QIAGEN Aarhus A/S

Silkeborgvej 2
DK-8000 Aarhus C

CVR No 28 30 50 87

Annual Report for 2019

15th financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 17th of September 2020.

Chairman

Contents

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 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

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, September 17th 2020

Executive Board

Jonathan Sheldon *CEO*	Timothy Paul Grabham *CEO*

Board of Directors

Axel Backheuer *Chairman*	Roland Sackers	Dr. Philipp Sixt Lothar von Hugo
Jens-Uwe Appelt *Employee Representative*	Martin Kofod Ludvigsen *Employee Representative*	

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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 2019 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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

Emphasis of matter in the financial statements

In the financial statements, Finished development projects in the amount of DKK 39,107 thousand is recognised. We draw attention to note 8 to the financial statements, where Management describes that 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. Our opinion is not modified in respect of this matter.

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.

Declaration in accordance with other legislation and other regulations – Violation of tax legislation

The Company has failed to timely submit transfer pricing documentation to the Danish Tax Authorities, in accordance with section 39(1) of the Danish Tax Control Act. The Company's Management may be held liable in this respect.

Aarhus, 17. September 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen

State Authorised

Public Accountant

MNE-nr. 34459

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 2019 Financial year: 15th financial year Municipality of reg. office: Aarhus
Board of Directors	Axel Backheuer, Chairman Roland Sackers Dr. Philipp Sixt Lothar von Hugo Jens-Uwe Appelt, Employee Representative Martin Kofod Ludvigsen, Employee Representative
Executive Board	Jonathan Sheldon Timothy Paul Grabham
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Bredskifte Alle 13 8210 Aarhus V
Bank	Nordea Århus Erhvervsafdeling Skt. Clemens Torv 2-6 DK-8100 Aarhus C

Management's review

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

	2019	2018	2017	2016	2015
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Gross profit	39,815	42,176	57,079	48,546	70,853
Operating profit/loss before financial income and expenses	-46,456	-58,243	-16,272	-78,131	15,820
Net financials	3,329	4,127	-5,240	-2,916	6,043
Profit/loss for the year	-37,840	-47,390	-12,525	-77,775	21,722
Balance sheet total	374,681	532,862	106,130	104,609	133,782
Investments in fixtures, fitting and IT hardware	1,225	1,036	372	1,160	3,027
Equity	86,328	498,168	13,869	-53,606	24,169
Financial ratios					
Solvency ratio	23%	93%	13%	-	18%

The ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For further description refer to the description in the accounting policies.

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.

Method for calculating financial ratios

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

Management's review

Operating

The annual report of QIAGEN Aarhus A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C.

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

In 2019 compared to prior year the Company's Genomics Workbench and our Microbial products performed very well on the market. Consultancy business also went very well. Only the server product showed a decrease in performance. The decrease in gross profit for 2019 is also caused by the fact that our deferred income from past years are decreasing due to change in the setup of sales in 2015.

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 result over the prior year showing a loss before taxes of DKK 43,126 thousand and an equity value of DKK 86,328 thousand at 31 December 2019. The loss is primarily a result of the merger with Exiqon A/S and a larger reimbursement to QIAGEN N.V. regarding a long-term incentive program, granted to key-employees.

Outlook next year

We have not quite fulfilled our expectations from last year mainly due to merger with Exiqon A/S. 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.

QIAGEN Aarhus A/S has received a letter of support from QIAGEN N.V. covering 12 months from the signing of the financial statements for 2019, ensuring the going concern assumption for QIAGEN Aarhus A/S.

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.

Management's review

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. These include but are not limited to Biomedical Genomics Analysis and CLC Microbial Genomics. A continued major focal point was development of analysis solutions for the QIAseq panels. Finally, a key achievement during 2019 was the finalization of a cloud-based analysis platform. This platform has already been utilized internally to serve even more customers by the Consultancy team.

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.

Financial risks

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.

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.

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.

Unusual events

In September 2019 Qiagen group started global restructuring program "Catalyst". As a result of it in QIAGEN Aarhus A/S 24 employees have been made redundant, office in Vedbaek has been closed and office in Aarhus has been downsized.

Subsequent events

COVID-19 did not have an impact on QIAGEN Aarhus' activities. There was no interruption from suppliers' side. Business activity continued without limitations using the possibilities of home office and remote work. No reduction in revenue from consultancy and BIOX commission is expected by COVID-19.

