BIOMÉRIEUX

2020 UNIVERSAL REGISTRATION DOCUMENT

Including the annual financial report

PIONEERING DIAGNOSTICS

CONTENTS

Elements of the Annual Financial Report are identified by the symbol AFR on the contents page.

BIOMÉRIEUX

2020 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French language version of the Universal Registration Document was filed on March 17, 2021 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document, including the annual financial report, is a translation of the official version of the Universal Registration Document, including the annual financial report, which has been prepared in French, in format ESEF (European Single Electronic Format) and is available on the issuer's website.

"2020 HAS BEEN **AN EXTRAORDINARY YEAR** IN MORE WAYS THAN ONE FOR ALL OF US."

Alexandre Mérieux
Chairman & CEO

For more than a year, the entire world has been at the mercy of incidence statistics for infections, hospitalizations and deaths due to COVID-19. In light of this pandemic, actors in the healthcare sector have acutely felt their responsibility to citizens and patients around the world, prompting a global movement of unprecedented scale and speed to promote innovation in diagnostics, treatment and vaccination.

Mobilizing in the face of COVID-19

Faithful to its mission of improving public health via *in vitro* diagnostics, bioMérieux mobilized very quickly to take part in this international effort. Our teams have worked tirelessly, in a remarkable spirit of collaborative action, driven by the need to respond to the medical emergency. This exceptional mobilization at all levels of the company has enabled us to develop, market and manufacture diagnostic tests in record time. These tests form the basis of COVID-19 public health strategies everywhere. Between March and May 2020, we launched three complementary molecular biology tests in our ARGENE® and BIOFIRE® ranges to detect active SARS-CoV-2 infections, as well as two serological tests in our VIDAS® immunoassay range, to confirm the presence of antibodies in patients. We expanded this product range over the year. We have also stepped up production of our EMAG® and easyMAG® systems and the associated reagents for nucleic acid extraction, a key step in molecular biology testing. In light of the boom in global demand, our teams have demonstrated exceptional resiliency and agility. This has made it possible to establish an unprecedented infrastructure to increase our capacity to provide equipment and reagents, all the while ensuring maximum employee safety on-site: our absolute priority.

A collaboration between the healthcare providers

The pandemic has revealed the indispensable role of diagnostics in the healthcare system and the value it brings with regard to

epidemiological screening, management and surveillance. It has accelerated fundamental trends in our sector. There is a need to react very quickly to emerging infectious diseases, to offer fast and reliable tests that can be performed as close as possible to patients and to design decision-support tools by making the best use of data. We will meet these challenges by continuing to invest in research and innovation to develop solutions that provide more and more information of high medical value and that meet the ever-greater expectations of clinical pathologists and physicians. And we must do so in a spirit of openness. The sudden emergence of SARS-CoV-2 has reminded the entire world of the interconnectedness of human health, animal health, the environment and the impact of human activities on it. Now more than ever, we need collaborations between the various actors in the healthcare sector: private companies, the public sector, research centers, our customers, biotech startups, etc.

Diagnostics are essential to medical decisions

Like the rest of the world, we dedicated a great deal of energy to address the COVID-19 pandemic in 2020, and we will continue our efforts in 2021. However, this crisis should not distract us from the many other infectious threats that also require close attention. Diagnostics have, and will continue to have, a key role in the continuum of care in this regard as well. Antimicrobial resistance, which many experts fear will worsen due to overuse of antibiotics during the pandemic, remains an essential focus of our strategy. The fight against sepsis, which affects 49 million people each year, more than 20% of whom do not survive, is also one of our top priorities. In the field of industrial biological control, we will continue to develop solutions to protect consumer health and safety, primarily in two key sectors: the pharmaceutical and agribusiness industries.

"IN LIGHT OF THE BOOM IN GLOBAL DEMAND, OUR TEAMS HAVE DEMONSTRATED EXCEPTIONAL RESILIENCY AND AGILITY."

Support for the most vulnerable

Since its founding more than 55 years ago, bioMérieux has made its growth part of a responsible and humanitarian approach to business. In addition to supporting the Fondation Mérieux and the Fondation Christophe et Rodolphe Mérieux, two independent family foundations dedicated to combating infectious diseases in developing countries, we have also decided to take action against the economic and social consequences of the COVID-19 pandemic. In order to support projects around the world to help the most vulnerable, we have reallocated half of our 2019 dividends to exceptional sponsorship activities in France and around the world. Similarly, we have created the bioMérieux Endowment Fund, which will also support initiatives in the solidarity economy and in education over several years.

Lastly, after an extensive consultation process, we have set an ambitious new course for ourselves regarding social, societal and environmental responsibility, which involves all the company's operations. This strategy, faithful to the values we have inherited, should allow us to intensify our positive developments to support public health, all the while respecting the environment, developing our employees' well-being and strengthening the links with our ecosystems and our stakeholders.

A FAMILY COMMITMENT
IN THE FIGHT AGAINST INFECTIOUS DISEASES

bioMérieux is a family-run scientific adventure that began over 55 years ago. Our expertise and commitment to push the boundaries of knowledge in biology are grounded in an entrepreneurial story that has been ongoing for more than one century. In 1897, Marcel Mérieux, who had studied with Louis Pasteur, founded a laboratory in Lyon where he developed the first anti-tetanus sera. He called it Institut Mérieux, and from the outset began to lay the groundwork for a bio-industrial edifice that would leave its mark on vaccinology and the diagnosis of infectious diseases worldwide. bioMérieux, headquartered in Marcy l'Etoile, France, was created in 1963 by Alain Mérieux and today has close to 13,000 employees. bioMérieux serves over 160 countries through its subsidiaries and network of distributors and generates over 90% of its revenue internationally. Alexandre Mérieux, Marcel's great-grandson, took the helm as Chief Executive Officer of the family company in 2015. He was appointed Chairman and Chief Executive Officer by the Board of Directors in December 2017.

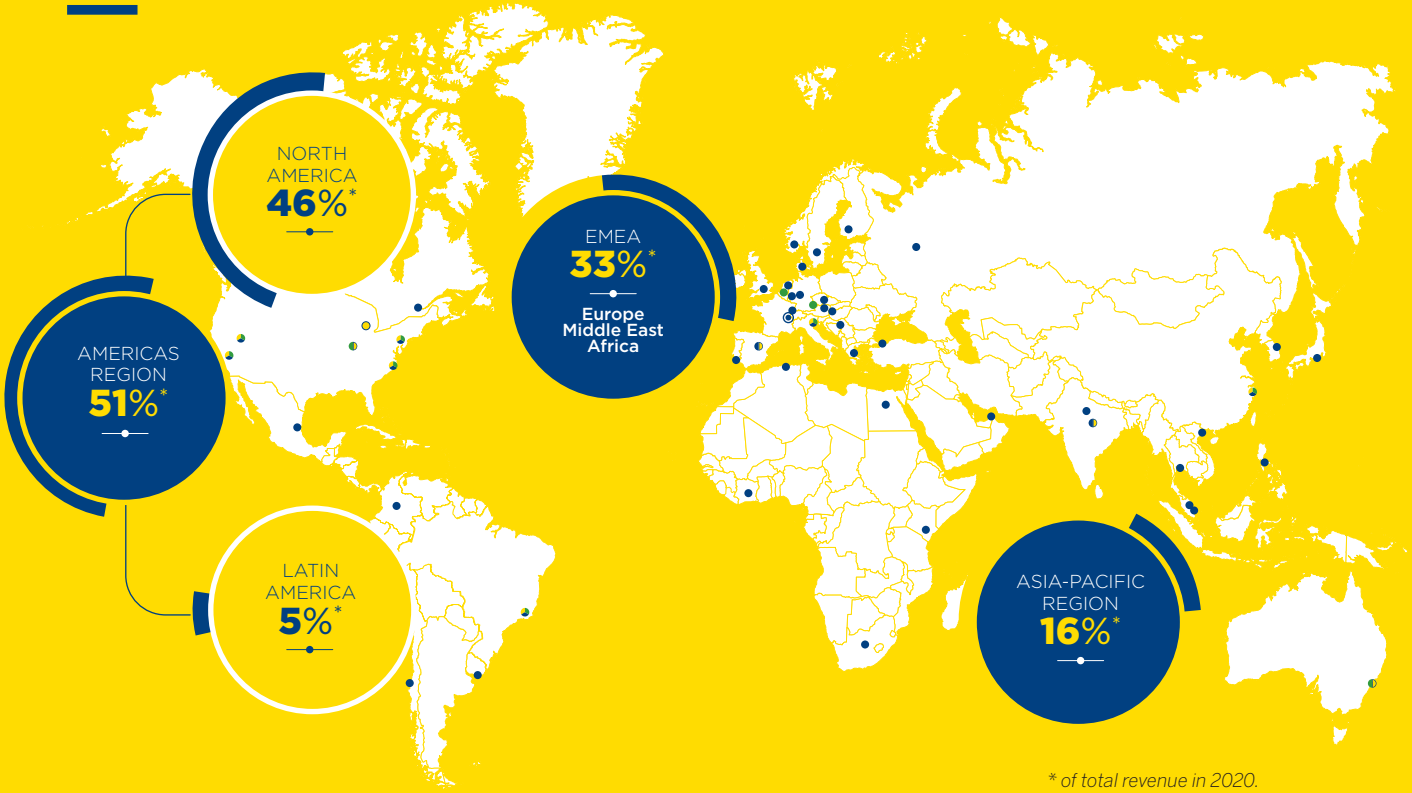
59%
Institut Mérieux has a 59% stake in bioMérieux.

AN INSTITUT MÉRIEUX COMPANY

With a global, long-term vision, Institut Mérieux commits its experience in biology to serving medicine and public health across the globe.
In order to fight infectious diseases and cancers, it conceives and develops new approaches in the fields of diagnostics, immunotherapy, food safety and nutrition. Its three bio-industrial companies, bioMérieux, Transgene and Mérieux NutriSciences, working closely with those entities devoted to innovation, including Mérieux Développement and ABL Inc., have enabled major advances in medicine and public health. Institut Mérieux employs over 20,000 people worldwide in more than 44 countries.

"A GLOBAL PLAYER IN THE FIELD OF *IN VITRO* DIAGNOSTICS"

- REGISTERED OFFICE
- PRESENT IN **44 COUNTRIES**
- **15** BIO-INDUSTRIAL SITES
- **17** R&D CENTERS



** of total revenue in 2020.*

35 YEARS OF DEVELOPMENT

An innovation model based on partnerships with international research and joint research laboratories.

1985 2005 | 2005 2015 | 2015 2020

1986
- **API®** Systems - *France*

API®

1988
- **VITEK** (McDonnel Douglas) - *United States*

VITEK® & VIDAS®

2001
- **Organon Teknika** *Netherlands*

BACT/ALERT®

2004
- **Initial Public Offering**
- **Bacterial Barcodes –** *United States*

2007
- **Biomedics** - *Spain*
- **BTF** - *Australia*

BIOBALL®

2008

ETEST®

2010
- **Meikang Biotech** - *China*
- **Shanghai Zenka Biotechnology** - *China*

2011
- **AES** - *France*

AES BLUE LINE™

CHEMUNEX®
- **ARGENE** - *France*

2012
- **RAS** - *India*

2014
- **BioFire** - *United States*

BIOFIRE® FILMARRAY®
- **Ceeram Advencis** - *France*

CEERAM®

2016
- **Applied Maths** - *Belgium*
- **Hyglos** - *Germany*

2018
- **Astute Medical** - *United States*

NEPHROCHECK®
- **Hybiome** - *China*

HYBIOME AE-240

2019
- **Invisible Sentinel** *United States*

BIOMÉRIEUX FIGHTS **COVID-19**

From the start of 2020 and in line with its public health mission, bioMérieux committed to the development of diagnostic tests for SARS-CoV-2, which causes COVID-19. Our molecular biology strategy was based on the fast development of additional real-time PCR (Polymerase Chain Reaction) tests and on our expertise in automated nucleic acid extraction. In immunoassays, the Company developed two serological tests.

8
TESTS

COVID-19 tests released in 2020.

DIAGNOSTIC TESTS A PRIME FOCUS FOR FIGHTING THE PANDEMIC

ARGENE® real-time PCR range:

- SARS-CoV-2 R-GENE®, for the specific detection of the coronavirus causing COVID-19 with results within 4–5 hours, testing samples from a large number of patients at the same time.
- SARS-COV-2 RESPI R-GENE®, for the simultaneous detection of SARS-CoV-2, type A and B influenza viruses, as well as other respiratory viruses (RSV and hMPV).

BIOFIRE® real-time PCR range:

- Fully automated, the BIOFIRE® COVID-19 test provides results within 45 minutes based on a nasopharyngeal swab. The test is intended to be used in emergency situations for patients in a critical health condition.
- An extension to the existing molecular syndromic panel, the BIOFIRE® Respiratory Panel 2.1 (RP2.1) detects the 22 most common respiratory pathogens, including SARS-CoV-2, within 45 minutes based on a nasopharyngeal swab.
- Available only outside the United States, the BIOFIRE® Respiratory Panel *2.1 plus* also includes detection of MERS-CoV, which causes the Middle East respiratory syndrome coronavirus.
- The BIOFIRE® RP2.1 EZ detects 15 viruses, including SARS-CoV-2 and four bacteria that cause respiratory diseases. It is only marketed in the United States for non-laboratory use (CLIA-Waived). This panel is available on the BIOFIRE® 2.0 EZ system.

VIDAS® immunoassay range:

- The VIDAS® anti-SARS-CoV-2 IgM and anti-SARS-CoV-2 IgG tests measure, in less than 30 minutes based on a blood sample, the existence of antibodies for patients subject to SARS-CoV-2 infection.

PROTECTING EMPLOYEES, A MAJOR CHALLENGE

bioMérieux employees around the world at production and logistics sites, in the field and within support functions are fully committed to best meeting customer needs and playing a role in the response to the pandemic. Accordingly, employee safety is a top priority. In strict compliance with the recommendations and regulations of national and local health authorities, the Company has implemented the measures necessary to limit spread of the virus among its staff, preserve the health of every individual and ensure business continuity globally.

BIOMÉRIEUX ENDOWMENT FUND

€20 MILLION
endowment

In December 2020, the Company created the bioMérieux endowment Fund.
The fund aims to support humanitarian, social, health and/or education-related general interest activities, both in and outside France, to help the most vulnerable communities. In its capacity as founder, bioMérieux made an initial contribution of €20 million.

AN EXCEPTIONAL CONTRIBUTION TO HELP THE MOST DISADVANTAGED

In 2020, to address the unprecedented challenges in the fields of solidarity and responsibility resulting from the situation, the Board of Directors decided to exceptionally halve the 2019 dividend The difference (around €22 million) was allocated to solidarity action in countries where bioMérieux operates. In line with its corporate commitment, the Company distributed this amount as follows:

- €12 million to Fondation Mérieux, in addition to the usual amounts contributed by bioMérieux, given that the foundation was refocusing some programs to respond to COVID-19;
- €2 million to the *Entreprise des Possibles* to help homeless people and the most disadvantaged groups in and around Lyon;
- €8 million to 60 projects selected globally thanks to the mobilization of local bioMérieux teams.

€22 MILLION
in extra contributions

THE IMPORTANCE OF **DIAGNOSTICS...**

Diagnostics are a fundamental source of medical, economic and social value. They are an essential link in the healthcare chain. Between 60% and 70% of medical decisions are based on diagnostic test results(1). bioMérieux, a major player in the field of *in vitro* diagnostics and a world leader in clinical microbiology and industrial microbiological control, contributes to the quality of patient care and protection of consumer health.

bioMérieux develops and produces *in vitro* diagnostic solutions (systems, reagents, software and services) for private and hospital laboratories, mainly for the diagnosis of infectious diseases. The results obtained from a patient sample (blood, urine, stool, cerebrospinal fluid, saliva, etc.) provide clinicians with information to support their medical decisions.
bioMérieux has also applied its expertise acquired in the clinical sector to industrial microbiology control, making it possible to manage contamination risks in agri-food, pharmaceutical and cosmetic products throughout the production chain.

60% to **70%**
of medical decisions are based on diagnostic test results(1).

(1) The Lewin Group: "The value of diagnostics, innovation, adoption and diffusion into health care," 2005. This figure considers all diagnostic tools: in vitro diagnostics tests and medical imaging examinations.

“DIAGNOSTIC TESTS HELP IMPROVE PATIENT CARE.”

FOR IMPROVED PATIENT CARE

Diagnostic tests have a major influence on the quality of patient care:

- for diagnosis and prognosis, particularly in the case of infectious diseases, to identify the causative pathogen and antimicrobial resistance profile;
- for therapeutic decisions and treatment monitoring;
- for screening in the context of the prevention of certain diseases;
- for early diagnosis, that is, during the early stages of a disease when symptoms are still very mild.

A MAJOR ASSET FOR HEALTHCARE SYSTEMS

Spending on medical biology represents only 2–3% of healthcare expenditure[2]. This cost is limited when weighed against the medical value of diagnostics and the savings it can generate – both by reducing the over-prescription of treatments and by shortening the onset of care and length of hospital stays. Diagnostics are also a valuable healthcare policy instrument, in particular for epidemiological monitoring.

ANTIMICROBIAL RESISTANCE

A global health emergency

For decades, the widespread and inappropriate use of antibiotics in humans, animals and agriculture has triggered the emergence and spread of resistant bacteria. Every 45 seconds, a person dies from an infection caused by bacteria that have become resistant to antibiotics[3]. Diagnostic tests help to reduce the inappropriate use of antibiotics and to maintain their efficacy in the treatment of bacterial infections in both humans and animals.

THE FIGHT AGAINST SEPSIS AND IMPROVED PATIENT CARE IN CRITICAL CARE UNITS

Early diagnosis as the first line of defense

Sepsis affects 49 million people each year, 11 million of whom do not survive[4]. It is one of the main causes of death worldwide. This syndrome appears in patients after an infection resulting in uncontrolled immune response. Making a diagnosis as quickly as possible is crucial for patients in critical care units. High medical value tests for the diagnosis of bacterial infections and severe sepsis, myocardial infarction and pulmonary embolism provide clinicians with quick results and help optimize patient care.

DIAGNOSTICS AT THE HEART OF SAFETY

for agri-food and pharmaceutical products

600 million people fall ill after eating contaminated food every year. [5]
In the agri-food sector, providing consumers with healthy products is an imperative.
In the pharmaceutical sector, the aim of microbiological control is to prevent the bacterial contamination of medicinal products.
The manufacture of these products requires very strict microbiological controls throughout the production chain, from raw materials to finished products, and in the production environment.

(2) DREES (French Directorate for Research, Studies, Evaluation and Statistics) and Court of Auditors, 2011.
(3) Based on 700,000 deaths caused each year by antimicrobial resistance as quoted in “Antimicrobial Resistance: Tackling a crisis for the health and wealth of nations,” Jim O’Neill, December 2014.
(4) Global, regional, and national sepsis incidence and mortality, 1990–2017: analysis for the Global Burden of Disease Study. Kristina E Rudd, MD, Sarah Charlotte Johnson, MSc, Kareha M Agesa, BA, Katya Anne Shackelford, BA, Derrick Tsoi, BS Daniel Rhodes Kievlan, MD et al. The Lancet, volume 395, issue 10219, P200-211, January 18, 2020. https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(19)32989-7/fulltext.
(5) Source : https://www.who.int/fr/news-room/campaigns/world-food-safety-day/2020.

SOLUTIONS
FOR HEALTHCARE PROFESSIONALS AND INDUSTRIAL STAKEHOLDERS

80%
of bioMérieux clinical products help to fight against antimicrobial resistance.

ANTIMICROBIAL RESISTANCE

A unique range

bioMérieux has developed solid expertise in diagnostic tools for infectious diseases to meet major health challenges such as antimicrobial resistance. This experience has been globally recognized: in 2019, the Company was chosen as the lead partner in a tender held by the Fleming Fund, a UK aid investment program to tackle antimicrobial resistance in resource-limited countries.

bioMérieux offers a full range of diagnostic solutions that make it possible to:

- confirm bacterial infection and identify the pathogens responsible to ensure optimal patient care and prevent any unnecessary antibiotic use;
- determine the resistance profile of the pathogen to select the most appropriate treatment, limit broad-spectrum antibiotic use and prevent unwanted side effects;
- monitor the progress of the patient's health status to personalize treatment duration and discontinue antibiotics as soon as possible;
- detect and prevent the propagation of multidrug-resistant organisms (MDROs).

It is also useful to monitor the antimicrobial resistance of pathogens at local, regional and global levels. Understanding the epidemiology of this resistance helps to determine the actions necessary to control it. To this end, bioMérieux is the sole private sponsor of the Global Point Prevalence Survey (GLOBAL-PPS), the largest global study on the use of antibiotics and bacterial resistance in hospitals, with the aim of improving practices and slowing down resistance.

SEPSIS SOLUTION

A complete range for combating sepsis

bioMérieux is targeting sepsis on a comprehensive scale, with the most extensive range of solutions on the market. This range enables simultaneous diagnosis of the disease and of the organism's inflammatory response by combining immunoassay, microbiology and molecular biology testing. "Sepsis solution" makes it possible to:

- identify the infectious agent and determine the appropriate antibiotic treatment (e.g. BIOFIRE® blood culture identification panels);
- test, analyze and monitor the host's response (e.g. VIDAS® BRAHMS PCT™);
- optimize laboratory flows (Lab Consulting and MYLA® solutions).

EPIDEMIC RISK MANAGEMENT RELATED TO EMERGING PATHOGENS

Promoting access to diagnosis

Faithful to its public health mission, bioMérieux is also taking action in the event of health crises related to emerging or re-emerging pathogens, such as the Ebola virus epidemic in West Africa in 2014 or the pneumonic plague epidemic in Madagascar in 2017, via studies to assess new, rapid and automated molecular diagnostic tests. In 2020, in response to the COVID-19 epidemic, bioMérieux immediately developed and marketed a full range of molecular and serological tests.

"BIOMÉRIEUX IS ON THE FRONT LINE IN THE FIGHT AGAINST BACTERIAL RESISTANCE."

PROTECTING OF CONSUMER HEALTH

Microbiological control for industrial stakeholders

Applying its expertise in clinical microbiology to the industrial sector, bioMérieux offers the widest range of industrial microbiological control solutions on the market, for the agri-food, biopharmaceutical and cosmetics industries.
This range covers all stages of analysis, from sample preparation to the final identification of microorganisms.

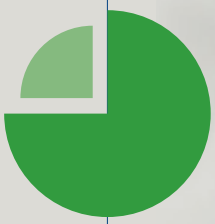
COMMITTED R&D TEAMS

INNOVATION AT THE HEART OF BIOMÉRIEUX'S ACTIVITY

AN OPEN INNOVATION STRATEGY TO MEET R&D CHALLENGES

For bioMérieux, innovation has two priority objectives:

- **to increase the medical and predictive value of the results provided by our diagnostic tests.** For clinical applications, the aim is to assist physicians to quickly identify relevant treatment strategies that are appropriate for each patient. For industrial applications, the aim is to limit and anticipate the risk of contamination for consumers and patients by controlling agri-food and pharmaceutical industrial processes;
- **to improve laboratory work flow and more broadly optimize operational performance.** bioMérieux's innovation strategy is based on an approach combining internal research and development programs, international multidisciplinary collaborations with public or private stakeholders from the medical and scientific communities or biotechnology companies. Lastly, core strategic acquisitions ensure the Company can improve its product range with new technologies.



75%
of R&D resources are dedicated to antimicrobial resistance.

IN CLINICAL APPLICATION

Fighting antimicrobial resistance (AMR)
Our challenge is to strengthen our portfolio with:
- diagnostic solutions to identify and characterize pathogens and to understand host response;
- software solutions to manage data (results, epidemiology) in order to provide added value in the microbiology laboratory and vis-à-vis the physician (enhanced diagnostics) to improve patient care.

Anticipating the test decentralization trend
bioMérieux is developing innovative technological approaches in order to anticipate the growing need for reliable, rapid and decentralized testing, outside the hospital environment, with the healthcare professionals closest to the patient, or even in the patient's home.

Responding to epidemic emergencies
Owing to our expertise in complementary diagnostic technologies, advances in DNA sequencing and the alignment of the various Company operations, bioMérieux is able to respond urgently to population healthcare needs, as was the case in 2020 with COVID-19.

Strengthening the portfolio of immunoassay and molecular biology solutions
bioMérieux is investing in the development of new high medical value tests on its VIDAS® 3 platform, which provides new functionalities and enhanced automation. The Company is also continuing its R&D efforts in the development of new BIOFIRE® panels and the improvement of its ARGENE® range, given the increasing number of laboratories equipped with real-time PCR systems.

IN THE INDUSTRIAL FIELD

Accelerating solution automation and digitalization
In an increasingly stringent regulatory environment for microbiological quality control and a therapeutic revolution in bioproduction and cell and gene therapies, bioMérieux is constantly expanding its product range and for several years has invested in key areas of expertise for the biopharmaceutical industry: automation, digitization and acceleration of rapid methods for microbiological contamination control.

Developing predictive diagnostic solutions
In the field of agri-food product safety, bioMérieux is developing diagnostic solutions that make it possible to move from a bacterial contamination detection model to a prevention model. bioMérieux has initiated a predictive diagnosis program around two main areas:
- genomics and sequencing, in order to better understand pathogens and their origins;
- the construction of predictive models from customer data in order to anticipate contamination risk.

"DEVELOPING HIGH-VALUE MEDICAL TESTS IS A PRIORITY FOR BIOMÉRIEUX."

A RESPONSIBLE AND HUMANIST COMPANY

bioMérieux adopts a socially responsible, humanistic approach to business development in line with the values upheld by the Mérieux family. The Company takes a long-term view with regard to employees as well as to outside stakeholders and the community in general. Its public health mission means it has a particular responsibility toward today's society and future generations.

A CSR STRATEGY DESIGNED IN CLOSE COLLABORATION WITH ITS STAKEHOLDERS

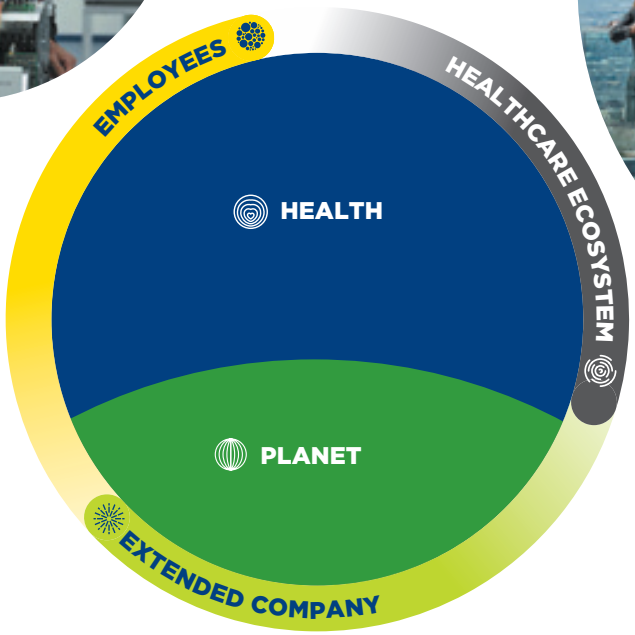
In 2020, bioMérieux consulted a panel comprised of 3,690 internal and external stakeholders in 7 countries. The results led to the creation of a materiality matrix with a view to setting new CSR targets.

The Company's CSR strategy places challenges that promote the UN Sustainable Development Goals (SDGs) as top priorities such as:

- good health and well-being (SDG 3);
- decent work and economic growth (SDG 8);
- reduced inequality (SDG 10);
- responsible consumption and production (SDG 12);
- the fight against climate change (SDG 13).

This strategy is fully in line with bioMérieux's commitment to the United Nations Global Compact, which has been renewed each year since 2003.

"WE ARE BIOMÉRIEUX
WE ACT FOR A POSITIVE IMPACT"



THE CSR STRATEGY IS BASED ON FIVE PILLARS THAT SHAPE THE CHALLENGES OF EACH "BUSINESS LINE."

HEALTH

We pioneer *in vitro* diagnostics to improve public health worldwide:

- address the major **health challenges** related to infectious diseases,
- maintain at a high level the **quality & safety** of our solutions to improve patients' care, and protect consumer's health,
- facilitate **access** to our solutions.

PLANET

We implement environmentally responsible actions to preserve the planet as a healthy place to live:

- promote **eco-design** and optimize the life cycle of our products,
- reduce **greenhouse gas emissions** to help combat global warming,
- optimize waste generation & recycling, raw materials use, energy & water consumption.

EMPLOYEES

We support the development and well-being of our employees, who all help save lives:

- guarantee our **employees' health, safety and quality of life** at work,
- enhance our employer **attractiveness** and boost talent retention,
- increase **diversity and inclusion** of our teams at all levels of the company,
- anticipate **skills** management needs and ensure lifelong learning for employees,
- maintain the conditions for **fair social dialogue** that creates value.

HEALTHCARE ECOSYSTEM

We foster ethical dialogue with the healthcare ecosystem to advance diagnostics:

- nurture **exchanges with patients, consumers & KOLs** on major health challenges related to infectious diseases,
- ensure ethical business conduct and **regulatory compliance**,
- guarantee **responsible data** management.

EXTENDED COMPANY

We build long-term partnerships to increase our positive impact on local communities:

- enforce **sustainable purchasing** programs worldwide,
- include our **distributors** in our public health commitment,
- support **local economic and social development** through our activities,
- improve local impact through **philanthropy** and community engagement.

OUR BUSINESS MODEL

Pioneering diagnostics to address public health challenges

OUR RESOURCES AND STRENGTHS

INTERNATIONAL AND COMMITTED TEAMS

- 12,600 employees
- Operations in 44 countries
- Diversity, multiculturalism and inclusion
- Good social dialog

SOLID FINANCIAL FUNDAMENTALS

- Stable family shareholder structure
- Mutual trust with financial partners (investors and banks)
- Solid structural cash flow generation

SUSTAINED INVESTMENT IN INNOVATION

- Around 13% of revenue
- 1,800 employees
- 17 sites

STRICT REQUIREMENTS FOR OUR OPERATIONS

- 15 bio-industrial sites
- < 4,000 employees
- < 12,000 suppliers
- Policy of sustained investment
- Code of Conduct

A RESPONSIBLE ENVIRONMENTAL POLICY

- Careful, responsible consumption of natural resources and primary raw materials and optimization of waste production and recycling
- Greenhouse gas emission management
- Eco-design development and optimization of the life cycle of our products

A HUMANIST AND SUPPORTIVE CORPORATE CULTURE

- Humanist commitment
- Ties with local stakeholders

CLINICAL APPLICATIONS

Combating antimicrobial resistance • The fight against sepsis • Managing the risk of epidemics due to emerging pathogens

OUR MISSION

To protect patient and consumer health

INDUSTRIAL APPLICATIONS

Quality of agri-food and pharmaceutical products

OUR FUNDAMENTALS

A family-owned company with a long-term vision

4 GENERATIONS

COMMITTED TO SERVING PUBLIC HEALTH

OUR VALUE CREATION

To address our customers' challenges

- **Clinical laboratories**
- **Hospital laboratories**
- **Physicians**
- **Blood banks**
- **Vets**
- **Industrial control laboratories (agri-food, pharmaceutical and cosmetics)**

PROMOTING EMPLOYEE ACHIEVEMENTS AND WELL-BEING

- 11 hours' training/employee
- Training take-up rate: 92%
- 7.8% internal promotions
- Employee share ownership plans

ACHIEVING RESULTS THAT GUARANTEE INDEPENDENCE

(CAGR 2017-20)

- Revenue: +11%
- Net income: +9%
- Free cash flow: +26%
- Dividends: +22%

INTERACTING WITH THE HEALTH ECOSYSTEM

- Extensive industrial know-how
- 7 ISO 45001 certified sites
- Medico-economic studies
- Responsible commitment to our suppliers and local procurement policy
- Expertise sharing with healthcare professionals
- Responsible personal data management
- Code of Conduct training for everyone

IMPROVING PUBLIC HEALTH WORLDWIDE

- Open innovation (joint research laboratories, public/private partnerships)
- Product quality and safety

PRESERVING THE PLANET

- 9 ISO 14001 certified sites
- 2020 target exceeded (-20% reduction in energy and water consumption as well as in greenhouse gas emissions)
- Eco-design approach for products

ENSURING A POSITIVE EFFECT ON COMMUNITIES

- €22 million spent in 2020 (50% of anticipated dividends), earmarked for solidarity-based initiatives to respond to COVID-19 consequences
- 33.5‰ of revenue earmarked for sponsorship
- Employee and Company involvement in local communities
- Fair tax contribution

1897

After studying alongside Louis Pasteur, Marcel Mérieux creates Institut Mérieux

1937

Dr. Charles Mérieux takes over

1963

Alain Mérieux creates bioMérieux

2015

Alexandre Mérieux becomes Chief Executive Officer of bioMérieux and Chairman in 2017

OUR GOVERNANCE

BOARD OF DIRECTORS

As at December 31, 2020, bioMérieux is governed by a Board of Directors comprised of nine members, including five independent directors and one director representing employees.

- **9** MEMBERS
- **58.6** YEARS
  Average age
- **93.6%**
  Attendance rate on Board
- **5** independent DIRECTORS
- **4** WOMEN
  on the Board
- **8.8** YEARS
  Average term of office

Alexandre MÉRIEUX
Chairman and Chief Executive Officer

Philippe ARCHINARD
Non-independent Director

Jean-Luc BÉLINGARD
Non-independent Director

Frédéric BESÈME
Director representing employees

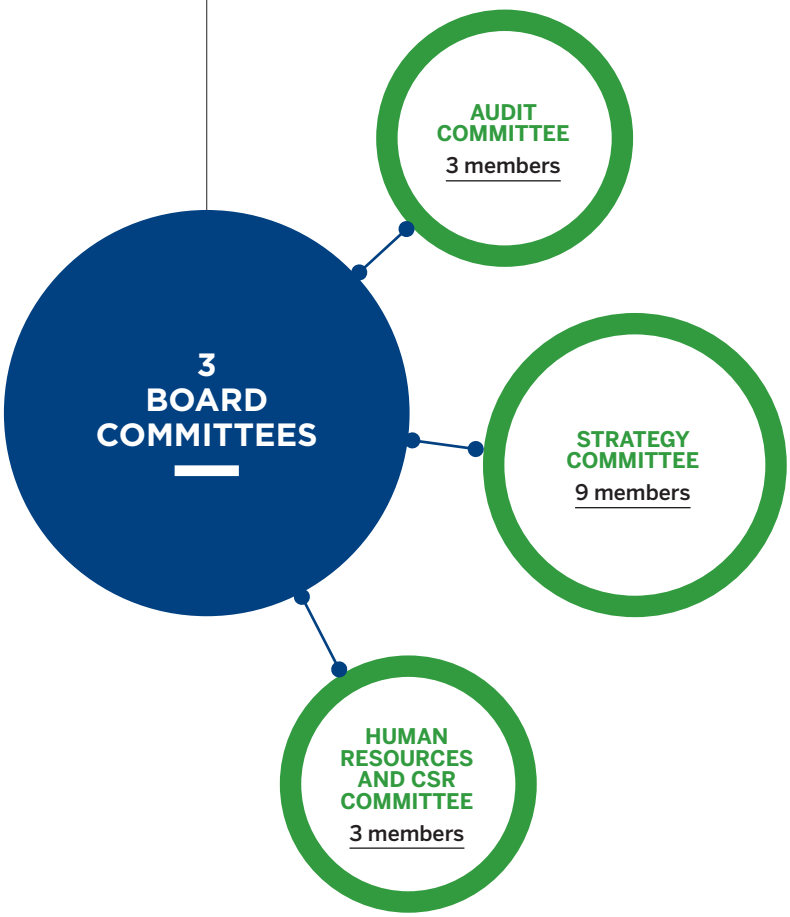
Harold BOËL
Independent Director

Marie-Hélène HABERT-DASSAULT
Independent Director

Marie-Paule KIENY
Independent Director

Agnès LEMARCHAND
Independent Director

Fanny LETIER
Independent Director



MAIN SKILL SETS OF BOARD MEMBERS

The Board of Directors benefits from the varied, complementary skills of the individuals who comprise it.

Management of major groups/ listed companies

International environment

Strategy and M&A

Health sector

Finance/Audit

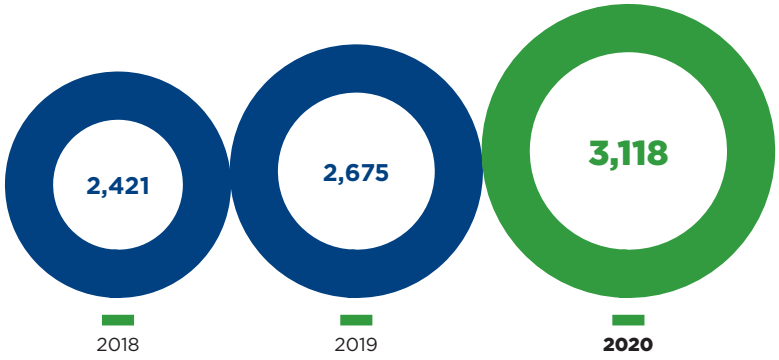
CSR

Digitalization

EXECUTIVE COMMITTEE

The Executive Committee is responsible for implementing the Company's general strategy validated by the Board of Directors regarding the Company's general strategy. The committee is responsible for overseeing strategic projects, deciding on priorities and implementing the necessary resources within the Company's various departments, such as deciding on significant capital expenditure. It also reviews the Company's operations as well as its regulatory and quality management, financial position, sales and headcount, and monitors the Group's most important projects. The Executive Committee meets every month.

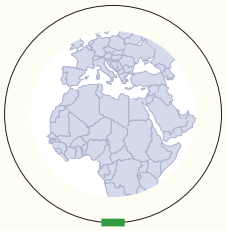
2020
KEY FIGURES

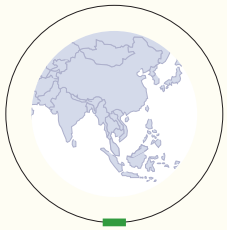


REVENUE
In millions of euro

Revenue for the 2020 fiscal year amounted to €3,118 million compared to €2,675 million in 2019, up 19.7% on a like-for-like basis.


AMERICAS
51%


EMEA*
33%

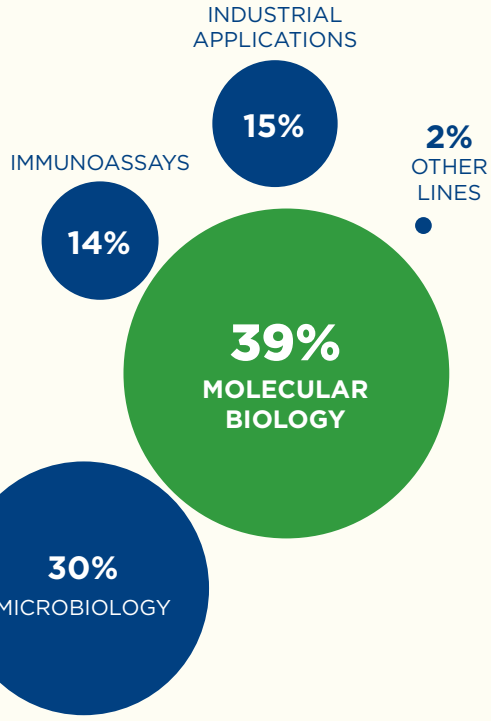

ASIA PACIFIC
16%

REVENUE
BY GEOGRAPHIC AREA

The growth of the Group was driven primarily by strong sales in the Americas and EMEA, supported by the performance of the molecular biology product line, in particular BIOFIRE®.

REVENUE
BY APPLICATION

In 2020, activity sales growth was driven by molecular biology sales. Approximately 80% of sales were generated in syndromic molecular biology, clinical microbiology and industrial applications, three areas in which bioMérieux is the world leader.

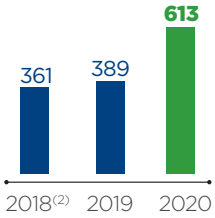


Europe, Middle East, Africa

CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS[1]

(in millions of euro)

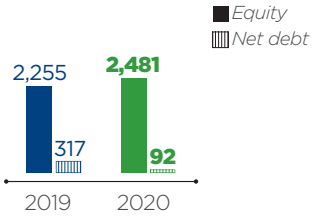
Contributive operating income before non-recurring items totaled €613 million, representing 19.6% of sales. This is up nearly 58% compared to 2019, driven by strong growth in activity.



CHANGE IN NET DEBT

(in millions of euro)

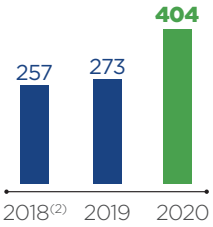
Net debt amounted to €92 million at the end of the fiscal year, including €97 million in discounted liability related to leases (IFRS16). The absence of debt leaves significant room for maneuver to serve the Group's strategic ambitions.



NET INCOME, GROUP SHARE

(in millions of euro)

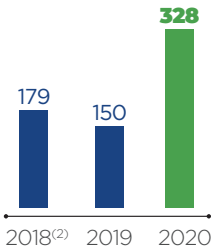
Net income amounted to €404 million, up 48% compared to 2019.
It represents 13% of sales.



FREE CASH FLOW[3]

(in millions of euro)

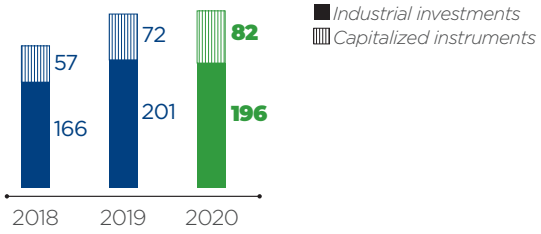
Free cash flow reached €328 million in 2020, compared to €150 million in 2019. This strong increase is mainly due to the favorable evolution of EBITDA, in line with the company's activity.



CAPITAL EXPENDITURE

(in millions of euro)

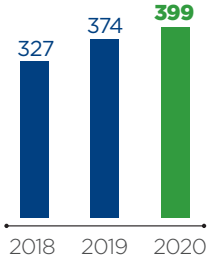
Capital expenditure made during the year accounted for €278 million, as a result of the strategy focused primarily on increasing the production capacity of the BIOFIRE® range in Salt Lake City. Total investments for the fiscal year accounted for approximately 9% of revenue.



R&D EXPENSES

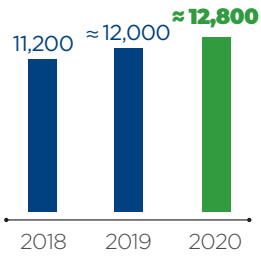
(in millions of euro)

Continuing its innovation efforts, the Group invested €399 million in research and development in 2019, that being 12.8% of sales. This increase of approximately 8% at constant exchange rates and scope of consolidation reflects specific developments aimed at rapidly bringing COVID-19 diagnostic tests to the market, while continuing to support other research programs.



HEADCOUNT AS AT DECEMBER 31[4]

The increase in employee numbers in 2020 mainly reflects the strengthening of BioFire Diagnostics' industrial and sales teams to support the growth of the BIOFIRE® range.



(1) The contributive operating income before non-recurring items corresponds to the operational income excluding non-recurring items related to the integration of BioFire, and accounting entries related to the allocation of its acquisition cost.
(2) Figures from the financial statements for 2018 have been restated to include IFRS16 rules and ensure the data are comparable.
(3) Cash flow prior to the acquisition of companies, treasury shares, divested businesses and dividends.
(4) Full-time equivalent.


BIOMÉRIEUX

01

PRESENTATION OF BIOMÉRIEUX AND ITS ACTIVITIES

1.1 HISTORY AND DEVELOPMENT

1.1.1 bioMérieux and the Institut Mérieux

bioMérieux's commitment to public health and its expertise in biology are rooted in the unique history of the Mérieux family. In 1897, Marcel Mérieux, a student of Louis Pasteur, founded a clinical analysis laboratory in Lyon, which became the Institut Mérieux. It was the start of an extraordinary adventure in the fields of biology and industry.

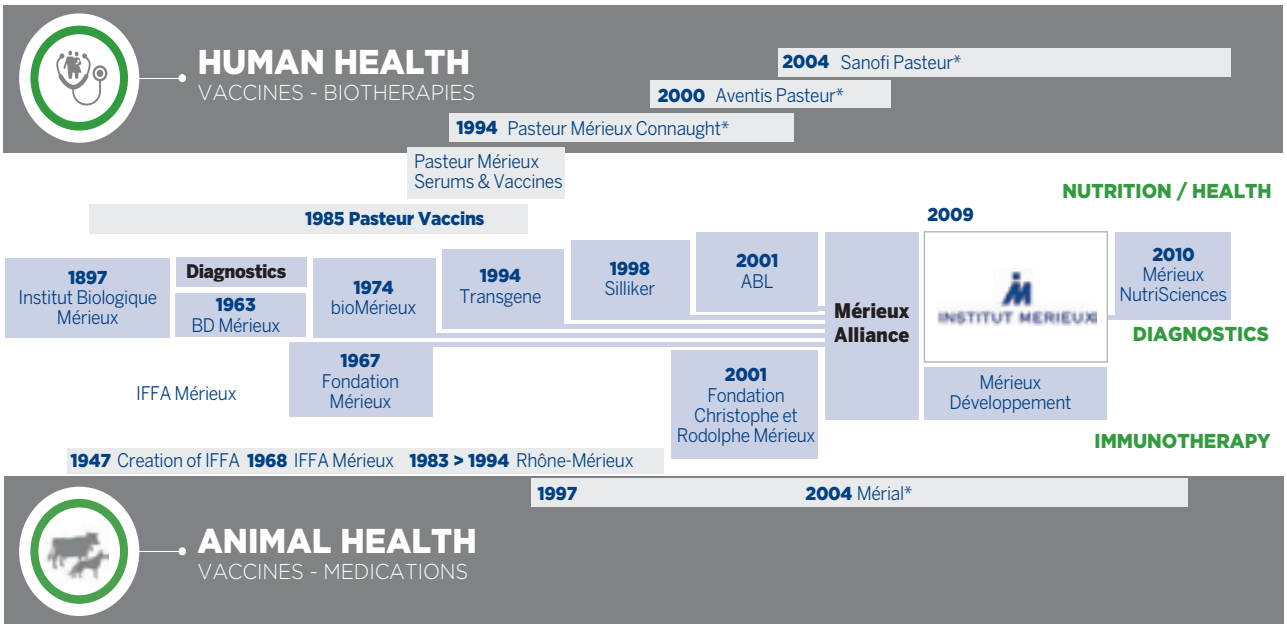
In 1937, Marcel Mérieux's son, Doctor Charles Mérieux, took charge of the laboratory. During the 1940s, he introduced a technique developed by the Dutch professor Frenkel – *in vitro* culture – which revolutionized the manufacture of vaccines and led to the production of reagents for *in vitro* diagnostics tests.

The Institut Mérieux became a worldwide leader in the field of human and veterinary vaccines.

Simultaneously with these activities, in 1963 Alain Mérieux, the grandson of Marcel Mérieux, founded the company B-D Mérieux, which became bioMérieux, dedicated to *in vitro* diagnostics.

The Institut Mérieux gave rise to numerous companies which formed part of the Mérieux family scope until 1994, the date of disengagement of the family from vaccinology activities.

These companies are still major players in the field of public health; in human medicine, Pasteur Mérieux Connaught, which became Aventis Pasteur and then Sanofi Pasteur; and in veterinary medicine, IFFA (Institut Français de Fièvre Aphteuse), which became Rhône Mérieux, then Mérial, and is now integrated into the Boehringer Ingelheim group.



* *Companies deconsolidated from the companies controlled by the Mérieux family in 1994.*

1.1.2 Significant developments

Geographical expansion *Acquisitions* *Change in capital* *Strategic agreements/licenses*

* *On March 21, 1987, bioMérieux merged with API SA, a company incorporated in 1967. bioMérieux, which had been established in 1963, was absorbed by API SA. Following this operation, API SA took on the name bioMérieux.*

1.2 ORGANIZATION OF ACTIVITIES

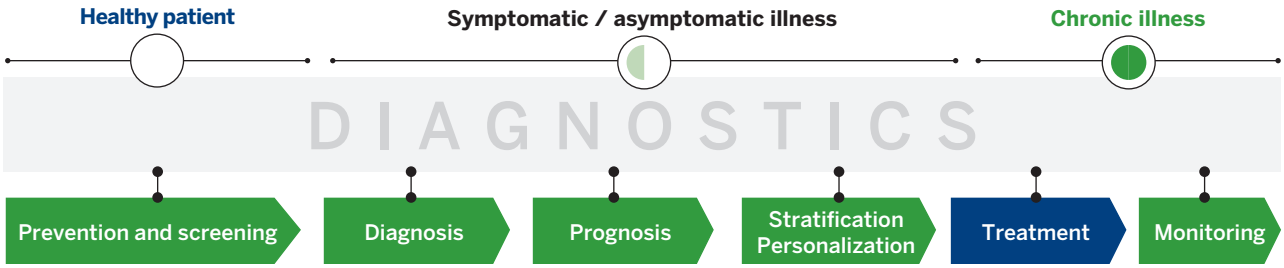
1.2.1 The *in vitro* diagnostics market

There are currently few official statistics on the *in vitro* diagnostics market. The Company has, therefore, conducted its own internal analyses based on reports prepared by financial analysts, studies carried out by independent specialist consultants and information published by other companies in the sector, as well as its own knowledge of the market, through its internal experts.

The sources used to estimate the market (size, growth and split), as well as the Company's competitive position relative to its competitors, are mentioned in the corresponding paragraphs.

1.2.1.1 General description

In clinical applications, *in vitro* diagnostics is an essential part of the patient care process, with a role to play at all stages of a disease:



In vitro diagnostics tests are used to determine the origin of an infection, make a correct diagnosis, propose the most appropriate therapy, monitor patient care, avoid costly complications and evaluate the evolution of a disease. As such, currently between 60% and 70% of medical decisions rely on the result of a diagnostic test. In addition, some diseases such as AIDS and early-stage cancers can only be detected through analysis of samples taken from the patient; for these diseases, medical decisions are 100% reliant on *in vitro* diagnostics tests.

The analyses are performed on samples taken from patients, rather than on the patients themselves. They are generally carried out at the request of a physician, in private or public biomedical laboratories belonging to hospitals or commercial entities, blood banks and physicians' offices. The results are then sent to the physician who can use them to confirm or establish a diagnosis (often in combination with other examinations such as a medical examination or imaging). In some countries, the physician or patients themselves perform certain analyses.

In the industrial market, *in vitro* diagnostics technologies are used to monitor the microbiological quality of food and veterinary products, pharmaceuticals and cosmetics. These microbiological tests (sterility of products, absence of pathogenic bacteria, etc.) are conducted throughout the production chain, from raw materials to the finished product, as well as in the manufacturing environment (air, water and surfaces).

The *in vitro* diagnostics market is part of the healthcare sector. It is distinct from the pharmaceutical market. Although it is becoming more and more stringent, its regulatory environment is more flexible than that applicable to pharmaceutical products, and its customer base is more stable, principally due to the significant costs (capital and training expenditure, and the cost of connecting platforms to laboratories' information systems) incurred by diagnostics customers. The *in vitro* diagnostics market also has more stable revenue growth mainly due to:

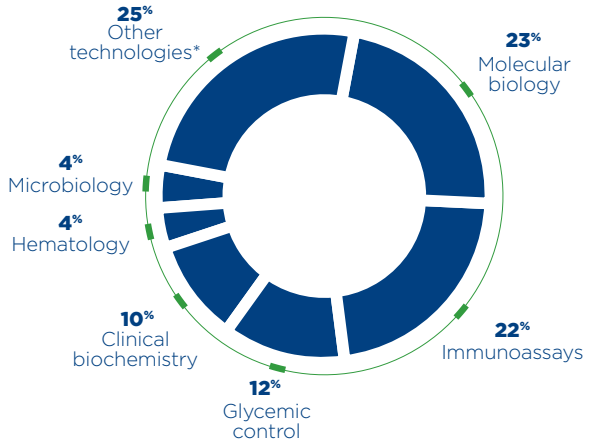
- The significant proportion of *in vitro* diagnostics revenues accounted for by reagent sales, because of the "closed" nature of most systems, which function only with reagents developed and marketed by the manufacturers of these systems (captive market).
- The obligation to offer customers a wide selection of reagents per instrument, which leads to a distribution of the *in vitro* diagnostics companies' activities across a large number of products, in contrast to pharmaceutical groups that are often dependent on *blockbusters*.
- Relatively steady changes in demand in the diagnostics market, compared to with drugs sales, which can vary widely, due, in particular, to changes in the regulatory environment and competition from generic drugs.

1.2.1.2 A market determined by technologies

In vitro diagnostics covers all techniques, systems and products used on samples of biological liquids or human tissue within biomedical laboratories. It therefore covers all analytical techniques used after sampling which guide the decisions of the physician in light of the results obtained. The market for *in vitro* diagnostics is based on several types of technology:

- Biochemistry, which can measure the basic components of the body and is a very important technology, particularly concerning tests for monitoring diabetes.
- Immunoassays, technology based on the principle of an antigen-antibody reaction and used in the detection or assay of infectious agents (such as bacteria, viruses and parasites) and pathological markers.
- Microbiology, the culture of biological samples in a medium allowing any bacteria present to multiply. Any bacteria detected are then identified and tested for susceptibility to antibiotics.
- Molecular biology, technology based on the detection of genetic sequences of DNA or RNA that are characteristic of a bacterium, virus, protein or cell. In the field of infectious diseases, the process consists of extracting nucleic acids (extraction), multiplying (amplifying) them, marking the resulting copies of this amplification and detecting a signal, in order to determine the presence and quantity of infectious agents in the original sample.
- Hematology, which covers the techniques for studying blood components (platelets, red and white cells, etc.).

The image below shows an estimated breakdown by technology of the world market for clinical *in vitro* diagnostics in 2020:



* *This section includes next-generation sequencing, flow cytometry, rapid testing, blood gas analysis and urine testing.*

Source: IQVIA estimates based on company publications in the sector for 2020.

In vitro diagnostics techniques were traditionally performed manually but have progressively been automated, incorporating scientific advances and innovations in technology and IT. They have made it possible for laboratories to standardize their processes, obtain more reliable and clearer results in a shorter time period, ensure the traceability of analyses, and increase the number of examinations that can be carried out simultaneously. The degree of automation is not consistent from one clinical analysis laboratory to another, however. The Company believes that microbiology laboratories are currently less automated than other laboratories, which opens up the prospect growth in this market.

Molecular biology has added a new dimension to *in vitro diagnostics*. This has been confirmed during the COVID-19 health crisis, with the massive use of *polymerase chain reaction (PCR) testing*. More often than not, it is not a substitute for traditional techniques, but supplements the diagnostic offering by providing superior performances compared to traditional techniques (sensitivity and/or speed). Molecular biology has also enabled a new approach to infectious diseases: the syndromic approach. Numerous infectious diseases have a similar clinical profile but may be caused by different pathogens, including viruses, bacteria, fungi or parasites. The syndromic approach is based on the simultaneous analysis of multiple pathogens which may cause this illness. The syndromic approach improves patient care.

At the same time, new techniques are emerging. Technological progress has enabled the development of next-generation sequencing (NGS), which enables high-flow analyses on a much greater scale than traditional sequencing techniques, and at a lower cost. The use of NGS solutions is becoming more common in clinical laboratories, particularly for cancer diagnosis and neonatal screening. This technology is also creating new possibilities for the epidemiological monitoring of infectious bacterial diseases and, ultimately, their diagnosis.

Point-of-care analyses have also developed as instruments are miniaturized. Diagnostic orientation tests are, for example, now available to physicians or nurses, in pharmacies or in certain emergency services. The decentralization of diagnostics has been exacerbated with the health crisis, not only due to the urgent need to obtain rapid testing, but also to the volume of tests to be performed.

Also, *in vitro* diagnostics tests have evolved. In addition to traditional tests, high medical value tests are now having a significant impact on therapy choices, improvements in patient health, and healthcare system cost savings. These tests can be integrated at every level of care for patients, to improve or confirm a diagnosis, enhance treatment strategy, monitor the effects of prescribed treatments and, often, avoid costly complications.

Over the medium to long-term, the "theranostics", or companion diagnostics market, combining a diagnostic test and treatment, is likely to grow. This approach enables the analysis of one or more biomarkers in order to stratify patients or diseases and develop more targeted, and thus more effective, medicines.

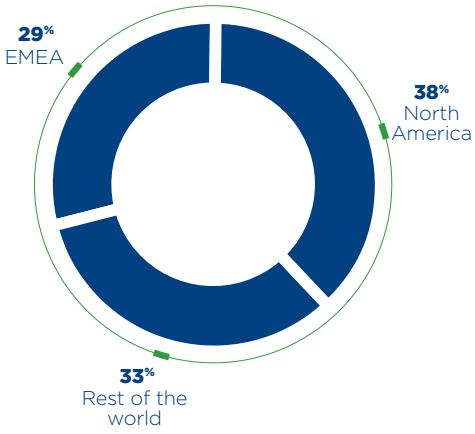
Driven by new technologies and scientific advances, the medical value of *in vitro* diagnostics is increasingly recognized, and *in vitro* diagnostics tests play an increasingly decisive role in the treatment process. By providing earlier, more reliable, and more precise diagnoses and better monitoring of therapeutic response, these tests help to improve the quality of care, while optimizing and reducing healthcare spending.

1.2.1.3 A global market

In 2020, the global market for *in vitro* diagnostics was estimated at EUR 60 billion (USD 70 billion) for clinical applications and approximately EUR 2.8 billion (USD 3 billion) for industrial applications. The market for clinical applications is concentrated at approximately 80% in developed countries (mainly North America, Europe and Japan). For the Company, the breakdown of its revenues by geographic area and by application is presented in section 5.1.1.

Since the end of the 1990s, the clinical *in vitro* diagnostics market has experienced a period of growth due to the increased recognition its medical value, as explained in the previous section.

The graph below shows an estimate of the geographical breakdown of this market for 2020:



Source: IQVIA estimates based on company publications in the sector for 2020.

1.2.1.4 Market trends and growth prospects

The trends presented below are for illustrative purposes and may vary significantly for the reasons indicated in section 2 (Risk factors).

Several structural factors explain growth in the *in vitro* diagnostics market.

- In developed countries, **demographic and lifestyle changes** favor a rapid, but also preventative and predictive, diagnosis.
  - the aging population in developed countries, as well as in the majority of developing countries, is a reality. Longer life expectancy is a determining factor. For example, whereas in 2004, 22% of the French population was over 60, that rate will probably reach 35% in 2040 (source: Institut National d'Etudes Démographiques - French Institute for Demographic Studies). This will lead to an increase in chronic diseases and age related disorders, such as cardiovascular diseases, neurodegenerative diseases, respiratory infections and certain cancers,
  - lifestyles (inactivity, stress, etc.) and new eating habits contribute to the development of diseases such as diabetes and food allergies.
- In developing countries, there is great **demand for improved healthcare** and public health systems due to:
  - Rapid population growth and urbanization, recent pollution problems, and changing lifestyle and eating habits, which foster the emergence of infectious and chronic diseases.
  - Rising living standards, the introduction of ambitious health reforms and new or renovated infrastructure, which are also stimulating an increase in demand, particularly for widely accessible medicines. Furthermore, medical expenses still represent only 5% to 9% of GDP (compared to approximately 17% in the United States and around 9% in Western Europe, according to statistics from the OECD – OECDStat), thus giving these countries some degree of leeway to invest in health systems.
- **The emergence or reemergence of pathogens** imposes the need to develop new diagnostic tests:
  - Microorganisms that are resistant to antibiotics and antivirals are emerging and impose better management of the therapeutic arsenal. In 2014, the World Health Organization (WHO) published its first report on global antimicrobial resistance, including resistance to antibiotics, noting that this serious threat was no longer a prediction, but a reality in every region in the world and that everyone, irrespective of age or country, could be affected. Since 2015, several national or international initiatives have been put in place (United States, China, France, United Nations), notably to highlight the importance of increased monitoring of the emergence of resistant bacteria, or the necessity for rapid diagnostics in order to better control the prescription of antibiotics,
  - Pathogens are appearing, emerging, reemerging and spreading worldwide. The current COVID-19 pandemic is an illustration. Before this crisis, the WHO has qualified two recent epidemics as a "global public health emergency"; in 2014, the Ebola virus epidemic, the most deadly since the discovery of the virus in 1976 and, in February 2016, the Zika virus epidemic, associated with increasing cases of microcephaly in babies whose mothers were infected during pregnancy.

  - The proliferation of healthcare-associated infections has led to the need to detect the carriers of multi-resistant bacteria before they infect themselves or other patients. Furthermore, the high cost of treatment of these infections (estimated in Europe at EUR 7 billion per year, according to MedTech Europe) favors screening tests for the carriers of these bacteria so as to implement the appropriate hygiene measures. Furthermore, an actual or suspected hospital contamination requires epidemiological studies to be conducted in order to understand how the pathogen was transmitted, and to implement appropriate hygiene measures to contain and stop its spread.
- **Reducing health expenditure** is an economic obligation.
  - The continuing economic difficulties experienced by developed countries are leading governments to optimize and even reduce their healthcare spending. Diagnosis only accounts for approximately 2% to 3% of this spending, but is used in most treatment decisions, and provides better care for patients; thanks to its effectiveness at every stage of an illness, it can make a significant contribution to healthcare spending optimization.
  - Reimbursement for medical care is increasingly carried out by pathology and not by examination. In this context, hospitals bear the cost of patient treatment and monitoring, which gives them an incentive to conduct diagnostic tests in order to select the most appropriate treatment and avoid hospitalization wherever possible.
- *In vitro* diagnostic testing is medically important to the healthcare process through its incorporation into **4P medicine** (preventive, predictive, personalized and participatory).
  - Progress in medical know-how leading to the discovery of new innovative biomarkers which may result in the development of *in vitro* diagnostics tests improving patient care.
  - Technological developments, especially those relating to analysis techniques for proteins and genetic sequences, extend the scope of *in vitro* diagnostics to cardiac diseases, cancers, and autoimmune and neurodegenerative diseases.
  - The emergence of "theranostics", which combines diagnostic tests with treatment, helping the physician to choose the most appropriate treatment and avoid those that are ineffective.
  - Bioinformatics and Big Data could change *in vitro* diagnostics by gradually eliminating the border between the services offered by clinical laboratories and the solutions marketed by *in vitro* diagnostics companies, as well as by giving laboratories access to more precise data so that patients can benefit from better informed clinical decisions.
- **The structure of laboratories** is evolving:
  - New technologies are contributing to the development of new diagnostic systems, improving the medical value of each diagnosis along with laboratory workflows and efficiency.
  - An increasing shortage of qualified personnel, greater consolidation among laboratories, and the need to standardize analyses and improve operational efficiency, particularly in clinical microbiology, have led to the automation of laboratories and increased needs for services such as training, maintenance, accreditation assistance and laboratory productivity optimization.
  - The development of molecular biology is leading to new, faster and more accurate diagnoses (see section 1.2.1.2), and expertise in this area has resulted in the development of easier to use integrated platforms.
  - Demand is increasing in hospitals, particularly in the emergency and intensive care departments, for diagnostic solutions that make it possible to choose patient treatment more quickly, resulting in point-of-care (POC) tests and decentralized analyses.
  - Developments in technology are also opening up new fields to *in vitro* diagnostics instruments outside the laboratory. Thus, certain tests could be decentralized and carried out in consulting rooms or pharmacies.
  - Advances in communication technologies are impacting *in vitro* diagnostics, as devices must now increasingly be connected to laboratory information systems. In addition, with new generation connected tools, results can be communicated quickly to medical professionals *via* smartphones and, in certain cases and for certain applications, to patients themselves. More and more, patients want to play an active role in their own healthcare and health decisions, creating a need for better access to medical information and to faster, more precise and easier to understand analysis results.
  - The Obama administration's health care reform in the United States has extended medical insurance to people who did not have adequate health care coverage. In this context, the number of visits to physicians, and the prescription of diagnostic tests, have increased. Faced with this increased activity, laboratories have had to become more automated in order to optimize their workflow and productivity.
- demand in **industrial applications** is driven by structural factors:
  - Quality control obligations in food, pharmaceutical and cosmetics applications are increasing.
  - Food, pharmaceutical and cosmetics companies are looking to protect their trademarks and reputation. These companies also want to be able to improve test automation, so as to be able to test raw materials before their use in production chains or to release batches of finished products faster, thereby encouraging the development of technologies such as cytometry.

- Changing eating habits (such as increasing meat consumption in emerging countries) are stimulating demand in the food industry.
- The development of new "on demand" personalized medicine or short series treatments is sustaining demand in the biopharmaceutical industry due to the need for more regular and faster testing.
- Veterinary laboratories are increasingly having to deal with antimicrobial resistance in animals and have to increasingly run infertility and emerging animal diseases diagnostic tests in livestock. Moreover, new regulations are restricting the use of antibiotics on farms.
- Emerging markets want to protect their consumers and export their own food production. As a result, they are strengthening their food safety testing requirements.
- End consumers are demanding increasingly higher standards when it comes to the quality of the food, pharmaceuticals and cosmetics that they buy.

Conversely, **some economic factors may impact growth in the market**:

- The economic situation in Western Europe could remain structurally difficult, with mixed dynamics specific to each country.
- Chronic deficits, the excessive indebtedness of healthcare systems, and economic and monetary crises are leading to austerity measures (lower reimbursements, reduced capital expenditure, streamlining of the management of reagent inventories, etc.) and limiting users' ability to increase consumption.
- Increased demand for diagnostic tests could put downward pressure on the sales prices paid by clinical laboratories for their reagents. As of 2015, certain "homebrew" (LDT – *lab-developed tests*), are no longer reimbursed in the United States. In 2017, the US administration implemented a health reform known as PAMA (Protect Access to Medicare Act of 2014) which aims to reduce reimbursements for *in vitro* tests for outpatients. Although these developments do not directly affect manufacturers of *in vitro* diagnostics systems, they could weigh on the *in vitro* diagnostics market over the longer term.
- The introduction of new tests and their reimbursement requires an evaluation of their cost/benefit ratio. These evaluation processes are still complex and rather informal, and represent an opportunity to better demonstrate the value of *in vitro* diagnostics tests.
- The emerging countries are traditionally markets for equipment, for which revenues are more irregular, and are characterized by a growing consumption of reagents; furthermore, these countries are becoming increasingly price-sensitive. These countries can also experience significant currency fluctuations.
- For several years, the consolidation of clinical laboratories, both in hospitals and commercial laboratories, has been materializing. This movement has been developing at different rates depending on the country. It is already very advanced in North America and Japan and, to a lesser extent, in Europe.

  This consolidation strengthens the negotiating power of customers and brings new interlocutors into the process of purchasing an *in vitro* diagnostics system, such as hospital managers and specialized buyers, which could negatively impact the level of prices charged by market stakeholders.
- Regulatory requirements are increasing (see section 2.2.3.2).

Estimated growth in the *in vitro* diagnostics market, excluding blood sugar tests, was approximately 14% in 2020, at constant exchange rates. The Company remains confident that this market will continue to grow in the medium term.

1.2.1.5 The key stakeholders

Increasing R&D costs related to innovation, consolidation of the customer base, the need for broader product lines, as well as critical mass considerations are leading stakeholders in the *in vitro* diagnostics market to continue their collaboration and partnerships. In addition, this market has attracted several new stakeholders.

The *in vitro* diagnostics market remains highly concentrated. The Company estimates that the 10 largest stakeholders in the market for *in vitro* diagnostics currently constitute 75% of the worldwide market (including diabetes tests). These are the large pharmaceutical groups (Roche, Abbott) or diversified conglomerates (Becton Dickinson, Thermo Fisher, Danaher and Siemens Healthineers), or specialized companies (bioMérieux, Diasorin, Sysmex, and Qiagen).

Based on its 2020 revenue, bioMérieux ranks itself in sixth place in the *in vitro* diagnostics market. This ranking reflects its specialized positioning; it is not present in either diabetes testing or in clinical chemistry testing.

1.2.2 General presentation of the Company

1.2.2.1 Areas of expertise

bioMérieux designs, develops, produces and markets systems that are used in two fields:

Clinical

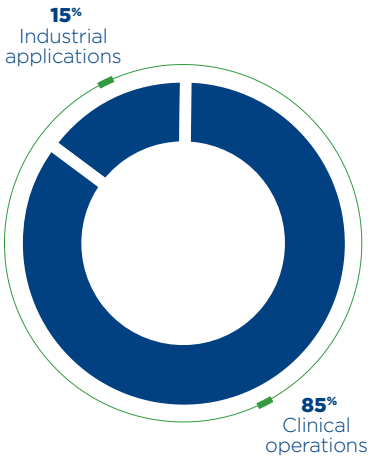
In clinical applications, these systems can, from a biological sample (blood, saliva, urine, etc.), be used essentially to diagnose infectious diseases, cardio-vascular pathologies and certain cancers. Clinical applications represent 85% of the Company's revenue. As a specialized stakeholder, bioMérieux ranks sixth worldwide in *in vitro* diagnostics, but is the world leader in clinical microbiology and molecular syndromic diagnostics of infectious diseases. The Group's historic and priority activity focuses on the diagnosis of infectious diseases: bacterial infections (such as staphylococcus), parasitic infections (such as toxoplasmosis) and viral infections (such as influenza). The diagnosis of infectious diseases represented approximately 90% of its revenue in 2020.

Since 2011, bioMérieux has been making its expertise in microbiology available to healthcare professionals in animal health, notably with the aim of contributing to the fight against microbial resistance, epizootics and emerging zoonoses.

This forms part of the "One Health" approach promoted by international organisations, and based on the principle of a continuum from animal to man in the transmission of infectious agents and resistance to antibiotics.

Industry

In the industrial field, these systems enable the microbiological testing of manufacturing and of its environment, primarily in the food, pharma-ceutical, cosmetics and veterinary sectors. Industrial applications represent 15% of the Company's sales bioMérieux is the worldwide leader in this sector.



Each of these two areas has its own management, the managers of which sit on the Executive Committee (see section 4.2.1).

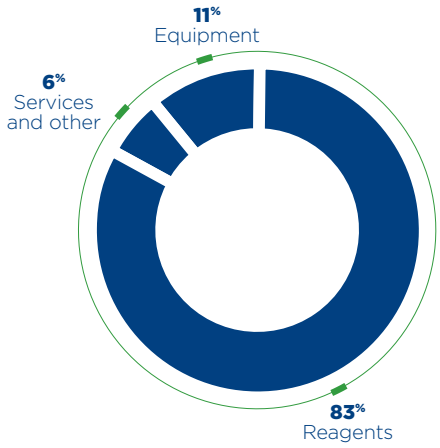
Given the current market, the Company believes that it is important to master three complementary techniques in order to successfully compete in the targeted areas:

- **Microbiology**, which is based on culturing biological samples, identifying microorganisms and measuring their antimicrobial resistance.
- **Immunoassays**, based on the principle of immunological reaction, to identify or quantify the presence of antigens and/or antibodies in a sample.
- **Molecular biology**, which is based on the detection of genetic sequences of DNA or RNA characteristic of a pathogen to identify bacteria, viruses, fungi and parasites.

The Group's diagnostics offer consist of several elements (ERS):

- Equipment (also referred to as instruments, platforms or automated analyzers) for automated use with series or individual units. It is primarily closed systems, *i.e.,* only specifically-developed reagents can be used. Instruments are either sold or provided to customers for use on their premises under an agreement to purchase a minimum volume of reagents and consumables, under terms designed to cover the depreciation and financing of the instrument. In certain markets, instruments may also be leased to customers. Instruments that are sold or provided to customers are accompanied by services which include the installation and servicing of the instrument, as well as user training. Instruments are integrating software and expert systems for managing analyses and interpreting results.
- Reagents and consumables used to carry out biological tests, in order to perform screening, diagnostic assistance, prognosis and treatment monitoring.
- Related services such as the installation and maintenance of instruments, user training or the audit of laboratory workflows.

BREAKDOWN OF 2020 REVENUE BY ERS



bioMérieux's business therefore involves integrating highly diversified technologies covering biology, instrumentation and engineering, as well as IT and data processing. This can often be complex, as it entails verifying the essential compatibility of the various components, monitoring overall coherence, adhering to the different standards applicable in each field, and respecting quality, cost objectives as well as deadlines.

1.2.2.2 Geographical presence and commercial network

The Company markets its products in over 160 countries through a network of international subsidiaries and distributors. One of the Company's priorities is to further enhance its customer focus.

Product distribution relies mainly on its subsidiaries, which devote their efforts to selling, promoting and/or maintaining the Group's products.

Sales and marketing forces are specialized according to the application: clinical and industrial microbiological control. In the most developed and mature markets, such as the United States, most European markets and Japan, sales forces in clinical applications are specialized according to product line. Likewise, the industrial applications sales forces are becoming increasingly specialized in the pharmaceuticals and agri-food sectors. Conversely, in smaller markets, sales forces are pooled.

In addition to its subsidiaries, the Company has a strong presence across all continents through independent distributors. These distributors are primarily chosen based on their ability to maintain a strong brand awareness with regard to the Group's products and to comply with legal restrictions in terms of traceability and after-sales services (technical personnel, training, availability of spare parts). They are generally major players in the health field in their countries and are often exclusive in the diagnostics field, subject to the applicable laws. They are also selected by the Company based on their knowledge of local healthcare market stakeholders, and their material and human resources. The Company ensures that its distributors have adequate financial resources to fund the instruments provided to end customers.

Furthermore, in particularly large emerging countries such as China, Russia and India, the Company's subsidiaries can be the driving force behind a network of local distributors. This organizational structure is consistent with local distribution practices and allows the Company to market its product lines across a large part of these territories. On the other hand, using intermediaries can, in certain cases, make it harder to understand how the market is evolving.

1.2.2.3 The Group's customers

In the clinical field, organization of the *in vitro* diagnostics sector varies considerably from country to country, depending on the structure of the healthcare system itself. Essentially, it may be part of the public or the private sector, or a combination of them both. The Company primarily sells its products to hospital and commercial clinical laboratories. It estimates that these two types of customer represent around two-thirds of the *in vitro* diagnostics market, with hospital laboratories alone accounting for approximately half the market. To a lesser extent, the Group's customers include distributors, blood banks, the point-of-care market (including hospital emergency rooms) and physicians (physician office laboratories or POLs). The Group does not sell products to patients themselves.

France, where the Group made 7% of its sales in 2020, has a mixed healthcare organization, combining both private and public laboratories. For example, private laboratories represented 26% of sales in 2020, while hospitals totaled 41% of the Company's sales. Industrial customers represented 30% of sales in 2020.

In the United States, the largest market for the Group, public or private hospitals represented 73% of sales in 2020 and commercial laboratories represented 12%. Also, less than 8% of sales were made with other customers in clinical applications, including POLs and University hospitals. Industrial customers represented 7% of sales.

The Company's clinical microbiology offer includes systems of various capacity and is based on the concept of microbiology laboratory automation. It is, therefore, perfectly in line with the shift toward consolidation described previously. By integrating services, in particular, the solution's commercial offer is also expanding with a focus on introducing comprehensive solutions with high added value (medical and/or economic). However, in immunoassay, VIDAS®, a low-throughput platform, is not adapted to routine tests carried out in large laboratories.

In the industrial field, Group customers are either quality control laboratories of large industrial food, pharmaceutical and cosmetics groups, or independent laboratories to which such industrial quality control is outsourced. In addition, with the development of the fight against healthcare-associated infections, the Company is beginning to target hospitals as industrial customers for the installation of disinfection and monitoring systems. Similarly, blood banks have, in some cases, become industrial customers with the development of bacteriological sterility monitoring of the platelets that they distribute.

In spite of the global movement towards the concentration of its customers, bioMérieux does not consider that it has a concentrated customer base; as an illustration of this, the largest customer represents less than 1% of the Group's total sales.

1.2.2.4 Competition

Clinical market

In the infectious diseases segment, which accounts for more than 20% of the market for *in vitro* diagnostics (according to the estimates of the Company and its knowledge of the market), and which represents more than 90% of the Group's clinical sales, the Company is one of the rare stakeholders to have all of the technologies used (microbiology, immunoassay and molecular biology). As a result, it faces different competitors depending on the technology used. The Company believes that its expertise in these complementary technologies gives it a significant competitive advantage:

- In clinical microbiology, as estimated internally and by an independent consultant specialized in *in vitro* diagnostics, the Company's market share is around 40%, putting it in the leading position worldwide. This market is estimated at about EUR 3 billion, growing by around 5% a year at constant exchange rates. Other significant stakeholders in this market include Becton Dickinson, Danaher and Thermo Fisher. In automated microbiology, new technologies are emerging, such as mass spectrometry, which is also marketed by Bruker, and competition has heightened since Becton Dickinson's takeover of Kiestra. In addition, the line between technologies is becoming increasingly porous; start-ups offering identification technologies and/or rapid antimicrobial susceptibility testing (AST) based on molecular biology approaches are emerging, and stakeholders in the field of molecular biology are offering an increasing number of tests for the rapid identification of bacteria.
- In immunoassay, large diversified pharmaceutical groups (Roche, Abbott, Siemens Healthineers and Danaher) are dominant. Among specialized stakeholders, the main competitors include Bio-Rad and DiaSorin. According to its internal estimates, the Company holds a market share of around 3%. It is strengthening its position as a specialized stakeholder thanks to VIDAS® 3, the most recent generation of its VIDAS® automated system, to its range of high medical value tests and to its establishment in emerging countries.
- In molecular biology, the market leader is Roche. The other significant stakeholders are Hologic, Qiagen, Becton Dickinson, Danaher (Cepheid), Abbott and Siemens. In this market, bioMérieux made a major strategic move in 2014 with the acquisition of the American company BioFire, whose BIOFIRE® FILMARRAY® system provides a new standard in the diagnosis of infectious diseases. This innovative diagnostic approach, known as the multiplex syndromic approach, is growing, driven by bioMérieux, while competitors are starting to emerge, such as Genmark Diagnostic, Luminex which acquired Nanosphere in 2016, or Qiagen which acquired StatDx in 2018. At the end of 2020, around 80% of the instruments installed by these four stakeholders in the multiplex syndromic approach are bioMérieux instruments. Furthermore, the Company is present in the extraction field with EMAG®, the new generation of its automated NUCLISENS® EASYMAG® system.

Industrial market

In the industrial market, which remains relatively fragmented, the Company considers itself the world leader. Based on its internal studies, it evaluates its market share to be around 20% in 2019. The other significant stakeholders are Merck Millipore, 3M, Thermo Fisher, Becton Dickinson and a number of smaller companies in niche segments.

1.2.3 The Group's products

The Company has implemented a global marketing strategy. Its various systems are marketed under identical trademarks worldwide. Furthermore, the product offer is adapted to regional and local requirements.

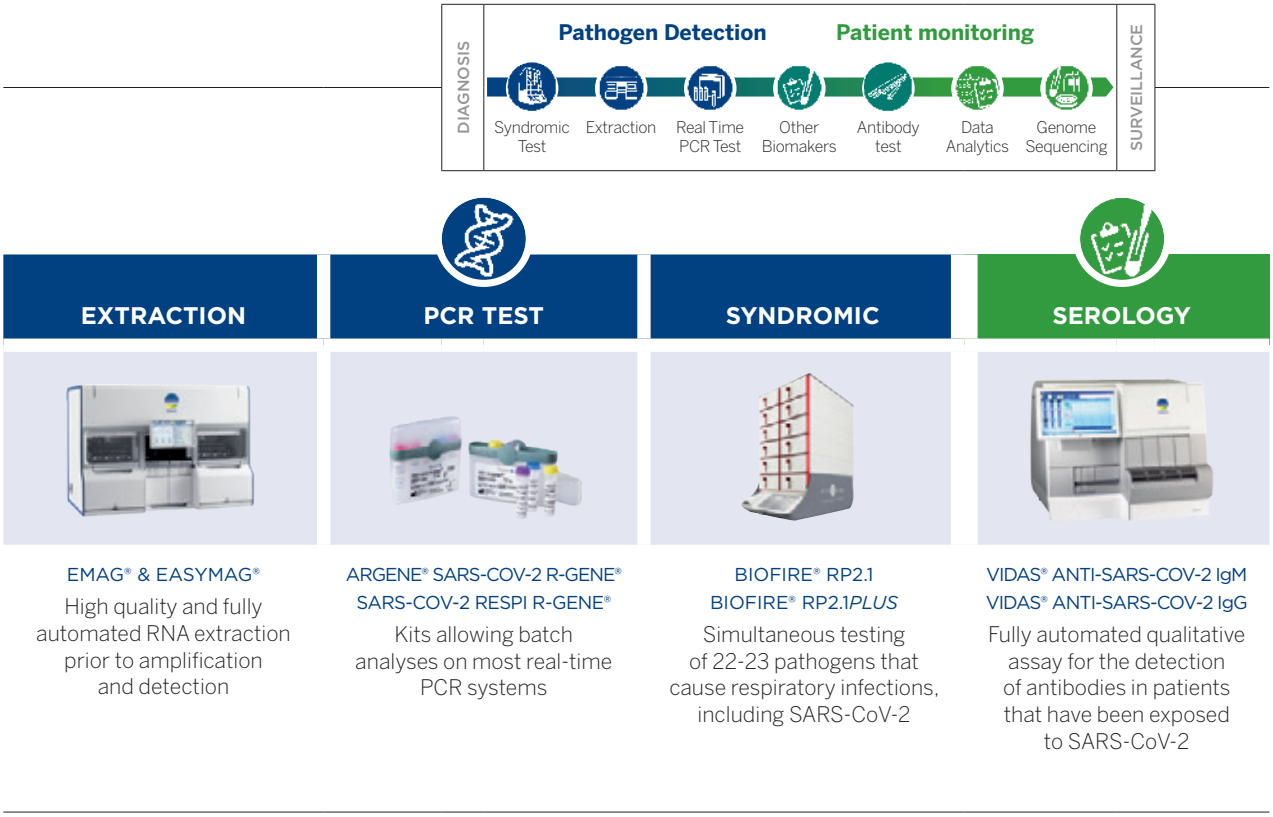
The Company's ten leading products accounted for 36% of the Company's sales in 2020.

bioMérieux is developing complete offer in order to meet public health challenges *via* specific product ranges.

1.2.3.1 Responding to public health challenges: comprehensive solutions

Specific solutions for combating the COVID-19 pandemic

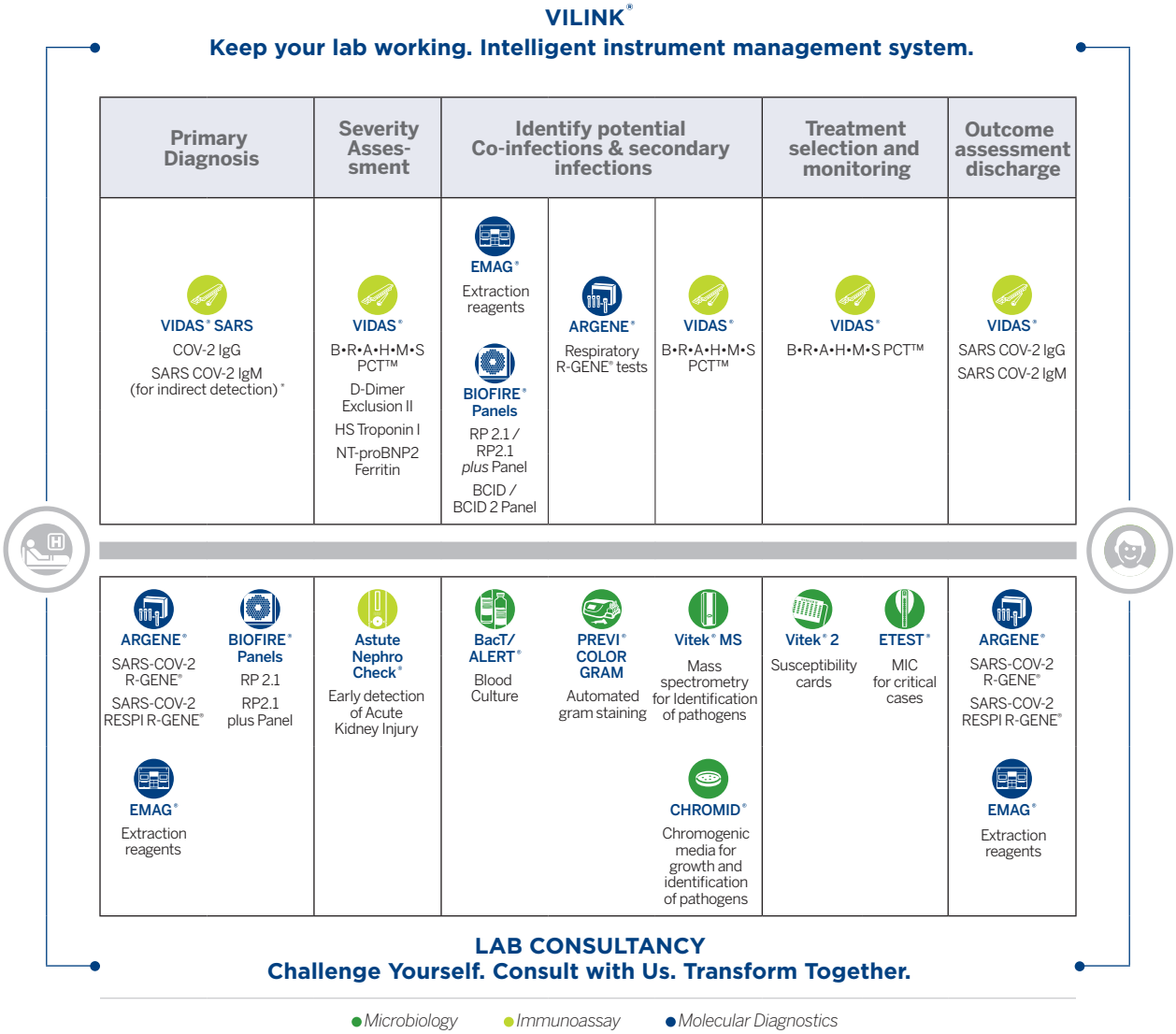
bioMérieux is responding to several major public health challenges, including the fight against emergent pathogens (see section 3.3.1.3). In order to combat the COVID-19 pandemic, the Company has developed and provided various complementary diagnostic solutions to detect the current or past presence of SARS-Cov-2 in the body. It relies on its expertise in the field of automated extraction of nucleic acids, as well as the field of immunoassay.



Various tests have been developed:

- Molecular biology tests based on polymerase chain reaction (PCR) technology to amplify and detect the RNA of the coronavirus responsible for COVID-19:
  - The ARGENE SARS-CoV-2 R-GENE® test that specifically detects the coronavirus responsible for COVID-19 from nasopharyngeal, oropharyngeal or salivary samples by testing several patients simultaneously. It may be used with the majority of nucleic acid extraction and amplification platforms available on the market. The test is produced in France and gives a result in 4 to 5 hours.
  - BIOFIRE® 2.1 (RP2.1) and BIOFIRE® 2.1 plus (RP2.1 plus) respiratory panels are updated versions of the RP2 and RP2 plus panels that incorporate the detection of SARS-CoV-2 in addition to 21 pathogens frequently responsible for respiratory infections and already included in these panels. The RP2.1 also incorporates detection of MERS-CoV. These two panels are available on the bioMérieux FILMARRAY® 2.0 and FILMARRAY® TORCH platforms. The tests are produced in the United States and give results in 45 minutes.
- The VIDAS® anti-SARS-CoV-2 IgM and VIDAS® anti-SARS-CoV-2 IgG tests that rely on the enzyme-linked fluorescent assay (ELFA) technology of the VIDAS® range for the detection of antibodies indicating past or current infection. These tests provide qualitative detection of the presence of SARS-CoV-2 in the body through the detection of the IgG and IgM immunoglobins produced by the immune system to provide protection against SARS-CoV-2. These two tests are produced in France and give a result in less than 30 minutes.

These new tests are part of bioMérieux's complete offer for the management of COVID-19 patients.

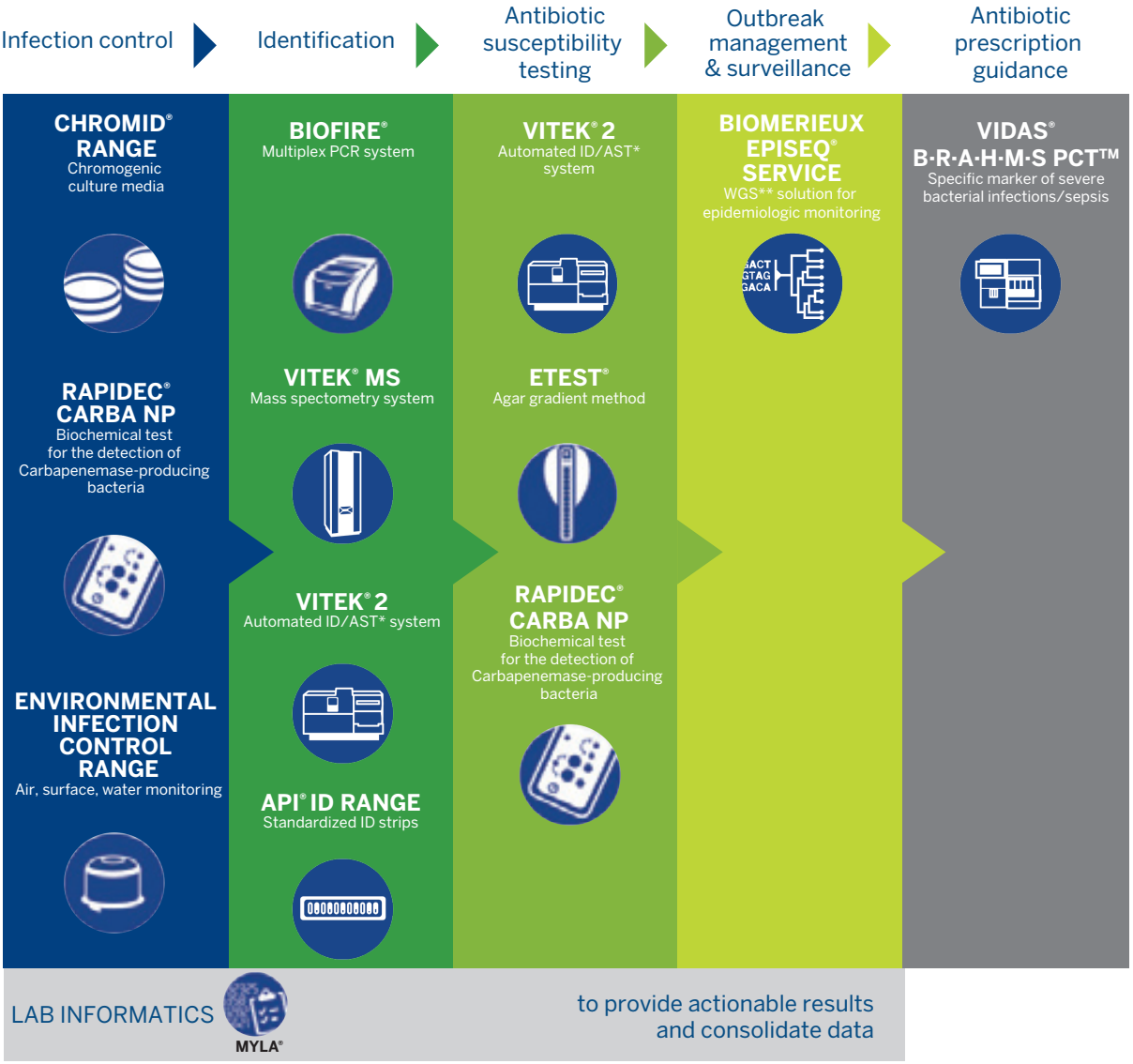


* *If the PCR is negative.*

Finally, in the industry field, the SARS-Cov-2 test makes it possible to specifically detect coronavirus in environmental samples and, in particular, on surfaces. This test is used on the GENE-UP® molecular platform and gives a result in two hours. It is produced at the Philadelphia site, in the United States.

Specific solutions for combating antimicrobial resistance

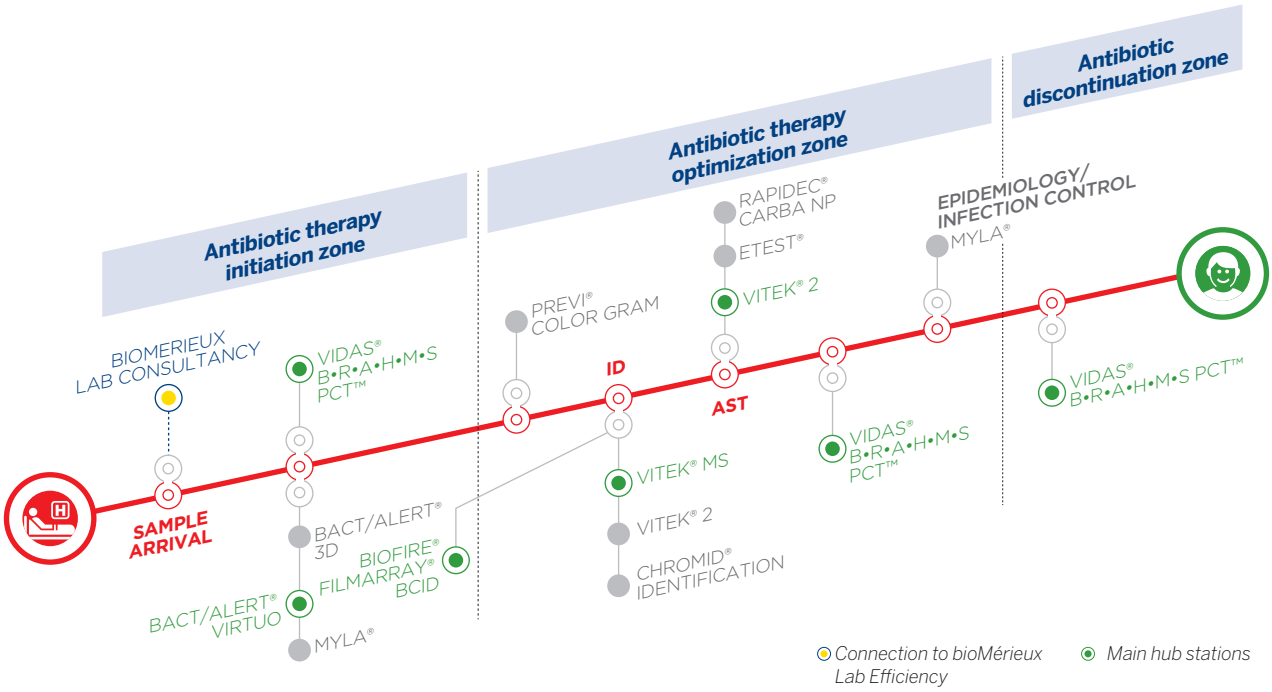
bioMérieux is a key stakeholder in the fight against antimicrobial resistance (see section 3.3.1.1). The Company's products cover the full range of public health stakeholder needs.



* *ID/AST : Identification / Antibiotic Susceptibility Testing.*
** *WGS : Whole Genome Sequencing.*

Specific solutions for combating sepsis

bioMérieux has a long standing commitment to sepsis control (see section 3.3.1.2).
It has a complete "Sepsis solution" offer.



1.2.3.2 Description of the main ranges

BIOFIRE® FILMARRAY®

EXPERTISE
MOLECULAR BIOLOGY

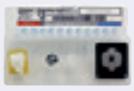
TECHNOLOGY
RT-PCR*

CUSTOMERS

Clinical | Industry

TYPE OF OFFER

Reagents | Instruments | Software | Services

	REAGENTS	FILMARRAY TORCH*	FILMARRAY 2.0*	FILMARRAY EZ*
				
OBJECTIVE	To simultaneously identify, using a single test, or panel, the pathogens (bacteria, viruses, parasites, fungi, yeast) that most frequently cause an infectious syndrome through the detection of genetic DNA or RNA sequences that are specific to them.			
CHARACTERISTICS	**Easy to use**: The sample can be prepared for analysis in under two minutes, and it does not require any particular molecular biology skills. No intervention from the laboratory technician once the analysis is launched until the result is received (sample-to-answer). **Rapid**: Test durations of between 45 and 75 minutes, depending on the panel. **Complete**: Broad panels including between 14 and more than 40 pathogens.			
PORTFOLIO	**Reagents**: • Respiratory infections: Respiratory panel (20 pathogens), Respiratory 2 panel (22 pathogens, including SARS-CoV-2), Respiratory 2.1 panel (23 pathogens including SARS-CoV-2), Pneumonia panel (33 pathogens), Pneumonia plus panel (34 pathogens). • Blood infections: Positive blood culture identification panel (BCID with 27 pathogens and resistance genes, BCID2 with 43 pathogens and resistance genes). • Gastrointestinal infections: Gastrointestinal panel (22 pathogens). • Nervous system infections: Meningitis/Encephalitis panel (14 pathogens). **Instruments**: • FILMARRAY® Torch®: modular and scalable. The basic configuration with two modules is able to test 44 samples/day and may be extended to 12 modules, which can process 264 samples/day. • FILMARRAY® 2.0 can function with up to 8 individual units and can process 176 samples/day. • FILMARRAY® EZ offers a simplified user interface and uses a single FILMARRAY® 2.0.system. It is only available on the American market for use of the RP-EZ panel exclusively.			
OTHER INFORMATION	Launch in 2020 of: • FILMARRAY® Trend, a software feature developed internally to aggregate and share the results of FILMARRAY® tests coming from hospitals that use it, while preserving the anonymity of the patients tested. It enables its users to see, in real time, the epidemiological trends related to the circulation of pathogens at local, regional, national or global levels and to put the results obtained into context. • On the industrial market, BIOFIRE® MYCOPLASMA, an innovative test for the detection of mycoplasmas in biopharmaceuticals (antibodies, hormones, cell or gene therapies, etc.), the most dynamic segment of the pharmaceutical industry.			

* *Real-time polymerase chain reaction.*

VITEK® 2

EXPERTISE
MICROBIOLOGY (IDENTIFICATION & ANTIMICROBIAL SUSCEPTIBILITY TESTING (AST))

TECHNOLOGY
COLORIMETRY

CUSTOMERS
Clinical Industry

TYPE OF OFFER
Reagents Instruments Software Services


REAGENTS


VITEK®2 XL


VITEK® 2


VITEK® 2 COMPACT

OBJECTIVE	To automatically identify bacteria. To quantify and categorize their antimicrobial resistance so that the patient's treatment can be adjusted.
CHARACTERISTICS	**Automated**: Its design ensures an optimized laboratory workflow; fewer repetitive tasks, improved security, maximum standardization and shorter turnaround times for the production and generation of reports. **Ready-to-use reagents**: Once the consumable is loaded, the incubation and reading of each card is managed by the system without any intervention by the laboratory technician. **Expert software for interpreting results**: bioMérieux has integrated into its system VITEK® 2 the Advanced Expert System (AES™), which automatically validates each antimicrobial susceptibility testing (AST) result. In an optimized time frame, it gives a precise phenotype profile of the mechanisms of microbial resistance for each isolate tested.
PORTFOLIO	**Reagents**: VITEK® 2 enables the identification of more than 450 bacteria or molds and tests their resistance to over 170 antibiotics. **Instruments**: • VITEK® 2 Compact has a capacity of 15, 30 or 60 cards. • VITEK® 2 has a capacity of 60 cards. • VITEK® 2 XL has a capacity of 120 cards. The VITEK® 2 system can be restricted to antimicrobial susceptibility testing (AST), and identification is then performed by VITEK® MS. This configuration is fully and seamlessly integrated through MYLA® (see below).
OTHER INFORMATION	VITEK® 2 is the market leader in automated identification and antimicrobial susceptibility testing (AST). The VITEK® range is also used by industrial customers in the food industry and in the pharmaceutical and cosmetic fields, which have to identify pathogens present in products or in the production environment. In the veterinary field, VITEK® solutions make it possible to identify and perform antimicrobial susceptibility testing (AST) on bacteria responsible for diseases in animals.

VITEK® MS

EXPERTISE
MICROBIOLOGY (IDENTIFICATION)

TECHNOLOGY
MALDI-TOF*

CUSTOMERS

Clinical | Industry

TYPE OF OFFER

Reagents | Instruments | Software | Services

VITEK® MS-DS

VITEK® MS

OBJECTIVE	To identify bacteria in a few minutes using mass spectrometry technology, which relies on the difference in mass between all the constituents of a bacterium to determine its unique "signature".
CHARACTERISTICS	**Simple and secure workflow**: Rationalized sample preparation and practical kits with reliable, effective inactivation and extraction protocols. **Rapid, robust and precise identification** at the level of the species, the genus or the group in a few minutes. **Integration with antimicrobial susceptibility testing (AST):** Seamlessly integrates the identification results with the results from VITEK® 2 thanks to an optimized configuration and turnaround time.
PORTFOLIO	More than 15,000 different strains in the database, taking into account the diversity within a species for increased precision. In addition, specific kits necessary for sample preparation are available for *Mycobacterium/Nocardia* and for molds. In 2020, marketing of Vitek® PickME™ to optimize and homogenize the deposit of samples on Vitek® MS matrices.
OTHER INFORMATION	This bacteria identification technique is especially appropriate for laboratories that handle large volumes of samples, as a quick and cost effective solution to obtain results. However, MALDI-TOF mass spectrometry cannot perform antimicrobial susceptibility testing (AST).

* *Matrix Assisted Laser Desorption Ionization-Time Of Flight.*

BACT/ALERT®

EXPERTISE
MICROBIOLOGY (BLOOD CULTURE)

CUSTOMERS
Clinical, Industry

TECHNOLOGY
COLORIMETRY

TYPE OF OFFER
Reagents, Instruments, Software, Services

BACT® FAN PLUS® REAGENTS

BACT/ALERT® VIRTUO® (HERE WITH AN ADDITIONAL MODULE)

OBJECTIVE	To multiply and detect microorganisms in the blood and other normally sterile bodily fluids. This stage is key for the care of patients with suspected sepsis.
CHARACTERISTICS	**Fully automatic loading and unloading**: Reduction of manual tasks and economic optimization. The entirely closed system provides better temperature control. **Detection of blood level**: Measures the volume of blood added to each bottle when loading so as to immediately alert the laboratory if samples must be taken again; quality control of blood collection practices with traceability at patient sample level. **Advanced detection algorithms**: Detect positive samples quicker, enabling an accelerated optimization of patient treatment.
PORTFOLIO	**Reagents**: • BACT/ALERT® FAN® PLUS bottles contain polymer beads for the most effective antibiotic neutralization. • BACT/ALERT® FAN® bottles neutralize antibiotics using activated charcoal. • BACT/ALERT® standard bottles without antibiotic neutralization. • BACT/ALERT® MP bottles for the detection of pulmonary tuberculosis. **Instruments**: • BACT/ALERT® 3D (120 Combo and 240), first-generation instruments, flexible, easy-to-use and modular, enabling a usable capacity of 120 to 1,440 positions. • BACT/ALERT® VIRTUO®, next-generation instruments, with a capacity of 428 bottles and the ability to connect up to 3 additional modules to a single user interface, to reach a total capacity of around 1,700 bottles.
OTHER INFORMATION	For industrial applications, the range of BACT/ALERT® systems is used for controlling the sterility of biopharmaceutical products, for the microbiological control of beverages and for the quality control of blood products, and more specifically platelets, for which BACT/ALERT® is the most used detection method throughout the world.

MYLA®

EXPERTISE
MICROBIOLOGY

CUSTOMERS
Clinical, Industry

TYPE OF OFFER
Software

MYLA®

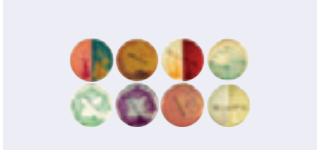
DASHBOARD

OBJECTIVE	Software suite offering consolidation of analytical data from bioMérieux's range of instruments. Connected to VITEK® 2, VITEK® MS and BACT/ALERT® VIRTUO, it can both control and improve analytical activity using dashboards, as well as monitor infections and resistance using statistical and epidemiological tools.
CHARACTERISTICS	Web application available on server, PC or virtual machine, connected in bidirectional mode to the LIS* and accessible from any workstation in the laboratory.

* *Laboratory Information System = Administrative software package running the main processes of a clinical laboratory.*

CULTURE MEDIA AND ASSOCIATED INSTRUMENTS

EXPERTISE	CUSTOMERS	TYPE OF OFFER
MICROBIOLOGY (CULTURE)	Clinical, Industry	Reagents, Instruments, Software, Services



CULTURE MEDIA (PETRI DISHES)

PREVI® COLOR GRAM

WASP®

WASPLAB®

OBJECTIVE

To multiply bacteria and isolate colonies.

To identify bacteria and resistance mechanisms using the CHROMID® range.

PORTFOLIO

The Group offers an extensive range of culture media (more than 100 references available in the form of Petri dishes, tubes and bottles). It offers a wide range of conventional and chromogenic Pre-Poured Media (PPM).

The CHROMID® range of chromogenic media combines the isolation and simultaneous identification of target microorganisms (*e.g.: Clostridium difficile*, CPS, *Salmonella*) including resistant bacteria responsible for healthcare-associated infections (MRSA, CARBA, OXA-48, Colistin R).

Biplates, the smart association of two culture media in a single box, providing two pieces of information in one reading, have been added to this range: CHROMID® CARBA SMART, CHROMID® SMART MRSA/S. aureus, as well as equipment for testing laboratory environments.

In the field of industrial applications, the Company offers various specific media (testing for microorganisms in food, pharmaceutical and cosmetic products). It has also developed solutions for environmental monitoring appropriate to the pharmaceutical sector.

Instruments (distribution contract with the Italian company Copan):

- WASP®, automatic seeding system.
- WASPLab®, an intelligent incubation system providing high-resolution images of the culture media and improving the speed, interpretation, reliability and accessibility of the results.

OTHER INFORMATION

In 2018, artificial intelligence software (PhenoMATRIX™) was integrated into WASPLab®. It enables the analysis and automatic sorting of agars incubated in WASPLab® using the combination of patient data (extracted from the laboratory information system) and the analysis of images using highly efficient algorithms.

In 2019, an additional module to WASPLab®, Colibrí, was developed; it enables the automation of colony picking, the preparation of targets for identification by VITEK®MS, and preparation of the suspension for performing antimicrobial susceptibility testing (AST) with VITEK®2.

TEMPO®

EXPERTISE
MICROBIOLOGY

TECHNOLOGY
COUNTING BY FLUORESCENCE

CUSTOMERS

Industry

TYPE OF OFFER

Reagents Instruments Software Services

TEMPO® REAGENT

TEMPO FILLER®

TEMPO READER®

OBJECTIVE	Enumeration of bacteria in production flows and finished products for food and cosmetics manufacturers.
CHARACTERISTICS	It automates analyses of hygiene indicators, providing productivity gains of up to 50% and optimization of up to two days with regard to returning results. TEMPO® enables reliable microbiological testing, regardless of the destination country, making analysis very simple and reliable. Composed of a TEMPO® FILLER for filling the cards and a TEMPO® READER automating card reading, it works with dehydrated culture media for easy storage.
PORTFOLIO	TEMPO® now has 12 cards available to cover most manufacturer requirements: Total Flora, Enterobacteria, *Escherichia coli*, *Staphylococcus* (coag+), Lactic bacteria, Yeasts and Molds, *Campylobacter*, Coliformes (ISO), Coliformes (BAM), *Bacillus cereus*, Challenge Test bacteria, and Challenge Test molds.

VIDAS®

EXPERTISE
IMMUNOASSAYS

TECHNOLOGY
ENZYME LINKED FLUORESCENT ASSAY

CUSTOMERS

Clinical Industry

TYPE OF OFFER

Reagents Instruments Software Services

REAGENTS

VIDAS 3®

VIDAS®

MINIVIDAS®

OBJECTIVE	To detect and quantify molecules of biological interest (hormones, tumor markers, antigens or antibodies) for the diagnosis or monitoring of diseases, for animal health, and for testing food and pharmaceutical products. Detection is carried out by reading a fluorescent signal emitted when an antibody-antigen complex is formed.
CHARACTERISTICS	A range with renowned reliability, the instrument is particularly robust (MTBF * MiniVidas® approximately 2,500/day, Vidas® more than 1,500/day and Vidas 3® more than 500/day). It can perform up to 50 tests/hour.
PORTFOLIO	Extensive menu of parameters that fulfills the requirements of each type of customer: • **Clinical applications**: More than 70 tests distributed over the following product lines: Emergencies (cardiology, sepsis), Infectious Diseases (HIV, hepatitis, serological monitoring of pregnant women) and Immunochemistry (thyroid function, fertility, bone and mineral metabolism). • **Industrial applications**: 13 tests for detecting pathogens commonly implicated in food contamination, notably *Escherichia coli* O157 (including H7), *Salmonella*, *Listeria*, and *Campylobacter*.
OTHER INFORMATION	VIDAS® is used firstly as an additional platform for innovative high medical value tests in consolidated central laboratories, and secondly, as a platform for routine tests in laboratories with little consolidation. In 2020, bioMérieux developed anti-SARS-CoV-2 IgM and anti-SARS-CoV-2 IgG serological tests in response to the COVID-19 pandemic. Early 2021, bioMérieux launched the following tests: • NEPHROCHECK® for acute kidney injury. • TB IGRA for the diagnosis of latent tuberculosis.

* *Mean Time Between Failures = Arithmetic mean of the time of operation between failures in a system.*

1.2.3.3 Other product lines marketed

Molecular biology

Monoplex PCR tests: ARGENE® range

ARGENE® range tests are open tests, *i.e.*, they can be performed by any type of laboratory using PCR techniques on the majority of the nucleic acid extraction and amplification platforms available on the market. They provide a result in four to five hours and allow testing samples from a large number of patients at once.

To respond to the COVID-19 epidemic and satisfy the various needs of clinicians and health authorities in the fight against this new infectious disease. bioMérieux has developed two tests, the first to specifically detect two SARS-CoV-2 genes, the second to more broadly detect any *beta* type coronavirus, including SARS-CoV, SARS-CoV-2 and MERS-CoV. Moreover, the test makes it possible to verify the quality of the sample and the testing process.

In addition, the ARGENE® range is also intended for immunocompromised patients awaiting a graft or transplant. They detect cytomegalovirus, Epstein Barr virus, adenovirus, enterovirus, infectious respiratory pathogens including MERS CoV, responsible for Middle East Respiratory Syndrome, and the herpes virus. In 2019, bioMérieux supplemented its product range with the launch of the HSV1&2 VZV R-GENE®, HSV1 HSV2 R-GENE® and VZV R-GENE® tests.

An offer covering automation of the molecular biology laboratory and extraction: NUCLISENS® product line

For the extraction of DNA and RNA, bioMérieux offers the following systems: NUCLISENS® MINIMAG® (semi-manual), NUCLISENS® EASYMAG® (automated, 24 extractions/40 minutes), and EMAG® (automated, 48 extractions/90 minutes). The extractions obtained are of high purity, and these systems offer extraction flexibility enabling very diverse types of sample to be processed.

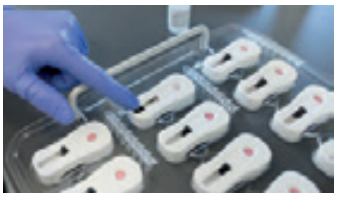
In particular, these systems are used by clinicians to extract SARS-CoV-2 RNA in order to perform PCR tests as a second step.

The product range is supplemented by ESTREAM™, an automated preparation station for samples to process PCR tests. This new solution can optimize the analysis flows and improve standardization and traceability in molecular biology laboratories, with the aim of improving the quality of results provided to clinicians.

Detection of microorganisms for the food industry: GENE-UP® and VERIFLOW® product lines

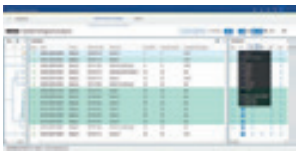
Intended for stakeholders in the food industry, GENE-UP® enables microbiological testing to be carried out on food, raw materials and the production environment. This innovative solution considerably simplifies laboratory flows.

GENE UP® enables the detection of the most frequently sought pathogens in the food chain, whether they be bacterial (*Salmonella*, *Escherichia coli* O157:H7, *Listeria* spp, *Listeria monocytogenes*, EHEC, *Cronobacter*) or viral (Norovirus GI, Norovirus GII, Hepatitis A and Hepatitis E).



The VERIFLOW® range offers innovative solutions to detect pathogens and other contaminants in food and beverages. It is very simple to use and does not require sophisticated laboratory infrastructure. It is used by various customers in the food industry: beer, wine, poultry, fruit juice and nutraceuticals.

Service offer for epidemiology through next-generation sequencing (NGS): EPISEQ™ CS



Within the framework of its partnership with Illumina, a worldwide leader in sequencing, bioMérieux has developed a next-generation sequencing solution dedicated to the epidemiological monitoring of bacterial infections. The EPISEQ™ CS version is based both on bioMérieux's knowledge of microbiology and applied math expertise in software development. This version aims to cover the 13 pathogens most frequently encountered cases of healthcare-associated infections (HAI) and may be applicable regardless of the sequencer used.

