QIAGEN N.V.
Venlo, The Netherlands

Interim Financial Report

June 30, 2020

(unaudited)

QIAGEN N.V.

CONDENSED FINANCIAL REPORT PERIOD ENDED JUNE 30, 2020

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QIAGEN N.V.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	Note	June 30, 2020 (unaudited)	December 31, 2019
Assets			
Current assets:			
Cash and cash equivalents		**$ 687,280**	$ 622,486
Restricted cash		**3,942**	5,743
Current financial assets	**(5)**	**55,981**	107,118
Trade accounts receivable		**372,473**	376,281
Income taxes receivable		**32,158**	42,119
Inventories	**(11)**	**202,804**	170,704
Fair value of derivative financial instruments	**(7)**	**150,962**	107,868
Other current assets		**107,435**	79,490
Total current assets		**1,613,035**	1,511,809
Non-current assets:			
Property, plant and equipment		**365,726**	356,100
Goodwill	**(6)**	**2,160,541**	2,166,213
Other intangible assets	**(6)**	**730,877**	750,599
Right-of-use assets		**50,683**	56,041
Equity accounted investments	**(5)**	**12,018**	9,729
Non-current financial assets	**(5)**	**70,172**	94,187
Deferred tax assets		**88,142**	77,610
Fair value of derivative financial instruments	**(7)**	**203,529**	192,266
Other non-current assets		**49,220**	49,700
Total non-current assets		**3,730,908**	3,752,445
Total assets		**$ 5,343,943**	$ 5,264,254

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

QIAGEN N.V.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	Note	June 30, 2020	December 31, 2019
		(unaudited)	
Liabilities and equity			
Current liabilities:			
Current financial debts	(9)	$ 305,776	$ 285,244
Trade and other accounts payable		94,850	84,767
Provisions		20,865	8,129
Income tax payable		66,984	34,082
Fair value of derivative financial instruments	(7)	147,156	103,175
Other current liabilities	(4, 5)	324,023	436,097
Total current liabilities		959,654	951,494
Non-current liabilities:			
Non-current financial debts	(9)	1,393,893	1,418,634
Deferred tax liabilities		27,434	28,486
Fair value of derivative financial instruments	(7)	446,624	435,592
Other non-current liabilities	(5)	103,858	106,201
Total non-current liabilities		1,971,809	1,988,913
Equity:			
Common Shares, 0.01 EUR par value, authorized—410,000 shares, issued— 230,829 shares in 2020 and in 2019		2,702	2,702
Share premium		1,810,162	1,790,504
Retained earnings		1,033,175	948,186
Reserves		(347,721)	(305,579)
Less treasury shares at cost— 2,343 and 3,077 shares in 2020 and in 2019, respectively	(12)	(85,838)	(111,966)
Total equity		2,412,480	2,323,847
Total liabilities and equity		$ 5,343,943	$ 5,264,254

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

QIAGEN N.V.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Note	Six months ended June 30, 2020	2019
		(unaudited)	
Net sales	**(13)**	**$ 815,349**	$ 730,266
Cost of sales:			
Cost of sales		**(249,076)**	(226,506)
Acquisition-related intangible amortization		**(30,054)**	(37,294)
Total cost of sales		**(279,130)**	(263,800)
Gross profit		**536,219**	466,466
Operating expenses:			
Other operating income		**1,198**	5,331
Research and development expense		**(62,344)**	(71,273)
Sales and marketing expense		**(200,056)**	(214,484)
General and administrative expense		**(51,382)**	(57,841)
Restructuring, acquisition, integration and other, net	**(4)**	**(31,808)**	(13,741)
Long-lived asset impairments	**(4)**	**(1,034)**	(1,258)
Other operating expense		**(2,735)**	(1,914)
Total operating expenses, net		**(348,161)**	(355,180)
Income from operations		**188,058**	111,286
Financial income		**6,681**	13,251
Financial expense		**(37,095)**	(39,386)
Foreign currency losses, net		**(2,717)**	(3,482)
Gain from equity accounted investments		**2,685**	1,643
Other financial expense, net	**(5, 7)**	**(19,448)**	(24,631)
Total financial expense, net		**(49,894)**	(52,605)
Income before income taxes		**138,164**	58,681
Income taxes		**(28,706)**	(7,738)
Net income		**$ 109,458**	$ 50,943
Basic earnings per common share		**$ 0.48**	$ 0.23
Diluted earnings per common share		**$ 0.47**	$ 0.22
Weighted average shares outstanding (in thousands)			
Basic		**228,200**	226,410
Diluted		**233,119**	233,160

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

QIAGEN N.V.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Note	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
		(unaudited)	
Net income		**$ 109,458**	$ 50,943
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Foreign currency translation adjustments, net of tax expense of $0.6 million in 2020 and $0.3 million in 2019		**(53,425)**	(7,559)
Gains on cash flow hedges, net of tax expense of $3.0 million in 2020 and $1.1 million in 2019	**(7)**	**10,873**	3,251
Reclassification adjustments on cash flow hedges, net of tax expense of $0.1 million in 2020 and $0.3 million in 2019	**(7)**	**(507)**	(945)
Net investment hedge	**(7)**	**917**	1,784
Total other comprehensive loss, after tax		**(42,142)**	**(3,469)**
Comprehensive income		**$ 67,316**	**$ 47,474**

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

QIAGEN N.V.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Note	Six months ended June 30, 2020	Six months ended June 30, 2019
		(unaudited)	
Net income		$ **109,458**	$ 50,943
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		**99,276**	126,155
Non-cash impairments	**(4)**	**1,034**	1,258
Amortization of debt discount and issuance costs	**(9)**	**20,099**	21,576
Deferred income taxes		**(12,019)**	(10,322)
Share based compensation	**(16)**	**16,504**	23,210
Loss on financial assets		**167**	897
Reversals of contingent consideration		**—**	(7,433)
Loss on sale of investment	**(5)**	**2,250**	—
Other non-cash items, including fair value changes in derivatives		**23,099**	22,892
Changes in operating assets and liabilities:			
Accounts receivable		**(8,479)**	(16,291)
Inventories		**(48,126)**	(15,672)
Other current assets		**(34,469)**	656
Other non-current assets		**897**	376
Accounts payable		**(1,197)**	(10,600)
Accrued and other current liabilities		**(46,976)**	(28,979)
Other non-current liabilities		**4,726**	993
Income taxes		**50,782**	22,061
Interest paid		**(14,247)**	(14,929)
Interest received		**7,173**	11,937
Income taxes paid, net of refunds		**(3,805)**	(30,467)
Net cash provided by operating activities		**166,147**	148,261
Purchases of property, plant and equipment		**(25,964)**	(26,143)
Purchases of intangible assets	**(6)**	**(123,912)**	(162,650)
Development expenses	**(6)**	**(4,284)**	(10,301)
Purchases of financial assets	**(5)**	**(24,877)**	(181,696)
Proceeds from financial assets	**(5)**	**98,229**	254,734
Returns (purchases) of investments		**229**	(4,385)
Cash paid for acquisitions, net of cash acquired	**(3)**	**(133)**	(24,371)
Cash paid for collateral asset		**2,683**	16,150
Other investing activities		**6,855**	10
Net cash used in investing activities		**(71,174)**	(138,652)
Proceeds from exercise of call option related to cash convertible notes	**(9)**	**—**	134,676
Payment of intrinsic value of cash convertible notes	**(9)**	**(11,125)**	(133,763)
Repayment of long-term debt	**(9)**	**(23,000)**	(433,400)
Principal payments on leases		**(11,098)**	(10,744)
Proceeds from issuance of common shares		**7,380**	1,689
Tax withholding related to vesting of stock awards		**(6,441)**	(17,172)
Purchase of treasury shares	**(12)**	**—**	(74,394)
Cash received for collateral liability		**20,169**	1,200
Other financing activities		**(3,381)**	(12,935)
Net cash used in financing activities		**(27,496)**	(544,843)
Effect of exchange rate changes on cash and cash equivalents		**(4,484)**	771
Net increase (decrease) in cash and cash equivalents		**62,993**	(534,463)
Cash, cash equivalents and restricted cash, beginning of period		**628,229**	1,159,079
Cash, cash equivalents and restricted cash, end of period		**$ 691,222**	$ 624,616

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

QIAGEN N.V.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands)

		Common Shares							Treasury Shares		
(unaudited)	**Note**	**Shares**	**Amount**	**Share premium**	**Retained earnings**	**Cash flow hedge reserve**	**Pension reserve**	**Foreign currency translation**	**Shares**	**Amount**	**Total equity**
BALANCE AT JANUARY 1, 2019		230,829	$ 2,702	$1,727,922	$1,133,682	$ (15,453)	$ (124)	$ (291,011)	(5,320)	$ (178,903)	$ 2,378,815
IFRS 16 impact of change in accounting policy		—	—	—	(1,322)	—	—	—	—	—	(1,322)
Net income		—	—	—	50,943	—	—	—	—	—	50,943
Other comprehensive income (loss)	**(7)**	—	—	—	—	4,090	—	(7,559)	—	—	(3,469)
Total comprehensive income		—	—	—	50,943	4,090	—	(7,559)	—	—	47,474
Purchase of treasury shares	**(12)**	—	—	—	—	—	—	—	(1,987)	(74,394)	(74,394)
Tax benefit of employee stock plans		—	—	2,801	—	—	—	—	—	—	2,801
Issuance of common shares in connection with conversion of the 2019 Notes and early redemption of 2021 Notes	**(9)**	—	—	(4)	7,510	—	—	—	2,051	68,546	76,052
Share-based payments	**(16)**	—	—	23,210	—	—	—	—	—	—	23,210
Employee stock plans		—	—	—	(44,541)	—	—	—	1,508	46,230	1,689
Tax withholding related to vesting of stock awards		—	—	—	—	—	—	—	(611)	(23,566)	(23,566)
BALANCE AT JUNE 30, 2019		230,829	$ 2,702	$1,753,929	$1,146,272	$ (11,363)	$ (124)	$ (298,570)	(4,359)	$ (162,087)	$ 2,430,759
BALANCE AT JANUARY 1, 2020		**230,829**	**$ 2,702**	**$1,790,504**	**$ 948,186**	**$ (2,289)**	**$ (561)**	**$ (302,729)**	**(3,077)**	**$ (111,966)**	**$ 2,323,847**
Net income		**—**	**—**	**—**	**109,458**	**—**	**—**	**—**	**—**	**—**	**109,458**
Other comprehensive income (loss)	**(7)**	**—**	**—**	**—**	**—**	**11,283**	**—**	**(53,425)**	**—**	**—**	**(42,142)**
Total comprehensive income		**—**	**—**	**—**	**109,458**	**11,283**	**—**	**(53,425)**	**—**	**—**	**67,316**
Tax benefit of employee stock plans		**—**	**—**	**3,154**	**—**	**—**	**—**	**—**	**—**	**—**	**3,154**
Early conversion of 2021 Notes	**(9)**	**—**	**—**	**—**	**6,430**	**—**	**—**	**—**	**—**	**—**	**6,430**
Share-based payments	**(16)**	**—**	**—**	**16,504**	**—**	**—**	**—**	**—**	**—**	**—**	**16,504**
Employee stock plans		**—**	**—**	**—**	**(30,899)**	**—**	**—**	**—**	**1,036**	**38,280**	**7,381**
Tax withholding related to vesting of stock awards		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(302)**	**(12,152)**	**(12,152)**
BALANCE AT JUNE 30, 2020		**230,829**	**$ 2,702**	**$1,810,162**	**$1,033,175**	**$ 8,994**	**$ (561)**	**$ (356,154)**	**(2,343)**	**$ (85,838)**	**$ 2,412,480**

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

QIAGEN N.V.

Selected explanatory notes to the condensed consolidated financial statements for the six months ended June 30, 2020 (unaudited)

1. Corporate Information

QIAGEN N.V. is a public limited liability company ('naamloze vennootschap') under Dutch law with registered office at Hulsterweg 82, 5912 PL Venlo, The Netherlands. QIAGEN N.V., a Netherlands holding company, and subsidiaries (we, our or the Company) is the leading global provider of Sample to Insight solutions that are used by over 500,000 customers worldwide to transform biological samples into valuable molecular insights. Our sample technologies are used to isolate and process DNA, RNA and proteins - the building blocks of life - from blood, tissue and other materials. Assay technologies are used to make these biomolecules visible and ready for analysis. Bioinformatics software and knowledge bases are used to analyze and interpret complex genomic data to report relevant, actionable insights. Automation solutions are used to tie these technologies together in seamless and cost-effective workflows. We provide this portfolio to two major customer classes: Molecular Diagnostics (human healthcare) and Life Sciences comprised of Academia / Applied Testing (life sciences research, forensics and food safety) and Pharma. With approximately 5,200 employees in over 35 locations worldwide, we market our products in more than 130 countries.

Announced Merger with Thermo Fisher Scientific Inc.