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Financial Statements 1 January – 31 December

Income Statement

	Note	2019	2018
		DKK '000	DKK '000
Gross profit		**39,815**	**42,176**
Staff costs	3	-48,027	-75,587
Depreciation and amortisation		-38,244	-24,832
Operating profit/loss before financial income and expenses		**-46,456**	**-58,243**
Financial income	4	5,425	4,892
Financial expenses	5	-2,096	-765
Profit/loss before tax		**-43,126**	**-54,116**
Tax on the profit/loss for the year	6	5,287	6,726
Profit/loss for the year	7	**-37,840**	**-47,390**

Financial Statements 1 January – 31 December

Balance Sheet at 31 December

Assets

	Note	2019	2018
		DKK '000	DKK '000
Finished development projects		39,107	49,564
Software licences and trademarks		0	14
Intangible assets	8	**39,107**	**49,578**
Fixtures, fittings and IT hardware		2,354	2,989
Fixtures, fittings and IT hardware	9	**2,354**	**2,989**
Deposits		1,955	1,949
Fixed asset investments		**1,955**	**1,949**
Fixed assets		**43,415**	**54,516**
Trade receivables		2,232	5,306
Receivables from group enterprises		292,768	450,453
Deferred tax asset	10	2,775	2,775
Other receivables		482	2,655
Prepayments	12	1,098	1,535
Receivables		**297,892**	**462,724**
Cash at bank and in hand		**31,911**	**15,622**
Current assets		**331,266**	**478,346**
Assets		**374,681**	**532,862**

Financial Statements 1 January – 31 December

Balance Sheet at 31 December

Equity and liabilities

	Note	2019	2018
		DKK '000	DKK '000
Share capital		86,332	86,332
Reserved development costs		33,690	37,247
Retained earnings		-33,694	374,589
Equity	13	**86,328**	**498,168**
Long-term liabilities	14	0	150
Long-term liabilities		**0**	**150**
Short-term part of long-term liabilities	14	151	396
Payables to group enterprises		250,031	6,610
Trade payables		1,386	2,733
Other payables		23,178	13,783
Payable tax	11	11,877	5,390
Deferred income	15	1,730	5,632
Current liabilities other than provisions		**288,353**	**34,544**
Total liabilities other than provisions		**288,353**	**34,694**
Equity and liabilities		**374,681**	**532,862**
Contingent liabilities	16		
Foreign currency risks	17		
Related parties	18		

Financial Statements 1 January – 31 December

Statement of Changes in Equity

	Share capital	Reserved capital, develop-ment costs	Retained earnings	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Equity at 31 December 2018	**86,332**	**37,247**	**374,590**	**498,168**
Extraordinary dividends paid			-374,000	-374,000
Net profit/loss for the year	0	20,218	-58.058	-37.840
Release of reserved capital	0	-23,774	23,774	0
Equity at 31 December 2019	**86,332**	**33,690**	**-33,200**	**86,328**

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 2019 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 currents 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

Gross Profit

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

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.

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 share-holders. 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.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

Tax on profit/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 profit 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 as well as equity investments in group entities 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

2 Financing of QIAGEN Aarhus A/S

QIAGEN Aarhus A/S has received a letter of support from QIAGEN N.V. covering 12 months from the signing of the financial statements for 2019, ensuring the going concern assumption for QIAGEN Aarhus A/S.

3 Staff costs

	2019	2018
	DKK '000	DKK '000
Wages and salaries	69,382	59,910
Pensions	4,565	8,780
Other expenses for social security	571	797
	74,518	**69,487**
Including capitalized as development costs	-25,920	-21,933
Compensation QIAGEN N.V. stock units	-571	28,033
Recognised in staff costs	**48,027**	**75,587**
Average number of employees	**98**	**102**

The total staff costs for the Executive Board and Board of Directors in the financial year 2019 amounts to DKK 80 thousand (2018: DKK 80 thousand) of which DKK 80 thousand (2018: DKK 80 thousand) were to the Board of Directors. The payments have been executed in September 2019 (DKK 40 thousand) and February 2020 (DKK 40 thousand).

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 2013-2019 was 578 thousand units (378 thousand RSUs and 200 thousand PSUs) of this 14 thousand PSU units and 0 thousand RSU units vested in 2019 at an average stock price of $31 per unit (2018: 48 thousand PSU units and 203 thousand RSU units vested at an average stock price of $34 per unit).

