2020 INTERIM FINANCIAL REPORT

PIONEERING DIAGNOSTICS

bioMérieux SA

French joint stock company (société anonyme) with share capital of €12,029,370, registered office in Marcy l'Etoile (Rhône), registered in Lyon under number 673 620 399

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2020

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2020

CONSOLIDATED PROFIT & LOSS STATEMENT

In millions of euros	Notes	June 30, 2020	December 31, 2019	June 30, 2019
REVENUES	13	**1,476.2**	**2,674.8**	**1,275.1**
Cost of sales		-659.8	-1,208.2	-565.1
GROSS PROFIT		**816.4**	**1,466.6**	**709.9**
OTHER OPERATING INCOME AND EXPENSES	14	**21.9**	**45.9**	**21.2**
Selling and marketing expenses		-282.3	-567.6	-271.7
General and administrative expenses		-99.9	-182.2	-82.5
Research and development expenses		-203.0	-374.3	-178.9
TOTAL OPERATING EXPENSES		**-585.2**	**-1,124.1**	**-533.0**
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS		**253.1**	**388.5**	**198.1**
Amortisation of assets linked to the acquisition of BioFire (a)	15	-9.0	-17.9	-8.9
OPERATING INCOME BEFORE NON-RECURRING ITEMS		**244.1**	**370.7**	**189.3**
Other non-recurring income and expenses from operations	16	-12.0	0.0	0.0
OPERATING INCOME		**232.1**	**370.7**	**189.2**
Cost of net financial debt	17.2	-8.5	-20.6	-10.7
Other financial income and expenses	17.3	-3.9	-2.5	-3.5
Income tax	18	-47.7	-77.8	-36.4
Share in earnings (losses) of equity-accounted companies		-0.3	0.0	0.0
CONSOLIDATED NET INCOME		**171.7**	**269.7**	**138.7**
Non-controlling interests		-1.2	-3.1	-1.8
ATTRIBUTABLE TO THE PARENT COMPANY		**172.9**	**272.8**	**140.6**
Basic earnings per share		1.46 €	2.31 €	1.19 €
Diluted earnings per share		1.46 €	2.30 €	1.18 €

(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.

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Note	June 30, 2020	Dec. 31, 2019	June 30, 2019
Net income of consolidated companies		**171.7**	**269.7**	**138.7**
Items to be reclassified to income		**-13.7**	**19.5**	**6.5**
Fair value gains (losses) on financial hedging instruments		2.3	-1.2	-0.1
Tax effect		-0.5	0.3	0.0
Movements in cumulative translation adjustments		-15.6	20.3	6.6
Items not to be reclassified to income		**11.4**	**-2.5**	**12.6**
Fair value gains (losses) on financial assets	(a)	0.3	16.4	21.8
Tax effect		-0.1	-0.6	-0.9
Remeasurement of employee benefits		14.4	-24.0	-11.5
Tax effect		-3.2	5.8	3.1
OTHER COMPREHENSIVE INCOME		**-2.4**	**17.0**	**19.1**
TOTAL COMPREHENSIVE INCOME		**169.3**	**286.7**	**157.8**
Non-controlling interests		-1.7	-2.6	-1.3
ATTRIBUTABLE TO THE PARENT COMPANY		**171.0**	**289.3**	**159.1**

(a) 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 recyclable in profit and loss (see Note 5).

CONSOLIDATED BALANCE SHEET

ASSETS

In millions of euros	Notes	June 30, 2020	December 31, 2019	June 30, 2019 restated (a)
Intangible assets	3.2	491.0	508.4	530.2
Goodwill	3.3	651.0	652.5	649.7
Property, plant and equipment	4.1	916.7	894.7	807.4
Right-of-use assets		124.3	130.5	134.3
Non-current financial assets	5	51.1	41.9	71.8
Net income for the period - Investments in associates		0.0	0.2	0.2
Other non-current assets		14.8	16.1	15.3
Deferred tax assets		98.8	99.0	89.2
NON-CURRENT ASSETS		**2,347.8**	**2,343.5**	**2,298.3**
Inventories and work-in progress		541.9	494.7	481.1
Trade receivables and assets related to contracts with customers	8	535.3	552.1	494.8
Other operating receivables		76.7	61.1	89.0
Current tax receivables		25.4	42.3	27.2
Non-operating receivables		12.4	13.3	12.1
Cash and cash equivalents		589.5	275.0	247.7
CURRENT ASSETS		**1,781.1**	**1,438.5**	**1,351.9**
ASSETS HELD FOR SALE	6	**0.0**	**0.0**	**0.0**
TOTAL ASSETS		**4,128.9**	**3,781.9**	**3,650.2**

SHAREHOLDERS' EQUITY AND LIABILITIES

In millions of euros		June 30, 2020	December 31, 2019	June 30, 2019 restated (a)
Share capital	10.1	12.0	12.0	12.0
Additional paid-in capital and reserves	10.2	2,178.3	1,919.1	1,912.1
Attributable net income for the period		172.9	272.8	140.6
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY		**2,363.2**	**2,203.9**	**2,064.7**
NON-CONTROLLING INTERESTS		**44.5**	**50.7**	**51.9**
TOTAL EQUITY		**2,407.7**	**2,254.6**	**2,116.5**
Long-term borrowings and debt	12	338.1	153.7	520.2
Deferred tax shareholders' equity and liabilities		137.5	141.2	141.1
Impairment	11	49.1	62.3	48.9
NON-CURRENT LIABILITIES		**524.8**	**357.2**	**710.2**
Short-term borrowings and debt	12	443.2	438.6	149.3
Impairment	11	45.6	47.0	42.3
Trade payables		201.2	211.9	189.5
Other operating payables		412.2	381.1	376.7
Current tax payables		25.6	32.3	22.4
Non-operating payables		68.7	59.3	43.1
CURRENT LIABILITIES		**1,196.5**	**1,170.1**	**823.4**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	6	**0.0**	**0.0**	**0.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**4,128.9**	**3,781.9**	**3,650.2**

a) The comparative data pertaining to 2019 were restated to take into account the impact at June 30, 2019 of the modifications regarding the determination of the acquired assets and liabilities of Hybiome at December 31, 2018 (see Note 1.2.2). The reconciliation between the published and the restated financial statements is provided in Note 24.

CONSOLIDATED CASH FLOW STATEMENT

In millions of euros	Notes	June 30, 2020	December 31, 2019	June 30, 2019
Consolidated net income		**171.7**	**269.7**	**138.7**
- Investments in associates		0.3	0.0	0.0
- Cost of net financial debt		8.5	20.6	10.6
- Other financial income and expenses		3.9	2.5	3.5
- Income tax expense		47.7	77.8	36.3
- Net additions to operating depreciation and amortisation - non-current provisions		91.6	189.5	85.0
- Non-recurring income and expenses and amortisation of the BioFire purchase price		21.0	17.8	8.9
EBITDA (before non-recurring items)	**12**	**344.7**	**577.9**	**283.0**
Other non-recurring income and expenses from operations *(excluding non-recurring depreciation, amortisation and provisions and capital gains and losses on disposals of fixed assets)*		-11.7	-0.1	0.1
Other financial income and expenses *(excluding provisions and disposals of non-current financial assets)*		-3.9	-2.0	-3.5
Net additions to operating provisions for contingencies and losses		0.8	-6.8	-11.9
Fair value gains (losses) on financial instruments		0.2	-1.4	-0.9
Share-based payment		4.4	9.4	5.0
Elimination of other non-cash/non-operating income and expenses		**-10.2**	**-0.9**	**-11.2**
Change in inventories		-55.5	-71.0	-59.3
Change in trade receivables		6.1	-57.3	1.4
Change in trade payables		-10.1	32.9	8.5
Change in other operating working capital		37.2	26.0	12.2
Change in operating working capital requirement [a]		**-22.3**	**-69.4**	**-37.2**
Other non-operating working capital		15.6	2.1	1.7
Change in non-current non-financial assets and liabilities		1.3	0.4	1.0
Change in working capital requirement		**-5.4**	**-66.9**	**-34.5**
Income tax paid		**-59.9**	**-81.6**	**-51.4**
Cost of net financial debt	**17.2**	**-8.5**	**-20.6**	**-10.6**
NET CASH FROM OPERATING ACTIVITIES		**260.7**	**407.9**	**175.3**
Purchases of property, plant and equipment and intangible assets		-127.4	-272.5	-123.3
Proceeds from disposals of property, plant and equipment and intangible assets		11.8	17.1	5.4
Proceeds from other non-current financial assets		-0.6	-2.4	-2.3
FREE CASH FLOW (b)		***144.5***	***150.1***	***55.1***
Disbursement / collection related to taking non-controlling interests		-4.7	48.5	20.0
Impact of changes in the scope of consolidation		-4.0	-72.8	-68.4
NET CASH USED IN INVESTING ACTIVITIES		**-124.9**	**-282.1**	**-168.6**
Cash capital increase		0.0	0.1	0.0
Purchases and sales of treasury shares		-1.9	0.0	0.5
Dividends paid to owners		0.0	-41.3	-41.3
Cash flow from new borrowings		214.9	0.0	0.0
Cash flow from repayment of borrowings		-38.4	-69.2	-10.7
Change in interests without gain or loss of controlling interest		0.0	-23.5	-23.7
NET CASH USED IN FINANCING ACTIVITIES		**174.6**	**-133.9**	**-75.2**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**310.4**	**-8.1**	**-68.4**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**264.0**	**278.2**	**278.2**
Impact of currency changes on net cash and cash equivalents		-7.7	-6.1	-3.0
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		**566.7**	**264.0**	**206.9**

(a) Including additions to and reversals of current provisions.

(b) Corresponds to the sum of the cash flows related to operations and those related to capital expenditures, excluding the impact of changes in the scope of consolidation. It also includes cash flows involving treasury shares and those relating to the cost of debt.

Comments on the changes in the Group’s consolidated net cash and cash equivalents are provided in Note 12.

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

In millions of euros	Attributable to the parent company										Non-controlling interests
	Share capital	Additional paid-in capital and consolidated reserves [a]	Cumulative translation adjustments	Change 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**
REPORTED 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**
Comprehensive income for the period			6.0	20.9	-8.4			18.5	140.6	**159.0**	**-1.1**
Appropriation of prior-period net income		256.5						256.5	-256.5	**0.0**	
Dividends paid (d)		-41.3						-41.3		**-41.3**	
Treasury shares		-16.3				17.5		1.2		**1.2**	
Share-based payment (e)							5.0	5.0		**5.0**	
Change in ownership interests (f)		12.8						12.8		**12.8**	**-20.9**
Other changes (g)		12.0					-12.0	0.0		**0.0**	
RESTATED EQUITY AT JUNE 30, 2019	**12.0**	**1,935.1** [h]	**0.6** [i]	**36.6**	**-55.0**	**-15.3**	**10.0**	**1,912.0**	**140.6**	**2,064.7** [h]	**51.9** [j]
Hybiome acquisition adjustment (k)	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.9	0.0
REPORTED EQUITY AT JUNE 30, 2019	**12.0**	**1,936.1**	**0.5**	**36.6**	**-55.0**	**-15.3**	**10.0**	**1,912.9**	**140.5**	**2,065.5**	**51.9**

(a) Of which additional paid-in capital: €63.7 million.
(b) Including change in the fair value of Quanterix, Labtech 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: €0.35 in 2019 and €0.34 in 2018 (before stock split). Shares not qualifying for dividends amounted to 260,380 at June 30, 2019 compared with 569,443 at December 31, 2018.
(e) The fair value of benefits related to free share grants is recognised over the vesting period.
(f) The change in ownership interests in 2019 corresponds to the exercise of puts on Hybiome and Hyglos minority interests. In 2018, they resulted from the acquisition of Hybiome and the repurchase of the minority interests of RAS Lifesciences.
(g) In 2019, this change corresponds to the reclassification following the grant of free shares.
(h) Of which bioMérieux SA distributable reserves, including the net income for the fiscal year: €1,002.7 million.
(i) See Note 10.2 Cumulative translation adjustments.
(j) In 2019, the change in minority interests results from the additional repurchase of 13% of Hybiome from minority interests.
(k) The adjustment is related to the final impact of the purchase price allocation of Hybiome (see Note 1.2.2).

