

6.1.3 Report of the Statutory Auditors 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,

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, 2019, as appended to this report.

In our opinion, the consolidated financial statements are, in accordance with International Financial Reporting Standards as adopted by the European Union, 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.

We have conducted our audit in compliance with the rules of independence that apply to us, from the period between January 1, 2019 to the date of issue of our report, and, in particular, we have not provided services prohibited by Article 5, Paragraph 1, of EU Regulation No. 537/2014 or by the Statutory Auditors' Professional Code of Ethics.

Without questioning the opinion expressed above, we would like to draw your attention to Notes "2. General accounting principles" and "6.2 Right-of-use assets (lessee)" of the notes to the consolidated financial statements relating to the application of IFRS 16 "Leases" as of January 1, 2019, the impact of which is presented in Note 32. "Impact on the consolidated financial statements".

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 "Statutory Auditors' responsibilities relating to the audit of the consolidated financial statements" of this report.

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 judgement, were the most significant for the audit of the consolidated 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 process for 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.

Acquisition of Invisible Sentinel Inc. and Suzhou Hybiome Biomedical Engineering Co. Ltd

Risk identified	Our response
<p>As described in Note 1.1.1 of the notes to the consolidated financial statements, on February 6, 2019, the Group acquired 100% of the shares in Invisible Sentinel Inc., for a total cash amount of €66.4 million.</p> <p>Invisible Sentinel Inc. was consolidated by the full consolidation method from the takeover date, mainly giving rise to recognition of technologies net of deferred tax liabilities for €5.6 million, a client relationship net of deferred tax liabilities for €8.6 million, deferred tax assets of €6.2 million, and goodwill of €45.3 million.</p> <p>As described in Note 1.1.2 to the consolidated financial statements, in June 2019, the Group acquired an additional 12.52% interest in the capital of Suzhou Hybiome Biomedical Engineering Co. Ltd for €23.7 million by exercising part of the existing put on minority interests.</p> <p>The Group now holds 67% of Suzhou Hybiome Biomedical Engineering Co. Ltd. The debt relating to the put was reduced by €15.2 million, recognised through shareholders' equity - attributable to the parent company.</p> <p>In the case of acquisitions, the Group applies the accounting principles stipulated by IFRS 3, as amended, and as described in Note 5.1 of the notes to the consolidated financial statements.</p> <p>We considered that the recognition and presentation of these transactions was a key audit matter, considering the significant character of these acquisitions and the judgement required in the valuations carried out, in particular the estimated fair value of property, plant and equipment and intangible assets and the valuation of liabilities.</p>	<p>Our work consisted primarily of:</p> <ul style="list-style-type: none"> • reviewing the legal aspects of these acquisitions, the consideration of the principal contractual clauses, when determining the accounting treatment of the transactions; • assessing the application of the provisions of IFRS 3, as amended, and the arrangements for implementing this standard (in particular, determining the price of the acquisition, identifying assets and liabilities, and evaluating the resulting goodwill); • reviewing the fair value of financial liabilities, including data underlying the determination of the discount rate selected and the calculation formulas used, in comparison with the contractual provisions; • assessing the appropriateness of the information provided in the notes to the consolidated financial statements in relation to this acquisition.

Evaluation of consolidated goodwill

Risk identified	Our response
<p>At December 31, 2019, goodwill amounted to €652.5 million and represented 17.3% of the Group's balance sheet.</p> <p>As described in Note 5 of the notes to the consolidated financial statements, on the date of acquisition, goodwill is attached to a cash-generating unit depending on the synergies expected for the Group. At the end of each reporting period, the Group systematically tests cash-generating units (CGUs) for impairment and also determines whether there are any indications of a loss of value.</p> <p>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.</p> <p>We consider this issue to be a key point of our audit given the fact that the recoverable amount of this goodwill is based to a very large extent on the judgement of senior management, in particular with respect to operating margins, the growth rate rates used for cash flow projections and the discount rates applied to them.</p>	<p>We included assessment specialists in the audit team in order to examine the impairment tests performed by senior management. Our work consisted mainly in:</p> <ul style="list-style-type: none"> • assessing the principles and methods for determining evidence of impairment losses and the recoverable amount of goodwill; • analysing, 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); • reviewing the business outlook of legal entities or ranges that show evidence of loss of value through interviews with senior management and in 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 defined benefit pension plans

Risk identified

The Group creates provisions to cover defined benefit scheme and other long-term benefit obligations primarily in the United States and France.

As at December 31, 2019, the Group recorded a net liability of €57.8 million for these obligations, of which €41.5 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 (€268.1 million) and the fair value of the plan assets, amounting to €226.6 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;

We consider the valuation of obligations linked to pension scheme benefits to be a key point of our audit inasmuch as the determination of these assumptions depends on the judgements made by senior management, and any change in these assumptions is likely to prompt a significant variation in the amount of net liability.

Our response

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 pension benefit obligations, more especially in the United States and France.

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.

We have analysed the appropriateness of the level of information provided in the notes to the consolidated financial statements and, in particular, the correctness of the assessment of the sensitivity of the value of the obligation to a change in the discount rates.

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.

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.

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, 2019, GRANT THORNTON was in the third continuous year of its audit engagement, while ERNST & YOUNG et Autres was in the eighth year.

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.

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

Within the framework of an audit conducted in compliance with professional standards applicable in France, the statutory Auditor exercises his professional judgement 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 jeopardise 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 significant for the audit of the year's consolidated financial statements, which therefore constitute the key points of the audit and 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, February 28, 2020
The Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International
Françoise Mechin

ERNST & YOUNG et Autres
Nicolas Perlier