On March 3, 2020, QIAGEN and Thermo Fisher Scientific Inc. (NYSE: TMO) announced that their boards of directors, as well as the Managing Board of QIAGEN N.V., unanimously approved Thermo Fisher's proposal to acquire QIAGEN for €39.00 per share in cash. On July 16, 2020, Thermo Fisher and QIAGEN entered into an amendment to the Business Combination Agreement dated as of March 3, 2020 whereby Quebec B.V., the wholly-owned subsidiary of Thermo Fisher making the public tender offer, increased the cash consideration offered per QIAGEN share from €39.00 to €43.00 which represents a premium of approximately 35% to the closing price of QIAGEN's ordinary shares on the Frankfurt Prime Standard on March 2, 2020, the last trading day prior to the announcement of the acquisition agreement and Thermo Fisher's intention to commence the offer. The amendment also provided for a reduction of the minimum acceptance threshold from 75% to 66.67% of QIAGEN's issued and outstanding ordinary share capital at the end of the acceptance period on August 10, 2020, as well as a $95.0 million expense reimbursement payable by QIAGEN to Thermo Fisher if the minimum acceptance threshold is not met. During the six-months ended June 30, 2020, we incurred acquisition expenses of $20.9 million included within restructuring, acquisition, integration and other, net in the accompanying condensed consolidated statement of income related to the announced acquisition.

On August 13, 2020, QIAGEN announced that it will continue to execute its growth strategy aiming to create significant value for shareholders and other stakeholders after the voluntary public takeover offer by Thermo Fisher did not achieve the minimum 66.67% acceptance threshold from QIAGEN shareholders.

2. Basis of Presentation and Accounting Policies

The accompanying condensed consolidated financial statements were prepared in accordance with International Financial Reporting standards (IFRS) for interim financial information under International Accounting Standards (IAS) 34 *Interim Financial Reporting* as endorsed by the European Union (EU). The condensed consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, contingent consideration and available-for-sale financial instruments that have been measured at fair value. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary for a fair presentation have been included. All amounts are presented in U.S. dollars rounded to the nearest thousand, unless otherwise indicated. These interim condensed consolidated financial statements have not been audited or reviewed.

The results of operations for an interim period are not necessarily indicative of results that may be expected for any other interim period or for the full year. Except for the adoption of new and amended standards and interpretations, these unaudited condensed consolidated financial statements are prepared following the same accounting policies used in and should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report for the year ended December 31, 2019.

We undertake acquisitions to complement our own internal product development activities. In 2019, we completed three immaterial acquisitions, including the January 2019 acquisition of N-of-One, Inc, a privately-held U.S. molecular decision support company and pioneer in clinical interpretation services for complex genomic data located in Concord, Massachusetts. Accordingly, at their respective acquisition dates, all the assets acquired and liabilities assumed were recorded at their respective fair values and our consolidated results of operations include the operating results from the acquired companies from the acquisition dates.

Significant Accounting Policies

The interim condensed consolidated financial statements were prepared based on the same accounting policies as those applied and described in the consolidated financial statements as at December 31, 2019 including the adoption of new standards and interpretations as of January 1, 2020.

Adoption of New and Amended Standards and Interpretations

The IASB refined its definition of material to make it easier to understand and issued amendments to IAS 1 and IAS 8, *Definition of Materi*al. However, the IASB does not expect significant change – the refinements are not intended to alter the concept of materiality. We adopted the amendments on the effective date of 1 January 2020 .

Effective January 1, 2020, we prospectively adopted the IASB issued amendments to IFRS 3, *Definition of a Business,* to provide more guidance on the definition of a business. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets.

Amended standard not yet adopted:

We have not early adopted the following amended standard. We intend to adopt the amended standard at its effective date.

To promote consistency in application and clarify the requirements on determining if a liability is current or non-current, the IASB amended IAS 1 *Presentation of Financial Statements*. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

Segment Reporting

We operate as one operating segment in accordance with IFRS 8 *Operating Segments*. Our chief operating decision maker (CODM) makes decisions based on the Company as a whole. In addition, we have a common basis of organization and types of products and services which derive revenues and consistent product margins. Accordingly, we operate and make decisions as one operating segment. With revenues derived from our entire product and service offerings, it is not practicable to provide a detail of revenues for each group of similar products and services, as discrete financial information is not available. However, we do provide certain revenue information by customer class in our Management Report to allow better insight into our operations. This information is estimated using certain assumptions to allocate revenue among the customer classes.

Estimates

The preparation of the condensed consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that 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 revenues and expenses during the reporting period. While the COVID-19 pandemic presents additional uncertainty, we continue to use the best information available to form our estimates. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying accounting policies and the key sources of estimating uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2019.

3. Acquisitions and Divestitures

Business Combinations and Asset Acquisitions

For acquisitions which have been accounted for as business combinations, the acquired companies' results have been included in the accompanying consolidated statements of income from their respective dates of acquisition. Our acquisitions have historically been made at prices above the fair value of the acquired net assets, resulting in goodwill, due to expectations of synergies of combining the businesses. These synergies include use of our existing infrastructure, such as sales force, shared service centers, distribution channels and customer relations, to expand sales of an acquired business' products; use of the infrastructure of the acquired businesses to cost-effectively expand sales of our products; and elimination of duplicative facilities, functions and staffing.

If the acquired net assets do not constitute a business, the transaction is accounted for as an asset acquisition and no goodwill is recognized. In an asset acquisition, the amount allocated to acquired in-process research and development with no alternative future use is charged to expense at the acquisition date.

2019 Business Combinations

In January 2019, we completed the acquisition of N-of-One, Inc., a privately-held U.S. molecular decision support company and pioneer in clinical interpretation services for complex genomic data located in Concord, Massachusetts. The cash consideration, net of cash acquired, was $24.5 million. This acquisition was not significant to the overall consolidated financial statements and as of December 31, 2019, the allocation of the purchase price was final. The acquisition did not have a material impact to net sales, net income or earnings per share and therefore no pro forma information has been provided herein.

In the third quarter of 2019, we acquired two additional companies for total cash consideration, net of cash acquired, of $43.5 million. The purchase price allocations for these acquisitions were final as of June 30, 2020. These acquisitions were not significant to the overall consolidated financial statements and the acquisitions did not have a material impact to net sales, net income or earnings per share. Thus, no pro forma information has been provided herein.

2019 Asset Acquisition

On January 31, 2019, we acquired the digital PCR asset of Formulatrix, Inc., a developer of laboratory automation solutions. We paid Formulatrix $125.0 million in cash upon closing. We paid an additional $80.9 million in the first half of 2020 and will pay future milestone payments of $55.0 million in the second half of 2020. As of June 30, 2020, $54.8 million is included in other current liabilities in the accompanying consolidated balance sheet for the present value of the future expected payments. Of the amount accrued as of June 30, 2020, $38.3 million was paid in July 2020.

Divestitures

In the second half of 2019, we sold a portfolio of protein catalysation products for $1.0 million. An immaterial gain was recorded on the sale.

4. Restructuring and Impairments

As part of our restructuring activities, we incur expenses that qualify as constructive obligations under IAS 37 arising from a restructuring program including severance and employee costs as well as contract and other costs, primarily contract termination costs, as well as inventory write-offs and other implementation costs primarily related to consulting fees. Personnel costs (principally termination benefits) primarily relate to cash severance and other termination benefits including accelerated share-based compensation. We also incur expenses that are an integral component of, and are directly attributable to, our restructuring activities which do not qualify as constructive obligations under IAS 37, which consist of asset-related costs such as intangible asset impairments and other asset related write-offs.

Termination benefits are recorded when it is probable that employees will be entitled to benefits and the amounts can be reasonably estimated. Estimates of termination benefits are based on the frequency of past termination benefits, the similarity of benefits under the current plan and prior plans, and the existence of statutory required minimum benefits. Other benefits which require future service and are associated to non-recurring benefits are recognized ratably over the future service period. Other assets, including inventory, are impaired or written-off if the carrying value exceeds the fair value. All other costs are recognized as incurred.

2019 Restructuring

In the second half of 2019, we decided to suspend development of NGS-related instrument systems and entered into a new strategic partnership with Illumina to commercialize IVD kits worldwide on Illumina's diagnostic sequencers. In order to align our business with this new strategy, we began restructuring initiatives to target resource allocation to growth opportunities in our Sample to Insight portfolio.

Impairments to property, plant and equipment primarily impacted machinery and equipment and future and office equipment. These assets were fully impaired given that these assets had no alternative use following the changes announced for this program and it was estimated that no value was recoverable in a market disposal.

Due to the suspended development, intangible assets were also assessed for recoverability. The abandoned assets include computer software, developed technology and other capitalized development costs related to the suspended projects as well as the termination of licenses which were used exclusively in connection with this program. Costs incurred to either purchase software or produce software products and the software components of products to be sold, leased or marketed after technological feasibility is established were previously capitalized during the development of certain NGS-related instrument systems. These long-lived assets were fully impaired due to the decision to suspend further development. As a result, we recorded intangible asset impairment charges due to the conclusion that the identified assets have no alternative use outside of the suspended program and thus are fully impaired.

We also conducted an impairment review of inventory and prepaid and other assets and recorded the charges noted in the table below. As these charges, including inventory, are a direct result of the decision to suspend further development of NGS-related instrument systems and are not related to external market factors, the impairment charges were recorded in the line item restructuring, acquisition, integration and other, net in the consolidated income statement due to the assets being deemed excess and no longer utilized due to the discontinued development and related actions discussed above.

In addition, we have initiated measures to:

- shift Commercial Operations activities into Business Areas;
- transition manufacturing activities into a regional structure; and
- expand the scope of activities at QIAGEN Business Services (QBS) centers in Wroclaw, Poland and Manila, Philippines

The following is a summary of the charges recorded during the six months ended June 30, 2020 and cumulative program charges since September 30, 2019.

Consolidated Statement of Income Classification and Type of Charge **(in thousands)**	**Six months ended June 30, 2020**	**Cumulative charges since September 30, 2019**
Restructuring, acquisition, integration and other, net		
Personnel related(1)	**$ (279)**	$ 70,224
Contract termination costs(1)	**(473)**	41,626
Consulting fees	**1,057**	11,207
Accounts receivable(2)	**(622)**	10,203
Inventories	**1,023**	13,359
Other current assets(2)	**54**	17,066
	760	163,685
Long-lived asset impairments		
Property, plant and equipment	**616**	13,984
Other intangible assets	**418**	140,539
	1,034	154,523
Other (expense) income, net		
Equity accounted investment impairment	**—**	4,799
Total	**$ 1,794**	$ 323,007

(1) For the year ended December 31, 2019, personnel related and contract termination costs include $2,956 and $15,676, respectively, due to related parties.
(2) For the year ended December 31, 2019, accounts receivable and other current assets includes $5,984 and $2,270, respectively due from related parties.

Of the total costs incurred, $13.7 million and $60.2 million are accrued as of June 30, 2020 and December 31, 2019, respectively, in other current liabilities in the accompanying condensed consolidated balance sheets as summarized in the following table that includes the cash components of the restructuring activity.

(in thousands)	Personnel Related	Contract Termination	Consulting Fees	Total
Costs incurred in 2019	$ 44,565	$ 42,099	$ 10,150	$ 96,814
Payments	(17,272)	(18,294)	(2,162)	(37,728)
Foreign currency translation adjustment	631	493	(53)	1,071
Liability at December 31, 2019	$ 27,924	$ 24,298	$ 7,935	$ 60,157
Additional costs incurred in 2020	**1,922**	**234**	**1,428**	**3,584**
Release of excess accrual	**(2,201)**	**(707)**	**(371)**	**(3,279)**
Payments	**(19,738)**	**(17,969)**	**(8,304)**	**(46,011)**
Foreign currency translation adjustment	**(431)**	**(282)**	**(37)**	**(750)**
Liability at June 30, 2020	**$ 7,476**	**$ 5,574**	**$ 651**	**$ 13,701**

Future pre-tax costs between $10 - $20 million are expected to be incurred primarily related to personnel, consulting, contract termination and facilities including impacts to operating lease right-of-use assets before completion of the program in 2020.

5. Financial Assets and Equity Accounted Investments

Financial Assets

(in thousands)	June 30, 2020	December 31, 2019
Current financial assets:		
Unquoted debt securities	**$ 55,981**	$ 107,118
Current Financial Assets	**$ 55,981**	$ 107,118
Non-current financial instruments:		
Unquoted debt securities	**$ —**	$ 22,468
Quoted equity securities	**1,638**	870
Unquoted equity securities	**68,534**	70,849
Non-current Financial Assets	**$ 70,172**	$ 94,187
Total Financial Assets	**$ 126,153**	$ 201,305

Unquoted Debt Securities

At June 30, 2020 and December 31, 2019, we had $56.0 million (€50.0 million) and $129.6 million ($65.0 million and €57.5 million), respectively, of money market deposits, commercial paper and loan receivables due from financial and nonfinancial institutions. These loan receivables and commercial paper are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are measured at fair market value with gains and losses recorded in earnings. Instruments are classified as current financial assets if they have stated maturity of less than one year. Instruments that are redeemable at our discretion with stated maturity dates of more than one year are classified as non-current financial assets in the accompanying balance sheets.