Microbiology

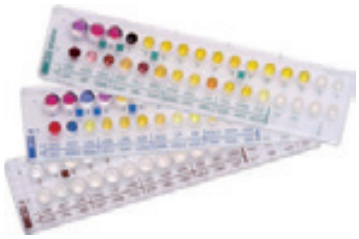
Manual measurement of the minimum inhibitory concentration (MIC) of an antibiotic: the ETEST® product line

ETEST® is a technique for diffusion in an agar medium enabling the minimum inhibitory concentration (MIC) of an antibiotic to be measured. ETEST® is useful to guide antibiotic therapy by measuring the sensitivity of microbes to antibiotics and detecting resistance mechanisms. This technique is perfectly adapted to rare bacteria, or those with difficult growth, and supplements the VITEK® offer, enabling the sensitivity testing of a newly marketed antibiotic before it is included in the VITEK® cards, and adding a test for a particular antibiotic for which more detailed information is necessary.

The agar media necessary for measuring the minimum inhibitory concentration (MIC) of an antibiotic were developed and/or validated so as to facilitate the use of ETEST®.

In 2020, bioMérieux obtained FDA accreditation for its new ETEST® Plazomicin and ETEST® Delafloxacin, as well as worldwide marketing authorization for ETEST® Meropenem/Vaborbactam, ETEST® Imipenem/Relebactam and ETEST® Delafloxacin.

Manual identification of bacteria and antimicrobial susceptibility testing (AST): API®, ATB™ and RAPIDEC CARBA NP product lines



API® analytical profile indices are recognized as global leaders in the manual identification of bacteria. The API® product line is also used by industrial customers.

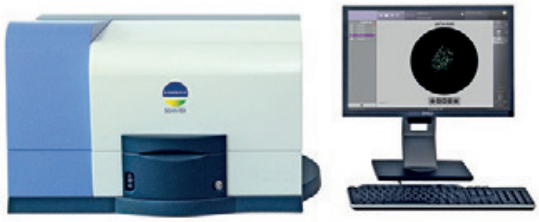
The Company has developed ATB™ New, a semi-automated instrument for emerging countries which includes analytical profile indices and antimicrobial susceptibility testing (AST) compliant with Clinical and Laboratory Standards Institute (CLSI®) guidelines.

bioMérieux also offers a simple solution to quickly and economically detect or confirm the production of carbapenemases by Gram-negative bacilli using RAPIDEC® CARBA NP.

Solution for quantitative microbiological quality control: BIOBALL® product line

Companies and pharmaceutical laboratories must test and ensure the quality and safety of their products. BIOBALL®, which contains a precise number of microorganisms, can be added directly to samples of media or matrices, and thus control the fertility of culture media.

Rapid microbiology instruments using cytometry: CHEMUNEX® product line



CHEMUNEX® cytometry analyzers are based on a technology combining a fluorescent viability marker and detection by laser beam. They are an alternative to the traditional culture of microorganisms in a Petri dish and can provide results extremely quickly and reliably for food, cosmetic, and pharmaceutical groups.

This line can be used for the accelerated release of batches before marketing finished products, as well as for managing production plants. It includes the SCANRDI® and D-COUNT® instruments:

- SCANRDI® scanning cytometry equipment (also known as solid-phase cytometry) is used by the pharmaceutical industry for testing sterile medicines (*e.g.* injectables) or nonsterile medicines (*e.g.* eye lotions), as well as pharmaceutical-quality water.
- D-COUNT® flow cytometry is particularly adapted to the microbiological testing of products that are difficult to filter: dairy products, fruit juice and cosmetics.

Detection of endotoxins: ENDONEXT™ product line

ENDOZYME® II GO is a test for detecting endotoxins from the bioMérieux ENDONEXT™ product line, based on horseshoe crab recombinant Factor C (rFC). The rFC technology makes it possible to completely eliminate the use of horseshoe crabs, a species that is threatened in Asia and protected in the United States, whose blood is used in most tests for the detection of endotoxins currently available on the market.

This test allows for the testing of endotoxins in pharmaceutical-quality water, medicines for injection and other pharmaceutical products.

Immunoassays

Through its Chinese subsidiary, Hybiome, bioMérieux markets automated medium-rate immunoassay platforms that use latest-generation CLIA technology and offer a menu with more than 80 parameters.

1.2.3.4 Companion diagnostic tests

The Company has set up the Companion Diagnostic program with the aim of developing "companion tests"(1), or "supportive/complementary diagnostic(2) tests", in partnership with pharmaceutical companies.

As such, in collaboration with pharmaceutical companies, bioMérieux is developing tests for its ETEST® and VITEK® 2 product lines, which aim to evaluate sensitivity to new antibiotics.

1.2.3.5 Services et solutions

In line with its strategy, bioMérieux continues to develop services in addition to its products in a solutions-based approach so as to help clinical and industrial laboratories address their current and future challenges.

Services for laboratory organization

bioMérieux offers a Lab Consultancy service based on Lean Six Sigma which adapts to the specific needs of microbiology laboratories, providing customers with an objective assessment of their current performance and helping them focus on current and future improvements to their laboratories, both in terms of organization and processes.

Training and education

bioMérieux offers a comprehensive range of training modules for technicians and biologists with the aim of developing their skills with regard to the routine and expert use of its products, various scientific subjects, and professional development.

Quality and compliance (accreditation assistance)

In order to support laboratories in the quality and accreditation process, bioMérieux offers method evaluation solutions to validate its products for routine use, in view of obtaining laboratory accreditation.

1.2.3.6 Rationalization of the commercial offer

bioMérieux continuously assesses its portfolio in order to rationalize its commercial offer.

(1) A companion test is a diagnostic test enabling the selection, through the identification of a predictive marker, of only patients who are likely to receive the benefit of a targeted therapy.
(2) Supportive/complementary diagnostic tests are used to stratify homogeneous cohorts of patients to be treated in clinical trials.

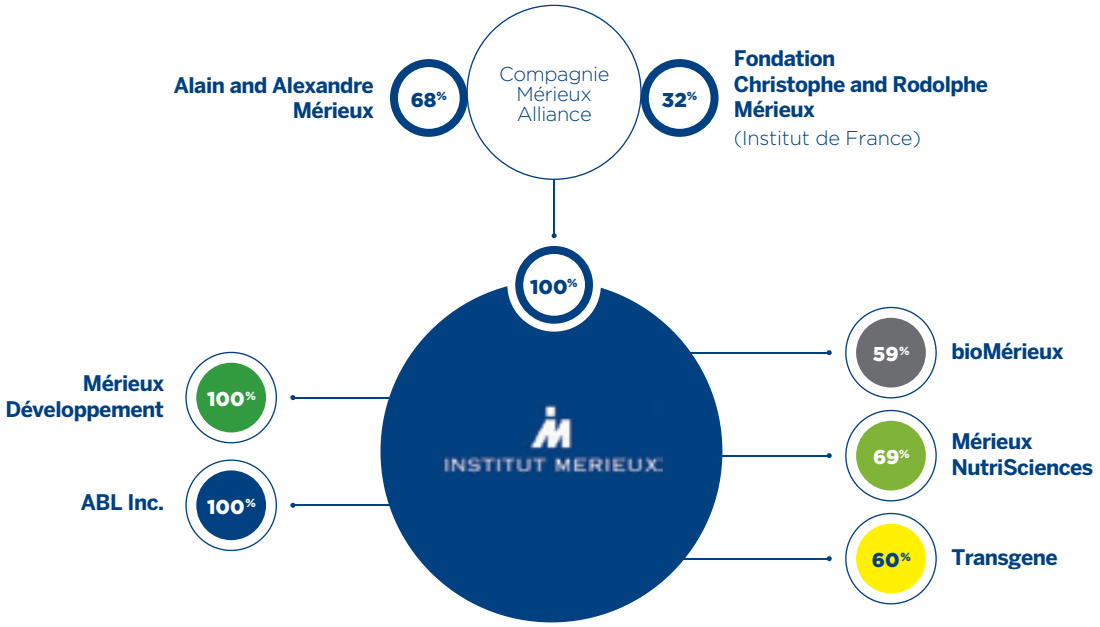
1.2.4 Organizational structures

1.2.4.1 Organization chart within the Institut Mérieux Group

Institut Mérieux is held by Compagnie Mérieux Alliance SAS.

Institut Mérieux holds, in particular:

- SGH, holding company for Mérieux NutriSciences. Mérieux NutriSciences is an American company specialized in analysis, audit and consulting services to ensure the safety and quality of food, the environment, and consumer goods affecting the health of consumers.
- TSGH, the holding company controlling Transgene SA and Advanced Bioscience Laboratories Inc. (ABL). Transgene is a biotechnology company listed on Euronext, specialized in immune therapies based on viral vectors, including therapeutic vaccines and oncolytic viruses, for the treatment of cancers and infectious diseases. ABL is an American research and manufacturing laboratory under contract.
- Mérieux Développement, a development/innovation capital company in the fields of health and nutrition.



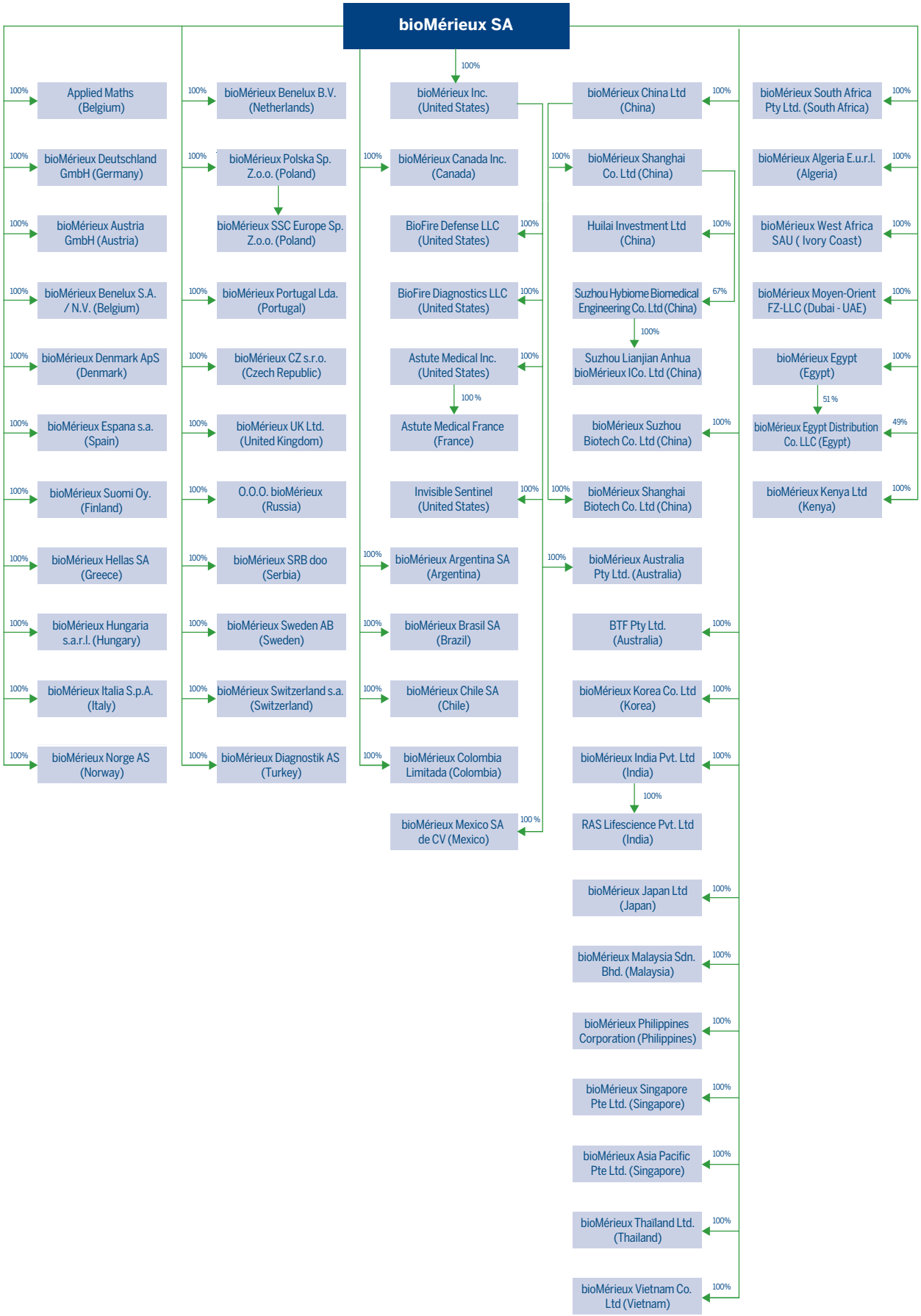
The percentage holdings are rounded to the next higher unit.

1.2.4.2 Subsidiaries, branches and minority interests

Legal organization chart of the bioMérieux Group as at December 31, 2020

The diagram below represents the organization chart of the main companies held by the Issuer (in percentage of capital and voting rights). The vast majority of the subsidiaries mentioned below have a distribution activity (see section 1.2.2.2); some of them also have an R&D activity (see section 1.5) and/or a production activity (see section 1.6).

Also, Note 3.3.3 of section 6.2.2 shows the list of bioMérieux's subsidiaries.



The percentage holdings are rounded to the next higher unit.

Miscellaneous information concerning subsidiaries and minority interests

Acquisitions and disposals of investments during the 2020 financial year

The company has investments in Accellix and the Pertinence Invest fund.

bioMérieux subsidiaries AES Canada Inc. (United States) and Yan Set Development (China) were liquidated. ABG Stella Inc. (United States) and Bacterial Barcodes Inc. (United States) merged with bioMérieux Inc. (United States). Hyglos GmbH and Hyglos Invest merged with bioMérieux Deutschland GmbH.

New subsidiaries

In 2020, bioMérieux created a new subsidiary in Egypt, bioMérieux Egypt Distribution Co.

Branches and representative offices

bioMérieux does not hold any branches directly. It did not open any new branch offices in 2020. bioMérieux has branch offices in Egypt, Saudi Arabia, and the Philippines.

Equity investments

Note 3.3.3 in section 6.2.2 and Note 33 in section 6.1.2 give the list of equity investments.

The portfolio of listed assets held by the Company is presented in Note 7.2 of section 6.1.2 and is not significant.

1.3 STRATEGY

1.3.1 Competitive advantages

The Company believes that it has significant advantages:

- A family majority shareholder, whose scientific, industrial and commercial vision has provided great financial stability and made it possible to carry out its strategy: continuous sales growth, maintenance of satisfactory performance, and successful positioning in technologies of the future.
- A high level of expertise in the diagnosis of infectious diseases, based on over 50 years of experience in microbiology, which is also relevant for new areas such as industrial applications and cardiac diseases.
- A broad and balanced geographic footprint supported by a global distribution network that maximizes marketing opportunities for its products, and a longstanding presence in emerging countries, enabling the Group to seize market growth opportunities.
- Around 80% of its sales generated in three sectors where, based on its knowledge of the market, it holds the leading position: clinical microbiology, industrial applications, and molecular syndromic diagnostics of infectious diseases.
  - A world-leading position in clinical microbiology, an extremely broad product range that can fulfill the needs of any size microbiology laboratory, one of the most complete libraries of bacteria in existence, and unique expertise in bacteria and microbial resistance mechanisms.
  - A highly respected pioneering and leading position in industrial microbiological testing, where the Company has the widest product range, and strong market positions.
  - An enhanced portfolio in molecular biology, which has created the market for syndromic diagnostics thanks to the BIOFIRE® FILMARRAY® system, covering infections of the upper respiratory tracts, pneumonia, sepsis, and gastrointestinal infections, as well as meningitis and encephalitis.
- An installed base, primarily composed of closed systems, *i.e.* designed to only use reagents developed specifically for these instruments and sold by bioMérieux. This installed base requires a service department made up of a team of maintenance and application engineers, who work on the ground or remotely.
- A drive for innovation to enhance the medical value of diagnostics and laboratory efficiency, driven by significant capital expenditure in R&D; based on a percentage of sales, its expenditure exceeds that of its competitors. This drive leads to the regular release of new, innovative products and, combined with an efficient system to track new technologies, facilitates the identification and selection of the most promising advances, particularly in the diagnosis of infectious diseases.
- A genuine capacity to make targeted acquisitions and establish strategic partnerships and expertise in integrating acquired companies and forming commercial and operational synergies.

1.3.2 Strategy and priority focuses

In the current uncertain economic context, the Company believes that clinical and industrial *in vitro* diagnostics will benefit from dynamic growth engines. Indeed, diagnostics is becoming essential to medical decision making, and to ensuring the safety of end consumers. The COVID-19 pandemic has highlighted the essential role of diagnostics in infectious disease control and prevention. Moreover, it also allows health systems to save money. Finally, emerging countries are an important development opportunity.

In clinical microbiology especially, bioMérieux considers that there are both significant barriers to new entrants and attractive growth opportunities. According to its estimates, average annual growth of the market could accelerate slightly, driven largely by the emergence of new technologies enabling faster results, and by the laboratories' need for automation to optimize workflow, standardize processes and shorten the time for returning results. The global awareness of the risks related to the inappropriate or incorrect use of antibiotics leading to the emergence of resistant bacteria is also a factor for market growth acceleration.

However, the COVID-19 pandemic has also emphasized the importance of basic hygiene practices and the effectiveness of preventive measures. These habits could limit the propagation of some infectious diseases if they continue beyond the current health crisis.

Backed by its competitive advantages, bioMérieux undertakes to be a pioneer serving public health, particularly in the fight against infectious diseases (see pages 12 and 13), and sets the following ambitions for itself:

- To consolidate its leadership in clinical and industrial microbiology. It is, therefore, continuing to innovate in these two areas. In order to fulfill the expectations of its customers, bioMérieux is launching new automated solutions, while continuing to strengthen its existing ranges.

  In particular, the Company has a complete and unique portfolio of solutions to combat AntiMicrobial Resistance (AMR). Its product line covers identification of the cause of an infection, choice of the best antibiotic to treat the patient, and epidemiological monitoring by means of specific software. Finally, bioMérieux offers its customers support so as to optimize disease management and the proper use of antibiotics, also called AntiMicrobial Stewardship – AMS.

  AMR/AMS issues are detailed in section 3.3.1.1 and the dedicated product line is described in section 1.2.3.1;
- To consolidate its position as a pioneer and gold standard in the field of syndromic diagnosis of infectious diseases through the BIOFIRE® molecular biology product line. Its strategy is based, in particular, on the geographical deployment of this product line and the expansion of the platform's test menu. Furthermore, bioMérieux is convinced of the increasing importance of molecular biology in the diagnostics arsenal of health systems and intends to consolidate its position in this key technology, both in laboratories and closer to patients, with solutions additional to BIOFIRE®.
- To strengthen its position as a specialist in immunoassays. It intends to capitalize on its VIDAS® franchise through the marketing of new parameters, through its expertise in high medical value parameters, and the success of VIDAS® in emerging countries.

bioMérieux will also pursue its ambitious international development and will continue to promote innovation throughout the world. Resolutely international, the Company intends to continue its expansion in emerging countries and the adaptation of its commercial policy to the new economic context of the developed countries, notably in North America, the world's biggest market, and in Western Europe.

1.4 QUALITY SYSTEMS AND APPLICABLE REGULATIONS

1.4.1 Quality Management Systems

The Company pays particular attention to compliance with quality standards and regulatory questions.

Quality System

The Global Quality Management System Manual describes the quality management procedures that govern the Company's business, from the design of products through to their delivery and installation, including after-sales service.

In addition to this manual, each subsidiary, production site and R&D site has additional local documentation describing the provisions that are specific to its activities.

These manuals are used as permanent reference documents for the implementation, management and improvement of the Quality Management System, as well as for relations between bioMérieux and customers and providers.

Quality Department: Organization and duties

This department ensures that a Quality Management System, independent of operations, is implemented. It is organized around several units tailored to the Company's organization in order to meet the challenges of each function. It aims to monitor the evolution of the regulatory environment, the quality compliance of products during their life cycle, and the needs of customers. In particular:

- The Quality System and Assistance Department is responsible for improving the performance of systems, tools and methods dedicated to quality, implementing indicators to improve the quality system, and measuring its relevance and efficacy. It ensures that the rules necessary for achieving quality objectives are applied by the Company's employees.
- The Quality Audit Department performs independent audits of the quality system in all of the Group's entities in order to ensure the level of quality and compliance.

Certification of sites

The majority of distribution subsidiaries are ISO 9001 certified.

The Group's main manufacturing sites, which produce *in vitro* diagnostics systems, are certified as compliant with the standards ISO 9001, ISO 13485 and MDSAP (Medical Device Single Audit Program, grouping the standards of the following countries: United States, Canada, Japan, Brazil and Australia), considered as the quality standards for this type of activity. This certification is issued within a regulatory framework either by a certifying body acting under the auspices of the regulatory authorities or, where such recourse is not required, by an independent certifying body, as part of a voluntary procedure on the part of the Company.

1.4.2 Regulatory aspects

Specific regulations apply to each product category: products for clinical customers (medical laboratories, whether private or in hospitals) and products for industrial customers (pharmaceutical, cosmetics, food and veterinary industries).

Medical *in vitro* diagnostics systems used for humans are subject to specific national or international regulations. These regulations address the efficacy, performance and safety of systems.

Reagents used for microbiological testing intended for industrial customers must comply with standards that vary depending on the nature of the tests and the specific requirements of users (pharmacopeia, AFNOR-type standards, ISO, etc.). Regulations applicable to these products are part of the regulations governing industrial and/or consumer products and primarily concern product safety.

Production sites are regularly inspected and audited by the competent authorities.

1.4.2.1 Clinical *in vitro* diagnostics

As for any health product, those dedicated to *in vitro* diagnostics are governed by national or international legislation. They are subject to regulatory procedures that are less restrictive than those of other health sectors, such as the pharmaceutical industry. Indeed, *In vitro* diagnostics provides medical information from biological samples taken from the patient (blood, urine, stools, etc.), with the analysis itself being performed outside the body of the patient within biology laboratories.

Furthermore, some countries have their own regulations or rely on those of other countries, while some do not have specific regulations. However, a growing number of countries have their own procedures for marketing products. Certain countries accept a gradual alignment of products already available on the market. Other countries require full and immediate compliance with their new market launch procedures.

The main legislation that governs the activity is described below. These regulations classify devices based on end-applications and level of risk, and are becoming increasingly complex. The regulatory procedures to be followed prior to the marketing of these products differ based on the risk category of the product.

Within bioMérieux, as part of the procedure for marketing a product, the Regulatory Affairs Department creates a technical dossier prior to the launch of any new solutions. This documentation gathers all the necessary items to ensure that the product meets the requirements imposed by the regulations. It is then subject to approval by a regulatory affairs manager. A Marketing Committee then checks that it is available.

Applicable regulatory principles

EUROPEAN UNION	The regulatory environment results from directive 98/79/EC of October 27, 1998 and the new European IVDR regulation of April 05, 2017 (2017/746/EU). After a five-year transition period, this regulation will be the only standard applicable to all medical devices for *in vitro* diagnostics. **Directive 98/79/EC**, transposed into French law, harmonizes the *in vitro* diagnostics market. It standardizes marketing procedures. The manufacturer chooses the appropriate evaluation procedure depending on the risk class and options proposed by the directive. Currently, the Company markets approximately 95% of its products under its sole responsibility as manufacturer. It evaluates them and declares compliance (CE marking) As a result, there is no regulatory certification period following this declaration. The Company has obtained and renewed all of the CE marking certificates for all of its products currently marketed in the European Union. The remaining 5% have a medium or high risk profile. The level of intervention by health authorities is therefore proportionate to the risk. This ranges from certifying the Quality Management System, when reviewing the product file (design file), to the inspection of each batch prior to marketing. It is, therefore, necessary to obtain a compliance certificate prior to placement on the market. This certificate is most often issued in less than six months. **The European IVDR** regulation (2017/746/EU) concerns the strengthening of supervision of the marketing of *in vitro* diagnostics tests. It is applicable without national transposition. The main new additions are: ● The classification of products based on the risk related to the patient and/or public health. ● The demonstration by manufacturers of the analytical and clinical performance of their products and the scientific validity. ● The strengthening of controls by notified bodies before and after marketing. ● The appointment of a qualified person ("person responsible for overseeing compliance with the regulation") in charge of vigilance, the declaration of compliance with the regulations, the release of batches, and the declaration on the performance evaluation of the products most at risk. Since 2014, bioMérieux has implemented a program for compliance with this new regulation. bioMérieux has made provision enabling it to adjust to the consequences of Brexit in order to continue to market its products in the UK.
UNITED STATES	The level of FDA intervention is also proportionate to the risk. Some products in the microbiology product line are exempt from registration and are under the manufacturer's responsibility. Medium-risk products must be 510(k) registered, which consists of demonstrating equivalence with a product already on the American market. A so-called *de novo* process has been added by the FDA for new medical devices, when manufacturers cannot establish substantial equivalence. The FDA has implemented a unique medical device identification (UDI) system applying to products sold in the United States. Once fully implemented, the labeling of most of these devices will include an identifier readable by both humans and machines. It will be unique, from manufacturing through to patient use. By facilitating traceability, this provision will improve patient safety, modernize post-marketing surveillance, and facilitate innovation.
JAPAN	Products are subject to a registration procedure which is similar to that of the United States.
CHINA	Products require a registration procedure with the National Medical Products Administration (NMPA), which includes the following: ● The performance of quality control tests on three batches of reagents by the National Institute for the Control of Pharmaceutical and Biological Products or by another laboratory qualified by the NMPA. For instruments, additional tests must be carried out, in order to demonstrate their compliance with electromagnetic compatibility standards. ● A performance study carried out in China. ● An administrative review of the file. ● A technical review of the file including areas such as production, product performance, quality control tests, and a report on the performance study carried out in China.

Monitoring systems and audits

Applicable laws and regulations impose an additional monitoring system, post-marketing surveillance – PMS, which requires manufacturers and users to notify the relevant regulatory body of any incidents or risk of incident that could have harmful effects on human health. The PMS system also provides for a series of corrective measures. This allows the manufacturer to intervene voluntarily, correcting or recalling the products concerned.

The Company's sites are subject to audits and/or inspections:

- By regulatory authorities (FDA, ANSM, etc.), bodies acting on behalf of these regulatory authorities, and certifying bodies. These audits are used to check compliance with ISO 9001, ISO 13485 and MDSAP standards, or with the applicable national regulations to which the regulatory authorities refer.
- By certain customers, notably in the industrial field, aiming firstly to ensure that the Group's products and procedures are compliant with current regulatory standards, as well as their own standards, and, secondly, to benefit from guaranteed quality of service.
- By the Company itself, to identify margins for improvement in its organization; it may also audit its Quality Management System overall. These audits are conducted by the Company's internal auditors based on a program drawn up each year.

The ability to manage manufacturing processes, quality control and product release is guaranteed through validation and monitoring methods performed throughout the manufacturing and supply process.

The main inspections by the regulatory authorities on bioMérieux's sites in 2020 are shown in section 3.5.1.

1.4.2.2 Microbiological control in the industry applications

In the field of industrial applications, regulations applicable to manufacturers of industrial microbiological control products are still limited to their safety aspects. However, in order to fulfil the requirements of its customers, the Company complies with the standards that are applicable to them (standards according to the use of products: pharmacopeia, AFNOR-type standards, ISO, etc.). The inspection rules that apply to the activity of bioMérieux's customers lead them to perform a large number of audits of their quality systems in order to check compliance with the GMP (Good Manufacturing Practice) requirements of applicable to the pharmaceutical industry. Recent crises in the food industry (*Listeria*, *Escherichia coli*, *Salmonella*, etc.) may lead to more stringent regulations being adopted. Moreover, in the United States, for example, the authorities may impose supplementary security measures as part of the fight against bioterrorism.

1.4.3 Management and monitoring of customer complaints

The Company has a procedure for the management and monitoring of customer complaints. The procedure serves to resolve complaints while providing the Company with the information that it requires to continuously improve its products.

1.4.3.1 Complaint handling process

Complaints are processed on three levels:

- Level 1: Most complaints are handled locally, by subsidiaries and distributors. Their closeness to customers allows them to deal with their requests quickly.
- Level 2: Complaints can be transferred to the Global Customer Service (GCS) department where they are handled by a specialized team that investigates the claim to provide a response to customers.
- Level 3: This level requires a series of investigations involving the production sites and/or R&D teams. An analysis is performed as to the causes of these complaints that could not be identified by levels 1 and 2. The Company can then resolve the customer complaint and implement corrective and preventive actions to avoid similar complaints in the future.

1.5 RESEARCH & DEVELOPMENT, PATENTS AND LICENSES

1.5.1 Research & development

1.5.1.1 Capital expenditure policy

The Group's research & development (R&D) costs represented €399 million in 2020 (compared to €374 million in 2019 and €327 million in 2018), or 13% of its revenue. They relate to either technologies developed internally, or in partnership with other companies or academic research institutes.

R&D activities have two key objectives: To improve laboratory efficiency and to enhance the medical value of diagnostic tests.

The main research & development projects are split into:

- Development of the functionalities of existing instruments.
- Expansion of the test menus available on instruments.
- Development of new generations of instruments
- Development of new IT solutions and data analytics.
- Exploration of new technologies.

1.5.1.2 Corporate organization

The organization of R&D integrates all of the functions and technologies involved in the project development cycle.

Innovation activities are ranked according to strategic priorities and are intended to ensure continuity with the development stages, as well as to focus each R&D site in its area of expertise.

Research activities on biomarkers are carried out by the Open Innovation & Partnerships department. Through partnerships, this department's task is to identify and validate biomarkers enabling the development of diagnostic tests with high medical value.

Activities related to the collection, processing and interpretation of data (IT Solutions et Data Analytics) are carried out within the various teams.

The Clinical and Industrial departments are responsible for prioritizing, validating and monitoring projects (approving schedules, human resources requirements, cost and risk). Major projects are periodically reviewed by the Executive Committee.

A dedicated Portfolio and Strategic Planning department ensures that the project portfolio is aligned with the Company's overall strategy and assists the different departments in selecting R&D projects.

R&D activities rely on nearly 1,800 employees and involve 17 R&D centers.

The Group's policy is to group the R&D and production activities for a product line on the same site as far as possible. The table below describes the Group's R&D activities at the end of 2020 by geographical area.

	Site	Reagents	Systems	Software
EUROPE	**Marcy l'Étoile** (France)	Immunoassays (VIDAS®)		
	Craponne, La Balme (France)	Microbiology (culture media, ETEST®, TEMPO®)	New technologies, laboratory automation	Microbiology bioinformatics
	Grenoble, Verniolle (France)	Molecular biology (EASYMAG®/EMAG® BIOFIRE® FILMARRAY®, ARGENE®, CEERAMTOOLS®, GENE-UP®) Molecular virology for food applications	Molecular biology	Bioinformatics
	Ker Lann (France)	Microbiology (culture media), cytometry reagents	Industrial applications: laboratory automation/ sample preparation, counting, flow cytometry	
	Florence (Italy)		Immunoassays (VIDAS® product line) Industrial microbiology (TEMPO®) Molecular biology (EASYMAG®/EMAG®)	
	Bernried (Germany)	Detection of endotoxins in pharmaceutical products		
	Sint-Martens-Latem (Belgium) site of Applied Math			Bioinformatics
NORTH AMERICA	**St. Louis** (Missouri, United States)	Automated microbiology (VITEK®)	Microbiology (VITEK®, BACT/ALERT®, VITEK® MS, BACT/ALERT® VIRTUO™)	Microbiology Bioinformatics
	Durham (North Carolina, United States)	Microbiology (blood culture) BACT/ALERT®		
	Salt Lake City (Utah, United States) BioFire Diagnostics site	Molecular biology (BIOFIRE®)	Molecular biology (BIOFIRE®)	
	Salt Lake City (Utah, United States) BioFire Defense site	Molecular biology for the US Department of Defense	Molecular biology for the US Department of Defense and industrial and clinical applications	
	San Diego (California, United States) Astute Medical site	Identification and validation of biomarkers for immunoassays	Astute Meter System	
	Lombard (Michigan, United States)	Microbiology (culture media)		
	Philadelphia (Pennsylvania, United States) Invisible Sentinel site	Molecular diagnostics for food applications (VERIFLOW®)		
ASIA PACIFIC	**Suzhou** (China) Hybiome site	Immunoassay tests	AE 180, AE 240 systems	
	Hyderabad (India)	Molecular biology tests		

Innovation is a major priority for the Company and every year, bioMérieux's Patent Awards recognize the Company's inventors who have filed high-potential patents.

1.5.1.3 Clinical R&D

Strategy

Innovation has always been a prime focus for bioMérieux. Its R&D programs seek to enhance:

- The medical value of diagnostics by constantly reducing the time required to obtain results, identifying new disease-causing organisms, developing new biomarkers and providing information tailored to the needs of physicians.
- The efficiency and productivity of laboratories and healthcare facilities, thereby optimizing overall healthcare costs.

The creation of new platforms and expansion of their test menu are priorities for R&D teams.

Agreements

Part of the Company's research activity, in particular for the development of new technologies, is based on partnership arrangements with leading public research institutes (CNRS, INSERM, Institut Pasteur, NIH – US National Institute of Health), universities, hospital research centers, laboratories, and biotechnology firms.

The agreements signed by the Company provide for the sharing of intellectual property rights as well as the payment of royalties when the products developed are marketed.

The most significant existing agreements on clinical applications are:

- The agreement signed with Lumed, an innovative startup in the IT and health field, to help hospitals control their antibiotic use and fight against antimicrobial resistance. This collaboration illustrates bioMérieux's selective approach to partnerships to develop its own Data Analytics business activity.
- The global agreement signed with Banyan Biomarkers for the development and marketing of markers for traumatic brain injury on the VIDAS® platform.
- The extension to the end of 2020 of the collaboration with the CNES on Aquapad, an innovative device for performing microbiological diagnostics on space crews drinking water.
- The contract awarded to BioFire Defense by the US Department of Defense (DoD) for the technological development of a next generation diagnostics system (NGDS).
- The partnership agreement signed with Baxter International Inc., a leading stakeholder in intensive care, for the development of future biomarkers for quickly identifying the risk of worsening of acute kidney injury (AKI) and providing information for treatment.

The Company has also established joint research laboratories with French and foreign academic partners:

- In France, with the Hospices Civils de Lyon (HCL):
  - The ANTOINE research program (biomArkers to differeNtiate bacTerial frOm vIral iNfEctions) launched in 2017 within the bioMérieux-HCL joint research laboratory, covering the diagnosis of severe bacterial infections in children arriving in emergency departments.
  - The NEPHROCHECK® test study for the early evaluation of the risk of acute kidney injury in multiple-trauma patients who have a profile close to that of patients with sepsis, within the intensive care unit.
  - Other studies have also been initiated in order to better understand the pathophysiology of SARS-CoV-2 infections (COVID-19) in healthcare professionals and ICU patients. For this purpose, several biomarkers from sepsis studies have been evaluated.
- In France, with the French Technology Research Institute (BIOASTER) in microbiology:
  - The REALISM (REAnimation Low Immune Status Markers) research program was launched in 2016 by bioMérieux, in partnership with several public and private organizations. This program has enabled new biomarkers to be identified and validated so as improve the care of patients with a high risk of sepsis.
  - The BacTSeq project for more in-depth study of sequencing potential in order to respond to the major medical challenge of improving diagnosis in sepsis patients.
  - The DIREX research project on rapid microbiology targets the characterization of Gram-positive and Gram-negative bacteria, which constitutes an important step in identifying pathogens, by automated reading.
- In 2020, the COVID AURA project, bringing together BIOASTER, bioMérieux, HCL, the Université Claude Bernard Lyon 1, Boehringer Ingelheim, Sanofi Pasteur and Lyon BioPôle, was launched. It aims to create a shared platform to accelerate the development of second-generation solutions for the diagnosis, prognosis, prevention and treatment of SARS-CoV-2 (see section 3.7.3.3).
- In China: Following the collaboration with Fudan University Shanghai Cancer Hospital, a new mixed-research unit was created with the Shanghai Children's Medical Center under a three-year partnership agreement signed at the start of 2019. Initially, this collaboration aims to conduct a clinical study into use of the NEPHROCHECK® test for the early evaluation of the risk of acute kidney injury in young children after cardiac surgery. This joint research unit will subsequently expand its activities to assess the immune status of intensive care patients.

A world leader in microbiology and a pioneer in resistance detecting tests, bioMérieux is a leading stakeholder in the fight against microbial resistance.

76% of bioMérieux's R&D budget dedicated to clinical applications is devoted to developing new solutions participating in the fight against AMR (see section 3.3.1.1).

In 2020, bioMérieux signed a partnership agreement with the Toulouse School of Economics in order to develop new economic models enabling easier market access for new antibiotics and associated diagnostic tests. Another focus of this collaboration concerns developing the value of diagnostics.

bioMérieux is also a partner in the VALUE-Dx project, proposed by 6 companies in the *in vitro* diagnostics sector, associated with 20 other partners including the University of Antwerp and the Wellcome Trust. VALUE-Dx is an approach on the European scale intended to collect data measuring and demonstrating the medical, economic and public health value of diagnostic solutions in the fight against antimicrobial resistance.

Finally, the Company has managed to develop in 2020 several complementary ranges of tests for the detection of COVID-19 (cf. § 1.2.3.1) in a record time.

1.5.1.4 Industry R&D

The Industrial Applications department has its own R&D teams.

It is developing the widest range of solutions for industrial microbiological testing and offers solutions for preparing the sample to be identified and for typing microorganisms.

It serves four industries:

- food;
- biopharmaceuticals;
- cosmetics;
- blood banks.

1.5.2 Intellectual property, licenses, right-of-use and other intangible assets

1.5.2.1 Intellectual property

The Company protects patents, copyrights and trademarks for its products and processes. It actively defends its intellectual property rights throughout the world.

Proprietary patents

Diagnostic systems offer a very broad field of application to intellectual property as they combine instrumentation, computer science and biology. Accordingly, stakeholders in the sector seek to achieve strong positions regarding patents.

Generally, companies in the *in vitro* diagnostics sector are less exposed to the risks associated with patent expiration than pharmaceutical companies when faced with the arrival of generic drugs. Indeed, the manufacturing know-how, installed instrument base and number of menu parameters developed during the protection period enable companies in this sector to be better protected.

Conversely, high medical value tests may be more sensitive to the expiration of their patent protection.

The Company actively protects its research findings *via* patents (around 30 new patent applications per year) and monitors its competitors to actively defend any infringements of its rights. Accordingly, as at December 31, 2020, the Group owned 580 patent families, the majority of which are in effect in Europe, the United States, and China (506 patents granted in the US and 363 in Europe). The Company usually first makes a priority filing (especially in France or the United States). Then, within one year, it makes an extension based on the patent cooperation treaty. This establishes a single filing procedure for the 153 contracting states (as at December 31, 2020). The final choice of countries for patent extension is made at the end of the PCT procedure, i.e., around 30 months after the initial filing. Patents are often extended in countries where the *in vitro* diagnostics market is larger, especially in the United States, Europe (particularly France, Germany, the UK, Italy and Spain), in China and in Japan.

Licenses granted by third parties

In the context of its business, the Company benefits from licenses granted by third parties to develop or market reagents or technologies (see section 1.5.2.2 and section 2.2.1.5).

Licenses granted by the Company

The Company has granted a license for patents covering the NEPHROCHECK® test system (*i.e.,* necessary for tests, control solutions, calibration and the Astute140 measuring device). This test enables acute kidney injury diagnosis and prognosis.

For all of the technologies controlled by bioMérieux *via* exclusive third-party licenses with sublicensing rights, a portion of the revenue from the sublicensing agreements is paid to the patent owner.

Since 2018, the Company has had a policy aiming to commercially develop the biological raw material that it owns. As such, the Company has granted licenses on the use of cell lines (hybridoma) for the production of antibodies likely to be used in *in vitro* diagnostics solutions, or which may be offered for sale as biological raw materials.

Trademarks

The Company owns the "bioMérieux" institutional trademark, which is registered in most countries both as a word trademark and as a semi-figurative trademark. Use of the "Mérieux" name is managed by the Institut Mérieux, for all of the companies under its control. Accordingly, the Company obtained the right to use the bioMérieux name within the scope of its activities from the Institut Mérieux.

The Company also has legal title to the trademarks of the products (instruments, reagents and/or software) and services that it markets.

The new trademark registrations are made as basic registrations in France or the United States, then the protection is extended:

- Through the registration of trademarks with the European Union Intellectual Property Office, in all countries of the European Union.
- Through international registration with the World Intellectual Property Organization.
- Through the registration of national trademarks.

The portfolio includes 266 trademark families, and these have been registered in most countries.

Domain names

The Company owns more than 594 recorded domain names, including those with the "bioMérieux" name, and over 150 different extensions.

1.5.2.2 Degree of dependence

Dependence on patents and licenses

The Company holds a number of licenses which are listed below, the loss of which could have a significant impact on the Company's sales:

- The PCT license granted by Thermo Fisher along with the supply of raw materials, to develop and sell VIDAS® tests for the screening of procalcitonin as a marker of severe bacterial infections.
- The NT-proBNP license granted by Roche Diagnostics to develop and sell VIDAS® tests to detect NT-proBNP, a marker for congestive heart failure and acute coronary syndrome (patents on raw materials expiring in 2024).
- The license to develop molecular beacons granted by PHRI Properties, Inc. to develop and sell products in the ADIAFOOD® line (patents expiring no later than 2024).
- Licenses concerning PCR technology granted by the University Utah Research Foundation to develop and sell products in the BIOFIRE® FILMARRAY® line (patents expiring no later than 2025).
- Licenses concerning technologies implemented as part of tests sold exclusively to the US government (BioFire Defense).

The Company also receives income from its patent portfolio (see section 1.5.2.1).

1.6 PROPERTY, PLANT AND EQUIPMENT

Historically based in the Lyon region of France, the Company has expanded its geographical presence over the years by acquiring foreign companies, particularly in the United States, and by forming subsidiaries of its own.

bioMérieux's manufacturing, logistics and R&D sites are generally fully owned by the Company.

1.6.1 Production

Manufacturing processes play a critical role in the *in vitro* diagnostics industry due to constraints related to the nature of the products. At the end of 2020, the Group operated 15 main manufacturing sites organized by product line.

The Group organizes its production on the principal of "one product line, one site" (see section 2.2.2.3). The technical complexity of its products requires very special know-how, specialized teams, and the proximity of R&D teams. Moreover, productivity gains resulting from economies of scale can be attained by concentrating production. Petri dishes are the main exception to this principle, due to their short shelf life. They are manufactured as closely as possible to customers, on sites in Rio de Janeiro (Brazil), Lombard, Illinois (United States), Madrid (Spain) and Combourg (France), in addition to the main manufacturing site in Craponne (France).

The Company endeavors to implement rigorous quality control at the production stage (see section 1.4.1).

The main production sites are described below.

	Site	Property/Rental	Surface area	Activity
EUROPE	**Marcy l'Étoile** including Campus de l'Etoile (France)	Full ownership and real estate lease financing for the Campus de l'Etoile	187,000 m² including 53,000 m² of built usable floor space	• The Group's worldwide head office from the outset • Production of VIDAS® reagents • R&D • Commercial and administrative functions
	Craponne (France)	Fully owned	80,000 m² including 39,000 m² of built usable floor space	• Production of culture media, including the CHROMID® and 3P™ product lines (Petri dishes, tubes and bottles, dehydrated media) • R&D • Commercial and administrative functions
	La Balme-les-Grottes (France)	Fully owned	119,000 m² including 19,000 m² of built usable floor space	• Production of the API®, ATB™, TEMPO® and ETEST®reagent lines • R&D microbiology, instrumentation and software
	Grenoble (France)	Fully owned	31,500 m² including 9,300 m² of built usable floor space	• R&D molecular biology
	Combourg (France)		43,000 m² including 12,000 m² of built usable floor space	• Production of reagents (culture media and cytometry) and instruments (product ranges for the automation of cytometry laboratories) intended for food industry applications • R&D industrial microbiology
	Verniolle (France)		9,500 m² including 1,800 m² of facilities	• Production of reagents (ARGENE® line) • R&D molecular biology
	Florence (Italy)	Fully owned	10,000 m² including 7,000 m² of built usable floor space	• Production of VIDAS® instruments (immunoassays), NUCLISENS® EMAG® (molecular biology), TEMPO® and GENE-UP® (industrial applications) • Instruments R&D • Commercial and administrative functions
	Madrid (Spain)	Fully owned		• Microbiology production (Petri dishes and the CHROMID® line)
NORTH AMERICA	**Durham** (North Carolina – United States)	Fully owned	579,000 m² including 21,000 m² of built usable floor space	• Production of microbiology reagents (BACT/ALERT®) • R&D • Commercial and administrative functions
		Rental	10,000 m²	
	St. Louis (Missouri – United States)	Fully owned	141,000 m² including 66,000 m² of built usable floor space	• Production of microbiology instruments (VITEK® and BACT/ALERT®) and reagents (VITEK® cards) • R&D
	Lombard (Illinois – United States)	Rental	5,580 m²	• Production and sale of culture media (3P™ lines) for industrial applications in the United States
	Salt Lake City (Utah – United States) BioFire Diagnostics site	Full ownership on the campus of the University of Utah (Utah Research Park) Full ownership on the West Campus site	Approximately 71,000 m² including 39,000 m² of built usable floor space Approximately 137,000 m² on the second site including 55,000 m² of built usable floor space	• Production of the BIOFIRE® system (instruments and reagents) • Administrative and commercial functions of BioFire Diagnostics
	BioFire Defense site In order to meet the expectations of BioFire's biodefense customers in the United States, BioFire Defense was created. All of the personnel, programs and equipment for the *Defense* activity were physically transferred to a secure and separate site located in Salt Lake City.			

	Site	Property/Rental	Surface area	Activity
LATIN AMERICA	**Jacarepagua** Rio (Brazil)	Fully owned	42,000 m² including 5,400 m² of built usable floor space	• Production, sale and distribution of reagents for ready-to-use media for microbiology (Petri dishes and the CHROMID® line) and industrial applications • R&D • Commercial and administrative functions
ASIA PACIFIC	**Suzhou** (China) Hybiome site		9,000 m²	• Production of immunoassay instruments and reagents • R&D
	Sydney (Australia) BTF Site	Rental	1,400 m²	• Production and sale of microbiological control reagents (BIOBALL®, EASYSTAIN®, ColorSeed, EASYSEED®)

1.6.2 Logistics

Logistics play an essential role within the Group, particularly with regard to the specialization of its production sites, its global commercial footprint, the large number of its individual products, and the specificity of its products (reagents, instruments and replacement parts).

In order to optimize the conditions regarding supply to customers and inventory management, product distribution is organized around:

- Global platforms, especially in France with the IDC site located in Saint-Vulbas, and in the United States, that store finished products and make international shipments to subsidies and distributors.
- Regional or local platforms, which may be subcontracted to external operators, which process orders and shipments to customers of one or more subsidiaries.

During the various stages of the distribution circuit, logistics:

- Manages the cold chain and ensures that the product shelf life matches the needs of the customer.
- Ensures the traceability of products by using packaging barcodes.
- Monitors inventory levels and the flows of reagents, instruments and replacement parts through a dedicated expert group. This group works within the framework of a Group-level policy in order to guarantee the availability of products while optimizing costs and inventory levels.

Following a phase of profound transformation and a notable improvement in its performance, bioMérieux's logistics operation now relies on the latest technologies and best practices of the profession. As such, the Company is enhancing its agility, resilience and performance while deploying a range of personalized logistics services with high added value for its customers.

02

RISK FACTORS, RISK MANAGEMENT AND INTERNAL CONTROL

2.1 RISK ASSESSMENT

The Company has established a risk management process, led by the Risk Department, to identify, assess and coordinate the risks it may face.

This department is responsible for defining and monitoring the implementation of bioMérieux's risk management policies. Its activities revolve around the following objectives:

- create and preserve the Group's value, assets and reputation;
- identify emerging risks in order to secure the Group's decision-making and processes;
- harmonize risk management initiatives;
- develop risk culture within the Company.

The Risk Department defines and monitors changes in the risk mapping done locally and globally. These risk analyses are shared with the Executive Committee, the Audit Committee and the Board of Directors. This department also participates in the preparation of specific risk analyses (Sapin II law, extra-financial performance reporting, due diligence obligations, etc.).

The risk management process consists of three key steps:

Identification of major risks

Due to the diversity of its activities, its ecosystem and its international influence, the Group is faced with many types of risks: operational, financial, legal, environmental, image, compliance, etc.

These risks are identified by operational managers at all levels of the Company and its subsidiaries.

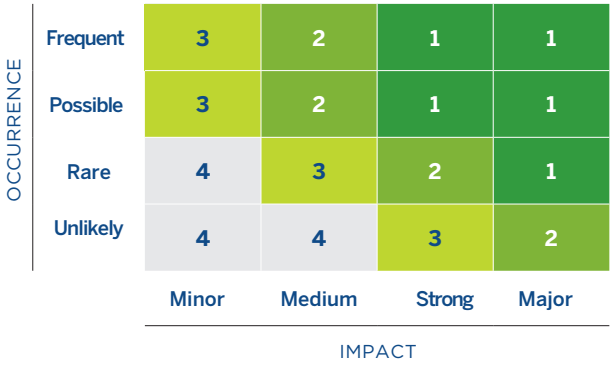
The Risk Department steers the risk identification process based on a methodology described below.

With regard to the scopes covered, the functions and departments are involved in the risk identification process and contribute their expertise and view of the risks borne by current or future activities.

The department also continuously monitors the external environment in which the Company operates in order to identify and anticipate the emerging risks it may face, in addition to the known and monitored risk benchmarks.

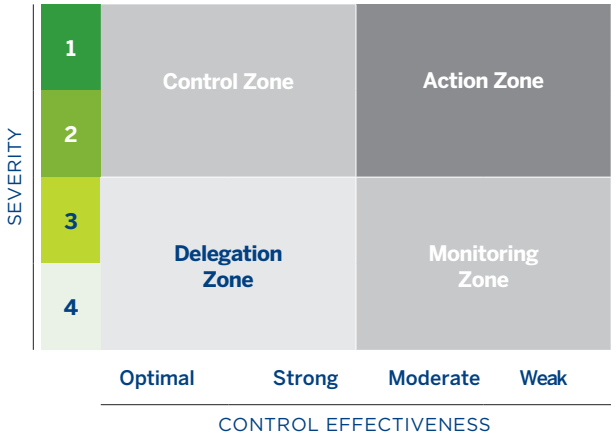
Risk analysis and assessment

The Company's main risks are initially assessed according to their likelihood of occurrence and their financial, legal, human and image impact. The objective is to define the level of gross exposure to each of these risks.



In a second stage, the effectiveness of the actions carried out is assessed in order to define the net or residual risk. These net risks are then prioritized and additional remedial plans are identified and implemented.

This methodology is gradually rolled out within the operational entities and support functions, so as to manage the risks at a more detailed level.



Treating risk

There are several approaches to treating risk:

- reduction: measures are taken to reduce the likelihood of occurrence or the impact of the risk, or both; the Internal Control Department (see section 2.4.1) may be called upon to deploy the necessary resources to reduce them;
- acceptance: no additional measures are taken to modify the level of residual risk; the risk is accepted and assumed by the Department concerned;
- transfer: reducing the likelihood of occurrence or impact of the risk by transferring or sharing part of the risk, in particular through insurance mechanisms;
- avoidance: abandonment of the activities giving rise to the risk.

With regard to the assessment of net or residual risks, risk treatment strategies may differ in order to achieve the objective set:

- risks in the action zone: risk reduction actions to move toward the control zone;
- risks in the control zone: actions to reduce the likelihood of occurrence or impact of the risk, or maintenance of the control systems in place to mitigate the risk;
- risks in the delegation zone: maintaining the risk under control;
- risks in the monitoring zone: actions aimed at ensuring that the severity of the risk (likelihood of occurrence or impact) does not increase.

Each risk identified during risk mapping exercises is owned by a Risk Champion who is responsible for organizing and implementing action plans with the aim of reducing the risk in terms of the risk treatment strategy adopted.

The risks and action plans are reviewed at least annually to ensure the effective implementation of mitigation actions.

The Group's risk mapping is reviewed annually by the Executive Committee, then the Audit Committee. Work sessions are organized during the year in order to review gross risks, monitor the progress of action plans put in place, assess the efficiency of risk management initiatives, and evaluate new risks. This enables the Company to dynamically assess its risk environment and, when deemed necessary, to define the action plans and internal audit program for the coming year.

This methodology is applied to describe and evaluate the main risks related to the Company's business, and where applicable, those created by its business relationships, its products or services.

2.2 COMPANY RISK FACTORS

The Group operates in a rapidly-growing environment, causing risks for the Company that it might not be able to mitigate. A number of important factors could mean that the Company's actual results will differ materially from those forecast, with regards to the achievement of its strategic objectives or its growth and profitability targets.

The risks and uncertainties presented below could have a material adverse impact on its business, outlook, financial position, results, ability to meet its objectives, or on its image and reputation. They are not the only ones to which the Company is exposed. Thus, at the time of writing this document, based on the outcomes of the risk assessment carried out during the year and taking into account the mitigation measures put in place, the Company considers the following risks to be the most significant.

The presentation of the risk factors hereafter is the result of the Group's mapping exercise, at the date of this document. The Company draws investors' attention to the fact that, in accordance with Article 16 of Regulation (EU) 2017/1129 of June 14, 2017 and its implementation acts, and the Guidelines on risk factors under the Prospectus Regulation of March 29, 2019 (guidelines of the *European Securities and Markets Authority*), only the risks that are specific to the Group and that are the most significant are evoked. The list presented in this section is thus not exhaustive. Other risks, some of which are material, feature in the risk map and may affect bioMérieux, but have not been presented below because they do not fulfill this criterion of specificity, or because they are currently unknown, or are still considered as insignificant at the time of preparation of this Universal Registration Document.

Table summarizing the main risks

The risk factors are presented by type in a limited number of categories. In the description of each risk which follows, within each category, the risk(s) having the greatest impact and then the greatest likelihood of occurrence are presented first.

Category		Risk factors	Net impact	Likelihood of occurrence
Risks relating to bioMérieux's industry		Competition and emergence of alternative technologies	♦♦♦	●●●
		Changes in reimbursement policies	♦♦♦	●●●
		Consolidation of the customer base and decentralization of tests	♦♦♦	●●●
	NFPS	Defective and/or insufficient product quality	♦♦♦	●
		Intellectual property	♦	●
Risks relating to bioMérieux's strategy and functioning		Failure of R&D projects and new products	♦♦♦	●●
	NFPS	Dependence on certain suppliers and partners	♦♦♦	●●
		Loss of a major industrial site	♦♦♦	●
	NFPS	Failure and vulnerability of information systems	♦♦	●●
		Acquisition and integration strategy	♦♦	●●
	NFPS	Climate change and environmental liability	♦	●●
Risks relating to bioMérieux's business environment	**NFPS**	Ethics and compliance	♦♦♦	●●
	NFPS	Regulatory environment applicable to products	♦♦	●●
		Foreign exchange	♦	●●●

Net impact scale		Likelihood of occurrence scale	
High	♦♦♦	*Probable*	●●●
Medium	♦♦	*Possible*	●●
Low	♦	*Less probable*	●

The above table reflects the exposure of the Company to the listed risks, after taking into account the mitigation measures implemented to reduce impact and likelihood, measures that are also described below.

The Company's non-financial risks are identified by the pictogram **NFPS** and are also mentioned in chapter 3 and included in the Summary Table of Risks and Opportunities (section 3.2.1).

With respect to the current health crisis related to the COVID-19 pandemic, the Company is not in a position to assess how the pandemic could impact its operations, production and results, which depends on its development in terms of intensity and severity.

The pandemic could result in a decline in the Company's revenues in certain regions or product lines. Indeed, in 2020, some product ranges performed below expectations.

The Company does not know whether the negative effects of the health crisis will continue, with what intensity and, if so, for how long. The strong momentum in the range of syndromic and molecular biology tests may not continue.

The pandemic also poses a risk to the health and safety of bioMérieux employees. The Company has put numerous measures in place in order to limit this risk. Despite its efforts, the Company could be faced with the shutdown of its production lines or a slowdown in its research and development or logistics activities as a result of employees becoming infected with COVID-19.

In addition, teleworking, lockdowns, or any other restrictive measure recommended or imposed on the Company could have an impact on its business and performance.

Other risks and uncertainties that the Company currently considers as not material, or that more generally concern all economic players, could also adversely affect its business, outlook, financial position, or ability to meet its objectives in the future. These risks are monitored as part of the Company's risk management process.

2.2.1 Risks relating to bioMérieux's industry

2.2.1.1 Competition and emergence of alternative technologies

Net impact ◆◆◆ Likelihood of occurrence ●●●

RISK DESCRIPTION

***In vitro* diagnostics is a highly innovative industry in which the emergence of new technologies is a source of risks and opportunities (see section 1.2.1.2). The Company could be threatened by new technologies, such as:**

- the sequencing of bacterial and viral DNA and RNA;
- the partial or total elimination of culture prior to sampling;
- the use of complex data to provide a medical response with higher added value.

The Company could also be threatened by existing technologies which compete with products in its portfolio, particularly BIOFIRE® technology (see section 1.2.3.2). As expected, competitors have recently obtained their authorization to commercialize syndromic approach tests on the American market.

Generally, new technologies enabling quicker, more reliable or lower-cost diagnostics may appear. Especially, new competitors from emerging countries (China and India in particular) are developing and could offer products that are less expensive than the Company's.

Moreover, the simplification of workflows proposed by some competitors, enabling the integration of all tests for a given technology in a single platform, could constitute a risk for the products marketed by the Company.

Finally, the COVID-19 pandemic has led to the emergence of new clinical needs in *in vitro* diagnostics. Manufacturers have developed and marketed innovative solutions to meet these challenges. In this context, competition could increase significantly in certain markets, including that of syndromic tests. Thus, the development of the COVID-19 pandemic could generate both risks and opportunities for bioMérieux.

POTENTIAL IMPACTS ON THE COMPANY

Increased competition could cause the Company to:

- lower its prices in order to remain an attractive alternative for its existing customer base;
- lose volume, thus having an unfavorable effect on revenues and on its test production costs.

In this context, the Company cannot be certain that its products will be able to compete over the long term with products marketed by other players, and allow it to gain or maintain significant market share and benefit from an equivalent product reputation than its better-positioned competitors.

RISK MANAGEMENT

The Company has various channels dedicated to technological watch in order to detect the emergence of new technologies and to anticipate their potential and the speed of their adoption by laboratories. Also, a Business Development Department is in contact with companies in the industry that are likely to provide access to innovative technologies, thus enabling the Company to enrich its product line, particularly through license agreements.

At the same time, **the Company is working on increasing the number of tests available on its platforms.** As an example, bioMérieux is endeavoring to include new antibiotics on the antibiograms of its VITEK® platform, to enhance the menu of the BIOFIRE® system with the renewal and improvement of existing tests and the extension to new pathologies, and to broaden the menu of the VIDAS® platform with differentiating tests. **bioMérieux's R&D Department, with the assistance of the Chief Medical Officer, aims to extend the scope of some tests to other applications and to demonstrate the medical value of its products.**

Lastly, **the Board of Directors has a Strategy Committee** whose mission is to analyze the Company's main challenges, particularly those related to changes in the technological, medical and market environments in order to guide the Group's strategy by adapting its solutions or its business model.

In the context of the COVID-19 pandemic, the Company has developed and marketed a broad range of solutions (see section 1.2.3.1) to meet these public health challenges. These product ranges provide targeted, fast and reliable answers to healthcare professionals around the world.

2.2.1.2 Changes in reimbursement policies

Net impact ♦♦♦ Likelihood of occurrence ●●●

RISK DESCRIPTION

A decision by a public or a private insurer to limit or stop the reimbursement of certain diagnostics tests could have a significant impact on demand for the Company's products and/or on the price charged by the Company to its customers (see section 1.2.1.4).

In particular, the Company is exposed to:

- the 2017 American PAMA (Protecting Access to Medicare Act) law, which plans a drop in the reimbursements from 10% to 15% per year until 2023 for outpatients on most diagnostics tests;
- decisions on the reduction of reimbursement for specific tests. As an example, in 2020, Palmetto, a Medicare Administrative Contractor, decided to reduce reimbursements of BIOFIRE® respiratory panels for outpatients over 65 years old;
- in France, the BIOFIRE® solutions are included on the list of innovative procedures not classified for reimbursement purposes (French acronym: RIHN), a conditional acceptance mechanism for which the annual budget is set by health authorities. The increase in the number of test prescriptions addressed by this reimbursement budget could lead to a devaluation of the BIOFIRE® offer.

POTENTIAL IMPACTS ON THE COMPANY

As a result, the Company cannot be certain:

- that its customers will continue to buy the same volume of products;
- to maintain its prices, faced with lower reimbursement for its customers.

The impact of the PAMA reform on bioMérieux is mitigated by most of its products being used for hospitalized patients rather than outpatients. The Company nevertheless expects a potential indirect impact due to pressure on its customers' margins.

RISK MANAGEMENT

The Company endeavors to promote the medico-economic value of its solutions through its Medical Affairs Department. This department files and defends requests for new product approval and assesses the medical value of the Company's products by conducting medico-economic studies and obtaining the related reimbursements.

Furthermore, in the United States, the Company has a team dedicated to market access & reimbursement, whose task is to promote the medical value of its products to private or public insurers, and support its customers in their applications to obtain reimbursement.

2.2.1.3 Consolidation of the customer base and decentralization of tests

Net impact ◆◆◆ Likelihood of occurrence ●●●

RISK DESCRIPTION

The consolidation of customers continues apace, particularly in Europe and the United States, for *in vitro* diagnostics products, which has led to the creation of technical platforms that process large test volumes daily. This consolidation trend allows customers to exert greater influence on product prices.

Moreover, in the United States in particular, hospitals are increasingly going through central purchasing organizations that pursue an aggressive purchase price reduction policy.

At the same time, this trend toward consolidation has also triggered a wave of decentralization in the United States, where tests are being conducted closer to patients (point-of-care) in physician offices and pharmacies.

POTENTIAL IMPACTS ON THE COMPANY

The Company's product range might not correspond to the requirements of consolidated customers handling very large volumes of daily tests, and consequently might lead to losses of market share and volume in certain product ranges (see sections 1.2.1.4 and 1.2.1.5).

The consolidation of the customer base and the accompanying reduction in selling prices could have repercussions for the revenues and profitability of the Company.

Lastly, the movement to decentralize tests could favor other diagnostics players having point-of-care offers and consequently reduce the volumes of tests sold by the Company.

RISK MANAGEMENT

The Company has established specific organizational systems that enable it to efficiently manage key strategic customers.

A department dedicated to managing sales performance is responsible for improving the relevance and management of bioMérieux's commercial policies, as well as for optimizing the customer approach strategy.

The Company pays particular attention to adjusting its prices based on its positioning in the markets in which it operates. It has a range of tools aiming for better control over its profitability per market and per product range, to best respond to the challenges of market concentration.

Furthermore, its research and development efforts aim **to adapt the product portfolio to best respond to market developments.**

2.2.1.4 Defective and/or insufficient product quality NFPS

Net impact ◆◆◆	Likelihood of occurrence ●

RISK DESCRIPTION

The production and marketing of diagnostics products exposes the Company to product quality liability risks.

The Company could be held liable if a diagnostics error resulting from the defective performance of one of its products leads to unsuitable treatment of a patient or the sale of contaminated products. Even if diagnostics products are designed, manufactured and delivered in compliance with the quality standards (described in section 1.4) and it is common practice to perform a series of additional tests to reduce the risk of error for the most serious diseases, this risk cannot be totally eliminated.

Moreover, the Group uses biological products that are manufactured or created from components developed from materials that are of human, animal or plant origin and which cannot yet be manufactured inexpensively using synthetic materials. This process causes risks in the use of these products or components because of the variability related to their origin.

POTENTIAL IMPACTS ON THE COMPANY

Defective product quality could generate a negative impact for the health of patients and consumers. Such defective quality could lead to litigation from customers of the Group, patient associations, or patients.

The competent health authorities (mainly the MDSAP, FDA, ANSM and the NMPA) could instruct inspections and, in the case of a major shortcoming, issue a letter of injunction or prohibit any sale until the identified shortcomings have been resolved.

Such a situation could lead to additional costs for the Company to implement corrective actions, protracted losses in market share, and an impact on revenue and operating income.

Lastly, the Company's image would also be affected.

RISK MANAGEMENT

The Global Quality Department defines a quality policy and a management system by which it ensures compliance with applicable quality standards (see section 3.3.2). The main manufacturing sites are certified compliant to ISO 9001 and ISO 13485.

In addition, a Quality Assurance Department is involved in all phases of product development and at each stage of production and distribution.

The Company also has a process for managing and monitoring customer complaints that aims at constantly improving the quality of its products and addressing any risks toward patients and consumers.

Lastly, the Legal Affairs Department oversees compliance with the applicable legal and regulatory provisions. It has set up an insurance policy to protect against and prevent its risks, notably in matters of civil liability (see section 2.5).

2.2.1.5 Intellectual property

Net impact ♦	Likelihood of occurrence ●

RISK DESCRIPTION

Intellectual property law in the healthcare industry is constantly changing, giving rise to uncertainties (see section 1.5.2). Accordingly, the Company may not be able to:

- develop patentable inventions;
- be granted the patents for which it has applied;
- obtain or renew the licenses it needs for its business;
- ensure that the validity of the patents or trademarks it holds, or for which it has been granted a license, will not be challenged by third parties;
- be sufficiently broadly protected by its patents;
- ensure that the patents or other intellectual property rights held, or for which the Company has been granted a license, will not be challenged or infringed by third parties;
- avoid paying compensation for infringement of third-party patents by products from the Company.

As the *in vitro* diagnostics industry develops, more and more patent applications are filed and patents granted, leading to an increased risk of unintentional infringement of third-party patents.

POTENTIAL IMPACTS ON THE COMPANY

Controlling unauthorized use of intellectual property is difficult, and the Company may not be able to prevent misappropriation of its intellectual property rights, or obtain sufficient protection to prevent similar products entering the market. Consequently, its revenues may be affected by competition from these counterfeit or similar products.

The Company may have to obtain the appropriate licenses to use third-party patents, or cease certain activities, or seek alternative technologies if obtaining a license is impossible or unprofitable.

Lastly, the Group might not be able to develop or sell products for which the intellectual property rights have been successfully challenged by a third party, and might have to pay damages for infringement.

RISK MANAGEMENT

The Legal Affairs and Intellectual Property Department oversees compliance with the applicable legal and regulatory provisions.

To limit the risks related to intellectual property, **the Company has an active policy of filing patents and monitoring third-party products to identify any infringers of its patents** (see section 1.5.2.1). As applicable, it pursues, with respect to these infringers, either amicable resolutions or the judicial proceedings required to protect its rights.

Similarly, the Company checks the freedom to operate in relation to third-party patents for all products under development. The Company has set up a monitoring system to be able to prevent filings for third-party brands and trademarks that are likely to create confusion with its own key brands.

2.2.2 Risks relating to bioMérieux's strategy and functioning

2.2.2.1 Failure of R&D projects and new products

Net impact ◆◆◆ Likelihood of occurrence ●●

RISK DESCRIPTION

The Company invests significant amounts in new product R&D (systems, instruments, reagents, software, services, etc.) (see section 1.5.1).

It is possible that bioMérieux might not be investing in the most promising technologies or in the biomarkers that will become dominant in the market.

As the process of developing new diagnostics systems is particularly complex, the Company might:

- encounter technical difficulties and thus be unable to develop a product that fulfills the performance requirements expected by customers;
- encounter organizational difficulties related to the availability of resources having the necessary skills, and/or the default of partners or subcontractors involved in the development;
- not be able to meet to the desired deadlines (such as deadlines for the recruitment of patients during clinical trials);
- encounter difficulties in industrialization; the new instruments or reagents could prove to be too costly or difficult to manufacture on an industrial scale, and it might be difficult to find the supplies necessary for their manufacturing and market launch;
- not be able to obtain the regulatory authorizations it requires to market and sell its new products;
- not succeed in demonstrating the medical and economic value of new diagnostics solutions, which is a key factor in the commercial success of its solutions.

POTENTIAL IMPACTS ON THE COMPANY

The Company could shelve R&D projects in which significant human and financial resources have been invested, even at a development stage close to the commercial launch date, which could impact the Company's financial position.

The launch of new products may require more operational or capital expenditure than anticipated by the Company on R&D, production, marketing, the sales force and commercial support, instrument installation and maintenance, medical education and customer training.

The Company may not collect the return on its investments in R&D in the event of technical or industrial failure, if the products developed do not receive the requisite regulatory clearance or if they do not meet with the expected commercial success.

RISK MANAGEMENT

The Group pays particular attention to the selection, execution and monitoring of its R&D projects.

The Board of Directors has a Strategy Committee whose mission is to orient the Group's strategy and to conduct studies on the main challenges facing the Company, particularly those related to changes in the technological, medical and market environment. The Group endeavors to incorporate market expectations and to apply its knowledge base and technological platforms when defining its new products in order to deliver systems that create medical and technico-economic value for its customers. The Company organizes specialized committees by pathology, bringing together the marketing, medical affairs, R&D, intellectual property, and innovation functions to identify and select future development opportunities, fully taking into account the parameters described above. Lastly, the Company establishes both private and public partnerships (universities, research centers) in an open innovation approach, in order to broaden the spectrum of its knowledge and skills.

The strategic planning department ensures that the overall strategy is aligned with the project portfolio, and contributes to the choice of R&D projects. The R&D activities are organized around dedicated teams, experts in different technologies (microbiology, immunoassays, and molecular biology). The R&D teams use a global project management software package. It includes a resource planning function, to ensure a balance between project demand and the availability of teams or subcontractors, in order to contribute to their proper implementation.

Financial teams dedicated to R&D monitor progress and compliance with project deadlines and costs, together with the project managers. They also take part in the upstream selection of projects through an evaluation of the value-creation potential associated with each project.

2.2.2.2 Dependence on certain suppliers and partners NFPS

Net impact ◆◆◆	Likelihood of occurrence ●●

RISK DESCRIPTION

The Company is working with a vast network of suppliers and may, in certain cases, be in a position of dependency on some of them, due to their exclusivity or the specifics of the products/materials bought from them (see section 3.7.1).

The qualification of materials, components, and all types of supplies used often requires a long process and limits the number of suppliers that are authorized or able to fulfill the needs and requirements of the Company. Certain components of the Company's products may become obsolete if the suppliers decide to modify the composition of their products/materials. The Company is subject to strict rules in matters of manufacturing processes, and any change in raw materials must be requalified.

Lastly, the Company could lose the exclusive rights it holds with certain key partners, potentially to the benefit of competitors.

POTENTIAL IMPACTS ON THE COMPANY

A disagreement with certain suppliers or a failure of suppliers to meet their obligations could create difficulties for the Company's manufacturing operations, including for some of its main products, leading in certain cases to delivery interruptions, additional costs, and material delays resulting from the need to validate and put in place alternative procurement solutions.

In addition, certain suppliers' quality defects could negatively impact the Group's products, resulting in scraps during the production process.

Lastly, the Company could be forced to build up additional inventory of components if suppliers were to discontinue their production. It might even have to redevelop some of the production processes itself, which could lead to significant development costs and a temporary inability to manufacture its products.

RISK MANAGEMENT

The Company has set up a Global Purchasing Department and is mapping the risks associated with its key suppliers and materials.

From this map, the Company endeavors to secure its supplies by maintaining close relationships with its strategic suppliers, diversifying its sources of supply to the extent possible, endeavoring to conclude long-term supply contracts, building up buffer stocks, and partnering with its suppliers in a sustainable growth strategy (see section 3.7.1).

Also, **the Purchasing Department is associated with the initiation phase of R&D projects, to identify and determine the extent of the risks related to this supplier dependency.**

2.2.2.3 Loss of a major industrial site

Net impact ♦♦♦ | Likelihood of occurrence ●

RISK DESCRIPTION

The Company operates 15 manufacturing sites, each primarily dedicated to a single product line and technology, based on the principle of "one site - one product line" (see section 1.6). The result of this is that, with the exception of the culture media, each of the Company's flagship product lines is manufactured on a dedicated site.

Also, the Company has an international logistics center in France through which most flows intended to serve the various markets transit.

The Company is thus exposed to various risks that could cause the loss of one of its sites, notably:

- accidental or malicious industrial event: fire, explosion, contamination, loss or shutdown of a key production tool, or cyber attack;
- natural or climatic event: storm/cyclone (St. Louis – United States, Durham – United States), extreme temperatures (Lombard – United States), earthquake (Salt Lake City – United States), or floods.

POTENTIAL IMPACTS ON THE COMPANY

Any event affecting the production capacity or causing a temporary or definitive interruption of the activity of the "mono-product" manufacturing sites and/or its international distribution center could cause a risk for public health and have a significant negative impact on the revenues and image of the Company.

Furthermore, such events could require significant capital expenditure for strengthening the organizational structure of the Company, and cause additional costs related to significant use of external help, such as consulting and assistance missions.

If it were impossible to quickly resume operations at the production facility concerned, the Company could be forced to relocate production of the product line concerned. Given the complexity of the products manufactured by the Company, setting up relocated production resources could be long and costly.

RISK MANAGEMENT

All of the industrial sites have set up risk analyses related to their operations aiming to identify their exposure to risks and set up business continuity plans.

The Company performs annual audits of industrial sites together with its insurer, in order to identify possible vulnerabilities in coping with accidental events. The results of these audits are taken into account by the Company's insurance policy (see section 2.5).

The objective of these analyses is to put in place preventive actions (training employees, implementing emergency procedures) and/or corrective actions aimed at anticipating scenarios and reducing exposure to risks. For example, the Company has built a second site, far from the first, for the production of its BIOFIRE® molecular biology product line.

Lastly, the Company has implemented regular monitoring of the natural disasters risk, which enables it to assess the impacts of climate change on the regions in which its sites operate. Given that the Company consumes little water and is therefore hardly dependent on it, it does not anticipate any major risk associated with the increasing scarcity of this resource.

2.2.2.4 Failure and vulnerability of information systems NFPS

Net impact ◆◆	Likelihood of occurrence ●●

RISK DESCRIPTION

The Company could face a failure in its information systems or their obsolescence, a personal data breach and attacks by cybercriminals.

The acceleration of the digital transformation underway over the past several years at the Company could heighten its exposure to risks related to cyberattacks, as well as those related to failures of IT systems.

These have a major importance in the routine execution of the Group's operations in processing, transmitting and storing electronic data relative to operations, to the financial statements of the Group, and to communication with personnel, patient associations, customers, distributors and suppliers of bioMérieux.

In particular, bioMérieux has access to patients' personal data, for which security is ensured by particularly strict regulations in the United States (Health Insurance Portability and Accountability Act – HIPAA) and Europe (General Data Protection Regulation – GDPR) (see section 3.5.2).

Lastly, bioMérieux's equipment is connected to the IT systems of its customers (LIS) and may therefore constitute a point of vulnerability for a cyber attack (see section 1.2.3.2 MYLA®).

POTENTIAL IMPACTS ON THE COMPANY

Any failure or malfunction of equipment, IT applications or communications network, notably of the Global ERP, or successful cybercriminal attack on the information systems or instruments of its customers connected to it could:

- lead to the use of strategic and confidential data by competitors;
- lead to the leakage, loss, theft and disclosure of personal data, including patient data, which could lead to administrative, civil, and criminal penalties;
- make it impossible to carry out routine operations and thus harm the business;
- affect the operations of customers;
- generate operating losses;
- and/or harm the image and reputation of the Company.

RISK MANAGEMENT

The Company has an Information Systems Department which is tasked with ensuring the availability, continuity and performance of available IT services and setting up an IT security program based on risk management.

It performs audits on the internal processes and those of its external partners, in order to ensure the correct execution and compliance with procedures and evaluate its exposure to cyber attacks.

To prepare for the eventuality of a major incident, the Company has set up business recovery plans in order to be able to quickly return to a satisfactory level of business. In addition, critical applications and networks are duplicated according to clearly defined criteria.

The Company pays particular attention to the security of its information systems, notably through a dedicated "Global Information Systems Security Officer" function. This function works in close collaboration with internal experts and external partners to implement and maintain a strategy and to manage security based on the international security standards for information systems ISO 27001 and ISO 27002.

End users are trained and made aware of the risks of cyber criminality and personal data protection (see section 3.5.2).

The Company has an insurance policy covering cyber risks (see section 2.5).

Finally, **a Data Protection Officer (DPO) is responsible for rolling out the personal data protection strategy throughout the Group.** The DPO manages a network of local correspondents and carries out risk analyses. Its mission is to ensure a robust personal data management framework that complies with applicable local and international regulations.

2.2.2.5 Acquisition and integration strategy

Net impact ◆◆ | Likelihood of occurrence ●●

RISK DESCRIPTION

The development of the Company is partly based on targeted acquisitions or equity investments (notably Invisible Sentinel, Hybiome, Astute Medical, BioFire) or external partnerships (notably Copan and Thermo Fisher) (see section 1.1.2).

These transactions essentially aim to enhance its technology portfolio, its product range or its geographical positions. The specifics of each of these acquisitions lead to its own difficulties, related to the initial lack of proficiency in the acquired technology, which is particularly delicate in the industrial biology sector.

The proposed valuation of certain targets or the conditions needed to obtain certain licenses may represent obstacles to signing or renewing agreements required for the implementation of this strategy.

The integration of the acquired companies into the bioMérieux Group could encounter difficulties and lead to losses of key personnel or development that is less rapid than planned.

Lastly, the conditions for executing the acquisition business plan might not be fulfilled.

POTENTIAL IMPACTS ON THE COMPANY

The Company may be unable to:

- find or retain partners that could provide the technologies, products or market access it may need;
- pursue its strategy of acquisition or use under license of technologies developed by third parties, or renew the rights required for some of its operations at the expiration date;
- preserve substantial know-how for the development, industrialization, and production, as well as the understanding of clients' needs, and the key factors of success for marketing the solutions created by the acquired companies, and thus be unable to meet the targets set at acquisition;
- meet the objectives set at the time of acquisitions, chiefly owing to differences between the initial estimate and the actual results of the business plan. Failure to meet financial targets would cause the partial or total depreciation of the value of assets (property, plant and equipment, intangible assets and goodwill) related to the acquisition.

RISK MANAGEMENT

The Company uses various networks dedicated to technological and competitive watch and is supported by a Business Development Department with international teams.

Before investing, the Company performs the necessary due diligence and endeavors to define the most relevant valuation of the target companies. After having invested, it may, in certain cases, sit on the Board of Directors of these companies.

2.2.2.6 Climate change and environmental liability NFPS

Net impact ◆	Likelihood of occurrence ●●

RISK DESCRIPTION

Corporate responsibility with respect to the environment is becoming a major concern for the authorities and public opinion (see section 3.4).

This concern may result in more demanding regulations, notably in matters of Health, Safety and the Environment (HSE). Stricter laws and more rigorous implementation measures than those currently in force could be applicable to the Company's manufacturing sites and products (RoHS, REACH, Biocides, GHS, CLP), as well as to the reprocessing of instruments placed or sold to customer laboratories.

In particular, international agreements, such as COP21 or the European initiative aiming for neutrality by 2050, are tending to drive companies toward a low-carbon economy. The Company's production strategy is based on a "mono-site" approach (see section 1.5), which causes greenhouse gas emissions related to transporting products worldwide.

POTENTIAL IMPACTS ON THE COMPANY

Bringing some of bioMérieux's activities or sites into compliance with the most restrictive environmental standards could require large costs and affect production.

Any closure of a site would involve significant delays before obtaining the regulatory clearance necessary to restart production.

Lastly, a change in the "mono-site" industrial strategy could cause additional costs and technical difficulties in obtaining products of equivalent quality.

RISK MANAGEMENT

With its new program developed in 2020, bioMérieux has renewed its commitments and redefined even more ambitious objectives than the previous "Vision 2020" program in terms of environmental responsibility and impact (see section 3.4.1).

This new roadmap is regularly monitored by the Executive Committee to ensure its implementation.

HSE is managed on the production sites under management systems that meet internationally-recognized standards and are organized by a network of HSE professionals, both locally and globally. It aims to make sure that the regulations in force are known and applied, and that developments are monitored by the Regulation Watch Committee and their impacts anticipated.

Lastly, the Company is developing a strategy for eco-design and management of the end of product life, as described in section 3.4.2.

2.2.3 Risks relating to bioMérieux's business environment

2.2.3.1 Ethics and compliance NFPS

Net impact ◆◆◆ | Likelihoodof occurrence ●●

RISK DESCRIPTION

The Company is exposed to risks of fraud and corruption due to its international presence, its network of partners representing it, and the nature of its activities in contact with healthcare professionals and representatives of public authorities (see section 3.5.3.1).

bioMérieux's products are ultimately sold to public and private healthcare organizations. The Company must therefore be very attentive to the laws and regulations relative to relationships between industrial companies on the one hand, and healthcare organizations and professionals on the other ("Bertrand" law, Sunshine Act). Furthermore, many of these organizations are public and are therefore subject to specific rules in matters of calls for tenders and relationships with private operators. bioMérieux is also subject to international and extra-territorial anti-corruption laws (US FCPA rules, UK Bribery Act, Sapin II law, etc.) that penalize acts of corruption.

This risk is increased:

- due to the international presence of the Group, which has the effect of increasing the number of laws and regulations that must be complied with, and which, furthermore, does not mean that the Group cannot be subject to litigation pursuant to the laws of other countries having an extra-territorial reach;
- due to the use of distributors, the Group does not therefore have total control of the relationship between the customer and the end user (see section 3.7.2).

Also, bioMérieux is subject to the rules of international trade and, in this regard, is exposed to risks related to embargo and sanction policies (see section 3.5.3.1).

POTENTIAL IMPACTS ON THE COMPANY

In case of non-compliance with these laws and regulations and the principles of ethics and good business conduct, the Company would be exposed to legal action, resulting in financial loss and affecting its image and reputation.

Individuals committing offenses could also suffer severe criminal penalties.

RISK MANAGEMENT

The Company's actions are governed by a set of principles, directives, standards and procedures that comply with current ethical norms. Therefore, bioMérieux has developed an anti-corruption program, which includes a specific section on the correct rules for interaction with healthcare professionals. It is described in section 3.5.3.1. **Furthermore, the Company has produced a corruption risk mapping, in order to identify the risks inherent in its activities and implement global and local improvement plans to mitigate them.**

The Legal Affairs Department is responsible for compliance through an Ethics and Compliance Department. This department is supported by local networks of correspondents trained in anti-corruption programs. An Ethics and Compliance Committee meets quarterly to define the guidelines for the function and to monitor the implementation of actions. Employees are trained annually in the principles of ethics and compliance, notably with online training courses on conflicts of interest, anti-corruption measures, and third-party management.

Since a significant portion of its sales are made through international or local distributors, bioMérieux contractually requires its partners to use the same high standards in the application of anti-corruption rules. It has also established a training program for their staff covering these high-risk subjects.

To minimize the risk of fraud, the Company has put in place an internal control system designed to prevent and identify fraud and ensure that procedures are duly applied. These include regular internal and external audits.

Lastly, an alert line has been made available to employees and third parties to report any malicious act that could harm the reputation and values of the Company (see section 3.5.3.1).

2.2.3.2 Regulatory environment applicable to products NFPS

Net impact ◆◆	Likelihood of occurrence ●●

RISK DESCRIPTION

The Company's products and their manufacturing process are subject to strict, fast-changing regulations which vary widely from one country to another. These products are subject to controls carried out by the regulatory authorities throughout their process of development, production and marketing (see section 1.4).

The launch of *in vitro* diagnostics solutions is subject to the Company obtaining regulatory clearance. Securing the regulatory clearance or certification needed to market a new product may take several months or, in some countries, one to two years, and requires significant financial resources. Moreover, an increasing number of countries are creating regulatory bodies that are gradually implementing their own requirements for the registration of products, resulting in an increase in the number of registration cases to handle, whether for new references or existing references (notably Brexit).

Also, regulations aiming to limit the market release and use of certain dangerous substances (notably, in Europe, the REACH regulation and the RoHS directive – see section 3.4.1) are gradually being applied to the scope of *in vitro* diagnostics, and have led the Company to include these requirements in all of its activities.

Lastly, the changes to the following regulations could have an impact for bioMérieux and all players in *in vitro* diagnostics: the American UDI (Unique Device Identification) regulation and the European IVDR regulation (see section 1.4.2.1).

POTENTIAL IMPACTS ON THE COMPANY

New regulations or audits performed at the Company's manufacturing sites could:

- delay or preclude the marketing of new products by the Company;
- force the Company to interrupt or halt production or sales of existing products;
- oblige the Company to make changes to its manufacturing and quality control processes;
- impose costly constraints on the Company as well as on its suppliers.

RISK MANAGEMENT

The Company strives to reduce this risk by rigorously inspecting production output and by monitoring regulatory compliance through the Quality Management System Department in all countries in which the Group operates (see sections 1.4 and 3.5.1). In addition, a number of standards or benchmarks (including ISO) are in force within the Group. The Company sets up specific project teams to reach the level of compliance expected at the various deadlines set by these new regulations. These teams set priorities, define compliance action plans, and ensure the viability of the solutions selected for current products and for future developments.

Furthermore, its Regulatory Affairs Department allows it to identify new regulations and ensure compliance with current obligations and regulations, and a Regulation Watch Committee meets quarterly to ensure a cross-disciplinary approach to the obligations applicable to the Company.

In addition, the Group complies with the European Waste Electrical and Electronic Equipment Directive (WEEE Directive), and hires external service providers to remove equipment from customer sites located within the European Union and for the safe removal of heavy metals included in certain equipment. Accordingly, it no longer establishes provisions in this regard.

2.2.3.3 Foreign exchange

Net impact ♦ Likelihood of occurrence ●●●

RISK DESCRIPTION

The Company, due to its manufacturing footprint mainly in the Eurozone and in the United States, is highly exposed to fluctuations in the foreign currencies in which its sales are made. Fluctuation of a currency other than the euro and the dollar may cause a drop in revenues (in local currency) without a proportional drop in costs (partially in local currency but only for the local costs of sales, marketing and service).

The commercial policies of the Company might not offset the negative impact of the currencies on the markets.

Also, due to its international commercial footprint, the Company is exposed to the conversion risk for the accounts of consolidated subsidiaries having a functional currency different from the euro, the currency of publication of its financial statements.

The foreign exchange risk is described in Note 28.1 of section 6.1.2.

POTENTIAL IMPACTS FOR THE COMPANY

These foreign exchange fluctuations may affect the financial performance of the Company.

Also, a significant drop in certain currencies could have a more overall negative effect on the economies of these countries, and affect:

- order volumes from local customers;
- the ability of the Company to collect amounts due.

RISK MANAGEMENT

The Company's policy, reviewed annually by the Audit Committee, aims to use annual currency hedges to protect against the impact of exchange-rate fluctuations on its operating income in relation to its budget (see section 2.4.1 cash management and finance).

To do this, the Group makes use of these instruments as soon as they are available at a reasonable cost. Its current practice is to set up global hedges covering similar risks. However, they are put in place over a time frame of approximately 12 months, beyond which full exposure to exchange-rate fluctuations returns.

In view of the size of the Group's operations in the US, certain operating expenses are settled in US dollars, thereby mitigating the impact of fluctuations in the US dollar on operating income. Hedging contracts are purchased to cover transactions included in the budget and not for speculative purposes.

2.3 ADMINISTRATIVE, LEGAL AND ARBITRATION PROCEDURES

The Company is involved in a certain number of claims and litigation arising from the normal course of its business. It does not believe that these claims and litigation will have an unfavorable influence on the continuity of its operations. The Company is not involved in any litigation considered to be material, with the exception of the proceedings described in Notes 15.4 and 15.5 to section 6.1.2 of the consolidated financial statements.

On October 14, 2016, bioMérieux, like other manufacturers, was summoned before the Tribunal de Grande Instance de Paris (Paris District Court) in view of obtaining compensation for anxiety allegedly "caused by the lack of reliability of serodiagnostic tests" for Lyme disease. As at the date of this universal registration document, the civil proceedings, initiated by 45 plaintiffs, now include 93, following the combination of two new identical summons, and are still ongoing. bioMérieux objects to the applications for the summons, which it considers unfounded, since the serodiagnostic test manufactured by bioMérieux complies with applicable regulations, the current state of scientific knowledge, and recommendations from learned societies and expert consensus, at the national, European and international levels. Thus, the Company does not mention this litigation as a risk factor in paragraphs 2.1, 2.2 and 2.3 of this universal registration document.

A case has been brought against BioFire Diagnostics by US Medical Network demanding that it cease using software and customer files deemed to be the property of US Medical Network. US Medical Network has made the preliminary demands and bioMérieux has recognized a provision corresponding to its best estimate of the risk. The case was scheduled for February 2021 but has been postponed due to the public health situation. Moreover, the proceedings are on hold pending a new ruling from the judge.

To the best of the Company's knowledge, there are no other governmental, legal or arbitration proceedings, whether pending or threatened, that are liable to have or that have had a material impact on the Company's financial position or profitability during the past 12 months.

2.4 INTERNAL CONTROL AND RISK MANAGEMENT

Internal control is a process implemented by the Board of Directors, senior management and employees of an organization. It is designed to provide reasonable assurance that the following objectives are achieved:

- aligning the consistency of operations with General Management's directives;
- the reliability of financial information and its compliance with the laws and regulations in force;
- the management and control of operational and financial risks.

However, internal control does not provide absolute assurance that these objectives will be achieved.

The Group's internal control system is based on:

- the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- the AMF Reference Framework: "Internal Control and Risk Management Systems";
- recommendations published by the AMF.

This system applies to all of the companies within in the Group's scope of consolidation.

General Management and the Board of Directors, through the Audit Committee, help monitor and oversee the internal control system. For this purpose, General Management relies on audits carried out by the Internal Audit, Risk and Compliance Department, under the responsibility of the Institut Mérieux, as described below.

Under the authority of the corporate vice president of finance, purchasing and information systems, who is a member of the Executive Committee, the Finance Department oversees Group-level functions and the administrative and financial functions of each Group entity.

2.4.1 Internal control stakeholders

Internal control	The task of the Internal Control Department within the Finance Department is to strengthen and sustain the Company's internal control system. It is responsible for defining bioMérieux's internal control standards with process owners, assisting and coordinating their implementation by the operational departments, and managing and evaluating the internal control system as a whole. The objective is to provide reasonable assurance of the reliability of financial information and the safeguarding of the Group's assets. Moreover, the operational and financial departments of each subsidiary are responsible for ensuring the effectiveness of internal control procedures within their organization and undertake to implement a system that ensures operating efficiency, reliability of financial and accounting information and optimal use of resources, while safeguarding assets and combating fraud.
Accounting/Finance	bioMérieux has compiled a manual of accounting and consolidation principles for use by the Group's entities. This manual lists the principal items in the consolidated financial statements and specifies their content. It also defines the valuation methods to be used. For bioMérieux SA and its main subsidiaries, the accounting procedures required by the application of these principles and local regulations when recognizing ordinary and recurring transactions are incorporated in the accounting software, in order to ensure that data are processed securely and automatically.
Management control	The annual budget is prepared by the Executive Committee and validated by the Board of Directors. This budget, monitored by comptrollers distributed according to the Company's organization, is used to allocate the Group's resources to its various projects, activities and subsidiaries.
Consolidation	The consolidation process is centralized within the Group. The Consolidation department checks that the financial statements of the subsidiaries are prepared in accordance with the Group's accounting principles, as set forth in procedure manuals provided to all Group entities. It has a consolidation software package which includes all the financial statements of the subsidiaries and consolidates them in accordance with the Group's chart of accounts. It conducts in-depth analyses of the accounts and prepares a quarterly analysis report for General Management.
Cash Management and Finance	bioMérieux SA and its subsidiaries have set up a cash pooling system, of which it is the leader. Surpluses are managed according to a prudent policy validated by the Audit Committee. In addition, bioMérieux SA is responsible for managing currency risks on the Group's net exposure for currencies where hedging instruments are available at a reasonable cost, in accordance with the Group's policy described in section 2.2.3.3
Tax	The Tax Department draws on a network of internal contacts and on external consultants, depending on the issue. It coordinates, raises awareness and supports the financial departments of each Group subsidiary so as to ensure their compliance with applicable regulations and the Group's standards (see section 3.5.3.2).
Investor relations	The Company's financial communication (annual and interim reports, press releases, etc.) are drafted on the basis of specific discussions and are submitted to the Group's General Management and Finance, Purchasing and Information Systems Departments for review. Press releases relating to results and sales are reviewed by the Audit Committee.
Shared service centers in Poland and Argentina	Two shared service centers in Poland and in Argentina help to manage the accounting and sales administration activities of 26 subsidiaries. They also help to harmonize internal processes and, through an improved separation of duties, to strengthen internal control in smaller Group companies.
Subsidiaries' financial data	The compliance of financial data issued by subsidiaries is ensured through: ● the presence of members of certain operational and/or finance functions on the boards or committees (boards of directors or equivalent) overseeing the activities of subsidiaries; ● the existence of financial and administrative support, particularly through shared service centers (see section 2.4.1); ● monthly analysis of certain indicators in their reporting. Moreover, the regional Finance Departments verify the pertinence of the human, financial and business resources available locally with the assistance of support functions.

2.4.2 Processes

Control activities are put in place by the financial and operational departments based on Group procedures.

The Group has various written procedures (project management, investment management, processing of financial information, etc.), in French and in English which are accessible *via* its intranet and/or specific servers.

The Risk Department oversees the updating of the Company's risk mapping, and regular risk identification, evaluation, and monitoring (see section 2), in coordination with the Internal Audit, Risk and Compliance Department of the Institut Mérieux.

bioMérieux's internal control environment is based on the elements described below:

Internal control manual	A reworking of the internal control manual initiated in 2019 resulted in the publication of a new internal reference framework this year, incorporating a risk-based approach. This new manual specifies the rules and lists all the essential controls with which organizations must comply, particularly with regard to anti-corruption and anti-money laundering measures. Training sessions for local, regional and Group finance teams were organized to accompany the distribution of this manual. This manual includes information on the rules governing the separation of duties, rules relating to commercial management and the management of spending commitments, banking flows and payments, the principles governing internal control, financial reporting and the approval of the financial statements.
Launch of an integrated management software application	The Company has an integrated management software application in 40 of its subsidiaries. It aims to facilitate the definition of consistent procedures and the implementation of a more effective internal control system.
Introduction of a financial training course	The Finance Department trains all new finance managers or directors within the subsidiaries in procedures and tools (several sessions are held each year) and teaches financial skills to certain non-financial employees of the Company.
Fraud risk management	To minimize the risk of fraud, the Company has put in place an internal control system designed to prevent and identify fraud and ensure that procedures are duly applied. These include regular internal and external audits. In particular, it has implemented a process for centralizing information concerning fraud attempts, and for monitoring corrective and preventive actions, in particular by managing the risk of cybercrime (see section 2.2.2.4) and raising employee awareness of the methods commonly used by fraudsters.

2.4.3 Implementation and monitoring of the internal control and risk management system

Under the responsibility of General Management and the Board of Directors, the Risk Department (see section 2.1) and other functions described below ensure the implementation of internal control and risk management.

Internal control assessment	The Internal Control Department leads the assessment of the internal control system to ensure its implementation and effectiveness. It has set up a self-assessment, carried out by the operational teams, covering 68 internal controls described in the manual. The operational teams define associated action plans if necessary. The first self-assessment of the system was carried out at the end of 2020 and will be supplemented by an evaluation of its effectiveness the following year.
Internal Audit Department	The Group Audit Department of Institut Mérieux carries out Internal Audit activities in close collaboration with the Management of Institut Mérieux and in accordance with identified risks. The teams dedicated to internal audit ensure that the procedures defined by the Group are correctly applied in the subsidiaries and corporate departments. They conduct audits involving thirty or so employees with different functions and skills. The conclusions are shared with bioMérieux's Risk Department, thereby ensuring the continuous improvement of operational processes through a risk analysis system and advisory services. A charter defines the role of internal audit, its duties, the scope of its authority and powers and the methodology used, which complies with professional standards. From the basis of a central risk analysis, the Internal Audit and Risk teams establish an annual audit plan, updated regularly, as well as a summary and conclusions regarding the work carried out, which are regularly presented to the Audit Committee and the Executive Committee.
External audits	The Company is subject to various types of external audits as described below. The Statutory Auditors, Ernst & Young et Autres and Grant Thornton and its network, audit the consolidated financial statements and the parent company financial statements of bioMérieux SA, as well as the individual financial statements of the vast majority of Group companies. For the other subsidiaries, the Statutory Auditors rely on the work carried out by these companies' external auditors. In addition to the reports required by law, the audits by the Statutory Auditors are summarized in a report that covers material audit findings and the manner in which they have been resolved, as well as recommendations regarding the Group's internal control procedures. These recommendations are reviewed with the management of the subsidiaries concerned and their implementation is monitored. The analysis and evaluation work of the internal control within the Company are carried out in close consultation with the Statutory Auditors. They are informed of the results of the work of the Internal Audit, and Risk Departments.

2.5 INSURANCE POLICY

The Company's policy regarding insurance coverage is designed to ensure that all subsidiaries have access to similar coverage, regardless of their size or location. Generally, all new companies acquired by the bioMérieux Group are included in the insurance programs.

Coverage programs take into consideration the specific nature of local regulations, while at the same time reflecting the Group's centralization and umbrella coverage policy. Insurance policies are purchased from insurance companies selected on the basis of their creditworthiness as well as their ability to provide the Company with risk prevention services.

Coverage is calculated on the basis of loss assumptions, taking into account the Company's risk profile. The Group also takes care to keep confidential any information relative to deductible amounts and premiums, and the terms of coverage, to avoid them being used against its interests. This is particularly true in the case of liability insurance.

The main insurance policies are described below.

Civil liability

The nature of the Company's business has also been taken into consideration for the purpose of liability coverage (professional nature of most of its customers and batch manufacturing processes that reduce the likelihood of multiple risks). Separate policies are sometimes required to cover specific risks, either due to insurance regulations or applicable laws.

The Company and all of its subsidiaries are insured under an umbrella policy covering operating liability, liability after delivery and/or product liability and/or liability for experimentation, professional liability and liability for environmental damage caused by its products. This umbrella coverage is separately supplemented by the following specific policies: civil liability for environmental harm caused by the Group's companies, and civil liability incumbent upon the Group pursuant to the regulations on biomedical research (Jardé Act).

The Company also has an insurance program covering the liability of its corporate officers, senior executives and representatives.

Property and casualty

The guarantees purchased include accidental events coverage (fire, machine breakage and computer damage in particular), as well as consequential operational losses.

The Company and its subsidiaries have umbrella coverage for property and casualty which includes coverage for accidental events such as fires, machine breakage, theft and natural events likely to affect the Company's sites, and consequential loss of operation. This so-called Master policy covers all subsidiaries located in the European Union, making it unnecessary for them to take out insurance locally. It can also be extended to cover subsidiaries located in major countries outside the European Union, including the United States, through local agreements with the same benefits or as supplementary coverage or where no coverage has been taken out locally to comply with regulations.

Transport

"Ordinary" risks related to the transport of goods by land, sea and air are covered by an umbrella insurance policy. Freight transportation insurance contains the usual exclusions, namely for nuclear, chemical, biochemical, electromagnetic and cyber risks.

Cyber

bioMérieux has an insurance policy that covers damages and civil liability for risks arising from a cyberattack or a breach of personal data confidentiality.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03

CORPORATE SOCIAL RESPONSIBILITY

"bioMérieux's entrepreneurial adventure has its roots in a strong family commitment to serving public health. Faithful to our pioneering spirit, our ambition is to remain a major player in the diagnosis of infectious diseases. Through our multidisciplinary scientific approach, with no geographical borders, and driven by the commitment of our employees worldwide, we will maintain this course with a long-term vision."

Alexandre Mérieux, Chairman and Chief Executive Officer of bioMérieux

A corporate citizen serving public health

bioMérieux is a corporate citizen, through its historic and pioneering commitment to the fight against infectious diseases. bioMérieux considers serving global public health to be an important responsibility, one that the Company takes very seriously throughout its various fields of expertise in the fight against infectious diseases. The Company's history reflects a long-standing commitment to Corporate Social and Environmental Responsibility. Indeed, the humanist values held by the Mérieux family, the founder and majority shareholder through its holding company Institut Mérieux, form the bedrock of a responsible corporate culture translated into bioMérieux's international strategy.

A CSR policy of commitment, based on internationally-recognized principles

bioMérieux has committed to upholding a number of laws and international conventions, including the Universal Declaration of Human Rights of 1948 and the United Nations' Guiding Principles on Business and Human Rights of 1911. Since 2003, bioMérieux has been a signatory to the United Nations Global Compact. The Global Compact is a voluntary framework for commitment by which companies, associations and non-governmental organizations are invited to comply with ten universally accepted principles affecting human rights, labor standards, the environment, and the fight against corruption.

Through its activities, bioMérieux supports several United Nations Sustainable Development Goals (SDGs), which provide guidance for achieving a better, more sustainable future for all.

Moreover, bioMérieux strives to adhere to the fundamental agreements of the International Labour Organization (ban on child and forced labor, freedom of association), the promotion of diversity, women's rights, the right of peoples to freely dispose of their natural resources, and the right to health.

Commitment at the highest levels

Corporate Social Responsibility (CSR) is a driving force at the highest levels of Management. In 2018, the Company set up a dedicated Operational Steering Committee, which, in 2021, will be expanded to include the Company's main functions. This will make CSR a guiding principle at all levels of the Company on every continent.

In 2019, bioMérieux created a CSR Department to strengthen its actions and the clarity of its CSR commitments. Starting in 2021, the Executive Committee will monitor the proper implementation of the CSR policy on a quarterly basis.

This CSR policy and non-financial risks are shared with the Audit Committee and the Board of Directors every year. In 2020, the Board of Directors expanded the remit of its Human Resources, Appointment and Compensation Committee to include CSR issues. As a result, the committee was renamed the Human Resources and CSR Committee.

Modification of the CSR policy: a co-constructed strategy

In 2020, bioMérieux decided to make changes to its CSR policy. To support its long-term development, it launched a consultation with its stakeholders in seven countries. The results were used to produce a materiality matrix and helped set new CSR ambitions for the Company (see section 3.2.2). They are being constructed together with all functions to align the vision of the teams.

External initiatives

The Group participates in initiatives to inform companies about its CSR processes with the purpose of continuous improvement and the sharing of best practices.

Since 2020, the Company has been a member of the Mix'R network, whose ambition is to be an "agitator for responsible companies". This network gives members various actions to stimulate collective intelligence and co-development: experience sharing, lectures, inter-company themed programs, promotion of successful CSR initiatives.

The Company is also part of the sustainable development commission led by the MedTech Europe professional network, and it has decided to launch a specific CSR commission at the beginning of 2021, which it will chair as part of the Association of Pharmaceutical Manufacturers of the Rhône-Alpes Region (AFIPRAL).

Oversight and roadmap

The CSR policy is implemented under the guidance of the CSR Department. It is based on a collective and participatory approach.

All functions are involved in the process and set out their roadmap for the policy established by setting objectives and quantified indicators. At the same time, country teams define their priorities for action, in line with the policy guidelines, to increase the Company's positive local impact in the countries where it operates.

External data verification

To comply with legal requirements, bioMérieux has had the social and environmental information contained in the Universal Registration Document audited each year since the close of financial year 2016. bioMérieux uses the services of EY & Associés as an independent third party (see section 3.9).

Performance recognized by non-financial rating agencies

For a number of years, non-financial rating agencies have been evaluating the CSR performance of bioMérieux and have included it in their SRI (socially responsible investing) indices.

The scores and certifications obtained are:

CERTIFICATION	DATE	BIOMÉRIEUX PERFORMANCE
FTSE4Good	January 2021	Included in the FTSE4Good Index, reserved for companies with robust environmental, social and governance risk management practices Renewal of the certificate of inclusion on the index
Gaïa Rating	January 2021	**Score: 81/100** (healthcare sector average: 51) *January 2020: 72/100 (healthcare sector average: 46)*
CDP	December 2020	**Score C** *January 2020: Score D*
Corporate Knights Global 100	November 2020	Ranked **38th** in Corporate Knight's Global 100 (companies with more than $1 million in revenue) *2019: 26th place*
Euronext Vigeo Eiris	October 2020	**Ranked No. 1 in** the *Health Care Equipment & Services* sector. bioMérieux is in the top 6% of companies assessed, all sectors combined Included in the Ethibel Index, dedicated to European companies with the best CSR performance *2019: Ranked No.1 in the Health Care Equipment & Services sector.*
2020 ecovadis	May 2020	**Score 75/100** Ranked in the top 1% of highest-performing companies *2019: 72/100*
Global Challenges Index	February 2020	Inclusion in the Global Challenges index, covering companies that make pioneering contributions to overcoming global challenges. The index was initiated by Boersen AG, operating the stock exchange in Hanover, Germany, in collaboration with ISS ESG. It is made up of 50 international companies that meet the criteria, from a panel of approximately 4,200 enterprises.

Declaration of non-financial performance

Pursuant to Articles L.225-102-1 and L.22-10-36 of the French Commercial Code *(Code de Commerce)*, the Company is required to prepare a non-financial performance statement (NFPS) in accordance with the laws and regulations in force. This NFPS presents information on how the Company takes into account the social and environmental consequences of its activities.

Given the nature of its business, the Company believes that the following issues are not major non-financial risks: combating food insecurity, animal welfare, and responsible, equitable and sustainable nutrition. In accordance with French law on combating fraud (Law No. 2018-898), the Company's tax policy is detailed in section 3.5.3.2.

The table below summarizes the main elements of the NFPS. A detailed cross-reference table is presented in the appendix to this document (see Appendix – Cross-Reference Table for the Non-Financial Performance Statement).

Business model	Section 3.1
Description of the main non-financial risks	Section 3.2 and Section 2
Presentation of the policies applied with regard to those risks	Section 3.3 to 3.7
Policy outcomes including key performance indicators	Section 3.3 to 3.7

3.1 BUSINESS MODEL

The business model is based on economic development and a social commitment in support of public health and future generations

It is prepared and updated by a working group consisting of various experts in the Group's functions. Its components are described in detail in the appendix to this document (see Appendix – Cross-Reference Table for the Non-Financial Performance Statement).

As a pioneer in diagnostics to meet public health challenges caused by infectious diseases, the Group uses its resources to create value. bioMérieux's business model takes the form of a value creation model detailed on pages 18 and 19 of this Universal Registration Document.

3.2 ANALYSIS OF RISKS AND OPPORTUNITIES

To analyze its risks and opportunities, the Company developed non-financial mapping, then conducted a materiality analysis that confirmed the list of key issues initially identified.

3.2.1 Summary table of risks and opportunities

In order to identify its non-financial risks and opportunities and respond to non-financial performance reporting requirements, bioMérieux has drawn on the Group's risk-mapping methodology.

A specific exercise was carried out with internal stakeholders, selected for their range of expertise, geographical coverage, and exposure to external stakeholders. The process was presented to the Social and Economic Committee, certain members of which helped to identify the risks and opportunities.

The Risk Department oversaw the identification of risks and opportunities, supported by a Steering Committee drawn from the CSR, Legal, and Investor Relations Departments.

Risks and opportunities, policies implemented and indicators were reviewed and approved at workshops with the relevant departments, particularly Purchasing, Human Resources, Health, Safety and Environment, Ethics and Compliance, Quality, and Commercial Performance.

Risks and opportunities were assessed for their potential impact and likelihood of occurrence using dedicated risk scales.

The non-financial risk and opportunity map was presented to the CSR Committee and the Audit Committee.

The Company decided to draw on the SASB guidelines to structure itsreporting on and presentation of non-financial risks and opportunities.

ISSUES	DESCRIPTION	POLICIES IMPLEMENTED	INDICATORS	PARAGRAPH AND PAGES
		ENVIRONMENT		
Life-cycle of products	Ability to manage the life-cycle of products by limiting their environmental impact, in compliance with international standards	Perform systematic life cycle analyses on our products, either comprehensive or targeting a specific stage Implement the resulting ecodesign action plans	• Number of life-cycle analyses performed on our new products • Improvements made to existing products	Section 3.4.2 Page 106
Impact of climate change on performance and environmental compliance*	Limit the impact of our operations on the environment and climate change Consider the effects of climate change in our activities	Currently defining a new plan setting targets for reducing the consumption of water and energy as well as carbon emissions and waste Prioritize renewable energy sources Develop sea freight Certify production sites Roll out a site energy audit program Integrate our partners into the process Provide digital tools aimed at reducing the amount of travel by employees	• Number of ISO 14001 certified sites • Greenhouse gas emissions • Total volume of waste generated, including hazardous waste • Consumption of public water and groundwater • Quantity of wastewater discharged • Total energy consumption and percentage of energy consumption from renewable sources	Section 3.4.3 Page 107

* *These topics cover the main risks as assessed in the Company's risk-mapping.*

ISSUES	DESCRIPTION	POLICIES IMPLEMENTED	INDICATORS	PARAGRAPH AND PAGES
		SHARE CAPITAL		
Data protection*	Process and protect the personal data of employees, third parties and patients	Implement the GDPR compliance plan Secure buy-in for our policies from suppliers Conduct impact assessments on the Company's processes Introduce a procedure for managing data breaches	• Number of processing activities recorded in the global data protection tool, number of applications supported, and number of third parties involved	Section 3.5.2 Page 117
Product quality and safety*	Produce and deliver high-quality products that comply with local/international standards and meet customer expectations	Maintain a quality management system and customer service Train and manage an internal network of quality auditors Certify production sites	• Number of ISO 9001 and ISO 13485 certified sites	Section 3.5.1 Page 115
		HUMAN CAPITAL		
Managing skills and workforce*	Anticipate workforce and skills required to respond to the Company's strategy and market trends	Strengthen skills and workforce planning process Implement personal training and development plans Roll out the training program in partnership with Mérieux Université	• Number of training hours per employee • Training completion rate	Section 3.6.2 Page 124
Attracting and retaining talent*	Attract and retain talent	Roll out the global and regional HR roadmap Strengthen the employer brand Develop internal mobility plans Develop succession plans Step up employee share ownership Develop employee engagement	• Overall voluntary turnover rate for employees with less than three years of service • Number of employees who were promoted during the year • Absenteeism rate	Section 3.6.3 Page 125
Diversity and inclusion*	Develop an inclusive culture and promote diversity within the Company	Implement the HR vision Develop and implement collective agreements Roll out non-discrimination policies Promote diversity and raise employee awareness	• Gender breakdown of managers (Women/Men) • Rate of internal promotion (Women/Men) • Breakdown of employees with disabilities	Section 3.6.4 Page 129
Employee health and safety*	Ensure safe working conditions for employees and external providers	Continue to implement the Occupational Health and Safety policy management system	• Frequency rate of lost-time occupational accidents • Occupational accident severity rate • Number of occupational diseases • Number of certifications	Section 3.3.3 Page 102

* *These topics cover the main risks as assessed in the Company's risk-mapping.*

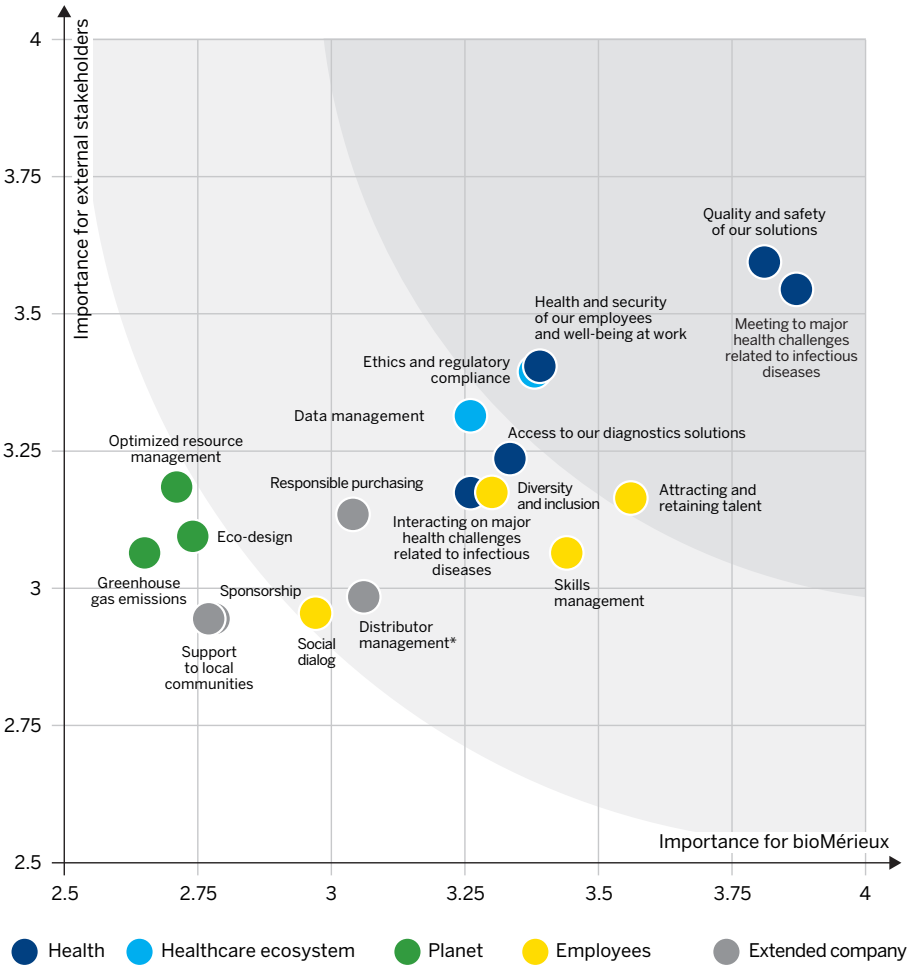
ISSUES	DESCRIPTION	POLICIES IMPLEMENTED	INDICATORS	PARAGRAPH AND PAGES
		BUSINESS MODEL & INNOVATION		
Distributor management*	Manage the network of distributors in accordance with the Company's requirements and expectations	Strengthen the process for selecting and approving distributors Streamline and standardize distribution contracts Standardize sales policy Continue to train distributors in bioMérieux practices Regularly review the performance of distributors	• Assessment of distributors' performance and skills	Section 3.7.2 Page 133
Sustainable andresponsible purchasing*	Develop and maintain sustainable and socially-responsible purchasing practices	Promote and roll out the Responsible Purchasing Charter to suppliers Incorporate CSR criteria at each stage of the supplier relationship (qualification, selection,Business Reviews, etc.) and support their development Secure critical supply chains	• Number of suppliers evaluated by an external rating agency on CSR criteria, and % of expenditure covered	Section 3.7.1 Page 132
		GOVERNANCE		
Regulatory compliance*	Safeguard the legal and regulatory compliance of activities	Organize structured monitoring and appropriate governance Capitalize on the quality systems in place and the networks of internal experts	• Audit and inspection findings	Section 3.5.1 Page 115
Public health mission	Carry out the Company's public health mission	Help protect the health of patients and consumers from infectious diseases	• Percentage of R&D investments earmarked to fight antimicrobial resistance	Section 3.3.1 Page 96
Business ethics*	Prevent breaches of business ethics	Strengthen the governance in place Promote the whistle-blowing procedure and raise awareness among employees and third parties Roll out the Company's anti-corruption policies and procedures Continue the employee and distributor training program	• Online training completion rate: – Preventing corruption; – Third-party management; – Code of Conduct.	Section 3.5.3 Page 117

* *These topics cover the main risks as assessed in the Company's risk-mapping.*

3.2.2 Materiality assessment

In 2020, bioMérieux conducted a materiality analysis with a sample group of 3,690 internal and external stakeholders (employees, managers, suppliers, distributors, hospitals, healthcare professionals, public institutions) in seven countries (Brazil, China, Ivory Coast, France, India, South Africa and the United States). This survey was conducted in the form of an online questionnaire and interviews.

