DECEMBER 26, 2001, WE FIXED THE EXELIXIS COMMON STOCK PRICE FOR USE IN COMPUTING THE EXCHANGE RATIO. THE EXACT EXCHANGE RATIO WILL BE CALCULATED BASED UPON $15.88556, THE AVERAGE CLOSING SALES PRICE OF EXELIXIS COMMON STOCK ON THE NASDAQ NATIONAL MARKET DURING THE 18 TRADING-DAY PERIOD ENDED ON DECEMBER 26, 2001.

EXELIXIS, INC.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following information is being provided to assist you in analyzing the financial aspects of the exchange offer and the merger. Information as of December 31, 1996, 1997, 1998, 1999 and 2000 and for the years then ended has been derived from audited consolidated financial statements. The information as of September 30, 2001 and the nine-month periods ended September 30, 2000 and 2001 has been derived from unaudited consolidated financial statements that have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial condition at such date and the results of operations for such periods. The following selected historical consolidated financial data should be read in conjunction with Exelixis' consolidated financial statements and related notes incorporated by reference in this prospectus. Historical results are not necessarily indicative of the results to be obtained in the future.

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DEC		
	2001	2000	2000	1999	1998
	(IN THOUSANDS, EXCEPT PER SHARE INFORMATION) (UNAUDITED)		(IN THOUSANDS, EXCEPT PER		
STATEMENT OF OPERATIONS DATA:					
License revenues	$ 4,564	$ 2,771	$ 3,776	$ 1,046	$ 1
Contract and government grant revenues	23,649	14,914	20,983	9,464	2,1
Total revenues	28,213	17,685	24,759	10,510	2,2

Operating expenses:					
Research and development	59,836	37,248	48,456	21,653	12,0
General and administrative	14,597	11,539	18,907	7,624	5,4
Acquired in-process research and development	6,673	--	38,117	--	
Amortization of goodwill and intangibles	3,673	--	260	--	
Total operating expenses	84,779	48,787	105,740	29,277	17,5
Loss from operations	(56,566)	(31,102)	(80,981)	(18,767)	(15,2
Interest income (expense), net	3,649	3,843	5,569	46	(
Equity in net loss of affiliated company	--	--	--	--	(3
Minority interest in consolidated subsidiary net loss	--	--	101	--	
Net loss	$(52,917)	$(27,259)	$(75,311)	$(18,721)	$(15,6
Net loss per share, basic and diluted	$ (1.15)	$ (1.00)	$ (2.43)	$ (4.60)	$ (7.
Weighted average shares used in computing net loss per share, basic and diluted	45,848	27,235	31,031	4,068	1,9

	SEPTEMBER 30,	DECEMBER 31			
	2001	2000	1999	1998	
	(IN THOUSANDS) (UNAUDITED)			(IN THOUSAND	
BALANCE SHEET DATA:					
Cash, cash equivalents and short-term investments	$ 132,283	$ 112,552	$ 6,904	$ 2,058	
Working capital (deficit)	103,005	95,519	(672)	182	
Total assets	246,717	204,914	18,901	8,981	
Long-term obligations, less current portion	40,709	7,976	11,132	2,556	
Deferred stock compensation, net	(5,355)	(10,174)	(14,167)	(1,803	
Accumulated deficit	(182,955)	(130,038)	(54,727)	(36,006	
Total stockholders' equity (deficit)	149,411	162,734	(49,605)	(35,065	

GENOMICA CORPORATION

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following information is being provided to assist you in analyzing the financial aspects of the exchange offer and the merger. Information as of December 31, 1996, 1997, 1998, 1999 and 2000 and for the years then ended has been derived from audited consolidated financial statements. The information as of September 30, 2001 and the nine-month periods ended September 30, 2000 and 2001 has been derived from unaudited consolidated financial statements that have been prepared on the same basis as the audited consolidated financial statements

and, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial condition at such date and the results of operations for such periods. The following summary historical consolidated financial data should be read in conjunction with "Genomica Management's Discussion and Analysis of Financial Condition and Results of Operations" and Genomica's consolidated financial statements and related notes included elsewhere in this prospectus. Historical results are not necessarily indicative of the results to be obtained in the future.

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DEC		
	2001(1)	2000	2000	1999	1998
	(IN THOUSANDS, EXCEPT PER SHARE INFORMATION) (UNAUDITED)		(IN THOUSANDS, EXCEPT PE		
STATEMENT OF OPERATIONS DATA:					
Software license and services.....	$ 1,293	$ 1,175	$ 1,615	$ 622	$ 1
Research grants.....	--	--	27	159	
Total revenues.....	1,293	1,175	1,642	781	1
Operating expenses:					
Costs of revenues.....	286	282	384	447	1
Research and development.....	10,849	8,929	12,047	4,869	2,3
Selling and marketing.....	5,873	5,097	7,197	1,722	6
General and administrative.....	5,784	7,039	8,965	1,723	8
Total operating expenses.....	22,792	21,347	28,593	8,761	3,9
Loss from operations.....	(21,499)	(20,172)	(26,951)	(7,980)	(3,7
Interest income, net.....	4,499	576	2,588	401	
Net loss.....	(17,000)	(19,596)	(24,363)	(7,579)	(3,7
Deemed dividend related to beneficial conversion feature of preferred stock.....	--	(17,109)	(17,109)	--	
Net loss attributable to common stockholders.....	$ (17,000)	$ (36,705)	$(41,472)	$(7,579)	$(3,7
Net loss per share, basic and diluted...	$ (0.75)	$ (27.40)	$ (6.49)	$ (7.13)	$ (3.
Weighted average common shares outstanding, basic and diluted.....	22,521	1,340	6,388	1,062	9

		DECEMBER		
	SEPTEMBER 30, 2001(1)	2000	1999	199

	(IN THOUSANDS) (UNAUDITED)			(IN THOUSA
BALANCE SHEET DATA:				
Cash, cash equivalents and short-term investments...	$ 68,782	$ 98,938	$ 6,343	$5,2
Working capital (deficit).....	69,922	99,303	5,246	4,5
Long-term investments.....	42,048	24,993	--	
Total assets.....	118,836	129,590	7,554	5,6
Notes payable and capital lease obligations, less current portion.....	--	--	268	
Deferred stock compensation, net.....	(9,563)	(16,929)	(5,772)	
Accumulated deficit.....	(74,689)	(57,689)	(16,217)	(8,6
Total stockholders' equity (deficit).....	117,065	127,086	5,681	4,8

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(1) Genomica's restructuring plan was adopted subsequent to September 30, 2001, and, therefore, Genomica's financial position as of September 30, 2001, and its results of operations for the nine months then ended do not reflect the effects of this restructuring plan. In its quarterly report on Form 10-Q for the three and nine months ended September 30, 2001, Genomica estimated that, without regard to any adjustments that would be required by the transaction contemplated by this prospectus, it would record charges in the fourth quarter of approximately $4.3 million, including $2.6 million of liabilities and $1.7 million of asset impairments. For a more detailed description of Genomica's restructuring plan and its effect on Genomica's results of operations since September 30, 2001, please see "Information Relating to Genomica" beginning on page 74, as well as Note 8 to Genomica's Consolidated Interim Financial Statements, beginning on page F-32.

SUMMARY SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

Exelixis acquired a majority of the outstanding capital stock of Artemis Pharmaceuticals GmbH and all of the capital stock of Agritope, Inc. on May 14, 2001 and December 8, 2000, respectively. These transactions were accounted for as purchases. The following unaudited selected pro forma combined financial information of Exelixis, Genomica, Artemis and Agritope has been derived from the unaudited pro forma condensed combined financial statements, which give effect to the proposed merger of Exelixis and Genomica and the acquisitions of Artemis and Agritope as purchases and should be read in conjunction with such unaudited pro forma condensed combined financial statements and the notes thereto which are included elsewhere in this prospectus.

For pro forma purposes, (i) Exelixis' unaudited consolidated balance sheet as of September 30, 2001 has been combined with Genomica's unaudited consolidated balance sheet as of September 30, 2001 as if the merger had occurred on September 30, 2001, (ii) Exelixis' consolidated audited statement of operations for the year ended December 31, 2000, which includes the results of Agritope subsequent to the acquisition date of December 8, 2000, has been combined with Agritope's unaudited consolidated statement of operations for the period from January 1, 2000 to December 7, 2000 and with Artemis' audited statement of operations for the year ended December 31, 2000, (iii) Exelixis' unaudited consolidated statement of operations for the nine months ended September 30, 2001, which includes the results of operations of Artemis subsequent to the acquisition date of May 14, 2001, has been combined with Artemis' unaudited statement of operations for the period from January 1, 2001 to May 13, 2001 and (iv) the Exelixis/Agritope/Artemis unaudited pro forma condensed combined statement of operations for the year ended December 31, 2000,

and the Exelixis/Artemis unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2001, have been combined with Genomica's audited consolidated statement of operations for the year ended December 31, 2000 and unaudited consolidated statement of operations for the nine months ended September 30, 2001, respectively, as if each merger had occurred on the first day of each period presented.

The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the merger had been consummated on January 1, 2000 or September 30, 2001, respectively, nor is it necessarily indicative of future operating results or financial position.

	NINE MONTHS ENDED SEPTEMBER 30, 2001(1)	YEAR DECEMB 20
	(IN THOUSANDS EXCEPT PER SHARE INFO (UNAUDITED)	
PRO FORMA COMBINED STATEMENT OF OPERATIONS DATA:		
Revenues:		
Product sales, software licenses and other	$ 1,293	$ 5
License	4,564	3
Contract and government grants	23,905	25
Total revenues	29,762	35
Operating expenses:		
Costs of revenues	286	5
Research and development	72,199	69
Selling, general and administrative	26,764	44
Amortization of goodwill and intangibles	4,186	5
Total operating expenses	103,435	125
Loss from operations	(73,673)	(90
Other income, net	8,108	7
Minority interest in subsidiary net loss	--	1
Net loss	(65,565)	(81
Deemed dividend related to beneficial conversion feature	--	(17
Net loss attributable to common stockholders	$(65,565)	$(98
Net loss per common share, basic and diluted	$ (1.20)	$ (
Weighted average shares used in computing net loss per common share, basic and diluted	54,812	49

	SEPTEMBER 30, 2001(1)
	(IN THOUSANDS)

	(UNAUDITED)
PRO FORMA BALANCE SHEET DATA:	
Cash, cash equivalents and investments (includes long-term)	$243,113
Working capital	169,437
Total assets	360,458
Long-term obligations, less current portion	40,709
Deferred stock compensation, net	(5,355)
Accumulated deficit	(182,147)
Stockholders' equity	262,446

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(1) Genomica's restructuring plan was adopted subsequent to September 30, 2001, and, therefore, Genomica's financial position as of September 30, 2001, and its results of operations for the nine months then ended do not reflect the effects of the restructuring plan. In its quarterly report on Form 10-Q for the three and nine months ended September 30, 2001, Genomica estimated that, without regard to any adjustments that would be required by the transaction contemplated by this prospectus, it would record charges in the fourth quarter of approximately $4.3 million, including $2.6 million of liabilities and $1.7 million of asset impairments. For a more detailed description of Genomica's restructuring plan and its effect on Genomica's results of operations since September 30, 2001, please see "Information Regarding Genomica" beginning on page 74 as well as Note 8 to Genomica's Consolidated Interim Financial Statements beginning on page F-32.

COMPARATIVE PER SHARE INFORMATION

The information below reflects:

- the historical net loss and the September 30, 2001 book value per share of Exelixis common stock and the historical net loss and the September 30, 2001 book value per share of Genomica common stock in comparison with the unaudited pro forma net loss and the September 30, 2001 book value per share after giving effect to the proposed merger of Exelixis with Genomica; and

- the equivalent historical net loss and the September 30, 2001 book value per share attributable to an assumed .33784 of a share of Exelixis common stock which will be received for each share of Genomica common stock. The exchange ratio of .33784 is based on an assumed Genomica common stock value of $4.49 and an assumed Exelixis average closing sales price per share of $13.30285.

You should read the following tables in conjunction with the unaudited pro forma combined financial statements, the historical consolidated financial statements and related notes of Exelixis which are incorporated by reference in this prospectus and the historical consolidated financial statements of Genomica which are included elsewhere in this prospectus.

EXELIXIS PER SHARE DATA

	NINE MONTHS ENDED SEPTEMBER 30, 2001	YEAR ENDED DECEMBER 31, 2

HISTORICAL PER COMMON SHARE DATA		
Net loss per common share -- basic and diluted.....	$(1.15)	$(2.43)
Book value per share(1):.....	1.66	2.23

GENOMICA PER SHARE DATA

	NINE MONTHS ENDED SEPTEMBER 30, 2001	YEAR ENDED DECEMBER 31, 2
HISTORICAL PER COMMON SHARE DATA		
Net loss per common share -- basic and diluted.....	$(0.75)	$(6.49)
Book value per share(1):.....	5.09	5.59

UNAUDITED PRO FORMA COMBINED PER SHARE DATA

	NINE MONTHS ENDED SEPTEMBER 30, 2001	YEAR ENDED DECEMBER 31, 2
PRO FORMA COMBINED NET LOSS PER SHARE		
Per Exelixis share -- basic and diluted.....	$ (1.20)	$ (2.01)
Equivalent per Genomica share -- basic and diluted(2).....	(2.91)	(6.07)

	SEPTEMBER 30,
PRO FORMA COMBINED BOOK VALUE PER SHARE(3)	
Per Exelixis share.....	$ 3.39
Equivalent per Genomica share(2).....	7.97

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(1) The historical tangible book value per share is computed by dividing stockholders' equity, less goodwill and other intangible assets, by the number of common shares outstanding at the end of each period presented.

(2) The Genomica equivalent pro forma combined per share amounts are calculated by multiplying the Exelixis combined pro forma share amounts by an assumed exchange ratio of .33784. The exchange ratio of .33784 assumes a Genomica common stock value of $4.49 and an assumed Exelixis average closing sales price per share of $13.30285.

(3) The pro forma combined tangible book value per share is computed by dividing pro forma stockholders' equity, less goodwill and other intangible assets, by the pro forma number of shares outstanding at the end of the period.

RISK FACTORS

Genomica stockholders should consider the following matters in deciding whether to tender shares of Genomica common stock in the exchange offer. Genomica stockholders should consider these matters in connection with the other information that we have included or incorporated by reference into this prospectus.

RISKS RELATED TO THE TRANSACTION

THE SHARES OF EXELIXIS COMMON STOCK TO BE RECEIVED BY GENOMICA STOCKHOLDERS IN THE TRANSACTION MAY DECREASE IN VALUE AFTER THE EXCHANGE RATIO IS FIXED.

The exchange ratio is a number equal to the quotient obtained by dividing the Genomica common stock value, determined as described below, by the greater of (i) $13.30285 or (ii) the average closing sales price of Exelixis common stock on the Nasdaq National Market during the 18 trading-day period ending two trading days before the initial expiration of the exchange offer (as reported in The Wall Street Journal, or if not reported in The Wall Street Journal, any other authoritative source). On December 26, 2001, we fixed the Exelixis common stock price for use in computing the exchange ratio. The exact exchange ratio will be calculated based upon $15.88556, the average closing sales price of Exelixis common stock on the Nasdaq National Market during the 18 trading-day period ended on December 26, 2001. The Genomica common stock value will be determined by dividing $110.0 million by the sum of the number of shares of Genomica common stock and Genomica preferred stock plus the number of shares of Genomica common stock issuable upon the exercise of all stock options and warrants with a per share exercise price of $5.00 or less, each as outstanding as of the date that we first accept shares of Genomica common stock for payment pursuant to the exchange offer. For more information, see the section entitled "The Transaction -- Illustrative Table of Exchange Ratios and Value of Offer/Merger Consideration" beginning on page 30.

After the exchange ratio is fixed, the number of shares that Genomica stockholders will receive in the transaction will not change, even if the market price of Exelixis common stock changes. There will be no adjustment to the exchange ratio or right to terminate the merger agreement, the exchange offer or the merger based solely on fluctuations in the price of Exelixis common stock after the exchange ratio has been fixed. In recent years, the stock market has experienced extreme price and volume fluctuations. These market fluctuations may adversely affect the market price of Exelixis common stock. The market price of Exelixis common stock upon and after completion of the exchange offer or the merger could be lower than the market price on the date of the merger agreement or the current market price. You should obtain recent market quotations of Exelixis common stock before you tender your shares.

IF EXELIXIS AND GENOMICA ARE NOT SUCCESSFUL IN INTEGRATING THEIR ORGANIZATIONS, THE ANTICIPATED BENEFITS OF THE TRANSACTION MAY NOT BE REALIZED.

If Exelixis and the stockholders of the combined company are to realize the anticipated benefits of the transaction, the operations of Exelixis and Genomica must be integrated and combined efficiently. We cannot assure you that the integration will be successful or that the anticipated benefits of the merger will be fully realized. Similarly, we cannot guarantee that Genomica stockholders will achieve greater value through their ownership of Exelixis common stock than they would have achieved as stockholders of Genomica as a separate entity. The dedication of our management resources to integration activities may detract attention from the day-to-day business of the combined company. This integration may also be more difficult due to our integration challenges as a result of our recently completed acquisitions or any future

acquisitions. We cannot assure you that there will not be substantial costs associated with the integration process, that integration activities will not result in a decrease in revenues or a decrease in the value of Exelixis common stock or that there will not be other material adverse effects from our integration efforts.

In response to recent changes in the market environment for life science informatics products, Genomica recently adopted a new corporate strategy that resulted in a restructuring of its operations and a significant workforce reduction. As a result of this new corporate strategy, Genomica's ability to develop new and competitive software products may be limited, and Genomica may not be able to meet the needs of new and existing customers. Because Genomica's operating history under the new corporate strategy is limited, we

cannot be certain that Genomica will be able to implement it successfully or that we will be able to integrate our operations and Genomica's operations efficiently or effectively.

THE MARKET PRICE OF OUR COMMON STOCK MAY BE AFFECTED BY FACTORS DIFFERENT FROM THOSE AFFECTING THE MARKET PRICE OF GENOMICA'S COMMON STOCK.

Upon completion of the exchange offer and the merger, holders of Genomica common stock will become holders of our common stock. Our business differs from that of Genomica, and our results of operations, as well as the market price of our common stock, may be affected by factors different from those affecting Genomica's results of operations and the market price of Genomica's common stock. For a discussion of Exelixis' and Genomica's business and information to consider in evaluating such businesses, you should review our Annual Report on Form 10-K for the fiscal year ended on December 31, 2000, our subsequent quarterly and current reports, incorporated by reference into this prospectus, and Genomica's consolidated financial statements for the year ended December 31, 2000 and its unaudited consolidated interim financial statements for the three and nine months ended September 30, 2001, both of which are included elsewhere in this prospectus.

SALES OF SUBSTANTIAL AMOUNTS OF EXELIXIS COMMON STOCK IN THE OPEN MARKET BY GENOMICA STOCKHOLDERS COULD DEPRESS EXELIXIS' STOCK PRICE.

Other than shares held by affiliates of Genomica or Exelixis, shares of Exelixis common stock that are issued to stockholders of Genomica, including those shares issued upon the exercise of options, will be freely tradable without restrictions or further registration under the Securities Act. If the exchange offer and subsequent merger with Genomica closes and if Genomica stockholders sell substantial amounts of Exelixis common stock in the public market following the transaction, the market price of Exelixis common stock could fall. These sales might also make it more difficult for us to sell equity or equity-related securities at a time and price that we otherwise would deem appropriate. Based on an assumed exchange ratio of .28306, calculated using the average closing sales price of Exelixis common stock during the 18 trading days ended on December 26, 2001, we will issue up to approximately 6,924,536 shares of Exelixis common stock in the transaction, of which 2,029,038 are expected to be issued in exchange for shares, including shares issuable upon exercise of options and warrants, to stockholders that are subject to a lock-up agreement. The lock-up agreement provides that the stockholder will not sell or otherwise transfer or dispose of Exelixis common stock for up to 90 days following the date we accept shares for payment pursuant to the exchange offer.

THE RECEIPT OF SHARES OF EXELIXIS COMMON STOCK COULD BE TAXABLE TO YOU, DEPENDING ON FACTS SURROUNDING THE TRANSACTION.

Exelixis and Genomica have structured the transaction to qualify as an integrated tax-free reorganization for federal income tax purposes. As a condition to the completion of the exchange offer, Exelixis and Genomica are required to obtain opinions of Heller Ehrman White & McAuliffe LLP and Cooley Godward LLP, respectively, that the transaction will be treated for U.S. federal income tax purposes as an integrated reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986 if: (i) the transaction is completed under the current terms of the merger agreement; (ii) the minimum tender condition for the exchange offer is satisfied; and (iii) the merger is completed promptly after the exchange offer. However, the ability to satisfy these factual assumptions, and therefore the federal income tax consequences of the transaction, depends in part on facts that will not be available before the completion of the transaction. If these factual assumptions are not satisfied, a Genomica stockholder's exchange of shares of Genomica common stock for shares of Exelixis common stock in the exchange offer or conversion of shares in the merger could be a taxable transaction.

RISKS RELATED TO EXELIXIS' BUSINESS

EXELIXIS HAS A HISTORY OF NET LOSSES. WE EXPECT TO CONTINUE TO INCUR NET LOSSES, AND WE MAY NOT ACHIEVE OR MAINTAIN PROFITABILITY.

We have incurred net losses each year since our inception, including a net loss of approximately $52.9 million for the nine months ended September 30, 2001. As of that date, we had an accumulated deficit of approximately $183.0 million. We expect these losses to continue and anticipate negative cash flow for the foreseeable future. The size of these net losses will depend, in part, on the rate of growth, if any, in our license and contract revenues and on the level of our expenses. Our research and development expenditures and general and administrative costs have exceeded our revenues to date, and we expect to spend significant additional amounts to fund research and development in order to enhance our core technologies and undertake product development. As a result, we expect that our operating expenses will increase significantly in the near term and, consequently, we will need to generate significant additional revenues to achieve profitability. Even if we do increase our revenues and achieve profitability, we may not be able to sustain or increase profitability.

WE WILL NEED ADDITIONAL CAPITAL IN THE FUTURE WHICH MAY NOT BE AVAILABLE TO US.

Our future capital requirements will be substantial and will depend on many factors including:

- payments received under collaborative agreements;
- the progress and scope of our collaborative and independent research and development projects;
- our ability to successfully continue development of a recently acquired cancer compound;
- our need to expand our other proprietary product development efforts as well as develop manufacturing and marketing capabilities to commercialize products; and
- the filing, prosecution and enforcement of patent claims.

We anticipate that our current cash and cash equivalents, short-term investments and funding to be received from collaborators will enable us to maintain our currently planned operations for at least the next two years. Changes to our current operating plan may require us to consume available capital resources significantly sooner than we expect. For example, our newly acquired cancer product from our recent relationship with Bristol-Myers Squibb will require significant resources for development that were not in our operational plans before acquiring the cancer product. We may be unable to raise sufficient additional capital when we need it, on favorable terms, or at all. If our capital resources are insufficient to meet future capital requirements, we will have to raise additional funds. The sale of equity or convertible debt securities in the future may be dilutive to our stockholders, and debt financing arrangements may require us to pledge certain assets and enter into covenants that would restrict our ability to incur further indebtedness. If we are unable to obtain adequate funds on reasonable terms, we may be required to curtail operations significantly or to obtain funds by entering into financing, supply or collaboration agreements on unattractive terms.

DIFFICULTIES WE MAY ENCOUNTER MANAGING OUR GROWTH MAY DIVERT RESOURCES AND LIMIT OUR ABILITY TO SUCCESSFULLY EXPAND OUR OPERATIONS.

We have experienced a period of rapid and substantial growth that has placed, and anticipated growth in the future will continue to place, a strain on our administrative and operational infrastructure. As our operations expand, we expect that we will need to manage multiple locations, including additional locations outside of the United States, and additional relationships with various collaborative partners, suppliers and other third parties. Our ability to manage our operations and growth effectively requires us to continue to improve our operational, financial and management controls, reporting systems and procedures. We may not be able to successfully implement improvements to our management information and control systems in an efficient or timely manner and may discover deficiencies in existing systems and controls. In addition, acquisitions involve the integration of different financial and management reporting systems. We may not be able to successfully integrate the administrative and operational infrastructure without significant additional improvements and investments in management systems and procedures.

WE ARE DEPENDENT ON OUR COLLABORATIONS WITH MAJOR COMPANIES. IF WE ARE UNABLE TO ACHIEVE MILESTONES, DEVELOP PRODUCTS OR RENEW OR ENTER INTO NEW COLLABORATIONS, OUR REVENUES MAY DECREASE AND OUR ACTIVITIES MAY FAIL TO LEAD TO COMMERCIALIZED PRODUCTS.

Substantially all of our revenues to date have been derived from collaborative research and development agreements. Revenues from research and development collaborations depend upon continuation of the collaborations, the achievement of milestones and royalties derived from future products developed from our research. If we are unable to achieve milestones or our collaborators fail to develop successful products, we will not earn the revenues contemplated under such collaborative agreements. In addition, some of our collaborations are exclusive and preclude us from entering into additional collaborative arrangements with other parties in the area or field of exclusivity.

We currently have continuing collaborative research agreements with Bayer, Bristol-Myers Squibb, Dow AgroSciences, Aventis CropSciences, Protein Design Labs, Elan Pharmaceuticals and Scios. Our current collaborative agreement with Bayer is scheduled to expire in 2008, after which it will automatically be extended for one-year terms unless terminated by either party upon 12-month written notice. Our agreement permits Bayer to terminate the collaborative activities before 2008 upon the occurrence of specified conditions, such as the

failure to agree on key strategic issues after a period of years or the acquisition of Exelixis by certain specified third parties. In addition, our agreements with Bayer are subject to termination at an earlier date if two or more of our Chief Executive Officer, Chief Scientific Officer, Agricultural Biotechnology Program Leader and Chief Informatics Officer cease to have a relationship with us within six months of each other and we are unable to find replacements acceptable to Bayer. We have two collaborative agreements with Bristol-Myers Squibb. The first of our collaborative agreements with Bristol-Myers Squibb expires in September 2002. The funded research term of the second arrangement, entered into in July 2001, expires in July 2005. Our collaborative agreement with Dow AgroSciences is scheduled to expire in July 2003, after which Dow AgroSciences has the option to renew on an annual basis. Our collaborative research arrangement with Aventis is scheduled to expire in June 2004. Aventis has the right to terminate the research arrangement before the expiration date, provided that it pays the annual research funding amount due for the year following termination. Thereafter, the arrangement renews annually unless Aventis terminates automatic renewal before the scheduled date of renewal. The Aventis arrangement is conducted through a limited liability company, Agrinomics, which is owned equally by Aventis and Exelixis. Aventis may surrender its interest in Agrinomics and terminate the related research collaboration before the scheduled expiration upon the payment of the subsequent year's funding commitment. Bayer and Aventis recently announced an agreement for Bayer to acquire Aventis. The acquisition is expected to close during the first quarter of 2002. Our agreement with Protein Design Labs is scheduled to expire in May 2003. Protein Design Labs has a unilateral right to renew for additional 12 and six month periods thereafter. The five-year term of the convertible promissory note entered into as part of this arrangement is unaffected by whether or not Protein Design Labs renews. If these existing agreements are not renewed or if we are unable to enter into new collaborative agreements on commercially acceptable terms, our revenues and product development efforts may be adversely affected. In August and October of 2002, we signed agreements to deliver high-throughput screening compounds with Elan Pharmaceuticals and Scios, respectively, which have terms of three and four years, respectively. These agreements are subject to early termination if we fail to achieve certain quality and quantity commitments.

We recently announced the reacquisition, effective February 2002, of future rights to research programs in metabolism and Alzheimer's disease previously licensed exclusively to Pharmacia Corporation. An existing agreement with Pharmacia will terminate as of that date. Pharmacia will retain rights to targets under the existing agreement selected before the reacquisition date, subject to the payment of milestones for certain of those targets selected and royalties for future development of products against or using those targets but will have no other obligations to make payments to us, including approximately $9.0 million in annual funding that would otherwise be payable for two years if we had not elected to reacquire rights to the research at this time. Although we anticipate entering into future collaborations involving either or both of these programs, there can be no assurance that we will be able to enter into new collaborative agreements or that such collaborations will provide revenues equal to or exceeding those otherwise obtainable under the Pharmacia collaboration.

CONFLICTS WITH OUR COLLABORATORS COULD JEOPARDIZE THE OUTCOME OF OUR COLLABORATIVE AGREEMENTS AND OUR ABILITY TO COMMERCIALIZE PRODUCTS.

We intend to conduct proprietary research programs in specific disease and agricultural product areas that are not covered by our collaborative agreements. Our pursuit of opportunities in agricultural and pharmaceutical markets could, however, result in conflicts with our collaborators in the event that any of our collaborators takes the position that our internal activities overlap with those

areas that are exclusive to our collaborative agreements, and we should be precluded from such internal activities. Moreover, disagreements with our collaborators could develop over rights to our intellectual property. In addition, our collaborative agreements may have provisions that give rise to disputes regarding the rights and obligations of the parties. Any conflict with our collaborators could lead to the termination of our collaborative agreements, delay collaborative activities, reduce our ability to renew agreements or obtain future collaboration agreements or result in litigation or arbitration and would negatively impact our relationship with existing collaborators.

We have limited or no control over the resources that our collaborators may choose to devote to our joint efforts. Our collaborators may breach or terminate their agreements with us or fail to perform their obligations under these agreements. Further, our collaborators may elect not to develop products arising out of our collaborative arrangements or may fail to devote sufficient resources to the development, manufacture, market or sale of such products. Certain of our collaborators could also become our competitors in the future. If our collaborators develop competing products, preclude us from entering into collaborations with their competitors, fail to obtain necessary regulatory approvals, terminate their agreements with us prematurely or fail to devote sufficient resources to the development and commercialization of our products, our product development efforts could be delayed and may fail to lead to commercialized products.

WE ARE DEPLOYING UNPROVEN TECHNOLOGIES, AND WE MAY NOT BE ABLE TO DEVELOP COMMERCIALLY SUCCESSFUL PRODUCTS.

You must evaluate us in light of the uncertainties and complexities affecting a biotechnology company. Our technologies are still in the early stages of development. Our research and operations thus far have allowed us to identify a number of product targets for use by our collaborators and our own internal development programs. We are not certain, however, of the commercial value of any of our current or future targets, and we may not be successful in expanding the scope of our research into new fields of pharmaceutical or pesticide research, or other agricultural applications such as enhancing plant traits to produce superior crop yields, disease resistance or increased nutritional content. Significant research and development, financial resources and personnel will be required to capitalize on our technology, develop commercially viable products and obtain regulatory approval for such products.

WE HAVE NO EXPERIENCE IN DEVELOPING, MANUFACTURING AND MARKETING PRODUCTS AND MAY BE UNABLE TO COMMERCIALIZE PROPRIETARY PRODUCTS.

We recently acquired a development compound, an analog to rebeccamycin ("Rebeccamycin"), directed against cancer under our recent collaborative arrangement with Bristol-Myers Squibb. Clinical development of Rebeccamycin to date has been conducted by the National Cancer Institute, or NCI, and manufacturing of this product has been the responsibility of Bristol-Myers Squibb. Rebeccamycin has recently completed Phase I clinical studies and is in Phase I and early Phase II clinical trials being conducted by the NCI. We have an agreement with the NCI to use the results of the clinical studies they have conducted or are conducting in order to determine what additional studies, if any, will be conducted by the NCI or us. There can be no assurance that we and the NCI will successfully agree upon further development plans, the respective rights and obligations of the parties to conduct additional clinical studies or the timing of these studies. In addition, there can be no assurance that the clinical studies conducted to date will support further clinical development or be accepted by the Food and Drug Administration, or FDA, in conjunction with any application for product approval submitted to the FDA for Rebeccamycin. Moreover, although Bristol-Myers Squibb has provided the NCI with sufficient quantities of Rebeccamycin to complete the existing Phase I and II clinical studies, development necessary for further clinical studies and product approval

will require us to either develop internal manufacturing capabilities or retain a third party to manufacture the product. In

addition, we have recently hired a new Senior Vice President responsible for clinical development of this product, as well as any new potential products that we may develop. As a result, we have limited experience in clinical development and no experience in manufacturing potential drug products. Accordingly, the development of Rebeccamycin is subject to significant risk and uncertainty, particularly with respect to our ability to successfully develop, manufacture and market Rebeccamycin as a product.

With respect to products developed against our proprietary drug targets, we will rely on our collaborators to develop and commercialize products based on our research and development efforts. We have limited or no experience in using the targets that we identify to develop our own proprietary products. Our recent success in applying our drug development capabilities to our proprietary targets in cancer are subject to significant risk and uncertainty, particularly with respect to our ability to meet currently estimated timelines and goals for completing preclinical development efforts and filing an Investigational New Drug Application, or IND, for compounds developed. In order for us to commercialize products, we would need to significantly enhance our capabilities with respect to product development, and establish manufacturing and marketing capabilities, either directly or through outsourcing or licensing arrangements. We may not be able to enter into these outsourcing or licensing agreements on commercially reasonable terms, or at all.

SINCE OUR TECHNOLOGIES HAVE MANY POTENTIAL APPLICATIONS AND WE HAVE LIMITED RESOURCES, OUR FOCUS ON A PARTICULAR AREA MAY RESULT IN OUR FAILURE TO CAPITALIZE ON MORE PROFITABLE AREAS.

We have limited financial and managerial resources. This requires us to focus on product candidates in specific industries and forego opportunities with regard to other products and industries. For example, depending on our ability to allocate resources, a decision to concentrate on a particular agricultural program may mean that we will not have resources available to apply the same technology to a pharmaceutical project. While our technologies may permit us to work in both areas, resource commitments may require trade-offs resulting in delays in the development of certain programs or research areas, which may place us at a competitive disadvantage. Our decisions impacting resource allocation may not lead to the development of viable commercial products and may divert resources from more profitable market opportunities. Moreover, our recent acquisition of Rebeccamycin will require that resources and management time be directed to clinical development and manufacturing of this potential product. There can be no assurance that allocating resources and time to these efforts will allow us to remain competitive in existing programs and potential areas of future research. The resources dedicated to the development of Rebeccamycin may limit or hinder our ability to meet currently estimated timelines and goals for completing preclinical development efforts and filing an IND for our proprietary compounds.

OUR COMPETITORS MAY DEVELOP PRODUCTS AND TECHNOLOGIES THAT MAKE OUR PRODUCTS AND TECHNOLOGIES OBSOLETE.

The biotechnology industry is highly fragmented and is characterized by rapid technological change. In particular, the area of gene research is a rapidly evolving field. We face, and will continue to face, intense competition from large biotechnology and pharmaceutical companies, as well as academic research institutions, clinical reference laboratories and government agencies that are pursuing research activities similar to ours. Some of our competitors have entered into collaborations with leading companies within our target

markets, including some of our existing collaborators. Our future success will depend on our ability to maintain a competitive position with respect to technological advances.

Any products that are developed through our technologies will compete in highly competitive markets. Furthermore, our competitors may be more effective at using their technologies to develop commercial products. Many of the organizations competing with us have greater capital resources, larger research and development staffs and facilities, more experience in obtaining regulatory approvals and more extensive product manufacturing and marketing capabilities. As a result, our competitors may be able to more easily develop technologies and products that would render our technologies and products, and those of our collaborators, obsolete and noncompetitive.

IF WE ARE UNABLE TO ADEQUATELY PROTECT OUR INTELLECTUAL PROPERTY, THIRD PARTIES MAY BE ABLE TO USE OUR TECHNOLOGY, WHICH COULD ADVERSELY AFFECT OUR ABILITY TO COMPETE IN THE MARKET.

Our success will depend in part on our ability to obtain patents and maintain adequate protection of the intellectual property related to our technologies and products. The patent positions of biotechnology companies, including our patent position, are generally uncertain and involve complex legal and factual questions. We will be able to protect our intellectual property rights from unauthorized use by third parties only to the extent that our technologies are covered by valid and enforceable patents or are effectively maintained as trade secrets. The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the U.S., and many companies have encountered significant problems in protecting and defending these rights in foreign jurisdictions. We will continue to apply for patents covering our technologies and products as and when we deem appropriate. However, these applications may be challenged or may fail to result in issued patents. Our existing patents and any future patents we obtain may not be sufficiently broad to prevent others from practicing our technologies or from developing competing products. Furthermore, others may independently develop similar or alternative technologies or design around our patents. In addition, our patents may be challenged, invalidated or fail to provide us with any competitive advantages.

We rely on trade secret protection for our confidential and proprietary information. We have taken security measures to protect our proprietary information and trade secrets, but these measures may not provide adequate protection. While we seek to protect our proprietary information by entering into confidentiality agreements with employees, collaborators and consultants, we cannot assure you that our proprietary information will not be disclosed, or that we can meaningfully protect our trade secrets. In addition, our competitors may independently develop substantially equivalent proprietary information or may otherwise gain access to our trade secrets.

LITIGATION OR THIRD PARTY CLAIMS OF INTELLECTUAL PROPERTY INFRINGEMENT COULD REQUIRE US TO SPEND SUBSTANTIAL TIME AND MONEY AND ADVERSELY AFFECT OUR ABILITY TO DEVELOP AND COMMERCIALIZE PRODUCTS.

Our commercial success depends in part on our ability to avoid infringing patents and proprietary rights of third parties, and not breaching any licenses that we have entered into with regard to our technologies. Other parties have filed, and in the future are likely to file, patent applications covering genes and gene fragments, techniques and methodologies relating to model systems, and products and technologies that we have developed or intend to develop. If patents covering technologies required by our operations are issued to others,

we may have to rely on licenses from third parties, which may not be available on commercially reasonable terms, or at all.

Third parties may accuse us of employing their proprietary technology without authorization. In addition, third parties may obtain patents that relate to our technologies and claim that the use of our technologies infringes on their patents. Regardless of their merit, these claims could require us to incur substantial costs, including the diversion of management and technical personnel, in defending ourselves against these claims or enforcing our patents. In the event that a successful claim of infringement is brought against us, we may be required to pay damages and obtain one or more licenses from third parties. We may not be able to obtain these licenses at a reasonable cost, or at all. Defense of any lawsuit or failure to obtain any of these licenses could adversely affect our ability to develop and commercialize products.

THE LOSS OF KEY PERSONNEL OR THE INABILITY TO ATTRACT AND RETAIN ADDITIONAL PERSONNEL COULD IMPAIR OUR ABILITY TO EXPAND OUR OPERATIONS.

We are highly dependent on the principal members of our management and scientific staff, the loss of whose services might adversely impact the achievement of our objectives and the continuation of existing collaborations. In addition, recruiting and retaining qualified scientific personnel to perform future research and development work will be critical to our success. We do not currently have sufficient executive management and technical personnel to fully execute our business plan. There is currently a shortage of skilled executives and employees with technical expertise, and this shortage is likely to continue. As a result,

competition for skilled personnel is intense and turnover rates are high. Although we believe we will be successful in attracting and retaining qualified personnel, competition for executives and experienced scientists from numerous companies, academic and other research institutions may limit our ability to do so.

Our business operations will require additional expertise in specific industries and areas applicable to products identified and developed through our technologies. These activities will require the addition of new personnel, including management and technical personnel and the development of additional expertise by existing employees. The inability to attract such personnel or to develop this expertise could prevent us from expanding our operations in a timely manner, or at all.

OUR COLLABORATIONS WITH OUTSIDE SCIENTISTS MAY BE SUBJECT TO RESTRICTION AND CHANGE.

We work with scientific advisors and collaborators at academic and other institutions that assist us in our research and development efforts. These scientists are not our employees and may have other commitments that would limit their availability to us. Although our scientific advisors and collaborators generally agree not to do competing work, if a conflict of interest between their work for us and their work for another entity arises, we may lose their services. In addition, although our scientific advisors and collaborators sign agreements not to disclose our confidential information, it is possible that valuable proprietary knowledge may become publicly known through them.

OUR POTENTIAL THERAPEUTIC PRODUCTS ARE SUBJECT TO A LENGTHY AND UNCERTAIN REGULATORY PROCESS THAT MAY NOT RESULT IN THE NECESSARY REGULATORY APPROVALS, WHICH COULD ADVERSELY AFFECT OUR ABILITY TO COMMERCIALIZE PRODUCTS.

The FDA must approve any drug or biologic product before it can be marketed in the U.S. Any products resulting from our research and development efforts must also be approved by the regulatory agencies of foreign governments before the product can be sold outside the U.S. Before a new drug application or biologics license application can be filed with the FDA, the product candidate must undergo extensive clinical trials, which can take many years and may require substantial expenditures. The regulatory process also requires preclinical testing. Data obtained from preclinical and clinical activities are susceptible to varying interpretations, which could delay, limit or prevent regulatory approval. In addition, delays or rejections may be encountered based upon changes in regulatory policy for product approval during the period of product development and regulatory agency review. The clinical development and regulatory approval process is expensive and time consuming. Any failure to obtain regulatory approval could delay or prevent us from commercializing products.

Our efforts to date have been primarily limited to identifying targets. Significant research and development efforts will be necessary before any products resulting from such targets can be commercialized. If regulatory approval is granted to any of our products, this approval may impose limitations on the uses for which a product may be marketed. Further, once regulatory approval is obtained, a marketed product and its manufacturer are subject to continual review, and discovery of previously unknown problems with a product or manufacturer may result in restrictions and sanctions with respect to the product, manufacturer and relevant manufacturing facility, including withdrawal of the product from the market.

SOCIAL ISSUES MAY LIMIT THE PUBLIC ACCEPTANCE OF GENETICALLY ENGINEERED PRODUCTS, WHICH COULD REDUCE DEMAND FOR OUR PRODUCTS.

Although our technology is not dependent on genetic engineering, genetic engineering plays a prominent role in our approach to product development. For example, research efforts focusing on plant traits may involve either selective breeding or modification of existing genes in the plant under study. Public attitudes may be influenced by claims that genetically engineered products are unsafe for consumption or pose a danger to the environment. Such claims may prevent our genetically engineered products from gaining public acceptance. The commercial success of our future products will depend, in part, on public acceptance of the use of genetically engineered products including drugs and plant and animal products.

The subject of genetically modified organisms has received negative publicity, which has aroused public debate. For example, certain countries in Europe are considering regulations that may ban products or require express labeling of products that contain genetic modifications or are "genetically modified." Adverse publicity has resulted in greater regulation internationally and trade restrictions on imports of genetically altered products. If similar action is taken in the U.S., genetic research and genetically engineered products could be subject to greater domestic regulation, including stricter labeling requirements. To date, our business has not been hampered by these activities. However, such publicity in the future may prevent any products resulting from our research from gaining market acceptance and reduce demand for our products.

LAWS AND REGULATIONS MAY REDUCE OUR ABILITY TO SELL GENETICALLY ENGINEERED PRODUCTS THAT WE OR OUR COLLABORATORS DEVELOP IN THE FUTURE.

We or our collaborators may develop genetically engineered agricultural and animal products. The field-testing, production and marketing of genetically

engineered products are subject to regulation by federal, state, local and foreign governments. Regulatory agencies administering existing or future regulations or legislation may prevent us from producing and marketing genetically engineered products in a timely manner or under technically or commercially feasible conditions. In addition, regulatory action or private litigation could result in expenses, delays or other impediments to our product development programs and the commercialization of products. The FDA has released a policy statement stating that it will apply the same regulatory standards to foods developed through genetic engineering as it applies to foods developed through traditional plant breeding. Genetically engineered food products will be subject to premarket review, however, if these products raise safety questions or are deemed to be food additives. Our products may be subject to lengthy FDA reviews and unfavorable FDA determinations if they raise questions regarding safety or our products are deemed to be food additives.

The FDA has also announced that it will not require genetically engineered agricultural products to be labeled as such, provided that these products are as safe and have the same nutritional characteristics as conventionally developed products. The FDA may reconsider or change its policies, and local or state authorities may enact labeling requirements, either of which could have a material adverse effect on our ability or the ability of our collaborators to develop and market products resulting from our efforts.

WE USE HAZARDOUS CHEMICALS AND RADIOACTIVE AND BIOLOGICAL MATERIALS IN OUR BUSINESS. ANY CLAIMS RELATING TO IMPROPER HANDLING, STORAGE OR DISPOSAL OF THESE MATERIALS COULD BE TIME CONSUMING AND COSTLY.

Our research and development processes involve the controlled use of hazardous materials, including chemicals, radioactive and biological materials. Our operations produce hazardous waste products. We cannot eliminate the risk of accidental contamination or discharge and any resultant injury from these materials. Federal, state and local laws and regulations govern the use, manufacture, storage, handling and disposal of hazardous materials. We may be sued for any injury or contamination that results from our use or the use by third parties of these materials, and our liability may exceed our insurance coverage and our total assets. Compliance with environmental laws and regulations may be expensive, and current or future environmental regulations may impair our research, development and production efforts.