For the six-month ended June 30, 2020 proceeds from sales of financial assets totaled $98.2 million, purchases of financial assets totaled $24.9 million and realized losses totaled of $0.2 million.

Quoted Equity Securities

A summary of our investments in quoted equity securities that have readily determinable fair values follows below. These investments are reported at fair value with gains and losses recorded in earnings.

(in thousands, except shares held)	As of June 30, 2020		
	OncoCyte Corporation (OncoCyte)	HTG Molecular Diagnostics, Inc (HTGM)	Oncimmune Holdings plc (Oncimmune)
Shares held	**88,101**	**833,333**	**560,416**
Cost basis	**$ —**	**$ 2,000**	**$ —**
Fair value	**$ 168**	**$ 600**	**$ 870**
Total cumulative unrealized gain (loss)	**$ 168**	**$ (1,400)**	**$ 870**

	As of December 31, 2019	
	HTGM	Oncimmune
Shares held	833,333	560,416
Cost basis	$ 2,000	$ —
Fair value	$ 585	$ 285
Total cumulative unrealized (loss) gain	$ (1,415)	$ 285

In the first half of 2020, as part of consideration received upon sale of a non-marketable investment not accounted for under the equity method, we received 88,101 shares in OncoCyte. On the date of receipt, these shares had a fair value of $0.2 million and is included in other non-current assets in the accompanying condensed consolidated balance sheet. In the first half of 2019, we received shares in Oncimmune in settlement of a zero-book value financial instrument held with a third party. On the date of receipt, these shares had a fair value of $0.7 million which was recorded as a gain in other operating income in the accompanying condensed consolidated statement of income.

During the six months ended June 30, 2020 and 2019, total net losses recognized for the change in fair market value of all marketable equity securities totaled a gain of $0.5 million, of which $0.1 million is included in other operating expense and $0.6 million is included in other operating income. During the six months ended June 30, 2019, total net losses totaled a loss of $0.8 million, of which $0.9 million is included in other operating expense and $0.1 million is included in other operating income in the accompanying condensed consolidated statements of income.

Unquoted Equity Securities

At June 30, 2020 and December 31, 2019, we had investment in non-publicly traded companies that do not have readily determinable fair values with carrying amounts of $68.5 million and $70.8 million, respectively. These investments are accounted for at fair value through profit and loss unless the investment is not held for trading, and the holder elects at initial recognition to account for it at fair value through other comprehensive income. As this election has not been made, these investments are accounted for at fair value through profit and loss.

Changes in these investments for the six months ended June 30, 2020 and 2019 are as follows:

(in thousands)	2020	2019
Balance at beginning of year	**$ 70,849**	$ 59,484
Cash investments in equity securities	**200**	179
Net increases due to observable price changes	**—**	4,305
Sale of equity securities	**(250)**	—
Loss on sale of equity securities	**(2,250)**	—
Foreign currency translation adjustments	**(15)**	(16)
Balance at end of period	**$ 68,534**	$ 63,952

During the first half of 2020, an intended business combination was announced between ArcherDX, Inc. (ArcherDX), a company in which we hold approximately an 8% investment, and Invitae Corporation (Invitae). This business combination agreement calls for upfront consideration of $325.0 million in cash and 30 million Invitae shares. An additional 27 million Invitae shares are due upon achievement of certain milestones. The Invitae / ArcherDX business combination is subject to certain closing conditions, including, among other things, approval by the stockholders of Invitae. Therefore, no observable price change in an ordinary transaction has yet occurred which would result in a change in the value of this investment as of June 30, 2020.

As of June 30, 2020, we hold a 19.9% investment in NeuMoDx Molecular, Inc (NeuMoDx) originally acquired during 2018. This investment is part of a strategic partnership with NeuMoDx to commercialize two fully integrated systems for automation of PCR (polymerase chain reaction) testing. We reached an amended agreement in July 2020 to acquire the remaining 80.1% stake in NeuMoDx at the predetermined price of approximately $234 million and we intend to move forward with this acquisition. Should the merger agreement be terminated, we will be required to pay a break up fee of $12.9 million. The acquisition of NeuMoDx requires customary regulatory approvals and clearances. In August 2020, we advanced $3.9 million to NeuMoDx under a long-term loan agreement.

During the first half of 2020, we sold an investment in equity securities with a carrying amount of $2.5 million in exchange for $0.3 million including the shares in OncoCyte, as discussed above. A corresponding loss of $2.3 million was recognized in other operating expense, net in the accompanying condensed consolidated statement of income for the six months ended June 30, 2020. Also, we made additional investments of $0.2 million in unquoted equity securities during the six months ended June 30, 2020.

During the first half of 2019, we recognized a gain of $4.3 million in other operating income in the accompanying consolidated statement of income due to upward adjustments resulting from an observable price change. This adjustment was due to an equity offering at a higher price from the issuer in an orderly transaction for a similar investment as those we hold. Also, we made additional investments of $0.2 million in non-publicly traded companies that do not have readily determinable fair values during the six months ended June 30, 2019.

Equity Accounted Investments

As of June 30, 2020, we had total non-marketable investments that were accounted for as equity method investments of $12.0 million, of which $12.7 million is included in other non-current assets and $0.7 million, where we are committed to fund losses, is included in other non-current liabilities in the accompanying condensed consolidated balance sheet. As of December 31, 2019, these investments totaled $9.7 million, of which $10.5 million is included in other non-current assets and $0.8 million is included in other non-current liabilities.

6. Intangible Assets

The changes in intangibles assets in 2020 are summarized as follows:

(in thousands)	Other Intangible Assets	Goodwill
Balance at December 31, 2019	$ 750,599	$ 2,166,213
Additions	48,944	—
Purchase adjustments	—	3,382
Amortization/disposals	(62,792)	—
Impairments	(418)	—
Foreign currency translation adjustments	(5,456)	(9,054)
Balance at June 30, 2020	**$ 730,877**	**$ 2,160,541**

Cash paid for purchases of intangible assets during the six months ended June 30, 2020 totaled $123.9 million. Additionally, during the six months ended June 30, 2020, we capitalized $4.3 million of development expenses.

7. Derivatives and Hedging

Objective and Strategy

In the ordinary course of business, we use derivative instruments, including swaps, forwards and/or options, to manage potential losses from foreign currency exposures and interest bearing assets or liabilities. The principal objective of such derivative instruments is to minimize the risks and/or costs associated with our global financial and operating activities. We do not utilize derivative or other financial instruments for trading or other speculative purposes. We recognize all derivatives as either assets or liabilities on the balance sheet on a gross basis, measure those instruments at fair value and recognize the change in fair value in earnings in the period of change, unless the derivative qualifies as an effective hedge that offsets certain exposures. We have agreed with almost all of our counterparties with whom we had entered into cross-currency swaps, interest rate swaps or foreign exchange contracts, to enter into bilateral collateralization contracts under which we will receive or provide cash collateral, as the case may be, for the net position with each of these counterparties. As of June 30, 2020, cash collateral positions consisted of $21.6 million recorded in other current liabilities. As of December 31, 2019, we had cash collateral positions consisting of $1.4 million recorded in other current liabilities and $2.7 million recorded in other current assets in the accompanying condensed consolidated balance sheets.

Non-Derivative Hedging Instrument

Net Investment Hedge

In 2017, we entered into a foreign currency non-derivative hedging instrument that is designated and qualifies as net investment hedge. The objective of the hedge is to protect part of the net investment in foreign operations against adverse changes in the exchange rate between the Euro and the functional currency of the U.S. dollar. The non-derivative hedging instrument is the German private corporate bond ("Schuldschein") which was issued in the total amount of $331.1 million as described in Note 9 "Financial Debts". Of the $331.1 million, which is held in both U.S. dollars and Euros, €255.0 million is designated as the hedging instrument against a portion of our Euro net investments in our foreign operations. The relative changes in both the hedged item and hedging instrument are calculated by applying the change in spot rate between two assessment dates against the respective notional amount. The effective portion of the hedge is recorded in the cumulative translation adjustment account within other accumulated comprehensive income. Based on the spot rate method, the unrealized gain recorded in equity was $0.5 million as of June 30, 2020 and an unrealized loss in equity of $0.4 million as of December 31, 2019. Since we are using the debt as the hedging instrument, which is also remeasured based on the spot rate method, there is no hedge ineffectiveness related to the net investment hedge as of June 30, 2020 and December 31, 2019.

Derivatives Designated as Hedging Instruments

Cash Flow Hedge

As of June 30, 2020 and December 31, 2019, we held derivative instruments that are designated and qualify as cash flow hedges, where the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive loss and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings. In 2020 and in 2019, we did not record any hedge ineffectiveness related to any cash-flow hedges in earnings. Based on their valuation as of June 30, 2020, we expect approximately $8.5 million of derivative losses included in accumulated other comprehensive loss will be reclassified into income during the next 12 months. The cash flows derived from derivatives are classified in the condensed consolidated statements of cash flows in the same category as the condensed consolidated balance sheets account of the underlying item.

We use interest rate derivative contracts to align our portfolio of interest bearing assets and liabilities with our risk management objectives. During 2015, we entered into five cross currency interest rate swaps through 2025 for a total notional amount of €180.0 million which qualify for hedge accounting as cash flow hedges. We determined that no ineffectiveness exists related to these swaps. As of both June 30, 2020 and December 31, 2019, interest receivables of $1.5 million are recorded in other current assets in the accompanying condensed consolidated balance sheets.

Fair Value Hedges

As of June 30, 2020 and December 31, 2019, we held derivative instruments that qualify for hedge accounting as fair value hedges. For derivative instruments that are designated and qualify as a fair value hedge, the effective portion of the gain or loss on the derivative is reflected in earnings. This effect on earnings is offset by the change in the fair value of the hedged item attributable to the risk being hedged that is also recorded in earnings. To date, there has been no ineffectiveness. The cash flows derived from derivatives are classified in the condensed consolidated statements of cash flows in the same category as the condensed consolidated balance sheets account of the underlying item.

We hold interest rate swaps which effectively fix the fair value of $200.0 million our fixed rate private placement debt and qualify for hedge accounting as fair value hedges. We determined that no ineffectiveness exists related to these swaps As of June 30, 2020, and December 31, 2019, an interest receivable of $0.3 million and $0.1 million, respectively, is recorded in other current assets in the accompanying condensed consolidated balance sheets.

Derivatives Not Designated as Hedging Instruments

Call Options and Warrants

We entered into Call Options which, along with the sale of the Warrants, represent the Call Spread Overlay entered into in connection with the Cash Convertible Notes and which are more fully described in Note 9 "Financial Debts". In these transactions, the Call Options are intended to address the equity price risk inherent in the cash conversion feature of each instrument by offsetting cash payments in excess of the principal amount due upon any conversion of the Cash Convertible Notes.

Aside from the initial payment of premiums for the Call Options, we will not be required to make any cash payments under the Call Options. We will, however, be entitled to receive under the terms of the Call Options, an amount of cash generally equal to the amount by which the market price per share of our common stock exceeds the exercise price of the Call Options during the relevant valuation period. The exercise price under the Call Options is equal to the conversion price of the Cash Convertible Notes.

The Call Options, for which our common stock is the underlying security, are derivative assets that requires mark-to-market accounting treatment due to the cash settlement features until the Call Options settle or expire. The Call Options are measured and reported at fair value on a recurring basis, within Level 2 of the fair value hierarchy. For further discussion of the inputs used to determine the fair value of the Call Options, refer to Note 8 " Fair Value Measurements".

The Call Options do not qualify for hedge accounting treatment. Therefore, the change in fair value of these instruments is recognized immediately in our condensed consolidated statements of income in other financial expense, net. Because the terms of the Call Options are substantially similar to those of the Cash Convertible Notes' embedded cash conversion option, discussed below, we expect the effect on earnings from the two derivative instruments to mostly offset each other.

Cash Convertible Notes Embedded Cash Conversion Options

The embedded cash conversion option within the Cash Convertible Notes discussed in Note 9 "Financial Debts" is required to be separated from the Cash Convertible Notes and accounted for separately as a derivative liability, with changes in fair value reported in our condensed consolidated statements of income in other financial expense, net until the cash conversion option settles or expires. The embedded cash conversion option is measured and reported at fair value on a recurring basis, within Level 2 of the fair value hierarchy. For further discussion of the inputs used to determine the fair value of the embedded cash conversion option, refer to Note 8 " Fair Value Measurements".

Foreign Exchange Contracts and Options

As a globally active enterprise, we are subject to risks associated with fluctuations in foreign currencies in our ordinary operations. This includes foreign currency-denominated receivables, payables, debt, and other balance sheet positions including intercompany items. We manage balance sheet exposure on a group-wide basis using foreign exchange forward contracts, foreign exchange options and cross-currency swaps.

We are party to various foreign exchange forward, option and swap arrangements which had, at June 30, 2020 and December 31, 2019, aggregate notional values of $361.4 million and $701.4 million which expire at various dates through December 2020. The transactions have been entered into to offset the effects from short-term balance sheet exposure to foreign currency exchange risk. Changes in the fair value of these arrangements have been recognized in other financial expense, net.

