

QIAGEN Aarhus A/S

Silkeborgvej 2
DK-8000 Aarhus C

CVR No 28 30 50 87

Annual Report for 2021

17th financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 8th of July 2022.

Chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of QIAGEN Aarhus A/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

In our opinion, the Management's review includes a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Aarhus, July 8th 2022

Executive Board

Henrik Sandmann
CEO

Timothy Paul Grabham
CEO

Board of Directors

Axel Backheuer
Chairman

Roland Sackers

Dr. Philipp Sixt Lothar von
Hugo

Katja Einer-Jensen
Employee Representative

Martin Kofod Ludvigsen
Employee Representative

Independent auditor's report

To the shareholders of QIAGEN Aarhus A/S

Opinion

We have audited the financial statements of QIAGEN Aarhus A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus,

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen

State Authorised

Public Accountant

mne34459

Management's review

The Company

QIAGEN Aarhus A/S
Silkeborgvej 2
Prismet
DK-8000 Aarhus C

Telephone: +45 70 22 32 44

Facsimile: +45 70 22 55 19

Website: www.qiagenbioinformatics.com

CVR No: 28 30 50 87

Financial period: 1 January – 31 December 2021

Financial year: 17th financial year

Municipality of reg. office: Aarhus

Board of Directors

Axel Backheuer, Chairman

Roland Sackers

Dr. Philipp Sixt Lothar von Hugo

Katja Einer-Jensen, Employee Representative

Martin Kofod Ludvigsen, Employee Representative

Executive Board

Henrik Sandmann

Timothy Paul Grabham

Auditors

KPMG Statsautoriseret Revisionspartnerselskab

Frederiks Plads 42

8000 Aarhus C

CVR no. 25 57 81 98

Bank

Skandinaviska Enskilda Banken, Danmark,

filial af Skandinaviska Enskilda Banken AB

Bernstorffsgade 50,

1577 København V

Management's review

Seen over a five-year period, the development of the Group is described by the following financial highlights:

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Gross profit | 46,362 | 39,485 | 39,815 | 42,176 | 57,079 |
| Operating loss before financial income and expenses | 2,120 | -156 | -46,456 | -58,243 | -16,272 |
| Net financials | 4,792 | -30,925 | 3,329 | 4,127 | -5,240 |
| Loss for the year | -17,235 | -35,296 | -37,840 | -47,390 | -12,525 |
| Balance sheet total | 289,063 | 369,593 | 374,682 | 532,862 | 106,130 |
| Investments in fixtures, fittings and IT hardware | 260 | 162 | 1,225 | 1,036 | 372 |
| Equity | 33,797 | 51,033 | 86,328 | 498,168 | 13,869 |
| Financial ratios | | | | | |
| Solvency ratio | 12% | 14% | 23% | 93% | 13% |

The financial ratios have been calculated as follows:

Solvency ratio:
(Equity Year-end x 100 / Equity and liabilities)

In 2018 QIAGEN Aarhus A/S merged with Exiqon A/S in same group. The uniting of interests is considered completed as from 1 January 2018 without restatement of comparative figures.

Management's review

Main activity

QIAGEN Aarhus A/S develops and sells software solutions and provides consultancy assistance and instruction services within bioinformatics.

QIAGEN Aarhus A/S is wholly owned by QIAGEN N.V. and please visit our website, www.qiagenbioinformatics.com or www.qiagen.com for further information about the company and the group.

Market overview

Development in the year

CLC product line grew 1% compared to 2020 and came in at 107% of budget in 2021. Competition is fierce in the market, however, CLC has an advantage by being the most comprehensive and user-friendly solution available.

Playing an important part in the bioinformatics business area in the group the Company's position continues as one of the leading organisations in the bioinformatics market.

We have reached a loss for the year of DKK (-17,235) thousand and an equity value of DKK 33,797 thousand on 31 December 2021 (comparing to the loss of DKK (-35,296) and equity value of DKK 51,033 in 2020). The loss is primarily due to the special LTI & R&D tax reserve of 31,500 thousand related to the ongoing tax audit and concerning years 2016-2018. Adjusted for the mentioned one-off provision, 2021 income before taxes resulted in 15,9M profit which is in line with the expectations and represents a significant improvement compared to previous years and is better than the last year's forecasts of operational profit of 4-6M DKK.

Outlook next year

We will in the coming year continue our efforts in the research and development field in order to reach a better result for the next year. For fiscal year 2022 we expect an operational profit of approximately 10M DKK.