In addition, our collaborators may use hazardous materials in connection with our collaborative efforts. To our knowledge, their work is performed in accordance with applicable biosafety regulations. In the event of a lawsuit or investigation, however, we could be held responsible for any injury caused to persons or property by exposure to, or release of, these hazardous materials use by these parties. Further, we may be required to indemnify our collaborators against all damages and other liabilities arising out of our development activities or products produced in connection with these collaborations.

WE MAY NOT BE ABLE TO SUCCESSFULLY MANAGE THE RISKS ASSOCIATED WITH ACQUISITIONS, WHICH COULD THREATEN OUR FUTURE GROWTH.

We have made, and may in the future make, acquisitions of, or significant investments in, businesses with complementary products, services and technologies. Acquisitions involve numerous risks, including, but not limited to:

- difficulties and increased costs in connection with integration of the personnel, operations, technologies and products of acquired companies;

- diversion of management's attention from other operational matters;

- the potential loss of key employees of acquired companies;

- the potential loss of key collaborators of acquired companies;

- lack of synergy, or the inability to realize expected synergies, resulting from the acquisition;

- exposure to fluctuations in foreign currency;

- differences in foreign laws, business practices, statutes, regulations and tax provisions; and

- acquired intangible assets becoming impaired as a result of technological advancements or acquired companies performing below expectations.

Mergers and acquisitions are inherently risky, and the inability to effectively manage these risks could materially and adversely affect our business, financial condition and results of operations.

IF PRODUCT LIABILITY LAWSUITS ARE SUCCESSFULLY BROUGHT AGAINST US, WE COULD FACE SUBSTANTIAL LIABILITIES THAT EXCEED OUR RESOURCES.

We may be held liable if any product we or our collaborators develop causes injury or is found otherwise unsuitable during product testing, manufacturing, marketing or sale. Although we intend to obtain general liability and product liability insurance, this insurance may be prohibitively expensive, or may not fully cover our potential liabilities. Inability to obtain sufficient insurance coverage at an acceptable cost or to otherwise protect ourselves against potential product liability claims could prevent or inhibit the commercialization of products developed by our collaborators or us.

OUR HEADQUARTERS ARE LOCATED NEAR KNOWN EARTHQUAKE FAULT ZONES, AND THE OCCURRENCE OF AN EARTHQUAKE OR OTHER CATASTROPHIC DISASTER COULD CAUSE DAMAGE TO OUR FACILITIES AND EQUIPMENT, WHICH COULD REQUIRE US TO CEASE OR CURTAIL OPERATIONS.

Given the location of our headquarters in South San Francisco, California, those facilities are vulnerable to damage from earthquakes. In addition, all of our facilities are also vulnerable to damage from other types of disasters, including fire, floods, power loss, communications failures and similar events. If any disaster were to occur, our ability to operate our business at our facilities would be seriously, or potentially completely, impaired. In addition, the unique nature of our research activities could cause significant delays in our programs and make it difficult for us to recover from a disaster. The insurance we maintain may not be adequate to cover our losses resulting from disasters or other business interruptions. Accordingly, an earthquake or other disaster could materially and adversely harm our ability to conduct business.

SOME OF OUR EXISTING STOCKHOLDERS CAN EXERT CONTROL OVER US AND THEIR INTERESTS COULD CONFLICT WITH THE BEST INTERESTS OF OUR OTHER STOCKHOLDERS.

Due to their combined holdings, our officers, directors and stockholders holding more than 5% of Exelixis common stock, or principal stockholders, acting together, may be able to exert significant influence over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. In addition, this concentration of ownership may delay or prevent a change in control of Exelixis, even when a change may be in the best interests of our stockholders. In addition, the interests of these

stockholders may not always coincide with our interests as a company or the interests of other stockholders. Accordingly, these stockholders could cause us to enter into transactions or agreements that our other stockholders would not approve.

ANTI-TAKEOVER PROVISIONS IN OUR CHARTER DOCUMENTS AND DELAWARE LAW COULD DISCOURAGE, DELAY OR PREVENT A CHANGE OF CONTROL THAT OUR STOCKHOLDERS MAY FAVOR.

Provisions in our certificate of incorporation, our bylaws and Delaware law could make it difficult for a third party to acquire us, even if an acquisition would be beneficial to our stockholders. These provisions could discourage potential takeover attempts and could adversely affect the market price of Exelixis common stock. These provisions:

- prohibit stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of our stockholders;

- limit the ability of stockholders to call a special meeting of stockholders;

- authorize our board of directors, without stockholder approval, to issue up to 10,000,000 shares of preferred stock that could be issued by our board of directors to increase the number of outstanding shares and discourage a takeover attempt; and

- prohibit us from engaging in mergers and other business combinations with stockholders that beneficially own 15% or more of our voting stock, or with their affiliates, for three years unless our directors or stockholders approve the business combination in the prescribed manner or certain other requirements are satisfied.

RISKS RELATED TO EXELIXIS COMMON STOCK

WE EXPECT THAT OUR QUARTERLY RESULTS OF OPERATIONS WILL FLUCTUATE, AND THIS FLUCTUATION COULD CAUSE OUR STOCK PRICE TO DECLINE, CAUSING INVESTOR LOSSES.

Our quarterly operating results have fluctuated in the past and are likely to fluctuate in the future. A number of factors, many of which we cannot control, could subject our operating results and stock price to volatility, including:

- recognition of license, milestone or other revenues;

- payments of licensing fees to third parties;

- acceptance of our technologies and platforms;

- the success rate of our discovery efforts leading to milestones and royalties;

- the introduction of new technologies or products by our competitors;

- the timing and willingness of collaborators to commercialize our products;

- our ability to enter into new collaborative relationships;

- the termination or non-renewal of existing collaborations;

- general and industry-specific economic conditions that may affect our collaborators' research and development expenditures; and

- exposure to fluctuations in foreign currency.

A large portion of our expenses, including expenses for facilities, equipment and personnel, are relatively fixed in the short term. In addition, we expect operating expenses to increase significantly during the next year. Accordingly, if our revenues decline or do not grow as anticipated due to the expiration of existing contracts or our failure to obtain new contracts, our inability to meet milestones or other factors, we may not be able to correspondingly reduce our operating expenses. Failure to achieve anticipated levels of revenues could therefore significantly harm our operating results for a particular fiscal period.

Due to the possibility of fluctuations in our revenues and expenses, we believe that quarter-to-quarter comparisons of our operating results are not a good indication of our future performance. As a result, in some future quarters, our operating results may not meet the expectations of stock market analysts and investors, which could result in a decline in the price of Exelixis common stock.

OUR STOCK PRICE MAY BE EXTREMELY VOLATILE, WHICH COULD SUBJECT US TO SECURITIES LITIGATION, WHICH IS EXPENSIVE AND COULD DIVERT OUR RESOURCES.

We believe the trading price of Exelixis common stock will remain highly volatile and may fluctuate substantially due to factors such as the following:

- the announcement of new products or services by us or our competitors;

- quarterly variations in our or our competitors' results of operations;

- failure to achieve operating results projected by securities analysts;

- changes in earnings estimates or recommendations by securities analysts;

- developments in the biotechnology industry;

- acquisitions of other companies or technologies; and

- general market conditions and other factors, including factors unrelated to our operating performance or the operating performance of our competitors.

These factors and fluctuations, as well as general economic, political and market conditions, may materially adversely affect the market price of Exelixis common stock.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in substantial costs and divert management's attention and resources, which could have a material and adverse effect on our business.

FUTURE SALES OF OUR COMMON STOCK MAY DEPRESS OUR STOCK PRICE.

If our stockholders sell substantial amounts of our common stock (including shares issued upon the exercise of outstanding options and warrants) in the public market, the market price of our common stock could fall. These sales also

might make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deemed appropriate. In addition, in connection with our recent acquisitions and corporate collaborations, we issued and registered for sale a significant number of shares of common stock. Sales of these shares and other shares of common stock held by existing stockholders could cause the market price of our common stock to decline.

THE TRANSACTION

GENERAL

This section of the document describes aspects of the proposed exchange offer and merger that we consider to be important. The discussion of the exchange offer and merger in this prospectus and the description of the principal terms of the exchange offer and merger agreement are only summaries of the material features of the proposed exchange offer and merger. You can obtain a more complete understanding of the exchange offer and merger by reading the merger agreement, a copy of which is attached to this prospectus as Annex A. You are encouraged to read the merger agreement and the other annexes to this prospectus in their entirety.

GENERAL DESCRIPTION OF THE EXCHANGE OFFER AND THE MERGER

On November 19, 2001, we entered into a merger agreement with Genomica, providing for a wholly owned subsidiary of Exelixis, Bluegreen Acquisition Sub, to offer to acquire all of the outstanding shares of Genomica common stock by means of an exchange offer and a subsequent merger.

Exelixis, through Bluegreen Acquisition Sub, is offering to exchange a portion of a share of Exelixis common stock determined pursuant to an exchange ratio, described below, for each outstanding share of Genomica common stock that is validly tendered and not properly withdrawn on or prior to the expiration date of the exchange offer.

If completed, the exchange offer will be followed by a merger of Bluegreen Acquisition Sub into Genomica in which shares of Genomica common stock will be converted into the right to receive shares of Exelixis common stock at the same exchange ratio used in the exchange offer, unless the holder properly perfects appraisal rights, if available, under Delaware law. After completion of the merger, Genomica will be a wholly owned subsidiary of Exelixis.

The expiration date of the exchange offer is 12:00 midnight, New York City time, on Friday, December 28, 2001, unless we extend the period of time for which the exchange offer is open, in which case the term "expiration date" means the latest time and date on which the exchange offer, as so extended, expires.

If you are the record owner of your shares of Genomica common stock and you tender those shares directly to the exchange agent, you will not incur any brokerage fees or commissions. If you own your shares of Genomica common stock through a broker or other nominee, and your broker tenders those shares on your behalf, your broker may charge you a commission for doing so. You should consult with your broker or nominee to determine whether any charges will apply. We will be responsible for any transfer taxes on the exchange of shares of Genomica common stock pursuant to the exchange offer that are imposed on the acquiror of the shares of Genomica common stock. You will be responsible for any transfer taxes that are imposed on the transferor.

The exchange offer is conditioned on the tender of at least the sum of a majority of the total number of shares of Genomica common stock plus the total

number of shares of Genomica common stock issuable upon exercise of options to acquire Genomica common stock, each as outstanding immediately before the expiration of the exchange offer, as it may be extended pursuant to the merger agreement. We may not waive this condition without Genomica's consent. In addition, our obligation to deliver shares of Exelixis common stock in exchange for shares of Genomica common stock pursuant to the exchange offer is subject to several other conditions referred to below in the section entitled "Certain Terms of the Merger Agreement -- Conditions to the Exchange Offer."

Genomica's board of directors unanimously approved the merger agreement, determined that the exchange offer and the merger together are fair to, and in the best interests of, Genomica stockholders and recommends that Genomica stockholders accept the exchange offer and tender their shares pursuant to the exchange offer.

THE EXCHANGE RATIO

The exchange ratio is a number computed as the quotient of the following two items:

- the numerator is equal to the Genomica common stock value, determined by dividing $110.0 million by the sum of the number of shares of Genomica common stock and Genomica preferred stock outstanding as of the date that we first accept shares of Genomica common stock for payment pursuant to the exchange offer plus the number of shares of Genomica common stock issuable upon the exercise of all stock options and warrants with a per share exercise price of $5.00 or less that are outstanding as of the date that we first accept shares of Genomica common stock for payment pursuant to the exchange offer; and

- the denominator is equal to the greater of the following two numbers:

  - $13.30285, or

  - the average closing sales price of Exelixis common stock during the 18 trading days ending two trading days before the initial expiration of the exchange offer (as reported in The Wall Street Journal or, if not reported in The Wall Street Journal, any other authoritative source).

On December 26, 2001, we fixed the Exelixis common stock price for use in computing the exchange ratio. The exact exchange ratio will be calculated based upon $15.88556, the average closing sales price of Exelixis common stock on the Nasdaq National Market during the 18 trading-day period ended on December 26, 2001.

As of December 26, 2001, the last practicable date before the date of this prospectus, (i) the number of shares of Genomica common stock and Genomica preferred stock outstanding plus the number of shares of Genomica common stock issuable upon the exercise of outstanding stock options and warrants with a per share exercise price of $5.00 or less was 24,463,141; and (ii) the Genomica common stock value was approximately $4.49. Currently there are no shares of preferred stock of Genomica outstanding and no such shares are expected to be outstanding as of the expiration of the exchange offer. Pursuant to the terms of the merger agreement, Genomica has agreed not to issue any rights to acquire Genomica common stock or any additional shares of Genomica common stock, except issuances of Genomica common stock upon exercise of existing options or warrants

to acquire Genomica common stock. We do not expect that the Genomica common stock value will be materially different from the Genomica common stock value as computed on December 26, 2001. Please see the section of this prospectus entitled "The Transaction -- Interests of Genomica's Officers and Directors in the Transaction" beginning on page 50 for a description of the treatment of stock options held by Genomica employees.

We will notify you by issuing a press release announcing the final exchange ratio and filing that press release with the Securities and Exchange Commission. Genomica stockholders can call our information agent, Mellon Investor Services LLC, at any time toll-free at (866) 323-8159 to request information about the exchange ratio and any adjustment to the exchange ratio.

ILLUSTRATIVE TABLE OF EXCHANGE RATIOS AND VALUE OF OFFER/MERGER CONSIDERATION

The columns in the following table present:

- illustrative values of the exchange ratios (the portion of a share of our common stock that would be issued for one share of Genomica common stock) that would result if the Exelixis 18 trading-day average closing sales price ending two trading days before the initial expiration of the exchange offer were within a range of $8.00 to $20.00 per share; and

- the illustrative values of the approximate consideration that would be issued in connection with the exchange offer and the merger for one share of Genomica common stock, which illustrative values are determined by multiplying each of the Exelixis average closing sales prices presented in the table by the corresponding exchange ratio.

The following table and illustration assumes that the Genomica common stock value is $4.49, the value computed as of December 26, 2001.

VALUE OF OFFER/MERGER CONSIDERATION

EXELIXIS AVERAGE CLOSING SALES PRICE	EXCHANGE RATIO	APPROXIMATE CONSIDERATION VALUE PE GENOMICA SHARE (ROUNDED TO NEAREST WHOLE
$8.00	.33784	$2.70
$9.00	.33784	$3.04
$10.00	.33784	$3.38
$11.00	.33784	$3.72
$12.00	.33784	$4.05
$13.00	.33784	$4.39
$14.00	.32102	$4.49
$15.00	.29962	$4.49
$16.00	.28089	$4.49
$17.00	.26437	$4.49
$18.00	.24968	$4.49
$19.00	.23654	$4.49
$20.00	.22471	$4.49

THE VALUES OF OUR COMMON STOCK IN THE TABLE ABOVE ARE ILLUSTRATIVE ONLY AND DO NOT REPRESENT THE ACTUAL AMOUNTS PER SHARE OF GENOMICA COMMON STOCK THAT MIGHT BE REALIZED BY ANY GENOMICA STOCKHOLDER ON OR AFTER CONSUMMATION OF THE EXCHANGE OFFER OR THE MERGER. THE AMOUNT ANY GENOMICA STOCKHOLDER MIGHT REALIZE UPON SALE IN THE MARKET OF OUR COMMON STOCK RECEIVED BY THE STOCKHOLDER IN THE EXCHANGE OFFER OR THE MERGER WILL DEPEND UPON THE MARKET PRICE PER SHARE OF OUR COMMON STOCK AT THE TIME OF SALE, WHICH WILL FLUCTUATE DEPENDING UPON ANY NUMBER OF REASONS, INCLUDING THOSE SPECIFIC TO US AND THOSE THAT INFLUENCE THE TRADING PRICES OF EQUITY SECURITIES GENERALLY.

PURPOSE OF THE EXCHANGE OFFER AND THE MERGER

We are making the exchange offer in order to acquire all of the outstanding shares of Genomica common stock. We intend, as soon as practicable after completion of the exchange offer, to have our wholly owned subsidiary, Bluegreen Acquisition Sub, the purchaser in the exchange offer, merge with Genomica. The purpose of the merger is to acquire all shares of Genomica common stock not tendered and exchanged pursuant to the exchange offer. In the merger, each then-outstanding share of Genomica common stock, except for shares held by Genomica and shares that Exelixis or Bluegreen Acquisition Sub hold for their own accounts, and, if applicable, shares of Genomica common stock held by stockholders exercising appraisal rights, will be converted into the right to receive shares of Exelixis common stock at the same exchange ratio used in the exchange offer. Assuming the minimum tender condition is satisfied and we complete our exchange offer, we will have sufficient voting power to effect the merger without the vote of any other stockholder of Genomica.

BACKGROUND

Beginning in April 2001, Genomica's board of directors recognized that the market for Genomica's software products had not developed and grown as planned. At a meeting held on April 3, 2001, the board established a special committee consisting of Teresa W. Ayers, Genomica's chief executive officer and a member of the board of directors, Thomas G. Marr, Genomica's president, chief scientist and a member of the board of directors, James L. Rathmann, Genomica's chairman of the board of directors and Robert T. Nelsen,

a member of the board of directors (who was subsequently replaced by Michael J. Savage on July 18, 2001), to explore Genomica's strategic and financial alternatives, including a possible sale of Genomica, and authorized the special committee to engage a financial advisor to assist in the process. Thereafter, Genomica retained CIBC World Markets Corp. as its financial advisor.

From April 2001 through October 2001, approximately 40 companies were contacted to determine their interest in engaging in a strategic or business combination transaction with Genomica. Sixteen of these companies conducted preliminary due diligence investigations. By September 2001, seven of these companies, including Exelixis, submitted preliminary indications of interest. Genomica, with the assistance of CIBC World Markets, evaluated the strategic, business and financial merits of each of the potential strategic partners and potential acquirors. Genomica subsequently decided to pursue discussions with five potential acquirors, three of which were public companies and two of which were private companies.

Between April 5 and September 11, 2001, the special committee met with Genomica's management, representatives of CIBC World Markets and Cooley Godward LLP, Genomica's outside legal counsel, six times to consider the status of

Genomica's efforts to identify potential strategic partners or acquirors, and to receive updates on the status of discussions with certain parties that had expressed an interest in a strategic or business combination transaction.

At the September 11, 2001 meeting of the special committee, one potential acquiror made a presentation to the special committee. Presentations by several other potential acquirors, including Exelixis, that had been scheduled for that day and the next day were cancelled due to the September 11th terrorist attacks.

Because Exelixis had been unable to meet with the special committee on September 12, 2001, as originally planned, a telephone conference was held on September 13, 2001 between members of Genomica's management and Glen Sato, Exelixis' chief financial officer and vice president of legal affairs. During this telephone conference, Genomica's management presented Mr. Sato with a strategic overview of Genomica and discussed the possibility of a business combination between the two companies. Genomica's management was represented by Ms. Ayers and Daniel R. Hudspeth, Genomica's chief financial officer, vice president of finance, treasurer and secretary.

Between September 13 and September 24, 2001, Genomica continued to pursue discussions with Exelixis and the other four potential acquirors and continued its legal and financial due diligence investigation of these parties.

On September 19, 2001, Genomica received a written expression of interest from Exelixis in acquiring Genomica in a stock-for-stock transaction. Exelixis' initial proposal contemplated a stock-for-stock merger in which Exelixis would issue 6,406,150 shares of common stock, having an aggregate market value as of that date of approximately $71.5 million, in exchange for all outstanding shares of Genomica common stock. Exelixis' proposal was subject to various conditions, including the satisfactory completion of Exelixis' ongoing due diligence investigation of Genomica.

On September 20, 2001, Genomica received a written expression of interest from one of the other potential bidders ("Bidder A"). Bidder A's proposal contemplated a stock-for-stock merger in which Bidder A would issue a fixed number of shares of its common stock having a market value as of that date of approximately $61.7 million in exchange for all outstanding shares of Genomica common stock.

On September 24, 2001, the special committee met with Genomica's management and legal and financial advisors to consider the status of discussions with the five remaining potential acquirors. Genomica's management reviewed the status of discussions with each potential acquiror and informed the special committee that one of the private companies had withdrawn from the process. The special committee then decided to eliminate the other private company from consideration and focus on the potential acquirors which were already publicly traded. Genomica's management also informed the special committee that three public companies, including Exelixis and Bidder A, remained actively involved in discussions regarding a potential business combination transaction. Genomica's management and financial advisor then reviewed the written proposals that had been received from Exelixis and Bidder A, and an oral proposal from the third potential acquiror ("Bidder B"), with the special committee. A representative of Cooley Godward also outlined the special committee's fiduciary duties and other legal principles applicable to consideration of a business

combination transaction. The special committee concluded that, in light of financial market conditions following the September 11th terrorist attacks, none of the proposals was acceptable at that time. The special committee further decided that the proposals would be reevaluated once the markets stabilized, and

instructed CIBC World Markets to so inform each potential acquiror.

Between September 24 and October 2, 2001, in accordance with the special committee's instructions, CIBC World Markets contacted each of the three potential acquirors to inform them that their proposals were not acceptable in light of existing market conditions, but that their proposals would be reevaluated once the markets stabilized.

On October 2, 2001, Genomica's board met with its management and legal and financial advisors to receive an update on the status of discussions with the remaining potential acquirors. Genomica's management, legal counsel and financial advisor reviewed the terms of the proposals received from the potential acquirors, including valuation, deal structure and conditions to closing. Genomica's management also described the objectives of each potential acquiror with respect to Genomica, including possible areas of synergy between Genomica and each potential acquiror. Ms. Ayers reported that the special committee had recommended that no action be taken with respect to any of the proposals pending stabilization of the financial markets at which point the proposals would be reevaluated. Ms. Ayers then described efforts to identify other potential acquirors. The board also discussed other strategic alternatives, including expanding the range of potential acquirors to include companies in different industries as well as the payment of a liquidating dividend. Following extensive discussion regarding the advantages and disadvantages of the available alternatives, Genomica's board directed management to continue to negotiate with Exelixis and Bidder A. The board decided to discontinue negotiations with Bidder B because of its failure to submit a formal offer in writing.

On October 11, 2001, Mr. Sato met with Ms. Ayers and Mr. Hudspeth at Genomica's offices in Boulder, Colorado to review background historical information on Genomica's strategy, products and financial and operational performance. Mr. Sato also visited the offices of Cooley Godward to begin Exelixis' due diligence review of Genomica, which continued through the signing of the merger agreement.

On October 12, 2001, Exelixis revised its proposal to provide for a stock-for-stock merger in which Exelixis would issue 8,000,000 shares of common stock in exchange for all outstanding shares of Genomica common stock, and would pay Genomica's stockholders an "earnout" if Genomica's Discovery Manager(TM) product line were licensed or sold for at least $10.0 million. Also on October 12, 2001, Bidder A submitted a letter reiterating its interest in pursuing a stock-for-stock merger on the terms previously proposed in its September 20, 2001 expression of interest.

On October 15, 2001, the special committee met with Genomica's management and legal and financial advisors to receive an update on the status of discussions with Exelixis and Bidder A and to reevaluate their proposals. Genomica's management and legal and financial advisors reviewed Exelixis' revised proposal and Bidder A's proposal with the special committee and discussed the strategic, business and financial merits and the timing of a possible transaction with each of the potential acquirors. The special committee concluded that, because the financial markets had not significantly improved since the October 2, 2001 meeting of Genomica's board, neither Exelixis' nor Bidder A's proposal was acceptable at that time. The special committee directed management to continue to negotiate with both of the potential acquirors.

Between October 15 and October 31, 2001, representatives of Genomica and Exelixis, their respective outside legal counsel, and CIBC World Markets participated in various telephone conferences to discuss the proposed financial terms and legal structure of a business combination transaction and to continue their respective due diligence investigations. Specifically, on October 26, 2001, members of Exelixis' management and Heller Ehrman White & McAuliffe LLP,

Exelixis' outside legal counsel, proposed that a transaction be structured involving a stock-for-stock exchange offer, followed by a second step stock-for-stock merger. On October 30, 2001, representatives of Genomica agreed that this structure was preferable to other structures discussed for a number of reasons, including the relative speed of its expected completion. During this period, representatives of Genomica also had several telephone conversations with representatives of Bidder A to advise Bidder A of the status of Genomica's consideration of Bidder A's proposal.

On November 1, 2001, the special committee met with Genomica's management and legal and financial advisors to review the status of discussions with Exelixis and Bidder A and to reevaluate their proposals. Genomica's management and legal and financial advisors reviewed each proposal with the special committee and discussed the strategic, business and financial merits and the timing of a possible transaction with each potential acquiror. Ms. Ayers informed the special committee that Exelixis had submitted a revised proposal following the last meeting of the special committee on October 15, 2001. The special committee discussed Exelixis' revised proposal, as well as the proposal of the other potential acquiror. The special committee also discussed Genomica's other potential strategic alternatives. Ms. Ayers then outlined the proposed process for the board's consideration of the proposals from Exelixis and Bidder A, including arrangements for the November 12, 2001 meeting of the board and for distribution of information to the board in advance of that meeting, and the special committee approved these arrangements.

Between November 1 and November 12, 2001, Genomica's management and financial advisor had several telephone conversations with each of Exelixis and Bidder A to update them on the process for Genomica's consideration of their respective proposals and to arrange for both potential acquirors to make presentations at the November 12, 2001 meeting of the board. Genomica continued to pursue discussions with Exelixis and Bidder A, and all three parties continued their respective legal and financial due diligence investigations.

On November 6, 2001, Exelixis and Heller Ehrman White & McAuliffe LLP submitted a proposed form of merger agreement to Genomica and Cooley Godward. The form of merger agreement contemplated the two-step merger structure previously discussed by Genomica and Exelixis. Under the terms of the proposed agreement, Exelixis would deliver shares of common stock with a fixed value and an exchange ratio that would float based on Exelixis' average stock price over a period of time before the expiration of the exchange offer. In addition, the proposed agreement contemplated a cap on the maximum number of shares of Exelixis common stock issuable to Genomica's stockholders based on the trading price of Exelixis common stock during a period of time before the signing of the merger agreement.

On November 8, 2001, the Exelixis board of directors met to review the status of Exelixis' due diligence investigation, the current financial terms, timing of the proposed transaction, and the open issues remaining in the negotiation of the merger agreement.

On November 9, 2001, Exelixis' management canvassed certain members of the Exelixis board of directors on pricing calculations and other financial terms.

Between November 9 and November 15, 2001, Mr. Sato and George Scangos, Ph.D., Exelixis' president and chief executive officer, had several conversations with the individual members of the Exelixis board of directors regarding the proposed business combination with Genomica, including the strategic rationale for the transaction and the proposed financial and other transaction terms.

On November 12, 2001, Genomica's board of directors met to consider the Exelixis' and Bidder A's proposals. Representatives of Cooley Godward outlined the board's fiduciary duties and other legal principles applicable to consideration of a business combination transaction. Genomica's management and financial advisor reviewed the background and status of negotiations with Exelixis and Bidder A and reviewed the financial terms of their respective proposals. In addition, the board met separately with representatives of Exelixis and Bidder A, each of which made presentations to the board regarding their respective strategic and business plans, and discussed the potential benefits to Genomica's stockholders of their respective proposals. Each of Exelixis and Bidder A confirmed their interest in pursuing further discussions regarding a possible business combination transaction with Genomica. At the meeting, Bidder A presented a revised proposal for a stock-for-stock merger in which Bidder A would issue shares of its common stock with an implied value of up to an aggregate of $120.0 million, based on the average stock price of Bidder A's common stock over a period prior to the time the registration statement for the shares issued by Bidder A was declared effective by the SEC, in exchange for all outstanding shares of Genomica common stock, subject to a cap on the maximum number of shares of Bidder A's common stock issuable to Genomica's stockholders in the transaction. In addition, Bidder A would agree to file a registration statement on form S-3 to register for resale shares of Bidder A's common stock received by certain of Genomica's stockholders in the merger. Bidder A's proposal

was subject to certain conditions, including approval of Bidder A's and Genomica's stockholders. According to this proposal, Genomica's obligation to complete the transaction would be conditioned on the shares delivered by Bidder A having a value of at least $106.0 million at the time the registration statement for the shares issued by Bidder A was declared effective by the SEC. Following a discussion of the strategic, business and financial merits of the two prospective acquirors and based on consideration of a number of factors, including the factors described under "-- Reasons for the Exchange Offer and the Merger" below, Genomica's board unanimously directed management to negotiate exclusively with Exelixis toward the signing of a definitive merger agreement. Later that evening, Cooley Godward sent to Heller Ehrman White & McAuliffe LLP its comments in the form of merger agreement that had been previously submitted by Exelixis and Heller Ehrman White & McAuliffe LLP.

From November 12 through November 18, 2001, negotiations on the terms of the merger agreement and related agreements continued among Exelixis, Genomica and their respective legal counsel. These negotiations covered all aspects of the transaction, including, among other things, the representations and warranties made by the parties, the restrictions on the conduct of their businesses, the conditions to completion of the exchange offer and the merger, the provisions regarding termination, the details of the "no shop" clause, the amount and circumstances requiring reimbursement of Exelixis' expenses, and the delivery and terms of the stockholder tender agreements.

On November 16, 2001, the Exelixis board of directors met with representatives of Heller Ehrman White & McAuliffe LLP and reviewed the proposed terms of this transaction and the results of Exelixis' due diligence investigation. On November 19, 2001, the Exelixis board of directors met and reviewed the final terms of the merger agreement. Representatives of Heller Ehrman White & McAuliffe LLP reviewed the proposed terms of the merger agreement and outlined the legal principles applicable to the Exelixis board of directors' consideration and approval of the proposed transaction. The Exelixis board of directors, by unanimous vote of all directors present, authorized Exelixis to enter into a merger agreement with Genomica in substantially the form proposed at the meeting, consistent with the Exelixis board of directors' guidance on certain open issues, including pricing, loans for the exercise of stock options

and the calculation of shares outstanding.

On November 18, 2001, Genomica's board of directors held a special meeting to review the status of negotiations and discussions with Exelixis since its November 12, 2001 meeting. Genomica's management and legal and financial advisors also participated. Representatives of Cooley Godward reviewed certain legal matters applicable to the proposed business combination transaction, including the structure and timing of the proposed transaction and the board's fiduciary duties in considering the transaction. Representatives of Cooley Godward also reviewed in detail the principal terms of the proposed merger agreement and related agreements, and responded to questions from the board. The board reviewed and discussed the principal terms of the proposed transaction, including the exchange ratio, closing conditions, termination rights, the amount and circumstances requiring reimbursement of Exelixis' expenses, the stockholder tender agreements and Genomica's ability to consider alternative proposals. The board provided Genomica's management with directions regarding the resolution of open items relating to pricing, stock option loans and the calculation of shares outstanding. Also at this meeting CIBC World Markets reviewed with the board the financial terms of the transaction, including its financial analysis of the proposed exchange ratio, and indicated to the Board that, assuming no material changes in the terms of the transaction and subject to review of the final merger agreement, it believed it would be in a position, at the time of execution of the merger agreement, to deliver an opinion as to the fairness, from a financial point of view, of the exchange ratio to be provided for in the transaction.

After further deliberation, the Genomica board, by unanimous vote:

- determined that the merger agreement and the transactions contemplated by the merger agreement, including the exchange offer and the merger, were fair to, and in the best interests of, Genomica and its stockholders;

- approved and adopted the merger agreement and the transactions contemplated by the merger agreement, including the exchange offer and the merger, and the stockholder tender agreements and the transactions contemplated by the stockholder tender agreements;

- resolved to recommend acceptance of the exchange offer and approval and adoption of the merger agreement by Genomica's stockholders; and

- authorized Ms. Ayers to execute, on behalf of Genomica, the merger agreement and such other documents that certain of Genomica's officers find necessary or advisable in their sole discretion, all subject to the resolution of several outstanding items in accordance with the board's instructions and to the receipt of an opinion of CIBC World Markets as to the fairness, from a financial point of view, of the final exchange ratio.

On November 19, 2001, the special committee met with Genomica's management and legal and financial advisors. Ms. Ayers informed the special committee that the several remaining open items as of the previous day's board meeting had been resolved in accordance with the board's directions, and that the merger agreement, with the changes directed to be made by Genomica's board of directors, had been agreed to by Exelixis. CIBC World Markets rendered its oral opinion, which opinion was confirmed by delivery of a written opinion dated November 19, 2001, to the effect that, as of that date and based on and subject to certain matters described in its opinion, the exchange ratio was fair, from a financial point of view, to the holders of Genomica common stock, other than Exelixis and its affiliates. The special committee unanimously directed Ms.

Ayers to execute the merger agreement and related documents in accordance with the resolutions of the board adopted on November 18, 2001.

Following the close of trading on the Nasdaq National Market on November 19, 2001, Exelixis and Genomica entered into the merger agreement and issued a joint press release announcing the transaction.

Also, on November 19, 2001, the directors and certain officers and stockholders of Genomica entered into the stockholder tender agreements with Exelixis, pursuant to which they agreed to tender their shares of Genomica common stock in the exchange offer and vote their shares in favor of the approval and adoption of the merger agreement. In addition, the directors and certain officers and stockholders of Genomica entered into lock-up agreements with Exelixis, agreeing not to sell or otherwise transfer or dispose of their shares of Exelixis common stock for 90 days following the date Exelixis accepts for payment shares pursuant to the exchange offer.

On November 26, 2001, Genomica, Exelixis and certain officers of Genomica entered into agreements which provide that, if requested by the officers, Genomica will loan money to these officers, on terms similar to those otherwise commercially available from third parties, in order to enable them to pay for the exercise of specified options to acquire Genomica common stock. On this same date, Exelixis also waived the provisions of the lock-up agreement with these officers to enable them to sell a sufficient number of shares of Exelixis common stock to cover any tax obligations they incurred as a result of exercises of options to acquire Genomica common stock.

On November 29, 2001, Exelixis commenced the exchange offer.

CERTAIN LITIGATION

On December 5, 2001, Genomica was served with a complaint filed in state court in Colorado by Rudolf Liedtke, on behalf of himself and purportedly on behalf of all others similarly situated, against Genomica, each of the current members of Genomica's board of directors and one former Genomica director. The complaint alleges a breach of fiduciary duty by the board of directors of Genomica in connection with entering into the merger agreement. The action seeks to enjoin the defendants from agreeing to Exelixis' offer to acquire all of the outstanding shares of Genomica common stock and to order the defendants to implement a fair and objective process to sell Genomica. The complaint is pending in the District Court, County of Boulder. Genomica has not yet responded to the complaint.

REASONS FOR THE EXCHANGE OFFER AND THE MERGER

The following discussion of the parties' reasons for the exchange offer and the merger contains a number of forward-looking statements that reflect the current views of Exelixis or Genomica with respect to future events that may have an effect on their future financial performance. Forward-looking statements are subject to risks and uncertainties. Actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. Cautionary statements that identify important factors that could

cause or contribute to differences in results and outcomes include those discussed in "Summary -- Forward-Looking Information" and "Risk Factors."

GENOMICA'S REASONS FOR THE EXCHANGE OFFER AND THE MERGER; RECOMMENDATION OF GENOMICA'S BOARD OF DIRECTORS

Beginning in April 2001, Genomica's board of directors recognized that the market for Genomica's software products had not developed and grown as planned. In an effort to determine a business strategy that would generate appropriate returns to Genomica's stockholders, Genomica's management, with the assistance of Genomica's financial advisor, implemented a process that extended over seven months, and involved the evaluation of approximately 70 opportunities, discussions with approximately 40 different companies, extensive discussions and meetings regarding business combination transactions with approximately 16 different companies, and resulted in offers from seven different companies. Genomica's board of directors also gave consideration to acquiring other public or private companies as well as paying stockholders a liquidating dividend. Upon completion of this process, Genomica's board of directors identified several potential benefits for Genomica stockholders that it believes could result from a combination with Exelixis. The potential benefits include, among other things:

- the opportunity for Genomica stockholders to participate in a significantly larger and more diversified company and, as stockholders of the combined company, to have greater liquidity in their shares and to benefit from any future growth of the combined company;

- the opportunity for Genomica stockholders to receive shares of Exelixis common stock in a tax-free exchange at approximately a 33% premium over the prevailing market price for shares of Genomica common stock immediately before the announcement of the merger agreement;

- enabling the combined company to leverage the depth and experience of Exelixis' management team and board of directors; and

- enabling the combined company to leverage Genomica's software products to enhance the effectiveness of Exelixis' research and development efforts.

In the course of its deliberations during board meetings, Genomica's board of directors reviewed with Genomica's management and outside advisors a number of factors relevant to the transaction. Genomica's board of directors considered the following potentially positive factors, among others, in connection with its review and analyses of the transaction. The conclusions reached by Genomica's board of directors with respect to each of these factors supported its determination that the merger agreement and the transactions contemplated by the merger agreement, including the exchange offer and the merger, were fair to, and in the best interests of, Genomica and its stockholders:

- Genomica's management's view regarding the financial condition, results of operations, businesses and prospects of Genomica, Exelixis and Bidder A, both before and after giving effect to a business combination, based upon management's due diligence and publicly available financial information and earnings estimates. Among other things, the board considered market and industry conditions, the respective business plans and business models of Genomica, Exelixis and Bidder A, and each party's financial strength. The board also compared the financial position, results of operations, business and prospects of Genomica both on a stand-alone basis and assuming a business combination with Exelixis or Bidder A;

- the exchange ratio for the exchange offer and the merger, which represented an implied premium of approximately 33% over the closing sales price of Genomica's common stock on the Nasdaq National Market on November 19, 2001, the last full trading day before the public announcement of the merger agreement, as well as an implied premium of approximately 47% and 58% premiums over the average of the closing sales prices for the ten and 30 trading-day periods, respectively, ending on November 19, 2001;

- the financial and other terms of the exchange offer, the merger and the merger agreement, including the benefits of the transaction being structured as a first-step exchange offer and second-step merger, which may provide Genomica's stockholders with an opportunity to receive shares of Exelixis common stock on an accelerated basis compared with the longer period of time associated with the merger structure contemplated by Bidder A's stock-for-stock proposal. In particular, the board noted that Exelixis' proposed structure did not require the approval of Bidder A's stockholders, whereas Bidder A's proposal would have required the approval of Bidder A's stockholder;

- historical information concerning Exelixis', Bidder A's and Genomica's respective businesses, financial performance and condition, operations, technology, management and competitive position, including public reports filed with the SEC;

- reports from management, legal advisors and financial advisors as to the results of their due diligence investigations of Exelixis;

- the number and quality of the strategic collaborations between Exelixis and Bidder A and their respective strategic partners, and the magnitude and predictability of future revenue streams under those collaborations;

- the belief that, based on a review of Genomica's strategic alternatives and the process described in "The Transaction -- Background" above, it was unlikely that any party would propose an alternative transaction that would be more favorable to Genomica and its stockholders than the exchange offer and the merger;

- the strengths and weaknesses of Exelixis', Bidder A's and Genomica's businesses and the key attributes and opportunities of the combined company in terms of, among other things, technology, products, prospects, management, and financial and competitive position;

- the trading markets for the common stock of Genomica, Exelixis and Bidder A, both on a historical basis and assuming a business combination between Genomica and Exelixis or Bidder A. Among other things, the board considered the market capitalization, trading volume, stock price volatility, institutional ownership and analyst coverage for each of Genomica, Exelixis and Bidder A;

- the absence of any pending legal proceedings involving Exelixis and the fact that Bidder A was a party to legal proceedings which created some uncertainty regarding one aspect of its business;

- the presentation of CIBC World Markets regarding the financial terms of the proposed transaction, including its opinion dated November 19, 2001 as to the fairness, from a financial point of view and as of the date of the opinion, of the exchange ratio to the holders of Genomica common stock, other than Exelixis and its affiliates (see "Reasons for the Board's Recommendation -- Opinion of Genomica's Financial Advisor" in Genomica's Solicitation/Recommendation Statement on Schedule 14D-9, which is being mailed to you together with this prospectus); and

- the belief that the terms of the merger agreement, including the parties' representations, warranties and covenants, and the conditions to the parties' respective obligations, are reasonable.

Genomica's board of directors also identified and considered a number of

potentially negative factors in its deliberations concerning the exchange offer and the merger, including, but not limited to:

- the risk that, because the exchange ratio is based on the price of Exelixis common stock over the 18 trading days ending two trading days before the expiration of the offer, changes in the market price of Exelixis common stock might cause the per share value of the consideration to be received by Genomica stockholders to be less than the per share price implied by the exchange ratio immediately before the announcement of the proposed transaction;

- the possibility that the market value of the shares to be issued by Bidder A under its revised proposal might exceed the market value of the shares to be issued by Exelixis;

- the risk that the potential benefits sought in the exchange offer and the merger might not be fully realized;

- certain risks applicable to Exelixis' business (see the information contained under the caption "Risk Factors -- Risks Related to Exelixis' Business" beginning on page 18);

- the possibility that the exchange offer and the merger might not be completed and the effect of public announcement of the exchange offer and the merger on Genomica's sales and operating results, and its ability to attract and retain key technical and management personnel;

- the risk that the terms of the transaction could be dilutive to Exelixis' earnings and that such potential dilution could negatively impact the trading price of Exelixis common stock;

- the substantial charges to be incurred in connection with the exchange offer and the merger, including costs of integrating the businesses and transaction expenses arising from the exchange offer and the merger; and

- the risk that despite the efforts of the combined company, key technical and management personnel might not remain employed by the combined company.

Genomica's board of directors believed that these risks were outweighed by the potential benefits of the exchange offer and the merger.

The above discussion of the information and factors considered by Genomica's board of directors is not intended to be exhaustive but is believed to include the material factors considered by the board. In view of the wide variety of factors, both positive and negative, considered by Genomica's board of directors, the board did not find it practicable to quantify or otherwise assign relative weights to the specific factors considered. In addition, the board did not reach any specific conclusion on each factor considered, or any aspect of any particular factor, but conducted an overall analysis of these factors. Individual members of Genomica's board of directors may have given different weights to different factors. However, after taking into account all of the factors described above, the board unanimously approved the merger agreement, and determined that the exchange offer and the merger are fair to and in the best interests of Genomica and its stockholders and recommended that Genomica stockholders accept the offer and tender their shares of Genomica common stock pursuant to the exchange offer.

Opinion of Genomica's Financial Advisor

Genomica engaged CIBC World Markets to act as its exclusive financial advisor in connection with the exchange offer and the merger. In connection with this engagement, Genomica requested that CIBC World Markets evaluate the fairness, from a financial point of view, to the holders of Genomica common stock (other than Exelixis and its affiliates) of the exchange ratio provided for in the exchange offer and the merger. On November 19, 2001, at a meeting of the Genomica special committee held to authorize the exchange offer and the merger in accordance with the instructions of Genomica's board of directors, CIBC World Markets rendered an oral opinion, which opinion was confirmed by delivery to Genomica's board of directors of a written opinion dated November 19, 2001, to the effect that, as of that date and based on and subject to the matters described in its opinion, the exchange ratio was fair, from a financial point of view, to holders of Genomica common stock (other than Exelixis and its affiliates).

The full text of CIBC World Markets' written opinion dated November 19, 2001, which describes the assumptions made, matters considered and limitations on the review undertaken, is attached as Schedule II to Genomica's Solicitation/Recommendation Statement on Schedule 14D-9, which is being mailed to you together with this prospectus. CIBC WORLD MARKETS' OPINION IS ADDRESSED TO GENOMICA'S BOARD OF DIRECTORS AND RELATES ONLY TO THE FAIRNESS, FROM A FINANCIAL POINT OF VIEW, OF THE EXCHANGE RATIO PROVIDED FOR IN THE EXCHANGE OFFER AND THE MERGER. THE OPINION DOES NOT ADDRESS ANY OTHER ASPECT OF THE EXCHANGE OFFER OR THE MERGER OR ANY RELATED TRANSACTION AND DOES NOT CONSTITUTE A RECOMMENDATION TO ANY HOLDER OF GENOMICA COMMON STOCK AS TO WHETHER SUCH STOCKHOLDER SHOULD EXCHANGE SHARES OF GENOMICA COMMON STOCK IN THE EXCHANGE OFFER OR HOW SUCH STOCKHOLDER SHOULD VOTE OR ACT WITH RESPECT TO ANY MATTERS RELATING TO THE

EXCHANGE OFFER OR THE MERGER. THE SUMMARY OF CIBC WORLD MARKETS' OPINION DESCRIBED BELOW IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF THE OPINION. YOU ARE ENCOURAGED TO READ THE OPINION CAREFULLY IN ITS ENTIRETY.