Embedded Cash Conversion Option

During 2017, we purchased a convertible note for $3.0 million from a publicly listed company considered a related party. During the first half of 2020, $3.2 million was collected including the principal and accrued interest. The embedded conversion option within the convertible note was required to be separated from the convertible note and accounted for separately as a derivative liability, with changes in fair value reported in our condensed consolidated statements of income in other financial expense, net. The embedded cash conversion option was measured and reported at fair value on a recurring basis, within Level 2 of the fair value hierarchy. For further discussion of the inputs used to determine the fair value of the embedded cash conversion option, refer to Note 8 " Fair Value Measurements".

Fair Values of Derivative Instruments

The following table summarizes the fair value amounts of derivative instruments reported in the condensed consolidated balance sheets as of June 30, 2020 and December 31, 2019:

	As of June 30, 2020		As of December 31, 2019	
(in thousands)	**Current Asset**	**Non-current Asset**	**Current Asset**	**Non-current Asset**
Assets:				
Derivative instruments designated as hedges				
Interest rate contracts - cash flow hedge [1]	**$ —**	**$ 7,859**	**$ —**	$ —
Interest rate contracts - fair value hedge [1]	**—**	**6,286**	**—**	2,474
Total derivative instruments designated as hedges	**$ —**	**$ 14,145**	**$ —**	$ 2,474
Undesignated derivative instruments				
Call options	**$ 145,916**	**$ 189,384**	$ 101,179	$ 189,792
Foreign exchange contracts and options	**5,046**	**—**	6,689	—
Total undesignated derivative instruments	**$ 150,962**	**$ 189,384**	$ 107,868	$ 189,792
Total Derivative Assets	**$ 150,962**	**$ 203,529**	$ 107,868	$ 192,266

(in thousands)	As of June 30, 2020 Current Liability	As of June 30, 2020 Non-current Liability	As of December 31, 2019 Current Liability	As of December 31, 2019 Non-current Liability
Liabilities:				
Derivative instruments designated as hedges				
Interest rate contracts - cash flow hedge [1]	**$ —**	**$ —**	$ —	$ (6,027)
Total derivative instruments designated as hedges	**$ —**	**$ —**	$ —	$ (6,027)
Undesignated derivative instruments				
Cash convertible notes embedded conversion options	**$ (146,181)**	**$ (191,070)**	$ (101,361)	$ (190,902)
Warrants	**—**	**(255,554)**	—	(238,663)
Foreign exchange contracts and options	**(975)**	**—**	(1,814)	—
Total undesignated derivative instruments	**$ (147,156)**	**$ (446,624)**	$ (103,175)	$ (429,565)
Total Derivative Liabilities	**$ (147,156)**	**$ (446,624)**	$ (103,175)	$ (435,592)

[1] The fair value amounts for the interest rate contracts do not include accrued interest.

Gains and Losses on Derivative Instruments

The following tables summarize the gains and losses on derivative instruments for the six months ended June 30, 2020 and 2019:

(in thousands)	Six months ended June 30, 2020 Other financial expense, net	Six months ended June 30, 2019 Other financial expense, net
Total amounts presented in the Condensed Consolidated Statements of Income in which the effects of cash flow and fair value hedges are recorded	**$ (19,448)**	$ (24,631)
Losses on Derivatives in Cash Flow Hedges		
Interest rate contracts		
Amount of loss reclassified from accumulated other comprehensive loss	**$ (648)**	$ (1,260)
Amounts excluded from effectiveness testing	**—**	—
Gains (Losses) on Derivatives in Fair Value Hedges		
Interest rate contracts		
Hedged item	**(3,812)**	(3,766)
Derivatives designated as hedging instruments	**3,812**	3,766
Gains (Losses) Derivatives Not Designated as Hedging Instruments		
Embedded conversion option	**—**	(348)
Call options	**44,329**	(63,878)
Cash convertible notes embedded cash conversion options	**(44,988)**	65,736
Warrants	**(23,322)**	(31,138)
Foreign exchange contracts and options	**(16,003)**	(1,189)
Total losses	**$ (40,632)**	$ (32,077)

Balance Sheet Line Items in which the Hedged Item is Included

The following tables summarizes the balance sheet line items in which the hedged item is included as of June 30, 2020 and December 31, 2019:

	Carrying Amount of the Hedged Assets (Liabilities)	
(in thousands)	**June 30, 2020**	**December 31, 2019**
Long-term debt	**$ (126,848)**	$ (126,816)

8. Fair Value Measurements

Financial instruments are measured at fair value according to a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

- *Level 1,* Observable inputs, such as quoted prices in active markets;
- *Level 2,* Inputs, other than the quoted price in active markets, that are observable either directly or indirectly; and
- *Level 3,* Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Our assets and liabilities measured at fair value on a recurring basis consist of financial assets, which are classified in Level 1, Level 2 and Level 3 of the fair value hierarchy, derivative contracts used to hedge currency and interest rate risk and derivative financial instruments entered into in connection with the Cash Convertible Notes discussed in Note 9 "Financial Debts", which are classified in Level 2 of the fair value hierarchy, and contingent consideration accruals which are classified in Level 3 of the fair value hierarchy, and are shown in the tables below. There were no transfers between levels.

In determining fair value for Level 2 instruments, we apply a market approach, using quoted active market prices relevant to the particular instrument under valuation, considering the credit risk of both the respective counterparty to the contract and the Company. To determine our credit risk, we estimated our credit rating by benchmarking the price of outstanding debt to publicly-available comparable data from rated companies. Using the estimated rating, our credit risk was quantified by reference to publicly-traded debt with a corresponding rating. The Level 2 derivative financial instruments include the Call Options asset and the Warrants liability. See Note 9 "Financial Debts" and Note 7 "Derivatives and Hedging", for further information. The derivatives are not actively traded and are valued based on an option pricing model that uses observable market data for inputs. Significant market data inputs used to determine fair values as of June 30, 2020 included our common stock price, the risk-free interest rate, and the implied volatility of our common stock. The Call Options asset and the embedded cash conversion option liability were designed with the intent that changes in their fair values would substantially offset, with limited net impact to our earnings. Therefore, the sensitivity of changes in the unobservable inputs to the option pricing model for such instruments is substantially mitigated.

Our Level 3 instruments include non-marketable equity security investments for which we estimate the value based on valuation methods using the observable transaction price at the transaction date and other unobservable inputs. These investments are carried at fair value or under the measurement alternative. Under the measurement alternative, the carrying value is measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. Adjustments are determined primarily based on a market approach as of the transaction date.

Our Level 3 instruments also include contingent consideration liabilities. We value contingent consideration liabilities using unobservable inputs, applying the income approach, such as the discounted cash flow technique, or the probability-weighted scenario method. Contingent consideration arrangements obligate us to pay the sellers of an acquired entity if specified future events occur or conditions are met such as the achievement of technological or revenue milestones. We use various key assumptions, such as the probability of achievement of the milestones (0% to 100%) to (between 2.4% and 6.9%), to represent the non-performing risk factors and time value when applying the income approach. We regularly review the fair value of the contingent consideration, and reflect any change in the accrual in the condensed consolidated statements of income in the line items commensurate with the underlying nature of milestone arrangements.

The following tables presents our hierarchy for our financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2020 and December 31, 2019:

(in thousands)	Level 1	Level 2	Level 3	June 30, 2020
Financial assets, current	$ —	$ 55,981	$ —	**$ 55,981**
Financial assets, non-current	1,638	—	68,534	**70,172**
Call options	—	335,300	—	**335,300**
Foreign exchange contracts and options	—	5,046	—	**5,046**
Interest rate contract	—	14,145	—	**14,145**
Assets	**$ 1,638**	**$ 410,472**	**$ 68,534**	**$ 480,644**
Foreign exchange contracts and options	$ —	$ (975)	$ —	**$ (975)**
Cash convertible notes embedded conversion options	—	(337,251)	—	**(337,251)**
Warrants	—	(255,554)	—	**(255,554)**
Contingent consideration	—	—	(83,521)	**(83,521)**
Liabilities	**$ —**	**$ (593,780)**	**$ (83,521)**	**$ (677,301)**

(in thousands)	Level 1	Level 2	Level 3	December 31, 2019
Financial assets, current	$ —	$ 107,118	$ —	**$ 107,118**
Financial assets, non-current	870	22,468	70,849	**94,187**
Call Options	—	290,971	—	**290,971**
Foreign exchange contracts and options	—	6,689	—	**6,689**
Interest rate contract	—	2,474	—	**2,474**
Assets	**$ 870**	**$ 429,720**	**$ 70,849**	**$ 501,439**
Foreign exchange contracts and options	$ —	$ (1,814)	$ —	**$ (1,814)**
Interest rate contracts	—	(6,027)	—	**(6,027)**
Cash convertible notes embedded conversion options	—	(292,263)	—	**(292,263)**
Warrants	—	(238,663)	—	**(238,663)**
Contingent consideration	**—**	**—**	(162,160)	**(162,160)**
Liabilities	$ —	**$ (538,767)**	**$ (162,160)**	**$ (700,927)**

For financial liabilities with Level 3 inputs, the following table summarizes the activity for the six months ended June 30, 2020.

(in thousands)	Contingent Consideration
Beginning balance at January 1, 2020	**$ (162,160)**
Additions	**(2,231)**
Payments	**80,870**
Ending balance at June 30, 2020	**$ (83,521)**

As of June 30, 2020, of the total $83.5 million accrued for contingent consideration, $60.7 million is included in other non-current liabilities and $22.8 million is included in other current liabilities in the accompanying condensed consolidated balance sheet. For the six months ended June 30, 2020, the $2.2 million of additions is related to the time value values of existing contingent consideration liabilities, primarily the asset acquisition of Formulatrix discussed in Note 3 "Acquisitions and Divestitures".

The table below presents the carrying values and the estimated fair values of financial instruments not presented in the tables above.

(in thousands)	As of June 30, 2020 Carrying Amount	Level 1	Level 2	As of December 31, 2019 Carrying Amount	Level 1	Level 2
Long-term debt including current portion:						
Cash convertible notes	**$ 1,043,039**	**$1,415,898**	**$ —**	$ 1,046,511	$1,296,334	$ —
U.S. Private placement	**326,592**	**—**	**340,200**	326,510	—	329,157
German private placement	**330,038**	**—**	**334,262**	330,857	—	334,371
	$ 1,699,669	**$1,415,898**	**$ 674,462**	$ 1,703,878	$1,296,334	$ 663,528

The fair values of the financial instruments presented in the tables above were determined as follows:

Cash Convertible Notes: Fair value is based on an estimation using available over-the-counter market information on the Cash Convertible Notes due in 2021, 2023 and 2024.

U.S. Private Placement: Fair value of the outstanding bonds is based on an estimation using the changes in the U.S. Treasury rates.

German Private Placement: Fair value is based on an estimation using changes in the euro swap rates.

The carrying values of financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and other current liabilities, approximate their fair values due to their short-term maturities. The estimated fair values may not represent actual values of the financial instruments that could be realized as of the balance sheet date or that will be realized in the future. There were no adjustments in the six-month periods ended June 30, 2020 and December 31, 2019 for nonfinancial assets or liabilities required to be measured at fair value on a nonrecurring basis.

9. Financial Debts

Our credit facilities available and undrawn at June 30, 2020 total €426.6 million (approximately $477.7 million). This includes a €400.0 million syndicated multi-currency revolving credit facility expiring December 2021 of which no amounts were utilized at June 30, 2020 or at December 31, 2019, and three other lines of credit amounting to €26.6 million with no expiration date, none of which were utilized as of June 30, 2020 or as of December 31, 2019. The €400.0 million facility can be utilized in Euro, British pounds sterling, Swiss franc or U.S. dollar and bears interest of 0.4% to 1.2% above three months EURIBOR, or LIBOR in relation to any loan not in euro, and is offered with interest periods of one, two, three, or six months. The commitment fee is calculated based on 35% of the applicable margin. The revolving facility agreement contains certain financial and non-financial covenants, including but not limited to, restrictions on the encumbrance of assets and the maintenance of certain financial ratios. We were in compliance with these covenants at June 30, 2020. The credit facilities are for general corporate purposes.

During the first half of 2020, $23.2 million of the 2021 Cash Convertible Notes was converted during the contingent conversion period as discussed further below. Of this amount, $23.0 million was repaid during the first half of 2020 and $0.2 million was included in other current liabilities as of June 30, 2020.

During 2019, we repaid $506.4 million of long-term debt including $430.0 million for the amount due for the 2019 Cash Convertible Notes, $73.0 million for amounts due for the U.S. Private Placement and $3.4 million for a portion of the 2021 Cash Convertible Notes which was converted during the contingent conversion period as discussed further below.