In millions of euros	Attributable to the parent company										Non-controlling interests
	Share capital	Additional paid-in capital and consolidated reserves (a)	Cumulative translation adjustments	Change 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**
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**	**0.0**
Treasury shares		-21.7				29.0		7.2		**7.2**	
Share-based payment (e)							9.4	9.4		**9.4**	
Share subscription plan (i)		-5.3						-5.3		**-5.3**	
Change 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**	**-3.8**	**9.4**	**1,919.1**	**272.8**	**2,203.9**	**50.7**
Total comprehensive income for the period			-15.1	2.0	11.2			-1.9	172.9	**171.0**	**-1.7**
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		0.9				-2.4		-1.5		**-1.5**	
Share-based payment (e)							4.4	4.4		**4.4**	
Change in ownership interests (f)		8.3						8.3		**8.3**	**-4.6** (j)
Other changes (g)		15.5		-15.6			-0.4	-0.4		**-0.4**	
EQUITY AT JUNE 30, 2020	**12.0**	**2,208.3** (h)	**-0.6** (i)	**17.1**	**-53.7**	**-6.2**	**13.4**	**2,178.3**	**172.9**	**2,363.2** (h)	**44.5**

(a) Of which additional paid-in capital: €63.7 million.
(b) Including change 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 and €0.35 in 2019. The shares not qualifying for dividends amounted to 79,431 at June 30, 2020 compared with 59,116 at December 31, 2019.
(e) The fair value of benefits related to free share grants is recognised over the vesting period.
(f) The change in ownership interests, attributable to the parent company, in 2020 corresponds to (i) the change in the put on Hybiome minority interests and (ii) the accretion of the Group's interest in Hybiome by 2.90%.
In 2019, it resulted from the exercise of puts on Hybiome and Hyglos minority interests.
(g) In 2020, this change corresponds to the reclassification following the free share grants and the reclassification of the Quanterix 2019 disposal from change in fair value to reserves.
(h) Of which bioMérieux SA distributable reserves, including the net income for the fiscal year: €1,074.6 million.
(i) See Note 10.2 Cumulative translation adjustments.
(j) In 2020, the change in the share of minority interests results from the dilution of Hybiome minority interests by 2.90%.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2020

bioMérieux is a leading international diagnostics group that specialises in the field of *in vitro* diagnostics for clinical and industrial applications. The Group designs, develops, manufactures and markets diagnostic systems (reagents, instruments and services). It is present in more than 160 countries through its locations in 44 countries and a large network of distributors.

The parent company, bioMérieux, is a French joint stock company (société anonyme), whose registered office is located in Marcy l'Etoile (69280) and whose shares are admitted for trading on Compartment A of NYSE Euronext Paris.

The condensed interim consolidated financial statements were approved by the Board of Directors on September 1, 2020. They are presented in millions of euros. They have been subject to a review by the Statutory Auditors.

The risk factors applicable to the bioMérieux Group are described in Section 2 of the 2019 universal registration document filed with the French financial markets authority (Autorité des marchés financiers – AMF) on March 20, 2020. They were updated following the COVID-19 pandemic in the management report of the 2020 interim financial statements.

1. SIGNIFICANT EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION FOR THE HALF-YEAR

1.1 SIGNIFICANT EVENTS OF THE FIRST-HALF

1.1.1 COVID-19

Due to its international presence and its public health mission, the Group was mobilised in the fight against the COVID-19 health crisis during the first half of 2020.

The main financial impacts related to the COVID-19 crisis were the following:

- The Group recorded increased sales in its respiratory infection diagnostic lines in molecular biology, but also lower sales in the other lines due to a drop in hospital visits in many countries. The estimate of the favourable impact of the pandemic on the revenues of the first-half 2020 on is around €110 million.
- The Group recorded additional product transport costs.
- The increased 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 cash-settled share-based compensation plans in the United States (Phantom Shares Option Plan).
- The lockdown measures have resulted in significant decreases in travel expenses and a reduction in other marketing expenses (conventions, promotion, advertising).

The main financial impacts of the COVID-19 crisis on the Group, as described above, have had an estimated positive impact on the contributive operating income before non-recurring items of around €50 million in the first half of the year.

<u>Other information</u>

The Group had no business interruption or site closure. The Group has not applied for any public support measures and is therefore not prohibited from distributing dividends in 2020.

Given the significant uncertainties caused by the pandemic, the Group has suspended its forecasts. However, the analysis carried out as part of the impairment tests on June 30, 2020 (see Note 3.1.1) did not result in impairment losses in the first half of the year.

In accordance with the recommendations of the AMF and the 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.

1.1.2 Contributions to support charitable initiatives

The Annual General Meeting on June 30, 2020 decided to exceptionally reduce the dividend to €0.19 per share. The difference from the dividend amount initially proposed, i.e. approximately €22 million, will be contributed to support charitable initiatives. In this context and given their significant and non-recurring nature, €12 million was recognised in other non-recurring operating expenses in the financial statements for the first half of 2020. These expenses generated a tax credit of €3.9 million. The remaining €10 million has not been incurred to date.

1.1.3 Issuance of a €200 million Euro PP bond

On June 29, 2020, bioMérieux announced the issuance of a €200 million private placement (in Euro PP format) to a leading European investor. This private placement comprises two tranches: the first of €145 million at 7 years and the second of €55 million at 10 years, bearing an overall annual coupon of 1.61%. This bond issue has been recognised at amortised cost according to the effective interest method, as described in Note 27.1 to the 2019 consolidated financial statements.

1.1.4 Liquidation of the defined-benefit pension plan for bioMérieux Inc. employees

During 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 $4.9 million (€4.4 million) expense was fully recognised 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 (€10.3 million) of income, fully recognised in other comprehensive income.

1.1.5 Capital increase by debt offset - Suzhou Hybiome Biomedical Engineering Co. Ltd

In April 2020, Hybiome increased its capital by 2.9% through the offset of an intragroup debt with bioMérieux Shanghai for €18.2 million. Following this transaction, bioMérieux now holds 69.9% of the shares of Hybiome.

The minority interests included in the calculation of the debt relative to the put at December 31, 2019 have been diluted, consequently reducing this debt by €3.7 million as an offset to equity attributable to the parent company.

1.2 CHANGES IN THE SCOPE OF CONSOLIDATION

The changes in the scope of consolidation comprised:

– the integration of Lianjian Anhua Biomedical (China) following its acquisition by Hybiome for €4 million and enabling the Group to generate €0.3 million of provisional goodwill;

– the removal of the subsidiaries AES Canada Inc. (United States) and Yan Set Development (China) following their liquidations;

– 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.

These transactions did not have a material impact on the Group's financial statements.

1.2.1 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 statement of cash flows and tables showing year-on-year changes in the notes.

1.2.2. Adjustments pertaining to the determination of the assets acquired in 2018

<u>Hybiome (acquisition in November 2018)</u>

At the end of 2019, the final purchase price allocation resulted in an adjustment to the value of intangible assets and, as a consequence, to the restatement of the 2018 financial statements presented in the consolidated financial statements for the year ended December 31, 2019.

Consequently, the balance sheet shown in the consolidated financial statements at June 30, 2020 has been adjusted to include the modified opening balance sheet. There was no impact on net income in the first half of 2019.

The reconciliation of the published data with the restated data is presented in Note 24.

1.3 SUMMARY OF SIGNIFICANT EVENTS IN 2019

The significant events for the 2019 fiscal year were the following:

- acquisition of Invisible Sentinel Inc. for €66.4 million;
- 12.52% increase in the equity investment in Suzhou Hybiome Biomedical Engineering Co. Ltd. for €23.7 million;
- freezing of the bioMérieux Inc. retirement benefits which generated an expense of €11.2 million;
- a global shareholding plan for My Share which generated an expense of €9 million.

These transactions did not have a material impact on the financial statements of the first half of 2020. The allocation of the purchase price for Invisible Sentinel was finalised as of December 31, 2019 and therefore has not been updated for the first half of 2020.

2. SIGNIFICANT ACCOUNTING PRINCIPLES

2.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS

The condensed interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), including all standards, amendments and interpretations, as adopted by the European Commission at June 30, 2020. This standard is available on the European Commission's website.

The condensed interim consolidated financial statements were prepared and are presented in accordance with IAS 34 "Interim financial reporting". Accordingly, the notes to the financial statements are presented in condensed format.

Information provided in the notes only relates to material items, transactions and events whose disclosure provides for a better understanding of changes in the bioMérieux Group's financial position and performance.

The accounting principles and calculation methods used to prepare the interim consolidated financial statements at June 30, 2020 and June 30, 2019 are identical to those used to prepare the consolidated financial statements for the year ended December 31, 2019 and described in detail in the universal registration document dated March 20, 2020, with the exception of the standards, amendments and interpretations that came into force in 2020. In some cases, these rules have been adapted to the specific nature of interim financial statements, in accordance with IAS 34.

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 definition of the term "materiality"
- Amendments to IFRS 3 - definition of a business
- Interest rate benchmark reform - amendments to IFRS 7, IFRS 9 and IAS 39
- Revised conceptual framework for financial information

These amendments did not impact the financial statements at June 30, 2020.

There are no significant standards, amendments and interpretations, adopted or not yet adopted by the European Union whose early application would have been possible and which will come into force after June 30, 2020. The amendment to IFRS 16 on lease rental concessions is not applicable in advance as of June 30, 2020, even though published by the IASB, as it is in the process of being adopted by the European Union. In the absence of concessions on lease rentals obtained in the first half of 2020, the application of this amendment would have no impact.

Furthermore, the amendments to IAS 1, IAS 37, IAS 16 and IFRS 3, and the 2018-2020 cycle of annual improvements, adopted by the IASB, will enter into force for fiscal years beginning on or after January 1, 2022, and the process for the adoption by the European Union has largely not yet commenced.

There are no standards, amendments and interpretations published by the IASB, with mandatory application for fiscal years opened on January 1, 2020, but not yet approved at the European level (and whose early application is not possible on a European level), which would have had a significant impact on the financial statements for this half-year.

The Group has not yet finalised the impact analysis of the IFRIC decision published in December 2019 regarding the determination of the enforceable term of a rental agreement and the depreciation period of permanent fixtures (see Note 4.2.1).

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.

2.2 JUDGEMENTS AND ESTIMATES

The rules regarding estimates and judgements have not changed significantly compared to June 30, 2019 and December 31, 2019 (see Note 2 to the consolidated financial statements at December 31, 2019). These rules were applied in particular for the measurement and impairment of intangible and financial assets and deferred taxes, and for the measurement of post-employment benefit obligations.

At June 30, 2020, the COVID-19 pandemic did not result in significant changes in estimates, nor in an increase in the uncertainties related to certain items impacting the financial statements, despite the general uncertainties related to the economic environment.

2.3 PRESENTATION OF THE CONSOLIDATED PROFIT & LOSS STATEMENT

The Group's key financial performance indicator is contributive operating income before non-recurring items. It corresponds to recurring income less recurring expenses. It does not include non-recurring income and expenses or amortisation of the assets acquired and valued in connection with the BioFire purchase price allocation (see Note 3.3 to the consolidated financial statements at December 31, 2019).

The definition of other non-recurring income and expenses from operations is the same as that applied in previous years (see Note 24.1 to the consolidated financial statements).

In accordance with the recommendations of the AMF and the CNCC, the Group has not identified any potential impacts related to COVID-19 on specific lines in the profit & loss statement.

The non-recurring income and expenses from operations do not include items related to COVID-19 (see details in Note 15).

2.4 SEASONALITY OF OPERATIONS

Given the importance of its respiratory panel, FilmArray sales were significantly influenced by the COVID-19 crisis. These ranges are also sensitive to changes in the timing and intensity of the seasonal influenza epidemic in North America. The sensitivity of the Group's other businesses to seasonal fluctuations is not significant. Revenues and contributive operating income before non-recurring items tend to be slightly higher in the second half of the year.

3. CHANGES IN INTANGIBLE ASSETS AND AMORTISATION

3.1 ACCOUNTING PRINCIPLES

3.1.1 Impairment tests on non-current assets

For each year-end closing, the Group systematically performs impairment tests on goodwill and on intangible assets with an indefinite useful life, as indicated in Note 5.2 to the consolidated financial statements at December 31, 2019. Similarly, 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, in accordance with the methods described in the aforementioned note.