In arriving at its opinion, CIBC World Markets:

- reviewed the merger agreement;
- reviewed audited financial statements of Genomica and Exelixis for the fiscal year ended December 31, 2000;
- reviewed unaudited financial statements of Genomica and Exelixis for the six months ended June 30, 2001 and a draft of certain financial data relating to Genomica and Exelixis for the three months ended September 30, 2001 prepared by the managements of Genomica and Exelixis;
- reviewed financial forecasts and other information relating to Genomica and Exelixis prepared by the managements of Genomica and Exelixis;
- reviewed historical market prices and trading volume for Genomica common stock and Exelixis common stock;
- held discussions with the senior managements of Genomica and Exelixis with respect to the businesses and prospects for future growth of Genomica and Exelixis;
- performed a liquidation analysis of Genomica using certain assumptions and estimates provided to or discussed with CIBC World Markets by Genomica's management as to the current market value of Genomica's

assets, the amount of Genomica's current liabilities and the potential amount of expenses associated with a liquidation;

- reviewed and analyzed certain publicly available financial data for certain companies CIBC World Markets deemed comparable to Exelixis;

- performed a discounted cash flow analysis of Exelixis using certain assumptions of future performance provided to or discussed with CIBC World Markets by the management of Exelixis;

- reviewed public information concerning Genomica and Exelixis;

- at the request of Genomica, approached and held discussions with certain third parties to solicit indications of interest in the possible acquisition of Genomica; and

- performed such other analyses and reviewed such other information as CIBC World Markets deemed appropriate.

In rendering its opinion, CIBC World Markets relied upon and assumed, without independent verification or investigation, the accuracy and completeness of all of the financial and other information that Genomica, Exelixis and their respective employees, representatives and affiliates provided to or discussed with CIBC World Markets. With respect to forecasts relating to Genomica and Exelixis provided to or discussed with CIBC World Markets by the managements of Genomica and Exelixis, CIBC World Markets assumed, at the direction of the managements of Genomica and Exelixis, without independent verification or investigation, that the forecasts were reasonably prepared on bases reflecting the best available information, estimates and judgments of the managements of Genomica and Exelixis as to the future financial condition and operating results of Genomica and Exelixis. CIBC World Markets assumed, with Genomica's consent, that the exchange offer and the merger would be treated as an integrated transaction and as a tax-free reorganization for federal income tax purposes. CIBC World Markets also assumed, with Genomica's consent, that the exchange offer and the merger would be consummated in all material respects in accordance with their terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party consents and approvals for the exchange offer and the merger, no limitations, restrictions or conditions would be imposed that would have a material adverse effect on Genomica, Exelixis or the contemplated benefits of the exchange offer and the merger. CIBC World Markets relied, at the direction the managements of Genomica and Exelixis, without independent verification

or investigation, upon the assessments of the management of Exelixis as to the existing and future technology and products of Exelixis and the risks associated with such technology and products.

CIBC World Markets did not make or obtain any independent evaluations or appraisals of the assets or liabilities, contingent or otherwise, of Genomica or Exelixis. CIBC World Markets did not express any opinion as to the underlying valuation, future performance or long-term viability of Genomica or Exelixis, the price at which Genomica common stock would trade after announcement or upon consummation of the exchange offer or the merger, or the price at which Exelixis common stock would trade at any time in the future. CIBC World Markets expressed no view as to, and CIBC World Markets' opinion does not address, the underlying business decision of Genomica to effect the exchange offer or the merger, and CIBC World Markets was not requested to consider the relative merits of the exchange offer and merger as compared to any alternative business strategies that might exist for Genomica or the effect of any other transaction in which

Genomica might engage. CIBC World Markets' opinion was necessarily based on the information available to CIBC World Markets and general economic, financial and stock market conditions and circumstances as they existed and could be evaluated by CIBC World Markets as of the date of its opinion. Although subsequent developments may affect its opinion, CIBC World Markets does not have any obligation to update, revise or reaffirm its opinion. Genomica imposed no other instructions or limitations on CIBC World Markets with respect to the investigations made or the procedures followed by CIBC World Markets in rendering its opinion.

This summary is not a complete description of CIBC World Markets' opinion to Genomica's board of directors or the financial analyses performed and factors considered by CIBC World Markets in connection with its opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to summary description. CIBC World Markets believes that its analyses and this summary must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying CIBC World Markets' analyses and opinion.

In performing its analyses, CIBC World Markets considered industry performance, general business, economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Genomica and Exelixis. No company or business used in the analyses as a comparison is identical to Genomica or Exelixis, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies or business segments analyzed.

The estimates contained in CIBC World Markets' analysis and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than those suggested by its analyses. In addition, analyses relating to the value of businesses or securities do not necessarily purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, CIBC World Markets' analyses and estimates are inherently subject to substantial uncertainty.

The type and amount of consideration payable in the exchange offer and the merger was determined through negotiation between Genomica and Exelixis and the decision to enter into the exchange offer and the merger was solely that of Genomica's board of directors. CIBC World Markets' opinion and financial analyses were only one of many factors considered by Genomica's board of directors in its evaluation of the exchange offer and the merger and should not be viewed as determinative of the views of Genomica's board of directors or Genomica's management with respect to the exchange offer and the merger or the exchange ratio provided for in the exchange offer and the merger.

The following is a summary of the material financial analyses underlying CIBC World Markets' opinion to Genomica's board of directors with respect to the exchange offer and the merger. THE FINANCIAL ANALYSES SUMMARIZED BELOW INCLUDE INFORMATION PRESENTED IN TABULAR FORMAT. IN ORDER TO FULLY UNDERSTAND CIBC

WORLD MARKETS' FINANCIAL ANALYSES, THE TABLES MUST BE READ TOGETHER WITH THE TEXT OF EACH SUMMARY. THE TABLES ALONE DO NOT CONSTITUTE A COMPLETE DESCRIPTION

OF THE FINANCIAL ANALYSES. CONSIDERING THE DATA IN THE TABLES BELOW WITHOUT CONSIDERING THE FULL NARRATIVE DESCRIPTION OF THE FINANCIAL ANALYSES, INCLUDING THE METHODOLOGIES AND ASSUMPTIONS UNDERLYING THE ANALYSES, COULD CREATE A MISLEADING OR INCOMPLETE VIEW OF CIBC WORLD MARKETS' FINANCIAL ANALYSES.

Implied Exchange Ratio Analysis.

Using a "Liquidation Analysis" for Genomica and a "Selected Companies Analysis" and "Discounted Cash Flow Analysis" for Exelixis, CIBC World Markets derived an implied equity reference range from each analysis as described below. Based on these implied equity reference ranges, CIBC World Markets then calculated implied exchange ratio reference ranges for Genomica common stock and Exelixis common stock. The results of this implied exchange ratio analysis were then compared with the exchange ratio provided for in the exchange offer and the merger. This analysis indicated the following approximate implied exchange ratio reference ranges, as compared to the exchange ratio provided for in the exchange offer and the merger of 0.3000 based on the closing prices of Genomica common stock and Exelixis common stock on November 16, 2001:

	IMPLIED EXCHANGE RATIO REFERENCE RANGE
Genomica Liquidation Analysis/Exelixis Selected Companies Analysis	0.1765 - 0.2352
Genomica Liquidation Analysis/Exelixis Discounted Cash Flow Analysis	0.2359 - 0.2952

The "Liquidation Analysis" for Genomica and the "Selected Companies Analysis" and "Discounted Cash Flow Analysis" for Exelixis performed by CIBC World Markets for purposes of its "Implied Exchange Ratio Analysis" are described below:

Genomica

Liquidation Analysis. CIBC World Markets performed a liquidation analysis of Genomica's assets to calculate the potential range of net proceeds available for distribution upon an orderly liquidation of Genomica, based on internal estimates of Genomica's management as to the potential market value of Genomica's assets, the amount of Genomica's current liabilities and the potential amount of expenses associated with a liquidation. The potential range of net proceeds that would be available for distribution from an orderly liquidation of Genomica was derived by applying a range of assumed liquidation percentages to Genomica's estimated net asset value for the fourth quarter of fiscal year 2001. This analysis resulted in an implied equity reference range for Genomica of approximately $4.40 to $4.43 per share.

Exelixis

Selected Companies Analysis. CIBC World Markets compared financial and stock market information for Exelixis and the following six selected publicly held companies in the early stage of development in the biotechnology industry:

- Applera Corporation -- Celera Genomics Group
- Lexicon Genetics Incorporated
- CuraGen Corporation
- Millennium Pharmaceuticals, Inc.
- Human Genome Sciences, Inc.
- Myriad Genetics, Inc.

CIBC World Markets reviewed enterprise values, calculated as equity value, plus debt, less cash, as a multiple of latest 12 months and estimated calendar years 2001 and 2002 revenue. All multiples were based on closing stock prices on November 16, 2001. Estimated financial data for the selected companies were based on publicly available research analysts' estimates. CIBC World Markets then applied a range of selected multiples of calendar years 2001 and 2002 revenue derived from the selected companies to corresponding

financial data of Exelixis in order to derive an implied equity reference range for Exelixis. This analysis indicated an implied equity reference range for Exelixis of approximately $18.85 to $24.93 per share.

Discounted Cash Flow Analysis. CIBC World Markets performed a discounted cash flow analysis of Exelixis to calculate the present value of the unlevered, after-tax free cash flows that Exelixis could generate from the fourth quarter of fiscal year 2001 to fiscal year 2004, based on internal estimates of Exelixis' management. CIBC World Markets calculated a range of terminal values for Exelixis' estimated revenue by applying terminal value multiples ranging from 18.0x to 22.0x to Exelixis' projected fiscal year 2004 revenue. The present value of the cash flows and terminal values were calculated using a discount rate of 22.5%. This analysis indicated an implied equity reference range for Exelixis of approximately $15.02 to $18.66 per share.

Other Factors.

In rendering its opinion, CIBC World Markets also reviewed and considered other factors, including:

- a comparison of the average daily closing prices of Genomica common stock and Exelixis common stock during the one year period preceding November 16, 2001;

- historical market prices and trading volumes for Genomica common stock and Exelixis common stock;

- the relationship between movements in Genomica common stock and Exelixis common stock and movements in the S&P Biotech Index and NASDAQ Biotech Index; and

- selected research analysts' reports for Genomica and Exelixis, including stock price estimates of those analysts.

Miscellaneous.

Genomica selected CIBC World Markets as its exclusive financial advisor in connection with the exchange offer and the merger based on CIBC World Markets' reputation, expertise and familiarity with Genomica and its business. CIBC World Markets is an internationally recognized investment banking firm and, as a customary part of its investment banking business, is regularly engaged in valuations of businesses and securities in connection with acquisitions and mergers, underwritings, secondary distributions of securities, private placements and valuations for other purposes.

Genomica has agreed to pay CIBC World Markets' customary fees for its financial advisory services. In addition, Genomica has agreed to reimburse CIBC World Markets for its reasonable out-of-pocket expenses, including reasonable fees and expenses of its legal counsel, and to indemnify CIBC World Markets and related parties against liabilities, including liabilities under the federal

securities laws, relating to, or arising out of, its engagement. CIBC World Markets in the past has provided services to Genomica unrelated to the exchange offer and the merger, for which services CIBC World Markets has received compensation. In the ordinary course of business, CIBC World Markets and its affiliates may actively trade the securities of Genomica and Exelixis for their own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

EXELIXIS' REASONS FOR THE EXCHANGE OFFER AND THE MERGER

Our primary reasons for seeking to consummate a business combination with Genomica are the beliefs of our board of directors and management that a business combination would result in a number of benefits, including:

- access to additional cash enabling us to fund our research and development programs at a higher level to enhance our core technologies and expand product development;

- the opportunity to leverage our infrastructure and technologies to create additional corporate collaborations to diversify our business risk and increase our future revenue stream; and

- access to complementary technology and expertise to advance the drug discovery and development process at Exelixis.

The Exelixis board of directors has determined that the exchange offer and merger are in the best interests of Exelixis. In reaching its determination, the Exelixis board of directors considered a number of factors, including the factors discussed above and listed below. The conclusions of the Exelixis board of directors with respect to each of these factors supported its determination that the merger and the issuance of shares of Exelixis common stock in the exchange offer and the merger are in the best interests of Exelixis. The most relevant information reviewed and factors considered are set forth below:

- the opportunity to obtain additional cash to fund existing and new research and development programs to enhance our core technologies and expand product development;

- the strategic benefits of the merger to Exelixis associated with the integration of Genomica's intellectual property and expertise in drug discovery and development processes;

- the judgment, advice and analyses of our management with respect to the potential strategic, financial and operational benefits of the merger, including our management's favorable recommendation of the merger, based in part on the business, technical, financial, scientific, accounting and legal due diligence investigations performed with respect to Genomica;

- the complementary fit between Exelixis' and Genomica's research expertise, which should facilitate integration of the two companies; and

- the terms of the merger agreement and related agreements, including price and structure, which were considered by both the board of directors and management of Exelixis to provide a fair and equitable basis for the merger.

The Exelixis board of directors also considered a number of potentially negative factors in its deliberations concerning the exchange offer and the merger. The negative factors considered by the Exelixis board of directors included:

- the risk that the merger might not be completed in a timely manner or at all and the expense and time associated with this risk;

- the negative impact of any corporate partner confusion or concern regarding ongoing research programs after announcement of the proposed merger;

- the potential negative effect on the Exelixis common stock price if revenue from new or existing collaborations of the combined company are not met;

- the general difficulties of integrating research programs, research collaborations, technologies and companies; and

- the other risks and uncertainties discussed above under "Risk Factors."

The above discussion of information and factors considered by the Exelixis board of directors is not intended to be exhaustive but we believe it includes all material factors considered by the board. In view of the wide variety of factors considered by the Exelixis board of directors, the Exelixis board of directors did not find it practicable to quantify or otherwise assign relative weights to the specific factors considered. In addition, the board of directors did not reach any specific conclusion on each factor considered, or any aspect of any particular factor, but conducted an overall analysis of these factors. Individual members of the Exelixis board of directors may have given different weights to different factors. After taking into account all of the factors set forth above, however, the Exelixis board of directors unanimously agreed that the merger agreement and the exchange offer and merger are in the best interests of Exelixis and that we should proceed with the exchange offer and merger.

There can be no assurance that the benefits of the potential growth, synergies or opportunities considered by the Exelixis board of directors will be achieved through consummation of the merger. For additional information, see the section of this prospectus entitled "Risk Factors" beginning on page 17.

THE MINIMUM TENDER CONDITION

Our obligation to accept for exchange and to deliver shares of Exelixis common stock in exchange for shares of Genomica common stock is subject to the condition that the total number of shares of Genomica common stock validly tendered and not properly withdrawn, when added to any shares of Genomica common stock owned by Exelixis and Bluegreen Acquisition Sub, is equal to at least the sum of a majority of the total number of shares of Genomica common stock plus the total number of shares of Genomica common stock issuable upon exercise of options to acquire Genomica common stock, each as outstanding immediately before the expiration date of the exchange offer, as it may be extended pursuant to the merger agreement. For purposes of computing the minimum tender condition, we will not take into account any shares of Genomica common stock tendered into the exchange offer pursuant to a Notice of Guaranteed Delivery unless stock certificates or book-entry confirmations are actually received by the exchange agent.

Based on information supplied to us by Genomica, the number of shares needed to satisfy the minimum tender condition as of December 26, 2001, would have been 13,104,251.

Our obligation to accept shares of Genomica common stock for exchange in the exchange offer is also subject to several other conditions referred to in the section entitled "Certain Terms of the Merger Agreement -- Conditions to the Exchange Offer" beginning on page 68.

EXTENSION, TERMINATION AND AMENDMENT

Subject to the terms of the merger agreement, we may extend the exchange offer for successive periods not in excess of 10 business days per extension if, at the scheduled expiration date of the exchange offer, any condition to the exchange offer has not been satisfied or, where permissible, waived. In addition, we are entitled to extend the exchange offer if required by the rules of the Securities and Exchange Commission or the National Association of Securities Dealers, Inc. We are not making any assurance that we will exercise our right to extend our exchange offer, although we currently intend to do so until all conditions have been satisfied or if permissible, waived. During an extension, all shares of Genomica common stock previously tendered and not properly withdrawn will remain subject to the exchange offer, subject to your right to withdraw your shares of Genomica common stock. You should read the discussion below in the section entitled "Withdrawal Rights" for more details.

We reserve the right to make any changes in the terms and conditions of the exchange offer by giving oral or written notice of the change to the exchange agent and by making a public announcement. However, without the prior written consent of Genomica, we cannot:

- decrease the number of shares of Genomica common stock sought in the exchange offer;

- make any changes to the form or amount of consideration to be issued or paid for shares of Genomica common stock in the exchange offer;

- impose any additional conditions on the exchange offer other than those already described in the merger agreement;

- amend or waive the minimum tender condition or other specified conditions as described in the merger agreement in any manner which is adverse to Genomica stockholders;

- extend the initial expiration date of the exchange offer, except under circumstances described in the merger agreement; or

- make any other change to the terms and conditions of the exchange offer which is adverse to Genomica stockholders.

We are required to follow any extension, termination, amendment or delay, as promptly as practicable, with a public announcement. In the case of an extension, the announcement is required to be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. Subject to applicable law, including Rules 14d-4(d) and 14d-6(c) under the Securities Exchange Act of 1934, which require that any material change in the information published, sent or given to stockholders in

connection with the exchange offer be promptly sent to stockholders in a manner reasonably designed to inform stockholders of the change, and without limiting the manner in which we may choose to make any public announcement, we assume no obligation to publish, advertise or otherwise communicate any public announcement other than by making a release to the Dow Jones News Service.

If we make a material change in the terms of the exchange offer or the

information concerning the exchange offer, or if we waive a material condition of the exchange offer, we will extend the exchange offer to the extent required under the Securities Exchange Act of 1934. If, before the expiration date and after obtaining Genomica's prior written consent, we change the percentage of shares of Genomica common stock being sought or the consideration offered to you, that change will apply to all stockholders whose shares of Genomica common stock are accepted for exchange pursuant to the exchange offer. If at the time notice of that change is first published, sent or given to you, the exchange offer is scheduled to expire at any time earlier than the tenth business day from and including the date that the notice is first so published, sent or given, we are required to extend the exchange offer until the expiration of that 10 business day period. For purposes of the exchange offer, a "business day" means any day other than a Saturday, Sunday or federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

SUBSEQUENT OFFERING PERIOD

We may elect to provide a subsequent offering period of not less than three nor more than 20 business days after the acceptance of shares of Genomica common stock in the exchange offer if the requirements of Rule 14d-11 under the Securities Exchange Act of 1934 have been met. You will not have the right to withdraw any shares of Genomica common stock that you tender during the subsequent offering period. We are required to accept for exchange, and to deliver shares of Exelixis common stock in exchange for, shares of Genomica common stock that are validly tendered and not properly withdrawn, promptly after they are tendered during any subsequent offering period. If we elect to provide a subsequent offering period, we are required to make a public announcement to that effect no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

EXCHANGE OF SHARES OF GENOMICA COMMON STOCK; DELIVERY OF SHARES OF EXELIXIS COMMON STOCK

We are required to accept for exchange, and to deliver shares of Exelixis common stock in exchange for, shares of Genomica common stock that are validly tendered and not properly withdrawn, promptly after the expiration date, upon the terms and conditions to the exchange offer including the terms and conditions of any extension or amendment. In addition, we are required to accept for exchange, and to deliver shares of Exelixis common stock in exchange for, shares of Genomica common stock promptly after they are validly tendered during any subsequent offering period, upon the terms and conditions to the exchange offer, including the terms and conditions of any extension or termination. Subject to applicable rules of the Securities and Exchange Commission, we reserve the right to delay acceptance for exchange, or the exchange of, shares of Genomica common stock in order to comply with any applicable law. In all cases, exchange of shares of Genomica common stock tendered and accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of:

- certificates for the shares of Genomica common stock (or a confirmation of a book-entry transfer of the shares of Genomica common stock in the exchange agent's account at The Depository Trust Company, which we refer to in this prospectus as "DTC");

- a properly completed and duly executed letter of transmittal or a manually signed facsimile of that document; and

- any other required documents.

For purposes of the exchange offer, we will be deemed to have accepted for exchange shares of Genomica common stock validly tendered and not properly withdrawn if and when we notify the exchange agent of our acceptance of the

tenders of those shares of Genomica common stock pursuant to the exchange offer. The exchange agent is required to then deliver shares of Exelixis common stock and cash instead of fractional shares of Exelixis common stock in exchange for the shares of Genomica common stock promptly after receipt of our notice. The exchange agent will act as agent for tendering stockholders for the purpose of receiving

shares of Exelixis common stock and any cash to be paid instead of any fractional shares of Exelixis common stock and transmitting a certificate or certificates for Exelixis common stock and cash, if any, to you. You will not receive any interest on any cash that we pay you, even if there is a delay in making the exchange.

If we do not accept any tendered shares of Genomica common stock for exchange pursuant to the terms and conditions of the exchange offer for any reason, or if certificates are submitted for more shares of Genomica common stock than are accepted, we are required to return certificates for the unexchanged shares of Genomica common stock to the tendering stockholder. In the case of shares of Genomica common stock tendered by book-entry transfer of such shares of Genomica common stock into the exchange agent's account at one of the addresses on the back page of this prospectus, pursuant to the procedures described below in the section entitled "-- Procedure for Tendering," those shares of Genomica common stock will be credited to an account maintained within DTC, as soon as practicable following expiration or termination of the exchange offer.

If we increase the consideration offered to Genomica stockholders in the exchange offer before the expiration date, such increased consideration will be given to all stockholders whose shares of Genomica common stock are tendered pursuant to the exchange offer, whether or not such shares of Genomica common stock were tendered or accepted for exchange before such increase in consideration.

CASH INSTEAD OF FRACTIONAL SHARES OF EXELIXIS COMMON STOCK

We will not issue fractional shares of our common stock in the exchange offer. Instead, each tendering stockholder who would otherwise be entitled to a fraction of a share of Exelixis common stock (after aggregating all fractional shares of Exelixis common stock that otherwise would be received by the holder) will receive cash (rounded to the nearest whole cent), without interest, equal to the product obtained by multiplying:

- that fraction of a share of Exelixis common stock to which this stockholder is entitled (after aggregating all fractional shares of Exelixis common stock that otherwise would be received by this stockholder), by

- the closing sales price of one share of Exelixis common stock on the Nasdaq National Market (as reported in The Wall Street Journal or, if not reported in The Wall Street Journal, any other authoritative source) on the date we first accept shares for exchange in the exchange offer.

WITHDRAWAL RIGHTS

Your tender of shares of Genomica common stock pursuant to the exchange offer is irrevocable, except that, shares of Genomica common stock tendered pursuant to the exchange offer may be withdrawn at any time before our acceptance of them for exchange pursuant to the exchange offer. If we elect to provide a subsequent offering period in accordance with Rule 14d-11 under the Securities Exchange Act of 1934, you will not have the right to withdraw shares

of Genomica common stock that you tender during the subsequent offering period. Once we accept shares of Genomica common stock pursuant to the exchange offer, your tender is irrevocable.

For your withdrawal to be effective, the exchange agent must receive from you a written, telex or facsimile transmission notice of withdrawal at one of its addresses on the back cover of this prospectus, and your notice must include your name, address, social security number, the certificate number(s) and the number of shares of Genomica common stock to be withdrawn as well as the name of the registered holder, if it is different from that of the person who tendered the shares of Genomica common stock.

A financial institution must guarantee all signatures on the notice of withdrawal unless the shares of Genomica common stock have been tendered for the account of an eligible institution. Most banks, savings and loan associations and brokerage houses are able to provide these signature guarantees for you. The financial institution must be an "eligible institution" which means it is a participant in the Securities Transfer Agents Medallion Program.

If shares of Genomica common stock have been tendered pursuant to the procedures for book-entry tender discussed under the caption below entitled "Procedure for Tendering," any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn shares of Genomica common stock and must otherwise comply with DTC's procedures. If certificates have been delivered or otherwise identified to the exchange agent, the name of the registered stockholder and the serial numbers of the particular certificates evidencing the shares of Genomica common stock withdrawn must also be furnished to the exchange agent, as stated above, before the physical release of the certificates. We will decide all questions regarding the form and validity (including time of receipt) of any notice of withdrawal, in our sole discretion, and our decision shall be final and binding.

None of Exelixis, the exchange agent, the information agent nor any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or will incur any liability for failure to give proper notification. Any shares of Genomica common stock properly withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer. However, you may retender withdrawn shares of Genomica common stock by following one of the procedures discussed below in the sections entitled "Procedure for Tendering" or "Guaranteed Delivery" at any time before the expiration date.

PROCEDURE FOR TENDERING

For you to validly tender shares of Genomica common stock pursuant to the exchange offer, (i) the enclosed letter of transmittal, properly completed and duly executed or a manually executed facsimile of that document, along with any required signature guarantees or an agent's message in connection with a book-entry transfer and any other required documents must be transmitted to and received by the exchange agent at one of the addresses on the back cover of this prospectus and certificates for tendered shares of Genomica common stock must be received by the exchange agent at that address or the shares of Genomica common stock must be tendered pursuant to the procedures for book-entry tender described below (and a confirmation of receipt of the tender received, which we refer to below as a "book-entry confirmation"), in each case before the expiration date, or (ii) you must comply with the guaranteed delivery procedures described below in the section entitled "Guaranteed Delivery."

The term "agent's message" means a message, transmitted by DTC to, and

received by, the exchange agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the participant in DTC tendering the shares of Genomica common stock which are the subject of the book-entry confirmation, the participant has received and agrees to be bound by the terms of the letter of transmittal and we may enforce that agreement against the participant.

The exchange agent is required to establish accounts with respect to the shares of Genomica common stock at DTC for purposes of the exchange offer by November 29, 2001, and any financial institution that is a participant in DTC may make book-entry delivery of the shares of Genomica common stock by causing DTC to transfer tendered shares of Genomica common stock into the exchange agent's account in accordance with DTC's procedure for the transfer. However, although delivery of shares of Genomica common stock may be effected through book-entry transfer at DTC, the letter of transmittal (or a manually signed facsimile of the letter of transmittal) with any required signature guarantees or an agent's message in connection with a book-entry transfer and any other required documents must, in any case, be transmitted to and received by the exchange agent at one of the addresses on the back cover of this prospectus before the expiration date, or the guaranteed delivery procedures described below must be followed.

Signatures on all letters of transmittal must be guaranteed by an eligible institution, except in cases in which shares of Genomica common stock are tendered either by a registered holder of shares of Genomica common stock who has not completed the box entitled "Special Issuance Instructions" or the box entitled "Special Delivery Instructions" on the letter of transmittal or for the account of an eligible institution.

If the certificates for shares of Genomica common stock are registered in the name of a person other than the person who signs the letter of transmittal or if certificates for unexchanged shares of Genomica common stock are to be issued to a person other than the registered holder(s), the certificates must be endorsed or accompanied by appropriate stock powers in either case signed exactly as the name or names of the registered

owner or owners appear on the certificates, with the signature(s) on the certificates or stock powers guaranteed in the manner we have described above.

The method of delivery of Genomica stock certificates and all other required documents, including delivery through DTC, is at your option and risk, and the delivery will be deemed made only when actually received by the exchange agent. If delivery is by mail, we recommend registered mail with return receipt requested, properly insured. In all cases, you should allow sufficient time to ensure timely delivery.

GUARANTEED DELIVERY

If you wish to tender shares of Genomica common stock pursuant to the exchange offer and your certificates are not immediately available or you cannot deliver the certificates and all other required documents to the exchange agent before the expiration date or cannot complete the procedure for book-entry transfer on a timely basis, your shares of Genomica common stock may nevertheless be tendered, so long as all of the following conditions are satisfied:

- you make your tender by or through an eligible institution;

- the enclosed notice of guaranteed delivery, properly completed and duly

executed, substantially in the form enclosed with this prospectus, is received by the exchange agent as provided below on or before the expiration date; and

- the certificates for all tendered shares of Genomica common stock (or a confirmation of a book-entry transfer of tendered securities into the exchange agent's account at DTC as described above), in proper form for transfer, together with a properly completed and duly executed letter of transmittal or a manually signed facsimile thereof, with any required signature guarantees (or, in the case of a book-entry transfer, an agent's message), and all other documents required by the letter of transmittal are received by the exchange agent within three Nasdaq National Market trading days after the date of execution of the notice of guaranteed delivery.

You may deliver the notice of guaranteed delivery by hand or transmit it by facsimile transmission or mail it to the exchange agent, and you must include a signature guarantee by an eligible institution in the form provided in that notice.

In all cases, we are required to exchange shares of Genomica common stock tendered and accepted for exchange pursuant to the exchange offer only after timely receipt by the exchange agent of certificates for shares of Genomica common stock (or timely confirmation of a book-entry transfer of tendered securities into the exchange agent's account at DTC as described above), properly completed and duly executed letter(s) of transmittal (or manually signed facsimile(s) thereof) or an agent's message in connection with a book-entry transfer, and any other required documents.

EFFECT OF TENDER

By executing a letter of transmittal as described above, you irrevocably appoint our designees as your attorneys-in-fact and proxies, each with full power of substitution, to the full extent of your rights with respect to your shares of Genomica common stock tendered and accepted for exchange by Exelixis and with respect to any and all other shares of Genomica common stock and other securities (other than the shares of Exelixis common stock) issued or issuable in respect of the shares of Genomica common stock on or after December 28, 2001. That appointment is effective if and when, and only to the extent that, we accept the shares of Genomica common stock for exchange pursuant to the exchange offer. All of these proxies shall be considered coupled with an interest in the tendered shares of Genomica common stock and therefore shall not be revocable. Upon the effectiveness of the appointment, all prior proxies that you have given will be revoked, and you may not give any subsequent proxies (and, if given, they will not be deemed effective). Our designees will, with respect to the shares of Genomica common stock for which the appointment is effective, be empowered, among other things, to exercise all of your voting and other rights as they, in their sole discretion, deem proper at any annual, special or adjourned meeting of Genomica stockholders or otherwise. We reserve the right to require that, in order for shares of Genomica common stock to be deemed validly tendered, immediately upon our exchange of the shares, we must be able to exercise full voting rights with respect to the tendered shares of Genomica common stock.

We will determine questions regarding the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of shares of Genomica common stock, in our sole discretion, and our determination shall be final and binding. We reserve the absolute right to reject any and all tenders of shares of Genomica common stock that we determine are not in proper form or

the acceptance of or exchange for which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any defect or irregularity in the tender of any shares of Genomica common stock. No tender of shares of Genomica common stock will be deemed to have been validly made until all defects and irregularities in tenders of shares of Genomica common stock have been cured or waived. None of Exelixis, the exchange agent, the information agent nor any other person will be under any duty to give notification of any defects or irregularities in the tender of any shares of Genomica common stock or will incur any liability for failure to give notification. Our interpretation of the terms and conditions of the exchange offer (including the letter of transmittal and instructions thereto) will be final and binding.

The tender of shares of Genomica common stock pursuant to any of the procedures described above will constitute a binding agreement between us and you upon the terms and subject to the conditions to the exchange offer.

INTERESTS OF GENOMICA'S OFFICERS AND DIRECTORS IN THE TRANSACTION

Certain of Genomica's directors and officers may have interests in the exchange offer and the merger that may be different from, or in addition to, their interest as Genomica stockholders. You should be aware of those interests when considering the unanimous recommendation of the Genomica board that Genomica stockholders accept the exchange offer.

Treatment of Stock Options

The merger agreement provides that Exelixis will not assume any Genomica stock options. Under Genomica's option plans, the vesting of all Genomica stock options that are not assumed in connection with a change in control (such as the consummation of the exchange offer) automatically accelerates and the options become fully vested and exercisable immediately upon the consummation of the change in control. As a result, all options held by employees or non-employee directors of Genomica will become fully vested and exercisable immediately upon the time Exelixis accepts shares of Genomica common stock in the exchange offer. Also, all of Genomica's options that are not exercised at or before the closing of the exchange offer will terminate. Genomica officers and directors hold options to purchase Genomica common stock as set forth below:

NAME	NUMBER OF SHARES SUBJECT TO OPTIONS	NUMBER OF UNVESTED OPTIONS SUBJECT TO ACCELERATION (1)
Teresa W. Ayers	300,008	172,222
Thomas G. Marr, Ph.D.	333,366	177,777
Kenneth S. Rubin	288,020	244,790
Daniel R. Hudspeth	91,699	91,666
Michael W. Cohn	149,999	118,749
James L. Rathmann	15,000	10,417
Ralph E. Christoffersen, Ph.D.	20,000	--
Robert T. Nelsen	15,000	10,417
William E. Rich, Ph.D.	15,000	10,417
Michael J. Savage	15,000	12,501

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(1) Assumes the closing of the exchange offer occurs on December 28, 2001.

Treatment of Shares Subject to Repurchase

Teresa W. Ayers and Daniel R. Hudspeth each own shares of Genomica common stock that were issued upon the early exercise of certain of their stock options and which are subject to repurchase by Genomica if Ms. Ayers or Mr. Hudspeth are no longer employed by Genomica.

At the time of the closing of the exchange offer, Genomica's option to repurchase such shares of Genomica common stock from Ms. Ayers and Mr. Hudspeth will terminate and 137,500 shares held by Ms. Ayers and 65,444 shares held by Mr. Hudspeth will be released from the repurchase option.

Exercise Agreements

Under Genomica's option plans, the exercise price of an option may be satisfied with a promissory note or other means of compensation or deferred payment. Ms. Ayers, Dr. Marr and Messrs. Rubin, Hudspeth and Cohn have each entered into exercise agreements with Genomica dated as of November 26, 2001 and approved by Genomica's compensation committee. Under the terms of these exercise agreements, Ms. Ayers, Dr. Marr and Messrs. Rubin, Hudspeth and Cohn may receive a loan from Genomica in an amount equal to the total exercise price of specified options. The exercise agreements provide that such loans will:

- bear a market rate of interest determined at the time the loan is made;
- be secured by the Genomica common stock issued upon exercise of the options and, following the tender of Genomica common stock pursuant to the exchange offer, by the Exelixis common stock received in exchange for the tendered shares of Genomica common stock;
- be full recourse as to the executive; and
- be payable 45 days following expiration of the 90-day lock-up period described below.

In accordance with the terms of the merger agreement, Exelixis has consented to these agreements. A complete form of the agreement regarding stock option exercise is attached as Annex D to this prospectus and is incorporated into this prospectus by reference.

In connection with the merger agreement, the directors, officers and certain affiliates of Genomica have agreed not to sell or otherwise dispose of Exelixis common stock for 90 days following the date we first accept for payment shares in the exchange offer. We have agreed to waive the provisions of the lock-up agreements for Ms. Ayers, Dr. Marr and Messrs. Rubin, Hudspeth and Cohn to enable them to sell the number of shares of Exelixis common stock necessary to satisfy any tax obligations that they may incur as a result of exercises of options to acquire Genomica common stock. A form of the partial waiver of the lock-up agreement is attached as Annex E to this prospectus and is incorporated into this prospectus by reference.

INDEMNIFICATION

The merger agreement provides that all rights to indemnification, exculpation and advancement of expenses existing in favor of individuals who, on or before the date of completion of the merger, were officers or directors of Genomica and any of its subsidiaries, as provided in Genomica's certificate of incorporation or bylaws, or in an agreement between one of the above parties and Genomica, as in effect November 19, 2001, will survive the merger and continue

in full force and effect for a period of five years from the effective time of the merger.

After completion of the merger, Exelixis is required to indemnify and hold harmless the individuals who on or before the completion of the merger were officers or directors of Genomica and any of its subsidiaries to the same extent as set forth in the preceding paragraph.

The merger agreement also provides that for five years after completion of the Merger, Genomica, as the surviving corporation in the merger, will provide officers' and directors' liability insurance with respect to acts or omissions occurring before completion of the merger, covering each Genomica officer and director covered by Genomica's officers' and directors' liability insurance policy as of November 19, 2001, on terms at least as favorable as those of the policy in effect on November 19, 2001. However, Genomica is not required to pay annual premiums in excess of 150% of current annual premiums paid by Genomica to maintain or procure insurance coverage.

MANAGEMENT OF EXELIXIS AFTER THE TRANSACTION

The management of Exelixis after the transaction will remain unchanged. Information about the current directors and executive officers of Exelixis can be found in our Form 10-K for the year ended December 31, 2000 which is incorporated by reference into this prospectus. See the section of this prospectus entitled "Where You Can Find More Information" beginning on page 102 for information on where these additional documents may be found.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion sets forth the material U.S. federal income tax considerations of the transaction generally applicable to holders of shares of Genomica common stock who exchange their shares of Genomica common stock for shares of Exelixis common stock in the exchange offer or have their shares of Genomica common stock converted into shares of Exelixis common stock in the merger. This discussion and the tax opinions described below are based on the Internal Revenue Code of 1986 (also referred to in this discussion as the "Code"), applicable Treasury regulations, administrative interpretations and court decisions in effect as of the date of this prospectus, all of which may change, possibly with retroactive effect. Any such change could alter the tax consequences described in this summary and the tax opinions.

This discussion of material federal income tax consequences of the transaction is not intended to provide a complete analysis or description of all potential federal income tax consequences of the exchange offer or the merger. It does not address all aspects of federal income taxation that may be important to a holder of shares of Genomica common stock in light of that stockholder's particular circumstances or to a stockholder subject to special rules, such as:

- a foreign entity or an individual stockholder who is not a citizen or resident of the U.S.;
- a financial institution or insurance company;
- a tax-exempt organization;
- a dealer or broker in securities;
- a stockholder who is subject to the alternative minimum tax provisions of the Code;

- a stockholder whose shares are qualified small business stock for purposes of Section 1202 of the Code;

- a stockholder who holds shares of Genomica common stock as part of a hedge, appreciated financial position, straddle, constructive sale, conversion transaction or other risk reduction transaction;

- a stockholder who acquired shares of Genomica common stock pursuant to the exercise of incentive stock options, or who holds shares of Genomica common stock that are subject to a substantial risk of forfeiture;

- a stockholder who exercises appraisal rights; or

- a stockholder who does not hold shares of Genomica common stock as capital assets.

In addition, this discussion does not address any state, local or foreign income tax or non-income tax consequences of the exchange offer or the merger or of any transactions other than the exchange offer and the merger. EXELIXIS AND GENOMICA URGE HOLDERS OF SHARES OF GENOMICA COMMON STOCK TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR FEDERAL INCOME TAX OR OTHER TAX CONSEQUENCES TO THEM OF PARTICIPATION IN THE EXCHANGE OFFER OR THE MERGER.

Qualification of the Exchange Offer and the Merger as a Reorganization. Based on the representations of Exelixis and Genomica and subject to the assumptions and limitations discussed in such opinions, Heller Ehrman White & McAuliffe LLP, counsel to Exelixis, and Cooley Godward LLP, counsel to Genomica, have provided opinions that the transaction will be treated for federal income tax purposes as an integrated

reorganization within the meaning of Section 368(a) of the Code if all of the following factual assumptions (also referred to as the "supporting conditions") are met:

- the exchange offer and the merger are completed under the current terms of the merger agreement;

- the minimum tender condition for the exchange offer is satisfied; and

- the merger is completed promptly after the exchange offer.

The completion of the exchange offer is conditioned upon these opinions having been given and not withdrawn. These opinions are based upon representations and covenants made by Exelixis and Genomica, including representations in certificates of officers of Exelixis and Genomica to be delivered to tax counsel before completion of the exchange offer, and upon certain assumptions, including the absence of changes in facts or in law between the date of the completion of the exchange offer and the completion of the merger. If any of those representations, covenants or assumptions is inaccurate, the tax consequences of the transaction could differ materially from those summarized below. In addition, the ability to satisfy the supporting conditions depends in part on facts that will not be available before the completion of the merger. There can be no assurance that the merger will be completed, or that the supporting conditions will be satisfied. If the supporting conditions are not satisfied, the opinions of Heller Ehrman White & McAuliffe LLP and Cooley Godward LLP described above may not be relied upon. Furthermore, Heller Ehrman White & McAuliffe LLP's and Cooley Godward LLP's opinions represent only their best judgment of the tax consequences of the exchange offer and the merger. Such

opinions neither bind the Internal Revenue Service nor preclude the Internal Revenue Service or the courts from adopting a contrary position. No ruling has been or will be requested from the Internal Revenue Service in connection with the transaction. Accordingly, it is possible that the exchange offer or the merger may not qualify as a reorganization, and the tax consequences of the transaction could differ materially from those summarized below. For a further discussion, see the section entitled "U.S. Federal Income Tax Consequences if the Exchange Offer and the Merger Do Not Qualify as a Reorganization" below.

The opinions referred to above provide that if the transaction qualifies as an integrated tax-free reorganization, for federal income tax purposes:

- A holder of shares of Genomica common stock will not recognize any gain or loss on the exchange in the exchange offer or the conversion in the merger of shares of Genomica common stock for Exelixis shares.

- If a holder of shares of Genomica common stock receives cash instead of fractional shares of Exelixis common stock, the stockholder will be required to recognize capital gain or loss, measured by the difference between the amount of cash received instead of that fraction of a share and the portion of the tax basis of that holder's shares of Genomica common stock allocable to that fraction of a share. This gain or loss will be long-term capital gain or loss if the holder of shares of Genomica common stock has held the shares of Genomica common stock exchanged for that fraction of a Exelixis share for more than one year at the time the shares of Genomica common stock are accepted in the exchange offer or converted at the completion of the merger, as the case may be. The deductibility of capital losses is subject to limitations for both individuals and corporations.

- A holder of shares of Genomica common stock will have a tax basis in the shares of Exelixis common stock received in the exchange offer or the merger equal to (i) the tax basis in the shares of Genomica common stock surrendered by that stockholder in the exchange offer or the merger, reduced by (ii) any tax basis in the shares of Genomica common stock that is allocable to a fraction of a share of Exelixis common stock for which cash is received.

- The holding period for shares of Exelixis common stock received in exchange for shares of Genomica common stock in the exchange offer or the merger will include the holding period for shares of Genomica common stock surrendered in the exchange offer or the merger.

- Genomica will not recognize gain or loss as a result of the transaction.

U.S. Federal Income Tax Consequences if the Exchange Offer and the Merger Do Not Qualify as a Reorganization. The tax consequences described above are based on factual assumptions, representations and covenants, including the satisfaction of the supporting conditions. If any of those factual assumptions, representations or covenants are not satisfied or observed, or in the event of a contrary ruling by the Internal Revenue Service or a court, the federal income tax consequences of the transaction to holders of shares of Genomica common stock could differ materially from those summarized above in the section entitled "Qualification of the Exchange Offer and the Merger as a Reorganization." In that event, exchanges by Genomica stockholders pursuant to the exchange offer or the conversion of Genomica shares in the merger could be taxable transactions for federal income tax purposes depending on the particular facts surrounding the exchange offer or the merger, some of which may not be known until after completion of the merger.

If the exchange offer or the merger, or both, are taxable, each Genomica stockholder participating in the exchange offer or the merger, as applicable, will recognize capital gain or loss equal to the fair market value of the Exelixis shares (together with any cash instead of fractional shares of Exelixis common stock) received by the stockholder less the stockholder's tax basis in the shares of Genomica common stock surrendered. This gain or loss will be long-term capital gain or loss if the stockholder had held the shares of Genomica common stock for more than one year at the time the shares of Genomica common stock are accepted in the exchange offer or converted at the completion of the merger, as applicable.

U.S. Federal Income Tax Consequences if the Merger is Not Completed. No opinion has been given concerning any tax consequences of the exchange offer if the merger is not completed, or if the merger is not completed promptly after the exchange offer. Except as described under this heading, if the merger is not completed, exchanges pursuant to the exchange offer generally will be taxable transactions for federal income tax purposes with the consequences described above in the section entitled "U.S. Federal Income Tax Consequences if the Exchange Offer and the Merger Do Not Qualify as a Reorganization."

Even if the merger is not completed, the exchange offer will still be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code so long as the following conditions are met:

- Exelixis acquires at least 80% of the shares of Genomica common stock in the exchange offer;

- any acquisition of additional shares of Genomica common stock by Exelixis is not for consideration other than Exelixis voting stock; and

- the other representations and covenants made by Exelixis and Genomica in the merger agreement and in their respective tax representation letters delivered to Heller Ehrman White & McAuliffe LLP and Cooley Godward LLP pursuant to the merger agreement remain accurate.

Whether these conditions will be satisfied will not be known at the time of the exchange offer, and there can be no assurances that the conditions will be satisfied.

We urge each holder of shares of Genomica common stock to consult his or her own tax advisor to determine the particular U.S. federal, state or local or foreign income or other tax consequences of participation in the exchange offer or the merger.

