

# Consolidated Financial Statement

QIAGEN N.V. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (in thousands)

	Note	As of December 31,	
		2020	2019
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	(3)	\$ 597,984	\$ 623,647
Restricted cash	(3)	—	5,743
Short-term investments	(7)	117,249	129,586
Accounts receivable, net of allowance for credit losses of \$27,052 in 2020 and allowance for doubtful accounts of \$12,115 in 2019	(3, 24)	380,519	385,117
Income taxes receivable		59,335	42,119
Inventories, net	(3)	291,181	170,704
Prepaid expenses and other current assets (of which \$25,429 and \$13,697 in 2020 and 2019 due from related parties, respectively)	(8, 24)	206,921	105,464
Fair value of derivative instruments - current	(14)	14,127	107,868
<b>Total current assets</b>		<b>1,667,316</b>	<b>1,570,248</b>
Long-term assets:			
Property, plant and equipment, net of accumulated depreciation of \$630,443 and \$699,130 in 2020 and 2019, respectively	(9)	559,372	455,243
Goodwill	(11)	2,364,031	2,140,503
Intangible assets, net of accumulated amortization of \$809,724 and \$776,520 in 2020 and 2019, respectively	(11)	726,194	632,434
Deferred income tax assets	(17)	54,879	56,542
Fair value of derivative instruments — long-term	(14)	379,080	192,266
Other long-term assets (of which \$9,594 and \$16,830 in 2020 and 2019 due from related parties, respectively)	(10, 12, 24)	161,658	188,380
<b>Total long-term assets</b>		<b>4,245,214</b>	<b>3,665,368</b>
<b>Total assets</b>		<b>\$ 5,912,530</b>	<b>\$ 5,235,616</b>

The accompanying notes are an integral part of these consolidated financial statements.

QIAGEN N.V. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (in thousands, except par value)

	Note	As of December 31,	
		2020	2019
<b>Liabilities and equity</b>			
Current liabilities:			
Current portion of long-term debt	(16)	\$ 42,539	\$ 285,244
Accounts payable	(24)	118,153	84,767
Fair value of derivative instruments — current	(14)	51,464	103,175
Accrued and other current liabilities (of which \$1,380 and \$15,404 due to related parties in 2020 and 2019, respectively)	(10, 13, 24)	345,665	444,303
Income taxes payable		57,265	33,856
<b>Total current liabilities</b>		<b>615,086</b>	<b>951,345</b>
Long-term liabilities:			
Long-term debt, net of current portion	(16)	1,880,210	1,421,108
Deferred income tax liabilities	(17)	39,216	23,442
Fair value of derivative instruments — long-term	(14)	393,455	196,929
Other long-term liabilities	(12, 15)	186,724	106,201
<b>Total long-term liabilities</b>		<b>2,499,605</b>	<b>1,747,680</b>
Commitments and contingencies	(20)		
Equity:			
Preference shares, 0.01 EUR par value, authorized—450,000 shares, no shares issued and outstanding		—	—
Financing preference shares, 0.01 EUR par value, authorized—40,000 shares, no shares issued and outstanding		—	—
Common Shares, 0.01 EUR par value, authorized—410,000 shares, issued—230,829 shares in 2020 and 2019, respectively		2,702	2,702
Additional paid-in capital		1,834,169	1,777,017
Retained earnings		1,323,091	1,178,457
Accumulated other comprehensive loss	(18)	(243,822)	(309,619)
Less treasury shares, at cost—2,844 and 3,077 shares in 2020 and 2019, respectively	(18)	(118,301)	(111,966)
<b>Total equity</b>		<b>2,797,839</b>	<b>2,536,591</b>
<b>Total liabilities and equity</b>		<b>\$ 5,912,530</b>	<b>\$ 5,235,616</b>

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QIAGEN N.V. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME (LOSS)  
(in thousands, except per share data)