Capital resources

The Company has lost more than 50% of its contributed capital and is thereby comprised by the rules on capital loss laid down in the Danish Companies Act. Management expects to be able to restore the capital over future operations. If this fails to materialise, the Company's owners will contribute new capital to restore the capital.

In its letter of support to QIAGEN Aarhus A/S, QIAGEN N.V. has undertaken to provide financial support to the Company, allowing the Company to be able to continue in operation and settle its liabilities.

Management's review

Uncertainty relating to recognition and measurement

There is uncertainty related to the valuation of the capitalised development projects, as the realisation of the Company's budgets and forecasted revenue is associated with uncertainty. If the budgeted and forecasted revenue is not realised, the capitalised intangible assets will need to be impaired. We refer to note 8 to the financial statements.

Product development

Our main strategic focus area continues to be product development, sale and support of software to analyze DNA and RNA data generated by sequencing technologies referred to as Next Generation Sequencing (NGS), as the market is growing rapidly and as QIAGEN Aarhus A/S has strong competencies in this area.

We continued our investments in our products and bioinformatics solutions, and furthermore we have ensured our organisation is strategically aligned with planned development activities throughout the year.

Our research and development investments have resulted in several new releases, primarily focused on our CLC Genomics Workbench and installable plug-ins augmenting it with even more capabilities. The CLC Genomics Workbench remains the go-to solution for bioinformatics computing including a wide range of tools. The QIAGEN CLC Genomics Workbench Premium product adds even more capabilities, including suites of tool focusing on Genome Finishing, Single Cell, and Microbial Typing Analysis.

Our software solutions are based on a platform which makes it possible for external enterprises to develop plug-ins and modules which are fully integrated with the CLC software of QIAGEN Aarhus and thus create a stronger and more integrated solution than the software products possess individually.

Knowledge resources

Our most important asset is without doubt our talented employees. Our staff is composed of a high ratio of experts, where the vast majority has an educational background of PhD and / or a master's degree. We have ongoing focus on retaining and developing our employees.

Foreign currency risks

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. Most of the transactions with related parties are denominated in US dollars.

The Company is not using hedging instrument to secure the foreign currency risk. The management is aware of the potential risk for losing receivables from doubtful debtors with balances more than 2 years old. We are facing currency issues at a high risk considering significant receivables and payables to related parties in foreign currencies.

Management's review

Subsequent events

No events subsequent to the balance sheet date has occurred that could impact the figures as of 31 December 2021.

Financial Statements 1 January – 31 December

Income Statement

| | Note | 2021 | 2020 |
|---|------|----------------|----------------|
| | | DKK '000 | DKK '000 |
| Gross profit | | 46,362 | 39,485 |
| Staff costs | 2 | -25,817 | -24,243 |
| Depreciation and amortisation | | -18,426 | -15,397 |
| Operating profit/loss before financial income and expenses | | 2,120 | -155 |
| Financial income | | 21,978 | 567 |
| Financial expenses | 3 | -8,186 | -40,492 |
| Profit/Loss before tax | | 15,912 | -40,080 |
| Tax on profit/loss for the year | 4 | -33,147 | 4,785 |
| Loss for the year | 5 | -17,235 | -35,295 |

Financial Statements 1 January – 31 December

Balance Sheet at 31 December

Assets

| | Note | 2021 | 2020 |
|---|------|----------------|----------------|
| | | DKK '000 | DKK '000 |
| Finished development projects | | 59,804 | 51,672 |
| Software licenses and trademarks | | 314 | 0 |
| Intangible assets | 6 | 60,118 | 51,672 |
| Fixtures, fittings and IT hardware | | 1,056 | 1,509 |
| Fixtures, fittings and IT hardware | 7 | 1,056 | 1,509 |
| Deposits | | 1,327 | 1,644 |
| Fixed asset investments | | 1,327 | 1,644 |
| Fixed assets | | 62,500 | 54,825 |
| Trade receivables | | 4,391 | 1,509 |
| Receivables from group enterprises | | 217,406 | 291,222 |
| Deferred tax asset | 8 | 2,775 | 2,775 |
| Other receivables | | 266 | 787 |
| Prepayments | 9 | 470 | 1,309 |
| Receivables | | 225,309 | 297,602 |
| Cash at bank and in hand | | 1,254 | 17,166 |
| Current assets | | 226,562 | 314,768 |
| Assets | | 289,063 | 369,593 |