U.S. Federal Backup Withholding; Reporting. To prevent backup federal income tax withholding with respect to cash, if any, received pursuant to the exchange offer or the merger, you must either provide the exchange agent with your correct taxpayer identification number and certify whether you are subject to backup withholding of federal income tax by completing the substitute Form W-9 included in the letter of transmittal or establish a basis for exemption from backup withholding. Some stockholders (including, among others, all corporations and some foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign person to qualify as an exempt recipient, the stockholder must generally submit a Form W-8BEN, W-8ECI, W-8EXP or W-8IMY, as appropriate, signed under penalty of perjury, attesting to that person's exempt status. Genomica stockholders who fail to provide their correct taxpayer identification numbers and the appropriate certifications or to establish an exemption as described above will be subject to backup withholding on cash amounts received in the exchange offer or the merger (at

a withholding rate of 30.5% for amounts received in 2001 and 30% for amounts received in 2002) and may be subject to a $50 penalty imposed by the Internal Revenue Service. If Exelixis withholds on a payment to you and the withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service. Cash amounts paid pursuant to the exchange offer or the merger will be reported to Genomica stockholders and the Internal Revenue Service.

Each Genomica stockholder who receives shares of Exelixis common stock in the exchange offer or the merger is required to file a statement with his, her or its federal income tax return setting forth the stockholder's basis in the shares of Genomica common stock surrendered and the fair market value of Exelixis common shares and the proceeds from the cash in lieu of fractional shares received in the exchange offer and the merger and is required to retain permanent records of these facts relating to the transaction.

ACCOUNTING TREATMENT

The transaction described in this prospectus will be accounted for as a "purchase," as that term is used under generally accepted accounting principles in the United States for accounting and financial reporting purposes. Genomica will be treated as the acquired corporation for these purposes. Under the purchase method of accounting, the aggregate consideration paid is allocated to the tangible and identifiable intangible assets acquired and liabilities assumed on the basis of their respective fair values on the transaction date. The final allocation of such consideration may differ from that reflected in the unaudited pro forma condensed combined financial information. Exelixis does not expect that the final allocation of the aggregate purchase price for the merger will differ materially from the preliminary allocations. For more information, see the section of the prospectus entitled "Notes to Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 90.

REGULATORY APPROVALS

Other than clearance under the antitrust laws applicable to the exchange offer and merger which are described below, the Securities and Exchange Commission declaring the registration statement on Form S-4 relating to this transaction effective and the filing of a certificate of merger, or a certificate of ownership and merger, as the case may be, under Delaware law with respect to the merger, we do not believe that any additional material governmental filings are required with respect to the exchange offer and merger.

APPROVAL OF THE MERGER

Under Section 251 of the General Corporation Law of the State of Delaware, the approval of the board of directors of a company is required to approve a merger agreement. Exelixis', Bluegreen Acquisition Sub's and Genomica's boards of directors have unanimously approved the merger agreement.

Under Section 251 of the General Corporation Law of the State of Delaware, except in certain circumstances, the affirmative vote of the holders of at least a majority of a company's outstanding shares entitled to vote thereon is required for stockholders to adopt a merger agreement. Exelixis, as the sole stockholder of Bluegreen Acquisition Sub, has adopted the merger agreement. Under the General Corporation Law of the State of Delaware, Exelixis stockholders are not required to approve the merger of Bluegreen Acquisition Sub into Genomica.

If, after completion of the exchange offer, we own more than 50% but less than 90% of the outstanding shares of Genomica common stock, we will complete

the acquisition of the remaining outstanding shares of Genomica common stock through a vote of Genomica stockholders with respect to the merger. Since we will own a majority of the outstanding shares of Genomica common stock on the record date, we will have a sufficient number of shares of Genomica common stock to adopt the merger agreement without the affirmative vote of any other holder of shares of Genomica common stock, and therefore, adoption of the merger agreement by Genomica stockholders will be assured. Completion of the transaction in this manner is referred to in this prospectus as a "long-form" merger.

Under Section 253 of the General Corporation Law of the State of Delaware, we can effect a merger without a vote of Genomica stockholders if, after completion of the exchange offer, as it may be extended and including any subsequent offering period, we own at least 90% of the outstanding shares of Genomica common stock. Completion of the transaction in this manner is referred to in this prospectus as a "short-form" merger.

AMENDMENT TO GENOMICA'S STOCKHOLDER RIGHTS PLAN

In connection with the approval of the merger agreement, the exchange offer and the merger by the board of directors of Genomica, Genomica amended its rights agreement, dated as of October 2, 2001, with Computershare Trust Company, Inc. as rights agent. According to the amendment, none of the transactions contemplated in the merger agreement, including the exchange offer and the merger, will trigger any of the anti-takeover mechanisms in the rights plan. The preferred stock purchase rights issued under this agreement currently are not separately transferable and will be automatically tendered along with the shares of common stock of Genomica in the exchange offer.

APPRAISAL RIGHTS

Genomica stockholders do not have appraisal rights in connection with the exchange offer.

If we complete the exchange offer but, upon completion of the exchange offer, as it may be extended and including any subsequent offering period, we own less than 90% of the outstanding shares of Genomica common stock, we have agreed to effect a long-form merger, as described above. Assuming that the shares of Genomica common stock remain listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or are held of record by more than 2,000 holders, Genomica stockholders who have not exchanged their shares of Genomica common stock in the exchange offer will not have appraisal rights in connection with a long-form merger. However, if a long-form merger is consummated, and if, on the date fixed to determine stockholders entitled to vote on the merger, the shares of Genomica common stock are not listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. and are held of record by less than 2,000 holders, you will have appraisal rights pursuant to the provisions of Section 262 of the General Corporation Law of the State of Delaware as described below.

If we complete the exchange offer and, upon completion of the exchange offer, as it may be extended and including any subsequent offering period, we own at least 90% of the outstanding shares of Genomica common stock, we have agreed to effect a short-form merger, as described above. Genomica stockholders at the time of a short-form merger will have the right under Section 262 of the General Corporation Law of the State of Delaware to demand appraisal of their shares of Genomica common stock. Under Section 262, stockholders who comply with

the applicable statutory procedures under the Delaware General Corporation Law will be entitled to receive a judicial determination of the fair value of their shares of Genomica common stock (exclusive of any element of value arising from the accomplishment or expectation of the merger) and to receive payment of this fair value in cash, together with a fair rate of interest, if any. In Cede & Co. and Cinerama, Inc. v. Technicolor, Inc., the Supreme Court of the State of Delaware construed Section 262 of the General Corporation Law of the State of Delaware and held that the "accomplishment or expectation" exclusion from the calculation of fair value described in the preceding sentence is narrow and is designed to eliminate use of pro forma data and projections of a speculative variety relating to the completion of a merger. The court held that it is appropriate to include in the calculation of fair value any known elements of value. We cannot assure you what methodology a court would use to determine fair value or how a court would select which elements of value are to be included in its determination.

If Genomica stockholders have appraisal rights in connection with the merger, they will have to comply with specific statutory provisions under Delaware law. The following is a brief summary of the statutory procedures that must be followed by a Genomica stockholder in order to perfect appraisal rights under Delaware law.

THE FOLLOWING DISCUSSION IS NOT A COMPLETE STATEMENT OF THE DELAWARE LAW PERTAINING TO APPRAISAL RIGHTS AND IS QUALIFIED IN ITS ENTIRETY BY THE FULL TEXT OF SECTION 262 OF THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE WHICH IS ATTACHED TO THIS PROSPECTUS AS ANNEX F. BECAUSE OF THE COMPLEXITY OF SECTION 262 AND THE NEED TO STRICTLY COMPLY WITH VARIOUS TECHNICAL REQUIREMENTS, YOU SHOULD READ ANNEX F IN ITS ENTIRETY. A PERSON HAVING A BENEFICIAL INTEREST IN SHARES OF GENOMICA COMMON STOCK HELD OF RECORD IN THE NAME OF ANOTHER PERSON, SUCH AS A BROKER OR NOMINEE, MUST ACT PROMPTLY TO CAUSE THE RECORD HOLDER TO FOLLOW THE STEPS SUMMARIZED BELOW PROPERLY AND IN A TIMELY MANNER TO PERFECT APPRAISAL RIGHTS.

Under Section 262, where a merger is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days before the meeting, must notify each of its stockholders entitled to appraisal rights that such appraisal rights are available and include in such notice a copy of Section 262.

A holder of shares of Genomica common stock wishing to exercise such holder's appraisal rights:

- must deliver to Genomica, before the vote on the adoption of the merger agreement at the special meeting, a written demand for the appraisal of his or her shares; and

- must not vote in favor of the adoption of the merger agreement.

In order not to vote in favor of the adoption of the merger agreement, a stockholder must either:

- not return a proxy card and not vote in person in favor of the adoption of the merger agreement,

- return a proxy card with the "Against" or "Abstain" box checked,

- vote in person against the adoption of the merger agreement, or

- register in person an abstention from the proposal to adopt the merger

agreement.

ALL WRITTEN DEMANDS FOR APPRAISAL PURSUANT TO SECTION 262 SHOULD BE SENT OR DELIVERED TO GENOMICA CORPORATION AT 1715 38TH STREET, BOULDER, COLORADO 80301, ATTENTION: DANIEL R. HUDSPETH.

A holder of shares of Genomica common stock wishing to exercise the holder's appraisal rights must hold of record these shares on the date the written demand for appraisal is made and must continue to hold these shares of record through the effective time of the merger. A vote against the adoption of the merger agreement will not in and of itself constitute a written demand for appraisal satisfying the requirements of Section 262. The demand must reasonably inform Genomica of the identity of the holder as well as the intention of the holder to demand an appraisal of the "fair value" of the shares held by the holder. A stockholder's failure to make the written demand before the taking of the vote on the adoption of the merger agreement at the special meeting of Genomica stockholders will constitute a waiver of appraisal rights.

Only a holder of record of shares of Genomica common stock is entitled to assert appraisal rights for the shares of Genomica common stock registered in that holder's name. The demand for appraisal in respect of shares of Genomica common stock must be executed by or on behalf of the holder of record, fully and correctly, as the holder's name appears on the holder's stock certificates, and must state that the holder intends by the demand for appraisal to demand appraisal of the holder's shares of Genomica common stock in connection with the merger. If the shares of Genomica common stock are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, the demand should be executed in that capacity, and if the shares of Genomica common stock are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or on behalf of all joint owners. An authorized agent, including two or more joint owners, may execute a demand for appraisal on behalf of a holder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that in executing the demand, the agent is acting as agent for the owner or owners. A record holder, such as a broker who holds shares of Genomica common stock as nominee for several beneficial owners, may exercise appraisal rights with respect to the shares of Genomica common stock held for one or more beneficial owners while not exercising such rights with respect to the shares of Genomica common stock held for other beneficial owners. In this case, however, the written demand should set forth the number of shares of Genomica common stock as to which appraisal is sought, and if no number of shares of Genomica common stock is expressly mentioned, the demand will be presumed to cover all shares of Genomica common stock held in the name of

the record owner. Stockholders who hold their shares of Genomica common stock in brokerage accounts or other nominee forms and who wish to exercise appraisal rights are urged to consult with their brokers to determine the appropriate procedures for the making of a demand for appraisal by such a nominee.

Within 10 days after the effective time of the merger, the surviving corporation must notify each holder of Genomica common stock who has complied with Section 262 and who has not voted in favor of the adoption of the merger agreement of the date that the merger has become effective. Within 120 days after the effective time of the merger, the surviving corporation or any holder of Genomica common stock who has complied with Section 262 and is entitled to appraisal rights under Section 262 may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the holder's shares of Genomica common stock. The surviving corporation is under no obligation to and has no present intention to file such a petition. Accordingly, it is the obligation of the holders of Genomica common stock to initiate all necessary

action to perfect their appraisal rights in respect of their shares of Genomica common stock within the time prescribed in Section 262.

Within 120 days after the effective time of the merger, any holder of Genomica common stock who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from the surviving corporation a statement setting forth the aggregate number of shares not voted in favor of the adoption of the merger agreement, the aggregate number of shares with respect to which demands for appraisal have been received and the aggregate number of holders of these shares. This statement must be mailed within 10 days after a written request for the statement has been received by the surviving corporation or within 10 days after the expiration of the period for delivery of demands for appraisal, whichever is later.

If a petition for an appraisal is timely filed by a holder of shares of Genomica common stock and a copy of the petition is served upon the surviving corporation, the surviving corporation will then be obligated within 20 days to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded an appraisal of their shares and with whom agreements as to the value of their shares have not been reached. After notice to these stockholders as required by the court, the Delaware Court of Chancery is empowered to conduct a hearing on such petition to determine those stockholders who have complied with Section 262 and who have become entitled to appraisal rights under Section 262. The Delaware Court of Chancery may require the holders of shares of Genomica common stock who demanded payment for their shares to submit their stock certificates to the Delaware Register in Chancery for notation on the certificate of the pendency of the appraisal proceeding. If any stockholder fails to comply with such direction, the Delaware Court of Chancery may dismiss the proceedings as to this stockholder.

After determining the holders of Genomica common stock entitled to appraisal, the Delaware Court of Chancery will appraise the "fair value" of their shares of Genomica common stock, exclusive of any element of value arising from the accomplishment or expectation of the merger. The Delaware Court of Chancery will also determine the amount of interest, if any, to be paid upon the amount determined to be the fair value. Holders of Genomica common stock considering seeking appraisal should be aware that the fair value of their shares of Genomica common stock as so determined could be more than, the same as or less than the consideration they would receive pursuant to the merger if they did not seek appraisal of their shares of Genomica common stock and that investment banking opinions as to fairness from a financial point of view are not necessarily opinions as to fair value under Section 262. The Delaware Supreme Court has stated that proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered in the appraisal proceedings. In addition, Delaware courts have decided that the statutory appraisal remedy, depending on factual circumstances, may or may not be a dissenter's exclusive remedy. The costs of the action may be determined by the court and taxed upon the parties as the court deems equitable. The court may also order that all or a portion of the expenses incurred by any stockholder in connection with an appraisal, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts utilized in the appraisal proceeding, be charged pro rata against the value of all the shares entitled to be appraised.

Any holder of shares of Genomica common stock who has duly demanded an appraisal in compliance with Section 262 will not, after the effective time of the merger, be entitled to vote the shares of Genomica common stock subject to this demand for any purpose. In addition, the shares subject to the demand will

not be entitled to the payment of dividends or other distributions on those shares of Genomica common stock, except dividends or other distributions payable to holders of record of Genomica common stock as of a record date before the effective time of the merger.

If any stockholder who demands appraisal of the holder's shares of Genomica common stock under Section 262 fails to perfect, or effectively withdraws or loses, the holder's right to appraisal, the shares of Genomica common stock of the stockholder will be deemed to have been converted at the effective time of the merger into the right to receive the merger consideration, without interest. The number of shares of Exelixis common stock, and cash in lieu of a fraction of a share of Exelixis common stock, delivered to the stockholder will be based on the same exchange ratio utilized in the exchange offer and the merger, regardless of the market price of Exelixis common stock at the time of delivery. A stockholder will fail to perfect, or effectively lose or withdraw, the holder's right to appraisal if no petition for appraisal is filed within 120 days after the effective time of the merger, or if the stockholder delivers to the surviving corporation a written withdrawal of the holder's demand for appraisal and an acceptance of the merger, except that any attempt to withdraw made more than 60 days after the effective time of the merger will require the written approval of the surviving corporation and, once a petition for appraisal is filed, the appraisal proceeding may not be dismissed as to any holder absent court approval.

FAILURE TO FOLLOW THE STEPS REQUIRED BY SECTION 262 OF THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE FOR PERFECTING APPRAISAL RIGHTS MAY RESULT IN THE LOSS OF THESE RIGHTS.

POSSIBLE EFFECTS OF THE EXCHANGE OFFER

Reduced Liquidity of Genomica Common Stock; Possibly No Longer Included for Quotation. The tender and exchange of shares of Genomica common stock pursuant to the exchange offer will reduce the number of holders of shares of Genomica common stock and the number of shares of Genomica common stock that might otherwise trade publicly and could adversely affect the liquidity and market value of the remaining shares of Genomica common stock held by the public. Shares of Genomica common stock are included for listing and principally traded on the Nasdaq National Market, or Nasdaq. Depending on the number of shares of Genomica common stock acquired pursuant to the exchange offer, following completion of the exchange offer, shares of Genomica common stock may no longer meet the requirements of Nasdaq for continued listing. The requirements for continued inclusion in Nasdaq, among other things, require that an issuer have either:

- at least 750,000 publicly held shares, held by at least 400 stockholders of round lots, with a market value of at least $5.0 million and net tangible assets of at least $4.0 million and at least two registered and active market makers for the shares; or

- at least 1,100,000 publicly held shares, held by at least 400 stockholders of round lots, with a market value of at least $15.0 million and at least four registered and active market markers, and either:

  - a market capitalization of at least $50.0 million; or

  - total assets and total revenue of at least $50.0 million each for the most recently completed fiscal year or two of the last three most recently completed fiscal years.

Even if the requirements for continued inclusion in Nasdaq are not satisfied, the shares might nevertheless continue to be included in a different tier of Nasdaq with quotations published in the Nasdaq "additional list" or in

one of the "local lists," but if the number of holders of the shares fall below 300, the number of publicly held shares fall below 500,000 or there are not at least two registered and active market makers for the shares, applicable Nasdaq rules provide that the shares are no longer "qualified" for Nasdaq reporting and Nasdaq would cease to provide any quotations. Shares held directly or indirectly by directors, officers or beneficial owners of more than 10% of the shares are not considered as being publicly held for this purpose. If, following the completion of the exchange offer, the shares of Genomica no longer meet the

requirements for continued inclusion in the Nasdaq National Market or in any other tier of Nasdaq and the shares are no longer included in the Nasdaq National Market or in any other tier of Nasdaq, the market for shares of Genomica common stock could be adversely affected.

If the shares of Genomica common stock no longer meet the requirements for continued inclusion in any tier of the Nasdaq, it is possible that the shares would continue to trade in the over-the-counter market and that price quotations would be reported by other sources. The extent of the public market for the shares of Genomica common stock and the availability of quotations for shares of Genomica common stock would, however, depend upon the number of holders or the aggregate market value of the shares remaining at that time, the interest in maintaining a market in shares of Genomica common stock on the part of securities firms, the possible termination of registration of the shares under the Securities Exchange Act of 1934, as described below, and other factors. We cannot predict whether the reduction in the number of shares of Genomica common stock that might otherwise trade publicly would have an adverse or beneficial effect on the market price for, or marketability of, the shares of Genomica common stock.

According to Genomica, as of December 26, 2001, there were approximately 23,065,643 shares of Genomica common stock outstanding.

Status as "Margin Securities." Shares of Genomica common stock are presently "margin securities" under the regulations of the Federal Reserve Board, which has the effect, among other things, of allowing brokers to extend credit on the collateral of shares of Genomica common stock. Depending on factors similar to those described above with respect to market quotations, following completion of the exchange offer, the shares of Genomica common stock may no longer constitute "margin securities" for the purposes of the Federal Reserve Board's margin regulations, in which event the shares of Genomica common stock would not be eligible as collateral for margin loans made by brokers.

Registration under the Securities Exchange Act of 1934. Shares of Genomica common stock are currently registered under the Securities Exchange Act of 1934. Genomica can terminate that registration upon application to the Securities and Exchange Commission if the outstanding shares are not listed on a national securities exchange or if there are fewer than 300 holders of record of shares of Genomica common stock. After completion of the merger, Exelixis intends to cause Genomica to terminate the registration of Genomica common stock under the Securities Exchange Act of 1934. Termination of registration of the shares of Genomica common stock under the Securities Exchange Act of 1934 would reduce the information that Genomica must furnish to its stockholders and to the Securities and Exchange Commission.

RELATIONSHIPS BETWEEN EXELIXIS AND GENOMICA

Except for the Stockholder Tender Agreements or as otherwise described in this prospectus, neither Exelixis nor, to the best of our knowledge, any of our

directors, executive officers or other affiliates has any contract, arrangement, understanding or relationship with any other person with respect to any securities of Genomica, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies. Except as described in this prospectus, there have been no contacts, negotiations or transactions since January 1, 1998, between Exelixis or, to the best of our knowledge, any of our directors, executive officers or other affiliates on the one hand, and Genomica or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, a tender offer or other acquisition of securities, an election of directors, or a sale or other transfer of a material amount of assets. Neither Exelixis nor, to the best of our knowledge, any of our directors, executive officers or other affiliates has, since January 1, 1998, had any transaction with Genomica or any of its officers, directors or affiliates that would require disclosure under the rules and regulations of the Securities and Exchange Commission applicable to the exchange offer. For a description of the contacts and negotiations between Exelixis and any of our directors, executive officers or other affiliates, on the one hand, and Genomica and its directors, executive officers or affiliates on the other hand, relating to the exchange offer and the merger see the section of this prospectus entitled "The Transaction -- Background."

Neither Exelixis nor, to the best of our knowledge, any of our directors, executive officers or other affiliates beneficially owns or has any right to acquire, directly or indirectly, any shares of Genomica common stock except pursuant to the Stockholder Tender Agreements described in more detail in the section of this prospectus entitled "The Stockholder Tender Agreements."

Neither Exelixis nor, to the best of our knowledge, any of our directors, executive officers or other affiliates has effected any transaction in shares of Genomica common stock during the past 60 days.

FEES AND EXPENSES

We have retained Mellon Investor Services LLC to act as information agent in connection with the exchange offer. The information agent may contact holders of shares of Genomica common stock by mail, telephone, telex, telegraph, e-mail and personal interview and may request brokers, dealers and other nominee stockholders to forward material relating to the exchange offer to beneficial owners of shares of Genomica common stock. We have agreed to pay the information agent reasonable and customary compensation for these services in addition to reimbursing the information agent for its reasonable out-of-pocket expenses. We have agreed to indemnify the information agent against certain liabilities and expenses in connection with the exchange offer, including certain liabilities under the U.S. federal securities laws.

In addition, we have retained Mellon Investor Services LLC as the exchange agent. We have agreed to pay the exchange agent reasonable and customary compensation for its services in connection with the exchange offer, have agreed to reimburse the exchange agent for its reasonable out-of-pocket expenses and have agreed to indemnify the exchange agent against certain liabilities and expenses, including certain liabilities under the U.S. federal securities laws.

Except as described above, we have not agreed to pay any fees or commissions to any broker, dealer or other person for soliciting tenders of shares of Genomica common stock pursuant to the exchange offer. We have agreed to reimburse brokers, dealers, commercial banks and trust companies and other nominees, upon request, for customary clerical and mailing expenses incurred by

them in forwarding offering materials to their customers.

CERTAIN TERMS OF THE MERGER AGREEMENT

The following description of the merger agreement describes the material terms of the merger agreement. The complete text of the merger agreement is attached as Annex A to this prospectus and is incorporated into this prospectus by reference. We encourage all stockholders to read the entire merger agreement carefully.

THE EXCHANGE OFFER

Generally. Under the terms of the merger agreement, we have begun an exchange offer for all outstanding shares of Genomica common stock. In the exchange offer, we are offering to exchange a portion of a share of Exelixis common stock computed through an exchange ratio for each share of Genomica common stock that is validly tendered and not properly withdrawn. For a description of the exchange ratio, see the section entitled "The Transaction -- The Exchange Ratio." The initial expiration date of the exchange offer is December 28, 2001, the twentieth business day following its commencement. The initial expiration date may be extended under certain circumstances.

Optional Extensions of the Exchange Offer. If any condition to the exchange offer is not satisfied or, if permissible, waived on any scheduled expiration date of the exchange offer, we may extend the expiration date of the exchange offer for successive extension periods of not more than 10 business days per extension, until all conditions to the exchange offer are satisfied or, if permissible, waived, or until the merger agreement is terminated in accordance with its terms. We also have the right to extend the exchange offer to the extent required by the applicable rules and regulations of the Securities and Exchange Commission or the National Association of Securities Dealers.

Subsequent Offering Period. We may elect to provide a subsequent offering period of not less than three nor more than 20 business days after the acceptance of shares of Genomica common stock in the exchange offer if the requirements of Rule 14d-11 under the Securities Exchange Act of 1934 have been met. You will not have the right to withdraw any shares of Genomica common stock that you tender during any subsequent offering period. During any subsequent offer period, we are required to accept for exchange, and to deliver shares of Exelixis common stock in exchange for, shares of Genomica common stock that are validly tendered promptly after the tender of such shares. If we elect to provide a subsequent offering period, we are required to make a public announcement to that effect no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date of the exchange offer.

Prompt Payment for Shares of Genomica Common Stock in the Exchange Offer. Subject to the terms of the exchange offer and the merger agreement and the satisfaction, or waiver to the extent permitted, of the conditions to the exchange offer, we are required to accept for exchange all shares of Genomica common stock validly tendered and not properly withdrawn pursuant to the exchange offer as soon as practicable after the applicable expiration date of the exchange offer, as it may be extended pursuant to the merger agreement, and are required to exchange all accepted shares of Genomica common stock promptly after acceptance.

We will not issue certificates representing fractional shares of our common stock in the exchange offer. Instead, each tendering stockholder who would

otherwise be entitled to a fractional share (after aggregating all fractional shares of Exelixis common stock that otherwise would be received by the holder) will receive cash (rounded up to the nearest whole cent), without interest, equal to the product obtained by multiplying:

- that fraction of a share of Exelixis common stock to which the stockholder is entitled (after aggregating all fractional shares of Exelixis common stock that otherwise would be received by the stockholder), by

- the closing sales price of one share of Exelixis common stock on the Nasdaq National Market (as reported in The Wall Street Journal or, if not reported in The Wall Street Journal, any other authoritative source) on the date we first accept shares for exchange in the exchange offer.

COMPOSITION OF GENOMICA'S BOARD OF DIRECTORS AFTER THE EXCHANGE OFFER

Upon the acceptance for payment of shares of Genomica common stock pursuant to the exchange offer, we will be entitled to designate four directors of Genomica. Under the terms of the merger agreement, Genomica has agreed to take all action necessary to cause Exelixis designees to be elected or appointed to Genomica's board of directors. Until the completion of the merger, Genomica's board of directors is required to include at least three members, referred to in this prospectus as the "continuing directors," who were directors of Genomica before the completion of the exchange offer. If, at any time before the completion of the merger, the number of continuing directors is reduced to fewer than three for any reason, the remaining and departing continuing directors will be entitled to designate a person or persons to fill any vacancy with the consent of Exelixis. If, however, we purchase 85% or more of Genomica common stock in the exchange offer, the number of continuing directors will be one.

The merger agreement provides that if our designees are elected to Genomica's board of directors before the completion of the merger, the affirmative vote of a majority of the continuing directors will be required for Genomica to:

- amend or terminate the merger agreement or agree or consent to any amendment or termination of the merger agreement;

- waive any of Genomica's rights, benefits or remedies under the merger agreement;

- extend the time for performance of our obligations under the merger agreement; or

- approve any other action by Genomica that is likely to adversely affect the interests of the Genomica stockholders with respect to the transactions contemplated by the merger agreement.

THE MERGER

Generally. The merger agreement provides that after completion of the exchange offer, Bluegreen Acquisition Sub will be merged into Genomica. Upon completion of the merger, Genomica will continue as the "surviving corporation" and will be a wholly owned subsidiary of Exelixis.

The Completion of the Merger. The merger will become effective when the certificate of merger or certificate of ownership and merger, as the case may be, is filed with the Secretary of State of the State of Delaware. Exelixis and

Genomica anticipate that the merger will be completed no later than the second business day after all of the conditions to the merger contained in the merger agreement are satisfied or, where permissible, waived, and have agreed to use all reasonable efforts to complete the merger within 40 days after the date we accept shares for exchange pursuant to the exchange offer.

Upon completion of the merger, the directors and officers of Bluegreen Acquisition Sub will become the officers and directors of the surviving corporation, the certificate of incorporation of the surviving corporation will be amended to be substantively identical to the certificate of incorporation of Bluegreen Acquisition Sub, and the bylaws of Bluegreen Acquisition Sub will be the bylaws of the surviving corporation.

Manner and Basis of Converting Shares of Genomica Common Stock in the Merger. Under the terms of the merger agreement, upon completion of the merger, each share of Genomica common stock will be converted into the right to receive a portion of a share of Exelixis common stock at the same exchange ratio used in the exchange offer. The merger consideration will not be payable in respect of shares of Genomica common stock held by Genomica immediately before completion of the merger, shares of Genomica common stock owned by Exelixis, Bluegreen Acquisition Sub or any other subsidiary of Exelixis immediately before the completion of the merger or shares of Genomica common stock for which appraisal rights are exercised under Delaware law.

We will not issue fractional shares of our common stock in the merger. Instead, each stockholder who would otherwise be entitled to a fractional share (after aggregating all fractional shares of Exelixis common

stock that otherwise would be received by the stockholder) will receive cash (rounded to the nearest whole cent), without interest, equal to the product obtained by multiplying:

- that fraction of a share of Exelixis common stock to which the stockholder is entitled (after aggregating all fractional shares of Exelixis common stock that otherwise would be received by such stockholder), by

- the closing sales price of one share of Exelixis common stock on the Nasdaq National Market (as reported in The Wall Street Journal or, if not reported in The Wall Street Journal, any other authoritative source) on the day of completion of the merger.

The merger agreement provides that, as soon as reasonably practicable after the date of completion of the merger, the exchange agent will mail to each record holder of a certificate or certificates that represented shares of Genomica common stock before the merger, a letter of transmittal and instructions for use in exchanging Genomica common stock certificates for Exelixis common stock certificates. In addition, the merger agreement contemplates that, as soon as reasonably practicable after the exchange agent receives back from the record holder the Genomica common stock certificate, the letter of transmittal and any other documents that are reasonably required by the exchange agent or Exelixis, the exchange agent will mail to the record holder a certificate or certificates representing the appropriate number of shares of Exelixis common stock and an amount of cash for any fractional share. Additionally, record holders of Genomica common stock certificates may, at their option after the completion of the merger, physically surrender their Genomica common stock certificates in person at the offices of the exchange agent listed on the back of this prospectus for Exelixis common stock certificates and cash for any fractional share.

After the completion of the merger, until it is surrendered and exchanged, each certificate that previously evidenced Genomica common stock will be deemed to evidence the right to receive shares of Exelixis common stock and the right to receive cash instead of fractional shares of Exelixis common stock. We will not pay dividends or other distributions on any shares of Exelixis common stock to be issued in exchange for any Genomica common stock certificate that is not surrendered until the Genomica common stock certificate is properly surrendered, as provided in the merger agreement.

TREATMENT OF GENOMICA STOCK OPTIONS AND WARRANTS

Under the terms of the merger agreement, we will not assume any option to purchase Genomica common stock. Pursuant to Genomica's stock option plans, the vesting of all Genomica stock options that are not assumed in connection with a change in control (such as the consummation of the exchange offer) will accelerate and all options held by employees or non-employee directors of Genomica will become fully vested and exercisable immediately at the time we accept the shares of Genomica common stock for payment in the exchange offer. All Genomica stock options that are not exercised on or before the date we accept shares of Genomica common stock for payment pursuant to the exchange offer will terminate pursuant to the terms of the Genomica stock option plan under which the Genomica stock option was issued. In addition, certain employees of Genomica own stock acquired upon their exercise of Genomica stock options that is subject to a repurchase right of Genomica. These repurchase rights will not be assigned to Exelixis and, under the terms of the agreements giving rise to the repurchase rights, will terminate upon the closing of the exchange offer.

Under the terms of the merger agreement, upon the completion of the exchange offer, we will automatically assume each outstanding warrant to acquire shares of Genomica common stock. Each Genomica warrant that we assume will be converted into a right to acquire the number of shares of Exelixis common stock equal to the product of the number of shares of Genomica common stock that were issuable upon the conversion of the Genomica warrant immediately before the completion of the exchange offer, multiplied by the exchange ratio (rounded down to the nearest whole number of shares of Exelixis common stock). The exercise price per share of Exelixis common stock issuable under each assumed Genomica warrant will be the per share exercise price at which the Genomica warrant was exercisable immediately before the completion of the exchange offer, divided by the exchange ratio (rounded up to the nearest whole cent).

LOCK-UP

In connection with the merger agreement, the directors, officers and affiliates of both Genomica and Exelixis have agreed not to sell or otherwise transfer or dispose of Exelixis common stock for 90 days following the date we first accept for payment shares pursuant to the exchange offer. A complete form of the lock-up agreement is attached as Annex C to this prospectus and is incorporated into this prospectus by reference.

REPRESENTATIONS AND WARRANTIES

The merger agreement contains a number of customary representations and warranties relating to, among other things, certain aspects of the respective businesses and assets of each of the parties and their ability to complete the transaction. The representations and warranties of each party will expire upon completion of the merger.

CONDUCT OF BUSINESS BEFORE COMPLETION OF THE EXCHANGE OFFER

The merger agreement contemplates that, until the completion of the merger, Genomica will conduct its operations in substantially the manner as conducted before the merger and will use all reasonable efforts to preserve its current business organization and its relationships with customers, suppliers and others. The merger agreement also expressly restricts Genomica's ability to engage in certain material transactions without Exelixis' prior written consent. Among other things, Genomica has agreed that it will not:

- pay any dividend or repurchase, redeem or otherwise reacquire any outstanding shares of its capital stock;

- issue any shares of capital stock, options or warrants (except that, before the completion of the exchange offer, Genomica may issue shares of common stock upon the valid exercise of outstanding Genomica stock options and warrants);

- amend its certificate of incorporation, bylaws or similar organizational documents, or effect or become a party to any acquisition transaction;

- enter into any material transaction or take any other material action outside the ordinary course of business or inconsistent with past practices; or

- take or omit to take any action which would make any of the representations and warranties of Genomica contained in the merger agreement untrue or incorrect, prevent Genomica from performing or cause Genomica not to perform its covenants under the merger agreement or cause any of the conditions set forth in the merger agreement from being satisfied.

We have agreed that, until the completion of the merger, we will conduct our operations substantially as conducted before the merger, and will not without Genomica's prior written consent, among other things, pay dividends, amend any of our corporate documents or become party to any other merger agreement.

REASONABLE EFFORTS TO COMPLETE THE TRANSACTION

Exelixis and Genomica will make all filings required under antitrust laws applicable to the transaction and use reasonable efforts to take all actions necessary to complete the transaction.

LIMITATION ON GENOMICA'S ABILITY TO CONSIDER OTHER ACQUISITION PROPOSALS

Genomica has agreed that, except in the circumstances described below, it will not, directly or indirectly:

- solicit, initiate or knowingly take any action to encourage, induce or facilitate the making, submission or announcement of any Acquisition Proposal (as defined below);

- knowingly furnish any information about Genomica to any person (other than Exelixis or any designee of Exelixis) in connection with or in response to an Acquisition Proposal or an inquiry or indication of interest that could lead to an Acquisition Proposal;

- engage in discussions or negotiations with any person (other than Exelixis or any designee of Exelixis) with respect to an Acquisition

Proposal;

- approve, endorse or recommend an Acquisition Proposal; or

- enter into any letter of intent or similar document or any contract contemplating or otherwise relating to any Acquisition Proposal.

However, Genomica or Genomica's board of directors is permitted to furnish nonpublic information about Genomica to, or enter into discussions or negotiations with, any third party in response to an Acquisition Proposal if:

- Genomica and its representatives have not breached or taken any action inconsistent with the merger agreement;

- Genomica's board of directors concludes in good faith, after consultation with Genomica's outside legal counsel, that the Acquisition Proposal is reasonably likely to result in a Superior Offer (as defined below) and that this action is required in order for Genomica's board of directors to comply with its fiduciary obligations to Genomica's stockholders under applicable law;

- at least two business days before furnishing any nonpublic information to, or entering into discussions with, the third party, Genomica gives us written notice of the identity of the party making the Acquisition Proposal and of Genomica's intention to furnish nonpublic information to, or enter into discussions with, this party, and Genomica receives from this party a signed confidentiality agreement; and

- at least two business days before furnishing any nonpublic information to the party making the Acquisition Proposal, Genomica furnishes this nonpublic information to us (to the extent Genomica has not already furnished this nonpublic information to us).

Genomica must, within one day after receipt of any Acquisition Proposal, inquiry or indication of interest that Genomica reasonably believes could lead to an Acquisition Proposal, advise us orally and in writing of the proposal, inquiry or request, the identity of the party making the proposal, inquiry or request and the terms of the Acquisition Proposal. Genomica must keep us fully informed as to the status of any Acquisition Proposal, inquiry, indication of interest or request and any modification or proposed modification to any Acquisition Proposal.

In addition, at any time before our acceptance of the shares of Genomica common stock pursuant to the exchange offer, Genomica's board of directors may withhold, withdraw or modify its recommendations that Genomica stockholders accept the exchange offer and approve and adopt the merger agreement if it determines, in good faith after consultation with its outside legal counsel, that withholding, withdrawing or modifying the recommendations is required in order for Genomica's board of directors to comply with its fiduciary obligations to Genomica stockholders, or if:

- a bona fide written offer, not solicited in violation of the merger agreement, is made to Genomica by a third party for a merger, consolidation, business combination, sale of substantial assets, sale of shares of capital stock or similar transaction, and the offer is not withdrawn;

- Genomica's board of directors determines in good faith (after consultation with a nationally recognized independent banking firm) that the offer constitutes a Superior Offer;

- Genomica's board of directors determines in good faith, based upon the

advice of Genomica's outside legal counsel, that, in light of the Superior Offer, the withdrawal or modification of the recommendations is required in order for Genomica's board of directors to comply with its fiduciary obligations to Genomica's stockholders;

- the recommendations are not withdrawn or modified in a manner adverse to us at any time before two business days after we receive written notice from Genomica confirming that Genomica's board of

directors has determined that the offer is a Superior Offer and providing us with a copy of the Superior Offer; and

- neither Genomica nor any of its representatives shall have violated any of the restrictions set forth above.

An "Acquisition Proposal" means any offer or proposal made by a third party (other than an offer or proposal by us) contemplating any of the following:

- any merger, consolidation, amalgamation, share exchange, business combination, issuance of securities, acquisition of securities, tender offer, exchange offer or other similar transaction in which any person or "group" (as defined in the Exchange Act and the rules promulgated under the Exchange Act) of persons directly or indirectly acquires beneficial or record ownership of securities representing more than 20% of the outstanding securities of any class of voting securities of Genomica or Genomica issues securities representing more than 20% of the outstanding securities of any class of its voting securities;

- any sale, lease, exchange, transfer, license, acquisition or disposition of any business or businesses or assets or rights that constitute or account for 20% or more of the consolidated assets of Genomica; or

- any liquidation or dissolution of Genomica.

A "Superior Offer" means a bona fide written offer, not solicited in violation of the merger agreement, made by a third party after the date of the merger agreement for a merger, consolidation, business combination, sale of substantial assets, sale of shares of capital stock or similar transaction with respect to Genomica on terms that the board of directors of Genomica determines, after consultation with a nationally recognized independent financial advisor, if accepted, is reasonably likely to be consummated, taking into account all legal, financial and regulatory aspects of the offer and the person making the offer, and would be, if consummated, more favorable to Genomica's stockholders, from a financial point of view, than the transactions contemplated by the merger agreement. However, any offer shall not be deemed to be a "Superior Offer" if any financing required to consummate the transaction contemplated by the offer is not committed.

The terms of the merger agreement do not prohibit Genomica or Genomica's board of directors from taking and disclosing to Genomica stockholders a position with respect to a tender offer or an exchange offer by a third party, or from making any disclosure required by applicable law. However, in connection with any Acquisition Proposal, Genomica's board of directors may not withhold, withdraw, modify or change in a manner adverse to us, or fail to make, a recommendation that Genomica stockholders accept the exchange offer and approve and adopt the merger agreement, and Genomica's board of directors may not approve, endorse or recommend any Acquisition Proposal, unless the conditions described above under the caption "Limitation on Genomica's Ability to Consider Other Acquisition Proposals" are satisfied.

EMPLOYEE BENEFITS

Under the terms of the merger agreement, for a period of one year following the completion of the merger, we are required, at our election, either to continue Genomica's employee benefit plans or to arrange for each Genomica employee who becomes or continues as an employee of Exelixis or any of our subsidiaries to be eligible to participate in any similar plans or programs of Exelixis on terms no less favorable than those offered to similarly situated newly hired employees of Exelixis. We are also required to continue Genomica's medical insurance plan for a period of three months after the date we accept for payment shares pursuant to the exchange offer. After the completion of the merger, Genomica employees who become and remain employees of Exelixis or any of our subsidiaries will be treated no less favorably than similarly situated newly hired employees of Exelixis or any of our subsidiaries with respect to compensation, employee benefits and terms and conditions of employment. No later than one year from the completion of the merger, we will arrange for all employees not then participating to become eligible to be participants in all Exelixis employee benefit plans on terms no less favorable than those offered to similarly situated newly hired employees of Exelixis. If, within one year following the completion of the merger, the surviving corporation terminates the employment of any employee (other than certain executive officers of Genomica) who was employed on the date we accepted shares of Genomica common stock for payment pursuant to the exchange offer, we will

cause the surviving corporation to provide severance benefits to this employee equivalent to those previously provided to Genomica employees terminated in Genomica's reduction in force on October 4, 2001. Please see the section of this prospectus entitled "The Transaction -- Interests of Genomica's Officers and Directors in the Transaction," beginning on page 50, for a discussion of employee benefits and option agreements applicable to Genomica's directors and officers.

CONDITIONS TO THE EXCHANGE OFFER

Our obligation to accept for exchange, and to deliver shares of Exelixis common stock in exchange for, shares of Genomica common stock that are validly tendered and not properly withdrawn, is subject to the satisfaction or, where permissible, the waiver of the conditions described in the merger agreement. All conditions to the exchange offer must be satisfied or waived before the exchange offer expires. The conditions to the exchange offer include the following:

The Minimum Tender Condition. Before the expiration date of the exchange offer, as it may be extended pursuant to the merger agreement, there must be validly tendered, in accordance with the terms of the exchange offer, and not properly withdrawn a number of shares of Genomica common stock that, when added to any shares of Genomica common stock owned by Exelixis and Bluegreen Acquisition Sub, is equal to at least the sum of a majority of the total number of shares of Genomica common stock plus the total number of shares of Genomica common stock issuable upon exercise of options to acquire Genomica common stock, each as outstanding immediately before the expiration date of the exchange offer, as it may be extended pursuant to the merger agreement.

Based on information supplied to us by Genomica, the number of shares needed to have been validly tendered and not properly withdrawn in order to satisfy the minimum tender condition as of December 26, 2001, would have been 13,104,251.

Other Conditions to the Exchange Offer. The exchange offer is also subject to the conditions that, before the expiration of the exchange offer, as it may be extended pursuant to the merger agreement:

- the applicable waiting period under United States antitrust laws must have expired or been terminated;

- any applicable waiting periods under foreign antitrust laws must have expired or been terminated and any required consents or clearances must have been obtained;

- the registration statement on Form S-4 relating to this transaction must have been declared effective under the Securities Act of 1933, and must not be the subject of any stop order or proceedings seeking a stop order;

- the shares of Exelixis common stock that are to be issued in the transaction must have been approved for listing on the Nasdaq National Market;

- Exelixis and Genomica must have received opinions of counsel to the effect that, based on certain customary assumptions, the transaction will be a tax-free reorganization for federal income tax purposes, and the respective opinions must not have been subsequently rescinded;

- there must not have been any action taken or be pending any legal proceeding in which a governmental body is:

  - challenging or seeking to restrain or prohibit the consummation of the exchange offer or merger or any of the other transactions contemplated by the merger agreement;

  - seeking to prohibit or limit in any material respect our ability to vote, receive dividends with respect to or otherwise exercise ownership rights with respect to the shares of Genomica common stock to be acquired in the exchange offer or with respect to the stock of the surviving corporation;

  - seeking to materially and adversely affect the right of Exelixis, the surviving corporation or any of our or its respective subsidiaries to directly or indirectly own the assets or operate the business of Genomica;

  - seeking to compel Genomica, Exelixis or any of its or our respective subsidiaries to dispose of or hold separate any assets totaling $5,000,000 in value or more, as a result of the merger or any of the transactions contemplated by the merger agreement;

  - obligating Genomica, Exelixis or any of its or our respective subsidiaries to pay material damages or otherwise become subject to material adverse consequences in connection with any of the transactions contemplated by the merger agreement;

  - seeking action which would otherwise result in a material adverse effect on Genomica or, as a result of the transactions contemplated by the merger agreement, a material adverse effect on us; or

  - no temporary restraining order, preliminary or permanent injunction or other court order preventing the consummation of the exchange offer or the merger shall have been issued by any court of competent jurisdiction

and remain in effect, or there shall be any applicable legal requirement enacted or deemed applicable to the exchange offer or the merger that makes consummation of the offer or the merger illegal;

- Genomica must have not have materially breached any of its covenants, obligations or agreements under the merger agreement;

- the representations and warranties of Genomica contained in the merger agreement and not qualified with any materiality or material adverse effect qualifiers must have been materially true as of November 19, 2001 and must be materially true on and as of the date of the expiration of the exchange offer, as it may be extended pursuant to the merger agreement, with the same force and effect as if made as of that date, and the representations and warranties of Genomica contained in the merger agreement and qualified with materiality or material adverse effect qualifiers must have been true as of November 19, 2001 and must be true on and as of the date of the expiration of the exchange offer, as it may be extended pursuant to the merger agreement, with the same force and effect as if made as of this date except:

  - for changes contemplated by the merger agreement; and

  - for those representations and warranties which address matters only as of a particular date, which representations must have been true in all material respects as of such particular date;

- there must not have been any material adverse effect on Genomica and no event or circumstance shall have occurred that would reasonably be expected to have a material adverse effect on Genomica;

- Genomica must have cash, cash equivalents and short-term and long-term investments, net of all current liabilities of Genomica, totaling at least $108,750,000;

- there shall not have occurred any general suspension of or limitation on prices for trading in securities on the Nasdaq National Market; and

- the merger agreement must not have been terminated in accordance with its terms.