COMPANY MATERIALITY MATRIX



To create this materiality matrix, the Company used the following methodology.

Two types of populations were surveyed:

- strategists: bioMérieux employees with knowledge of the Company's commercial and strategic prospects;
- stakeholders: employees and external players with a perception of the Company based on their experience.

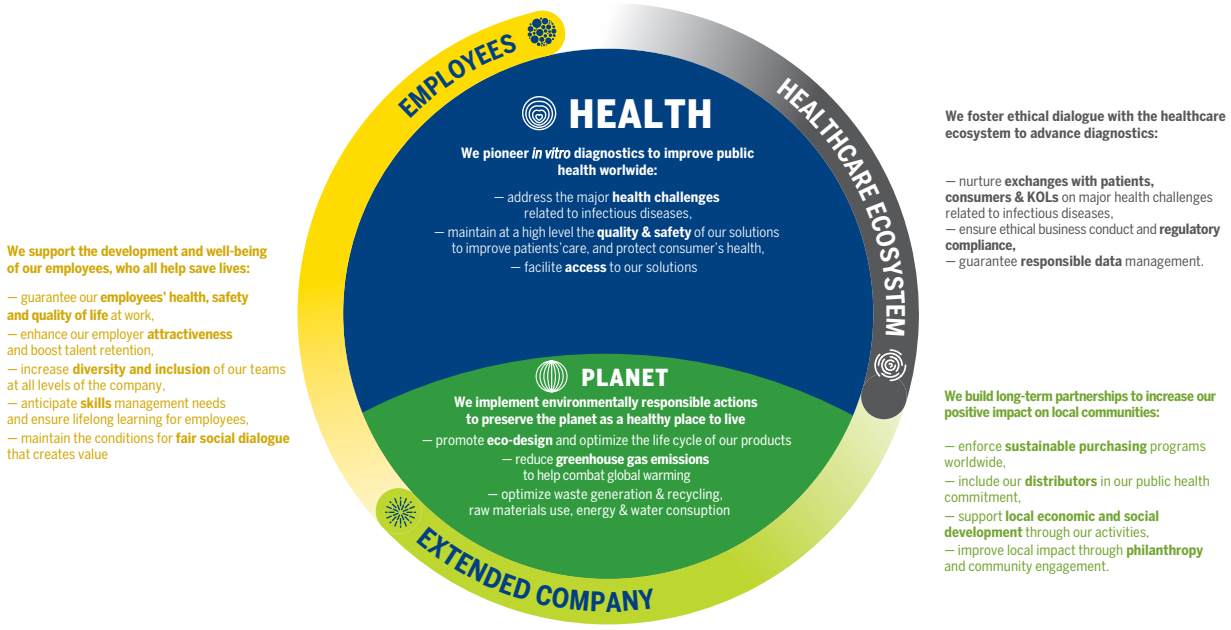
The survey addressed 18 issues identified by key people at the Company, on 2 dimensions:

- importance: the stakeholders assessed their expectations for each issue / the strategists assessed the potential impact on bioMérieux (on a scale of 1 to 4);
- performance: all parties assessed their perception of bioMérieux's performance on these issues.

The Company collected 3,690 responses, including 119 interviews and over 1,000 qualitative comments.

Thus the Group's CSR policy prioritizes issues that mainly support the following SDGs: good health and well-being (SDG 3), decent work and economic growth (SDG 8), reduced inequalities (SDG 10), responsible consumption and production (SDG 12) and climate action (SDG 13). This approach aligns with the Company's commitment to the United Nations Global Compact, which it has been renewing annually since 2003.

The CSR policy is based on five pillars that structure "business" challenges.



These five commitments are detailed below.

3.3 IMPROVING PUBLIC HEALTH AROUND THE WORLD THROUGH OUR DIAGNOSTIC SOLUTIONS

3.3.1 Diagnostics create value for healthcare systems

bioMérieux's mission is to help improve patient care and protect consumer health in the face of infectious diseases. In pursuing this goal, bioMérieux addresses several major public health challenges, such as antimicrobial resistance, sepsis and combating emerging pathogens.

3.3.1.1 Combat antimicrobial resistance

Antimicrobial resistance (AMR) is a natural phenomenon. Bacteria develop survival mechanisms when faced with antibiotics designed to eliminate them. They adapt either by mutation of genes already present or by the acquisition of new genes. Antimicrobial-resistant strains of bacteria thus gain an advantage over those that are not resistant to antibiotics and are known as "susceptible". This is called selection pressure. This phenomenon is accelerated by the misuse of antibiotics in both humans and animals (antimicrobial stewardship, AMS).

The risk of having to face super-resistant microorganisms without any recourse is a reality today. Antimicrobial resistance is considered by the WHO to be one of the greatest threats to global health. The projections are alarming, with an impact of more than 10 million annual deaths in 2050[(1)] if nothing is done by then. It is estimated that this phenomenon will generate a 2-3% decline in world GDP. The cost of inaction is enormous and will increase, putting patients at risk "with a return to a situation where 40% of the population could die prematurely from infections that cannot be treated"[(2)] and making medical interventions that have become extremely common (chemotherapy, transplants, various surgeries, etc.) very risky for some patients.

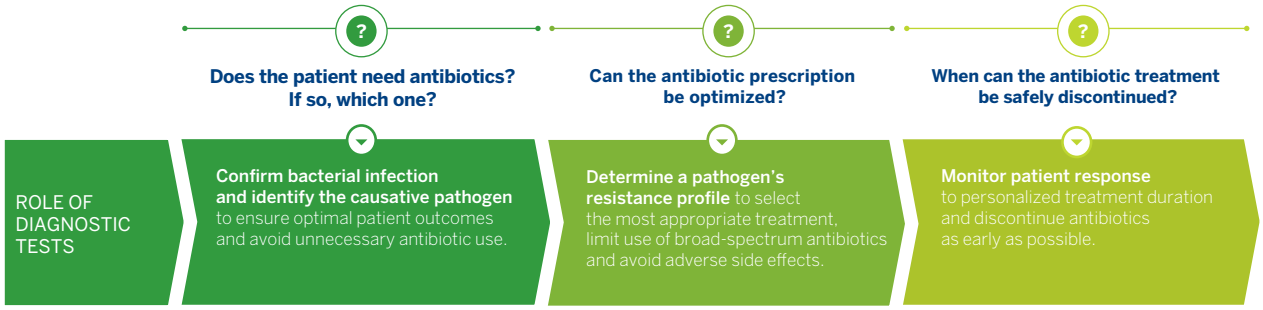
Antibiotics are frequently used for all viral infections, such as colds, flu, angina or other respiratory infections, although they are useless and potentially harmful. The misuse and overuse of antibiotics, in both humans and animals, has led to the development of resistant bacterial strains, making these therapies ineffective.

(1) *2016 O'Neill Report.*
(2) *Kings Fund, What if antibiotics were to stop working? (accessed May 2, 2018).*

In vitro diagnostics has a crucial role in the fight against this threat:

- at the individual level, diagnostic tests provide information about the pathogen responsible for an infection and about the most appropriate antibiotics to treat that infectious agent. They back up the medical decision by determining whether an antibiotic is necessary, customizing the antibiotic therapy and allowing for optimized monitoring of treatment;
- diagnosis is the only tool capable of providing monitoring data. This is fundamental for monitoring the status and progression of antimicrobial resistance and implementing corrective actions. In addition, consolidated data on resistance make possible the construction and updating of recommendations for the proper use of antibiotics;
- screening of patients who carry antimicrobial-resistant pathogens allows appropriate isolation measures to be taken to limit their spread;
- diagnosis can be used to differentiate between viral and bacterial infections. By quickly determining that a person is infected with a virus and does not need antibiotics, overall antibiotic use can be safely and significantly reduced;
- diagnosis is used in clinical trials for new antibiotics to ensure that patients recruited are infected with the pathogen targeted by the new treatment, making these trials more efficient, less costly and faster and easier to analyze.

A world leader in microbiology and a pioneer in tests for detecting resistance, bioMérieux is a leading player in this fight against antimicrobial resistance. The development of tests with high medical value is a priority for bioMérieux (see section 1.3 Strategy). bioMérieux's line of *in vitro* diagnostics solutions is the most comprehensive on the market for combating antimicrobial resistance (see section 1.2.3.1). It includes tests to identify disease causing organisms and detect their antimicrobial resistance and sensitivity profile (see section 1.2.3.2).



bioMérieux's contribution takes the form of several initiatives described below.

Engagement in programs to educate healthcare professionals and raise public awareness of the importance of the proper use of antibiotics in the fight against antimicrobial resistance.

Since 2016, bioMérieux has hosted a website on antimicrobial resistance, whose main objective is to inform and raise awareness among the general public and healthcare professionals and to explain the key role of diagnosis in combating this major public health threat: *http://amr.biomerieux.com.*

bioMérieux also supports accredited continuing education sessions for healthcare professionals such as webinars and workshops.

Development of a range of teaching manuals

These manuals cover subjects related to antimicrobial resistance and antibiotic stewardship, including:

- the proper use of antibiotics – a practical guide for implementation in hospitals;
- antimicrobial susceptibility testing[1] of bacteria and fungi;
- Antimicrobial Prescribing: Optimization through Drug Dosing and MIC;
- Carbapenemases resistance – from diagnosis to epidemic management;
- the procalcitonin test as a support for diagnosis and orientation of antibiotic therapy;
- *Clostridioides difficile* Infections: From Diagnosis to Outbreak Management.

These practical handbooks are available in English on our Corporate website:*https://www.biomerieux.com/en/antimicrobial-resistance-antimicrobial-stewardship-educational-materials*.

Participation in international studies, summits and forums

In 2017, bioMérieux was signatory to the statement on antimicrobial resistance at the Economic Forum in Davos (Switzerland).

In 2016, the Group, represented by Mark Miller, Chief Medical Officer at bioMérieux, stressed the importance of diagnostic tests in the fight against antibiotic resistance at a satellite session of the United Nations General Assembly.

(1) *The antimicrobial susceptibility test is an aid in the prescription of antibiotics. It is used to determine the sensitivity of a bacterium to antibiotics and to classify it as susceptible, resistant or intermediate.*

In 2014, bioMérieux launched a Global Point Prevalence Survey (Global-PPS). Conducted by Prof. Herman Goossens and Dr. Ann Versporten of the University of Antwerp (Belgium), this unprecedented study provides key information on antibiotic use and antimicrobial resistance in hospitals. bioMérieux is the sole private sponsor of the Global Point Prevalence Survey.

Since the first study in 2015, which was conducted in 53 countries at 335 hospitals and collected data from over 100,000 hospitalized patients, the Global-PPS has been repeated regularly. In 2019, over 80 countries participated, involving over 800 hospitals and more than 300,000 patients.

The findings of the Global-PPS highlighted the importance of data collection to optimize antibiotic prescription practices. By repeating this survey over time, each participating hospital can assess its performance and compare its practices with those of other sites to identify areas for improvement. The Global-PPS quickly demonstrated its value as an effective tool for monitoring and measuring corrective actions implemented in hospitals. In some cases, the survey has resulted in national improvement programs.

Global-PPS has been written about in major publications, including Lancet Global Health, and is now recognized by international organizations such as the WHO, *Médecins Sans Frontières*, the Center for Disease Dynamics, Economics & Policy (CDDEP), the Infectious Diseases Society of America (IDSA) and the British Society for Antimicrobial Chemotherapy (BSAC). In 2019, the 5th Global-PPS was expanded to include a new module on care-related infections in order to support hospitals in implementing their action plans in this area. In the context of the COVID-19 pandemic, Global-PPS data could not be consolidated in 2020.

The multi-partner "China Against drug Resistance" (CARE) program in China was initiated in 2013 by Fondation Mérieux and is supported by bioMérieux, which leads its implementation. This program, which based on Global-PPS, provides hospitals with a standardized tool, including indicators, to improve antibiotic management programs and the control of healthcare-associated infections to limit the spread of antimicrobial resistance. The CARE program is planning to develop collaborative projects based on interventions such as surgical prophylaxis, re-evaluation of any antibiotic prescription after 48 hours based on the patient's condition and the results of bacteriological analyses. In 2016, the first prevalence survey was conducted in four clinical departments of Zhejiang University's first partner hospital in Zhejiang province. In 2019, the CARE program was expanded to nine hospitals in eight provinces in China.

Contribution to Advisory Committees

Christine Ginocchio, bioMérieux's director of medical affairs, has been appointed to a four-year term on the US Presidential Advisory Council on Combating Antibiotic-Resistant Bacteria.

Actions within industrial consortia

The Company has also been involved in launching the AMR Industry Alliance, a consortium aimed at making and measuring progress in combating antimicrobial resistance in industry. Mark Miller, Chief Medical Officer, sits on the Board of Directors of the AMR Industry Alliance as a representative of the diagnostics industry. bioMérieux participated in the survey that formed the basis of the 2020 Progress Report on the commitment of the life science industry to combating antimicrobial resistance.

In November 2017, General Management signed the BIVDA(1) Antimicrobial Resistance Declaration.

In 2018, bioMérieux organized a day of discussion hosted by Lord Jim O'Neill, the renowned economist, politician and philanthropist who chaired The Review on Antimicrobial Resistance.

In April 2019, the University of Antwerp, bioMérieux, and the Wellcome Trust announced the launch of VALUE-Dx, the first project sponsored by IMI (Innovative Medicines Initiative) proposed by 6 companies in the *in vitro* diagnostics sector. These companies joined forces with 20 other partners to support the fight against antimicrobial resistance and improve patient care. The purpose of VALUE-Dx, a European public-private partnership, is to move medical practice towards more appropriate and personalized prescriptions of antibiotics based on the results of diagnostic tests. The consortium has designed clinical studies to assess the medical and economic value of using diagnostic tests to treat community-acquired acute respiratory infections through outpatient care or hospital emergency rooms in different European countries. In particular, these studies will use the BioFire® Respiratory Panel 2.1 molecular test more recently developed by bioMérieux, which makes it possible to rapidly and simultaneously test 23 common respiratory pathogens, including the new SARS-CoV-2 coronavirus responsible for COVID-19.

In addition, building on a collaboration with the pharmaceutical company Pfizer, bioMérieux is supporting the iCREST (infection-Carbapenem Resistance Evaluation Surveillance Trial) multi-center surveillance study. The objective of this project is to determine the prevalence of infections caused by bacteria resistant to the carbapenem class of antibiotics, and also to evaluate the efficacy of a new combination of antibiotics, bringing together ceftazidime and avibactam, in order to treat these severe and resistant infections. This study uses products developed by bioMérieux: the Chromogenic culture media CHROMID® CARBA SMART and two ETEST® antimicrobial susceptibility tests, ETEST® ceftazidime/avibactam (RUO) and ETEST® meropenem.

(1) British In Vitro Diagnostics Association.

As part of the projects funded by the European Commission under the auspices of the IMI (Innovative Medicines Initiative), bioMérieux is a partner in the COMBACTE- CDI (COMbatting BACTerial resistance in Europe) project, which focuses on combating Clostridioides difficile (CDI) infections, caused by overuse of antibiotics. Launched in November 2017 for a period of three years, it aims to better understand the epidemiology of CDIs and their clinical impact in order to improve their management.

Ultrasensitive detection technologies and bioMérieux's products have been used to characterize clinical samples collected and bacterial strains from patients at different European clinical sites. In particular, bioMérieux has developed and supplied new bio-informatic tools such as EPISEQ® CS, which compares the genomes of hundreds of strains to identify transmission between patients and understand the circulation of pathogens regionally or Europe-wide. The bioMérieux BIOFIRE® Gastro-Intestinal (GI) panel identified other common intestinal pathogens that may be responsible for symptoms identical to those of a CDI infection.

Support for international initiatives

The Company supports numerous initiatives to help combat antimicrobial resistance in the various countries where it operates. For example, every year it participates in a WHO initiative formerly known as World Antibiotic Awareness Week. In this context, bioMérieux is implementing awareness and education campaigns aimed at healthcare professionals, the general public and its employees, to encourage more rational use of antibiotics. In 2020, this event was renamed World Antimicrobial Awareness Week, as it no longer focuses only on antibiotics but also includes all antimicrobials. As part of this campaign, bioMérieux implemented actions in all the countries where it operates to highlight the importance of diagnostic tests in the fight against antimicrobial resistance.

In January 2020, bioMérieux renewed its commitment to CIDRAP (Center for Infectious Disease Research and Policy), housed at the University of Minnesota in the United States, through which it works to support the center's actions to promote better antibiotic stewardship. More specifically, the Company sponsored two CIDRAP webinars on the value of diagnostics in antimicrobial stewardship – the first for Europe and the United States and the second for Latin America.

bioMérieux also helped revamp CIDRAP's website to promote content on antimicrobial resistance and the weekly newsletter sent to 6,000 subscribers around the world. This agreement helps give more visibility to bioMérieux and diagnosis in connection with antimicrobial stewardship, and with COVID-19 through dedicated grants.

In June 2019, on the occasion of the inauguration of the bioMérieux Training Center in Abidjan dedicated to healthcare professionals, the Company signed a three-year memorandum of understanding with Côte d'Ivoire. The goal is to fight antimicrobial resistance by education, training and communication initiatives to advance knowledge of the topic through monitoring and research, and optimizing the use of antimicrobials in human healthcare. These three strategic objectives are part of Ivory Coast's national plan, developed following the adoption of the global action plan on antimicrobial resistance by 192 countries during the 68th World Health Assembly in May 2015. Since the signing of the memorandum and the opening of the training center, 97 laboratory technicians have received special training in blood culture, identification and antimicrobial susceptibility testing to combat microbial resistance.

bioMérieux was selected as a partner in a call for tenders organized by the Fleming Fund, a £265 million British investment program to combat antimicrobial resistance in resource-limited countries around the world. bioMérieux will be locally active in 18 out of the 24 countries taking part in the program in Africa and Asia Pacific. In each of them, over the next three years, the Company will equip a clinical laboratory and a veterinary reference laboratory with the VITEK® MS and VITEK® 2 systems for pathogen identification and antimicrobial susceptibility testing and with the MYLA® software for data processing. Laboratory analyses will contribute to the establishment of antimicrobial resistance surveillance systems and provide information on the evolution of pathogen resistance. This information should make it possible to improve patient treatment and contribute to the development of effective national policies against antimicrobial resistance. In addition, the data collected by the national laboratories will provide a better understanding of the extent of the resistance phenomenon and its spread, as well as the geographic areas where it presents the greatest risk.

bioMérieux also organizes high-level scientific meetings around the world to enable experts to discuss ways of responding to the worrisome emergence of resistant bacterial strains.

Commitment alongside other industrial players

In November 2020, bioMérieux signed a memorandum of understanding with Pfizer in Singapore to join forces in the fight against antimicrobial resistance, equipping healthcare professionals with specialized knowledge and skills in the diagnosis of infectious diseases. Through this collaboration, the two partners jointly support training programs with a focus on antimicrobial resistance. They collaborate with medical associations and hospitals to facilitate the sharing of knowledge and recent developments in the field.

Research collaborations

Started on January 1, 2020, the DIAMONDS project (Diagnosis and Management of Febrile Illness using RNA Personalized Molecular Signature Diagnosis) is entirely financed by the European Union for an amount of up to €22.5 million over five years. In the event of severe infections, especially in pediatrics, its main objective is to develop a rapid test to distinguish viral from bacterial infections using the personalized genomic signature. Coordinated by Imperial College London, it brings together 28 partners and 13 countries. DIAMONDS dovetails with PERFORM, an ongoing European project that is also funded as part of the H2020 program, in which bioMérieux is the sole industry partner.

76% of R&D investments are dedicated to the fight against antimicrobial resistance (see section 1.5.1.3).
82% of bioMérieux's clinical sales come from products that contribute directly or indirectly to the fight against antimicrobial resistance.

3.3.1.2 The fight against sepsis: early first-line diagnosis

Sepsis is a severe infection characterized by the body's immune response leading to potentially fatal organ failure. It is one of the leading causes of death. About 27 million people around the world are affected each year by sepsis.

Making a diagnosis as quickly as possible is crucial for patients. The survival rate is 60% when patients receive appropriate treatment within two hours after the onset of care, and it falls to 30% if treatment is given within four hours.

bioMérieux has long been involved in the fight against this syndrome.

To meet this public health challenge, bioMérieux deploys a unique approach that positions it as a true partner of healthcare professionals. bioMérieux has a comprehensive offer called "Sepsis Solution" to support patient care at all stages of the disease and to optimize workflows and ensure that patient samples reach the laboratory and are analyzed as quickly as possible (see section 1.2.3.1).

The Company offers different and complementary solutions, including immunoassay, bacteriology and molecular biology testing based both on the host response with VIDAS® procalcitonin testing (PCT), and the detection, identification and characterization of the pathogens, in particular with the BACT/ALERT®, VITEK®, and BIOFIRE® product lines.

In 2020, bioMérieux made commitments to three collaborative research projects to fight sepsis:

- IMPACCT is a three-year multi-partner project coordinated by bioMérieux in close collaboration with Imperial College London and the Hospices Civils de Lyon. It has received from a European Union grant of €2.8 million for a total cost of €3.9 million. IMPACCT's primary objective is to validate the clinical performance of a panel of immune biomarkers in a study of 600 sepsis patients.
- ImmunoSep is entirely financed by the European Union in the amount of €10 million over a four-year period. This project, coordinated by the Radboud University Nijmegen Medical Center (Netherlands), is the first large-scale clinical study to demonstrate the efficacy of immunotherapies in the management of sepsis. It plans to establish a European clinical network that will enable the validation of future treatments and diagnostic tools. ImmunoSep is the first interventional study where biomarkers from REALISM (see section 1.5.1.3) can be evaluated.
- DIAMONDS (see section 3.3.1.1)

3.3.1.3 Managing the risk of epidemics due to emerging pathogens: providing an appropriate response

bioMérieux pays close attention to the emergence of new pathogens.

Solutions tested in the context of epidemics

Since 2014, bioMérieux has set up a group of internal experts dedicated to the threats posed by infections due to emerging pathogens (Zika, Ebola, MERS-CoV, Lassa fever, Marburg virus, Chikungunya, etc.). This group is working on the possibility of developing relevant diagnostic tests. The aim is firstly to monitor the emergence of new epidemics, and secondly to develop and validate diagnostic tests for these emerging pathogens.

As such, in the face of the health crisis caused by the Ebola epidemic in West Africa in 2014, BioFire Defense, a bioMérieux subsidiary, obtained from the FDA an Emergency Use Authorization for BIOFIRE® FILMARRAY® BioThreat-E test, its clinical test to detect the Ebola virus.

In 2015, the Company introduced the ARGENE® MERS-HCoV r-gene® test, a new RUO kit for laboratories working on developing a tool to diagnose the emerging coronavirus that causes Middle East Respiratory Syndrome. This molecular solution makes it possible to detect and screen for this pathogen, which has a mortality rate of around 35% in humans.

In April 2017, the Company obtained CE marking for the BIOFIRE® FILMARRAY® respiratory panel 2 Plus (RP2plus). It can test 22 pathogens (18 viruses and 4 bacteria) responsible for respiratory tract infections (including MERS-CoV) simultaneously. This improved version, extended to the BIOFIRE® FILMARRAY® respiratory panel, offers faster result times (45 minutes compared to around 1 hour previously) and greater sensitivity.

Diagnostic tests at the heart of the fight against the COVID-19 pandemic

The COVID-19 global health crisis has highlighted the key role that diagnosis plays in the healthcare chain. Laboratory tests that confirm infection are essential for:

- confirming the diagnosis by identifying the COVID-19 pathogen: SARS-CoV-2;
- estimating of the severity of the infection *via* measurement of various blood parameters (cardiac, kidney, coagulation or inflammation markers);
- detection of frequent bacterial co-infections or superinfections in intensive care patients;
- accurate and rapid identification of the pathogens responsible for these secondary infections and their antimicrobial susceptibility profile (antimicrobial susceptibility testing) that helps physicians to improve care;
- management of the epidemic by health authorities through the detection of the virus using PCR techniques or the study of serology (antibody response).

Faced with the urgency of the COVID-19 epidemic, bioMérieux worked to develop tests in record time for the detection of the SARS-CoV-2 virus (see section 1.2.3.1 and pages 8 and 9) that meet the highest performance and quality requirements.

This strategy was based on the development of:

- molecular biology tests that rely on the Company's expertise in automated nucleic acid extraction and the development of real-time PCR (polymerase chain reaction) tests. PCR technology is the reference technique for virus detection and identification;
- serological tests, thanks to its expertise in the field of immunoassays. These tests have a key role in the monitoring of the immune response of populations and are therefore of interest for the epidemiological monitoring of the pandemic.

In addition, during 2020, bioMérieux organized a series of webinars on the role of diagnostic tests in the fight against COVID-19. Seven experts contributed to this series, which nearly 3,000 people watched.

In order to facilitate access to COVID-19 diagnostics, bioMérieux is participating in two initiatives:

- the project launched by the Bill and Melinda Gates Foundation to ensure equitable access to diagnosis, treatment and vaccines against the virus along with 15 healthcare companies;
- the partnership with the Africa Medical Supplies Platform (AMSP) to facilitate access to diagnostic solutions dedicated to the fight against the pandemic in Africa. The goal of this partnership is to alleviate shortages in certain African Union member states by ensuring efficient, continuous and quick access to bioMérieux's solutions at highly competitive prices.

Center of excellence for tropical infectious diseases and research programs

In 2016 the Company created a Centre of Excellence in Brazil, where local teams are conducting research projects on the diagnosis of tropical infectious diseases.

In April 2017, bioMérieux and its partner, the Institute of Tropical Medicine at the University of Sao Paulo, received the financial backing of the Sao Paolo State Research Foundation (FAPESP) for a program to research severity markers for viruses such as dengue and chikungunya.

In October 2019, bioMérieux and the University of São Paulo announced the creation of a joint research unit. On the model of the ANTOINE research program carried out with the *Hospices Civils de Lyon* (see section 1.5.1.3), the ANTONIO Project with the Infants Institute of Sao Paulo involves validating biomarkers in immunocompetent and immuno-suppressed children presenting with febrile syndrome. In December 2020, the research program ended and is expected to feature in a scientific publication in 2021 on the assessment of biomarkers to rule out bacterial infection and avoid the prescription of antibiotics.

3.3.2 Product quality and safety

Every day, bioMérieux strives to guarantee the quality and safety of its products, thus protecting the health of patients and consumers (see section 1.4). The Company meets the highest industry standards and ensures that its partners in the production chain, both upstream and downstream, meet the same standards. This attentiveness is all the more important in a regulatory environment that is changing rapidly at both local and international levels, resulting in an increase in the number of regulations to follow and greater complexity in meeting all of these requirements.

Driven by the constant increase in the geographical expansion of its installed base of instruments, the Company is becoming more vigilant with respect to the robustness of its quality management system, as well as its ability to detect and correct any problems associated with the quality of its products, or carry out preventative maintenance on its instruments.

The Company may be liable in the event of a diagnostic error resulting from a quality defect in one of its tests or a performance defect in one of its machines. As stated in section 2.2.1.4, the Company has introduced a Global Quality Department, whose mission is to implement a management system aimed at guaranteeing compliance with current quality standards and regulatory requirements. A Quality Assurance Department at each site and subsidiary is involved in all phases of product development and at each stage of production and distribution. Its remit includes monitoring products after they are brought to market and tracking customer complaints and product recalls.

Regular internal audits are conducted at production sites and subsidiaries, aimed at improving implementation of internal processes and compliance with standards such as MDSAP (see section 1.4.1).

The Group's production sites are also regularly inspected by health authorities to provide independent oversight and support a process of continuous improvement. A summary of the inspections conducted in 2020 is presented in section 3.5.1.

Finally, the Company has begun a process of certifying its main production sites, with the aim of meeting the most stringent industry standards:

ISO 9001 certifications: 50 sites and subsidiaries in 2020 versus 49 in 2019
ISO 13485 certifications: 15 sites and subsidiaries in 2020 versus 12 in 2019

3.3.3 Employee health and safety

3.3.3.1 Health and Safety policy and organization

The Health and Safety initiative is part of a global Health, Safety and Environment (HSE) policy signed by the Company's General Management, which covers all activities of the value chain.

The HSE Department operates at Group level, in order to develop a harmonized and proactive approach aimed at preventing risks to individuals, property, and the environment. This department reports to the Manufacturing & Supply Chain director, a member of the Company's Executive Committee. The guidelines and policy are discussed at quarterly HSE Committees, attended by the Chairman and Chief Executive Officer, certain Executive Committee members, and business line experts.

A network of HSE facilitators is in place at each site and subsidiary:

- for each site, an HSE manager reports to the site manager. This function can be supplemented by other people (HSE engineers, HSE technicians) depending on the site's size and risks;
- for each subsidiary, an HSE representative is appointed and is in charge of managing the process.

An HSE management system is in place within each site, focusing on continuous improvement by following the PDCA (Plan-Do-Check-Act) principle.

2020 Target: OHSAS 18001 certification for the main bio-industrial sites.

2020 Result: Seven sites are ISO 45001-certified (Marcy l'Étoile, La Balme, Saint-Vulbas, Madrid, Florence, Grenoble and Vernolle), replacing OHSAS 18001 certification. The Craponne and Combourg sites will be converting to ISO 45001 in 2021.

All European sites, or approximately two-thirds of the Group's bio-industrial sites, therefore possess an internationally recognized health and safety certification (see section 1.6.1).

The Durham, St. Louis and Lombard (United States) sites will achieve ISO 45001 certification in 2021, one year behind the initial target due to the COVID-19 crisis.

3.3.3.2 Evaluation, prevention and management of occupational hazards

The Company measures its rate of occupational accidents and occupational diseases across all its activities. These events are taken into account when ranking the areas for improvement over time and reducing the number of accidents (See Vision HSE 2020, section 3.4.1). Occupational accidents are reported and analyzed each month by the Executive Committee and the information is disseminated throughout the Company.

2020 Objective: 30% reduction in the frequency rate of lost-time occupational accidents, *i.e.* a rate of 1.3 or under.

2020 Result: -36% compared with 2015 (frequency of 1.2)

Safety indicators[a]	2020	2019	2018
Frequency rate of lost-time occupational accidents	1.2 [b]	2.1	2.0
Severity rate of occupational accidents	0.02	0.04	0.04
Number of occupational diseases	15	2	11

(a) See section 3.8 for the organizational scope covered.
(b) This rate has been updated. Some accidents that occurred at one entity that is in the process of being integrated were not counted in the reporting system. However, these accidents were reported to the authorities.

The low rate of occupational accidents in 2020 is representative and not a result of the COVID-19 crisis. Indeed, instrument production and maintenance operations at customer sites continued. The employees working on these operations are the most vulnerable to occupational accidents. The improved performance should be attributed to the preventive actions implemented in recent years. The 2019 performance was greatly impacted by an abnormally high number of accidents at one of the Group's sites.

bioMérieux has an occupational health and safety management toolbox that incorporates numerous processes and tools deployed worldwide for the purposes of risk prevention and continuous improvement implemented by the Health, Safety and Environment Department. For example:

- a reporting tool for hazardous situations and suggestions for improvements (about 5,000 cases reported annually by all employees); Accordingly, employees are encouraged to express their concerns about a situation that could generate a risk of accident, harm to people, pollution, etc., *via* a program called "NearMiss". This system, which is accessible to all employees, aims to establish health and safety for all as a priority issue within work environments;
- risk assessment at each workstation and regular updates;
- inspections and audits of activities to verify the adequacy of preventive measures;
- campaigns to raise awareness of the various risks, under the "Proud to be a daily hero" banner, to empower employees to take safety actions (*e.g.* falling in the stairs, falling on slippery surfaces, slip-and-fall accidents);
- bioMérieux is rolling out a program of specific courses:
  - each new arrival is given health-and-safety training appropriate to the site and their activities,
  - all employees with a specific activity must take the courses resulting in a qualification (electrics, forklift operator, hot work, working at height),
  - some employees take the HSE and ISO 14001/ ISO 45001 internal auditor training,
  - other training may be provided on a case-by-case basis (transporting hazardous goods, biohazards, chemical hazards, warming up before physical activity, fire safety officers, workplace first aid and lifesaving officers, etc.).

In 2020, bioMérieux offered an online road safety course across all of its sites and subsidiaries. This course is taken by around 2,000 employees worldwide. The aim of this course is to raise awareness among employees and improve their perception of road risk. Every month, employees log in and take a module that lasts a few minutes and is tailored to the conditions of the country where they are based, on a driving-related theme.

3.3.3.3 Well-being at work and promotion of healthy living

The Company integrates the prevention of psychosocial risks for its employees into its occupational hazards assessment process, and benefits, mainly in Europe, from many experiences and actions in their prevention and analysis. In France, for example, an occupational health agreement has been signed with union representatives (see section 3.6.1).

In addition to the prevention of occupational risks, the Company also takes its employees' health into account:

- all Group employees benefit from health insurance coverage (public, private, or both);
- the provision of sports facilities or subsidies for gym memberships; for example, during the lockdowns that France experienced in 2020, bioMérieux hired a sports coach to offer free online sports classes (stretching and strength training);
- the Company covers the cost of a seasonal influenza vaccination for its employees on most sites;
- in France, employees and their families have access to a service desk providing medical services and teleconsultation. Among other things, this service provides 24/7 access to a doctor, and, a "second medical opinion" service has been deployed since March 2020 that allows each employee or family member to have access to a doctor specializing in an illness to get a second medical opinion quickly and remotely;
- the Company has rolled out a healthcare and health education pilot program at its North American sites, in the form of health days. These initiatives are deployed mainly through a medical center dedicated to employees and their families in St. Louis. In this way, employees who so wish benefit from medical check-ups, early cancer screening and medical or nutritional advice given by professionals. The confidentiality of medical data is strictly observed, and the Company does not have access to personal data;
- the St. Louis and Durham sites have introduced initiatives to raise awareness among employees and their families of top public health priorities. The bioMérieux Live Well Center provides primary healthcare services to the site's 800 employees and their families. Furthermore, a digital weight-loss program, Real Appeal, is available to employees;
- in the United States, paternity and maternity leave have been extended to two and 12 weeks, respectively.

The Company has organized a series of conferences on the theme of psychosocial risks (PSR) at a number of sites in France. These lectures, led by a specialized teacher-trainer doctor, are part of a reflection on prevention and the improvement of the quality of life of employees. Moreover, internal training has been expanded with a new one-day module entitled, "How to avoid burnout and to keep an eye on your employees", aimed at department heads. Moreover, a program for assessing PSRs is in the process of being rolled out. It is structured in five stages: creating a PSR Steering Committee; circulating a questionnaire to all employees; analyzing, interpreting and reporting results; employees participating in targeted working groups on identified themes; and developing and implementing an action plan.

In 2020, this program, which has reached its final stage, was slowed down by the health crisis. In this context, the PSRs have been transformed (feeling bad about remote working, feelings of isolation, loss of meaning at work, etc.). Consequently, the Company entered into a global partnership with the Eutelmed platform to give employees and their families free access to psychologists.

At the end of 2020, PSR monitoring in France was modified through the creation of committees made up of the site human resources manager, the occupational physician and the social worker. The purpose of these committees is to study personal or collective situations and put immediate corrective actions in place. The work of this committee is shared with the Central Commission for Health and Safety and Working Conditions.

3.4 PRESERVING THE PLANET, OUR GREATEST RESOURCE

3.4.1 Governance and policy

With a view to managing environmental risks and minimizing its environmental footprint (see section 2.2.2.6), bioMérieux assesses its impacts on the environment (in terms of soil, water, air, noise, smells, energy, waste, etc.). The Company's initiatives are part of a circular economy approach based on non-wasteful and responsible use of natural resources and primary raw materials.

Environmental management is based on the principle of continuous improvement and includes planning environmental objectives, rolling out an action plan, an organization empowering employee responsibility, the system of monitoring and measuring (indicators, inspections, audits) and the reviewing the achievement of objectives. The objectives are validated and monitored by the Executive Committee within the HSE Steering Committee.

bioMérieux has introduced an Environmental, Health and Safety Management System. It covers the design, manufacture and maintenance of instruments and software, the design and manufacture of reagents for *in vitro* diagnostic tests, on bio-industrial sites, at R&D centers and subsidiaries worldwide. This management system has been rolled out within each site and is based on continuous improvement following the PDCA principle (Plan-Do-Check-Act).

The Health, Safety and Environment (HSE) Department drafts, supports and monitors the implementation of environmental policy. This is approved and overseen by the HSE Committee (see section 3.3.3.1). Its implementation is the responsibility of each entity which is responsible for ensuring that the environmental consequences of bioMérieux's activities are managed.

The HSE Department also monitors all regulatory requirements in this area (at the international, national and local levels) and develops and implements processes and procedures to guarantee their compliance with these requirements. In particular, it monitors and ensures compliance with specific regulations concerning hazardous substances (REACH, Biocides, GHS, CLP and ROHS regulations).

It is also involved in managing the risk of breakdowns in production and the supply chain. The procedures and processes are devised and implemented in order to identify major risks and to manage them through business continuity plans.

In case of new investment projects (extensions, new sites, increase in production capacity, etc.), a preliminary analysis of environmental impact is conducted. For new constructions, detailed guidelines are provided in the document entitled "HSE requirements for new constructions and major renovations".

In addition, the Company provides numerous training courses on environmental protection:

- at the arrival of every new employee;
- for the deployment of the environmental management system on the sites, in accordance with ISO 14001: raising awareness of environmental impacts and best practices in prevention and training in internal environmental auditing;
- for the projects to reduce waste and energy consumption: *ad hoc* training in the relevant functions (production operators, packaging teams) to reduce unwarranted product scrap (see section 3.4.3.2).

Finally, in accordance with this policy, and in line with its "Vision 2020 Health, Safety and the Environment" program, bioMérieux has defined new, even more ambitious HSE objectives for the coming years that comply with international principles.

The following targets have been set:

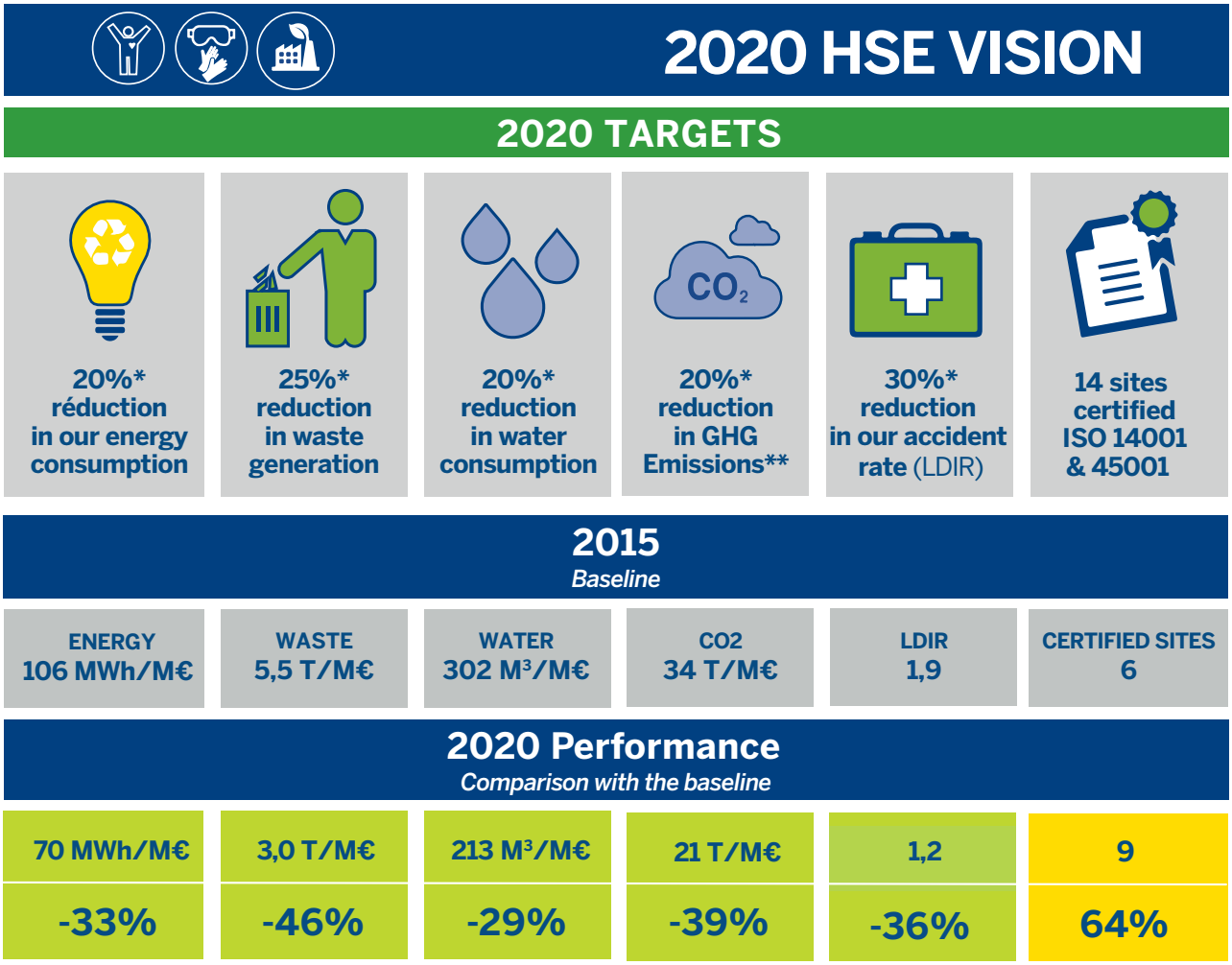
- the reduction of workplace injuries;
- reduction in the carbon footprint by implementing decarbonization strategies;
- the reduction of the environmental footprint in terms of water and energy consumption and waste generated;
- structuring of a product-related approach to environmental performance.

Certifications

2020 Result: 9 sites were ISO 14001:2015 certified (Marcy l'Étoile, Craponne, La Balme, Saint-Vulbas, Tres Cantos, Florence, Combourg, Grenoble, and Verniolle). This certification list also includes two commercial subsidiaries (bioMérieux Spain and bioMérieux Italy).

The Durham, St. Louis and Lombard (United States) sites will achieve ISO 14001 certification in 2021, one year behind the initial target due to the COVID-19 crisis.

The objectives of the "Vision 2020" plan were achieved according to the following detailed scores:



* *Compared with 2015 (reference year).*
** *On Scope 1 and Scope 2.*

3.4.2 Eco-design of products

Eco-design involves incorporating environmental criteria from the product (or service) design stage. The aim is to reduce its impact and increase its performance throughout its life-cycle. This approach balances environmental, technical and economic requirements.

The product life-cycle refers to all the stages necessary for its production (extraction of raw materials, transport, processing, manufacture of raw materials and parts, product manufacture), its distribution, its use and end of life. Performance evaluation must be based on a multi-criteria approach and cover the categories of damages that are the most representative of the product or service under evaluation (climate change, resource depletion, impact on ecosystems and health).

The first Life Cycle Analysis (LCA) was conducted by VIDAS® and its reagents in 2019 using a methodology in accordance with international standards ISO 14040 et 14044. The analysis highlighted that:

- the distribution of VIDAS® reagents to customers, and the customers' use of the instrument, are the two stages in the lifecycle that make the biggest contribution to the environmental footprint of the VIDAS® product;
- the product's life-cycle has an environmental impact, mainly related to global warming and eutrophication.

As such, the Company has confirmed that the modes of transport it chooses for its products is important for improving their global footprint (see section 3.4.3.1).

The Company's commitment was reaffirmed by the Executive Committee in 2020. An ambitious program to improve performance is currently being created with input from all departments involved across the products' life-cycles. This program is one of the pillars of the bioMérieux HSE strategic plan, which will be rolled out in 2021.

Building on the initial 2019 analysis, bioMérieux is continuing to roll out LCA to its main product lines. The VITEK® LCA was launched in 2020 and is one of the major lines in the product portfolio.

3.4.3 Impact of climate change on performance and environmental compliance

3.4.3.1 Greenhouse gas emissions

The Company has carried out Group-wide annual assessments of greenhouse gas emissions since 2013. Its international transport and logistics contracts contain requirements on greenhouse gas emissions generated by the services provided by its contractors, as well as recommendations to reduce their environmental impact. Since 2017, it has been involved in the CDP (Carbon Disclosure Project) (see introduction to this chapter) and uses the results to structure its approach to climate change.

2020 Objective: 20% reduction in direct greenhouse gas emissions (Scope 1) and those from energy purchases (Scope 2) compared to 2015 (ratio of greenhouse gas emissions to sales).
2020 Result: -39% (65,000 tCO_2e) compared to -26% in 2019 (68,200 tCO_2e).

bioMérieux has put initiatives in place to reduce its carbon footprint.

Introduction of multi-modal transport: the Company committed to increasing sea transport to 20% of air transport by 2020. Its actions have made it possible to significantly exceed this objective. At the end of 2019, sea transport accounted for 34% of freight. In 2020, the Company was able to keep this proportion at 32%, though the COVID-19 crisis complicated access to global transport.

Business Travel: the Company is pursuing an active policy of reducing and optimizing travel. It has been rolling out an inter-site telepresence infrastructure so meetings can be conducted *via* videoconference in conditions similar to those of in-person meetings. The main sites have been equipped since end-2016.

Remote maintenance and upgrading of instruments: the development of the VILINK™ IT solution, providing bioMérieux customers with remote incident resolution, maintenance and upgrade services, continued in 2020. Thanks to a fast and secure connection, this solution helps limit travel by engineers in the field and more quickly solve problems for customers. An environmental impact assessment will be conducted in 2021.

Carbon offsetting: since October 2018, bioMérieux, in partnership with its natural gas supplier in France, has been offsetting all emissions from the consumption of this energy. As such, bioMérieux is helping fund projects to reduce CO_2 emissions in developing countries.

Commuting: bioMérieux promotes car-pooling and the use of public transport wherever possible, by paying subsidies to employees. The Marcy-l'Étoile and Craponne (France) sites have been members of the Greater Lyon regional carpooling platform for several years. Similar arrangements are in place in the Company's other sites and subsidiaries.

For a number of years the Company has had a remote working policy which helps to reduce commuting. In 2020, the various lockdown measures taken in many countries have increased remote working, with a decrease in commuting.

Car fleet: employees with a Company car are offered a range of hybrid vehicles. Furthermore, since 2018, the Company has been promoting this range by awarding an additional budget.

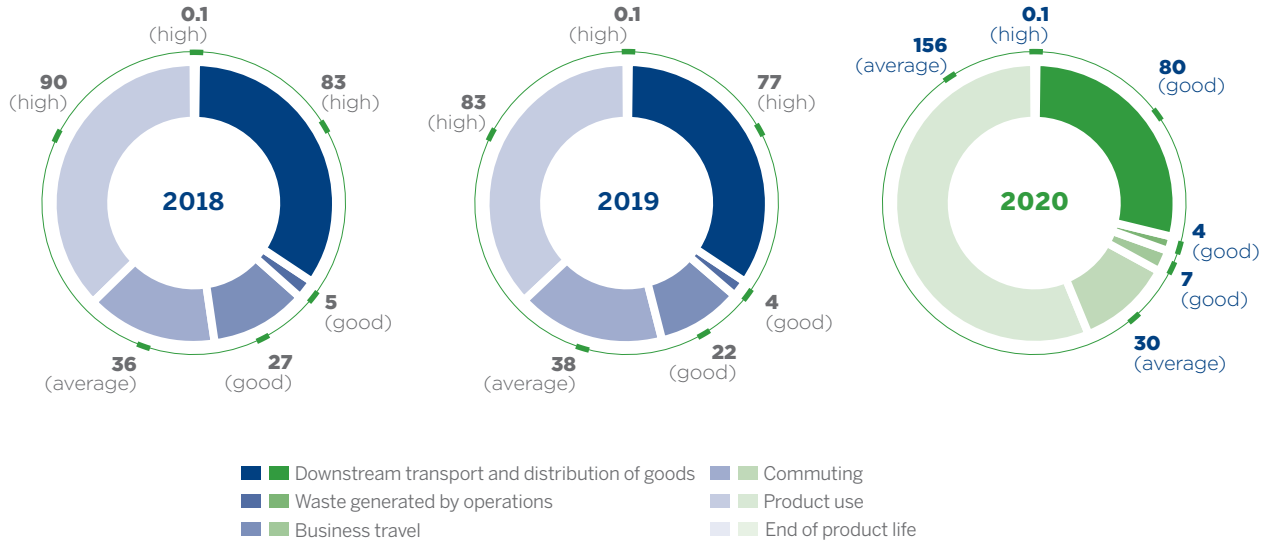
The emissions categories assessed include Scopes 1, 2 and 3 of the GreenHouse Gas (GHG) Protocol, as described in section 3.8.3.

GHG emissions as calculated for each of the three scopes on the consolidation scope, expanded to include the Company's entire value chain, are the following:

Scope	Significant emissions categories	2020 emissions in thousands of tCO_2e (± uncertainty)	2019 emissions in thousands of tCO_2e (± uncertainty)	2018 emissions in thousands of tCO_2e (± uncertainty)
Scope 1	Direct emissions (Scope 1)	29 (good)	32 (good)	31 (good)
Scope 2	Energy purchases (Scope 2)	36 (good)	37 (good)	35 (good)
Scope 3*		277 (high)	225 (high)	241 (high)

* *The following Scope 3 elements are not measured: "purchased goods and services", "upstream transportation and distribution", and "capital goods". Definition of uncertainties: Good: uncertainty < ±20% - Average: ±20%< uncertainty < ±50% - High: uncertainty > ±50%*

Details of emissions calculated for Scope 3 (in thousands of tCO_2e and uncertainty) is represented in the chart below:



Scopes 1 and 2 emissions

The global COVID-19 crisis had minimal impact on emissions from industrial operations. The fleet of vehicles was used mainly by employees traveling to customer sites to maintain instruments.

Scope 3 emissions

Downstream transport and distribution of goods

These emissions fell between 2018 and 2019 due to the shift from air transport to more sea transport. This reduction did not continue in 2020 because of the impacts of the COVID-19 crisis on the international freight market.

Commuting

The calculation method was revised and applied to 2018, 2019 and 2020.

The following assumptions were used to factor in the impact of the COVID-19 crisis in 2020:

- For France, the Company counted nonproduction employees as working remotely full-time from March to May and then from November to December 2020, and two days per week from June to October 2020.
- The Company counted nonproduction employees in the United States as working remotely full-time from March to December 2020.
- No impact calculation was done for other countries, which account for 29% of the workforce.

Business travel

The COVID-19 crisis had a major impact on greenhouse gas emissions. For example, the distance traveled by plane fell by 66% between 2019 and 2020.

Product use

The methodology for assessing the emissions of Company instruments at customer sites was improved in 2020. The 2019 data will be recalculated and reported in the 2021 Universal Registration Document.

2019 and 2018 emissions were updated to include emissions from BIOFIRE instruments.

Consequently, the change in emissions between 2020 and previous years may be attributed to the use of a new methodology and the growth of the installed base.

Other elements

End of product life and waste from operations were included and need no comment.

The other Scope 3 elements have not yet been calculated. Purchased goods and services and upstream transportation of goods are considered material for the Company and will be assessed in the near future.

3.4.3.2 Waste management

The Company is committed to optimizing waste management, sorting waste at source and developing channels to recover and recycle materials and energy. As for hazardous waste, which is primarily made up of waste contaminated by chemical or biological agents connected with production or laboratory activities, the Company has implemented a strict policy of sorting at source and disposal by companies licensed to process such waste in an appropriate manner. All of the Company's sites have waste storage facilities.

2020 Objective: 25% reduction in waste generation intensity compared to 2015 (ratio of waste generation to sales).
2020 Result: -46% (9,250 metric tons) compared to -35% (9,500 metric tons) in 2019.

As part of its continuous improvement, bioMérieux has introduced initiatives to improve its waste management.

Waste reduction: the Company strives to optimize the quantity of materials used for packaging (wood, paper, cardboard, and plastic). For example, the switch from printed to electronic format for instruction notices for reagents has made it possible to reduce the size of secondary packaging.

Waste recovery: the Company is striving to increase the proportion of recycled, composted, regenerated or incinerated waste from which energy can be recovered. The Marcy-l'Étoile and Combourg sites in France, and the subsidiaries in the United Kingdom and Germany are all "zero-landfill" sites. Furthermore, organic waste at the Corporate restaurants in Marcy l'Étoile, Durham, Craponne and La Balme is sorted and sent to a composting facility.

Waste sorting: Sorting and recycling guides are available to employees. The Company raises awareness among employees of best practices in waste management at events such as the National Sustainable Development Week in France.

Food waste: the Company contracts a food services provider to manage its Corporate restaurants – in particular for its sites in La Balme, Craponne and Marcy l'Étoile (France). As part of the fight against food waste, bioMérieux and its subcontractor periodically undertake an analysis of thrown-out food in order to assess its origins and reduce the phenomenon.

World Cleanup Day

Due to the health crisis in 2020, the Company was unable to observe this day in the usual manner, in which, in 15 countries around the world, Company employees and their families voluntarily join in with local initiatives for the collection of waste in the outdoors.

However, bioMérieux conducted a major campaign to clean up email boxes and the storage of individual files. 1,448 employees in 41 countries participated in this first event. A guide to digital best practices has been made available to employees.

In addition, for World Environment Day 2020, a quiz was conducted to inform all employees about the challenges of biodiversity.

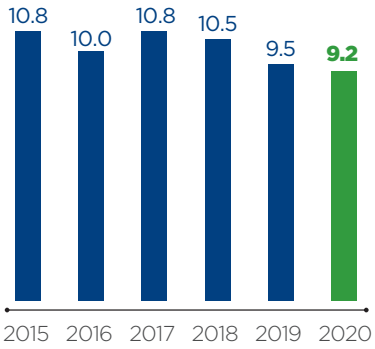
Total volume of waste generated, including hazardous waste *(see section 3.8 for the organizational scope covered).*

GROSS INDICATORS	INDICATORS IN RELATION TO SALES IN EUROS

TOTAL AMOUNT OF WASTE GENERATED

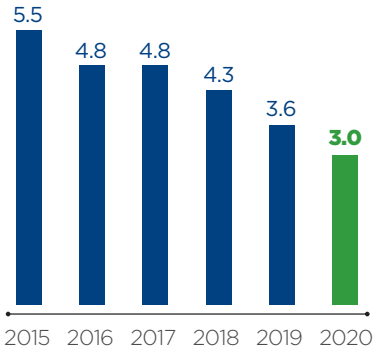
Waste

Estimates in thousands of metric tons



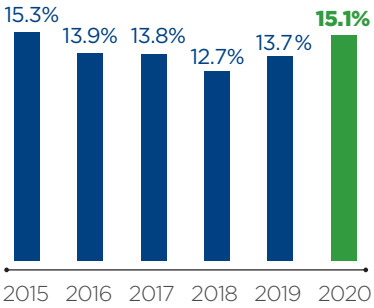
Waste in relation to sales

Metric tons per million euros

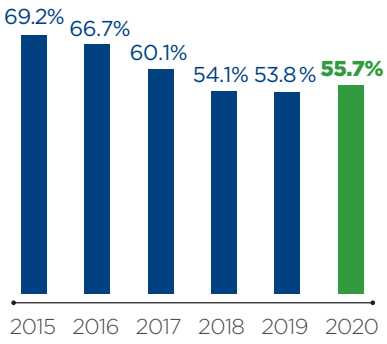


OF WHICH HAZARDOUS WASTE

Percentage of hazardous waste



PERCENTAGE OF WASTE RECYCLED, REGENERATED, REUSED, INCINERATED WITH ENERGY RECOVERY OR COMPOSTED



3.4.3.3 Water management

Water is used by the Company in formulating its products. Water is also used in refrigerating facilities, such as cold storage rooms, in controlled atmosphere areas and as a coolant in the manufacturing process. For this type of use, the Company prioritizes closed-circuit systems.

2020 Target: 20% reduction in water consumption compared to 2015 (ratio of water consumption to sales).
2020 Result: -29% (664,000 m^3) compared to -19% (658,000 m^3) in 2019.

For the water needs of its manufacturing sites, bioMérieux uses the local water supply. bioMérieux does not directly extract water from the natural environment, except for the cooling requirements of its logistics platform located in Saint-Vulbas (France). At this site, a heat exchanger makes it possible to use the temperature difference with the local groundwater for cooling purposes. Water extracted from the groundwater is discharged after heat exchange, and has no direct contact with process water. Official authorization is required to use the groundwater in this way.

The Company is not subject to any specific local restrictions on water supply on a permanent basis. As regards possible seasonal restrictions, bioMérieux strives to comply with specific guidelines issued by local authorities in the event of drought (for example, limiting water use for lawn care).

bioMérieux's initiatives to reduce water consumption at its industrial sites involve the optimization of its manufacturing processes (reviewing water requirements and replacing old equipment with more efficient equipment or less wasteful technologies).

Water consumption is monitored on a regular basis, and actions are taken to reduce it.

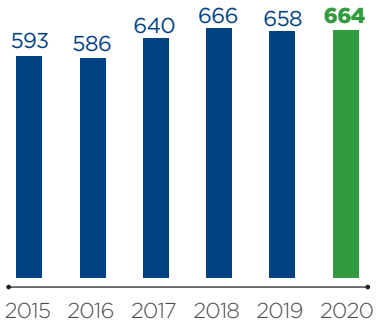
Consumption of public water and groundwater and quantity of wastewater discharged

GROSS INDICATORS | **INDICATORS IN RELATION TO SALES IN EUROS**

CONSUMPTION OF PUBLIC WATER

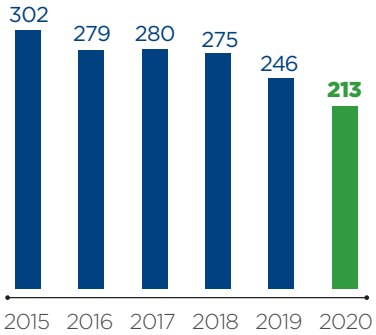
Water consumption (all sources)

Estimate in thousands of cubic meters



Water consumption (all sources) in relation to sales

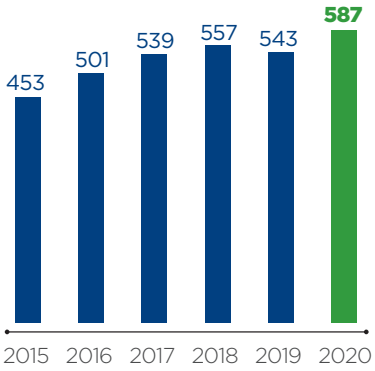
Cubic meters per million euros of sales



QUANTITY OF WASTEWATER DISCHARGED

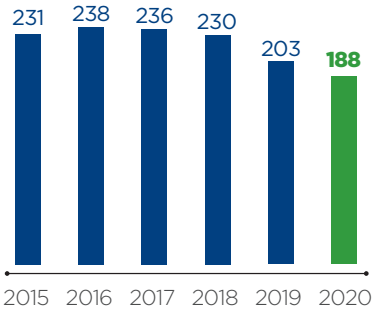
Wastewater discharged

Estimate in thousands of cubic meters



Wastewater discharged in relation to sales

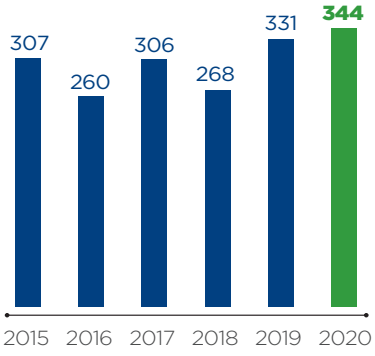
Cubic meters per million euros of sales



USE OF GROUNDWATER

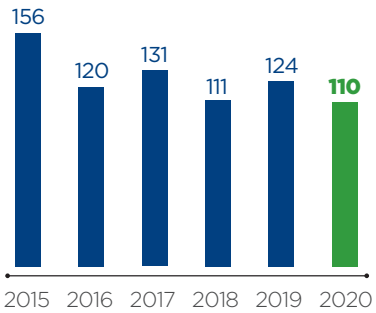
Use of groundwater*

Estimate in thousands of cubic meters



Use of groundwater in relation to sales

m^3 per million euros



* *99% of this water is reinjected into the groundwater.*

3.4.3.4 Energy management

In order to improve energy efficiency, the Company implements an energy optimization and saving program. Prior to constructing or refurbishing buildings, simulations are performed to measure their energy efficiency (*e.g.* lighting, heating, ventilation, and air conditioning in summer). Efforts are made to find ways of reducing energy consumption to a low or very low level through systems that are researched, promoted and gradually applied.

2020 Target: 20% reduction in energy intensity compared to 2015 (ratio of energy intensity to sales).
2020 Result: -33% (219,600 MWh) compared to -20% (225,000 MWh) in 2019.

Renewable energy: even where no target has been set, the Company promotes the use of renewable resources for its energy supply, in areas of the world that offer acceptable alternatives:

- since January 1, 2018, all of bioMérieux's French sites have received 50% of their electricity supply from certified "green" sources, and that rate is 100% for the Florence (Italy) and Madrid (Spain) sites;
- the Company's Swiss, Austrian, Brazilian and Canadian subsidiaries use 100% hydropower, and the Colombian subsidiary uses 90% hydropower.

New eco-construction standards: new buildings for tertiary activities of significant size are subject to HQE (La Balme, Craponne), LEED (St. Louis) or BREEAM (Marcy l'Étoile) environmental certification.

Energy audits: the Combourg, Craponne, Marcy-l'Étoile, La Balme, Saint-Vulbas, Durham and St. Louis sites are implementing action plans to reduce consumption based on the results of energy audits that are updated periodically.

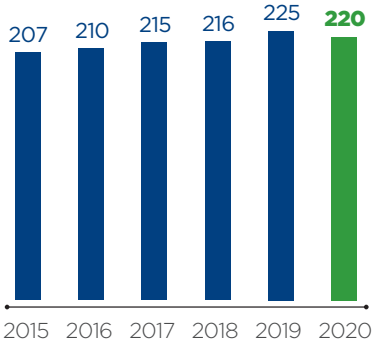
Total energy consumption and percentage of energy consumption from renewable sources

GROSS INDICATORS	INDICATORS IN RELATION TO SALES IN EUROS

TOTAL ENERGY CONSUMPTION

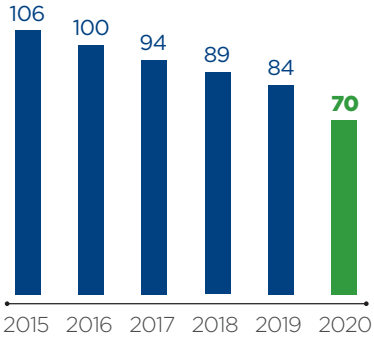
Total energy consumption

In GWh



Total energy consumption in relation to sales

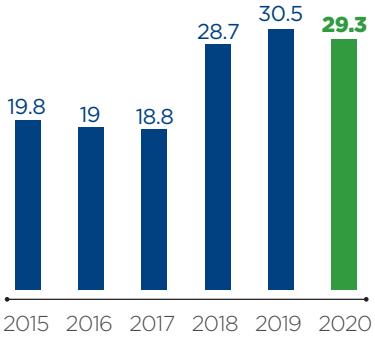
MWh per million euros of sales



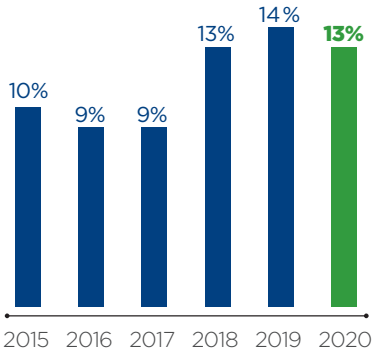
CONSUMPTION OF ENERGY FROM RENEWABLE SOURCES

Consumption of energy from renewable sources

In GWh



Percentage of energy consumption from renewable sources



3.4.4 Spread of new epidemics as a result of global warming

The effect of global warming on risks of epidemics is a complex issue at the heart of scientific thinking on how to anticipate the risks of future epidemics. In 2019, a consensus statement drafted by some 33 scientists from nine countries was published in Nature Reviews Microbiology to raise awareness of the issue and call for research on micro-organisms to be increasingly incorporated in the fight against climate change.

One of the first consequences of global warming is the proliferation of mosquitoes, which increase in number as a result of effects of heat and humidity. With higher temperatures and stretches of stagnant water following flooding, they proliferate and spread viral diseases such as malaria and dengue fever through their bites. Cases of these viral diseases have already been recorded in new geographical regions, such as the cases of chikungunya in the south of France.

Another possible consequence is related to flooding, which worsens hygiene conditions in regions affected by extreme climate events (typhoons and cyclones). Contamination of drinking water sources is causing the re-emergence of cases of cholera and typhoid. Deforestation, which inevitably leads to global warming, is also a risk factor for the intrusion of animal species in urban areas, which are reservoirs of viruses that could be transmitted to humans.

In this context, bioMérieux's remit is to provide health authorities, healthcare professionals, and patients with new tests to quickly and easily diagnose these diseases. For example, bioMérieux is currently developing several tests for its automated VIDAS® system, to detect infections linked to arboviruses (dengue and chikungunya).

3.5 INTERACTING ETHICALLY WITH THE HEALTHCARE ECOSYSTEM

3.5.1 Regulatory compliance applicable to products

As described in sections 1.4 and 2.2.3.2, the regulations that apply to bioMérieux are numerous, wide-ranging, and rapidly changing as they are implemented and transposed locally. There is also a risk that these regulatory changes are not identified, interpreted, and implemented within the required time-scale.

In particular, the Company must meet the following regulatory requirements:

- industry-specific requirements such as ISO standards (in particular 9001 and 13485), MDSAP (Medical Device Single Audit Program), UDI (Unique Device Identifier), IVDR (In Vitro Diagnostic Regulation), and Post-Market Vigilance;
- local and international regulations, particularly those associated with import and export management.

Compliance is then audited by internal quality auditors who ensure that processes, data and documentation relating to various applicable regulatory requirements are robust.

As a response to these matters, the Company has established a Global Watch Committee with the aim of identifying, ranking and monitoring enforcement of the main regulatory changes across the Group.

The Company is also regularly inspected by local and international regulatory authorities. The results of the inspections conducted in 2020 are detailed below.

Main inspections of bioMérieux sites by regulatory authorities in 2020

	SITE	ORGANIZATION	DATE	COMMENTS
EUROPE	Marcy, Craponne, La Balme, Grenoble, Verniolle (France), and Florence (Italy)	GMED [(a)]: based on MDSAP (Medical Device Single Audit Program), ISO 9001:2015 and ISO 13485:2016 certifications	June 2020	Renewal of MDSAP, ISO 9001:2015 and ISO 13485:2016 certifications
	Combourg (France)	GMED [(a)]: based on ISO 9001:2015 certification	June 2020	Renewal of ISO 9001:2015 and ISO 13485:2016 certifications Application for MDSAP certification in 2021
	Combourg (France)	COFRAC [(b)]: based on ISO 17025 certification	July 2020	Renewal of ISO 17025 accreditation for temperature calibration laboratories and the testing laboratory
	Tres Cantos (Spain)	ENAC [(c)]: ISO 17025	June 2020	Renewal of ISO 17025 accreditation for the site laboratory
	Tres Cantos (Spain)	GMED [(a)]: based on ISO 9001:2015 and ISO 13485:2016 certifications	September 2020	Renewal of ISO 9001:2015 and ISO 13485:2016 certifications
NORTH AMERICA	St. Louis, Missouri, and Durham, North Carolina (United States)	GMED [(a)]: based on MDSAP, ISO 9001:2015 and ISO 13485:2016 certifications	June 2020 & November 2020	Renewal of MDSAP, ISO 9001:2015 and ISO 13485:2016 certifications
	Lombard (United States)	GMED [(a)]: based on ISO 9001:2015 certification	May 2020 & November 2020	Renewal of ISO 9001:2015 certification
	BioFire Diagnostics – Salt Lake City, Utah (United States)	BSI [(a)]: certification monitoring audit, based on MDSAP, ISO 9001:2015 and ISO 13485:2016	September 2020	Renewal of MDSAP, ISO 9001:2015 and ISO 13485:2016 certifications
LATIN AMERICA	Rio (Brazil)	GMED [(a)]: based on ISO 9001:2015 and ISO 13485:2016 certifications	September 2020	Renewal of ISO 9001:2015 and ISO 13485:2016 certifications

(a) Notified body designated by certain regulatory authorities, in particular the FDA.
(b) French Accreditation Committee.
(c) Entidad Nacional de Acreditación.

3.5.2 Data protection

In the course of its business, the Company has access to several types of personal data: employees, patients, and administrative data from partners (customers, suppliers, distributors and healthcare professionals).

The confidentiality of patient personal data is ensured by particularly strict regulations in the United States (Health Insurance Portability and Accountability Act – HIPAA) and Europe (General Data Protection Regulation – GDPR). In addition, systems marketed by the Company process patient data on a daily basis. In designing and supporting these systems, the Company must ensure data confidentiality, integrity and availability and uphold the basic rights of the affected patients (see section 2.2.4).

As a response to these issues, bioMérieux has developed a personal data protection program based on:

- the general data protection policy approved by General Management;
- the appointment of a data protection officer (DPO) reporting to the executive director, Legal, Intellectual Property and Compliance; and registered with the French Data Protection Authority (Commission Nationale Informatique et Liberté – CNIL);
- a network of 60 DPO-business line liaisons at subsidiaries, sites, and global functions, who, trained in the regulations, are responsible for overseeing compliance;
- an online GDPR training to educate employees about their rights.

The methodology applied to ensure GDPR compliance has now been expanded to other companies of the Group and outside of Europe in order to apply a level of protection at least identical to that imposed by European regulations. In particular, a DPO network has been deployed in the following countries: Australia, Argentina, Brazil, Chile, China, Colombia, India, Indonesia, Japan, Malaysia, Mexico, the Philippines, Russia, Singapore, South Korea, Thailand and Vietnam.

bioMérieux's policy and legal information on processing is accessible to third parties on the Company's Corporate website and to employees on its intranet.

Finally, the privacy implications of processing sensitive and personal patient data (patients, employees) have been analyzed, with potential risks highlighted and ranked, and remedial plans regularly monitored.

In 2020, the Company deployed a tool to strengthen its compliance with current personal data protection regulations. This solution, which is deployed worldwide, has made it possible to:

- more accurately document the processing of personal data;
- standardize methodology and practices;
- evaluate the potential impacts of new projects starting from the design phase (Privacy by Design concept);
- reduce the number of risk assessments associated with processing;
- manage potential data breaches more quickly;
- give the DPO visibility through consolidated dashboards.

The tool is used by bioMérieux's 69 legal entities with 1,200 processing activities, 863 third parties, and 340 applications covered.

3.5.3 Business ethics

3.5.3.1 Ethics and compliance

Governance and Ethics and Compliance program

Through the Ethics and Compliance program (the "Program"), bioMérieux places an emphasis on conducting business in compliance with all laws and regulations, as well as the Company's own values and culture. bioMérieux expects its employees to embrace and share these values.

The Program is intended to allow all bioMérieux employees to contribute to the Company's growth, in compliance with business ethics, Group culture and all applicable regulations. It is designed to prevent unethical conduct. The Program also takes account of lobbying rules (see this section – Public and Governmental Affairs).

For this reason, staff training in the rules of business ethics is a central part of the Program, which contributes to the prevention of risks. It draws on the Code of Conduct. The principles of which will be gradually developed in line with annually set priorities.

In 2020, the Program's main priorities were to:

- enhance measures to prevent corruption and influence peddling, in accordance with the new requirements of the Sapin II law;
- secure the distribution network and other intermediaries;
- relations with healthcare professionals;
- understand and effectively apply export regulations;
- the new EU General Data Protection Regulation (GDPR).

This Program is under the responsibility of the Corporate Vice-President, Legal, Intellectual Property, and Compliance, through the Ethics and Compliance Department. The Global Compliance Officer draws on regional and local managers for the three main subsidiaries, as well a team responsible for export control.

bioMérieux's ethical principles extend to everywhere it operates. Each site or subsidiary has a dedicated Local Compliance Team (LCT), which comprises, at a minimum, the subsidiary manager or site director, human resources director, finance director and a training coordinator. This team acts as the central team's correspondent at the local level and is responsible for disseminating and applying the Program. They also ensure that the Group's internal directives and all local laws and procedures are applied.

General Management, the Executive Committee and the Board of Directors are regularly apprised of the status of the Program. An Ethics and Compliance Committee comprised of several members of the Executive Committee under the coordination of the Chief Operating Officer meets quarterly to oversee the implementation of the Program within the Group.

The Ethics and Compliance Department is in charge of drawing up, promoting and monitoring implementation of all compliance and ethical standards in accordance with applicable laws and the Company's Code of Conduct.

The Program provides for online training, with the schedule, content and target audience determined on a yearly basis. The training aims to raise employee awareness of applicable internal regulations and procedures so that team members can conduct themselves in an upright, ethical manner in their business and work relationships.

In 2020, nearly 27,000 online courses were offered to employees across all subsidiaries, including courses on the Code of Conduct, anti-corruption measures, and third-party management. Furthermore, courses on the AdvaMed (American Advanced Medical Technology Association) and MedTech Europe (European association of medical equipment suppliers) and Mecomed (for the Middle East and Africa) Codes of Conduct were also distributed to the employees concerned. Finally, since 2016, all new hires have systematically taken three compulsory courses (on the Code of Conduct, anti-corruption and influence peddling measures, and conflicts of interest).

In 2016, bioMérieux put in place a global training and awareness campaign on its Code of Conduct for all of its employees. Since 2017, the Company provided this training to all new recruits. In 2020, a new global training campaign was launched for all employees.

A training program for the prevention of corruption and influence peddling was updated in 2020 and will be rolled out to employees in 2021.

In 2020, the training completion rate was:

- 84% for the Code of Conduct (versus 79% in 2019)
- 92% for anti-corruption measures (versus 79% in 2019)
- 77% for third-party management (versus 78% in 2019)

Code of Conduct

The current version of the Code of Conduct[1] covers the risks included in the latest regulations. These regulations cover measures to combat corruption, influence peddling and money laundering, relations with healthcare professionals and the protection of personal data. It is available in 14 languages (French, English, Simplified Chinese, Traditional Chinese, Spanish, German, Portuguese, Italian, Russian, Korean, Japanese, Greek, Serbian and Turkish). It is used for annual global training and information campaigns for all employees. The Code of Conduct specifies that any employee who breaks one of the rules, or who encourages or authorizes an infraction against the Code, will incur disciplinary sanctions that could involve termination of their employment contract.

The distribution of the Code is supported in the following ways:

- training on its content given to all employees;
- it is uploaded to the Company's Corporate website and Intranet;
- a copy of it is given to each new bioMérieux employee.

Moreover, the Code of Conduct and a document containing "Business Principles for Third Parties" are brought to the attention of external partners, whom the Group asks to uphold the principles of business ethics. For this purpose, the Group appends these documents, or a web reference to them, to its main contracts with suppliers and distributors, in order to ensure that its commercial partners are contractually bound by them.

(1) *https://www.biomerieux.com/sites/corporate/files/2020_code_of_conduct_-_english_-_web.pdf.*

Anti-corruption and influence peddling measures

bioMérieux is exposed to risks of corruption and influence peddling linked to its business (see section 2.2.3.1).

bioMérieux's commitment to public health is part of a policy of protecting patient interests whilst preserving its reputation and the interests of shareholders. bioMérieux's actions are governed by a set of principles, directives, standards and procedures that correspond to current ethical norms. Thus, bioMérieux is developing an anti-corruption and influence peddling program which reflects the principles of the Global Compact and current regulations. In particular, bioMérieux and its employees are committed to combating corruption and influence peddling in all its forms, including extortion and bribery.

Finally, the Company has brought its anti-corruption and influence peddling program into compliance with the Sapin II law, by introducing appropriate procedures.

This program is based on the Code of Conduct, which forms the foundation of the Ethics and Compliance program and on the Corruption Prevention Manual(1). This manual, which is available on the Company's corporate website and on its Intranet, sets out the Company's expectations in its relations with its partners.

In 2019, the Company also created and circulated a new procedure and new interactive tool for approving third parties in order to identify and, where necessary, reject before hiring, any partners at risk of corruption.

The Company has also developed a document describing the Business Practices applicable to third parties, as well as a prior approval procedure for third parties, to make partners aware of the Company's rules of ethical business conduct and to identify among them (by means of forms to be filled out and with the help of automatic partner screening software) those with whom the planned or current collaboration could be harmful to bioMérieux, in light of their profile or history of corruption or influence peddling.

The corruption and influence peddling prevention program is designed to:

- promote ethical conduct in business dealings;
- train employees on internal rules and laws against corruption and influence peddling;
- give employees a forum in which to ask questions.

Whistle-blowing hotline and recording of reports

The bioMérieux Group uses a whistle-blowing system that is accessible to employees and third parties. It meets the requirements of the Sapin II Law and the Law of March 27, 2017 (No. 2017-399), known as the Vigilance Law. It is mentioned in the Code of Conduct.

Special structures have been set up as a listening service and to advise employees so that they can express themselves freely and report cases of non-compliance (see section 2.2.3.1).

In particular, any employee who witnesses a breach of the Code of Conduct or of laws or regulations in general, should first report the issue to his or her manager or supervisor. Employees may also contact the Human Resources Department, the Legal and Compliance Department.

An ethics hotline has been rolled out in all of bioMérieux's host countries and is independently managed by an external provider. This service is available to any person internal or external to the Company who wants to express their concerns. It provides employees with a local telephone hotline in the local language, and a website through which a report can be filed online.

To this end, each Group employee receives a card with contact information for that service.

Reports made are processed anonymously by dedicated teams who take the necessary steps to respond to each message. The Ethics and Compliance Committee is responsible for reporting and monitoring the cases handled.

The Company has a zero-tolerance policy concerning threats to employees who have reported something in good faith, refused to break the law, or taken part in an investigation.

Finally, the Company has made the necessary changes to its procedures and tools in order to incorporate the status of whistleblower as defined by the Sapin II law and the Vigilance law.

Public and governmental affairs

In 2018, bioMérieux established the Public and Governmental Affairs Department whose purpose is to raise awareness and achieve recognition of the medical and economic value brought by *in vitro* diagnostics, particularly in terms of antimicrobial resistance, to ensure antibiotics are prescribed appropriately, against epidemics and emerging pathogens and for food safety purposes. This function is also responsible for protecting, defending and promoting the Company's interests with public and institutional authorities.

The Public and Governmental Affairs team, in agreement with the Executive Committee, strives to share relevant information liable to inform public decision-making, with full transparency, integrity and in accordance with its mission as a public healthcare provider. In view of the value provided by *in vitro* diagnostics, its purpose is to improve market access and the financing of diagnostic solutions over the long term, in particular for innovative tests, in a complex environment (economic difficulties in healthcare systems, major changes in medical practice and the organization of care, government reforms), through legislation and regulations that reflect the specific characteristics of each sector.

Since its creation, bioMérieux has developed business values and strives to conduct its operations with the highest standards of integrity.

(1) *https://www.biomerieux.com/sites/corporate/files/040268_-_att_1_-_corruption_prevention_manual_-_en_0.pdf.*

In this spirit, bioMérieux has created its Charter of Public and Governmental Affairs, which describes the missions of that function It describes the Company's commitments to ensuring equity and transparency in its interactions with public and institutional decision-makers: compliance with local regulations and internal procedures – namely, the Code of Conduct and the Corruption Prevention Manual – integrity, transparent representation in relationships with public decision-makers, declaration of public and governmental affairs activities to the local authorities as required, disclosure of accurate, reasoned information, no conflict of interest, zero tolerance for corruption, prohibition of political contributions and upholding of confidentiality.

This charter applies to any person, internal or external, expressly mandated for this purpose, who must certify having knowledge of it through a training module. It was drafted by the Public and Governmental Affairs, Ethics and Compliance and Legal Departments. This charter is published on the bioMérieux website (*www.biomerieux.com*). It is revised and updated regularly.

The following are examples of concrete action by bioMérieux:

In France – CSF-Antibiorésistance:

bioMérieux is leading the industry-level strategy on fighting antimicrobial resistance, Contrat Stratégique de Filière Industries et Technologies de Santé – Antibiorésistance. Amid a global public health emergency, the purpose of this working group is to make practical, evidence-based proposals to French health authorities in order to (i) unite the industry around fighting "antimicrobial resistance", (ii) allow existing health products to remain on the market, (iii) support the launch of new products under regulatory and pricing conditions that are satisfactory and sustainable for all players, and (iv) entrench France's role in combating antimicrobial resistance on the international stage.

In the United States – PACCARB:

The purpose of the Presidential Advisory Council on Combating Antibiotic-Resistant Bacteria is to provide the US government with advice, information and recommendations on programs and policies related to combating antibiotic-resistant bacteria. bioMérieux's Vice President Global Medical Affairs, Christine Ginocchio, is actively involved with this group.

In taking action, the Company is supported by these trade associations:

- the Advanced Medical Technology Association (AdvaMed): This American association promotes policies that foster the highest ethical standards, rapid product approval, appropriate reimbursement, and access to international markets;
- the *Syndicat de l'Industrie du Diagnostic In Vitro* (SIDIV): this trade association represents manufacturers in the sector in France. It helps them to defend their interests by acting as a key point of contact for public authorities. bioMérieux's director of Public and Governmental Affairs, Isabelle Tongio, was re-elected Chair of SIDIV in 2020 for a one-year term;
- Medtech Europe is a European trade association for the medical industry. Yasha Mitrotti, bioMérieux's Corporate Vice-President, Europe, Middle East, Africa Region, sits on its Board, and Isabelle Tongio, bioMérieux's director of Public and Governmental Affairs, is a member of its Public Affairs Committee;
- AMR Industry Alliance is a global initiative that brings together industry players from the life sciences sector to respond to the United Nations' call in 2016 to tackle antimicrobial resistance. bioMérieux is actively involved in this organization alongside other companies in the pharmaceutical and *in vitro* diagnostics sectors.

The Company is also a member of *G5 Santé*, the France China Committee and the *Association Française des Entreprises Privées* (AFEP).

In 2020, €742,000 was spent on trade association fees.

Moreover, the Group's distribution subsidiaries are encouraged to join their local trade association. The costs incurred are not material.

The Company complies with its obligations by declaring its French lobbying activities to the Haute Autorité pour la Transparence de la Vie Publique (French high authority for transparency in public life).

Ethical marketing

The Code of Conduct reiterates that the ultimate aim of bioMérieux's interactions with healthcare professionals is to improve the standard of patient care and improve public health. It specifies that:

- local laws and regulations on promotion and marketing to healthcare professionals, industry rules of conduct (such as Advamed and Medtech), and the principles of the corruption prevention manual must be followed;
- information on bioMérieux products for healthcare professionals must be accurate, transparent and fair;
- a product must only be promoted for the locally-approved use, in accordance with local legislation;
- a healthcare professional must never be offered or supplied with a product with the aim of exercising undue influence on their prescribing decisions;
- under a range of national legislation, the Company is required to record and report to the government any transfer of value to a healthcare professional, and compliance with this is mandatory;
- comparison of the Company's products with the competition must be fair, substantiated, and compliant with all applicable laws and regulations. The Company's products or services must never be labeled or marketed in such a way as to confuse them with those of its competitors. Products, services and employees of competitors must never be denigrated.

3.5.3.2 bioMérieux's tax policy

bioMérieux's tax policy is responsible. Through its operations in over 160 countries, its tax contribution includes a wide range of direct and indirect taxes, corporate taxes and social contributions, as well as customs duties, paid in many countries. bioMérieux's tax approach is aimed at ensuring compliance with local legislation and regulations, in letter and spirit, as well as with relevant international standards.

In accordance with bioMérieux's Code of Conduct, the Group's tax policy is defined according to the following principles:

- **Taxes follow the business:** bioMérieux's taxation is the result of its activities and operational choices. bioMérieux has no entities in tax havens and does not allocate any functions/risks to entities without economic substance.
  - The Group has no subsidiaries in any of the following jurisdictions: Andorra, Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Bahrain, Barbados, Belize, Bermuda, Cyprus, Curaçao, Fiji, Gibraltar, Guam, the Cayman Islands, the Cook Islands, the Isle of Man, Mauritius, the United States Virgin Islands, the British Virgin Islands, Jersey, Luxembourg, Malta, Oman, Palau, Panama, Puerto Rico, Samoa, American Samoas, the Seychelles, Trinidad and Tobago, and Vanuatu.
  - For operational reasons, the Group has subsidiaries or a presence in the following fiscal jurisdictions offering attractive tax arrangements: the United Arab Emirates, Hong Kong, Ireland, the Netherlands, the United Kingdom, Singapore, Switzerland, and Taiwan. The taxable profit in these countries is in line with OECD recommendations on fair compensation.
  - The legal structure of the main companies owned by bioMérieux SA has been available for a number of years in section 1.2.4.2 Legal structure.
- **Full compliance**: bioMérieux ensures that all taxes and contributions are reported and paid in compliance with local regulations, and in accordance with recognized international standards such as the OECD guidelines. Furthermore, subsidiaries in the bioMérieux Group are required to follow the Code of Conduct, which promotes the financial integrity of staff and anti-money laundering measures in particular;
- **International balance**: bioMérieux has a transfer pricing policy, updated regularly, which complies with the arm's-length principle and, more generally, with OECD recommendations. This policy applies to all cross-border transactions within the Group.

  In setting its transfer prices, the Company conducted robust functional analysis of its activities, so as to compensate each company within the Group according to the functions performed, risk exposure, assets, and resources used. Through this analysis, it has identified a number of "key entrepreneurs" for the product and service lines on the market. These "key entrepreneurs" are primarily located in France and the United States. In accordance with OECD principles, they receive any residual compensation, *i.e.* the profit or loss once all entities involved in the economic process, particularly commercial companies, have been fairly compensated.
- **Full cooperation with tax authorities**: bioMérieux promotes open and proactive communication with tax authorities in all countries. bioMérieux helps to draft the annual Country-by-Country Reporting (CbCR), which is submitted to the French tax administration by the ultimate parent, Compagnie Mérieux Alliance, Institut Mérieux's parent company. France currently shares its CbCR data with 65 countries (including the 27 countries of the European Union, Australia, Brazil, Canada, China, South Korea, the United States, India, Japan and Russia).

The Tax Department reports to the Group's Finance Department. It draws on a network of internal contacts and on external consultants, depending on the issue. This department coordinates, raises awareness and supports the Financial Departments of each Group subsidiary so as to ensure they meet the standards of compliance required according to the Group's policy and standards.

The Group's income tax expense is explained in the section on consolidated statements (see section 6.1.2, Note 25).

In 2020, the income tax paid in the various regions in which the Group operates broke down as follows:

- North America: €73 million
- Europe/Middle East: €29 million
- Asia Pacific: €8 million
- Latin America: €5 million
- Africa: €1 million

For the main countries in which the Group operates, the amounts are as follows:

- United States: €73 million
- France: €12 million
- China: €1 million

Research tax credits for the "key entrepreneurs", located primarily in France and the United States, reflect a significant financial and human commitment, making it possible to maintain and develop highly qualified jobs at the local level, ensuring long-term development that reflects the bioMérieux values.

3.6 PROMOTING THE DEVELOPMENT AND WELL-BEING OF OUR EMPLOYEES

bioMérieux's employees are its most important asset. As such, the management of human resources is a priority for bioMérieux.

Around 74% of employees are located in France and the United States. It is for this reason that the actions described below essentially refer to these two countries, which are thus being treated as pilots ahead of implementation in other countries where the Group is present. These actions act as reference points for the labor relations policy that bioMérieux strives to apply to all of its employees throughout the world, taking into account local regulations and customs. For example, the same recruitment procedures, pay policies, training policies and annual appraisals apply to all employees worldwide.

Our Behaviors

To strengthen our culture and promote well-being in the workplace, bioMérieux has launched Our Behaviors, a cross-functional project to translate the Company's mindset into action. Our Behaviors is a set of behavioral skills designed to strengthen alignment between actions and managerial culture worldwide. Launched in 2019, this initiative was ramped up in 2020. It includes six behavioral skills for all employees and nine for managers. Each of the skills is defined and followed by a list of key actions illustrated with concrete examples.

To deploy this standard, in-person workshops were organized at the beginning of 2020, then a new communication format was launched last September to take into account the specific conditions related to COVID-19. This format is organized around two concepts:

- the organization of distance workshops, to better understand the behavioral skills and make a team diagnosis (what are the behaviors we demonstrate in our daily life, what are the ones we can develop to reach our goals);
- the distribution of online content on the Intranet (videos, quizzes, testimonials, etc.) that offers an à la carte learning path for each of the skills for all employees.

Individual assessments are changing in 2021 to take into account the skills expressed in Our Behaviors. They are used to identify employees' strengths and areas where there is room for development. This development takes the form of by an individual plan that covers aspects of knowledge, know-how and interpersonal skills.

Awards

bioMérieux has been awarded the Top Employer certification by the Top® Employers Institute for 11 of its subsidiaries: China (2019 label received again in 2020 and 2021), South Africa, France and the United States (2020 label received again in 2021), Belgium, Germany, Poland, Spain, Kenya, Egypt and Ivory Coast (2021 label).

bioMérieux has also obtained 2021 certification at the regional level for Europe and Africa.

This assessment analyzes about 400 practices in six areas covering all aspects of human resources such as change and transformation management, performance and career management, and corporate culture. The results provide a tool to help make changes to the Company's human resources management policy.

These certifications attest to the quality of bioMérieux's HR policy and the initiatives taken by its staff. They are also a recognition of the excellent working conditions offered to employees and a guarantee for future candidates that the working environment within bioMérieux meets the best international standards.

For the second year in a row, bioMérieux has appeared in the Universum France list of the most attractive French companies for future engineering and management school graduates. The 2020 ranking is the result of a survey of over 35,700 students from 163 schools and universities and 137 different areas of expertise. bioMérieux ranked 76th among engineering students (81st in 2019) and 66th among graduates with five years' experience (74th in 2019).

Management of the COVID-19 crisis

bioMérieux has supported its employees during this period.

All components of compensation, including variable compensation, were maintained for everyone, including employees who were forced to isolate themselves and who were unable to work remotely. As a result, all employees, regardless of their situation, have not experienced any change in their usual income.

A partnership with Eutelmed, a platform of psychologists and psychological assistance, was quickly set up in March 2020. This platform allows all Group employees and their family and friends receive free consultations with a psychologist.

Finally, the Group continues to mobilize through its COVID crisis units, which communicate on a regular basis to all employees.

Management of the COVID-19 crisis: France

bioMérieux has maintained the compensation of all its employees, including those whose work was suspended, without any time lag. The Company did not ask for State aid, opting not to receive the partial activity allowances.

A special bonus was paid to all employees who had to work during the first period of lockdown. The amount of this bonus, net of tax and social security charges, was €250 for remote workers and €1,000 for employees who worked on site to continue production, many of whom were blue-collar workers/employees.

Other measures have been put in place for employees who have to come to the site:

- midday meals fully covered for the period of the first lockdown;
- a subscription to a platform to help recruit childcare providers (Yoopies);
- any childcare expenses paid by bioMérieux.

During the second lockdown period, remote workers received two days per month of childcare paid by bioMérieux.

3.6.1 A corporate culture based on social dialogue

The Company considers it essential to maintain good employee relations. There is a well-developed tradition of social dialogue with the employee representative bodies, in France but also within its subsidiaries.

In 2019, France defined a new entity representing employees, the Social and Economic Committee (SEC). Accordingly, an establishment CSE (ESEC) has been set up in each French establishment. Each ESEC meets at least once per month and is consulted on the establishment's economic, health, and safety issues. A Central SEC has also been set up with 16 full members and 16 alternates. It meets at least once every two months, even though the legal obligation is once every six months, and its mission is to handle subjects of interest to the Company as a whole. Depending on the items on the agenda, members of the Executive Committee attend these meetings. Topics discussed are: the Company's situation, environment, financial performance, five-year strategy, R&D policy, industrial strategy, organizational changes, social balance sheet and gender equality report, as part of implementing the company-level agreements. During the COVID-19 crisis, social dialogue has been especially steady. The CSEC met 19 times in 2020.

In addition, in 2008, a European Works Council was created. It includes all of bioMérieux's European subsidiaries and handles issues that extend beyond France. Despite the crisis, the EWC met twice in 2020.

Each ESEC and the CSEC have a commission in charge of the health, safety and working conditions of the employees.

The collective agreements, negotiated by representative unions within the company (CGT and CFDT), specify the constitution of a monitoring commission, composed of the signatories to the agreement. These commissions are in charge of monitoring the enforcement of the agreements and making regular reports thereon. For example, the gender equality commission and the commission on persons with disabilities monitor quantitative performance indicators.

The following agreements and addenda were entered into in France in 2020:

- a Company-level agreement on the Mandatory Annual Negotiations on salaries, working conditions and gender equality, which was unanimously signed;
- a supplementary profit-sharing agreement for employees in France to share the fruits of growth in 2019;
- two addenda to bring our PERCO and Article 83 agreements into compliance with the PACTE Law, which become PER Collectif and PER Obligatoire;
- a company-wide agreement on support for employees at the end of their careers. This has made it possible for over 100 employees to receive increased retirement benefits, part-time days without loss of income or contributions, and remote working days.

At the beginning of 2021, bioMérieux signed a new equal opportunity agreement applicable from 2021 to 2023. This new agreement creates second-parent leave, enabling them to benefit from four weeks' leave within four months of the child's birth.

In addition, as a result of the health crisis, negotiations for the organization of working time, especially remote working, were initiated in December 2020.

Certain agreements signed by bioMérieux have been recognized, thus illustrating the standard of social dialogue in France and encouraging the Company to pursue its commitment. For example, in December 2019, bioMérieux received the silver medal for Social Dialog from the Trophées des Leaders du Capital Humain (TLCH).

bioMérieux has always been keen to promote the quality of worklife of its employees and to ensure greater flexibility and a better work-life balance. For example, flexible working hours, staggered shifts, and night shifts have been introduced or improved.

Psychosocial risks are among the main focuses of bioMérieux's attention (see section 3.3.3.3). An PSR/Quality of Worklife Committee made up of elected representatives, members of management, HSE and occupational physicians, has been established at each site in France to address this issue.

3.6.2 Managing skills and workforce

3.6.2.1 Career and performance management

Professional development is a strategic and social matter for bioMérieux. It helps to support employees throughout their career. It is built on a relationship of trust and dialog between employees and managers.

For a number of years, the Executive Committee and Human Resources have coordinated the Talent Pool & Succession Plan process to identify, develop and retain talent. In 2020, over 95% of identified talents remained with the Company. Identifying these high-potential employees allows succession plans to be developed for key positions, as identified during the Strategic Workforce Planning process. In collaboration with Mérieux Université (see section 3.6.2.2), the Company has designed specific programs and courses to support their development and induction.

Based on the five-year strategic plan, the subsidiaries draw up their own forward planning of employment and skills (GPEC), taking into account the Group's priorities and their own specificities. The main areas of focus are:

- managing new job skills (sales, supply chain, medical), that meet the requirements of changing markets, technologies and digitalization;
- the strengthening of managerial practices, with the deployment of the "Our Behaviors" Leadership Competence Model.

All Group employees take part in a specific Performance Management Process (PMP). This is a system for assessing employee performance over the past year (job proficiency and targets met), as well as a development tool (employees' individual needs and aspirations are identified), and, on the basis of these twice-yearly reviews, any actions required to increase collective and individual performance are taken (see introduction to section 3.6 Our Behaviors). The goal of the mid-year review is to define the employee development plan, in particular the training plan.

3.6.2.2 Training

bioMérieux relies on two tools to respond to employee development needs. The purpose of Mérieux Université is to train the employees of the Institut Mérieux Group. In addition, bioMérieux has a training department whose purpose is to be as attentive as possible to local needs.

The majority of bioMérieux's training sessions are held in person. In the context of the COVID-19 pandemic, many training sessions have been canceled or postponed to 2021.

However, whenever possible, training was provided by videoconference. The Company has offered its employees training on the following topics related to the circumstances: stress management, remote management, change management, self-knowledge, resilience, and work/life balance.

Mérieux Université's range of courses is rolled out across four regional hubs in France, the United States, China and Brazil, and includes:

- programs for Management and Leadership aimed at disseminating a shared management culture across the entities of the Institut Mérieux Group;
- a New Leader Induction program, which familiarizes participants with the Group's challenges and strategy and instills in them a shared management culture;
- the Fit For the Future program was also held for the sixth year in the last quarter of 2020. The whole program was held virtually due to the pandemic, and it is purpose is to support the development of managers with the potential to access leadership positions, in particular through strategic projects;
- training courses specific to certain functions. The goal is to adapt the skills of each category of job and anticipate and support the major transformations that affect them, and coordinate an active, innovative community of practice. These courses are designed in collaboration with the relevant business line heads. For example, in 2020, the "Critical Conversations" module was offered. Similarly, a very ambitious remote sales training program was deployed for a population of more than 500 people;
- individual (Coaching, DISC, 360 Feedback) and collective support (Teambuilding).

The year 2020 was marked by the accelerated deployment of e-learning offerings. To support the deployment of Our Behaviors within bioMérieux, Mérieux Université has designed remote training courses, as well as turnkey human resources workshops, for each of the nine key skills for managers and the six employee skills. In addition, thanks to a partnership with Coursera, Mérieux Université provides some of its employees and any person in professional transition with certified online training courses. This digital offering has been added to the existing solutions for language learning and office skills development that have been in place since 2019.

bioMérieux is developing the use of digital tools to train its employees. A training platform enables each employee to consult the full range of bioMérieux's courses centrally, irrespective of the learning format (classroom-based, e-learning, blended learning, video, etc.). It is accelerating the digitalization of learning worldwide and responding to the new skill requirements of a wide audience such as adapting to new IT tools, new regulations or new working methods such as collaborative working. Moreover, bioMérieux encourages its employees to engage in self-learning so that they can train beyond their own business line.

In 2020, the total number of training hours amounted to 138,665, representing an average of more than 11 hours of training per employee (compared with 21 in 2019). The employee training completion rate in 2020 was 92%. The average number of training hours per employee and by geographic area is 5 hours in the Americas, 17 hours in Asia-Pacific, and 16 hours in EMEA.

3.6.3 Attracting and retaining talents

bioMérieux strives to retain its employees and attract new talents. As such, it must offer them the best and most attractive working conditions. In a constantly changing world, and in order to maintain an independent, people-focused business model, bioMérieux puts many measures in place to create a stable working environment that meets the needs of all its employees. In particular, bioMérieux aims to implement a global labor relations policy focusing on good social dialogue in support of ambitious economic performance with respect for local customs and legislation, attractive compensation and opportunities for internal mobility, whilst promoting diversity. Finally, bioMérieux is keen to establish close links with universities and educational institutions worldwide, in order to identify and attract young talent (see section 3.6.3.3).

3.6.3.1 Compensation

bioMérieux's policy provides for compensation in the form of a fixed and bonus salary and, emphasizes fringe benefits such as retirement, death and disability insurance and health insurance.

Compensation structure	Compensation (fixed and variable) is set in each country on the basis of local conditions, the Company's results and individual performance. A worldwide grading of positions makes it possible to compare levels of responsibility and set compensation on the basis of local benchmarks. In order to align staff with bioMérieux values and strategic priorities, Group employees receive variable compensation. Moreover, employees in France and the United States, as well as Global leaders and Talent Poolers, receive variable compensation weighted by indicators linked to the Company's economic performance, which are reported to the market. For example, bioMérieux SA employees receive both a basic compensation (base salary, seniority pay, various bonuses, and extra pay) and a variable compensation, which includes the provisions required by law and a performance-related bonus, unilaterally decided by the employer. The Company sends all French employees an individualized wage and benefits summary (Bilan Social Individuel).
Profit-sharing, incentives and employee savings	bioMérieux SA has a non-discretionary profit-sharing plan calculated on the basis of the legal formula. The profit-sharing plan, from which the bioMérieux SA employees have benefited since 2013, was renewed for the 2019-2021 financial years. This agreement includes an increase in the main profit-sharing plan. In 2020, an additional profit-sharing component of €275 gross was allocated to each employee equally at the end of the 2019 financial years. The Company wants to closely involve its employees in the fruits of its growth through these different systems and the employee savings plans available to them, particularly in France: an employee savings plan (Plan d'Epargne Entreprise, PEE), a Company retirement savings plan (Plan d'Epargne Retraite Collectif, PERCO) or future retirement savings plan (Plan d'Epargne Retraite, PER) and an employee shareholding plan. The Company encourages the saving of the collective variable compensation with this latter plan through a matching contribution. The Company retirement plan (PERCO) benefits from a matching contribution by the Company, which can amount to up to 1.5% of the employee's gross annual compensation. Discretionary profit sharing, including the Corporate social contribution (forfait social), amounted to €19 million in 2020 compared to some €20 million in 2019.
Employee share ownership	As a result of the Company's initial public offering, as well as the introduction of the employee savings plans and several employee share ownership plans for Group employees over the last few years, nearly one in two current employees are bioMérieux shareholders (see section 7.4.2). The MySHARE employee share ownership plan was rolled out to all of the Company's subsidiaries, unless locally prohibited, in 2019. It has met with great success. The Company decided to renew the operation in May 2021 as an employee motivation and retention tool. The objective is also to increase employee awareness of the Company's performance and results. This means that all employees with at least three months of service may join this plan in the form of a discount of 30% and a matching contribution for the first €750. They will be able to use their variable compensation as a source of payment.
Supplementary pensions	The Company pays special attention to preparing for its employees' retirement: Article 83 in France, 401K plan in the United States and similar mechanisms in other countries. This differentiating aspect is included in the overall compensation package presented to employees at recruitment and is instrumental in attracting talented people.
Free share grant	In order to retain key people within the Company, including Global Leaders as well as those identified during the Talent Pool process, bioMérieux has had a free share grant policy (see section 7.7) for a number of years.
Days off	Most of the subsidiaries worldwide have a policy of awarding more days off than the legal minimum, and reward their employees with additional days off related to seniority within the Company.
On-site catering	The Company offers staff canteens at most of its sites and subsidizes the price of meals in some countries. As such, over 75% of employees worldwide are able to have a balanced meal at work, thus preventing certain situations of food insecurity for its employees.

At December 31, 2020, total personnel costs (salaries and wages, payroll taxes, and discretionary and non-discretionary profit-sharing plans) amounted to €1,148 million compared to €1,014 million at December 31, 2019 (see section 6.1.2, Note 20).

3.6.3.2 Promotion and internal mobility

Internal mobility is considered one of the key factors in the success of the employment policy. The issue of skills and changes in jobs over the next three to five years is addressed by the Company at a number of levels. There are technological factors with the ever greater impact of digital technology, but also economic factors related to the changing customer base or competition.

With its global presence and diverse range of technology, the Company can offer its employees professional development and internal mobility opportunities. Furthermore, belonging to the Institut Mérieux Group offers options for mobility within the Institute and its subsidiaries.

bioMérieux's policy encourages internal promotion by offering the required support and training.

3.6.3.3 Attracting and retaining young people

bioMérieux is pursuing its commitment to recruiting young professionals. bioMérieux is a partner to universities and educational institutions in France and overseas, a situation that allows it to strengthen its cooperation with academic research. This initiative is aligned with the Company's human resources policy to attract the talent and scientific profiles bioMérieux will need to address ongoing changes in its occupations.

bioMérieux has had a partnership with EMLYON Business School since 2015. Through this agreement, bioMérieux became one of the first companies to join the Global Business Network of major international Corporate partners. Thus it is becoming the expert life sciences partner as part of the IDEA program (Innovation, Design, Entrepreneurship & Arts), a new pedagogical approach implemented by EMLYON to train the innovative entrepreneurs of the future. In the area of research, bioMérieux supports the development of work carried out within the Institut français de gouvernement des entreprises (IFGE), the EMLYON research center and social laboratory dedicated to Corporate Governance issues. The partnership also includes the possibility of training for bioMérieux employees to help them enhance their skills, notably in relation to the digital transformation.

bioMérieux is also a founding member of the *Fondation Université Grenoble Alpes*, established in 2014. This Foundation's aim is to support high-level research and training and promote equal opportunity, providing guidance through the transitions of the 21st century. In 2019, the Company renewed its partnership with the *Fondation UGA* for a further five years.

Since 2015, bioMérieux has also been involved with the *Université Grenoble Alpes*'s Master Excellence Health4Life Program, funding 31 grants in five years to enable the best students from this discipline to pursue their studies in an international environment. This Master's degree program from the School of Pharmacy at *Université Grenoble Alpes* combines multidisciplinary approaches, providing a unique interface among the disciplines of healthcare, computer engineering, and math. This partnership enables the Company to recruit young graduates of this program.

Through a sponsorship agreement with the INSA foundation in place since 2010, bioMérieux, a major and long-standing partner of INSA Lyon, has been committed since INSA Lyon's first development campaign. bioMérieux renewed its sponsorship support during 2020 for an additional five years. The Company is strengthening its position as a strategic partner of INSA Lyon as a member of the Founder's Circle. bioMérieux sits as a Qualified Personality on the Board of Directors of the INSA Lyon Foundation. During these ten years of partnership, bioMérieux has benefited from an extensive recognition program reserved for Founders, and its profile within the institution has been raised significantly as a result.

The aim of this partnership is to promote student development through a financial assistance program, to grow the bioscience and IT training departments and to support the initiatives and the running of the Fondation INSA Lyon, which supports a humanistic engineering training project. Every year, bioMérieux hosts interns from INSA, runs careers days at the school and takes part in its Company Forum.

Building on this partnership, the Company is now a Corporate Partner of the UNITECH program. This elite exchange program brings together eight European universities: INSA Lyon (France), Chalmers (Sweden), Trinity College (Dublin, Ireland), Aix-la-Chapelle University (Germany), ETH Zürich (Switzerland), Polytechnic University of Milan (Italy), Loughborough University (England), UPC Barcelona (Spain) and more than 20 Corporate partners. Through this program, the Company is involved in selecting the best engineering students and training them, with a strong focus on international collaboration and new technologies; offering the students study projects or internships; and recruiting candidates at every step of their program.

Long-term partnerships are also in place with *Ecole Supérieure de Biologie, Biochimie, Biotechnologies* (ESTBB), a school in the Catholic University of Lyon's scientific cluster. Nearly 180 bioMérieux employees are alumni, and the Company welcomes young people as interns or work-study students every year. Since 2008, a representative from bioMérieux has chaired the school's Development Council, a forum for discussion with heads of departments where the opinions of professionals are gathered to improve the content of the curricula in order to adapt them to the new skills required by businesses. In October 2017, bioMérieux renewed its commitment to the school by signing an agreement formalizing its partnership over the next three years.

International internship program

bioMérieux has also been involved in training people aged under 28 and, each year, offers willing candidates the opportunity to volunteer overseas for six to 24 months on an international internship program, *Volontariat International en Entreprise* (VIE).

3.6.3.4 Employee satisfaction surveys

In 2020, several surveys were conducted with employees in France to:

- assess their state of mind at the end of the first lockdown in view of the change in their working methods (partial or 100% remote working, or tightened on-site restrictions to comply with strict health rules and protect the health of each individual);
- gage their assessment of the management of the COVID-19 crisis by the dedicated units at each site, in order to learn from it and find ways to improve in future;
- assess their perception and preferences in terms of remote working;
- understand the specific needs of family caregivers in terms of work/life balance.

In the spirit of continuous improvement, an engagement survey was conducted with employees based in the United States, with a participation rate of 68%. The result was up 4% compared to the survey conducted in 2019, with an employee engagement rating of 80%, 7% higher than the average in the medical device sector.

3.6.3.5 #LifeAtbioMerieux

bioMérieux organizes initiatives and events that bring employees together and offers them innovative services. This approach contributes to employee well-being by helping to open up organizations and promote partnerships between teams. The table below sets out the highlights from the past few years.

Service desk	bioMérieux has opened a multi-service desk at its Craponne, Marcy l'Étoile, Campus de l'Etoile and La Balme sites, which together make up about 85% of its employees in France, enabling its employees to save time during their working day. Some 50% of them are enrolled. This desk is funded by the Company. Access to the service is free for each employee who pays their own orders on the basis of a preferential price list. The Grenoble site opened its multi-service desk in early 2021.
Local organic market	At certain sites, bioMérieux offers its employees access to a farmers market promoting organic, environmentally-friendly agriculture. bioMérieux is regularly expanding the range of available products.
Family Days	bioMérieux sites regularly organize events for employees and their families. In 2019, French sites played host to over 5,700 people (employees and their families) at open days organized by each site providing an introduction to the different jobs at bioMérieux through themed workshops chaired by employees on a voluntary basis.
Health and prevention	• Free flu vaccinations are offered to employees at the sites in France, the United States and Asia Pacific. • In France, employees and their families have access to a service desk providing medical services and teleconsultation. Services include access to a physician 24 hours a day, seven days a week;
Community action by employees	*Entreprise des Possibles*: the Company is working alongside other companies in Lyon to offer assistance to the homeless and vulnerable populations. (see section 3.7.3.1). Other initiatives by each of the Company's subsidiaries are implemented locally each year.

3.6.3.6 Indicators

The indicators below show the extent to which the Company's human resources policies affect its ability to attract and retain its employees.

NUMBER OF EMPLOYEES WHO WERE PROMOTED DURING THE YEAR

	2020		2019		2018	
Geographic areas	Number of promotions	% of workforce	Number of promotions	% of workforce	Number of promotions	% of workforce
France	412	11.3%	314	8.0%	303	7.8%
Europe	71	5.0%	87	2.1%	26	1.9%
Americas	365	6.4%	382	7.5%	307	6.7%
Asia Pacific	57	6.7%	65	6.0%	33	2.9%
TOTAL	**905**	**7.8%**	**848**	**7.3%**	**669**	**6.0%**

The percentage is calculated on the total number of employees, excluding temps and defined duration contracts.