For the interim financial statements, impairment tests are only carried out for material assets or groups of assets where there is an indication that they may be impaired at the current or previous reporting date. The financial statements for the first half of 2020 reflect the results of these analyses.

Given the recent integration of Hybiome, we performed an impairment test on the CGU, including updated forecasts and actuarial parameters, according to the same methods as used for the annual financial statements. The result from this test has not highlighted any impairment to recognise. In accordance with the recommendations of the AMF and the CNCC, the risk has been incorporated into the business plan cash flows and not in the discount rates.

The discount rates and perpetual growth rates used at June 30, 2020 for the Hybiome CGU impairment tests are identical to those used at December 31, 2019, namely 14.0% and 2.0%, respectively.

The result from this test has not highlighted any impairment to recognise. An impairment would be recognised if the discount rate were to increase by more than 100 basis points.

In addition, the Group has not identified any reasonably likely change in the key assumptions that could lead to the recognition of impairment.

The analysis performed did not lead to the identification, as on December 31, 2019, of assets associated with leases to be tested independently from a CGU.

The impairment tests were performed as in 2019, before IFRS 16, but also, by approximating, in the book value of the CGU, the asset related to the right of use and the debt related to the lease liability, without changing the calculation of the forecast cash flows.

3.2 CHANGES IN INTANGIBLE ASSETS AND AMORTISATION

Intangible assets mainly comprise patents and technologies.

Gross value *In millions of euros*	Patents Technology	Software	Other	Total
DECEMBER 31, 2018	**660.6**	**205.2**	**41.2**	**907.0**
Translation adjustments	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 adjustments	0.2	-2.0	0.0	-1.7
Acquisitions/Increases	0.0	1.2	7.0	8.2
Changes in scope of consolidation	0.0	0.0	2.6	2.6
Disposals/Decreases	0.0	-4.6	0.0	-4.6
Reclassifications	0.0	2.7	-1.9	0.7
JUNE 30, 2020	**672.0**	**217.5**	**66.6**	**956.1**

Accumulated depreciation and impairment losses *In millions of euros*	Patents Technology	Software	Other	Total
DECEMBER 31, 2018	**231.7**	**145.3**	**4.0**	**381.0**
Translation adjustments	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 adjustments	0.1	-1.1	0.0	-1.0
Additions	17.2	10.2	1.0	28.3
Changes in scope of consolidation	0.0	0.0	0.0	0.0
Reversals/Disposals	0.0	-4.6	-0.2	-4.8
Reclassifications	0.0	0.0	0.2	0.2
JUNE 30, 2020	**287.6**	**170.3**	**7.2**	**465.0**

Net value *In millions of euros*	Patents Technology	Software	Other	Total
DECEMBER 31, 2018	**428.9**	**59.8**	**37.2**	**526.0**
DECEMBER 31, 2019	**401.4**	**54.4**	**52.6**	**508.4**
JUNE 30, 2020	**384.4**	**47.2**	**59.4**	**491.0**

The “Other” column includes the net value of the intangible assets under construction which represented €43.1 million at June 30, 2020 compared to €38.1 million at December 31, 2019, mainly concerning IT or research and development projects.

The impairment tests did not lead to the recognition of additional impairment losses at June 30, 2020.

3.3 CHANGES IN GOODWILL

In millions of euros	Net value
DECEMBER 31, 2018	**603.0**
Translation adjustments	4.8
Changes in scope of consolidation (a)	44.8
DECEMBER 31, 2019	**652.5**
Translation adjustments	-1.8
Changes in scope of consolidation (b)	0.3
JUNE 30, 2020	**651.0**

(a) Linked to the acquisition of Invisible Sentinel Inc.

(b) Linked to the acquisition of Lianjian Anhua Biomedical. See Note 1.2.

Goodwill that remained provisional at June 30, 2020 pertained to the acquisition of Lianjian Anhua Biomedical.

No changes in goodwill impairment were recognised as a result of the impairment tests carried out (see Note 3.1.1).

4. CHANGES IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND DEPRECIATION

4.1 CHANGES IN PROPERTY, PLANT AND EQUIPMENT

GROSS VALUE *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalised 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 adjustments	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 adjustments	-0,1	-1,8	-0,2	-11,0	-0,8		**-13,8**
Changes in scope of consolidation						1,9	**1,9**
Acquisitions/Increases		9,0	6,0	35,2	8,0	36,2	**97,4**
Disposals/Decreases	0,0	-1,9	-9,1	-24,7	-8,6		**-44,4**
Reclassifications		16,4	16,0	0,1	6,0	-39,6	**-4,1**
JUNE 30, 2020	**38,9**	**575,6**	**537,0**	**404,5**	**183,4**	**183,9**	**1 926,3**

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalised instruments	Other assets	Assets under construction	**Total**
DECEMBER 31, 2018	**2,1**	**257,2**	**301,4**	**258,1**	**116,7**		**935,5**
Translation adjustments	0,0	1,6	2,4	1,8	0,9		**6,8**
Changes in scope of consolidation		0,3	0,4				**0,7**
Additions [d]	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 adjustments	0,0	-1,1	-0,3	-6,8	-0,5		**-8,8**
Additions	0,1	15,7	19,2	17,5	8,3		**60,8**
Disposals/Decreases	0,0	-1,9	-9,2	-12,6	-8,6		**-32,3**
Reclassifications		-1,5	-0,8	0,2	0,4		**-1,6**
JUNE 30, 2020	**2,5**	**293,2**	**338,2**	**248,2**	**127,4**		**1 009,5**

NET VALUE *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalised 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**
JUNE 30, 2020	**36,4**	**282,3**	**198,8**	**156,3**	**55,9**	**187,0**	**916,7**

The assets under construction mainly concern new offices, capital expenditure on the production and automation tools in Salt Lake City and the building of a new campus at Suzhou and the Newton project in St. Louis. Note €2 million concerning the first-time consolidation of Lianjian Anhua for the construction of an industrial building in China.

No changes in impairment were recognised for the first half of 2020 as a result of the impairment tests described in Note 3.1.1.

4.2 Right-of-use assets

4.2.1 Accounting principles

The accounting principles for leases are described in Note 6.2 to the 2019 consolidated financial statements.

The Group is in the process of analysing the impact of the IFRIC decision published in December 2019 regarding the determination of the enforceable term of a rental agreement and the depreciation period of the permanent fixtures. In the meantime, improvements associated with rental agreements are depreciated over the term of the agreement, unless there is reasonable certainty that the underlying asset will be used for a longer period of time than the term of the agreement. For information, the net book value is not material.

The Group has not benefited from significant lease deferrals or concessions in the first half of 2020 (see Note 2).

While awaiting the IFRS IC's confirmation, the Group has opted to recognise a deferred tax on the restatements of leases.

4.2.2 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 adjustments	0.5	1.1	0.3	0.0	**1.9**
Acquisitions/Increases	1.8	20.0	11.0	0.2	**32.9**
Disposals/Decreases		-23.3	-9.8	-0.7	**-33.8**
Reclassifications	-0.1	0.1		0.0	**0.0**
DECEMBER 31, 2019	**36.1**	**143.4**	**29.4**	**6.1**	**214.9**
Translation adjustments	-0.1	-0.9	-0.6	0.0	**-1.5**
Acquisitions/Increases	1.5	4.4	5.0		**11.0**
Disposals/Decreases	0.0	-7.1	-5.1	0.0	**-12.3**
Reclassifications				0.0	**0.0**
JUNE 30, 2020	**37.5**	**139.8**	**28.7**	**6.1**	**212.1**

ACCUMULATED DEPRECIATION *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 adjustments	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 adjustments	-0.1	-0.6	-0.2	0.0	**-0.9**
Additions	0.4	7.5	3.9	0.1	**11.9**
Disposals/Decreases		-4.7	-4.4	0.0	**-9.1**
Reclassifications		1.5		0.0	**1.5**
JUNE 30, 2020	**4.8**	**63.2**	**13.7**	**6.0**	**87.8**

NET VALUE *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
JUNE 30, 2020	**32.7**	**76.5**	**15.0**	**0.1**	124.3

The increases are primarily linked to new leases. The decreases are primarily linked to leases having reached the end of their terms.

The table below shows the assets linked to the finance leases reclassified as right-of-use assets based on property, plant and equipment (see Note 4.1):

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**
JUNE 30, 2020	**2.7**	**37.9**			**40.6**

5. CHANGES IN NON-CURRENT FINANCIAL ASSETS

In millions of euros	Gross value	Change in fair value recognised in other comprehensive income	Impairment losses	Net value
DECEMBER 31, 2018	**60.4**	**6.7**	**-0.3**	**66.9**
Translation adjustments	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 of financial instruments		0.2		0.2
	35.2	**6.9**	**-0.2**	**41.9**
Translation adjustments	-0.3		0.0	-0.3
Acquisitions/Increases	9.6		0.0	9.6
Disposals/Decreases	-0.5		0.0	-0.5
Reclassifications and changes in fair value				0.0
Changes in fair value of financial instruments		0.3		0.3
JUNE 30, 2020	**44.1**	**7.3**	**-0.2**	**51.1**

The acquisitions over the period mainly concern the equity investments in Accelix and the Pertinence Invest fund, allocated to the category of financial assets whose change in fair value is recognised 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 June 30, 2020 compared to December 31, 2019.

	Dec. 31, 2019			June 30, 2020		
In millions of euros	NBV	*Of which change in FV through profit and loss*	*Of which change in FV through other comprehensive income*	NBV	*Of which change in FV through profit and loss*	*Of which change in FV through other comprehensive income*
Banyan Biomarkers	6.4			6.4		
Qvella	6.3			6.3		
Sino French Innovations	5.0			5.0		
Accellix	-			4.5		
Pertinence Invest	-			4.0		
Specific Diagnostics	4.5			4.5		
GNEH	3.4		0.2	3.3		-0.1
Labtech/LBT Innovations	1.0		0.5	1.4		0.4
Quanterix	0.0		15.5	-		-
Other securities	4.9		0.2	4.9		0.0
TOTAL	**31.5**		**16.4**	**40.3**		**0.3**

The securities that do not show a change in fair value are classified in Level 3 (see Note 27.1 to the consolidated financial statements at December 31, 2019).

A review of these assets was carried out at June 30, 2020 and no material change in value was identified during this review.

6. ASSETS AND LIABILITIES HELD FOR SALE

There were no significant assets or liabilities held for sale at June 30, 2020, as was also the case at December 31, 2019.

7. INVENTORIES

Without a stoppage or significant reduction in its production centres, the Group did not experience any slowdown over the manufacturing period of the inventories recognised at June 30, 2020.

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 additional risks in terms of obsolescence, rotation or net realisable value of inventories.

8. TRADE RECEIVABLES AND ASSETS RELATED TO CONTRACTS WITH CUSTOMERS

Trade receivables *(in millions of euros)*	June 30, 2020	Dec. 31, 2019	June 30, 2019
Gross trade receivables	**564.5**	**579.9**	**516.4**
Impairment losses	**-29.2**	**-27.8**	**-21.6**
Net value	**535.3**	**552.1**	**494.8**

There are no other assets related to contracts with customers.

Trade receivables include the current portion of finance lease receivables.

RECEIVABLES AND ASSETS RELATED TO CONTRACTS WITH CUSTOMERS	Dec. 31, 2019	Changes in scope of consolidation	Changes in gross value	Changes in provision	Currency impact	June 30, 2020
Financial expenses				-1.3	0.0	14.8
NON-CURRENT ASSETS	**16.1**	**0.0**	**0.0**	**-1.3**	**0.0**	**14.8**
Finance lease receivables	8.7		-0.8	-0.3	0.0	7.6
Gross trade receivables	543.4	0.0	-3.1	-1.9	-10.8	527.7
	552.1	**0.0**	**-3.9**	**-2.2**	**-10.7**	**535.3**

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, the 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 (provision rates, etc.).

9. 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. These contracts have a duration of one year. The associated revenues are recognised in income over the period that the service is rendered. In practise, the revenues on these contracts are recognised over the 12 months following their invoicing. No significant adjustments were made to any liabilities related to contracts with customers during the first half of 2020.

LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS	Dec. 31, 2019	Change in scope of consolidation	Change in gross values	Change in provision	Change in translation differences	June 30, 2020
Provisions for long-term guarantee	1.3	0.0		0.0	0.0	1.3
NON-CURRENT LIABILITIES	**1.3**	**0.0**	**0.0**	**0.0**	**0.0**	**1.3**
Provisions for short-term guarantee	5.9			3.4	-0.1	9.2
Advances received on trade receivables	9.6		-3.7		-0.2	5.8
Credit note to be issued	2.2		1.1		-0.1	3.2
Income invoiced in advance	64.4	0.0	7.3		-0.6	71.1
CURRENT LIABILITIES	**82.1**	**0.0**	**4.7**	**3.4**	**-0.9**	**89.3**

10. SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

10.1 SHARE CAPITAL

The Company's share capital amounted to €12,029,370 at June 30, 2020 and was divided into 118,361,220 shares, of which 78,060,370 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. No rights or securities with a dilutive impact on capital were outstanding at June 30, 2020.

There were no changes in the number of shares outstanding during the fiscal year.

At June 30, 2020, the parent company held 15,523 treasury shares (versus 19,293 at June 30, 2019) in connection with a liquidity agreement entered into with a third party for market-making purposes. In the first six months of the fiscal year, 200,507 treasury shares were purchased and 206,681 were sold.

In the first half of the fiscal year, the Company vested 8,400 free shares to employees, as the vesting conditions were satisfied.

The liability recorded for the first half in respect of share-based payment schemes totalled €4.4 million. This corresponds to the accrued portion of the estimated liability recognised over the vesting period. It was €4.9 million in the first half of 2019.

10.2 Cumulative translation adjustments

In millions of euros	June 30, 2020	Dec. 31, 2019	June 30, 2019
Dollars (a)	56.7	54.9	42.0
Latin America	-22.4	-15.2	-13.3
Europe - Middle East - Africa	-36.9	-31.5	-32.9
Other countries	1.5	6.2	5.0
TOTAL	**-1.1**	**14.4**	**0.7**

(a) U.S. and Hong Kong dollars.

10.3 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).

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 118,692,000 at June 30, 2020, against 118,767,903 at June 30, 2019.

11. PROVISIONS – CONTINGENT ASSETS AND LIABILITIES

11.1 Accounting principles

11.1.1 Provisions

The recognition and measurement criteria for the provisions are identical to those used at December 31, 2019 (see Note 15.1 to the consolidated financial statements at December 31, 2019).

Additions to and reversals of provisions are recognised in full based on the situation at June 30, 2020.

11.1.2 Post-employment benefits

In accordance with the amended IAS 19, the general principles applied are as follows:

Post-employment benefit obligations are presented in the balance sheet for their total amount less the fair value of plan assets. The calculations of the benefit obligations and the fair value of the plan assets are identical to those used at December 31, 2019 (see Note 15.3 to the consolidated financial statements at December 31, 2019).

In accordance with the provisions of IAS 34, the post-employment benefit obligations were not calculated in full at June 30, 2020 (as at June 30, 2019).

Changes in net obligations were estimated as follows:

- The interest cost and the service cost were estimated by extrapolating the total benefit obligation as calculated at December 31, 2019;
- In view of the changes in interest rates over the first half of the year, the discount rates were updated on June 30, 2020, and the impact of their change was assessed at June 30, 2020;

- The analysis carried out as of June 30, 2020 did not result in changes to the other actuarial assumptions related to the total benefit obligation (including the employee growth rate and the turnover rate) compared to December 31, 2019;
- Other actuarial gains and losses related to experience adjustments were not recalculated due to their non-material impact during previous years and to the fact that no material changes were expected this year;
- Benefits provided were determined on the basis of departures announced during the period;
- Contributions to plan assets and benefits paid for retired employees during the first half were taken into account in full;
- The Group updated the fair value of the plan assets at June 30, 2020. The expected return on plan assets was determined based on the discount rate used to measure post-employment benefit obligations.

During the first half of 2020, the Group liquidated its obligations with respect to the defined-benefit pension plan of bioMérieux Inc. employees (USA) by transferring part of the obligation to insurance companies - see Note 1.1.4.

Changes in the total net benefit obligation are set out in Note 11.3.

11.2 CHANGES 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 (utilisations)	-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 and 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 adjustments	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	8.1	9.7	0.0	0.4	6.3	24.5
Reversals (utilisations)	-8.4	-6.0	0.0	-0.8	-3.7	-18.9
Reversals (surplus)	0.0	-0.3	0.0	-0.3	-4.2	-4.8
Net additions (reversals)	-0.3	3.4	0.0	-0.7	-1.6	0.8
Actuarial gains and losses	-14.6 (a)	0.0	0.0	0.0	0.0	-14.6
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	0.0	0.0	0.0
Translation adjustments	-0.1	-0.1	0.0	-0.1	-0.4	-0.7
JUNE 30, 2020	**42.8**	**10.4**	**0.4**	**6.2**	**34.9**	**94.7**

(a) Corresponds mainly to the liquidation of the benefit obligations related to the defined-benefit pension plan of bioMérieux Inc. (USA) employees. See Note 1.1.4.

The total amount of the provisions of €94.7 million includes current provisions for €45.6 million at June 30, 2020. Current provisions represented €47.0 million at December 31, 2019.

Net additions to provisions in the first half of 2020 represented €0.7 million in recurring income.

The pandemic related to COVID-19 did not lead to the implementation of restructuring plans.

11.3 CHANGES IN POST-EMPLOYMENT BENEFITS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

The net obligation at June 30, 2020 amounted to €42.8 million, comprising mainly the provision for post-employment benefits (€28.4 million), as well as the provision for long-service awards (€14.4 million).

Changes in the post-employment obligation can be summarised as follows:

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	**267.9**	**-226.5**	**41.5**	**1.5**	**43.0**
Current service cost	5.4		5.4	0.0	5.4
Interest cost	3.5	-3.1	0.4	0.0	0.4
Retirements (b)	-103.7	103.3	-0.4	0.0	-0.4
Change in plan (b)	-109.6	109.6	0.0		0.0
Contributions	0.0	-5.8	-5.8		-5.8
Impact on operating income	**-204.3**	**203.9**	**-0.4**	**0.0**	**-0.4**
Actuarial gains and losses (Other comprehensive income)	**-0.4**	**-13.7**	**-14.1**	0.0	**-14.1**
Other movements (incl. currency impact)	3.7	-3.7	**0.1**	0.0	**0.1**
JUNE 30, 2020	**66.8**	**-40.0**	**26.9**	**1.5**	**28.4**

(a) Plan assets or scheduled payments.

(b) Including the impact of the liquidation of the defined-benefit pension plan for bioMérieux Inc. employees for -€102.3 million on retirements and -€109.6 million on the change of plan. See Note 1.1.4.

The amount of the contributions does not include the impact of the plan liquidation in the United States for €4.4 million. This expense is also recorded within contributive operating income before non-recurring items (see Note 1.1.4).

The discount rate for commitments for Euro zone countries is between 1.2% and 1.7% at June 30, 2020 depending on the duration of the plans, compared to 0.8% and 2.0% at December 31, 2019. The remaining obligations in the United States are not material.

11.4 Provisions for tax disputes and litigation

As disclosed in Notes 15.4.1 and 15.4.2 to the consolidated financial statements at December 31, 2019, the Group is involved in various tax disputes and litigation. As disclosed in Note 15.4.2 to the 2019 consolidated financial statements, the provisions for tax disputes are shown with current taxes payable, in accordance with the IFRIC 23 interpretation.

As at June 30, 2020, there had been no significant changes in the ongoing tax disputes.

All provisions were updated on June 30, 2020.

11.5 Other provisions for contingencies and losses

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. However, in accordance with market practice, a provision for contingencies was recognised in 2016. This provision was updated over the years, and through June 30, 2020.

Other provisions for contingencies and losses

These concern the risks associated with the discontinuation of certain products, or the risks associated with equipment maintenance. These provisions were updated on June 30, 2020.

11.6 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 Tribunal de Grande Instance de Paris to obtain compensation for anxiety allegedly "generated by the unreliability of the serodiagnostic tests" for Lyme disease. To date, there are 93 civil proceedings still ongoing, brought by 45 plaintiffs, following the addition of two new identical summonses. The date for the hearing has not yet been fixed. bioMérieux objects to the claims of the summons, which it considers baseless, while the serodiagnosis 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 of the proceedings, it is impossible to reliably estimate the risk facing the Group. No significant change occurred in this dispute during the first half of 2020.

12. NET DEBT - NET CASH AND CASH EQUIVALENTS

12.1 Consolidated cash flow statement

The consolidated cash flow statement is broadly presented in accordance with the French accounting standards authority (Autorité des normes comptables – ANC) recommendation no. 2013-03 issued on 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 amortisation.

In millions of euros	June 30, 2020	Dec. 31, 2019	June 30, 2019
Additive method			
• Net income	171.7	269.7	138.7
• Non-recurring income and expenses and amortisation of the BioFire purchase price	21.0	17.8	8.9
• Cost of net financial debt	8.5	20.6	10.6
• Other financial income and expenses	3.9	2.5	3.5
• Income tax expense	47.7	77.8	36.3
• Net income for the period - Investments in associates	0.3	0.0	0.0
• Net additions to operating depreciation and amortisation - non-current provisions	91.6	189.5	85.0
EBITDA (before non-recurring items)	**344.7**	**577.9**	**283.0**
Simplified additive method			
• Contributive operating income before non-recurring items (a)	253.1	388.4	198.1
• Depreciation and amortisation	91.6	189.5	85.0
EBITDA (before non-recurring items)	**344.7**	**577.9**	**283.0**

(a) The contributive operating income before non-recurring items corresponds to the operating income before non-recurring items excluding the charge for the amortisation of the intangible assets of BioFire recognised 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.

12.2 Comments on the cash flow statement

Cash flows from operating activities

The EBITDA reached €344.7 million at the end of the first half of 2020, representing 23.4% of revenues, up 21.9% compared to €283 million for the same period in 2019. The increase reflected growth in contributive operating income before non-recurring items and net additions to depreciation and amortisation of operating items and operating provisions.

Tax payments amounted to €60 million.

During the first half of 2020, the operating working capital requirement increased by €22 million. The change was primarily a result of the following factors:

- Inventories rose by €55 million in 2020;
- Trade receivables decreased slightly thanks to an improvement in collection times;
- Trade payables increased by €10.1 million, in line with business;
- The other working capital requirement items improved by €37 million due to the increase in accrued taxes and payroll liabilities, particularly the provision regarding variable compensation indexed to the share price (phantom share plans).

Note that the COVID-19 pandemic did not impact operating cash flows. There were no delays or postponements in either operating payables or receivables at June 30, 2020.

Net cash used in investing activities

Capital expenditure outlays represented around 8.6% of revenues, i.e. €127 million at the end of first half of 2020, versus €123 million in the same period of the preceding fiscal year.

In this context, free cash flow reached €144.5 million in 2020, versus €55.1 million in the first half of 2019.

Purchases of non-current financial assets stood at €8.7 million in 2020, and mainly concerns the acquisition of Lianjian Anhua Biomedical and the equity investment in Accelix.

Net cash used in financing activities

In June 2020, bioMérieux issued a new private placement bond of €200 million to a leading European investor, comprised of two tranches: the first of €145 million at 7 years and the second of €55 million at 10 years, bearing an overall annual coupon of 1.61%.

Thus, the Group's net debt at June 30, 2020 stood at €191.9 million, versus €422 million at June 30, 2019.

12.3 CHANGES IN BORROWINGS

At June 30, 2020, the Group's net debt stood at €191.9 million, mainly comprised of the bond issue described below and the debt on lease liabilities related to IFRS 16 (€122.5 million).

In June 2020, bioMérieux issued a new private placement bond of €200 million, including €145 million repayable in 7 years with an annual coupon of 1.5% and €55 million repayable in 10 years with an annual coupon of 1.902% (see Note 1.1.3).

The bond issue is shown on the balance sheet at amortised cost calculated using the effective interest rate method, for an amount of €199.5 million.