At June 30, 2020 and December 31, 2019, total non-current financial debt, net of debt issuance costs of $9.2 million and $10.8 million, respectively, consists of the following:

(in thousands)		June 30, 2020		December 31, 2019
0.875% Senior Unsecured Cash Convertible Notes due 2021	**$**	**267,167**	$	285,244
0.500% Senior Unsecured Cash Convertible Notes due 2023		**354,584**		347,995
1.000% Senior Unsecured Cash Convertible Notes due 2024		**421,288**		413,272
3.75% Series B Senior Notes due October 16, 2022		**299,642**		299,566
3.90% Series C Senior Notes due October 16, 2024		**26,950**		26,944
German Private Placement (Schuldschein)		**330,038**		330,857
Total current and non-current financial debts	**$**	**1,699,669**	$	1,703,878
Less: current portion of financial debts		**305,776**		285,244
Total non-current financial debts	**$**	**1,393,893**	$	1,418,634

At June 30, 2020, the $305.8 million current portion of financial debt includes the $267.2 million 2021 Cash Convertible Notes (2021 Notes) and $38.6 million of German Private Placement bond (Schuldschein), both due in the first half of 2021. At December 31, 2019, the 2021 Notes were included in the current portion of financial debt as these were convertible pursuant to the indenture as discussed below.

The notes are all unsecured obligations that rank pari passu.

Cash Convertible Notes due 2019, 2021, 2023 and 2024

On March 19, 2014, we issued $730.0 million aggregate principal amount of Cash Convertible Senior Notes in two tranches consisting of $430.0 million due in 2019 (2019 Notes) and $300.0 million due in 2021 (2021 Notes). The aggregate net proceeds of the 2019 Notes and 2021 Notes were $680.7 million, after payment of the net cost of the Call Spread Overlay described below and transaction costs. Additionally, we used $372.5 million of the net proceeds to repay other debt. During the first half of 2019, $430.0 million was paid at maturity (2019 Notes) and $3.4 million of the 2021 Notes was redeemed. During the first half of 2020, $23.0 million of the 2021 Notes was redeemed and in July 2020, another $0.2 million was redeemed. In August 2020, we received notices to convert a total of $73.2 million of the 2021 Notes.

On September 13, 2017, we issued $400.0 million aggregate principal amount of Cash Convertible Senior Notes which is due in 2023 (2023 Notes). The net proceeds of the 2023 Notes were $365.6 million, after payment of transaction costs and the net cost of the Call Spread Overlay described below.

On November 13, 2018, we issued $500.0 million aggregate principal amount of Cash Convertible Senior Notes which is due in 2024 (2024 Notes). The net proceeds of the 2024 Notes were $468.9 million, after payment of transaction costs and the net cost of the Call Spread Overlay described below.

We refer to the 2019 Notes, 2021 Notes 2023 Notes and 2024 Notes, collectively as the “Cash Convertible Notes.”

Interest on the Cash Convertible Notes is payable semi-annually in arrears and will mature on the maturity date unless repurchased or converted with their terms prior to such date. The interest rate and corresponding maturity of each Note are summarized in the table below. The Cash Convertible Notes are solely convertible into cash in whole, but not in part, at the option of noteholders under the circumstances described below and during the contingent conversion periods as shown in the table below.

Cash Convertible Notes	Annual Interest Rate	Date of Interest Payments	Maturity Date	Contingent Conversion Period	Conversion Rate per $200,000 Principal Amount
2021 Notes	0.875%	March 19 and September 19	March 19, 2021	April 29, 2014 to September 18, 2020	7,063.1647
2023 Notes	0.500%	March 13 and September 13	September 13, 2023	October 24, 2017 to March 13, 2023	4,829.7279
2024 Notes	1.000%	May 13 and November 13	November 13, 2024	December 24, 2018 to August 2, 2024	4,360.3098

Additionally, conversion may occur at any time following a Contingent Conversion Period through the fifth business day immediately preceding the applicable maturity date.

Upon conversion, noteholders will receive an amount in cash equal to the Cash Settlement Amount, calculated as described below. The Cash Convertible Notes are not convertible into shares of our common stock or any other securities.

Noteholders may convert the Cash Convertible Notes into cash at their option at any time during the Contingent Conversion Periods described above only under the following circumstances (Contingent Conversion Conditions):

- if the last reported sale price of our common stock for at least 20-consecutive trading days during a period of 30-consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- if we undergo certain fundamental changes, including a change of control, as defined in the agreement;
- during the five-business day period immediately after any 10-consecutive trading day period in which the quoted price for the 2021 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day;
- if parity event or trading price unavailability event, as the case maybe occurs for the 2023 Notes and 2024 Notes during the period of 10 days, including the first business day following the relevant trading price notification date.
- if we elect to distribute assets or property to all or substantially all the holders of our common stock and those assets or other property have a value of more than 25% of the average daily volume-weighted average trading price of our common stock for the prior 20-consecutive trading days;
- if we elect to redeem the Cash Convertible Notes; or
- if we experience certain customary events of default, including defaults under certain other indebtedness until such event has been cured or waived or the payment of the Notes have been accelerated.

The Contingent Conversion Conditions in the 2021 Notes, 2023 Notes and 2024 Notes noted above have been analyzed under IFRS 9, *Financial Instruments*, and, based on our analysis, we determined that each of the embedded features listed above are clearly and closely related to the 2021 Notes, 2023 Notes and 2024 Notes (i.e., the host contracts). As a result, pursuant to the accounting provisions of IFRS 9, *Financial Instruments*, these features noted above are not required to be bifurcated as separate instruments.

From January 1, 2020 through the close of business on September 30, 2020, the 2021 Notes are convertible pursuant to Section 12.01(b)(iv) of the indenture because the arithmetic mean of the last reported sales prices of our common stock, in each trading day in at least one 20-consecutive trading day period during the 30-consecutive trading day period ending on the last trading day of the preceding fiscal quarter, was greater than 130% of the conversion price in effect on such last trading day. In June 2020, we converted $23.0 million of 2021 Notes for a conversion notice we received on March 30, 2020 and in July 2020, another $0.2 million of 2021 Notes for a conversion notice we received on April 14, 2020.

No Contingent Conversion Conditions were triggered for the 2023 Notes and 2024 Notes as of June 30, 2020.

Upon conversion, holders are entitled to a cash payment (Cash Settlement Amount) equal to the average of the conversion rate multiplied by the daily volume-weighted average trading price for our common stock over a 50-day period. The conversion rate is subject to adjustment in certain instances but will not be adjusted for any accrued and unpaid interest. In addition, following the occurrence of certain corporate events that may occur prior to the applicable maturity date, we may be required to pay a cash make-whole premium by increasing the conversion rate for any holder who elects to convert Cash Convertible Notes in connection with the occurrence of such a corporate event.

We may redeem the Cash Convertible Notes in their entirety at a price equal to 100% of the principal amount of the applicable Cash Convertible Notes plus accrued interest at any time when 20% or less of the aggregate principal amount of the applicable Cash Convertible Notes originally issued remain outstanding.

Because the Cash Convertible Notes contain an embedded cash conversion option, we have determined that the embedded cash conversion option is a derivative financial instrument, which is required to be separated from the Cash Convertible Notes and accounted for separately as a derivative liability, with changes in fair value reported in our consolidated statements of income until the cash conversion option transaction settles or expires. The initial fair value liability of the embedded cash conversion options for the 2019 Notes and 2021 Notes was $51.2 million and $54.0 million, respectively, $74.5 million for the 2023 Notes, and $98.5 million for the 2024 Notes, which simultaneously reduced the carrying value of the Cash Convertible Notes (effectively an original issuance discount). For further discussion of the derivative financial instruments relating to the Cash Convertible Notes, refer to Note 7 "Derivatives and Hedging".

As noted above, the reduced carrying value on the Cash Convertible Notes resulted in a debt discount that is amortized to the principal amount through the recognition of non-cash interest expense using the effective interest method over the expected life of the debt, which is five years for the 2019 Notes, seven years for the 2021 Notes, and six years for the 2023 Notes and 2024 Notes. This resulted in our recognition of interest expense on the Cash Convertible Notes at an effective rate approximating what we would have incurred had nonconvertible debt with otherwise similar terms been issued. The effective interest rate of the 2019 Notes, 2021 Notes, 2023 Notes and 2024 Notes is 2.937%, 3.809%, 3.997%

and 4.782%, respectively, which is imputed based on the amortization of the fair value of the embedded cash conversion option over the remaining term of the Cash Convertible Notes.

In connection with the issuance of the 2019 Notes and 2021 Notes, we incurred approximately $13.1 million in transaction costs. We incurred approximately $6.2 million and $5.7 million in transaction costs for the 2023 Notes and 2024 Notes, respectively. Such costs have been allocated to the Cash Convertible Notes and deferred and are being amortized to interest expense over the terms of the Cash Convertible Notes using the effective interest method.

Interest expense related to the Cash Convertible Notes was comprised of the following:

	Six months ended June 30,	
(in thousands)	**2020**	**2019**
Coupon interest	**$ 4,741**	$ 5,156
Amortization of original issuance discount	**18,322**	19,502
Amortization of debt issuance costs	**1,407**	1,676
Total interest expense related to the Cash Convertible Notes	**$ 24,470**	$ 26,334

Cash Convertible Notes Call Spread Overlay

Concurrent with the issuance of the Cash Convertible Notes, we entered into privately negotiated hedge transactions (Call Options) with, and issued warrants to purchase shares of our common stock (Warrants) to, certain financial institutions. We refer to the Call Options and Warrants collectively as the "Call Spread Overlay." The Call Options are intended to offset any cash payments payable by us in excess of the principal amount due upon any conversion of the Cash Convertible Notes. During 2014, we used $105.2 million of the proceeds from the issuance of the 2019 Notes and 2021 Notes to pay for the Call Options, and simultaneously received $69.4 million from the sale of the Warrants, for a net cash outlay of $35.8 million for the Call Spread Overlay.

During 2017, we used $73.7 million of the proceeds from the issuance of the 2023 Cash Convertible Notes to pay for the premium for the Call Option, and simultaneously received $45.3 million from the sale of Warrants, for a net cash outlay of $28.3 million for the Call Spread Overlay. A total of $0.4 million in issuance costs were paid in connection with the Warrant and the Call Option.

In November 2018, we used $97.3 million of the proceeds from the issuance of the 2024 Notes to pay for the premium for the Call Option, and simultaneously received $72.4 million from the sale of Warrants, for a net cash outlay of $24.9 million for the Call Spread Overlay. A total of $0.9 million in issuance costs were paid in connection with the Warrant and the Call Option.

The Call Options and Warrants are derivative financial instruments and are discussed further in Note 7 "Derivatives and Hedging".

Aside from the initial payment of a premium of $105.2 million (2019 Notes and 2021 Notes), $73.7 million (2023 Notes), and $97.3 million (2024 Notes) for the Call Options, we will not be required to make any cash payments under the Call Options, and will be entitled to receive an amount of cash, generally equal to the amount by which the market price per share of our common stock exceeds the exercise price of the Call Options during the relevant valuation period. The exercise price under the Call Options is initially equal to the conversion price of the Cash Convertible Notes.

During the first half of 2019, we received $133.2 million in cash upon the exercise of the call options in connection with the repayment of the 2019 Notes. In the same transaction, we paid $132.7 million for the intrinsic value of the 2019 Notes' embedded cash conversion option. Not all of the 2019 Note holders tendered the required conversion notice, and as a result the net effect of the cash paid and received of $0.5 million was recognized as a gain in other financial expense, net.

In connection with the early conversion of a portion of the 2021 Notes during the first half of 2020, we recorded $11.9 million in other receivable upon the exercise of the related call options. The intrinsic value of the 2021 Notes' embedded cash conversion option was $11.2 million, of which $11.1 million was paid in the first half of 2020 and $0.1 million was included in other current liabilities in the accompanying condensed consolidated balance sheet as of June 30, 2020. As a result of these early conversions, a gain of $0.7 million was recognized in other financial expense, net in the accompanying condensed consolidated statement of income for the six-month period ended June 30, 2020.

In connection with the early conversion of a portion of the 2021 Notes during the first half of 2019, we received $1.5 million in cash and in the same transaction, we paid $1.1 million for the intrinsic value of the 2021 Notes' embedded cash conversion option. As a result of these early conversions, we have recognized a $0.4 million gain in other financial expense, net.

We issued Warrants as summarized in the table below. The number of warrants and exercise prices are subject to customary adjustments under certain circumstances. The proceeds, net of issuance costs, from the sale of the Warrants are included as additional paid in capital in the accompanying consolidated balance sheets.

Cash convertible notes	Issued on	Number of share warrants (in millions)	Exercise price per share	Proceeds from issuance of warrants, net of issuance costs (in millions)	Warrants expire over a period of 50 trading days beginning on
2019	March 19, 2014	15.2	$32.0560	$40.6	December 27, 2018
2021	March 19, 2014	10.6	$32.0560	$28.3	December 29, 2020
2023	September 13, 2017	9.7	$50.9664	$45.3	June 26, 2023
2024	November 13, 2018	10.9	$52.1639	$72.4	August 27, 2024

During 2019, 2.1 million common shares were issued in connection with the conversion of the 15.2 million warrants related to the 2019 Notes which resulted in a $7.3 million increase in retained earnings, a decrease of $68.8 million in treasury shares and an approximately $4.0 thousand cash payment for fractional shares.