OVERALL VOLUNTARY TURNOVER RATE

New hires = 1,957	Departures = 1,227		O/w permanent contracts	O/w 3 years' service for permanent contracts
Permanent contract	1,695 Voluntary	935	882	485
Fixed-term contract	262 Involuntary	292	187	105

In 2020, the voluntary turnover rate for employees on permanent contracts was 7% and 4% for employees with less than three years of service (compared with 7.9% and 4.3%, respectively, in 2019).

ABSENTEEISM RATE

	2020			2019		
Absenteeism: Value/theoretical working days	No. of days absent	Theoretical No. of days	%	No. of days absent	Theoretical No. of days	%
Americas[(a)]	22,690	1,204,013	1.9%	56,511	1,103,776	5.1%
ASPAC[(b)]	1,639	236,340	0.7%	1,196	218,987	0.6%
China	695	84,579	0.8%	15	77,751	0.0%
Europe[(c)]	64,553	1,119,842	5.8%	56,995	1,050,682	5.4%
France	57,311	827,018	6.9%	49,758	778,825	6.4%

(a) Argentina, Brazil, Canada, Chile, Colombia, United States.
(b) Australia, China, South Korea, India, Japan, and Singapore.
(c) Germany, Belgium, Spain, France, Italy, Poland, United Kingdom, Russia and Turkey.

3.6.4 Diversity and inclusion

bioMérieux has implemented a policy to raise awareness of diversity among its employees and managers, which is considered an economic performance driver. This diversity policy includes actions that take account of the specific local characteristics of the various countries in which the Company operates and implements human resources processes to measure changes in this area.

3.6.4.1 Promoting gender equality

bioMérieux's policy is based on "Gender Equality Agreements" that are renegotiated every three years. Through these measures have been introduced with the objective of ensuring equal pay and working conditions. bioMérieux has defined a policy for the Board of Directors and management bodies as described in section 4.2.6.3.

A new agreement on gender equality was signed in January 2021, described in section 3.6.1. It builds on previous work set out in the previous agreement signed in 2017 and focuses on the introduction of tools to monitor performance indicators reviewed by an *Ad Hoc* committee. It focuses on training all internal parties to prevent sexist comments and behavior, with a gender equality training module for managers. Finally, this agreement includes specific provisions for employees undergoing fertility treatment. The Company has a non-discrimination policy whereby only the relevant skills are taken into account when assessing an internal or external application for a management position.

The Women Ready for Leadership Diversity (WoRLD) network, open to all bioMérieux women and men employees throughout the world, has been working since 2013 to promote greater gender balance in management positions along with actions carried out by the Human Resources Department. In France, in 2020, bioMérieux continued its partnership with the Alliance pour la Mixité en Entreprise (AME) (gender balance alliance), an association that includes the networks of some fifteen companies in the Auvergne-Rhône-Alpes region, enabling bioMérieux employees to attend inter-company events focused on issues of gender equality in business. The current health crisis has made it impossible to organize events in 2020.

Gender equality index: 93/100

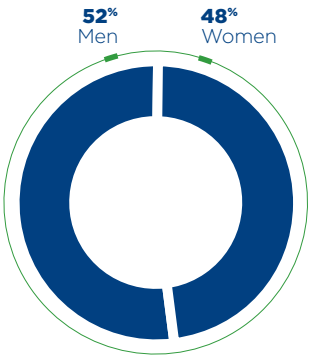
Since March 2019, French businesses have been required to publish their gender equality index so as to promote equal pay. This index is shared with their Social and Economic Committee and the Labor Inspectorate, and must be reported on the Company's website. Businesses with a score under 75 must implement corrective measures to achieve this score within a three-year period.

This index is based on the following 5 indicators:

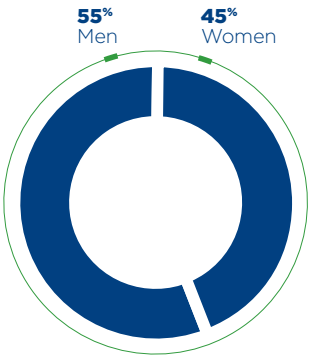
- the gender pay gap;
- the pay increase gap;
- the promotion gap (only in companies with over 250 employees);
- the number of employees receiving a pay increase on their return from maternity leave;
- and parity in the 10 highest pay bands.

The index was published on the Company's website in March 2021. It was 88/100 in March 2020.

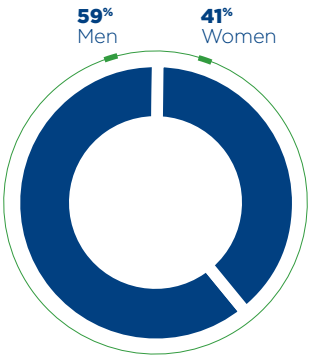
GENDER BREAKDOWN OF MANAGER AND TEAM MANAGER HEADCOUNTS



TOTAL HEADCOUNT



EXECUTIVE HEADCOUNT



MANAGER HEADCOUNT

In France, 45% of managers are women

RATE OF INTERNAL PROMOTION (WOMEN/MEN)

	2020			2019		
Geographic areas	Number of Women promoted	% of Women promoted	Total number of promotions	Number of Women promoted	% of Women promoted	Total number of promotions
France	236	57%	412	188	60%	314
Europe	35	49%	71	54	62%	87
Americas	170	47%	365	148	39%	382
Asia Pacific	19	33%	57	27	42%	65
TOTAL	**460**	**51%**	**905**	**417**	**49%**	**848**

3.6.4.2 Promoting the employment and integration of employees with disabilities

A Company-level agreement covering all French sites is signed every four years and was renewed in 2017. This agreement contains a direct employment commitment, all types of contracts combined, and a budget to implement the agreement, divided between the various categories according to the actions arising from its implementation.

Through this voluntary contribution in particular, the Company funds, to the tune of €257,000, a policy to hire, integrate and train people with disabilities and wishes to raise awareness among, and offer training to the stakeholders involved in, accommodating these people. It also helps keep people in their jobs by making workplace adaptations (around 65% of the budget).

As part of its initiatives developed over many years to support persons with disabilities, "Handibio" days are organized in France. The aim is to raise awareness of disability among employees. In 2020, these awareness-raising days could not be held because of the restrictions imposed by the health crisis.

As part of the Disability agreement and Corporate Social Responsibility, bioMérieux renews the #HandiBioRecrutement program each year. The aim of this program is to promote the recruitment of people with disabilities through two actions: on the one hand, raising awareness among managers of #HandiBioRecrutement to prepare them for interviewing people with disabilities; on the other hand, an annual recruit ment day with the support of local partners such as *Cap' Emploi, Groupements d'Employeurs Travailleurs Handicapés* (GETH) (Associations of Young Workers with Disabilities), and the region's schools. This day resulted in a pool of candidates as well as offers of jobs, work-study placements, and internships. Close contacts were made with various schools to recruit young people with disabilities. This day was not held in 2020 due to the restrictions imposed by the health crisis.

In 2020, bioMérieux participated in European Disability Employment Week (EDEW). A virtual quiz was prepared and sent to all employees in France. For each response to the quiz, €1.50 was paid to the *Mille et Un Sourires* association. Following the participation of 1,159 people, €1,738.50 was donated to this association, which supports families and children affected by illness and disability.

Every quarter, French employees receive a disability newsletter, entitled "*bioMérieux, tous Han'gagés.*" It focuses on an initiative, an employee, a department or an association linked to disabilities.

Thus bioMérieux's policy in France, and all the awareness initiatives, are helping to increase the proportion of employees with disabilities, as stated in the mandatory employment of disabled persons declaration (*Déclaration obligatoire d'emploi des travailleurs handicapés* – DOETH). In 2019, the gross percentage of employees[(1)] with disabilities stood at 6.07%. This employment rate is constantly rising and has enabled the Group to exceed the legal minimum of 6% required in France. The employment rate for 2020, which is also expected to show an increase, cannot be disclosed at the date of this document (see table footnote below).

As part of its CSR, bioMérieux is also working with businesses in the sector to enable people with disabilities to gain employment in an adapted environment.

(1) The gross percentage of employees is a regulatory indicator that receives supplements based on the percentage of employees with disabilities.

BREAKDOWN OF EMPLOYEES WITH DISABILITIES

Geographic areas	% employees with disabilities/2020 headcount	% employees with disabilities/2019 headcount
France	N/A[(a)]	4.8%
Europe (excl. France)	0.85%	1.2%
Americas	3.62%	2.1%
Asia Pacific	0.00%	0.0%

(a) The employment rate for 2020, which is also expected to show an increase, cannot be disclosed at the date of this document. Article 3 of Decree no. 2020-1350 of November 5, 2020, stipulates that for 2020, the employer must declare its obligation to employ workers with disabilities (DOETH) at the time of its of wages declaration in May 2021. The 2020 rate will be published in the 2021 Universal Registration Document.

3.7 HAVING A POSITIVE IMPACT ON COMMUNITIES THROUGH LONG-TERM PARTNERSHIPS

3.7.1 Sustainable and responsible purchasing

The Company is committed to a long-term approach to managing relationships with its partners. To that end, bioMérieux involves its suppliers in its continuous improvement process and its sustainable growth strategy based on environmental protection, social progress and fundamental human rights.

bioMérieux's commitments and requirements with respect to its suppliers are described in the Responsible Procurement Charter between bioMérieux and its suppliers. This charter, which is under review, highlights the crucial aspects of the Company's approach to responsible purchasing. It is published on the Company's website (*www.biomerieux.com*).

Every year, bioMérieux provides training to develop the skills of the purchasing department in the area of responsible purchasing. Like all bioMérieux employees, this department receives training on the Code of Conduct and the Corruption Prevention Manual (see section 3.5.3.1). A new responsible purchasing procedure is being prepared. It will be part of the training provided to purchasing department employees.

bioMérieux includes clauses related to ethics and compliance obligations, as well as those specific to healthcare professionals, in all contracts. The Charter for Responsible Purchasing is also included in the contracts, as are the principles set out in the document "Business Principles for Third Parties." Both documents are also available on the website (*https://www.biomerieux.com/en/sustainable-and-socially-inclusive-purchasing and https://www.biomerieux.com/en/global-code-conduct*).

In terms of responsible purchasing, bioMérieux has stepped up evaluation of its suppliers by incorporating CSR criteria connected with their activities in the selection process and monitoring the CSR performance of strategic suppliers annually.

In particular:

- bioMérieux has used a service provider to enhance its procedures for monitoring its French suppliers with respect to its obligations under undeclared work regulations;
- bioMérieux uses raw materials of animal origin for some of its products (for example sheep's blood and horse's blood). This use is compliant with the document on business practices applicable to third parties. It sets high standards of ethics and integrity for the Company's commercial partners;
- Insofar as possible, bioMérieux strives not to use raw materials or components containing minerals that are known to prolong conflict (mineral conflicts).

The Supplier Performance Management (SPM) project rolled out a pilot program in 2020, and will be gradually implemented over the 2021–2022 period. This tool will improve supplier performance management, particularly with regard to CSR criteria.

bioMérieux aims to set up an e-learning program for its suppliers by 2022 to support them in developing their CSR approach.

At the end of 2020, the Company conducted a materiality analysis covering all aspects of CSR with various stakeholders (see section 3.2.2), including suppliers, as well as a risk mapping. These analyses will feed into the Responsible Procurement roadmap over the next three to five years.

In 2018, bioMérieux launched a process to assess the CSR record of its suppliers with the help of a rating agency (EcoVadis). In 2020, 202 mainly strategic suppliers were rated by EcoVadis, representing over 34% of spending on purchases.

The minimum expected score of 45 out of 100 was exceeded by 154 suppliers. Action plans were requested from 64 suppliers, 30 of whom had not achieved this minimum rating.

The average score of bioMérieux suppliers was 56.4 (+0.3 pts from 2019), while the average for EcoVadis was 42.9 (+0.5 pts from 2019).

This CSR approach forms part of the general policy of the purchasing department, a key function within bioMérieux, particularly due to its industrial activity. The associated risks are described in Chapter 2 "Risk Factors" (see section 2.2.2.2).

In order to optimize its purchasing policy for raw materials and product components, the Group has set up a global system that encourages:

- early involvement of the purchasing department in the product development phase;
- globalization of initiatives and volumes;
- increased responsiveness.

bioMérieux also looks to diversify its supplier base in order to foster both security and competitiveness. Producing certain raw materials in house and entering into partnerships with various suppliers have resulted in both technical and economic benefits.

Securing critical supplies may also take the form of supply agreements, buffer stocks, or the assumption by the Company of liability for the regulatory compliance of certain specific components manufactured by a supplier.

3.7.2 Distributor management

For more than 40 years, bioMérieux has placed the careful selection of its network of distributors at the heart of its expansion in order to achieve its mission to combat infectious diseases throughout the world, to make a positive contribution to patient care and consumer safety.

Access to diagnostic solutions plays a key role in the creation of effective and sustainable health policies. bioMérieux has therefore decided to strengthen the organizational management of its distributors. It has deployed global, regional and local teams dedicated to implementing best operational practices at its partners.

These best practices are set out in an internal Distributor Management Procedure. An ambitious quality audit plan has been put in place. It aims to increase by more than threefold, between 2019 and 2021, the number of events held with our distributors in order to support them in the continuous improvement of their quality systems. This approach concerns all of bioMérieux's clinical and industrial activities.

Distributor performance is regularly monitored using indicators covering the following areas: compliance with the Code of Conduct, product transportation rules, maintenance of the installed base, and user training. These indicators are part of an assessment matrix known as the maturity grid. The analysis of these indicators makes it possible to create action plans, where necessary; these are reviewed regularly. Such monitoring, carried out by the local teams, aims to develop the expertise of distributors and jointly build strategic and commercial initiatives to increase the satisfaction of healthcare professionals and manufacturers. For example, the deployment of new IT interfaces in many countries is automating procurement for the Company's partners.

72% of distributors were evaluated on their performance and skills.

3.7.3 Sharing of values

bioMérieux's commitment to public health, and its expertise in biology, is rooted in the unique history of the Mérieux family. The Company helps to maintain a humanistic and responsible spirit. It has the will to contribute to the improvement of public health, particularly with local communities.

bioMérieux is therefore committed through sponsorship activities, particularly with the Fondation Mérieux and the Fondation Christophe et Rodolphe Mérieux, and with local and scientific communities.

3.7.3.1 Sponsorship

Against the backdrop of the health crisis, the commercial performance of bioMérieux in 2020 was exceptional. The Company therefore wished to share the results of its growth.

Exceptional sponsorship related to the COVID-19 pandemic

To meet the unprecedented solidarity and responsibility issues imposed by the situation, in 2020, the Board of Directors decided on an exceptional basis to cut the 2019 dividend by half. The difference, *i.e.,* approximately €22 million, is intended for charitable initiatives in the countries where it operates.

bioMérieux, true to its societal commitments, has decided to allocate this sum as follows:

- €12 million allocated to the Fondation Mérieux in addition to the usual allocations made by bioMérieux, as the Foundation has redirected some of its programs to combat COVID-19;
- €2 million allocated to the Entreprise des Possibles to provide aid to the homeless and the most deprived in Lyon and the Lyon area;
- €8 million allocated to 60 projects selected around the world through the participation of regional bioMérieux teams. The projects submitted targeted five issues: dropping out of school and child protection, social isolation of people who are ill, elderly, disabled or frail, solidarity and mutual help, economic recovery and professional integration, domestic violence and sexual abuse. bioMérieux SA thus paid €1.9 million in sponsorship contributions, BioFire Diagnostics (€1.7 million), bioMérieux Inc (€1.6 million) and other subsidiaries (€3 million).

bioMérieux Endowment Fund

In December 2020, the Company created the bioMérieux Endowment Fund. Its purpose is to support general-interest humanitarian, social, health and educational activities, both in France and abroad, to help the most disadvantaged groups. As founder, bioMérieux made an initial endowment of €20 million.

During 2021, the actions of this Endowment Fund will be precisely defined.

Direct donation program

In parallel with the support for the Fondation Mérieux and the Fondation Christophe et Rodolphe Mérieux, bioMérieux is also developing a direct donation program for healthcare structures in countries with limited resources. With a long history in these countries, bioMérieux teams participate in research programs and actions on the ground to provide an appropriate response to the risk of infection.

Sponsorship, mentoring and donations led by bioMérieux SA

Pursuant to Law No. 2003-09 of August 1, 2003, the Company's Board of Directors decided to contribute a portion of revenues to sponsorship activities every year.

The table below shows the funds contributed to Corporate sponsorships and other donations:

Contributions, donations and sponsorships *(in thousands of euros)*	2020	2019	2018
Contributions	43,207	4,034	3,654
Of which bioMérieux Endowment Fund	*20,000*		
Of which Fondation Mérieux on an exceptional basis	*12,000*		
Of which other sponsorship on an exceptional basis	3,870		
to the Fondation Christophe et Rodolphe Mérieux	*2,000*	*2,000*	*2,000*
to the Fondation Mérieux	*883*	*409*	*350*
Sponsorships and other donations	337	326	854
TOTAL	**43,544**	**4,360**	**4,507**
As ‰ of sales	*33.5*	*3.5*	*3.8*

Sponsorship and other engagements with local communities

bioMérieux is involved in local life around its sites and subsidiaries. This regional solidarity is achieved through engaging with local communities and participating in social and cultural initiatives, in partnership with local associations and NGOs.

Equal opportunities

bioMérieux implements a policy promoting the employment of troubled youth and equal opportunity through partnerships with associations.

Since 2007, bioMérieux has been one of the main partners of the *Sport dans la Ville* Association in France, whose purpose is to promote the social and professional integration of young people from underprivileged neighborhoods through sport. In recent years, the Company has notably helped to support the development of the Apprenti'Bus program – vehicles set up for mobile educational assistance to young people to support them in learning written and spoken communication. It also participated in the construction of a dedicated digital technology space on the Association's Lyon campus. This space, covering more than 130 m^2, is an innovative workspace for young people in the Job dans la Ville program, and familiarizes them with digital technologies.

Lastly, in 2020, bioMérieux provided exceptional support for the digital development of Sport in the City, so as to help a greater number of young people affected by the COVID-19 crisis.

In 2014, bioMérieux launched a partnership with the Institut Télémaque whose mission is to support social mobility by sponsoring deserving secondary pupils from modest backgrounds who are eager to succeed in school.

In 2020, the Company committed to three years' funding for some of its employees to support 20 young people from modest backgrounds selected by the Institut Télémaque.

Help for the most vulnerable

In 2019, Alain Mérieux officially launched the *Entreprise des Possibles*, a societal initiative aimed at mobilizing companies in the Lyon metropolitan area and their employees to offer assistance to the homeless and vulnerable. bioMérieux, alongside other companies, is involved as a founding member of the collective. bioMérieux employees were given incentives to take part by donating paid leave days or doing volunteer work. bioMérieux's donation of €100,000 in 2019 made a significant contribution toward setting up a mobile village in the 7th arrondissement of Lyon during 2020.

In 2020, bioMérieux employees contributed 462 days of paid leave. With 100% matching from bioMérieux, this donation resulted in a payment of €250,000. In addition, some 15 employees carried out volunteer assignments.

bioMérieux supports the activities of Bioforce, a humanitarian association in Lyon created in 1983 at the instigation of Dr. Charles Mérieux, who saw there could be no solidarity initiative without logistical organization.

Bioforce aims to give humanitarians the power to act by providing training, support and structuring solutions to bring vulnerable people efficient, high-quality aid. Bioforce enables the individuals, organizations and institutions that respond to needs arising from humanitarian crises to acquire, develop and maintain the skills necessary to perform their tasks. It strives to make skills development tools available and accessible to everyone around the world.

Cultural sponsorship

bioMérieux supports cultural initiatives within the local communities where it is located. The Company supports the Museum of Grenoble and the Musée des Beaux-Arts in Lyon, thus securing the acquisition of paintings of considerable historical importance. Accordingly, in 2019, bioMérieux helped to fund the acquisition of a Henri Matisse painting, "Katia en robe jaune", for the Musée des Beaux-Arts in Lyon.

For many years, bioMérieux has also supported diverse cultural events, including the Chaise Dieu music festival (Haute-Loire – France), a partnership of over 30 years, the Baroque Music Festival of Lyon (Rhône – France), and the Lumière Cinema Festival held in Lyon (France) every year by the Institut Lumière.

3.7.3.2 Sharing values with the foundations

bioMérieux contributes to the Group's Corporate Social Responsibility by sharing the value created with two foundations in particular: Fondation Christophe et Rodolphe Mérieux and Fondation Mérieux. These independent family foundations fight against infectious diseases that affect developing countries by increasing their diagnostic capacities. In addition to strengthening local capabilities in biology, they also act to protect the most vulnerable individuals, especially mothers and their children.

FONDATION
CHRISTOPHE ET RODOLPHE MÉRIEUX

Established by Chantal and Alain Mérieux in 2001, the Fondation Christophe et Rodolphe Mérieux is an independent family-run foundation under the aegis of the Institut de France. Since 2005 it has been the reference shareholder of Institut Mérieux, holding one third of its shares. The purpose of the Fondation Christophe et Rodolphe Mérieux is to support public health-applied biological research in developing countries, and more specifically aid in the fight against infectious diseases, and contribute to scientific and educational projects.

bioMérieux distributes dividends to Institut Mérieux. Some of these dividends are paid indirectly to the Fondation Christophe et Rodolphe Mérieux, which is the only ultimate shareholder to benefit from them. This funds the Foundation's activities.

In an effort to support high-level research in emerging countries, it launched the Dr Christophe Mérieux Prize of €500,000. Awarded each year, the aim of this prize is to sponsor researchers studying specific diseases in developing countries.

In order to dedicate most of its resources to financing its projects, the Fondation Christophe et Rodolphe Mérieux relies on the staff of the Fondation Mérieux, entrusting to them its operational activities on the ground, in particular the construction and operation of the Rodolphe Mérieux Laboratories.

FONDATION
MÉRIEUX

Since its founding in 1967 by Dr Charles Mérieux, the Fondation Mérieux, an independent family foundation recognized as being of public interest since 1976, has been fighting against infectious diseases in developing countries.

Its objective is to strengthen laboratory diagnostic capabilities, which are often lacking in many countries suffering from repeated epidemics. Its actions favor diagnosis as an essential part of patient care, and also as an essential tool for monitoring and controlling diseases.

Fondation Mérieux's activities are based on four priorities:

- improving access to diagnosis for vulnerable groups by improving microbiology laboratory capacity in national healthcare systems;
- building up local applied research capacity by training researchers, developing collaborative programs and creating Rodolphe Mérieux Laboratories, handed over to local players;
- developing knowledge sharing and public health initiatives together with the Centre des Pensières;
- taking action for the mother and child through a holistic approach to health.

In 2020, for example, the accomplishments of the Foundations are the following:

Combating COVID-19

Historically closely involved with local players in combating the fight against infectious diseases, the Fondation Mérieux was mobilized from the first warning signs of the COVID-19 epidemic to provide appropriate assistance for the developing countries with which it works. The Foundation has made the fight against COVID-19 a priority, by the mass distribution of diagnostic tests, by conducting a study in hospitals, launching or expanding projects and supporting local health authorities.

In order to develop these actions and with the aim of strengthening its presence in the most affected countries, the Fondation Mérieux has benefited from an exceptional payment derived from bioMérieux dividends. This exceptional payment has helped to define and implement four project families:

- construction and renovation of infrastructure;
- provision of additional equipment for Rodolphe Mérieux Laboratories and other partner laboratories on the ground;
- training development/sharing of knowledge;
- launch of research activities around COVID-19.

Other major projects

- Start of the third phase of RESAOLAB (West African Network of Biomedical Analysis Laboratories), an historical project for the Foundation launched in 2009, with additional funding to support the fight against COVID-19 in the seven countries of the Network.
- Launch of the SEALAB project in South-East Asia, in 2020. This aims to strengthen the healthcare systems in Cambodia, Laos and Myanmar in order to respond effectively to emerging infectious diseases with pandemic or zoonotic potential.

- In October, the APRECIT project was launched, dedicated to evaluating strategies to improve the screening and the overall management of latent tuberculosis infection in Cameroon and Madagascar.
- In Madagascar, implementation of the EVEMAD project in December. This aims to improve the treatment of people living with HIV in Madagascar by gradually expanding access to HIV virus loads.

The Foundation has also been involved in projects to combat antimicrobial resistance (AMR) supported by the Fleming Fund, in Asia and Africa.

For several years now, an activity has developed in Madagascar devising learning kits for children and, through them, their communities. It consists of designing educational tools and distributing them in the country's schools, through the Malagasy Ministry of Education and a number of partner NGOs. Four learning kits have now been produced and distributed on the following topics: WASH/hygiene, malnutrition, infectious diseases and sex education.

Rodolphe Mérieux Laboratories

Most of the Rodolphe Mérieux Laboratories played a key role in the diagnosis of COVID-19, particularly the Rodolphe Mérieux Laboratory in Rio Branco (Brazil) and the Rodolphe Mérieux Laboratory in Beirut (Lebanon).

At the end of 2019, Fondation Mérieux experts trained and supported technicians from the Goma laboratory (Democratic Republic of Congo) for the implementation of container laboratories. In the second half of 2020, approximately 7,000 COVID-19 tests were therefore conducted at these laboratories.

The Rodolphe Mérieux Laboratory in Bamako (Mali) has received NM ISO 15189:2012 accreditation and has been identified as a reference laboratory for the diagnosis of COVID-19.

3.7.3.3 Commitment to local scientific communities

BIOASTER, the Université de Technologie de Compiègne (UTC), the Hospices Civils de Lyon (HCL) and bioMérieux have formalized a strategic collaboration to evaluate the ability of third-generation sequencing technology to become a new tool for diagnosing bacteremia, to quickly identify bacteria and predict genetic resistance (see section 1.5.1.3).

Joint research laboratories

France

Since 2002, bioMérieux and the Hospices Civils de Lyon (HCL) have been working together in two joint research laboratories at the Lyon-Sud and Edouard-Herriot hospitals.

These two laboratories will be brought together at a single location in the coming years. In 2019, a joint roadmap for both laboratories was approved, focusing on three areas of research: the diagnosis of severe bacterial infections in children who arrive in the emergency department or are hospitalized in neonatology, the study of organ failure, particularly kidney failure, and the validation of innovative tests to characterize the immune status of intensive care patients.

This special collaboration between bioMérieux and the HCL enabled them to react together very quickly to the COVID-19 health crisis. Clinical studies monitoring healthcare staff and intensive care patients infected by the SARS-CoV-2 virus were very quickly put in place to better understand the physiopathology of the infection and the immune response to this disease (see section 1.5.1.3).

In 2020, the COVID AURA project was launched, bringing together BIOASTER, bioMérieux, the HCL, Université Claude Bernard Lyon 1, Boehringer Ingelheim, Sanofi Pasteur and Lyon BioPôle. Its objective is to create a shared platform aimed at accelerating the development of second generation solutions for the diagnosis, prognosis, prevention and treatment of SARS-CoV-2 infections by drawing upon an understanding of the host's response mechanisms to combat current and future epidemics. This project will allow bioMérieux to identify new biomarkers in the treatment of seriously ill COVID patients in intensive care, in line with the work carried out on sepsis for many years within the joint research laboratory with the HCL.

In China

At the beginning of 2019, a new joint research laboratory was created with the Shanghai Children Medical Center (see section 1.5.1.3).

3.8 SCOPE AND REPORTING OF NON-FINANCIAL INDICATORS

3.8.1 Calculation scope of quantified indicators

The scope corresponds to the bioMérieux Group, with the exception of Hybiome, across the human resources scope.

3.8.2 Data collection and consolidation

Health and Safety data are collected on a monthly basis, and environmental data on a quarterly basis, from HSE representatives in the Company's entities. Data are consolidated by the Group HSE team.

With regard to occupational Health and Safety, all consolidated data comply with regulations for recording occupational accidents and diseases for each country in question.

This *report* covers all Group entities.

Human resources data is collected at year end through the information system used by all Group entities, except for absenteeism data, which are consolidated on the basis of information managed locally.

Environmental data is collected by quarterly campaigns managed by a dedicated computing system. In 2019 and 2020, these campaigns were rolled out to:

- all the production or research and development entities;
- The commercial subsidiaries of the following countries: United States, Brazil, Spain, Italy, France, China and Australia, these large subsidiaries benefit from dedicated personnel qualified in health, safety and environmental matters.

The other commercial subsidiaries, however, were subject to the same environmental data collection campaigns from 2014 to 2018, and it has been established that their contribution to the environmental footprint of the company was limited to:

- 3.5% in waste production;
- 2.5% in energy consumption;
- 1.6% in water consumption.

For the year 2020, the decision was made to consolidate these entities in the consolidation scope by reporting the same data as those collected in 2018, for the following reasons:

- these commercial subsidiaries often employ few employees, and have stable activity;
- they do not have any dedicated HSE staff, and the Group prefers to prioritize the first Health & Safety program specific to the commercial activities launched in 2019 (in particular, road safety and biosafety).

bioMérieux will deploy a new collection campaign across all entities on a regular basis so as to fully reassess their contribution; the next of these is already scheduled for 2021.

3.8.3 Definition and method of calculating the indicators

Human resources

- Employees on the payroll, new hires, and departures: permanent and temporary employees (excluding interns, international volunteers (VIE), and agency staff).
- Training: all training hours recorded and delivered in the training management system used by all Group entities, whether *via* e-learning or classroom-based.
- Promotions: for an employee still employed by the Company at December 31 of year N, identification of career changes involving a change in level together with related reason, compared to December 31 of year N-1.
- Absenteeism: number of days' absence (excluding maternity leave, paternity leave and leave related to length of service) divided by the theoretical number of working days (excluding weekends, public holidays, paid vacation, and workweek reduction time) and multiplied by the average annual FTEs. Only entities with more than 50 FTEs are considered.

Health and Safety

- Number of lost-time occupational accidents: number of accidents occurring in the workplace and resulting in more than one day's lost time (the day on which the accident occurs is not counted as lost time). The number of accidents includes those involving both permanent and temporary employees.
- Accidents are categorized as follows: lost-time occupational accident, occupational accident without lost time, and non-reportable accident. The last category was created in 2017 to better standardize the way accidents are recorded across different countries, and includes accidents that bioMérieux considers it has no means of preventing (*e.g.,* injury during team activity off work premises or during personal activities carried out on work premises, sickness unrelated to work, food poisoning, etc.).

- Number of days lost: number of days lost following a lost-time occupational accident that occurred during the year. The day of the accident's occurrence is not counted as lost time. The extension to work stoppage days is counted in the month and the year the accident occurred.
- Frequency rate of lost-time occupational accidents: number of lost-time occupational accidents per million hours worked.
- Frequency of total reportable occupational accidents: number of occupational accidents with or without lost time per million hours worked.
- Severity rate: number of days off work per thousand hours worked.
- Number of occupational diseases: an occupational disease is the result of exposure, of any duration, to a risk existing in the normal practice of the occupation.

Environment

Data for previous years may be modified following adjustments.

Water-related indicators:

- total water consumption (thousand m^3). The quantities of water taken from the natural environment (*e.g.,* groundwater) and re-introduced into this environment under conditions that do not damage this environment are not included in the total water consumption;
- the performance indicator monitored is the total water consumption of the Company's entities in cubic meters in relation to the Company's sales (in m^3 per €million);
- discharge of industrial effluents (thousand m^3).

Indicators relating to energy:

- total energy consumption (GWh);
- consumption of energy from renewable sources (GWh);
- the performance indicator monitored is the total energy consumption (from all energy sources) of the Company's various entities in relation to the Company's sales (in MWh per €million).

Waste-related indicators:

- total quantity of waste produced (metric tons): one-off waste such as inert waste, construction/demolition waste, and waste from contaminated soil is excluded from the scope. Goods/materials that have become redundant and that are reused outside the Company without reprocessing are no longer considered in this total;
- hazardous waste: total amount of hazardous waste produced (metric tons). Hazardous waste is waste with one or more properties that poses a threat to human health or the environment, and requires special processing. This category includes chemical waste, infectious waste, or waste electrical and electronic equipment;
- recovery of materials or energy: the performance indicator monitored is the ratio, expressed as a percentage, of the total weight of waste composted, recycled, reused or incinerated with energy recovery to the total weight of waste (goods/materials that have become redundant and that are reused outside the Company without reprocessing are included).

Indicators relating to greenhouse gas emissions:

- greenhouse gas emissions are assessed using GreenHouse Gas Protocol and Bilan Carbone® methodologies.

The following indicators are assessed:

SCOPE	TYPE	INPUT DATA	EMISSION FACTORS
Scope 1	Direct emissions from fixed combustion sources	Fossil fuel consumption collected *via* environmental reporting	GHG Protocol
	Direct emissions from mobile sources equipped with a thermal combustion engine	CO_2 data collected from our suppliers	N/A
	Fugitive direct emissions	Cooling gas emissions after accidental leak. These data are collected *via* environmental reporting	IPCC 2016, *others*
Scope 2	Indirect emissions related to electricity consumption	Electricity consumption collected *via* environmental reporting	ADEME
	Indirect emissions related to the use of steam, heat or cooling	Heated water consumption collected *via* environmental reporting	ADEME
Scope 3	Commuting	Calculation of average distances by site	ADEME
	Business travel	CO_2 data collected from our suppliers	N/A
	Car rentals	CO_2 data collected from our suppliers	N/A
	Global freight	CO_2 data collected from our suppliers	N/A
	Local freight	CO_2 or mass x distance result collected from our suppliers depending on the transport type (air, road, sea)	Air: GHG Protocol Road: ADEME Sea: GHG Protocol
	Product use	Annual energy consumption of installed equipment, by country	ADEME
	End of product life		

Uncertainties are calculated as follows:

- uncertainty on input data: assessment based on experience and practice;
- uncertainty on the emission factor: take the value provided for the protocol used on the factor.

3.9 REPORT BY THE INDEPENDENT THIRD PARTY ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL PERFORMANCE

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General Meeting,

In our capacity as an independent third party certified by COFRAC under number 3-1681 (scope of accreditation available at *www.cofrac.fr*) and member of the network of one of the Statutory Auditors of your Company (hereinafter the "entity"), we hereby report to you on the consolidated statement of non-financial performance (hereinafter the "Statement") for the financial year ended December 31, 2020, as presented in the Management Report in accordance with the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de Commerce).

Responsibility of the entity

The Board of Directors is responsible for preparing a Statement that complies with the legal and regulatory provisions, including presenting a business model, describing the principal non-financial risks, presenting the policies applied in response to the risks and the results of these policies, including key performance indicators.

The Statement was prepared by applying the entity's procedures (hereinafter the "Guidelines"), whose main features are presented in the Statement (or available on request at the Company's registered office).

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics governing the audit profession. We have also implemented a quality control system comprising documented policies and procedures to ensure compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

Responsibility of the independent third party

On the basis of our work, it is our responsibility to provide a duly reasoned opinion expressing limited assurance on:

- the compliance of the Statement with the provisions set out in Article R. 225-105 of the French Commercial Code;
- the accuracy of the information provided pursuant to the third paragraph of part I and part II of Article R. 225-105 of the French Commercial Code, namely, the results of policies, including key performance indicators and actions, in relation to the principal risks, hereinafter the "Information."

It is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular, on the vigilance plan and the fight against corruption and tax evasion, nor on the compliance of the products and services with applicable regulations.

Nature and scope of our work

Our work, described hereinafter, was carried out in compliance with the requirements of Articles A. 225-1 et seq. of the French Commercial Code, with the professional standards of statutory auditors applicable in France relating to this intervention and international standard ISAE 3000:[(1)]

- we reviewed all of the entities included in the scope of consolidation and the presentation of the principal risks; we assessed the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, taking good industry practice into account when necessary;
- we ensured that the Statement covers each category of information stipulated in part III of Article L. 225-102-1 of the French Commercial Code on social and environmental matters as well as the information stipulated in the second paragraph of Article L. 22-10-36 regarding respect for human rights and combating corruption and tax evasion;
- we verified that the Statement presents the information stipulated in section II of Article R. 225-105 of the French Commercial Code when relevant with regard to the principal risks and includes, where applicable, an explanation of the reasons justifying the absence of the information required by the second paragraph of part III of Article L. 225--102--1 of the French Commercial Code; we ensured that the Statement presents the business model and a description of the principal risks related to the activity of the entity of all entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, policies, actions and results, including key performance indicators relating to the principal risks;

(1) *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*

- we consulted with the documentary sources and conducted interviews in order to:
  - assess the process of selection and approval of the main risks as well as the consistency of the results, including the key performance indicators used, with respect to the principal risks and policies presented; and
  - corroborate the qualitative information (actions and results) that we considered most important, presented in Appendix 1. For some risks (business ethics, distributor management, responsible purchasing, and regulatory compliance of products), our work was carried out at the level of the consolidating entity. For the other risks, work was carried out at the level of the consolidating entity and in a selection of entities listed hereinafter: bioMérieux S.A. France (Marcy L'Etoile, La Balme, Craponne), bioMérieux Italia S.p.A. (Florence);
- we verified that the Statement covers the consolidated scope, namely, all of the entities included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code within the limits specified in the Statement;
- we assessed the internal control and risk management procedures put in place by the entity, and we assessed the collection process aiming for the exhaustiveness and accuracy of the Information;
- for the key performance indicators and other quantitative results that we considered most significant, as presented in Appendix 1, we employed:
  - analytical procedures to verify that the data collected was consolidated correctly and the consistency of any changes;
  - detailed tests based on samples, to ensure that definitions and procedures were applied correctly and to reconcile the data in the supporting documents. This work was carried out on a selection of contributing entities listed below, covering between 26% and 27% of the consolidated data selected for these tests (26% of waste, 27% of workforce, 27% of energy consumption, etc.);
- we assessed the consistency of the Statement as a whole in relation to our knowledge of all of the entities included within the consolidation scope.

We believe that the work that we have performed in exercising our professional judgment allows us to provide a conclusion of limited assurance; a higher level of assurance would have required more extensive verification work.

Means and resources

Our work involved the skills of three people between October 2020 and February 2021 over a total period of activity of approximately five weeks.

We conducted approximately 10 interviews with the people responsible for preparing the Statement, representing the Quality, Risk Management, Human Resources, Health and Safety, Environment, Compliance, and Purchasing Departments.

Conclusion

Based on our work, no material irregularities came to light questioning the compliance of the statement of non-financial performance with the applicable regulatory provisions or questioning that the Information, taken as a whole, is presented fairly in accordance with the Guidelines.

Paris-La Défense, March 5, 2021

The independent third party

EY & Associés

Jean-François Bélorgey
Partner

Eric Duvaud
Partner, Sustainable Development

Appendix 1: information considered to be the most important

Human resources	
Quantitative information (including key performance indicators)	*Qualitative information (actions or results)*
Change in workforce, breakdown of workforce by geographic area. Overall voluntary turnover rate and for employees with less than three years of service. Absenteeism Promotion/internal mobility Overall breakdown by gender and among managers OHSAS 18001 and ISO 45001 certifications Number of hours of training and training completion rate. Employment rate of people with disabilities Frequency rate of lost-time occupational accidents Severity rate of occupational accidents Number of occupational diseases	New employment agreements Profit-sharing, incentives and employee saving agreements Talent Pool, Development Plan, and Succession Plan Results of the training policy with Mérieux Université Results of the diversity and equality policies HSE (Health, Safety and Environment) organization and management system: Vision 2020 HSE
Environmental information	
Quantitative information (including key performance indicators)	*Qualitative information (actions or results)*
Number of ISO 14001 certified sites Scopes 1, 2 and 3 greenhouse gas emissions Total waste and hazardous waste generated Consumption of public water and groundwater Discharges into water Total energy consumption and % of energy consumed from renewable sources	Vision 2020 HSE and results of the environmental policy with respect to managing energy, waste and water Initial results of the product life cycle analysis program Climate change (significant emission categories due to activity, and reduction targets)
Social information	
Quantitative information (including key performance indicators)	*Qualitative information (actions or results)*
ISO 9001 and ISO 13485 certification Number of processing activities counted by the personal data management tool, number of applications supported and number of third parties involved. Number of suppliers evaluated by an external rating agency on CSR criteria and % of expenditure covered Completion of training on anti-corruption, third-party management and application of the Code of Conduct. Results of deployment of the supplier maturity grid Percentage of R&D investments earmarked to fight antimicrobial resistance	Preliminary results of the distributor management policy. Results of sustainable purchasing actions. Results of the personal data protection policy. Results of the product quality and regulatory compliance policy. Results of business ethics policies. Actions taken to prevent corruption and tax evasion.

3.10 VIGILANCE PLAN

For the second year in a row, bioMérieux has published its Vigilance Plan, in accordance with Law No. 2017-399 of March 27, 2017, relating to the duty of vigilance of parent companies and contractors (known as the Vigilance Law). This law introduced a requirement to produce a vigilance plan containing reasonable vigilance measures for identifying and preventing the risks to human rights and fundamental freedoms, the risks of physical or environmental harm, as well as the health risks arising from their activities or those of their subsidiaries, sub-contractors or suppliers, whether in France or overseas.

The scope of this plan covers bioMérieux SA and the subsidiaries under its control, as defined by article L.233-16 of the French Commercial Code *(Code de commerce)*, as well as first-tier suppliers managed by the Purchasing Department, with which the Group has a commercial relationship.

This vigilance plan allows bioMérieux to consolidate and strengthen its risk prevention and management processes in the areas covered by the Law. It also allows it to extend its due diligence with its subcontractors, in a continuous improvement approach.

The vigilance plan is a CSR component that has been an integral part of the Group's strategy for many years and is driven by the various departments in the projects initiated. The plan thus benefits from the various initiatives implemented (in particular materiality analysis, non-financial risk analysis, implementation of environmental and social roadmaps).

This plan was drawn up with all Group departments, including CSR, Risks, Legal, Ethics & Compliance, HSE, Purchasing, and Quality.

Risk mapping – Methodology Note

In 2020, the Company strengthened its risk analysis process relating to the Vigilance Law. In order to benefit from a robust and objective methodology, it has partnered with Verisk Maplecroft. This company is an independent player and is recognized in terms of social, societal and environmental risks. bioMérieux has benefited from the expertise and databases of Verisk Maplecroft, which assesses countries and industries according to their risk as regards the environment and human rights.

Risk mapping has been defined to determine the exposure of bioMérieux and its third parties (suppliers, subcontractors, distributors) to the risks of serious breaches across the following 13 topics:

Human rights	Child labor and young workers
	Forced labor
	Living wage
	working time organization
	Workplace discrimination
	Freedom of assembly and of association
Occupational health and safety	Single risk compiling national indicators
Environment	Air quality
	Waste management
	Water quality
	Water stress
	Deforestation
	CO_2 emissions related to energy consumption

The assessment of each risk takes into account three main components:

- the country of supply that influences the level of risk of the indicators analyzed;
- the industry in which the assessed third party operates (the risk indicators provided by Verisk Maplecroft are adapted by industry in order to determine an appropriate risk profile);
- the purchase volume affecting the likelihood of the risk occurring.

In order to assess overall risk, the above criteria were weighted by the following in decreasing order of importance: country of supply and industry (with equal weighting) then purchase volume.

The risk analysis covered all suppliers from which bioMérieux made purchases during 2019 (reference year in order to cover a full accounting year). More than 14,000 suppliers were analyzed in order to assess their exposure to the risk criteria detailed above.

In addition, the analysis has been extended to bioMérieux distributors worldwide.

Risk analysis results

Risk assessment is based on a gross risk assessment in terms of the criteria set out above (country of supply, industry, purchase volume).

This results in a mapping of the Group's purchases whereby suppliers can be classified according to their criticality.

The assessment helped to identify certain industries with a predominant risk profile in the supply chain, including:

- oil and gas;
- mining and metals extraction;
- construction and engineering services;
- hotels and accommodation;
- agricultural products.

An analysis by risk factor highlights the following as the priority issues to be addressed:

- CO_2 emissions related to energy consumption;
- water stress;
- occupational health and safety;
- living wage;
- working time organization

Taking these factors, bioMérieux can draw up an action plan to reduce the Group's residual exposure to the risks presented by its supply chain.

This specific action plan will be built up by the various functions concerned while drawing on the management systems of existing suppliers, particularly the supplier qualification process, periodic performance reviews, supplier audits, external audits (EcoVadis, ProVigis, etc.), and CSR/HSE questionnaires.

Governance

bioMérieux has a CSR Operational Steering Committee (see introduction of this Chapter 3), the main role of which is to ensure proper implementation of the Vigilance Law. In this context, this committee:

- defines the methodology and ensures implementation of the risk mapping related to the activities of the Group and its suppliers;
- analyzes risk mapping results;
- ensures that there are action plans to mitigate risks and prevent serious breaches and assesses their effectiveness;
- ensures an alert mechanism is in place so that potential breaches can be reported.

The risk mapping will be reviewed periodically and updated to take into account changes in the scope of third parties covered by the analysis and implementation of action plans.

BREAKDOWN OF THE VIGILANCE PLAN

	HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS	ENVIRONMENT	HEALTH AND SAFETY OF PERSONS
RISK MAPPING			
Activities of bioMérieux SA and its subsidiaries	Non-financial risk mapping (see section 3.2.1)		
Activities of subcontractors or suppliers	Mapping of non-financial risks (see section 3.2.1) and analysis performed with Verisk Maplecroft described above		
RISK MAPPING – REGULAR EVALUATION PROCEDURES			
Activities of bioMérieux SA and its subsidiaries	EcoVadis (see section 3)	EcoVadis (see introduction section 3) Reporting by industrial sites, subsidiaries and central functions (see section 3.4.3)	EcoVadis (see introduction section 3) HSE management system (see section 3.3.3.1) Process and tools for managing health and safety at work (see section 3.3.3.2) Occupational hazards assessment process (see section 3.3.3.2 and section 3.3.3.3) Assessment of the rate of occupational accidents and of occupational diseases (see section 3.3.3.2)
Activities of subcontractors or suppliers	EcoVadis (see section 3.7.1) Automated third-party screening based on a risk matrix (see section 3.5.3.1) Procedure for assessing certain suppliers and subcontractors, including prequalification audits and verification audits during the contractual relationship Supplier self-assessment questionnaire (including commitment to comply with bioMérieux's or supplier's Code of Conduct)		
TARGETED ACTIONS FOR MITIGATING RISKS OR PREVENTING SERIOUS BREACHES			
Activities of bioMérieux SA and its subsidiaries	bioMérieux Code of Conduct (see section 3.5.3.1) Diversity (see section 3.6.4) gender equality, integration of employees with disabilities	bioMérieux Code of Conduct (see section 3.5.3.1) Overall HSE policy: Vision 2020 Environment (see section 3.4.1) Certification: ISO 14001 (see section 3.4.1)	bioMérieux Code of Conduct (see section 3.5.3.1) Overall HSE policy: Vision 2020 HSE (see section 3.3.3.1) Certification: OHSAS 18001 (see sections 3.3.3.1 and 3.3.3.2)
Activities of subcontractors or suppliers	Code of Conduct (see section 3.5.3.1) Subcontractor approval form and business practices applicable to third parties (see section 3.5.3.1) Responsible Procurement Charter (see section 3.7.1) Specific article within contracts: reference to the Responsible Procurement Charter and business practices applicable to third parties		
WHISTLE-BLOWING PROCEDURE AND RECORDING REPORTS			
Activities of bioMérieux SA and its subsidiaries	Whistle-blowing process available to employees and third parties (see section 3.5.3.1)		Whistle-blowing process available to employees and third parties (see section 3.5.3.1) Reporting tool for hazardous situations and suggestions for improvement (see section 3.3.3.2)
Activities of subcontractors or suppliers	Whistle-blowing process available to employees and third parties (see section 3.5.3.1)		Reporting tool for hazardous situations and suggestions for improvements (see section 3.3.3.2) for service providers working on-site
PROCESS FOR MONITORING MEASURES AND EVALUATING THEIR EFFECTIVENESS			
Activities of bioMérieux SA and its subsidiaries	CSR Operational Steering Committee (see introduction section 3) Monitoring and renegotiating Company-level agreements (see sections 3.6.1 and 3.6.4)	CSR Operational Steering Committee (see introduction section 3) HSE Committee (see section 3.3.3.1)	CSR Operational Steering Committee (see introduction section 3) HSE Committee (see section 3.3.3.1)
Activities of subcontractors or suppliers	Review of EcoVadis scores by the Purchasing Department	Review of EcoV00adis scores by the Purchasing Department	Review of EcoVadis scores by the Purchasing Department

04

GOVERNANCE AND EXECUTIVE COMPENSATION

4.1 PRINCIPLES AND FRAMEWORK FOR IMPLEMENTATION OF CORPORATE GOVERNANCE

The Company complies with applicable Corporate Governance requirements. It refers to the AFEP-MEDEF Corporate Governance Code, which summarizes current Corporate Governance principles applicable in France, revised in January 2020. This code may be viewed online on the MEDEF website:

https://afep.com/wp-content/uploads/2020/01/Code-Afep_Medef-révision-janvier-2020_-002.pdf

The provisions of the code that have not been applied, and the recommendations of the HCGE that the Company has decided not to follow are set out in the following table.

SUMMARY TABLE OF PROVISIONS REJECTED

Shares held by the directors	Each of the directors held a number of Company shares in accordance with the internal rules, which specify a minimum holding of 10 shares.
Independent directors	Harold Boël is a director of Mérieux NutriSciences Corporation, a company consolidated by Institut Mérieux. Marie-Paule Kieny is a director of the Fondation Mérieux, an independent foundation with public-interest status. The Board of Directors, after discussion with the Human Resources and CSR Committee, considers that Harold Boël and Marie-Paule Kieny's status as independent directors remains unchanged and that there are no conflicts of interest (see section 4.2.5). Nevertheless, Harold Boël and Marie-Paule Kieny will abstain from discussions and votes held by the Board of Directors regarding any circumstances relating to Mérieux NutriSciences Corporation and the Fondation Mérieux.
Presence of the director representing employees on the Human Resources and CSR Committee	The Board of Directors' internal rules stipulate that the Human Resources and CSR Committee comprise three directors. The Company does not wish to increase the number of members of this Committee or revise its composition as it considers its current operation to be efficient. The Company will assess the possibility of including the director representing employees when one of the current members ceases to be a member of the committee. In addition, the director representing employees participates in Board of Directors' meetings during which issues related to executive compensation are discussed and decided. More generally, the Human Resources and CSR Committee systematically reports on its work to the Board of Directors, and its recommendations are discussed during Board meetings. All directors, including the director representing employees, thus have the opportunity to express their opinions on the subjects handled by the committee.
Annual variable compensation of executive corporate officers	bioMérieux ensures the precision of the indicators the Board of Directors uses, at the recommendation of the Human Resources and CSR Committee, to determine and then evaluate the performance of its executives, while taking into account the confidentiality of certain data (see section 4.3).

4.2 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

4.2.1 General Management and Executive Committee

Chairman and Chief Executive Officer

The Company chose to entrust General Management to the Chairman of the Board of Directors. The Company believes that, as a controlled company, this method of governance is best suited to its operations and to protecting its interests.

Mr. Alexandre Mérieux has been Chairman and Chief Executive Officer since December 15, 2017.

The Chairman and Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company. He exercises his powers within the limits of the Corporate purpose and subject to the powers expressly granted by law to Shareholders' Meetings and to Board of Directors' meetings. He represents the Company in its dealings with third parties. He does not make any major decision without the agreement of the Board of Directors, which rules collectively. The Board of Directors has not specifically limited the powers of the Chief Executive Officer, except as regards certain provisions set out in its internal rules and defined in section 4.2.6.2.

The Company ensures that the prerogatives of each Corporate body (Annual General Meetings, the Board of Directors and General Management) are fully respected. Distribution of powers between the Chairman and Chief Executive Officer and the Chief Operating Officer, the Board of Directors' review of all major matters relating to the Company and the presence of five independent directors on the Board prevent any centralization of powers and promote compliance with the rules of good governance.

Chief Operating Officer

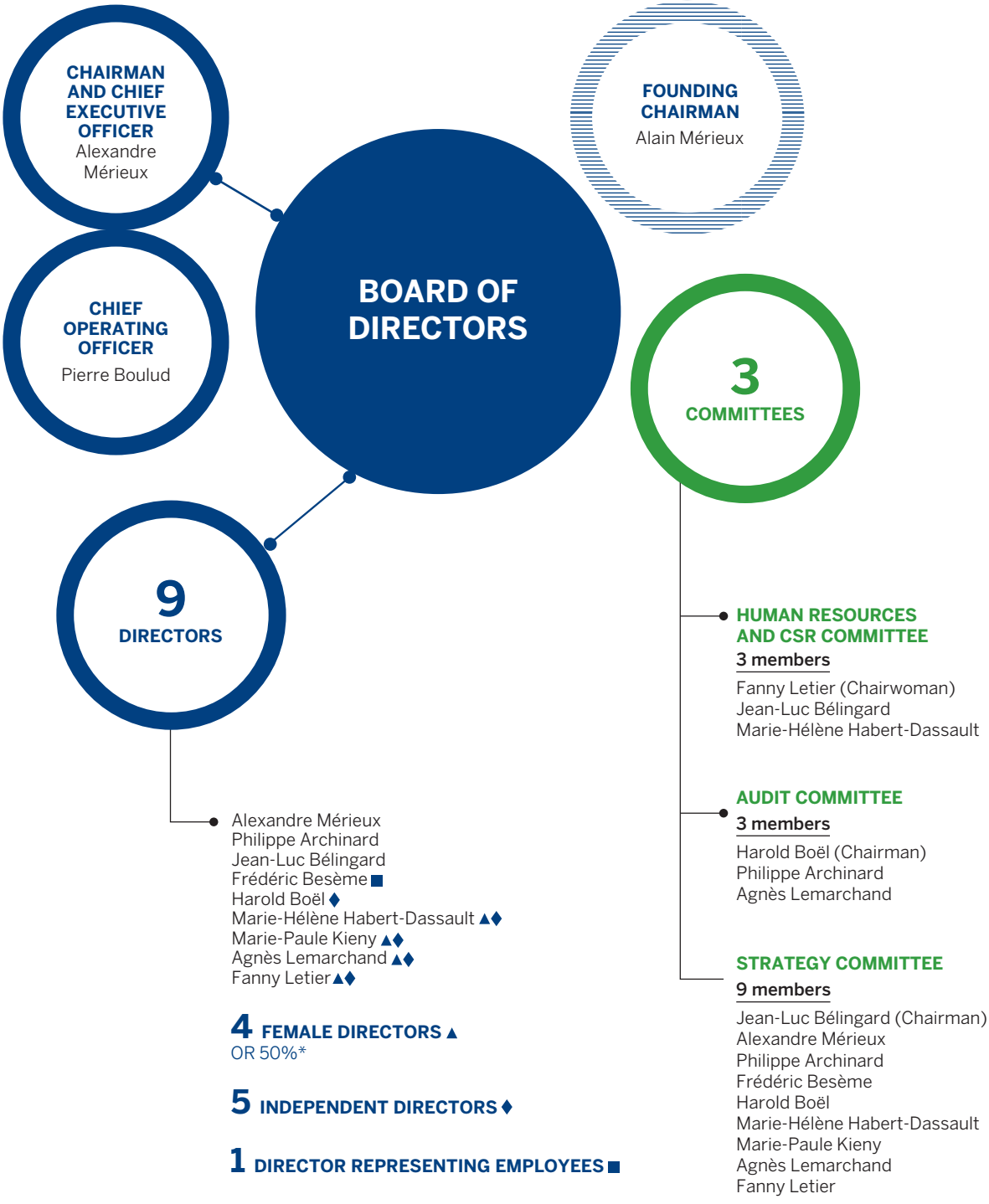
At the recommendation of the Chairman and Chief Executive Officer, and through a decision of the Board of Directors on February 25, 2020, the Company has appointed a Chief Operating Officer, Pierre Boulud. He has been appointed for a three-year term beginning on March 1, 2020. He is not a director of the Company. His powers are as extensive as those of the Chairman and Chief Executive Officer.

Executive Committee

The Executive Committee is responsible for implementing decisions validated by the Board of Directors regarding the Company's general strategy. The committee is responsible for overseeing strategic projects, deciding on priorities and implementing the necessary resources within the Company's various departments, such as deciding on significant capital expenditure. It also reviews the Group's operations, regulatory and quality situation, financial position, sales, headcount and major projects. It meets every month. It is chaired by Alexandre Mérieux, chairman and chief executive officer, and is composed, at the date of publication of this universal registration document, of:

- Pierre Boulud, Chief Operating Officer, Clinical Operations;
- Guillaume Bouhours – Chief Financial Officer, Executive Vice President Purchasing & Information Systems;
- Pierre Charbonnier – Executive Vice President, Quality, Manufacturing & Supply Chain;
- François Lacoste – Executive Vice President, R&D;
- Valérie Leyldé – Executive Vice President, Human Resources and Communications;
- Mark Miller – Executive Vice President, Chief Medical Officer;
- Yasha Mitrotti – Executive Vice President, Industrial Microbiology;
- Esther Wick – Executive Vice President, Legal Affairs, Intellectual Property and Compliance.

4.2.2 Summary presentation of the board of directors



* *By virtue of Article L.225-23 of the French Commercial Code (Code de Commerce), the percentage of female directors is calculated without including the director representing employees.*

	Personal information				Experience	Position on the Board				
	Age	Sex	Nationality	Number of shares	Number of directorships in listed companies*	Independence	Initial appointment date	Term expiration	Board seniority	Participation in Board Committees
Alexandre Mérieux *Chairman and Chief Executive Officer*	47 years	M	French	60	2		04/16/2004	2022	17 years	Member of the Strategy Committee
Philippe Archinard *Non-independent director*	61 years	M	French	30	3		06/10/2010	2023	11 years	Member of the Audit Committee Member of the Strategy Committee
Jean-Luc Bélingard *Non-independent director*	72 years	M	French	150	4		09/15/2006	2022	15 years	Chairman of the Strategy Committee Member of the Human Resources and CSR Committee
Frédéric Besème *Director representing employees*	64 years	H	French	2 940	1		17/05/2018	2022	3 years	Member of the Strategy Committee
Harold Boël *Independent director*	56 years	M	Belgian	150	2	✓	05/30/2012	2024	9 years	Chairman of the Audit Committee Member of the Strategy Committee
Marie-Hélène Habert-Dassault *Independent director*	55 years	F	French	57	4	✓	05/30/2012	2024	9 years	Member of the Strategy Committee Member of the Human Resources and CSR Committee
Marie-Paule Kieny *Independent director*	65 years	F	French	180	1	✓	08/28/2017	2021	4 years	Member of the Strategy Committee
Agnès Lemarchand *Independent director*	66 years	F	French	150	3	✓	05/28/2014	2023	7 years	Member of the Audit Committee Member of the Strategy Committee
Fanny Letier *Independent director*	41 years	F	French	30	2	✓	05/30/2017	2021	4 years	Chair of the Human Resources and CSR Committee Member of the Strategy Committee

* *Including the position held at bioMérieux.*

4.2.3 Members of the Board of Directors

The Board of Directors is composed of at least three members and up to the maximum number permitted by law.

On December 31, 2020, it had nine members, five of whom were independent and one a director representing employees.

The directors

The Annual General Meeting of June 30, 2020 renewed the terms of office of Marie-Hélène Habert-Dassault and Harold Boël for a period of four years until the close of the Annual General Meeting to be held in 2024 to approve the financial statements for the year ending December 31, 2023.

The terms of office of Agnès Lemarchand and Philippe Archinard were renewed by the Annual General Meeting of May 23, 2019, and will end at the close of the Annual General Meeting to be held in 2023 to approve the financial statements for the year ending December 31, 2022.

The terms of office of Alexandre Mérieux and Jean-Luc Bélingard were renewed by the Annual General Meeting of May 17, 2018, and will end at the close of the Annual General Meeting to be held in 2022 to approve the financial statements for the year ending December 31, 2021.

The Board of Directors will propose the renewal of the terms of office of Marie-Paule Kieny and Fanny Letier to the Annual General Meeting of May 20, 2021, for a period of four years until the close of the Annual General Meeting to be held in 2025 to approve the financial statements for the year ending December 31, 2024.

Biography of the directors for whom the Board of Directors is proposing the renewal of terms of office to the Annual General Meeting

Marie-Paule Kieny

With a PhD in microbiology, until 2017, Marie-Paule Kieny occupied the position of Assistant Director General responsible for health systems and innovation at the World Health Organization (WHO). She notably coordinated the WHO's R&D work during the Ebola epidemic in West Africa from 2014 to 2016. She also designed the WHO's master plan for R&D (global preparedness plan against emerging diseases epidemics). Before joining the WHO, Ms. Kieny occupied first-rate research positions in the public and private sectors in France. She is currently research director at INSERM (Paris, France), in charge of the priority research program on antimicrobial resistance initiated by France in 2019 under the Future Investments program. Between March and July 2020, she was a member of the Research and Expertise Analysis Committee (CARE), created by President Macron, to advise the government on COVID-19 treatments, vaccines and tests. Since June 2020, she has been Chair of the French Scientific Committee for the COVID-19 vaccine.

Marie-Paule Kieny is 65 years old. She has been a member of the Board of Directors of bioMérieux since 2017 as an independent director. She is a member of the Strategy Committee.

Le descriptif de ses mandats et fonctions est indiqué au § 4.2.4.

After debating the matter at its meeting of February 23, 2021, the Board of Directors concluded that Marie-Paule Kieny is an independent director even though she is also a member of the Board of Directors of Fondation Mérieux (see section 4.2.5).

The Board of Directors recommends to the Annual General Meeting the renewal of the directorship of Marie-Paule Kieny for the following reasons:

- having been a director of the Company for the past four years, she is conversant with the Company and its challenges,
- her independence;
- her experience in research and development and global health (in particular infectious diseases, immunology and antimicrobial resistance); her knowledge of health systems in countries with limited income; her experience in CSR, strategy and M&A.

Fanny Letier

A graduate of Sciences Politiques Paris, ENA and the French Institute of Administrators (IFA), Ms. Letier was a senior civil servant in the French Treasury Department (Ministry of Finance) from 2004 to 2012, Secretary General of the Inter-Ministry Committee on Industrial Restructuring (CIRI) from 2009 to 2012, Deputy Director of the Office of the Minister of Industrial Recovery from 2012 to 2013, and Director, then Executive Investment Director of SME funds for Bpifrance from 2013 to 2018. She is a co-founder of GENEO Partenaires and GENEO Capital Entrepreneur. Fanny Letier is 41 years old.

She has been a member of the Board of Directors of bioMérieux since 2017 as an independent director. She chairs the Human Resources and CSR Committee and is a member of the Strategy Committee.

A description of her directorships and positions is included in section 4.2.4.

The Board of Directors debated the matter at its meeting on February 23, 2021 and concluded that Fanny Letier is an independent director (see section 4.2.5).

The Board of Directors recommends to the Annual General Meeting the renewal of the directorship of Fanny Letier for the following reasons:

- having been a director of the Company for the past four years, she has in-depth knowledge of the Company and its challenges and contributes her expertise as Chair of the Human Resources and CSR Committee;
- her independence;
- her experience as an investor and her experience of major groups and listed companies, in an international environment; her knowledge of CSR challenges and impacts, governance, digital and human resources issues.

The director representing employees

Frédéric Besème was appointed director representing employees during 2018 for a period of four years, *i.e.* until 2022. The General Meeting of May 17, 2018 amended the bylaws to allow for the terms and conditions of his appointment by the Central Works Council.

The Founding Chairman

Alain Mérieux was appointed Founding Chairman by the Board of Directors in 2017.

The Board of Directors will recommend the renewal of the term of office of the Founding Chairman, Alain Mérieux, to the Annual General Meeting of May 20, 2021, for a period of four years until the close of the Annual General Meeting held in 2025 to approve the financial statements for the year ending December 31, 2024.

The bylaws enable the Board of Directors to appoint an honorary Founding Chairman, a natural person, selected from among the former Chairpersons of the Company. Alain Mérieux is a former Chairman of the Company.

The Founding Chairman is eligible indefinitely. He is invited to all Board meetings and attends the Board of Directors sessions in an advisory role. He must nevertheless comply with the internal rules of the Board of Directors. His right to information and communication is identical to that of the members of the Board of Directors.

Representatives of the Central Social and Economic Committee (CSEC)

There are four representatives who are convened to each meeting of the Board of Directors.

Changes in the composition of the Board of Directors and its committees during the financial year

Situation as at February 23, 2021.

	Departure	Appointment	Renewal
Board of Directors	N/A	N/A	Harold Boël and Marie-Hélène Habert-Dassault (June 30, 2020)
Audit Committee	N/A	N/A	Harold Boël (June 30, 2020)
Human Resources and CSR Committee	N/A	N/A	Marie-Hélène Habert-Dassault (June 30, 2020)
Strategy Committee	N/A	N/A	Harold Boël and Marie-Hélène Habert-Dassault (June 30, 2020)

4.2.4 Description of the terms of office of the directors

The table below presents all of the directorships and positions held in other companies by each of the Company's corporate officers based on the information they have submitted.

Alexandre MÉRIEUX

CHAIRMAN AND CHIEF EXECUTIVE OFFICER
MEMBER OF THE STRATEGY COMMITTEE
Non-independent director

Born on 01/15/1974 (aged 47)
Nationality: **French**
First appointed on: **04/16/2004**
Term expires: **2022**
Number of shares in the Company: **60**

MAIN EXPERTISE:

- Executive management of major groups/listed companies
- International environment
- Strategy and M&A
- Health sector

Alexandre Mérieux earned a degree in biology from Lyon I University and is a graduate of HEC Montréal Business School. He worked for Siliker Group Corporation from 1999 to 2004. During this period, he held marketing positions in the United States and Europe before becoming Marketing and Business Unit Director in France.

He joined the bioMérieux Group in 2005 as Executive Vice President, Industrial Microbiology. Then, from 2011 to 2014, Mr. Mérieux was Corporate Vice President of the Microbiology and Industrial Operations unit. He became Chief Operating Officer in April 2014 and led bioMérieux's Executive Committee. He was appointed Chairman and Chief Executive Officer by the Board of Directors on December 15, 2017. Alexandre Mérieux has been Vice-Chairman of Institut Mérieux since December 2008. In 2009, he took over the chairmanship of Mérieux Développement and has chaired the Board of Directors of Mérieux NutriSciences since 2013.

Other directorships and positions held at 12/31/2020 (all companies)

Within the Group [(a)]:

- Chief Operating Officer and Vice-Chairman of Institut Mérieux
- Chairman of Mérieux Développement SAS, Mérieux NutriSciences Corp. (Chairman) (United States)
- CEO of Compagnie Mérieux Alliance
- Director of IM US Holding (US)
- Manager of SCI ACCRA
- Director of the Fondation Mérieuxet Christophe and Rodolphe Mérieux and the Fondation Mérieux
- Director of Mérieux Equity Partners SAS
- Representative of bioMérieux, Chairman of the bioMérieux Endowment Fund

Outside the Group [(a)]:

- Director of Plastic Omnium (France - listed company)
- Permanent representative of Mérieux Participations 2, director of Financière Senior Cinqus SAS (France) (formerly Financière Senior Mendel SAS France)
- Director of the Fondation Jacques Chirac

Directorships and positions that have expired in the past five years

Within the Group [(a)]:

- bioMérieux China Ltd (China), bioMérieux Shanghai Ltd (China), Sysmex bioMérieux Ltd (Japan), SGH, Foncière de Montcelard SAS (term expired: 2015)

Outside the Group [(a)]:

N/A

(a) Any company controlled by Compagnie Mérieux Alliance SAS within the meaning of Article L. 233-16 of the French Commercial Code (Code de Commerce).

Philippe ARCHINARD

MEMBER OF THE AUDIT COMMITTEE
MEMBER OF THE STRATEGY COMMITTEE
Non-independent director

Born on 11/21/1959 (aged 61)
Nationality: **French**
First appointed on: **06/10/2010**
Term expires: **2023**
Number of shares in the Company: **30**

MAIN EXPERTISE:

- International environment
- Executive management of major groups/listed companies
- Scientific expertise
- Strategy and M&A
- Finance/audit
- Health sector

Philippe Archinard is a graduate of the Ecole Nationale Supérieure de Chimie in Montpellier and holds a PhD in biochemistry from the University of Lyon. He has also completed the PMD management program from the *Harvard Business School*. He was the Chief Executive Officer of Innogenetics (Belgium) from 2000 to 2004.

He was appointed Chief Executive Officer of Transgene in 2004 and Chief Executive Officer in 2010. Since 2014, Philippe Archinard has been Chairman of BIOASTER (Foundation for scientific cooperation), a technology research institute focusing on infectious diseases and microbiology. He chaired the Lyon competitiveness cluster, Lyon Biopôle, for 11 years. He has terminated his operational functions at Transgene while continuing to be a director of this company. He has also been Chief Operating Officer of Institut Mérieux since 2021.

Other directorships and positions held at 12/31/2020 (all companies)

- **Within the Group [(a)]:**
- Director of Transgene SA (France - listed company)
- Chief Executive Officer of TSGH (France)
- Permanent representative of TSGH, director of ABL Inc. (USA)

Outside the Group [(a)]:

- Director of Erytech Pharma SA (France – listed company)
- Chairman of BIOASTER (Foundation for scientific cooperation)
- Director of NH Theraguix (France)

Directorships and positions that have expired in the past five years

Within the Group [(a)]:

- Chairman and Chief Executive Officer of Transgène SA (France - Listed company – end 2020)

Outside the Group [(a)]:

- Director of CPE Lyon – Representative of FPUL (end 2020)

(a) Any company controlled by Compagnie Mérieux Alliance SAS within the meaning of Article L. 233-16 of the French Commercial Code (Code de Commerce).

Jean-Luc BÉLINGARD

CHAIRMAN OF THE STRATEGY COMMITTEE
MEMBER OF THE HUMAN RESOURCES AND CSR COMMITTEE
Non-independent director

Born on 10/28/1948 (aged 72)
Nationality: **French**
First appointed on: **09/15/2006**
Term expires: **2022**
Number of shares in the Company: **150**

MAIN EXPERTISE:

- Executive management of major groups/listed companies
- International environment
- Strategy and M&A
- Health sector

Jean-Luc Bélingard is a graduate of HEC Paris and holds an MBA from *Cornell University* (United States). He was CEO of Roche Diagnostic and a Member of the Executive Committee of Roche Group from 1990 to 1999. He was also a member of the Management Board and Chairman and Chief Executive Officer of bioMérieux-Pierre Fabre between 1999 and 2001. He then became Chairman and Chief Executive Officer of IPSEN from 2001 to 2010, and Chairman and Chief Executive Officer of bioMérieux between 2011 and 2017.

Other directorships and positions held at 12/31/2020 (all companies)

Within the Group [(a)]:

- Director of Institut Mérieux (France),
- Director of Transgene SA (France - listed company)

Outside the Group [(a)]:

- Director of Pierre Fabre SA (France)
- Director of LabCorp of America (United States - listed company)
- Director of Lupin (India - listed company)

Directorships and positions that have expired in the past five years

Within the Group [(a)]:

- Director of ABL Inc. (term expired: 2018)

Outside the Group [(a)]:

- Director of Starllergenes Greer (UK - listed company - term expired: 2019)

(a) Any company controlled by Compagnie Mérieux Alliance SAS within the meaning of Article L. 233-16 of the French Commercial Code (Code de Commerce).

Frédéric BESÈME

MEMBER OF THE STRATEGY COMMITTEE
Director representing employees

Born on 09/23/1956 (aged 64)
Nationality: **French**
First appointed on: **05/17/2018**
Term expires: **2022**
Number of shares in the Company: **2,940**

MAIN EXPERTISE:

- Health sector
- CSR

Frédéric Besème holds a PhD in Biology (University of Montpellier). He worked at INSERM from 1984 to 1987. He joined bioMérieux in 1987, as an R&D researcher. He has held various personnel representation roles as union delegate and social partner (between 1997 and 2016). He became CSR Manager between 2016 and 2020. Since becoming a director representing employees in 2018, in accordance with the law, he has abandoned all personnel representation and union functions within the Company. To perform his role as a director, he completed a training course at the IFA (Institut des Administrateurs Français) in 2018.

Other directorships and positions held at 12/31/2020 (all companies)

N/A

Directorships and positions that have expired in the past five years

N/A

Harold BOËL

CHAIRMAN OF THE AUDIT COMMITTEE
MEMBER OF THE STRATEGY COMMITTEE
Independent director[(a)]

Born on 08/27/1964 (aged 56)
Nationality: **Belgian**
First appointed on: **05/30/2012**
Term expires: **2024**
Number of shares in the Company: **150**

MAIN EXPERTISE:

- International environment
- Strategy & M&A
- Finance/Audit
- Digitalization

Harold Boël holds a Bachelor of Science degree in chemistry from Brown University (United States) and a diploma in Materials Science from the Ecole Polytechnique Fédérale de Lausanne. He has held various managerial positions in the steel industry within the Corus group. He has been the Chief Executive Officer of Sofina (Belgium – listed company) since 2008.

Other directorships and positions held at 12/31/2020 (all companies)

Within the Group [(b)]:

- Director of Mérieux NutriSciences Corporation (United States)

Outside the Group [(b)]:

- Deputy director of Sofina SA (Belgium - listed company)
- Director of Cognita (UK)
- Deputy director of Société de Participations Industrielles (Belgium)
- Chairman of Domanoy (Belgium)

Directorships and positions that have expired in the past five years

Within the Group [(b)]:

N/A

Outside the Group [(b)]:

- Member of the Supervisory Board of Eurazeo (France – listed company, term expired: September 2017)
- Director of Caledonia Investment plc (UK – listed company, term expired: May 2017)
- Director of Suez Environnement (France – listed company, term expired: 2016)
- Director of SODAVI (Belgium, term expired: 2020)

(a) Independent director according to the assessment made by the Board of Directors (see section 4.2.5).
(b) Any company controlled by Compagnie Mérieux Alliance SAS within the meaning of Article L. 233-16 of the French Commercial Code (Code de Commerce).

Marie-Hélène HABERT-DASSAULT

MEMBER OF THE STRATEGY COMMITTEE
MEMBER OF THE HUMAN RESOURCES AND CSR COMMITTEE
Independent director[a]

Born on 04/04/1965 (aged 55)
Nationality: **French**
First appointed on: **05/30/2012**
Term expires: **2024**
Number of shares in the Company: **57**

MAIN EXPERTISE:

- Executive management of major groups/listed companies
- Health sector
- CSR

Marie-Hélène Habert-Dassault holds a post-graduate diploma in Business Law and Taxation, a degree in Business Law from the University Paris 2 Panthéon-Assas (1988), and a Master's degree in Strategy and Marketing from Sciences Po (1989). She began her career at DDB Advertising in London as a media planning consultant. She joined the Dassault Group in 1991 as Deputy Communications Director. Since 1998, she has been Director of Communications and Corporate Sponsorship of the Dassault Group.

Other directorships and positions held at 12/31/2020 (all companies)

Within the Group [b]:

N/A

Outside the Group [b]:

- Member of the Supervisory Board of GIMD
- Director of Dassault Aviation SA [c] (France – listed company) since 2014, Dassault Systèmes SA [c] (France – listed company) since 2014, and Artcurial SA [c]
- Director and Vice-President of the Serge Dassault Foundation
- Vice-President on the Supervisory Board of Immobilière Dassault SA[c] (France - listed company)
- Member of the Supervisory Board of Rond-Point Immobilier (SA)
- Manager of H Investissements SARL, HDH, and HDH Immobilière
- Director of SIPAREX
- Director of Fondation Fondamental
- Manager of SCI Duquesne
- Vice-Chairman and member of the Strategy Committee of HDF (SAS)

Directorships and positions that have expired in the past five years

Within the Group [b]:

N/A

Outside the Group [b]:

- Chair of the Supervisory Board of GIMD
- Chair of the Supervisory Board of Rond-Point Immobilier

(a) Independent director according to the assessment made by the Board of Directors (see section 4.2.5).
(b) Any company controlled by Compagnie Mérieux Alliance SAS within the meaning of Article L. 233-16 of the French Commercial Code (Code de Commerce).
(c) Companies controlled by GIMD within the meaning of Article L. 233-16 of the French Commercial Code (Code de Commerce).

Marie-Paule KIENY

MEMBER OF THE STRATEGY COMMITTEE
Independent director[a]

Born on 04/24/1955 (aged 65)
Nationality: **French**
First appointed on: **08/28/2017**
Term expires: **2021**
Number of shares in the Company: **180**

MAIN EXPERTISE

- Strategy and M&A
- Health sector
- CSR

Marie-Paule Kieny obtained her doctorate in microbiology at the University of Montpellier (France). She has published more than 350 articles and reviews, mainly in the fields of infectious diseases, immunology, vaccinology and healthcare systems.

Until June 2017, she occupied the position of Assistant Director General responsible for health systems and innovation at the World Health Organization (WHO). She notably coordinated the WHO's R&D work during the Ebola epidemic in West Africa from 2014 to 2016. She also designed the WHO's master plan for R&D (global preparedness plan against emerging diseases epidemics). Before joining the WHO, Ms. Kieny occupied first-rate research positions in the public and private sectors in France. She is currently research director at INSERM (Paris, France), in charge of the priority research program on antimicrobial resistance initiated by France in 2019 under the Future Investments program. She also represents France on the Board of Directors of the Joint Programming Initiative on Antimicrobial Resistance, JPIAMR.

Between March and July 2020, she was a member of the Research and Expertise Analysis Committee (CARE), created by President Macron, to advise the government on COVID-19 treatments, vaccines and tests. Since June 2020, she has been Chair of the French Scientific Committee for the COVID-19 vaccine.

She is Chair of the Board of Directors of the Drugs for Neglected Diseases initiative (DNDi, Geneva, Switzerland) and the *Medicines Patent Pool Foundation* (MPPF, Geneva, Switzerland). She is also Vice-President of the Board of the Global Antibiotic Research and Development Partnership (GARDP, Geneva, Switzerland), and a member of the Board of Directors of the Human Vaccine Project (HVP, New York, United States), and Solidarité Thérapeutique et Initiatives pour la Santé (Solthis, Paris, France). She sits on the scientific advisory boards of several organizations that are active in the healthcare field. She is a director of the Fondation Mérieux.

She received the title of Officer in the Ordre National du Mérite in France in 2021 and Chevalier in the Ordre National d'Honneur in France in 2016. She received an honorary doctorate from the Autonomous University of Barcelona (Spain) in 2019 and won the INSERM International Prize in 2017, the Prix Génération 2000-Impact Médecin in 1994, and the Prix Innovation Rhône-Poulenc in 1991.

Other directorships and positions held at 12/31/2020 (all companies)

Within the Group [b]:

- Director of Fondation Mérieux

Outside the Group [b]:

N/A

Directorships and positions that have expired in the past five years

N/A

(a) Independent director according to the assessment made by the Board of Directors (see section 4.2.5).
(b) Any company controlled by Compagnie Mérieux Alliance SAS within the meaning of Article L. 233-16 of the French Commercial Code (Code de Commerce).

Agnès LEMARCHAND

MEMBER OF THE AUDIT COMMITTEE
MEMBER OF THE STRATEGY COMMITTEE
Independent director[a]

Born on 12/29/1954 (aged 66)
Nationality: **French**
First appointed on: **05/28/2014**
Term expires: **2023**
Number of shares in the Company: **150**

MAIN EXPERTISE

- International environment
- Executive management of major groups/listed companies
- Strategy and M&A

A graduate of the Ecole Nationale Supérieure de Chimie de Paris (ENSCP) and of MIT (USA), with an MBA from INSEAD, Agnès Lemarchand began her professional life with various operational responsibilities within the Rhône-Poulenc Group from 1980 to 1985.

In 1986, she was appointed Chief Executive Officer of Industrie Biologique Française (IBF), and in 1987, she founded IBF Biotechnics in the United States, a subsidiary of the Rhône-Poulenc group and Institut Mérieux, where she was appointed Chairman and Chief Executive Officer.

In 1991, she joined the Ciments Français Group as Chief Executive Officer of Prodical, an industrial minerals subsidiary that she managed from 1991 to 1996. She joined the Lafarge Group in 1997 as Strategy Director of the Specialty Materials Division, and in 1999, was appointed Chairman and Chief Executive Officer of Lafarge Chaux. In 2004, together with the managers, she took over the subsidiary of Lafarge Chaux in the United Kingdom and founded Steetley Dolomite Limited, where she was Executive Chair for 10 years before selling the company to the Lhoist industrial group.

Agnès Lemarchand was a member of the Economic, Social and Environmental Council (economic activities section) from 2012 to 2015. She is a member of the ESG Committee of the IFA (Institut Français des Administrateurs).

Other directorships and positions held at 12/31/2020 (all companies)

Within the Group [b]:

N/A

Outside the Group [b]:

- Independent director of Saint-Gobain (listed company); Chairman of the CSR Committee
- Independent director of Solvay SA (Belgium - listed company)

Directorships and positions that have expired in the past five years

Within the Group [b]:

N/A

Outside the Group [b]:

- President of Orchad SAS (October 2019)
- Member of the Supervisory Board of CGG (listed company – term expired: October 2017)
- Member of the Supervisory Board of Areva (listed company – term expired: January 2015)
- Member of the Supervisory Board of Vivescia Industries (SCA), representing Bpifrance Participations (term expired: 12/31/2015)
- Member of the Economic, Social and Environmental Committee, working in the economic division (term expired: 2015)

(a) Independent director according to the assessment made by the Board of Directors (see section 4.2.5).
(b) Any company controlled by Compagnie Mérieux Alliance SAS within the meaning of Article L. 233-16 of the French Commercial Code (Code de Commerce).

Fanny LETIER

CHAIRWOMAN OF THE HUMAN RESOURCES AND CSR COMMITTEE
MEMBER OF THE STRATEGY COMMITTEE
Independent director[(a)]

Born on 03/15/1979 (aged 41)
Nationality: **French**
First appointed on: **05/30/2017**
Term expires: **2021**
Number of shares in the Company: **30**

MAIN EXPERTISE:

- International environment
- Executive management of major groups/listed companies
- Strategy and M&A
- Finance/audit
- CSR
- Digitalization

Fanny Letier is a graduate of Sciences Politiques Paris, the ENA, and the Institut français des administrateurs (IFA). She was a senior civil servant in the French Treasury Department (Ministry of Finance) from 2004 to 2012, Secretary General of the Inter-Ministry Committee on Industrial Restructuring (CIRI) from 2009 to 2012, Deputy Director of the Office of the Minister of Industrial Recovery from 2012 to 2013, and Director, then Executive Investment Director of SME funds for Bpifrance from 2013 to 2018.

She co-founded GENEO Capital Entrepreneur in 2019, and is a director of Nexans, Aéroports de Paris, and the IFA (Institut Français des Administrateurs).

Other directorships and positions held at 12/31/2020 (all companies)

Within the Group [(b)]:

N/A

Outside the Group [(b)]:

- Director of Aéroports de Paris (France - listed company)

Directorships and positions that have expired in the past five years

Within the Group [(b)]:

N/A

Outside the Group [(b)]:

- Director of Nexans (listed company - end 2020)

(a) Independent director according to the assessment made by the Board of Directors (see section 4.2.5).
(b) Any company controlled by Compagnie Mérieux Alliance SAS within the meaning of Article L. 233-16 of the French Commercial Code (Code de Commerce).

Professional address of directors

The members of the Board of Directors can be contacted at the Company's registered office in Marcy l'Étoile, France (Rhône).

Limit on directorships

The laws currently in force on the maximum number of directorships are applied within the Company.

Corporate officers' interests in the company and the Group

In accordance with Delegated Regulation (EU) 2019/980 of March 14, 2019, it is noted that Alexandre Mérieux is one of the main shareholders of the Compagnie Mérieux Alliance, which itself holds 100% of the holding Institut Mérieux, the Company's majority shareholder with 58.90% of the Company's share capital and 73.06% of its voting rights as at February 28, 2021 (see sections 7.3.2 and 7.4.1).

4.2.5 Independant directors, conflict of interest and other declarations

Evaluation of the independence of directors

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8
Alexandre Mérieux			√	√	√			
Philippe Archinard		√	√	√	√	√	√	√
Jean-Luc Bélingard			√	√	√		√	√
Frédéric Besème		√	√	√	√	√	√	√
Harold Boël		√	√	√	√	√	√	√
Marie-Hélène Habert-Dassault	√	√	√	√	√	√	√	√
Marie-Paule Kieny	√	√	√	√	√	√	√	√
Agnès Lemarchand	√	√	√	√	√	√	√	√
Fanny Letier	√	√	√	√	√	√	√	√

Table prepared based on the information provided by the relevant party.

Criterion 1: Employee corporate officer during the preceding years

Not being or having been during the preceding five years:

- *an employee or executive corporate officer of the Company;*
- *an employee, executive corporate officer, or director of a company that the Company consolidates;*
- *an employee or executive corporate officer or director of the parent company of the Company or of a company consolidated by this parent company.*

Criterion 2: Cross-directorships

Not being an executive corporate officer of a company in which the Company directly or indirectly holds a director seat or within which an employee designated as such or an executive corporate officer of the Company (current or having been one within the last five years) holds the position of director.

Criterion 3: Material business relationships

Not being a customer, supplier, Corporate banker, investment banker, consultant:

- *in a significant capacity for the Company or its group;*
- *or for whom the Company or its group represents a material share of business.*

The assessment of the materiality or immateriality of the relationship between the Company or its group is discussed by the Board of Directors and the quantitative and qualitative criteria underlying this assessment (continuity, economic dependence, exclusivity, etc.) are explained in the annual report.

Criterion 4: Family ties

Not having any close family ties with a corporate officer.

Criterion 5: Statutory Auditor

Not having been a Statutory Auditor of the Company during the five preceding years.

Criterion 6: Being a director for more than 12 years

Not having been a director of the Company for over 12 years. The loss of status as an independent director occurs on the anniversary date of the twelve years.

Criterion 7: Status of non-executive corporate officer

Non-executive corporate officers cannot be considered as being independent if they receive variable compensation in cash, or securities, or any type of compensation linked to the Company's or the Group's performance.

Criterion 8: Status of major shareholder

Directors representing major shareholders of the Company or the parent company may be considered independent as long as these shareholders do not participate in the control of the Company. However, beyond a threshold of 10% of the share capital or the voting rights, the Board, based on a report from the Appointment Committee, systematically evaluates the independence of the director, based on the composition of the Company's share capital and the existence of a potential conflict of interest.

The Board of Directors, during its meeting of February 23, 2021, reviewed the analysis of the Human Resources, and CSR Committee regarding the independence of directors, according to the criteria contained in the AFEP-MEDEF Code. After having debated it, the Board of Directors confirmed the independent capacity of the following five directors out of the nine who composed it: Harold Boël, Marie-Hélène Habert-Dassault, Marie-Paule Kieny, Agnès Lemarchand and Fanny Letier.

In particular, the Board of Directors deemed the following directors to be independent: Harold Boël, despite the fact that he is director of Mérieux NutriSciences Corporation, a US company held by Institut Mérieux, and Marie-Paule Kieny, a director of Fondation Mérieux (see section 4.1 and the following section).

Evaluation of conflicts of interest

The Board of Directors of February 23, 2021 assessed the business ties and potential conflicts of interest that could arise from the terms of office of some of its directors.

Although Harold Boël is a director of Mérieux NutriSciences Corporation, the Board of Directors deemed that there is no conflict of interest. The two companies are independent and each operates in different areas. The existing business relations are not significant and are not likely to call into question their independence. Accordingly, Harold Boël will abstain from discussion and votes held by the Board of Directors regarding any circumstances relating to Mérieux NutriSciences Corporation.

Marie-Paule Kieny is a Director of the Fondation Mérieux. The Board of Directors also decided that there was no conflict of interest that would call her independence into question. This is because the Fondation Mérieux is an independent foundation with public interest status. It specifically receives grants from the Company. Accordingly, Marie-Paule Kieny will abstain from discussions and votes held by the Board of Directors regarding any circumstances relating to the Fondation Mérieux.

Other than Harold Boël and Marie-Paule Kieny, since the independent directors have no relationship of any kind with the Company, the Group or the Management, there is no conflict of interest which the Board of Directors could be required to discuss.

Other declarations

To the best of the Company's knowledge:

- no member of the Board of Directors of the Company has been convicted of fraud in the past five years;
- no member of the Board of Directors has been involved, in the past five years, in any bankruptcy, court-ordered receivership or liquidation, in their capacity as member of an administrative, management or supervisory body or as Chief Executive Officer;
- no sentence has been pronounced in the past five years against any member of the Board of Directors of the Company barring them from serving on an issuer's administrative, management or supervisory body or from participating in the management or conduct of the affairs of an issuer;
- no member of the Board of Directors of the Company has been charged with an offense or had any official public disciplinary action taken against them by a statutory or regulatory authority (including recognized professional bodies).

To the best of the Company's knowledge, there is no potential conflict of interest between the duties to the Company of any member of the Board of Directors, and their private and/or other interests. The agreements involving certain directors are subject to the procedures concerning related-party agreements and are described in section 4.4.

To the best of the Company's knowledge, no commitments have been undertaken by members of the Board of Directors that restrict their freedom to dispose of their bioMérieux shares, other than the rules on insider trading and closed periods.

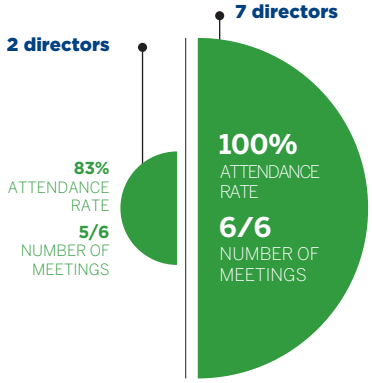
4.2.6 Practices and work of the Board of Directors and its committees

4.2.6.1 Directors' attendance at Board of Directors and committee meetings in 2020

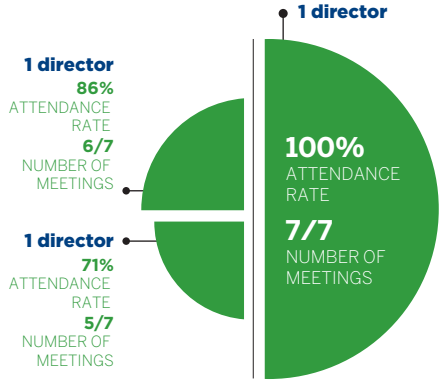
	Board of Directors		Audit Committee		Human Resources and CSR Committee[1]		Strategy Committee	
Directors	Attendance rate	Number of meetings	Attendance rate	Number of meetings	Attendance rate	Number of meetings	Attendance rate	Number of meetings
Alexandre Mérieux	100%	6/6	-	-	-	-	100%	1/1
Philippe Archinard	100%	6/6	86%	6/7	-	-	100%	1/1
Jean-Luc Bélingard	100%	6/6	-	-	100%	3/3	100%	1/1
Frédéric Besème	100%	6/6	-	-	-	-	100%	1/1
Harold Boël	100%	6/6	100%	7/7	-	-	100%	1/1
Marie-Hélène Habert-Dassault	100%	6/6	-	-	100%	3/3	100%	1/1
Marie-Paule Kieny	83%	5/6	-	-	-	-	100%	1/1
Agnès Lemarchand	83%	5/6	71%	5/7	-	-	100%	1/1
Fanny Letier	100%	6/6	-	-	100%	3/3	100%	1/1
AVERAGE PARTICIPATION RATE	***96.3%***		***85.7%***		***100%***		***100%***	

(1) In 2020, the Human Resources, Appointment and Compensation Committee became the Human Resources and CSR Committee.

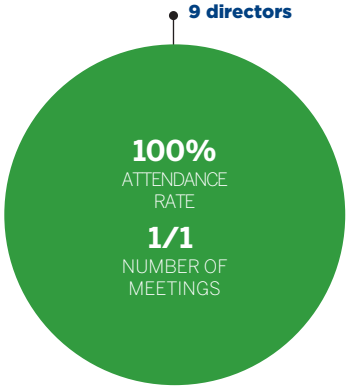
Board of Directors



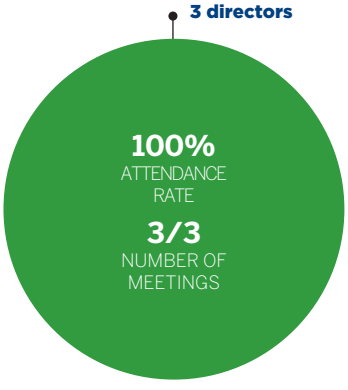
Audit Committee



Strategy Committee



Human Resources and CSR Committee



4.2.6.2 Practices of the Board of Directors and its internal rules

The Board of Directors is responsible for defining and implementing the Company's strategies. It has powers to act on all questions concerning the smooth running of the Company and settles all matters affecting the Company by its deliberations, within the limits of the corporate purpose and subject to the powers expressly granted to shareholders' meetings. The Board of Directors carries out all controls and procedures that it deems appropriate.

The Chairman organizes and oversees the board's work and reports thereon to the shareholders' meeting. He ensures that the Company's management bodies operate effectively and that the directors are able to perform their duties.

The Chairman of the Board of Directors is responsible for shareholder relations. He therefore works in close cooperation with the Investor Relations Department (see section 7.1). The Chairman reports on his activities to the Board of Directors, where appropriate.

The Board of Directors meets as often as the Company's interests require, at the invitation of its Chairman, either at the registered office or at any other place indicated in the meeting notice. Meetings are held in the presence of directors or by videoconferencing or any other telecommunication means.

The committees of the Board of Directors are in charge of examining issues assigned to them by the Board of Directors or its Chairman, preparing the Board of Directors' work on these issues, and reporting their findings to the Board of Directors in the form of reports, proposals, communications or recommendations.

The committees act in an advisory capacity. The Board of Directors determines at its own discretion how to follow up on the findings reported by the committees. Each director remains free to vote as he wishes, without being bound by these studies, investigations or reports. Nor is he bound by any recommendations made by the committees.

On the date of filing of this Universal Registration Document, the Board of Directors of the Company had set up three committees: the Audit Committee, the Human Resources and CSR Committee, and the Strategy Committee, as described in section 4.2.6.6.

Internal rules of the Board of Directors

The internal rules, adopted in 2004 by the Board of Directors and intended to define its operating procedures, in addition to legal, regulatory and statutory requirements, are regularly updated to reflect new legal provisions and the recommendations of the AFEP-MEDEF Corporate Governance Code. They are regularly updated. All Board members have agreed to comply with the internal rules.

The internal rules provide that directors must first ensure that they are fully informed of the general and specific obligations attached to their duties and are familiar with securities regulations pertaining to breaches of stock exchange regulations prior to the acceptance of their duties. They must familiarize themselves and comply with the laws and regulations, the bylaws, the Board of Directors' internal rules and any additional information that the Board of Directors may provide to them, the rules concerning the Board provided for in the AFEP-MEDEF Corporate Governance Code (particularly the rules of ethics for directors) as well as the Global Code of Conduct adopted by the Company.

The internal rules also provide that directors:

(i) represent all the shareholders, even though they are shareholders themselves holding at least ten shares, and must act in the Company's interests in all circumstances;

(ii) must inform the Board of any actual or potential direct or indirect conflict of interest between the interests of the Company and their own interests or those of the shareholder or group of shareholders they represent, and must abstain from voting on the issues concerned;

(iii) undertake to devote the necessary time and attention to their duties;

(iv) undertake to remain independent in their analysis, judgment, decision-making and actions, and to resist all direct or indirect pressure that may be placed on them by directors, specific groups of shareholders, creditors, suppliers and other third parties. Similarly, if they believe that decisions taken by the Board are not in the interests of the Company, they undertake to clearly express their opposition and strive to convince the Board of the merits of their opinion;

(v) must attend and participate in all meetings of the Board of Directors and, if applicable, of the committees on which they serve;

(vi) are bound by a strict duty of confidentiality beyond the exercise of discretion required by law with respect to non-public information acquired in connection with their role as directors;

(vii) are bound by a duty of loyalty;

(viii) must trade in the Company's shares only in compliance with the Global Code of Conduct adopted by the Company; and

(ix) must provide the Board with all relevant information concerning compensation and benefits-in-kind paid to them by the Company or a Group entity, and their directorships and positions held in all companies and other legal entities, including details on their attendance at all committees of French or foreign companies.

The Board of Directors' internal rules provide that the Board of Directors must decide on (i) the approval of the strategic plans of the Company and its subsidiaries, (ii) the approval of the annual budget and, on a quarterly basis, its implementation, and (iii) the authorization of all key transactions (acquisitions, exchanges, settlements, granting of security interests, all financing arrangements, etc.) exceeding €30 million and not provided for in the strategic plan or the budget.

The internal rules also provide that the Board of Directors must be notified of any significant event affecting the operation of the Company and more specifically its financial and cash position and commitments.

4.2.6.3 Diversity policy within the Board of Directors and the management bodies

On the recommendation of the Human Resources and CSR Committee, the Board of Directors, pursuant to Article L.22-10-10, paragraph 2, of the French Commercial Code *(Code de Commerce)*, has defined a diversity policy that applies to the Board of Directors and management bodies.

Accordingly, the Board of Directors has established a policy of promoting cultural and international diversity among its members; seeking a balance in the distribution of skills, both as regards the age and experience of its members, and their fields of expertise (management, medical or scientific, knowledge of listed companies); and, aiming for gender equality. The purpose of this policy is to provide a balanced and harmonious Board membership facilitating fruitful, varied and high quality discussions to support the Company's interests and strategy.

The Board will endeavor to implement this policy for every reappointment or new appointment.

Nonetheless, it should be noted that the Company does fulfill its legal obligations. The Board of Directors is composed of nine members:

- in accordance with Article L. 225-18-1 of the French Commercial Code *(Code de Commerce)*, four of the directors are women: Marie-Hélène Habert-Dassault, Marie-Paule Kieny, Agnès Lemarchand and Fanny Letier.
- in accordance with Article L 225-27-1 of the French Commercial Code *(Code de Commerce)*, the Company amended its bylaws in 2018, to allow for the appointment of a director representing employees by the Central Works Council. Frédéric Besème was appointed to this position during 2018.

The self-assessment process debated by the Board of Directors demonstrates that the Board operates smoothly and that each director contributes in an effective way (see section 4.2.6.5).

In addition, the Company is committed to strengthening the representation of women within its Executive Committee. It is therefore seeking to promote women, without discrimination, in order to enable them to take up senior positions, and to develop their skills, if required. The Executive Committee will, as a matter of priority, be refreshed through the appointment of women until parity has been achieved, unless the skills required prevent this. On the date of writing of this universal registration document, the Executive Committee is composed of two women out of nine members.

Finally, the Company supports the balanced representation of women and men in its senior management posts. In particular, in 2020, women represented around 37% of bioMérieux employees in the most senior positions (levels 1-6, 10% of the workforce), compared with around 34% in 2019.

4.2.6.4 Work of the Board of Directors

During the financial year ended December 31, 2020, the Company's Board of Directors met six times and in particular:

- approved the parent company financial statements and the consolidated financial statements for the financial year ended December 31, 2020, along with the related press release; prepared the Annual General Meeting, decided to postpone it, namely by approving the various reports required by law and the description of the share buyback program; proposed to reduce the amount of dividends initially planned by half; approved the interim financial statements and Interim Financial Report, along with the related press release; analyzed the quarterly reviews of the Company's operations and affairs and major projects;
- approved the budget;
- studied the impacts of the COVID-19 crisis on the activity of the Company and its employees, the development and marketing of diagnostic tests;
- authorized the use of the difference in unpaid dividends (approximately €22 million) for exceptional corporate sponsorship actions; approved the creation of an endowment fund with a €20 million endowment contributed by bioMérieux;
- reviewed and approved, where applicable, the Business Development opportunities;
- authorized the issue of bonds;
- appointed a Chief Operating Officer;
- reviewed the Company's new CSR strategy, developed after a materiality analysis;
- discussed the Company's policy in terms of equality and equal pay in the workplace;
- approved the principles and criteria for setting compensation for the executive corporate officers for financial year 2020 (Say on Pay Ex ante) and compensation for the corporate officers for the previous financial year (Say on Pay Ex post);
- proposed the renewal of two directors;
- took note of the reports and recommendations, if any, of its committees;
- decided to assign a CSR mission to the Human Resources, Appointment and Compensation Committee and to transform it into the Human Resources and CSR Committee;
- heard some members of the Company's Executive Committee present their activities (in particular human resources);
- analyzed the ethics and compliance actions implemented;
- approved the refinancing or restructuring of some subsidiaries and the reasons for these transactions;
- granted free shares to some employees of the Group; decided on share grants; authorized the principle of implementation of an employee share ownership plan; decided on a discretionary profit-sharing supplement;

- evaluated the independence of the directors, the potential conflicts of interest and the effective contribution of each of the directors; defined a diversity policy for the Board of Directors and management bodies;
- authorized several related-party agreements; heard the Audit Committee on the evaluation of current agreements;
- amended its internal rules;
- approved the delegation of authority to the Chairman and Chief Executive Officer for 2021, with respect to sureties, endorsements and guarantees, under the new terms of the law.

4.2.6.5 Self-assessment of the Board of Directors and assessment of the effectiveness of the contribution made by each director

In addition, as stipulated in its internal rules, each year the Board of Directors devotes an agenda item to the Board's operations in order to (i) evaluate the quality and effectiveness of the Board's deliberations, (ii) assess the Board of Directors' actual roles and duties, (iii) analyze the reasons for any shortcomings as perceived by the Chairman, directors or shareholders, and (iv) analyze the independence criteria applicable to directors.

At its meeting of February 23, 2021, the Board of Directors carried out a self-assessment based on a questionnaire in which each director was able to state his or her opinion. The debates were conducted by the Chairman of the Human Resources and CSR Committee who had analyzed the answers received beforehand.

The Board of Directors confirmed that its responsibilities and duties were fulfilled and it was operating effectively, both in terms of the standard and effectiveness of its meetings. Areas of improvement are proposed by the Company and, the following year, the Board of Directors ensures they are addressed or continues its efforts, where applicable.

- The directors consider that their access to information concerning the Group and its environment is sufficient, and that such information is of a high quality and is sent to them in a timely manner. Nevertheless, these time frames could still be improved.
- The majority of directors consider that the information provided for the discussion of topics on the agenda is presented with sufficient internal or external analysis on which to base decisions. In this respect, extraordinary sessions on specific subjects and the information given to the Board in advance of decisions are highly appreciated. The directors appreciate taking part in the discussions of the Strategy Committee, which enables them to have a better vision of the Company's strategy. The resolutions of the Board of Directors are better monitored and appreciated by the directors.
- The directors consider their training to be appropriate, and appreciate the regular presentation of the members of the Executive Committee at the meetings of the Board of Directors, which participates in their continuing education. The dialog with the Management Committee must continue.
- With respect to General Management, directors believe they are fully independent and able to speak freely and appreciate the efforts made to explain and share knowledge. They consider that they have sufficient access to other information than that provided by the General Management, and particularly at the Audit Committee level.
- They deem it important that the independent directors meet outside of these Board meetings, irrespective of the transparency and openness shown by the Management and the standard of discussion at those meetings. As a result, since 2018, a meeting of independent directors has been held once a year. They also consider that the independent directors are duly independent (see section 4.2.5).
- The members of the Board committees believe that the committees on which they sit function effectively, and that the frequency with which the committees are held and duration of committee meetings are fully satisfactory. They also express great satisfaction with the standard of work produced by the committees. They appreciate the division of work between the committees and the Board and the high standard of discussion within the committees as well as the effective communication of information.

Finally, the Board of Directors debated the effective contribution made by each director to the work of the Board, after hearing the analysis of the Human Resources and CSR Committee. Having highlighted the individual and varied skills of each director (international environment, management of major groups or listed companies, strategy and M&A, finance/audit, health sector, CSR, digitalization) and the complementary nature of its members, the Board of Directors concluded that each member's involvement, in their field of expertise, led to high quality discussions. As a result, their significant personal contributions, as well as regular attendance, are criteria that ensure the smooth running of the Board and the appropriate membership.

4.2.6.6 Practices and work of the Committees of the Board of Directors

The Board of Directors' internal rules provide that the Board of Directors may set up one or more permanent or temporary committees to help it accomplish its work and contribute effectively to the preparation of its decisions.

The committees are in charge of examining issues referred to them by the Board of Directors or its Chairman, preparing the Board of Directors' work on these issues, and reporting their findings to the Board of Directors in the form of reports, proposals, communications or recommendations. They can also bring in external consultants when necessary.

The committees act in an advisory capacity. The Board of Directors determines at its own discretion how to follow up on the findings reported by the committees. The directors remain free to vote as they choose and are not bound by the committees' studies, investigations or reports, nor by any recommendations they may issue.

Audit Committee

Breakdown

The Audit Committee has three members appointed by the Board of Directors from among its members who are not members of the Company's Management. It consists of a majority of independent directors.

The Audit Committee, set up in 2002, was composed, on December 31, 2020, of Harold Boël, its Chairman, Agnès Lemarchand, and Philippe Archinard. Harold Boël and Agnès Lemarchand are independent directors within the meaning of the Board of Directors' internal rules. Two-thirds of the committee are therefore independent members.

All of the committee's members have specialized financial or accounting expertise. Agnès Lemarchand, Harold Boël and Philippe Archinard each possess "financial or accounting expertise" as set out in Article L. 823-19 of the French Commercial Code *(Code de commerce)* and in the AMF's July 22, 2010 working group report on Audit Committees. They acquired this expertise through their general management experience in major industrial groups (in the case of Agnès Lemarchand and Harold Boël) and in pharmaceutical groups (in the case of Philippe Archinard).

Practices – Missions

The committee meets (including by conference calls) as often as it deems necessary and at least twice a year, before the review by the Board of Directors of the annual and interim financial statements. The Audit Committee appoints a Chairman from among its members, who may hold a directorship but no management or other position as corporate officer within the Company or the Group. Depending on the points on its agenda, the Audit Committee invites members of the Finance, Legal, Intellectual Property and Compliance departments, Investor Relations or the Statutory Auditors and exceptionally General Management, to its meetings. External experts may be called upon if necessary. In consultation with the Chairman of the Board of Directors, the Audit Committee is provided with all of the resources it considers necessary to properly perform its duties.

Pursuant to the Board of Directors' internal rules, the Audit Committee's duties are to assist the Board of Directors. It is primarily responsible for (i) ensuring the monitoring of the preparation of financial information, (ii) ensuring the effectiveness of internal control and risk management systems as well as the internal audit, (iii) making a recommendation on the Statutory Auditors proposed for appointment by the shareholders' meeting, (iv) monitoring the Statutory Auditors' performance of their duties, (v) monitoring the independence of the Statutory Auditors, (vi) approving the provision of services other than the statutory audit and (vii) reviewing the draft financial press releases in particular relating to the interim financial statements and quarterly sales.

Work

The Audit Committee meets between one and four days before the Board of Directors' meeting held to approve the annual and interim financial statements and prepares a systematic report on its meeting. It met seven times in 2020.

The Audit Committee reviewed the annual and interim financial statements, including the notes thereto and the year-end accounting options and off-balance sheet commitments as well as the scope of the consolidated companies. It reviewed the press releases relating to the annual financial statements for 2019, the 2020 interim financial statements, and sales for the first, second and third quarters of 2020. The Committee also reviewed the draft Universal Registration Document including the risk factors, management report, Corporate Governance report, and declaration on the Company's non-financial performance. The Audit Committee examined financing scenarios through the issue of long-term debts. It reviewed the Company's foreign exchange policy and its implementation and also reviewed the budget process. It reviewed the internal audit reports, the results of internal audit missions, and the action plan for the current year. It considered the implementation of the action plan for the Sapin II Law and General Data Protection Regulation. It reviewed the Company's insurance program and updates to the risk map, including financial and non-financial risks and the methodology used. It also reviewed the changes in the information security system implemented. It reviewed current agreements within the framework of the delegation received from the Board of Directors. Finally, the Audit Committee pre-approved the services performed by the Statutory Auditors other than the certification of the financial statements and approved, on a case-by-case basis, specific assignments.

The Statutory Auditors issued a detailed report on their audit engagement relating to the annual and interim financial statements and on auditor independence, and regularly informed the Audit Committee of changes in accounting rules and legal regulations.

The Statutory Auditors also held private discussions with the members of the Audit Committee.

Human Resources and CSR Committee

Breakdown

In 2004, the Board of Directors created the Compensation Committee, which became the Human Resources, Appointment and Compensation Committee in 2010. In 2020, the remit of the Committee was extended and it was renamed the Human Resources and CSR Committee. Pursuant to the Board of Directors' internal rules, this Committee comprises three members appointed by the Board of Directors from among its members. It consists of a majority of independent directors.

As of December 31, 2020, the Human Resources and CSR Committee was composed of Fanny Letier, who chairs the committee, Marie-Hélène Habert-Dassault and Jean-Luc Bélingard. Marie-Hélène Habert-Dassault and Fanny Letier are independent directors within the meaning of the Board of Directors' internal rules. Two-thirds of the Human Resources, Appointment and Compensation Committee are therefore independent members. In addition, the Chairman and Chief Executive Officer is involved in the committee's work on the selection and appointment of directors as well as on the compensation policy applicable to the main non-officer executives.

Practices – Missions

The Human Resources and CSR Committee meets at least once a year. Meetings are called by the Chairman of the Board of Directors.

With respect to appointments, the committee is responsible for making recommendations on the composition of the Board after considering all relevant information prior to making a decision: desirable balance in Board membership to reflect the Company's shareholding structure, identifying and evaluating possible candidates, and renewal or non-renewal of terms of office. In particular, the committee defines and implements the procedure for selecting future independent directors and reviews potential candidates before any action is taken in their regard.

The Committee must establish a succession plan for executive corporate officers to fill any unforeseen vacancy. The Committee reviews the succession plan for all of the Company's key positions on an annual basis; the Chairman and Chief Executive Officer may participate in discussions with the Committee.

With respect to the compensation, the committee is primarily responsible for (i) making recommendations to the Board of Directors concerning fixed and variable compensation, supplementary and specific pension and personal protection plans, benefits in kind and other financial benefits to which the Chairman and Chief Executive Officer and, where applicable, the Chief Operating Officer, may be entitled; (ii) recommending to the Board an overall amount of directors' fees, as well as rules governing the distribution of such fees and the individual amounts payable to each director based on their attendance record at Board meetings and committee meetings; and (iii) where applicable, proposing to the Board of Directors the rules governing the variable portion of corporate officers' compensation and ensuring that these rules are applied. The Human Resources and CSR Committee is also informed of the compensation policy applicable to the main non-corporate officers.

With respect to stock options and share grants, where appropriate, the committee submits to the Board of Directors its observations regarding the Company's stock option and free share plans proposed by the Chairman and Chief Executive Officer and makes recommendations on the different categories of beneficiaries. The options or free shares granted to corporate officers are examined on a case-by-case basis by the committee.

With respect to CSR, the Committee's task is to ensure that the Company takes CSR issues into account and includes it in its strategy.

Work

The Human Resources and CSR Committee met three times in 2020. The main topics discussed during these meetings were the following: the appointment of a Chief Operating Officer, the review of the renewal of the terms of office of two directors whose terms were due to expire; the 2020 compensation policy for corporate officers, namely the Chief Executive Officer, the Chief Operating Officer and directors, *ex post* compensation, succession plans for key positions and executive corporate officers, the independence of directors; and the diversity policy of the Board of Directors and the Executive Committee.

In addition, the Committee discussed and approved other topics, such as: annual salary negotiations, the compensation policy for members of the Executive Committee and the one applied to all employees in the Group (validation of the variable compensation matrix applicable to employees for the 2020 financial year and application of a 100% multiplier to the variable compensation for 2019), the amount of the 2019 profit-sharing as well as the additional profit-sharing distributed equally, the implementation of share grant plans, the validation of performance criteria for free shares, the policy implemented for identified talent pools, the new composition of the Strategic Committee, the implementation of an employee shareholding plan, and the Gender Equality Index.

In 2020, there were no changes to the compensation allocated to directors.

In accordance with its operating rules, the Strategy Committee reports to the Board of Directors regarding the performance of its tasks and will provide any observations it deems useful.

The Strategy Committee

Breakdown

The Strategy Committee, created in 2017, is composed of at least three members appointed by the Board of Directors from among its members. A Chairman ensures the proper operation of the committee.

At December 31, 2020, all of the directors were members of the Strategy Committee: Marie-Paule Kieny, Marie-Hélène Habert-Dassault, Agnès Lemarchand, and Fanny Letier, and Alexandre Mérieux, Philippe Archinard, Harold Boël, Frédéric Besème, and its Chairman, Jean-Luc Bélingard.

Practices – Missions

The Committee meets as often as it deems necessary and at least once a year, when convened by the Chairman. The committee may invite members of the Company's management and may also call upon external experts.