In addition, in October 2013, bioMérieux issued €300 million of 7-year bonds to institutional investors, redeemable at par on maturity. The bonds pay interest at an annual rate of 2.875%.

The bond issue is shown on the balance sheet at amortised cost calculated using the effective interest rate method for an amount of €299.9 million, reflecting the issue price net of issue fees and premiums. Interest costs were calculated by applying the effective interest rate including issue fees and premiums.

At June 30, 2020, bioMérieux SA also had an undrawn syndicated credit facility of €500 million, put in place in 2017 and whose maturity was moved to January 2024 following the exercise of two options for extension.

12.4 MATURITIES OF NET DEBT

The maturities schedule indicates the net liabilities or net cash and cash equivalents. This non-standardised 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.

The maturity schedule below refers to balance sheet amounts.

In millions of euros	**Dec. 31, 2019**	Change to the statement of cash flows	Change in debt relating to put	IFRS 16 right-of use assets (b)	Translation adjustments	**June 30, 2020**
Cash at bank and in hand	241.0	313.4	0.0	0.0	-4.0	550.4
Cash investments	34.0	5.1			0.0	39.1
Cash and cash equivalents	275.0	318.5	0.0	0.0	-4.0	589.5
Bank overdrafts (a)	-11.0	-8.0			-3.8	-22.8
NET CASH AND CASH EQUIVALENTS (A)	**264.0**	**310.5**	**0.0**	**0.0**	**-7.8**	**566.7**
CONFIRMED FINANCIAL DEBT (B)	**581.3**	**176.5**	**-3.7**	**7.8**	**-3.4**	**758.5**
o/w due beyond 5 years	*64.3*					*259.8*
in 1 to 5 years	*89.4*					*78.4*
within 1 year	*427.6*					*420.4*
NET DEBT (B) - (A)	**317.4**	**-134.0**	**-3.7**	**7.8**	**4.4**	**191.9**

(a) Cash and bank overdrafts comply with the principles of IAS 7, meaning that they are repayable on demand.

(b) 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 June 30, 2020, borrowings with maturities greater than five years mainly comprise debt relating to lease liabilities (see Note 12.5 below) as well as the new bond issue issued in 2020 for €199.5 million.

The borrowings with maturities between one and five years include the put option on the Hybiome minority interests for €24.3 million and the debt relating to lease liabilities (see Note 12.5 below).

The portion of the borrowings that is due within one year mainly includes:

– the bond issue issued in connection with the acquisition of BioFire for €299.9 million (net of fees and issue premiums according to the amortised cost method);

– short-term marketable securities for €38 million;

– the loan taken out by bioMérieux Shanghai, corresponding to a €37.9 million revolving credit;

– the portion of the debt relating to lease liabilities that is due within one year (see Note 12.5 below).

In April 2020, the Group increased its equity investment in Hybiome, which consequently reduced the debt relating to the put option on minority interests by €3.7 million (see Note 1.1.5).

At the end of the fiscal year, the Group had not breached any of its repayment schedules.

No loan agreement, which would be effective in the second half of 2020, was signed before June 30, 2020.

12.5 Impact of liabilities relating to leases on borrowings and financial debt

In millions of euros	June 30, 2020	Dec. 31, 2019	June 30, 2019
Debt related to leases	**122.5**	**128.5**	**132.4**
of which leases with purchase option	*32.2*	*34.1*	*35.9*
Due beyond 5 years	**57.0**	**61.1**	**66.5**
of which leases with purchase option	*13.0*	*15.0*	*16.9*
Due in 1 to 5 years	**42.8**	**45.4**	**43.8**
of which leases with purchase option	*15.4*	*15.3*	*15.2*
Due within 1 year	**22.7**	**22.0**	**22.2**
of which leases with purchase option	*3.8*	*3.8*	*3.8*

12.6 Debt covenants

The syndicated credit facility and the new private placement bond issued is June 2020 are subject to a single ratio: “net debt / operating income before non-recurring items, depreciation and amortisation and acquisition-related costs” calculated excluding the impact of the application of IFRS 16. The Group complied with this ratio, which should not exceed 3.5, at June 30, 2020.

In the event of a change in the effective control of the Company, bondholders may ask for their bonds to be redeemed.

Moreover, in January 2017, bioMérieux SA renegotiated its syndicated credit facility, taking the amount to €500 million with a bullet repayment due in 2024.

The other term borrowings at June 30, 2020 mainly included 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 covenants.

12.7 Interest rates

Before hedging, 82% of the Group’s borrowings are at fixed rates (€621.9 million) and the remainder is at floating rates (€136.6 million).

The fixed-rate debt is composed of:

- debts on lease liabilities (€122.5 million) at a rate that mostly corresponds to marginal borrowing rates (see Note 20.1);
- the bond issue (maturity 2020) at a rate of 2.875% for €299.9 million. An interest rate swap was taken out converting the interest on half of the bond issue into a floating rate from the beginning, capped at

1.20% and with a floor of 0.30%. In April 2017, due to the forthcoming maturity of the ceiling and floor, a new swap contract was purchased to fix this variable rate at 0.094% from July 18, 2018;

– and from the new private placement bond was issued in June 2020 for €199.5 million (see Note 1.1.3).

Floating-rate borrowings are essentially based on the currency's interest rate plus a margin.

12.8 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.

The hedging agreements are presented in Note 20.1.

13. REVENUES

Revenue is recognised in application of the IFRS 15 standard "Income from contracts with customers".

The revenue recognition criteria are identical to those used at December 31, 2019 (see Note 3.1 to the consolidated financial statements at December 31, 2019).

The table below presents the breakdown of revenues according to the different revenue categories, in accordance with IFRS 15.

In millions of euros	**June 30, 2020**	**June 30, 2019**
Sales of equipment	154.2	99.9
Sales of reagents	1,197.9	1,061.9
Sales of services	88.1	82.6
Equipment rentals [(a)]	22.6	19.4
Other revenues	13.3	11.2
Revenues	**1,476.2**	**1,275.1**

(a) Lease of equipment includes rent and the share of revenue due to the sale of the reagents reclassified as rent.

A breakdown by geographic area is provided in Note 19.2 on segment information. A breakdown by technology and application is provided in Note 19.3.

The analysis of IFRS 15 did not result in the identification of other criteria for the breakdown of revenues.

14. OTHER OPERATING INCOME AND EXPENSES

In millions of euros	**June 30, 2020**	**Dec. 31, 2019**	**June 30, 2019**
Net royalties received	1.6	3.4	1.7
Research tax credits	13.0	28.9	14.9
Research grants	2.5	1.8	0.9
Other	4.8	11.8	3.7
TOTAL	**21.9**	**45.9**	**21.2**

In accordance with IAS 20, bioMérieux presents research tax credits as a subsidy within other operating income, as it did in previous fiscal years and reporting periods.

15. AMORTISATION OF ASSETS LINKED TO THE ACQUISITION OF BIOFIRE

At June 30, 2020, the amortisation of the assets valued at the acquisition date of BioFire stood at €9.0 million. This amount was €8.9 million at June 30, 2019.

16. OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS

16.1 ACCOUNTING PRINCIPLES

The other non-recurring income and expenses from operations for the period (net gains/losses on disposals of assets, restructuring costs, etc.) were recognised in full at June 30, 2020.

16.2 CHANGES IN OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS

As indicated in Note 1.1.2, the Group recognised €12.0 million in other non-recurring expenses from operations in the financial statements for the first half of 2020 with respect to a contribution to support charitable initiatives. These expenses generated a tax credit of €3.9 million.

No significant transactions were recorded in other non-recurring income and expenses from operations at June 30, 2019.

17. NET FINANCIAL EXPENSE

17.1 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", 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.

17.2 COST OF NET FINANCIAL DEBT

In millions of euros	**June 30, 2020**	**Dec. 31, 2019**	**June 30, 2019**
Financial expenses	-7.8	-19.4	-10.5
Interest rate hedging derivatives (a)	1.1	2.0	1.6
Foreign exchange gains (losses)	-0.4	-0.5	-0.4
Interest on leasing debt	-1.4	-2.7	-1.4
TOTAL	**-8.5**	**-20.6**	**-10.6**

(a) 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).

17.3 OTHER FINANCIAL INCOME AND EXPENSES

In millions of euros	**June 30, 2020**	**Dec. 31, 2019**	**June 30, 2019**
Interest income on leased assets	0.7	1.2	0.6
Currency hedging derivatives	-4.0	-4.4	-4.5
Other	-0.6	0.6	0.4
TOTAL	**-3.9**	**-2.5**	**-3.5**

The currency hedging derivatives mainly correspond to the ineffective part on commercial transactions.

18. INCOME TAX

18.1 ACCOUNTING PRINCIPLES

The income tax expense for first-half is calculated individually for each entity by applying the estimated average tax rate for the fiscal year to the pre-tax income for the period. The tax expense for the Group's largest entities, bioMérieux SA, bioMérieux Inc. and BioFire Diagnostics, was calculated in greater detail, resulting in an income tax expense close to the estimated average annual tax rate.

Research tax credits are presented in other operating income in the profit & loss statement and in other operating receivables in the balance sheet.

The CVAE (Cotisation sur la Valeur Ajoutée des Entreprises) contribution is presented in operating income before non-recurring items.

The research tax credit is estimated based on the underlying expenses incurred rather than the average annual effective tax rate.

Deferred taxes are recognised taking into account statutory changes in tax rates, particularly in France.

While awaiting the IFRS IC's confirmation, the Group has opted to recognise a deferred tax on the restatements of leases.

During the first half of 2020, no new deferred tax asset on tax loss carryforwards was recognised.

18.2 CHANGES IN INCOME TAX

The effective tax rate stood at 21.7% of pre-tax income, versus 20.8% at June 30, 2019.

The year-on-year increase in the effective tax rate is mainly due to the Foreign-Derived Intangible Income deduction in the United States, which represented a tax savings of €2.9 million at June 30, 2020 versus €5.5 million at June 30, 2019. The tax savings at June 30, 2019 included a non-recurring amount of €3.5 million with respect to the 2018 fiscal year.

	2020		2019	
In millions of euros	Tax	Rate	Tax	Rate
Theoretical tax at standard French tax rate	**70.3**	**32.0%**	**56.0**	**32.2%**
Impact of income taxed at reduced tax rates and foreign tax rates	-17.7	-8.0%	-10.7	-6.1%
Impact of permanent differences	-1.2	-0.5%	-5.2	-3.0%
Impact of tax on the payment of dividends	0.4	0.2%	0.4	0.2%
Deferred tax assets not recognised on tax losses carried forward	0.3	0.1%	1.2	0.7%
Impact of research tax credits (CIR) presented in operating income	-3.7	-1.7%	-4.3	-2.5%
Tax credits (other than research tax credits)	-0.7	-0.3%	-1.0	-0.6%
ACTUAL INCOME TAX EXPENSE	**47.7**	**21.7%**	**36.4**	**20.8%**

19. INFORMATION BY GEOGRAPHIC AREA, TECHNOLOGY AND APPLICATION

19.1 ACCOUNTING PRINCIPLES

Pursuant to IFRS 8 "Operating segments", the Group has identified only one operating segment (the *in vitro* diagnostics segment).

In accordance with IFRS 8, information on revenue and assets broken down by geographic area is disclosed in Note 19.2, which has been prepared using the same accounting principles as those applied to prepare the annual consolidated financial statements.

19.2 INFORMATION BY GEOGRAPHIC AREA

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.

JUNE 30, 2020

In millions of euros	Americas	EMEA (a)	Aspac	Corporate	Group
Revenues	**761.9**	**469.9**	**241.1**	**3.3**	**1,476.2**
Cost of sales	-273.4	-213.7	-123.0	-49.8	-659.8
Gross profit	**488.5**	**256.2**	**118.2**	**-46.5**	**816.4**
as % of revenues	*64%*	*55%*	*49%*		
Other operating income and expenses	-151.5	-81.4	-42.0	-288.4	-563.3
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**337.0**	**174.8**	**76.2**	**-334.9**	**253.1**
as % of revenues	*44%*	*37%*	*32%*		

(a) Of which France revenues: €102.5 million.