The Warrants that were issued with our Cash Convertible Notes, could have a dilutive effect to the extent that the price of our common stock exceeds the applicable strike price of the Warrants. For each Warrant that is exercised, we will deliver to the holder a number of shares of our common stock equal to the amount by which the settlement price exceeds the exercise price, plus cash in lieu of any fractional shares. We will not receive any proceeds if the Warrants are exercised.

U.S. Private Placement

In October 16, 2012, we completed a private placement through the issuance of new senior unsecured notes at a total amount of $400.0 million with a weighted average interest rate of 3.66% (settled on October 16, 2012). The notes were issued in three series: (1) $73.0 million 7-year term due and paid 2019 (3.19%); (2) $300.0 million 10-year term due in October 16, 2022 (3.75%); and (3) $27.0 million 12-year term due in October 16, 2024 (3.90%). We paid $2.1 million in debt issuance costs which will be amortized through interest expense over the lifetime of the notes. The note purchase agreement contains certain financial and non-financial covenants, including but not limited to, restrictions on priority indebtedness and the maintenance of certain financial ratios. Based on an estimation using the changes in the U.S. Treasury rates, the Level 2 fair value of these senior notes as of June 30, 2020 and December 31, 2019 was approximately $340.2 million and $329.2 million, respectively.

German Private Placement (Schuldschein)

In 2017, we completed a German private placement bond ("Schuldschein") which was issued in several tranches totaling $331.1 million due in various periods through 2027. The Schuldschein consists of U.S. dollar and Euro denominated tranches. The Euro tranches are designated as a foreign currency non-derivative hedging instrument that qualifies as a net investment hedge as described in Note 7 "Derivatives and Hedging". Based on the spot rate method, the change in the carrying value of the Euro denominated tranches attributed to the net investment hedge as of June 30, 2020 totaled $0.5 million of unrealized gain and is recorded in equity. We paid $1.2 million in debt issuance costs which are being amortized through interest expense over the lifetime of the notes. A summary of the tranches as of June 30, 2020 and December 31, 2019 is as follows:

				Carrying Value (in thousands) as of	
Currency	Notional Amount	Interest Rate	Maturity	June 30, 2020	December 31, 2019
EUR	€11.5 million	Fixed 0.4%	March 2021	$ **12,870**	$ 12,905
EUR	€23.0 million	Floating EURIBOR + 0.4%	March 2021	**25,739**	25,811
EUR	€21.5 million	Fixed 0.68%	October 2022	**24,041**	24,112
EUR	€64.5 million	Floating EURIBOR + 0.5%	October 2022	**72,124**	72,335
USD	$45.0 million	Floating LIBOR + 1.2%	October 2022	**44,933**	44,919
EUR	€25.0 million	Floating EURIBOR + 0.5%	October 2022	**27,951**	28,026
EUR	€64.0 million	Fixed 1.09%	June 2024	**71,532**	71,747
EUR	€31.0 million	Floating EURIBOR + 0.7%	June 2024	**34,648**	34,753
EUR	€14.5 million	Fixed 1.61%	June 2027	**16,200**	16,249
				$ **330,038**	$ 330,857

The financial markets regulators in the United Kingdom and the Eurozone have passed regulations that will become effective in 2021 under which LIBOR and EURIBOR in their current form will not be compliant. Market participants and regulators are working on establishing new interest rate benchmarks. While the outcome of this work is not clear yet, the Schuldschein, our syndicated loan facility, and our interest rate swaps continue to make reference to the current LIBOR and EURIBOR benchmark rates. These agreements contain language for the determination of interest rates in case the benchmark rate is not available. However, it appears likely that the agreements will need to be adjusted in line with still to be developed market practice once new benchmark rates become available.

10. Income Taxes

The interim provision for income taxes is based upon the estimated annual effective tax rates for the year applied to the current period ordinary income before tax plus the tax effect of any discrete items. Our operating subsidiaries are exposed to statutory tax rates ranging from zero to more than 35%. Fluctuations in the distribution of pre-tax income (loss) among our operating subsidiaries can lead to fluctuations of the effective tax rate in the condensed consolidated financial statements. In the six-month periods ended June 30, 2020 and 2019, the effective tax rates were 20.8% and 13.2%, respectively. The effective tax rate for the first six months of 2020 was higher compared to the same period of 2019 primarily due to higher operating income in 2020 in higher tax rate jurisdictions, including the U.S.

In the first half of 2020 and 2019, tax expense on foreign operations was favorably impacted by lower income tax rates and partial tax exemptions on foreign income primarily derived from operations in Germany, Singapore, Luxembourg, Ireland, Dubai and Switzerland. These foreign tax benefits are due to a combination of favorable tax laws, rules, rulings, and exemptions in these jurisdictions. In particular, we have pre-tax income in Germany which is statutorily exempt from trade tax on intercompany foreign royalty income. Further, we have intercompany financing arrangements through Luxembourg, Dubai and Ireland in which the intercompany income is partially exempt.

We conduct business globally and, as a result, file numerous consolidated and separate income tax returns in the Netherlands, Germany, and the U.S. federal jurisdiction, as well as in various other state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world. Tax years in the Netherlands are potentially open back to 2008 for income tax examinations by tax authorities. The U.S. consolidated group is open to Federal and most state income tax examinations by the tax authorities beginning with the year ending December 31, 2017 through the current period. Our subsidiaries, with few exceptions, are no longer open to income tax examinations by tax authorities for years before 2016. The German tax authorities have commenced an audit for the 2014-2016 tax years.

As of June 30, 2020, residual Netherlands income taxes have not been provided on the undistributed earnings of the majority of our foreign subsidiaries as these earnings are considered to be either permanently reinvested or can be repatriated tax free under the Dutch participation exemption.

11. Inventories

The components of inventories consist of the following as of June 30, 2020 and December 31, 2019:

(in thousands)	June 30, 2020	December 31, 2019
Raw materials	**$ 40,267**	$ 26,077
Work in process	**50,574**	45,729
Finished goods	**111,963**	98,898
Total inventories	**$ 202,804**	$ 170,704

12. Equity

Share Repurchase Programs

On May 6, 2019, we announced our sixth share repurchase program of up to $100 million of our common shares. No shares were repurchased under this program.

On January 31, 2018, we announced our fifth share repurchase program of up to $200 million of our common shares. During the six-month period ended June 30, 2019, we repurchased 2.0 million QIAGEN shares for $74.4 million (including transaction costs) bringing the total shares repurchased under this program to 4.9 million for $179.1 million (including transaction costs). This program ended on June 30, 2019.

The cost of repurchased shares is included in treasury stock and reported as a reduction in total equity when a repurchase occurs. Repurchased shares will be held in treasury in order to satisfy various obligations, which include exchangeable debt instruments, warrants and employee share-based remuneration plans.

13. Revenue

Contract Estimates

The majority of our revenue is derived from contracts (i) with an original expected length of one year or less and (ii) contracts for which we recognize revenue at the amount in which we have the right to invoice as product is delivered. We have elected the practical expedient not to disclose the value of remaining performance obligations associated with these types of contracts.

However, we have certain companion diagnostic co-development contracts to provide research and development activities in which our performance obligations extend over multiple years. As of June 30, 2020, we had $17.3 million of remaining performance obligations for which the transaction price is not constrained related to these contracts which we expect to recognize over the next 12 to 18 months.

Revenue expected to be recognized in any future year related to remaining performance obligations, excluding revenue pertaining to contracts that have an original expected duration of one year or less, contracts where revenue is recognized as invoiced and contracts with variable consideration related to undelivered performance obligations, is not material.

Contract Balances

The timing of revenue recognition, billings and cash collections can result in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) in the condensed consolidated balance sheet.

Contract assets as of June 30, 2020 and December 31, 2019 totaled $8.0 million and $5.5 million, respectively, are included in other current assets in the accompanying condensed consolidated balance sheets and relate to the companion diagnostic co-development contracts discussed above.

Contract liabilities primarily relate to advances or deposits received from customers before revenue is recognized and is primarily related to instrument service and software subscription revenue. As of June 30, 2020 and December 31, 2019, contract liabilities totaled $59.5 million and $56.2 million, respectively, of which $51.3 million and $48.5 million is included in other current liabilities, respectively, and $8.2 million and $7.7 million in included in other non-current liabilities, respectively. During the six months ended June 30, 2020 and 2019, we satisfied the associated performance obligations and recognized revenue of $32.1 million and $33.9 million, respectively, related to advance customer payments previously received.

Disaggregation of Revenue

We disaggregate our revenue based on product categories and customer class and geographically as shown in the tables below:

	Six Months Ended June 30, 2020			**Six Months Ended June 30, 2019**		
(in thousands)	**Consumables and related**	**Instruments**	**Total**	**Consumables and related**	**Instruments**	**Total**
Molecular Diagnostics	**$ 317,707**	**$ 62,219**	**$ 379,926**	$ 320,781	$ 35,274	$ 356,055
Life Sciences	**383,690**	**51,733**	**435,423**	326,959	47,252	374,211
Academia / Applied Testing	***249,726***	***37,756***	***287,482***	*194,777*	*32,617*	*227,394*
Pharma	***133,964***	***13,977***	***147,941***	*132,182*	*14,635*	*146,817*
Total	**$ 701,397**	**$ 113,952**	**$ 815,349**	$ 647,740	$ 82,526	$ 730,266

(in thousands)	Six Months Ended June 30, 2020	2019
Americas	**$ 351,056**	$ 350,239
Europe, Middle East and Africa	**292,907**	226,917
Asia Pacific and Rest of World	**171,386**	153,110
Total	**$ 815,349**	$ 730,266

14. Earnings per Common Share

We present basic and diluted earnings per share. Basic earnings per share is calculated by dividing the net income by the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that would occur if all "in the money" securities to issue common shares were exercised. The following table summarizes the information used to compute earnings per common share:

(in thousands, except per share data)	Six months ended June 30, 2020	2019
Net income	**$ 109,458**	$ 50,943
Weighted average number of common shares used to compute basic net income per common share	**228,200**	226,410
Dilutive effect of stock options and restricted stock units	**2,971**	4,384
Dilutive effect of warrants	**1,948**	2,366
Weighted average number of common shares used to compute diluted net income per common share	**233,119**	233,160
Outstanding options and awards having no dilutive effect, not included in above calculation	**23**	113
Outstanding warrants having no dilutive effect, not included in above calculation	**29,135**	35,800
Basic earnings per common share	**$ 0.48**	$ 0.23
Diluted earnings per common share	**$ 0.47**	$ 0.22

15. Commitments and Contingencies

Contingent Consideration Commitments

Pursuant to the purchase agreements for certain acquisitions including business combinations and asset acquisitions as well as other contractual arrangements, we could be required to make additional contingent cash payments totaling up to $87.5 million based on the achievement of certain revenue and operating results milestones as follows:

(in thousands)	Contingent Cash Payments
2020	**$ 55,020**
2021	**5,900**
2022	**26,550**
	$ 87,470

Of the $87.5 million total contingent obligation as discussed further in Note 8 " Fair Value Measurements", we have assessed the fair value at June 30, 2020 to be $83.5 million, of which $60.7 million is included in other current liabilities and $22.8 million is included in other non-current liabilities in the accompanying condensed consolidated balance sheet.

Contingencies

In the ordinary course of business, we provide a warranty to customers that our products are free of defects and will conform to published specifications. Generally, the applicable product warranty period is one year from the date of delivery of the product to the customer or of site acceptance, if required. Additionally, we typically provide limited warranties with respect to our services. From time to time, we also make other warranties to customers, including warranties that our products are manufactured in accordance with applicable laws and not in violation of third-party rights. We provide for estimated warranty costs at the time of the product sale. We believe our warranty reserves of $3.6 million as of June 30, 2020 and $3.1 million as of December 31, 2019, appropriately reflect the estimated cost of such warranty obligations.

Litigation

From time to time, we may be party to legal proceedings incidental to our business. As of June 30, 2020, certain claims, suits or legal proceedings arising out of the normal course of business have been filed or were pending against QIAGEN or our subsidiaries. These matters have arisen in the ordinary course and conduct of business, as well as through acquisition. Although it is not possible to predict the outcome of such litigation, we assess the degree of probability and evaluate the reasonably possible losses that we could incur as a result of these matters. We accrue for any estimated loss when it is probable that a liability has been incurred and the amount of probable loss can be estimated.

Litigation accruals recorded in other current liabilities totaled $0.8 million as of both June 30, 2020 and December 31, 2019. The estimated amount of a range of possible losses as of June 30, 2020, is between $0.3 million and $1.7 million. During the six-month period ended June 30, 2020, no payments related to previous matters were made. Based on the facts known to QIAGEN and after consultation with legal counsel, management believes that such litigation will not have a material adverse effect on our financial position or results of operations above the amounts accrued. However, the outcome of these matters is ultimately uncertain, thus any settlements or judgments against us in excess of management's expectations could have a material adverse effect on our financial position, results of operations or cash flows.