We reserve the absolute right, in our sole discretion, subject to the terms of the merger agreement, to waive, in whole or in part, any of the conditions to the exchange offer. However, we may not waive the minimum tender condition or any of the conditions to the exchange offer in any manner which is adverse to the Genomica Stockholders, without Genomica's consent.

As used in the merger agreement, "material adverse effect" as it relates to Genomica means an event that has a material adverse effect on or change in the capitalization, assets and liabilities taken as a whole or cash balance of Genomica, the ability of Genomica to consummate the exchange offer or the merger, or Exelixis' ability to exercise ownership rights with respect to the stock of the surviving corporation.

CONDITIONS TO THE MERGER

The obligations of Exelixis and Genomica to complete the merger are subject to the satisfaction or waiver of the following conditions:

- if required by Delaware law, the merger agreement must have been adopted

and approved by Genomica stockholders;

- we must have accepted for exchange, and delivered shares of Exelixis common stock in exchange for, all shares of Genomica common stock that are validly tendered in the exchange offer;

- no provision of any applicable law or regulation and no judgment, injunction, order or decree prohibits the completion of the merger or the other transactions contemplated by the merger agreement; and

- the registration statement on Form S-4 relating to the transaction, including any post-effective amendment to the registration statement must have become effective, and must not be the subject of any stop order or proceedings seeking a stop order, and any material "blue sky" or other state securities laws applicable to the registration and qualification of shares of Exelixis common stock must have been complied with.

TERMINATION OF THE MERGER AGREEMENT

Termination by Mutual Agreement. Exelixis and Genomica may terminate the merger agreement at any time before the completion of the merger by mutual written consent.

Termination by Either Exelixis or Genomica. Either Exelixis or Genomica may terminate the merger agreement at any time before the completion of the merger if:

- the exchange offer has not been completed on or before March 1, 2002, unless the failure to complete the exchange offer is attributable to a failure of the party seeking to terminate the agreement to perform any material obligation under the merger agreement;

- the exchange offer expires or terminates in accordance with the terms of the merger agreement without our having accepted for exchange any shares of Genomica common stock pursuant to the exchange offer, unless the expiration or termination of the exchange offer is attributable to a failure on the part of the party seeking to terminate the agreement to perform a material obligation under the merger agreement; or

- there is any final and nonappealable judgment, injunction or order that prohibits the completion of the exchange offer or the merger.

Termination by Exelixis. We may terminate the merger agreement at any time before the acceptance for exchange of shares of Genomica common stock pursuant to the exchange offer, if any of the following occurs:

- Genomica's board of directors fails to recommend that Genomica stockholders accept the exchange offer and vote to approve the merger agreement;

- Genomica's board of directors withdraws or modifies in any manner adverse to Exelixis its recommendation that Genomica stockholders accept the exchange offer or its recommendation that Genomica stockholders approve the merger agreement;

- Genomica fails to include its recommendation that Genomica stockholders accept the exchange offer or its recommendation that Genomica stockholders approve the merger agreement in the Solicitation/ Recommendation Statement on Schedule 14D-9 which is being mailed together with this prospectus;

- Genomica's board of directors fails to reaffirm in writing its

recommendation that Genomica stockholders accept the exchange offer or its recommendation that Genomica stockholders approve the merger agreement, or fails to reaffirm in writing its determination that the exchange offer and the

merger are in the best interests of the Genomica's stockholders, within five days after we request in writing that such recommendation or determination be reaffirmed;

- Genomica's board of directors approves or recommends any Acquisition Proposal to Genomica stockholders;

- Genomica enters into any letter of intent or similar document or any contract relating to any Acquisition Proposal;

- any tender offer or exchange offer (other than the exchange offer being made by us as described in this prospectus) relating to the outstanding shares of Genomica common stock is commenced and either Genomica's board of directors recommends acceptance of the tender offer or exchange offer, or within five days of the commencement of the tender offer or exchange offer, Genomica's board of directors fails to recommend rejection of the tender offer or exchange offer by Genomica stockholders; or

- there is a material breach of Genomica's obligations described in the section entitled "Limitation on Genomica's Ability to Consider Other Acquisition Proposals" above.

In addition, we may terminate the merger agreement, at any time before the acceptance for exchange of shares of Genomica common stock pursuant to the exchange offer, if:

- Genomica materially breaches any covenant or agreement in the merger agreement; or

- any representation or warranty of Genomica was materially inaccurate when made or becomes materially inaccurate after the date of the merger agreement.

If, however, the breach of the covenant or agreement by Genomica, or the inaccuracy of the representation or warranty of Genomica, is reasonably curable by Genomica, then we may not terminate the merger agreement on account of this breach until 30 days after the date that the breach becomes known to Genomica or us.

Termination by Genomica. Genomica may terminate the merger agreement at any time before the acceptance for exchange of shares of Genomica common stock pursuant to the exchange offer, if:

- we materially breach any covenant or agreement in the merger agreement; or

- any representation or warranty of Exelixis is materially inaccurate when made or becomes materially inaccurate after the date of the merger agreement.

If, however, the breach of the covenant or agreement by Exelixis, or the inaccuracy of the representation or warranty of Exelixis, is reasonably curable by us, then Genomica may not terminate the merger agreement on account of this breach until 30 days after the date that the breach becomes known to Genomica or

us.

In addition, Genomica may terminate the merger agreement at any time before the acceptance for exchange shares of Genomica common stock pursuant to the exchange offer in order to enter into a letter of intent or similar document or any agreement, contract, or commitment with respect to an Acquisition Proposal, if:

- Genomica has complied with its obligations discussed in "Limitations on Genomica's Ability to Consider Other Acquisition Proposals" above.

- Genomica's board of directors has authorized, subject to complying with the terms of the merger agreement, Genomica to enter into a definitive written agreement for a transaction that constitutes a Superior Offer;

- Genomica notifies us in writing that it has received a Superior Offer, intends to enter into a definitive agreement with respect to the Superior Offer and attaches the most current version of the agreement to such notice;

- Exelixis does not make, within five business days after receipt of Genomica's written notice of its intention to enter into a definitive agreement for a Superior Offer, any offer that Genomica's board of

directors in good faith determines, after consultation with a financial advisor of nationally recognized standing and its outside legal counsel, is at least as favorable to Genomica stockholders as the Superior Offer;

- during such period Genomica has fully cooperated with Exelixis, including, without limitation, informing Exelixis of the terms and conditions of the Superior Offer and the identity of the person making the Superior Offer, with the intent of enabling both parties to agree to a modification of the terms and conditions of the merger agreement so that the transactions contemplated in the merger agreement may be effected; and

- immediately following the termination of the merger agreement, Genomica enters into a definitive agreement to effect the Superior Offer.

If the merger agreement is terminated pursuant to any of the provisions described above in this section, the merger agreement will become void and of no effect, with no liability on the part of us or Genomica, unless certain circumstances exist pursuant to which reimbursement of expenses described below may become payable or there is an intentional or willful breach of the merger agreements by one of us.

EXPENSES

The merger agreement provides that all expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement are to be paid by the party incurring such expenses. However, if the merger agreement is terminated by either party for any reason other than a material breach by us, then Genomica is required to pay us $750,000 for reimbursement of our fees and expenses (including all attorneys' fees, accountants' fees, financial advisory fees and filing fees) that have been paid or that may become payable by or on behalf of Exelixis in connection with the preparation and negotiation of the merger agreement and otherwise in connection with the exchange offer and the merger.

AMENDMENTS TO THE MERGER AGREEMENT

The merger agreement may be amended, modified or waived by Exelixis' or Genomica's board of directors at any time (whether before or after adoption of the merger agreement by Genomica stockholders) if the amendment or waiver is in writing and signed, in the case of an amendment, by Genomica and Exelixis or, in the case of a waiver, by the party against whom the waiver is to be effective. However, after the adoption of the merger agreement by the stockholders of Genomica, if necessary, no amendment shall be made which by law requires further approval of Genomica stockholders without the further approval of Genomica stockholders. See the section entitled "Conditions to the Exchange Offer" above for information regarding our right to waive conditions to the exchange offer.

THE STOCKHOLDER TENDER AGREEMENTS

The following description of the stockholder tender agreements describes the material terms of the stockholder tender agreements. A complete form of the stockholder tender agreement is attached as Annex B to this prospectus and is incorporated into this prospectus by reference. All stockholders are urged to read the form of the stockholder tender agreement carefully.

PARTIES TO THE STOCKHOLDER TENDER AGREEMENTS

As an inducement for us to enter into the merger agreement, Genomica's directors, officers and certain affiliated stockholders have entered into stockholder tender agreements with us and granted us an irrevocable proxy with respect to the shares of Genomica common stock, and options and warrants to acquire shares of Genomica common stock, beneficially owned by them.

Genomica's directors, officers and affiliated stockholders who have beneficial ownership of 6,070,133 shares of Genomica common stock in the aggregate have agreed to tender and not withdraw their shares of Genomica common stock in the exchange offer. In addition, if certain conditions are met, the officers, directors and affiliated stockholders of Genomica who are parties to the stockholder tender agreements may be obligated to exercise "in the money" options and warrants and tender the shares issued upon exercise of such options and warrants to the extent necessary to satisfy the minimum tender condition for the exchange offer. Assuming that all options and warrants with a per share exercise price of $5.00 or less are "in the money", then this obligation may apply to options and warrants to purchase up to approximately 1,098,094 shares of Genomica common stock. If any party to a stockholder tender agreement is obligated by the terms of those agreements to exercise options or warrants, Exelixis has agreed that, if requested by the stockholder, it or its designee will provide a loan to that party for the aggregate exercise price on commercially reasonable terms.

AGREEMENT TO TENDER

Each stockholder who has signed a stockholder tender agreement has agreed that, unless we request otherwise, the stockholder will tender his or her shares of Genomica common stock in the exchange offer within 10 business days after the commencement of the exchange offer and will not withdraw the shares so tendered.

AGREEMENT TO VOTE

Each stockholder who has signed a stockholder tender agreement has agreed that, until the earlier of the day when the merger is completed or the day when

the merger agreement is validly terminated pursuant to its terms, the stockholder will vote, or cause his or her shares of Genomica common stock to be voted:

- against any action or agreement that would result in a breach of any representation, warranty, covenant or obligation of Genomica in the merger agreement;

- against any action or agreement that would cause any of the conditions to the exchange offer or the merger to not be satisfied; and

- against the following actions (other than the exchange offer, the merger and the transactions contemplated by the merger agreement): (i) any Acquisition Proposal; (ii) any change in a majority of the members of the board of directors of Genomica, other than any change contemplated by the merger agreement; or (iii) any other action which is intended to, or could reasonably be expected to, impede, delay, discourage or adversely affect the consummation of the exchange offer, the merger or any of the other transactions contemplated by the merger agreement or the stockholder tender agreement.

By their terms, the stockholder tender agreements have no effect on the signing stockholder's rights or obligations in his or her capacity as a director or officer of Genomica.

TERMINATION

All obligations under the stockholder tender agreements terminate upon the termination of the merger agreement pursuant to its terms.

INFORMATION RELATING TO GENOMICA

OVERVIEW

Genomica is a provider of innovative software products and services that are designed to enable pharmaceutical and biotechnology researchers to accelerate the drug discovery and development process. Discovery Manager(TM) software, Genomica's first product, is used for genomics research, including genetic research, gene discovery and pharmacogenomics. This product allows researchers to turn the vast volumes of gene, SNP, protein and patient data from diverse sources into information useful for drug discovery. Genomica licenses Discovery Manager to leading genomics-based research organizations, including AstraZeneca, GlaxoSmithKline and the National Cancer Institute. Genomica has a strategic alliance with Applied Biosystems to license software products to be used with Applied Biosystems' industry-leading hardware and software systems for drug discovery.

CHANGE IN BUSINESS STRATEGY

On October 2, 2001 Genomica's board of directors approved a cost reduction plan resulting in a restructuring of its operations and consolidation of its facilities, including the involuntary termination of a significant portion of its workforce. This plan included the immediate termination of 101 employees, including 91 located in Genomica's Boulder, Colorado office, three employees located in its United Kingdom office and seven employees located elsewhere throughout the United States.

DISCOVERY MANAGER

Discovery Manager is Genomica's core bioinformatics product. It is an integrated suite of software tools and a database template for genomics research. The database can be filled with genomic data from the user's own research as well as publicly available and other sources. Genomica's tools include sophisticated scientific algorithms designed for easy use by genomic researchers without the assistance of bioinformaticists. Discovery Manager enables individual or collaborating researchers to access, store, manipulate, analyze, annotate and integrate genomic data from a variety of sources.

Supported Disciplines. Genomica develops Discovery Manager to be used by researchers in a broad range of disciplines, including:

- Clinical genetics. Clinical geneticists identify patients and collect their medical data. Discovery Manager allows these researchers to store and view patient information in a simple graphical format, which can show the medical and genetic data of each patient as well as parent and sibling genetic relationships among family members, called pedigrees.

- Epidemiology. Epidemiologists study the genetic and environmental causes for disease. Discovery Manager helps these researchers analyze and determine how a genetic trait or environmental factor is distributed among people in a population.

- Statistical genetics. Statistical geneticists identify the regions of DNA that determine a particular trait. Discovery Manager helps these researchers group individuals together and test various hypotheses regarding the portion of DNA to which a trait is linked.

- Human genetics. Human geneticists identify the location of genes using a variety of sophisticated analytical approaches. Discovery Manager helps these researchers study the specific genes of each family member.

- Molecular biology. Molecular biologists determine the function of genes. Discovery Manager helps these researchers organize and analyze genetic map and sequence data to isolate genes and determine their function.

- Pharmacogenomics. Pharmacogenomics researchers determine the genetic basis for why a drug works for some people but not others. Discovery Manager helps these researchers examine the genetic variations of a group of patients with similar drug responses.

Key Tools. Discovery Manager provides three key tool sets that are used by different types of researchers to facilitate the interpretation of data relevant to the drug discovery and development process:

- Sequence analysis tools. Sequence analysis is the examination of a specific DNA sequence to understand the structure and function of the sequence. Discovery Manager provides tools for finding genes in human DNA sequences and comparing two or more sequences for similarity.

- Genetic analysis tools. Genetic analysis is the isolation and analysis of DNA variations in families and unrelated populations. Discovery Manager provides tools to integrate, manipulate, edit and analyze genetic data.

- Map analysis tools. Map analysis is the construction and comparison of maps containing different representations of genetic information. Discovery Manager provides tools that support the graphical viewing, manipulation and comparison of maps that are created using well-known algorithms.

Discovery Manager Database. A key component of Discovery Manager is a central repository of genomic data compiled from many sources:

- Legacy data. Data that researchers have previously accumulated on various systems and in various formats.

- New data. Results from experiments performed using Discovery Manager.

- Other public data. If a customer wishes to incorporate data from sources other than those in the Reference Database, the customer can convert it into a common format and import it into Discovery Manager. Customers can also access the National Center for Biotechnology Information and other websites of interest directly from Discovery Manager. Researchers use information from these websites to annotate their database.

Reference Database. Genomica offers its proprietary database, the Reference Database, as an option to licensees of Discovery Manager. This Reference Database compiles into one database and in one common format all of the information from 13 publicly available databases.

Common User Interface. Discovery Manager addresses many important aspects of genomics research from a common user interface. This interface permits researchers to access, use and compare data from a single database. With simple point-and-click operations, researchers can map, compare, query and graphically display data in formats commonly used in the industry. Using annotation tools, researchers may enrich data with additional information, such as experiment details, literature references and direct links to websites of interest. The common user interface also enables many different types of researchers to use the same data and system to do their part of the analysis.

Security. Because of the potential value of proprietary genomic information, security is important to Genomica's customers. Discovery Manager provides security and access features that enable system administrators to assign user accounts and passwords, provides users with access to authorized projects and allows management to review the work progress within the genomic project while insuring the privacy of sensitive project data.

LINKMAPPER(TM) SOFTWARE

Linkmapper is Genomica's first product resulting from a development and distribution alliance with Applied Biosystems. Genomica completed development and delivered the Linkmapper product to Applied Biosystems in October 2000. Applied Biosystems began marketing this product along with its own hardware and software product lines in 2001. Linkmapper offers reduced functionality from our Discovery Manager product and it was developed on Genomica's Java and Oracle technology platform. Applied Biosystems will pay Genomica a royalty payment for each unit licensed to its customers. Genomica also will share in any revenues received by Applied Biosystems from entering into customer software support and maintenance agreements related to Linkmapper. Applied Biosystems is not expected to meet the minimum sales milestones required to maintain its exclusive right to license and re-sell Linkmapper.

Linkmapper provides researchers with a powerful set of software applications for manipulating, organizing, and analyzing genetic data that is generated from genotyping hardware systems manufactured and sold by Applied Biosystems. Linkmapper enables researchers, who are customers of Applied Biosystems, to perform allele-calling functionality, quality checking of data and genetic data management and analysis in one integrated system. This

end-to-end connectivity from the hardware instrumentation and software applications is expected to significantly enhance downstream data analysis for creating genetic maps.

CONSULTING AND SCIENTIFIC SERVICES

Genomica currently offers limited consulting services that are included in the price of Discovery Manager. Genomica offers a full range of consulting services on a fee-for-service basis in conjunction with Discovery Manager, including the following:

- Product integration. Helping customers integrate the Discovery Manager product suite into their bioinformatics departments and scientific workflow.

- Technical consulting. Providing custom programming, technical guidance and tools development for bioinformatics needs.

- Scientific consulting. Helping customers with their genomics research.

Examples of this service include designing scientific experiments, formulas and algorithms.

CUSTOMERS

Genomica licenses its products and provides services to pharmaceutical and biotechnology companies and academic institutions in the United States and Western Europe. The following is a partial list of Genomica's current customers: AstraZeneca, Aventis, GlaxoSmithKline, National Cancer Institute, National Institutes of Health, Oxagen Limited, Pfizer, University of Oxford, Wellcome Trust Centre for Human Genetics and Yale University.

For the year ended December 31, 2000, the customers listed above accounted for nearly all of Genomica's revenue. Of this amount, AstraZeneca accounted for 32% of its revenue, GlaxoSmithKline accounted for 21% of its revenue, Oxagen accounted for 15% of its revenue and Pfizer accounted for 11% of its revenue. Genomica expects that these four customers will continue to account for a high percentage of its total revenue for the immediate future.

RESEARCH AND DEVELOPMENT

The research and development for Genomica's products takes place at Genomica's headquarters in Boulder, Colorado and at Genomica's facility in Sacramento, California.

PATENTS, TRADEMARKS, COPYRIGHTS AND LICENSES

Genomica believes that patents are not generally a significant factor in Genomica's business and that the success of Genomica depends primarily on the technical competence, and managerial and marketing ability of Genomica's personnel.

GENOMICA(TM), Discovery Manager(TM) and Linkmapper(TM) are trademarks owned by Genomica.

Genomica is the exclusive, worldwide licensee of the Genome Topographer technology owned by Cold Spring Harbor Laboratory. Genome Topographer is a general-purpose computer system useful for studying complex, genetic diseases and serves as the intellectual property foundation of Discovery Manager. The Genome Topographer technology includes the patented Chang/Marr algorithm, which incorporates, either in hardware or software form, an algorithm for analyzing genetic data. Genomica's license with Cold Spring Harbor Laboratory grants

Genomica exclusive, worldwide rights to the Chang/Marr Patent, as well as the exclusive right to commercialize the complete set of Genome Topographer technology that is incorporated into Genomica's Discovery Manager product.

EMPLOYEES

As of December 26, 2001 Genomica had 46 full-time employees, including 6 employees primarily engaged in research and development, 29 in engineering and 11 in general and administration. None of Genomica's employees are currently represented under collective bargaining agreements and Genomica considers its employee relations to be good.

PROPERTIES

Genomica's headquarters and principal executive offices are located at 1715 38th Street, Boulder, Colorado under a lease that provides approximately 42,000 square feet for Genomica's operations. Following the adoption of Genomica's restructuring plan on October 2, 2001, Genomica subleased 24,000 square feet of the available space, leaving Genomica with approximately 18,000 square feet for its operations. This facility serves as the base for Genomica's research and development and product support operations.

Genomica leases approximately 2,200 square feet in Sacramento, California, that serves as a software engineering and development office.

LEGAL PROCEEDINGS

Genomica is not currently involved in any legal proceedings that are expected to have a material adverse effect on its business or consolidated financial position.

GENOMICA MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. A variety of factors could cause Genomica's actual results to differ from the anticipated results expressed in such forward-looking statements. These include, among others, failure to manage the recently completed restructuring to achieve its financial goals, Genomica's reliance on a limited number of customers for a majority of its revenue, failure by Genomica to meet financial expectations of investors, potential defects associated with Genomica's product, activities by Genomica and others regarding protection of intellectual property, and Genomica's reliance on key personnel. For more information, please review Genomica's periodic reports under the Securities Exchange Act of 1934, including, without limitation, the investment considerations set forth in Genomica's annual report on form 10-K and other publicly filed documents. The safe harbor provided in the Private Securities Litigation Reform Act of 1995, by its terms, does not apply to the exchange offer.

OVERVIEW

Genomica is a provider of innovative software products and services that are designed to enable pharmaceutical and biotechnology researchers to

accelerate the drug discovery and development process. Discovery Manager, Genomica's primary product, is used for genomics research, including genetic research, gene discovery and pharmacogenomics. This product allows researchers to turn the vast volumes of gene, SNP and patient data from diverse sources into information useful for drug discovery. Genomica's current customers include leading genomics-based research organizations such as AstraZeneca, GlaxoSmithKline and the National Cancer Institute. Genomica has a strategic alliance with Applied Biosystems to license and market certain components of its software technology and products for use with Applied Biosystems' industry-leading systems for drug discovery. Currently, however, Applied Biosystems is not expected to meet the minimum sales milestones required to maintain its exclusive right to license and re-sell Linkmapper.

Genomica has sold its products directly to customers since June 1998. Genomica derives revenue primarily from granting licenses to the Discovery Manager products and the Reference Database to pharmaceutical, biotechnology and academic research organizations. Genomica's software license agreements are typically one year or longer in length, and include support and maintenance. The price for each agreement depends upon the number of users licensed by Genomica's customers, the duration of the agreement and which of its product components and services the customer purchases. Genomica typically invoices its customers on an annual or quarterly basis at the commencement of the software license agreement and on each subsequent anniversary date. Genomica records deferred revenue at the time it invoices and it recognizes the associated revenue ratably over the related period. For products sold through Genomica's relationship with Applied Biosystems, Genomica recognizes revenue on the license fee royalty and records deferred revenue for the support and maintenance, which is recognized over the annual support period.

Genomica has incurred losses since its inception. As of September 30, 2001, Genomica had an accumulated deficit of $74.7 million. The deficit includes stock-based non-cash compensation charges of $22.1 million, including $5.8 million recognized in 2001, and a $17.1 million non-cash deemed dividend for the difference between the deemed fair value of Genomica's common stock and the price at which its Series C preferred stock and Series D preferred stock issued in 2000 were convertible. The remainder of the accumulated deficit, $35.5 million, resulted from the significant costs incurred in the development of Genomica's technology platform and the establishment of relationships with its customers. In addition, as a result of option grants made prior to Genomica's initial public offering with exercise prices below their deemed fair market value for financial reporting purposes, Genomica will incur approximately $9.6 million in additional non-cash compensation charges to earnings in future periods. This amount is subject to reduction for stock option forfeitures, such as the October 2001 terminations discussed below.

CHANGE IN BUSINESS STRATEGY

On October 2, 2001 Genomica's Board of Directors approved a cost reduction plan resulting in a restructuring of Genomica's operations and consolidation of its facilities, including the involuntary termination of a significant portion of Genomica's workforce. The plan included the immediate termination of 101 employees, including 91 located in Genomica's Boulder, Colorado office, three employees located in the United Kingdom office, and seven employees located elsewhere throughout the United States. Genomica currently has 42 employees.

On October 4, 2001 Genomica announced its new product and corporate strategy that required restructuring its operations and a workforce reduction. This change in strategy was based on Genomica's belief that the initial target market for third-party enterprise software is not developing fast enough to

build stockholder value within a reasonable timeframe.

As a result of the restructuring announced on October 4, 2001, Genomica anticipates recording a restructuring charge during the fourth quarter totaling approximately $4.3 million, including charges totaling $1.9 million for involuntary termination benefits, $1.7 million for asset impairments, and $0.7 million for lease and contract termination fees. Termination benefits were paid at the time the plan was implemented. In conjunction with the restructuring, Genomica has closed its office in the United Kingdom and the Boulder, Colorado office was consolidated from 42,000 square feet to 18,000 square feet. The remaining 24,000 square feet of Genomica's facilities in Boulder have been subleased. Losses relating to subleases are included in the $4.3 million restructuring charge. Genomica's asset impairments were primarily due to the consolidation of operations, facilities closures and excess equipment that was taken out of service or disposed of.

Genomica may institute additional cost reduction initiatives. As a result, there could be additional charges related to severance liabilities and asset impairments.

Genomica's restructuring plan was adopted subsequent to September 30, 2001, and, therefore, its financial position as of September 30, 2001 and the results of operations for the nine months then ended do not reflect the effects of the charges discussed above. The following summarizes Genomica's financial statements had these charges been included as of and for the nine months ended September 30, 2001.

	PRO FORMA BALANCE SHEET DATA SEPTEMBER 30, 2001
Property and equipment, net	$ 3,300,000
Total assets	$117,100,000
Total current liabilities	$ 4,300,000
Total stockholders' equity	$112,800,000

	PRO FORMA STATEMENTS OF OPERATIONS DATA FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001
Net loss	$(21,300,000)
Net loss per share, basic and diluted	$ (0.95)

RESULTS OF OPERATIONS

NINE MONTHS ENDED SEPTEMBER 30, 2001 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 2000

Total Revenue. Total revenue increased to $1.3 million from $1.2 million for the same period of 2000. The revenue growth is primarily due to $57,000 of consulting fees and $64,000 of royalty fees from Genomica's Linkmapper product sold through Applied Biosystems. The consulting fees were from two

consulting projects, one completed in April 2001 and the other completed in September 2001. Grant revenues of $27,000 were recognized for the first quarter of 2000; there were no grant revenues in 2001 as the grant was completed in February of 2000. Revenue from Genomica's Discovery Manager software may decrease in the future if current customers decide not to renew their contracts.

Costs of Revenue. Costs of revenue increased to $286,000 in 2001 from $281,000 for the same period of 2000. The increase is primarily due to increased customer support costs and costs associated with Genomica's consulting fee revenue, partially offset by decreased costs of research grants. Genomica expects its costs of revenue to decrease substantially due to its change in strategy.

Research and Development. Research and development expenses increased to $10.8 million in 2001 from $8.9 million for the same period of 2000. Excluding non-cash compensation charges of $1.2 million in 2001 and $3.4 million in 2000, research and development expenses increased $4.1 million. The increase in costs is primarily due to increased salaries, recruiting, and other personnel costs associated with Genomica's hiring additional software developers and scientists to develop scientific applications using Java technology and Oracle Corporation's relational database management system in early 2001. Genomica has substantially reduced its research and development activity by terminating 75 of its 108 employees; Genomica expects research and development expenses will decrease significantly due to its change in corporate strategy.

Selling and Marketing. Selling and marketing expenses increased to $5.9 million in 2001 from $5.1 million for the same period of 2000. Excluding non-cash compensation charges of $2.2 million in 2001 and $2.8 million in 2000, selling and marketing costs increased $1.4 million. Additional salaries, other personnel costs, consulting, travel, advertising, and exhibition costs comprised the majority of the increase for the period. Selling and marketing expenses will decrease significantly as Genomica terminated all 16 of its employees in the sales and marketing departments due to its change in corporate strategy. Genomica is not currently marketing any of its existing products and has no plans to do so in the immediate future.

General and Administrative. General and administrative expenses decreased to $5.8 million in 2001 from $7.0 million for the same period of 2000. Excluding non-cash compensation charges of $2.5 million in 2001 and $5.2 million in 2000, general and administrative costs increased $1.5 million. The cost increase for the period is primarily related to salaries, and other personnel costs, investor relations and reporting costs associated with being a public company. Genomica expects general and administrative expenses will decrease in the immediate future as Genomica terminated ten of its 18 general and administrative employees and due to its change in corporate strategy.

Non-cash Stock-based Compensation. Non-cash charges representing the amortization of deferred stock compensation totaled $5.8 million for the period in 2001 compared to $11.4 million for the comparative period in 2000. The decrease in non-cash compensation expense is due to the method of amortizing Genomica's deferred compensation, which results in the recognition of a larger portion of expense in the initial periods after grant, and due to employees who

left the company. Genomica expects non-cash compensation expense to decrease in the future due to the termination of employees resulting from its change in strategic direction.

Interest Income. Interest income increased to $5.0 million in 2001 from $617,000 in the same period of 2000. The increase is due to Genomica's higher cash and investment balances resulting from the proceeds of its initial public offering. The proceeds from Genomica's initial public offering have been invested in investment grade securities to be used as needed. Genomica expects a lower average rate of return on its investment portfolio in the future as securities mature and are reinvested into lower interest bearing securities caused by current market conditions. Due to Genomica's cost reduction plan, Genomica will significantly reduce the amount of cash used to fund its operating losses in future periods.

Other Expense. Other expense increased $518,000 in 2001 from $0 in 2000 because Genomica reserved for the uncollectability of a note receivable during the quarter. The impairment of the note was due to unfavorable changes in market conditions in the financing industry, which prevented the issuer of the note from obtaining sufficient capital to fund its operations at a level which would have indicated that this note would be repaid. The initial investment in the note receivable was made in the first quarter of 2001.

Deemed Dividend Related to Beneficial Conversion Feature of Preferred Stock. In 2000, Genomica incurred charges of approximately $17.1 million related to the issuance of its Series C and Series D preferred stock. All of Genomica's preferred stock converted to common stock upon the closing of its initial public offering on October 4, 2000. There was no comparable charge for the same period in 2001.

YEAR ENDED DECEMBER 31, 2000 COMPARED TO YEAR ENDED DECEMBER 31, 1999

Total Revenue. Total revenue increased to $1,642,000 in 2000 from $781,000 for the same period of 1999. The revenue growth was due primarily to licensing Genomica's software to an increased number of pharmaceutical and biotechnology organizations. Genomica recognized revenue from consulting services of $23,000 in 2000; no such revenue was recognized in 1999. Grant revenue of $27,000 was recognized in 2000 compared to $159,000 in 1999. Grant revenue decreased for the year 2000 due to the completion of the grant in February 2000.

Costs of Revenue. Costs of revenue decreased to $384,000 in 2000 from $447,000 in 1999. The decrease was due primarily to decreased costs of research grants in 2000. Genomica's research grants paid for Genomica's direct costs of performing specified research projects and a portion of its other operating expenses.

Research and Development. Research and development expenses increased to $12.0 million in 2000 from $4.9 million in 1999. Nearly $4.4 million of the increase was attributable to non-cash compensation expense from options for common stock issued to employees, as discussed below. There was $846,000 of non-cash compensation expense in 1999. The remainder of the increase is primarily due to increased salaries, recruiting, and other personnel costs associated with Genomica's engaging additional software developers.

Selling and Marketing. Selling and marketing expenses increased to $7.2 million in 2000 from $1.7 million in 1999. Approximately $4.0 million of the increase was related to non-cash compensation expense from options for common stock issued to employees, as discussed below. There was $85,000 of non-cash compensation expense in 1999. The remaining increase is primarily attributable

to additional salaries, consulting, other personnel costs and travel associated with the expansion of Genomica's selling and marketing team.

General and Administrative. General and administrative expenses increased to $9.0 million in 2000 from $1.7 million in 1999. Approximately $6.3 million of the increase is attributable to non-cash compensation expense from options for common stock issued to employees, as discussed below. There was only $738,000 of non-cash compensation expense in 1999.

Non-cash Stock-based Compensation. In connection with the grant of stock options to employees at exercise prices between $0.75 and $10.02 per share, Genomica recorded deferred stock compensation of $25.6 million for the year ended December 31, 2000. In addition, Genomica recorded approximately $200,000 of deferred compensation in connection with the issuance of options for common stock to certain advisors of the company. Amortization of deferred stock compensation totaled $14.7 million for the year ended December 31, 2000.

Interest Income. Interest income increased to $2.6 million in 2000 from $419,000 in 1999. The increase was attributable to Genomica's higher cash and investment balances in these periods resulting from the proceeds of sales of preferred stock and Genomica's initial public offering.

Interest Expense. Interest expense increased to $45,000 in 2000 compared to $18,000 in 1999. The increase was attributable to higher average outstanding debt related to capital leases for equipment. These capital leases were repaid in the fourth quarter of 2000 with a portion of the proceeds from Genomica's initial public offering.

YEAR ENDED DECEMBER 31, 1999 COMPARED TO YEAR ENDED DECEMBER 31, 1998

Total Revenue. Total revenue increased to $781,000 in 1999 from $197,000 in 1998. This increase was due primarily to licensing Genomica's software to an increased number of pharmaceutical and biotechnology

organizations. Genomica also recognized revenue from research grants of $159,000 in 1999; no such revenue was recognized in 1998.

Costs of Revenue. Costs of revenue increased to $447,000 in 1999 from $141,000 in 1998. This increase was due to approximately $90,000 from additional customer service and support costs, $57,000 from software royalty payments for third-party software licenses and $159,000 from costs associated with research grants.

Research and Development. Research and development expenses increased to $4.9 million in 1999 from $2.3 million in 1998. The increase was primarily related to an increase in salaries and other personnel costs in 1999 related to engaging additional software developers. Genomica also incurred non-cash compensation expense of $846,000 in 1999 from options for common stock issued with exercise prices below the deemed market value of the common stock for financial reporting purposes, as discussed below.

Selling and Marketing. Selling and marketing expenses increased to $1.7 million in 1999 from $634,000 in 1998. The increase was due primarily to increases in personnel and travel costs from the expansion of Genomica's selling and marketing team. Genomica also increased its product marketing expenses to enhance the visibility of its product. Genomica incurred non-cash compensation expense of $85,000 in 1999 for options for common stock issued to employees, as discussed below.

General and Administrative. General and administrative expenses increased to $1.7 million in 1999 from $884,000 in 1998, an increase of $839,000. The increase was due primarily to additions to Genomica's management team. Genomica incurred non-cash compensation expense of $738,000 in 1999 from options for common stock issued to employees, as discussed below.

Non-cash Stock-based Compensation. In connection with the grant of stock options to employees, Genomica recorded deferred stock compensation of $7.4 million during the year ended December 31, 1999, of which $1.7 million was expensed in 1999.

Interest Income. Interest income increased to $419,000 in 1999 from $90,000 in 1998. The increase was due primarily to Genomica's higher average cash and investment balances during 1999 as a result of a private placement of equity securities in February 1999 and December 1998.

Interest Expense. Interest expense decreased to $18,000 in 1999 from $55,000 in 1998 due primarily to lower average debt outstanding during 1999 following the conversion of a note payable to equity in 1998.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2001, Genomica had cash, cash equivalents and investments of approximately $110.8 million, down from $123.9 million of cash, cash equivalents and investments at December 31, 2000.

During the nine months ended September 30, 2001, Genomica used cash of approximately $10.3 million to fund its net losses of $17.0 million. Genomica's investing activities for the nine months ended September 30, 2001 used cash of $11.9 million and consisted of $8.4 million in net purchases and maturities of investments and $3.5 million in purchases of leasehold improvements, property and equipment primarily related to increasing our staff levels.

Genomica's financing activities for the year ended December 31, 2000 generated $130.5 million comprised primarily of $112.5 million in net proceeds from its initial public offering and $18.0 million in net proceeds from sales of preferred stock. Genomica's financing activities for the nine months ended September 30, 2001 consisted only of the exercise of stock options. These stock option exercises accounted for $162,399 in proceeds during that period.

During the year ended December 31, 2000, Genomica used cash of approximately $10.4 million to fund its net losses of $24.4 million. Genomica's investing activities for the year ended December 31, 2000 used cash of $97.8 million, and consisted of $95.0 million in net purchases and maturities of investments and $2.8 million in purchases of property and equipment used in its business.

Following the cash effects of Genomica's restructuring changes, Genomica expects its usage of cash to decrease significantly to near break-even. Genomica believes that its cash, cash equivalents and short-term investments are sufficient to fund its working capital requirements for the foreseeable future.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The primary objective of Genomica's investment activities is to preserve principal while at the same time maximize the income Genomica receives from its investments without significantly increasing risk. Some of the securities that Genomica invests in may have market risk. This means that a change in prevailing interest rates or a change in the credit of any companies represented by such

securities may cause the market value of the investment to fluctuate. For example, if Genomica holds a security that was issued with a fixed interest rate at the then-prevailing rate and the prevailing interest rate later rises, the market value of Genomica's investment will probably decline. For investments held at September 30, 2001, a 1% change in the interest rate would change the value of Genomica's investments by approximately $1 million. In addition, if Genomica holds a security that was rated on the credit risk of certain companies and any of these company's credit is downgraded, the market value of Genomica's investment will probably decline. To minimize this risk in the future, Genomica intends to maintain its portfolio of cash equivalents and short-term investments in a variety of securities, including commercial paper, money market funds, government and non-government debt securities. Set forth below is quantitative, tabular disclosure relating to Genomica's investments, as of September 30, 2001:

	MATURITY DATES				
	2001	2002	2003	TOTAL	FAIR VALUE
Marketable Debt Securities, Principal Values...	$13,338,000	$63,403,000	$27,519,000	$104,260,000	$107,100,959
Average Interest Rate.....	6.851%	6.630%	6.209%	6.547%	

SECURITY OWNERSHIP BY CERTAIN BENEFICIAL OWNERS OF GENOMICA

The following table sets forth certain information regarding the beneficial ownership of Genomica's common stock as of December 26, 2001 by: (i) each director of Genomica; (ii) the chief executive officer and the four other most highly compensated executive officers of Genomica for the fiscal year ended December 31, 2000, whose salary and incentive compensation for the fiscal year ended December 31, 2000 exceeded $100,000; (iii) all directors and executive officers of Genomica as a group; and (vi) all those known by Genomica to be beneficial owners of more than 5% of its outstanding common stock. The table is based on information supplied by each stockholder or contained in filings made with the Securities and Exchange Commission. Beneficial ownership is determined according to the rules of the Securities and Exchange Commission and generally means that a person has beneficial ownership of a security if the person has voting or investment power over that security, and includes any shares of Genomica common stock which the individual or entity has the right to acquire within 60 days of November 19, 2001 through the exercise of any stock option or other right. Except as otherwise indicated, Genomica believes that the beneficial owners of the common stock listed below, based on the information each of them has given to Genomica, have sole investment and voting power with respect to their shares.

This table lists applicable percentage ownership based on 23,065,643 shares of common stock outstanding as of December 26, 2001. Options and warrants to purchase shares of Genomica's common stock that are exercisable within 60 days of December 26, 2001 are deemed to be beneficially owned by the persons holding these options and warrants for the purpose of computing percentage ownership of that person, but are not treated as outstanding for the purpose of computing any

other person's ownership percentage. Shares underlying options and warrants that are deemed beneficially owned are listed in this table separately in the column labeled "Shares Subject to Options and Warrants." These shares are included in the number of shares listed in the column labeled "Total Number." Unless otherwise indicated, the address of each person or entity named below is c/o Genomica Corporation, 1715 38th Street, Boulder, Colorado 80301.

	SHARES BENEFICIALLY OWNED		
NAME OF BENEFICIAL OWNER	TOTAL NUMBER(1)	SHARES SUBJECT TO OPTIONS AND WARRANTS	PERCENTA BENEFICIALLY
The Kaufmann Fund, Inc.(2)	3,989,272	--	17.3%
Perry Corp.(3)	3,215,700	--	13.9
Richard C. Perry(4)	3,215,700	--	13.9
Perry Partners International, Inc.(5)	2,271,570	--	9.8
Falcon Technology Partners, L.P.(6)	3,066,141	--	13.3
ARCH Venture Fund III, L.P.(7)	1,719,157		7.5
Teresa W. Ayers	700,032	300,008	3.0
Thomas G. Marr	843,365	333,366	3.7
Kenneth S. Rubin	446,666	288,020	1.9
Daniel R. Hudspeth(8)	258,365	91,699	1.1
Sean M. Ryan(9)	62,500	62,500	*
James L. Rathmann(10)	3,111,141	5,000	13.5
Ralph E. Christoffersen	20,000	20,000	*
Robert T. Nelsen(11)	1,727,157	5,000	7.5
William E. Rich	5,000	5,000	*
Michael J. Savage(12)	9,417	2,917	*
All directors and executive officers as a group(13)	7,333,642	1,263,509	30.1%

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* Less than 1%

(1) Shares underlying options and warrants that are deemed beneficially owned are listed in this table separately in the column labeled "Shares Subject to Options and Warrants." These shares are included in the number of shares listed in the column labeled "Total Number."

(2) The address of The Kaufmann Fund, Inc. is 140 East 45th Street, 43rd Floor, New York, New York 10017.

(3) Includes 2,271,570 shares held by Perry Partners International, Inc. The address of Perry Corp. is 599 Lexington Avenue, New York, New York 10022.

(4) Includes shares held by Perry Corp., of which Mr. Perry is the President and sole shareholder.

(5) The address of Perry Partners International, Inc. is 599 Lexington Avenue, New York, New York 10022. Perry Partners International, Inc. is a private

investment fund managed by Perry Corp.

(6) The address of Falcon Technology Partners, L.P. is Dorset Road, Devon, Pennsylvania 19333.

(7) The address of ARCH Venture Fund III, L.P. is 8725 West Higgins Road, Suite 290, Chicago, Illinois 60631.

(8) Includes 166,666 shares held by Daniel R. and Karla R. Hudspeth Trust, of which Mr. Hudspeth and his wife are trustees.

(9) Mr. Ryan resigned his employment with Genomica effective as of November 9, 2001.

(10) Includes shares held by Falcon Technology Partners, L.P., of which Mr. Rathmann is the General Partner.

(11) Includes shares held by ARCH Venture Fund III, L.P. The sole general partner of ARCH Venture Fund III, L.P. is ARCH Venture Partners, LLC. Mr. Nelsen is the managing director of ARCH Ventures Partners, LLC, and may be deemed to be the indirect beneficial owner of these shares. Mr. Nelsen disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.

(12) Includes shares held by the Savage Family Revocable Trust, of which Mr. Savage is trustee.

(13) Includes 1,263,059 shares of common stock issuable upon exercise of stock options.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following unaudited pro forma condensed combined financial statements give effect to the proposed merger of Exelixis and Genomica, the 2001 acquisition of a majority of the outstanding capital stock of Artemis and the 2000 acquisition of Agritope, applying the purchase method of accounting in each transaction. The unaudited pro forma condensed combined balance sheet gives effect to the merger of Exelixis and Genomica as if it had occurred on September 30, 2001. The acquisitions of Artemis and Agritope occurred on May 14, 2001 and December 8, 2000, respectively; accordingly, the unaudited consolidated balance sheet of Exelixis at September 30, 2001 reflects the acquisitions of Artemis and Agritope. The unaudited pro forma condensed combined statements of operations give effect to the proposed merger of Exelixis and Genomica, and the acquisitions of Artemis and Agritope, as if they had all occurred on the first day of each period presented.

For pro forma purposes, (i) Exelixis' unaudited consolidated balance sheet as of September 30, 2001 has been combined with Genomica's unaudited consolidated balance sheet as of September 30, 2001, (ii) Exelixis' audited consolidated statement of operations for the year ended December 31, 2000, which includes the results of Agritope subsequent to the acquisition date of December 8, has been combined with Agritope's unaudited statement of operations for the period from January 1, 2000 to December 7, 2000 and with Artemis' audited statement of operations for the year ended December 31, 2000, (iii) Exelixis' unaudited consolidated statement of operations for the nine months ended September 30, 2001, which includes the results of operations of Artemis subsequent to the acquisition date of May 14, 2001, has been combined with

Artemis' unaudited statement of operations for the period from January 1, 2001 to May 13, 2001 and (iv) the Exelixis/Agritope/Artemis unaudited pro forma condensed combined statement of operations for the year ended December 31, 2000, and the Exelixis/Artemis unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2001, have been combined with Genomica's audited consolidated statement of operations for the year ended December 31, 2000 and unaudited consolidated statement of operations for the nine months ended September 30, 2001, respectively.