JUNE 30, 2020

In millions of euros	Americas	EMEA (a)	Aspac	Corporate	Group
NON-CURRENT ASSETS					
Intangible assets	17.2	26.7	3.4	443.8	491.0
Goodwill				651.0	651.0
Property, plant and equipment	453.8	201.7	43.1	218.0	916.7
Right-of-use assets	55.8	62.4	6.1		124.3
Working capital requirement					
Inventories and work-in progress	253.8	212.3	75.8		541.9
Trade receivables and assets related to contracts with customers	213.7	255.6	66.1		535.3
Trade payables	-62.5	-61.9	-76.7		-201.2

(a) Of which non-current assets in France: €391.7 million.

JUNE 30, 2019

In millions of euros	Americas	EMEA (a)	Aspac	Corporate	Group
Revenues	**581.3**	**453.0**	**238.5**	**2.3**	**1,275.1**
Cost of sales	-210.1	-207.4	-115.8	-31.9	-565.2
Gross profit	**371.2**	**245.6**	**122.7**	**-29.6**	**709.9**
as % of revenues	*64%*	*54%*	*51%*		
Other operating income and expenses	-148.0	-85.7	-48.2	-229.9	-511.8
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**223.2**	**159.9**	**74.5**	**-259.5**	**198.1**
as % of revenues	*38%*	*35%*	*31%*		

(a) Of which France revenues: €97.7 million.

JUNE 30, 2019 restated (b)

In millions of euros	Americas	EMEA (a)	Aspac	Corporate	Group
NON-CURRENT ASSETS					
Intangible assets	21.8	32.4	4.2	471.9	530.2
Goodwill				649.7	649.7
Property, plant and equipment	374.7	188.3	34.7	209.8	807.4
Right-of-use assets	57.4	68.5	8.4		134.3
Working capital requirement					
Inventories and work-in progress	222.6	191.4	67.1		481.1
Trade receivables and assets related to contracts with customers	178.4	261.1	55.3		494.8
Trade payables	-56.3	-53.2	-80.0		-189.5

(a) Of which non-current assets in France: €392.6 million.

(b) The comparative data related to 2019 have been restated to take into account the adjustments regarding the determination of the assets acquired in 2018. See Note 1.2.2.

Regional data include 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. Regional data also include costs not included in the calculation of the cost price (e.g. projects) of production sites located in those areas.

Corporate data mainly include the research and development costs incurred by the Clinic and Industry units, as well as the costs incurred by the Group's corporate functions.

The revenues from research and development partnership agreements for companion tests are presented as unit revenues under Corporate.

19.3 Information by technology and application

The table below provides a breakdown of revenue by technology:

In millions of euros	**June 30, 2020**	**Dec. 31, 2019**	**June 30, 2019 (a)**
Clinical Applications	**1,257.4**	**2,208.2**	**1,056.7**
Molecular biology	557.3	671.5	326.3
Microbiology	460.4	1,026.3	484.5
Immunoassays	195.0	474.5	229.2
Other lines	44.7	35.9	16.7
Industrial applications	**218.8**	**466.7**	**218.3**
TOTAL	**1,476.2**	**2,674.8**	**1,275.1**

(a) Including the reallocation of some veterinary activities from industrial applications to clinical applications.

20. EXCHANGE RATE AND MARKET RISK MANAGEMENT

Exchange rate, credit and market risks are respectively described in Notes 28.1, 28.2 and 28.4 to the consolidated financial statements at December 31, 2019.

The Group did not identify any material increase in risks related to the COVID-19 pandemic.

20.1 HEDGING INSTRUMENTS

The currency hedging in effect at June 30, 2020, set up under the currency hedging policy described in Note 28.1.1 to the consolidated financial statements at December 31, 2019, are the following:

Currency hedges at June 30, 2020 *in millions of euros*	**Expiration date 2020**		**2020 market value (a)**
	<1 year	**1 to 5 years**	
Hedges of existing commercial transactions			
- currency forward contracts	146.6	0.0	1.7
- options	-	-	-
TOTAL	**146.6**	**0.0**	**1.7**
Hedges of future commercial transactions			
- currency forward contracts	118.6	-	0.9
- options	-	-	0.0
TOTAL	**118.6**	**-**	**0.9**

(a) Difference between the hedging rate and the market rate at June 30, 2020, including premiums paid or received.

All the currency forward purchases and sales and options outstanding at June 30, 2020 had maturities of less than 12 months.

The analysis carried out at June 30, 2020 (taking into account the COVID-19 context in particular) did not result in a change to the qualification of the currency derivatives as a hedge.

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		Change in the fair value of the hedging instrument over the fiscal year	
Financial expenses			assets	shareholders' equity and liabilities	of which portion recognised as net income	of which portion recognised in OCI
FAIR VALUE HEDGE						
EUR interest rate risk						
Debt in EUR	interest rate swap	300.0	1.1		-1.1	
Debt in EUR	rate options	-	-	-		
Exchange rate risk					0.8	0.7
trade receivables in currencies	forward sales	146.6	1.7			
trade debts in currencies	forward purchases	-				
trade receivables in currencies	options	-				
financial receivables in currencies	forward sales	33.6	0.0			
borrowings in currencies	forward purchases	139.5	0.4			
CASH FLOW HEDGING						
EUR interest rate risk						
Debt in EUR	interest rate swap					
USD interest rate risk						
loan in $	cross currency swap	24.6		-5.6	0.0	-0.2
Exchange rate risk					0.4	1.7
future commercial sales in currencies	forward sales	118.6	0.9			
future commercial purchases in currencies	forward purchases					
future commercial sales in currencies	options					

The Group does not hold any instruments that fall under the category of net investment hedges.

20.2 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 did not identify any significant increase in the liquidity risk related to the COVID-19 pandemic.

Thus, 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 relates to net debt (see Note 12.3).

The projected cash flows from the bond issue and the hedges related to contractual redemption of the principal at par and to contractual interest payments are presented at June 30, 2020 as follows:

In millions of euros	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bond issue (a)	-308.6	0.0	0.0
Euro PP bond issue (a)	-3.2	-12.9	-209.6
Cross currency swap	-5.7	0.0	0.0
Interest rate swap (b)	1.1	0.0	0.0

(a) Contractual flows of principal and interest.

(b) According to the interest rate swap yield curve at June 30, 2020.

20.3 FINANCIAL INSTRUMENTS: FINANCIAL ASSETS AND LIABILITIES

The breakdown of the financial assets and liabilities according to the IFRS 9 "extra-financial" categories (see Note 27.1 to the consolidated financial statements at December 31, 2019) and the comparison between their book values and fair values are provided in the table below (excluding receivables, tax and social liabilities):

	June 30, 2020						
In millions of euros	Financial assets at fair value through profit or loss (excl. derivatives)	Shares in non-consolidated companies with change in fair value through other components of comprehensive income	Receivables and borrowings at amortised cost	Derivative instruments	Carrying amount	Fair value	Level
Financial assets							
Shares in non-consolidated companies		40.3			40.3	40.3	1 - 3
Other non-current financial assets			10.8		10.8	10.8	-
Other non-current assets			14.8		14.8	14.8	
Derivative instruments (asset)				9.6	9.6	9.6	2
Trade receivables			589.7		589.7	589.7	-
Other receivables			13.1		13.1	13.1	-
Cash and cash equivalents	589.5				589.5	589.5	1
TOTAL FINANCIAL ASSETS	**589.5**	**40.3**	**628.4**	**9.6**	**1267.8**	**1267.8**	
Financial liabilities							
Bond issue (a)			299.9		299.9	301.3	1
Euro PP bond issue (a)			199.5			199.5	
Other financing facilities			138.6		138.6	138.6	2
Derivative instruments (liability)				12.0	12.0	12.0	2
Borrowings - current portion			143.5		143.5	143.5	2
Trade payables			201.2		201.2	201.2	-
Other current liabilities			47.0		47.0	47.0	-
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**1029.7**	**12.0**	**842.2**	**1043.1**	

(a) The book value of the bond issues 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 to the consolidated financial statements at December 31, 2019).

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.

As a reminder, the shares in non-consolidated companies are recognised at fair value except where this cannot be reliably determined.

No level in the fair value hierarchy is shown when the book value approximates fair value.

No inter-category reclassifications were made during the first half of 2020.

At December 31, 2019, the breakdown of assets and liabilities was as follows:

In millions of euros	December 31, 2019						
	Financial assets at fair value through profit or loss (excl. derivatives)	Shares in non-consolidated companies with change in fair value through other components of comprehensive income	Receivables and borrowings at amortised cost	Derivative instruments	Carrying amount	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 (asset)				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 equivalents	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 (liability)				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.

At June 30, 2020, the change in IFRS 13 Level 3 financial instruments (see Note 27.2 to the consolidated financial statements at December 31, 2019) were as follows:

DECEMBER 31, 2019	**27.1**
Change of level 3 to 2	
Gains and losses recognised in income	
Gains and losses recognised in other comprehensive income	
Acquisitions	8.5
Disposals	
Changes in scope of consolidation, translation adjustments and misc.	0.0
JUNE 30, 2020	**35.6**

20.4 COUNTRY RISK

The Group's commercial business is mainly located in the United States (45% of revenues), in China and in France (7% respectively), in Germany and in Italy (3% respectively). No other country represents more than 2.5% of the Company's revenues.

20.5 CREDIT RISK

With revenue in more than 160 countries from government organisations and private customers, bioMérieux is exposed to a risk of non-payment of its receivables.

The management of credit risk includes the prior examination of the financial position of customers in order to determine a credit limit, the establishment of specific guarantees or insurance, and monitoring the payment deadline and late payments.

The Group's policy in terms of the writedown of trade receivables is described in Note 9 to the consolidated financial statements at December 31, 2019.

The Group did not identify any significant increase in credit risk related to the COVID-19 pandemic.

21. OFF-BALANCE SHEET COMMITMENTS

Following the first application of IFRS 16, lease payment commitments related to lease agreements are no longer noted. The lease payment commitments associated with agreement that fall under the scope of the exemptions stipulated by the standard are not noted because their impact is not deemed material.

There were no significant changes in other off-balance sheet commitments since December 31, 2019 (see Note 29 to the consolidated financial statements at December 31, 2019).

For commitments related to derivative instruments, see Note 20.3.

22. TRANSACTIONS WITH RELATED PARTIES

The transactions with related parties continued on the same basis as in 2019 without any significant developments (see Note 30 to the consolidated financial statements at December 31, 2019), except for the contribution made to Fondation Mérieux for €12 million for charitable sponsorship (see Note 1.1.2).

23. SUBSEQUENT EVENTS

The Group did not identify any events subsequent to closing.

24. IMPACTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

At the end of 2019, the final Hybiome purchase price allocation resulted in an adjustment to the value of technologies and, as a consequence, to the restatement of the 2018 financial statements presented in the consolidated financial statements at December 31, 2019.

Consequently, the balance sheet shown in the consolidated financial statements at June 30, 2019 has been adjusted to take into account this revaluation of the opening balance sheet.

The €0.8 million net impact of this adjustment has thus been recognised in equity at June 30, 2019.

Considering the absence of any material impact, no adjustment has been made to the net income or the consolidated cash flow statement in the first half of 2019.