Years ended December 31,

	Note	2020	2019	2018
Net sales	(3, 4, 24)	\$ 1,870,346	\$ 1,526,424	\$ 1,501,848
Cost of sales:				
Cost of sales		574,467	449,651	444,165
Acquisition-related intangible amortization		63,164	71,511	56,723
<b>Total cost of sales</b>		<b>637,631</b>	<b>521,162</b>	<b>500,888</b>
<b>Gross profit</b>		<b>1,232,715</b>	<b>1,005,262</b>	<b>1,000,960</b>
Operating expenses:				
Research and development	(3)	149,072	157,448	161,852
Sales and marketing		413,684	391,906	392,281
General and administrative	(3)	111,678	112,262	104,568
Acquisition-related intangible amortization		20,811	29,973	39,032
Restructuring, acquisition, integration and other, net	(1, 6)	150,005	199,778	28,659
Long-lived asset impairments	(6)	1,034	140,031	7,987
<b>Total operating expenses</b>		<b>846,284</b>	<b>1,031,398</b>	<b>734,379</b>
<b>Income (loss) from operations</b>		<b>386,431</b>	<b>(26,136)</b>	<b>266,581</b>
Other income (expense):				
Interest income		10,032	22,113	20,851
Interest expense		(71,317)	(74,185)	(67,293)
Other income, net	(6)	114,326	432	5,598
<b>Total other income (expense), net</b>		<b>53,041</b>	<b>(51,640)</b>	<b>(40,844)</b>
Income (loss) before income tax (benefit) expense		439,472	(77,776)	225,737
Income tax expense (benefit)	(3, 17)	80,284	(36,321)	35,357
<b>Net income (loss)</b>		<b>\$ 359,188</b>	<b>\$ (41,455)</b>	<b>\$ 190,380</b>
<b>Basic earnings (loss) per common share</b>	(19)	<b>\$ 1.57</b>	<b>\$ (0.18)</b>	<b>\$ 0.84</b>
<b>Diluted earnings (loss) per common share</b>	(19)	<b>\$ 1.53</b>	<b>\$ (0.18)</b>	<b>\$ 0.82</b>
Weighted-average common shares outstanding				
Basic	(19)	228,427	226,777	226,640

Diluted	(19)	234,214	226,777	233,456
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QIAGEN N.V. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
(in thousands)

Years ended December 31,

	Note	2020	2019	2018
<b>Net income (loss)</b>		<b>\$ 359,188</b>	<b>\$ (41,455)</b>	<b>\$ 190,380</b>
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
(Losses) gains on cash flow hedges, net of tax benefit of \$2.8 million in 2020, tax expense of \$0 in 2019 and tax expense of \$2.8 million in 2018	(14)	(8,536)	11,547	8,526
Reclassification adjustments on cash flow hedges, net of tax expense of \$4.7 million in 2020, tax expense of \$0 in 2019 and tax benefit of \$2.4 million in 2018	(14)	13,999	(3,888)	(7,331)
Cash flow hedges, net of tax		5,463	7,659	1,195
Net investment hedge		(26,442)	5,505	13,839
Gain on pension, net of tax expense of \$0 in 2020, tax expense of \$0.4 million in 2019 and tax benefit of \$0.6 million in 2018		(38)	(437)	754
Foreign currency translation adjustments, net of tax expense of \$0.9 million in 2020, tax benefit of \$0.5 million in 2019 and tax benefit of \$1.4 million in 2018		86,814	(11,702)	(106,615)
<b>Total other comprehensive income (loss)</b>		<b>65,797</b>	<b>1,025</b>	<b>(90,827)</b>
<b>Comprehensive income (loss)</b>		<b>\$ 424,985</b>	<b>\$ (40,430)</b>	<b>\$ 99,553</b>

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QIAGEN N.V. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands)	Note	Common Shares		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares		Total Equity
		Shares	Amount				Shares	Amount	
<b>Balance at December 31, 2017</b>		230,829	\$ 2,702	\$ 1,630,095	\$ 1,247,945	\$ (220,759)	(4,272)	\$ (118,987)	\$ 2,540,996
ASU 2016-01 impact of change in accounting policy		—	—	—	(942)	942	—	—	—
ASU 2016-16 impact of change in accounting policy		—	—	—	(16,096)	—	—	—	(16,096)
ASC 606 impact of change in accounting policy		—	—	—	(1,306)	—	—	—	(1,306)
Issuance of warrants	(18)	—	—	71,983	—	—	—	—	71,983
Net income		—	—	—	190,380	—	—	—	190,380
Unrealized gain, net on pension		—	—	—	—	754	—	—	754
Unrealized gain, net on hedging contracts	(14)	—	—	—	—	22,365	—	—	22,365
Realized gain, net on hedging contracts	(14)	—	—	—	—	(7,331)	—	—	(7,331)
Translation adjustment, net		—	—	—	—	(106,615)	—	—	(106,615)
Purchase of treasury shares	(18)	—	—	—	—	—	(2,871)	(104,685)	(104,685)
Issuance of	(22)	—	—	—	(40,357)	—	1,823	44,769	4,412