The Strategy Committee's purpose is to discuss the main strategic topics with General Management, particularly changes in the technological, medical and market environments, and to guide the strategic choices of the Company, both in terms of technologies and its business model.

Work

The Committee met once in 2020, to discuss the Company's strategic plan.

In accordance with its operating rules, the Strategy Committee reports to the Board of Directors regarding the performance of its tasks and provides any observations it deems useful.

4.3 COMPENSATION OF CORPORATE OFFICERS

The information and tables in this chapter were prepared in accordance with Order No. 2019-1234 of November 27, 2019, relative to the compensation of corporate officers of listed companies, supplemented by Decree 2019-1235 of the same date transposing the Shareholders' Rights Directive 2 (SRD 2).

They are also compliant with the AFEP-MEDEF Corporate Governance Code and its user guide, and comply with AMF Recommendation 2012-02 (updated on December 3, 2019), "Corporate Governance and executive compensation in companies referring to the AFEP-MEDEF Code – Consolidated presentation of the recommendations contained in the AMF annual reports" and AMF Recommendation 2021-02 "Guide for the preparation of Universal Registration Documents".

This chapter specifies (i) the policy on the compensation of corporate officers of the Company for 2021, namely the Chairman and Chief Executive Officer, the Chief Operating officers, and the directors, as well as (ii) the fixed, variable and exceptional elements composing the total compensation and benefits of any kind paid during the previous fiscal year or allocated pursuant to the same year to the corporate officers.

It repeats the provisions of Articles L.22-10-8, L.22-10-9 and L.22-10-34 of the French Commercial Code and is included in the report on Corporate Governance mentioned in Article L.225-37 of the Commercial Code. These principles were decided by the Board of Directors at their meeting on February 23, 2021, upon the recommendation of the Human Resources and CSR Committee. It will be put to a vote during the Annual General Meeting of May 20, 2021.

It should be noted that the compensation policy for corporate officers (Chairman and Chief Executive Officer, Chief Operating Officer, and members of the Board of Directors) for 2021 described below is subject to an overall vote, which does not prejudice the outcome of individual votes on the manner in which this policy is applied to the Chairman and Chief Executive Officer, the Chief Operating Officer, and members of the Board of Directors.

4.3.1 Compensation policy 2021 – *ex ante* voting

4.3.1.1 General description

Upon a recommendation from the Human Resources and CSR Committee, the Board of Directors proposes a policy on the compensation of corporate officers (the "Policy") that is compliant with the Corporate interest of the Company, which contributes to its sustainability and fits within its commercial strategy.

Thus, the directors' compensation takes into account their actual presence at meetings of the Boards and Committees. This is because the variable portion linked to the rate of attendance at or participation in the Board of Directors or a Committee outweighs the fixed portion. This compensation encourages directors to invest in the Company's strategy. The compensation package allocated to directors is also reviewed from time to time to take into account changes in the composition of the Board.

In addition, the compensation policy for corporate officers explicitly provides that variable compensation will be linked to the Company's short- and long-term performance. The fixed compensation portion is reviewed only occasionally, to ensure that it is consistent with the Company's performance and developments. The Company is attentive to the adequacy of the terms and conditions of compensation of its employees and those of its corporate officers.

Thus, to define the policy, the Board of Directors takes into account:

- the Company's interest and strategy;
- the performance and development of the Company and the executive, where applicable, on an annual and multi-annual basis;
- the compensation policy for all the Group's senior executives;
- the compensation paid directly by Institut Mérieux, if any;
- analysis of market practices which allow them to compare the level and structure of compensation for corporate officers and executive corporate officers with that in force in other SBF 120 companies of a similar size (compensation level and trends, respective position and weight of each component of compensation) and in international companies operating in similar businesses; and
- if applicable, specific situations that may give rise in exceptional circumstances to extraordinary compensation.

This policy and these elements are analyzed and reviewed every year by the Human Resources and CSR Committee. The Committee makes its recommendations to the Board of Directors, which debates them in meetings, then determines the terms of the Policy. Any proposed modification is examined by the Human Resources and CSR Committee, and then submitted for approval to the Board of Directors. In particular, that the corporate officers not participate in the discussions and evaluation of their performance, and leave the meeting, if applicable, in order to avoid any risk of a conflict of interest.

Except in the case of provisions to the contrary, the Policy is applicable to all corporate officers, whether they are reappointed during the year or newly appointed.

The policy is unchanged compared to the one presented in 2020, which was approved by the Annual General Meeting of June 30, 2020 (see section 4.3.2.1) with the exception of annual variable remuneration.

Finally, the Board of Directors may, exceptionally, deviate from the Policy in the event of a change in the Company's organization or governance.

4.3.1.2 Components of the fixed and variable compensation of corporate officers for the 2021 financial year

At the date of publication of this universal registration document, the executive corporate officers are Alexandre Mérieux, Chairman and Chief Executive Officer; and Pierre Boulud, Chief Operating Officer.

The current term of office of the Chairman and Chief Executive Officer is four years, renewable, corresponding to the duration of his term office as director. The term of office of current directors is also four years. The term of office of the Chief Operating Officer is set at three years. All corporate offices may be revoked *ad nutum* by the Company's shareholders, and also by the Board of Directors. The employment contract of Pierre Boulud, Chief Operating Officer, is an open-ended contract under French law, and provides for a three-month notice period.

4.3.1.2.1 Compensation allocated to directors

Upon a recommendation from the Human Resources and CSR Committee, the Board of Directors proposes to the Annual General Meeting an overall budget for the compensation allocated to directors.

In particular, the maximum amount of compensation allocated to directors is €400,000 per year, as arising from the 11th resolution of the Ordinary General Meeting of the Company on May 30, 2017.

SUMMARY TABLE OF COMPENSATION ASSIGNED TO DIRECTORS

On December 15, 2017, the Board of Directors set the rules on the breakdown of compensation allocated directors. On September 3, 2019, the Board of Directors decided to no longer compensate Directors for their participation on Strategic Committees. These decisions followed the recommendations of the Human Resources and CSR Committee.

Thus, for financial year 2021, the compensation allocated to Directors breaks down as follows:

In euros	**Annual fixed amount[(a)]**	**Variable amount** *(per meeting and per director)*
Board of Directors	5,000	5,000
Audit Committee	2,000	4,000
Human Resources and CSR Committee	2,000	3,000
Strategy Committee		No compensation

(a) Calculated pro rata to the number of months in office of the directors.

In accordance with the AFEP-MEDEF Corporate Governance Code, the variable portion linked to directors' rate of attendance or participation on the Board of Directors or a committee is greater than the fixed portion.

4.3.1.2.2 Compensation of executive corporate officers

General principles

The Human Resources and CSR Committee and the Board of Directors analyze the overall compensation for executive corporate officers by taking into account all of the components:

- fixed portion;
- annual variable portion;
- deferred variable portion;
- multi-annual variable portion;
- if applicable, extraordinary compensation;
- entirely conditional stock option plans and performance shares;
- compensation allocated to directors;
- benefits-in-kind;
- termination benefits; and
- supplementary pensions.

Moreover, the Human Resources and CSR Committee and the Board of Directors have decided:

- that no benefits in connection with a non-compete clause will be paid in the event of departure; and
- that no additional compensation will be paid by a Group subsidiary outside of compensation allocated to directors.

Fixed compensation

Fixed compensation for executive corporate officers is determined by taking into account the level and difficulty of responsibilities, experience in the function and area of the Company's business, seniority in the Group and practices in force in groups or companies of a similar size.

Fixed compensation may only be reviewed at fairly long intervals – in theory every two or three years – excluding the overall pay review for all Company employees and barring exceptional events.

In addition to their functions within the Company, the executive corporate officers can exercise functions within Institut Mérieux, for which they may be paid under the terms of an employment contract or mandate. This compensation is not rebilled to bioMérieux. The compensation paid directly by Institut Mérieux is therefore excluded from the Shareholders' Meeting's vote.

The fixed compensation of the Chairman and Chief Executive Officer was increased to €500,000 gross on April 1, 2020, compared with €450,000 previously. This increase was justified by the implementation of a new organization of the Company, strengthening its client focus around business expertise. His fixed compensation was last increased on June 1, 2018, when it went from €380,000 to €450,000, following his appointment as Chairman and Chief Executive Officer.

The fixed compensation of the Chief Operating Officer is €510,000 since March 1, 2020, of which €450,000 relates to his employment agreement and €60,000 to his service as a corporate officer previously.

Annual variable compensation

Principle applied in the Company

The Company has decided to launch in 2021 a review of the applicable rules until now with regard to variable compensation. It is examining in particular the opportunity and possibilities of establishing a system to allow the fruits of its growth to be shared with all its employees throughout the world.

Up to 2020, the principle of variable compensation applicable in the Company was as follows:

- The variable portion is expressed as a percentage of basic pay as of December 31 of the year. This percentage depends on the grade of the employee. It represents a theoretical target for the variable portion in the event that employees achieve 100% of their individual objectives. For the purpose of calculating variable compensation, a maximum achievement rate of 120% is applied. These individual objectives were applicable to all Group employees; the compensation of corporate officers was subject to the same ceilings and mechanisms as for all employees.
- The multiplier coefficient of the Company (applicable to all French and US employees excluding sales teams, "Global Leaders" and corporate officers) according to a matrix defined annually (MBO matrix). This matrix presented several levels of revenue growth and contributive operating income, with assumptions below and above the targets announced by the Company at the beginning of the financial year. The intersection of each of these variables defined the percentage of the applicable multiplier coefficient (with a minimum of 70% and a maximum of 150%). This matrix was set annually by the Human Resources and CSR Committee and the Board of Directors.

In view of the ongoing analysis, the Company has not defined an MBO matrix for 2021.

Specific application to executive corporate officers

Upon recommendation of the Human Resources and CSR Committee, the Board of Directors has defined a theoretical target for the variable portion for each of the executive corporate officers. The Chairman and Chief Executive Officer receives a target variable portion of 100% of his/her fixed compensation and the Chief Operating Officer receives a target variable portion of 70% of his/her fixed compensation.

The objectives of the corporate officers are then set for the current financial year. These objectives take into account the performance criteria selected based on the Company's strategy.

They comprise quantitative and qualitative targets which are reviewed each year and defined according to the strategic priorities set for the Group. They are defined by the Board of Directors and are detailed below for the financial year 2021.

Variable compensation is calculated as follows:

Base salary as at December 31
x theoretical target for the variable component
x % of targets achieved

The extent to which the objectives have been met ("achievement rate") and the amount of variable compensation will be determined by the Board of Directors based on a recommendation of the Human Resources and CSR Committee during the meeting to be held to approve the financial statements for the financial year. The Board of Directors may take into consideration new systems of variable remuneration that will be adopted for the 2021 financial year and which will be applicable to the executives, corporate officers and employees concerned.

The Chairman and Chief Executive Officer is not present when the Board of Directors discusses his/her performance.

The Company does not foresee any cases in which the variable compensation must be returned.

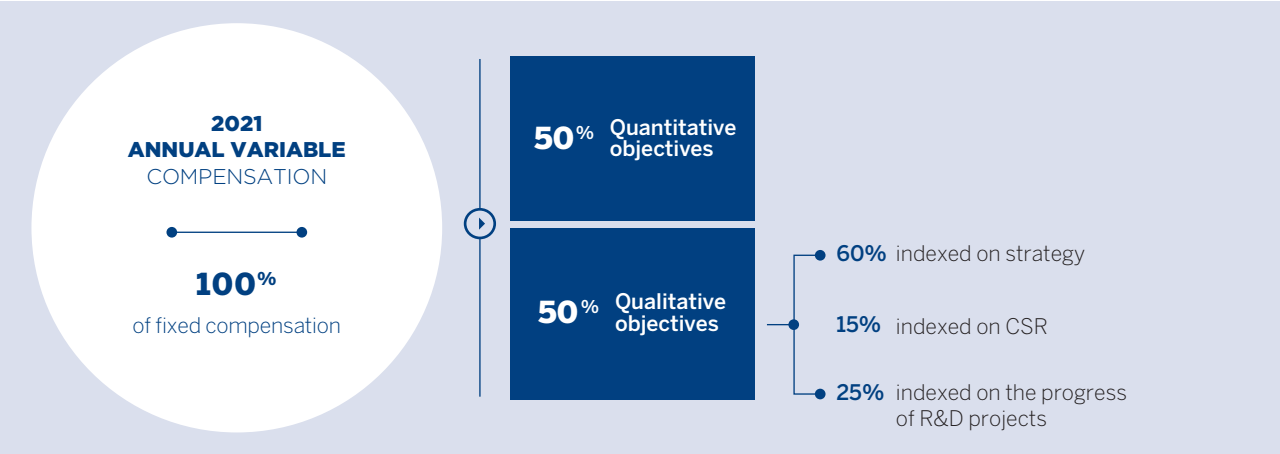
Chairman and Chief Executive Officer

The annual variable target of the Chairman and Chief Executive Officer is 100% of his fixed compensation in accordance with his corporate office at bioMérieux. He does not receive any variable compensation indexed to his compensation paid by Institut Mérieux.

In 2021, the targets will be as follows:

- the quantitative targets represent 50% of the variable target. They consist of the budgetary objectives communicated by the Company, namely (i) annual sales growth of between 5% and 8% at constant exchange rates and consolidation scope, and (ii) contributing current operating income at the same level as in 2020, and
- the qualitative targets representing 50% of the variable target. They are composed of criteria related to (i) a strategy for 60%, taking into account the execution of the Company's roadmap (in particular completion of the BioFire transition project, strategic programs for clinical and industrial operations), (ii) a 15% improvement in CSR indicators (implementation of the roadmap presented to the Board of Directors in December 2020, including in particular the deployment of the new CSR ambition, as detailed in chapter 3 of this document), and (iii) 25% progress on R&D projects (execution of the project portfolio).

The Company decided not to disclose the details on some criteria for confidentiality reasons.

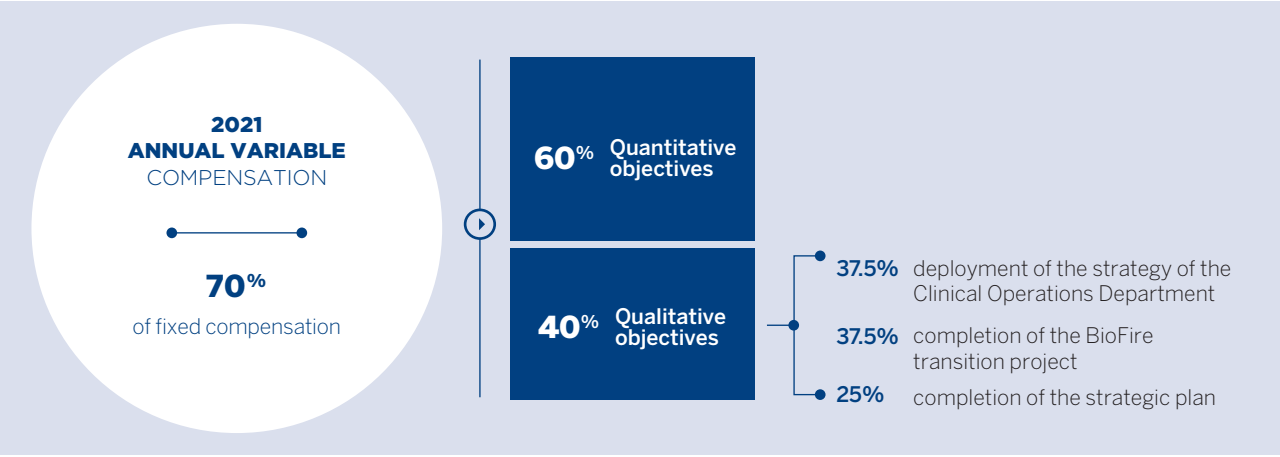


Chief Operating Officer

The annual variable target for the Chief Operating Officer is 70% of his fixed compensation. In 2021, the targets will be as follows:

- the quantitative targets represent 60% of the variable target. They consist of the financial objectives set by the Company for the Clinical Operations Department, namely (i) annual growth in sales, and (ii) contributory current operating income, and
- the qualitative targets representing 40% of the variable target. They consist of criteria related to (i) the deployment of the strategy of the Clinical Operations Department for 37.5% (a full-potential program specifically characterized by the implementation of the five key initiatives and coordination of interactions between the global and local teams), (ii) the finalization of the BioFire transition project for 37.5% (monitoring of deployment, internal communication, identification and management of project risks), and (iii) the completion of the strategic plan for 25%.

The Company decided not to disclose the details on some criteria for confidentiality reasons.



Deferred variable compensation

The Board of Directors may decide upon a deferred variable compensation component that is based on qualitative and quantitative criteria and subject to continued employment by the Company. In 2021, no deferred variable compensation will be offered to the Chairman and Chief Executive Officer or to the Chief Operating Officer.

Multi-year variable compensation

Multi-year variable compensation may be granted to executive corporate officers. In 2021, no variable multi-year compensation will be offered to the Chairman and Chief Executive Officer or to the Chief Operating Officer.

Extraordinary compensation

Executive corporate officers may benefit from extraordinary compensation in the event of specific performance or the particularly successful implementation of certain projects by these executives. In 2021, no extraordinary compensation will be offered to the Chairman and Chief Executive Officer or to the Chief Operating Officer.

Stock option plans and performance shares

General principles

The level of shares awarded takes into account all of the elements used to determine the executive corporate officers' compensation as well as the market practices adopted by comparable listed companies.

Generally speaking, the respective proportion of stock options and performance shares awarded varies in line with the grade and performance of the beneficiaries, with the proportion of stock options and performance shares increasing with the beneficiary's degree of responsibility and performance.

Under IFRS 2, the value of any share-based payment award is limited to one year of fixed and target variable compensation, with the target variable corresponding in this case to the compensation due when the beneficiary has an achievement rate of 100%. The total amount of annual awards to corporate officers must not exceed 2.5% of the total compensation pool approved by the Shareholders' Meeting for stock option and free share grants within the Group, or 5% of the annual total award (calculated where applicable in equivalent stock options for combined stock option and performance share grants).

Balance and proportionality

The conditions for the award and exercise of stock options and for the award and vesting of performance shares for executive corporate officers are contingent on demanding and appropriate internal and/or external performance criteria, which must be met over several consecutive years. The share-based payment plan formally states that executive corporate officers must be employed by the Group at the end of the vesting period in order to exercise their options or for their performance shares to vest.

Total stock option and performance share awards represent a low percentage of equity.

Mandatory holding period ("lock-up") for shares awarded by the Company

In accordance with French law and with the AFEP-MEDEF Corporate Governance Code, the Board of Directors sets the number of shares that corporate officers are required to hold:

- for performance shares, executive corporate officers must hold a number of shares equal to 40% of the performance shares, that will ultimately be awarded upon expiry of the vesting period;
- for stock options, executive corporate officers must hold a number of shares resulting from each exercise of options equal to 40% of the theoretical net capital gain (after tax and social security levies) calculated at the option exercise date.

The mandatory holding requirement will cease to apply three years after the award or at the end of the corporate officer's term of office.

Given the restrictive holding requirement set, it was not considered appropriate to require the executive corporate officers to purchase a specific quantity of shares in the Company when their performance shares become available, as recommended by the AFEP-MEDEF Corporate Governance Code.

The executive corporate officers are required to hold their shares in registered form, whether they are subject to the holding requirement or not.

The laws and the Group's internal Code of Conduct aimed at preventing insider trading forbids any sale of the Company's shares for a period of 60 calendar days preceding the date of publication of the Company's annual and interim financial statements (or 21 calendar days preceding the publication of quarterly information). This requirement to refrain from trading in the Company's shares expires one day after the clear publication of privileged information (*e.g.,* in an official press release). During authorized trading periods, the Legal Department should be consulted in the event of any doubt about a possible transaction. In accordance with the AFEP-MEDEF Corporate Governance Code, executive corporate officers may not exercise the stock options allocated to them during these closed periods, even when the exercise of options is not followed by a sale of shares.

The directors' performance share grant plans, like all of those implemented within the Company, expressly state that it is prohibited to corporate officers to perform financial transactions that would have the effect of hedging the risk inherent to these shares. The ban applies for the whole vesting period and, if relevant, any lock-up period.

In 2021, no stock options or performance shares will be granted to the Chairman and Chief Executive Officer. The Chief Operating Officer will benefit from a maximum total number of free share grants representing approximately 125% of his compensation on the grant date.

Supplementary pensions

Supplementary pensions for executives are the same as those for Company managers, *i.e.* a "PER Entreprise" (formerly Article 83) defined contribution plan.

Benefits-in-kind

Executive corporate officers are provided with a company car.

The Chairman and Chief Executive Officer receives a company car provided by Institut Mérieux that is not re-billed to bioMérieux. This item is therefore excluded from the vote of the 2021 Annual General Meeting.

The Chief Operating Officer has the use of a company car.

Termination benefits

The Board of Directors may decide to allocate termination benefits according to market conditions and according to the rules of the AFEP-MEDEF Corporate Governance Code.

The Chairman and Chief Executive Officer and the Chief Operating Officer do not collect termination benefits.

4.3.2 Elements composing the total compensation and benefits of any kind paid during the 2020 financial year or allocated pursuant to this year to directors – *ex post* voting

The paragraph below describes all of the compensation paid or allocated to corporate officers by bioMérieux or one of its subsidiaries (the "Scope"), as well as that paid by Institut Mérieux, the parent company of bioMérieux. Within the meaning of Article L.225-37-3 of the French Commercial Code, only the compensation paid within the Scope is subject to the vote of shareholders. The other compensation is communicated for purposes of transparency.

During financial year 2020, the corporate officers were the directors and Alexandre Mérieux, Chairman and Chief Executive Officer, and Pierre Boulud, Chief Operating Officer.

The compensation described below concerns all directors, including, if applicable, those for whom the term of office has ended, and those who are newly appointed during the 2020 financial year.

4.3.2.1 General policy and vote by the Annual General Meeting – overall *ex post* voting

The total compensation for 2020 described below complies with the compensation policy adopted at the Annual General Meeting of June 30, 2020.

This policy contributes to the Company's performance in the long term by associating a significant portion of the executive corporate officer's variable compensation with priorities such as CSR, R&D, and the completion of major transformations or external growth.

The Annual General Meeting of June 30, 2020 decided on the 2020 compensation policy – *ex ante* voting. The results of the votes are set out in the table below.

Resolutions	Policy put to vote	Percentage of votes for policy
8	Compensation of corporate officers	99.74%
9	Compensation of the Chairman and Chief Executive Officer	93.21%
10	Compensation of the Chief Operating Officer	93%
11	Compensation of directors	99.98%

The Company continues to pay particular attention to any comments from its shareholders, taking them into account where possible, with the aim of continuous development (see Section 7.1). In particular, the Company has provided more details on the description of the performance criteria for the variable compensation of its executive corporate officers.

4.3.2.1.1 Equity ratios

Pursuant to Article L.22-10-9 of the French Commercial Code *(Code de Commerce)*, information is presented below on the equity ratios between the level of compensation of executive corporate officers and the average and median compensation of the Company's employees in France.

First of all, the Company presents a summary of all the compensation that allow the calculation of equity ratios.

	2016	2017	2018	2019	2020
Compensation of Alexandre Mérieux [1]	977,800	997,800	997,800	1,271,833	1,012,500
Compensation of Pierre Boulud [2]	N/A	N/A	N/A	N/A	1,658,519
Compensation of Jean-Luc Bélingard [3]	5,815,634	3,527,922	N/A	N/A	N/A

(1) In his capacity as Chief Operating Officer until December 2017, and since December 2017 in his capacity as Chairman and Chief Executive Officer.
(2) Since March 1, 2020 in his capacity as Chief Operating Officer.
(3) In his capacity as Chairman and Chief Executive Officer until December 2017.

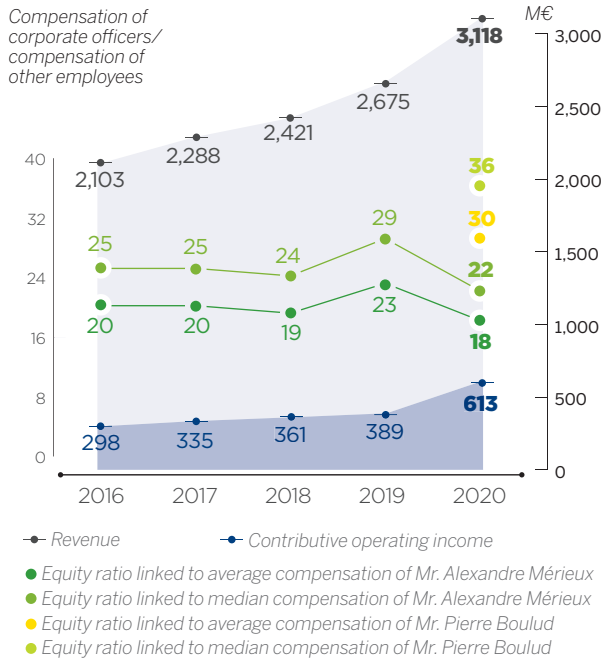
	2016	2017	2018	2019	2020
Average employee compensation	50,042	50,417	52,721	55,625	55,518
Median employee compensation	38,612	40,277	42,032	44,171	45,612

The Company presents the information required in the table below in accordance with the AFEP guidelines updated in February 2021.

TABLE OF RATIOS UNDER I.6 AND 7 OF ARTICLE L.22-10-9 OF THE FRENCH COMMERCIAL CODE *(CODE DE COMMERCE)*

		2016	2017	2018	2019	2020
Change (as %) of the compensation of Alexandre Mérieux compared with the previous financial year		188%	2%	0%	27%	-20%
Change (as %) of the compensation of Pierre Boulud compared with the previous financial year		N/A	N/A	N/A	N/A	N/A
Change (as %) of the compensation of Jean-Luc Bélingard compared with the previous financial year		217%	-39%	N/A	N/A	N/A
INFORMATION ABOUT THE SCOPE OF THE LISTED COMPANY						
Change (as %) of average employee compensation compared with the previous financial year		7%	1%	5%	6%	0.2%
Alexandre Mérieux	Ratio compared with average employee compensation	20	20	19	23	18
	Change in average ratio compared with the previous financial year	168%	1%	-4%	21%	-20%
Pierre Boulud	Ratio compared with average employee compensation	N/A	N/A	N/A	N/A	30
	Change in average ratio compared with the previous financial year	N/A	N/A	N/A	N/A	N/A
Jean-Luc Bélingard	Ratio compared with average employee compensation	116	70	N/A	N/A	N/A
	Change in average ratio compared with the previous financial year	195%	-40%	N/A	N/A	N/A
Change (as %) of median employee compensation compared with the previous financial year		4%	4%	4%	5%	3%
Alexandre Mérieux	Ratio compared with median employee compensation	25	25	24	29	22
	Change in median ratio compared with the previous financial year	177%	-2%	-4%	21%	-23%
Pierre Boulud	Ratio compared with median employee compensation	N/A	N/A	N/A	N/A	36
	Change in median ratio compared with the previous financial year	N/A	N/A	N/A	N/A	N/A
Jean-Luc Bélingard	Ratio compared with median employee compensation	151	88	N/A	N/A	N/A
	Change in median ratio compared with the previous financial year	205%	-42%	N/A	N/A	N/A
PERFORMANCE OF THE COMPANY						
Revenue (€m)		2,103	2,288	2,421	2,675	3,118
Change compared with previous financial year*		9.6%	10.2%	9.9%	7.2%	19.7%
Contributive operating income before non-recurring items (€m)		298	335	361	389	613
Change compared with previous financial year		14.5%	12.4%	7.8%	6.9%	57.7%

* *At constant exchange rates and on a like-for-like basis.*



Methodology for calculation of the ratios

The methodology that the Company applied is based on the AFEP guidelines updated in February 2021.

The ratios are calculated by taking into account the following: Only bioMérieux SA is taken into account. Compensation concerns those paid by bioMérieux SA, excluding compensation and benefits paid by Institut Mérieux, if applicable.

The calculation takes into account 3,761 employees as at December 31, 2020.

CALCULATION OF THE NUMERATOR

- Taking into account the elements **paid** during 2020: fixed part, variable part, exceptional remuneration, exceptional bonuses, directors' compensation and benefits in kind;
- Taking into account of elements **allocated** during financial year N: free share allocation.

Only compensation paid by bioMérieux SA is taken into account (compensation and benefits-in-kind received from Institut Mérieux, if applicable, are not taken into account in calculating compensation).

The compensation of the following persons are taken into account:

- Alexandre Mérieux in his capacity as Chief Operating Officer until December 2017, and since December 2017 in his capacity as Chairman and Chief Executive Officer;
- Jean-Luc Belingard in his capacity as Chairman and Chief Executive Officer until December 2017;
- Pierre Boulud, since March 1, 2020 only in his capacity as Chief Operating Officer.

CALCULATION OF THE DENOMINATOR

- Taking into account the elements **paid** during 2020: fixed portion, variable portion (bonus in respect of 2019), extraordinary compensation, employee savings (profit-sharing / additional profit-sharing) and benefits-in-kind.
- Taking into account elements **allocated** during financial year 2020: free share allocation.

Scope: all employees of bioMérieux on permanent, fixed-term, PhD, and CIFRE fixed-term contracts present over two financial years; excluding work-study placements, trainees, temporary workers, and expatriates.

4.3.2.1.2 Components of the compensation of directors for the 2020 financial year

Upon recommendation from the Human Resources and CSR Committee, the rules on the distribution of compensation allocated to directors, fixed by the Board of Directors on December 15, 2017, were the following:

In euros	**Annual fixed amount**[(a)]	**Variable amount** *(per meeting and per director)*
Board of Directors	5,000	5,000
Audit Committee	2,000	4,000
Human Resources and CSR Committee	2,000	3,000
Strategy Committee		No compensation

(a) Calculated pro rata to the number of months in office of the directors.

SUMMARY TABLE OF COMPENSATION ASSIGNED TO DIRECTORS

Board members	Compensation paid in 2020 *(in euros)*	Compensation paid in 2019 *(in euros)*
Alexandre Mérieux	30,000	25,000
Philippe Archinard	56,000	51,000
Jean-Luc Bélingard	41,000	44,000
Frédéric Besème	30,000	25,000
Harold Boël	60,000	51,000
Philippe Gillet [(a)]	N/A	15,917
Marie-Hélène Habert-Dassault	41,000	36,000
Marie-Paule Kieny	25,000	33,000
Agnès Lemarchand	47,000	42,000
Fanny Letier	41,000	36,000
Michele Palladino [(a)]	N/A	15,917
TOTAL	**371,000**	**374,833**

(a) Philippe Gillet and Michele Palladino have not been directors of the Company since May 2019.

OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS (TABLE 3)

Jean-Luc Bélingard - director

Jean-Luc Bélingard is a director and Vice-Chairman of Institut Mérieux. As such, he received compensation during the year 2020, which has not been re-invoiced to bioMérieux. Jean-Luc Belingard is not an employee of bioMérieux.

In euros	Amounts paid for the 2020 financial year	Amounts paid for the 2019 financial year
Compensation allocated pursuant to appointment as director[(a)]	41,000	44,000
Other compensation[(b)]	25,000	131,440
TOTAL	**66,000**	**175,440**

(a) As a director of bioMérieux.
(b) Compensation paid: in 2019, by Institut Mérieux, €120,000 in fixed compensation, €9,072 in benefits-in-kind, and €2,368 under Article 83, and in 2020, by Institut Mérieux in respect of his directorship.

Philippe Archinard – director

Philippe Archinard is Chief Operating Officer of Institut Mérieux since September 15, 2020. He is in charge of technological innovation and scientific partnerships. He was previously the director of the Immunotherapy Division of Institut Mérieux. His compensation for his functions within Institut Mérieux is partly re-billed to bioMérieux, under the service provision agreement between the two companies. Philippe Archinard is not an employee of bioMérieux, and the re-billing does not contravene the rules on having employment contract and holding corporate office. The re-billed services are not related to the corporate mandate of Philippe Archinard within bioMérieux. Part of Philippe Archinard's compensation is paid directly by Transgene, of which he was Chairman and Chief Executive Officer until December 31, 2020. He remains a member of Transgene's Board of Directors.

His gross variable compensation is based on his individual performance assessed against objectives set at the beginning of the year and is paid in the following year.

In euros	Amounts paid for the 2020 financial year	Amounts paid for the 2019 financial year
Compensation allocated pursuant to appointment as director[(a)]	56,000	51,000
Other compensation[(b)]	285,789	284,127
TOTAL	**341,789**	**335,127**

(a) As a director of bioMérieux. No compensation is paid to Philippe Archinard for his directorship within Institut Mérieux.
(b) Compensation paid by Institut Mérieux:
- *in 2020, €139,961 in fixed compensation, €135,000, in variable compensation, €7,776 in benefits-in-kind, and €3,052 under Article 83;*
- *in 2019, €137,309 in fixed compensation, €135,000, in variable compensation, €8,856 in benefits-in-kind, and €2,961 under Article 83.*

Frédéric Besème - director representing employees

Frédéric Besème is CSR Manager at bioMérieux.

In euros	Amounts paid for the 2020 financial year	Amounts paid for the 2019 financial year
Compensation allocated pursuant to appointment as director[(a)]	30,000	25,000
Other compensation[(b)]	87,653	89,506
TOTAL	**117,653**	**114,506**

(a) As a director of bioMérieux.

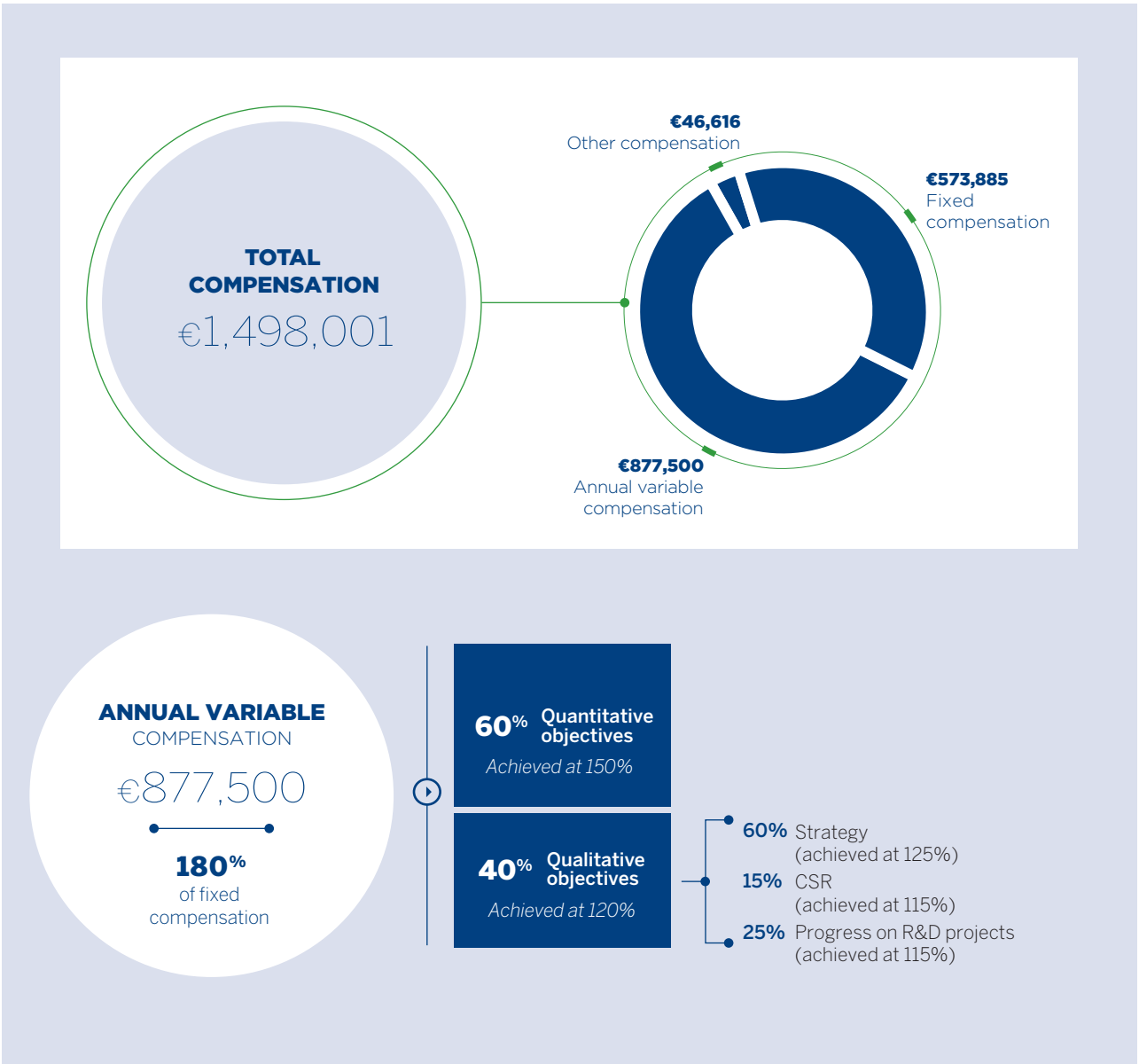
(b) Compensation paid by bioMérieux in respect of his employment contract:

- *in 2020, €78,040 in fixed compensation, €7,804 in variable compensation, and €1,809 under Article 83;*
- *in 2019, €77,714 in fixed compensation, €10,744 in variable compensation, and €1,048 under Article 83.*

Other directors

In 2020, the Company's other directors did not receive any compensation or benefits-in-kind from the Company, companies controlled within the meaning of Article L. 233-16 of the French Commercial Code, or the company that controls the Company in which the director's term of office is served, within the meaning of said Article, except for the above-mentioned compensation allocated to directors.

4.3.2.2 *Ex post* voting on the compensation for the Chairman and Chief Executive Officer in 2020



SUMMARY TABLE OF COMPENSATION ASSIGNED TO EACH EXECUTIVE CORPORATE OFFICER

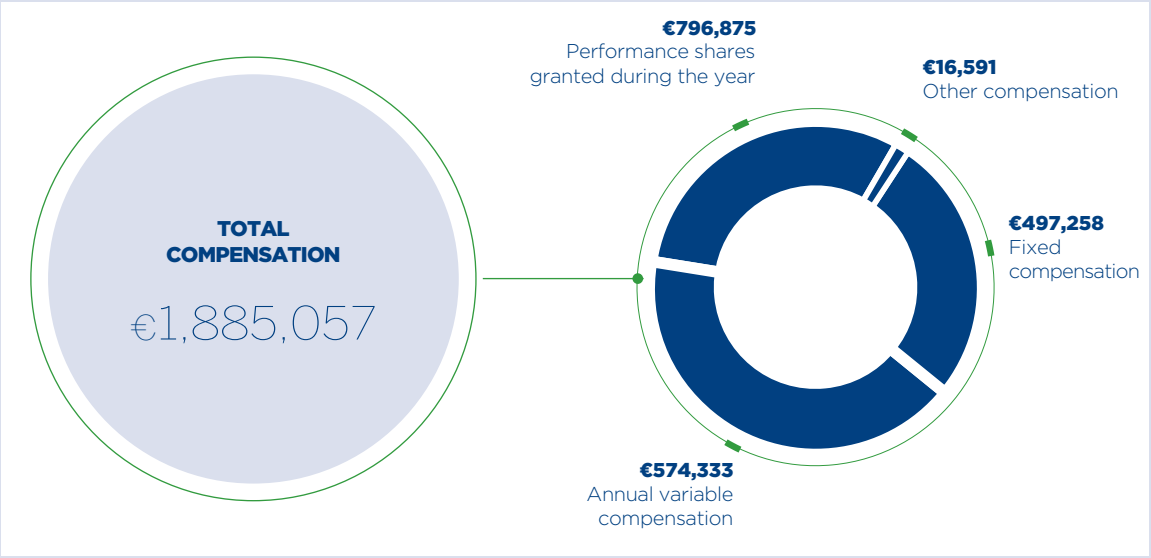
Alexandre Mérieux in his role as Chairman and Chief Executive Officer

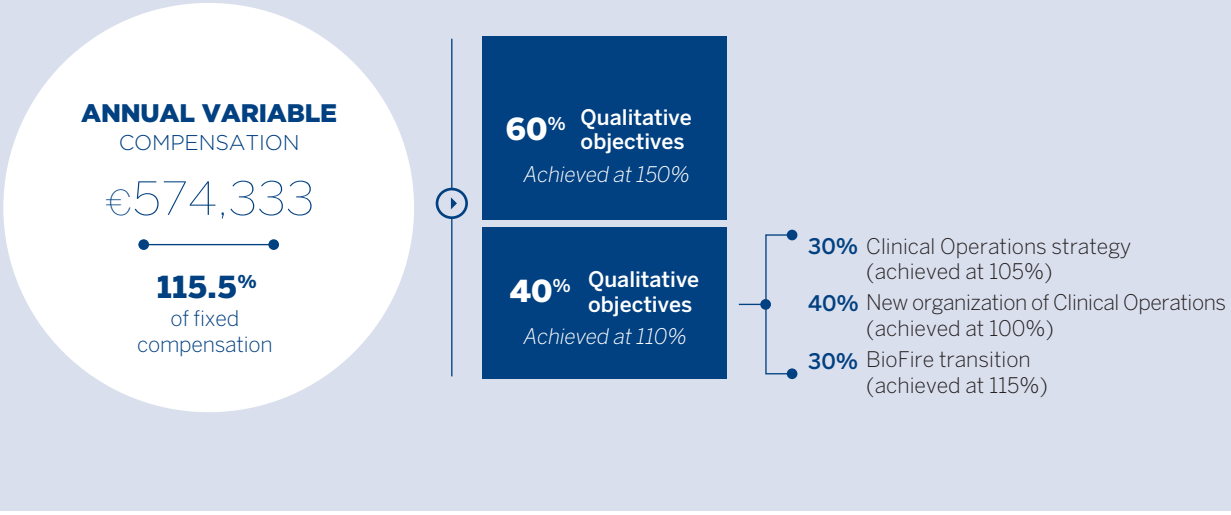
Components of compensation due or granted in respect of the financial year ended	Amounts or accounting value subject to vote	Presentation
Fixed compensation	**€573,885**	The total fixed compensation for 2020 paid by Institut Mérieux was €86,385 (not subsequently re-billed to bioMérieux) and by bioMérieux was €487,500. This compensation was re-assessed on April 1, 2020.
Annual variable compensation (payment of which is subject to shareholder approval)	**€877,500** (180% of fixed compensation)	The Chairman and Chief Executive Officer's variable compensation is reviewed annually by the Board of Directors, without him being present, on the basis of a recommendation from the Human Resources and CSR Committee, and based on his performance. In accordance with the 2020 *ex ante* voting policy: • the annual variable target of the Chairman and Chief Executive Officer is 100% of his fixed compensation in accordance with his corporate office at bioMérieux. • The MBO matrix presents 20 levels of sales growth and 10 levels of contributive operating income, with assumptions below and above the targets announced by the Company at the beginning of the financial year. The intersection of each of these variables defines the percentage of the applicable multiplier coefficient. This matrix defines a minimum multiplier coefficient of 70% and a maximum of 150%; • variable compensation is calculated as follows: *Annual bioMérieux fixed compensation x target bonus x % achievement rate x Company coefficient* The pre-established **quantitative targets** represent 60% of his variable compensation and are based on the Company's financial performance summarized in the 2020 MBO matrix. In 2020, the MBO matrix took into account the two targets announced by the Company, which are: • organic growth in sales of 5%-7% at constant exchange rates and scope of consolidation; and • a contributive operating income based on contributive operating income before non-recurring items of €395-€415 million at current exchange rates. The Human Resources and CSR Committee validated the result of the 2020 MBO matrix with regard to the Company's performance, and set a multiplying coefficient of 150% applicable to all eligible employees. Thus, the Board of Directors validated the achievement of the quantitative targets at 150%. The predefined **qualitative targets** are based on the individual performance of Alexandre Mérieux within the Company. They represent a 40% share of his annual variable compensation. In particular, three criteria were adopted by the Board of Directors in 2020: (i) strategy for 60%, taking into account the execution of the Company's roadmap (in particular deployment of the new organization, the BioFire transition project), (ii) CSR for 15% (execution of the roadmap presented to the Board of Directors in February 2020, including the definition of a new CSR strategy, a new HSE plan, and the materiality analysis of the Company), and (iii) 25% progress on R&D projects (execution of the project portfolio). The Company had decided not to disclose the details on some criteria for confidentiality reasons. The Board meeting held in February 2021, on the recommendation of the Human Resources and CSR Committee, considered that these targets were 120% met, due in particular to: • **Strategy**. 125% of this objective was achieved, in particular as a result of (i) the implementation of the BioFire transition project with the reorganization of the American teams, (ii) the implementation of a new organization of the Executive Committee that is closer to customer needs and (iii) the continued deployment of the *Digital Transformation*. The evaluation of this objective takes particular account of the exceptional context in which it was achieved, that of the COVID-19 health crisis. • **CSR**. 115% of this objective was achieved, mainly due to (i) the finalization of the materiality analysis, (involving consultations with all stakeholders, internal and external) (ii) the definition of a new CSR ambition based on 5 pillars and (iii) the improvement of environmental indicators (exceeding the objectives of the HSE 2020 Vision).

Alexandre Mérieux in his role as Chairman and Chief Executive Officer

Components of compensation due or granted in respect of the financial year ended	Amounts or accounting value subject to vote	Presentation
		• **Progress on R&D projects**. 115% of this objective was achieved, mainly due to (i) the launch of several diagnostic tests dedicated to the detection of COVID-19 (BIOFIRE 2.1 *plus* respiratory panel including SARS-CoV-2, BIOFIRE® EZ 2 respiratory panel. 1 including SARS-CoV-2, ARGENE® molecular biology test used on nasopharyngeal, salivary and oropharyngeal samples, SARS-COV-2 molecular biology test RESPI R-GENE®), (ii) the launch of the BIOFIRE® MYCOPLASMA test, (iii) the launch of the NEPHROCHECK® test on VIDAS, and (iv) the continuation of R&D projects in accordance with the Company's roadmap. All variable compensation for a given year is paid during the following year by bioMérieux. The amount of variable compensation awarded to Alexandre Mérieux for financial year 2020 in respect of his duties as Chairman and Chief Executive Officer was set at €877,500 (representing 180% of his fixed compensation at December 31, 2020 in respect of his duties within bioMérieux), calculated according to the formula shown in the table above (based on an achievement rate of 120% and by applying of Company's 150% multiplier coefficient [MBO 2020]).
Deferred variable compensation	N/A	Alexandre Mérieux does not receive any deferred variable compensation.
Multi-year variable compensation	N/A	Alexandre Mérieux does not receive any multi-year variable compensation.
Extraordinary compensation	N/A	Alexandre Mérieux does not receive any extraordinary compensation.
Stock options, performance shares and other long-term compensation	N/A	No stock options were granted during the 2020 financial year. Alexandre Mérieux does not receive any performance shares.
Compensation allocated pursuant to appointment as director	**€30,000**	Alexandre Mérieux receives compensation in his capacity as director in accordance with the terms and conditions set by the Board of Directors.
Valuation of benefits	**€5,509**	Alexandre Mérieux has the use of a company car provided by Institut Mérieux.
Termination benefits	N/A	Alexandre Mérieux does not receive any termination benefits.
Benefits in connection with a non-compete clause	N/A	Alexandre Mérieux does not receive any benefits in connection with a non-compete clause.
Supplementary pension plan	**€11,107**	Alexandre Mérieux is eligible for a supplementary pension plan with the following characteristics: defined contribution pension in accordance with PER Enterprise (former Article 83), to which the Company contributes up to salary bracket C on behalf of bioMérieux (€10,440) and Institut Mérieux (€667).

4.3.2.3 *Ex post* vote on the compensation for the Chief Operating Officer in 2020





SUMMARY TABLE OF COMPENSATION ASSIGNED TO EACH EXECUTIVE CORPORATE OFFICER

Pierre Boulud in his capacity as Chief Operating Officer

Components of compensation due or granted in respect of the financial year ended	Amounts or accounting value subject to vote	Presentation
Fixed compensation	**€497,258**	The 2020 compensation paid in accordance with the employment contract is broken down as follows: €72,258 for January and February 2020 (on an annual basis of €433,548) and €425,000 from March to December (on an annual basis of €510,000), equal to €497,258 in 2020.
Annual variable compensation (payment of which is subject to shareholder approval)	**€574,333** (115.5% of fixed compensation)	The Chief Operating Officer's variable compensation is reviewed annually by the Board of Directors, on the basis of a recommendation from the Human Resources and CSR Committee, and based on his performance. In accordance with the 2020 *ex ante* voting policy: • the annual variable target for the Chief Operating Officer is 70% of his fixed compensation; • the amount of variable compensation cannot exceed 168% of the reference salary at December 31, 2020. • The MBO matrix presents 20 levels of sales growth and 10 levels of contributive operating income, with assumptions below and above the targets announced by the Company at the beginning of the financial year. The intersection of each of these variables defines the percentage of the applicable multiplier coefficient. This matrix defines a minimum multiplier coefficient of 70% and a maximum of 150%; • variable compensation is calculated as follows: *Annual fixed compensation x target bonus x % achievement rate x Company coefficient.* The pre-established **quantitative targets** represent 60% of his variable compensation and are based on the Company's financial performance summarized in the 2020 MBO matrix. In 2020, the MBO matrix took into account the two targets announced by the Company, which are: • organic growth in sales of 5%-7% at constant exchange rates and scope of consolidation; and • a contributive operating income based on contributive operating income before non-recurring items of €395-€415 million at current exchange rates. The Human Resources and CSR Committee validated the result of the 2020 MBO matrix with regard to the Company's performance, and set a multiplying coefficient of 150% applicable to all eligible employees. Thus, the Board of Directors validated the achievement of the quantitative targets at 150%. The predefined **qualitative targets** are based on Pierre Boulud's individual performance in the Company. They represent a 40% share of his annual variable compensation. The Board of Directors took three criteria in particular into account in 2020 (i) the definition of the Clinical Operations Department strategy, for 30%, (ii) the definition and implementation of new organization of the Clinical Operations Department, for 40%, and (iii) implementation of the BioFire transition, for 30%. The Company had decided not to disclose the details on some criteria for confidentiality reasons. The Board meeting held in February 2021, on the recommendation of the Human Resources and CSR Committee, considered that these targets were 110% met, due in particular to: • **Clinical Operations strategy**. This objective has been 105% achieved, thanks to the definition of the strategy in collaboration with all the functions concerned, its internal communication and the implementation of the associated roadmap (the Full Potential program). • **New organization of Clinical Operations**. This objective has been 100% achieved, as the reorganization of this department has been completed (in terms of the definition of the target and the appointment of staff). • **BioFire transition.** This objective was 115% achieved, notably as a result of (i) the definition of a transition plan, (ii) the involvement of numerous American functions and employees in the definition of this plan, and (iii) the decisions taken to combine the support functions and management of the American locations and entities. The evaluation of this qualitative objective takes particular account of the exceptional context in which it was achieved, that of the COVID-19 health crisis. All variable compensation for a given year is paid during the following year by bioMérieux. The amount of variable compensation awarded to Pierre Boulud for financial year 2020 in respect of his duties as Chief Operating Officer was set at €574,333 (representing 115.5% of his fixed annual compensation in respect of his duties within bioMérieux), calculated according to the formula recalled earlier in the table (110% of the objectives achieved and application of the multiplying factor (MBO 2020) of the Company of 150%).

Pierre Boulud in his capacity as Chief Operating Officer

Components of compensation due or granted in respect of the financial year ended	Amounts or accounting value subject to vote	Presentation
Deferred variable compensation	N/A	Pierre Boulud does not receive any deferred variable compensation.
Multi-year variable compensation	N/A	Pierre Boulud does not receive any multi-year variable compensation.
Extraordinary compensation	N/A	Pierre Boulud does not receive any extraordinary compensation.
Stock options, performance shares and other long-term compensation	**€796,875**	Pierre Boulud was granted performance shares of 6,375 securities at September 1, 2020 valued under the IFRS 2 accounting method (value of the security €125).
Compensation allocated pursuant to appointment as director	N/A	Pierre Boulud is not a director of the Company.
Valuation of benefits	**€1,782**	Pierre Boulud is provided with a company car.
Termination benefits	N/A	Pierre Boulud does not receive any termination benefits.
Benefits in connection with a non-compete clause	N/A	Pierre Boulud does not receive any benefits in connection with a non-compete clause.
Supplementary pension plan	**€14,809**	Pierre Boulud is eligible for a supplementary pension plan with the following characteristics: defined contribution pension plan under the PER Enterprises (former Article 83), to which the Company contributes up to salary bracket C.

4.3.2.4 Commitments made in favor of corporate officers

In 2020, the Company made no other commitments whatsoever to its corporate officers regarding compensation, indemnities or benefits due or likely to be due in connection with their appointment, termination or change of office or subsequent thereto.

4.3.3 Other information on the compensation of executive corporate officers

The information below corresponds to the information on compensation of executive corporate officers that appears in the AMF recommendation that had not already been provided above.

SUMMARY OF COMPENSATION, STOCK OPTIONS AND SHARE GRANTS (TABLE 1)

Alexandre Mérieux, Chairman and Chief Executive Officer

In euros	2020	2019
Compensation allocated for the financial year*	1,486,894	1,065,712
Value of stock options granted during the year	0	0
Value of performance shares granted during the year	0	0
Value of the other long-term compensation plans	0	0
TOTAL	**1,486,894**	**1,065,712**

* *Compensation due for the financial year in 2020, excluding the amount paid to the supplementary pension scheme.*

Pierre Boulud – Chief Operating Officer

In euros	2020	2019
Compensation allocated for the financial year*	1,073,373	N/A
Value of stock options granted during the year	0	N/A
Value of performance shares granted during the year	796,875	N/A
Value of the other long-term compensation plans	0	N/A
TOTAL	**1,870,248**	**N/A**

* *Compensation due for the financial year in 2020, excluding the amount paid to the supplementary pension scheme.*

SUMMARY OF COMPENSATION, STOCK OPTIONS AND SHARE GRANTS (TABLE 2)

Alexandre Mérieux, Chairman and Chief Executive Officer

In euros	Amounts paid for 2020		Amounts paid for 2019	
	Allocated	Paid[a]	Allocated	Paid[a]
Fixed compensation (bioMérieux)	487,500	487,500	450,000	490,833
Fixed compensation (Institut Mérieux)	86,385	86,385	88,020	88,020
TOTAL FIXED COMPENSATION	**573,885**	**573,885**	**538,020**	**578,853**
Variable compensation (bioMérieux)[b]	877,500	495,000	495,000	756,000
Variable compensation (Institut Mérieux)	0	0	0	0
Extraordinary compensation	0	0	0	0
TOTAL VARIABLE COMPENSATION	**877,500**	**495,000**	**495,000**	**756,000**
Target variable compensation as a % of total compensation (bioMérieux portion only)[b]	100%	100%	100%	100%
Actual variable compensation as a %[b]	180%	110%	110%	154%
Maximum variable compensation as a %[b]	180%	180%	168%	168%
Compensation allocated pursuant to appointment as director	30,000	30,000	25,000	25,000
Benefits-in-kind[c]	5,509	5,509	7,692	7,692
TOTAL[d]	**1,486,894**	**1,104,394**	**1,065,712**	**1,367,545**
Value of stock options granted during the year	N/A	N/A	N/A	N/A
Value of performance shares granted during the year	N/A	N/A	N/A	N/A

(a) Details per relevant financial year.
(b) Variable compensation is calculated based on annual fixed compensation. All percentages are calculated on this basis when they concern amounts payable for the financial year.
(c) Company car provided by Institut Mérieux.
(d) Does not include the amount paid to the supplementary pension scheme.

Pierre Boulud – Chief Operating Officer

In euros	Amounts paid for 2020		Amounts paid for 2019	
	Allocated	Paid[a]	Allocated	Paid[a]
Fixed compensation (bioMérieux)	497,258	497,258	N/A	N/A
TOTAL FIXED COMPENSATION	**497,258**	**497,258**	**N/A**	**N/A**
Variable compensation (bioMérieux)[b]	574,333	N/A[d]	N/A	N/A
Extraordinary compensation	0	N/A	N/A	N/A
TOTAL VARIABLE COMPENSATION	**574,333**	**N/A**	**N/A**	**N/A**
Target variable compensation as a % of total compensation (bioMérieux portion only)[b]	70%		N/A	N/A
Actual variable compensation as a %[b]	115.5%		N/A	N/A
Maximum variable compensation as a %[b]	126%		N/A	N/A
Compensation allocated pursuant to appointment as director	0		N/A	N/A
Benefits-in-kind[c]	1,782	1,782	N/A	N/A
TOTAL[e]	**1,073,373**	**499,040**	**N/A**	**N/A**
Value of stock options granted during the year	0		N/A	N/A
Value of performance shares granted during the year	796,875		N/A	N/A

(a) Breakdown by financial year including his compensation paid in 2020, including that received before he became a corporate officer on March 1, 2020.
(b) Variable compensation is calculated based on the annual fixed compensation. All percentages are calculated on this basis when they concern amounts payable for the financial year. Maximum variable compensation for 2019 takes into account the multiplier coefficient of 100% applicable to all employees.
(c) Company car.
(d) The Company does not disclose the variable compensation paid in 2020 in respect of the financial year 2019 in his capacity as an employee who is not a corporate officer who is not a corporate officer.
(e) Does not include the amount paid to the supplementary pension scheme.

PERFORMANCE SHARES GRANTED DURING THE YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ALL GROUP COMPANIES (TABLE 6)

Name	Plan No. and date	Number of shares granted during the year	Valuation of shares according to the method used for the consolidated financial statements	Acquisition date	Availability date	Performance criteria
Pierre Boulud	200901 EC	6,375	796,875	September 1, 2020	September 1, 2023	Yes [(a)]

(a) The plan provides for differentiated conditions according to Tranche A or Tranche B. The conditions for the allocation of tranche A (80% of the shares) are presence for 40% and attainment of the ROCC budget over each of the three years of the vesting period for 20% per year. The conditions for the allocation of tranche B (20% of the shares) are that the ROCC budget is exceeded over each of the three years.

In addition, prior to becoming Chief Operating Officer on March 1, 2020, Pierre Boulud benefited from several allocations of free shares as detailed below:

- 7,670 shares allocated on February 26, 2019, valued at €69.10, or €529,997 total.

SUMMARY OF THE INFORMATION PRESENTED ABOVE (TABLE 11)

Executive corporate officers	Employment contract[(a)]		Supplementary pension plan[(b)]		Indemnities or benefits due or likely to be due as a result of a termination or change of office		Indemnities relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Alexandre Mérieux Chairman and Chief Executive Officer First appointment as director: 04/16/2004 Term expires: at the end of the 2022 AM		√	√			√		√
Pierre Boulud Chief Operating Officer Non-director First term: 03/01/2020 Term expires: 03/01/2023	√		√			√		√

(a) Alexandre Mérieux receives compensation paid by Institut Mérieux which is not re-billed to bioMérieux. He does not have an employment contract with bioMérieux for his compensation as executive corporate officer.

(b) Alexandre Mérieux benefits from a supplementary pension plan as part of his compensation paid by Institut Mérieux. This compensation has the following characteristics: retirement according to PER Entreprises (former article 83), to which the Company contributes up to salary bracket C. Alexandre Mérieux also benefits from a supplementary pension plan as part of his compensation paid by bioMérieux. Pierre Boulud is eligible for a supplementary pension plan (PER Enterprises - former Article 83), to which the Company contributes up to salary bracket C.

OTHER TABLES REFERRED TO IN AMF RECOMMENDATION NO. 2021-02

The other tables in AMF Recommendation No. 2021-02 are not listed in the table below.

Table 4 (Subscription or purchase options awarded during the year to each executive corporate officer by the issuer and by any Group company), table 5 (Subscription or purchase options exercised during the year by each executive corporate officer), and table 7 (Performance shares that have become available during the year for each executive corporate officer) are not required as no stock options have been granted or exercised by the executive corporate officers and no performance shares were granted or became available during the year.

Table 8 (Past awards of subscription or purchase options) and table 9 (Subscription or purchase options granted to the top 10 grantees other than corporate officers and options exercised by them) are not required as no stock options or performance shares were awarded by the Company to corporate officers/executive corporate officers.

Table 10 (Past free share grants) is shown in section 7.7.

4.3.4 Loans and securities granted to corporate officers

N/A.

4.3.5 Amounts provisioned or recognized by the Company or its subsidiaries for the payment of pensions, retirement or other benefits

N/A.

4.4 MAIN RELATED-PARTY TRANSACTIONS

4.4.1 Procedures for evaluating current agreements and related-party agreements

Pursuant to Article L.22-10-12 of the French Commercial Code, the Company has instituted a procedure for evaluating the current agreements and the related-party agreements described in an internal charter.

This charter, approved by the Board of Directors on December 12, 2019, was prepared in concert with Institut Mérieux and the Group's other companies. Its purpose is (i) to define the criteria selected by bioMérieux to qualify an agreement as a related-party agreement to distinguish it from agreements on current operations concluded under normal conditions, (ii) to break down, if appropriate, the authorization procedure required by law, and (iii) to define the internal control methodology for agreements. The charter is established to prevent conflicts of interest and to respect the transparency of any agreements considered related-party agreements.

The Board of Directors has delegated to the Audit Committee the annual review of the charter and current agreements. The Audit Committee will be required to make a report on it to the Board of Directors each year.

This charter is published on the bioMérieux website.

4.4.2 Description of main related parties

The Company describes the activities of the main entities with which it has entered into agreements below.

Institut Mérieux

Institut Mérieux owns 58.9% of bioMérieux (see sections 1.2.4.1 and 7.4.1).

As at December 31, 2020, Alexandre Mérieux, Chairman and Chief Executive Officer of the Company, is a Director and Chief Operating Officer of Institut Mérieux, Philippe Archinard, director, is Chief Executive Officer of Institut Mérieux and Jean-Luc Bélingard, director, is also a director at Institut Mérieux (see section 4.2.4). They therefore do not take part in the votes of all the agreements with this company.

Institut Mérieux's aim is to fight infectious diseases and cancer, taking a global and long-term view.

Together with its subsidiaries, it develops complementary approaches to address current public health issues: from preventing health risks to developing innovative treatments, as well as the key diagnostics stage.

Institut Mérieux's activities are anchored in a long tradition of entrepreneurship in industrial biology. The Mérieux family's commitment to serving biology goes back to 1897, when Institut Mérieux was created by Marcel Mérieux, a student of Louis Pasteur.

A pioneer in industrial biology, Institut Mérieux defends an entrepreneurship model that gives meaning to performance, with just one purpose: to achieve progress in global public health.

Holding one third of share capital, the Fondation Christophe and Rodolphe Mérieux is Institut Mérieux's reference shareholder, safeguarding its humanist and long-term vision.

Institut Mérieux focuses its activities on:

- reinvesting in its subsidiaries and minority interests in order to innovate and prepare for the future;
- societal initiatives, in particular supporting the commitment of the Fondations Mérieux, two independent family foundations dedicated to fighting infectious diseases in disadvantaged countries.

Fondation Christophe et Rodolphe Mérieux

The Fondation Christophe et Rodolphe Mérieux, under the aegis of the Institut de France, is the reference shareholder of Institut Mérieux, holding 32% of its shares (see section 1.2.4.1). Its main actions are described in section 3.7.3.2.

As at December 31, 2020, Alexandre Mérieux, Chairman and Chief Executive Officer was a director of Fondation Christophe et Rodolphe Mérieux (see section 4.2.4). He does therefore not take part in the votes of all the agreements with this company.

Fondation Mérieux

The Fondation Mérieux is an independent family foundation recognized as a public utility and created in 1967. It fights against infectious diseases in developing countries. Its main actions are described in section 3.7.3.2.

As at December 31, 2020, Alexandre Mérieux, Chairman and Chief Executive Officer, and Marie-Paule Kieny, director, are directors of the Fondation Mérieux (see sections 4.2.4 and 4.2.5). They therefore do not take part in the votes of all the agreements with this company.

Mérieux NutriSciences

Mérieux NutriSciences is a company of the Institut Mérieux group (see section 1.2.4.1).

As at December 31, 2020, Alexandre Mérieux, Chairman and Chief Executive Officer, and Harold Boël, director, are Chairman and director respectively of Mérieux NutriSciences Corp. (see section 4.2.4 and section 4.2.5). They therefore do not take part in the votes of all the agreements with this company.

Mérieux NutriSciences provides a wide range of analytical and expert solutions to the food industry throughout its customers' value chain. It offers advice, auditing and training that goes beyond analytical controls. Strengthened by its membership of Institut Mérieux and its Silliker heritage, Mérieux NutriSciences has been recognized for its expertise in food safety for over 50 years. Its scientific expertise and experience in the food sector enable it to provide the best solutions to meet the challenges of food safety, quality and sustainability. Over the years, its expertise has been extended to other sectors whose activities have a daily impact on the health of consumers, such as the water and environmental sectors, agrochemicals, consumer goods, pharmaceuticals and cosmetics.

bioMérieux Endowment Fund

In December 2020, the Company created the bioMérieux Endowment Fund (see Section 3.7.3.1).

As at December 31, 2020, Alexandre Mérieux, Chairman and Chief Executive Officer, is the representative of bioMérieux and Chairman of the bioMérieux Endowment Fund (see Section 4.2.4). He does therefore not take part in the votes of all the agreements with this company.

4.4.3 Service agreements between members of the Board of Directors and the Company or one of its subsidiaries

None of the members of the administrative, management or supervisory bodies has a service agreement with the Company or one of its subsidiaries providing for the payment of benefits. There are service agreements between bioMérieux and certain Group companies that have executive officers in common, as described below.

4.4.4 Description of operations

The Statutory Auditors' report on related-party agreements for financial year 2019 and the description of transactions with related parties are presented in section 7.8.5 and Section 6.1.2 (Note 30.2) and in section 6.2.2 (Note 21.3) of the 2019 Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* - AMF) on March 20, 2020.

For 2020, transactions with related parties are described in this document in section 6.1.2 (Note 30.2) and section 6.2.2 (Note 21.3). No agreement outside the scope of related-party agreements as defined in Articles L. 225-38 et seq. of the French Commercial Code *(Code de Commerce)* remained in force.

The Statutory Auditors' special report on related-party agreements for the financial year 2020 is presented below (see section 4.5.5). Several agreements were authorized during the year, while some other remained in force. The details of these agreements are set out in the table below. The new agreements will be submitted for the approval of the Annual General Meeting of May 20, 2021.

LIST OF AGREEMENTS AUTHORIZED BY THE BOARD OF DIRECTORS IN 2020 AND SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING OF MAY 20, 2021

Addendum to the agreement for the provision of services

Institut Mérieux

Agreement signed initially on April 23, 2015, modified by addendum in 2019.

The contract defines the rules for re-billing services to bioMérieux provided by Institut Mérieux in its capacity as the Group's lead holding company. These services consist in (i) des recurring assistance missions performed for all companies of the Institut Mérieux group in the administrative and scientific fields and representing the companies in the Institut Mérieux Group, both in France and abroad; and (ii) assignments carried out, on a permanent or more occasional basis, for the sole benefit of bioMérieux.

The addendum of 2019 changed (i) the list of services provided, by adding the internal audit (according to the tasks actually carried out on behalf of bioMérieux) and risk and compliance functions, which will be performed by Institut Mérieux, (ii) the rules for re-billing services provided by Institut Mérieux in its capacity as the Group's lead holding company. The margins that apply are modified in accordance with the OECD's rules, by applying an 8% margin to all expenses incurred by Institut Mérieux except for expenses incurred by Institut Mérieux at the request of another entity, for practical and administrative reasons (pass-through costs), which will continue to be billed at cost price, and expenses incurred by Institut Mérieux in order to carry out specific services that are purely administrative, benefit a Group entity, and will be re-billed, applying a 5% margin.

It should also be noted that Institut Mérieux wishes to strengthen its Group Audit Department, including internal audit, risk management and compliance activities. This is in order to pursue the objective of consistency in the risk management and safeguarding processes in Institut Mérieux and its controlled companies, in order to meet all the legal and regulatory obligations that are incumbent upon it.

This new organization allows bioMérieux to cease the administrative management of the employees on this team, who are henceforth employees of Institut Mérieux and who are billed to bioMérieux for time spent solely on the missions carried out for it. Since 2019, the cost for bioMérieux is equivalent overall, on a like-for-like basis, given the simplification, for bioMérieux, of the management of the employees of this department. This change does not involve any change for the bioMérieux Audit Committee or its engagements. The Audit Committee continues to approve the auditing plan and monitor its implementation, receive audit reports, and generally hear the views of the head of internal auditing, who is invited to every session of the Audit Committee.

Since 2019, for the sake of transparency and in order to allow bioMérieux to define its own re-billing rules for its subsidiaries, Institut Mérieux bills bioMérieux for all of the defined services to be paid for by bioMérieux and its subsidiaries, according to the applicable allocation criteria, so that bioMérieux can re-bill its subsidiaries directly, without a mark-up.

This new addendum changes the allocation key used only for the re-billing of internal audit services: (i) the costs corresponding to exceptional missions specific to one of the companies of Institut Mérieux when they exceed a certain materiality threshold will be billed directly to the company concerned, without breaking it down; and (ii) all the other costs corresponding to the other missions performed by Institut Mérieux for its subsidiaries will be assigned to each company of the Institut Mérieux Group based on two (2) criteria: headcount and number of countries in which the company records more than €2 million of sales.

Motivations of the Board of Directors:

The agreement was justified in 2015 by the Company's need to benefit from the support of Institut Mérieux, which has staff with high-level skills, particularly in strategy, public relations and human resources, as well as in scientific, industrial, legal and financial matters. In its capacity as lead holding company, Institut Mérieux provides assistance to the Group's companies, thus providing efficiency and coherence that would be difficult to achieve without an entity that coordinates the policies of each Group company including bioMérieux. This is the trade-off for belonging to the Institut Mérieux Group.

This new addendum is justified by the commitment to better reflect the internal audit resources and services actually placed at the disposal of bioMérieux and the other companies of the Institut Mérieux Group. In particular, this modification should be reflected in a reduction in internal audit costs for bioMérieux.

Exceptional corporate sponsorship	
Fondation Mérieux	Is in line with the sponsorship agreement with Fondation Mérieux of March 8, 2011, amended. Marie-Paule Kieny did not take part in the debates (see section 4.2.5). The Board of Directors, upon a recommendation by the Company, authorized the use of the difference in unpaid dividends for exceptional corporate sponsorship actions. This amount (€12 million) was assigned to the Fondation Mérieux (under its COVID-19 emergency plan) (see section 3.7.3.1). Motivations of the Board of Directors: This payment is in line with the Company's general corporate sponsorship policy and is motivated by support (i) on a long-term basis, for the Foundation's humanitarian activities and objectives in the field of public health, and (ii) on an exceptional basis, to meet the unprecedented challenges of solidarity and responsibility imposed by the current situation, for the Foundation's programs dedicated to the fight against COVID-19 in developing countries.
Allocation to the bioMérieux Endowment Fund	
bioMérieux Endowment Fund	bioMérieux wanted to respond to the unprecedented solidarity and responsibility challenges raised by the COVID-19 situation. It is the sole founder and paid an initial endowment of €20 million to the bioMérieux Endowment Fund (see section 3.7.3.1). The purpose of the bioMérieux Endowment Fund is to identify, encourage, support and develop general-interest activities of a humanitarian, social, health and/or educational nature, in France and abroad, in order to help the most underprivileged populations to meet their basic needs and promote their social integration and advancement. Motivations of the Board of Directors: This decision is driven by the Company's desire to use an endowment fund to reinforce its commitment as a responsible company, and to contribute to the financing and deployment of general interest missions of a humanitarian, social, health and/or educational nature, in France and abroad, in order to help the most disadvantaged populations to meet their basic needs, promote their integration and social advancement.
Exceptional corporate sponsorship	
Fondation Mérieux	Is in line with the sponsorship agreement with Fondation Mérieux of March 8, 2011, amended. Marie-Paule Kieny did not take part in the debates (see section 4.2.5). With the health crisis, the Company decided to pay an additional sum of €500,000 to the Fondation Mérieux, in the form of a donation of reagents. Motivations of the Board of Directors: This additional payment is in line with the Company's general corporate sponsorship policy and is motivated by support (i) on a long-term basis, for the Foundation's humanitarian activities and objectives in the field of public health, and (ii) on an exceptional basis, the unprecedented challenges of solidarity and responsibility imposed by the current situation, for the Foundation's programs dedicated to the fight against COVID-19 in developing countries, in particular by donating reagents.

LIST OF AGREEMENTS CONTINUED IN 2020

At its December 2020 meeting, the Board of Directors carried out an annual review of the related-party agreements and confirmed, following discussion, that the previously-authorized agreements and addenda still met the criteria on which basis it had granted prior authorization, and that these authorizations therefore remained in force.

Sponsorship agreement and its addendum	
Fondation Christophe et Rodolphe Mérieux	In 2017, the annual corporate sponsorship budget was increased from €1,325,000 to €2,000,000 (see section 3.7.3.1) Motivations of the Board of Directors: The addendum to the sponsorship agreement with the Fondation Mérieux is in line with the Company's general sponsorship policy and is designed to allow the Company to support the humanitarian activities and goals of the foundations over the long term, in the field of public health, which is the Company's area of operation.
Sponsorship agreement and its addendum	
Fondation Mérieux	Agreement signed initially on March 11, 2011, modified by addendum in 2015. The annual budget is voted by the Board of Directors (see section 3.7.3.1). Motivations of the Board of Directors: The sponsorship agreement is in line with the Company's general sponsorship policy and is designed to allow the Company to support the humanitarian activities and goals of the foundations over the long term, in the field of public health, which is the Company's area of operation.
Agreement relating to the management of employee mobility within the Mérieux Group	
Institut Mérieux, Mérieux NutriSciences, Thera, ABL, Transgene, Mérieux Développement, Fondation Mérieux	Agreement signed in 2017. This agreement provides that severance payments for employment contracts and/or the retirement of employees who have worked for Group companies, whose seniority was made retroactive without compensation, be divided equitably between the parties. This division is made prorata based on compensation paid by each Mérieux Group company that benefited from the employees' services, except for compensation that constituted the basis for a previous severance payment. Motivations of the Board of Directors: The Company shares severance payments under its employees' employment contracts among each of the Mérieux Group companies for which such employees also worked, based on common rules and conditions.
Service agreement and its addendum	
Fondation Mérieux	Agreement initially signed on January 1, 2011, and amended in 2015. Motivations of the Board of Directors: The Company places at the disposal of the Fondation Mérieux the skills and resources necessary for meeting some of the Foundation's needs, so that it can carry out its public interest missions, financed by the Company through sponsorship agreements.

4.4.5 Statutory Auditors' special report on related-party agreements

This is a free translation into English of the Statutory Auditors' special report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

At the bioMérieux Annual General Meeting,

In our capacity as Statutory Auditors of bioMérieux, we hereby present our report on regulated agreements to you.

It is our responsibility to report to you, based on the information provided to us, the principal features, terms and conditions of the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under Article R. 225-31 of the French Commercial Code, it is your responsibility to determine whether the agreements are appropriate and should be approved.

Where applicable, it is our responsibility to provide you with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the previous financial year of agreements already approved by the Annual General Meeting.

We have performed the procedures that we deemed necessary in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this engagement. These procedures consisted of verifying that the information provided to us is consistent with the underlying documents.

Agreements submitted for the approval of the Annual General Meeting

Pursuant to Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements entered into during the previous financial year that were subject to the prior authorization of your Board of Directors.

With Institut Mérieux, the parent company of your company

People concerned

Alexandre Mérieux (Chairman and Chief Executive Officer) and Jean-Luc Bélingard (director).

Nature and purpose

An addendum to the service agreement provided by Institut Mérieux signed on April 23, 2015 was authorized by the Board of Directors on February 25, 2020.

Terms and conditions

An addendum is proposed to the service agreement between your company and your parent company, the purpose of which is to modify the allocation key used only for re-invoicing internal audit services. The contract provides for an allocation key for the current service costs to all companies in the Institut Mérieux Group based on three criteria: payroll, revenue and fixed assets of each company. This allocation key remains applicable except for internal audit services, which will be invoiced as follows under the addendum:

- costs corresponding to specific missions of an exceptional nature to one of the companies in the Institut Mérieux Group, as soon as they exceed a certain materiality threshold, will be invoiced directly to the company concerned, without any breakdown; and
- all the other costs corresponding to the other missions performed by Institut Mérieux for its subsidiaries will be assigned to each company of the Institut Mérieux Group based on two criteria: headcount and number of countries in which the company records more than €2 million of revenue.

A previous addendum had been authorized by the Board of Directors on December 20, 2018, the purpose of which was to amend the list of services rendered and the rules for re-invoicing your company for services rendered by Institut Mérieux in its capacity as the holding company of the Institut Mérieux Group.

In the year ended December 31, 2020, your company recorded liabilities of €8,981,066 and earnings of €5,981,159 of which €3,590,791 from BioFire Diagnostics and €2,390,368 from bioMérieux Inc.

Grounds justifying the interest of the agreement for your company

Your Board has given the following reasons for this agreement: "This addendum is justified by the commitment to better reflect the internal audit resources and services actually placed at the disposal of the company and the other companies of the Institut Mérieux Group. In particular, this modification should be reflected in a reduction in internal audit costs for the company."

With the Fondation Mérieux

People concerned

Alexandre Mérieux (Chief Executive Officer) and Marie-Paule Kieny (Director).

1) Exceptional patronage in favor of the Fondation Mérieux

Nature and purpose

Payment of an additional amount as part of the sponsorship contract of March 8, 2011, authorized by the Board of Directors on May 19, 2020.

Terms and conditions

Your Board of Directors authorizes the use of the difference in unpaid dividends (approximately €22,000,000) for exceptional philanthropic actions.

This amount of €12,000,000 was assigned to the Fondation Mérieux under its COVID-19 emergency plan.

Thus, a payment of €12,000,000 was made to Fondation Mérieux in financial year 2020.

Grounds justifying the interest of the agreement for your company

Your Board has given the following reasons for this agreement: "This payment is in line with the Company's general corporate sponsorship policy and is motivated by support (i) on a long-term basis, for the Foundation's humanitarian activities and objectives in the field of public health, and (ii) on an exceptional basis, to meet the unprecedented challenges of solidarity and responsibility imposed by the current situation, for the Foundation's programs dedicated to the fight against COVID-19 in developing countries."

2) Exceptional patronage (donation of reagents) in favor of the Fondation Mérieux

Nature and purpose

Payment of an additional amount under the sponsorship contract for the benefit of Fondation Mérieux of March 8, 2011, authorized by the Board of Directors on September 1, 2020.

Terms and conditions

Your Company signed a sponsorship agreement with Fondation Mérieux on March 8, 2011, amended by an addendum of March 20, 2015, for which an additional €500,000 was authorized by the Board of Directors on September 1, 2020.

In financial year 2020, an expense of €364,402.62 was borne by your Company in respect of donations of reagents to Fondation Mérieux under this agreement.

Grounds justifying the interest of the agreement for your company

Your Board has given the following reasons for this agreement: "This additional payment is in line with the Company's general corporate sponsorship policy and is motivated by support (i) on a long-term basis, for the Foundation's humanitarian activities and objectives in the field of public health, and (ii) on an exceptional basis, the unprecedented challenges of solidarity and responsibility imposed by the current situation, for the Foundation's programs dedicated to the fight against COVID-19 in developing countries, in particular by donating reagents".

With the bioMérieux Endowment Fund

People concerned

Alexandre Mérieux (Chairman and Chief Executive Officer).

Nature and purpose

On November 17, 2020, the Board of Directors authorized the creation of a bioMérieux Endowment Fund (the "Fund") to meet the unprecedented challenges of solidarity and responsibility imposed by the current situation. Your company is the sole founder and has paid an initial endowment of €20,000,000 as of December 16, 2020.

Terms and conditions

The purpose of the Fund is to identify, encourage, support and develop general-interest activities of a humanitarian, social, health and/or educational nature, in France and abroad, in order to help the most underprivileged populations to meet their basic needs and promote their social integration and advancement. Within this framework, the Fund's ambition is to carry out these actions either directly with the persons or projects concerned, or through the financing and/or any other support of structures pursuing the same object and/or sharing the same values.

The Fund is established for an unlimited term. It has a Board of Directors composed of a minimum of three members. The ex-officio president is your company, represented by Alexandre Mérieux. Other directors may be employees of your company. The term of office of the directors is four years, renewable.

Grounds justifying the interest of the agreement for your company

Your Board has given the following reasons for this agreement: "This decision is driven by the Company's desire to use an endowment fund to reinforce its commitment as a responsible company, and to contribute to the financing and deployment of general interest missions of a humanitarian, social, health and/or educational nature, in France and abroad, in order to help the most disadvantaged populations to meet their basic needs, promote their integration and social advancement."

Agreements already approved by the Annual General Meeting

Pursuant to Article R. 225-30 of the French Commercial Code, we were informed of the following agreements approved by the Annual General Meeting in prior years, which remained in place during the previous financial year.

With the Fondation Mérieux

People concerned

Alexandre Mérieux (Chairman and Chief Executive Officer).

1) Addendum to the sponsorship agreement of March 8, 2011

Nature and purpose

Fondation Mérieux's sponsorship agreement dated March 8, 2011, approved by the Board of Directors on December 18, 2014, took effect on January 1st, 2015 for an indefinite length of time.

Terms and conditions

Your Company donates cash and assigns some of its employees to initiatives carried out on behalf of the Fondation Mérieux as part of your corporate sponsorship strategy. The total amount represented by these donations and by the employees made available is determined and voted on each year by the Board of Directors.

Amounts in the financial year

For the financial year ended December 31, 2020, your Company recorded an expense of €473,427 in respect of donations to Fondation Mérieux under this addendum to the sponsorship agreement.

2) Addendum to the service agreement dated January 1, 2011

Nature and purpose

The agreement covering services provided to Fondation Mérieux by your Company, approved by the Board of Directors on December 18, 2014, took effect on January 1, 2015 for an indefinite length of time.

Terms and conditions

Your Company provides the Fondation Mérieux with human resources by assigning some of its employees to carry out Fondation work in biology, and by supplying administrative support and IT staff. These services are compensated in accordance with the regulation applicable to intragroup transfer prices, with an 8% margin added for the reimbursement of service costs, excluding biology services (categorized as research and development under the terms of the regulation on transfer prices), and a 10% margin added for the reimbursement of biology service costs.

Amounts in the financial year

In the year ended December 31, 2020, your Company reported profits of €4,272.

With the Fondation Christophe and Rodolphe Mérieux

People concerned

Alexandre Mérieux (Chairman and Chief Executive Officer).

Nature and purpose

On December 15, 2016, the Board of Directors approved an increase in the annual sponsorship budget for the Fondation Christophe and Rodolphe Mérieux, from €1,325,000 to €2,000,000, as from January 1, 2017.

Terms and conditions

Your Company makes donations to the Fondation Christophe and Rodolphe Mérieux as part of its corporate sponsorship strategy. The total amount represented by these donations and voted on each year by the Board of Directors.

Amounts in the financial year

In the year ended December 31, 2020, your Company reported total liabilities of €2,000,000 in relation to donations to the Fondation Christophe and Rodolphe Mérieux.

With Institut Mérieux, Mérieux NutriSciences, Transgène, ABL, Thera, Mérieux Développement, Fondation Mérieux, companies within the Mérieux group

People concerned

Alexandre Mérieux (Chairman and Chief Executive Officer), Jean-Luc Bélingard (director), Philippe Archinard (director) and Harold Boël (independent director).

Nature and purpose

An agreement on managing the mobility of employees within the Mérieux Group, approved by the Board of Directors on February 28, 2017, took effect on January 1, 2017 for an indefinite length of time.

Terms and conditions

This agreement provides that severance payments for employment contracts and/or the retirement of employees who have worked for Group companies, whose seniority was made retroactive without compensation, be divided equitably between the parties. This division is prorated according to compensation paid by each Mérieux Group company having benefited from the employees' services, except for compensation that constituted the basis for a previous severance payment.

Amounts in the financial year

For the year ended December 31, 2020, your company recorded income totaling €92,916.49 for Mérieux NutriSciences and an expense totaling 321,429.22 for Institut Mérieux.

Lyon, March 15, 2021

The Statutory Auditors

GRANT THORNTON

French member of Grant Thornton International

Françoise Mechin

ERNST & YOUNG et Autres

Nicolas Perlier


effrey

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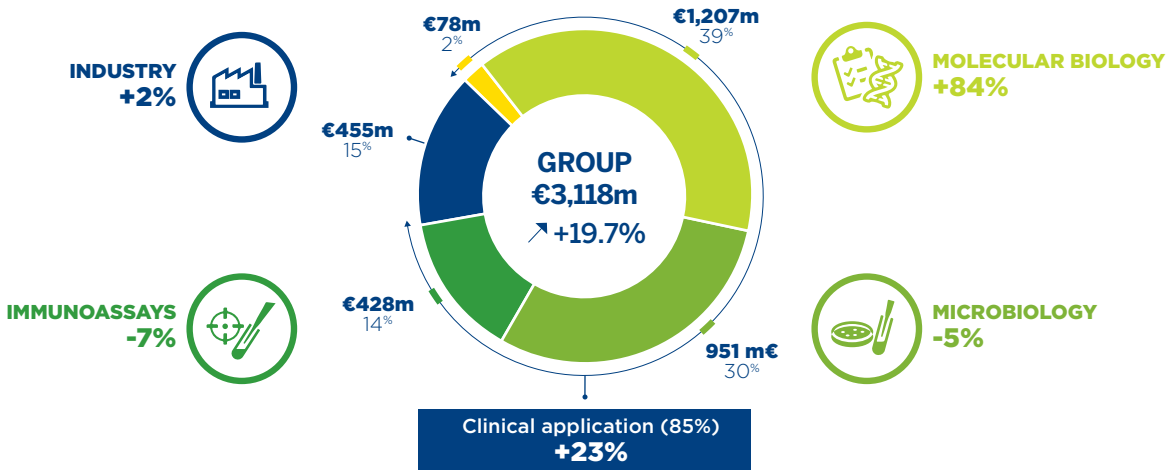
NOTES TO THE FINANCIAL YEAR 2020

5.1 OPERATING AND FINANCIAL REVIEW

5.1.1 Sales



At December 31, 2020, bioMérieux's sales reached €3,118 million vs. €2,675 million in 2019, up 19.7% like-for-like. Reported growth in euros was 16.6%. There was a negative currency effect of €82 million, mainly due to the devaluation of the U.S. dollar and certain Latin American currencies in the second half of the year.

Sales growth *(in millions of euros)*

SALES - TWELVE MONTHS ENDED DECEMBER 31, 2019	**2,675**	
Currency effect	-82	-3.1%
Change in the scope of consolidation [a]	-2	-0.1%
Organic growth (at constant exchange rates and scope of consolidation)	+527	+19.7%
SALES - TWELVE MONTHS ENDED DECEMBER 31, 2020	**3,118**	**+16.6%**

(a) Acquisition of Invisible Sentinel (February 7, 2019) and disposal of activities in Australia.

The year-on-year change in sales by application is summarized as follows:

Sales by application *(in millions of euros)*	12 months 2020	12 months 2019	% Change as reported	Change at constant exchange rates and scope
CLINICAL APPLICATIONS	**2,663.5**	**2,208.3**	**+20.5%**	**+23.3%**
Molecular biology	1,207.1	671.5	+79.8%	+83.8%
Microbiology	950.7	1,026.3	-7.4%	-5.3%
Immunoassays	428.3	474.5	-9.7%	-7.2%
Other lines [a]	77.5	35.9	+115.8%	+118.0%
INDUSTRIAL APPLICATIONS [B]	**454.7**	**466.7**	**-2.6%**	**+2.3%**
TOTAL GROUP	**3,118.2**	**2,674.8**	**+16.6%**	**+19.7%**

(a) Including Applied Maths, BioFire Defense and R&D collaborations in clinical applications.
(b) Including R&D collaborations in industrial applications.

- In the clinical applications segment, which accounts for more than 85% of total Group sales, sales grew by more than 23% to nearly €2,664 million.
  - In molecular biology, the BIOFIRE® range recorded growth of close to 80% during the financial year, driven by exceptional use of respiratory panels during the COVID-19 pandemic. The increase in the installed base was also unusual, and approximately 6,900 units were deployed during the same period, bringing the total BIOFIRE® installed base to approximately 17,300 units, an increase of 66%. The other molecular biology lines, NUCLISENS® and ARGENE®, also used in the fight against the pandemic, contributed to the segment's growth.
  - In microbiology, performance was affected by the decline in hospital attendance for the pathologies concerned over the course of the second and third quarters. The last three months of the year saw a return to growth in sales of BACT/ALERT® blood culture reagents and culture media, but were still affected by a decline in consumption in the other lines.
  - In immunoassays, the good performance of high medical value tests, in particular the two VIDAS® anti-SARS-CoV-2 IgM and VIDAS® anti-SARS-CoV-2 IgG serological tests, partly offset the slowdown in sales of reagents for routine testing. However, instrument sales declined. Performance for the full year was below that of the previous year, but with a marked improvement in the second half.
- Sales generated by industrial applications, which account for nearly 15% of Group sales, totaled €455 million, an increase of more than 2.3% over the previous year. Growth was primarily driven by higher sales of microbiology reagents for pharmaceutical customers and molecular biology reagents for food-processing customers. In general, growth in sales to customers in the pharmaceutical industry more than offset the decline in sales to food-processing customers, which were affected by the consequences of the health crisis.

The year-on-year change in sales by geographic region is summarized as follows:

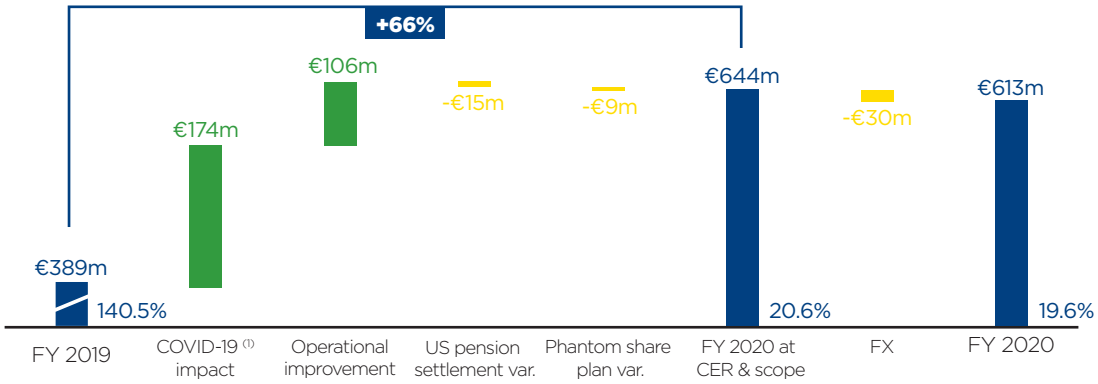
Sales by region *(in millions of euros)*	**12 months 2020**	**12 months 2019**	**% Change as reported**	**Change at constant exchange rates and scope**
Americas	1,588.9	1,199.9	+32.4%	+37.1%
• North America	1,428.6	1,043.3	+36.9%	+39.6%
• Latin America	160.3	156.5	+2.4%	+20.8%
Europe [(a)]	1,024.8	961.3	+6.6%	+8.1%
Asia Pacific	504.6	513.7	-1.8%	+0.6%
TOTAL GROUP	**3,118.2**	**2,674.8**	**+16.6%**	**+19.7%**

(a) Including the Middle East and Africa.

- Sales in the Americas (51% of total Group sales) totaled €1,589 million, an 37% increase year-on-year.
  - In North America (46% of total Group sales), growth was essentially driven by the momentum of the BIOFIRE®, NUCLISENS® and ARGENE® molecular biology ranges. In immunoassays, higher volumes of procalcitonin tests in the United States partially offset price pressure.
  - In Latin America, sales growth was marked by a firm increase in sales of reagents of the VIDAS® and BIOFIRE® product lines.
- In the Europe-Middle East-Africa region (33% of total Group sales) sales stood at €1,025 million, up by 8% from the previous year.
  - In Europe (27% of total Group sales), business was robust in most countries, buoyed by strong activity in molecular biology. Excluding this exceptional activity, sales of immunoassays and microbiology were down despite an improvement in the fourth quarter.
  - The Russia-Middle East-Africa region benefited from double-digit growth in Russia and Turkey, but there were contrasts across the region as a whole, due in particular to the unfavorable base effect of tenders.
- In Asia Pacific (16% of total Group sales), sales reached €505 million in 2020, up 0.6% compared to the previous year. Business was particularly remarkable in Japan thanks to the BIOFIRE® range. Strong growth in Australia and India was offset by a slowdown in China, where exposure to molecular biology lines is low.

5.1.2 Financial position

5.1.2.1 Consolidated profit & loss statement



(1) Impact of COVID-19 products and of operational savings as a result of the pandemic.

Contributive operating income before non-recurring items

At the end of 2020, the contributive operating income before non-recurring items stood at €613 million, up by 58% from one year to the next, *i.e.* a recurring contributive operating margin of 19.6%. This result includes a negative currency impact of approximately €30 million and a negative consolidation scope impact of €1 million related to the acquisition of Invisible Sentinel, carried out in 2019. It also includes the negative impact of the expense recorded in respect of variable compensation plans in the United States indexed to the bioMérieux share price (phantom share plans), which came to €44 million, vs. €36 million in 2019. At constant exchange rates and scope of consolidation, growth in contributive operating income before non-recurring items was approximately 66%.

- At the end of December 2020, gross profit reached €1,754 million, representing 56.2% of sales, an increase on the 54.8% at end-December 2019. The increase in the gross margin rate is mainly due to the favorable impact of changes in the product mix and higher volumes.
- Selling, general and administrative expenses stood at €789 million, representing 25.3% of sales, vs. 28.0% the previous year. This improvement is mainly due to operational leverage as well as savings on travel and marketing expenses.
- R&D expenses stood at €399 million, or 12.8% of sales, compared to €374 million, 14.0% of sales in 2019. This increase of approximately 8% at constant currencies and scope of consolidation reflects specific developments aimed at rapidly bringing COVID-19 diagnostic tests to market, while continuing to support other research programs.
- Other operating income totaled about €47 million over the year, compared with €46 million in 2019, due to the increase in R&D activity and therefore in the related tax credits and subsidies.

Non-recurring income and expenses from operations

In 2020, the Group decided to support solidarity actions for a total amount of €42.2 million, recognized in non-recurring operating income and expenses from operations. This amount breaks down into €22 million in exceptional corporate philanthropy projects and the creation of a new corporate endowment fund with an initial balance of €20 million.

Operating income

The depreciation/amortization charged against assets valued at the date of acquisition of BioFire amounted to €18 million in 2020, stable year-on-year. As a result, in 2020, the Group's operating income was €553 million, an increase of nearly 60% compared to the €371 million recorded in 2019.

Net income of consolidated companies

Net financial expense stood at €29 million in 2020, a slight increase compared to the €23 million in 2019. The cost of net debt was €25 million in 2020, compared to €21 million in the previous year, and other financial income and expenses amounted to €3.5 million, compared to €2.5 million in 2019.

As of December 31, 2020, the Group's effective tax rate was 23.2%, compared to 22.4% in 2019, which had benefited from the positive impact of the preferential tax rate applied on intellectual property in the United States. In 2020, the rate was slightly unfavorably affected by exceptional solidarity actions that exceeded the threshold for deductibility of donations in France.

In total, net income Group share stood at €404 million in 2020, up by 48% compared to €273 million in 2019.

5.1.2.2 Cash Flow

Free cash flow

EBITDA reached €823 million in 2020, representing 26.4% of sales, up by 42% compared to €578 million for 2019. The increase reflected growth in contributive operating income before non-recurring items and net additions to depreciation and amortization of operating items and operating provisions.

Tax payments amounted to €116 million, up from €82 million the previous year, largely due to stronger results.

In 2020, the working capital requirement increased by €86 million. The change was primarily a result of the following factors:

- inventories rose by €83 million in 2020, in line with business;
- trade receivables increased by €80 million, in line with the strong growth in business, while collection periods remained unchanged;
- trade payables rose slightly by €5 million;
- the other working capital items improved by €72 million, mainly due to the increase in accrued taxes and payroll liabilities, in a context of higher variable compensation and profit sharing.

Capital expenditure amounted to about 9% of sales, namely €278 million at the end of 2020, vs. €273 million during the previous financial year. Note that one of the main investments concerned improvements in production capacity at BioFire in Salt Lake City.

In this context, free cash flow reached €328 million in 2020, vs. about €150 million in 2019.

Change in net debt

Purchases of non-current financial assets, net of disposals, amounted to €10 million in 2020 and related mainly to minority interest investments.

In June 2020, the Company issued a new €200 million Euro PP bond placed with a leading European investor. In October 2020, the company also repaid its bond issued in 2013 for €300 million.

As a result of this transaction, the Group's net debt at December 31, 2020 stood at €92 million, versus €317 million at December 31, 2019. This net debt includes €97 million in discounted liability related to leases (IFRS 16).

5.1.3 Other information

Workforce

At December 31, 2020, the Group's total headcount stood at nearly 13,000 employees, vs. 12,000 at the end of December 2019.

CE marking of the BIOFIRE 2.1 *plus* respiratory panel to include SARS-CoV-2

In July 2020, this panel, which tests 19 viruses, including SARS-CoV-2, and 4 bacteria responsible for the most frequent respiratory infections, was CE marked. The panel also tests the coronavirus responsible for the Middle East Respiratory Syndrome (MERS-CoV). With a result rendering time maintained at approximately 45 minutes, this test is very easy to use and works with the fully automated FILMARRAY® 2.0 or FILMARRAY® TORCH.

Launch of the BIOFIRE® MYCOPLASMA test

In July 2020, bioMérieux announced the launch of BIOFIRE® MYCOPLASMA, an innovative test for the detection of mycoplasma in biopharmaceuticals (antibodies, hormones, cell or gene therapies, etc.), the most dynamic segment of the pharmaceutical industry. Integrating all the reagents and controls needed for the analysis in a single consumable, it allows the analysis to be performed close to the sample collection site and produces a result in less than one hour.

AMSP partners with bioMérieux to facilitate the supply of diagnostic solutions dedicated to the fight against the COVID-19 pandemic in Africa

In October 2020, bioMérieux and the Africa Medical Supplies Platform announced a new partnership to facilitate the access of African Union member states to high quality diagnostic solutions offered by bioMérieux to fight against pandemics. This partnership aims to respond to the supply shortages experienced in these territories by ensuring efficient, continuous and rapid access to bioMérieux solutions at very competitive prices.

Authorization for emergency use of the BIOFIRE® EZ 2.1 Respiratory Panel including SARS-CoV-2

On October 2, 2020, bioMérieux obtained emergency approval from the FDA for a new version of the BIOFIRE® RP-EZ respiratory panel including SARS-CoV-2. Launched in 2016, the EZ Respiratory Panel is exempt from CLIA (*Clinical Laboratory Improvement Amendments*) regulations, which allows it to be used outside of clinical laboratories, for example in physician offices or medical homes.

Extension of the CE marking of the ARGENE® molecular biology test to saliva samples

On November 16, 2020, bioMérieux announced the enhancement of its ARGENE® to identify SARS-CoV-2. In addition to nasopharyngeal swabs, the monoplex SARS-CoV-2 R-GENE® real-time PCR assay can now be used on salivary and oropharyngeal samples for the detection of the virus responsible for COVID-19. This extension helps to facilitate laboratory workflows.

Launch of the SARS-COV-2 RESPI R-GENE® molecular biology test

On December 16, 2020, bioMérieux announced the CE marking and launch of the SARS-COV-2 RESPI R-GENE®. molecular biology test. This test allows the simultaneous ("multiplex") detection of SARS-CoV-2, influenza A and B viruses as well as RSV and hMPV viruses. It is a high-throughput test that can be used on molecular biology platforms in both hospital and private laboratories.

5.2 CAPITAL RESOURCES

5.2.1 Share capital

See the consolidated statement of changes in equity in section 6.1.1 and Note 14 in section 6.1.2.

5.2.2 Source and amount of cash flow

Net debt amounted to €92 million at December 31, 2020, versus €317 million at December 31, 2019. Within this net debt figure, €97 million was due to the application of IFRS 16 during the financial year.

Further information relating to cash flow is presented in section 5.1.2.2. The consolidated cash flow statement is presented in section 6.1.1.

5.2.3 Borrowing conditions and financing structure

On June 29, 2020, the Company announced it had issued a €200 Euro PP bond placed with a top-tier European institutional investor. The 2013 bond issue maturing on October 14, 2020 was redeemed for €300 million.

It also has an undrawn €500 million syndicated line of credit expiring on January 26, 2024, which includes an option to extend the term for a further year. Lastly, in 2015, it signed a 12-year leasing agreement in the original amount of €45 million to finance the extension of its site at Marcy l'Etoile. In order to meet the general financing needs of bioMérieux SA and its subsidiaries, the Company has a €500 million NEU CP (Negotiable EUropean Commercial Paper) program as well as a €500 million NEU MTN (Negotiable EUropean Medium Term Note) issue program.

The details and terms and conditions of these financing facilities are provided in Note 16.3 of section 6.1.2.

5.2.4 Restrictions on the use of the share capital

See Note 16.6 of section 6.1.2.

5.2.5 Expected financing sources

Current industrial capital expenditure is generally financed by the Company's equity (see the consolidated statement of cash flows in section 6.1.1).

5.3 SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION

To the best of the Company's knowledge, no significant change in its financial or trading position has occurred since the end of 2020, with the exception of the information described in section 5.5 of this Universal Registration Document.

5.4 CAPITAL EXPENDITURE

5.4.1 Main capital expenditure - past

The year 2020 was characterized by the completion of several major projects:

- Salt Lake City (Utah, United States): a new site is being brought into service to increase the production capacity of BIOFIRE® reagents;
- Craponne (France): finalization of the move to the new premises of the Industry teams and the French sales operations following the site restructuring project, and finalization of the site's restructuring work to improve and increase its capacity.

As a result, investment amounted to €278 million. It therefore represented 9% of sales. As of December 31, 2019, capital expenditure totaled €273 million (including changes in debt on acquisition of fixed assets).

5.4.2 Main capital expenditure - current

In 2021, the Company anticipates an overall investment effort of around 10% of sales for the financial year.

The Company continues to develop its production capacity to meet customer demand.

- Salt Lake City (Utah, United States) site: continuation of projects to automate production of BIOFIRE® reagents in order to increase capacity.
- Salt Lake City (Utah, United States): BioFire administrative building.
- St. Louis (Missouri, United States) site: continuation of plan to automate and increase capacity of production lines for VITEK® 2 cards.
- Shanghai (China): launch of the reorganization of the production premises in order to accommodate an activity of validation batch manufacturing.
- Suzhou (China): launch of a project for the construction of a new production building.
- Suzhou (China): launching of the construction of a new site that will host all the activities of Suzhou Hybiome Biomedical Engineering Co. Ltd.

Current capital expenditure is generally financed by the Company's equity (see the consolidated statement of cash flows in section 6.1.1).

5.4.3 Main capital expenditure - future

In addition to current projects, bioMérieux will continue to adapt and upgrade its production resources.

5.5 OVERVIEW AND CURRENT TRENDS AND OBJECTIVES

5.5.1 Events subsequent to closure

New My Share 2021 worldwide employee share ownership plan launched

As of May 5, 2021, bioMérieux employees will be able to purchase shares of bioMérieux stock (directly or indirectly in the case of French employees) at a discount and with a matching employer contribution. The new plan will once again offer employees an opportunity to take part in the Company's success. The plan was approved by the Board of Directors on December 17, 2020 and is open to any employee in countries where such plans are authorized by local legislation. The subscription period will run from May 5 to May 25, with settlement and delivery in the following weeks, in accordance with applicable laws and regulations.

Conversion of the Company into a Societas Europaea

The Board of Directors is considering to propose a change in the Company's legal status to a *Societas Europaea* (European limited company), for shareholders' approval at the next Annual General Meeting, to be held on May 20, 2021. In preparation, an information-consultation procedure has been initiated with the appropriate employee representative bodies. The proposed conversion would align the Group's form of incorporation with its European roots and identity, without affecting its stock listing, operations, the location of its registered office or its governance. Founded in 1963, the bioMérieux Group began its international expansion in Europe in the 1970s by setting up operations in Belgium and Germany, followed by Spain and Italy in the 1980s. Today, the Group is present in 22 European countries, which are home to 42 % of its total workforce and account for approximately 30 % of its consolidated sales.

NEPHROCHECK® test launched on VIDAS

On February 3, 2021 the Company announced the launch of this innovative test, which can detect kidney stress in patients at risk of acute kidney injury (AKI) prior to actual damage, when a timely intervention can still make a difference. It is used in conjunction with clinical evaluation as an aid to support the risk assessment of moderate or severe AKI in acutely ill patients. With this early information, clinicians can either rule out kidney stress with confidence, or implement a series of protective measures for the kidneys. The test was CE-marked in December 2020.

5.5.2 Outlook for financial year 2021

In a business environment that remains uncertain, bioMérieux expects organic sales growth in 2021 between 5% and 8% at constant exchange rates and scope of consolidation. Growth in the first half of 2021 should remain steady, on a par with the trend of the fourth quarter 2020.

In light of this organic growth target, bioMérieux should deliver contributive operating income before non-recurring items on a par with 2020.

06

FINANCIAL STATEMENTS

6.1 CONSOLIDATED FINANCIAL STATEMENTS

6.1.1 Consolidated financial statements for the financial years ended December 31, 2019 and 2020

Consolidated profit & loss statement

In millions of euros	Notes	12/31/2020	12/31/2019
REVENUES		**3,118.2**	**2,674.8**
Cost of sales		-1,364.5	-1,208.2
GROSS PROFIT		**1,753.7**	**1,466.6**
OTHER OPERATING INCOME AND EXPENSES	**19**	**46.9**	**45.9**
Selling and marketing expenses		-589.3	-567.6
General and administrative expenses		-200.0	-182.2
Research and development expenses		-398.8	-374.3
TOTAL OPERATING EXPENSES		**-1,188.1**	**-1,124.1**
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS		**612.5**	**388.5**
Depreciation costs on assets linked to BioFire acquisition (a)	23	-17.5	-17.9
OPERATING INCOME BEFORE NON-RECURRING ITEMS		**595.1**	**370.7**
Other non-recurring income (expenses)	24	-42.2	0.0
OPERATING INCOME		**552.8**	**370.7**
Cost of net financial debt	22.2	-25.0	-20.6
Other financial income and expenses	22.3	-3.5	-2.5
Income tax	25	-121.5	-77.8
Share in earnings (losses) of equity-accounted companies		-0.2	0.0
NET INCOME OF CONSOLIDATED COMPANIES		**402.7**	**269.7**
Non-controlling interests		-1.7	-3.1
ATTRIBUTABLE TO OWNERS OF THE PARENT		**404.4**	**272.8**
Basic earnings per share		3.42 €	2.31 €
Diluted earnings per share		3.41 €	2.30 €

(a) In order to improve the understanding of operating income and in view of BioFire's size, the amortisation of the assets acquired and valued during the purchase price allocation, are presented on a separate line of operating income before non-recurring items.

Comprehensive income

In millions of euros	Notes	12/31/2020	12/31/2019
Net income of consolidated companies		**402.7**	**269.7**
Items to be reclassified to income		**-155.5**	**19.5**
Fair value gains (losses) on financial hedging instruments	(a)	-0.4	-1.2
Tax effect		0.2	0.3
Movements in cumulative translation adjustments	(b)	-155.3	20.3
Items not to be reclassified to income		**4.3**	**-2.5**
Fair value gains (losses) on financial assets	(c)	-1.0	16.4
Tax effect		0.1	-0.6
Remeasurement of employee benefits	(d)	6.5	-24.0
Tax effect		-1.4	5.8
TOTAL OTHER COMPREHENSIVE INCOME		**-151.2**	**17.0**
COMPREHENSIVE INCOME		**251.4**	**286.7**
Non-controlling interests		-2.6	-2.6
ATTRIBUTABLE TO OWNERS OF THE PARENT		**254.0**	**289.3**

(a) Change in the effective share of financial hedging instruments.

(b) The change in translation differences in 2020 is mainly related to the increase in the euro rate against other currencies and in particular the dollar.

(c) Changes in the fair value of financial instruments concern shares in non-consolidated companies for which the Group has opted for a change in the fair value in other comprehensive income not reclassified in profit and loss (see Note 7).

(d) See Note 15.3.

Consolidated balance sheet

Assets

In millions of euros	Notes	12/31/2020	12/31/2019
Intangible assets	4	430.7	508.4
Goodwill	5	629.4	652.5
Property, plant and equipment	6.1	939.0	894.7
Right-of-use assets	6.2	129.6	130.5
Non-current financial assets	7	50.6	41.9
Investments in associates		0.0	0.2
Other non-current assets		14.3	16.1
Deferred tax assets	25.3	72.6	99.0
NON-CURRENT ASSETS		**2,266.3**	**2,343.5**
Inventories and works-in-progress	8	541.9	494.7
Trade receivables and assets related to contracts with customers	9	597.9	552.1
Other operating receivables	11	82.2	61.1
Current tax receivables	11	42.3	42.3
Non-operating receivables	11	8.0	13.3
Cash and cash equivalents	12	389.2	275.0
CURRENT ASSETS		**1,661.6**	**1,438.5**
ASSETS HELD FOR SALE	**13**	**0.0**	**0.0**
TOTAL ASSETS		**3,927.8**	**3,781.9**

Shareholders' equity and liabilities

In millions of euros	Notes	12/31/2020	12/31/2019
Share capital	14	12.0	12.0
Additional paid-in capital and reserves	14	2,014.8	1,919.1
Net income for the year		404.4	272.8
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**2,431.1**	**2,203.9**
NON-CONTROLLING INTERESTS		**50.2**	**50.7**
TOTAL EQUITY		**2,481.3**	**2,254.6**
Long-term borrowings and debt	16	352.4	153.7
Deferred tax liabilities	25.3	105.8	141.2
Provisions	15	64.4	62.3
NON-CURRENT LIABILITIES		**522.7**	**357.2**
Short-term borrowings and debt	16	128.9	438.6
Provisions	15	51.4	47.0
Trade payables	17	207.1	211.9
Other operating payables	17	451.7	381.1
Current tax payables	17	44.3	32.3
Non-operating payables	17	40.5	59.3
CURRENT LIABILITIES		**923.8**	**1,170.1**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	**13**	**0.0**	**0.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,927.8**	**3,781.9**

Consolidated cash flow statement

In millions of euros	Notes	12/31/2020	12/31/2019
Net income of consolidated companies		**402.7**	**269.7**
- Investments in associates		0.2	0.0
- Cost of net financial debt		25.0	20.6
- Other financial income and expenses, net		3.5	2.5
- Income tax expense		121.5	77.8
- Net additions to operational depreciation – non-current provisions		210.8	189.5
- Non-recurring income and expenditure and depreciation costs for the acquisition of BioFire		59.7	17.8
EBITDA (before non-recurring items)	**16.1**	**823.5**	**577.9**
Other non-recurring income (expenses) (*excluding non-recurring provisions for impairment and capital gains and losses on disposals of fixed assets*)		-42.3	-0.1
Other financial income and expenses, net (*excluding provisions and disposals of non-current financial assets*)		-3.6	-2.0
Net additions to operating provisions for contingencies and losses		16.3	-6.8
Fair value gains (losses) on financial instruments		0.6	-1.4
Share-based payment		9.9	9.4
Elimination of other non-cash/non-operating income and expenses		**-19.1**	**-0.9**
Change in inventories		-82.9	-71.0
Change in trade receivables		-80.4	-57.3
Change in trade payables		4.7	32.9
Change in other operating working capital		72.4	26.0
Change in operating working capital requirement [(a)]		**-86.2**	**-69.4**
Other non-operating working capital		5.0	2.1
Change in non-current non-financial assets and liabilities		0.5	0.4
Change in working capital requirement		**-80.7**	**-66.9**
Income tax paid		**-115.9**	**-81.6**
Cost of net financial debt	**22.2**	**-25.0**	**-20.6**
NET CASH FROM OPERATING ACTIVITIES		**582.8**	**407.9**
Purchases of property, plant and equipment and intangible assets		-277.5	-272.5
Proceeds from disposals of property, plant and equipment and intangible assets		24.7	17.1
Proceeds from other non-current financial assets		-2.3	-2.4
FREE CASH FLOW [(b)]		**327.7**	**150.1**
Disbursement/collection related to taking non-controlling interests		-6.3	48.4
Impact of changes in Group structure		-3.8	-72.8
NET CASH USED IN INVESTING ACTIVITIES		**-265.2**	**-282.2**
Capital increase subscribed by minority interests		1.6	0.0
Purchases and sales of treasury shares		-18.4	0.0
Dividends paid to owners		-22.5	-41.3
Cash flow from new borrowings		292.0	0.0
Cash flows from loan repayments		-426.5	-69.2
Change in interests without gain or loss of controlling interest		-2.4	-23.5
NET CASH USED IN FINANCING ACTIVITIES		**-176.2**	**-133.9**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**141.4**	**-8.2**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**264.0**	**278.2**
Impact of currency changes on net cash and cash equivalents		-34.1	-6.1
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		**371.3**	**264.0**

(a) Including allocations (reversals) of short-term provisions.