The unaudited pro forma condensed combined financial information has been prepared on the basis of assumptions described in the notes thereto and includes assumptions relating to the allocation of the consideration paid for the assets and liabilities of Genomica based on management's preliminary estimates of their fair value. Under the purchase method of accounting, the aggregate consideration paid is allocated to the tangible and identifiable intangible assets acquired and liabilities assumed on the basis of their respective fair values on the transaction date. As the estimated fair value of the net assets acquired exceeds the estimated purchase price, the estimated fair values of all long term assets were reduced to zero for purchase accounting purposes. After such a reduction in values, and in accordance with Statement of Financial Accounting Standards No. 141, "Business Combinations," estimated negative goodwill of approximately $808,000 will be recorded as an extraordinary gain in Exelixis' statement of operations upon consummation of the merger. The extraordinary gain has been excluded from the pro forma statements of operations due to its non-recurring nature. The final allocation of such consideration may differ from that reflected in the unaudited pro forma condensed combined financial information. Exelixis does not expect that the final allocation of the aggregate purchase price for the merger will differ materially from the preliminary allocations. In the opinion of Exelixis, all adjustments necessary to present fairly such unaudited pro forma condensed combined financial information have been made based on the proposed terms and structure of the merger.

The unaudited pro forma information has been prepared in accordance with the rules and regulations of the Securities and Exchange Commission and is presented for illustrative purposes only. Such information is not necessarily indicative of the operating results or financial position that would have occurred if the merger had been consummated on the first day of each period presented or September 30, 2001, respectively, nor is it necessarily indicative of future operating results or financial position.

These pro forma condensed combined financial statements are qualified in their entirety by reference to and should be read in conjunction with the historical consolidated financial statements and the related notes thereto and "Exelixis Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated by reference into this prospectus and "Genomica Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2000

	EXELIXIS	AGRITOPE	ARTEMIS	EXELIXIS/ AGRITOPE/ ARTEMIS PRO FORMA ADJUSTMENTS	EXELIXIS/ AGRITOPE/ ARTEMIS PRO FORMA COMBINED	GENOMIC

(IN THOUSANDS, EXCEPT PER SHARE INFORMATI

Revenues:						
Product sales, software licenses and other	$ --	$ 4,267	$ --	$ --	$ 4,267	$ 1,61
License	3,776	--	--	--	3,776	-
Contract and government grants	20,983	3,181	1,634	--	25,798	2
Total revenues	24,759	7,448	1,634	--	33,841	1,64
Operating expenses:						
Costs of revenues	--	5,188	--	--	5,188	38
Research and development	48,456	4,461	5,215	--	58,132	12,04
Selling, general and administrative	18,907	8,581	1,380	--	28,868	16,16
Amortization of goodwill and intangibles	260	--	--	5,347G	5,607	-
Acquired in-process research and development	38,117	--	--	(38,117)H	--	-
Total operating expenses	105,740	18,230	6,595	(32,770)	97,795	28,59
Loss from operations	(80,981)	(10,782)	(4,961)	32,770	(63,954)	(26,95
Other income (expense):						
Interest income	6,225	86	281	--	6,592	2,63
Interest expense	(679)	(190)	(300)	--	(1,169)	(4
Other, net	23	(335)	(4)	--	(316)	-
Total other income (expense)	5,569	(439)	(23)	--	5,107	2,58
Minority interest in subsidiary net loss	101	952	--	--	1,053	-
Net loss	(75,311)	(10,269)	(4,984)	32,770	(57,794)	(24,36
Deemed dividend related to beneficial conversion feature of preferred stock	--	--	--	--	--	(17,10
Net loss attributable to common stockholders	$(75,311)	$(10,269)	$(4,984)	$ 32,770	$(57,794)	$(41,47
Net loss per common share, basic and diluted	$ (2.43)					
Weighted average shares used in computing net loss per common share, basic and diluted	31,031					

See notes to unaudited pro forma condensed combined financial statements.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
NINE MONTHS ENDED SEPTEMBER 30, 2001

	EXELIXIS	ARTEMIS	EXELIXIS/ ARTEMIS PRO FORMA ADJUSTMENTS	EXELIXIS/ ARTEMIS PRO FORMA COMBINED	GENOMICA	EXELI GENOM PRO F ADJUST
			(IN THOUSANDS, EXCEPT PER SHARE INFORMATION)			
Revenues:						
Product sales, software licenses and other	$ --	$ --	$ --	$ --	$ 1,293	$
License	4,564	--	--	4,564	--	
Contract and government grants	23,649	256	--	23,905	--	
Total revenues	28,213	256	--	28,469	1,293	
Operating expenses:						
Costs of revenues	--	--	--	--	286	
Research and development	59,836	2,478	--	62,314	10,849	(9
Selling, general and administrative	14,597	828	--	15,425	11,657	(3
Amortization of goodwill and intangibles	3,673	--	513G	4,186	--	
Acquired in-process research and development	6,673	--	(6,673)H	--	--	
Total operating expenses	84,779	3,306	(6,160)	81,925	22,792	(1,2
Loss from operations	(56,566)	(3,050)	6,160	(53,456)	(21,499)	1,2
Other income (expense):						
Interest income	5,064	74	--	5,138	5,016	
Interest expense	(1,460)	(114)	--	(1,574)	--	
Other, net	45	--	--	45	(517)	
Total other income (expense)	3,649	(40)	--	3,609	4,499	
Net loss	$(52,917)	$(3,090)	$ 6,160	$ (49,847)	$(17,000)	$1,2
Net loss per share, basic and diluted	$ (1.15)					
Weighted average shares used in computing net loss per share, basic and diluted	45,848					

See notes to unaudited pro forma condensed combined financial statements.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
SEPTEMBER 30, 2001

	EXELIXIS	GENOMICA	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED

			(IN THOUSANDS)	
ASSETS				
Current assets:				
Cash and cash equivalents	$ 42,813	$ 3,729	$ --	$ 46,542
Short-term investments	89,470	65,053	--	154,523
Accounts receivable, net	--	247	--	247
Other receivables	2,368	2,320	--	4,688
Other current assets	2,671	344	--	3,015
Total current assets	137,322	71,693	--	209,015
Long-term investments	--	42,048	--	42,048
Property and equipment, net	35,870	4,971	(4,971)A	35,870
Related party receivables	1,021	--	--	1,021
Goodwill and other intangible assets	67,454	115	(115)A	67,454
Other assets	5,050	9	(9)A	5,050
Total assets	$246,717	$118,836	$(5,095)	$360,458
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued expenses	$ 11,581	$ 1,161	$ 4,100B	$ 16,842
Current portion of capital lease obligations	6,239	--	--	6,239
Current portion of notes payable	3,589	--	--	3,589
Deferred revenue	12,908	610	(610)F	12,908
Total current liabilities	34,317	1,771	3,490	39,578
Capital lease obligations	9,881	--	--	9,881
Notes payable	828	--	--	828
Convertible promissory note	30,000	--	--	30,000
Other long-term liability	200	--	--	200
Deferred revenue	22,080	--	--	22,080
Total liabilities	97,306	1,771	3,490	102,567
Stockholders' equity:				
Common stock	50	23	(15)C,D	58
Treasury stock, at cost	--	(20)	20C	--
Options and warrants	--	22,690	(22,690)C	--
Additional paid-in-capital	338,326	177,393	(64,367)C,D	451,352
Notes receivable from stockholders	(1,624)	--	--	(1,624)
Deferred stock compensation, net	(5,355)	(9,563)	9,563C	(5,355)
Accumulated other comprehensive income	969	1,231	(1,231)C	969
Accumulated deficit	(182,955)	(74,689)	75,497C,A	(182,147)
Total stockholders' equity	149,411	117,065	(8,585)	262,446
Total liabilities and stockholders' equity	$246,717	$118,836	$(5,095)	$360,458

See notes to unaudited pro forma condensed combined financial statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED
COMBINED FINANCIAL STATEMENTS

NOTE 1. BASIS OF PRESENTATION

GENOMICA

On November 19, 2001, Exelixis entered into an Agreement and Plan of Merger and Reorganization to acquire all the outstanding shares of Genomica. Pursuant to the terms of the merger agreement, the unaudited pro forma condensed combined financial information reflects the issuance of approximately 8.2 million shares of Exelixis common stock in exchange for all of the outstanding shares of Genomica common stock. The assumed number of shares of Exelixis common stock to be issued is based on Genomica's capitalization at October 31, 2001 and assumes an exchange ratio of 0.33582 of a share of Exelixis common stock for each outstanding share of Genomica common stock. For pro forma purposes, the exchange ratio was calculated by dividing $13.30285, which equals 95% of the average closing sales price of Exelixis, as reported on the Nasdaq National Market, for the ten trading days ending on and including November 16, 2001, into the quotient of $110.0 million divided by the outstanding Genomica common stock and vested Genomica stock options and warrants with exercise prices less than $5.00 per share as of October 31, 2001. Certain warrants to purchase approximately 53,000 shares of Genomica common stock will be assumed by Exelixis pursuant to the merger and converted into warrants to purchase approximately 18,000 shares of Exelixis common stock. The actual exchange ratio will be determined by dividing $13.30285, or if greater than $13.30285, the average closing sales price of Exelixis, as reported on the Nasdaq National Market, for the 18 trading days ending two trading days before the expiration of the initial offering period, into the quotient of $110.0 million divided by the sum of the number of shares of Genomica common stock and Genomica preferred stock plus the number of shares of Genomica common stock issuable upon the exercise of all Genomica stock options and warrants with per share exercise prices of $5.00 or less, each as outstanding as of the date Exelixis first accepts shares of Genomica common stock for payment pursuant to the exchange offer.

Total estimated consideration for the proposed merger, assuming an October 31, 2001 measurement date, is approximately $108.5 million which consists of Exelixis common stock and warrants valued at $107.7 million and estimated Exelixis transaction costs of $800,000. Exelixis transaction costs include legal, accounting and other fees.

The preliminary allocation of the aggregate purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed in connection with this acquisition was based on estimated fair values as determined by management. The preliminary purchase price allocation is summarized below (in thousands):

Tangible assets acquired	$113,741
Extraordinary gain -- negative goodwill	(808)
Liabilities assumed	(4,461)
	$108,472

As the estimated fair value of the net assets exceeds the estimated purchase price, the estimated fair values of all long-term assets were reduced to zero for purchase accounting purposes. After such a reduction in values, and in accordance with Statement of Financial Accounting Standards No. 141, "Business Combinations," estimated negative goodwill of approximately $808,000 will be recorded as an extraordinary gain in Exelixis' statement of operations upon consummation of the merger. The extraordinary gain has been excluded from

the pro forma statements of operations due to its non-recurring nature.

For pro forma purposes the estimated fair value of Exelixis common stock was $13.30285 per share. The actual fair value of Exelixis common stock will be either $14.78 per share, which represents the average closing sales price of Exelixis common stock for the five day trading period surrounding November 19, 2001 (the day the merger was announced), or $13.30285 if the market value of Exelixis common stock is below $13.30285 on the expiration date of the exchange offer. If $14.78 had been used as the fair value per share of

Exelixis common stock in the pro forma calculations as of October 31, 2001, total estimated consideration would have been $121.1 million.

ARTEMIS

In May 2001, Exelixis acquired a majority of the outstanding capital stock of Artemis Pharmaceuticals GmbH, a privately held genetics and functional genomics company organized under the laws of Germany. The transaction, which was accounted for under the purchase method of accounting, was effected through the exchange of shares of Exelixis common stock for DEM 1.00 of nominal value of Artemis capital stock, using an exchange ratio of 4.064 to one. Approximately 1.6 million shares of Exelixis common stock were issued in exchange for 78% of the outstanding capital stock of Artemis held by the Artemis stockholders. In addition, Exelixis received a call option, or Call Option, from, and issued a put option, or Put Option, to, certain stockholders of Artemis, or Option Holders, for the issuance of approximately 480,000 shares of Exelixis common stock in exchange for the remaining 22% of the outstanding capital stock of Artemis held by the Artemis stockholders. Exelixis may exercise the Call Option at any time from May 14, 2001 through January 31, 2002, and the Option Holders may exercise their rights under the Put Option at any time from April 1, 2002 through May 15, 2002. In connection with the acquisition of Artemis, Exelixis also issued fully vested rights to purchase approximately 187,000 additional shares of Exelixis common stock to Artemis employees in exchange for such employees' vested options formerly representing the right to purchase shares of Artemis capital stock pursuant to an Employee Phantom Stock Option Program.

The total consideration for the acquisition was approximately $22.3 million, which consisted of Exelixis common stock and options valued at $21.4 million and Exelixis transaction costs of $900,000. Exelixis' transaction costs include financial advisory, legal, accounting and other fees.

Based upon an independent valuation of the tangible and intangible assets acquired, Exelixis management has allocated the total cost of the acquisition to the assets acquired and liabilities assumed as follows (in thousands):

Tangible assets acquired	$ 6,848
In-process research and development	6,673
Developed technology	1,240
Assembled workforce	1,332
Goodwill	9,655
Patents/core technology	571
Liabilities assumed	(4,016)
	$22,303

Exelixis is amortizing the acquired intangible assets using the following estimated useful lives:

Developed technology	5 years
Patents/core technology	15 years
Assembled workforce	3 years
Goodwill	15 years

The valuation of the purchased in-process research and development of $6.7 million was based upon the results of an independent valuation using the income approach for each of the three significant in-process projects. The in-process projects relate primarily to the development of technologies that use vertebrate genetic model organisms, zebrafish and mice, to identify and functionally validate novel genes in vivo. These genes can be used as novel screening targets or as the basis for secreted proteins in clinically and commercially relevant diseases. The in-process projects are expected to be completed over the next 18 months. The income approach estimates the value of each acquired in-process project based on its expected future cash flows. The

valuation analysis considered the contribution of the core technology as well as the percent complete of each in-process research and development project. The expected present value of the cash flows associated with the in-process research and development projects was computed using a risk adjusted rate of return of 30%, which is considered commensurate with the overall risk and percent complete of the in-process projects. The purchased in-process research and development was not considered to have reached technological feasibility, and it has no alternative future use, accordingly, it has been recorded as a component of operating expense.

The revenues, expenses, cash flows and other assumptions underlying the estimated fair value of the acquired in-process research and development involve significant risks and uncertainties. The risks and uncertainties associated with completing the acquired in-process projects include the ability to reach future research milestones since the technologies being developed are unproven, the ability to retain key personal, the ability to obtain licenses to key technology, and the ability to avoid infringing on patents and propriety rights of third parties.

AGRITOPE

On December 8, 2000, Exelixis completed its acquisition of Agritope, Inc. ("Agritope"). The transaction, which was accounted for under the purchase method of accounting, was effected through the exchange of 0.35 of a share of Exelixis common stock for each outstanding share of Agritope capital stock. Approximately 1.7 million shares of Exelixis common stock were issued in connection with the transaction. In addition, unexpired and unexercised options and warrants to purchase shares of Agritope capital stock were assumed by Exelixis pursuant to the transaction and converted into fully vested options and warrants to purchase approximately 880,000 shares of Exelixis common stock.

The total consideration for the acquisition was approximately $93.5 million, which consists of Exelixis common stock, options and warrants valued at

$92.2 million and estimated Exelixis transaction costs of $1.3 million. Exelixis transaction costs include financial advisory, legal, accounting and other fees.

Based upon an independent valuation of the tangible and intangible assets acquired, Exelixis management has allocated the total cost of the merger to the assets acquired and liabilities assumed as follows (in thousands):

Tangible assets acquired	$ 7,103
In-process research and development	38,117
Developed technology	456
Patents/core technology	3,697
Assembled workforce	958
Goodwill	53,823
Liabilities assumed	(10,663)
	$ 93,491

Exelixis is amortizing the acquired intangible assets using the following estimated useful lives:

Developed technology	5 years
Patents/core technology	15 years
Assembled workforce	3 years
Goodwill	15 years

The valuation of the purchased in-process research and development of $38.1 million was based upon the results of an independent valuation using the income approach for each of the ten projects in-process. The in-process projects relate primarily to the development of disease and insect resistant fruits and vegetables and are expected to be completed over approximately the next two to five years. The income approach estimates the value of each acquired project in-process based on its expected future cash flows. The valuation analysis

considered the contribution of the core technology as well as the percent complete of each in-process research and development project. The expected present value of the cash flows associated with the in-process research and development projects was computed using a risk adjusted rate of return of 35% which is considered commensurate with the overall risk and percent complete of the in-process projects. The purchased technology was not considered to have reached technological feasibility, and it has no alternative future use, accordingly, it has been recorded as a component of operating expense.

The revenues, expenses, cash flows and other assumptions underlying the estimated fair value of the acquired in-process research and development involve significant risks and uncertainties. The risks and uncertainties associated with completing the acquired in-process projects include obtaining the necessary regulatory approvals in a timely manner and being able to successfully and profitably produce, distribute and sell products.

PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma information presented is not necessarily indicative of future results of operations of Exelixis or the combined results of operations which would have resulted had the proposed merger of Exelixis and Genomica, the 2001 acquisition of Artemis and the 2000 acquisition of Agritope, taken place during the periods presented. The unaudited pro forma statements reflect the effects of the proposed merger of Exelixis and Genomica, the 2001 acquisition of Artemis and the 2000 acquisition of Agritope, assuming the mergers occurred as of September 30, 2001 for the purposes of the unaudited pro forma condensed combined balance sheet and on the first day of each period presented for the purposes of the unaudited pro forma condensed combined statements of operations.

There were no material differences in the accounting policies of Exelixis, Agritope, Artemis or Genomica for the periods presented.

NOTE 2. PRO FORMA COMBINED NET LOSS PER SHARE

Pro forma combined net loss per share attributable to common stockholders, basic and diluted, is computed as follows:

	NINE MONTHS ENDED SEPTEMBER 30, 2001	YEAR ENDED DECEMBER 31, 2000
	(IN THOUSANDS, EXCEPT PER SHARE INFORMATION)	
Pro forma net loss attributable to common stockholders	$(65,565)	$(98,528)
Weighted average shares used in computing net loss per share attributable to common stockholders, basic and diluted	45,848	31,031
Pro forma adjustments:		
Weighted effect of assumed conversion of convertible preferred stock	--	6,599
Effect of common stock issued in Genomica merger	8,152	8,152
Effect of common stock issued in Artemis merger	812	1,624
Effect of common stock issued in Agritope merger	--	1,622
Weighted average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted	54,812	49,028
Pro forma net loss per share attributable to common stockholders, basic and diluted	$ (1.20)	$ (2.01)

Shares of common stock issuable upon the exercise of stock options and warrants and shares issuable upon the conversion of notes payable have been excluded from the computation of basic and diluted net loss per share as their effect would be antidilutive.

NOTE 3. PRO FORMA ADJUSTMENTS

The following pro forma adjustments include management's preliminary estimates of the fair value of the tangible and intangible assets acquired and liabilities assumed in the Genomica merger which are subject to finalization.

(A) To reduce the carrying value of Genomica's long-term assets to zero due to the estimated fair value of the acquired net assets exceeding the estimated purchase price. As a result, no value has been assigned to developed technology acquired from Genomica. The estimated extraordinary gain of $808,000, resulting from negative goodwill, has been excluded from the pro forma statements of operations due to its non-recurring nature;

(B) Accrual of transaction related costs of approximately $800,000 for Exelixis and $3.3 million for Genomica;

(C) Elimination of the Genomica stockholder equity accounts;

(D) Issuance of Exelixis common stock, $0.001 par value, and warrants to purchase common stock, as discussed above;

(E) Elimination of Genomica's historical depreciation expense associated with the carrying value of the long-term assets that were reduced to zero due to the estimated fair value of the acquired net assets exceeding the estimated purchase price;

(F) Reduce deferred revenue to zero since future obligations are minimal;

(G) Amortization of goodwill and other acquired intangible assets acquired in the Agritope and Artemis mergers; and

(H) Elimination of acquired in-process research and development acquired in the Agritope and Artemis mergers, which is considered non-recurring.

DESCRIPTION OF EXELIXIS CAPITAL STOCK

The following description of our capital stock does not constitute a complete description of all the terms of our capital stock and should be read in conjunction with our amended and restated certificate of incorporation and our restated bylaws which we have filed with the Securities and Exchange Commission and are incorporated by reference herein. Our authorized capital stock consists of 100,000,000 shares common stock, $0.001 par value, and 10,000,000 shares of preferred stock, $0.001 par value.

Exelixis Common Stock. As of December 26, 2001, there were 49,660,178 shares of Exelixis common stock outstanding held of record by approximately 527 stockholders. The holders of Exelixis common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. Subject to preferences that may be applicable to any preferred stock then outstanding, the holders of outstanding shares of common stock are entitled to receive ratably any dividends out of assets legally available therefor as the Exelixis board of directors may from time to time determine. Upon liquidation, dissolution or winding up of Exelixis, holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any then outstanding shares of

preferred stock. Holders of common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of Exelixis common stock are fully paid and nonassessable.

Exelixis Preferred Stock. The Exelixis board of directors has the authority to issue, subject to limitations prescribed by the rules and regulations of the Nasdaq National Market, up to 10,000,000 shares of Exelixis preferred stock, in one or more series and to determine the rights, preferences, privileges and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the destination of any series. The issuance of Exelixis preferred stock could diminish the voting power of holders of Exelixis common stock, and the likelihood that holders of Exelixis preferred stock will receive dividend payments and payments upon liquidation may have the effect of delaying, deferring or preventing a change in control of Exelixis. We have no present plans to issue any shares of Exelixis preferred stock.

Exelixis Warrants. As of December 26, 2001, the following warrants to purchase an aggregate of 496,220 shares of Exelixis common stock were outstanding:

- warrants to purchase 210,000 shares of common stock at an exercise price of $20.00 per share which expire on December 31, 2001;
- warrants to purchase 29,167 shares of common stock at an exercise price of $20.98 per share which expire on December 31, 2001;
- warrants to purchase 71,428 shares of common stock at an exercise price of $1.13 per share which expire on April 14, 2005;
- warrants to purchase 106,875 shares of common stock at an exercise price of $4.00 per share which expire on April 14, 2005; and
- warrants to purchase 78,750 shares of common stock at an exercise price of $13.00 per share which expire on April 14, 2005.

The warrants contain provisions for the adjustment of the exercise price and the aggregate number of shares that may be issued upon the exercise of the warrants if a stock dividend, stock split, reorganization, reclassification or consolidation occurs.

General Corporation Law of the State of Delaware and Certain Charter Provisions. In general, Section 203 of the General Corporation Law of the State of Delaware prohibits a publicly held Delaware

corporation from engaging in any business combination with any interested stockholder for a period of three years following the time that the stockholder became an interested stockholder unless:

- before that time, the corporation's board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder

becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding those shares owned by persons who are directors and also officers, and by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or after that time, the business combination is approved by the Exelixis board of directors and is authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Section 203 defines "business combination" to include:

- any merger or consolidation involving the corporation and the interested stockholder;

- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;

- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; and

- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Our amended and restated certificate of incorporation requires that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by written consent. Additionally, our amended and restated certificate of incorporation:

- eliminates cumulative voting in the election of directors;

- provides that the authorized number of directors may be changed only by resolution of our board of directors; and

- authorizes our board of directors to issue 10,000,000 shares of preferred stock to increase the amount of outstanding shares.

Our restated bylaws provide that candidates for director may be nominated only by our board of directors or by a stockholder who gives us written notice no later than 60 days prior nor earlier than 90 days before the first anniversary of the last annual meeting of stockholders. The Exelixis board of directors currently consists of ten members, divided into three classes. As a result, a portion of the board of directors will be elected each year. The Exelixis board of directors may appoint new directors to fill vacancies or newly created directorships. The restated bylaws also limit who may call a special meeting of stockholders.

Delaware law and these charter provisions may have the effect of deterring hostile takeovers or delaying changes in control of our management, which could depress the market price of our common stock.

Transfer Agent and Registrar. The transfer agent and registrar for Exelixis common stock is Mellon Investor Services LLC.

COMPARISON OF RIGHTS OF EXELIXIS STOCKHOLDERS AND GENOMICA STOCKHOLDERS

Both Genomica and Exelixis are Delaware corporations and are governed by Delaware law. In addition, the rights of Genomica stockholders are currently governed by the Genomica restated certificate of incorporation and the Genomica amended and restated bylaws, and the rights of Exelixis stockholders are governed by the Exelixis amended and restated certificate of incorporation and the Exelixis restated bylaws. After the effective time of the merger, the rights of holders of Genomica capital stock who become holders of Exelixis common stock will be governed by the Exelixis amended and restated certificate of incorporation, the Exelixis restated bylaws and Delaware law. In most respects, the rights of holders of Genomica capital stock are similar to the rights of holders of Exelixis common stock. The following is a summary of the similarities and material differences between such rights. This summary does not purport to be a complete discussion of, and is qualified in its entirety by reference to, Delaware law as well as to the Genomica restated certificate of incorporation, the Genomica amended and restated bylaws, the Exelixis amended and restated certificate of incorporation and the Exelixis restated bylaws.

AUTHORIZED CAPITAL STOCK

Exelixis. The authorized capital stock of Exelixis consists of 100,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of preferred stock, par value $0.001 per share.

Genomica. The authorized capital stock of Genomica consists of 50,000,000 shares of common stock, par value $0.001 per share, and 5,000,000 shares of preferred stock, par value $0.001 per share. Five hundred thousand shares of authorized preferred stock are designated Series A junior participating preferred stock.

OUTSTANDING VOTING STOCK

Exelixis. The outstanding voting stock of Exelixis consists solely of Exelixis common stock.

Genomica. The outstanding voting stock of Genomica consists solely of Genomica common stock.

VOTING RIGHTS

Exelixis. Subject to the voting rights of any then-outstanding Exelixis preferred stock, each share of Exelixis common stock is entitled to one vote on each matter submitted to a vote of the stockholders of Exelixis. Shares of Exelixis stock are not entitled to any cumulative voting rights.

Genomica. Subject to the voting rights of any then-outstanding Genomica preferred stock, each share of Genomica common stock is entitled to one vote on each matter submitted to a vote of the stockholders of Genomica. Shares of Genomica stock are not entitled to any cumulative voting rights. Each outstanding share of Series A junior participating preferred, if and when issued by Genomica, will have 100 votes on each matter submitted to a vote of the stockholders of Genomica. The number of votes each share of such preferred stock shall represent is subject to adjustment should Genomica at any time declare or

pay a dividend.

AMENDMENT TO CERTIFICATE OF INCORPORATION

Exelixis. The Exelixis amended and restated certificate of incorporation requires that in addition to the affirmative vote of any particular class or series of Exelixis voting stock required by law, the holders of at least 66 2/3% of the voting power of all the then-outstanding shares of voting stock, voting as a single class, is required to alter, amend or repeal the provisions of the certificate of incorporation that govern the operation of the Exelixis board of directors, the indemnification of directors and the amendment of the certificate of incorporation.

Genomica. The Genomica restated certificate of incorporation requires that in addition to the affirmative vote of any particular class or series of Genomica voting stock required by law, the holders of at least 66 2/3% of the voting power of all the then-outstanding shares of voting stock, voting as a single class, shall be required to alter, amend, or repeal the provisions of the certificate of incorporation that govern the operation of

the Genomica board of directors, the liability of directors and the amendment of the certificate of incorporation.

AMENDMENTS TO BYLAWS

The General Corporation Law of the State of Delaware states that stockholders entitled to vote have the power to adopt, amend or repeal the bylaws of a corporation. A corporation, in its certificate, may also confer this power on the board of directors in addition to the stockholders.

Exelixis. The Exelixis amended and restated certificate of incorporation provides that the bylaws may be altered or amended or new bylaws adopted by the affirmative vote of at least 66 2/3% of the voting power of all of the then-outstanding shares of the voting stock of the corporation entitled to vote, or by the board of directors.

Genomica. The Genomica restated certificate of incorporation provides that the bylaws may be altered or amended by the affirmative vote of at least 66 2/3% of the voting power of all of the then-outstanding shares of the voting stock of the corporation entitled to vote, or by the board of directors.

NUMBER OF DIRECTORS

Exelixis. The Exelixis board of directors currently consists of ten members.

Genomica. The Genomica board of directors currently consists of seven members.

CHANGE TO NUMBER OF DIRECTORS

Exelixis. The Exelixis amended and restated certificate of incorporation provides that the setting of the authorized number of directors and any changes to the authorized number of directors may be effected only by resolution of the Exelixis board of directors.

Genomica. The Genomica restated certificate of incorporation provides that the setting of the authorized number of directors and any changes to the authorized number of directors may be effected only by resolution of the

Genomica board of directors.

ELECTION OF DIRECTORS

Exelixis. The entire Exelixis board of directors is divided into three classes, with each class serving a staggered three-year term. As a result, a portion of the Exelixis board of directors is elected each year.

Genomica. The entire Genomica board of directors is divided into three classes, with each class serving a staggered three-year term. As a result, a portion of the Genomica board of directors is elected each year.

REMOVAL OF DIRECTORS

Exelixis. The Exelixis amended and restated certificate of incorporation states that a director may be removed only with cause by a vote of the majority of the voting power of the corporation entitled to vote at an election of directors.

Genomica. The Genomica restated certificate of incorporation states that a director may be removed only with cause by a vote of the majority of the voting power of the corporation entitled to vote at an election of directors.

VACANCIES ON THE BOARD OF DIRECTORS

Exelixis. The Exelixis amended and restated certificate of incorporation and bylaws provide that subject to the rights of the holders of any series of preferred stock, when any vacancy occurs on the Exelixis board of directors, whether by reason of an increase in the number of members composing the Exelixis board of directors or otherwise, a majority of the directors then in office, even though less than a quorum of the board of

directors, may appoint a director or directors to fill such vacancy or vacancies unless the board of directors determines by resolution that any such vacancy shall be filled by the stockholders.

Genomica. The Genomica restated certificate of incorporation and amended and restated bylaws provide that subject to the rights of the holders of any series of preferred stock, when any vacancy occurs on the Genomica board of directors, whether by reason of an increase in the number of members composing the Genomica board of directors or otherwise, a majority of the directors then in office, even though less than a quorum of the board of directors, may appoint a director or directors to fill such vacancy or vacancies unless the board of directors determines by resolution that any such vacancy shall be filled by the stockholders.

INDEMNIFICATION

Exelixis. The Exelixis restated bylaws provide for indemnification by Exelixis of its directors and executive officers to the fullest extent permitted by law. The Exelixis restated bylaws also provide that Exelixis shall have the power to indemnify its other officers, employees and other agents pursuant to applicable law.

Genomica. The Genomica amended and restated bylaws provide for indemnification by Genomica of its directors and executive officers to the fullest extent permitted by law. The Genomica amended and restated bylaws also provide that Genomica shall have the power to indemnify its other officers, employees and other agents pursuant to applicable law.

LIMITATION OF PERSONAL LIABILITY OF DIRECTORS

Exelixis. The Exelixis amended and restated certificate of incorporation provides for the elimination and limitation of the personal liability of directors for monetary damages to the fullest extent permitted by the General Corporation Law of the State of Delaware. In addition, the Exelixis amended and restated certificate of incorporation provides that if the General Corporation Law of the State of Delaware is amended to authorize the further elimination or limitation of the personal liability of a director, then the personal liability of the directors will be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.

Genomica. The Genomica restated certificate of incorporation provides that the liability of directors for monetary damages shall be limited to the fullest extent under applicable law.

SPECIAL MEETING OF STOCKHOLDERS

Under the General Corporation Law of the State of Delaware, a special meeting of stockholders may be called only by the board of directors or any other person authorized to do so in a corporation's certificate of incorporation or bylaws.

Exelixis. The Exelixis restated bylaws state that a special meeting of the stockholders may be called by the chairman of the board of directors, the chief executive officer, the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the board) or the holders of shares entitled to cast not less than 50% of the votes at the meeting.

Genomica. The Genomica amended and restated bylaws state that a special meeting of stockholders may be called only by the chairman of the board of directors, the chief executive officer or the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the board of directors for adoption).

STOCKHOLDER ACTION

Exelixis. The Exelixis amended and restated certificate of incorporation requires that any action required or permitted to be taken by stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by written consent.

Genomica. The Genomica restated certificate and amended and restated bylaws require that any action required or permitted to be taken by stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by written consent.

STOCKHOLDER PROPOSAL PROCEDURES

Exelixis. The Exelixis restated bylaws require that proposals by stockholders to be brought before any annual meeting must be delivered to the Secretary of Exelixis no later than the 60th day nor earlier than the 90th day before the first anniversary of the preceding year's annual meeting. If, however, no annual meeting was held in the previous year or the annual meeting

is more than 30 days before or more than 30 days after the anniversary date, the notice must be delivered not earlier than the 90th day nor later than the 60th day before the annual meeting or, in the event public announcement of the date of such annual meeting is first made by Exelixis fewer than 70 days before the date of such annual meeting, the tenth day following the date on which Exelixis first publicly announces the annual meeting date.

Notice of nominations of persons for election or reelection to the Exelixis board of directors must include information related to each person whom the stockholder proposes to nominate for election or reelection as a director, including each such person's consent to being named in the proxy statement and to serving as director, if elected, and the following information, which also must be provided as to the stockholder giving notice:

- the name, age, business address and residence address of such person;
- the principal occupation or employment of such person;
- the class and number of shares of Exelixis capital stock which are beneficially owned by such person;
- a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder; and
- all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended.

Notice of any other business that the stockholder proposes to bring before the meeting must include:

- the name and address of such stockholder, as they appear on Exelixis' books;
- a brief description of the business desired to be brought before the meeting and the reasons for conducting that business at the annual meeting;
- the class and number of shares of Exelixis capital stock which are beneficially owned by the stockholder;
- any material interest of the stockholder in the proposed business; and
- any other information that is required to be provided by the stockholder pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, in such person's capacity as a proponent to a stockholder proposal.

Genomica. The Genomica amended and restated bylaws require that proposals by stockholders to be brought before any annual meeting must be delivered to the Secretary of Genomica no later than the 90th day nor earlier than the 120th day before the first anniversary of the preceding year's annual meeting. If however, the annual meeting is more than 30 days before or more than 30 days after the anniversary date, the notice must be delivered not earlier than the 120th day before the annual meeting and not later than the 90th day before such annual meeting or the 10th day following the day on which Genomica first publicly announces the annual meeting date.

Notice of nominations of persons for election or reelection to the Genomica board of directors must include information related to each person whom the stockholder proposes to nominate for election or reelection as a director and all information related to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended and Rule 14a-11 thereunder. Such information must include each such person's consent to being named in the proxy statement and to serving as director, if elected.

Notice of any other business that the stockholder proposes to bring before the meeting must include:

- the name and address of such stockholder, as they appear on Genomica's books, and of such beneficial owner, if applicable;

- a brief description of the business desired to be brought before the meeting and the reasons for conducting that business at the annual meeting;

- the class and number of shares of Genomica capital stock which are beneficially owned by the stockholder;

- any material interest in the proposed business of the stockholder and the beneficial owner, if any, on whose behalf the proposal is being made; and

- whether either such stockholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of at least the percentage of Genomica's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of Genomica's voting shares to elect such nominee or nominees.

STOCKHOLDER RIGHTS PLAN

Exelixis. Exelixis does not currently have a stockholder rights plan.

Genomica. Genomica entered into a rights agreement dated as of October 2, 2001 with Computershare Trust Company, Inc., as rights agent (commonly referred to as a "poison pill"). Genomica has amended this agreement so that it will not apply to the exchange offer and subsequent merger.

Rights will separate from Genomica's common stock and become exercisable following the earlier of (i) the date a person or entity has become beneficial owner of 20% or more of the then-outstanding common stock of Genomica or (ii) the tenth business day (or such later date as may be determined by the board of directors) after the date of the commencement or public announcement of the intention to commence a tender or exchange offer, the consummation of which would result in any person or entity having beneficial ownership of 20% or more of the then-outstanding common stock of Genomica.

After a person or entity becomes the beneficial owner of 20% or more of the then-outstanding common stock of Genomica, each right will entitle the holder, other than the acquiring person, to purchase shares of Genomica common stock at a discounted price. If Genomica is subsequently acquired in a merger with the acquiring person, each right will entitle the holder to purchase shares of common stock of the acquiring company at a discounted price.

ISSUANCE OF ADDITIONAL STOCK

Exelixis. The Exelixis amended and restated certificate of incorporation provides that, subject to limitations prescribed by Delaware law, the Exelixis board of directors has the authority to issue up to 10,000,000 shares of blank check preferred stock.

Genomica. The Genomica restated certificate of incorporation provides that, subject to limitations prescribed by Delaware law, the Genomica board of directors has the authority to issue up to 5,000,000 shares of blank check preferred stock.

PREEMPTIVE RIGHTS

Exelixis. The Exelixis amended and restated certificate of incorporation and restated bylaws do not contain any provision relating to preemptive rights.

Genomica. The Genomica restated certificate of incorporation and amended and restated bylaws do not contain any provision relating to preemptive rights.

APPRAISAL RIGHTS

Exelixis. The Exelixis amended and restated certificate of incorporation does not provide for appraisal rights other than those designated by the General Corporation Law of the State of Delaware.

Genomica. The Genomica restated certificate of incorporation does not provide for appraisal rights other than those designated by the General Corporation Law of the State of Delaware.

LEGAL MATTERS

The validity of the Exelixis common stock to be issued in the merger has been passed upon for Exelixis by Heller Ehrman White & McAuliffe LLP. Certain tax consequences of the transaction will be passed upon for Exelixis by Heller Ehrman White & McAuliffe LLP and for Genomica by Cooley Godward LLP.

EXPERTS

The consolidated financial statements of Exelixis, Inc. incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2000 have been so incorporated in reliance upon the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Genomica as of December 31, 2000 and 1999, and for each of the three years in the period ended December 31, 2000, included in this prospectus have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

WHERE YOU CAN FIND MORE INFORMATION

Exelixis, Inc. is a Delaware corporation. Exelixis' principal executive offices are located at 170 Harbor Way, South San Francisco, California 94080, and its telephone number is (650) 837-7000.

Genomica Corporation is a Delaware corporation. Genomica's principal executive offices are located at 1715 38th Street, Boulder, Colorado 80301 and its telephone number is (720) 565-4500.

Exelixis and Genomica file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. You may read and copy this information at the following locations of the Securities and Exchange Commission:

Public Reference Room
450 Fifth Street, N.W.
Suite 1024
Washington, D.C. 20549

Northeast Regional Office
233 Broadway
New York, New York 10279

Midwest Regional Office
500 West Madison Street
Suite 1400
Chicago, Illinois 60661-2511

Pacific Regional Office
5670 Wilshire Boulevard, 11th Floor
Los Angeles, California 90036-3648

You may obtain information on the operation of the Securities and Exchange Commission's public reference room in Washington, D.C. by calling the Securities and Exchange Commission at 1-800-SEC-0330.

You may also obtain copies of this information by mail from the Public Reference Section of the Securities and Exchange Commission, 450 Fifth Street, N.W., Suite 1024, Washington, D.C. 20549, at prescribed rates.

The Securities and Exchange Commission also maintains an Internet website that contains reports, proxy statements and other information about issuers, like Exelixis and Genomica, that file electronically with the Securities and Exchange Commission. The address of that site is http://www.sec.gov.

Exelixis common stock is listed on the Nasdaq National Market under the symbol "EXEL." Genomica common stock is listed on the Nasdaq National Market under the symbol "GNOM." You may inspect reports and other information concerning Exelixis and Genomica at the offices of the National Association of Securities Dealers, Inc., 1735 K Street, N.W., Washington, D.C. 20006.

Exelixis has filed a Form S-4 registration statement to register with the Securities and Exchange Commission the offering and sale of the shares of Exelixis common stock to be issued to Genomica stockholders in the merger. This prospectus is a part of that registration statement. As allowed by Securities and Exchange Commission rules, this prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement. In addition, Exelixis has also filed with the Securities and Exchange Commission a statement on Schedule TO pursuant to Rule 14d-3 under the Securities Exchange Act of 1934, as amended, to furnish additional information about the exchange offer. You may obtain copies of the Form S-4 and the Schedule TO, and any amendments to those documents, in the manner described above.

Exelixis has supplied all information contained in this prospectus relating to Exelixis or Bluegreen Acquisition Sub, and Genomica has supplied all such

information relating to Genomica.

Neither Exelixis nor Genomica has authorized anyone to provide you with information that differs from that contained in this prospectus. Therefore, if anyone does give you information of this sort, you should not rely on it. This preliminary prospectus is dated December 28, 2001. You should not assume that the information contained in this prospectus is accurate as of any date other than that date, and neither the mailing of this prospectus to stockholders nor the issuance of shares of Exelixis common stock in the merger shall create any implication to the contrary. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase the securities offered by this document are unlawful, or if you

are a person to whom it is unlawful to direct these types of activities, then the exchange offer presented in this document does not extend to you.

The Securities and Exchange Commission allows us to "incorporate by reference" information into this prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the Securities and Exchange Commission. Any statement contained in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this prospectus, to the extent that a statement contained in or omitted from this prospectus, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus. This prospectus incorporates by reference the documents described below that we have previously filed with the Securities and Exchange Commission. These documents contain important information about Exelixis.

The following documents listed below that we have previously filed with the Securities and Exchange Commission are incorporated by reference:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2000 filed on March 15, 2001, including information incorporated by reference in the Form 10-K from our definitive proxy statement for the 2001 annual meeting of stockholders, which was filed on April 6, 2001;

- Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2001, which was filed on May 15, 2001;

- Our Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, which was filed on August 14, 2001;

- Our Quarterly Report on Form 10-Q for the quarter ended September 30, 2001, which was filed on November 14, 2001;

- Our Current Reports on Form 8-K filed on March 1, 2001, May 15, 2001, July 18, 2001, July 26, 2001, August 9, 2001 and November 14, 2001;

- The description of our common stock set forth in our registration statement on Form 8-A filed April 6, 2000; and

- Our registration statement on Form S-1 filed February 7, 2000 to which is attached as exhibits our amended and restated certificate of incorporation and our restated bylaws.

All documents that Exelixis files pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 from the date of this prospectus to the last date that shares are accepted for exchange pursuant to the exchange offer or the merger, or the date that the exchange offer is terminated will also be deemed to be incorporated by reference into this prospectus.

Exelixis, the Exelixis logos and all other Exelixis product and service names are registered trademarks or trademarks of Exelixis, Inc. in the U.S. and in other selected countries. Genomica, the Genomica logos and all other Genomica product and service names are registered trademarks or trademarks of Genomica Corporation in the U.S. and in other selected countries. The symbols "(R)" and "(TM)" indicate U.S. registration and U.S. trademark, respectively. Other third party logos and product/trade names are registered trademarks or trade names of their respective companies.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Genomica Corporation:

We have audited the accompanying consolidated balance sheets of Genomica Corporation (a Delaware corporation) and subsidiary as of December 31, 2000 and 1999, and the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an

opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Genomica Corporation and subsidiary as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Denver, Colorado,
February 2, 2001 (except for the matters discussed in
Notes 1 and 13, as to which the
date is November 19, 2001).