common shares in connection with stock plan									
Share-based compensation	(22)	—	—	40,113	—	—	—	—	40,113
<b>Balance at December 31, 2018</b>		230,829	\$ 2,702	\$ 1,742,191	\$ 1,379,624	\$ (310,644)	\$ (5,320)	\$ (178,903)	\$ 2,634,970
ASC 842 impact of change in accounting policy		—	—	—	(316)	—	—	—	(316)
Net loss		—	—	—	(41,455)	—	—	—	(41,455)
Conversion of warrants	(18)	—	—	(31,067)	(37,698)	—	2,056	68,761	(4)
Unrealized loss, net on pension		—	—	—	—	(437)	—	—	(437)
Unrealized gain, net on hedging contracts	(14)	—	—	—	—	17,052	—	—	17,052
Realized gain, net on hedging contracts	(14)	—	—	—	—	(3,888)	—	—	(3,888)
Translation adjustment, net		—	—	—	—	(11,702)	—	—	(11,702)
Purchase of treasury shares	(18)	—	—	—	—	—	(1,987)	(74,450)	(74,450)
Issuance of common shares in connection with stock plan	(22)	—	—	—	(121,698)	—	3,622	123,773	2,075
Tax withholding related to vesting of stock awards	(22)	—	—	—	—	—	(1,448)	(51,147)	(51,147)

Share-based compensation	(22)	—	—	65,893	—	—	—	—	65,893
<b>Balance at December 31, 2019</b>		230,829	\$ 2,702	\$ 1,777,017	\$ 1,178,457	\$ (309,619)	(3,077)	\$ (111,966)	\$ 2,536,591
ASC 326 impact of change in accounting policy		—	—	—	(15,074)	—	—	—	(15,074)
Net income		—	—	—	359,188	—	—	—	359,188
Conversion of warrants	(18)	—	—	(7,547)	(22,725)	—	807	30,272	—
Termination of warrants	(18)	—	—	(30,289)	(144,337)	—	—	—	(174,626)
Equity component of convertible debt, net	(16)	—	—	54,052	—	—	—	—	54,052
Unrealized loss, net on pension		—	—	—	—	(38)	—	—	(38)
Unrealized loss, net on hedging contracts	(14)	—	—	—	—	(34,978)	—	—	(34,978)
Realized loss, net on hedging contracts	(14)	—	—	—	—	13,999	—	—	13,999
Translation adjustment, net		—	—	—	—	86,814	—	—	86,814
Purchase of treasury shares	(18)	—	—	—	—	—	(1,346)	(63,995)	(63,995)
Issuance of common shares in connection with stock plan	(22)	—	—	—	(32,418)	—	1,085	40,079	7,661
Tax withholding	(22)	—	—	—	—	—	(313)	(12,691)	(12,691)

related to vesting of stock awards									
Share-based compensation	(22)	—	—	40,936	—	—	—	—	40,936
<b>Balance at December 31, 2020</b>		230,829	\$ 2,702	\$ 1,834,169	\$ 1,323,091	\$ (243,822)	(2,844)	\$ (118,301)	\$ 2,797,839

The accompanying notes are an integral part of these consolidated financial statements.