(b) Corresponds to the sum of flows related to the activity and those related to investments excluding the impact of changes in the scope of consolidation. It also includes flows on treasury shares and those relative to the cost of debt.

Comments on the changes in the Group's consolidated net cash and cash equivalents are provided in Note 16.

Cash flow changes in financial year 2020 were not impacted by transactions related to the public health crisis, particularly transactions such as postponements of payables or rent concessions.

Change in consolidated shareholders' equity

	Attributable to owners of the parent										Non-controlling interests
	Share capital	Additional paid-in capital and consolidated reserves [a]	Cumulative translation adjustments	Changes in fair value [b]	Actuarial gains and losses [c]	Treasury shares	Share-based payment	Total additional paid-in capital and reserves	Net income	Total	Total
EQUITY AT DECEMBER 31, 2018	**12.0**	**1,711.5**	**-5.4**	**15.7**	**-46.6**	**-32.8**	**17.0**	**1,659.5**	**256.5**	**1,928.0**	**74.0**
Total comprehensive income for the period			19.9	14.9	-18.3			16.5	272.8	289.3	-2.6
Appropriation of prior-period net income		256.6						256.6	-256.6	0.0	
Dividends paid [d]		-41.3						-41.3		-41.3	
Treasury shares		-21.7				29.0		7.2		7.2	
Share-based payment [e]							9.4	9.4		9.4	
Share subscription plans		-5.3						-5.3		-5.3	
Changes in ownership interests [f]		12.8						12.8		12.8	-20.7
Other changes [g]		20.9					-17.1	3.9		3.9	
EQUITY AT DECEMBER 31, 2019	**12.0**	**1,933.3**	**14.5**	**30.6**	**-64.9**	**-3.9**	**9.4**	**1,919.1**	**272.8**	**2,203.9**	**50.7**
Total comprehensive income for the period			-154.4	-1.1	5.2			-150.4	404.4	254.0	-2.6
Appropriation of prior-period net income		272.8						272.8	-272.8	0.0	
Dividends paid [d]		-22.5						-22.5		-22.5	
Treasury shares		1.0				-19.2		-18.2		-18.2	
Share-based payment [e]							9.9	9.9		9.9	
Changes in ownership interests [f]		2.4						2.4		2.4	2.1 [j]
Other changes [g]		17.5		-15.6			-0.4	1.6		1.6	
EQUITY AT DECEMBER 31, 2020	**12.0**	**2,204.5** [h]	**-140.0** [i]	**13.9**	**-59.7**	**-23.0**	**18.9**	**2,014.7**	**404.4**	**2,431.1** [h]	**50.2**

(a) Of which additional paid-in capital: €63.7 million

(b) Including changes in the fair value of Labtech, Dynavax and GNEH shares and hedging instruments

(c) Actuarial gains and losses on employee benefit obligations arising since the effective date of IAS 19R

(d) Dividends per share: €0.19 in 2020 versus €0.35 in 2019. Shares not qualifying for dividends amounted to 214 682 at December 31, 2020 compared with 59 116 at December 31, 2019

(e) The fair value of benefits related to share grants is being recognized over the vesting period

(f) The changes in ownership interests attributable to the parent company in 2020 correspond to (i) the change in the put option on the Hybiome minority interests and (ii) the Group's -0.30% dilution on Hybiome (see Note 1.1). In 2019, this was the result of the exercise of the put options on Hybiome and Hyglos minority interests.

(g) In 2020, this change corresponds to a reclassification following share grants and the reclassification of the 2019 Quanterix disposal from change in fair value to reserves

(h) Of which bioMérieux SA distributable reserves, including the net income for the financial year: €1,053.7 million.

(i) See Note 14.2 Cumulative translation adjustments.

(j) In 2020, the change in non-controlling interests is the result of the 0.30% accretion in Hybiome minority interests

6.1.2 Notes to the Financial Statements

bioMérieux is a leading international diagnostics group that specializes in the field of *in vitro* diagnostics for clinical and industrial applications. The Group designs, develops, manufactures and markets diagnostic systems, *i.e.* reagents, instruments, and software. bioMérieux is present in more than 160 countries through its locations in 44 countries and a large network of distributors.

These consolidated financial statements were approved by the Board of Directors on February 23, 2021.

The financial statements will only be considered definitive after approval by the Annual General Meeting on May 20, 2021.

The consolidated financial statements are presented in millions of euros.

NOTE 1 CHANGES IN THE SCOPE OF CONSOLIDATION DURING THE FINANCIAL YEAR AND SIGNIFICANT EVENTS

1.1 Changes in the scope of consolidation

Changes in the scope of consolidation concern the following transactions:

1.1.1 Transactions not resulting in a change of control

- Following a number of transactions during the financial year on the capital of Suzhou Hybiome Biomedical Engineering Co. Ltd, the Group's stake was diluted by 0.3%. Its shareholding in Hybiome is now 66.7%.

  The minority interests included in the calculation of the debt relative to the put were also diluted, consequently reducing this debt by €5.2 million as an offset to equity attributable to the parent company.

1.1.2 Transactions resulting in a change of control

- The integration of Lianjian Anhua Biomedical (China) following its acquisition by Suzhou Hybiome Biomedical Engineering Co. Ltd for €4 million, generating goodwill for the Group of €0.3 million.

1.1.3 Other transactions:

- The removal of the AES Canada Inc. (United States) and Yan Set Development (China) subsidiaries following their liquidation;
- The removal of ABG Stella Inc. (United States) and Bacterial Barcodes Inc. (United States) following their mergers with bioMérieux Inc. (United States) on January 1, 2020.
- The removal of Hyglos and Hyglos Invest following their mergers with bioMérieux Deutschland GmbH on January 1, 2020.

The above subsidiaries were wholly owned by the Group.

These transactions had no material impact on the Group's financial statements.

1.2 Significant events of the financial year

1.2.1 COVID-19

The Group's international presence and public health mission meant that it was actively involved in the battle against COVID-19 during financial year 2020.

The main financial impacts related to the COVID-19 crisis were as follows:

- Sales were up across the molecular biology respiratory infection diagnostic lines but down across other lines due to the decline in hospital visits in many countries.
- The Group recorded additional product transport costs.
- The increase in business, particularly in the molecular lines, was also reflected in the increase in provisions for variable compensation. In addition, the sharp rise in the share price since March 2020 has resulted in a significant increase in the cost of cost of cash-settled share-based compensation plans in the United States (Phantom Share Option Plan).
- Stay-at-home measures have resulted in significant decreases in travel expenses and a reduction in other marketing expenses (conferences, promotion, advertising).

The main financial impacts of the COVID-19 crisis on the Group, as described above, have had an estimated positive impact on contributive operating income before non-recurring items of around €174 million for the full 2020 financial year. The public health crisis had no material impact on net financial income/expenses or on other non-recurring income and expenses.

Other information

The Group had no business interruption or site closures. The Group did not apply for any government support measures.

Despite the significant uncertainties caused by the pandemic, the analysis carried out as part of the impairment tests at December 31, 2020 (see Note 5.2) did not result in any impairment losses for 2020, other than on isolated assets (see Notes 4.2 and 6.1.2).

In accordance with the recommendations of the French Financial Markets Authority (AMF) and French auditing authorities (CNCC), the Group has not shown the COVID-19 impact on specific lines in the main financial statements.

The COVID-19 pandemic has not resulted in any significant deterioration in credit risk or liquidity risk: the Group has not noted any significant deterioration in customer risk, and the Group's financial structure remains solid.

The pandemic has had no material impact on the 2020 net cash position (in particular, no postponement of investment projects or payables, and no rent concessions).

1.2.2 Contributions to support charitable initiatives

To meet the unprecedented challenges of solidarity and responsibility imposed by the COVID-19 pandemic, the Annual General Meeting of June 30, 2020, acting on the recommendation of the Board of Directors, decided to reduce the dividend to €0.19 per share on an exceptional basis. The remainder of the originally planned total payout, representing around €22 million, was used to support charitable initiatives in the Group's host countries.

In December 2020, bioMérieux SA established a bioMérieux endowment fund aimed at supporting general-interest humanitarian, social, health and educational activities, both in France and abroad, to help the most disadvantaged groups. As founder, bioMérieux SA put €20 million into the fund. The fund is not consolidated, mainly because the Group is not exposed to returns. At December 31, 2020, the Group had no other commitments with regard to the endowment fund.

In this context and given their significant and non-recurring nature, all of the commitments were recognized in other non-recurring operating expenses in the 2020 financial statements.

1.2.3 Issue of a €200 million Euro PP bond

On June 29, 2020, bioMérieux announced it had issued a €200 Euro PP with a top-tier European institutional investor. This private placement includes two instalments: one seven-year €145 million tranche, bearing an annual coupon of 1.5%, and one 10-year €55 million tranche, bearing an annual coupon of 1.9%. This bond issue was recognized at amortized cost using the effective interest rate method, as described in Note 27.1 to the 2020 consolidated financial statements.

1.2.4 Liquidation of the defined-benefit pension plan for bioMérieux Inc. employees.

In the first half of 2020, the Group liquidated its obligations with respect to the defined-benefit pension plan for bioMérieux Inc. (USA) employees by transferring a part of the obligation to insurance companies. In this regard, a US$4.9 million (€4.3 million) expense was fully recognized in contributive operating income before non-recurring items.

The remaining part of the obligation has been paid directly to plan participants who chose that option. The difference between the amount paid and the remaining obligation at the payment date in accordance with the plan provisions resulted in the recognition of $11.4 million (€9.9 million) of income, fully recognized in other comprehensive income.

1.3 Summary of significant events in 2019

The significant events for the 2019 financial year were the following:

- Acquisition of Invisible Sentinel Inc. for €66.4 million;
- Increase in the 12.52% stake in Suzhou Hybiome Biomedical Engineering Co. Ltd. for €23.7 million;
- Freezing of bioMérieux Inc. retirement benefits, which generated an expense of €11.2 million;
- My Share global share ownership plan, which generated an expense of €9 million.

These events had no material impact on the 2020 financial statements. The purchase price allocation of Invisible Sentinel Inc. was completed at December 31, 2019 and therefore not updated for financial year 2020.

1.4 Information, on a comparable basis, on changes in the scope of consolidation

No information on a comparable basis is given on the profit & loss statement, as the external growth transaction occurring in 2020 did not have any significant impact.

The impact of changes in the scope of consolidation is shown on a separate line of the cash flow statement and tables showing year-on-year changes in the Notes.

NOTE 2 GENERAL ACCOUNTING PRINCIPLES

Standards, amendments and interpretations

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), including all standards, amendments and interpretations adopted by the European Commission at December 31, 2020. The reporting standards can be viewed on the European Commission's website.

The new standards, amendments and interpretations adopted by the European Commission and applicable from January 1, 2020 are presented below.

- Amendments to IAS 1 and IAS 8 on the materiality threshold: definition of material;
- Amendments to IFRS 3 – definition of a business;
- Amendments to IFRS 16 on rent concessions;
- Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments, and IFRS 7 Financial Instruments: Disclosures – Interest rate benchmark reform, phase 1 published on September 26, 2019 and applicable with effect from January 1, 2020.

These amendments had no impact on the Group's financial statements at December 31, 2020.

The IFRS IC's interpretation of November 2019 regarding the enforceable term of rental agreements (IAS 16), and the depreciation period of the permanent fixtures (IFRS 16) which was analyzed in 2020, had no impact on the Group's financial statements.

bioMérieux did not opt for the early application of the standards, amendments and interpretations adopted or awaiting adoption by the European Union, which will become effective after December 31, 2020 but which could have been applied early. These are mainly the amendments to IFRS 9 Financial Instruments, IFRS 39 Financial Instruments: Recognition and measurement, and IFRS 7 Financial Instruments: Disclosures – Interest rate benchmark reform, phase 2 published on January 14, 2021 and applicable with effect from January 1, 2021.

The standards, amendments and interpretations adopted by the IASB that will enter into force for financial years beginning on or after January 1, 2021 and that are pending adoption by the EU, are as follows:

- Amendments to IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 insurance contracts;
- Interest rate benchmark reform, phase 2. Draft amendment of IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16;
- The 2018-2020 cycle of annual improvements: various provisions, published on May 14, 2020 and applicable as from January 1, 2022;
- Amendments to IFRS 3 (with reference to the conceptual framework), IAS 16 (recognition of pre-commissioning revenue), and IAS 37 (onerous contracts), published on May 14, 2020 and applicable as from January 1, 2022;
- Amendments to IAS 1: Presentation of financial statements – Classification of liabilities as current or non-current, published on January 23, 2020 and July 15, 2020 and applicable as from January 1, 2023.

The Group does not expect these amendments to have a material impact on its consolidated financial statements.

There are no standards, amendments and interpretations published by the IASB, with mandatory application for the financial years opened on January 1, 2020, but not yet approved at the European level (and for which early application is not possible on a European level), which would have had a significant impact on the consolidated financial statements.

The financial statements of consolidated Group companies that are prepared in accordance with local accounting principles are restated to comply with the principles used for the consolidated financial statements.

General presentation methods used for the financial statements

The balance sheet is presented based on the distinction between "current" and "non-current" assets and liabilities as defined in the revised version of IAS 1. Consequently, the short-term portion of provisions, borrowings and financial assets (due within one year) is classified as "current" and the long-term portion (due beyond one year) is classified as "non-current."

The consolidated profit & loss statement is presented by function, with the exception of the presentation on a specific line, in the operating income before non-recurring items, of the net impact of the depreciation of assets related to the acquisition of BioFire.

The Group applies the indirect method of presenting cash flows.

Judgments and estimates

When preparing the consolidated financial statements, estimates and assumptions are made that affect the book value of certain assets, liabilities, and profit & loss statement items. They particularly concern the measurement and impairment of intangible assets acquired as part of business combinations and the impairment of intangible assets (including goodwill); the measurement of post-employment benefit obligations; the measurement of non-current financial assets; determination of lease periods; provisions; deferred taxes; share-based payments; as well as disclosures provided in certain notes to the financial statements. These estimates and assumptions are reviewed on a regular basis, taking into consideration past experience and other factors deemed relevant in light of prevailing economic conditions. Changes in those conditions could therefore lead to different estimates being used for the Group's future financial statements. During the financial year, bioMérieux observed no significant change in the level of uncertainty related to these estimates and assumptions, except for the volatile discount rate used to measure employee benefit obligations (see Note 15.3) and assumptions related to translation differences.

The COVID-19 pandemic did not result in significant changes in estimates at December 31, 2020, nor in an increase in the uncertainties related to certain items impacting the financial statements, despite the general uncertainties related to the economic environment.

2.1 Presentation of the consolidated income statement

The Group's key financial performance indicator is contributive operating income before non-recurring items. It corresponds to recurring income less recurring expenses. Non-current expenses and income are not included. As specified above, the depreciation of assets recognized for the BioFire purchase price allocation are presented on a specific line, in current operating income. Non-recurring income and expenses from operations do not include items related to COVID-19 (see Note 24 for details).

2.2 Consolidation methods

Companies over which bioMérieux has exclusive control are fully consolidated.

The Group determines whether it controls an investee based on the criteria set out in IFRS 10 (direct or indirect power over the investee to direct the financial and operating policies of the relevant activities, exposure to variability of returns and ability to use its power to affect the amount of the returns). Control is generally deemed to exist when the Group directly or indirectly owns more than one half of the voting rights of the investee. In determining whether control exists, the Group considers any currently exercisable potential voting rights, including those held by another entity.

Companies over which bioMérieux exercises significant influence are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of an entity, without exercising control.

It is deemed to exist when the Group holds between 20% and 50% of the voting rights either directly or indirectly.

The analysis of partnerships made according to the criteria defined by the IFRS 11 standard did not identify any joint ventures or joint operations. Joint ventures are accounted for using the equity method.

Subsidiaries are fully consolidated from the date on which control is effectively transferred to the Group.

The list of consolidated companies is provided in Note 33. All significant intra-group balances and transactions are eliminated in consolidation (notably dividends and internal gains on inventories and non-current assets).

2.3 Financial year-end

All Group companies have a December 31 year-end, except for the Indian subsidiaries, for which interim accounts are drawn up and audited at the Group's reporting date.

2.4 Foreign currency translation

The reporting currency of bioMérieux is the euro and the consolidated financial statements are presented in millions of euros.

2.4.1 Translation of the financial statements of foreign companies

The financial statements of foreign subsidiaries whose functional currency is not the euro or the currency of a hyper-inflationary economy are converted as follows:

- Balance-sheet items (except for equity) are translated using the official year-end exchange rate.
- Profit & loss statement items are translated using the average exchange rate for the financial year.
- Equity items are translated using the historical rate;
- Cash flow statement items are translated using the average exchange rate for the year.

Differences resulting from the translation of subsidiaries' financial statements are recognized in a separate heading in the statement of changes in equity ("cumulative translation adjustments") and movements during the year are presented on a separate line within other comprehensive income.

Argentina has been considered as a country subject to hyperinflation since July 1, 2018 with regard to the criteria defined by the IAS 29 standard. Consequently, the Group analyzed the treatment required by the standard, namely the conversion of the 2020 balance sheet and profit & loss statement at closing prices.

The impact of the restatement of the financial statements of bioMérieux Argentina was not significant at the consolidated level; the Group did not perform restatement.

When a foreign subsidiary is sold and the sale leads to a loss of control, translation differences previously recognized in other comprehensive income relating to that company are recognized in net income for the year. If shares in a subsidiary are sold without any loss of control over the subsidiary, the translation differences are reclassified between minority interests and translation differences attributable to owners of the parent.

No disposal of foreign subsidiaries occurred over the financial years presented.

The main conversion rates used were the following:

AVERAGE RATES

1 EURO =	USD	JPY	GBP	CNY	BRL
2020	**1.14**	**122**	**0.89**	**7.87**	**5.89**
2019	1.12	122	0.88	7.74	4.41
2018	1.18	130	0.88	7.81	4.33

YEAR-END RATES

1 EURO =	USD	JPY	GBP	CNY	BRL
2020	**1.23**	**127**	**0.90**	**8.02**	**6.37**
2019	1.12	122	0.85	7.82	4.52
2018	1.15	126	0.89	7.88	4.44

2.4.2 Translation of transactions in foreign currencies

As prescribed by IAS 21 "The Effect of Changes in Foreign Exchange Rates," each Group entity translates foreign currency transactions into its functional currency at the exchange rate prevailing on the transaction date. Exchange rate gains or losses resulting from differences in rates between the transaction date and the payment date are recognized under the corresponding lines in the profit & loss statement (sales and purchases for commercial transactions).

Foreign currency payables and receivables are translated at the year-end exchange rate and the resulting currency translation gain or loss is recognized in the income statement at the end of the reporting period.

Derivatives are recognized and measured in accordance with the general principles described in Note 27.1 "Recognition and measurement of financial instruments." Foreign exchange derivatives are recognized in the balance sheet at their fair value at the end of each reporting period.

NOTE 3 OPERATING INCOME BEFORE NON-RECURRING ITEMS AND SEGMENT INFORMATION

3.1 Recurring income

Revenue is recognized in application of the IFRS 15 standard "Income from contracts with customers."

The COVID-19 crisis has had no impact on revenue recognition procedures in 2020.

3.1.1 Revenues

Revenue is composed of income from the sale of goods and services according to the meaning of IFRS 15 and income from the rental of equipment according to the meaning of IFRS 16.

The principles for revenue recognition defined by IFRS 15 are defined based on an analysis in five successive stages:

- identification of the agreement;
- identification of the different performance obligations, *i.e.* the list of separate goods and services that the seller has undertaken to provide to the buyer;
- determination of the overall price of the agreement;
- allocation of the overall price of each performance obligation;
- recognition of revenue when a performance obligation is satisfied.

In practice, the rules for revenue recognition according to the main performance obligations identified are presented below:

- Sales of reagents:

  Revenue from the sales of reagents is recognized when the Company has transferred control of assets which, in practice, corresponds to the date of dispatch.

- Sales of equipment:

  Revenue from sales of equipment is recognized when the Company has transferred control of the assets which, in practice, corresponds to the date of delivery or installation, depending on the complexity of the equipment.

- Equipment rental:

  Revenue composed of income from equipment rental and finance lease contracts according to the meaning of IFRS 16 is recognized as revenue in a straight-line manner over the term of the agreement, for the discounted value at the date of establishment of the contract.

  The contracts have an average term between three and five years.

- Finance leases:

  When the Group leases assets to third parties on terms equivalent to a sale, the assets are recorded as though they had been sold, as prescribed by IFRS 16 "Leases" (see Note 6.3).

- Contracts for the provision of equipment:

  Contracts for the provision of equipment are related to other services (supply of reagents, maintenance services, guarantee extensions). They are considered as multiple-element contracts.

  The analysis of the criteria defined by the standard led to contracts for the provision of equipment being considered as rental agreements, not transfer contracts.

  The application of the standard led to the statement in the notes to the consolidated financial statements of a breakdown of revenue based on the various components of a multiple-element arrangement (reagent sales, implicit rent, etc.), without having to change the amount of revenue.

- Service agreements:

  The services essentially correspond to training, after-sales service and maintenance. Training and after-sales services are recognized in revenue when the services are provided. The analysis performed according to the IFRS 15 standard led to maintenance services being recognized linearly over the term of the maintenance agreement, without change in relation to the previous treatment. Deferred income is recognized when the maintenance services are invoiced in advance.

- Guarantees:

  The majority of contracts including an item of equipment always include a guarantee. The customer does not have the option to purchase the guarantee, so it is not a guarantee providing a service, but an insurance policy and not an obligation to provide a separate service. It is recognized according to IAS 37 "Provisions, contingent liabilities and contingent assets" (see Note 15.2).

  Guarantee extension contracts may be purchased by the customer, and they do provide an additional service. This service fulfills the criteria to be considered as a separate performance obligation. The performance obligation is recognized as such in accordance with the provisions of IFRS 15.

- Returns:

  There are no specific obligations in terms of returns when the products sold are not defective.

- Payment conditions:

  Operations related to sales of reagents and sales of equipment are paid for under the conditions defined in the contract, which may vary from one country to another. Payment deadlines are usually between two and three months.

  Customer contracts which have a financing component are operating leases, finance leases and the provision of equipment. In these cases, the payments are made according to the payment schedule defined contractually.

  Payment conditions have not been changed with the COVID-19 crisis.

The procedures for the recognition of revenue do not require significant judgments.

Also, the analysis carried out by the Group did not identify any assets in relation to marginal costs of obtaining the contract or contract performance costs, nor specific points pursuant to the distinction between agent and principal.

The Group acts as principal in its relationships with customers.

The table below presents the breakdown of revenue according to the different revenue categories, in accordance with IFRS 15.

In millions of euros	12/31/2020	12/31/2019
Sales of equipment	313.2	239.1
Sales of reagents	2,548.5	2,199.1
Sales of services	178.2	171.3
Equipment rentals [(a)]	50.5	41.5
Other revenue	27.7	23.8
REVENUES	**3,118.2**	**2,674.8**

(a) Equipment leasing includes rent and the share of revenue due to the sale of the reagents reclassified as rent for equipment provision contracts (see above).

Revenue is measured at the fair value of the consideration received or receivable, net of any discounts and rebates granted to customers. Sales taxes and value-added taxes are not included in revenue.

The sectoral breakdown of the revenue is given in Notes 3.4 and 3.5. The breakdown by technology is given in Note 3.6. The analysis performed according to IFRS 15 did not lead to presenting other breakdowns of revenue.

3.1.2 Other operating income

The other income is essentially composed of license fees and subsidies. The rules on the recognition of other income are presented below:

- other income related to customer contracts: it is composed of reassigned royalties; and the analysis of license contracts according to IFRS 15 led to them being considered as giving a right of access to intellectual property. As the obligation for performance is fulfilled gradually, the revenue is recognized over the term of the agreement;
- other income not related to customer contracts: this mainly corresponds to research subsidies received and research tax credits, considered equivalent to subsidies according to IAS 20 (see Note 19).

3.2 Recurring expenses

Cost of sales includes the following:

- The cost of raw materials consumed, including freight, direct and indirect personnel costs for production personnel, the depreciation of assets used in production, all external expenses related to manufacturing (utilities, maintenance, tools, etc.), as well as indirect expenses (the Group's share of expenses such as Purchasing, Human Resources, and Informatics). Expenses relating to areas such as Quality Control, Production Quality Assurance, Engineering, Business Processes, and Supply Chain are included in production costs.
- royalties paid in relation to marketed products;
- distribution expenses, including shipping and warehousing, as well as the cost of shipping finished products to distribution centers or end customers;
- depreciation of instruments placed with or leased to customers;
- Technical Support expenses, including the cost of installing and maintaining instruments placed or sold, irrespective of whether such services are billed separately. Also included under this heading are personnel expenses, travel expenses and the cost of spare parts, as well as movements in provisions for warranties granted at the time instruments are sold.

Operating expenses

Selling and marketing expenses include expenses incurred by the Strategy, Marketing, Sales and Sales Administration Departments. They also include sales bonuses and commissions paid to employees in the Group's Sales Departments and to independent sales agents. Advertising and promotional costs are also classified as selling and marketing expenses.

General and administrative expenses comprise the cost of General Management and Support services (Human Resources, Legal, Finance), excluding the portion of costs incurred by these departments that is allocated to the other departments that directly use their services.

Research & Development expenses include all costs concerning in-house and outsourced research & development work on new products other than software (design costs) as well as expenses related to Regulatory Affairs, Intellectual Property, Technological Monitoring, and Research & Development Quality Assurance. Subsidies received in connection with research programs are shown in other operating income (see Note 3.1.2).

Royalty payments (fixed or proportional) are included in the cost of sales of the corresponding products. If no product is marketed or marketable in the short term, these payments are classified as research & development expenses.

Other information relating to recurring expenses

Variable compensation (performance-related bonuses, commissions, discretionary and non-discretionary profit-sharing) as well as share-based payments are included in the personnel expenses of the departments concerned.

In the context of long-term employee benefits, current service costs and the interest cost net of the return on plan assets are recognized within operating income before non-recurring items.

The CVAE corporate value-added tax (*Cotisation sur la Valeur Ajoutée des Entreprises*) and the C.F.E. (*Cotisation Foncière des Entreprises*) are classified under operating expenses given that the added value generated by the Group's French operations significantly exceeds their taxable income.

Foreign exchange gains and losses related to transactions are included in the profit & loss statement lines corresponding to the category of the transaction concerned (primarily revenue, cost of sales, and financial expenses). The presentation of foreign exchange gains and losses related to derivative instruments is given in Note 28.

3.3 Contributive operating income before non-recurring items and operating income before non-recurring items

The Group uses contributive operating income before non-recurring items as one of its key financial performance indicators. It corresponds to recurring income less recurring expenses as defined in Notes 3.1 and 3.2. It excludes non-recurring income and expense from operations (as defined in Note 24.1) as well as depreciation or amortization of the assets acquired and valued as part of the BioFire purchase price allocation.

Amortization of goodwill recognized during the acquisition of BioFire is presented on a separate line of the operating income before non-recurring items. Depreciation and amortization charges relating to other prior acquisitions have not been restated as they are not deemed to be material.

In 2020, operating income before non-recurring items was the sum of the contributive operating income before non-recurring items and costs related to the depreciation or amortization of assets related to the acquisition of BioFire (see Note 23).

3.4 Segment information

3.4.1 Information by business segment

In accordance with IFRS 8 "Operating segments," and following the changes made to the Group's organizational structure with the set-up of two main divisions, one dedicated to clinical applications and the other to industrial applications, the Group now presents two operating segments within *in vitro* diagnostics. Comparative information was restated.

DECEMBER 31, 2020 *In millions of euros*	Clinical Applications	Industrial applications	Other	Group
Revenues	**2,663.5**	**454.6**	**0.0**	**3,118.2**
Gross profit	**1,553.7**	**200.8**	**-0.8**	**1,753.7**
Other operating income and expenses	-962.0	-169.2	-10.1	-1,141.2
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**591.7**	**31.7**	**-10.9**	**612.5**
as % of revenues	*22%*	*7%*		

DECEMBER 31, 2019 *In millions of euros*	Clinical Applications	Industrial applications	Other	Group
Revenues	**2,208.2**	**466.6**	**0.0**	**2,674.8**
Gross profit	**1,245.7**	**226.0**	**-5.1**	**1,466.6**
Other operating income and expenses	-915.9	-173.5	11.3	-1,078.1
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**329.8**	**52.5**	**6.2**	**388.5**
as % of revenues	*15%*	*11%*		

In accordance with IFRS 8, in Note 3.4.2 the Group discloses information on revenue and assets broken down by geographic area, which has been prepared using the same accounting principles as those applied to prepare the consolidated financial statements.

No balance sheet information is communicated to operational managers.

3.4.2 Information by geographic area

Geographical areas have been determined by combining countries with similar economic characteristics and similar risk, profitability, strategy, and regulatory profiles. Group sales in the Middle East – Africa region are generated in a heterogeneous set of countries, mainly through distributors or agents, and in certain countries *via* local distribution subsidiaries. The distributors and agents are for the most part in direct contact with the French Company bioMérieux SA, which explains their being grouped with the Europe region.

The information by geographic area shown in the tables below has been prepared in accordance with the accounting principles used to prepare the consolidated financial statements.

DECEMBER 31, 2020

In millions of euros	Americas	EMEA [(a)]	Aspac	Corporate	Group
Revenues	**1,588.2**	**1,021.9**	**504.6**	**3.5**	**3,118.2**
Cost of sales	-523.1	-426.1	-248.3	-167.0	-1,364.5
Gross profit	**1,065.1**	**595.8**	**256.3**	**-163.5**	**1,753.7**
as % of revenues	*67%*	*58%*	*51%*		
Other operating income and expenses	-312.2	-167.0	-88.7	-573.3	-1,141.2
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**752.9**	**428.8**	**167.6**	**-736.8**	**612.5**
as % of revenues	*47%*	*42%*	*33%*		

(a) Of which France revenues: €218.8 million.

DECEMBER 31, 2019

In millions of euros	Americas	EMEA [(a)]	Aspac	Corporate	Group
Revenues	**1,199.2**	**957.3**	**513.7**	**4.6**	**2,674.8**
Cost of sales	-429.7	-434.5	-247.9	-96.1	-1,208.2
Gross profit	**769.5**	**522.8**	**265.8**	**-91.5**	**1,466.6**
as % of revenues	*64%*	*55%*	*52%*		
Other operating income and expenses	-292.0	-177.9	-112.4	-495.8	-1,078.1
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**477.5**	**344.9**	**153.4**	**-587.3**	**388.5**
as % of revenues	*40%*	*36%*	*30%*		

(a) Of which France revenues: €197.8 million.

DECEMBER 31, 2020

In millions of euros	Americas	EMEA [(a)]	Aspac	Corporate	Group
Non-current assets					
Intangible assets	13.8	18.5	3.0	395.4	430.7
Goodwill				629.4	629.4
Property, plant and equipment	424.6	222.9	47.1	244.4	939.0
Right-of-use assets	56.9	59.0	13.6		129.6
Working capital requirement					
Inventories and work-in progress	259.8	199.9	82.2		541.9
Trade receivables and assets related to contracts with customers	254.1	273.1	70.7		597.9
Trade payables	-42.5	-64.4	-100.2		-207.1

(a) Of which non-current assets in France: €376.3 million.

DECEMBER 31, 2019

In millions of euros	Americas	EMEA [(a)]	Aspac	Corporate	Group
Non-current assets					
Intangible assets	20.7	29.6	4.0	454.1	508.4
Goodwill				652.5	652.5
Property, plant and equipment	436.0	209.3	37.3	212.2	894.7
Right-of-use assets	57.9	64.7	7.9		130.5
Working capital requirement					
Inventories and work-in progress	257.5	160.8	76.4		494.7
Trade receivables and assets related to contracts with customers	209.0	278.2	64.9		552.1
Trade payables	-97.0	-44.8	-70.0		-211.9

(a) Of which non-current assets in France: €383.4 million.

Regional data includes commercial activities, corresponding mainly to revenue in each of the above geographic areas, the related cost of sales, and the operating expenses necessary for these commercial activities. The regional data also includes the non-allocated costs of the production sites in these geographical areas. The revenue is a net consolidated contribution, not including inter-company revenue with the other areas.

Corporate data mainly includes the research costs incurred by the Clinical and Industrial units, as well as the costs incurred by the Group's Corporate functions and revenue from companion test research & development partnership agreements.

Intangible assets recorded in the Corporate column mainly correspond to goodwill and to technologies acquired by the Group.

3.5 Information by technology and application

The table below provides a breakdown of revenue by technology and application:

In millions of euros	12/31/2020	12/31/2019
Clinical Applications	**2,663.5**	**2,208.2**
Molecular biology	1,207.1	671.5
Microbiology	950.6	1,026.3
Immunoassays	428.3	474.5
Other ranges	77.5	35.9
Industrial applications	**454.6**	**466.7**
TOTAL	**3,118.2**	**2,674.8**

The other ranges mainly include the activity of the subsidiary BioFire Defense, for which the revenue stood at €70.2 million in 2020 and €24.7 million in 2019.

NOTE 4 INTANGIBLE ASSETS

4.1 Accounting principles

4.1.1 Research & development expenses (excluding software development costs)

In accordance with IAS 38 "Intangible Assets", research expenses are not capitalized.

Under IAS 38, development expenses must be recognized as intangible assets whenever specific conditions are met, related to technical feasibility and marketing and profitability prospects. Given the high level of uncertainty attached to development projects carried out by the Group, these recognition criteria are not met until the regulatory procedures required for the sale of the products concerned have been finalized. As most costs are incurred before that stage, development expenses are recognized in the consolidated income statement in the period during which they are incurred.

Development costs are recognized as part of a business combination at the fair value of the projects identified in the balance sheet at acquisition, in accordance with the provisions of IFRS 3 (revised). These costs are amortized from the date of marketing of the lines affected by the projects in a linear fashion over their expected useful life.

Development expenses related to projects ongoing at the acquisition date continue to be capitalized until the date the corresponding product lines are marketed.

Development expenses incurred after the business combination date and related to new projects are recognized in accordance with IAS 38 as described previously. In practice, all subsequent costs are expensed.

4.1.2 Other intangible assets

Other intangible assets mainly include patents, licenses, elements of intellectual property, software, and customer relationships. They all have finite useful lives and are initially recognized as follows:

- if purchased: at their purchase price;
- in the case of business combinations: at fair value, generally based on the price paid (where the price of the intangible asset is identified), or based on the discounted value of estimated future cash flows;
- in the case of internal production: at their cost price for the Group.

Significant costs directly attributable to the creation or improvement of software developed in-house are capitalized if it is considered probable that they will generate future economic benefits. Other development costs are expensed as incurred. In the case of software, only in-house and outsourced development costs related to organic analyses, programming, tests, trials, and user documentation are capitalized.

Intangible assets are amortized in accordance with the expected pattern of consumption of future economic benefits embodied in the asset concerned, generally on a straight line basis over periods of:

- 5 to 20 years for patents, licenses, technologies;
- 10 years for major integrated management software (such as ERP systems);
- 3 to 6 years for other computer software;
- and 10 to 15 years for customer relationships.

Software is amortized when it comes into operational effect in each subsidiary, on a phased basis where applicable.

Intangible assets are carried at their initial cost less accumulated amortization and any accumulated impairment losses. Depreciation and amortization are recognized in the consolidated income statement based on the assets' function. Impairment losses are recognized under "Other non-recurring income and expenses from operations" if they meet the applicable definition (see Note 24.1). For ERP-type management software, any termination of a project or batch constitutes an indication that the asset is impaired.

4.2 Change

Gross values *In millions of euros*	Patents Technology	Software	Other	Total
DECEMBER 31, 2018	**660.6**	**205.2**	**41.2**	**907.0**
Translation differences	8.7	1.3	0.6	10.6
Acquisitions/Increases	0.2	6.3	13.0	19.5
Changes in scope of consolidation	7.3	0.0	11.3	18.6
Disposals/Decreases	-4.9	-0.9	-0.1	-5.8
Reclassifications	-0.1	8.3	-7.3	0.9
DECEMBER 31, 2019	**671.7**	**220.2**	**58.8**	**950.8**
Translation differences	-37.9	-7.5	-4.5	-49.9
Acquisitions/Increases	0.2	5.6	10.7	16.5
Changes in scope of consolidation	0.0	0.0	2.3	2.3
Disposals/Decreases	-1.8	-8.3	-3.5	-13.6
Reclassifications	0.2	-2.8	5.2	2.6
DECEMBER 31, 2020	**632.5**	**207.3**	**68.9**	**908.6**

Depreciation and impairments *In millions of euros*	Patents Technology	Software	Other	Total
DECEMBER 31, 2018	**231.7**	**145.3**	**4.0**	**381.0**
Translation differences	2.6	1.0	0.0	3.6
Additions	40.7	20.6	2.3	63.6
Changes in scope of consolidation	0.0	0.0	0.0	0.0
Reversals/Disposals	-4.7	-1.0	-0.1	-5.7
Reclassifications	0.0	0.0	0.0	0.0
DECEMBER 31, 2019	**270.3**	**165.9**	**6.2**	**442.3**
Translation differences	-15.2	-5.3	-0.2	-20.7
Additions	46.5	19.6	1.9	67.9
Changes in scope of consolidation	0.0	0.0	0.0	0.0
Reversals/Disposals	-1.6	-8.3	-3.2	-13.1
Reclassifications	0.2	0.0	1.2	1.4
DECEMBER 31, 2020	**300.2**	**171.9**	**5.8**	**477.9**

Net values *In millions of euros*	Patents Technology	Software	Other	Total
DECEMBER 31, 2019	**401.4**	**54.4**	**52.6**	**508.4**
DECEMBER 31, 2020	**332.3**	**35.4**	**63.1**	**430.7**

The line "reclassifications" mainly corresponds to assets under construction put into service during the financial year.

The gross value of intangible assets under construction represents €42.7 million at December 31, 2020 against €38.8 million in 2019.

The review of impairment indices on assets with defined useful lives as defined in Note 5.2 led the Group to recognize depreciation on a technology asset of €13 million in 2020. Impairment recorded in 2019 totaled €6 million.

NOTE 5 GOODWILL

5.1 Accounting principles

In application of the revised version of IFRS 3, goodwill represents the excess of the cost of a business combination (excluding acquisition-related costs) and the fair value of the Group's share of the acquiree's identifiable assets, liabilities and contingent liabilities on the acquisition date. Goodwill is measured in the acquiree's functional currency. Provisional values may be assigned to fair values and goodwill during a "measurement period" which may not exceed one year from the acquisition date. Any changes made to provisional values after the end of the measurement period are recognized in income, including those concerning deferred tax assets.

The purchase price of a business combination includes the estimated impact of any contingent consideration. This consideration is measured by applying the criteria included in the acquisition agreement, such as revenue or earnings targets, to forecasts that are deemed to be the most probable. It is then remeasured at the end of each reporting period, and any changes are recorded in income after the acquisition date (including during the measurement period). They are discounted if the impact is material. Any discounting adjustments to the carrying amount of the liability are recognized in "Cost of net debt."

Non-controlling interests are measured at the time of the acquisition either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the acquired Company's net assets (partial goodwill method). The option is taken for each acquisition.

When the Group purchases an additional interest in an acquired entity after the acquisition date, the difference between the consideration paid and the Group's share in the acquiree's net assets is recognized directly in consolidated reserves. Similarly, if the Group sells an interest in an acquired entity without losing control, the resulting impact is also recognized directly in consolidated reserves.

In the case of a put option on minority interests, without those interests waiving their rights and associated benefits, borrowing is recognized for its present value against reserves, with no change in goodwill. At each closure, changes in the fair value of debt, determined according to contractual provisions, are recognized against shareholders' equity attributable to the parent company. The impact of accretion is recorded in the section "Cost of net financial debt."

Goodwill is recognized on a separate line of the balance sheet at cost less any accumulated impairment losses. Any negative goodwill is recognized directly in income during the year in which the controlling interest was acquired.

In compliance with IFRS 3 "Business Combinations," goodwill is not amortized. On the acquisition date, they are attached to a cash-generating unit depending on the synergies expected for the Group (see Note 5.2). They are tested at least once a year for impairment losses and whenever there is an indication that they may be impaired. The methods used for performing the tests and recognizing any identified impairment losses are described in Note 5.2 "Impairment of non-current assets."

5.2 Impairment of non-current assets

The Group systematically carries out annual impairment tests on goodwill and other intangible assets with an indefinite useful life (the Group did not have any such assets in the years presented in these consolidated financial statements).

Property, plant and equipment and intangible assets with a finite useful life are tested for impairment whenever there is an indication that they may be impaired.

A CGU corresponds either to a legal entity or to a product line (a group of property, plant and equipment, mainly production plants, and intangible assets, essentially technologies, which generate cash flows as a result of products based on the same technology).

Changes made to segment composition (see Note 3.4) did not result in any changes to the CGUs.

Impairment testing is used to determine the recoverable amount of a CGU or group of CGUs, representing the higher of their value in use and fair value less costs to sell.

In practice, the value in use of a CGU or group of CGUs is determined primarily on the basis of discounted operating cash flow projections covering a period of five years and based on the most recent business plan, and a terminal value.

The growth assumptions used to calculate the value in use for the business plan projection time horizon are consistent with available market information and conservative assumptions have been used for determining the terminal value, including a terminal growth rate typically corresponding to 1.5%, except for the molecular business and the Hybiome entity, for which a 2.0% growth rate was used.

Cash flow projections do not include any expansion investments or restructurings that have not already commenced.

The discount rate applied to cash flows corresponds to the Weighted Average Cost of Capital (WACC), calculated using a risk-free rate (French government OAT bond rate), the equity market risk premium and the beta ratio (which adjusts the overall equity market risk in relation to the specific industry risk). In certain cases, a specific risk premium is included, chiefly to reflect technology risk and the individual market risk, like a country risk premium to take account of the exposure of each CGU to macroeconomic risks. The WACC determined by the Group is compared with the figure calculated by analysts who track the Company's stock. The discount rates calculated for the main CGUs (technological product lines) were between 7.7% and 14.0% in 2020, as in 2019. The upper range used in 2020 covers the Hybiome CGU. These rates are understood after tax. The application of a pre-tax WACC to pre-tax cash flows would give an identical result.

Tests were performed to assess the sensitivity of the recoverable amounts to changes in certain actuarial and operating assumptions (see Note 5.3).

The COVID-19 crisis has not led to any changes in the methods used to calculate impairment tests, nor to the recognition of significant additional impairment losses related to the pandemic. As in the past, risk is reflected first and foremost in forecasts. The Group did not introduce any new sensitivity criteria or change the ranges of the sensitivity tests as a result of the analysis.

The Group recognizes an impairment loss where the value in use of these CGUs falls below the net value. The impairment loss is allocated first to reduce the carrying amount of any goodwill, with the residual amount allocated to the other assets of the unit, except if this reduces the net book value of those assets below their fair value.

Impairment losses are recognized under "Other non-recurring income and expenses from operations" if they meet the applicable definition (see Note 24.1). Impairment losses against goodwill in respect of fully consolidated entities may not be reversed unless the asset is sold.

Impacts of the application of IFRS 16

The analysis did not lead to the identification of assets associated with rental agreements to be tested independently from a cash-generating unit (CGU).

While awaiting the expected clarifications regarding the practical methods for performing impairment tests incorporating IFRS 16 restatement, and in view of the numerous practical issues identified, the impairment tests were carried out, as in 2019, both prior to IFRS 16 and in an approximate manner by incorporating the right-of-use asset and the debt linked to the lease liability into the book value of the CGU, without any modification being made to the calculation of the discount rate and provisional cash flows.

As stated in the notes to the 2019 consolidated financial statements, the application of IFRS 16 should not, in principle, have any material impact in the event that the recoverable value is determined in relation to provisional cash flows.

5.3 Change

Changes in this item can be analyzed as follows:

CGU	*In millions of euros*	12/31/2020	12/31/2019
Industrial applications		**184.9**	**188.9**
	AES	117.1	117.1
	Invisible Sentinel	41.9	45.7
	PML (US)	11.8	11.8
	bioMérieux Germany (Hyglos)	5.7	5.7
	BTF (Australia)	5.1	5.0
	Advencis	2.9	2.9
	CEERAM	0.5	0.5
Molecular biology		**147.5**	**159.4**
	BioFire	127.9	139.7
	Argène	19.3	19.3
	RAS Lifesciences	0.4	0.4
Bacteriology		**141.5**	**142.9**
	AB bioMérieux (Sweden)	61.5	59.1
	Organon Teknika	51.0	52.5
	bioMérieux Inc. (Vitek+ Bacterial Barcodes)	12.4	6.2
	Applied Maths	11.4	11.4
	Bacterial Barcodes (US)	0.0	8.7
	MDI (US)	1.9	1.9
	bioMérieux Spain	1.8	1.8
	bioMérieux Biological products	1.4	1.4
Hybiome		**120.5**	**123.4**
	Hybiome	120.3	123.4
	Lianjian Anhua Biomedical	0.3	
Immunoessays	Astute Medical Inc.	**30.5**	**33.3**
Entities		**4.4**	**4.6**
	bioMérieux Greece	1.7	1.7
	bioMérieux Poland	1.6	1.7
	bioMérieux South Africa	1.1	1.3
NET VALUE		**629.4**	**652.5**

Changes in this item can be analyzed as follows:

In millions of euros	Net value
DECEMBER 31, 2018	**603.0**
Translation differences	4.8
Changes in scope of consolidation [(a)]	44.8
DECEMBER 31, 2019	**652.5**
Translation differences	-23.4
Changes in scope of consolidation [(b)]	0.3
DECEMBER 31, 2020	**629.4**

(a) Linked to the acquisition of Invisible Sentinel Inc.
(b) Linked to the acquisition of Lianjian Anhua Biomedical (see Note 1.1).

There was no provisional goodwill at December 31, 2020.

No impairment losses were recognized in 2020 or 2019 as a result of the impairment tests carried out as described in Note 5.1, other than on isolated assets (see Notes 4.2 and 6.1.2).

The inputs used in the impairment tests carried out on the Group's main CGUs are set out below:

	2020			2019		
CGU	Net value [(a)]	Discount rate	Terminal growth rate	Net value [(a)]	Discount rate	Terminal growth rate
Industrial applications	184.9	7.7%	1.5%	188.9	7.8%	1.5%
Molecular biology	147.5	8.9%	2.0%	159.4	9.2%	2.0%
Bacteriology	141.5	7.8%	1.5%	142.9	7.7%	1.5%
Hybiome	120.5	14.0%	2.0%	123.4	14.0%	2.0%
Immunoassays	30.5	8.3%	1.5%	33.3	8.2%	1.5%

(a) Net value of goodwill assigned to the CGU.

Revenue and operating margin growth assumptions are set for each CGU in accordance with the best estimates at the test date. They take into account the level of maturity of our products and target markets, and also forecast development and innovation for our ranges.

An analysis was carried out to assess the sensitivity of the impairment tests to changes in discount rates (adverse change of 50 basis points), terminal growth rates (adverse change of 50 basis points) and the operating margin (fall of 100 basis points in the ratio of operating income before non-recurring items to terminal value). This analysis would lead to the recognition of an additional impairment for the Hybiome CGU if there was an adverse change in the discount rate of 60 basis points or a drop in the rate of return of more than 300 basis points.

As stated above, the pandemic has not resulted in any changes to the sensitivity analyses.

NOTE 6 PROPERTY, PLANT AND EQUIPMENT, ASSETS RELATED TO RIGHT-OF-USE AND OTHER FINANCE LEASE RECEIVABLES

6.1 Property, plant and equipment

6.1.1 Accounting principles

As prescribed by IAS 16 "Property, Plant and Equipment," items of property, plant and equipment are initially recognized at their purchase or production cost or at their acquisition-date fair value if acquired as part of a business combination. They are not revalued. Any revaluations carried out by Group companies in their individual accounts are eliminated when preparing the consolidated financial statements.

Property, plant and equipment are recorded using the component approach. Under this approach, each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life to that of the asset as a whole is recognized and depreciated separately. The only Group assets to which this method is applied are buildings.

The Group's application of IAS 23 "Borrowing Costs" did not lead to the capitalization of material borrowing costs as the Group does not have a material level of debt resulting from purchases of property, plant and equipment.

Routine maintenance and repair costs of property, plant and equipment is expensed as incurred. Other subsequent expenses are capitalized only if they satisfy the applicable recognition criteria, such as the replacement of an identified component.

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

The depreciable value of property, plant and equipment corresponds to their acquisition cost as they are not considered to have any material residual value. The straight-line method of depreciation is used for these assets.

The assets are depreciated over their estimated useful lives as follows:

- machinery and equipment: 3-10 years;
- instruments: 5-10 years;
- shell: 30-40 years;
- finishing work, fixtures and fittings: 10-20 years.

Depreciation periods in respect of buildings are calculated separately for each component.

The useful lives of items of property, plant and equipment are reviewed periodically. The impact of any adjustments is accounted for prospectively as a change in accounting estimates.

Impairment tests are carried out for property, plant and equipment whenever events or market developments indicate that an asset may have declined in value. If an asset's recoverable amount (see Note 5.2) is less than its net book value, either its useful life is adjusted or an impairment loss is recorded in "Other non-recurring income and expenses from operations," if the applicable definition is met (see Note 24.1).

Rental agreements

As lessor: when the Group leases assets to third parties on terms equivalent to a sale, the assets are recorded as though they had been sold, as prescribed by IFRS 16 "Leases." The long-term portion of the lease payments due is recorded under "Other non-current assets" and the short-term portion are recognized under "Trade receivables." The corresponding financial income is recognized in the income statement during the period in which it is received, under "Other financial income and expenses."

6.1.2 Analysis of movements in property, plant and equipment

Gross value *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other assets	Assets under construction	Total
DECEMBER 31, 2018	**38.4**	**520.9**	**468.7**	**387.7**	**161.7**	**119.4**	**1,696.8**
Translation differences	0.2	4.4	4.3	2.8	1.4	1.1	14.3
Changes in scope of consolidation		0.3	0.8				1.1
Acquisitions/Increases	1.3	12.2	30.3	71.6	10.4	134.8	260.5
Disposals/Decreases	-1.0	-9.5	-13.7	-57.9	-3.1		-85.2
Reclassifications	0.1	25.5	33.9	0.7	8.5	-70.0	-1.4
DECEMBER 31, 2019	**38.9**	**553.9**	**524.2**	**404.9**	**178.9**	**185.3**	**1,886.2**
Translation differences	-2.0	-30.5	-26.1	-19.6	-8.5	-6.8	-93.5
Changes in scope of consolidation				0.0		2.2	2.2
Acquisitions/Increases		6.5	23.7	81.7	13.0	126.9	251.8
Disposals/Decreases	0.0	-2.6	-19.8	-54.7	-14.5		-91.5
Reclassifications	14.4	118.7	34.1	0.1	9.2	-177.7	-1.2
DECEMBER 31, 2020	**51.3**	**646.0**	**536.2**	**412.5**	**178.1**	**130.0**	**1,954.0**

Depreciation and impairments *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other assets	Assets under construction	Total
DECEMBER 31, 2018	**2.1**	**257.2**	**301.4**	**258.1**	**116.7**		**935.5**
Translation differences	0.0	1.6	2.4	1.8	0.9		6.8
Changes in scope of consolidation		0.3	0.4				0.7
Additions	0.2	32.2	37.6	33.1	12.9		115.9
Disposals/Decreases		-9.3	-12.5	-43.1	-2.5		-67.4
DECEMBER 31, 2019	**2.3**	**282.0**	**329.3**	**249.9**	**127.9**		**991.4**
Translation differences	-0.1	-11.3	-13.9	-11.3	-5.6		-42.1
Changes in scope of consolidation							
Additions	0.3	43.8	39.0	36.6	16.5		136.2
Disposals/Decreases	0.0	-2.5	-19.8	-30.8	-14.4		-67.6
Reclassifications		-2.9	-0.6	-0.1	0.7		-3.0
DECEMBER 31, 2020	**2.5**	**309.0**	**334.0**	**244.3**	**125.2**		**1,015.0**

Net value *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other assets	Assets under construction	Total
DECEMBER 31, 2018	**36.3**	**263.7**	**167.3**	**129.6**	**44.9**	**119.4**	**761.4**
DECEMBER 31, 2019	**36.6**	**271.9**	**194.9**	**155.0**	**51.0**	**185.3**	**894.7**
DECEMBER 31, 2020	**48.8**	**336.9**	**202.2**	**168.3**	**52.9**	**130.0**	**939.0**

Assets under construction mainly concern new offices, capital expenditure on production and automation tools in Salt Lake City, and the construction of a new campus in Suzhou. Note that €2.2 million relates to the first-time consolidation of Lianjian Anhua and the construction of an industrial building in China, still under way.

The new production plant in Salt Lake City was commissioned in June 2020 for approximately €96 million.

Impairment tests led to the recognition of impairment losses on isolated industrial assets of €6 million at December 31, 2020.

6.2 Right-of-use assets (lessee side)

6.2.1 Accounting principles

Restatement on the lessee side

IFRS 16 makes no distinction, from the lessee perspective, between finance leases and operating leases.

Leases are rental agreements (or agreements that contain a rental component) that convey the right to receive the near totality of the economic benefits associated with the use of the asset resulting from the right to manage the use of the identified asset during the period of use.

Leases which meet this definition are recognized according to the procedures defined below. As specified by the standard, the Group has adopted certain simplification measures, notably those enabling exclusion of leases with a residual term of less than twelve months and leases covering assets of low value, and the identical application of finance leases according to IAS 17.

In practice, the analysis predominantly resulted in the restatement of real estate and vehicle leases.

For agreements not restated as leases, the lease payments are recognized as expenses on a straight line basis over the term of the agreement.

The accounting rules for agreements that fall within the scope of IFRS 16 are presented below.

As of the commencement date of the agreement, the Group recognizes a right-of-use asset and a financial liability for the lease liability. The asset is recorded as a separate line item on the balance sheet; the liability is presented under borrowings.

The lease liability is measured at the discounted value of the lease payments not yet paid over the term of the lease.

The discounted value is determined by using the implicit borrowing rate for leases formerly qualified as finance leases and the marginal borrowing rate for other leases. The incremental borrowing rate is calculated for each country according to the term of the agreement. The incremental borrowing rate corresponds to a duration rate taking into account the rent payment profile, and not a maturity rate, in accordance with the recommendations of the IFRS IC of September 2019.

The term of a lease is the enforceable period, which corresponds to the non-cancellable period, plus:

- any option to extend the lease if the Group is reasonably certain it will exercise the option;
- any lease termination option if the Group is reasonably certain it will not exercise the option.

In accordance with the IFRS IC's interpretation of November 2019, the Group takes into account the date up until which the lessee is reasonably certain to continue the lease beyond the contractual term.

As indicated in Note 2 above, application of this interpretation has had no impact on the determination of the enforceable term of rental agreements.

In particular, the various leases do not contain an early termination clause and there is no clause likely to result in the lessor paying compensation to the Group that would be more than insignificant in the event of the non-renewal of the lease at the end of the non-cancelable period.

In practice, the terms used for the main leases are:

- in France: an enforceable period of nine years (3/6/9 commercial leases): a non-cancelable period of three years and certainty of using the extension options after three and six years;
- in other countries, the term is that indicated in the lease unless the renewal decision is solely at the discretion of the lessee. In this case, the term used is 20 years from the date of the first lease for real estate rentals.

As indicated in Note 2 above, application of the IFRS IC's interpretation of November 2019 has had no impact on the determination of the enforceable term of rental agreements. The Group has also not received any rent concessions during the year related to the public health crisis.

The various leases do not contain an early termination clause and there is no clause likely to result in the lessor paying compensation to the Group that would be more than insignificant in the event of the non-renewal of the lease at the end of the non-cancelable period.

Lease payments represent fixed payments, variable payments based on an index or a rate, and the exercise price of the purchasing options that the lessee has the reasonable certainty of exercising. In practice, most of the lease payments are fixed. There are purchasing options for lease financing agreements, and there are no penalties that would be more than insignificant in the event of the termination of the lease at the lessor's initiative.

Right-of-use assets are measured as follows: the cost is reduced by the accumulated depreciation and impairment losses, and adjusted to take into account, where applicable, re-measurements of the lease liability. No impairment losses or re-measurements of the lease liability were recorded during 2020.

Right-of-use assets are depreciated over the expected duration of use of the property (including the portion linked to the use of land), in the case of a purchase option at a favorable price. In other cases, these assets are depreciated over the term of the lease as defined above.

Lease-related fixtures and fittings are amortized over a period that in practice is close to the term of the contract. For information, the net book value is not material.

The Group has opted to recognize a deferred tax on the restatements of leases.

6.2.2 Change

Gross value *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	Total
DECEMBER 31, 2018	**33.9**	**145.4**	**27.9**	**6.6**	**213.8**
Translation differences	0.5	1.1	0.3	0.0	1.9
Acquisitions/Increases	1.8	20.0	11.0	0.2	32.9
Disposals/Decreases		-23	-9.8	-1	-33.8
Reclassifications	0	0.1		0.0	0.0
DECEMBER 31, 2019	**36.1**	**143.4**	**29.4**	**6.1**	**214.9**
Translation differences	-2.9	-4.6	-1.6	0.0	-9.0
Acquisitions/Increases	0.2	28.2	8.6	0.0	36.9
Disposals/Decreases	-0.6	-14.5	-7.9	-0.2	-23.2
Reclassifications		-0.4	0.0	0.0	-0.4
DECEMBER 31, 2020	**32.8**	**152.1**	**28.4**	**5.9**	**219.2**

Depreciation or amortization *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	Total
DECEMBER 31, 2018	**3.6**	**51.4**	**14.8**	**6.4**	**76.2**
Translation differences	0.0	0.4	0.1	0.0	0.5
Additions	0.9	15.6	8.1	0.2	24.8
Disposals/Decreases		-11.2	-8.6	-0.7	-20.6
Reclassifications		3.3	0.1	0.0	3.5
DECEMBER 31, 2019	**4.4**	**59.5**	**14.5**	**5.9**	**84.4**
Translation differences	-0.5	-2.2	-0.7	0.0	-3.4
Additions	0.8	16.0	7.8	0.2	24.8
Disposals/Decreases	-0.5	-10.9	-7.0	-0.2	-18.6
Reclassifications		2.5	0.0		2.5
DECEMBER 31, 2020	**4.2**	**64.9**	**14.6**	**5.9**	**89.6**

Net values *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	Total
DECEMBER 31, 2018	**30.3**	**94.0**	**13.1**	**0.3**	**137.7**
DECEMBER 31, 2019	**31.6**	**83.8**	**14.9**	**0.2**	**130.5**
DECEMBER 31, 2020	**28.6**	**87.2**	**13.8**	**0.0**	**129.6**

The increases are primarily linked to new leases. The decreases are primarily linked to leases having reached the end of their terms. In accordance with the provisions of the standard, and given the nature of the movements, increases and reductions related to rental agreements are not reported in the investment flows of the cash flow statement.

The table below shows the assets linked to the finance rental agreements reclassified as right-of-use assets based on property, plant and equipment (see Note 6.2):

Net value *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	Total
DECEMBER 31, 2018	**2.7**	**42.7**	**0.2**		**45.6**
DECEMBER 31, 2019	**2.7**	**39.4**			**42.1**
DECEMBER 31, 2020	**2.7**	**36.5**			**39.2**

6.3 Finance lease receivables

6.3.1 Accounting principles

Finance leases

As lessee: leases are classified as finance leases whenever they transfer to the lessee substantially all of the risks and rewards incidental to ownership. Leases qualify as finance leases based on the substance of each contract, and notably when:

- ownership of the leased asset is transferred to the lessee at the end of the lease term;
- the lessee has the option to purchase the asset at a preferential price;
- the lease term covers the major part of the leased asset's economic life;
- the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
- the leased assets are of such a specialized nature that only the lessee can use them without making major modifications.

Whenever the Group leases property under an agreement classified as a finance lease, the fair value of the asset concerned or, if lower, the present value of the minimum lease payments is capitalized and depreciated over the asset's useful life. A corresponding liability is recognized in the balance sheet. Lease payments are apportioned between the financial expenses and the reduction of the outstanding liability.

Other rental agreements are classified as operating leases and the lease payments are expensed on a straight-line basis over the term of the agreement.

Certain instruments are sold *via* finance lease arrangements (see Note 6.1). The usual lease term is five years.

6.3.2 Change

Finance lease receivables totaled €21.6 million at December 31, 2020, against €24.7 million at December 31, 2019.

In millions of euros	Due within 1 year	Due in one to five years	In over five years	Total
Gross value of finance lease receivables	8.2	15.0	0.0	23.3
Accrued interest	-0.7	-0.8	0.0	-1.5
Present value of minimum future lease payments	7.5	14.3	0.0	21.8
Impairment losses	-0.2			-0.2
NET PRESENT VALUE OF MINIMUM FUTURE LEASE PAYMENTS	**7.3**	**14.3**	**0.0**	**21.6**

The current portion of finance lease receivables is shown in trade receivables (see Note 9), while the non-current portion is carried in other non-current assets for €14.3 million.

The depreciation rules applied are presented in Note 9.

NOTE 7 NON-CURRENT FINANCIAL ASSETS

7.1 Accounting principles

Non-current financial assets include investments in non-consolidated companies, loans and receivables maturing in more than one year – including pension plan assets whenever these have not been definitively allocated to cover corresponding obligations – and deposits and guarantees. They are recognized and measured in compliance with the rules described in Note 27.

In application of the IFRS 9 standard, non-current financial assets are broken down into 3 categories:

- financial assets assessed at amortized cost:

  These are financial assets for which the objective of the economic model is to receive contractual flows, and for which the contractual conditions specify, at particular dates, flows corresponding only to repayments of capital and interest. They correspond to loans, deposits and guarantees;
- financial assets valued at fair value, with recognition in other comprehensive income:
  - changes in fair value to be reclassified to income: these are financial assets for which the objective of the economic model is both to receive contractual flows and the sale of assets, and for which the contractual conditions specify, at particular dates, flows corresponding only to repayments of capital and interest. The Group has no significant assets within this category,
  - changes in fair value not to be reclassified to income (irreversible option taken on the acquisition date): these are assets that are strategic for the Group. They correspond to non-consolidated equity investments;
- Financial assets valued at fair value through profit or loss:

  these are securities held by the Group for transaction purposes. This category is not used over the financial years presented, as the Group has so far decided to opt for recognition in other comprehensive income not to be reclassified.

Assets valued at amortized cost

The amortized cost is determined according to the effective interest rate method, as defined by the IFRS 9 standard. This rate is determined when putting in place the related contract.

Financial assets valued at fair value

Fair value is determined according to the methodology defined by the standard IFRS 13, according to the 3 levels of fair value defined in Note 27.1.

In exceptional cases where the fair value of financial assets cannot be determined reliably (lack of recent information, wide range of valuations, etc.), the cost will be considered as the best estimate of the fair value.

No reclassification between the various categories occurred over the financial years presented.

The breakdown of other financial assets for which the Group has opted for this presentation is presented separately in the table below.

7.2 Change

In millions of euros	12/31/2020	12/31/2019
Loans and receivables	10.7	10.4
Non-consolidated financial assets assessed at fair value against other comprehensive income	39.9	31.5
TOTAL	**50.6**	**41.9**

The loans and receivables include a surety intended to cover the post-employment benefit obligations in Germany for €2.7 million and the granting of a loan from bioMérieux Inc. to ABL Inc. for €1.6 million.

In millions of euros	Gross value	Changes in fair value recorded in other comprehensive income	Impairment losses	Net value
DECEMBER 31, 2018	**60.4**	**6.7**	**-0.3**	**66.9**
Translation differences	0.1		0.0	0.1
Acquisitions/Increases	9.1		0.0	9.0
Disposals/Decreases	-34.4		0.1	-34.2
Reclassifications and changes in fair value				0.0
Changes in fair value		0.2		0.2
DECEMBER 31, 2019	**35.2**	**6.9**	**-0.2**	**41.9**
Translation differences	-1.5		0.0	-1.5
Acquisitions/Increases	13.2		-0.1	13.1
Disposals/Decreases	-1.9		0.1	-1.8
Reclassifications and changes in fair value				0.0
Changes in fair value		-1.0		-1.0
DECEMBER 31, 2020	**45.0**	**5.9**	**-0.2**	**50.6**

The acquisitions over the period mainly concern the equity investments in Accellix and the Pertinence Invest fund, allocated to the category of financial assets whose change in fair value is recognized in other comprehensive income.

The change in fair value recorded in other comprehensive income mainly concerns GNEH (Geneuro holding) and Labtech securities.

The summary table below shows the change in fair value of the shares in non-consolidated companies at December 31, 2020 compared to December 31, 2019:

	12/31/2019			12/31/2020		
In millions of euros	Fair value	Of which change in fair value through profit and loss	Of which change in fair value through other comprehensive income	Fair value	Of which change in fair value through profit and loss	Of which change in fair value through other comprehensive income
Banyan Biomarkers	6.4			7.7		
Qvella	6.3			7.0		
Sino French Innovations	5.0			5.0		
Accellix	-			4.1		
Pertinence Invest	-			4.0		
Specific Diagnostics	4.5			4.1		
GNEH	3.4		0.2	2.6		-0.8
Labtech/LBT Innovations	1.0		0.5	0.8		-0.2
Quanterix	0.0		15.5	0.0		0.0
Other securities	4.9		0.2	4.7		0.0
TOTAL	**31.5**		**16.4**	**39.9**		**-1.0**

The changes in fair value of securities classified as level 3 are presented in Note 27.1.

There was no change in fair value recognized through profit and loss in 2020.

NOTE 8 INVENTORIES AND WORK-IN PROGRESS

8.1 Accounting principles

As required under IAS 2 "Inventories," inventories are measured at the lower of cost and net realizable value.

Inventories of raw materials, goods held for resale and consumables are measured at their purchase price plus related expenses using the FIFO method. Work-in-progress and finished products are measured at their actual production cost, including direct and indirect costs.

Inventories are written down where necessary, taking into account selling prices, obsolescence, residual shelf life, product condition, sale prospects and, in the case of spare parts, changes in the corresponding instruments' installed base.

8.2 Change

In millions of euros	12/31/2020	12/31/2019
Raw materials	216.3	191.9
Work-in-progress	56.3	54.8
Finished products and goods held for resale	312.3	285.1
GROSS VALUE	**584.9**	**531.8**
Raw materials	-15.2	-14.2
Work-in-progress	-3.6	-2.6
Finished products and goods held for resale	-24.2	-20.3
PROVISIONS FOR IMPAIRMENTS	**-43.0**	**-37.1**
Raw materials	201.1	177.6
Work-in-progress	52.7	52.2
Finished products and goods held for resale	288.1	264.8
NET VALUE	**541.9**	**494.7**

Inventories relating to instruments account for 19.5% of gross value.

No pledges of inventories had been granted at December 31, 2020.

Without a stoppage or significant reduction in its production centers, the Group did not experience any slowdown over the manufacturing period.

The analysis carried out did not result in any change in the methods used to write down inventories. In particular, the COVID-19 pandemic did not generate significant risks in terms of obsolescence, rotation or net realizable value of inventories.

NOTE 9 TRADE RECEIVABLES AND ASSETS RELATED TO CONTRACTS WITH CUSTOMERS

Trade receivables and finance leasing receivables

In millions of euros	12/31/2020	12/31/2019
Gross trade receivables	632.1	579.9
Impairment losses	-34.2	-27.8
NET VALUE	**597.9**	**552.1**

In total, 18.8% of the Group's trade receivables are due from government agencies and may be paid later than the date shown on the invoice.

Trade receivables are recognized at amortized cost, which in practice corresponds to cost. There are no other financial assets including a financially significant component.

The due dates are mainly below six months except for lease contracts, financial lease contracts and contracts for the provision of equipment.

Net receivables overdue by more than 60 days relative to private companies and public organizations represent 12.2% of outstanding trade receivables in 2020, against 11.6% in 2019.

The weight of net additions to doubtful debts and bad debts represents €11.5 million, *i.e.* 0.37% of revenue.

Trade receivables include the current portion of finance lease receivables (see section 6.3).

Receivables and assets related to contracts with customers	12/31/2019	Changes in scope of consolidation	Change in gross values	Change in provision	Change in method	Currency impact	12/31/2020
Long-term finance lease receivables	16.1		-0.5			-1.3	14.3
NON-CURRENT ASSETS	**16.1**		**-0.5**	**0.0**	**0.0**	**-1.3**	**14.3**
Finance lease receivables	8.7		-0.7	-0.1	0.0	-0.7	7.3
Gross trade receivables	543.4	0.0	89.1	-7.9	1.2	-35.1	590.6
Other assets related to contracts with customers	0.0						0.0
CURRENT ASSETS	**552.1**	**0.0**	**88.4**	**-8.0**	**1.2**	**-35.7**	**597.9**

The share of provisions on financial leasing receivables is not material (see Note 6.3).

Depreciation of trade receivables

Provisions for depreciation of trade receivables are recognized to take into account expected losses and are recognized according to the following model:

- doubtful trade receivables: provisioned case-by-case;
- customers for whom impairment loss indices have been identified (late payment, claims and litigation, etc.): individual and statistical provision;
- customers with no impairment loss index at the closing date: a provision for expected losses is recognized case-by-case, taking into account qualitative and quantitative information (*e.g.*, information on the customer, rating of the customer, etc.) in the context of the customer credit risk monthly review process, according to information obtained on the customer.

The credit risk is assessed at each closure, taking into account guarantees received, where applicable.

The crisis related to the COVID-19 pandemic did not result in a significant increase in customer risk observed or expected in the coming months. In particular, customer payment deadlines and defaults remained stable.

The analysis carried out did not result in any change to the trade receivables provisioning model, nor to the way it is implemented.

Netting agreements

N/A.

Other assets related to contracts with customers

There are no assets related to the costs of obtaining or implementing contracts.

NOTE 10 LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

Liabilities related to contracts with customers correspond essentially to advances of payment received and maintenance services invoiced in advance on service contracts (see Note 17). The associated revenue is recognized in income over the period that the service is rendered.

Liabilities related to contracts with customers	Notes	12/31/2019	Changes in scope of consolidation	Change in gross values	Change in provision	Reclassification	Changes in translation differences	12/31/2020
Provisions for long-term guarantee	15	1.3	0.0		0.3		0.0	1.5
NON-CURRENT LIABILITIES		**1.3**	**0.0**	**0.0**	**0.3**	**0.0**	**0.0**	**1.5**
Provisions for short-term guarantee	15	5.9			6.4	0.0	-0.8	11.4
Advances received on trade receivables	17	9.6		4.9			-0.6	13.9
Credit note to be issued	17	2.2		14.9			-1.0	16.1
Income invoiced in advance	17	64.4	0.0	8.6		0.4	-4.7	68.7
CURRENT LIABILITIES		**82.1**	**0.0**	**28.4**	**6.4**	**0.4**	**-7.2**	**110.1**

NOTE 11 OTHER RECEIVABLES

In millions of euros	12/31/2020	12/31/2019
Advances and deposits	20.3	6.6
Prepaid expenses	20.7	14.9
Other operating receivables	41.3	39.6
NET VALUE OF OPERATING RECEIVABLES	**82.2**	**61.1**
CURRENT TAX RECEIVABLES	**42.3**	**42.3**
Non-operating receivables	8.0	13.3
NET VALUE OF NON-OPERATING RECEIVABLES	**8.0**	**13.3**

Advances and deposits rose by €13.7 million, of which €6.8 million was paid as an advance under a new license agreement signed in 2020.

The other receivables related to customer contracts are not material.

Other operating receivables are mainly composed of research tax credit receivables (€12.6 million at December 31, 2020 versus €8.3 million at end-2019), and other tax-related receivables.

Non-operating receivables relate primarily to the fair value of derivative instruments carried in assets (€7.3 million in 2020 versus €7.4 million in 2019, see Note 27.2).

NOTE 12 CASH AND CASH EQUIVALENTS

12.1 Accounting principles

Cash and cash equivalents include cash and short-term highly liquid investments denominated in euros and subject to an insignificant risk of changes in value and counterparty default.

Investments meeting these criteria are measured at the end of the reporting period at their fair value, with fair value gains or losses recognized in income (see Note 27).

None of the Group's investments are pledged or subject to major restrictions.

Investment securities and other cash equivalents are valued at their fair value at each closing, according to the definition given in Note 7.

There are no other current financial assets.

12.2 Change

In millions of euros	12/31/2020	12/31/2019
Cash	313.5	241.0
Cash pooled with Institut Mérieux [(a)]	51.4	14.0
Cash pooled with GNEH	1.4	0.0
Cash investments	23.0	20.0
CASH AND CASH EQUIVALENTS	**389.2**	**275.0**

(a) These investments are liquid and may be redeemed within a maximum of four business days.

Some cash investments are in SICAV money-market funds (€13.0 million at December 31, 2020 versus €15 million at December 31, 2019).

Investments are placed with leading credit institutions. No adjustments were recognized in respect of the risk of non-collection associated with these financial assets following the analysis carried out pursuant to IFRS 13 (see Note 28.5).

Cash investments in SICAV money-market funds are as follows:

	12/31/2020	12/31/2019
Investment	BNP PARIBAS SIGNATURE PART CLASSIC money-market fund	BNP PARIBAS SIGNATURE PART CLASSIC money-market fund
Amount	€13 million	€15 million
Classification	Short-term money-market fund	Short-term money-market fund
ISIN Code	FR0011046085	FR0011046085

The Group regularly reviews the investments made by each SICAV euro money-market fund as well as their past performance in order to ensure that they qualify as cash and cash equivalents in accordance with the recognition criteria in IAS 7.

NOTE 13 ASSETS AND LIABILITIES HELD FOR SALE

13.1 Accounting principles

In accordance with IFRS 5, net assets and liabilities whose recovery is expected through a sale transaction rather than by continuous usage are reclassified as assets held for sale or as liabilities held for sale.

Impairment tests were carried out by comparing the value of the net assets to their fair value less costs to sell (see Note 5.2).

13.2 Change

At December 31, 2020, the Group had no assets held for sale, as at the end of 2019.

NOTE 14 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

14.1 Share capital

The Company's share capital amounted to €12,029,370 at December 31, 2020 and was divided into 118,361,220 shares, of which 78,060,118 carried double voting rights. Following a decision taken by the General Meeting of March 19, 2001, the Company's bylaws no longer refer to a par value for its shares.

Other than the free shares (see Note 18.2), there were no valid dilutive rights or securities on December 31, 2020.

There were no changes in the number of outstanding shares during the period.

The Company is not subject to any specific regulatory or contractual obligations in terms of its share capital.

The Group does not have any specific policy concerning equity financing. Decisions on whether to use debt or equity financing are made on a case-by-case basis for each proposed transaction. The equity used by the Group for its own operations corresponds to its consolidated equity.

14.2 Cumulative translation adjustments

In millions of euros	12/31/2020	12/31/2019
Dollars [(a)]	-81.7	54.9
Latin America	-21.6	-15.2
Europe – Middle East – Africa	-36.4	-31.5
Other countries	-1.2	6.2
TOTAL	**-141.0**	**14.4**

(a) US and Hong Kong dollars.

In 2020, the cumulative translation adjustments were mainly related to the depreciation of the dollar.

Cumulative translation adjustments attributable to the Group amounted to -€140.0 million.

14.3 Treasury shares

The Company has entered into an agreement with an investment services provider for market-making purposes. It therefore sometimes has to buy, hold and resell a small number of its own shares in connection with this agreement. It also purchases shares to cover the obligations it assumes in connection with the share grant plans mentioned in Note 18.

Treasury shares held under the liquidity agreement or for the purpose of allocation under share grant plans are recorded as a deduction from equity, and the impacts of all corresponding transactions recorded in the individual financial statements are also recognized directly in equity (disposal gains and losses, impairment, etc.).

Treasury shares held under the liquidity contract

At December 31, 2020, the parent company held 13,149 treasury shares as part of this contract. During the financial year, it purchased 368,012 and sold 376,560 treasury shares.

Other treasury shares

On January 1, 2020, the Company held 37,419 treasury shares. During the financial year, the Company bought 176,556 shares and definitively allocated 8,442 shares intended to provide free shares to employees and shares related to the stock option plan (see Note 18.2).

At December 31, 2020, the Company held a total of 201,533 treasury shares intended for free share grants authorized by the Annual General Meeting.

14.4 Non-controlling interests

The minority interests essentially cover the company Suzhou Hybiome Biomedical Engineering for €50.3 million, representing 33.3%. The impact of the share of minorities on the key aggregates of the Group is not material over the financial year.

14.5 Other comprehensive income (expense)

The main elements making up comprehensive income are the changes in the fair value of financial instruments for which changes in fair value are recognized in this section (see Note 7), actuarial gains and losses on defined benefit pension plans, changes in fair value of cash flow hedges, changes in translation differences coming from subsidiaries whose accounts are denominated in foreign currencies and changes in the value of tangible or intangible assets (if the option has been exercised for fair value).

The Group presents other comprehensive income showing the components of other comprehensive income that may be subsequently reclassified to income separately from components not subsequently declassifiable.

14.6 Earnings per share

Basic earnings per share is calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding during the period (excluding shares intended for allocation under free share grants and treasury shares held for market-making purposes). The weighted average number of shares was 118,146,538 at December 31, 2020, against 118,302,104 at December 31, 2019.

Diluted (net) earnings per share are calculated from the number of shares defined in the basic earnings increased by the weighted average number of potential shares to be issued and which would have a dilutive effect on net income. The number of the latter was 118,652,069 at December 31, 2020, against 118,709,370 at December 31, 2019.

NOTE 15 PROVISIONS – CONTINGENT ASSETS AND LIABILITIES

15.1 Accounting principles

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets," provisions are recognized when the Group has a legal or constructive obligation toward a third party, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and no inflow of resources of an equivalent amount is expected in return, and when the amount of the obligation can be reliably estimated.

Provisions for restructuring costs are recognized only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed formal plan. Restructuring provisions notably cover the cost of severance payments.

Long-term provisions are discounted to present value when the impact of discounting is material and the date the underlying event is expected to materialize is known.

Material contingent liabilities are disclosed in Note 15.5, unless the probability of an outflow of resources embodying economic benefits is remote.

Material contingent assets are disclosed in Note 15.5 where an inflow of economic benefits is probable.

15.2 Change in provisions

In millions of euros	Retirement benefits and other benefits	Guarantees given	Restructuring	Claims and litigation	Other contingencies and losses	Total
DECEMBER 31, 2018	**41.6**	**8.0**	**0.7**	**14.0**	**27.7**	**92.0**
Additions	7.0	9.9	0.2	4.2	14.7	36.0
Reversals (utilizations)	-2.5	-10.0	-0.5	-5.7	-5.3	-24.0
Reversals (surplus)	-12.4	-0.9	0.0	-5.6	-0.4	-19.3
Net additions (reversals)	-7.9	-1.0	-0.3	-7.1	9.0	-7.3
Actuarial (gains) losses	23.8	0.0	0.0	0.0	0.0	23.8
Other changes	0.0	0.0	0.0	0.0	0.0	0.0
Translation differences	0.3	0.1	0.0	0.1	0.1	0.6
DECEMBER 31, 2019	**57.8**	**7.1**	**0.4**	**7.0**	**36.9**	**109.3**
Additions	8.5	22.2	6.6 [(b)]	2.4	13.5	53.2
Reversals (utilizations)	-6.4	-14.6	-0.4	-2.7	-5.2	-29.3
Reversals (surplus)	-0.1	-1.0	0.0	-0.3	-6.2	-7.6
Net additions (reversals)	2.0	6.6	6.2	-0.6	2.1	16.3
Actuarial (gains) losses	-6.7	0.0	0.0	0.0	0.0	-6.7
Changes in scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	0.0	-0.1	0.0	-0.1
Translation differences	-0.6	-0.9	-0.4	-0.2	-0.8	-2.9
DECEMBER 31, 2020	**52.4**	**12.8**	**6.2**	**6.1[(a)]**	**38.2**	**115.8**

(a) See Note 15.4.1.
(b) Corresponds mainly to the planned bioMérieux Inc. and BioFire transition and the transfer of the North American registered office to Salt Lake City.

Provisions for product warranties are recognized based on an estimate of the costs relating to the contractual warranty for instruments sold over the remaining period under warranty (see Note 3.1.1).

As a reminder, net reversals of provisions for the 2019 financial year amounted to -€7.3 million in recurring income, and mainly reflect the freezing of the U.S. pension fund.

The COVID-19 pandemic did not lead to the implementation of restructuring plans.

15.3 Pension and other long-term benefit obligations

15.3.1 Accounting principles

15.3.1.1 Short-term employee benefits

Short-term employee benefits include wages, salaries and payroll taxes as well as paid vacation and performance-related bonuses. They are expensed during the financial year in which employees perform the corresponding services. Outstanding payments at the end of the reporting period are included in "Other operating payables."

15.3.1.2 Post-employment benefits

These benefits notably correspond to pensions, contractual retirement payments, and post-employment health insurance. They are covered either by defined contribution plans or defined benefit plans.

Defined contribution plans: where required under local laws and practices, the Group pays salary-based contributions to pension and social security organizations. The Group's obligation is limited to the payment of contributions. The contributions are expensed during the financial year in which employees perform the corresponding services. Outstanding payments at the end of the reporting period are included in "Other operating payables."

Defined-benefit plans: all plans other than defined-contribution plans:

- they concern regular or supplementary post-employment benefit obligations paid in the form of annuities (primarily in France and Germany) and contractual retirement payments (primarily in France and Japan);
- health insurance for retired employees.

The Group's defined benefit pension obligation is estimated by actuaries, in accordance with the amended IAS 19, as presented hereafter:

Post-employment benefit obligations are calculated in accordance with the projected unit credit method. They take into consideration actuarial assumptions such as discount rates, the rate of future salary increases, employee turnover and mortality rates. The main assumptions used are set out below in Note 15.3.2.

For the purpose of determining the discount rate, the Group analyzed various market rates and, as prescribed by the amended IAS 19R, chose an estimated average of the Iboxx Corporate AA and Bloomberg indices (euro, US dollar and pound sterling) at December 31, 2020, taking into account the average durations of the Group's plans where these differ from the observable maturities of the bonds used for those indices.

Post-employment benefit obligations are presented in the balance sheet for their total amount less the fair value of plan assets.

The impact on the service cost for the year and on the interest cost net of the return on plan assets is recognized in operating income before non-recurring items.

The impacts of changes in actuarial gains and losses related to benefit obligations and plan assets (actuarial assumptions and experience adjustments) are immediately recognized under other comprehensive income at their net-of-tax amount. They are not reclassified to income.

The impacts resulting from amendments to and settlements of pension plans are immediately recognized in income.

The expected return on plan assets recognized in income is calculated using the discount rate used to estimate the total benefit obligation.

Tests are performed to measure the sensitivity of the Group's post-employment benefit obligation to changes in certain actuarial assumptions (see Note 15.3.8).

IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" is not relevant to the Group.

15.3.1.3 Other long-term benefits

Other long-term benefits include long-service awards and bonuses. The corresponding liabilities are recognized on an actuarial basis whenever they have a material impact. Actuarial gains and losses and past service cost are recognized immediately in income.

15.3.2 Assumptions used

Post-employment benefits and other obligations are covered by provisions and essentially concern France. These obligations are calculated using actuarial methods based on a certain number of assumptions.

The main assumptions used are as follows:

	France	
	12/31/2020	12/31/2019
Expected salary increase rate	2.00%	2.00%
Discount rate	0.90%	1.00%
Average duration of plans	12.6	12.9

The expected return on plan assets corresponds to the discount rate applied to the Group's pension obligations, in accordance with the amended IAS 19, according to the calculated duration.

15.3.3 Breakdown of provisions for employee benefits

In millions of euros	12/31/2020	12/31/2019
Post-employment benefits	36.7	43.0
Long-service awards	15.7	14.8
TOTAL PROVISIONS FOR LONG-TERM EMPLOYEE BENEFITS	**52.4**	**57.8**

15.3.4 Change in provisions for employee benefits post employment

In millions of euros	Present value of obligation	Fair value of funds [(a)]	Provisions for pensions	Post-employment health insurance	Total provisions for post-employment benefits
DECEMBER 31, 2019	**268.1**	**-226.6**	**41.5**	**1.5**	**43.0**
Current service cost	3.8		3.8	0.0	3.8
Interest cost	3.7	-3.3	0.5	0.1	0.5
Retirements	-99.9	98.4	-1.5	0.0	-1.5
Plan liquidation	-103.6	107.2	3.6		3.6
Contributions	0.0	-5.8	-5.8		-5.8
Impact on operating income	**-196.0**	**196.5**	**0.6**	**0.1**	**0.6**
Actuarial gains and losses (Other comprehensive income)	**6.3**	**-13.0**	**-6.7**	**0.0**	**-6.7**
Other movements (incl. currency impact)	-3.3	3.4	0.1	-0.1	-0.1
DECEMBER 31, 2020	**74.9**	**-39.6**	**35.3**	**1.4**	**36.7**

(a) Plan assets or scheduled payments.
(b) Including the impact of the liquidation of the defined-benefit pension plan for bioMérieux Inc. employees for -€98.0 million on retirements and -€103.0 million on the change of plan. See Note 1.2.4.

In millions of euros	Present value of obligation	Fair value of funds[(a)]	Provisions for pensions	Post-employment health insurance	Total provisions for post-employment benefits
DECEMBER 31, 2018	**227.3**	**-200.5**	**26.7**	**1.6**	**28.3**
Current service cost	-6.8		-6.8	0.0	-6.8
Interest cost	8.3	-7.8	0.6	0.1	0.6
Retirements	-9.9	8.4	-1.5	-0.1	-1.7
Contributions	0.0	-2.3	-2.3		-2.3
Impact on operating income	**-8.4**	**-1.7**	**-10.1**	**-0.1**	**-10.1**
Actuarial gains and losses (Other comprehensive income)	**45.3**	**-21.8**	**23.5**	**0.0**	**23.5**
Other movements (incl. currency impact)	3.7	-2.5	1.2	0.0	1.2
DECEMBER 31, 2019	**268.1**	**-226.6**	**41.5**	**1.5**	**43.0**

(a) Plan assets or scheduled payments.

15.3.5 Net post-employment benefit expense for the year

In millions of euros	12/31/2020	12/31/2019
Current service cost	3.8	-6.8
Return on plan assets	-3.3	-7.8
Interest cost	3.7	8.3
TOTAL	**4.3**	**-6.2**

As a reminder, at December 31, 2019, the impact of post-employment benefits represented net income of €6.2 million, particularly given the impact of the freezing of bioMérieux Inc. employee retirement benefits.

15.3.6 Breakdown of net obligation by country

	12/31/2020		
In millions of euros	France	Other countries	Total
Present value of obligation	41.6	33.4	75.0
Fair value of funds [(a)]	-27.0	-12.6	-39.6
Provisions for pensions	**14.7**	**20.7**	**35.4**
Post-employment health insurance	0.0	1.3	1.3
TOTAL POST-EMPLOYMENT BENEFITS	**14.7**	**22.0**	**36.7**
Long-service awards	15.7	0.1	15.7
TOTAL PROVISIONS FOR PENSIONS AND OTHER LONG-TERM BENEFITS	**30.3**	**22.1**	**52.4**

(a) Plan assets and scheduled payments.

15.3.7 Information on plan assets

Plan assets mainly concern France.

15.3.7.1 Allocation of funds

	12/31/2020	12/31/2019
In millions of euros	France	France
Equities	1.4	1.6
Bonds	23.6	22.4
Other	2.0	2.4
TOTAL	**27.0**	**26.4**

15.3.7.2 Actual return on plan assets

	Return 2020	Return 2019
France	2.1%	2.5%

15.3.8 Other information

The timing of future benefit payments at December 31, 2020 is as follows:

In %	Future service payments *(as % of net obligation)*
< 1 year	6%
1-5 years	30%
> 5 years	64%

This payment schedule is close to that calculated in 2019.

A portion of these payments will be funded by the plan assets. Contributions will be decided on a yearly basis.

A 0.5-point increase in the discount rate would have a favorable impact of around 7.8% on the amount of commitments (namely €5.7 million).

15.4 Other provisions

15.4.1 Provisions for claims and litigation

The Company is involved in a certain number of claims and litigation arising from the normal course of its business, the most significant of which are described below. Based on available information, the Group does not believe that these claims will have a materially unfavorable impact on the continuity of its operation. When a risk is identified, a provision is recognized as soon as it can be reliably estimated. The provision for claims and litigation covers all disputes in which the Group is involved and amounted to €6.1 million at December 31, 2020, against €7.0 million at December 31, 2019 (excluding tax disputes detailed in Note 15.4.2).

Other than the tax disputes explained below, the claims and litigation mainly included disputes with distributors following the termination of their distribution contracts. A provision has been set aside for the probable amounts that the Group will have to pay based on the plaintiff's claims.

15.4.2 Litigation and tax risks

Liabilities related to litigation and tax risks are recorded on the line "Current tax payables" (see Note 17). Late-payment interest is recorded on the line "Other payables" (see Note 17).

Penalties relating to these claims and litigation and to risks are recorded in "Provisions, contingent liabilities and contingent assets."

At December 31, 2020, tax risks (comprising the various items listed above) stood at €8.6 million.

Tax audits in Italy

Further to two tax audits in Italy in respect of fiscal years 2004 to 2007 and 2009 to 2010, bioMérieux Italy has received tax re-assessment notices relating to transfer prices and the portion of shared costs allocated to this subsidiary.

In the context of this dispute, the Group has requested two mutual agreement procedures to be initiated between the relevant French and Italian authorities, one related to the period 2004 to 2007, and the other to the period 2009 to 2010.

These procedures were initiated based on the European Arbitration Convention of July 23, 1990, as amended by the protocol of May 25, 1999. The aim of these proceedings is to prevent the double taxation of companies by different Member States owing to an upward adjustment of profits of one of the companies in a Member State (as regards transfer pricing). The neutralization does not apply to penalties or late-payment interest.

During the 2016 financial year, the competent French and Italian authorities reached an amicable agreement for the period 2004 to 2007. This agreement, which was accepted by the Group, eliminates the tax adjustment for 2004 and limits the basis for subsequent adjustments. The Italian tax authorities have not yet issued tax assessments for the adjustments maintained in respect of 2005, 2006 and 2007 following the 2016 mutual agreement procedure.

For the period 2009 to 2010, an agreement was reached between France and Italy in September 2020. Under this agreement, the Italian authorities shelved all initial adjustments.

In parallel, adjustments made to the sales flows between Italy and the Group's US subsidiary (as well as to other less significant items) continued to be subject to a local Italian law dispute for the periods 2004 to 2007 and 2009 to 2010. With regard to the period 2004 to 2007, the Group filed an appeal with the Supreme Court in May 2020 after an appeal to the lower court resulted in an unfavorable ruling. The duration of this proceeding cannot be estimated at this stage. With regard to the period 2009 to 2010, no ruling has yet been made in the lower court.

At December 31, 2020, a liability corresponding to its best estimate of the consequences of ongoing proceedings is booked to the Group's financial statements.

15.4.3 Other provisions for contingencies and losses

US Medical Network

A case has been brought against BioFire Diagnostics by the company US Medical Network, demanding that it cease using software and customer files deemed to be the property of US Medical Network. US Medical Network has made its preliminary demands and bioMérieux has recognized a provision corresponding to its best estimate of the risk. The case was scheduled for February 2021 but has been postponed due to the public health situation. Moreover, the proceedings are on hold pending a new ruling from the judge.

Manovra Sanità

This bill, which was passed in Italy in August 2015, requires healthcare providers to cover 40% of the difference between the health budget of each province and the actual expenditure incurred. No implementing decree has yet been adopted. Nevertheless, in accordance with market practice, the provision for risk already recorded in 2016 was updated at December 31, 2020.

Other provisions for risks

These relate to miscellaneous risks identified and to costs related to the discontinuation of certain product ranges.

15.5 Contingent assets and liabilities

Diagnostic tests for Lyme disease

As stated in Note 15.5 to the 2019 consolidated financial statements, bioMérieux, like other laboratories, was summoned before the Paris District Court with a view to obtaining reparations for anxiety allegedly "caused by the lack of reliability of serodiagnostic tests" for Lyme disease. To date, the civil proceedings, initiated by 45 plaintiffs, now include 93 following the combination of new identical summons. bioMérieux objects to the claims of the summons, which it considers baseless, as the serodiagnostic test manufactured by bioMérieux is compliant with the applicable regulations and the state of scientific knowledge, and with the recommendations from learned societies and expert consensus, at the national, European and international levels.

At this stage in the proceedings, it is impossible to reliably estimate the risk facing the Group. There was no noteworthy change in this dispute in 2020.

NOTE 16 NET DEBT – CASH

16.1 Consolidated cash flow statement

The consolidated cash flow statement is presented according to the recommendation of the French accounting standards authority (Autorité des normes comptables – ANC) No. 2013-03 dated November 7, 2013.

It lists separately:

- cash flows from operating activities;
- cash flows from investing activities;
- cash flows from financing activities.

Cash flows from investing activities include the amount of net cash of companies acquired or sold on the date of their first-time consolidation or their derecognition, as well as amounts due to suppliers of non-current assets and amounts receivable on disposals of non-current assets.

Net cash and cash equivalents correspond to the Group's net debit and credit cash positions.

The consolidated cash flow statement shows the Group's EBITDA. EBITDA is not defined under IFRS and may be calculated differently by different companies. EBITDA as presented by bioMérieux is equal to the sum of operating income before non-recurring items and net additions to operating depreciation and amortization.

In millions of euros	12/31/2020	12/31/2019
Additive method		
• Net income	402.7	269.7
• Non-recurring income and expenditure and acquisition fees and depreciation costs for the acquisition of BioFire	59.7	17.8
• Cost of net financial debt	25.0	20.6
• Other financial income and expenses	3.5	2.5
• Income tax expense	121.5	77.8
• Investments in associates	0.2	0.0
• Net additions to operational depreciation – non-current provisions	210.8	189.5
EBITDA (BEFORE NON-RECURRING ITEMS)	**823.5**	**577.9**
Simplified additive method		
• Contributive operating income before non-recurring items [(a)]	612.5	388.5
• Investments in associates	0.2	0.0
• Depreciation and amortization	210.8	189.5
EBITDA (BEFORE NON-RECURRING ITEMS)	**823.5**	**577.9**

(a) The contributive operating income before non-recurring items corresponds to the operating income before non-recurring items excluding the charge for the amortization of the intangible assets of BioFire recognized when assigning the acquisition price.

The available free cash flow is a key indicator for the Group. It is defined as cash flow from operating activities as well as cash flow from investing activities, excluding net cash and cash equivalents from acquisitions and disposals of subsidiaries.

16.2 Comments on the consolidated cash flow statement

Net cash from operating activities

EBITDA reached €823 million in 2020, representing 26.4% of revenues, up by 42% compared to €578 million for 2019. The increase reflected growth in contributive operating income before non-recurring items and net additions to depreciation and amortization of operating items and operating provisions.

Income tax payments amounted to €116 million, up from €82 million the previous year, largely due to the increase in earnings.

In 2020, the working capital requirement increased by €86 million. The change was primarily a result of the following factors:

- inventories rose by €83 million in 2020, in line with business;
- trade receivables increased by €80 million, in line with the sharp rise in business, while collection periods remained unchanged;
- trade payables rose slightly by €5 million;
- the other working capital items improved by €72 million, mainly due to the increase in tax and social-security debts in a context of higher variable compensation and profit sharing.

To meet the unprecedented challenges of solidarity and responsibility imposed by the COVID-19 pandemic, the Group made charitable contributions of €22 million and contributed €20 million to an endowment fund.

At the end of the 2020 financial year, cash generated from operating activities reached €583 million, up by 43% compared to the €408 million recorded during the previous financial year.

Net cash used in investing activities

As expected, disbursements related to capital expenditure amounted to about 9% of revenues, namely €278 million at the end of 2020, against €273 million during the previous financial year. Note that one of the main investments concerned improvements to production capacity at BioFire in Salt Lake City.

In this context, free cash flow reached €328 million in 2020, against about €150 million in 2019.

Purchases of non-current financial assets, net of disposals, amounted to €10 million in 2020 and related mainly to minority interest investments.

Net cash used in financing activities

In June 2020, bioMérieux subscribed to a new €200 million private placement bond with a leading European investor made up of two tranches: one seven-year €145 million tranche and one 10-year €55 million tranche, with an aggregated annual coupon of 1.61%.

As a result, the Group's net debt at December 31, 2020 stood at €92 million, versus €317 million at December 31, 2019.

IFRS 16

In accordance with the provisions of the standard, financing flows include only reimbursements of the debt related to lease liabilities, which stood at €30.5 million on December 31, 2020, against €26.6 million on December 31, 2019.

The interest paid on borrowings for lease liabilities is presented as operating cash flows, in the same manner as other interest paid on borrowings.

16.3 Change in net debt

No borrowings are recognized or re-estimated at fair value, with the exception of debts related to price supplements, recognized and re-valued at each closure at their fair value as defined contractually (see Note 27).

No debt restructuring occurred over the presented financial years. Likewise, current debts at December 31, 2019 were not restructured in the past.

At December 31, 2020, after the €22.5 million dividend pay-out to bioMérieux SA shareholders, the Group's net debt stood at €92.2 million and mainly comprised the bond issue described below and the debt on lease liabilities related to IFRS 16 (€97.4 million).

In June 2020, bioMérieux issued a new private placement bond of €200 million, comprising €145 million repayable in seven years with an annual coupon of 1.5% and €55 million repayable in 10 years with an annual coupon of 1.9% (see Note 1.2.3).

The bond issue is shown on the balance sheet at amortized cost calculated using the effective interest rate method, in the amount of €199.6 million.

In addition, in October 2013, bioMérieux issued €300 million-worth of seven-year bonds to institutional investors, redeemable at par value on maturity. These bonds were redeemed in October 2020.

On December 31, 2020, bioMérieux SA also had a non-drawn syndicated credit facility of €500 million, put in place in 2017 and for which the maturity was brought to January 2024 following the exercise of two options for extension.

Furthermore, in order to meet the general financing needs of bioMérieux SA and its subsidiaries, the Company can use two programs for the issuance of marketable securities. One is a short-term program with the following key features:

Maximum ceiling of the program	**€500,000,000.00**
Duration	< 1 year
Minimum amount per issue	€150,000 or the equivalent value of this amount in foreign currency determined at the time of issue
Issue currency	Euros or any other currency authorized by the French regulations applicable at the time of the issue
Domiciliary agent	CACEIS Corporate Trust
Arranger	Crédit Agricole Corporate and Investment Bank
Dealers	Aurel BGC
	BNP Paribas
	BRED Banque Populaire
	Crédit Agricole Corporate and Investment Bank
	Crédit Mutuel – CIC
	Natixis
	Société Générale
	ING Belgium Succursale France

The other is a medium-term program with the following key features:

Maximum ceiling of the program	€500,000,000.00
Duration	> 1 year
Minimum amount per issue	€150,000 or the equivalent value of this amount in foreign currency determined at the time of issue
Issue currency	Euros or any other currency authorized by the French regulations applicable at the time of the issue
Domiciliary agent	CACEIS Corporate Trust
Arranger	Crédit Industriel et Commercial
Dealers	Aurel BGC
	BNP Paribas
	BRED Banque Populaire
	Crédit Agricole Corporate and Investment Bank
	Credit Industriel et Commercial
	Natixis
	Société Générale

The information memorandum pertaining to the marketable securities issuance programs can be found on the Bank of France website (*www.banque-france.fr/en*).

16.4 Maturities of net debt

The payment schedule indicates the net debt or net cash. This non-standardized schedule corresponds to the sum of cash and cash equivalents with a maturity of less than three months, less committed debt and bank overdrafts and other uncommitted borrowings.

Extensions of repayment schedules for borrowings related to the public health crisis were not material.

The payment schedule below refers to balance sheet amounts.

In millions of euros	12/31/2019	Change to the consolidated cash flow statement	Changes in the debt relating to the put	Non-active lease debts [d]	Translation adjustments	12/31/2020
Cash	241.0	81.1	0.0	0.0	-8.6	313.5
Cash investments	34.0	41.8			0.0	75.7
Cash and cash equivalents [a]	**275.0**	**122.9**	**0.0**	**0.0**	**-8.6**	**389.2**
Bank overdrafts [b]	-11.0	18.6			-25.5 [c]	-17.9
NET CASH AND CASH EQUIVALENTS (A)	**264.0**	**141.5**	**0.0**	**0.0**	**-34.1**	**371.3**
COMMITTED DEBT (B)	**581.3**	**-134.5**	**-5.2**	**32.1**	**-10.2**	**463.5**
o/w due beyond 5 years	*64.3*					*266.2*
due in 1 to 5 years	*89.4*					*86.3*
due within 1 year	*427.6*					*111.0*
NET DEBT (B) – (A)	**317.4**	**-276.0**	**-5.2**	**32.1**	**23.9**	**92.2**

(a) See Note 12.2.
(b) Cash and bank overdrafts comply with the principles of the standard IAS 7, meaning that they are repayable on demand.
(c) This amount includes cash pool-related translation differences.
(d) The other changes in lease and non-asset debts are related to new lease contracts not presented in the financing flows in accordance with the standard.

At December 31, 2020, non-current borrowings mainly comprised debt related to lease liabilities (see Note 16.5 below), the new bond issue contracted in 2020 for €199.6 million, and the put option on the Hybiome minority interests for €23.7 million.

Current borrowings mainly comprised:

- short-term marketable securities for €35 million;
- the loan contracted by Shanghai, corresponding to a revolving credit for €36.1 million;
- the portion of at least one year of the debt relative to lease liabilities that is due within one year (see Note 16.5 below).

In August 2020, the Group acquired an additional stake in Hybiome (see Note 1.1) which was diluted in November 2020 when Hybiome introduced an employee share purchase plan. These two transactions led to a reduction in the debt relating to the put option on minority interests of €5.2 million.

At the end of the financial year, the Group had not breached any of its repayment schedules.

No loan agreement was signed prior to December 31, 2020 concerning loans to be set up in 2021.

16.5 Impact of liabilities related to leases on borrowings and financial debt

In millions of euros	12/31/2020	12/31/2019
Debt related to leases	**127.7**	**128.5**
Of which leases with purchase option	*30.3*	*34.1*
Due beyond 5 years	**57.6**	**61.1**
Of which leases with purchase option	*11.1*	*15.0*
Due in 1 to 5 years	**45.6**	**43.4**
Of which leases with purchase option	*15.4*	*15.3*
Due within 1 year	**24.5**	**23.9**
Of which leases with purchase option	*3.8*	*3.8*

Only reductions in loans are presented in the consolidated cash flow statement.

The amount of financial interest recorded pursuant to leases according to IFRS 16 stood at €2.8 million at December 31, 2020, against €3 million at December 31, 2019.

As stated in Note 2, there were no significant lease adjustments during the financial year.

As stated in Note 6.2.1, rent components that were not included in the lease liability calculation, pursuant to IFRS 16 (*e.g.* variable rents), were not material.

16.6 Debt covenants

In the event of a change of control of the Company as defined in the issue notice, bondholders may ask for their bonds to be redeemed.

The syndicated credit facility and the new private placement bond subscribed in June 2020 are subject to a single ratio: "net debt to operating income before non-recurring items before depreciation and amortization," calculated outside the application of IFRS 16. The ratio, which may not exceed 3.5, was complied with at December 31, 2020.

Also, in January 2017, bioMérieux SA renegotiated this syndicated credit facility to bring its amount to €500 million at maturity in 2024.

The other term borrowings at December 31, 2020 primarily correspond to commercial paper, short-term local financing, share allocation plans delivered under cash and cash equivalents, and finance lease liabilities related to assets. None of these borrowings is subject to a covenant.

16.7 Interest rates

Before hedging, 64% of the Group's borrowings are at fixed rates (€297.0 million), and the remainder is at floating rates (€166.5 million).

The fixed-rate debt is composed of:

- debts on lease liabilities (€97.4 million) at a rate that mostly corresponds to marginal borrowing rates (see Note 6.3.1);
- and the €199.6 million bond issue, of which €145 million redeemable in seven years with an annual coupon of 1.5%, and €55 million redeemable in 10 years with an annual coupon of 1.902%.

Floating-rate borrowings are essentially based on the currency's interest rate plus a margin.

16.8 Breakdown of net debt (net cash) by currency

In millions of euros	12/31/2020	12/31/2019
Euro	317.5	268.5
Mexican peso	7.5	0.7
Indian rupee	6.1	11.1
Chinese yuan	5.1	42.0
South Korean won	3.8	4.9
South African rand	3.8	5.0
Brazilian real	3.4	5.1
Chilean pesos	1.8	1.0
Egyptian pounds	1.7	0.1
Japanese yen	1.0	5.9
Hong Kong dollars	-1.2	-0.9
Polish zloty	-1.2	-0.7
Czech koruna	-1.2	-1.4
New Taiwan dollars	-1.7	-0.8
Argentinian pesos	-1.8	-0.4
Danish krone	-1.9	-1.6
Swiss franc	-2.0	-4.3
Norwegian krone	-2.2	-1.2
Turkish lira	-2.7	-1.5
Swedish krona	-3.1	-4.4
Russian ruble	-5.7	-2.4
Australian dollars	-7.0	-16.6
Pound sterling	-8.8	3.7
US dollars	-218.3	6.9
Other currencies	-0.5	-1.4
TOTAL	**92.2**	**317.4**

16.9 Loan guarantees

None of the Group's assets have been pledged as collateral to a bank.

For subsidiaries using external funding, bioMérieux SA may be required to issue a first call guarantee to banks granting these facilities.

Hedging agreements are discussed in Note 27.

NOTE 17 TRADE AND OTHER PAYABLES

In millions of euros	12/31/2020	12/31/2019
Trade payables	**207.1**	**211.9**
Advances and deposits	13.9	9.6
Tax and social-security debts	327.4	283.3
Deferred income	68.7	64.4
Other payables	41.7	23.8
Other operating payables	**451.7**	**381.1**
Current tax payables [(a)]	**44.3**	**32.3**
Debt to suppliers of non-current assets	21.9	35.8
Other	18.7	23.6
NON-OPERATING PAYABLES	**40.5**	**59.3**

(a) Current tax payables include the valuation of tax risks according to IFRIC 23. In accordance with this interpretation, the liabilities related to litigation and tax risks (excluding penalties and late-payment interest) are recorded in "Current tax payables" (see Note 15.4.3).

The details of the other liabilities related to customer contracts are presented in Note 10.

Operating and non-operating payables generally fall due within one year, except for certain deferred income. Other non-operating payables relate mainly to the fair value of derivative instruments carried in liabilities (€10.5 million in 2020 versus €19.1 million in 2019, see Note 27.2).

NOTE 18 SHARE-BASED PAYMENTS

18.1 Share-based payment and share grant plans

The transactions paid in shares concern the bioMérieux SA share grant plans approved by the Ordinary and/or Extraordinary Shareholders' Meetings of May 28, 2015; May 26, 2016; May 30, 2017; May 17, 2018; May 23, 2019; and June 30, 2020.

A summary of these plans is presented below.

In accordance with IFRS 2 "Share-based Payment," the fair value of the benefits granted is expensed over the vesting period, with a corresponding increase in equity. The expense is based on the value of the underlying shares or options at the grant date, *i.e.* the date on which the list of beneficiaries was approved by the Board of Directors. The probability that the rights will vest is reviewed at the end of each reporting period and until the vesting date, to take into account whether the continuous employment and performance conditions have been met. Any changes are taken to income. At the end of the vesting period, the amount of the cumulative expense is adjusted on the amount effectively vested and held in a specific reserve account. This account is liquidated if the rights are exercised or lapse.

When the share-based payment plan is settled in cash and cash equivalents, the fair value of the plan is updated at each balance sheet date during the vesting period. The counterparty of the expense recognized during the vesting period is recorded as a debt.

In accordance with IFRS 2 "Share-based Payment," the corresponding tax savings recognized in the parent company financial statements is allocated in the consolidated financial statements to the financial year during which the share-based payment expense is recognized.

18.2 Share grant plans

	Date on which plans opened				
Number of shares	**2016**	**2017**	**2018**	**2019**	**2020**
Initial number of options granted	2,700	40,116	169,685	266,189	126,026
Options canceled	1,800	2,043	19,857	57,807	18,982
Number of shares remitted in FY 2020	900	7,500	0	0	0
Number of shares to be remitted as of December 31, 2020	0	30,573	149,828	208,382	107,044

The number of shares for plans prior to 2017 was tripled after the three-for-one split decided by the Combined General Meeting of June 2017.

Between 2016 and 2020, the Board of Directors granted restricted stock (out of existing shares) to certain employees and corporate officers.

These plans specify that shares will only be definitively assigned after a vesting period of between three and four years. The conditions for the acquisition of rights are related to presence conditions, and, for certain plans, the definitive acquisition of performance shares is subject to achieving objectives based on revenue and operating income or the achievement of specific objectives. The performance shares are no longer subject to a lock-up period if the vesting period is at least two years. The lock-up period may be waived for shares granted to non-French tax residents provided that the shares concerned are subject to a four-year vesting period.

In 2020, a net expense of €11.8 million was recognized in personnel costs due to compensation in shares, including the expenses related to employers' contributions (against a net expense of €10.5 million in 2019).

At December 31, 2020:

- for 462,326 free shares, the Company considered that the performance criteria were achieved;
- for 33,501 free shares, the Company considered that the performance criteria were not achieved.

At December 31, 2020, bioMérieux SA held 201,533 of its own shares for allocation under the above-described share grant plans. The Company would have to purchase a maximum of 260,793 additional shares at a cost of €30.1 million based on the share price at December 31, 2020.

The fair value of shares corresponds to the market price on the date of assignment of the plans.

18.3 Share-based payments delivered under cash and cash equivalents

In 2015, 2016 and 2017, the Group set up variable compensation plans in the United States indexed on the price of the bioMérieux share (phantom shares). This additional paid-in capital is comparable to allocation plans for share grants delivered under cash and cash equivalents. Due to the increase in the share price, the impact of these plans on the financial statements of the Group was an expense of €43.9 million in the 2020 financial year, against an expense of €35.6 million in 2019. The debt relative to these plans at December 31, 2020 stood at €32.1 million, against €39.2 million at December 31, 2019.

NOTE 19 OTHER OPERATING INCOME AND EXPENSES

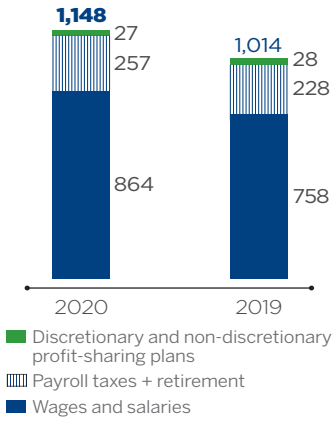
In millions of euros	2020	2019
Net royalties received	3.5	3.4
Research tax credits	30.0	28.9
Research grants	3.1	1.8
Other	10.3	11.8
TOTAL	**46.9**	**45.9**

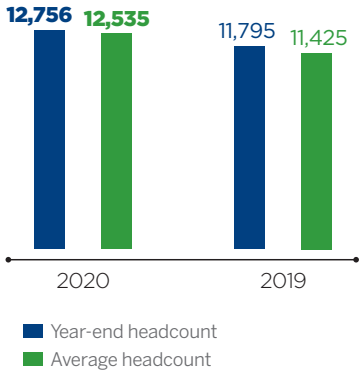
The other income related to customer contracts mainly corresponds to license fees received.

Other income mainly includes rent in the United States for €5.9 million.

In accordance with IAS 20, bioMérieux presents research tax credits as a subsidy within other operating income.

NOTE 20 PERSONNEL COSTS





Wages and salaries take into account the share in the fair value of share-based payment (see Note 18).

Payroll taxes include amounts paid into defined contribution plans for €10.2 million.

The profit sharing only concerns bioMérieux SA.

NOTE 21 DEPRECIATION, AMORTIZATION AND PROVISIONS, NET

	12/31/2020	12/31/2019
Depreciation and amortization of non-current assets	228.4	207.6
Provisions	15.7	-6.8
Impairment of current assets	15.9	10.3
Impairment of non-current financial assets	0.7	-0.1
TOTAL	**260.7**	**211.0**

Depreciation and amortization expense includes €210.9 million shown within contributive operating income before non-recurring items and €17.5 million relating to the amortization of the fair value of assets recognized in relation to the acquisition of BioFire.