GENOMICA CORPORATION

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31,	
	2000	1999
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 25,784,803	$ 3,518,570
Short-term investments	73,153,650	2,824,763
Accounts receivable -- trade	353,448	360,000
Interest receivable	2,162,810	51,599
Prepaid expenses and other	352,114	96,438
Total current assets	101,806,825	6,851,370
Long-Term Investments	24,992,694	--
Property and Equipment, net	2,723,507	673,479
Other Assets	66,750	28,786
Total assets	$129,589,776	$ 7,553,635
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 933,903	$ 318,206
Accrued compensation and employee benefits	431,357	289,538
Current portion of capital lease obligations	--	130,142
Deferred revenue	814,626	829,601
Other accrued expenses	323,751	37,429

Total current liabilities	2,503,637	1,604,916
Long-Term Debt:		
Capital lease obligations, net of current portion	--	268,157
Total liabilities	2,503,637	1,873,073
Commitments and Contingencies Stockholders' Equity:		
Convertible preferred stock, $0.001 par value, 5,000,000 and 37,688,178 shares authorized, respectively:		
Series A, zero and 12,533,676 shares issued and outstanding, respectively	--	7,504,266
Series B, zero and 18,826,959 shares issued and outstanding, respectively	--	12,369,208
Common stock, $0.001 par value, 50,000,000, and 44,000,000 shares authorized, 22,839,559 and 1,140,073 shares issued and 22,715,016 and 1,079,309 shares outstanding, respectively	22,839	1,140
Treasury stock, at cost	(19,715)	(182)
Additional paid-in capital	168,136,541	31,228
Options and warrants	33,307,529	7,764,767
Deferred compensation	(16,929,010)	(5,772,446)
Accumulated other comprehensive income	256,984	--
Accumulated deficit	(57,689,029)	(16,217,419)
Total stockholders' equity	127,086,139	5,680,562
Total liabilities and stockholders' equity	$129,589,776	$ 7,553,635

GENOMICA CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS

	FOR THE YEARS ENDED DECEMBER 31,		
	2000	1999	1998
Revenue:			
Software licenses and services	$ 1,615,064	$ 622,230	$ 196,892
Research grants	26,733	159,100	--
Total revenue	1,641,797	781,330	196,892
Operating Expenses:			
Costs of revenue	383,585	447,057	141,490
Research and development	12,046,615	4,868,577	2,327,569
Selling and marketing	7,196,761	1,722,141	633,551
General and administrative	8,965,352	1,723,364	884,267
Total operating expenses	28,592,313	8,761,139	3,986,877
Operating loss	(26,950,516)	(7,979,809)	(3,789,985)
Interest Income	2,632,434	419,279	90,325

Interest Expense	(44,715)	(17,941)	(55,214)
Net Loss	(24,362,797)	(7,578,471)	(3,754,874)
Deemed Dividend Related to Beneficial Conversion Feature of Preferred Stock	(17,108,813)	--	--
Net Loss Applicable to Common Stockholders	$(41,471,610)	$(7,578,471)	$(3,754,874)
Net Loss Per Share, basic and diluted	$ (6.49)	$ (7.13)	$ (3.81)
Weighted Average Common Shares Outstanding, basic and diluted	6,387,998	1,062,392	986,015
Comprehensive Loss:			
Net loss	$(24,362,797)	$(7,578,471)	$(3,754,874)
Other comprehensive income: net unrealized gain on investments	256,984	--	--
Comprehensive loss	$(24,105,813)	$(7,578,471)	$(3,754,874)
Pro Forma Net Loss Per Share (Unaudited -- Note 3):			
Net loss per share, basic and diluted	$ (2.56)		
Weighted-average common shares outstanding basic and diluted	16,223,151		

The accompanying notes are an integral part of these consolidated financial statements.

GENOMICA CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	PREFERRED STOCK		COMMON STOCK		TREASURY STOCK	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOU
Balances, December 31, 1997	12,533,676	$ 7,504,266	976,532	$ 977	(60,764)	$ (
Sale of Series B preferred stock for cash of $0.72 per share, net of offering costs of $332,264	7,347,927	4,958,243	--	--	--	
Issuance of warrants to purchase Series B preferred stock	--	--	--	--	--	
Conversion of notes payable to Series B preferred stock	1,409,589	940,272	--	--	--	
Issuance of common stock upon exercise of options	--	--	129,327	129	--	
Net loss	--	--	--	--	--	
Balance December 31, 1998	21,291,192	$13,402,781	1,105,859	$ 1,106	(60,764)	$ (
Sale of Series B preferred stock for cash of $0.72 per share, net of offering						

costs of $538,180.....	10,069,443	6,711,819	--	--	--	
Issuance of warrants to purchase common stock.....	--	(241,126)	--	--	--	
Issuance of common stock upon exercise of options...	--	--	34,214	34	--	
Deferred compensation.....	--	--	--	--	--	
Amortization of deferred compensation.....	--	--	--	--	--	
Net loss.....	--	--	--	--	--	
Balances, December 31, 1999.....	31,360,635	$19,873,474	1,140,073	$ 1,140	(60,764)	$ (

GENOMICA CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	DEFERRED COMPENSATION	ACCUMULATED OTHER COMPREHENSIVE INCOME	ACCUMULATED DEFICIT	TOTAL
Balances, December 31, 1997.....	$ --	$ --	$ (4,884,074)	$ 2,622,940
Sale of Series B preferred stock for cash of $0.72 per share, net of offering costs of $332,264.....	--	--	--	4,958,243
Issuance of warrants to purchase Series B preferred stock.....	--	--	--	82,298
Conversion of notes payable to Series B preferred stock.....	--	--		940,272
Issuance of common stock upon exercise of options...	--	--	--	23,279
Net loss.....	--	--	(3,754,874)	(3,754,874)
Balance December 31, 1998...	--	--	$ (8,638,948)	$ 4,872,158
Sale of Series B preferred stock for cash of $0.72 per share, net of offering costs of $538,180.....	--	--	--	6,711,819
Issuance of warrants to purchase common stock.....	--	--	--	--
Issuance of common stock upon exercise of options...	--	--	--	6,159
Deferred compensation.....	(7,441,343)	--	--	--
Amortization of deferred compensation.....	1,668,897	--	--	1,668,897
Net loss.....	--	--	(7,578,471)	(7,578,471)
Balances, December 31, 1999.....	$(5,772,446)	--	$(16,217,419)	$ 5,680,562

GENOMICA CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY -- (CONTINUED)

	PREFERRED STOCK		COMMON STOCK		TREASURY STOCK	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUN
Balances, December 31, 1999	31,360,635	$19,873,474	1,140,073	$ 1,140	(60,764)	$ (1
Sale of Series C preferred stock for cash of $1.50 per share, net of offering costs of $25,139	10,022,635	15,008,815	--	--	--	
Sale of Series D preferred stock for cash of $3,34 per share, net of offering costs of $6,000	900,000	3,000,000	--	--	--	
Exercise of warrants to purchase Series A and B preferred stock	204,637	161,265	--	--	--	
Conversion of Series A,B,C, and D preferred stock to common stock	(42,487,907)	(38,043,554)	14,162,629	14,162	--	
Issuance of 6,440,000 shares of common stock at $19.00 per share	--	--	6,440,000	6,440	--	
Costs related to issuance of common stock	--	--	--	--	--	
Cash paid out for fractional shares due to reverse split of common stock	--	--	--	--	--	
Exercise of warrants to purchase common stock	--	--	194,495	195	--	
Issuance of common stock upon exercise of options	--	--	902,362	902	--	
Repurchase of unvested, restricted common stock for treasury	--	--	--	--	(63,779)	(19,5
Deferred compensation	--	--	--	--	--	
Amortization of deferred compensation	--	--	--	--	--	
Net unrealized gain on investments	--	--	--	--	--	
Deemed dividend from beneficial conversion feature of preferred stock	--	--	--	--	--	
Net loss applicable to common stockholders	--	--	--	--	--	
Balances, December 31, 2000	--	$ --	22,839,559	$22,839	(124,543)	$(19,7

GENOMICA CORPORATION

C CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY -- (CONTINUED)

	OPTIONS AND WARRANTS	DEFERRED COMPENSATION	ACCUMULATED OTHER COMPREHENSIVE INCOME	ACCUMULATED DEFICIT	TOTAL

Balances, December 31, 1999	$ 7,764,767	$(5,772,446)	$ --	$(16,217,419)	$ 5,680
Sale of Series C preferred stock for cash of $1.50 per share, net of offering costs of $25,139	--	--	--	--	15,008
Sale of Series D preferred stock for cash of $3,34 per share, net of offering costs of $6,000	--	--	--	--	3,000
Exercise of warrants to purchase Series A and B preferred stock	(31,890)	--	--	--	129
Conversion of Series A,B,C, and D preferred stock to common stock	--	--	--	--	
Issuance of 6,440,000 shares of common stock at $19.00 per share	--	--	--	--	122,360
Costs related to issuance of common stock	--	--	--	--	(9,883
Cash paid out for fractional shares due to reverse split of common stock	--	--	--	--	
Exercise of warrants to purchase common stock	(241,126)	--	--	--	
Issuance of common stock upon exercise of options	--	--	--	--	257
Repurchase of unvested, restricted common stock for treasury	--	--	--	--	(19
Deferred compensation	25,815,778	(25,815,778)	--	--	
Amortization of deferred compensation	--	14,659,214	--	--	14,659
Net unrealized gain on investments	--	--	256,984	--	256
Deemed dividend from beneficial conversion feature of preferred stock	--	--	--	--	17,108
Net loss applicable to common stockholders	--	--	--	(41,471,610)	(41,471
Balances, December 31, 2000	$33,307,529	$(16,929,010)	$256,984	$(57,689,029)	$127,086

GENOMICA CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31

	2000	1999	199
Cash Flows from Operating Activities:			
Net loss	$(24,362,797)	$(7,578,471)	$(3,75
Adjustments to reconcile net loss to net cash used in operating activities --			
Depreciation	738,169	253,016	17
Amortization of discount on convertible debt	--	--	
Amortization of deferred compensation	14,659,214	1,668,897	
Accretion of discounts (premiums) on investments	(92,938)	38,053	
Preferred stock issued for accrued interest on convertible debt	--	--	1
Changes in operating assets and liabilities --			
Accounts receivable	6,552	(360,000)	
Interest receivable	(2,111,211)	(51,599)	
Prepaid expenses and other assets	(255,676)	(43,287)	(1
Change in other assets	(37,964)	(4,477)	(
Accounts payable	615,697	88,591	8
Accrued compensation and employee benefits	141,819	195,945	(
Deferred revenue	(14,975)	706,268	12
Other accrued expenses	286,322	(11,617)	(10
Net cash used in operating activities	(10,427,788)	(5,098,681)	(3,48
Cash Flows from Investing Activities:			
Redemption of investments	22,791,499	16,480,000	2,46
Purchases of investments	(117,763,156)	(19,342,816)	
Purchase of property and equipment	(2,788,793)	(223,480)	(15
Proceeds from sale of equipment	596	--	
Net cash used in investing activities	(97,759,854)	(3,086,296)	2,30
Cash Flows from Financing Activities:			
Proceeds from issuance of common stock	122,360,000	--	
Proceeds from issuance of preferred stock	18,039,954	7,249,999	5,29
Proceeds from exercise of warrants for preferred stock	129,375	--	
Proceeds from exercise of common stock options	257,618	6,159	2
Proceeds from issuance of convertible debt and warrants	--	--	1,00
Costs related to issuance of common stock	(9,883,556)	--	
Costs related to issuance of preferred stock	(31,139)	(538,180)	(33
Payments on capital lease obligations	(398,299)	(70,313)	(1
Payments on loans	--	(166,667)	(20
Payments of common stock for treasury	(19,533)	--	
Payment for fractional shares as a result of common stock reverse split	(545)	--	
Net cash provided by financing activities	130,453,875	6,480,998	5,77
Net Increase (Decrease) in Cash and Cash Equivalents:	22,266,233	(1,703,979)	4,59
Cash and Cash Equivalents at Beginning of Period:	3,518,570	5,222,549	63
Cash and Cash Equivalents at End of Period:	$ 25,784,803	$ 3,518,570	$ 5,22
Supplemental Disclosure of Cash Flow Information:			
Cash received for interest	$ 521,323	$ 367,680	$ 9
Cash paid for interest	$ 44,715	$ 17,941	$ 3
Supplemental Disclosure of Non-Cash Financing Activities:			
Capital lease obligations incurred to acquire			

equipment	$ --	$ 353,621	$ 9
Warrants issued for offering costs	$ --	$ 241,126	$

The accompanying notes are an integral part of these consolidated financial statements.

GENOMICA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1. ORGANIZATION AND BUSINESS

Genomica Corporation, a Delaware corporation, and its subsidiary (collectively the "Company") is a provider of software products and services that enable pharmaceutical and biotechnology researchers to accelerate the drug discovery and development process. The Company's portfolio of products, including Discovery Manager, Reference Database and Linkmapper, offer a broad set of software tools for genomic researchers.

The Company was incorporated in September 1995 and began operations shortly thereafter. Since its inception, the Company has incurred significant losses. Although the Company anticipates that funds or proceeds from product licenses and working capital at December 31, 2000, primarily as a result of its October 2000 initial public offering (Note 2), will be sufficient to fund its operations through at least December 31, 2001, additional financing may be needed after that date by the Company to fund its operations, continue the commercial development of its products and develop its sales and marketing infrastructure. There is no guarantee that such financing will be available when needed upon terms acceptable to the Company. Operations of the Company are subject to certain risks and uncertainties including, among others, uncertainty of product development, conversion of the Company's product to a new technology platform, inexperience in marketing or selling its product, technological uncertainty, competition and dependence on key personnel.

On October 2, 2001, the Company's Board of Directors approved a Cost Reduction Plan resulting in a restructuring of operations and consolidation of facilities including the involuntary termination of a significant portion of the Company's workforce. These matters are further discussed in Note 13. These actions have had, and may continue to have, the effect of impairing certain long-term assets and the recording of significant liabilities related to severance and the termination of contractual relationships. Accordingly, in the fourth quarter of 2001, the Company will record substantial reductions to the carrying value of its long-term assets. Additional reductions may occur in future periods as the Company's strategic direction continues to evolve.

NOTE 2. INITIAL PUBLIC OFFERING

On October 4, 2000, the Company completed an initial public offering ("IPO") of 6,440,000 shares of its common stock at $19.00 per share. The net proceeds, after paying the underwriting discount and estimated expenses associated with the offering were $112.5 million. The Company has invested the net proceeds of this offering in interest-bearing, investment-grade securities. Further, as a result of the IPO, all outstanding shares of preferred stock were converted into shares of common stock in accordance with their terms.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION AND BASIS OF PRESENTATION

The accounts of the Company have been consolidated. All intercompany accounts and transactions have been eliminated. The consolidated financial statements are stated in U.S. dollars and are prepared in accordance with accounting principles generally accepted in the United States. Certain amounts in the prior years' consolidated financial statements have been reclassified to conform to the current year presentation.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. These estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CASH, CASH EQUIVALENTS AND INVESTMENTS IN MARKETABLE SECURITIES

The Company's investment portfolio consists of investments classified as cash equivalents, short-term investments, or long-term investments. All highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents. All cash equivalents are carried at cost, which approximates fair value. Short-and long-term investments consist of U.S. government, state, municipal and corporate debt securities with maturities of up to 24 months, as well as money market mutual funds. During 2000, the Company liquidated a portion of its portfolio of marketable securities prior to their maturity dates to purchase a Certificate of Deposit needed to secure a letter of credit. As a result, the Company's held-to-maturity investments were reclassified to available-for-sale investments as defined in Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Accordingly, at December 31, 2000, all investments were carried at fair value as determined by their quoted market prices and included as appropriate in either short-or long-term investments. All unrealized gains or losses are included in stockholders' equity as a component of accumulated other comprehensive income. At December 31, 1999, all investments were classified as held-to-maturity and accordingly were carried at amortized cost.

The Company's cash, cash equivalents, short-and long-term investments had a fair value at December 31, 2000, of $123.9 million and a gross unrealized gain of $256,984.

The amortized cost basis, aggregate fair value, and unrealized gains or losses for the Company's cash, cash equivalents, short-and long-term investment portfolio as of December 31, 2000 is presented below:

DECEMBER 31, 2000	AMORTIZED COST BASIS	AGGREGATE FAIR VALUE	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES

Cash, cash equivalents, and short-term investments:				
Euro dollar bonds.....	$31,250,187	$31,305,645	$ 55,458	$ --
Corporate debt securities.....	32,356,716	32,538,987	182,271	--
Money market funds.....	18,253,580	18,253,580	--	--
Asset-backed securities....	13,190,896	13,202,270	11,374	--
Certificate of deposit.....	625,000	625,000	--	--
Cash.....	3,012,971	3,012,971	--	--
Total cash, cash equivalents, and short-term investments.....	$98,689,350	$98,938,453	$249,103	$ --
Long-term investments:				
Euro dollar bonds.....	$13,091,539	$13,102,214	$ 10,675	$ --
Corporate debt securities.....	10,899,216	10,894,550	--	4,666
Asset-backed securities....	994,058	995,930	1,872	--
Total long-term investments.....	$24,984,813	$24,992,694	$ 12,547	$4,666

CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents, accounts receivable and investments in high-grade corporate bonds and commercial paper. The Company maintains its cash balances in the form of bank demand deposits and money market accounts with financial institutions that management believes are creditworthy. Accounts receivable are typically unsecured and are concentrated in the pharmaceutical industry. Three customers (Note 9)

accounted for the majority of the Company's trade accounts receivable as of December 31, 2000. The Company has no significant financial instruments with off-balance sheet risk of accounting loss, such as foreign exchange contracts, option contracts or other foreign currency hedging arrangements.

INCOME TAXES

The current provision for income taxes, if any, represents actual or estimated amounts payable on tax return filings each year. Deferred tax assets and liabilities are recorded for the estimated future tax effects of temporary differences between the tax bases of assets and liabilities and amounts reported in the accompanying balance sheets, and for operating loss and tax credit carryforwards. The change in deferred tax assets and liabilities for the period measures the deferred tax provision or benefit for the period. Effects of changes in enacted tax laws on deferred tax assets and liabilities are reflected as adjustments to the tax provision or benefit in the period of enactment. The Company's deferred tax assets have been completely reduced by a valuation allowance as it is not more likely than not that some or all of the deferred tax assets will be realized.

REVENUE RECOGNITION

The Company generates revenue from the license and related maintenance of its proprietary software products. The Company recognizes revenue when there is persuasive evidence of an arrangement, delivery has occurred, collection is probable, and the fee is fixed or determinable. If an acceptance period exists, license revenues are recognized upon the earlier of customer acceptance or the expiration of the acceptance period. The Company generally bundles its license fees and subsequent maintenance, consisting of software updates, content updates and support. The Company has concluded that there is no basis to allocate the total license and maintenance fees charged in its software arrangements to these various elements of the arrangement as the Company currently does not offer the license fee or maintenance for sale separately. Accordingly, revenue is generally deferred and recognized ratably over the term of the arrangement. Certain software arrangements include other elements, such as services and training. If present, such elements are unbundled based on vendor-specific objective evidence of their fair value and the related revenue is recognized when those elements are delivered.

The Company believes its current revenue recognition policies and practices are consistent with the provisions of Statement of Position 97-2, "Software Revenue Recognition" ("SOP 97-2"), as amended by SOP 98-4 and SOP 98-9, which were issued by the American Institute of Certified Public Accountants, as well as certain Technical Practice Aids issued from time to time. Implementation guidelines for these standards, as well as potential new standards, could lead to unanticipated changes in the Company's current revenue recognition policies. Such changes could affect the timing of the Company's future revenue and results of operations.

RESEARCH AND DEVELOPMENT AND SOFTWARE DEVELOPMENT COSTS

Research and development costs are charged to expense as incurred and consist of salaries and other direct costs. Statement of Financial Accounting Standards No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed," requires the capitalization of certain software development costs subsequent to the establishment of technological feasibility. The Company's software is deemed to be technologically feasible at the point a working model of the software product is developed. Through December 31, 2000, for products developed by the Company, the period from attainment of technological feasibility to general release has been brief and qualifying costs were not significant. Accordingly, the Company has not capitalized any qualifying software development costs in the accompanying consolidated financial statements. The costs of developing routine enhancements are expensed as research and development costs as incurred because of the short time between the determination of technological feasibility and the date of general release of the related products.

STOCK-BASED COMPENSATION

The Company accounts for its employee stock option plans in accordance with the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," ("APB No. 25"), and related interpretations. The Company adopted the disclosure-only requirements of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," ("SFAS No. 123"), which allows entities to continue to apply the provision of APB No. 25 for transactions with employees and provide pro forma disclosures for

employee stock grants made as if the fair value-based method of accounting in SFAS No. 123 had been applied to these transactions. Any deferred stock compensation calculated according to APB No. 25 is amortized over the vesting period of the individual options, generally four or five years, in accordance with Financial Accounting Standards Board ("FASB") Interpretation No. 28, "Accounting for Stock Appreciation Rights and Other Variable Stock Option and Awards Plans."

The Company applies the provisions of SFAS No. 123 and related interpretations to stock-based compensation to non-employees.

In March 2000, the Financial Accounting Standards Board issued FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation" ("FIN No. 44"). FIN No. 44 clarifies the application of APB No. 25 for certain issues related to equity-based instruments issued to employees. FIN No. 44 became effective on July 1, 2000, except for certain transactions for which the effective date is earlier, and has been applied on a prospective basis. The implementation of FIN No. 44 did not have a significant impact on the Company's consolidated results of operations or its financial position.

REVERSE STOCK SPLIT

On October 2, 2000, in conjunction with its initial public offering, the Company completed a one-for-three reverse stock split of all outstanding shares of its common stock. All shares of common stock and per share information in the accompanying financial statements have been retroactively adjusted to reflect the reverse stock split.

NET EARNINGS OR LOSS PER SHARE

The Company presents basic and diluted earnings or loss per share in accordance with Statement of Financial Accounting Standards No. 128 "Earnings per Share" ("SFAS No. 128"), which establishes standards for computing and presenting basic and diluted earnings per share. Under this statement, basic earnings or loss per share is computed by dividing the net earnings or loss by the weighted-average number of shares of common stock outstanding. Diluted earnings or loss per share is determined by dividing the net earnings or loss by the sum of (1) the weighted-average number of common shares outstanding, (2) if not anti-dilutive, the number of shares of convertible preferred stock as if converted upon issuance, and (3) if not anti-dilutive, the effect of outstanding stock options and warrants determined utilizing the treasury stock method.

For all periods presented, the effects of the convertible preferred stock and stock options and warrants were excluded from the calculation of diluted loss per share since the result would have been anti-dilutive. The dilutive effect of common stock options and warrants, without regard to the treasury stock method, that are excluded from the calculation of diluted loss per share because their effect is anti-dilutive totaled 1,899,054 in 2000, 1,414,111 in 1999, and 655,027 in 1998. The dilutive effect of convertible preferred stock that is excluded from the calculation of diluted loss per share because its effect is anti-dilutive totaled 13,223,975 in 2000, 10,058,124 in 1999 and 4,297,858 in 1998.

Pro forma net loss per share (unaudited) for the year ended December 31, 2000 is computed using the net loss and weighted-average number of common shares outstanding, including the pro forma effects of the assumed conversion of the Company's Series A, B, C and D convertible Preferred Stock into shares of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Company's common stock as if such conversion occurred on January 1, 2000, or at date of original issuance, if later. The resulting pro forma adjustment includes an increase in the weighted-average shares used to compute basic and diluted net loss per share of 9,835,153 for the year ended December 31, 2000.

COMPREHENSIVE INCOME

Comprehensive income includes all changes in equity during a period from non-owner sources. During the years ended December 31, 1998 and 1999, the Company had no transactions that were required to be reported as adjustments to determine comprehensive income (loss).

During 2000, the Company began accounting for its investments as available-for-sale securities. Such securities are marked to fair market value with adjustments included as a component of other comprehensive income. The excess of the fair market value of the Company's investments over the amortized cost was $256,984 at December 31, 2000, and is reflected as an unrealized gain in the accompanying consolidated statements of operations and comprehensive loss and consolidated statements of stockholders equity.

REPORTABLE SEGMENTS

SFAS No. 131, "Disclosure About Segments of and Enterprise and Related Information," establishes standards for the reporting of information about operating segments. Since its inception, the Company has conducted its operations in one operating segment.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). The Statement establishes accounting and reporting standards for derivative financial instruments and hedging activities related to those instruments as well as other hedging activities. In June 1999, the FASB issued Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities-Deferral of the Effective Date of SFAS Statement No. 133-an Amendment of FASB Statement No. 133" ("SFAS No. 137"). SFAS No. 137 delays the effective date of SFAS No. 133 to all fiscal quarters of fiscal years beginning after June 15, 2000. Since inception, the Company has not entered into arrangements that would fall under the scope of SFAS No. 133 and related interpretations and amendments and thus, the Company believes that SFAS No. 133 will not significantly affect its financial condition and results of operations.

In December 1999, the Securities and Exchange Commission (the "SEC") issued Staff Accounting Bulletin No. 101, "Revenue Recognition" ("SAB 101"). SAB 101 provides the SEC Staff's views in applying generally accepted accounting principles to selected revenue recognition issues. The Company has implemented the guidance in SAB 101 for all periods presented.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	AS OF DECEMBER 31,	
	2000	1999
Computer and office equipment	$ 2,222,718	$ 953,361
Furniture and fixtures	958,463	123,218
Software	437,958	63,894
Leasehold improvements	308,823	47,657
	3,927,962	1,188,130
Less -- Accumulated depreciation	(1,204,455)	(514,651)
	$ 2,723,507	$ 673,479

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method based on estimated useful lives ranging from three to five years. Maintenance and repairs are expensed as incurred. Depreciation expense was $738,169, $253,016 and $176,926 for the years ended December 31, 2000, 1999 and 1998, respectively.

NOTE 5. DEBT

CONVERTIBLE NOTES PAYABLE

In October 1998, the Company issued $1,000,000 of debt securities with an interest rate of 8% to various investors. The notes included warrants to purchase 208,331 shares of Series B Preferred Stock at $0.72 per share. These warrants were valued at $82,298 using the Black-Scholes option pricing model. The Company attributed a portion of the proceeds from the debt offering to the fair value of the warrants and recorded an initial discount to the carrying value of the related debt in the amount of $82,298. The discount was amortized using the effective interest-rate method over the two-year term of the note.

In conjunction with the sale of the Series B Preferred Stock on December 16, 1998, the net amount of the notes of $925,368 and accrued interest of $14,904 were converted into 1,409,589 shares of Series B Preferred Stock.

LOAN AGREEMENT

On September 17, 1997, the Company entered into a Bridge Loan and Security Agreement ("Loan Agreement") with a bank. Under the terms of the Loan Agreement, the outstanding advances of $400,000 were converted into a term loan ("Term Loan") on October 9, 1997. The principal and interest on the Term Loan was due in monthly installments through October 9, 1999. Interest accrued at a rate equal to the bank's prime rate plus 1.5% (9.25% at December 31, 1998), and the Loan Agreement was collateralized by assets of the Company. On October 9, 1999, the Term Loan and all interest was paid in full.

NOTE 6. STOCKHOLDERS' EQUITY

AUTHORIZED SHARES

At December 31, 2000, the Company is authorized to issue 50,000,000 shares of common stock and 5,000,000 shares of preferred stock. On October 4, 2000, the Company decreased the number of authorized shares of common stock and preferred stock from 65,000,000 and 47,938,179 shares, respectively.

GENOMICA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Series A, B, C and D Convertible Preferred Stock:

	SERIES A		SERIES B		SER
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES
Balances, December 31, 1997	12,533,676	$ 7,504,266	--	$ --	--
Sale of Series B preferred stock in December 1998 for cash of $0.72 per share, net of offering costs of $332,264	--	--	7,347,927	4,958,243	--
Conversion of notes payable in December 1998 to Series B preferred stock at $0.72 per share	--	--	1,409,589	940,272	--
Balances, December 31, 1998	12,533,676	7,504,266	8,757,516	5,898,515	--
Sale of Series B preferred stock in February 1999 for cash of $0.72 per share, net of offering costs of $538,180	--	--	10,069,443	6,711,819	--
Issuance of warrants to purchase common stock	--	--	--	(241,126)	--
Balances, December 31, 1999	12,533,676	7,504,266	18,826,959	12,369,208	--
Sale of Series C preferred stock at $1.50 per share, net of stock issuance costs of $25,139	--	--	--	--	10,022,635
Sale of Series D preferred stock at $3.34 per share	--	--	--	--	--
Issuance of 204,637 shares of preferred stock upon exercised of warrants	124,502	75,000	80,135	86,265	--
Conversion of 42,487,907 shares of preferred stock to 14,162,628 shares of common stock	(12,658,178)	(7,579,266)	(18,907,094)	(12,455,473)	(10,022,635)
Balances, December 31, 2000	--	$ --	--	$ --	--

SERIES D
AMOUNT

Balances, December 31, 1997	$ --
Sale of Series B preferred stock in December 1998 for cash of $0.72 per share, net of offering costs of $332,264	--
Conversion of notes payable in December 1998 to Series B preferred stock at $0.72 per share	--
Balances, December 31, 1998	--
Sale of Series B preferred stock in February 1999 for cash of $0.72 per share, net of offering costs of $538,180	--
Issuance of warrants to purchase common stock	--
Balances, December 31, 1999	--
Sale of Series C preferred stock at $1.50 per share, net of stock issuance costs of $25,139	--
Sale of Series D preferred stock at $3.34 per share	3,000,000
Issuance of 204,637 shares of preferred stock upon exercised of warrants	--
Conversion of 42,487,907 shares of preferred stock to 14,162,628 shares of common stock	(3,000,000)
Balances, December 31, 2000	$ --

The Company is authorized to issue preferred stock in various series with rights and privileges as determined by the Board of Directors. From its inception through September 2000, the Company issued a total of 42.5 million shares of preferred stock. The shares carried preferences in liquidation, generally equal to the original issuance price plus all accrued or other declared but unpaid dividends. Preferred stockholders were entitled to receive dividends only when, as and if declared by the Board of Directors, and at such amounts per share as specified by the Board of Directors. Each holder of shares of preferred stock was entitled to a number of votes on an as-if-converted to common basis. Additionally, all shares of outstanding preferred stock were convertible into shares of common stock on a one-for-one basis, subject to certain adjustments, either at the option of the holder or automatically upon certain events. Upon completion of the Company's initial public offering in October 2000, all outstanding shares of preferred stock were automatically converted into 14,162,628 shares of common stock, after taking into account the

impact of the one-for-three reverse stock split.

In connection with the issuance of the Series C preferred stock in March 2000, the Company recognized a $15.0 million beneficial conversion charge for the difference between the price at which the Series C preferred stock was sold and the deemed fair value of the common stock into which it was convertible. In connection with the issuance of the Series D preferred stock in September 2000, the Company recognized a

$2.1 million beneficial conversion charge for the difference between the price at which the Series D preferred stock was sold and the deemed fair value of the common stock into which it was convertible. These amounts are reflected as charges against income available to common stockholders in the accompanying statement of operations.

STOCK OPTION PLAN

Our 2000 Equity Incentive Plan (the "Plan") was originally adopted as the 1996 Stock Option Plan and our Board of Directors adopted its restatement and amendment in March 2000. In August 2000, the Plan was approved by our stockholders. There is currently an aggregate of 5,000,000 shares of common stock authorized for issuance under the Plan. The Plan will terminate on March 12, 2010 unless sooner terminated by the Board of Directors or committee. The exercise price per share of each option granted will not be less than 110% of the fair market value of the stock in the case of incentive stock options granted to persons owning 10% or more of our voting power, as defined, and otherwise shall not be less than 100% of the fair market value of the stock. Options generally vest over a four or five-year term. The exercise period is not more than five years from the date of grant in the case of incentive stock options granted to persons owning 10% or more of our voting power and otherwise not more than ten years. Awards issued under the Plan prior to its amendment and restatement will be governed by the terms of the Plan and applicable option agreements in effect prior to such amendment and restatement. Prior to the amendment and restatement, the plan provided only for grants of stock options and not for other types of awards.

During the years ended December 31, 2000 and 1999, in connection with the grant of certain stock options to employees, the Company recorded deferred stock-based compensation of $25.6 million and $7.4 million, respectively, representing the difference between the exercise price and the deemed fair value (for financial reporting purposes) of the Company's common stock on the date these stock options were granted. In addition, in connection with the grant of stock options to certain non-employee advisors in 2000 as discussed below, the Company recorded deferred stock-based compensation of $212,400, representing the estimated fair market value of the options on December 31, 2000. Deferred compensation from the non-employee options is subject to change until such time that the options become vested. Deferred compensation is included as a component of stockholders' equity and is being amortized in accordance with FASB Interpretation No. 28 over the vesting periods of the related options, which is generally four or five years. Stock compensation expense recognized for the year ended December 31, 2000, and remaining compensation expense to be recognized as, and to the extent that, the options vest is as follows:

DEFERRED STOCK

	EXPENSE RECOGNIZED DURING THE YEAR ENDED DECEMBER 31, 2000	UNAMORTIZED DEFERRED STOCK EXPENSE TO BE DURING THE PERIODS ENDING DECEMBER 2001	2002	2003	20
Research and development.....	$ 4,367,215				
Selling and marketing.....	3,983,129				
General and Administration.....	6,308,870				
	$14,659,214	$8,743,149	$4,893,068	$2,452,895	$795

RESTRICTED STOCK

In 1998 and 2000, the Company sold at fair value 112,067 shares and 621,048 shares, respectively, of restricted common stock under the Plan. The holders of such shares of restricted common stock, generally executives of the Company, have entered into Restricted Stock Purchase Agreements under which the Company has the right to repurchase unvested common shares at the original issuance price upon termination of these individuals' business relationships with the Company. Restrictions on these common shares lapse over

periods ranging from nineteen months to five years, and such lapsing is subject to acceleration under certain conditions. At December 31, 1998, 1999 and 2000, restrictions had lapsed with regard to 39,951, 105,707 and 243,912 of these shares, respectively. In 2000, the Company repurchased 63,779 shares under the Plan.

PRO FORMA DISCLOSURES

SFAS No. 123 defines a fair value-based method of accounting for stock-based compensation plans. An entity may continue to measure compensation cost for options granted to employees using the intrinsic value-based method prescribed by APB No. 25, provided that pro forma disclosures are made of net income or loss, assuming the fair value-based method of SFAS No. 123 has been applied.

The Company has elected to account for its stock-based employee compensation plans under APB No. 25; accordingly, for purposes of the pro forma disclosures presented below, the Company has computed the fair values of all options granted during 2000, 1999, and 1998 using the Black-Scholes option pricing model and the following weighted average assumptions:

	2000	1999	1998
Risk-free interest rate.....	5.12%	5.61%	5.23%
Expected lives.....	4 years	5 years	5 years
Expected volatility.....	5%	0.001%	0.001%
Expected dividend yield.....	0%	0%	0%

Through the date of the IPO, the Company used the minimum value method for determining the fair value of options issued to employees. Subsequent to the date of the IPO, the Company used a weighted-average volatility of 60%. Cumulative compensation cost recognized in pro forma net income or loss with respect to options that are forfeited prior to vesting is adjusted as a reduction of pro forma compensation expense in the period of forfeiture.

The total fair value of options granted to employees was computed to be $30,332,057, $7,541,587 and $15,885 for the years ended December 31, 2000, 1999 and 1998, respectively. Pro forma stock-based compensation, net of the amounts recorded for amortization of deferred compensation and the effect of forfeitures, was $392,377, $26,068, and $12,192 for the years ended December 31, 2000, 1999, and 1998, respectively.

If the Company had accounted for its stock-based compensation plans in accordance with SFAS No. 123, the Company's net loss would have been reported as follows:

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
Net loss:			
As reported	$(41,471,610)	$(7,578,471)	$(3,754,874)
Pro forma	$(41,863,987)	$(7,604,539)	$(3,767,066)
Net loss per share (basic and diluted):			
As reported	$ (6.49)	$ (7.13)	$ (3.81)
Pro forma	$ (6.55)	$ (7.16)	$ (3.82)

A summary of all employee options activity under the Plan for the years ended December 31, 1998, 1999 and 2000 is as follows:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at December 31, 1997	288,577	$0.18
Granted	283,099	$0.18
Forfeited	(13,248)	$0.18
Exercised	(112,400)	$0.18
Outstanding at December 31, 1998	446,028	$0.18
Granted	697,397	$0.18
Forfeited	(105,487)	$0.18
Exercised	(34,214)	$0.18
Outstanding at December 31, 1999	1,003,724	$0.18
Granted	2,225,917	$2.46

Forfeited	(270,004)	$2.17
Exercised	(876,531)	$0.29
Outstanding at December 31, 2000	2,083,106	$2.31

As of December 31, 2000, 1999 and 1998, 233,338, 261,991 and 106,465 of the above options were exercisable, respectively, with weighted average exercise prices of $0.61, $0.18 and $0.18, respectively.

The following table summarizes the weighted average exercise prices of options granted during the years ended December 31, 2000, 1999 and 1998. The table includes options for common stock whose exercise price was less than the fair market value, for financial reporting purposes, of the underlying common stock at the date of grant and equal to the fair market value at the date of grant:

	YEARS ENDED DECEMBER 31,		
EXERCISE PRICE	2000	1999	1998
Less than deemed fair market value for financial reporting purposes --			
Number of options	$2,099,000	$697,397	$ --
Weighted average exercise price	$ 1.95	$ 0.18	$ --
Weighted average fair value	$ 14.05	$ 10.81	$ --
Equal to deemed fair market value for financial reporting purposes --			
Number of options	$ 126,917	$ --	$283,099
Weighted average exercise price	$ 10.92	$ --	$ 0.18
Weighted average fair value	$ 6.61	$ --	$ 0.06

The following table summarizes information about employee stock options outstanding and exercisable under the Plan at December 31, 2000:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
EXERCISE PRICE	NUMBER OF OPTIONS OUTSTANDING AT DECEMBER 31, 2000	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE IN YEARS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT DECEMBER 31, 2000	WEIGHT AVERAG EXERCI PRICE

$0.18	241,689	8.41	$ 0.18	88,787	$ 0.1
$0.75	1,256,666	9.07	0.75	143,222	0.7
$4.50 - $6.50	399,667	9.64	4.56	--	-
$7.50 - $9.50	43,500	9.92	8.44	--	-
$10.02 - $13.50	122,167	9.77	11.17	--	-
$14.00 - $19.44	19,417	9.78	14.70	1,329	15.0
	2,083,106	9.17	$ 2.31	233,338	$ 0.6

OPTIONS ISSUED TO NON-EMPLOYEES

SFAS No. 123 and related interpretations require that all transactions with non-employees in which goods or services are the consideration received for the issuance of equity instruments be accounted for based on the fair value of the consideration received or the equity instruments issued, whichever is more reliably measurable. No expense has been recognized related to options granted in 1998 as their fair value was determined to be nominal. No options were issued to non-employees in 1999. During 2000 the Company granted options for 60,000 shares of common stock to non-employees. Such options vest over a period of three years. The Company has computed the fair value of all options granted to non-employees during 1998 and 2000 using the Black-Scholes option pricing model using the following weighted-average assumptions:

	2000	1998
Risk-free interest rate	5.12%	5.23%
Expected lives	10 years	10 years
Expected volatility	5.0%	0.001%
Expected dividend yield	0.0%	0.0%

The Company has accounted for the options issued in 2000 in accordance with ETIF 96-18, whereby the fair value of the options is recorded at the date of issuance, and the fair value of all unvested options is subsequently re-measured at each vesting and/or reporting date. As a result, subsequent changes in the fair market value of the underlying common stock could have a significant impact on future compensation expense. However, the number of options subject to change will diminish over time as the options vest. The fair value of the options at December 31, 2000 was estimated to be $212,400. The Company recognized $24,000 of compensation expense during the year ended December 31, 2000 on these options.

A summary of all non-employee option activity for the years ended December 31, 1998, 1999 and 2000 is as follows:

	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE

Outstanding at December 31, 1997	73,333	$0.18
Granted	32,000	$0.18
Forfeited	(18,406)	$0.18
Exercised	(16,927)	$0.18
Outstanding at December 31, 1998	70,000	$0.18
Granted	--	$0.00
Exercised	--	$0.00
Outstanding at December 31, 1999	70,000	$0.18
Granted	60,000	$8.11
Exercised	(25,833)	$0.18
Outstanding at December 31, 2000	104,167	$4.75

The following table summarizes information about non-employee stock options outstanding and exercisable under the Plan at December 31, 2000:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
EXERCISE PRICE	NUMBER OF OPTIONS OUTSTANDING AT DECEMBER 31, 2000	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE IN YEARS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT DECEMBER 31, 2000	WEIGHT AVERAG EXERCI PRICE
$0.18	44,167	5.46	$0.18	44,167	$0.18
$8.11	60,000	9.92	8.11	--	--
	104,167	8.03	4.75	44,167	$0.18

STOCK WARRANTS

In November 1996, the Company entered into a warrant agreement with a related party to purchase 124,502 shares of the Company's Series A preferred stock for an exercise price of $0.6024 per share. The term of the warrant was through the earlier of the closing of an initial public offering of the Company's common stock or November 30, 2001. No value was attributed to this warrant as its value was determined to be nominal. On October 4, 2000, the warrant was exercised for $75,000 in cash and the Company issued 124,502 shares of Series A preferred stock that subsequently converted to 41,500 shares of common stock.

On October 9, 1997, under the terms of a warrant agreement, the Company issued a warrant to a bank to purchase 30,000 shares of the Company's Series A preferred stock for an exercise price of $0.6024 per share. The warrant expires on September 9, 2004. No value was assigned because the value was determined to be nominal.

In October 1998, in connection with the issuance of convertible debt, the Company entered into warrant agreements to purchase a total of 208,331 shares of the Company's Series B preferred stock for an exercise

GENOMICA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

price of $0.72 per share. The warrants expire on December 16, 2003. The Company determined the fair value of the warrants to be $82,298 using the Black-Scholes option pricing model using the following assumptions:

Exercise price	$0.72
Fair market value of Series B preferred stock on grant date	$0.72
Option life	5 years
Volatility rate	60%
Risk free rate of return	4.18%
Dividend rate	0%

The fair value of these warrants was included as a discount to the related debt.

On October 4, 2000, one warrant was exercised for $54,375 in cash and one warrant was exercised on a net issue basis. The Company issued 80,135 shares of Series B preferred stock from these exercises that subsequently converted into 26,711 shares of common stock.

In December 1998, the Company entered into a warrant agreement with the Series B placement agent to purchase 18,055 shares of the Company's common stock for an exercise price of $2.16 per share. The warrants expired on the earlier of the closing of an initial public offering of the Company's common stock or December 16, 2003. No deduction from the Series B proceeds was recorded related to these warrants as their value was determined to be nominal. On October 4, 2000, the warrant was exercised on a net issue basis and the Company issued 16,002 shares of common stock.

In February 1999, the Company entered into a warrant agreement with the Series B placement agent to purchase 201,388 shares of the Company's common stock for an exercise price of $2.16 per share. The warrants expired on the earlier of the closing of an initial public offering of the Company's common stock or February 11, 2004. The Company determined the fair value of the warrants to be $241,126 using the Black-Scholes option pricing model using the following assumptions:

Exercise price	$2.16
Fair market value of Series B preferred stock on grant date	$0.72
Option life	5 years
Volatility rate	60%
Risk free rate of return	4.66%
Dividend rate	0%

The fair value of these warrants was included as additional issuance costs of the Series B preferred stock.

On October 4, 2000, the warrant was exercised on a net issue basis and the Company issued 178,493 shares of common stock.

GENOMICA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 7. INCOME TAXES

The provision for income taxes includes the following:

	2000	1999	1998
Current --			
Federal	$ --	$ --	$ --
State	--	--	--
Total current provision	--	--	--
Deferred --			
Federal	(3,365,000)	(2,025,000)	(1,313,000)
State	(326,000)	(197,000)	(127,000)
Valuation allowance	3,691,000	2,222,000	1,440,000
Total deferred provision (benefit)	--	--	--
Total provision	$ --	$ --	$ --

The statutory federal income tax rate was 34% for the years ended December 31, 2000, 1999 and 1998.

Differences between the income tax expense reported in the statements of operations and the amount computed by applying the statutory federal income tax rate to earnings before income taxes are as follows:

	2000	1999	1998
Benefit at statutory rate			
Increase (decrease) due to --	$(8,283,000)	$(2,577,000)	$(1,276,000)
State income taxes	(804,000)	(250,000)	(124,000)
Nondeductible stock-based compensation	5,321,000	623,000	--
Other	75,000	(18,000)	(40,000)
Valuation allowance	3,691,000	2,222,000	1,440,000
Income tax provisions	$ --	$ --	$ --

GENOMICA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Components of net deferred tax assets (liabilities) as of December 31, 2000

and 1999 are as follows:

	2000	1999
Current --		
Accounts receivable	$ (147,000)	$ (134,000)
Interest receivable	(807,000)	(19,000)
Other current assets	(117,000)	(26,000)
Accounts payable and accrued liabilities	658,000	241,000
Deferred revenue	330,000	309,000
Non-current --		
Depreciation	19,000	30,000
Capitalized research and development costs for tax purposes	678,000	797,000
Net operating losses	8,492,000	4,217,000
Tax credits	130,000	130,000
Total net deferred tax assets	9,236,000	5,545,000
Valuation allowance	(9,236,000)	(5,545,000)
Net deferred tax assets	$ --	$ --

For income tax reporting purposes, the Company has approximately $22.8 million of net operating loss carryforwards that expire at various dates through 2020. The Tax Reform Act of 1986 contains provisions that may limit the net operating loss carryforwards available to be used in any given year in the event of a significant change in ownership interests, such as due to the Company's IPO in 2000. The Company also has available income tax credits of approximately $130,000, expiring at various dates through 2019. Realization of net operating loss and tax credit carryforwards is dependent on generating sufficient taxable income prior to their expiration dates.