## QIAGEN N.V. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Note	Years ended December 31,		
		2020	2019	2018
Cash flows from operating activities:				
Net income (loss)		\$ 359,188	\$ (41,455)	\$ 190,380
Adjustments to reconcile net income to net cash provided by operating activities, net of effects of businesses acquired:				
Depreciation and amortization		205,014	231,458	206,436
Non-cash impairments	(6)	1,432	144,830	17,020
Amortization of debt discount and issuance costs		42,318	40,763	35,537
Share-based compensation expense	(22)	40,936	65,893	40,113
Deferred income tax benefit	(17)	(6,706)	(55,362)	(23,272)
(Gain) loss on marketable securities		(1,992)	2,867	(2,725)
Gain on sale of investment	(10)	(121,813)	—	—
Reversals of contingent consideration	(15)	—	(10,433)	—
Other items, net including fair value changes in derivatives		11,696	(3,394)	(8,834)
Net changes in operating assets and liabilities:				
Accounts receivable	(3)	(14,711)	(39,578)	(41,813)
Inventories	(3)	(107,573)	(30,028)	(36,918)
Prepaid expenses and other current assets	(8)	1,061	18,626	(9,942)
Other long-term assets		316	(1,406)	(30,312)
Accounts payable		8,442	9,252	6,993
Accrued and other current liabilities	(13)	(22,141)	19,913	(13,317)
Income taxes	(17)	4,682	(6,782)	14,239
Other long-term liabilities		57,657	(14,321)	15,911
Net cash provided by operating activities		457,806	330,843	359,496
Cash flows from investing activities:				
Purchases of property, plant and equipment		(132,787)	(117,950)	(109,773)
Purchases of intangible assets	(11)	(171,450)	(156,934)	(40,990)
Proceeds from (purchases of) investments, net	(10)	25,638	(5,170)	(9,398)
Cash paid for acquisitions, net of cash acquired	(5)	(239,572)	(68,058)	(172,832)
Purchases of short-term investments	(7)	(49,770)	(293,959)	(568,002)

Proceeds from redemptions of short-term investments	(7)	181,223	396,098	691,765
Proceeds from divestiture	(5)	1,845	1,000	16,394
Cash (paid) received for collateral asset	(14)	(53,417)	22,685	(3,461)
Other investing activities		(4,991)	10	(15,059)
<b>Net cash used in investing activities</b>		<b>(443,281)</b>	<b>(222,278)</b>	<b>(211,356)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from short-term debt	(16)	59,345	—	—
Repayment of short-term debt	(16)	(58,705)	—	—
Proceeds from long-term debt, net of issuance costs	(16)	497,646	—	—
Repayment of long-term debt	(16)	(296,400)	(506,400)	—
Payment for termination of warrants	(18)	(174,627)	—	—
Payment of intrinsic value of cash convertible notes	(16)	(237,438)	(133,763)	—
Proceeds from exercise of call option related to cash convertible notes	(16)	239,836	134,737	—
Purchase of treasury shares	(18)	(63,995)	(74,450)	(104,685)
Proceeds from issuance of common shares		7,662	2,075	4,412
Tax withholding related to vesting of stock awards		(13,841)	(49,998)	—
Other financing activities		(9,610)	(11,281)	(8,019)
Proceeds from issuance of cash convertible notes, net of issuance costs	(16)	—	—	494,879
Purchase of call option related to cash convertible notes	(16)	—	—	(97,277)
Proceeds from issuance of warrants, net of issuance costs	(18)	—	—	72,406
Principal payments on capital leases		—	—	(1,308)
<b>Net cash (used in) provided by financing activities</b>		<b>(50,127)</b>	<b>(639,080)</b>	<b>360,408</b>
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash</b>		<b>4,196</b>	<b>826</b>	<b>(7,183)</b>
<b>Net (decrease) increase in cash, cash equivalents and restricted cash</b>		<b>(31,406)</b>	<b>(529,689)</b>	<b>501,365</b>
<b>Cash, cash equivalents and restricted cash, beginning of period</b>		<b>629,390</b>	<b>1,159,079</b>	<b>657,714</b>
<b>Cash, cash equivalents and restricted cash, end of period</b>		<b>\$ 597,984</b>	<b>\$ 629,390</b>	<b>\$ 1,159,079</b>
<b>Supplemental cash flow disclosures:</b>				
Cash paid for interest		\$ 25,351	\$ 29,721	\$ 25,902
Cash paid for income taxes		\$ 42,572	\$ 41,474	\$ 29,317

The accompanying notes are an integral part of these consolidated financial statements.