Financial Statements 1 January – 31 December

Balance Sheet at 31 December

Equity and liabilities

| | Note | 2021 | 2020 |
|--|------|----------------|----------------|
| | | DKK '000 | DKK '000 |
| Share capital | | 86,332 | 86,332 |
| Reserved development costs | | 55,138 | 48,353 |
| Retained earnings | | -107,673 | -83,652 |
| Equity | 10 | 33,797 | 51,033 |
| Payables to group enterprises | | 203,462 | 283,599 |
| Trade payables | | 503 | 1,244 |
| Other payables | | 13,211 | 17,992 |
| Payable tax | | 31,500 | 15,231 |
| Deferred income | 11 | 6,591 | 494 |
| Current liabilities other than provisions | | 255,266 | 318,560 |
| Total liabilities other than provisions | | 255,266 | 318,560 |
| Equity and liabilities | | 289,063 | 369,593 |
| Contingent liabilities | 12 | | |
| Foreign currency risks | 13 | | |
| Related parties | 14 | | |

Financial Statements 1 January – 31 December

Statement of Changes in Equity

| | Share capital | Reserved capital, developm ent costs | Retained earnings | Total |
|-----------------------------------|------------------|---|----------------------|---------------|
| | DKK '000 | DKK '000 | DKK '000 | DKK '000 |
| Equity at 31 December 2020 | 86,332 | 48,353 | -83,652 | 51,033 |
| Net loss for the year | 0 | 20,404 | -37,639 | -17,235 |
| Release of reserved capital | 0 | -13,619 | 13,619 | 0 |
| Equity at 31 December 2021 | 86,332 | 55,138 | -107,673 | 33,797 |

Financial Statements 1 January – 31 December

Notes to the Annual Report

1 Accounting policies

Basis of Preparation

The Annual Report of QIAGEN Aarhus A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year. Minor reclassifications are made in comparative figures to comply with current year's presentation.

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income Statement

Revenue

Revenue from the sale of software and services, including maintenance and support, is recognised in the income statement when the sale has been affected. Revenue from maintenance and support is recognized upon delivery, which is calculated as a straight line over the term of the maintenance and support period. Revenue is recognised net of VAT and with deduction of any discounts granted in connection with the sale.

Other external costs

Other external costs consist of costs related to the distribution, sale, administration, office spaces, loss on debtors etc.

Gross profit

Revenue and other external costs are aggregated in gross profit in accordance with section 32 in the Danish Financial Statements Act.

Financial Statements 1 January – 31 December

Notes to the Annual Report

1 Accounting policies

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs etc., to the Company's employees, excluding reimbursements from public authorities.

Share-based incentive programs

Share-based incentive programs for the Company's Management and employees with the option to subscribe for shares in the Parent Company (share options) are considered a matter of the shareholders. The programmes are measured at the fair value of the equity instruments at the grant date and are recognised in the income statement as staff costs over the period when the employees become unconditionally entitled to the share options.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and interest expense, costs relating to finance leases, realised and unrealised gains and losses on securities, payables and transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the loss for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Financial Statements 1 January – 31 December

Notes to the Annual Report

1 Accounting Policies

Balance Sheet

Intangible assets

Development projects are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount.

Costs of development projects comprise salaries that are directly attributable to the software development activities with addition of a proportionate share of overheads.

Own developed software is amortised over 3-5 years commencing at the time of release for sale of software. Subsequent costs relating to extension and enhancement of the software are accumulated for three months at a time after which amortisation are commenced.

Trademark rights are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use. Trademark rights and software licences are amortised over 3-5 years.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixtures, fitting and IT hardware

Fixtures, fitting and IT hardware are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost is calculated on a straight-line basis over the expected useful lives of the assets, which are 3-5 years.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Financial Statements 1 January – 31 December

Notes to the Annual Report

1 Accounting Policies

Intra-group business combinations

The uniting-of-interests method has been applied to the merger between Exiqon A/S and QIAGEN Aarhus A/S since the entities are controlled by the same Parent Company. The uniting of interests is considered completed as from 1 January 2018 without restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount, ie the higher of the net selling price and value in use of the asset, is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised.

Prepayments

Prepayment comprises payments of costs incurred relating to subsequent financial year.

Financial Statements 1 January – 31 December

Notes to the Annual Report

1 Accounting Policies

Reserve for development costs

An amount corresponding to the capitalised development costs will be tied to the "Reserve for development costs" in equity. The reserve cannot be used for dividend, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the development costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Liabilities other than provisions

Fixed-interest loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other liabilities are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies etc.