During 2000, 1999 and 1998, the Company increased its valuation allowance by $3,691,000, $2,222,000, and $1,440,000, respectively, due mainly to uncertainty relating to the realizability of the Company's net operating loss carryforwards and income tax credits. The amount of the deferred tax assets considered realizable could be adjusted in the near term if future taxable income materializes.

NOTE 8. COMMITMENTS AND CONTINGENCIES

OPERATING LEASES

The Company leases administrative offices, research facilities and certain equipment under non-cancelable operating lease agreements. Rent expense under these leases was $517,532, $247,368 and $227,982 for the years ended December 31, 2000, 1999 and 1998, respectively. The following is a schedule of future minimum lease payments for the years ending December 31:

2001	$ 661,775
2002	681,083
2003	700,977
2004	717,625
2005	417,459
Thereafter	--

	$3,178,919

GENOMICA CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

COLD SPRINGS HARBOR LICENSE AGREEMENT

The Company is the exclusive licensee of a technology owned by Cold Springs Harbor Laboratory with regard to a specific patent. This license gives the Company the exclusive right to commercialize the related technology. This technology is incorporated into the Company's Discovery Manager product. Accordingly, the Company's business could be materially harmed if the Company loses or is unable to maintain this license agreement. Cold Springs Harbor Laboratory is a related party through its ownership of shares of the Company's common stock.

LICENSING AGREEMENT

In April 1996, the Company entered into a licensing and remarketing agreement with a third-party software company ("Licensor"). The Company is fully licensed to use the Licensor's software and documentation. The Company can sublicense the use of the Licensor's software to its worldwide customers. Under the terms of the two-year sublicense agreement, the Company is required to pay royalties to the Licensor based on product sales. During the years ended December 31, 2000, 1999 and 1998, the Company paid approximately $28,542, $57,130, and $1,800, respectively, under the licensing agreement.

LITIGATION

The Company is exposed to asserted and unasserted legal claims encountered in the normal course of business. Management believes that the ultimate resolution of any such matters will not have a material adverse effect on the operating results or the financial position of the Company.

NOTE 9. MAJOR CUSTOMERS

The Company's revenue from customers in excess of 10% of net revenue for each of the years ended December 31, 2000, 1999 and 1998 was as follows:

	YEAR ENDED DECEMBER 31,		
	2000	1999	1998
Customer A	21.0%	41.0%	55.0%
Customer B	15.3%	26.0%	45.0%
Customer C	32.0%	0.0%	0.0%
Customer D	10.8%	0.0%	0.0%
	79.1%	67.0%	100.0%

The Company's net accounts receivable-trade as of December 31, 2000 and

1999 were concentrated with certain major customers as follows:

	2000	1999
Customer B	37.7%	11.0%
Customer C	22.6%	89.0%
Customer E	14.1%	0.0%
	74.4%	100.0%

NOTE 10. GEOGRAPHIC INFORMATION

The majority of the Company's operations and assets are based in the United States. The Company sells its products to both domestic and foreign customers. The Company's revenue by geographic area for the years ended December 31, 2000, 1999 and 1998 is as follows:

	2000	1999	1998
United States	$ 784,639	$530,310	$ 88,887
Europe	857,158	251,020	108,005
	$1,641,797	$781,330	$196,892

NOTE 11. EMPLOYEE BENEFIT PLAN

401(K) AND PROFIT SHARING PLAN

Effective January 1, 1998, the Company implemented a defined contribution plan under Section 401(k) of the Internal Revenue Code ("IRC"). Under the plan, eligible employees may contribute up to 15% of their compensation, subject to limitations under the IRC. The Company may make discretionary matching contributions to the plan upon Board approval. No contributions to the plan have been made by the Company to date.

NOTE 12. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

In view of the rapidly evolving nature of our business and our limited operating history, we believe that our revenue and other operating results should not be relied upon as indications of future performance. The following summarizes selected quarterly information with respect to the Company's operations for the last eight fiscal quarters. Amounts are in thousands, except per share data.

	2000 QUARTER ENDED				1999 QU	
	DEC. 31	SEPT. 30	JUNE 30	MAR. 31	DEC. 31	SEPT. 3
Revenue:						
Software licenses and services....	$ 466	$ 409	$ 396	$ 344	$ 239	$ 198
Research grants.....	--	--	--	27	96	35
Total revenue.....	466	409	396	371	335	233
Operating expenses:						
Cost of revenue.....	102	86	93	103	185	108
Research & development.....	3,118	2,891	3,244	2,793	2,002	1,104
Selling & marketing.....	2,099	2,068	1,662	1,368	620	442
General & administrative.....	1,926	1,803	2,742	2,494	1,132	299
Total operating expenses.....	7,245	6,848	7,741	6,758	3,939	1,953
Operating loss.....	(6,779)	(6,439)	(7,345)	(6,387)	(3,604)	(1,720
Interest income.....	2,016	241	261	114	125	110
Interest expense.....	(4)	(12)	(12)	(17)	(4)	(4
Net income (loss).....	(4,767)	(6,210)	(7,096)	(6,290)	(3,483)	(1,614
Deemed dividend related to beneficial conversion feature of preferred stock.....	--	(2,100)	--	(15,009)	--	--
Net loss applicable to common stockholders.....	$(4,767)	$(8,310)	$(7,096)	$(21,299)	$(3,483)	$(1,614
Net loss per share, basic and diluted.....	$(0.22)	$ (5.68)	$(5.64)	$ (17.64)	$(3.19)	$ (1.51

NOTE 13. SUBSEQUENT EVENTS

On October 2, 2001, the Company's Board of Directors approved a Cost Reduction Plan ("Plan") resulting in a restructuring of operations and consolidation of facilities including the involuntary termination of a significant portion of the Company's workforce. The Plan included the immediate termination of 101 employees, including 91 located in the Company's Boulder, Colorado office, three employees located in the Company's United Kingdom office and seven employees located throughout the United States. The Company will no longer sell its Discovery Manager suite of products directly to end user customers.

The Plan was approved and implemented in October 2001. Accordingly, the Company anticipates recording a restructuring charge during the fourth quarter of 2001 totaling approximately $4.3 million, including charges totaling $1.9 million for involuntary termination benefits, $1.7 million for asset impairment, and $0.7 million for lease and contract termination fees. Termination benefits were paid at the time the Plan was implemented. In conjunction with the restructuring, the office in the United Kingdom was closed, and the Boulder, Colorado office was consolidated from 42,000 square feet to 18,000 square feet. The remaining 24,000 square feet of facilities in Boulder have been subleased. Losses relating to subleases are included in the $4.3 million restructuring charge. The asset impairments were primarily due to the consolidation of

operations, facilities closures and excess equipment that was disposed of or taken out of service.

On November 19, 2001, the Company announced that it had signed a definitive agreement with Exelixis, Inc. ("Exelixis") whereby Exelixis would acquire the common stock of Genomica and Genomica would become a wholly owned subsidiary of Exelixis. Fair values established in this transaction could indicate additional impairment of the Company's long-lived assets, and result in substantial severance liabilities and related charges.

GENOMICA CORPORATION

CONSOLIDATED INTERIM BALANCE SHEETS
(UNAUDITED)

	SEPTEMBER 30, 2001	DECEMBER 31, 2000
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 3,728,747	$ 25,784,803
Short-term investments	65,053,040	73,153,650
Accounts receivable -- trade	246,741	353,448
Interest receivable	2,320,473	2,162,810
Prepaid expenses and other	344,546	352,114
Total current assets	71,693,547	101,806,825
Long-Term Investments	42,047,919	24,992,694
Property and Equipment, net	4,971,108	2,723,507
Other Assets	124,317	66,750
Total assets	$118,836,891	$129,589,776
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 389,817	$ 933,903
Accrued compensation and employee benefits	528,359	431,357
Deferred revenue	610,112	814,626
Other accrued expenses	243,226	323,751
Total current liabilities	1,771,514	2,503,637
Commitments and Contingencies		
Stockholders' Equity:		
Convertible preferred stock, $.001 par value, 5,000,000 shares authorized, zero shares issued and outstanding, respectively	--	--
Common stock, $.001 par value, 50,000,000 shares authorized, 23,118,144 and 22,839,559 shares issued and 22,993,601 and 22,715,016 shares outstanding, respectively	23,118	22,839
Treasury stock, at cost	(19,715)	(19,715)
Additional paid-in capital	177,393,224	168,136,541
Options and warrants	22,689,678	33,307,529
Deferred compensation	(9,563,421)	(16,929,010)
Accumulated other comprehensive income	1,231,440	256,984
Accumulated deficit	(74,688,947)	(57,689,029)

Total stockholders' equity.....	117,065,377	127,086,139
Total liabilities and stockholders' equity.....	$118,836,891	$129,589,776

The accompanying notes are an integral part of these condensed consolidated financial statements.

GENOMICA CORPORATION

CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS
(UNAUDITED)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTE	
	2001	2000	2001	
Revenue.....	$ 385,398	$ 409,023	$ 1,292,579	$ 1
Operating Expenses:				
Costs of revenue.....	62,556	86,168	285,567	
Research and development.....	3,609,079	2,891,136	10,848,510	8
Selling and marketing.....	1,816,004	2,067,583	5,873,224	5
General and administrative.....	1,699,690	1,803,263	5,783,895	7
Total operating expenses.....	7,187,329	6,848,150	22,791,196	21
Operating loss.....	(6,801,931)	(6,439,127)	(21,498,617)	(20
Interest Income.....	1,452,252	241,284	5,016,409	
Interest Expense.....	--	(11,620)	--	
Other Expense.....	(517,710)	--	(517,710)	
Net Loss.....	(5,867,389)	(6,209,463)	(16,999,918)	(19
Deemed Dividend Related to Beneficial Conversion Feature of Preferred Stock.....	--	(2,100,000)	--	(17
Net Loss Applicable to Common Stockholders.....	$(5,867,389)	$(8,309,463)	$(16,999,918)	$(36
Net Loss Per Share, basic and diluted.....	$ (0.26)	$ (5.68)	$ (0.75)	$
Weighted Average Common Shares Outstanding, basic and diluted....	22,690,954	1,463,915	22,520,954	1
Pro Forma Net Loss Per Share (Note 2):				
Net loss per share, basic and diluted.....		$ (0.54)		$
Weighted average common shares outstanding, basic and diluted.....		15,339,860		14

The accompanying notes are an integral part of these condensed consolidated financial statements.

GENOMICA CORPORATION

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(UNAUDITED)

	NINE MONTHS ENDED SEPTEMBER 30,	
	2001	2000
Cash Flows from Operating Activities:		
Net loss	$(16,999,918)	$(19,596,254)
Adjustments to reconcile net loss to net cash used in operating activities Depreciation	1,282,185	483,160
Amortization of deferred compensation	5,842,300	11,428,686
Amortization of premium on investments	389,945	--
Change in deposits	--	(625,000)
Change in other assets	(57,565)	(120,246)
Changes in operating assets and liabilities--		
Accounts receivable	106,707	10,885
Interest receivable	(157,663)	--
Prepaid expenses and other assets	7,567	(357,362)
Accounts payable	(544,086)	458,356
Accrued compensation and employee benefits	97,002	218,063
Deferred revenue	(204,514)	108,969
Other accrued expenses	(80,525)	306,985
Net cash used in operating activities	(10,318,565)	(7,683,758)
Cash Flows from Investing Activities:		
Redemption and sales of investments	74,441,614	16,898,623
Purchases of investments	(82,803,152)	(26,477,617)
Purchase of property and equipment	(3,529,786)	(2,010,212)
Net cash used in investing activities	(11,891,324)	(11,589,206)
Cash Flows From Financing Activities:		
Payments on capital leases	--	(97,310)
Proceeds from issuance of preferred stock	--	18,033,954
Costs related to issuance of preferred stock	--	(25,139)
Deferred financing costs	--	(665,258)
Proceeds from exercise of common stock options	162,399	254,631
Purchase of treasury stock	--	(19,533)
Net cash provided by financing activities	162,399	17,481,345
Net Decrease in Cash and Cash Equivalents	(22,047,490)	(1,791,619)
Effect of Exchange Rates on Cash and Cash Equivalents	(8,566)	--
Cash and Cash Equivalents at Beginning of Period	25,784,803	3,518,570
Cash and Cash Equivalents at End of Period	$ 3,728,747	$ 1,726,951

The accompanying notes are an integral part of these condensed consolidated financial statements.

GENOMICA CORPORATION

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1. BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements of Genomica Corporation and its subsidiary (the "Company") included herein reflect all adjustments, consisting only of normal recurring adjustments which, in the opinion of management, are necessary to fairly present our consolidated financial position, results of operations, and cash flows for the periods presented. Certain information and footnote disclosures normally included in audited financial information prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the Securities and Exchange Commission's ("SEC") rules and regulations. The consolidated results of operations for the period ended September 30, 2001 are not indicative of the results to be expected for any subsequent quarter or for the entire fiscal year. The information included in this Form 10-Q should be read in conjunction with the consolidated financial statements and notes thereto, together with Management's Discussion and Analysis of Financial Statements and notes thereto included in the Company's Form 10-K for the fiscal year ended December 31, 2000.

On October 2, 2001, the Company's Board of Directors approved a Cost Reduction Plan resulting in a restructuring of operations and consolidation of facilities, including the involuntary termination of a significant portion of the Company's workforce. These matters are further discussed in Note 8. These actions have had, and may continue to have, the effect of impairing certain long-term assets and the recording of significant liabilities related to severance and the termination of contractual relationships. Accordingly, in the fourth quarter of 2001, the Company will record substantial reductions to the carrying value of its long-term assets. Additional reductions may occur in future periods as the Company's strategic direction continues to evolve.

NOTE 2. INITIAL PUBLIC OFFERING

On October 4, 2000, the Company closed its initial public offering and sold 6,440,000 shares of its common stock at $19 per share. The net proceeds, after paying the underwriting discount and estimated expenses associated with the offering, were $112.5 million. Management has broad discretion as to the allocation of the net proceeds of the offering. Although the Company intends to evaluate acquisition opportunities, there are no current agreements or commitments with respect to any acquisition. The Company has invested the net proceeds of the offering in interest bearing, investment-grade securities until needed to fund operations and development.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION AND BASIS OF PRESENTATION

The accounts of the Company have been consolidated. All intercompany accounts and transactions have been eliminated. The consolidated financial statements are stated in U.S. dollars and are prepared in accordance with

accounting principles generally accepted in the United States. Unrealized gains and losses recorded as a result of translating the Company's foreign subsidiary's financial statements into U.S. dollars have been included in accumulated other comprehensive income in the accompanying balance sheets. Certain amounts in the prior years' consolidated financial statements have been reclassified to conform to the current year presentation.

USES OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. These estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CASH, CASH EQUIVALENTS AND INVESTMENTS IN MARKETABLE SECURITIES

The Company's investment portfolio consists of investments classified as cash equivalents, short-term investments, or long-term investments. All highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents. All cash equivalents are carried at cost, which approximates fair value. Short- and long-term investments consist of U.S. government, state, municipal and corporate debt securities with maturities of up to 24 months, as well as money market mutual funds. The Company's investments are classified as available-for-sale investments as defined in Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Accordingly, at September 30, 2001, all investments are carried at fair value as determined by their quoted market prices and included in either short- or long-term investments. All unrealized gains or losses are included in stockholders' equity as a component of accumulated other comprehensive income.

The Company's cash, cash equivalents, short-term and long-term investments had a fair value at September 30, 2001, of $110.8 million and a gross unrealized gain of $1,240,006.

The amortized cost basis, aggregate fair value, and unrealized gains or losses for the Company's cash, cash equivalents, short- and long-term investment portfolio as of September 30, 2001 is presented below:

	AMORTIZED COST BASIS	AGGREGATE FAIR VALUE	GROSS UNREALIZED GAINS	GROSS UNREALIZ LOSSES
Cash, cash equivalents, and short-term investments:				
Euro dollar bonds	$21,409,870	$21,643,925	$234,055	$ -
Corporate debt securities	41,843,112	42,400,055	556,943	-
Money market funds	3,000,000	3,000,000	--	-
Asset-backed securities	997,754	1,009,060	11,306	-
Cash	728,747	728,747	--	-

Total cash, cash equivalents, and short-term investments	$67,979,483	$68,781,787	$802,304	$ -
Long-term investments:				
Corporate debt securities	$39,583,996	$39,982,299	$398,303	$ -
Asset-backed securities	2,026,221	2,065,620	39,399	-
Total long-term investments	$41,610,217	$42,047,919	$437,702	$ -

REVENUE RECOGNITION

The Company generates revenue from the license and related maintenance of its proprietary software products. The Company recognizes revenue when there is persuasive evidence of an arrangement, delivery has occurred, collection is probable, and the fee is fixed or determinable. If an acceptance period exists, license revenues are recognized upon the earlier of customer acceptance or the expiration of the acceptance period. The majority of the Company's license sales are on a term basis and generally, the license fees and subsequent maintenance revenue are bundled and deferred, to be recognized ratably over the term of the arrangement. Maintenance consists of software updates, content updates and support. Certain software arrangements are sold on a perpetual basis and include multiple elements, such as maintenance, services and training. If present, such elements are unbundled based on vendor-specific objective evidence of their fair value and the related revenue is recognized when those elements are delivered.

The Company has entered into a reseller arrangement with Applied Biosystems, Inc. ("ABI"). Under this arrangement, the Company has granted ABI exclusive rights to license its Linkmapper software

application and re-sell the software and related maintenance and support services to end users. To maintain this exclusive right, ABI must meet certain sales milestones each quarter for which they are currently not on track. ABI is required to pay royalties to the Company at contracted percentages of the sales price for each license or service contract sold. As the Company is responsible for providing maintenance services to ABI's end-customers related to the Linkmapper software, the Company has unbundled and deferred part of the royalty payments for recognition as the maintenance services are provided.

The Company believes its current revenue recognition policies and practices are consistent with the provisions of Statement of Position 97-2, "Software Revenue Recognition" ("SOP 97-2"), and related amendments, technical practice aids and interpretations. Implementation guidelines for these standards, as well as potential new standards, could lead to unanticipated changes in the Company's current revenue recognition policies. Such changes could affect the timing of the Company's future revenue and results of operations.

NOTE 4. NET LOSS PER SHARE

Basic loss per share is computed by dividing the net loss by the weighted average number of shares of common stock outstanding for the period. Diluted loss per share is determined by dividing the net earnings or loss by the sum of (1) the weighted average number of common shares outstanding, (2) if not anti-dilutive, the number of shares of convertible preferred stock as if

converted upon issuance, and (3) if not anti-dilutive, the effect of outstanding stock options and warrants determined utilizing the treasury stock method.

As a result of the Company's net losses, all potentially dilutive securities for the periods ended September 30, 2001 and 2000, as indicated in the table below, would be anti-dilutive and are excluded from the computation of diluted loss per share.

	SEPTEMBER 30,	
	2001	2000
Stock Options	1,638,070	1,980,189
Warrants	52,534	340,386
Preferred Stock	--	13,875,945
Total	1,690,604	16,196,520

PRO FORMA NET LOSS PER SHARE

Pro forma net loss per share for the three and nine months ended September 30, 2000 was computed using the net loss and weighted average number of shares of common stock outstanding, including the pro forma effects of the assumed conversion of all outstanding shares of the Company's convertible preferred stock into shares of common stock as if such conversion occurred on January 1, 2000, or at date of original issuance, if later. The resulting pro forma adjustment includes an increase in the weighted average shares used to compute basic and diluted net loss per share of 13,875,945 shares for the three months ended September 30, 2000 and 12,931,708 shares for the nine months ended September 30, 2000.

NOTE 5. STOCKHOLDERS' EQUITY

STOCK PLAN

Deferred compensation is included as a reduction of stockholders' equity and is being amortized in accordance with FASB Interpretation No. 28 over the vesting periods of the related options, which are generally three to five years. Stock compensation expense recognized for the three and nine months ended

September 30, 2001, and remaining compensation expense to be recognized (without regard to cancellations or forfeitures) are as follows:

DEFERRED STOCK COMPENSATION RECOGNIZED DURING THE THREE MONTHS ENDED SEPTEMBER 30, 2001	DEFERRED STOCK COMPENSATION RECOGNIZED DURING THE NINE MONTHS ENDED SEPTEMBER 30, 2001

Research and development	$ 397,794	$1,193,739
Selling and marketing	645,694	2,174,281
General and administrative	645,394	2,474,280
	$1,688,882	$5,842,300

	UNAMORTIZED DEFERRED STOCK COMPENSATION TO BE RECOGNIZED DURING THE PERIODS ENDING DECEMBER 31,				
	2001	2002	2003	2004	2005
Research and development					
Selling and marketing					
General and administrative					
	$2,077,118	$4,592,256	$2,245,947	$631,616	$16,484

As a result of the restructuring plan implemented in October 2001, a substantial number of options will be forfeited. Accordingly, the amount of deferred compensation to be recognized in future periods will be reduced.

NOTE 6. CONTINGENCIES

The Company, from time to time, may be subject to certain claims, assertions or litigation by outside parties as part of its ongoing business operations. The Company is currently not a party to any legal proceedings.

NOTE 7. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations." SFAS No. 141 addresses financial accounting and reporting for business combinations. SFAS No. 141 is effective for all business combinations initiated after June 30, 2001, and for all business combinations accounted for under the purchase method initiated before but completed after June 30, 2001. In addition, in June 2001 the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 addresses financial accounting and reporting for acquired goodwill and other intangible assets. SFAS No. 142 is effective for fiscal years beginning after December 15, 2001, and applies to all goodwill and other intangibles recognized in the financial statements at that date. The adoption of these standards is not expected to have an impact on the Company's current financial position or results of operations. However, accounting for any business combinations initiated from this point forward will be impacted by these two standards.

Effective January 1, 2001, the Company adopted the provisions of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). SFAS No. 133 establishes accounting and reporting standards for derivative financial instruments and hedging activities related to those instruments as well as other hedging activities. Since inception, the Company has not entered into arrangements that would fall under the scope of SFAS No. 133 and thus, the adoption of SFAS No. 133 had no impact on the Company's financial condition or its results of operations.

In December 1999, the SEC issued Staff Accounting Bulletin No. 101, "Revenue Recognition" ("SAB 101"). SAB 101 provides the SEC Staff's views in applying generally accepted accounting principles to selected revenue recognition issues. The Company has implemented the guidance in SAB 101 for all periods presented.

NOTE 8. SUBSEQUENT EVENTS

On October 2, 2001, the Company's Board of Directors approved a Cost Reduction Plan ("Plan") resulting in a restructuring of operations and consolidation of facilities including the involuntary termination of a significant portion of the Company's workforce. The Plan included the immediate termination of

101 employees, including 91 located in the Company's Boulder, Colorado office, three employees located in the Company's United Kingdom office and seven employees located throughout the United States. The Company will no longer sell its Discovery Manager suite of products directly to end user customers.

The Plan was approved and implemented in October 2001. Accordingly, the Company anticipates recording a restructuring charge during the fourth quarter of 2001 totaling approximately $4.3 million, including charges totaling $1.9 million for involuntary termination benefits, $1.7 million for asset impairment, and $660,000 for lease and contract termination fees. Termination benefits were paid at the time the Plan was implemented. In conjunction with the restructuring, the office in the United Kingdom was closed, and the Boulder, Colorado office was consolidated from 42,000 square feet to 18,000 square feet. The remaining 24,000 square feet of facilities in Boulder have been subleased. Losses relating to subleases are included in the $4.3 million restructuring charge. The asset impairments were primarily due to the consolidation of operations, facilities closures and excess equipment that was disposed of or taken out of service.

On November 19, 2001, the Company announced that it had signed a definitive agreement with Exelixis, Inc. ("Exelixis") whereby Exelixis would acquire the common stock of Genomica and Genomica would become a wholly owned subsidiary of Exelixis. Fair values established in this transaction could indicate additional impairment of the Company's long-lived assets, and result in substantial severance liabilities and related charges.

SCHEDULE I TO PROSPECTUS

INFORMATION CONCERNING DIRECTORS AND EXECUTIVE OFFICERS OF EXELIXIS, INC.

The following tables set forth the name, age and present principal occupation or employment, and material occupations, positions, offices or employment of the directors and officers of Exelixis, Inc. The business address and telephone number of each such person is Exelixis, Inc., 170 Harbor Way, P.O. Box 511, South San Francisco, California 94083, (650) 837-7000.

During the last five years, neither Exelixis nor to the best of knowledge

of Exelixis have any of the persons below:

- been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors); or

- been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of such laws.

NAME	AGE	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE YEAR EMPLOYMENT HISTORY
George A. Scangos, Ph.D.	53	Dr. Scangos has served as President and Chief Executive Officer since October 1996 and as a Director since October 1996. From September 1993 to October 1996, Dr. Scangos served as President of Biotechnology at Bayer Corporation, a pharmaceutical company, and was responsible for research, business and process development, manufacturing, engineering and quality assurance. Dr. Scangos is a member of the board of directors of Onyx Pharmaceuticals, Inc. and a private company. Dr. Scangos' term as Director expires in 2002.
Stelios Papadopoulos, Ph.D.	53	Dr. Papadopoulos has been a Director since December 1994 and Chairman of the Board since January 1998. Dr. Papadopoulos has been an investment banker at SG Cowen since February 2000. Before this, Dr. Papadopoulos was an investment banker at PaineWebber from April 1987 to February 2000, and Chairman of PaineWebber Development Corp., a PaineWebber subsidiary, from June 1998 to February 2000. Dr. Papadopoulos is a member of the board of directors of Diacrin, Inc. and several private companies. Dr. Papadopoulos' term as Director expires in 2002.
Charles Cohen, Ph.D.	51	Dr. Cohen has been a Director since November 1995. Since July 2000, Dr. Cohen has been the Chief Executive Officer of CellZome GmbH, a post-genomics biopharmaceutical company. Before this, Dr. Cohen co-founded Creative BioMolecules, Inc., a biotechnology company, in 1982 and was a director and its Chief Scientific Officer. In July 2000, Creative BioMolecules, Inc. merged with Ontogeny, Inc. and Reprogenesis, Inc. and formed Curis, Inc. Dr. Cohen serves on the board of directors of several private companies. Dr. Cohen's term as Director expires in 2003.

NAME	AGE	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE YEAR EMPLOYMENT HISTORY

NAME	AGE	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE YEAR EMPLOYMENT HISTORY
Jurgen Drews, M.D.	68	Dr. Drews has been a Director since July 1998. Dr. Drews has been Chairman of the Board of International BM Biomedicine Holdings, Inc., an investment firm, since October 1997. Since January 2001, Dr. Drews has been a managing partner with the Bear Stearns Health Innoventure Fund LLC. From 1996 to 1997, Dr. Drews served as President of Global Research for Hoffmann-La Roche Inc., a pharmaceutical company, and also served as a member of the Corporate Executive Committee of the Roche Group. From 1991 to 1995, Dr. Drews served as President of International Research and Development and as a member of the Corporate Executive Committee for Roche. Dr. Drews is Chairman of the Board of Directors of Genaissance Pharmaceuticals, Inc. and is also a director of GPC Biotech AG, Human Genome Sciences, Inc., MorphoSys AG and Protein Design Labs, Inc. Dr. Drews' term as Director expires in 2003.
Geoffrey Duyk, M.D.	42	Dr. Duyk has served as Executive Vice President and Chief Scientific Officer since April 1997 and as a Director since April 1998. From 1994 to 1997, Dr. Duyk served at Millennium Pharmaceuticals, Inc., a genomics company, most recently as Vice President of Genomics. From 1992 to 1994, Dr. Duyk was an Assistant Professor in the Department of Genetics at Harvard Medical School and an Assistant Investigator of the Howard Hughes Medical Institute. While at Harvard Medical School, Dr. Duyk was a co-principal investigator in the NIH-funded Cooperative Human Linkage Center. Dr. Duyk is a member of the board of directors of a private company. Dr. Duyk's term as Director expires in 2003.
Jason S. Fisherman, M.D.	45	Dr. Fisherman has been a Director since March 1996. Dr. Fisherman has been a partner of Advent International Corporation, a global private equity and venture capital investment firm, since 1994. From 1991 to 1994, Dr. Fisherman served as Senior Director of Medical Research at Enzon, Inc., a biopharmaceutical company, where he managed clinical programs in oncology, genetic diseases and blood substitutes. Dr. Fisherman serves on the board of directors of Crucell N.V., ILEX Oncology, Inc., Mediconsult.com, Inc., Oridon Systems Ltd. and several private companies. Dr. Fisherman's term as Director expires in 2004.

NAME	AGE	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE YEAR EMPLOYMENT HISTORY
Jean-Francois Formela, M.D.	45	Dr. Formela has been a Director since September 1995. Dr. Formela has been a principal of Atlas

		Venture, a venture capital firm, since 1993. From 1989 to 1993, Dr. Formela served at Schering-Plough Corporation, most recently as Senior Director, Medical Marketing and Scientific Affairs, where he had biotechnology licensing and marketing responsibilities. Dr. Formela serves on the board of directors of BioChem Pharma, Inc., Ciphergen BioSystems, Inc., DeCode Genetics, Inc., Variagenics, Inc. and several private companies. Dr. Formela's term as Director expires in 2004.
Vincent Marchesi, M.D., Ph.D.....	66	Dr. Vincent Marchesi has been a director since May 2001. Dr. Marchesi is a Professor of Pathology (1973-present) and has been the Director of the Boyer Center for Molecular Medicine at Yale University since 1991. Dr. Marchesi is also Editor-in-Chief at the FASEB Journal. Dr. Marchesi holds degrees from Yale and Oxford and was formerly Chair of Pathology at the Yale-New Haven Hospital. Dr. Marchesi was a co-founder of Molecular Diagnostics and served as a Director of American Cyanamid from 1992-1994. Dr. Marchesi's term as a Director expires in 2004.
Peter Stadler, Ph.D.	56	Dr. Stadler has been a Director since April 1998. Dr. Stadler has been President and Chief Executive Officer of Artemis Pharmaceuticals, GmbH since June 1998. From 1987 to 1997, Dr. Stadler was head of pharma-biotechnology at Bayer AG. From 1986 to 1987, Dr. Stadler served as a visiting scientist at the University of Munster, Germany and the Massachusetts Institute of Technology in the area of biotechnology. Dr. Stadler's term as Director expires in 2002.
Lance Willsey, M.D.	40	Dr. Willsey has been a Director since April 1997. Dr. Willsey has been a Founding Partner of DCF Capital, a hedge fund focused on investing in the life sciences, since July 1998. From July 1997 to July 1998, Dr. Willsey served on the Staff Department of Urologic Oncology at the Dana Farber Cancer Institute at Harvard University School of Medicine. From July 1996 to July 1997, Dr. Willsey served on the Staff Department of Urology at Massachusetts General Hospital at Harvard University School of Medicine, where he was an urology resident from July 1992 to July 1996. Dr. Willsey's term as Director expires in 2002.

NAME	AGE	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE YEAR EMPLOYMENT HISTORY
Matthew G. Kramer.....	44	Mr. Kramer has served as the General Manager and Vice President of Agricultural Trait Development for Exelixis Plant Sciences, a wholly owned subsidiary of Exelixis, since December 2000. Before this time, Mr. Kramer served as a director, and later as Vice President of Product Development, for

		Agritope, Inc., now Exelixis Plant Sciences. At Agritope, Mr. Kramer was responsible for field-testing, product evaluation, regulatory compliance and intellectual property protection. From 1987 to 1994, Mr. Kramer was the Director of Production and Product Development at Calgene, Inc., later Calgene Fresh, Inc., of Davis, California, where he was part of the team that brought the first genetically engineered whole food to market. Mr. Kramer is the author of numerous publications, book chapters and invited reviews in the field of applying the tools and techniques of biotechnology to fruit and vegetable species.
Lloyd M. Kunimoto.....	48	Mr. Kunimoto has served as Senior Vice President of Business Development since August 1999. From 1997 to 1999, Mr. Kunimoto served as Vice President of Commercial Development for the Nutrition and Consumer Products sector of Monsanto Company, a life sciences company. While at Monsanto, Mr. Kunimoto was responsible for directing Monsanto's genetic engineering program in the area of food ingredients. From 1996 to 1997, Mr. Kunimoto served as President and Chief Executive Officer of Calgene, Inc., an agricultural biotechnology company. From 1995 to 1996, Mr. Kunimoto served as Senior Vice President of Corporate Development at Calgene, Inc.
Michael M. Morrissey, Ph.D.	41	Dr. Morrissey has served as Vice President of Discovery Research since February 2000. Previously with Berlex Biosciences since 1991, Dr. Morrissey held various positions including Vice President of Discovery Research, Director of Pharmaceutical Discovery and Unit Head of Medicinal Chemistry.

NAME	AGE	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE YEAR EMPLOYMENT HISTORY
Gregory D. Plowman, M.D., Ph.D.	44	Dr. Plowman has served as Vice President of Pharmaceutical Research since October 2000. From December 1997 to September 2000, Dr. Plowman served as Vice President of Molecular Biology at Sugen, Inc., a Pharmacia company. From January 1994 to December 1997, Dr. Plowman served as Director and Senior Director of Molecular Biology at Sugen. At Sugen, Dr. Plowman was responsible for the identification and validation of therapeutic targets in oncology, angiogenesis and metabolic disease, with a particular focus on protein kinases and phosphatases. From January 1988 to December 1993, Dr. Plowman served in various positions at Bristol-Myers Squibb, the last year of which he was Senior Principal Scientist, Oncology Drug Discovery. Dr. Plowman has previous experience with Oncogen and The Fred Hutchinson Cancer Research Center in Seattle. Dr. Plowman has authored

		numerous articles in the cancer field, and is an inventor on nine issued US patents.
Glen Y. Sato.....	42	Mr. Sato has served as Chief Financial Officer, Vice President of Legal Affairs and Secretary since November 1999. From April 1999 to November 1999, Mr. Sato served as Vice President, Legal and General Counsel for Protein Design Labs, Inc., a biotechnology company, where he previously served as the Associate General Counsel and Director of Corporate Planning from July 1993 to April 1999.
Pamela A. Simonton.....	51	Ms. Simonton has served as Vice President of Corporate Technology Development since April 2000. From July 1996 to April 2000, Ms. Simonton served as Vice President, Licensing and Acquisitions for Bayer Corporation's Pharmaceutical Division. From September 1994 to July 1996, Ms. Simonton served as Vice President of Patents and Licensing for Bayer's Pharmaceutical Division, North America.
D. Ry Wagner, Ph.D.	45	Dr. Wagner has served as Vice President of Plant Genetics and Biotechnology since December 2000. From January 2001 to December 1998, Dr. Wagner served as Vice President, Research at Agritope, Inc., now Exelixis Plant Sciences, Inc. From December 1998 to September 1994, Dr. Wagner was associate professor of Biology at the Institute of Molecular Biology of the University of Oregon. He was appointed to the faculty at the University of Oregon in 1988. From 1985 to 1988, Dr. Wagner served as a National Science Foundation post-doctoral fellow.

ANNEX A TO PROSPECTUS

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

AMONG:

EXELIXIS, INC.,
A DELAWARE CORPORATION;

BLUEGREEN ACQUISITION SUB, INC.,
A DELAWARE CORPORATION; AND

GENOMICA CORPORATION,
A DELAWARE CORPORATION

DATED AS OF NOVEMBER 19, 2001

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AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

This Agreement and Plan of Merger and Reorganization ("AGREEMENT") is made and entered into as of November 19, 2001, by and among: Exelixis, Inc., a Delaware corporation ("PARENT"); Bluegreen Acquisition Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Parent ("MERGER SUB"); and Genomica Corporation, a Delaware corporation (the "COMPANY"). Certain capitalized terms used in this Agreement are defined in Exhibit A.

RECITALS

A. Parent, Merger Sub and the Company intend that Merger Sub make the Offer to exchange shares of Parent Common Stock for all of the Shares.

B. Following the Offer, Parent, Merger Sub and the Company intend to effect the Merger in accordance with this Agreement and the DGCL. Upon consummation of the Merger, Merger Sub will cease to exist, and the Company will become a wholly owned subsidiary of Parent.

C. It is intended that the Transaction shall be treated as an integrated transaction and qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code.

D. The Board of Directors of the Company has determined that the Offer and the Merger together are advisable, fair to, and in the best interests of, the Company and its stockholders, and has accordingly approved this Agreement, the Offer, the Merger and the other transactions contemplated by this Agreement.

E. The respective Boards of Directors of Parent and Merger Sub have approved this Agreement, the Offer, the Merger and the other transactions contemplated by this Agreement.

F. Concurrently with the execution and delivery of this Agreement and as a condition and inducement to the willingness of Parent and Merger Sub to enter into this Agreement, Parent and the Stockholders are entering into the Stockholder Tender Agreements.

AGREEMENT

The parties to this Agreement, intending to be legally bound, agree as follows:

1. DESCRIPTION OF TRANSACTION.

1.1 The Offer.

(a) Provided that (i) this Agreement shall not have been terminated in accordance with Section 8.1 hereof, and (ii) none of the events set forth in Annex I hereto shall have occurred or be existing, Merger Sub shall, as promptly as practicable after the date hereof, but no later than December 4, 2001, commence the Offer. Each Share accepted by Merger Sub pursuant to the Offer shall be exchanged for the right to receive that number of fully paid and nonassessable shares of Parent Common Stock equal to the Exchange Ratio, plus the right to receive cash in lieu of fractional Shares, if any. For purposes of

this Agreement, the term "EXCHANGE RATIO" shall mean the quotient obtained by dividing the Company Stock Value by the Average Parent Post-Signing Trading Price; provided that, if the quotient obtained by dividing the Company Stock Value by the Average Parent Post-Signing Trading Price is greater than the quotient obtained by dividing the Company Stock Value by the Adjusted Average Parent Pre-Signing Trading Price, then the term "EXCHANGE RATIO" shall mean the quotient obtained by dividing the Company Stock Value by the Adjusted Average Parent Pre-Signing Trading Price. The initial expiration date of the Offer shall be the twentieth business day following commencement of the Offer. The Offer shall be subject to (A) the condition that there shall be validly tendered in accordance with the terms of the Offer prior to the expiration date of the Offer (as it may be extended in accordance with the requirements of this Section 1.1(a)) and not withdrawn a number of Shares which, together with the Shares then owned by Parent and Merger Sub (if any), represents a number equal to at least the sum of (x) a majority of the total number of Shares and (y) the total number of shares of Company Common Stock issuable upon exercise of Company Options, each as outstanding immediately prior

to the expiration of the Offer (as it may be extended in accordance with the requirements of this Section 1.1(a)) (the condition referred to in this sentence being referred to as the "MINIMUM CONDITION"); for the avoidance of doubt, it being understood that Shares tendered into the Offer pursuant to a Notice of Guaranteed Delivery shall be counted in the computation of the Minimum Condition only to the extent the stock certificates for such Shares are actually delivered to the Exchange Agent (or, if the Shares are delivered to the Exchange Agent via book-entry, credited to the Exchange Agent's account with The Depository Trust Company) prior to computing the Minimum Condition at the expiration of the Offer (as it may be extended in accordance with the requirements of this Section 1.1(a)), and (B) each of the other conditions set forth in Annex I hereto. Parent and Merger Sub expressly reserve the right to waive one or more conditions to the Offer and to make any change in the terms or conditions of the Offer; provided, however, that without the prior written consent of the Company, no change may be made which (i) decreases the number of Shares sought in the Offer, (ii) changes the form or amount of consideration to be paid, (iii) imposes conditions to the Offer in addition to those set forth in Annex I, (iv) changes or waives the Minimum Condition or any of the conditions set forth in Annex I in any manner which is adverse to the holders of Shares, (v) extends the Offer (except as set forth in the following two sentences), or (vi) makes any other change to any of the terms and conditions to the Offer which is adverse to the holders of Shares. Subject to the terms of the Offer and this Agreement and the satisfaction (or waiver by Parent to the extent permitted by this Agreement) of the conditions set forth in Annex I to the Offer, Merger Sub shall accept for payment all Shares validly tendered and not withdrawn pursuant to the Offer as soon as practicable after the applicable expiration date of the Offer (as it may be extended in accordance with the requirements of this Section 1.1(a)) and shall pay for all such Shares promptly after acceptance; provided, however, that (A) Merger Sub shall extend the Offer for successive extension periods (up to the Termination Date) not in excess of ten business days per extension period if, at the scheduled expiration date of the Offer or any extension thereof, any of the conditions to the Offer shall not have been satisfied or waived, until such time as such conditions are satisfied or waived, and (B) Merger Sub may extend the Offer if and to the extent required by the applicable rules and regulations of the SEC or NASD. In addition, Merger Sub may extend the Offer after the acceptance of Shares thereunder for a further period of time by means of a subsequent offering period under Rule 14d-11 promulgated under the Exchange Act.

(b) No fraction of a share of Parent Common Stock will be issued in connection with the exchange of Parent Common Stock for Shares upon consummation

of the Offer, but in lieu thereof each tendering stockholder who would otherwise be entitled to receive a fraction of a share of Parent Common Stock (after aggregating all fractional shares of Parent Common Stock that otherwise would be received by such stockholder) in the Offer (including any tendering stockholder during any subsequent offering period under Rule 14d-11) shall receive from Parent an amount of cash (rounded to the nearest whole cent), without interest, equal to the product obtained by multiplying (A) that fraction of a share of Parent Common Stock to which such stockholder is entitled (after aggregating all fractional shares of Parent Common Stock that otherwise would be received by such stockholder) by (B) the closing sales price of one share of Parent Common Stock on the Nasdaq National Market (as reported in The Wall Street Journal or, if not reported therein, any other authoritative source) on the date Merger Sub first accepts Shares for exchange in the Offer, and if such date is not a trading day, on the immediately preceding trading day.

(c) As soon as practicable after the date of this Agreement, Parent shall prepare and file with the SEC a registration statement on Form S-4 to register the offer and sale of Parent Common Stock pursuant to the Offer (the "REGISTRATION STATEMENT"). The Registration Statement will include a preliminary prospectus containing the information required under Rule 14d-4(b) promulgated under the Exchange Act (the "PRELIMINARY PROSPECTUS"). As soon as practicable on the date of commencement of the Offer, Parent and Merger Sub shall (i) file with the SEC a Tender Offer Statement on Schedule TO with respect to the Offer which will contain or incorporate by reference all or part of the Preliminary Prospectus and form of the related letter of transmittal and summary advertisement, if any (together with any supplements or amendments thereto, collectively the "OFFER DOCUMENTS") and (ii) cause the Offer Documents to be disseminated to holders of Shares. The Company shall promptly furnish to Parent and Merger Sub all information concerning the Company, the Company's Subsidiaries and the Company's stockholders that may be required or reasonably requested in connection with any action contemplated by this Section 1.1. Parent, Merger Sub and

the Company each agree promptly to correct any information provided by it for use in the Registration Statement or the Offer Documents if and to the extent that such information shall have become false or misleading in any material respect. Parent and Merger Sub agree to take all steps necessary to cause the Offer Documents as so corrected to be filed with the SEC and to be disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. The Company and its counsel shall be given a reasonable opportunity to review and comment on the Offer Documents and the Registration Statement, prior to filing with the SEC. Parent agrees to provide the Company and its counsel with any comments Parent, Merger Sub or their counsel may receive from the SEC or its staff with respect to the Offer Documents and the Registration Statement as soon as practicable after receipt of such comments.

(d) None of the information supplied by or on behalf of the Company for inclusion or incorporation by reference in the Registration Statement, the Offer Documents or the Schedule 14D-9 will, at the time the Registration Statement, the Offer Documents or the Schedule 14D-9 are filed with the SEC or at the time the Registration Statement becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. None of the information supplied by or on behalf of the Company for inclusion or incorporation by reference in the Proxy Statement will, at the time the Proxy Statement is mailed to the stockholders of the Company or at the time of the Company Stockholders' Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or

necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. The Proxy Statement will comply as to form in all material respects with the provisions of the Exchange Act and the rules and regulations promulgated by the SEC thereunder. Notwithstanding the foregoing, the Company makes no representation or warranty with respect to any information supplied by Parent or Merger Sub that is contained in the foregoing documents.

1.2 Company Action.

(a) As soon as practicable on the day that the Offer is commenced, the Company will file with the SEC and disseminate to holders of Shares a Solicitation/Recommendation Statement on Schedule 14D-9 (the "SCHEDULE 14D-9") which shall include the opinion of CIBC World Markets referred to in Section 3.21 and, subject to Section 5.4(c), shall include the Recommendations (as defined in Section 3.18). Parent shall promptly furnish to the Company all information concerning Parent, Parent's Subsidiaries and Parent's stockholders that may be required or reasonably requested in connection with any action contemplated by this Section 1.2(a). Subject to Section 5.4(c), the Company hereby consents to the in