24.1 IMPACTS ON THE MAIN CONSOLIDATED BALANCE SHEET AGGREGATES AT JUNE 30, 2019

ASSETS

Financial expenses	June 30, 2019 published	Hybiome restatement	June 30, 2019 restated
Intangible assets	511.3	18.8	530.2
Goodwill	665.8	-16.0	649.7
Property, plant and equipment	807.4		807.4
Right-of-use assets	134.3		134.3
Non-current financial assets	71.8		71.8
	0.2		0.2
Other non-current assets	15.3		15.3
Deferred tax assets	89.3	-0.1	89.2
NON-CURRENT ASSETS	**2,295.5**	**2.8**	**2,298.3**
Inventories and work-in progress	481.1		481.1
Trade receivables and assets related to contracts with customers	494.8		494.8
Other operating receivables	89.0		89.0
Current tax receivables	27.2		27.2
Non-operating receivables	12.1		12.1
Cash and cash equivalents	247.7		247.7
CURRENT ASSETS	**1,351.8**	**0.0**	**1,351.9**
ASSETS HELD FOR SALE	**0.0**		**0.0**
TOTAL ASSETS	**3,647.3**	**2.8**	**3,650.2**

SHAREHOLDERS' EQUITY AND LIABILITIES

In millions of euros	June 30, 2019 published	Hybiome restatement	June 30, 2019 restated
Share capital	12.0		12.0
Additional paid-in capital and reserves	1,913.0	-0.9	1,912.1
Attributable net income for the period	140.5	0.1	140.6
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	**2,065.5**	**-0.8**	**2,064.7**
NON-CONTROLLING INTERESTS	**51.9**		**51.9**
TOTAL EQUITY	**2,117.4**	**-0.8**	**2,116.5**
Long-term borrowings and debt	520.2		520.2
Deferred tax shareholders' equity and liabilities	137.4	3.7	141.1
Impairment	48.9		48.9
NON-CURRENT LIABILITIES	**706.6**	**3.7**	**710.2**
Short-term borrowings and debt	149.3		149.3
Impairment	42.3		42.3
Trade payables	189.5		189.5
Other operating payables	376.8	-0.1	376.7
Current tax payables	22.4		22.4
Non-operating payables	43.1		43.1
CURRENT LIABILITIES	**823.5**	**-0.1**	**823.4**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	**0.0**	**0.0**	**0.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,647.3**	**2.8**	**3,650.2**

II – INTERIM MANAGEMENT REPORT AT JUNE 30, 2020

INTERIM MANAGEMENT REPORT AT JUNE 30, 2020

1. Significant events of the first six months

1.1. COVID-19 IVD tests activity

During the first half, bioMérieux received:

- an Emergency Use Authorization (EUA) from the US Food and Drug Administration for the BIOFIRE® COVID-19 test;
- an Emergency Use Authorization (EUA) from the US Food and Drug Administration for the ARGENE® SARS-COV-2 R-GENE® test;
- an Emergency Use Authorization (EUA) from the US Food and Drug Administration for the BIOFIRE® Respiratory 2.1 Panel (RP2.1);
- CE marking for the VIDAS® anti-SARS-CoV-2 IgG and VIDAS® anti-SARS-CoV-2 IgM serology tests.

In March 2020, BioFire Defense received Emergency Use Authorization by the U.S. Food and Drug Administration of its BIOFIRE® COVID-19 test for use in CLIA moderate and high complexity clinical laboratories to detect SARS-CoV-2. The BIOFIRE® COVID-19 test detects SARS-CoV-2 in approximately 45 minutes from a nasopharyngeal swab in transport media. This test runs on the fully automated FILMARRAY® 2.0 and FILMARRAY® TORCH platforms and is extremely easy to use, therefore requiring minimal training and skills in molecular biology. This test was developed with funding from the U.S. Department of Defense (DoD) by leveraging an existing contract agreement with BioFire Defense.

In March 2020, bioMérieux received mergency Use Authorization by the U.S. Food and Drug Administration for the SARS-CoV-2 R-GENE® test. This test relies on the real-time PCR technology.

In May 2020, BioFire Diagnostics received Emergency Use Authorization by the U.S. Food and Drug Administration for the BIOFIRE® RP2.1 panel, which includes 22 pathogens that cause respiratory infections, including SARS-CoV-2 (the cause of COVID-19 disease). The inclusion of SARS-CoV-2 in the BIOFIRE® RP2.1 panel allows healthcare providers to quickly identify patients with common respiratory pathogens, as well as those with COVID-19, using one simple test. The BIOFIRE® RP2.1 panel takes approximately 45 minutes and tests nasopharyngeal swab samples in transport media. It runs on the fully automated FILMARRAY® 2.0 and FILMARRAY® TORCH systems and is extremely easy to use.

In May 2020, bioMérieux obtained the CE marking of VIDAS® anti-SARS-CoV-2 serology tests to detect antibodies in people who have been exposed to SARS-CoV-2 which causes the COVID-19 disease. VIDAS® anti-SARS-CoV-2 IgM and anti-SARS-CoV-2 IgG are used to measure the presence of antibodies in people who have been infected with SARS-CoV-2. In this context, clinical specificity is particularly important to ensure that testing of uninfected individuals consistently delivers a negative result. Both VIDAS® anti-SARS-CoV-2 IgM and anti-SARS-CoV-2 IgG provide results in less than 30 minutes and demonstrate excellent performance on a large number of clinical specimens, with 99.4% and 99.9% specificity, respectively.

1.2 Other events

- **bioMérieux issued a €200 million Euro PP bond**

  On June 29, 2020, bioMérieux announced that it had issued a €200 million Euro PP new debt with a top-tier European institutional investor. The private placement comprised two tranches: one 7-year €145 million tranche and one 10-year €55 million tranche, bearing an aggregated annual coupon of 1.61%.

This private placement bond issue, which was completed under favorable conditions for bioMérieux, enables 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 bond issue will also be partly used to refinance the existing public bond issued in 2013 for an amount of €300 million, maturing in October 2020.

1.3 Dividends distribution events and initiatives in the public interest

With the publication of the 2019 financial results, the Company had initially recommended a dividend of €0.38 per share for a total payout of around €45 million. To meet the unprecedented challenges of solidarity and responsibility imposed by the current situation, the Board of Directors exceptionally recommends reducing the dividend that will be paid on July 16, 2020 to €0.19 per share. The remainder of the originally planned total payout, representing around €22 million, will be used for philanthropy with the aim of supporting solidarity actions.

In this case, the Mérieux Foundation will receive a donation of €12 million. This independent family foundation, with public interest status, works on the ground to combat infectious diseases that affect developing countries. In 2020, the Foundation has redirected some of its programs to the fight against COVID-19 in these countries. At the same time, €10 million will be allocated to local actions in the countries where bioMérieux operates, and to initiatives to provide aid for the homeless and the most vulnerable, in particular mothers and children.

1.4 Governance

Change in bioMérieux's organizational structure to drive a new phase of growth

bioMérieux has achieved above-market growth for several years and is the number one pure player in this field. To consolidate this unique position, adapt to industry trends and enhance customer focus around business-specific expertise, Chairman and Chief Executive Officer Alexandre Mérieux has decided to change bioMérieux's organizational structure. Effective from March 2, 2020, the Group will be managed by a smaller, more agile executive team, led by the Chairman and Chief Executive Officer. The new organizational structure will comprise two main divisions: one that focuses on clinical customers, such as hospitals and laboratories, and the other dedicated to industrial customers, in the food, pharmaceuticals and cosmetics industries. Pierre Boulud, formerly Executive Vice President of the Asia Pacific region, has been appointed Chief Operating Officer in charge of Clinical Operations and will be responsible for all sales, marketing, customer service, strategy, and business development activities.

These changes represent an opportunity to strengthen synergies in bioMérieux's portfolio of solutions, so that it can respond even more effectively to its customers' needs.

2. Financial summary

Consolidated data In € millions	**2020**	2019	% change as reported
Sales	**1,476**	**1,275**	**+15.8%**
Contributive operating income before non-recurring items(1)	**253**	198	+27.8%
% sales	***17.1%***	*15.5%*	
Operating income(2)	**232**	189	+22.7%
Net attributable income	**173**	**141**	**+23.0%**
Earnings per share (in €)	**€1.46**	€1.19	

(1) Contributive operating income before non-recurring items corresponds to operating income before non-recurring items relating to the BioFire acquisition and integration and before accounting entries relating to the BioFire purchase price allocation.
(2) Operating income is the sum of contributive operating income before non-recurring items, BioFire acquisition fees and purchase price amortization expense and "material, extraordinary and non-recurring items" recognized in "Other non-recurring income and expenses from operations, net.

3. Management Report

3.1 Activity

NB: Unless otherwise stated, sales growth is expressed at constant exchange rates and scope of consolidation (like-for-like).

Consolidated sales amounted to €1,476 million in the first half of 2020, up 15.7% like-for-like from €1,275 million in the year-earlier period. Reported growth stood at 15.8% for the period. There was little or no impact from exchange rate movements, as the decline in emerging market currencies against the euro canceled out the increase in the US dollar.

Analysis of sales
In € millions

SALES - SIX MONTHS ENDED JUNE 30, 2019	**1,275**	
Currency effect	+2	+0.2%
Changes in scope of consolidation(1)	-1	-0.1%
Organic growth (at constant exchange rates and scope of consolidation)	+200	+15.7%
SALES - SIX MONTHS ENDED JUNE 30, 2020	**1,476**	**+15.8%**

NB: A definition of the currency effect and of changes in the scope of consolidation is provided herebelow[1].
(1) Disposal of businesses in Australia and acquisition of Invisible Sentinel on February 7, 2019.

ANALYSIS OF SALES BY APPLICATION

Sales by Application In € millions	**Q2 2020**	Q2 2019(3)	% change as reported	**% change at constant exchange rates and scope of consolidation**	**Six months ended June 30, 2020**	Six months ended June 30, 2019(3)	% change as reported	**% change at constant exchange rates and scope of consolidation**
Clinical Applications	**601.6**	529.8	+13.5%	**+14.1%**	**1,257.4**	1,056.7	+19.0%	**+18.7%**
Molecular biology	**264.1**	154.1	+71.3%	**+70.8%**	**557.3**	326.3	+70.8%	**+68.7%**
Microbiology	**208.7**	247.1	-15.5%	**-14.2%**	**460.4**	484.5	-5.0%	**-4.2%**
Immunoassays	**96.2**	119.9	-19.8%	**-18.2%**	**195.0**	229.2	-14.9%	**-14.2%**
Other lines(1)	**32.5**	8.6	x 2.8	**x 2.7**	**44.7**	16.7	x 1.7	**x 1.6**
Industrial Applications(2)	**105.8**	113.7	-6.9%	**-5.2%**	**218.8**	218.3	+0.2%	**+1.1%**
TOTAL CONSOLIDATED SALES	**707.4**	643.5	+9.9%	**+10.7%**	**1,476.2**	1,275.1	+15.8%	**+15.7%**

(1) Including Applied Maths, BioFire Defense, and R&D-related revenue arising on clinical applications.
(2) Including R&D-related revenue arising on industrial applications.
(3) Including the transfer of certain veterinary operations from industrial to clinical applications.

[1] Currency effect: this is established by converting actual numbers at the average rates of year y-1. In practice, those rates are either average rates communicated by the ECB, or hedged rates if hedging instruments have been set up.

Changes in scope of consolidation: these are determined:

- for acquisitions in the period, by deducting from sales for the period the amount of sales generated during the period by acquired entities as from the date they entered the consolidated reporting scope;
- for acquisitions in the previous period, by deducting from sales for the period the amount of sales generated in the months in the previous period during which the acquired entities were not consolidated;
- for disposals in the period, by adding to sales for the period the amount of sales generated by entities sold during the previous period in the months of the current period during which these entities were no longer consolidated;
- for disposals in the previous period, by adding to sales for the period the amount of sales generated during the previous period by the entities sold.

- **Clinical application** sales, which accounted for approximately 85% of bioMérieux's consolidated total, rose by 14% year-on-year to €602 million in the second quarter of 2020, and by nearly 19% to €1,257 million over the first half.
  - In **molecular biology**, the BIOFIRE® FILMARRAY® product line reported remarkable growth in the second quarter, led by sales of the new version of the respiratory panel with SARS-CoV-2. Including BioFire Defense sales recognized in "Other lines", molecular biology sales rose by around 80% over the period. The BIOFIRE® installed base continued to expand, to more than 14,000 units at June 30, 2020, versus 10,400 at December 31, 2019. The extraction and ARGENE® lines also made a significant contribution to molecular biology sales growth, reflecting their complementarity with the syndromic approach.
  - The **microbiology** business was impacted by the slowdown in reagent sales across all product lines due to the decline in hospital visits, while equipment sales rose steeply during the quarter.
  - Sales of the **immunoassay** line also slowed in the wake of lockdown measures and the decline in hospital use.

- **Industrial application** sales, which represent around 15% of the consolidated total, decreased by 5% year-on-year to €106 million in the second quarter. While business with customers in the pharmaceutical industry continued to trend upwards, the agri-foods market contracted over the period, dragged down by the impact of the health crisis.