4 Financial income

	2019	2018
Interest income	106	719
Realised and unrealised exchange gains	5,344	4,173
	5,550	**4,892**

Notes to the Annual Report

	2019	2018
	DKK '000	DKK '000

5 Financial expenses

	2019	2018
Interest, bank debt	0	12
Interest, group enterprises	1,915	359
Bank charges etc.	205	394
	2,120	**765**

6 Tax on profit/loss for the year

	2019	2018
Current tax for the year	-5,287	-6,574
Tax prior years	0	-152
Total tax for the year	**-5,287**	**-6,726**

7 Distribution of profit/loss

	2019	2018
Profit/loss for the year is distributed as follows:		
Retained earnings	-58,058	-64,498
Reserved development costs	20,218	17,108
Profit/loss for the year	**-37,840**	**-47,390**

Notes to the Annual Report

8 Intangible assets

	Finished development projects	Software licenses and trademarks
	DKK '000	DKK '000
Cost at 1 January 2019	194,898	3,312
Additions for the year	26,009	0
Cost at 31 December 2019	220,907	3,312
Amortisation and impairment losses at 1 January 2019	145,334	3,298
Amortisation and impairment losses for the year	36,467	14
Amortisation and impairment losses at 31 December 2019	181,801	3,312
Carrying amount at 31 December 2019	**39,106**	**0**
Amortised over	3-5 years	3-5 years

As at 31 December 2019, 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% (2018: 7.7%);

Terminal value growth rate of 0% after 2024 (2018: 3% after 2023);

Revenue is expected to decrease by -5.6% by 2021, and from 2021 we expect an additional increase of 36% by 2024 (2018: 55% by 2023).

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.

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.

Notes to the Annual Report

9 Fixtures, fittings and IT hardware

	Fixtures, fitting and IT hard-ware
	DKK ’000
Cost at 1 January 2019	14,729
Additions for the year	1,225
Disposal of the year	-495
Cost at 31 December 2019	15,459
Depreciation at 1 January 2019	11,740
Depreciation for the year	1,762
Disposal of the year	-396
Depreciation at 31 December 2019	13,106
Carrying amount at 31 December 2019	**2,353**
Depreciated over	3-5 years

Notes to the Annual Report

10 Deferred tax asset

	DKK '000
Carrying amount at 1 January	2,775
Transferred to tax receivables	0
Carrying amount at 31 December	**2,775**

11 Payable/ receivable tax

The balance represents utilized tax losses by jointly tax companies during current year and adjustment to prior years, as well as a tax liability from acquired company Exiqon. This tax liability has been set as 21 mill DKK by the tax authorities with letter dated 27.02.2019. Payment is deferred to April 1,2021.

12 Prepayments

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

13 Equity

The share capital is distributed on 86,327,968 shares of DKK 1 and multiples hereof. No shares carry any special rights. The retained earnings have decreased in 2019 with 374 mill DKK due to dividend payment.
The share capital has been increased in 2017 with 80 mill DKK. There were no other changes in share capital during 2014-2019.

Notes to the Annual Report

14 Long-term liabilities, including short-term part

	2019	2018
	DKK '000	DKK '000
Falling due between 1 and 5 years	0	150
Falling due within 1 year	151	396
	151	**546**

15 Deferred income

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

16 Contingent liabilities

As per 31st of December 2019 rental obligations constitute rent for 40 months corresponding to DKK 10,899 thousand for Silkeborgvej 2, Aarhus. For Skelstedet 16, Vedbæk rental obligations constitute rent for 4 months corresponding to DKK 311 thousand.

Car leasing obligations per 31st of December 2019 for 43 months corresponding to DKK 255 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.

The company have failed to submit transfer pricing documentation timely upon request and can be liable hereof.

17 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.

Financial Statements 1 January – 31 December

Notes to the Annual Report

18 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://www.qiagen.com/dk/about-us/investors/financial-information/financial-reports/

Related party transactions	**2019**	**2018**
	DKK '000	DKK '000
Revenue from other related parties	69,246	67,624
Royalties to related parties	-3,376	-3,411
IT and Software license fee	-2,200	-4,727
Management fee expenses	-870	-243
Dividends paid	-374,000	0
Compensation through Options to QIAGEN N.V.	571	-28,033
Financial expenses, interest to QIAGEN N.V	-1,915	-359
	-312,544	**30,851**

Related party balances		
Account receivables from related parties	292,768	450,453
	292,768	**450,453**
Account payables to related parties	-250,031	-6,610
	-250,031	**-6,610**