Financial Statements 1 January – 31 December

Notes to the Annual Report

| | <u>2021</u> | <u>2020</u> |
|--|---------------|---------------|
| | DKK '000 | DKK '000 |
| 2 Staff costs | | |
| Wages and salaries | 46,722 | 47,854 |
| Pensions | 3,488 | 3,706 |
| Other expenses for social security | 513 | 594 |
| | <u>50,723</u> | <u>52,154</u> |
| Including capitalized as development costs | -26.159 | -29,678 |
| Compensation QIAGEN N.V. stock units | 1,253 | 1,767 |
| Recognised in staff costs | <u>25,817</u> | <u>24,243</u> |
| Average number of employees | <u>68</u> | <u>74</u> |

The total staff costs for the Executive Board and Board of Directors in the financial year 2021 amounts to DKK 80 thousand (2020: DKK 80 thousand) of which DKK 80 thousand (2020: DKK 80 thousand) were to the Board of Directors. The payments have been executed in June 2021 (DKK 40 thousand) and December 2021 (DKK 40 thousand).

One of both managing directors of the company is from within the Qiagen Group and is remunerated by the respective group company. The management remuneration therefore only comprise the remuneration which the other managing director receives. With reference to ÅRL §98b section 3 nr. 2 the remuneration of the managing director is not disclosed.

Incentive schemes

Some key employees are part of a long-term incentive program of 5 years. They have been granted with stock awards issued from the parent company QIAGEN N.V. The program includes both Restricted Stock Units (RSU) and Performance-based Restricted Stock Units (PSU). The TOTAL number of stock awards granted from 2013-2021 was 584 thousand units (381 thousand RSUs and 203 thousand PSUs). Of this 3,3 thousand PSU units and 0 thousand RSU units vested in 2021 at an average stock price of \$49,36 per unit (2020: 9 thousand PSU units and 0 thousand RSU units vested at an average stock price of \$54 per unit).

| | <u>2021</u> | <u>2020</u> |
|--|---------------|-------------|
| | DKK '000 | DKK '000 |
| 3 Financial income / expense | | |
| Financial income | | |
| Interest income | 9,000 | 11 |
| Realized and unrealized exchange gains | 12,978 | 555 |
| | <u>21,978</u> | <u>566</u> |

Financial Statements 1 January – 31 December

Notes to the Annual Report

| Financial expense | 2021 | 2020 |
|---|--------------|---------------|
| | DKK '000 | DKK '000 |
| Interest, bank debt | 0 | 136 |
| Interest, group enterprises | 7,425 | 15,076 |
| Realized and unrealized exchange losses | 689 | 25,158 |
| Bank charges etc. | 71 | 122 |
| Total financial expenses | 8,186 | 40,492 |

4 Tax on loss for the year

| | | |
|-------------------------------|---------------|---------------|
| Current tax for the year | 1,647 | -4,785 |
| Tax prior years | 31,500 | 0 |
| Total tax for the year | 33,147 | -4,785 |

5 Distribution of loss

Loss for the year is distributed as follows:

| | | |
|----------------------------|----------------|----------------|
| Retained earnings | -37,639 | -58,445 |
| Reserved development costs | 20,404 | 23,150 |
| Loss for the year | -17,235 | -35,295 |

Financial Statements 1 January – 31 December

Notes to the Annual Report

6 Intangible assets

| | Finished development projects |
|---|-------------------------------------|
| | DKK '000 |
| Cost at 1 January 2021 | 223,126 |
| Additions for the year | 25,845 |
| Cost at 31 December 2021 | 248,971 |
| Amortisation and impairment losses at 1 January 2021 | 171,454 |
| Amortisation and impairment losses for the year | 17,713 |
| Amortisation and impairment losses at 31 December 2021 | 189,167 |
| Carrying amount at 31 December 2021 | 59,804 |
| Amortised over | 3-5 years |
| | Software licenses and trademarks |
| | DKK '000 |
| Cost at 1 January 2021 | 3,312 |
| Additions for the year | 314 |
| Cost at 31 December 2021 | 3,626 |
| Amortization and impairment losses at 1 January 2021 | 3,312 |
| Amortization and impairment losses for the year | 0 |
| Amortization and impairment losses at 31 December 2021 | 3,312 |
| Carrying amount at 31 December 2021 | 314 |
| Depreciated over | 3-5 years |

Financial Statements 1 January – 31 December

Notes to the Annual Report

As at 31 December 2021, Management tested finished development projects for impairment, and no impairment loss was identified. Value in use was calculated based on estimated future cash flows discounted to net present value.

The key assumptions used in the estimation of recoverable amount are set out below:

WACC – 6,7% (2020: 6,7%);

Terminal value growth rate of 3% after 2026 (2020: 3% after 2025);

Revenue is expected to increase by 6,9% in 2022, and in the period from 2023 to 2026 an additional increase of 30% is expected (2020: 17% by 2025).