16. Share-Based Payments

Stock Units

Stock units represent rights to receive our common shares at a future date and include restricted stock units which are subject to time-based vesting only and performance stock units which include performance conditions in addition to time-based vesting. During the six-month period ended June 30, 2020, we granted 1.0 million stock awards compared to 1.4 million stock awards for the six-month period ended June 30, 2019.

At June 30, 2020, there was $77.6 million remaining in unrecognized compensation expense, less estimated forfeitures, related to these awards which will be recognized over a weighted-average period of 2.71 years.

Share-Based Compensation Expense

Total share-based compensation expense decreased following the 2019 restructuring discussed in Note 4 "Restructuring and Impairments" and for the six months ended June 30, 2020 and 2019 is comprised of the following:

	Six months ended June 30,	
(in thousands)	**2020**	**2019**
Cost of sales	**$ 1,242**	$ 1,559
Research and development	**2,701**	2,752
Sales and marketing	**6,052**	5,316
General and administrative	**6,509**	13,583
Share-based compensation expense before taxes	**16,504**	23,210
Less: Income tax benefit	**5,096**	7,834
Net share-based compensation expense	**$ 11,408**	$ 15,376

No compensation cost was capitalized in inventory at June 30, 2020 or 2019 as the amounts were not material.

Venlo, August 14, 2020

QIAGEN N.V.

/s/ Thierry Bernard	/s/ Roland Sackers
Thierry Bernard	Roland Sackers
CEO	CFO

QIAGEN N.V.

Responsibility statement of the Management Board to the condensed consolidated financial statements for the six months ended June 30, 2020

(unaudited)

The Managing Board of QIAGEN declares that, to the best of their knowledge,

- the condensed consolidated financial statements for the six months ended June 30, 2020 (half-year financial statements) give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the entities included in the consolidation;
- the management report gives a true and fair view of the important events of the past six-month period and their impact on the half-year financial statements, as well as the principal risks and uncertainties for the six-month period to come, and the most important related party transactions as required by provision 5.25d section 2 sub (c) of the Dutch act on financial supervision (*Wet op het financieel toezicht*).

Venlo, August 14, 2020

QIAGEN N.V.

/s/ Thierry Bernard	/s/ Roland Sackers
Thierry Bernard	Roland Sackers
CEO	CFO

QIAGEN N.V.

Interim management report for the six months ended June 30, 2020

(unaudited)

This section contains a number of forward-looking statements. These statements are based on current management expectations, and actual results may differ materially. Among the factors that could cause actual results to differ from management's expectations are those described in "Risk Factors" and "Forward-looking and Cautionary Statements" below.

Forward-looking and Cautionary Statements

This report contains forward-looking statements that are subject to risks and uncertainties. These statements can be identified by the use of forward-looking terminology, such as "believe," "hope," "plan," "intend," "seek," "may," "will," "could," "should," "would," "expect," "anticipate," "estimate," "continue" or other similar words. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. We caution investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors, including, but not limited to, the following: risks associated with our expansion of operations, including the acquisition of new businesses; variability in our operating results from quarter to quarter; management of growth, international operations, and dependence on key personnel; intense competition; technological change; our ability to develop and protect proprietary products and technologies and to enter into and maintain collaborative commercial relationships; our future capital requirements; general economic conditions and capital market fluctuations; and uncertainties as to the extent of future government regulation of our business. As a result, our future success involves a high degree of risk. For further information, refer to the more specific risks and uncertainties discussed on pages 31 to 45 of the 2019 Annual Report.

Results of Operations

Overview

We are a leading global provider of Sample to Insight solutions to transform biological materials into valuable molecular insights. QIAGEN sample technologies isolate and process DNA, RNA and proteins from any biological sample, such as blood or tissue. Assay technologies make these biomolecules visible and ready for analysis, such as identifying the DNA of a virus or a mutation of a gene. Digital insights integrate software and cloud-based resources to interpret increasing volumes of biological data and report relevant, actionable insights. Our automation solutions tie these together in seamless and cost-effective molecular testing workflows.

We sell our products - consumables, automated instrumentation systems using those technologies, and digital insights to analyze and interpret the data - to two major customer classes:

- **Molecular Diagnostics** - healthcare providers engaged in many aspects of patient care requiring accurate diagnosis and insights to guide treatment decisions in oncology, infectious diseases and immune monitoring. Includes Precision Medicine and companion diagnostics.
- **Life Sciences** - customers including government, biotechnology companies and researchers who utilize molecular testing and technologies who are generally served by public funding including areas such as medicine and clinical development efforts, forensics and exploring the secrets of life. Includes Pharma, Academia and Applied Testing customers.

We market products in more than 130 countries, mainly through subsidiaries in markets we believe have the greatest sales potential in Europe, Asia, the Americas and Australia. We also work with specialized independent distributors and importers. As of June 30, 2020, we employed approximately 5,200 people in more than 35 locations worldwide.

The COVID-19 pandemic will continue to have a significant impact on QIAGEN in 2020. Extraordinary demand has emerged for molecular technologies involved in testing for the new pathogen. We expect a continuation of trends from the first six months of 2020 into the third and fourth quarters of the year. Sustained elevated demand for coronavirus test products is expected to more than offset weaker year-over-year sales trends in other areas of the portfolio, which are being adversely impacted by quarantines and lockdown actions in countries around the world.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted on March 27, 2020 in the United States. The CARES Act and related notices include several significant provisions, including delaying certain payroll tax payments, mandatory transition tax payments under the Tax Cuts and Jobs Act, and estimated income tax payments that we expect to defer to future periods. We do not currently expect the CARES Act to have a material impact on our financial results, including on our annual estimated effective tax rate, or on our liquidity. We will continue to monitor and assess the impact the CARES Act and similar legislation in other countries may have on our business and financial results.

Announced Merger with Thermo Fisher Scientific Inc.

On March 3, 2020, QIAGEN and Thermo Fisher Scientific Inc. (NYSE: TMO) announced that their boards of directors, as well as the Managing Board of QIAGEN N.V., unanimously approved Thermo Fisher's proposal to acquire QIAGEN for €39.00 per share in cash. On July 16, 2020, Thermo Fisher and QIAGEN entered into an amendment to the Business Combination Agreement dated as of March 3, 2020 whereby Quebec B.V., the wholly-owned subsidiary of Thermo Fisher making the public tender offer, increased the cash consideration offered per QIAGEN share from €39.00 to €43.00 which represents a premium of approximately 35% to the closing price of QIAGEN's ordinary shares on the Frankfurt Prime Standard on March 2, 2020, the last trading day prior to the announcement of the acquisition agreement and Thermo Fisher's intention to commence the offer. The amendment also provided for a reduction of the minimum acceptance threshold from 75% to 66.67% of QIAGEN's issued and outstanding ordinary share capital at the end of the acceptance period on August 10, 2020, as well as a $95.0 million expense reimbursement payable by QIAGEN to Thermo Fisher if the minimum acceptance threshold is not met. During the six-months ended June 30, 2020, we incurred acquisition expenses of $20.9 million included within restructuring, acquisition, integration and other, net in the accompanying condensed consolidated statement of income related to the announced acquisition.

On August 13, 2020, QIAGEN announced that it will continue to execute its growth strategy aiming to create significant value for shareholders and other stakeholders after the voluntary public takeover offer by Thermo Fisher did not achieve the minimum 66.67% acceptance threshold from QIAGEN shareholders.

Six-Month Period Ended June 30, 2020, compared to Six-Month Period Ended June 30, 2019

Net Sales

Net sales grew 12% in the first half of 2020 to $815.3 million from $730.3 million in the year-ago period, and absorbed approximately two percentage points from adverse currency movements against the U.S. dollar.

Net sales by product category and customer class	**First six months 2020**		
	Sales (In $ m)	**% change**	**% of sales**
Consumables and related revenues	$701	+8%	86%
Instruments	$114	+38%	14%
Molecular Diagnostics(1)	$380	+7%	47%
Life Sciences	$435	+16%	53%
Academia / Applied Testing	*$287*	*+26%*	*35%*
Pharma	*$148*	*+1%*	*18%*

(1) Includes companion diagnostic co-development revenues (H1 2020: 14 million, -39%)
Percentage changes are calculated based on the comparative prior year period.

In the first half of 2020, Life Sciences sales increased 16% and absorbed two percentage points of adverse currency movements compared to the same period in 2019. Molecular Diagnostics sales increased 7% for the first six months of 2020 and were adversely affected by three percentage points from currency movements compared to the same period in 2019.

Net sales by geographic region	**First six months 2020**		
	Sales (In $ m)	**% change**	**% of sales**
Americas	$351	0%	43%
Europe / Middle East / Africa	$293	+29%	36%
Asia-Pacific / Japan	$168	+11%	21%

H1 2020: Rest of world represented less than 1% of net sales.

In the first half of 2020, the EMEA region experienced a 29% increase compared to the same period in 2019. This region was negatively impacted by four percentage points of currency movements compared to the same period in 2019. The Asia-Pacific / Japan region experienced continued gains in many countries and improving trends in China that resulted in 11% growth in the first half of 2020. This region was negatively impacted by three percentage points of currency movements compared to the same period in 2019. Sales in Americas region remain unchanged compared to the same period in 2019.

Gross Profit

Gross profit for the six-month period ended June 30, 2020, was $536.2 million (66% of net sales) as compared to $466.5 million (64% of net sales) for the same period in 2019. Generally, our consumables and related products have a higher gross margin than our instrumentation products and service arrangements and fluctuations in the sales levels of these products and services can result in fluctuations in gross margin between periods. Gross profit in the first half of 2020 include the adverse impacts of lower sales of QuantiFERON-TB tests and the shift in product mix where lower margin instrument products advanced at a faster pace than consumable products. These adverse impacts were more than offset by lower amortization expense related to developed technology and patent and license rights, which have been acquired in business combinations which is included in cost of sales.

For the six-month period ended June 30, 2020, the amortization expense on acquisition-related intangibles within cost of sales was $30.1 million compared to $37.2 million in the same period of 2019. The decrease follows the full amortization of assets previously acquired in 2007. Our acquisition-related intangible amortization will increase in the event of future acquisitions.

Research and Development Expense

Research and development expenses decreased to $62.3 million (8% of net sales) in the first half of 2020, as compared to $71.3 million (10% of net sales) in the same period of 2019. The overall decrease in research and development costs in 2020 is the result of suspended development of NGS-related instrument system in connection with the 2019 restructuring measures discussed in Note 4 "Restructuring and Impairments". In 2020, research and development costs include costs associated with QIAstat menu expansion as well as costs with the launch of digital PCR and QIAcuity. As we continue to discover, develop and acquire new products and technologies, we expect to incur additional expenses related to facilities, licenses and employees engaged in research and development. Overall, research and development costs are expected to increase as a result of seeking regulatory approvals, including U.S. FDA Pre-Market Approval (PMA), U.S. FDA 510(k) clearance and EU CE approval of certain assays or instruments. Further, business combinations, along with the acquisition of new technologies, may increase our research and development costs in the future. We have a strong commitment to innovation and expect to continue to make investments in our research and development efforts.

Sales and Marketing Expense

Sales and marketing expenses were $200.1 million (25% of net sales) for the six-month period ended June 30, 2020, from $214.5 million (29% of net sales) for the same period in 2019. Sales and marketing expenses are primarily associated with personnel, commissions, advertising, trade shows, publications, freight and logistics expenses, and other promotional expenses. The decreased sales and market expense reflects the limitations resulting from the COVID-19 pandemic, such as restricted travel and postponed trade shows and exhibits while cost for freight and commissions were higher due to higher sales. When pandemic lockdowns and restrictions are lifted, we anticipate that absolute sales and marketing costs will increase, along with increases related to new product introductions.

General and Administrative

General and administrative decreased by 11% to $51.4 million (6% of net sales) for the six-month period ended June 30, 2020, from $57.8 million (8% of net sales) in the same period in 2019. The decrease in general and administrative expenses in 2020 reflects lower personnel costs, including share-based compensation, following the 2019 restructuring measures as well as lower costs as a result of COVID-19 protective measures, such as restricted travel.

Restructuring, Acquisition, Integration and Other, net

Restructuring, acquisition, integration and other, net was expense of $31.8 million for the six-month period ended June 30, 2020, as compared to $13.7 million in the same period in 2019. During the six months ended June 30, 2020, we incurred acquisition expenses of $20.9 million, related to the announced acquisition by Thermo Fisher. As we further integrate acquired companies, we expect to incur additional acquisition and integration costs in 2020. During the six months ended June 30, 2020, we incurred $0.8 million of charges in connection with the 2019 restructuring measures as further discussed in Note 4 "Restructuring and Impairments".

Long-lived Asset Impairments

Impairments to intangible assets and property, plant and equipment for the six-month period ended June 30, 2020, totaled $1.0 million incurred in connection with the 2019 restructuring measures as further discussed in Note 4 "Restructuring and Impairments", as compared to $1.3 million in the same period in 2019.

Financial Income (Expense)

For the six months ended June 30, 2020, financial income decreased to $6.7 million from $13.3 million in the same period of 2019. Financial income includes interest earned on cash, cash equivalents and short term investments, income related to certain interest rate derivatives and other components including the interest portion of operating lease transactions. Interest income earned in 2019 included interest on higher cash balances following the issuance of cash convertible notes in November 2018.