NOTE 22 NET FINANCIAL EXPENSE

22.1 Accounting principles

Financial income and expenses are shown on two separate lines:

- "**cost of net debt**," which includes interest expense, fees and foreign exchange gains and losses arising on borrowings, as well as income generated by cash and cash equivalents;
- "**other financial income and expenses**," net, which includes interest income on instruments sold under finance lease arrangements, the impact of disposals and writedowns of investments in non-consolidated companies, late-payment interest charged to customers, discounting gains and losses, and the ineffective portion of currency hedges on commercial transactions.

22.2 Cost of net financial debt

In millions of euros	12/31/2020	12/31/2019
Finance costs	-22.3[(a)]	-19.4
Interest rate hedging derivatives [(b)]	0.8	2.0
Foreign exchange gains (losses)	-0.7	-0.5
Interest on leasing debt	-2.6	-2.7
TOTAL	**-25.0**	**-20.6**

(a) Of which -€7.3 million in research funding interest costs at December 31, 2020.
(b) Corresponds to fair value gains and losses on interest rate hedging instruments taken out in connection with the BioFire acquisition.

The cost of net debt chiefly includes interest in respect of the bond issue and interest on lease debts (IFRS 16).

22.3 Other financial income and expenses

In millions of euros	12/31/2020	12/31/2019
Interest income on leased assets	1.5	1.2
Disposals and writedowns of non-consolidated companies	-0.6	0.0
Currency hedging derivatives [(a)]	-5.8	-4.4
Other	1.4	0.6
TOTAL	**-3.5**	**-2.5**

(a) Corresponds to the swap point effect of forward sales and the effect of the time value of currency options, for which the Group has not left itself the option to treat them as hedging cost.

The currency hedging derivatives mainly correspond to the ineffective portion on commercial transactions.

22.4 Foreign exchange gains (losses)

Foreign exchange gains and losses result from differences between the transaction exchange rate and the settlement rate (or the year-end rate if the payment has not yet been made). These differences only partially reflect the impact of currency fluctuations.

The transaction exchange rate is the rate prevailing on the date the transaction takes place. The settlement exchange rate is either the rate in effect on the date of payment or the hedging rate (excluding time value) if a currency hedge was set up for the transaction.

Foreign exchange gains and losses on commercial transactions are recognized under the relevant headings in the profit & loss statement. The foreign exchange gains and losses impacted the profit & loss statement in the following manner:

In millions of euros	Jan 2020 Dec 2020	Jan 2019 Dec 2019
Sales	-0.3	-0.7
Purchases	0.9	-7.1
Financial items	-0.7	-0.5
TOTAL	**-0.2**	**-8.4**

NOTE 23 DEPRECIATION AND AMORTIZATION OF ASSETS FROM THE BIOFIRE ACQUISITION

In order to improve the understanding of operating income and due to the transaction's scale, costs relating to the acquisition of BioFire Diagnostics and BioFire Defense – consolidated for the first time at June 30, 2014 – are shown on a separate line of operating income before non-recurring items.

This line now comprises the depreciation and amortization of the assets acquired and valued during the purchase price allocation (technologies) for €17.5 million at the end of December 2020.

Over the 2019 financial year, the amount of depreciation of acquired assets stood at €17.9 million.

NOTE 24 OTHER NON-RECURRING INCOME (EXPENSES)

24.1 Accounting principles

Other non-recurring income and expenses from operations, net are items that are "material, extraordinary and non-recurring." They are presented on a separate line of the income statement in order to give a clearer picture of the Group's routine business performance. They chiefly include material amounts of net proceeds from disposals of non-current assets (other than instruments), restructuring costs and impairment losses (see Note 5).

Restructuring costs (which include the cost of severance payments) correspond to the expenses recognized when the Group officially announces the closure of a facility or a scaling down of operations in the ordinary course of business, as well as subsequent adjustments made to reflect the actual costs incurred.

24.2 Change

As stated in Note 1.2.2, the Group recognized €42.2 million in other non-recurring expenses in the 2020 financial statements pertaining to exceptional charitable contributions related to the COVID-19 pandemic and the initial endowment to the bioMérieux endowment fund to support charitable activities.

No material transaction had been carried forward under other non-recurring income and expenses from operations, net at December 31, 2019.

NOTE 25 CURRENT AND DEFERRED INCOME TAX

25.1 Accounting principles

The income tax expense for the period comprises current and deferred tax.

Tax credits (excluding research tax credits (see Note 3.2)) are presented as a reduction from income tax expense.

Deferred taxes are recognized using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. These differences arise in particular from:

- temporary differences between the recognition of certain income and expense items for financial reporting and tax purposes (*e.g.*, non-deductible provisions, employee profit-sharing, etc.); ;
- consolidation adjustments (*e.g.*, accelerated depreciation, provisions, elimination of internal gains included in inventories and non-current assets, etc.); ;
- forecast withholding tax on dividend payments planned for the following year;
- calculation of the fair value of assets and liabilities relating to companies acquired.

Changes in deferred tax are recognized in profit/loss or in other comprehensive income, according to the recognition of the underlying restatement.

Deferred taxes are calculated using the liability method based on the probable dates of payment. They are recognized at the enacted tax rate (or nearly enacted rate) for their nominal value without discounting.

Deferred tax assets arising from temporary differences are only recognized to the extent that they can be utilized against future deductible temporary differences, or where there is a reasonable probability of their utilization or recovery against future taxable income. In practice, and notably in the case of tax loss carryforwards, this rule is applied based on budget forecasts approved by management using a maximum time horizon of two years. The calculation of deferred taxes takes account of new tax provisions applicable for tax loss carryforwards (utilization ceilings, etc.).

25.2 Analysis of income tax expense

	2020		2019	
In millions of euros	Tax	Rate	Tax	Rate
Theoretical tax at standard French tax rate	**167.9**	**32.0%**	**119.4**	**34.4%**
• Impact of income tax at reduced tax rates and foreign tax rates	-38.9	-7.4%	-23.5	-6.9%
• Impact of permanent differences	-0.2	0.0%	-8.7	-2.5%
• Impact of tax on the payment of dividends	0.7	0.1%	0.4	0.1%
• Deferred tax assets not recognized on tax losses carried forward	1.6	0.3%	1.4	0.4%
• Impact of research tax credits presented in operating income	-8.6	-1.6%	-8.8	-2.5%
• Tax credits (other than research tax credits)	-1.0	-0.2%	-2.3	-0.7%
• Use of previously unrecognized tax assets	0.0	0.0%	0.0	0.0%
ACTUAL INCOME TAX EXPENSE	**121.5**	**23.2%**	**77.8**	**22.4%**

The basic corporate income tax rate in France is 32.02%, lower than in 2019 (34.43%).

The Group's effective tax rate at December 31, 2020 stood at 23.2%, compared with 22.4% at end-2019.

In 2020, the Group's effective tax rate continued to benefit from the Foreign-Derived Intangible Income (FDII) deduction in the United States which amounted to €7.5 million. The increase in this benefit was due to the sharp rise in export revenue in the United States.

The Group's effective tax rate in 2020 was also significantly affected by:

- the favorable outcome of the tax dispute in Italy: an amicable agreement was reached in September 2020 between the competent Italian and French authorities under the MAP (Mutual Agreement Procedure), initiated by the Group in respect of fiscal years 2009 and 2010. Accordingly, some provisions were reversed, generating a positive impact on the effective tax rate of €3.7 million;
- the negative impact of the exceptional charitable contributions and initial endowment to the bioMérieux endowment fund (see Note 1.2.2) in France (negative impact on the effective tax rate of €8.9 million). The exceptional charitable contributions and initial endowment to the endowment fund are not eligible for a full-rate tax benefit in France since:
  - donations are not tax deductible;
  - the tax deduction for charitable contributions is capped at a percentage of revenue and is therefore limited to a portion of donations.

Excluding these two non-recurring effects, the effective tax rate of the Group stood at 22.3%. This lower "standard" rate was mainly due to the increase in the United States' contribution to the Group's earnings.

As a reminder, in 2019 the Group benefited from the positive effect of (i) U.S. tax reform regulations published in March 2019 (specifically the Foreign-Derived Intangible Income, or FDII, deduction, which had an effect of €7.0 million, €3.5 million of it for fiscal year 2018) and (ii) the recognition of a non-transferability discount in relation to the employee share ownership plan amounting to €1.8 million.

The income tax expense breaks down as follows:

In millions of euros	2020	2019
Current tax	129.1	82.7
Deferred tax	-7.6	-4.9
TOTAL	**121.5**	**77.8**

25.3 Change in deferred tax

In millions of euros	Deferred tax assets	Deferred tax shareholders' equity and liabilities
DECEMBER 31, 2018	**78.5**	**134.2**
Translation differences	0.9	1.8
Changes in scope of consolidation	6.2	4.4
Movements recognized in income	9.5	4.6
Other comprehensive income (expense)	1.4	-4.1
Other movements	2.5	0.3
DECEMBER 31, 2019	**99.0**	**141.2**
Translation differences	-4.1	-6.9
Changes in scope of consolidation	0.0	0.0
Movements recognized in income	-23.6	-31.2
Other comprehensive income (expense)	1.4	2.4
Other movements	-0.2	0.3
DECEMBER 31, 2020	**72.6**	**105.8**

Deferred tax assets are mainly generated in the U.S. and result from:

- the activation of losses carried forward and tax benefits recognized for the purchase price allocation of Astute Medical Inc. and Invisible Sentinel Inc.;
- temporary differences due in particular to the non-deductibility of certain provisions and the elimination of internal margins on inventories;
- deferred tax on other comprehensive income items corresponds to fair value adjustments to financial instruments (€0.5 million in 2020) and deferred taxes on actuarial gains and losses relating to post-employment benefit obligations (-€1.3 million in 2020).

At December 31, 2020, deductible timing differences deriving from tax losses that were not recognized as deferred tax assets amounted to €26.3 million (of which €24.5 million in respect of unrecognized tax loss carryforwards), representing a potential tax savings of €7.5 million (of which €7.1 million in respect of unrecognized tax loss carryforwards).

At December 31, 2019, deductible timing differences deriving from tax losses that were not recognized as deferred tax assets amounted to €24.4 million (of which €22.6 million in respect of unrecognized tax loss carryforwards), representing a potential tax savings of €7.2 million (of which €6.8 million in respect of unrecognized tax loss carryforwards).

Deferred tax liabilities were primarily from BioFire Diagnostics (€39.4 million), bioMérieux SA (€24.6 million), and Hybiome (€9.5 million), mainly corresponding to the accounting of fixed assets at fair value.

NOTE 26 FEES OF STATUTORY AUDITORS

	12/31/2020							12/31/2019						
In thousands of euros	Ernst & Young		Grant Thornton		Other		Total	Ernst & Young		Grant Thornton		Other		Total
Statutory audit	**1,152**	**90%**	**603**	**98%**	**207**	**100%**	**1,962**	**1,167**	**91%**	**580**	**100%**	**211**	**100%**	**1,958**
• bioMérieux SA	161	13%	158	26%		0%	318	169	13%	156	27%		0%	325
• fully consolidated subsidiaries	991	77%	446	73%	207	100%	1,644	998	78%	424	73%	211	100%	1,633
Services other than statutory audit	**130**	**10%**	**11**	**0%**			**130**	**119**	**9%**		**0%**		**0%**	**119**
Audit	**1,282**	**100%**	**614**	**100%**	**207**	**100%**	**2,103**	**1,286**	**100%**	**580**	**100%**	**211**	**100%**	**2,077**
Legal, tax, labor-related services	0	0%	0	0%			0		0%	0	0%			0
Other	0	0%		0%			0		0%		0%			0
Other services	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**
TOTAL	**1,282**	**100%**	**614**	**100%**	**207**	**100%**	**2,103**	**1,286**	**100%**	**580**	**100%**	**211**	**100%**	**2,077**

NOTE 27 FINANCIAL INSTRUMENTS: FINANCIAL ASSETS AND LIABILITIES

27.1 Recognition and measurement of financial instruments

Financial instruments include financial assets, financial liabilities and derivatives (swaps, forward contracts, etc.).

Financial instruments appear under several headings in the balance sheet: non-current financial assets, other non-current assets, trade receivables, other receivables and other payables (*e.g.* changes in the fair value of derivatives), short-term and long-term borrowings, trade payables, cash and cash equivalents.

Financial assets

The IFRS 9 standard breaks down the financial assets into three categories. These categories are described in Note 7 "Non-current financial assets."

Current financial assets (excluding assets related to derivatives) are only assets valued at amortized cost.

Financial liabilities

Borrowings are recognized at amortized cost, with the exception of debts on price supplements, revalued at each closure at their fair value as defined contractually.

Other financial liabilities included in the other sections of current and non-current liabilities mainly concern trade payables, and are recognized at amortized cost, which in practice corresponds to their cost.

For information, the only liabilities having a material financing component are the commitments for retirement benefits and liabilities related to termination benefits in Italy.

Reclassifications of financial assets and liabilities

There were no reclassifications of financial assets and liabilities over the financial years presented between the various categories presented above.

Derivative instruments

The Group has set up interest-rate and foreign exchange hedging instruments that meet the definition of hedges as specified in IFRS 9 and coherent with its general policy on risk management (hedging relationship clearly defined and documented at the date of establishment of the hedge, demonstrated efficiency, eligible hedging instrument, and no dominant credit risks).

In practice, the hedging instruments mainly correspond to simple products covering a single risk (swaps, forward sales, and options), for which the main characteristics (reference rates and interest payment dates) back the items covered.

The hedging instruments are recognized originally at their fair value. They are subsequently remeasured to fair value at year-end and are recorded in the balance sheet under "Non-operating receivables" and "Non-operating payables." Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (IFRS 13). The fair value of currency derivatives is determined using standard market valuation techniques based on observable market data (interest rates, exchange rates, observable implied volatility). Fair value generally corresponds to a level 2 of fair value.

Accounting for changes in their fair value depends on the type of derivative concerned and whether there is a hedging relationship, and if so what type of hedge is involved:

- fair value gains and losses on derivatives not qualifying as hedging instruments are recognized in the consolidated income statement. Fair value gains and losses on derivatives qualifying and used as cash flow hedges (*i.e.* hedges of foreign currency receivables and payables) are recognized in full in the consolidated income statement on a symmetrical basis with the loss or gain on the hedged item;
- fair value gains and losses on derivatives qualifying and used as cash flow hedges (*i.e.* hedges of future commercial transactions in foreign currencies, mainly in the form of forward transactions) are recognized directly in other comprehensive income for the effective portion, and in the income statement for the non-effective portion (mainly the time value of money in the case of currency forward transactions). Amounts recognized under other comprehensive income are reclassified to income in the same period(s) during which the hedged forecast cash flows affect income.

Presentation of financial assets and liabilities at fair value through income

In accordance with IFRS 13, financial instruments are presented in one of the three levels (see Note 27.2) of the fair value hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: market inputs for the asset or liability that are observable either directly (*e.g.*, adjusted level 1 quoted prices), or indirectly (*e.g.*, inputs derived from quoted prices);
- Level 3: non-market inputs for the asset or liability that are not observable (*e.g.* price on an inactive market or valuation based on multiples for unlisted securities).

27.2 Change

The breakdown of financial assets and liabilities according to the categories specified by the IFRS 9 standard "non-accounted" categories (see Note appendix 27.1), and the comparison between the accounting values and fair values, are given in the table below (excluding tax and social-security debts or receivables):

	December 31, 2020						
In millions of euros	Financial assets at fair value through income (excl. derivatives)	Shares in non-consolidated companies with change in fair value by other components of comprehensive income	Receivables and borrowings at amortized cost	Derivative instruments	Book value	Fair value	Level
Financial assets							
Shares in non-consolidated companies		39.9			39.9	39.9	1 – 3
Other non-current financial assets			10.7		10.7	10.7	-
Other non-current assets			14.3		14.3	14.3	
Derivative instruments (positive fair value)				7.3	7.3	7.3	2
Trade receivables			597.9		597.9	597.9	-
Other receivables			20.3		20.3	20.3	-
Cash and cash investments	389.2				389.2	389.2	1
TOTAL FINANCIAL ASSETS	**389.2**	**39.9**	**643.2**	**7.3**	**1,079.6**	**1,079.6**	
Financial liabilities							
Bond issue [(a)]			199.6		199.6	206.5	2
Other financing facilities			152.8		152.8	152.8	2
Derivative instruments (negative fair value)				10.5	10.5	10.5	2
Borrowings – current portion			128.9		128.9	128.9	2
Trade payables			207.1		207.1	207.1	-
Other current liabilities			146.2		146.2	146.2	-
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**834.6**	**10.5**	**845.1**	**852.0**	

(a) The book value of the bond issue is shown net of issue fees and premiums.

Levels 1 to 3 correspond to the fair value hierarchy as defined by IFRS 13 (see Note 27.1).

In practice, financial assets and liabilities at fair value essentially concern certain securities, cash investments and derivative instruments. In other cases, fair value is shown in the table above for information purposes only.

No level in the fair value hierarchy is shown when the net book value approximates fair value.

bioMérieux enters into derivative instruments as part of master agreements that provide for offsetting in the event of counterparty default. The impact of these master netting agreements on the fair value of derivative instruments at December 31, 2020 was a net negative exposure of €11.8 million versus a net exposure of €11.7 million in 2019.

No inter-category reclassifications were carried out in 2020. None of the Group's financial assets has been pledged as collateral.

Impairment losses recorded against financial assets primarily relate to write-offs of trade receivables (see Note 9) and non-current financial assets (see Note 7).

	December 31, 2019						
In millions of euros	Financial assets at fair value through income (excl. derivatives)	Shares in non-consolidated companies with change in fair value by other components of comprehensive income	Receivables and borrowings at amortized cost	Derivative instruments	Book value	Fair value	Level
Financial assets							
Shares in non-consolidated companies		31.5			31.5	31.5	1 – 3
Other non-current financial assets			10.4		10.4	10.4	-
Other non-current assets			16.1		16.1	16.1	
Derivative instruments (positive fair value)				7.4	7.4	7.4	2
Trade receivables			552.1		552.1	552.1	-
Other receivables			6.6		6.6	6.6	-
Cash and cash investments	275.0				275.0	275.0	1
TOTAL FINANCIAL ASSETS	**275.0**	**31.5**	**585.2**	**7.4**	**899.1**	**899.1**	
Financial liabilities							
Bond issue [(a)]			299.6		299.6	306.2	1
Other financing facilities			153.7		153.7	153.7	2
Derivative instruments (negative fair value)				19.1	19.1	19.1	2
Borrowings – current portion			139.0		139.0	139.0	2
Trade payables			211.9		211.9	211.9	-
Other current liabilities			69.2		69.2	69.2	-
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**873.4**	**19.1**	**892.5**	**899.1**	

(a) The book value of the bond issue is shown net of issue fees and premiums.

Movements in financial instruments whose fair value was determined using level 3 inputs under IFRS 13 (see Note 27.1) at December 31, 2020 were as follows:

In millions of euros	Shares in non-consolidated companies
DECEMBER 31, 2018	**22.3**
Change of level 3 to 2	
Gains and losses recognized in income	
Gains and losses recognized in other comprehensive income	-0.4
Acquisitions	5.2
Disposals	
Changes in Group structure, translation adjustments	
DECEMBER 31, 2019	**27.1**
Change of level 3 to 2	
Gains and losses recognized in income	
Gains and losses recognized in other comprehensive income	
Acquisitions	9.3
Disposals	
Changes in Group structure, translation adjustments	
DECEMBER 31, 2020	**36.5**

NOTE 28 RISK MANAGEMENT

28.1 Exchange rate risk

28.1.1 Group policy

Since more than two-thirds of the Group's operations are conducted outside the eurozone, its revenue, results and balance sheet may be affected by fluctuations in exchange rates between the euro and other currencies. Revenue is particularly affected by movements in exchange rates between the euro and the US dollar (about 48% of revenue in 2020) and, more occasionally, other currencies.

However, given the Group's significant presence in the United States, certain operating expenses are settled in dollars, thereby mitigating the impact of fluctuations in the dollar on operating income.

Currencies other than the euro and the dollar represent 28% of the Group's revenue. However, as costs incurred in these other occurrences are limited, the Group's operating income is greatly exposed to fluctuations in these currencies. This exposure is spread over approximately 20 currencies, none of which accounts for more than 8% of the Group's revenue. This exposure thus becomes significant only if several of the currencies concerned fluctuate against the euro in the same direction, without any set-off.

The Group's current policy is to seek to hedge the impact of exchange rate fluctuations on budgeted net income. According to their availability and cost, the Group may make use of hedging instruments to limit the risks related to the fluctuation of exchange rates. Its current practice is to put in place global hedges covering similar risks. Hedging contracts are purchased to cover transactions included in the budget and not for speculative purposes.

Distribution subsidiaries are currently mainly billed in their local currencies by manufacturing entities (except where prohibited by law), so that currency risks can be managed at Corporate level for these latter.

Whenever possible, the Group hedges currency risks arising on debt denominated in currencies other than those of the country in which operations are located, so as to offset any foreign currency translation risks. However, when these hedges are extended during the loan transaction, the Group recognizes foreign exchange gains or losses when the hedges are unwound and simultaneously recontracted. These gains and losses cancel each other out over the term of the loan, but may be material in a given financial year.

In addition to having an impact on the Group's net income, exchange rate fluctuations can affect its equity: due to its worldwide presence, many of its assets and liabilities are recorded in US dollars or in other foreign currencies. To date, the Group does not hedge these exchange rate risks on its net assets.

Hedges consist mainly of forward currency sales and purchases and options (maturing within 12 months at December 31, 2020). Detailed information on hedging transactions is provided in Note 28.1.3.

The Group has not identified any material increase in risks related to the COVID-19 pandemic (liquidity risk, credit risk, etc.).

28.1.2 Exposure of revenue to exchange rate risk

In millions of euros	12/31/2020		12/31/2019	
Eurozone	**760**	**24%**	**706**	**26%**
Other currencies				
Dollars [(a)]	1,506	48%	1,142	43%
Renminbi	207	7%	222	8%
Indian rupee	67	2%	67	3%
Pound sterling	65	2%	54	2%
Japanese yen	64	2%	52	2%
Canadian dollar	58	2%	41	2%
South Korean won	39	1%	40	2%
Australian dollar	31	1%	32	1%
Brazilian real	28	1%	36	1%
Other currencies	311	10%	282	11%
SUB-TOTAL		**76%**		**74%**
TOTAL	**3,118**	**100%**	**2,675**	**100%**
Sensitivity	-24		-20	

(a) U.S. and Hong Kong dollars.

The sensitivity analyzed above shows the impact on revenue of a 1% increase in the euro exchange rate against all currencies.

Consolidated equity

A 10% increase in the euro exchange rate against all currencies would have had the following effect:

	2020	2019
Net income	-54.0	-41.7
Shareholders' equity [(a)]	-176.0	-146.9

(a) Translated at the year-end (closing) exchange rate.

Exposure of assets and liabilities

The table below shows the US dollar and the four main currencies to which the Group is exposed at December 31, 2020:

In millions of currency units	USD	CNY	INR	JPY	CAD
Assets denominated in foreign currencies	40	214	1,315	2,150	23
Liabilities denominated in foreign currencies	-10	-1	0	0	0
Net exchange exposure before hedging	**30**	**214**	**1,315**	**2,150**	**23**
Impact of hedging	11	48	179	368	2
Net exchange exposure after hedging	**19**	**165**	**1,136**	**1,782**	**21**
In millions of euros					
Net exchange exposure after hedging	**16**	**21**	**13**	**14**	**13**
SENSITIVITY	**-1.4**	**-1.9**	**-1.1**	**-1.3**	**-1.2**

The sensitivity analyzed above shows the impact of a 10% increase in the exchange rate on the net foreign exchange exposure at December 31, 2020, taking into account hedging transactions.

Exposure of borrowings

The Group's borrowings vis-à-vis third parties are mostly denominated in euros.

The Group's policy is to prefer inter-company financing in the currency of the subsidiary; these loans are generally hedged by currency swap contracts. When it is difficult for the Group to grant loans to its foreign subsidiaries, the subsidiaries borrow from leading banks in their local currency.

28.1.3 Hedging instruments

As part of the currency hedging policy, the following currency hedging instruments were in effect at December 31, 2020:

Currency hedge at December 31, 2020 *In millions of euros*	Maturities		2020 Market value [(a)]
	< 1 year	1-5 years	
Hedges of existing commercial transactions			
• Currency forward contracts	63.8	0.0	-0.6
• Options	0.0	0.0	0.0
TOTAL	**63.8**	**0.0**	**-0.6**
Hedges of future commercial transactions			
• Currency forward contracts	458.9	0.0	-1.4
• Options	2.2	0.0	0.0
TOTAL	**461.1**	**0.0**	**-1.4**

(a) Difference between the hedging price and the market price at December 31, 2020.

Currency hedges in effect at December 31, 2019 were as follows:

Currency hedge at December 31, 2019 *In millions of euros*	Maturities < 1 year	 1-5 years	2019 Market value [(a)]
Hedges of existing commercial transactions			
• Currency forward contracts	67.0	0.0	-0.2
• Options	0.4	0.0	0.0
TOTAL	**67.4**	**0.0**	**-0.2**
Hedges of future commercial transactions			
• Currency forward contracts	289.9	0.0	-1.6
• Options	5.9	0.0	0.1
TOTAL	**295.8**	**0.0**	**-1.5**

(a) Difference between the hedging price and the market price at December 31, 2019.

There were no net investment hedges of foreign operations at December 31, 2020.

All of the currency forward contracts and options outstanding at December 31, 2020 had maturities of less than 12 months.

The table below gives the summary of hedging instruments held by the Group, and their variation in fair value:

In millions of euros	Category of the hedge	Notional hedge amount at closing	Fair value of the hedging instrument at closing: assets	Fair value of the hedging instrument at closing: shareholders' equity and liabilities	Change in the fair value of the hedging instrument over the financial year: of which portion recognized as net income	Change in the fair value of the hedging instrument over the financial year: of which portion recognized in other comprehensive income
FAIR VALUE HEDGE						
EUR interest rate risk						
Debt in EUR	Interest rate swap rate				1.2	
Debt in EUR	Rate options	-	-	-		
Exchange rate risk					**1.8**	
Trade receivables in currencies	forward sales	63.8	0.0	0.6		
Trade debts in currencies	forward purchases					
Trade receivables in currencies	options					
Financial receivables in currencies	forward sales	31.2		-		
Borrowings in currencies	forward purchases	272.0		0.4		
CASH FLOW HEDGING						
EUR interest rate risk						
Debt in EUR	interest rate swap rate					
USD interest rate risk						
Loan in $	cross currency swap				0.1	0.1
Exchange rate risk					**0.8**	**0.3**
Future commercial sales in currencies	forward sales	458.9		1.4		
Future commercial purchases in currencies	forward purchases					
Future commercial sales in currencies	options	2.2	-			

The Group does not hold any instruments that fall under the category of net investment hedges.

28.2 Credit risk

With revenue in more than 160 countries from government organizations and private customers, bioMérieux is exposed to a risk of non-payment of debts.

The management of credit risk includes the prior examination of the financial position to determine a credit limit, the establishment of specific guarantees or insurance, and monitoring of the payment deadline and late payments.

The impact of the COVID-19 pandemic on credit risk in 2020 was not material.

The policy of the Group in terms of the depreciation of trade receivables is described in Note 9.

28.3 Liquidity risk

Financial liabilities due in less than one year and in more than one year are classified in the balance sheet as current and non-current liabilities, respectively.

The Group is not exposed to liquidity risk on its current financial assets and liabilities since its total current financial assets far exceed its total current financial liabilities.

Accordingly, the only maturity schedule disclosed pertains to net debt (see Note 16.4).

The impact of the COVID-19 pandemic on liquidity risk in 2020 was not material.

The table below shows the projected cash flows from the new private placement (divided into two tranches), the real estate lease, and contractual interest payments at December 31, 2020:

In millions of euros	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
EuroPP 7 years [(a)]	-2.2	-8.7	-149.4
EuroPP 10 years [(a)]	-1.0	-4.2	-60.2
CBI (including VAT)	-4.6	-18.5	-12.7

(a) Contractual flows of principal and interest.

28.4 Interest rate risk

28.4.1 Exposure to interest rate risks

As part of its interest rate risk management policy aimed primarily at managing the risk of an increase in interest rates, the Group splits its debt between fixed and floating interest rates.

A new fixed-rate bond issue was set up during the year for €199.6 million, of which €145 million redeemable in seven years with an annual coupon of 1.5%, and €55 million redeemable in 10 years with an annual coupon of 1.902%. This financing is therefore not backed by any hedging mechanism.

An indexed variable-rate real estate lease financing agreement for an original notional amount of €44.4 million was put in place in 2016 to finance Campus de l'Etoile. This financing is not backed by any hedging mechanism. The capital outstanding at December 31, 2020 was €29.1 million.

28.4.2 Hedging instruments and sensitivity

Sensitivity of net income to changes in the cost of net debt attributable to fluctuations in short-term interest rates

The impact on the cost of debt (calculated on a full-year basis) resulting from changes in net debt at year-end attributable to fluctuations in short-term interest rates is shown in the table below including the impact of interest rate hedging:

In millions of euros	Net income
50-bp increase	0.000
50-bp decrease	0.000

28.5 Counterparty risk

At present, the Group is not exposed to any material credit risk. As indicated above, the public health crisis has had no material impact on credit risk. At December 31, 2020 and 2019, investments were solely in short-term instruments, with a net asset value calculated daily.

The Group's financial transactions (credit facilities, financial market transactions, financial investments, etc.) are with leading banks and are spread among all of its banking partners in order to limit counterparty risk.

No IFRS 13 adjustments were therefore applied to financial assets in respect of the risk of non-collection.

Also in the context of IFRS 13, an analysis was carried out to assess the credit risk related to the fair value of financial instruments. Counterparty risk was not considered material, given the short-term maturity (less than one year) of the Group's currency hedges at December 31, 2020, and the rating of bioMérieux's banking counterparties.

NOTE 29 OFF-BALANCE SHEET COMMITMENTS

Outstanding commitments given or received at December 31, 2020 are described below:

29.1 Off-balance sheet commitments relating to Group companies

- The Group is subject to a number of earn-out clauses relating to acquisitions and disposals. At the closing date, it was not deemed probable that these clauses would be triggered, or that the amount involved could be reliably estimated.

29.2 Off-balance sheet commitments relating to the Company's financing

- Commitments related to borrowings are described in Note 16.3.
- Commitments related to derivative instruments are described in Note 27.

29.2.1 Commitments given

- Bank guarantees given by the Group in connection with bids submitted totaled €138.2 million at December 31, 2020.

29.2.2 Commitments received

- At December 31, 2020, bioMérieux SA had an undrawn syndicated credit facility of €500 million, which was amended in 2018, bringing its maturity to January 2024 (five years with an option for two one-year extensions, one of which has not been exercised – see Note 16.2).

29.3 Off-balance sheet commitments relating to the Group's operating activities

29.3.1 Commitments given

- bioMérieux Inc. and bioMérieux SA are parties to various agreements that provide for payments based on progress in corresponding research projects or a minimum volume of sales (€3.3 million).
- Under the free share grant plans approved by the Board of Directors of bioMérieux SA, which holds 201,533 shares as coverage, would need to purchase 260,793 additional shares if all promised shares were allocated. This commitment represents an amount of €30.1 million based on the share price at December 31, 2020.
- bioMérieux SA participates in a research program coordinated by Institut Mérieux, together with bioMérieux, Transgène, Genosafe and the Genethon association. The aim of this program is to develop a new generation of diagnostics and therapies focusing on cancers, infectious diseases and genetic disorders. This program is known under the acronym "ADNA" (for "Advanced Diagnostics for New therapeutic Approaches"). As part ADNA and addendums to the program as originally adopted, bioMérieux SA undertook an estimated €67.5 million of research and development work over the period 2007 to 2017. The program ended in December 2017. In return, bioMérieux SA received subsidies (€16.1 million) and repayable grants (€7.5 million). In the event of success, bioMérieux SA must repay the repayable grants on a schedule based on the revenue earned on certain products and then pay an added share of revenue (3.4%) until 2029.
- In China, bioMérieux Suzhou Biotech has committed €22.2 million to suppliers in connection with the construction of its new plant.
- Other commitments given (endorsements, sureties and guarantees, excluding firm rental commitments) amount to €2.7 million. bioMérieux SA committed to invest €0.2 million in a round of equity funding by ATI.

29.3.2 Commitments received

- Other commitments received amount to €5.9 million.

NOTE 30 TRANSACTIONS WITH RELATED PARTIES

30.1 Directors' and officers' compensation

Members of the Company's supervisory and management bodies (the Board of Directors and the Executive Committee) were paid an aggregate €9.9 million in compensation during the 2020 financial year.

Executive compensation *In millions of euros*	2020	2019
Fixed compensation	3.3	5.1
Variable compensation	2.1	3.5
Benefits-in-kind	0.2	0.3
Free shares	2.0	2.9
Directors' fees	0.0	0.0
Termination benefits	2.3	0.5
TOTAL	**9.9**	**12.3**

30.2 Other transactions with non-consolidated affiliates

- The Institut Mérieux, which held 58.9% of bioMérieux SA at December 31, 2020, provided €9.7 million in services and research for the bioMérieux Group over the financial year, of which €2.6 million was reinvoiced to bioMérieux Inc., and €4.2 million. to BioFire. bioMérieux Group companies re-invoiced €1.2 million to the Institut Mérieux for expenses incurred on its behalf (bioMérieux SA for €0.9 million and bioMérieux India for €0.3 million).
- During 2020, the Group supplied €10.1 million worth of reagents and instruments to entities of the Mérieux NutriSciences Corp. Group, in which Institut Mérieux holds a majority interest.
- Théra Conseil, 99.2% owned by Institut Mérieux, billed bioMérieux SA €1.2 million for services in 2020.
- bioMérieux SA contributed €2 million to the Fondation Christophe et Rodolphe Mérieux for humanitarian projects.
- ABL, 99.5% owned by Institut Mérieux, invoiced bioMérieux SA for €0.9 million of raw materials in financial 2020. Conversely, bioMérieux Inc. re-invoiced ABL Inc. for €3.0 million. In addition, ABL received a $1.6 million loan from bioMérieux Inc.
- During financial 2020, bioMérieux SA invoiced €2.1 million of services to Mérieux Université, in which it held 40% ownership, the remaining 60% held by the Institut Mérieux (40%) and Mérieux NutriSciences (20%). Conversely, it paid €2.8 million to Mérieux Université for training fees.

NOTE 31 SUBSEQUENT EVENTS

The Group did not identify any events subsequent to closing.

NOTE 32 CONSOLIDATION

bioMérieux is a fully consolidated entity of Compagnie Mérieux Alliance (17 rue Bourgelat, 69002-Lyon, France).

NOTE 33 LIST OF CONSOLIDATED COMPANIES AT DECEMBER 31, 2020

Changes in the scope of consolidation during the 2020 financial year are described in Note 1.1.

		2020 [a]	2019	2018
bioMérieux SA	69280 Marcy l'Etoile – FranceR.C.S. Lyon B 673 620 399			
AB bioMérieux	Dalvägen 10169 56 Solna, Stockholm – Sweden	100%	100%	100%
ABG STELLA	1105 N Market St Suite 1300 Wilmington, Delaware 19801 – United States		100%	100%
AES Canada Inc.	500 boul. Cartier Ouest, suite 262 H7V 5B7 Laval, QC – Canada		100%	100%
Applied Maths Inc.	11940 Jollyville Road, Suite 115N Austin, Texas 78759 – USA	100%	100%	100%
Applied Maths NV	Keistraat 120 9830 Sint-Martens-LatemBelgium	100%	100%	100%
Astute Medical Inc.	3550 General Atomics Court Building 02/620 San Diego, CA 92121 – United States	100%	100%	100%
Bacterial Barcodes Inc.	425 River Road – Athens – GA 30602 – United States		100%	100%
BioFire Defense Inc.	79 W 4500 S, Suite 14 Salt Lake City, UT 84107 – United States	100%	100%	100%
BioFire Diagnostics Inc.	390 Wakara Way, Salt Lake City, Utah 84108 – United States	100%	100%	100%
bioMérieux South Africa	1st Floor, 44 on Grand Central, 1 Bond Street, cnr Grand Central Boulevard, Midrand 1682 – South Africa	100%	100%	100%
bioMérieux West Africa	Avenue Joseph Blohorn – 08 BP 2634Abidjan 08 – Côte d'Ivoire	100%	100%	100%
bioMérieux Algeria	Bois des cars 2 – Lot 11 1st floor – 16302 Dely IbrahimAlgiers – Algeria	100%	100%	100%
bioMérieux Germany	Weberstrasse 8 – D 72622 Nürtingen – Germany	100%	100%	100%
bioMérieux Argentina	Edificio Intecons – Arias 3751 3rd floor – C1430CRGBuenos Aires – Argentina	100%	100%	100%
bioMérieux Asia Pacific Pte Ltd.	11 – Biopolis Way – Helios – Unit # 10-05 – 138667 – Singapore	100%	100%	
bioMérieux Australia	Unit 25B, Parkview Business Centre – 1 Maitland Place Baulkham Hills NSW 2153 – Australia	100%	100%	100%
bioMérieux Austria	Eduard-Kittenberger-Gasse 95-B, A-1230 Vienna – Austria	100%	100%	100%
bioMérieux Belgium	Media Square – 18-19 Place des Carabiniers 1030 Brussels – Belgium	100%	100%	100%
bioMérieux Benelux BV	Regus - Amersfoort A1, Databankweg 26, 3821 AL Amersfoort – Netherlands	100%	100%	100%
bioMérieux Brazil	Estrada Do Mapuá, 491 Jacarepaguá – CEP 22713 320Rio de Janeiro – RJ – Brazil	100%	100%	100%
bioMérieux Canada	7815 boulevard Henri Bourassa – West – H4S 1P7 Saint Laurent (Quebec) – Canada	100%	100%	100%
bioMérieux Chile	Seminario 131 – Providencia – Santiago – Chile	100%	100%	100%
bioMérieux China	19/Floor Billion Plaza 8 Cheung Yue Street – Kowloon – Hong Kong	100%	100%	100%
bioMérieux Colombia	Carrera 7 N° 127-48 – Oficina 806 – Bogota DC – Colombia	100%	100%	100%
bioMérieux Korea	1st & 2nd floor Yoo Sung Building #830-67, Yeoksam-dong, Kangnam ku – Seoul – South Korea	100%	100%	100%
bioMérieux CZ	Hvezdova 1716/2b – Praha 4 – 140 78 – Czech Republic	100%	100%	100%
bioMérieux Denmark	Lautruphøj 1-3, DK– 2750, Ballerup – Denmark	100%	100%	100%

		2020 [a]	2019	2018
bioMérieux Egypt	Room 2, Unit 23, 2nd Floor, Star Capital Tower A2, Citystars, Heliopolis, Cairo, Egypt	100%	100%	
bioMérieux Egypt Distribution Co. LLC	Room No. 2, Unit No. 23, 2nd Floor, Tower 2A, Star Capital, City Stars, Heliopolis, Cairo, Egypt	100%		
bioMérieux Spain	Manuel Tovar 45 – 47 – 28034 Madrid – Spain	100%	100%	100%
bioMérieux Finland	Tekniikantie 14 FI-02150 Espoo – Finland	100%	100%	100%
bioMérieux Greece	Papanikoli 70 – 15232 Halandri – Athens – Greece	100%	100%	100%
bioMérieux Hong Kong Investment	19/Floor Billion Plaza 8 Cheung Yue Street – Kowloon – Hong Kong	100%	100%	100%
bioMérieux Hungary	Vaci ut 175 – 1138 Budapest – Hungary	100%	100%	100%
bioMérieux Inc.	100 Rodolphe Street – Durham NC 27712 – United States	100%	100%	100%
bioMérieux India	A-32, Mohan Cooperative Ind. Estate – New Delhi 110 044 – India	100%	100%	100%
bioMérieux Italy	Bagno a Ripoli, *Via* di Campigliano, 58 – 50012 Ponte a Ema – Firenze – Italy	100%	100%	100%
bioMérieux Japan Ltd	Akasaka Tameike Tower 2F, 2-17-7, Akasaka, Minato-ku, Tokyo	100%	100%	100%
bioMérieux Kenya	Delta Office Suites, Land Reference No. 4393/27, Waiyaki Way, P. O. Box 30333 – 00100 – G.P.O Nairobi – Kenya	100%	100%	100%
bioMérieux Malaysia	Prima 47301 Petaling Jaya, Selangor darul Ehsan – Malaysia	100%	100%	100%
bioMérieux Mexico	Chihuahua 88, col. Progreso – Mexico 01080, DF – Mexico	100%	100%	100%
bioMérieux Middle East	DHCC Al Baker Building 26 – Office 107 – P.O. Box 505 201 Dubaï – United Arab Emirates	100%	100%	100%
bioMérieux Norway	Nydalsveien 28 P.B. 4814 Nydalen – N-0484 Oslo – Norway	100%	100%	100%
bioMérieux Philippines	1004, 20th Drive Corporate Center, McKinley Business Park, Bonifacio Global City, Taguig City Philippines ZIP CODE 1634	100%	100%	
bioMérieux Poland	ul. Gen. J. Zajączka 9 – 01-518 Warsawa – Poland	100%	100%	100%
bioMérieux Portugal	Av. 25 de Abril de 1974, N°23-3° – 2795-197 LINDA A VELHA Portugal	100%	100%	100%
bioMérieux United Kingdom	Grafton Way, Basingstoke Hampshire RG 22 6HY – United Kingdom	100%	100%	100%
bioMérieux Russia	1st Nagatinskiy proezd, 10, str.1, business center "Newton Plaza" – Moscow 115 533 – Russia	100%	100%	100%
bioMérieux (Shanghai) Biotech Co. Ltd	N° 4633 Pusan Road, Kangqiao Industrial Park – Pudong New District – Shanghaï – 201315 – China	100%	100%	100%
bioMérieux Shanghaï Company Ltd.	N° 4633 Pusan Road, Kangqiao Industrial Park – Pudong New District – Shanghaï – 201315 – China	100%	100%	100%
bioMérieux Singapore	11 – Biopolis Way – Helios – Unit # 10-04 – 138667 – Singapore	100%	100%	100%
bioMérieux Sweden	Hantverksvagen 15 – 43633 Askim – Sweden	100%	100%	100%
bioMérieux Suzhou Biotech Co. Ltd.	Jiangsu Suzhou New District County Township Hong Xi Rd Village No.148.	100%	100%	
bioMérieux SRB doo	Belgrade Office Park, Djordja Stanojevica 12/III, Nouveau Belgrade, 11070 Belgrade – Serbia	100%	100%	100%

		2020[(a)]	2019	2018
bioMérieux Switzerland	51 Avenue Blanc – Case Postale 2150 – 1202 Genève – Switzerland	100%	100%	100%
bioMérieux Thailand	3195/9 Vibulthani Tower, 4th floor – Rama IV Road – Klongton – Klongtoey – Bangkok 10110 – Thailand	100%	100%	100%
bioMérieux Turkey	Isiklar Cad. N0 29, Atasehir – 34750 Istanbul – Turkey	100%	100%	100%
bioMérieux Vietnam	Floor 10, Vinaconex Tower, 34 Lang Ha, Lang Ha ward, Dong Da District, Hanoi -Vietnam	100%	100%	100%
BTF Pty Limited	PO Box 599 – North Ryde BC – NSW Australia 1670 – Australia	100%	100%	100%
Cambridge Biotech	365 Plantation Street One Biotech Park Worcester, MA 01605 – United States	100%	100%	100%
Huilai	Room 8738, Building 1, No. 1758, Luchaogang Road, Nanhui New Town, Pudong New District – China	100%	100%	100%
Hyglos Invest GmbH	Am Neuland 3 – 82347 Bernried am Starnberger See Germany		100%	100%
Hyglos GmbH	Am Neuland 3 – 82347 Bernried am Starnberger See Germany		100%	100%
Invisible Sentinel	3711 Market St., Ste. 910 Philadelphia, PA 19104 United States	100%	100%	
Mérieux Université	113 Route de Paris – 69160 Tassin-La-Demi-Lune – France	40%	40%	40%
Quercus Scientific NV	Keistraat 120 9830 Sint-Martens-Latem Belgium	100%	100%	100%
RAS Lifesciences	Plot No. 13, 4-7-18/13/2, Raghavendra Nagar, Nacharam, Hyderabad – 500 076 – India	100%	100%	100%
SSC Europe	ul. Gen. J. Zajączka 9 – 01-518 Warsawa – Poland	100%	100%	100%
Suzhou Hybiome Biomedical Engineering Co Ltd	Building 4, No. 8, Jinfeng Road, Suzhou High-tech Zone – China	67%	67%	54%
Suzhou Lianjian Anhua Biomedical Co. Ltd	Room 120, Building 1, No. 18 Madun Road, Suzhou New District, China	67%		
Yan Set Invest Development	19/F Billion Plaza, 8 Cheung Yue Street Cheung Sha Wan Kowloon – Hong Kong		100%	100%

(a) Percentage control is identical to percentage interest, except in the case of Suzhou Lianjian Anhua Biomedical Co. Ltd where it is 100%.

6.1.3 Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors'assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

At the bioMérieux Annual General Meeting,

Opinion

In performing the duty assigned to us by your Annual General Meetings, we conducted an audit of the consolidated financial statements of bioMérieux for the financial year ended December 31, 2020, as appended to this report.

We certify that the consolidated financial statements are in accordance with International Financial Reporting Standards as adopted by the European Union, are reliable and give a true and fair view of the results of the operations for the year under review as well as of the financial position and assets, at the end of the year, of the parties and entities included in the consolidation scope.

The opinion expressed above is consistent with the contents of our report to the Audit Committee.

Basis for opinion

Audit Standard

We conducted our audit according to generally accepted professional standards in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are stated in the section "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" of this report.

Independence

We have conducted our audit in accordance with the rules of independence as set out in the French Commercial Code and in the French Code of Ethics for Statutory Auditors, over the period between January 1, 2020 to the date of issue of our report, and in particular we have not provided any services prohibited by Article 5(1) of EU Regulation No. 537/2014.

Justification for our assessments – Key points of the audit

The global crisis related to the COVID-19 pandemic creates special conditions for the preparation and audit of this financial year's accounts. Indeed, this crisis and the exceptional measures taken due to the health emergency have several consequences for businesses, in particular for their activity and financing, and create greater uncertainties about their future prospects. Some of these measures, such as travel restrictions and remote working, also had an impact on the internal organization of companies and on the way audits are performed.

In this complex and evolving situation, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the key points of the audit relating to risks of material misstatements which, according to our professional judgment, were the most significant for the audit of the consolidated financial statements for thefinancial year, plus the answers we have provided to control these risks.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on the elements of these consolidated financial statements taken separately.

Evaluation of goodwill

Risk identified	Our response
At December 31, 2020, goodwill amounted to €629.4 million and represented 16% of the Group's balance sheet. As described in Note 5 of the notes to the consolidated financial statements, on the date of acquisition, this goodwill is attached to a cash-generating unit depending on the synergies expected for the Group. At least once per year the Group systematically tests cash-generating units (CGUs) for impairment and also determines whether there are any indications of impairment losses. Impairment testing is used to determine the recoverable amount of a CGU or group of CGUs, representing the higher of	We included assessment specialists in the audit team in order to examine the impairment tests performed by senior management. Our work consisted mainly in: • assessing the principles and methods for determining evidence of impairment losses and the recoverable amount of goodwill; • analyzing, most notably through interviews with senior management, the main data and assumptions on which the estimates are based (such as the discount rate and the perpetuity growth rate);

Risk identified	Our response
their value in use and fair value less costs to sell. In practice, the value in use of a CGU or group of CGUs is determined primarily on the basis of discounted operating cash flow projections covering a period of five years and based on the most recent business plan, and a terminal value. We consider this to be a key audit issue, given the uncertainties inherent in the likelihood of achieving forecasts in the current environment and the fact that the recoverable amount of goodwill relies heavily on management's judgment, particularly with regard to operating margin rates, growth rates used for cash flow projections and the discount rates applied to them.	• reviewing business forecasts and prospects of legal entities or ranges through interviews with senior management and comparing the accounting estimates of cash flow projections of previous periods with the corresponding actual figures; • comparing, through random sampling, the accounts of the data used in carrying out impairment tests and testing the accuracy of the arithmetic calculations of the valuations used by the Group.

Assessment of obligations related to post-employment defined benefit plans

Risk identified	Our response
The Group creates provisions to cover post-employment defined benefit obligations and other long-term benefits primarily in France. As at December 31, 2020, the Group recorded a net liability of €52.4 million for these obligations, of which €35.3 million in post-employment benefit obligations. The amount of post-employment benefit obligations corresponds to the difference between the present value of the defined benefit obligations (€74.9 million) and the fair value of the plan assets, amounting to €39.6 million. These obligations are calculated according to the "projected unit credit" method and take into consideration actuarial assumptions, in particular the discount rate, the rate of future salary increases, employee turnover and the mortality rate, as described in Note 15.3 of the notes to the consolidated financial statements; As of December 31, 2019, the Group's main pension liability related to bioMérieux Inc. for €198.6 million, which was covered by plan assets held for €187.4 million. As described in Note 1.2.4, this pension plan was wound up in 2020: • by transferring part of the obligation to insurance companies, which generated an expense of €4.3 million recognized in contributive operating income before non-recurring items; • a payment of the residual portion of the plan for those plan participants who had elected to do so. The difference between the amount paid and the residual obligation at the payment date in accordance with the terms of the plan resulted in the recognition of €9.9 million in income, fully recognized in other comprehensive income. We considered the assessment of obligations related to post-employment defined benefit plans and the recognition of the impacts of the settlement in 2020 of the bioMérieux Inc. post-employment defined benefit plan to be a key issue of the audit insofar as the determination of the actuarial assumptions is based on management judgments. Therefore a change in these assumptions is likely to result in a material change in the amount of the net liability, taking into account the significant impacts of the settlement of the bioMérieux Inc. post-employment defined benefit plan.	We noted the process of measuring post-employment employee benefits implemented by management. With the help of our actuarial specialists, we examined the key assumptions used by senior management and the information used by the actuaries appointed by senior management to assess post-employment benefit obligations. We carried out the following: • a review of the main actuarial assumptions used; • sampling of the employee data used in order to carry out the valuation of the obligations; • a reconciliation of the fair value of plan assets against external comparisons; • a review of the calculation method; • consistency checks on the weight of the current service cost, the interest expense given the discount rate assumption, the rate of return of financial assets, the impact on profit and equity; • a review and reconciliation of the accounting impacts corresponding to the effects of the liquidation of the post-employment defined benefit plan for employees of bioMérieux Inc. We have analyzed the appropriateness of the level of information provided in the notes to the consolidated financial statements and in particular of: • the correctness of the assessment of the sensitivity of the value of the obligation to a change in the discount rates; • information on the impact on the financial statements of the settlement of the bioMérieux Inc.

Specific verification

As required by the legal and regulatory provisions, and in accordance with the professional standards applicable in France, we have also verified the information presented in the Board of Directors' management report for the Group.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We hereby certify that the consolidated statement of non-financial performance set forth in Article L. 225-102-1 of the French Commercial Code appears in the Group's management report, it being specified that, in accordance with the provisions of Article L. 823-10 of that Code, we have not verified the fairness of the information contained in this statement, nor its consistency with the consolidated financial statements, which must be the subject of a report by an independent third party.

Other verifications or information required by laws and regulations

Format of the consolidated financial statements to be included in the annual financial report

In accordance with the professional standard on the due diligence of statutory auditors in relation to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified compliance with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, as presented in the consolidated financial statements to be included in the annual financial report referred to in Article L. 451-1-2, I of the French Monetary and Financial Code. These have been prepared under the responsibility of the chairman and chief executive officer.

Our work with consolidated financial statements includes verifying that the markup of these financial statements complies with the format defined by the above-mentioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic reporting format. It is not our responsibility to verify that the consolidated financial statements that your entity will include in the annual financial report filed with the AMF correspond to those we have audited.

Appointment of Statutory Auditors

We were appointed Statutory Auditors of bioMérieux by your General Meeting of May 30, 2017 for GRANT THORNTON and May 30, 2012 for ERNST & YOUNG et Autres.

At December 31, 2020, GRANT THORNTON was in the fourth continuous year of its audit engagement, while ERNST & YOUNG et Autres was in the ninth year.

Responsibilities of senior management and the persons constituting corporate governance for the consolidated financial statements

Senior management is responsible for the preparation of consolidated financial statements that present a true view in accordance with the IFRS standard adopted by the European Union, together with the implementation of the internal control it deems relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, senior management is responsible for assessing the Company's ability to continue as a going concern, to present in these financial statements, if necessary, information concerning the continuity of the Company's operations and to apply the accounting policy of going concern, unless there are plans to unwind the Company or discontinue the business.

The Audit Committee is responsible for monitoring the financial reporting preparation process and the effectiveness of internal control and risk management systems and, if necessary, the Internal Audit Department with respect to procedures relating to preparation and treatment of financial and accounting information.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Audit objective and procedure

It is our duty to draw up a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or result from errors and are considered as material when it can be reasonably expected that, taken singly or together, they can influence the economic decisions that users of the financial statements take based thereon.

As stated in Article L. 823-10-1 of the French Commercial Code, our engagement to certify the financial statements does not consist in guaranteeing the viability or quality of management of your Company.

Within the framework of an audit conducted in compliance with professional standards applicable in France, the statutory Auditor exercises his professional judgment throughout the audit. Furthermore:

- the statutory auditor identifies and assesses the risks whereby the consolidated financial statements may contain material misstatements, whether from fraud or errors; defines and implements audit procedures in view of those risks; and collects the elements they consider sufficient and appropriate on which to base their opinion. The risk of not detecting a material misstatement arising from fraud is higher than the risk of a material misstatement resulting from error, because fraud may imply collusion, falsification, voluntary omissions, false declarations or the circumvention of internal control;
- the statutory auditor reviews the relevant internal control for the audit in order to define the appropriate audit procedures for the circumstances and not to express an opinion on the effectiveness of internal control;
- he assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by senior management, as well as information concerning these methods provided in the consolidated financial statements;
- he assesses the appropriateness of the application by the management of the going concern concept and, according to the elements collected, whether or not there is a material uncertainty linked to events or circumstances likely to compromise the Company's ability to continue as a going concern. This assessment is based on the information collected until the date of his report. It is however pointed out that subsequent circumstances or events could jeopardize continuity as a going concern. If he concludes that there is a material uncertainty, the statutory auditor draws the attention of the readers of the report to the information provided in the consolidated financial statements about such uncertainty, or if this information is not provided or is not relevant, he issues a certification with reservations or a refusal to certify;
- they assess the overall presentation of the consolidated financial statements and whether these reflect underlying operations and events, so as to give a true view;
- concerning the financial information of the persons or entities included in the consolidation scope, he collects the information considered sufficient and appropriate to express an opinion on the consolidated financial statements. He is responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed thereafter.

Report to the Audit Committee

We submit a report to the Audit Committee that presents, in particular, the scope of the audit and the work schedule implemented as well as the conclusions of our audit. Our audit also informs the Audit Committee of any material weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and treatment of accounting and financial information.

The points mentioned in the report to the Audit Committee include the risks of material misstatements that we consider to have been the most important for the audit of the consolidated financial statements of the financial year, which therefore constitute the key points of the audit, which it is our duty to describe in this report.

We also submit to the Audit Committee the declaration provided in Article 6 of EU Regulation No. 537-2014 confirming our independence, as defined in the rules applicable in France, as set out in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Statutory Auditors' Professional Code of Ethics. If necessary, we will meet the Audit Committee to discuss the risks that threaten our independence and the safeguard measures applied.

Lyon, March 15, 2021

The Statutory Auditors

GRANT THORNTON

French member of Grant Thornton International

Françoise Mechin

ERNST & YOUNG et Autres

Nicolas Perlier

6.2 PARENT COMPANY FINANCIAL STATEMENTS

6.2.1 Parent company financial statements of bioMérieux SA for the financial years ended December 31, 2019 and 2020

Balance sheet

Assets

In millions of euros	Note	Net 12/31/2020	Net 12/31/2019
Non-current assets			
• Intangible assets	3.1	178.0	182.4
• Property, plant and equipment	3.2	273.6	270.8
• Investments and related receivables	3.3	741.2	748.3
• Other non-current financial assets	3.3	13.3	11.1
TOTAL		**1,206.1**	**1,212.7**
Current assets:			
• Inventories and work-in progress	4	170.9	149.5
• Trade receivables	5	405.7	387.0
• Other operating receivables	5	44.0	34.3
• Non-operating receivables		31.7	20.1
• Cash and cash pooling	6	342.6	219.1
TOTAL		**994.8**	**810.0**
Deferred charges spread over several years		0.7	0.4
Bond redemption premiums		0.0	0.3
Unrealized foreign exchange losses	7	5.1	2.4
TOTAL ASSETS		**2,206.7**	**2,025.7**

Shareholders' equity and liabilities

In millions of euros		12/31/2020	12/31/2019
Shareholders' equity			
• Share capital		12.0	12.0
• Additional paid-in capital		63.5	63.5
• Reserves		974.8	877.7
• Statutory provisions and grants		64.3	60.4
• Net income for the year		23.8	119.6
TOTAL	**8**	**1,138.5**	**1,133.2**
Provisions	**9**	**76.8**	**52.1**
Liabilities			
• Borrowings and financial debt	10	611.7	493.2
• Trade payables	11	185.8	168.7
• Other operating payables	11	167.6	142.6
• Non-operating payables		25.7	35.6
TOTAL		**990.8**	**840.1**
Unrealized foreign exchange gains	7	0.7	0.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,206.7**	**2,025.7**

Consolidated income statement

In millions of euros	2020	2019
Sales of goods and finished products	1,097.7	1,046.2
Other income	203.4	212.0
REVENUE	**1,301.1**	**1,258.2**
Production included in inventories (work-in-progress and finished products)	12.5	-3.7
Capitalized production	4.7	11.2
TOTAL PRODUCTION	**1,318.3**	**1,265.7**
Purchases	-513.2	-441.6
Change in raw material and instrument inventories	15.2	-7.8
External charges	-328.1	-322.0
ADDED VALUE	**492.2**	**494.3**
Taxes other than income tax	-23.5	-20.6
Payroll and benefits	-328.0	-309.7
GROSS OPERATING INCOME	**140.7**	**164.0**
Depreciation, amortization and provisions	-87.8	-62.5
Other operating income (expense)	-39.1	-44.0
OPERATING INCOME	**13.8**	**57.5**
Net financial expense	-9.5	-1.7
Net investment income	41.2	38.5
NET INCOME BEFORE NON-RECURRING ITEMS AND TAX	**45.5**	**94.2**
Non-recurring income	-40.1	26.4
Income tax	18.4	-1.1
NET INCOME	**23.8**	**119.6**

6.2.2 Notes to the Financial Statements

bioMérieux is a French joint stock company *(société anonyme)* with a Board of Directors, governed by the French Commercial Code *(Code de commerce)* and all other applicable laws and regulations, registered with the Lyon Trade and Companies Register under number 673 620 399. The Company has been established in France since its incorporation.

The Company's registered office is located in Marcy l'Étoile (69280), France.

NOTE 1 GENERAL ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with Regulations 2015-06 and 2016-07 of the French accounting standards authority (Autorité des normes comptables – ANC).

The Company prepares consolidated financial statements which include the annual financial statements of its subsidiaries based on the full consolidation method whenever bioMérieux has effective control over those subsidiaries, or based on the equity method when the Company exercises significant influence over the entities concerned.

The Company's financial statements are fully consolidated in the financial statements of Compagnie Mérieux Alliance (17 rue Bourgelat, 69002-Lyon, France).

NOTE 2 SIGNIFICANT EVENTS OF THE FINANCIAL YEAR

2.1 Change in the securities portfolio

In 2020, bioMérieux SA subscribed to several equity investments and capital increases of its portfolio companies, totaling €56.5 million and including:

- a €31.3 million (250 million Chinese yuan) capital increase in its subsidiary bioMérieux Suzhou Biotech
- the acquisition of bioMérieux Canada through a €20.5 million share distribution
- subscription to the Pertinence Invest 2 fund for €4 million, of which €0.4 million was called up at December 31, 2020.

2.2 Bond issue and redemption

bioMérieux successfully issued a new €200 million Euro PP bond with a top-tier European institutional investor. This private issue allows the Group to extend the maturity of its borrowings and continue its strategy of diversifying its sources of financing.

This long-term financing will serve general corporate purposes and allow bioMérieux to pursue its growth ambitions. The proceeds from this issue were also used to refinance the public bond issued in 2013 for €300 million, which was fully repaid at maturity in October 2020.

2.3 Impact of the economic and public health crisis related to COVID-19

The Company's net income has been impacted by the COVID-19 public health crisis. The main financial impacts are described below.

- Sales were up across the molecular biology respiratory infection diagnostic lines but down across other lines, due to the decline in hospital visits. Sales of resold and finished products were up by 4.9% year-on-year. However, the increase in business had a lesser impact on margins because there was a drop in the percentage of sales of products manufactured by the Company that carry a higher margin than products resold.
- Product shipment costs increased by around €13 million.
- provisions for variable compensation and share grants rose by €22 million due to the increase in business and the Group's operating income related to COVID-19, and to the change in the bioMérieux share price.
- Stay-at-home measures led to a sharp drop in travel expenses and a reduction in other commercial costs (*e.g.,* conferences, promotion, and advertising) of about €14 million.
- Charitable contributions were recognized in non-recurring income in the amount of €36 million (see Note 2.4).

The Company incurred no interruptions to its business nor any site closures. It also did not make use of any government support and therefore was not affected by the ban on paying dividends in 2020.

2.4 Exceptional charitable contributions

To meet the unprecedented challenges of solidarity and responsibility imposed by the COVID-19 pandemic, the Annual General Meeting of June 30, 2020, acting on the recommendation of the Board of Directors, decided to reduce the dividend to €0.19 per share on an exceptional basis. The remainder of the originally planned total payout, representing around €22 million, was used to support charitable initiatives in countries in which the Group's companies operate. bioMérieux SA made a charitable contribution of €15.9 million, of which €12 million went to the Fondation Christophe et Rodolphe Mérieux and €2 million to L'Entreprise des Possibles.

In addition, in December 2020 bioMérieux SA helped establish an endowment fund aimed at supporting humanitarian, social, health and educational activities in the general interest, both in France and abroad, to help the most disadvantaged groups. As founder of the fund, bioMérieux SA made an initial endowment of €20 million.

In light of the above, and given their material and non-recurring nature, these sums were all recognized in non-recurring income and expense on the 2020 financial statements, in the amount of €36 million.

2.5 Significant subsequent events

There were no significant subsequent events.

NOTE 3 FIXED ASSETS

3.1 Intangible assets

3.1.1 Accounting principles

Pursuant to ANC Regulation 2015-06, technical merger losses were allocated in January 2016 to specific intangible asset accounts relating to acquired goodwill, such as commercial goodwill, technology and customer relations.

Historical goodwill and assets originating from the allocation of technical merger losses are not stand-alone items able to generate cash flow on their own. They are intrinsically attached to production plants, to the R&D supporting the acquired product line, to technology and to the sales forces that help move products through all the Group's distribution channels.

Acquired goodwill is therefore grouped together with the other assets of the technological range to which they are linked in order to constitute a homogeneous and stand-alone range. In practice, tests are performed to group together assets that serve the same client typology (industrial microbiology laboratories) or health issue (pathology/detection of disease-causing organisms: microbiology, molecular biology or immunoassays). An impairment test is carried out systematically based on asset groups close to the groups identified at Group level (CGU) when analysis shows them to be fungible (monitoring and pooled management of acquired goodwill by technological product line and customer type).

At each year-end, the net value of the asset groups thus identified is compared with the current value of assets as determined from the discounted net cash generated by these assets (including acquired goodwill). An impairment is recorded if a loss of value is observed.

Intangible assets also include software applications acquired or developed in-house, amortized over periods of three to ten years based on their estimated useful lives, and patents and licenses amortized over the contractual or statutory term of use. In practice, a period of five years is usually applied. These assets are measured at cost (purchase price and incidental costs) or at their production cost.

Lastly, intangible assets acquired in exchange for the payment of indexed royalties are measured at the time of acquisition on the basis of estimated future royalties to be paid over the term of the contract. These estimates are subsequently adjusted based on royalties effectively paid.

3.1.2 Change

Breakdown *In millions of euros*	Gross value	Depreciation, amortization and impairment losses	Net value 12/31/2020	Net value 12/31/2019
Research & development expenses	14.2	14.0	0.1	0.5
Software	96.7	78.5	18.2	18.5
Goodwill and intangible business assets	142.0[(a)]	3.9	138.1	138.5
Assets under construction	6.3		6.3	3.2
Other	57.3 [(b)]	42.0 [(c)]	15.2	21.7
TOTAL	**316.5**	**138.5**	**178.0**	**182.4**

(a) Including acquired goodwill from allocated merger losses: €130.4 million.
(b) Including technologies and customer relationships after allocation of merger losses: €35.7 million and distribution rights for Suzhou Hybiome Biomedical Engineering Co. Ltd.: €7.5 million.
(c) Including €24.2 million of amortization of allocated merger losses relating to technologies and customer relationships and €4.3 million of impairment losses on the distribution rights for Suzhou Hybiome Biomedical Engineering Co. Ltd.

Change *In millions of euros*	Gross value	Depreciation, amortization and impairment losses	Net value
DECEMBER 31, 2019	**310.0**	**127.6**	**182.4**
Acquisitions/Increases	11.4	14.5	-3.1
Disposals/Decreases	-4.9	-3.5	-1.5
DECEMBER 31, 2020	**316.5**	**138.5**	**178.0**

The increase in the gross value of intangible assets over the year primarily corresponds to the acquisition of software and the development costs of IT solutions for €11.2 million.

Technical merger losses are allocated as follows:

In millions of euros	Gross value	Amortization	Net value
AES CHEMUNEX			
Goodwill	111.0		111.0
Technology	12.5	8.8	3.7
Customer relationships	5.4	2.9	2.5
TOTAL	**128.9**	**11.8**	**117.1**
ARGÈNE			
Goodwill	19.4		19.4
Technology	12.8	8.5	4.4
TOTAL	**32.2**	**8.5**	**23.8**
CEERAM			
Technology	2.4	1.3	1.1
TOTAL	**2.4**	**1.3**	**1.1**
ADVENCIS			
Technology	2.6	2.6	
TOTAL	**2.6**	**2.6**	
TOTAL	**166.1**	**24.2**	**142.0**

3.2 Property, plant and equipment

3.2.1 Accounting principles

Property, plant and equipment are shown on the balance sheet at purchase or production cost.

In accordance with the asset recognition rules in effect since January 1, 2005, components whose cost is significant in relation to the total cost of the main asset are recognized and depreciated separately if their useful life is not the same as that of the main asset.

The only physical assets to which this method applies are buildings.

For buildings, the depreciation periods are set for each group of components.

Depreciation and amortization period	Accounting	Tax
Shell	30-40 years	Straight line basis 30 years
Finishing work, fixtures and fittings	10-20 years	Straight line basis 15 years

The depreciation is calculated using the straight-line method over the estimated useful lives of the various asset categories. The main useful lives applied are:

Depreciation and amortization period	Accounting	Tax
Machinery and equipment	3-10 years	Accelerated. 5-10 years
Instruments*	3-10 years	Accelerated. 3-5 years

* *Instruments either installed at third-party sites or used in-house.*

Impairment tests are carried out for property, plant and equipment whenever events or market developments indicate that an asset may have declined in value. If the net book value exceeds the recoverable amount, an impairment loss is recognized to reduce the assets to their realizable value.

Most capitalized instruments are installed at customers' sites.

3.2.2 Change

Breakdown *In millions of euros*	Gross value	Depreciation, amortization and impairment losses	Net value 12/31/2020	Net value 12/31/2019
Land and land improvements	17.8	1.1	16.7	16.8
Buildings	294.8	179.6	115.2	110.4
Machinery and equipment	235.0	171.2	63.8	55.9
Capitalized instruments	50.4	30.2	20.2	21.8
Other assets	54.5	41.1	13.3	13.2
Assets under construction	44.3		44.3	52.7
TOTAL	**696.8**	**423.2**	**273.6**	**270.8**

Change *In millions of euros*	Gross value	Depreciation, amortization and impairment losses	Net value
DECEMBER 31, 2019	**666.1**	**395.3**	**270.8**
Acquisitions/Increases	43.0	39.2	3.8
Disposals/Decreases	-12.3	-11.3	-1.0
DECEMBER 31, 2020	**696.8**	**423.2**	**273.6**

The major capital expenditures in the financial year were €3.9 million for instruments installed at customer premises or for internal use, €3.8 million for production automation at the Grenoble site and €2.7 million for construction of the Craponne campus.

A €3.3 million impairment was recognized at December 31, 2020 for industrial assets which are not in use and for which normal use is not foreseen in the medium-term.

3.3 Non-current financial assets

3.3.1 Accounting principles

Non-current financial assets are recognized at their purchase price.

An impairment loss is recognized on equity investments whenever their value in use falls below their acquisition cost. Value in use is initially estimated at the net carrying amount of the subsidiary's assets at the reporting date. This may be adjusted to reflect the value of any unrecognized identifiable assets (particularly real estate or technologies). Depending on the economic and financial condition of the subsidiary, value in use may also be estimated taking account of sales, borrowings and any associated technological assets and real estate. Given the specific nature of certain investments, in some cases value in use may be measured by estimating the enterprise value based on discounted future cash flows or on observable market financial inputs.

Non-controlling interests held in unlisted companies are measured based on various criteria including the economic outlook, the net equity of the investment or the valuation used based on recent investments in these shares.

Other investments are written down whenever their market value falls below cost. The market value of listed securities corresponds to the average trading price during the last month of the year.

Other non-current financial assets include treasury shares purchased under a liquidity agreement with an investment firm for the specific purpose of maintaining an orderly market in the Company's shares. Treasury stock is measured at its average trading price during the last month of the financial year.

3.3.2 Change

Breakdown *In millions of euros*	Gross value	Impairment losses	Net value 12/31/2020	Net value 12/31/2019
Investments	833.1	110.1	723.1	681.3
Other financial assets	23.4	11.8	11.6	9.1
Related receivables	18.1		18.1	67.0
Other	1.7		1.7	2.0
TOTAL	**876.4**	**121.9**	**754.5**	**759.4**

Change *In millions of euros*	Gross value	Depreciation, amortization and impairment losses	Net value
DECEMBER 31, 2019	**869.0**	**109.6**	**759.4**
Acquisitions/Increases	63.5	12.4	51.1
Disposals/Decreases	-56.1	-0.1	-56.0
DECEMBER 31, 2020	**876.4**	**121.9**	**754.5**

Movements of equity investments

In 2020 bioMérieux SA subscribed to several investments and capital increases in its equity portfolio:

- a €31.3 million (250 million Chinese yuan) capital increase of bioMérieux Suzhou Biotech Co. Ltd.
- €20.5 million; to acquire 100% of the shares of bioMérieux Canada through a distribution of shares held by bioMérieux Inc.
- a €1.3 million ($1.5 million);conversion of Banyan Biomarkers bonds into equity
- a €0.6 million ($0.7 million);subscription to the Qvella fund
- a capital contribution of €0.1 million to establish the subsidiary bioMérieux Egypt Distribution

The increase in the impairment of non-current financial assets consisted primarily of €8.6 million of impairment on the stock of the bioMérieux Brazil distribution subsidiary and €2.4 million on the non-operating subsidiary AB bioMérieux.

Movements in other long-term investments

In financial year 2020, the Company subscribed to the Pertinence Invest 2 fund in the amount of €4 million.

Movements in receivables related to investments

bioMérieux Egypt received as part of its initial capitalization a loan of €2.3 million (40 million Egyptian pounds) from bioMérieux SA.

Also, the €49.2 million loan ($67.1 million) granted to the bioMérieux Inc. subsidiary was repaid in full.

3.3.3 List of subsidiaries and investments

See table below.

	Share capital *Currencies in millions*		Equity other than share capital *Currencies in millions*	Share of ownership *In %*	Value of the securities held before impairment losses *In millions of euros*	Value of the securities held after impairment losses *In millions of euros*	Unrepaid loans and advances from the Company *In millions of euros*	Total revenue of the last financial year *Currencies in millions*	Net profit or net loss of the last financial year *Currencies in millions*	Dividends received by Company during the financial year *In millions of euros*	Notes
A – SUBSIDIARIES (OVER 50% OWNED BY BIOMÉRIEUX)											
AB bioMérieux	SEK	0.2	57.6	100.0%	74.2	5.8	0.0	0.0	4.6	2.9	01/01/20-12/31/20
bioMérieux West Africa	CFA	180.0	313.7	100.0%	0.3	0.3	0.0	0.0	103.5	0.1	01/01/20-12/31/20
bioMérieux Germany	EUR	3.5	19.6	100.0%	3.8	3.8	5.9	121.7	1.5	0.0	01/01/20-12/31/20
bioMérieux Algeria	DZD	58.0	76.8	100.0%	0.6	0.6	0.0	30.2	27.3	0.0	01/01/20-12/31/20
bioMérieux Argentina	ARS	15.4	490.6	99.1%	8.3	4.9	0.0	1,302.6	177.9	0.0	01/01/20-12/31/20
bioMérieux Asia Pacific PTE Ltd	SGD	0.0	-0.6	100.0%	0.0	0.0	0.9	0.0	-0.6	0.0	01/01/20-12/31/20
bioMérieux Austria	EUR	0.1	1.4	100.0%	0.1	0.1	0.0	19.8	0.9	1.0	01/01/20-12/31/20
bioMérieux Colombia	COP	0.5	26.6	100.0%	2.2	2.2	0.0	95.3	1.2	0.0	01/01/20-12/31/20
bioMérieux Brazil	BRL	136.8	-99.5	100.0%	49.7	14.9	0.0	170.6	-12.5	0.0	01/01/20-12/31/20
bioMérieux Belgium	EUR	0.3	2.3	100.0%	0.3	0.3	0.0	30.9	1.4	1.5	01/01/20-12/31/20
bioMérieux Benelux BV	EUR	0.0	4.3	100.0%	0.1	0.1	5.9	115.4	1.2	5.5	01/01/20-12/31/20
bioMérieux Canada	CAD	1.3	5.4	100.0%	20.5	20.5	0.0	88.7	1.9	0.0	01/01/20-12/31/20
bioMérieux Chile	CLP	1,686.6	6,495.0	100.0%	3.1	3.1	0.0	21,774.9	1,243.1	0.0	01/01/20-12/31/20
bioMérieux China	HKD	971.6	167.9	100.0%	112.4	112.4	2.9	278.1	11.0	0.0	01/01/20-12/31/20
bioMérieux Korea	KRW	1,000.0	11,672.6	100.0%	0.7	0.7	0.0	52,070.7	941.3	0.0	01/01/20-12/31/20
bioMérieux Denmark	DKK	0.5	9.0	100.0%	0.5	0.5	0.0	68.1	3.3	0.3	01/01/20-12/31/20
bioMérieux Spain	EUR	0.2	36.6	100.0%	0.6	0.6	0.0	99.9	2.6	0.0	01/01/20-12/31/20
bioMérieux Egypt	EGP	0.2	-24.4	100.0%	0.0	0.0	3.0	83.9	-25.1	0.0	01/01/20-12/31/20
bioMérieux Egypt Distribution	EGP	0.0	0.0	49.0%	0.1	0.1	0.0	0.0	0.0	0.0	Equity interest in 2020
bioMérieux Finland	EUR	0.0	1.1	100.0%	0.1	0.1	0.6	9.0	0.6	0.2	01/01/20-12/31/20

	Share capital		Equity other than share capital	Share of ownership	Value of the securities held before impairment losses	Value of the securities held after impairment losses	Unrepaid loans and advances from the Company	Total revenue of the last financial year	Net profit or net loss of the last financial year	Dividends received by Company during the financial year	Notes
	Currencies	*in millions*	*Currencies in millions*	*In %*	*In millions of euros*	*In millions of euros*	*In millions of euros*	*Currencies in millions*	*Currencies in millions*	*In millions of euros*	
bioMérieux Greece	EUR	2.0	3.7	100.0%	4.1	4.1	0.0	16.1	0.4	0.5	01/01/20-12/31/20
bioMérieux Hungary	HUF	3.0	273.5	100.0%	0.0	0.0	0.3	1,892.4	103.9	0.2	01/01/20-12/31/20
bioMérieux HK Investment Ltd	HKD	0.7	2.7	100.0%	0.1	0.1	0.0	0.0	0.0	0.0	01/01/20-12/31/20
bioMérieux India	INR	66.0	1,519.5	99.9%	2.9	2.9	0.0	5,923.0	158.7	0.0	01/01/20-12/31/20
bioMérieux Inc.	USD	0.0	1,269.8	100.0%	397.5	397.5	49.8	1,024.3	67.8	20.5	01/01/20-12/31/20
bioMérieux Italy	EUR	9.0	24.2	100.0%	12.8	12.8	0.0	131.4	6.3	8.0	01/01/20-12/31/20
bioMérieux Japan	JPY	0.5	0.9	100.0%	15.4	15.4	0.0	7.8	0.3	0.0	01/01/20-12/31/20
bioMérieux Kenya	KES	18.3	16.8	100.0%	0.2	0.2	0.0	0.0	7.4	0.0	01/01/20-12/31/20
bioMérieux Malaysia	MYR	0.1	0.2	100.0%	0.0	0.0	0.1	0.0	0.0	0.0	01/01/20-12/31/20
bioMérieux Middle East	AED	0.1	2.1	100.0%	0.0	0.0	0.7	0.0	0.6	0.0	01/01/20-12/31/20
bioMérieux Norway	NOK	2.8	7.0	100.0%	0.3	0.3	0.0	73.6	5.3	0.2	01/01/20-12/31/20
bioMérieux Philippines	PHP	10.3	4.9	100.0%	0.2	0.2	0.0	41.8	4.9	0.0	01/01/20-12/31/20
bioMérieux Poland	PLN	0.4	29.3	100.0%	1.5	1.5	0.0	103.6	5.4	0.2	01/01/20-12/31/20
bioMérieux Portugal	EUR	1.6	6.9	100.0%	2.0	2.0	0.8	19.0	1.0	1.5	01/01/20-12/31/20
bioMérieux Czech Republic	CZK	0.2	17.6	100.0%	0.0	0.0	2.3	908.5	10.2	0.2	01/01/20-12/31/20
bioMérieux Russia	RUB	55.7	509.4	100.0%	1.3	1.3	0.0	1,730.9	326.6	0.8	01/01/20-12/31/20
bioMérieux South Africa	ZAR	50.0	86.3	100.0%	5.4	5.4	5.6	359.9	15.5	0.0	01/01/20-12/31/20
bioMérieux Sweden	SEK	0.5	9.1	100.0%	0.2	0.2	0.0	270.4	6.2	0.3	01/01/20-12/31/20
bioMérieux Switzerland	CHF	0.4	3.5	100.0%	0.6	0.6	0.0	39.2	1.7	2.5	01/01/20-12/31/20
bioMérieux Suzhou Biotech Co. Ltd	CNY	400.0	-23.0	100.0%	51.3	51.3	0.0	0.0	-18.0	0.0	01/01/20-12/31/20
bioMérieux Thailand	THB	35.0	57.7	100.0%	0.9	0.9	0.0	454.8	7.5	0.0	01/01/20-12/31/20
bioMérieux Turkey	TRY	3.3	100.3	100.0%	2.7	2.7	0.0	155.2	4.1	0.0	01/01/20-12/31/20
bioMérieux UK	GBP	0.0	13.9	100.0%	1.2	1.2	0.0	71.9	4.8	0.0	01/01/20-12/31/20
bioMérieux Vietnam	VND	6.3	1.7	100.0%	0.2	0.2	0.0	0.0	0.5	0.0	01/01/20-12/31/20
bioMérieux Serbia	RSD	1.2	16.3	100.0%	0.0	0.0	0.0	0.0	2.9	0.0	01/01/20-12/31/20
bioMérieux Singapore	SGD	0.1	5.3	100.0%	0.1	0.1	2.9	16.1	1.3	0.0	01/01/20-12/31/20
BTF	AUD	4.1	26.3	100.0%	13.6	13.6	0.0	36.1	16.8	7.8	01/01/20-12/31/20
Quercus Scientific NV	EUR	3.9	4.2	100.0%	19.9	19.9	0.0	0.0	0.0	0.0	01/01/20-12/31/20
TOTAL SUBSIDIARIES					**812.0**	**705.2**					

	Share capital		Equity other than share capital	Share of ownership	Value of the securities held before impairment losses	Value of the securities held after impairment losses	Unrepaid loans and advances from the Company	Total revenue of the last financial year	Net profit or net loss of the last financial year	Dividends received by Company during the financial year	Notes
		Currencies in millions	*Currencies in millions*	*In %*	*In millions of euros*	*In millions of euros*	*In millions of euros*	*Currencies in millions*	*Currencies in millions*	*In millions of euros*	
B – INVESTMENTS (5%-50% OWNED BY BIOMÉRIEUX)											
Banyan Biomarkers Inc.	USD	6.1	0.0	18.8%	7.7	7.7	0.0	4.8	-4.8	0.0	07/01/17-06/30/18
GNEH	EUR	22.5	-5.1	18.9%	4.2	2.6	1.4	0.0	-5.1	0.0	07/26/18-12/31/19
Lumed Inc.	CAD	1.8	-0.7	16.2%	0.7	0.7	0.0	1.2	0.4	0.0	06/01/19-05/31/20
Mérieux Université	EUR	1.7	-0.7	40.0%	1.6	0.0	0.0	5.4	-0.1	0.0	01/01/19-12/31/19
Qvella	CAD	0.0	-41.2	5.8%	7.0	7.0	0.0	0.8	-12.7	0.0	07/01/18-06/30/19
Théra Conseil	EUR	0.5	0.6	0.8%	0.0	0.0	0.0	4.7	0.1	0.0	01/01/19-12/31/19
TOTAL EQUITY INVESTMENTS					**21.2**	**17.9**					
C – OTHER SECURITIES											
Amorçage Technologique Investissement	EUR	31.3	-11.4	2.6%	0.8	0.8	0.0	0.0	0.9	0.0	01/01/19-12/31/19
Avesthagen	INR	76.1	-791.2	3.5%	1.4	0.0	0.0	80.7	426.0	0.0	04/01/19-03/31/20
Dynavax	USD	1,229.5	-1,221.2	0.0%	0.7	0.0	0.0	34.8	-152.6	0.0	01/01/19-12/31/19
Innovaprep	USD	2.9	-1.8	3.5%	0.4	0.0	0.0	2.1	-0.7	0.0	01/01/19-12/31/19
Knome Tafkak	USD	31.3	-31.3	0.3%	7.3	0.0	0.0	0.0	0.0	0.0	01/01/19-12/31/19
Labtech System Ltd	AUD	35.5	-11.4	4.2%	1.3	0.8	0.0	1.2	-5.6	0.0	07/01/19-06/30/20
LyonBiopôle	EUR	1.0	-1.1	0.0%	0.3	0.0	0.0	0.8	0.0	0.0	01/01/19-12/31/19
My Cartis	EUR	2.5	0.2	3.9%	1.2	0.0	0.0	5.7	0.2	0.0	01/01/19-12/31/19
Pertinence Invest 2				9.8%	4.0	4.0					Company created in 2020
Sino French (Innovations) Fund II	EUR	127.2	-10.6	0.9%	5.0	5.0	0.0	0.0	-10.6	0.0	11/02/18-12/31/19
Supernova 2	EUR	16.0	-4.3	1.3%	1.0	1.0	0.0	0.0	-1.7	0.0	01/01/19-12/31/19
TOTAL OTHER SECURITIES					**23.4**	**11.6**					
GRAND TOTAL					**856.6**	**734.7**					

NOTE 4 INVENTORIES

4.1 Accounting principles

Inventories are measured at the lower of cost and net realizable value.

Inventories of raw materials, consumables and goods for resale are measured at their purchase price plus related expenses using the FIFO method. Work-in-progress and finished products are measured at their actual production cost.

Inventories are written down where necessary, taking into account selling prices, obsolescence, residual shelf life, product condition, sale prospects and, in the case of spare parts, changes in the corresponding instruments' installed base.

4.2 Change

Inventories *In millions of euros*	12/31/2020	12/31/2019
Raw materials	44.9	41.9
Work-in-progress	31.5	28.1
Finished products and goods held for resale	111.4	90.1
TOTAL GROSS VALUE	**187.8**[(a)]	**160.1**
Impairment losses	-16.9 [(b)]	-10.6
TOTAL NET VALUE	**170.9**	**149.5**

(a) Including gross value of instruments and related spare parts: 19.8% in 2020 and 2019.
(b) Including specific impairment losses related to the public health crisis for €6 million (impairment of materials due to lower sales forecasts for certain references, and obsolete products due to new references incorporating COVID-19 tests).

NOTE 5 TRADE AND OPERATING RECEIVABLES

5.1 Accounting principles

Receivables are recognized at face value. An impairment loss is recognized when there is a risk of non-recovery.

5.2 Change

Trade receivables *In millions of euros*	12/31/2020	12/31/2019
Gross trade receivables	419.4	395.1
Impairment losses	-13.8	-8.1
NET VALUE	**405.7**	**387.0**

The year-on-year increase in impairment of trade receivables at December 31, 2020 was due to the economic context and the risks encountered in export markets, particularly Africa and the Middle East.

Other operating receivables *In millions of euros*	12/31/2020	12/31/2019
Advances and deposits	19.8[(a)]	8.6
Prepaid expenses	7.8 [(b)]	5.6
Other operating receivables	16.3 [(c)]	20.1
TOTAL GROSS VALUE	**44.0**	**34.3**

(a) Of which €6.8 million was paid as an advance under a new license agreement signed in 2020, which advance will be deducted from future royalties over the next ten years, At December 31, 2020, €5.5 million was due in more than one year.
(b) Prepaid expenses primarily consist of purchases of outside services.
(c) Including a VAT receivable of €12.8 million.

Maturities of trade and other receivables *Net value in millions of euros*	12/31/2020	12/31/2019
Trade receivables	**405.7**	**387.0**
• Due in less than one year	405.7	387.0
Other operating receivables	**44.0**	**34.3**
• Due in less than one year	38.3	34.2
• Due in more than one year	5.7	0.1

NOTE 6 CASH

6.1 Accounting principles

Cash and cash equivalents include available cash and short-term investments.

Changes in the cash pool are valued at the average monthly exchange rate. Cash pooling accounts are remeasured at the end of the month at the closing rate. This remeasurement is offset by an entry to financial income and expense reflecting currency hedges related to these positions.

6.2 Change

Cash *In millions of euros*	12/31/2020	12/31/2019
Cash investments	44.5	22.1
Cash pooling	134.7	44.8
Cash and financial instruments	163.4	152.0
TOTAL	**342.6**	**219.1**

Short-term investments break down as follows:

	12/31/2020	12/31/2019
Investment	Treasury shares	Treasury shares
Amount	€21.5m	€2.2m
Classification	Equities	Equities
ISIN Code	FR0010096479	FR0010096479
Investment	BNP PARIBAS DEPOSIT money-market fund	BNP PARIBAS DEPOSIT money-market fund
Net amount	€13.0m	€14.9m
Classification	Euro money-market fund	Euro money-market fund
ISIN Code	FR0011046085	FR0011046085
Investment	Time-deposit account	Time-deposit account
Amount	€10.0m	€5.0m
Classification	Euro money-market fund	Euro money-market fund
ISIN Code		

Among short-term investments are 201,533 shares purchased within the framework of the establishment of a hedging program intended to ensure the cost of the various share grant plans.

NOTE 7 TRANSLATION DIFFERENCES

7.1 Accounting principles

In application of regulation ANC 2015-05, income and expenses in foreign currencies are recognized at their value in euros on the transaction date based on the average monthly exchange rate. Foreign exchange gains or losses on commercial transactions that result from differences in rates between the transaction date and the settlement date are recognized on the corresponding line in the income statement (sales and purchases).

Receivables and payables in foreign currencies are converted based on their exchange rate on the closing date of the financial year. Any differences resulting from this valuation are recognized under unrealized foreign exchange gains and losses. Provisions are created for unrealized foreign exchange losses and are recognized in income (sales and purchases) whenever the receivable or payable is related to a business transaction.

When, for business transactions with relatively close maturities, unrealized foreign exchange gains and losses may be considered as contributing to an overall currency position, the amount added to the provision for exchange rate risks is capped at the excess of losses over gains. This estimate of losses factors in, when applicable, the hedge rate on the derivatives covering such transactions.

Foreign exchange gains and losses concerning financial flows are recognized in financial income and expense. Translation differences concerning cash pooling are recognized in income, as are the hedging instrument, symmetrically with the hedged item.

7.2 Unrealized foreign exchange losses

In millions of euros	12/31/2020	12/31/2019
On operating items	2.2	1.3
On borrowings and financial receivables	2.9	1.1
TOTAL	**5.1**	**2.4**

7.3 Unrealized foreign exchange gains

In millions of euros	12/31/2020	12/31/2019
On operating items	0.7	0.2
On borrowings and financial receivables	0.0	0.1
TOTAL	**0.7**	**0.2**

NOTE 8 EQUITY AND SHARE GRANT PLANS

8.1 Accounting principles

Capital improvement subsidies are recognized in equity. The Company elected to spread a capital improvement subsidy financing a depreciable fixed asset over several periods. The capital improvement subsidy is reversed over the same period in step with the value of the asset acquired or created as a result of the subsidy.

Share grant plans

Shares were acquired as part of a hedging program, without allocation to any specific plan.

8.2 Change in shareholders' equity

The Company's share capital amounted to €12,029,370 at December 31, 2020 and was divided into 118,361,220 shares with a total of 190,859,650 voting rights (of which 72,498,430 shares carry double voting rights). Following a decision taken by the General Meeting of March 19, 2001, the Company's bylaws no longer refer to a par value for its shares. No rights or securities with a dilutive impact on capital were outstanding at December 31, 2020.

At December 31, 2020, the Company held:

- 13,149 treasury shares under a liquidity agreement with an outside firm. In 2020, the Company purchased 368,012 and sold 376,560 of its own shares.
- 201,533 treasury shares were purchased as part of a hedging program for the various share grant plans. In 2020, the Company purchased 172,493 and awarded 8,442 shares;

Change in shareholders' equity *In millions of euros*	Share capital	Additional paid-in capital	Reserves & Retained Earnings	Statutory provisions	Subsidies	Total
EQUITY AT DECEMBER 31, 2019	**12.0**	**63.5**	**997.3**	**60.3**	**0.1**	**1,133.2**
Net income for the year			23.8			23.8
Dividends paid			-22.5			-22.5
Changes in statutory provisions				3.9		3.9
EQUITY AT DECEMBER 31, 2020	**12.0**	**63.5**	**998.6**	**64.2**	**0.1**	**1,138.5**

The following table presents the Company's share grant plans:

	Date on which plans opened				
Number of shares	**2016**	**2017**	**2018**	**2019**	**2020**
Initial number of options granted	2,700	40,116	169,685	266,189	125,926
Options canceled	1,800	2,043	19,857	57,807	18,982
Number of shares remitted in FY 2020	900	7,500			
Number of shares to be remitted as of 12/31/2020	0	30,573	149,828	208,382	106,944

The number of shares for plans prior to 2017 was tripled after the three-for-one split decided by the Combined General Meeting of June 2017.

Between 2016 and 2020, the Board of Directors awarded restricted stock to certain employees and corporate officers, subject to their continued employment and, where applicable, performance conditions.

Under these plans, the free shares have a vesting period of three or four years.

Furthermore, the performance shares only vest on the achievement of objectives based on operating income or other specific objectives. The performance shares are no longer subject to a lock-up period if the vesting period is at least two years. The lock-up period may be waived for shares granted to non-French tax residents provided that the shares concerned are subject to a four-year vesting period.

In 2020, after taking into account all free shares that were re-invoiced, a net expense of €11.9 million was recognized in operating income, compared to a net expense of €3 million the previous year. This change was largely due to the sharp rise in the share price in 2020.

With the 201,533 treasury shares held at December 31, 2020, the Company will have to purchase 294,194 additional shares at a cost of €33.9 million, based on the share price at December 31, 2020, to cover existing plans.

8.3 Changes in statutory provisions

Statutory provisions *In millions of euros*	Accelerated depreciation and amortization	Provisions for price increases	Total
DECEMBER 31, 2019	**58.2**	**2.2**	**60.3**
Additions	13.4	1.2	14.6
Reversals	-10.5	-0.2	-10.7
DECEMBER 31, 2020	**61.0**	**3.2**	**64.2**

NOTE 9 PROVISIONS FOR CONTINGENCIES AND LOSSES

9.1 Accounting principles

Contingency and loss provisions are recognized in accordance with French accounting rules applicable to liabilities (C.R.C. 2000-06).

The Company is involved in a certain number of claims and litigation arising from the normal course of its business. It believes that these claims and litigation will not have a materially adverse impact on its ability to continue as a going concern. When a risk is identified, a provision is recognized as soon as it can be reliably estimated.

9.2 Change

Provisions *In millions of euros*	Other employee benefits [a]	Guarantees given [b]	Other provisions [c]	Total
DECEMBER 31, 2019	**26.3**	**0.8**	**25.2**	**52.1**
Additions	*4.1*	*0.9*	*28.7*	*33.6*
Reversals (utilizations)		*-0.8*	*-6.1*	*-6.9*
Reversals (surplus)			*-2.1*	*-2.1*
Net additions (reversals)	4.1	0.1	20.5	24.6
DECEMBER 31, 2020	**30.3**	**0.9**	**45.6**	**76.8**

(a) Provisions for other employee benefits comprise retirement benefits, long-service awards and bonuses and mutual health insurance benefits. The €4.1 million expense in 2020 was attributable to the cost of services rendered during the year and the discount rate reduction applied at December 31, 2020 versus one year earlier.

(b) Estimate of the costs of warranties on instruments sold i that may be incurred over the remaining warranty period.

(c) Including a provision for restricted stock of €32.9 million (€21.7 million for 2020, of which €10.1 million was due to the increase in share price), a provision for unrealized foreign exchange losses of €5.3 million, a provision for a retirement support program of €2 million, provisions for commercial claims and litigation of €1.8 million, provisions for losses on termination of sales contracts of €1.5 million, and other provisions for financial contingencies and losses of €2.1 million.

9.3 Provisions for pensions and other post-employment benefits

9.3.1 Accounting principles

The Company applies ANC Recommendation 2013-02 of November 7, 2013 and has adopted the principles of IAS 19 as amended in June 2011 for its statutory financial statements, with the exception of the option to recognize actuarial gains and losses in equity.

9.3.2 Change

	Retirement benefits		Long-service awards	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Present value of obligation	41.6	37.9	15.7	14.8
Fair value of hedging assets	-27.0	-26.4		
NET PROVISION	**14.7**	**11.5**	**15.7**	**14.8**

In 2020, the Company did not make any payments to the retirement benefits hedging fund.

Obligations in respect of pensions and other post-employment benefits are calculated using actuarial methods based on the following assumptions:

	Retirement benefits		Long-service awards	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Salary increase rate	2.00%	2.00%	2.00%	2.00%
Discount rate	0.90%	1.00%	0.60%	0.80%
Employee mobility rate [(a)]	0% to 5%	0% to 5%	0% to 5%	0% to 5%
Average duration	16	14	10	10

(a) Depending on the age and status of the employee (managerial/non-managerial).

NOTE 10 NET DEBT

10.1 Statement of changes in net debt

The statement of changes in net debt includes all changes in borrowings and financial debt, regardless of maturity, net of cash and short-term bank borrowings.

It lists separately:

- cash flow from operating activities;
- cash flow from investing activities;
- cash flow relating to shareholders' equity.

Cash flow from operating activities for the financial year corresponds to the aggregate of net income, depreciation and amortization, net additions to provisions (impairment and contingencies and losses), less capital gains or losses on disposals of fixed assets.

Net debt corresponds to the Company's financial situation with regard to financing third parties outside of operating payables. This aggregate is determined by the sum of mandatory and bank debt (short, medium and long term) and bank overdrafts, less cash and investment securities.

In millions of euros	12/31/2020	12/31/2019
Net income	23.8	119.6
Depreciation, amortization and provisions, net	106.4[(a)]	44.0
Gains and losses on Corporate actions	0.5	-30.4 [(b)]
Cash flow from operating activities	**130.7**	**133.3**
Change in inventories	-27.7 [(c)]	11.5
Increase in trade receivables	-26.3[(d)]	-26.3
Change in trade payables and other operating working capital	33.3[(e)]	1.5
Operating working capital requirement	**-20.8**	**-13.2**
Change in receivables, net of tax	-9.3	11.0
Other non-operating working capital	-2.2	
Total change in working capital requirement	**-32.3**	**-2.2**
NET CASH FLOW FROM OPERATIONS	**98.3**	**131.0**
Capital expenditures	-54.4	-66.2
Income from disposal of fixed assets	2.0	52.3
Change in net amounts payable on fixed assets	-10.0[(f)]	12.9
Acquisition of equity investments, subscr. to capital increases net of reductions	-52.4[(g)]	-82.2[(h)]
Net change in advances and loans to subsidiaries	46.9[(i)]	43.5[(j)]
Net change in other non-current financial assets	-3.8	-0.8
NET CASH FLOW FROM (USED IN) INVESTMENT ACTIVITIES	**-71.7**	**-40.7**
Dividends paid	-22.5[(k)]	-41.3
Net cash used in shareholders' equity	**-22.5**	**-41.3**
Change in net debt (excluding exchange rate impact)	**4.2**	**49.0**
Breakdown of change in net debt		
Net debt at beginning of year	274.1	323.1
Impact of changes in exchange rates on net debt	-0.9	
Change in net debt:	**-4.2**	**-49.0**
• Committed debt	-111.3	15.4
• Cash and bank overdrafts	107.1	-64.3
NET DEBT AT END OF YEAR	**269.1**	**274.1**

(a) Including amortization, depreciation and impairment of property, plant and equipment and intangible assets for €53.7 million (+€5 million compared to 2019), net additions to provisions for contingencies and losses for €24.6 million (+€35.6 million compared to 2019), net impairment of investments for €12.3 million (+€8.5 million compared to 2019), net additions to current assets for €11.9 million (+€10.3 million compared to 2019), and net additions to regulated provisions for €3.9 million euros (+€3.5 million compared to 2019).

(b) Including the capital gain on the disposal of Quanterix securities (-€30.5 million).

(c) Inventory changes are described in Note 4.

(d) Including Group customers (-€17.8 million), export customers (-€4.7 million) and domestic customers (-€3.8 million).

(e) Including tax and social-security debts (+€23.9 million), trade payables (+€9.4 million), other receivables and operating payables (+€2.3 million), and prepaid expenses (-€2.3 million).

(f) Including paid-up capital from bioMérieux Suzhou Biotech (subscribed in 2019) for -€12.7 million.

(g) Including the capital increase of bioMérieux Suzhou Biotech (-€31.3 million) and equity investment in bioMérieux Canada (-€20.5 million).

(h) Including the capital increases of the subsidiaries bioMérieux China (-€64 million) and bioMérieux Argentina (-€3 million), the equity investment in the subsidiary bioMérieux Suzhou Biotech (-€20 million), and the capital reduction of bioMérieux HK (+€6 million).

(i) Including the repayment of the bioMérieux Inc. loan (+€49.2 million), less the new loan granted to bioMérieux Egypt (-€2.3 million).

(j) Including the repayment of the bioMérieux Inc. loan (+€49.2 million) and the bioMérieux GmbH loan (+€1.6 million), less the new loans to bioMérieux South Africa (-€6.2 million) and bioMérieux Egypt (-€1 million).

(k) Extraordinary 50% reduction in the year's dividend and re-allocation to charitable initiatives (Board of Directors' decision of June 2020).

10.2 Debt refinancing

bioMérieux SA has a syndicated credit facility of €500 million. After two extensions exercised in 2018, the maturity date for this loan, initially set for January 2022, was deferred to January 2024. This syndicated credit facility is subject to the following covenant: bioMérieux Group net debt may not exceed 3.5 times operating income before non-recurring items (EBITDA) before depreciation/amortization and acquisition expenses. The Company complied with this covenant at December 31, 2020.

On June 29, 2020 bioMérieux issued a new €200 million Euro PP bond with a top-tier European institutional investor. This private placement comprises two tranches: one seven-year €145 million tranche and one 10-year €55 million tranche, bearing a total annual coupon of 1.61%.

Additionally, the public bond issued in 2013 in the amount of €300 million was fully repaid in October 2020.

bioMérieux SA also had €35 million in negotiable debt securities at December 31, 2020 (versus €50 million at December 31, 2019).

10.3 Debt schedule

In millions of euros	12/31/2020	12/31/2019
Due beyond 5 years	205.7[(a)]	3.2
Due in 1 to 5 years	12.4	10.7
TOTAL DUE BEYOND 1 YEAR	**218.0**	**13.9**
Due within 1 year	393.6 [(b)]	479.3
TOTAL BORROWINGS	**611.7**	**493.2**
Cash investments	-44.5	-22.1
Cash and financial instruments	-298.1 [(c)]	-197.0
NET DEBT	**269.1**	**274.1**

(a) Including a bond issue of €200 million. At December 31, 2019, the €300 million public bond was due within one year.
(b) Including cash pooling of €355.6 million, versus €124.4 million at December 31, 2019 (which included €301.8 million owed to BioFire, versus €59.9 million at December 31, 2019).
(c) Including cash pooling of €134.7 million, versus €44.8 million at December 31, 2019 (which included a receivable from bioMérieux Inc. of €49.8 million versus a payable of €18.5 million at December 31, 2019, and a receivable from Institut Mérieux of €51.4 million, versus €14 million at December 31, 2019).

NOTE 11 TRADE AND OPERATING PAYABLES

Trade and other operating payables *In millions of euros*	12/31/2020	12/31/2019
Trade payables	**185.8**	**168.7**
Tax and social-security debts	149.1	126.2
Deferred income	5.8[(a)]	4.7
Other payables	12.7	11.8
Other operating payables	167.6	142.6

(a) Including a lease and maintenance agreement for €3.8 million and the sale of reagents and instruments for €2 million.

Trade and other operating payables *In millions of euros*	12/31/2020	12/31/2019
Trade payables		
Due within one year	185.8	168.7
TOTAL	**185.8**	**168.7**
Other operating payables		
Due within one year	167.2	142.4
Due beyond one year	0.5	0.2
TOTAL	**167.6**	**142.6**

NOTE 12 ACCRUED EXPENSES AND INCOME

Accrued expenses and income *In millions of euros*	12/31/2020	12/31/2019
Miscellaneous borrowings	8.7	2.3
Trade payables	58.6	50.1
Tax and social-security debts	133.6	112.2
Other operating payables	10.0	10.0
Other non-operating payables	9.3	12.7
TOTAL ACCRUED EXPENSES	**220.1**	**187.3**
TOTAL ACCRUED INCOME	**28.8**[(a)]	**21.2**

(a) Including unbilled customer payables (€25.1 million compared to €17.9 million at December 31, 2019) and accrued interest on loans to subsidiaries (€1.7 million at December 31, 2020 versus €2 million at December 31, 2019).

NOTE 13 SALES

13.1 Accounting principles

Revenue from product sales (reagents and instruments) and related services (after-sales, training, delivery, etc.) are presented in "Revenues" on the profit & loss statement.

Revenue arising from the sale of products is recognized when all of the following criteria have been satisfied:

- the significant risks and rewards of ownership have been transferred to the buyer;
- the Company no longer has a continuing involvement in the effective control over the goods sold;
- the revenue and the costs incurred or to be incurred in relation to the transaction can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company.

These criteria are satisfied when reagents are delivered and when sold instruments are installed.

In the case of services (training, technical support, etc.), revenue is recognized only after the services have been rendered. Revenue from instrument maintenance contracts is deferred and recognized on the basis of the elapsed portion of the service contract.

Sales are measured at the fair value of the consideration received or receivable, net of any discounts and rebates granted to customers. Sales taxes and value-added taxes are not included in sales.

13.2 Change

Breakdown of revenue *In millions of euros*	France	Export	Total 12/31/2020	Total 12/31/2019
Sales of goods for resale	13.0	132.7	145.7	135.7
Sold production (goods)	179.2	749.8	929.0	889.5
Sold production (services)	22.6	203.9	226.5	233.0
TOTAL	**214.7**	**1,086.4**	**1,301.1**	**1,258.2**

Revenue by geographic area *In millions of euros*	12/31/2020	12/31/2019
France & Overseas France	218.6	197.7
Europe, Africa, Middle East	569.4	512.2
South America	45.1	44.5
North America	135.4	145.7
Asia Pacific	166.1	173.6
Other related activities not broken down	166.5	184.5
TOTAL	**1,301.1**	**1,258.2**

NOTE 14 RESEARCH & DEVELOPMENT EXPENSES

Research & development expenses are expensed as incurred except for amortization of research & development programs capitalized following the merger with AES Chemunex and CEERAM.

Research & development expenses in financial year 2020 amounted to €135.2 million, compared to €123.1 million the previous year.

NOTE 15 PERSONNEL COSTS AND EMPLOYEE BENEFITS

15.1 Change

Personnel costs *In millions of euros*	12/31/2020 12 months	12/31/2019 12 months
Wages and salaries	207.4	197.8
Discretionary profit-sharing	19.4	16.5
Social contributions and other personnel costs	101.3	95.3
TOTAL	**328.0**	**309.7**
AVERAGE HEADCOUNT	**3,697**	**3,674**
HEADCOUNT AT YEAR-END	**3,723**	**3,686**

Pursuant to the statutory formula, net income in 2020 did not call for mandatory employee profit sharing.

Compensation allocated to members of supervisory and senior management bodies (Company directors and members of the Executive Committee who are employees of the Company) in respect of their duties in 2020 consisted of directors' fees of €0.4 million and fixed and variable compensation of €9.9 million.

15.2 Workforce

Breakdown of headcount *In FTE*	12/31/2020 12 months	12/31/2019 12 months
AVERAGE HEADCOUNT		
Managers	1,828	1,794
Supervisors	53	53
Employees	36	30
Technicians	1,190	1,190
Blue-collar workers	590	607
TOTAL	**3,697**	**3,674**
HEADCOUNT AT YEAR-END		
Managers	1,858	1,818
Supervisors	53	53
Employees	33	38
Technicians	1,205	1,176
Blue-collar workers	574	601
TOTAL	**3,723**	**3,686**

NOTE 16 NET FINANCIAL EXPENSES

16.1 Accounting principles

Dividends received are recognized net of withholding taxes applicable in the country of origin.

16.2 Change

In millions of euros	12/31/2020	12/31/2019
Net finance costs	-8.4 [(a)]	-5.2
Impairment of investments	-12.3 [(b)]	-3.9 [(c)]
Provisions for financial contingencies and losses	-0.7	
Revenues from equity investments	54.1	42.4
Foreign exchange gains (losses)	-1.1	3.5
TOTAL	**31.7**	**36.8**

(a) Including a financial expense of €4.1 million in connection with the ADNA program, described in Note 20.2, up from €0.5 million in 2019.
(b) Including net additions relating to equity investments of €12 million, and €0.3 million relating to other long-term investments.
(c) Including net additions relating to equity investments of €4 million, and -€0.1 million relating to other long-term investments.

Income from equity investments includes the value of the bioMérieux Canada shares distributed by bioMérieux Inc. for €20.5 million.

16.3 Foreign exchange gains (losses)

Foreign exchange gains and losses result from differences between the transaction exchange rate and the settlement rate (or the year-end rate if the payment has not yet been made). These differences only partially reflect the impact of currency fluctuations.

Foreign exchange gains and losses on commercial transactions are recognized under the relevant headings in the profit & loss statement. The table below shows their income statement impact:

In millions of euros	12/31/2020	12/31/2019
Operation	-6.2	-10.7
Financial items	-1.1	3.5
TOTAL	**-7.3**	**-7.3**

NOTE 17 NON-RECURRING INCOME

In millions of euros	Income	Expenses	Net 12/31/2020	Net 12/31/2019
Exits and disposals of fixed assets	3.3	3.9	-0.6	30.3
Statutory provisions	10.7	14.6	-3.9	-0.4
Other non-recurring income and expenses	0.7	36.4	-35.7	-3.6
TOTAL	**14.7**	**54.9**	**-40.1**	**26.4**

Extraordinary charitable contributions made by bioMérieux SA in financial year 2020 were recognized in other non-recurring income and expenses in the amount of €35.9 million (see Note 2.4).

At December 31, 2019, disposals of fixed assets included €30.5 million in capital gains from the disposal of Quanterix securities.

NOTE 18 CORPORATE INCOME TAX

18.1 Change

At December 31, 2020, the Company recognized various tax credits totaling €24 million, including a research tax credit of an estimated €19.3 million for 2020 and a credit for charitable contributions of €3 million. These various tax credits represented the majority of non-operating receivables at December 31, 2020, and have a maturity of less than one year.

The results of tax audits performed on the 2016 and 2017 fiscal years were delivered during the year, with minor corrections needing to be made only to temporary differences.

Corporate income tax in 2020 showed net income of €18.4 million, versus an expense of €1.1 million the previous year.

18.1.1 Breakdown of Corporate income tax

In millions of euros	Before tax	Tax	12/31/2020 After tax	12/31/2019
Recurring income	45.5	17.0	62.5	92.9
Non-recurring income	-40.1	1.3	-38.8	26.5
Prior-year adjust.		0.1	0.1	0.2
NET INCOME FOR THE YEAR	**5.4**	**18.4**	**23.8**	**119.6**

18.1.2 Net income for the year excluding provisions recognized for tax purposes

In millions of euros	12/31/2020	12/31/2019
Net income for the year	23.8	119.6
Income tax	18.4	-1.1
Net income before tax	**5.4**	**120.6**
Accelerated depreciation, amortization and tax-regulated provisions	-3.9	-0.4
Total provisions recognized for tax purposes	**-3.9**	**-0.4**
NET INCOME BEFORE TAX AND EXCLUDING PROVISIONS RECOGNIZED FOR TAX PURPOSES	**9.3**	**121.0**
Income tax	18.4	-1.1
Tax on provisions recognized for tax purposes	1.3	0.1
NET TAX BENEFIT (EXPENSE)	**17.2**	**-1.2**
NET INCOME FOR THE FISCAL YEAR EXCLUDING PROVISIONS RECOGNIZED FOR TAX PURPOSES	**26.5**	**119.9**

18.1.3 Change in deferred taxes

In millions of euros	12/31/2020 Rate 28.41%	12/31/2019 Rate 32.02%
Accelerated depreciation, amortization and tax-regulated provisions	18.2	19.3
Depreciation of artwork	0.3	0.0
TOTAL DEFERRED TAX LIABILITIES	**18.6**	**19.3**
Non-deductible provisions and expenses	-10.4	-10.5
Unrealized foreign exchange gains	-0.2	-0.1
TOTAL DEFERRED TAX ASSETS	**-10.6**	**-10.5**
Tax credits carried forward	-14.6[(a)]	0.0
TOTAL FUTURE TAX BENEFIT (-) OR EXPENSE (+)	**-6.7**	**8.8**

(a) According to the French Tax Code (Code Général des Impôts), charitable contributions (made to non-profit organizations) eligible for a tax credit were capped at 0.5% of annual revenues for financial year 2020. Excess amounts may be partially carried forward over the next five years and will be eligible for tax credits after contributions for the year have been deducted within the threshold limit.

NOTE 19 HEDGING INSTRUMENTS

19.1 Accounting principles

The Company only uses financial instruments for hedging purposes, in order to limit risks stemming from changes in exchange rates and interest rates, whether related to assets and liabilities at the end of the period or to future transactions.

19.2 Exchange rate risk

In view of the significant proportion of bioMérieux SA's operations conducted outside the euro zone, its sales, earnings and assets and liabilities may be impacted by changes in exchange rates between the euro and other currencies. Sales are particularly affected by euro/US dollar exchange rate variations and, more occasionally, by fluctuations in the rate of the euro against other currencies.

bioMérieux SA's current policy is to seek to hedge the impact of exchange rate fluctuations on budgeted net income. It uses hedging instruments, when they are available at a reasonable cost, in order to mitigate risks relating to currency fluctuations. Hedging contracts are purchased to cover transactions included in the budget and not for speculative purposes.

Hedges consist mainly of forward currency sales and purchases (maturing within 18 months at December 31, 2020).

Hedging instruments used are backed against trade and financial receivables and payables.

Unrealized foreign exchange gains and losses on hedging instruments, related to the basis of trading prices at December 31, 2020 are recognized in the balance sheet whenever they are in a hedging relationship with receivables or payables.

Hedges in effect at December 31, 2020 were as follows:

- forward sales of €27.2 million to hedge trade receivables;
- forward sales of €31.2 million to hedge financial receivables;
- forward purchases of €272 million to hedge borrowings.

Furthermore, currency hedges were set up to cover the budget positions of the 2021 financial year. The net amount of these hedges is €248.9 million.

The market value at December 31, 2020 of all the budget hedges represents an unrealized gain of €2.3 million.

At December 31, 2020, the Company had no hedges covering the earnings of foreign subsidiaries.