The impairment test of finished development projects is highly sensitive to changes in assumptions applied, including the major increase in budgeted revenue over the coming years. If the budgeted revenue is not realised, the capitalised intangible assets will need to be impaired. Budget realization is fully dependent on group sales performance.

If revenue comes out 6% below expected per year in the period 2021 to 2025, it will lead to impairment.

Management is of the opinion that especially budgeted revenue is subject to a significant uncertainty as the company does not have a strong track record for meeting its budgets and the general market situation for the Company's products related to the capitalised development projects are uncertain.

| 7 Fixtures, fittings and IT hardware | Fixtures, fittings and IT hardware |
|---|---|
| | <u>DKK '000</u> |
| Cost at 1 January 2021 | 13,339 |
| Additions for the year | 260 |
| Cost at 31 December 2021 | <u>13,599</u> |
| Depreciation at 1 January 2021 | 11,830 |
| Depreciation for the year | 713 |
| Depreciation at 31 December 2021 | <u>12,543</u> |
| Carrying amount at 31 December 2021 | <u>1,056</u> |
| Depreciated over | <u>3-5 years</u> |

Financial Statements 1 January – 31 December

Notes to the Annual Report

| 8 Deferred tax asset | 2021 |
|---------------------------------------|---------------------|
| | DKK '000 |
| Carrying amount at 1 January | <u>2,775</u> |
| Carrying amount at 31 December | <u>2,775</u> |

The company expects to realize the deferred tax asset within 3-5 years.

9 Prepayments

Prepayments comprise prepaid expenses relating to insurance premiums, subscriptions and fees.

10 Equity

The share capital is distributed 86,327,968 shares of DKK 1 and multiples hereof. No shares carry any special rights.

Cash resources

The Company has lost more than 50% of its contributed capital and is thereby comprised by the rules on capital loss laid down in the Danish Companies Act. Management expects to be able to restore the capital over future operations. If this fails to materialise, the Company's owners will contribute new capital to restore the capital.

In its letter of support to QIAGEN Aarhus A/S, QIAGEN N.V. has undertaken to provide financial support to the Company, allowing the Company to be able to continue in operation and settle its liabilities.

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11 Deferred income

Deferred income comprises payments received relating to income in subsequent years.

12 Contingent liabilities

As per 31st of December 2021 rental obligations constitute rent for 16 months corresponding to DKK 4,359 thousand for Silkeborgvej 2, Aarhus.

Car leasing obligations per 31st of December 2021 for 19 months corresponding to DKK 112 thousand.

Danish group entities are jointly and separately liable for tax on Danish consolidated taxable income etc. Danish group entities are also liable jointly and separately for Danish withholding taxes in the form of dividend tax, royalty tax and withholding tax. Any subsequent correction to corporate taxes and withholding taxes may lead to a higher liability for the company.

13 Foreign currency risks

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. Most of the transactions with related parties are denominated in US dollars.

The Company is not using hedging instrument to secure the foreign currency risk.

The management is aware of the potential risk for losing receivables from doubtful debtors with balances more than 2 years old. We are facing currency issues at a high risk considering significant receivables and payables to related parties in foreign currencies.

Notes to the Annual Report

14 Related parties

QIAGEN Aarhus A/S' related parties comprise of the following:

Control:

QIAGEN N.V.
Hulsterweg 82
NL-5912 PL Venlo

Largest and smallest group:

QIAGEN N.V.
Hulsterweg 82
NL-5912 PL Venlo

The consolidated financial statements of QIAGEN N.V. can be obtained by contacting the Company or at the following website:

<https://corporate.qiagen.com/investor-relations/financial-reports-and-sec-filings/financial-reports/default.aspx>

| | 2021 | 2020 |
|---|------------------------|------------------------|
| | <u>DKK '000</u> | <u>DKK '000</u> |
| Related party transactions | | |
| Revenue from other related parties | 64,085 | 61,922 |
| Royalties to related parties | -3,285 | -3,285 |
| IT and Software license fee | -5,052 | -5,308 |
| Management fee expenses | -1,669 | -1,740 |
| Dividends paid | 0 | 0 |
| Compensation through Options to QIAGEN N.V. | -1,253 | -1,767 |
| Financial expenses, interest to QIAGEN N.V. | 1,575 | -15,076 |
| | <u>54,401</u> | <u>34,746</u> |
| Related party balances | | |
| Account receivables from related parties | <u>217,406</u> | <u>291,222</u> |
| | <u>217,406</u> | <u>291,222</u> |
| Account payables to related parties | <u>-203,462</u> | <u>-283,599</u> |
| | <u>-203,462</u> | <u>-283,599</u> |