ANALYSIS OF SALES BY REGION

Sales by Region In € millions	**Q2 2020**	Q2 2019	% change as reported	**% change at constant exchange rates and scope of consolidation**	**Six months ended June 30, 2020**	Six months ended June 30, 2019	% change as reported	**% change at constant exchange rates and scope of consolidation**
Americas	**364.7**	285.7	+27.7%	**+28.0%**	**762.4**	581.8	+31.0%	**+30.2%**
North America	**325.7**	246.5	+32.2%	**+29.8%**	**684.0**	507.9	+34.7%	**+31.4%**
Latin America	**38.9**	39.2	-0.7%	**+17.2%**	**78.4**	73.9	+6.1%	**+21.5%**
Europe[1]	**225.0**	231.5	-2.8%	**-1.7%**	**472.7**	454.7	+4.0%	**+4.4%**
Asia Pacific	**117.7**	126.3	-6.8%	**-5.6%**	**241.1**	238.5	+1.1%	**+2.0%**
TOTAL SALES	**707.4**	643.5	+9.9%	**+10.7%**	**1,476.2**	1,275.1	+15.8%	**+15.7%**

[1] Including the Middle East and Africa.

- Sales in the **Americas** (52% of the consolidated total) rose by 28% year-on-year to €365 million in the second quarter and by 30% to €762 million in the first half.
  - In **North America** (46% of the consolidated total), quarterly growth was primarily led by strong demand for the BIOFIRE® FILMARRAY® molecular biology product line.
  - In **Latin America**, every country except Brazil and Colombia reported robust growth in second-quarter sales, supported by the deployment of molecular biology solutions.

- Sales in the **Europe – Middle East – Africa** region (32% of the consolidated total) came to €225 million for the second quarter, down 1.7% year-on-year. Sales for the first six months were up 4% from the previous year, at €473 million.
  - In **Europe** (27% of the consolidated total), solid growth in the United Kingdom and Scandinavia failed to offset the slowdown in the Benelux countries, Poland and Switzerland.
  - The situation remained contrasted in the **Russia – Middle East – Africa** region, where vibrant growth in Russia, Egypt and the Middle East in the second quarter was somewhat offset by a transient decline of sales in Africa.

- In the **Asia-Pacific** region (16% of the consolidated total), sales came to €118 million in the second quarter, representing a year-on-year decline of around 6%. The robust sales performance in Japan and Australia was more than offset by the slowdown in China, where lower exposure to the molecular biology lines meant that they were unable to make up for the slowdown in sales of the other lines.

3.2 Financial datas

CONSOLIDATED INCOME STATEMENT

- **Gross profit**

  Gross profit for the first six months of the year came to €816 million or 55.3% of sales, down slightly from 55.7% in the prior-year period. The erosion in gross margin primarily reflected the adverse currency effect and the impact of phantom stock option plans (PSOPs) in the United States. Excluding these two factors, gross margin was unchanged for the period, despite the higher proportion of instruments sales in the first-half mix.

- **Contributive operating income before non-recurring items**

  Contributive operating income before non-recurring items came to €253 million for first-half 2020, a year-on-year gain of 28%. Contributive operating income before non-recurring items as a percentage of sales was 17.1% as reported. An expense of €42 million was booked in the first half in respect of the PSOP bonus plans in the United States that are indexed to the bioMérieux share price, compared to an expense of €26 million in first-half 2019. bioMérieux also recognized a €4 million expense on the settlement of its obligations under a defined benefit pension plan for bioMérieux Inc. employees in the United States. The currency effects reduced reported contributive operating income before non-recurring items by €7 million.

  - **Selling, general and administrative expenses** amounted to €382 million, or 25.9% of sales, compared with 27.8% in first-half 2019. The improvement was primarily attributable to the decline in selling expenses (conventions and business travels) as a result of lockdown measures.
  - **R&D expenses** came to €203 million, or 13.8% of sales, compared with €179 million and 14% in first-half 2019. The increase in outlays reflected both the programs undertaken to develop new SARS-CoV-2 diagnostics and the ongoing commitment to driving innovation across every product line.
  - **Other operating income** stood at around €22 million for the period, unchanged year-on-year.

- **Operating income**

  Depreciation and amortization charged against assets revalued at BioFire's date of acquisition amounted to €9 million in first-half 2020, unchanged from first-half 2019. In June 2020, the Board of Directors also decided exceptionally to reduce the dividend by €22 million and to allocate these funds to supporting initiatives in the public interest. Of these funds, €12 million has already been recognized in other non-recurring expenses from operations in first-half 2020.

  As a result, consolidated **operating income** came to €232 million in the first half, representing a 23% increase on the €189 million reported for the first two quarters of 2019.

- **Net income of consolidated companies**

  Net financial expense amounted to €12 million over the period, down slightly from €14 million in first-half 2019.

  The Group's **effective tax rate** for the first half of 2020 stood at 21.7%, versus 20.8% in first-half 2019, which benefited from the preferential tax rate applied to intellectual property under the new Foreign-Derived Intangible Income (FDII) deduction in the United States.

  Net attributable income amounted to €173 million for the first half of 2020, up 23% from €141 million one year earlier.

CASH MANAGEMENT AND FINANCE

- **Free cash flow**

EBITDA[2] came to €345 million in first-half 2020, or 23.4% of sales, up 22% from the €283 million reported for the same period one year earlier. The increase reflects growth in contributive operating income before non-recurring items and net additions to depreciation and amortization of operating items and operating provisions.

Income tax paid represented €60 million, an increase from the €51 million paid in first-half 2019, in line with activity.

Working capital requirement rose by €22 million in the first six months of 2020, primarily as a result of the following factors:

- inventories rose by €55 million during the period, mainly due to slower sales of the microbiology and immunoassay lines;
- trade receivables decreased slightly, thanks to the growth in business in the United States;
- trade payables declined by €10 million, in line with the reduction in average days sales outstanding;
- other working capital requirement items improved by €37 million, led by the increase in accrued taxes and payroll liabilities (particularly the provision on the PSOP bonus plans indexed to the bioMérieux share price).

Capital expenditure outlays represented around 8.6% of sales or €127 million in first-half 2020, versus €123 million in first-half 2019.

In light of the above, **free cash flow** came in at €144 million in first-half 2020, compared to €55 million one year earlier.

- **Change in net debt**

Purchases of non-current financial assets, net of disposals, amounted to €9 million, versus €72 million in first-half 2019. bioMérieux also bought back its own shares in an amount of around €2 million.

A **dividend** of €22 million will be paid in the second half of the year instead of in the first half as was the case in 2019.

As a result, consolidated **net debt** came to €192 million at June 30, 2020, versus €317 million at December 31, 2019.

4. Subsequent events

- **CE marking for the BIOFIRE® Respiratory 2.1 *plus* Panel with SARS-CoV-2**

On July 15, 2020, bioMérieux announced that the BIOFIRE® Respiratory 2.1 *plus* Panel (RP2.1*plus*) had obtained CE marking. RP2.1*plus* simultaneously tests for 23 pathogens (19 viruses, including SARS-CoV-2, and 4 bacteria) responsible for the most frequent respiratory tract infections.

- **Launch of BIOFIRE® MYCOPLASMA test for mycoplasma detection in biopharmaceutical products**

On July 16, 2020, bioMérieux announced the launch of BIOFIRE® MYCOPLASMA, an innovative test for mycoplasma detection in pharmaceutical products used for biotherapeutics (antibodies, hormones, cell and gene therapies, etc.). Based on the BIOFIRE® technology used for several years in the field of clinical diagnostics, BIOFIRE® MYCOPLASMA allows pharmaceutical industry customers to carefully monitor the risk of contamination at each step in their manufacturing processes.

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2 EBITDA corresponds to the aggregate of contributive operating income before non-recurring items, and operating depreciation and amortization.

- **FDA issues Emergency Use Authorization for VIDAS® anti-SARS-CoV-2 IgG and VIDAS® anti-SARS-CoV-2 IgM serology tests**

  On August 7, 2020, bioMérieux announced that it had received an Emergency Use Authorization (EUA) from the US Food and Drug Administration for the VIDAS® anti-SARS-CoV-2 IgG and VIDAS® anti-SARS-CoV-2 IgM serology tests. These tests detect antibodies in people exposed to the SARS-CoV-2 virus that causes COVID-19.

5. Governance

The Board of Directors has decided to rename its Human Resources, Appointments and Remuneration Committee to Human Resources and CSR Committee. Thus, the Committee, in addition to its historical missions, will be in charge of ensuring that the Company takes CSR topics into account, and their integration into its strategy.

6. Risk factors

The principal risks to which bioMérieux is exposed are set out in the 2019 universal registration document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 20, 2020 under number D.20-0152 (see Sections 2 and 6.1 – Note 28 to the consolidated financial statements for the year ended December 31, 2019).

Notes 10.6 (Provisions – Contingent assets and liabilities) and 19 (Management of exchange rate and market risks) to the 2020 interim consolidated financial statements shown in this report also set out the risks to which the Company could be exposed during the second half of 2020.

Regarding the current health crisis related to the COVID-19 pandemic, the Company cannot assess the impacts of the pandemic, depending on its evolution in terms of intensity or severity, on its operations, production and net income.

The pandemic could lead to a decline in the Company's revenues in certain regions or certain lines. In particular, the negative effects of the health crisis accelerated during the second quarter of 2020, impacting the microbiology and immunoassay lines due to a drop in hospital visits, as well as industrial applications related to the agri-food sector. The Company does not know if these effects will continue, their intensity and, where applicable, their duration. The strong momentum in the syndromic test and molecular biology product lines may not continue.

The pandemic also presents a health and safety risk for bioMérieux employees. The Company has implemented a number of measures to limit this risk. Despite these efforts, the Company could be faced with the shutdown of its production lines or a slowdown in its research and development activities or its supply chain, due to the COVID-19 infection of one of its employees.

Furthermore, working from home, lockdowns or any other restrictive measure which could be recommended or imposed on the Company could impact its business and its performance.

Lastly, other risks and uncertainties of which bioMérieux is not aware at this time or which it considers not material could also adversely affect its business.

7. Principal transactions with related parties

The transactions with related parties continued on the same basis as in 2019 without any significant developments (see Note 30 to the consolidated financial statements for the year ended December 31, 2019, Section 6 of the 2019 universal registration document) except for the contribution made to Fondation Mérieux for €12 million for charitable sponsorship (see Note 22 to the interim consolidated financial statements in Appendix A of this Interim Financial Report).

8. Full-year outlook

In light of the uncertainties linked to the current health crisis, bioMérieux has deemed it preferable not to issue any new annual guidance as of the date of release of its interim results. Nevertheless, based on the robust first-half performance and the nature of bioMérieux's business, the favorable impact on financial results is expected to continue in the second half.

III – STATEMENT BY THE PERSONS RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

STATEMENT BY THE PERSONS RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

We hereby certify that, to the best of our knowledge, the condensed interim consolidated financial statements for the past half year have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and the consolidated Group as a whole, and that the Interim Management Report on page 51 et seq. above provides a fair view of the significant events that took place during the first six months of the fiscal year, their impact on the interim financial statements and the principal transactions with related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the fiscal year.

Marcy l'Etoile, September 2, 2020

Chairman and Chief Executive Officer

Alexandre Mérieux

IV – STATUTORY AUDITORS' REPORT

"Statutory Auditors' review report on the interim financial information"

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.

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bioMérieux

Six months ended June 30, 2020

Statutory Auditors' review report on the interim financial information

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Member of the Regional Association of Versailles

bioMérieux

Six months ended June 30, 2020

Statutory Auditors' review report on the interim financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the limited review of the condensed interim consolidated financial statements of bioMérieux for the period from January 1 to June 30, 2020, as appended to this report;
- the verification of the information contained in the Interim Management Report.

These condensed interim consolidated financial statements were prepared under the responsibility of your Board of Directors on September 1, 2020 on the basis of the information available at that date amidst the evolving context of the COVID-19 crisis and the difficulties in assessing its impacts and the outlook. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our work in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less extensive than an audit conducted in accordance with professional standards applicable in France. Consequently, unlike a full audit, a review only provides moderate assurance that the financial statements, taken as a whole, are free from material misstatement.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

2. Specific verification

We have also verified the information presented in the Interim Management Report prepared on September 1, 2020 on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

Lyon, September 1, 2020

The Statutory Auditors

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Françoise Méchin

Nicolas Perlier

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- ARGENTINA
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