The December 31, 2020 market value of financial hedges represented an unrealized loss of €0.4 million.

The table below shows the currencies in which revenues were generated:

	12/31/2020		12/31/2019	
In millions of euros	12 months	%	12 months	%
Eurozone	**781.0**	**60%**	**727.8**	**58%**
Other				
US dollar	158.6	12%	187.0	15%
Chinese Yuan	62.8	5%	67.0	5%
Pound sterling	51.1	4%	34.8	3%
Indian rupee	41.3	3%	36.0	3%
Czech koruna	34.2	3%	33.2	3%
Swiss franc	25.7	2%	22.0	2%
Swedish krona	21.9	2%	18.1	1%
Turkish lira	13.8	1%	13.0	1%
South African rand	9.9	1%	12.3	1%
Brazilian real	6.0	0%	7.6	1%
Other currencies	94.8	7%	99.3	8%
TOTAL	**1,301.1**	**100%**	**1,258.2**	**100%**

19.3 Interest rate risk

19.3.1 Exposure to interest rate risks

A Euro PP fixed-rate bond was set up in June 2020 comprising one seven-year €145 million tranche bearing an annual coupon of 1.50%, and one 10-year €55 million tranche, bearing an annual coupon of 1.902%.

The €45 million real estate finance lease set up in 2015 to finance Campus de l'Etoile is indexed to a variable rate. At December 31, 2020, there was no mechanism set up to back this financing.

19.3.2 Hedging instruments

At December 31, 2020, bioMérieux SA had no interest rate hedges.

NOTE 20 OFF-BALANCE SHEET COMMITMENTS

20.1 Financial commitments

20.1.1 Commitments given

In millions of euros	12/31/2020	12/31/2019
Endorsements and guarantees	128.4[(a)]	124.0
Finance lease and rent commitments	33.8	38.3
TOTAL	**162.2**	**162.3**

(a) Including related parties in the amount of €127.2 million.

In 2018, bioMérieux SA stood surety for a loan taken by bioMérieux Shanghai as part of the financing of the acquisition of the majority of the share capital of Suzhou Hybiome Biomedical Engineering Co. Ltd. This commitment amounted to €56.1 million at December 31, 2020.

The Company is also committed to various charitable initiatives for a total amount of €2 million over a four-year period and an annual amount of €2.1 million renewable each year, of which €2 million goes to the Fondation Christophe et Rodolphe Mérieux.

Finance lease		**Royalties**		**Depreciation and amortization expense**	
In millions of euros	**Gross**	**Financial year**	**Cumulative**	**Financial year**	**Cumulative**
Land	2.3	0.2	0.8		
Buildings	42.1	3.7	15.6	2.5	10.5
TOTAL	**44.4**	**3.9**	**16.5**	**2.5**	**10.5**

Finance lease	**Outstanding royalties**				**Residual**
In millions of euros	**< 1 year**	**1-5 years**	**> 5 years**	**Total**	**value**
Land	0.2	0.8	0.5	1.5	
Buildings	3.7	14.6	10.1	28.3	
TOTAL	**3.9**	**15.4**	**10.6**	**29.9**	

20.1.2 Commitments received

In millions of euros	12/31/2020	12/31/2019
Credit facilities with a banking syndicate	500.0	500.0
TOTAL	**500.0**	**500.0**

20.2 Research & development commitments

At December 31, 2020, commitments given in respect of various research agreements amounted to €3.3 million.

bioMérieux SA conducted research and development work as part of a research program known by the acronym "ADNA" (Advanced Diagnostics for New Therapeutic Approaches). The aim of the program is to develop a new generation of diagnostics and therapies focused on cancers, infectious diseases and genetic disorders. The program was coordinated by Institut Mérieux in partnership with Transgène, Genosafe and the Genethon association. In return, bioMérieux SA received subsidies (€16.1 million) and repayable grants (€7.5 million). If the products resulting from this research are commercially successful, bioMérieux SA will have to pay back these grants according to a payment schedule based on the revenue generated from these products, and will also have to pay a share of profits until 2030 (3.4% of revenue earned on the relevant products).

20.3 Commitments relating to equity investments

bioMérieux SA has committed with Amorçage Technologique Investissement (ATI) to responding to new calls for funds up to an amount of €0.2 million.

NOTE 21 RELATED PARTIES

21.1 Affiliated companies: balance sheet items

In millions of euros	12/31/2020	12/31/2019
TOTAL NON-CURRENT FINANCIAL ASSETS	**851.3**	**847.9**
Operating receivables	287.9	254.5
Non-operating receivables	2.2	0.0
TOTAL RECEIVABLES	**290.1**	**254.5**
TOTAL CASH[(a)]	**134.7**	**44.8**
Operating payables	94.0	81.7
Borrowings [(b)]	355.6	124.4
TOTAL PAYABLES	**449.6**	**206.1**

(a) Advances to subsidiaries for cash pooling.
(b) Advances from subsidiaries for cash pooling.

21.2 Affiliated companies: financial income and expenses

	12/31/2020	12/31/2019
In millions of euros	12 months	12 months
Net impairment of investments	-12.0	-4.0
Financial expenses	-23.9	-15.0
Revenues from equity investments	54.1	42.4
Financial income	41.9	20.0
TOTAL	**60.2**	**43.4**

Financial income includes exchange gains from the revaluation of the cash pooling (€36.4 million), interest on loans to subsidiaries and cash pooling (€3.9 million), the reversal of unrealized losses on intra-group loans (€1.3 million), foreign exchange gains on transactions on equity investments (€0.3 million), and dividends (€0.1 million).

Financial expenses include foreign exchanges losses on cash pooling (€17.9 million), unrealized foreign exchange losses on long-term loans (€3.1 million), interest on borrower cash pooling (€0.8 million), foreign exchange losses on transactions on equity investments (€0.7 million), dividends (€0.4 million) and intra-group loans (€0.2 million), and additions to provisions for financial risks on securities (€0.6 million).

21.3 Related party transactions

Institut Mérieux, which held 58.9% of bioMérieux SA at December 31, 2020, provided €9.7 million in services for bioMérieux SA over the financial year, reinvoiced to bioMérieux Inc. for €2.6 million, and to BioFire for €4.2 million. bioMérieux SA rebilled €0.9 million to Institut Mérieux for expenses paid on its behalf.

The Company rebilled €3.9 million, mainly for services and reagent sales, to entities of the Mérieux NutriSciences Corporation Group, in which Institut Mérieux holds a majority interest. Conversely, companies within the Mérieux NutriSciences Corporation group rebilled bioMérieux SA for €0.3 million in services.

Théra Conseil, 99.2% owned by Institut Mérieux, billed bioMérieux SA €1.2 million for services in respect of 2020.

bioMérieux SA contributed €2 million to the Fondation Christophe and Rodolphe Mérieux for humanitarian projects.

bioMérieux SA contributed €0.3 million to the Fondation Mérieux.

bioMérieux SA paid €2.8 million to Mérieux Université (in which bioMérieux SA and Institut Mérieux each hold a 40% interest, and Mérieux NutriSciences Corporation holds a 20% interest) in respect of training fees, and rebilled €2.1 million in other services.

ABL Inc., indirectly almost wholly owned by Institut Mérieux, billed bioMérieux SA for raw materials supplies for €0.9 million. bioMérieux SA rebilled other ABL Group companies for instruments and reagents for €0.1 million.

The companies of the Pierre Fabre Group were billed €0.4 million for services and reagent sales.

Bioaster billed bioMérieux SA €1.4 million for research expenses and fees. bioMérieux SA, in turn, rebilled Bioaster €0.1 million for services.

bioMérieux SA made a €0.1 million donation to the Université de Lyon Foundation.

Lumed billed research expenses for €0.1 million.

Banyan Biomarkers Inc. billed bioMérieux SA €0.1 million for raw materials and supplies.

bioMérieux SA rebilled €0.3 million to Mérieux Equity Partners for expenses paid on its behalf.

Lastly, the Company billed €0.1 million to Erytech Pharma for reagents and services.

6.2.3 Analysis of the results and other financial information

6.2.3.1 Revenue and financial position

Sales

During the year ended December 31, 2020, the Company's net revenue amounted to €1,301.1 million, as compared to €1,258.2 million for the previous year, representing a year-on-year increase of 3.4%.

The increase in revenue was primarily driven by the 7.6% increase in sales to subsidiaries in a context of Group sales growth, and the 10.5% increase in domestic market sales of products used in COVID-19 testing. By contrast, export sales (mainly to distributors) were down 7% due to lower volumes, particularly in the VIDAS® lines. This was only somewhat offset by growth in sales of COVID-19-related references.

Gross operating income (EBITDA)

Gross operating income was €140.7 million, i or 10.8% of revenue. It declined €23.3 million, or 14.2% year-on-year, due to higher payroll and external services costs (+€18 million and +€6 million respectively). The increase in sales did not generate increased value added and so failed to offset those higher costs.

Operating income

After depreciation, amortization and provisions, operating income decreased by €43.7 million, from €57.5 million in 2019 to €13.8 million at December 31, 2020.

This was due to the decline in EBITDA combined with the €25.3 million increase in depreciation, amortization and provisions (mainly in provisions for stock awards), inventory write-offs due to the COVID-19 pandemic and impairment losses on property, plant and equipment, particularly for under-used manufacturing equipment.

Net financial income

In 2020, net financial income was €31.7 million, versus €36.8 million the previous year.

This change was due primarily to a €4.6 million increase in net financial foreign exchange losses and a €4 million increase in the net cost of debt.

Recurring income

Net income before non-recurring items and tax totaled €45.5 million, versus €94.2 million one year earlier.

Non-recurring income

Non-recurring income at December 31, 2020 was a loss of €40.1 million, compared to income of €26.4 million at December 31, 2019. This year-on-year drop of €66.5 million was largely attributable to €35.9 million of extraordinary charitable contributions, and a €30.5 million. decline in income from the disposal of non-current financial assets.

Income tax and tax credits

Income tax amounted to net income of €18.4 million, compared to a net expense of €1.1 million at December 31, 2019.

The €4.5 million income tax expense (versus €23.4 million in 2019) was completely offset by tax credits, primarily the provisioned research tax credit of €19.3 million (versus €19 million in 2019), and tax credits for charitable contributions of €3 million (versus €2.3 million in 2019).

Net income

Net income for the financial year amounted to €23.8 million, compared with €119.6 million the previous year, or a year-on-year decline of €95.8 million. It represented 1.8% of sales, as compared to 9.5% in 2019.

Capital expenditures

Investments in intangible assets represented €10.8 million and primarily involved the development of IT solutions.

Investments in physical assets, amounting to €43.6 million, mainly involved €32.6 million of upgrades to manufacturing sites (€9.1 million in Marcy, €7.8 million in Craponne, €5.1 million in Grenoble, €5 million in Combourg and €4.7 million in La Balme).

Non-current financial assets (acquisitions/disposals) increased by €9.3 million in gross value, primarily from equity subscriptions and capital increases (including bioMérieux Suzhou Biotech Co. Ltd. for €31.3 million and bioMérieux Canada for €20.5 million) and the acquisition of Pertinence Invest 2 for €4 million. These were partially offset by a €49.2 million repayment on the loan granted to bioMérieux Inc.

6.2.3.2 Appropriation of net income and non-deductible expenses

Shareholders will be invited to appropriate distributable net income for the year ended December 31, 2020, totaling €23,812,951.44 and consisting of €117,597,841.77 in net income and €141,410,793.21 in retained earnings, as follows:

- €10,000,000 to be transferred to the General Reserve account, increasing the balance from €855,000,000.28 to €865,000,000.28;
- €0 to be transferred to the Special Philanthropic Reserve, increasing the balance from €993,092.58 to €993,092.58;
- €73,383,956.40 to be distributed as dividends, representing a dividend of €0.62 for each of the 118,361,220 shares comprising the share capital; to be paid on June 8, 2021;
- the balance of €58,026,836.81 is to be paid to Retained Earnings.

In accordance with Article L.225-210 of the French Commercial Code *(Code de commerce)*, the Company will not receive any dividends on treasury shares held at the ex-dividend date. The corresponding dividend amount will be allocated to "Retained earnings."

Under current French tax legislation, the dividends distributed to individuals domiciled in France for tax purposes are taxed in two phases:

- at their payment, the gross amount is subject to a mandatory non-discharging levy (French acronym PFNL) of 12.8% for income tax (Article 117 *quater* of the French Tax Code (Code général des impôts)) and social security withholdings of 17.2%. Low-income taxpayers may request exemption from the PFNL under certain circumstances;
- the following year, they are subject:
  - to tax at the flat rate of 12.8% (single flat-rate levy),
  - or, on option, to the progressive income tax schedule. In the latter case, an allowance of 40% of the gross amount received applies (Article 158, 3 2° of the French Tax Code).

The PFNL of 12.8%, deducted during the payment year, is deducted in this case from income tax. The excess, if any, is refunded.

The dividends paid for each of the past three years are presented in section 7.6.

Non-tax-deductible expenses

The 2020 financial statements include non-tax-deductible expenses as provided for in Articles 223 *quater* and 223 *quinquies* of the French Tax Code (Code général des impôts), amounting to €518,635. These represent the non-deductible portion of lease payments and depreciation charges for vehicles leased and purchased by bioMérieux SA. Income tax at the base rate paid in this respect amounted to €160,777.

6.2.3.3 Five-year financial summary (Article R. 225-102 of the French Commercial Code)

	Financial year ended 12/31/2020	Financial year ended 12/31/2019	Financial year ended 12/31/2018	Financial year ended 12/31/2017	Financial year ended 12/31/2016
I. SHARE CAPITAL AT YEAR-END					
Share capital *(in euros)*	12,029,370	12,029,370	12,029,370	12,029,370	12,029,370
Number of ordinary shares outstanding[(a)]	118,361,220	118,361,220	118,361,220	118,361,220	39,453,740
Number of preferred shares (without voting rights) outstanding	0	0	0	0	0
Maximum number of potential shares to be issued	0	0	0	0	0
By conversion of bonds	0	0	0	0	0
By exercise of subscription rights	0	0	0	0	0
II. TRANSACTIONS AND NET INCOME FOR THE FINANCIAL YEAR *(in euros)*					
Sales	1,301,088,081	1,258,157,229	1,188,752,991	1,137,563,972	1,038,853,374
Income before tax, employee profit-sharing, depreciation, amortization and provisions	112,241,543	164,775,272	135,210,344	167,690,845	81,341,294
Income tax[(b)]	-18,444,155	1,139,111	-562,410	-2,294,743	-8,533,578
Employee profit-sharing for the year				0	0
Income after tax, employee profit-sharing, depreciation, amortization and provisions	23,812,951	119,592,999	75,140,870	109,199,429	69,111,739
Dividends paid [(c)]	73,383,956	22,488,632	41,426,427	40,242,815	39,453,740
Special dividend paid from the general reserve	0	0	0	0	0
III. EARNINGS PER SHARE *(in euros per share)*					
Income after tax and employee profit-sharing, but before depreciation, amortization and provisions	1.10	1.38	1.15	1.44	2.28
Income after tax, employee profit-sharing, depreciation, amortization and provisions	0.20	1.01	0.63	0.92	1.75
Dividend per share	0.62	0.19	0.35	0.34	1.00
IV. EMPLOYEE DATA					
Average number of employees during the year[(d)]	3,697	3,674	3,649	3,554	3,427
Total annual payroll *(in euros)*	228,271,773	215,921,602	211,591,174	199,088,838	187,804,208
Total employee benefits paid during the year (social security, charities) *(in euros)*	99,680,527	93,736,765	101,882,387	88,884,116	84,651,059

(a) The number of shares tripled in 2017 after the three-for-one split voted by the Ordinary and/or Extraordinary Shareholders' Meetings of June 2017.
(b) The negative amounts signify tax income.
(c) Subject to the non-payment of dividends on treasury shares held on the ex-dividend date.
(d) Excluding interns and international work experience volunteers (VIE), data changed from that previously published in order to homogenize the headcount.

6.2.3.4 Information on payment periods

Trade payables at December 31, 2020 by due date

In accordance with Article D.441-4 of the French Commercial Code *(Code de commerce)*, invoices received and not paid at December 31, 2020 that are in arrears break down as follows:

Supplier invoices (non-Group)

	Invoices received that have not been settled on the balance sheet date and are in arrears					
	0 days (as a reference)	1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	Total (1 day or more)
(A) LATE PAYMENT RANGES						
Number of invoices concerned	131	28	121	65	303	517
Total amount of invoices concerned (inclusive of tax)	944,410	172,044	584,732	317,659	1,150,634	2,225,069
Percentage of total purchases for the financialyear	0.18%	0.03%	0.11%	0.06%	0.22%	0.42%
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED DEBTS OR UNRECOGNIZED DEBTS						
Number of invoices excluded			278			
Total amount of invoices excluded (inclusive of tax)			2,975,981			
(C) REFERENCE PAYMENT PERIOD USED (CONTRACTUAL OR STATUTORY PERIOD – ARTICLE L.441-6 OR ARTICLE L.443-1 OF THE FRENCH COMMERCIAL CODE)						
Payment schedules used in calculating late payments	Contractual period: 0 to 45 days from the end of the month, according to the contract					

Supplier invoices (non-Group and Group)

	Invoices received that have not been settled on the balance sheet date and are in arrears					
	0 days (as a reference)	1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	Total (1 day or more)
(A) LATE PAYMENT RANGES						
Number of invoices concerned	132	40	128	69	312	549
Total amount of invoices concerned (inclusive of tax)	1,155,307	1,176,350	1,240,980	637,030	1,706,048	4,760,407
Percentage of total purchases for the financial year	0.12%	0.14%	0.14%	0.07%	0.19%	0.54%
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED DEBTS OR UNRECOGNIZED DEBTS						
Number of invoices excluded			281			
Total amount of invoices excluded (inclusive of tax)			4,112,904			
(C) REFERENCE PAYMENT PERIOD USED (CONTRACTUAL OR STATUTORY PERIOD – ARTICLE L.441-6 OR ARTICLE L.443-1 OF THE FRENCH COMMERCIAL CODE)						
Payment schedules used in calculating late payments	Contractual period: 0 to 60 days from the end of the month, according to the contract for suppliers					

Trade receivables at December 31, 2020 by due date

In accordance with article D.441-4 of the French Commercial Code *(Code de commerce)*, invoices issued and not paid at December 31, 2020 that are in arrears break down as follows:

Client invoices (non-Group)

	Invoices issued that have not been settled on the balance sheet date and are in arrears					
	0 days (as a reference)	1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	Total (1 day or more)
(A) LATE PAYMENT RANGES						
Number of invoices concerned	2,757	1,879	1,506	685	4,168	8,238
Total amount of invoices concerned (inclusive of tax)	7,714,383	4,502,442	4,427,372	893,380	2,814,833	12,638,026
Percentage of revenue for the financial year	1.76%	1.02%	1.01%	0.20%	0.64%	2.88%
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNIZED RECEIVABLES						
Number of invoices excluded			2,526			
Total amount of invoices excluded (inclusive of tax)			19,947,062			
(C) REFERENCE PAYMENT PERIODS USED						
Payment schedules used in calculating late payments		Contractual periods:	France: between 30 days from the end of the month and 60 clear days Export: between 30 clear days and 120 clear days			

Client invoices (non-Group and Group)

	Invoices issued that have not been settled on the balance sheet date and are in arrears					
	0 days (as a reference)	1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	Total (1 day or more)
(A) LATE PAYMENT RANGES						
Number of invoices concerned	2,770	2,196	1,606	730	4,419	8,951
Total amount of invoices concerned (inclusive of tax)	7,628,463	9,122,684	10,559,574	3,282,629	10,061,013	33,025,900
Percentage of revenue for the financial year	0.56%	0.67%	0.78%	0.24%	0.74%	2.44%
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNIZED RECEIVABLES						
Number of invoices excluded			2,526			
Total amount of invoices excluded (inclusive of tax)			19,947,062			
(C) REFERENCE PAYMENT PERIOD USED (CONTRACTUAL OR STATUTORY PERIOD – ARTICLE L.441-6 OR ARTICLE L.443-1 OF THE FRENCH COMMERCIAL CODE)						
Payment schedules used in calculating late payments		Contractual periods:	France: between 30 days from the end of the month and 60 clear days Export: between 30 clear days and 120 clear days			

6.2.4 Report of the Statutory Auditors' on the annual financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors'assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

At the bioMérieux Annual General Meeting,

Opinion

In performing the duty entrusted to us by your Annual General Meetings, we conducted an audit of the annual financial statements of bioMérieux for the financial year ended December 31, 2020, as appended to this report.

We certify that with regard to French accounting rules and principles, the annual financial statements are reliable and faithfully reflect the operating results of the financial year just elapsed, as well as the financial position and assets of the Company at the close of the said financial year.

The opinion expressed above is consistent with the contents of our report to the Audit Committee.

Basis for opinion

Audit Standard

We conducted our audit according to generally accepted professional standards in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities by virtue of these standards are stated in the section "Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements" of this report.

Independence

We have conducted our audit in accordance with the rules of independence as set out in the French Commercial Code and in the French Code of Ethics for Statutory Auditors, over the period between January 1, 2020 to the date of issue of our report, and in particular we have not provided any services prohibited by Article 5(1) of EU Regulation No. 537/2014.

Justification for our assessments – Key points of the audit

The global crisis related to the COVID-19 pandemic creates special conditions for the preparation and audit of this financial year's accounts. Indeed, this crisis and the exceptional measures taken due to the health emergency have several consequences for businesses, in particular for their activity and financing, and create greater uncertainties about their future prospects. Some of these measures, such as travel restrictions and remote working, also had an impact on the internal organization of companies and on the way audits are performed.

In this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the key points of the audit relating to risks of material misstatements which, according to our professional judgment, were the most significant for the audit of the annual financial statements for the financial year, plus the answers we have provided to control these risks.

Our assessments on these matters are part of the audit approach of the annual financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on the elements of these annual financial statements taken separately.

Assessment of equity investments

Risk identified	Our response
Equity investments were recorded in the balance sheet in the net amount of €723.1 million at December 31, 2020, and represented 32.8% of the Company's balance sheet. They are recognized at their acquisition cost and impaired whenever their value in use falls below their acquisition cost. As stated in Note 3.3 of the notes to the annual financial statements, the value in use is estimated by the management either: • by taking into account the net carrying amount of the subsidiary at the balance sheet date, adjusted to reflect the value of any unrecognized identifiable assets (particularly real estate or technologies); • or, given the specific nature of certain investments, based on discounted future cash flows or on observable market financial inputs.	We analyzed the assessment method used and the figures on which it is based. For assessments based on historic elements, where appropriate adjusted to reflect the value of any unrecognized identifiable assets, our work consisted primarily in examining the consistency of the net assets used with the accounts of the entities that have been audited or subjected to analytical procedures, and in checking whether any adjustments made were supported by meaningful documentation. For assessments based on provisional data, our work consisted primarily in: • obtaining the cash flow and operating forecasts for the activities of the entities concerned and in assessing their consistency with the forecast data presented by senior management as part of the budgeting process;

Risk identified	Our response
The estimation of the value in use of these securities requires that the management exercise its judgment in selecting the elements to be considered depending on the investments concerned (cash flow, discount rate, etc.). Due to this and to the uncertainties inherent in some elements, such as the probability of achieving forecasts, we have considered the assessment of equity investments to be a key audit matter.	• analyzing the consistency of the assumptions used with the economic environment at the closing and preparation dates of the financial statements; • assessing the discount rate used for the discounting of cash flows.

Specific verification

In accordance with the professional standards applicable in France, we have also undertaken the specific verifications required by law and by regulations.

Information given in the management report and in the other documents sent to shareholders about the Company's financial position and annual financial statements

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the annual financial statements.

We hereby certify the fairness and the consistency with the annual financial statements of the information regarding payment periods described in Article D. 441-6 of the French Commercial Code.

Report on corporate governance

We certify that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information disclosed in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code, relating to compensation and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled by it and included in the scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information on the elements that your Company considered likely to have an impact in the event of a takeover bid with stock purchase or exchange, provided pursuant to the provisions of Article L. 22-10-11 of the French Commercial Code, we verified their compliance with the documents from which they were created and that were forwarded to us. On the basis of these verifications, we have no observation to make with regard this information.

Other information

As required by law, we are satisfied that the various disclosures about the identity of those who hold equity and voting rights have been communicated to you in the management report.

Other verifications or information required by laws and regulations

Format of the annual financial statements to be included in the annual financial report

In accordance with the professional standard on the due diligence of statutory auditors in relation to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified compliance with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, as presented in the annual financial statements to be included in the annual financial report referred to in Article L. 451-1-2, I of the French Monetary and Financial Code. These have been prepared under the responsibility of the chairman and chief executive officer.

Based on our work, we conclude that the presentation of the annual financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the annual financial statements that your company will include in the annual financial report filed with the AMF correspond to those we have audited.

Appointment of Statutory Auditors

We were appointed Statutory Auditors of bioMérieux by your General Meeting of May 30, 2017 for GRANT THORNTON and May 30, 2012 for ERNST & YOUNG et Autres.

At December 31, 2020, GRANT THORNTON was in the fourth continuous year of its audit engagement, while ERNST & YOUNG et Autres was in the ninth year.

Responsibilities of senior management and the persons constituting corporate governance for the annual financial statements

Senior management is responsible for the preparation of annual financial statements that present a true view in compliance with French accounting rules and principles, together with the implementation of the internal control that it deems relevant to the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, senior management is responsible for assessing the Company's ability to continue as a going concern, to present in these financial statements, if necessary, information concerning the continuity of the Company's operations and to apply the accounting policy of going concern, unless there are plans to unwind the Company or discontinue the business.

The Audit Committee is responsible for monitoring the financial reporting preparation process and the effectiveness of internal control and risk management systems and, if necessary, the Internal Audit Department with respect to procedures relating to preparation and treatment of financial and accounting information.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements

Audit objective and procedure

It is our duty to draw up a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements, taken as a whole, are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or result from errors and are considered as material when it can be reasonably expected that, taken singly or together, they can influence the economic decisions that users of the financial statements take based thereon.

As stated in Article L. 823-10-1 of the French Commercial Code, our engagement to certify the financial statements does not consist in guaranteeing the viability or quality of management of your Company.

Within the framework of an audit conducted in compliance with professional standards applicable in France, the statutory Auditor exercises his professional judgment throughout the audit. Furthermore:

- the statutory auditor identifies and assesses the risks whereby the annual financial statements may contain material misstatements, whether from fraud or errors; defines and implements audit procedures in view of those risks; and collects the elements they consider sufficient and appropriate on which to base their opinion. The risk of not detecting a material misstatement arising from fraud is higher than the risk of a material misstatement resulting from error, because fraud may imply collusion, falsification, voluntary omissions, false declarations or the circumvention of internal control;
- the statutory auditor reviews the relevant internal control for the audit in order to define the appropriate audit procedures for the circumstances and not to express an opinion on the effectiveness of internal control;
- he assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management, as well as information concerning these methods provided in the annual financial statements;
- he assesses the appropriateness of the application by the management of the going concern concept and, according to the elements collected, whether or not there is a material uncertainty linked to events or circumstances likely to compromise the Company's ability to continue as a going concern. This assessment is based on the information collected until the date of his report. It is however pointed out that subsequent circumstances or events could jeopardize continuity as a going concern. If he concludes that there is a material uncertainty, the statutory auditor draws the attention of the readers of the report to the information provided in the annual financial statements about such uncertainty, or if this information is not provided or is not relevant, he issues a certification with reservations or a refusal to certify;
- they assess the overall presentation of the annual financial statements and whether these reflect underlying operations and events, so as to give a true view.

Report to the Audit Committee

We submit a report to the Audit Committee that presents, in particular, the scope of the audit and the work schedule implemented as well as the conclusions of our audit. Our audit also informs the Audit Committee of any material weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and treatment of accounting and financial information.

The points mentioned in the report to the Audit Committee include the risks of material misstatements that we consider to have been the most important for the audit of the annual financial statements of the financial year, which therefore constitute the key points of the audit, which it is our duty to describe in this report.

We also submit to the Audit Committee the declaration provided in Article 6 of EU Regulation No. 537-2014 confirming our independence, as defined in the rules applicable in France, as set out in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Statutory Auditors' Professional Code of Ethics. If necessary, we will meet the Audit Committee to discuss the risks that threaten our independence and the safeguard measures applied.

Lyon, March 15, 2021

The Statutory Auditors

GRANT THORNTON

French member of Grant Thornton International

Françoise Mechin

ERNST & YOUNG et Autres

Nicolas Perlier

07

SHARE CAPITAL AND SHAREHOLDING

7.1 SHAREHOLDER DIALOGUE

To ensure constant dialogue, the Company strives to maintain and strengthen the trust of its shareholders by informing them of the life of the Company, regularly, transparently and accessibly. bioMérieux pays particular attention to communicating with its shareholders. This dialogue enables it to better understand their expectations and to resolve any disagreements.

The Company has always been committed to continuous improvement. To meet the needs expressed, it regularly enriches its content whenever possible, in particular in terms of governance, compensation and preparation of the Annual General Meeting. Shareholders may find informational documents such as the universal registration document, the annual report and financial publications in the investor area on the bioMérieux finance website (*www.biomerieux.com*).

Over and above formal dialogue in the form of votes in the Annual General Meeting, the Company holds numerous meetings with institutional investors, attesting to its commitment to interaction. These meetings allow shareholders or investors interested in the Company to interact with the management and to ask in-depth questions about its business, its strategy, its performance or its prospects (risks and opportunities).

The Investor Relations department holds around 250 to 300 discussions and meetings with investors and financial analysts every year, chiefly in Europe and the United States, where a large majority of its shareholders are located. In 2020, owing to the health crisis, most of the meetings were held by videoconference.

7.2 MAIN INFORMATION ABOUT BY LAWS

7.2.1 Corporate purpose

Article 2 of the bylaws stipulates that the Company's purpose, in France and elsewhere, is to:

- manufacture, produce, process, package, distribute, buy, sell, import and export any products and devices and any techniques and know-how used in particular for diagnoses, prevention and treatment, notably in the field of healthcare;
- carry out all studies and research and develop, acquire, grant, keep, control, use, improve, including through the use of licenses and sub-licenses, all trademarks, brand names, patents, techniques, inventions, improvements, formulas, designs, processes, etc. in any way related to the abovementioned products or to the manufacturing and trading of such products;
- participate, either directly or indirectly, in all business and manufacturing transactions related in any way whatsoever to the abovementioned purposes or likely to promote them, either through the creation of new companies, the contribution, subscription or purchase of securities or Company rights, through mergers, alliances, joint holdings, or by any other means;
- perform all transactions in its line of business, either alone and on its own behalf or on behalf of a third party, on commission, as a broker, for a fee, on a cost basis, as representative or proxy for any entity or in any other capacity;
- provide all services relating to the organization of bioMérieux's systems including lab automation, the purchase and assembly of equipment and specialized software; propose training courses for all healthcare professionals working within the key fields of industrial and medical biology;
- generally, perform all business, manufacturing, financial or other transactions directly or indirectly related to the above purposes or to any similar purposes, including the development of ways to expand, promote, advertise, trade or transport raw materials, semi-finished or finished products, as well as the ability to purchase, acquire, hold, transfer, lease, mortgage or dispose of goods, whether movable or immovable, tangible or intangible, related to the above purposes or likely to develop them.

7.2.2 Rights and privileges attached to shares

7.2.2.1 Appropriation of income

Article 10 of the bylaws stipulates that each share entitles its holder to a proportionate share of income corresponding to the percentage of capital it represents.

Article 22 specifies that the income for the year, less any accumulated losses, is subject to a deduction of (i) at least five per cent allocated to the legal reserve, a deduction which ceases to be mandatory once the reserve represents one tenth of the share capital but becomes mandatory again if the legal reserve falls to below one tenth of the share capital for any reason, and (ii) any amount to be set aside as reserves as required by law.

The balance, plus any retained earnings, represents distributable net income that the Annual General Meeting may, on recommendation of the Board of Directors, distribute in whole or in part as dividends, or allocate to reserve accounts, capital amortization or retained earnings.

The Annual General Meeting may allow shareholders the option to receive all or part of dividends or interim dividends distributed in either cash or shares, in accordance with the law. The Annual General Meeting may decide to use the reserves at its disposal to pay a dividend on shares. If this occurs, the relevant resolution must expressly state from which accounts funds are to be withdrawn.

In addition, the Annual General Meeting may resolve to use income or reserves, other than the legal reserve, to pay off some or all of the shares and to repay them up to their par value.

Article 23 of the bylaws specifies that the terms of payment of dividends are set by the Annual General Meeting or, failing that, by the Board of Directors. Dividends must be paid no more than nine months after the year-end, unless otherwise authorized by a court. The Board of Directors may, subject to the provisions of the law, distribute one or more interim dividends prior to the approval of the financial statements for the financial year.

7.2.2.2 Voting rights

Voting rights attached to shares are proportionate to the fraction of capital represented and each share entitles its holder to at least one vote (Article 20 of the bylaws).

All paid-up shares which have been held in registered form by the same shareholder for five years or more, based on the proportion of share capital they represent and irrespective of their class, carry double voting rights. The double voting right was approved by the Annual General Meeting in 1999. This policy aims to favor long-term shareholders who share the Company's long-term vision and its strategy.

Shares converted to bearer form or whose ownership changes, subject to the exceptions provided by law, automatically lose their double voting rights. Registered shares are not stripped of voting rights and the five-year period continues to run in the event of transfers following an inheritance, the liquidation of community property between spouses and inter vivos gifts made to a spouse or relatives entitled to inherit.

The Company's merger or demerger would not affect double voting rights, which may be exercised within the successor entity(ies) if their bylaws so permit.

In the event of a capital increase through the capitalization of reserves, profit or paid-in capital, new shares allocated in respect of existing shares carrying double voting rights will also have double voting rights from the date of issue.

7.2.2.3 Form of shares and identification of the shareholders

Fully paid-up shares may be held in registered or bearer form, at the shareholders' discretion, subject to applicable laws and regulations. Shares must be held in registered form until they are fully paid up (Article 8 of the bylaws).

The Company may apply statutory and regulatory provisions relating to the identification of holders of securities granting immediate or future voting rights at Annual General Meetings.

7.3 HISTORY OF SHARE CAPITAL

7.3.1 Amount of capital subscribed

The Company's share capital has not been modified in the last three years.

The number of shares issued is 118,361,220 (all shares are of the same class). On September 19, 2017, bioMérieux carried out a 1 for 3 stock split, dividing the par value per share by 3, following a decision by the Board of Directors dated August 29, authorized by the Ordinary and/or Extraordinary Annual General Meeting of May 30 of the same year, which endorsed this decision (18th resolution). The number of shares accordingly rose from 39,453,740 to 118,361,220.

The issued capital amounts to €12,029,370, fully paid up. The Annual General Meeting of March 19, 2001 eliminated reference to par value in the Company's bylaws.

On the date of filing of this universal registration document:

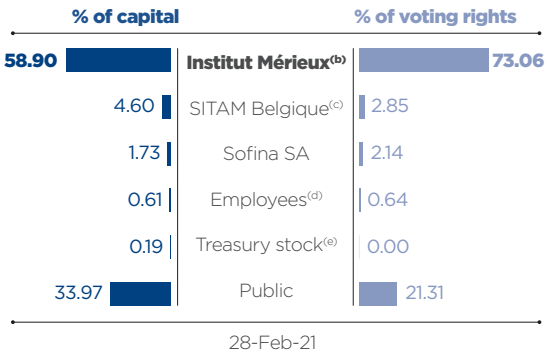
- there are no securities which do not represent share capital;
- the Company has not been informed of any pledging of shares;
- there are no other securities granting access to the Company's share capital;
- there are no options on the share capital of any Group member.

7.3.2 Ownership structure

The table below shows the Company's ownership structure on the dates indicated.

	Situation at 02/28/2021				Situation at 02/29/2020				Situation at 12/31/2018			
Shareholders[a]	Number of shares	% of capital	Number of theoretical voting rights [f]	% of voting rights	Number of shares	% of capital	Number of theoretical voting rights [f]	% of voting rights	Number of shares	% of capital	Number of theoretical voting rights [f]	% of voting rights
Institut Mérieux [b]	69,720,270	58.90	139,440,540	73.06	69,720,270	58.90	139,440,540	70.65	69,720,270	58.90	139,440,540	70.84
SITAM Belgique [c]	5,440,410	4.60	5,440,410	2.85	6,040,410	5.10	12,080,820	6.12	6,040,410	5.10	12,080,820	6.14
Sofina SA	2,046,857	1.73	4,093,714	2.14	2,506,857	2.12	5,013,714	2.54	2,506,857	2.12	5,013,714	2.55
Employees [d]	724,724	0.61	1,219,574	0.64	756,124	0.64	1,250,974	0.63	555,220	0.47	1,050,070	0.53
Treasury shares [e]	224,365	0.19	0.00	0.00	62,039	0.05	0.00	0.00	569,443	0.48	0.00	0.00
Public	40,204,594	33.97	40,664,441	21.31	39,275,520	33.19	39,568,990	20.05	38,969,020	32.92	39,266,751	19.95
Total	**118,361,220**	**100.00**	**190,858,679**	**100.00**	**118,361,220**	**100.00**	**197,355,038**	**100.00**	**118,361,220**	**100.00**	**196,851,895**	**100.00**

(a) Only the shareholders representing more than 5% of the capital are named in this table, except for two other reference shareholders: SITAM Belgique and Sofina SA (whose CEO, Harold Boël is a director of the Company). All other shareholders are included under Public.
(b) Institut Mérieux is the holding company of the Mérieux family.
(c) Formerly GIMD (Groupe Industriel Marcel Dassault), following the contribution by GIMD of its subsidiary SITAM Belgique (previously called Dassault Belgique Aviation) (see section 7.4.4.1).
(d) (d) This line includes employee share ownership through the OPUS CLASSIC Corporate mutual fund alone ("FCPE").
(e) Since July 2, 2018, shares have been held pursuant to the liquidity agreement with ODDO BHF.
(f) Theoretical voting rights are identical to actual voting rights.



Employee share ownership has not changed materially since December 31, 2017. Differences between the number of shares and the number of voting rights reflect the existence of double voting rights. As of the date of this Registration Document, all shares held by Institut Mérieux and Sofina SA have double voting rights.

On September 19, 2017, bioMérieux carried out a 1 for 3 stock split, dividing the par value per share by 3 (see section 7.3.1).

To the Company's best knowledge, no other shareholder directly or indirectly holds, alone or in concert, more than 5% of the Company's share capital or voting rights.

7.4 DESCRIPTION OF SHAREHOLDERS

7.4.1 Control of the issuer by Institut Mérieux

Institut Mérieux, which is the holding company owned by the Mérieux family through Compagnie Mérieux Alliance, held 58.90% of the share capital and 73.06% of the voting rights of the Company at February 28, 2021 (see section 1.2.4.1). Institut Mérieux is therefore able to adopt all the resolutions submitted for the approval of shareholders at Annual General Meetings.

Despite Institut Mérieux's position as the majority shareholder, the Company considers that there is no risk this control would be exercised in an abusive manner. This is because the Board of Directors is made up of five independent members out of nine (section 4.2.5) and has assessed its own performance to be satisfactory (see section 4.2.6.5).

To the best of the Company's knowledge, there are no shareholders' agreements, parties acting in concert and/or other joint actions, nor any other agreement whose implementation could result in a change of control of the Company.

7.4.2 Employee share ownership

At the last day of the financial year (December 31, 2020), employees held 1,140,755 shares or 0.96% of the share capital, including all of the shares held in an OPUS Classic Corporate Mutual Fund (FCPE).

In 2019, the Company proposed a new shareholding plan to its employees (*MyShare*) through which, upon authorization by the Board of Directors, it offered the possibility of buying bioMérieux shares with a discount and an employer contribution. This plan is renewed in 2021 (see section 3.6.3.1).

In the United States, a bioMérieux Inc. phantom share plan was implemented in 2015 and renewed in 2016 and 2017. The employees are not shareholders of the Company as such, but the plan makes it possible to link their individual contributions more closely to the Company's performance. BioFire also launched a similar plan in 2016 and 2017. No new plans have been established since 2018.

7.4.3 Treasury shares – Description of the share buyback program

7.4.3.1 Information on the conduct of the share buyback program

The Annual General Meetings of May 23, 2019 and June 30, 2020 authorized the Board of Directors to buy back shares of the Company in accordance with Articles L.22-10-62 et seq. of the French Commercial Code *(Code de Commerce)*.

At December 31, 2020, the Company held 214,682 shares, *i.e.* 0.18% of the share capital.

Summary of transactions in treasury shares between January 1, 2020 and December 31, 2020

Pursuant to the authorizations given by the Annual General Meetings of May 23, 2019 and June 30, 2020:

- Under the liquidity agreement consistent with the AMAFI Code of Ethics, approved by the AMF and entered into between the Company and ODDO BHF, it performed the following transactions in its capacity as investment services provider.

Shares purchased	368,012
Average purchase price	€112.63
Shares sold	376,560
Average selling price	€113.87
Fees and commissions	0
Number of treasury shares held at December 31, 2020	13,149
Value of shares held at the end of the year based on their average purchase price	€1,481,031
Carrying amount at December 31, 2020	€1,534,232
Nominal value of shares	/
Purpose of transactions	Regulation of prices
Percentage of treasury shares held at year-end	0.01%

The acquisition of the shares by ODDO BHF was undertaken exclusively to maintain a liquid market in the Company's shares through market-making transactions carried out by an independent investment services provider under a liquidity agreement that complies with the AMAFI Code of Ethics approved by the French financial markets authority (*Autorité des marchés financiers* – AMF).

- Under an agency contract concluded with Natixis with the aim of returning the shares upon exercise of the rights related to the free allocation of shares to employees and corporate officers of the Company or Companies of the Group, as well as under the MyShare shareholder plan (see section 3.6.3.1), in accordance with the authorizations given by the Annual General Meeting.

Shares purchased	172,493
Average purchase price	€115.02
Shares sold	0
Average selling price	/
Number of treasury shares held at December 31, 2020	201,533
Value of shares held at the end of the year based on their average purchase price	€23,179,586
Carrying amount at December 31, 2020	€21,513,030
Nominal value of shares	/
Purpose of transactions	Delivery of shares during the allocation of free shares or to the employee share ownership plan *MyShare*
Percentage of treasury shares held at year-end	0.17%

Use of derivatives

The Company did not use derivatives as part of this share buyback program and there were no open positions to buy or sell derivatives at the date this universal registration document was filed.

7.4.3.2 Description of the new share buyback program

Pursuant to Article 241-2 of the AMF General Regulations, this paragraph is a description of the buyback program to be put to the Ordinary and/or Extraordinary Annual General Meeting of May 20, 2021 for approval.

Buy-back program objectives

Under the share buyback program, purchases will be made based on the following objectives: (i) maintaining a buoyant secondary market or a liquid market in the bioMérieux shares through an independent investment service provider, operating under a liquidity agreement that complies with the decisions of the French financial markets authority (*Autorité des marchés financiers* – AMF); (ii) ensuring the hedging of stock option plans and/or share grant or purchase plans (or similar) for Group employees and/or corporate officers as well as of any granting of shares under the Group's Employee Savings Plan (or similar plan), Company profit-sharing schemes and/or any other granting of shares to Group employees and/or corporate officers; (iii) reducing the Company's share capital by canceling shares within legal limits; (iv) hold shares purchased and swapped again at a later date or expansion investments or be paid out as part of any external expansion operations; and (v) implementing any market practice that is accepted or is to be accepted by market authorities.

Summary of the main features of the buy-back program

- Relevant securities: ordinary shares.
- Maximum stake proposed to the Ordinary and/or Extraordinary Annual General Meeting of May 20, 2021: 10% of the number of shares making up the Company's share capital (at any time, as this percentage applies to a share capital adjusted according to the transactions affecting it).
- Maximum buyback percentage of shares purchased by the Company to be held and subsequently delivered as payment or in exchange as part of a merger, spin-off or contribution: 5%.
- Maximum unit purchase price: the unit purchase price must not exceed €250 per share (excluding acquisition-related costs).
- Total cost of program: the maximum theoretical cost of implementing this program is €2,959,030,500 (maximum theoretical amount not taking into account the shares owned by the Company). However, the Board of Directors could adjust the aforementioned purchase price in the event of a change in the share's par value, of a capital increase through the capitalization of reserves and granting of free shares, of share splits or consolidation, of capital redemption or reduction, of the distribution of reserves or other assets, or of any other transactions affecting equity, in order to take into account the incidence of such transactions on the share value.

Breakdown per objective of shares held by the Company as of February 28, 2021

At February 28, 2021, the Company's share capital is made up of 118,361,220 shares. On this date, the Company held 224,365 shares, *i.e.* 0,19% of the share capital:

- of which 22,832 shares under the liquidity contract concluded with ODDO BHF. The shares purchased by ODDO BHF were acquired exclusively to maintain a liquid market in the Company's shares through market-making transactions carried out by an independent investment service provider under a liquidity agreement that complies with the AMAFI Code of Ethics approved by the AMF;
- of which 201,533 shares under an agency agreement entered into with Natixis with the sole objective of delivering shares upon the exercise of rights in connection with free share grants to employees and corporate officers of the Company or companies within the Group.

The purchase, sale and transfer of the aforementioned securities was carried out to meet two of the program's objectives approved by the Annual General Meetings of May 23, 2019 and June 30, 2020, *i.e.* maintaining a liquid market in the Company's shares through market-making transactions carried out by an independent investment service provider under a liquidity agreement that complies with a Code of Ethics, approved by the AMF and delivering shares upon the exercise of rights in connection with free share grants to employees of the Company or companies within the Group, or the delivery of shares under the employee share ownership plans MyShare 2021. The Company has not canceled any shares in the last 24 months and acquired no shares prior to April 16, 2014, date on which the new share buyback program under Regulation (EU) 596/2014 and Directive 2014/57/EU (the combined "Market Abuse" provisions).

The Company has not used derivatives as part of this share buyback program and there have been no open positions to buy or sell derivatives at the date this buyback program description was published.

Term of program

In compliance with the provisions of Article L.22-10-62 of the French Commercial Code *(Code de Commerce)* and the draft motion to be put to the Annual General Meeting on May 20, 2021, this buy-back program may be implemented over an eighteen-month period from the Annual General Meeting until November 19, 2022.

7.4.4 Other transactions carried out by shareholders

7.4.4.1 Crossing of thresholds

Obligations of the shareholders

Shareholders have a legal obligation to notify the Company and the French financial markets authority (*Autorité des marchés financiers* - AMF) by letter when a legal threshold is crossed, specifying in particular their fractional ownership of the Company's shares and voting rights, within the legal deadline.

Furthermore, Article 10 of the Company's bylaws requires individuals or legal entities, acting alone or in concert, who directly or indirectly own (within the meaning of Articles L.233-7 et seq. of the French Commercial Code *[Code de Commerce]*) 1% of the Company's share capital or voting rights, and thereafter for each additional 1%, to report to the Company by registered letter with acknowledgment of receipt, within five trading days of the date the threshold was crossed, the total number of shares and voting rights held, as well as the number of securities carrying immediate or future entitlement to shares and the potential voting rights attached thereto.

The same obligation applies whenever ownership of shares or voting rights falls below each of the aforementioned thresholds.

In the event of failure to comply with these requirements, the shares in excess of the relevant threshold will be stripped of voting rights for all Annual General Meetings held within the two-year period from the date when the omission is remedied, at the request of one or more shareholders holding at least 5% of the Company's capital or voting rights, as evidenced in the minutes of the General Meeting.

Intermediaries acting as holders of securities for non-resident shareholders, pursuant to Article L.228-1 of the French Commercial Code *(Code de Commerce)*, are required to report increases or decreases if their aggregate holdings exceed or fall below the above thresholds, without prejudice to the reporting obligations of the securities' holders.

Crossing of thresholds reported to the Company in financial year 2020

Shareholders	Date	Description of threshold crossed
Institut Mérieux	November 6, 2020	disclosure threshold of 71% of voting rights exceeded
	December 4, 2020	disclosure thresholds of 72% and 73% of voting rights exceeded
Sofina S.A.	November 5, 2020	disclosure threshold of 2% of capital not reached
Groupe Industriel Marcel Dassault.	March 6, 2020	disclosure threshold of 5% of capital not reached
	November 16, 2020	disclosure thresholds of 4, 3, 2 and 1% of capital and 5, 4, 3, 2 and 1% of voting rights not reached
SITAM Belgique S.A.	November 16, 2020	disclosure thresholds of 1, 2, 3 and 4% of capital and 1 and 2% of voting rights exceeded
Amundi	February 25, 2020	disclosure threshold of 1% of capital exceeded
	April 21, 2020	disclosure threshold of 1% of capital not reached
Jupiter Asset Management Limited	March 11, 2020	disclosure threshold of 3% of capital not reached
	October 19, 2020	disclosure threshold of 2% of capital not reached
Candriam	April 30, 2020	disclosure threshold 1% capital and voting rights not reached
BlackRock Investment Management Limited	December 4, 2020	disclosure threshold of 2% of capital not reached
	December 15, 2020	disclosure threshold of 2% of capital exceeded
	December 23, 2020	disclosure threshold of 2% of capital not reached
	December 28, 2020	disclosure threshold of 2% of capital exceeded
AXA S.A	December 17, 2020	disclosure threshold of 1% of capital not reached
	December 24, 2020	disclosure threshold of 1% of capital exceeded
Norges Bank Investment Management	December 18, 2020	disclosure threshold of 1% of capital not reached

Crossing of thresholds reported to the Company in 2021 until the publication date of the universal registration document

Shareholders	Date	Situation concerning crossing of threshold
BlackRock Investment Management (UK) Limited	January 4, 2021	disclosure threshold of 2% of capital not reached
	January 5, 2021	disclosure threshold of 2% of capital exceeded
	January 12, 2021	disclosure threshold of 2% of capital not reached
	January 15, 2021	disclosure threshold of 2% of capital exceeded
	February 3, 2021	disclosure threshold of 2% of capital not reached
	February 4, 2021	disclosure threshold of 2% of capital exceeded
	February 12, 2021	disclosure threshold of 2% of capital not reached
	February 24, 2021	disclosure threshold of 2% of capital exceeded
	February 25, 2021	disclosure threshold of 2% of capital not reached
Jupiter Asset Management Limited	February 1, 2021	disclosure threshold of 1% of voting rights not reached
Amundi	March 9, 2021	disclosure threshold of 1% of capital exceeded

7.4.4.2 Trading in the Company's shares by senior executives or by their close relations

The Company has been informed that the following securities transactions were carried out by senior executives in 2020 and reported in accordance with the procedures set forth by the French financial markets authority (*Autorité des marchés financiers* – AMF):

Number of shares purchased: 481

- Marc Lemarchand, a close relation of Agnès Lemarchand, director of bioMérieux:
  - Acquisition of 143 shares at a unit price of €103.1046 on March 24, 2020.
  - Acquisition of 338 shares at a unit price of €121.3839 on December 9, 2020.

Number of shares sold. 622,843

- Randy Rasmussen, *Executive Vice President* Molecular biology, bioMérieux:
  - Disposal of 14,849 shares at a unit price of €83.83 on January 17, 2020.
  - Disposal of 232 shares at a unit price of €85.4112 on January 20, 2020.
  - Disposal of 7,419 shares at a unit price of €84.9689 on March 3, 2020.
- Groupe Industriel Marcel Dassault (GIMD), entity closely related to Marie-Hélène Habert-Dassault, director of bioMérieux and member of the Supervisory Board of GIMD:
  - Disposal of 600,000 shares for an amount of €49,200,000 on March 4, 2020.
- Marc Lemarchand, a close relation of Agnès Lemarchand, director of bioMérieux:
  - Disposal of 230 shares at a unit price of €129.4450 on May 14, 2020.
  - Disposal of 113 shares at a unit price of €117.77 on June 3, 2020.

Number of shares subscribed: N/A

Number of shares exchanged: N/A.

7.4.5 Authorized unissued share capital

TABLE SUMMARIZING VALID AUTHORIZATIONS

Relevant securities	Date and duration of the authorization Expiration	Maximum nominal amount of capital increase *(in millions of euros)*	Use of authorizations *(in millions of euros)*
Authorization by the Board to reduce the share capital by canceling treasury shares	AGM May 23, 2019 26 months July 22, 2021	10% of the share capital per 24-month period	N/A
Delegation of authority to the Board to increase the share capital without the shareholders' pre-emptive subscription rights. *Capital increase by issuing equities and securities (17th resolution)*	AGM May 23, 2019 26 months July 22, 2021	4,210 (capital increases)[(a)] 1,000 (issues of securities representing receivables)[(b)]	N/A
Delegation of authority to the Board to increase the share capital without the shareholders' pre-emptive subscription rights. *Capital increase by issuing equities and securities (18th resolution)*	AGM May 23, 2019 26 months July 22, 2021	4,210 (capital increases)[(a)] 1,000 (issues of securities representing receivables)[(b)]	N/A
Delegation of authority to the Board to increase the capital by issuing ordinary shares and/or securities giving access to the capital of the Company or giving the right to the awarding of debt securities, without pre-emptive subscription rights, as part of an offer referred to in Article L.411-2 II of the French Monetary and Financial Code (Code monétaire et financier) (19th resolution)	AGM May 23, 2019 26 months July 22, 2021	20% of the capital per year[(a)] 1,000 (issues of securities representing receivables)[(b)]	N/A
Delegation of authority to the Board to increase the number of shares in the event of a capital increase (21st resolution)	AGM May 23, 2019 26 months July 22, 2021	15% of the initial issue within the limit of the ceilings[(a)(b)]	N/A
Delegation of authority to the Board to increase the capital as part of in-kind contributions granted to the Company, without the pre-emptive subscription rights *Capital increase by issuing equities or securities (22nd resolution)*	AGM May 23, 2019 26 months July 22, 2021	10% of the capital (on the day of implementation of the delegation) [(a)]	N/A
Delegation of authority to the Board to increase the capital by incorporating additional paid-in capital, reserves, profits or other items (23rd resolution)	AGM May 23, 2019 26 months July 22, 2021	4,210[(a)] as of the Shareholders' Meeting of May 23, 2019	N/A
Delegation of authority to the Board to increase the capital without pre-emptive subscription rights as part of the issue by subsidiaries or by the parent company of securities giving access to the Company's securities (24th resolution)	AGM May 23, 2019 26 months July 22, 2021	4,210 (capital increases)[(a)] 1,000 (issues of securities representing receivables)[(b)]	N/A
Delegation of authority to the Board to increase the capital for employees participating in the employee savings plan (PEE) *Issues reserved for employees (17th resolution)*	AGM May 23, 2019 26 months July 22, 2021	3%[(a)] of the capital on the date of the AGM of May 23, 2019	N/A
Delegation of authority to the Board to grant stock purchase and/or subscription options (17th resolution)	AGM June 30, 2020 38 months August 30, 2023	0.95% of the capital existing on the day of the assignment	N/A
Free share grants (existing or to be issued) (16th resolution)	AGM June 30, 2020 38 months August 30, 2023	0.95% of the capital (on the day of the Meeting)	126,026 shares[(c)] (0.11% of the capital)

(a) Maximum nominal amount of €4,210,280 for capital increases and of €1 billion for issues of debt securities. This percentage/amount must be offset against the total authorized capital increase of €4,210,280 (nominal amount).
(b) This amount must be offset against the aggregate capital increase through the issue of debt securities of €1 billion (nominal amount).
(c) Board of Directors' Meeting of September 1, 2020.

7.5 BIOMÉRIEUX SHARES IN 2020

7.5.1 bioMérieux equity market

bioMérieux shares have been traded publicly since July 6, 2004 in the CAC Mid 60®, SBF 120®, CAC Mid & Small®, CAC All-tradable® and CAC All-Share® French market indices. In addition, bioMérieux has been included in new indices since 2017, specifically MSCI France Index and STOXX ® Europe 600. The Company's shares are listed on compartment "A" of the Eurolist market and are eligible for deferred settlement service (Service de Règlement Différé – SRD).

bioMérieux's social, Corporate and environmental commitment has been recognized for a number of years by non-financial rating agencies (see introduction section 3).

At the end of December 2020, the closing price for the bioMérieux share was €115.40 (€79.35 at the end of December 2019), and bioMérieux's market capitalization was €13.7 billion. In 2020, 34,971,950 of the Company's shares were traded on Euronext compared with 23,879,941 in 2019.

During 2020, the average liquidity of the bioMérieux share was as follows (source: Thomson Reuters Eikon):

- average closing price: €115.65;
- average daily trading volume: 136,078 shares;
- average trading day: approximately €15.4 million.

7.5.2 Change in bioMérieux share price in euros during 2020 compared to benchmark indices

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Low	79.00	81.50	75.00	100.30	111.20	108.50	120.40	122.70	111.40	124.90	110.40	113.10
High	91.60	97.40	125.10	124.10	138.00	129.40	138.60	143.20	133.80	144.80	137.80	123.00
Closing	89.45	83.35	102.60	113.30	129.10	122.30	137.50	127.00	133.80	127.80	120.80	115.40

Source: Thomson Reuters Eikon, data extracted on January 12, 2021.

7.5.3 bioMérieux historical share price performance

Period	High (in euros)	Low (in euros)	Closing (in euros)
2020	144.8	75.00	115.40
2019	83.15	53.10	79.35
2018	83.15	53.10	57.50
2017	74.80	47.52	74.69
2016	47.45	32.67	47.30

Source: Thomson Reuters Eikon, price recalculated after 1 to 3 stock split.

7.6 DIVIDEND POLICY

The distribution policy is decided in light of the yearly analysis of the Company's profits, its financial position and other factors that the Board of Directors considers relevant.

Dividends that remain unclaimed five years after their payment date are time-barred and remitted to the French government.

To respond to the unprecedented solidarity and liability issues imposed by the situation, the Board of Directors decided in mid-2020 to exceptionally cut by half the 2019 dividend, which it had initially set at €0.38 per share. The difference, *i.e.* approximately €22 million, was intended for solidarity actions in the countries where it operates (see section 3.7.3.1).

At the Annual General Meeting to be held on May 20, 2021, the Board of Directors will recommend a dividend of €0.62 per share, representing a total of €73.4 million to be paid on June 8, 2021.

The table below presents the dividends (in euros) paid by the Company for each of the past three financial years.

Financial year ended	Dividends distributed (in euros) *	Dividend per share (in euros) *
12/31/2019	22,488,632	0.19
12/31/2018	41,426,427	0.35
12/31/2017	40,242,815	0.34

* *The Company did not receive any dividends on treasury shares held on the ex-dividend date. The corresponding dividend amount was allocated to "retained earnings." Individuals domiciled in France for tax purposes benefit from a tax deduction on the annual dividend in accordance with paragraph 2 of Article 158.3 of the French Tax Code (Code général des impôts).*

7.7 SPECIAL REPORT ON FREE SHARE GRANTS AND STOCK OPTIONS

This report was prepared in accordance with the provisions of Articles L.225-184 and L.225-197-4 of the French Commercial Code *(Code de Commerce)*. The Company does not currently have any stock option plans. No stock options were granted to corporate officers or employees by the Company or Group companies in 2020. At the date of this report, no stock options are exercisable.

For the financial year ended December 31, 2020, the Board of Directors granted 126,026 free shares under share grant plans set up by the Board – after consulting with the Human Resources and CSR Committee – pursuant to the authority granted to it by the Ordinary and Extraordinary Annual General Meetings of June 30, 2020.

In this connection, the Company allocated free shares to a corporate officer in respect of his office held in the Company. The Board of Directors thus allocated 6,375 free shares to Pierre Boulud, Chief Operating Officer (EC 2020 A&B plan).

The table below details the free shares granted at the end of the 2020 financial year:

Grant date	Number of shares granted	Share price (in euros)
September 1, 2020	126,026	125.00

The table below shows the number of free shares granted and not fully vested at the end of 2020:

Grant date	Share price *(in euros)*	Company employing the beneficiary	Number of shares granted	Beneficiary category
September 1, 2020		bioMérieux SA	29,000	8 members of the Executive Committee, of which 1 corporate officer
TOTAL EC 2020 PLAN (A&B)	**125.00**		**29,000**	**8 MEMBERS OF THE EXECUTIVE COMMITTEE, OF WHICH 1 CORPORATE OFFICER**
September 1, 2020		Astute Medical Inc.	1,182	3 employees
		BioFire Diagnostics LLC	25,426	100 employees
		bioMérieux Algeria	141	1 employee
		bioMérieux Argentina	378	3 employees
		bioMérieux Australia P/L	218	2 employees
		bioMérieux Belgium	589	2 employees
		bioMérieux Brasil SA (Brazil)	954	4 employees
		bioMérieux Chile Spa	817	2 employees
		bioMérieux China limited	589	2 employees
		bioMérieux Colombia SAS	365	1 employee
		bioMérieux Diagnostik AS	224	1 employee
		bioMérieux Dubai	218	2 employees
		bioMérieux Greece Hellas SA	817	2 employees
		bioMérieux Inc.	17,788	60 employees
		bioMérieux India	1,628	5 employees
		bioMérieux Italy Spa	813	4 employees
		bioMérieux Japan Ltd	743	4 employees
		bioMérieux Korea Co.	730	3 employees
		bioMérieux Mexico SA de CV	506	2 employees
		bioMérieux Polska Sp Zoo	224	1 employee
		O.O.O bioMérieux (Russia)	77	1 employee
		bioMérieux SA	33,532	98 employees
		bioMérieux Saudi Arabia	141	1 employee
		bioMérieux Shanghai Biotech co. Ltd	224	1 employee
		bioMérieux Singapore	1,460	6 employees
		bioMérieux South Africa	141	1 employee
		bioMérieux Spain SA	2,076	7 employees
		bioMérieux SSC Europe Sp Zoo	365	1 employee
		bioMérieux UK Ltd	1,064	2 employees
		bioMérieux China Ltd – TW Branch	141	1 employee
		bioMérieux Shanghai	3,090	11 employees
		Invisible Sentinel	365	1 employee
TOTAL TPGL 2020 PLAN (A&B)	**125.00**		**97,026**	**335 TALENT POOL & GLOBAL LEADERS**
GRAND TOTAL			**126,026**	**443**

Vesting period

In the 2020 free share grant plans, a three-year vesting period applies from the date of the decision to grant the shares before the beneficiary becomes the owner of the shares granted.

Eligibility and performance conditions

During the financial year, the Board of Directors decided, at the recommendation of the Human Resources and CSR Committee, to grant free shares that are fully vested, (i) subject to a continuous employment condition and (ii) subject to continuous employment and performance conditions.

Delivery of shares

At the end of the vesting period and provided that the vesting conditions and criteria set by the Board of Directors are met, the Company will transfer to the beneficiary the number of free shares granted by the Board of Directors.

Lock-up period

Free share grant plans for 2020 have no lock-up period.

Beneficiaries' rights

If the shares are not transferable, like any other shareholder, the beneficiaries of vested shares are entitled to exercise all other rights attached to such shares during the lock-up period, including:

- pre-emptive subscription rights;
- right to information;
- right to attend Annual General Meetings;
- voting rights;
- right to dividends and, if applicable, distributed reserves.

History of free share grants (Table 10)

The table below summarizes, at December 31, 2020, all the terms and conditions of the free share grants and the performance share grants, subject to the fulfillment of the presence conditions and, for certain grants, the performance criteria laid down by the Company's Board of Directors:

Date of Annual General Meeting	Name of plan	Date of Board meeting	Total number of free shares granted	Number of beneficiaries	Of which a corporate officer	Acquisition date of the shares	End date of the lock-up period	Cumulative number of forfeited or lapsed shares	Free shares granted during the financial year	Free shares remaining at the end of the financial year
June 30, 2020	2020 EC Plan	September 1, 2020	29,000	8	1	September 1, 2023	September 1, 2023	0	0	29,000
June 30, 2020	2020 TPGL Plan	September 1, 2020	97,026	335	0	September 1, 2023	September 1, 2023	2,500	0	94,526
May 17, 2018	Invisible Sentinel Plan	February 26, 2019	22,300	10	0	February 26, 2022	February 26, 2022	0	0	22,300
May 17, 2018	2019 EXCOM Plan	February 26, 2019	80,510	12	0	February 26, 2022	February 26, 2022	27,220	0	53,290
May 17, 2018	2019 BioFire Plan	February 26, 2019	26,250	7	0	February 26, 2022	February 26, 2022	11,250	0	15,000
May 17, 2018	2019 *Global Leader*/TP Plan	September 3, 2019	137,129	358	0	September 3, 2022	September 3, 2022	5,021	0	132,108
May 17, 2018	2018 *Global Leader* [c] Plan	December 20, 2018	8,412	39	0	December 20, 2021	December 20, 2021	375	0	8,037
May 17, 2018	2018 *Global Leader* [b] Plan	September 4, 2018	105,273	212	0	September 4, 2021	September 4, 2021	7,675	0	97,598
May 17, 2018	2018 *Global Leader* [a] Plan	May 17, 2018	15,000	1	0	May 17, 2022	May 17, 2022	0	0	15,000
May 17, 2018	2018 EXCOM Plan	May 17, 2018	20,000	1	0	May 17, 2022	May 17, 2022	0	0	20,000
May 26, 2016	2018 *Global Leader* BFX Plan	February 27, 2018	21,000	7	0	February 27, 2021	February 27, 2021	9,000	0	12,000
May 26, 2016	OPUS International Plan	December 15, 2017	7,716	417	0	December 15, 2021	December 15, 2021	1,148	0	6,568
May 26, 2016	2017 *Global Leader* [a] Plan	February 28, 2017	9,300	2	0	February 28, 2021	February 28, 2021	0	0	9,300
May 26, 2016	2017 *Global Leader* Plan	February 28, 2017	15,000	1	0	February 28, 2021	February 28, 2021	0	0	15,000
May 26, 2016	2017 *Global Leader* Plan	February 28, 2017	6,000	1	0	February 28, 2020	February 28, 2020	0	6,000	0
May 26, 2016	2017 *Global Leader* [b] Plan	February 28, 2017	1,500	1	0	February 28, 2020	February 28, 2020	0	1,500	0
May 28, 2015	2015 *Global Leader* Plan	March 1, 2016	2,700	3	0	March 1, 2020	March 1, 2020	1,800	900	0

(a) Free shares granted subject to performance criteria.
(b) Free shares granted subject to performance criteria except for 24,200 shares subject solely to continuous employment criteria.
(c) Additional two-year period for French beneficiaries.

Performance share grants to employees during the 2020 financial year

In financial year 2020, the 10 non-corporate officer employees who were granted the most performance shares received a total of 28,917 shares.

7.8 OTHER SECURITIES ISSUED BY THE COMPANY

In addition to the shares issued by the Company as stated in section 7.3.1 and the free share grants (see section 7.7), the Company carried out a new Euro PP bond issue of €200 million at the end of June 2020 with a leading European investor. This private investment consists of two tranches: one of €145 million at seven years and the other of €55 million at 10 years, with an overall annual coupon of 1.61%. Issued on very favorable terms for bioMérieux, this private issue enables the Group to extend the maturity of its debt and to pursue its strategy of diversifying its sources of financing. With this long-term financing, bioMérieux can meet the Company's general needs and continue its growth strategy. The proceeds of this issue was used to refinance the public debt of €300 million issued in 2013 which matures in October 2020.

7.9 PROVISIONS DELAYING A CHANGE OF CONTROL

The following factors contribute to delaying, if needed, a change of control:

- ownership structure: bioMérieux is a controlled company (see sections 7.3.2 and 7.4.1);
- existence of double voting rights (see section 7.2.2.2);
- bylaw restrictions on the exercise of voting rights and share transfers: crossing of thresholds (see section 7.4.4.1);
- in addition, no restrictions on the exercise of voting rights and share transfers or clauses to agreements have been brought to the Company's attention;
- control mechanisms within the framework of an employee share ownership plan: a mutual fund, OPUS Classic, has been set up in connection with the share capital increase reserved for bioMérieux employees subsequent to the initial public offering of its shares; employee share ownership plans are regularly implemented (*MyShare* – see section 3.6.3.1);
- powers granted to the Board of Directors to buy back shares: the Annual General Meeting of June 30, 2020 granted the Board of Directors the necessary powers to launch a share buyback program. This authorization will be renewed subject to the approval of the Annual General Meeting of May 20, 2021 (see section 7.4.3);
- authorizations and powers granted by the Annual General Meeting to the Board of Directors regarding the issuance of shares (see section 7.4.5);
- change-of-control clauses: some of the agreements to which the Company is party may be amended or terminated in the event of a change of control.

PRINCIPAL AGREEMENTS INCLUDING A CHANGE-OF-CONTROL CLAUSE

Nature of agreement	Contracting party	Purpose
Loan agreement	Eight banks	Undrawn syndicated credit facility of €500 million, which was the subject of an addendum in January 2019 extending its maturity to January 2024 (initially a five (5) year loan with two (2) options to extend by one year, both of which have been exercised).
EuroPP	1 investor	A bond issue of €200 million with a 7-year and 10-year maturity
Real estate lease financing agreements	Two financial institutions	Financing of the extension of the Marcy l'Étoile site for €45 million for a period of 12 years
License agreement	Brahms	PCT raw materials supply
License agreement	Roche Diagnostics	NT-proBNP
License agreement	Paul Sabatier University/Pr. Serre	Filaggrin
License agreement	Wellcome Trust Limited	*B-Raf genetic mutations associated with cancer*

bioMérieux is not aware of any other factors likely to have an impact in the event of a public offer of its securities.

7.10 MATERIAL CONTRACTS

The Company has not entered into any material contracts over the last two years other than those entered into in the ordinary course of business.

08

ADDITIONAL INFORMATION

8.1 GENERAL INFORMATION ON THE COMPANY

The Company's name is bioMérieux.

No trade name has been registered. In this Universal Registration Document, bioMérieux is referred to as the "Company," "bioMérieux" or the "Group."

bioMérieux is a French joint stock company *(société anonyme)* with a Board of Directors, governed by the French Commercial Code *(Code de commerce)* and all other applicable laws and regulations. The Company is registered with the Lyon Trade and Companies Registry under number 673 620 399. The Company has been established in France since its incorporation.

The Company's registered office is located in Marcy l'Étoile (69280), France.

The Company was incorporated on December 13, 1967 for a period of 50 years from its registration with the Trade and Companies Registry, unless this period is extended or the Company is dissolved before the end of the period. The Ordinary and/or Extraordinary Annual General Meeting of April 16, 2004 resolved to extend the Company's duration (Article 5 of the bylaws) to 99 years, expiring April 15, 2103.

The Company's financial year opens on January 1 and closes on December 31 of each year.

Its APE industry code is 2059 Z.

The Company is identified for trading under the following numbers:

- Code: BIM
- ISIN code: FR0013280286
- LEI code: 549300AK8Y0LBIQ4T071

The Company can be reached at +33 (0)4 78 87 20 00, and its website is www.biomerieux.com (the information appearing on the website is not part of the prospectus, unless that information is incorporated by reference into the prospectus).

MAIN SOCIAL MEDIA PAGES USED BY THE COMPANY

Facebook	https://www.facebook.com/biomerieux
Twitter	https://twitter.com/biomerieux
YouTube	https://www.youtube.com/user/bioMerieuxTV
LinkedIn	https://www.linkedin.com/company/biomerieux
Instagram	https://www.instagram.com/company/biomerieux

8.2 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

8.2.1 Name and function of the persons responsible

Alexandre Mérieux, Chairman and Chief Executive Officer of bioMérieux.

8.2.2 Statement by the persons responsible

"I hereby certify that having taken all reasonable care to ensure that such is the case, the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that, to the best of my knowledge, the annual financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all of the companies included in the consolidation, and that the management report included in this Universal Registration Document in accordance with the concordance table detailed in Appendix 1 presents a true picture of the development of the business, results and financial position of the Company and all companies included in the consolidation and that it describes the main risks and uncertainties to which they are exposed."

Marcy l'Étoile, March 17, 2021

Chairman and Chief Executive Officer

Alexandre Mérieux

8.2.3 Name and function of the person responsible for financial information

Guillaume Bouhours, Chief Financial Officer, Executive Vice President, Purchasing & Information Systems.

bioMérieux

69280 Marcy l'Étoile

Phone: +33 (0)4 78 87 20 00

www.biomerieux.com

8.3 RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

Cabinet Ernst & Young et Autres

Tour Oxygène – 10, boulevard Vivier-Merle 69003 Lyon

The Company was appointed by the Annual General Meeting of May 30, 2012, then renewed by the Annual General Meeting of May 17, 2018 for a term expiring at the end of the Annual General Meeting called to approve the financial statements for the year ending December 31, 2023.

Ernst & Young et Autres is registered as a statutory auditor with the Compagnie régionale des Commissaires aux comptes de Versailles.

Ernst & Young et Autres is represented by Nicolas Perlier.

Cabinet Grant Thornton

44, quai Charles-de-Gaulle 69006 Lyon

The Company was appointed by the Annual General Meeting of May 30, 2017 for a term expiring at the end of the Annual General Meeting called to approve the financial statements for the year ending December 31, 2022.

Grant Thornton is registered as a statutory auditor with the Compagnie régionale des Commissaires aux comptes de Versailles.

Grant Thornton is represented by Françoise Méchin.

8.4 DOCUMENTS AVAILABLE TO THE PUBLIC

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is referenced in this Universal Registration Document:

- For financial year 2019:
  - the consolidated financial statements and the corresponding Statutory Auditors' report appear in sections 6.1.1 and 6.1.2 (pages 160 to 235) and in section 6.1.3 (pages 236 to 239), respectively;
  - the annual financial statements and the corresponding Statutory Auditors' report appear in sections 6.2.1 and 6.2.2 (pages 240 to 270) and in section 6.2.4 (pages 275 to 277), respectively;
  - the review of the financial position and results appear in section 5.1 (pages 152 to 155);
  - capital expenditure (or capex) appears in section 5.4 (page 156);

of the Universal Registration Document of financial year 2019 filed with the AMF on March 20, 2020, under No. D.20-0152.

- For financial year 2018:
  - the consolidated financial statements and the corresponding Statutory Auditors' report appear in sections 6.1.1 and 6.1.2 (pages 150 to 211) and in section 6.1.3 (page 212), respectively;
  - the annual financial statements and the corresponding Statutory Auditors' report appear in sections 6.2.1 and 6.2.2 (pages 215 to 243) and in section 6.2.4 (page 248), respectively;
  - the review of the financial position and results appear in section 5.2 (pages 141 to 144);
  - capital expenditure (or capex) appears in section 5.5 (page 145);

of the Registration Document of financial year 2018 filed with the AMF on March 14, 2019, under No. D19-0150.

Other information in these documents is irrelevant to investors or is covered by another section in the 2020 Universal Registration Document.

During the period of validity of this Universal Registration Document, the Company's articles of incorporation and bylaws, the minutes of the Annual General Meetings, the Company's historical financial information, the Statutory Auditors' reports and all other Company documents may be consulted at the Company's registered office in Marcy-l'Étoile, France.

In accordance with AMF recommendation No. 2014-15, the Company press releases and annual reports including historical financial information on the Company are available on the Company's website and kept on file for the required length of time.

More generally, and in accordance with Article 221-3 of the AMF's General Regulation, all of the regulatory information within the meaning of Article 221-1 of the aforementioned regulation, as well as the Company's updated bylaws (in French only), are available on the Company's website www.biomerieux-finance.com.

8.5 PROVISIONAL INVESTOR CALENDAR 2021

Date	Event
April 27, 2021	First-quarter 2021 revenues
May 20, 2021	Annual General Meeting
September 1, 2021	Second-quarter 2021 revenues and first-half 2021 results at June 30, 2021
October 21, 2021	Third-quarter 2021 revenues

The Company reserves the right to modify this calendar at any time.

APPENDICES

APPENDIX 1. CONCORDANCE TABLES

CONCORDANCE TABLES FOR THE UNIVERSAL REGISTRATION DOCUMENT

This enables identification of the information specified by Appendices I and II to delegated regulation (EU) 2019/980 of March 14, 2019 (supplementing regulation (EU) 2017/1129 of June 14, 2017)

Sections of Appendix I of the Delegated Regulation (EU) 2019/980	Section(s)	Page(s)
1. Persons responsible, information from third parties, expert reports, and approval of the competent authority		
Persons responsible	8.2.1	326
1.1. Statement by the persons responsible	8.2.2	326
1.2. Expert statement	NA	
1.3. Certifications relative to information from third parties	NA	
1.4. Statement by the competent authority	NA	
2. Statutory Auditors		
2.1. Identity of the Statutory Auditors	8.3	327
2.2. Changes	NA	
3. Risk factors		
3.1. Description of significant risks	2.1/2.2	64/65
4. Information concerning the issuer		
4.1. Corporate purpose and trade name of the issuer	8.1	326
4.2. Registration place and number of the Company (and LEI)	8.1	326
4.3. Date of constitution and duration of the issuer	8.1	326
4.4. Registered office, legal form, applicable legislation and website	8.1	326
5. Business overview		
5.1. Main activities		
5.1.1. Type of operations carried out by the issuer and its main activities	1.2.2	31
5.1.2. New products	1.2.3/5.1.3	34/201
5.2. Principal markets	1.2.1	26
5.3. Significant events in the issuer's business growth	NA	
5.4. Strategy and objectives	1.3/5.5.2	49/203
5.5. Dependence of the issuer on patents, licenses, industrial, commercial or financial contracts, or new manufacturing processes	1.5.2/2.2.1.5/2.2.2.2	57/71/73
5.6. Competitive position	1.2.2.4	33
5.7. Capital expenditures		
5.7.1. Significant capital expenditure completed	5.4.1	202
5.7.2. Significant capital expenditure in progress or firm commitments	5.4.2	203
5.7.3. Joint ventures and significant interests	1.2.4.2	47
5.7.4. Environmental questions relative to property, plant and equipment	3.4.1	103
6. Organizational structure		
6.1. Group to which the issuer belongs	1.2.4.1	47
6.2. Important subsidiaries of the issuer	1.2.4.2	47
7. Review of financial position and result		
7.1. Financial position	5.1	198
7.1.1. Explanation of the development and result of activities	5.1/5.2	198/202
7.1.2. Future developments and research and development activities	5.5.2/1.5.1	203/54
7.2. Operating income		
7.2.1. Significant factors that have a material impact on the issuer's operating income	5.1.2	200
7.2.2. Explanation for significant changes in net revenue or net income	5.1.1	198

Sections of Appendix I of the Delegated Regulation (EU) 2019/980	Section(s)	Page(s)
8. Capital resources		
8.1. Information on the issuer's share capital	5.2.1	202
8.2. Sources, amount and description of the issuer's cash flows	5.2.2	202
8.3. Issuer's financing requirements and financing structure	5.2.3	202
8.4. Restrictions on the use of share capital	5.2.4	202
8.5. Expected financing sources necessary to honor commitments relative to future capital expenditure and property, plant and equipment	5.2.5	202
9. Regulatory environment		
9.1. Description of the regulatory environment and external factors affecting the issuer's business	1.4/2.2.3.2	51/79
10. Overview and current trends		
10.1. Information on:		
a) main recent trends that have affected production, sales and inventories, costs, and sales prices between the end of the last financial year and the date of the universal registration document.	5.5.1	203
b) significant changes in the financial performance of the Group between the end of the last financial year and the date of the URD (or appropriate negative statement).	NA	
10.2. Known trends, uncertainties, demands, commitments or events that can reasonably be expected to significantly impact the issuer's outlook, at least during the current financial year	5.5.2	203
11. Profit forecasts or estimates		
11.1. Profit forecast or estimate	NA	
11.2. Statement of the main assumptions upon which the estimate or forecast is based	NA	
11.3. Profit forecasts or estimates calculated on a comparable basis to historical financial information and to the accounting methods of the issuer	NA	
12. Administrative and management bodies and General Management		
12.1. Name, business address and function, within the issuing company, of the members of the administrative, management and supervisory bodies, stating their main activities carried out outside of the Company and their management expertise and experience	4.2.3/4.2.4	152/154
a) Other directorships		
b) Convictions for fraud pronounced during the past five or more years		
c) Bankruptcy, sequestration, receivership or liquidation in which one of the members of the administrative, management or supervisory bodies has been involved over the past five or more years		
d) Official public charges and/or disciplinary action pronounced against one of the members of the administrative, management or supervisory bodies by the statutory or regulatory authorities		
12.2. Conflicts of interest at the administrative, management and supervisory bodies and General Management level	4.2.4/4.2.5	154/162
13. Compensation and benefits		
13.1. Amount of compensation paid and benefits-in-kind for members of the administrative and management and supervisory bodies	4.3.1/4.3.2/4.3.3	170/175/184
13.2. Total amounts provisioned or recognized by the issuer or its subsidiaries for the payment of pensions, retirement or other benefits	4.3.5	187
14. Functioning of the administrative, management and supervisory bodies		
14.1. Date of expiry of current directorships	4.2.1/4.2.2/4.2.3/4.2.4	149/150/152/154
14.2. Service agreements linking members of the issuer's administrative, management and supervisory bodies or those of any of its subsidiaries and providing for the payment of benefits	4.4.2/4.4.3/4.4.4	187/188/188
14.3. The Board Committees	4.2.2/4.2.3/4.2.6.6	150/152/167
14.4. Declaration of conformity with the Corporate Governance system in force in France	4.1	148
14.5. Significant potential impact on Corporate Governance, and future changes to the composition of the administrative, management and supervisory bodies and committees	4.2.3	152

Sections of Appendix I of the Delegated Regulation (EU) 2019/980	Section(s)	Page(s)
15. Employees		
15.1. Number of employees	Appendix 2	340
15.2. Equity investments and stock options	7.7	320
15.3. Agreements providing for employee profit-sharing in the issuer's share capital	3.6.3.1/7.4.2	124/313
16. Main shareholders		
16.1. Shareholders holding over 5% of capital on the date of the universal registration document	7.3.2	312
16.2. Existence of different voting rights	7.2.2.2/7.3.2	311/312
16.3. Ownership or control of the issuer	7.4.1	313
16.4. Agreements whose implementation could result in a change of control	7.9	323
17. Transactions with related parties	**4.4**	**187**
17.1. Details of transactions with related parties concluded by the issuer during the period covered by the historical financial information up to the date of the universal registration document	4.4.4	188
18. Financial information concerning the issuer's assets, financial position and results		
18.1. Historical financial information	6.1.1	206
18.1.1. Audited historical financial information	8.4	327
18.1.2. Change of date of accounting reference	NA	
18.1.3. Accounting standards	6.1.2 (Note 2)	211
18.1.4. Change of accounting standard	NA	
18.1.5. Minimum content of audited financial information	6.1.1/6.1.2/6.2.1/6.2.2	206/211/273/275
18.1.6. Consolidated financial statements	6.1.1/6.1.2	206/211
18.1.7. Age of latest financial information	5.1	198
18.2. Interim financial information and other	NA	
18.2.1. Quarterly or half-yearly financial information, where applicable, including audit or examination report		
18.3. Audit of annual historical financial information	6.1.1/6.1.2/6.2.1/6.2.2	206/211/273/275
18.3.1. Audit report	6.1.3/6.2.4	269/305
18.3.2. Other audited information contained in the universal registration document	NA	
18.3.3. Non-audited sources of financial information	NA	
18.4. *Pro forma* financial information	NA	
18.4.1. Description of the influence of significant changes in gross values		
18.5. Dividend policy	7.6	320
18.5.1. Description of the dividend distribution policy and any applicable restrictions	7.6	320
18.5.2. Dividend amount per share	7.6	320
18.6. Legal and arbitration proceedings	2.3	81
18.6.1. Administrative, judicial or arbitration procedure that may have significant effects on the financial position or profitability of the issuer	2.3	81
18.7. Significant change in financial position	5.3	202
18.7.1. Description of any significant change in the financial position of the Group since the end of the last fiscal year for which financial statements were audited or published	5.3	202

Sections of Appendix I of the Delegated Regulation (EU) 2019/980	Section(s)	Page(s)
19. Additional information		
19.1. Share capital		
19.1.1. Shares not representing capital	7.3.1	312
19.1.2. Shares held by the issuer or its subsidiaries	7.4.3	313
19.1.3. Securities that are convertible, exchangeable or with subscription warrants	7.8	323
19.1.4. Conditions that govern all acquisition rights and/or obligations attached to authorized but unissued share capital, or all capital increases	7.4.5	318
19.1.5. The share capital of any Group member, which is subject to an option or a conditional or unconditional agreement	7.4.5	318
19.1.6. Changes in share capital for the period covered by the historical financial information	7.3	312
19.2. Articles of incorporation and bylaws		
19.2.1. Register, entry number in the register, and corporate purpose of the issuer	7.2.1	310
19.2.2. Rights, privileges and restrictions attached to each share category	7.2.2	311
19.2.3. Statutory or other provisions that may delay, defer or prevent a change of control	7.9	323
20.Material contracts	**7.10**	**323**
21. Documents available		
a) Bylaws	7.2/8.4	310/327
b) Expert reports, letters and other documents, historical financial information, assessments and statements	NA	
Indication of the website on which the documents may be consulted	8.1	326

Sections of Appendix II of the Delegated Regulation (EU) 2019/980	Section(s)	Page(s)
1.2. Statement on approval of the document		

CONCORDANCE TABLE FOR THE ANNUAL FINANCIAL REPORT

This enables identification of the main information stipulated by the financial report indicated in Article 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF general regulations.

Headings/Themes	Section(s)	Page(s)
Parent company annual financial statements	6.2.1/6.2.2	273/275
Consolidated annual financial statements	6.1.1/6.1.2	206/211
Management report	See concordance table between the universal registration document and the management report	
Statement by the person responsible for the annual financial report	8.2.2	326
Statutory Auditors' report on the parent company annual financial statements	6.2.4	305
Statutory Auditors' report on the consolidated annual financial statements	6.1.3	269

CONCORDANCE TABLE FOR THE MANAGEMENT REPORT

This includes all of the information from the management report required by Articles L.225-100 et seq., L.232-1, II, L.233-26 and R.225-102 of the French Commercial Code.

Themes	Section(s)	Page(s)
I. Activity		
Objective and exhaustive review of the change in business, the results and financial position of the Company and the Group, in particular its indebtedness, in view of its volume and the complexity of its activities	5.1/5.2/6.2.3	198/202/300
Position of the Company and the Group during the previous financial year	5.1.2/5.4.1/5.4.2/6.2.3.1	200/202/203/300
Forecast changes for the Company and Group	5.5.2	203
Significant events for the Company and Group after the year end	5.5.1	203
Research & development activities of the Company and the Group	1.5.1	54
List of existing branches	1.2.4.2	47
Investments in companies with their registered offices on the French Republic's territory	1.2.4.2	47
Activities and results for the Company, its subsidiaries and companies over which it has control	5.1/6.2.2 (Note 3.3.3)	198/275
Key performance indicators of a financial and, where relevant, non-financial nature, related to the specific activities of the Company, particularly information on environmental and staff issues with reference to the amounts in the annual financial statements and any additional relevant explanations.	3/5.1	90/198
II. Risk factors		
Principal risks and uncertainties to which the Company and Group are exposed	2	63
Company and Group objectives and policy in terms of financial risk management, including the hedging policy	2.5	85
Indications about financial risks related to the effect of climate change and presentation of measures taken by the Company to reduce them whilst implementing a low-carbon strategy in all aspects of its activities	2.2.2.6/3.4	77
Main characteristics of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information	2.4	81
Company and Group exposure to price, credit, liquidity and cash flow risks	2.2.3.3/ 6.1.2 (Note 28)	80/211
III. Legal and shareholder information		
Identity of individuals or companies holding, directly or indirectly, over 5% of the share capital or voting rights	7.3.2	72
Modifications that have occurred during the financial year	7.3.2	72
Name of companies controlled and share of the Company's share capital that they hold (treasury shares)	1.2.4.2/6.2.2 (Note 3.3.3)	47/275
Number of shares purchased and sold during the financial year, average purchase and sale price, level of fees and commissions, number of shares registered in the Company's name at the end of the financial year and their value at the purchase price and at nominal value, reasons for acquisitions carried out and fraction of the share capital that they represent	7.4.3	313
Calculation elements and results of any adjustments for conversion bases and conditions for subscribing or exercising securities giving access to the share capital or stock options or share buybacks for securities giving access to the share capital in the event of share buybacks or financial transactions	7.4.5	78
Status of employee profit-sharing (and any executives) in the share capital on the last day of the financial year and proportion of the share capital held by employees and managed collectively (PEE or FCPE) and registered shares owned directly by them under a share grant plan or other schemes (share ownership plans, privatizations, etc.)	7.4.2/7.7	313/320
Special report on transactions carried out by the Company or companies connected to it related to the allocation of free shares to employees and executives	7.7	320
Special report on transactions by the Company or companies connected to it under stock option plans restricted to employees and executives	7.7	320

Themes	Section(s)	Page(s)
IV. Financial information		
Table indicating the Company's results over the last five financial years	6.2.3.3	302
Changes in the presentation of the annual financial statements and valuation methods used	NA	
Information on payment periods of trade payables and trade receivables of the Company, the annual financial statements of which are certified by a Statutory Auditor	6.2.3.4	303
Amount of dividends distributed during the last three financial years and the amount of net revenues distributed eligible for the deduction, as well as the amount of those that are not, broken down by share category	7.6	320
Amount of inter-company loans (loans with terms of less than two years to micro-companies, SMEs and ETIs with which the Company has economic links that justify them)	NA	
Information on the acquisition by the Company of treasury shares for the purpose of allocating them to employees or directors	7.4.3	313
Restrictions imposed by the Board of Directors on exercising options granted or the sale of shares allocated to executives free of charge	4.3.1.2.2/7.7	171/320
Conditions for the conservation of free shares granted to executive corporate officers	4.3.1.2.2/7.7	171/320
Breakdown of trading in the Company's shares by senior executives, senior managers or by their close relations	7.4.4.2	317
V. Social and environmental information		
Social information	3.6	120
Environmental information	2.2.2.6/3.4	77/103
Information on Corporate commitments to promote sustainable development	3	87
Information for companies operating at least one facility on the list stipulated in Article L.515-36 of the French Environmental Code	NA	

CONCORDANCE TABLE FOR REPORTING NON-FINANCIAL PERFORMANCE

This contains the information required in application of Articles L.225-102-1,L.22-10-36, R.22-10-29 and R.225-105-1 of the French Commercial Code *(Code de Commerce)*

Headings/Themes	Section(s)	Page(s)
1. Business model	**3.1**	**90**
1.1. Organization and structure		
1.1.1. Organizational structures	1.2.4	47
1.1.2. Governance	4.2	149
1.2. Markets in which it operates		
1.2.1. The *in vitro* diagnostics industry	1.2.1	26
1.2.2. Areas of expertise	1.2.2.1	31
1.3. Main activities		
1.3.1. Research and development	1.5.1	54
1.3.2. Production	1.6.1	58
1.3.3. Commercial network	1.2.2.2	32
1.4. Market position		
1.4.1. Competition	1.2.2.4	33
1.4.2. Customers	1.2.2.3	32
1.4.3. Suppliers	3.7.1	130
1.4.4. Regulations	1.4	51
1.5. Products and services	1.2.3	34
1.6. Revenue and performance indicators	5.1	198
1.7. Objectives and strategies		
1.7.1. Market trends and growth prospects	1.2.1.4	28
1.7.2. bioMérieux's strategy	1.3	49
1.7.3. bioMérieux trends and objectives	5.5.2	203
2. Information on how the Company considers the social and environmental consequences of its activity, as well as the effects of this activity on the respect for human rights and combating corruption and tax evasion.		
2.1. Description of main non-financial risks	3.2	90
2.2. Presentation of the policies applied with regard to these risks	3.3 à 3.7	94
2.3. Result of the policies, including key performance indicators	3.3 à 3.7	94
3. Other required information in accordance with the implementing decree for the transposition of the European directive (2017-1265)		
3.1. Consequences on climate change of the Company's business and the uses of the goods and services that it produces	3.4	103
3.2. Circular economy	3.4.1	103
3.3. Fighting food waste	3.4.3.2	107
3.4. Collective agreements within the Company and their impacts on the economic performance of the Company as well as employee working conditions	3.6.1	121
3.5. Actions to combat discrimination and promote diversity, and measures taken to support individuals with disabilities	3.6.4	127
3.6. Corporate commitments to promote sustainable development	3.7.3	131
4. Other information required in accordance with the Sustainable Food Law of October 30, 2018		
4.1. Fighting food insecurity and respect for a responsible, fair and sustainable food supply	NA	
4.2. Respect for animal welfare	NA	
5. Other information required in accordance with the Anti-Fraud Law (2018-898).	3.5.3.2	119

CONCORDANCE TABLE ON THE CORPORATE GOVERNANCE REPORT

This includes all information from the Corporate Governance report required by Articles Articles L.22-10-8 to L.22-10-11 and L.225-100 of the French Commercial Code *(Code de Commerce)*.

Theme	Section(s)	Page(s)
I. Corporate Governance Code		
Declaration of conformity with the Corporate Governance system in force in France, where the code can be consulted and, where appropriate, any rules that exceed the minimum legal requirements	4.1	148
II. Composition and organization of the work of the Board of Directors		
Body chosen to exercise the Company's General Management functions (Chairman of the Board of Directors or Chief Executive Officer)	4.2.1	149
Any restrictions placed by the Board of Directors on the Chief Executive Officer's powers	4.2.1/4.2.6.2	149/165
List of all directorships and positions in any company exercised by all of these officers over the course of the fiscal year		
Composition and conditions for the preparation and organization of the work of the Board	4.2.4/4.2.6.2	154/165
Conflicts of interest at the administrative, management and supervisory bodies and General Management level	4.2.5	162
Committees of the Board/composition and conditions for preparing and organizing the work of the Board	4.2.6.6	167
Application of the principle of diversity within the Board of Directors (gender equality, balanced representation by nationality, age, qualifications and professional experience)	4.2.6.3	166
Gender equality within governance bodies that regularly support General Management in carrying out their duties and with regard to achieving diversity in 10% of the highest responsibility positions	4.2.6.3	166
Service agreements linking members of the administrative, management and supervisory bodies to the issuer or to any of its subsidiaries and providing for the payment of benefits	4.4.3	188
Procedure put in place by the Board of Directors of listed companies to evaluate compliance with the conditions relating to agreements on routine operations concluded under normal conditions	4.4.1	187
Agreements made, directly or *via* an intermediary person, between corporate officers or a shareholder holding more than 10% of the voting rights of the Company and another company controlled by the first, with the exception of agreements on routine operations concluded under normal conditions	4.4.2/4.4.4/ 4.4.5	187/188/191
Summary table of valid delegations granted by the Annual General Meeting of shareholders to the Board of Directors or Executive Committee in the area of capital increases and the use made of these delegations during the fiscal year	7.4.5	318
Specific arrangements relating to shareholders' attendance at the Annual General Meeting or reference to the provisions in the bylaws that set out these arrangements	7.2.2	311
Factors likely to have an impact in the event of a public offer	7.9	323
III. Compensation of senior executives and corporate officers		
Total compensation and benefits-in-kind paid during the fiscal year to each corporate officer by the Company, the companies that it controls, or the company that controls it	4.3.2	175
Variable elements of the compensation of members of the administrative, management and supervisory bodies, based on application of the non-financial performance criterion	4.3.1.2.2/ 4.3.2.2	177/179
Commitments of all types made by the Company for the benefit of its corporate officers, corresponding to compensation, indemnities or benefits due or likely to be due in connection with their appointment, termination or change of office or subsequent thereto, particularly post-employment benefit obligations and other lifetime benefits	4.3.2.4	184
Principles and criteria for the determination, distribution and allocation of fixed, variable and exceptional items making up the total compensation and benefits-in-kind, due to the Chairman, Chief Executive Officers or Chief Operating Officers	4.3.1	170
Level of compensation of the Chairman and Chief Executive Officer and the Chief Operating Officers in relation to the average compensation of employees of the Company other than corporate officers, and changes to this ratio over the last five fiscal years	4.3.2.1.1	175
Level of compensation of the Chairman of the Board of Directors, the Chief Executive Officer and each Chief Operating Officer in relation to the median compensation of employees of the Company and corporate officers, and changes to this ratio over the last five fiscal years	4.3.2.1.1	175

Theme	Section(s)	Page(s)
Amount of the total compensation paid and benefits of any kind to the members of the administrative, management and supervisory bodies, including in the form of capital securities, debt securities or securities giving access to capital or giving entitlement to the assignment of debt securities	4.3.2	175
Draft resolutions drawn up by the Board of Directors for the approval of the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components that make up the total compensation and any benefits assignable to the Chairmen and Chief Executive Officers and Chief Operating Officers by virtue of their office (say on pay)	4.3.1/4.3.2	170/175
Variable or exceptional compensation awarded over the course of the previous financial year to those executives	4.3.2.2/ 4.3.2.3	179/182
Total amounts provisioned or recognized by the issuer or its subsidiaries for the payment of pensions, retirement or other benefits	4.3.5	187

APPENDIX 2. OTHER INITIATIVES AND NON-FINANCIAL INDICATORS MONITORED BY THE COMPANY

Other environmental initiatives monitored by the Company

Discharges into water

- Tests are carried out regularly on the Company's main production sites, based on several parameters. The Craponne and Marcy l'Étoile sites in France have invested in facilities to neutralize their wastewater on site before discharging it into the network, feeding the municipal treatment plants to which they are connected. This aims to improve water quality and ensure compliance with the parameters set in their discharge agreements.
- Within the framework of its contribution to the fight against antimicrobial resistance, bioMérieux has implemented measures at its industrial sites to collect at source and eliminate, through specialized channels, preparations containing antibiotics used in manufacturing or R&D.
- The Marcy l'Étoile site was monitored for mercury discharges by the French national program for the reduction of hazardous substances in water (réduction des substances dangereuses dans l'eau – RSDE). In 2015, a supplementary order from the local Prefect validated the effectiveness of the measures taken by bioMérieux to eliminate mercury in its discharge, and ended the monitoring in place.

Discharges into the soil

- The Company's sites are equipped with systems designed to retain or confine fire-water runoff in order to prevent discharge into the natural environment.

Discharges into the air [(1)]

- The Company does not have any facilities that discharge significant levels of emissions into the air and therefore does not collect consolidated data on air emission indicators at Group level. SO_2 and NO_x emissions from boiler operation are monitored at each site in accordance with the applicable regulations.

Paper management

Initiatives are being implemented across all of the Company's sites and subsidiaries to reduce paper consumption, including incentives for greener printing practices.

- A new printing solution resulting in improved management of paper consumption was rolled out across the Company.
- The use of recycled paper is encouraged.
- More broadly, the Company is keen to modify its processes to replace hard copies with electronic media: an electronic document management system, with an electronic review and approval system, has been in place since 2010. This solution enables all employees, regardless of where they are, to access original documents through a Web interface. Thanks to this system, the utilization, circulation and archiving of paper documents has been significantly reduced.
- The use of paper consumables (notes, labels) to provide product information to customers has been reduced. A project to eliminate instruction notices included with reagents is under way for all reagents when permitted by local regulations in the reagents' destination. Electronic instructions will instead be downloadable from the Company's technical library.

Biodiversity

The Company's facilities are located in industrial and urban areas and are not in places where nature, fauna and flora are protected. The Company places special emphasis on the appearance of its facilities and on the landscaping and attractive architecture of its sites. It has also discontinued the use of phytosanitary products at several sites.

In first-half 2016, bioMérieux acquired Hyglos, which owns an innovative endotoxin assay technique. Previously, such assays required use of the blood of horseshoe crabs, an endangered species. With this acquisition, bioMérieux can now offer an alternative solution, thereby preserving a protected species.

As part of its veterinary activities, bioMérieux tests the effectiveness of its tests on animals. However, these studies are conducted *ex vivo* and do not affect the physical integrity of the animals tested.

(1) Excluding greenhouse gas emissions, see section 3.4.3.1.

Other indicators monitored by the Company

	2020	2019	2018	2017
HUMAN RESOURCES INDICATORS				
Overall change in headcount				
End of period headcount (number of employees)	12,624	11,795	11,094	10,367
Average headcount (FTE)	12,464	11,425	10,788	10,111
EMEA	45%	46%	48%	50%
AMERICAS	46%	45%	42%	40%
ASPAC	9%	9%	10%	10%
Headcount by gender and age				
Headcount – Women	48%	48%	48%	48%
< 25	3%	2%	2%	3%
25-34	13%	13%	13%	13%
35-44	14%	14%	14%	14%
45-54	11%	12%	12%	12%
55 and over	7%	7%	7%	6%
Headcount – Men	52%	52%	52%	52%
< 25	5%	2%	2%	2%
25-34	28%	15%	15%	14%
35-44	15%	16%	16%	16%
45-54	12%	13%	13%	13%
55 and over	8%	6%	6%	7%
Part-time headcount *(%)*				
Men	0.7%	1.8%	1.5%	1.6%
Women	4.3%	10.6%	10.8%	11.5%
Women in management positions in the income-generating departments	452	456	431	N/A
Headcount on temporary contracts (%)	8%	6%	3%	7%
HSE INDICATORS [1]				
Number of fatal occupational accidents	0	0	0	0
Number of lost-time occupational accidents	28	44 [2]	40	52
Number of occupational accidents without lost time	32	41 [2]	39	28
Number of days lost	438	917 [2]	900	1,275
Frequency rate of total reportable occupational accidents	2.6	4.0 [2]	4.0	4.3
Number of reportable commuting accidents with or without lost time	25	22	22	24
Frequency of total reportable commuting accidents	1.1	1.1	1.2	1.3

(1) See section 3.8 for the organizational scope covered.
(2) 2019 data updated in 2020 – ref. Section 3.3.3.2.

APPENDIX 3. GLOSSARIES

Scientific terms

Nucleic acid: Nucleic acid is a naturally-occurring molecule found in most cells. It has the ability to hold and transmit coded hereditary instructions allowing for an organism's development. There are two types of nucleic acids: DNA and RNA.

Amplification: A technique, usually using enzymes, for multiplying nucleic acids in order to increase the sensitivity of detection methods.

AMR: *Antimicrobial resistance* is the ability of bacteria to resist the effects of an antibiotic that was previously able to treat infections caused by these bacteria.

AMS: *Antimicrobial stewardship* is the program to ensure that the right antibiotic is administered to the right patient at the right time, with the right dose and the right route, causing the least possible harm to the patient and future patients. In realistic terms, it is a multidisciplinary approach that seeks to ensure that patients receive the most effective antibiotic treatments, while limiting the side effects and costs of unnecessary treatments.

Antibiotic susceptibility test: An analysis to determine the sensitivity of a bacterium to antibiotics.

Antibiotic: A substance of natural or synthetic origin capable of stopping the multiplication of bacteria.

Antibody: A complex protein molecule produced by the immune system to detect and neutralize pathogens, in particular viruses.

Antigen: A macromolecule recognized by an antibody or cells from an organism's immune system that triggers an immune response.

Antimicrobial: Family of substances that kill or slow the growth of microbes such as bacteria (antibacterial activity), fungi (antimycotic activity), viruses (antiviral activity), or parasites (antiparasitic activity).

DNA: The acronym of "deoxyribonucleic acid". These nucleotides consist of a sugar (deoxyribose), a phosphate group, and one of the following nitrogen-containing bases: adenine (A), cytosine (C), guanine (G) or thymine (T), and serve as a medium for genetic information.

ANSM (Agence nationale de sécurité du médicament et des produits de santé): French regulatory agency that carries out assessments, provides expertise, and makes decisions regarding the safety of drugs and healthcare products.

ANVISA (*Agência Nacional de VIgilância SAnitária*): Brazilian agency responsible for regulating food and medical products.

RNA: The acronym of "ribonucleic acid". A polymer similar to DNA which, like DNA, mainly has a role as a vector of genetic information. The sugar in RNA is a ribose.

Bacterium: A unicellular microorganism lacking chlorophyll and visible only under a microscope. Bacteria do not belong to either the plant or the animal kingdom.

Multi-resistant bacteria: Bacteria are said to be multi-resistant to antibiotics when they are sensitive only to a small number of the antibiotics customarily used in therapy, as a consequence of the accumulation of natural and acquired resistances.

Bacteremia: This is defined by the presence of a pathogenic bacterium in the bloodstream, authenticated by positive blood cultures. The presence of this bacterium may be transient or chronic and may or may not be accompanied by clinical signs.

Biochemistry: An area of science which studies the correlation between the structure of natural molecules and the consequences on their activity.

Molecular biology: Technology that analyses genetic sequences of DNA or RNA that are characteristic of a bacterium, virus, protein or cell.

Chromogen: A substance that produces coloring under certain conditions. Related to an enzyme substrate and incorporated in a culture medium, it is used to reveal a particular enzyme metabolism and thereby assists in identifying the cultured bacterium.

Consumable: A single-use accessory, generally employed in an analysis instrument.

Contaminant: A substance present where it should not be.

Cytomegalovirus: a virus responsible for infections, usually undetected. It becomes pathogenic especially in patients with weak immune defenses. The virus is a member of the herpes virus family, which includes, inter alia, herpes simplex virus (HSV) or herpes virus hominis (HVH), cytomegalovirus (CMV), varicella zoster virus (VZV) and Epstein-Barr virus (EBV).

Cytometry: The counting of cells.

Flow cytometry: A technique of passing a stream of cells, particles or molecules at high speed within a stream of liquid through a laser beam. The light re-emitted (by diffusion or fluorescence) enables the population to be classified and sorted according to several criteria.

***In vitro* diagnostics:** Tests performed outside the human body using diagnostic tools.

Enzyme: A protein macromolecule which speeds up a biochemical reaction.

Pulmonary embolism: Obstruction of one of the branches of the pulmonary artery or of the pulmonary artery itself by a blood clot.

Enterobacteria: A family of aerobic or anaerobic bacilli (bacteria), requiring or not requiring oxygen to live and reproduce, revealed by Gram-negative staining.

Enterococcus: An oval-shaped bacterium of the Group D Streptococcus family, usually resident in the intestine of healthy humans.

Extraction: A term applied to the steps to extract nucleic acids from the cells that contain them and process them so they can be used in molecular biology techniques such as amplification.

FDA (*Food and Drug Administration*): American agency responsible for regulating food and medical products.

Fungal: That which relates to fungi.

Genotyping: Determination of all the genes contained in the cells of an organism.

Gram staining: A staining technique which reveals the properties of the bacterial wall so that they can be used to distinguish and classify bacteria. The main distinction is between Gram-positive and Gram-negative bacteria.

Blood culture: An essential blood test in infectious disease. It is carried out by taking a sample of venous blood which is then cultured to reveal the presence or absence of germs.

Histology: The study of tissue in order to research tissue composition, structure and renewal, and cellular exchanges within themselves.

Immunoassays: Detection of pathology markers using an antigen-antibody reaction.

Quality indicator: The term used in the food industry to define the microorganisms responsible for visual or taste alterations (*e.g.* mold or bacterial contamination). Quality indicator counts are used to assess product hygiene.

ID/AST: A bacterial identification and antimicrobial susceptibility testing.

IVD: The abbreviation of *in vitro* diagnostics.

Laboratory P1, P2, P3 and P4: The classification of laboratories based on biohazard level, Level 1 representing a minimum risk and Level 4 representing a high risk of transmission and mortality.

Listeria: A genus of bacteria which can cause listeriosis, an infectious disease which is potentially serious in new-born babies, pregnant women or individuals with low resistance.

Marker: A reagent used to detect the substance to which it is bound. A biological marker (biomarker) is a substance that is assayed to help diagnose a pathology.

Methicillin: A semi-synthetic penicillin used primarily against non-resistant Staphylococcus aureus.

Microbiology: The study of microorganisms including, inter alia, viruses, bacteria and fungi.

Microorganism: A living organism of microscopic size.

Culture media: A simple or compound nutrient composition in liquid or solid form, used to maintain or increase the development of a microbial species under appropriate biological conditions.

MRSA: Methicillin-resistant *Staphylococcus aureus* bacterium.

Mycobacteria: Rod-shaped bacillus-type bacteria. Certain species of mycobacteria are pathogens: *M. leprae* responsible for leprosy; *M. tuberculosis*, responsible for tuberculosis.

National Medical Products Administration (NMPA): The Chinese agency responsible for regulating food and medical products, formerly the China Food and Drug Administration (CFDA).

Healthcare-associated infection: A disease contracted in a hospital or other healthcare establishment by a patient who did not have this disease on admission.

WHO (World Health Organization): executive authority in healthcare for international projects within the UN system.

Oncology or cancerology: The medical specialty of the study, diagnosis and treatment of cancers.

Test panel: A set of predetermined medical tests used in the diagnosis and treatment of medical conditions.

Parasite: An organism that feeds off, lives or reproduces itself by establishing a lasting interaction with another organism (the host).

Disease-causing organism: A biological agent responsible for infectious disease. Infectious agents can be viruses, bacteria or parasites.

Polymerase chain reaction (PCR): A molecular biology method for genetic amplification that duplicates a large quantity (with a multiplication factor nearing one billion) of a known DNA or RNA sequence from a small initial quantity. This method is particularly appropriate for the detection of viruses.

Point-of-care (POC) – Point-of-care testing (POCT): Services offered "at the bedside" including, in particular, analysis of the diagnosis.

Procalcitonin: A marker used to assist in the early detection of bacterial infections.

Protein: A basic constituent of all living cells. A biological macromolecule is composed of one or more amino acid chains linked by peptide bonds.

Salmonella: *A genus of enterobacteria called Salmonella*. They cause two types of illness: gastrointestinal diseases through foodborne illnesses (salmonellosis) and typhoid and paratyphoid fevers.

Sepsis: An excessive reaction of an organism's immune system and coagulation system to an infection. This reaction is characterized by systemic inflammation and by blood coagulation problems, which can rapidly lead to organ failure (severe sepsis) and, in many cases, death.

Septicemia: A serious systemic infection of the organism by pathogenic germs, indicated by the presence of microorganisms in the blood.

DNA sequencing: Method used to determine the order of the nucleotide bases in a DNA molecule.

Mass spectrometry: A technique used to identify and determine the chemical structure of multiple molecules simultaneously, analyzing the mass and charge of their ions.

Staphylococcus: A genus of Gram-positive bacteria, usually observed in clusters resembling bunches of grapes.

Substrate: A molecule used as a starting product which binds to the active site of an enzyme and is converted into one or more products.

Syndrome: A set of clinical signs and symptoms that a patient is likely to display when suffering from certain medical conditions.

Acute coronary syndrome: Decreased blood flow in the coronary arteries resulting in reduced circulation rate and inadequate oxygenation of the myocardial muscle.

Test Multiplex: A test able to indicate a result for a large number of pathogens in the same test, in contrast with a monoplex test (which deals with a single pathogen) or a lowplex test (which deals with a small number of pathogens, in practice up to 2 to 4 targets).

Theranostics: A diagnostic test that allows clinicians to take the most suitable therapeutic decision for each patient, thereby favoring more personalized treatment.

Venous thrombosis: The formation of a blood clot in a vein. It usually occurs in a vein of the lower limbs, in the leg or hip, rarely in the upper limbs.

Typing: A method which can help in the assessment of the compatibility between two individuals, their organs, tissues or blood. A technique used to characterize bacteria.

Virus: A rudimentary infectious microorganism, containing a single type of nucleic acid encaged in a protein capsid, which uses the materials of the cell that it parasitizes to synthesize its own constituents. It reproduces using just its own genetic material.

Alternative performance indicators and financial terms

Net debt: Sum of cash and cash equivalents with a maturity of less than three months, less committed debt and bank overdrafts and other uncommitted borrowings. APM

Earning Before Interest, Taxes, Depreciation and Amortization (EBITDA): Contributive operating income before non-recurring items, depreciation and amortization. APM

Currency impact: Currency impact is determined by converting the current period data to the average exchange rate of the previous year of the period being compared. In practice, the exchange rates used can be the average rates communicated by the ECB or the hedged rates when hedging instruments have been implemented.

ETP/FTE: Équivalent Temps Plein/Full Time Employee APM

Free Cash Flow Generation: Cash flow from operations plus cash flow from investment excluding net cash from acquisitions and disposal of subsidiaries. APM

Contributive operating income before non-recurring items: operating income before non-recurring items relating to the acquisition and integration of BioFire, and before accounting entries related to the Company's purchase price allocation. APM

Contributive operating income: Operating income before "material extraordinary and non-recurring items", which are included in "others non-recurring income and expenses from operations".

Changes in the scope of consolidation:

The effects of changes in the scope of consolidation are determined:

- For acquisitions for the period, by deducting from sales for the period the amount of sales made during the period by the entities acquired from their entry into the scope of consolidation.
- For acquisitions of the previous period, by deducting from sales for the period the amount of sales made during the months in which the acquired entities were not consolidated during the previous period.
- For disposals for the period by adding to sales for the period the amount of sales made by the entities sold the previous period, during the months in which these entities are no longer consolidated over the current period.
- For disposals for the previous period, by adding to the sales of the period the sales made during the preceding period by the entities sold.

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