Financial expense decreased to $37.1 million in the six-month period ended June 30, 2020, as compared to $39.4 million for the same period of 2019. Interest costs primarily relate to debt, discussed in Note 9 "Financial Debts" in the accompanying notes to the condensed consolidated financial statements and the decrease in interest expense reflects the repayment of debt in 2020.

Other Financial Expense, net

For the six months ended June 30, 2020, other financial expense, net was 19.4 million expense compared to $24.6 million expense in the same period of 2019. The fluctuation from prior year is primarily due to the period changes in the fair value of the Warrants derivative discussed in Note 7.

Provision for Income Taxes

Our effective tax rates differ from The Netherlands statutory tax rate of 25% due in part to our operating subsidiaries being exposed to statutory tax rates ranging from zero to more than 35%. Fluctuations in the distribution of pre-tax (loss) income among our operating subsidiaries can lead to fluctuations of the effective tax rate in the consolidated financial statements. For the six months ended June 30, 2020 and 2019, our effective tax rates were 20.8% and 13.2%, respectively. The effective tax rate for the first six months of 2020 was higher compared to the same period of 2019 primarily due to higher operating income in 2020 in higher tax rate jurisdictions, including the U.S. Additionally, in 2020 and 2019, tax expense on foreign operations was favorably impacted by lower income tax rates and partial tax exemptions on foreign income primarily derived from operations in Germany, Singapore, Luxembourg, Ireland, Dubai and Switzerland. These foreign tax benefits are due to a combination of favorable tax laws, rules, rulings, and exemptions in these jurisdictions. In particular, we have pre-tax income in Germany which is statutorily exempt from trade tax on intercompany foreign royalty income. Further, we have intercompany financing arrangements through Luxembourg, Dubai and Ireland in which the intercompany income is partially exempt.

In future periods, our effective tax rate may fluctuate from similar or other factors as discussed in “Changes in tax laws or their application and the termination or reduction of certain government incentives, could adversely impact our overall effective tax rate, results of operations or financial flexibility” in Principal Risks and Uncertainties of the 2019 Annual Report.

Liquidity and Capital Resources

To date, we have funded our business primarily through internally generated funds, debt and private and public sales of equity. Our primary use of cash has been to support continuing operations and our investing activities, including capital expenditure requirements and acquisitions. As of June 30, 2020, and December 31, 2019, we had cash and cash equivalents of $687.3 million and $622.5 million, respectively, and restricted cash of $3.9 million and $5.7 million, respectively. Cash and cash equivalents are primarily held in U.S. dollars and euros, other than those cash balances maintained in the local currency of subsidiaries to meet local working capital needs. At June 30, 2020, cash and cash equivalents had increased by $63.0 million from December 31, 2019, primarily due to cash provided by operating activities of 166.1 million, partially offset by cash used in financing activities of $27.5 million and cash used in investing activities of $71.2 million. As of June 30, 2020 and December 31, 2019, we had working capital of $653.4 million and $560.3 million, respectively.

Operating Activities: For the six-month period ended June 30, 2020 and 2019, we generated net cash from operating activities of $166.1 million and $148.3 million, respectively. While net income was $109.5 million in the six-month ended June 30, 2020, non-cash components in income included $99.3 million of depreciation and amortization, $1.0 million of non-cash impairments primarily recorded in connection with the restructuring discussed in Note 4 "Restructuring and Impairments", $20.1 million of amortization of debt discount and issuance costs and $16.5 million of share-based compensation expense, as well as other non-cash items, net of $23.1 million primarily related to the fair value changes in derivatives. Operating cash flows include a net decrease in working capital of $99.3 million excluding changes in fair value of derivative instruments. The current period change in working capital is primarily due to decreased accrued and other current liabilities following cash payments made in connection with the 2019 restructuring measures, increased inventories and other current assets, which were partially offset by increased accruals for income taxes compared to the prior period. Because we rely heavily on cash generated from operating activities to fund our business, a decrease in demand for our products, longer collection cycles or significant technological advances of competitors would have a negative impact on our liquidity.

Investing Activities: Approximately $71.2 million of cash was used in investing activities during the six months ended June 30, 2020 compared to $138.7 million for the same period in December 31, 2019. Cash used in investing activities during the six months ended June 30, 2020 includes $98.2 million from redemptions of short-term investments which were more than offset by $123.9 million paid for intangible assets, $24.9 million for purchases of short-term investments, and $26.0 million paid for purchases of property, plant and equipment. Cash used in investing activities during the six months ended June 30, 2019 includes $162.7 million paid for intangible assets primarily related to the asset acquisition from Formulatrix and $24.4 million cash paid for the acquisition of N-of-One, net of cash acquired as both further discussed in Note 3 "Acquisitions and Divestitures".

Financing Activities: Financing activities used $27.5 million of cash for the six months ended June 30, 2020, primarily due to payment of $34.1 million in total upon early conversion of a portion of the 2021 Notes, $6.4 million paid in connection with net shares settlement for tax withholding related to the vesting of stock awards, and $11.1 million for principal payments on leases which was partially offset by $20.2 million of cash received for collateral liabilities. This compares to cash used in financing activities of $544.8 million for the six months ended June 30, 2019 primarily for of $433.4 million repayment of long-term debt as further discussed in Note 9 "Financial Debts", $17.2 million paid in connection with net shares settlement for tax withholding related to the vesting of stock awards, and the purchase of treasury shares totaling $74.4 million.

Other Factors Affecting Liquidity and Capital Resources

In November 2018, we issued $500.0 million aggregate principal amount of Cash Convertible Senior Notes which is due in 2024 (2024 Notes), which are discussed fully in Note 9 "Financial Debts". Interest on the 2024 Notes is payable semiannually in arrears at a rate of 1.000% per annum. The 2024 Notes will mature on November 13, 2024 unless repurchased or converted in accordance with their terms prior to such date.

In September 2017, we issued $400.0 million aggregate principal amount of Cash Convertible Senior Notes which are due in 2023 (2023 Notes), which are discussed fully in Note 9 "Financial Debts". Interest on the 2023 Notes is payable semiannually in arrears at a rate of 0.500% per annum. The 2023 Notes will mature on September 13, 2023 unless repurchased or converted in accordance with their terms prior to such date.

Additionally in 2017, we completed a German private placement of $329.9 million, net of issuance costs, consisting of several tranches denominated in either U.S. dollars or Euro at either floating or fixed rates and due at various dates through June 2027 as described in Note 9 "Financial Debts".

In October 2016, we extended the maturity of our €400.0 million syndicated revolving credit facility, which now has a contractual life until December 2021 of which no amounts were utilized at June 30, 2020. The facility can be utilized in Euro, British pounds sterling, Swiss franc or U.S. dollar and bears interest of 0.40% to 1.20% above three months EURIBOR, or LIBOR in relation to any loan not in euro, and is offered with interest periods of one, two, three or six months. We have additional credit lines totaling €26.6 million with no expiration date, none of which were utilized as of June 30, 2020.

In March 2014, we issued $730.0 million aggregate principal amount of Cash Convertible Senior Notes (2021 Notes) of which $433.4 million was paid in 2019, $23.0 million was paid in the first half of 2020 and in July 2020, another $0.2 million was redeemed. In August 2020, we received notices to convert a total of $73.2 million of the 2021 Notes. The remainder of the 2021 Notes is due in 2021. Interest on the 2021 Notes is payable semiannually in arrears on September 19 of each year, at a rate of 0.875% per annum commencing on September 19, 2014. The 2021 Notes will mature on March 19, 2021, unless repurchased or converted in accordance with their terms prior to such date.

In October 2012, we completed a U.S. private placement through the issuance of new senior unsecured notes at a total amount of $400 million with a weighted average interest rate of 3.66% (settled on October 16, 2012). The notes were issued in three series: (1) $73 million, 7-year term due and paid in 2019 (3.19%); (2) $300 million, 10-year term due in 2022 (3.75%); and (3) $27 million, 12-year term due in 2024 (3.90%).

As of June 30, 2020, we carry $1.7 billion of long-term debt $305.8 million is current. We also held $52.7 million of leases, of which $18.2 million is current as of June 30, 2020.

In connection with certain acquisitions, we could be required to make additional contingent cash payments totaling up to $87.5 million based on the achievement of certain revenue and operating results milestones as further discussed in Note 15 "Commitments and Contingencies".

In January 2018, we announced our fifth share repurchase program of up to $200 million of our common shares. During the six-month period ended June 30, 2019, we repurchased 2.0 million QIAGEN shares for $74.4 million (including transaction costs) bringing the total shares repurchased under this program to 4.9 million for $179.1 million (including transaction costs). This program ended on June 30, 2019. Repurchased shares will be held in treasury in order to satisfy various obligations, which include employee share-based remuneration plans.

On May 6, 2019, we announced our sixth share repurchase program of up to $100 million of our common shares. No shares were repurchased under this program.

We expect that cash from financing activities will continue to be impacted by issuances of our common shares in connection with our equity compensation plans and that the market performance of our stock will impact the timing and volume of the issuances. Additionally, we may make future acquisitions or investments requiring cash payments or debt financing.

We believe that funds from operations, existing cash and cash equivalents and availability of financing facilities, will be sufficient to fund our planned operations and expansion during the coming year. However, any global economic downturn may have a greater impact on our business than currently expected, and we may experience a decrease in the sales of our products, which could impact our ability to generate cash. The recent outbreak of COVID-19 continues to impact the global economy and markets. At this time, the impact of the outbreak on our business has been mixed as production at our plants is uninterrupted and supply chains and distribution channels are intact yet our production is focused on those products most needed to fight the outbreak. At present, our liquidity remains healthy. However, going forward the COVID-19 outbreak may negatively impact, amongst other things, our supply chain, workforce, operations of our plants, and market demand and liquidity. If our future cash flows from operations and other capital resources are not adequate to fund our liquidity needs, we may be required to obtain additional debt or equity financing or to reduce or delay our capital expenditures, acquisitions or research and development projects. If we could not obtain financing on a timely basis or at satisfactory terms, or implement timely reductions in our expenditures, our business could be adversely affected.

Quantitative and Qualitative Disclosures about Market Risk

Our market risk relates primarily to interest rate exposures on cash, marketable securities, and borrowings and foreign currency exposures on intercompany and third-party transactions. The overall objective of our risk management strategy is to reduce the potential negative earnings effects from changes in interest and foreign currency exchange rates. Exposures are managed through operational methods and financial instruments. We do not use financial instruments for trading or speculative purposes. Our exposure to market risk from changes in interest rates and currency exchange rates has not changed materially from our exposure as discussed in our Annual Report for the year ended December 31, 2019.

Contractual Obligations

Aside from the Company's commitment to pay an expense reimbursement fee of $95.0 million to Thermo Fisher as the minimum acceptance threshold for the tender offer was not met as discussed in Note 1 "Corporate Information" and the potential break up fee of $12.9 million that could become due in connection with the termination of the merger agreement with NeuMoDx discussed in Note 5 "Financial Assets and Equity Accounted Investments", there were no other material changes at June 30, 2020, from the contractual obligations disclosed in our Annual Report for the year ended 2019.

Legal Proceedings

For information on legal proceedings, see Note 15 "Commitments and Contingencies" to the accompanying condensed consolidated financial statements.

While no assurances can be given regarding the outcome of the proceedings described in Note 15, based on information currently available, we believe that the resolution of these matters is unlikely to have a material adverse effect on our financial position or results of future operations for QIAGEN N.V. as a whole. However, because of the nature and inherent uncertainties of litigation, should the outcomes be unfavorable, certain aspects of our business, financial condition, and results of operations and cash flows could be materially adversely affected.

Principal risks and uncertainties

Our risk categories and risk factors which could have a material impact on our financial position and result are extensively described in QIAGEN's 2019 Annual Report. There have been no material changes from the risk factors disclosed in the 2019 Annual Report.

2020 Outlook

For full-year 2020, QIAGEN expects net sales growth of approximately 15-18% CER from the 2019 level of $1.53 billion and adjusted earnings per share (EPS) growth of at least 40% CER to at least $2.00 CER from $1.43 per share in 2019. The outlook for adjusted EPS does not include any potential capital gain that could result from the expected divestiture of its minority investment in ArcherDX.

Perspectives for 2021

In terms of business trend perspectives for 2021, QIAGEN currently assumes that the first SARS-CoV-2 vaccine would become progressively available on a large scale during the year, but that coronavirus testing products will be required for a longer-term period before demand starts to recede. QIAGEN also expects to see recovery trends continuing in other areas of the portfolio during the course of 2021. Based on these assumptions, QIAGEN currently expects a continuation of net sales growth at a double-digit CER pace for 2021 compared to full-year 2020 results, and for adjusted EPS growth of at least 18% CER from the results in 2020.

Signatures

Venlo, August 14, 2020

QIAGEN N.V.

/s/ Thierry Bernard	/s/ Roland Sackers
Thierry Bernard	Roland Sackers
CEO	CFO