BIOMÉRIEUX

HALF-YEAR FINANCIAL REPORT **2021**

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

HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED JUNE 30, 2021

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2021

CONSOLIDATED PROFIT AND LOSS STATEMENT

In millions of euros	Notes	First-half 2021	First-half 2020
REVENUES	13	**1,574.2**	**1,476.2**
Cost of sales		(659.2)	(659.8)
GROSS PROFIT		**915.0**	**816.4**
OTHER OPERATING INCOME AND EXPENSES	14	**20.2**	**21.9**
Selling and marketing expenses		(267.1)	(282.3)
General and administrative expenses		(112.5)	(99.9)
Research and development expenses		(181.5)	(203.0)
TOTAL OPERATING EXPENSES		**(561.1)**	**(585.2)**
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS		**374.1**	**253.1**
Amortization of assets linked to the acquisition of BioFire[(a)]	15	(8.3)	(9.0)
OPERATING INCOME BEFORE NON-RECURRING ITEMS		**365.8**	**244.1**
Other non-recurring income and expenses from operations	16	0.0	(12.0)
OPERATING INCOME		**365.8**	**232.1**
Cost of net debt	17.2	(3.9)	(8.5)
Other financial income and expenses	17.3	(2.5)	(3.9)
Income tax	18	(82.5)	(47.7)
Share in earnings (losses) of equity-accounted companies		(0.9)	(0.3)
NET INCOME OF CONSOLIDATED COMPANIES		**276.0**	**171.7**
Non-controlling interests		(1.1)	(1.2)
ATTRIBUTABLE TO OWNERS OF THE PARENT		**277.1**	**172.9**
Basic earnings per share		€2.34	€1.46
Diluted earnings per share		€2.33	€1.46

(a) In order to improve understanding of operating income and in view of BioFire's size, the amortization of the assets acquired and valued as part of the purchase price allocation is presented on a separate line of operating income before non-recurring items.

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	Notes	First-half 2021	First-half 2020
Net income of consolidated companies		**276.0**	**171.7**
Items to be reclassified to income		**61.9**	**(13.7)**
Fair value gains (losses) on hedging instruments		(0.9)	2.3
Tax effect		0.2	(0.5)
Movements in cumulative translation adjustments		62.6	(15.6)
Items not to be reclassified to income		**0.7**	**11.4**
Fair value gains (losses) on financial assets	(a)	(1.5)	0.3
Tax effect		0.1	(0.1)
Remeasurement of employee benefits		2.8	14.4
Tax effect		(0.7)	(3.2)
OTHER COMPREHENSIVE INCOME (EXPENSE)		**62.5**	**(2.4)**
TOTAL COMPREHENSIVE INCOME		**338.6**	**169.3**
Non-controlling interests		0.6	(1.7)
ATTRIBUTABLE TO OWNERS OF THE PARENT		**338.0**	**171.0**

(a) Changes in the fair value of financial instruments concern shares in non-consolidated companies for which the Group has elected to recognize changes in the fair value in other comprehensive income not to be reclassified to income (see Note 5).

CONSOLIDATED BALANCE SHEET

ASSETS

In millions of euros	Notes	June 30, 2021	Dec. 31, 2020
Intangible assets	3	426.8	430.7
Goodwill	3.3	642.4	629.4
Property, plant and equipment	4.1	1,005.8	939.0
Right-of-use assets		129.4	129.6
Non-current financial assets	5	55.9	50.6
Investments in equity-accounted companies		0.7	0.0
Other non-current assets		13.9	14.3
Deferred tax assets		83.6	72.6
NON-CURRENT ASSETS		**2,358.5**	**2,266.3**
Inventories and work-in-progress		611.0	541.9
Trade receivables and assets related to contracts with customers	8	542.4	597.9
Other operating receivables		100.0	82.2
Current tax receivables		40.5	42.3
Non-operating receivables		11.6	8.0
Cash and cash equivalents		493.2	389.2
CURRENT ASSETS		**1,798.7**	**1,661.6**
ASSETS HELD FOR SALE	6	**0.0**	**0.0**
TOTAL ASSETS		**4,157.2**	**3,927.8**

SHAREHOLDERS' EQUITY AND LIABILITIES

In millions of euros		June 30, 2021	Dec. 31, 2020
Share capital	10.1	12.0	12.0
Additional paid-in capital and reserves	10.2	2,409.2	2,014.8
Attributable net income for the period		277.1	404.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**2,698.2**	**2,431.1**
NON-CONTROLLING INTERESTS		**50.8**	**50.2**
TOTAL EQUITY		**2,749.0**	**2,481.3**
Long-term borrowings and debt	12	361.5	352.4
Deferred tax liabilities		124.7	105.8
Provisions	11	64.0	64.4
NON-CURRENT LIABILITIES		**550.2**	**522.7**
Short-term borrowings and debt	12	163.2	128.9
Provisions	11	49.6	51.4
Trade payables		199.1	207.1
Other operating payables		382.2	451.7
Current tax payables		27.6	44.3
Non-operating payables		36.3	40.5
CURRENT LIABILITIES		**857.9**	**923.8**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	6	**0.0**	**0.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**4,157.2**	**3,927.8**

CONSOLIDATED CASH FLOW STATEMENT

In millions of euros	Notes	First-half 2021	First-half 2020
Net income of consolidated companies		**276.0**	**171.7**
- Share in (earnings) losses of equity-accounted companies		0.9	0.3
- Cost of net debt		3.9	8.5
- Other financial income and expenses		2.5	3.9
- Income tax expense		82.5	47.7
- Net additions to depreciation and amortization of operating items – non-current provisions		97.2	91.6
- Non-recurring income and expenses and amortization of the BioFire purchase price		8.3	21.0
EBITDA (before non-recurring items)	**12**	**471.3**	**344.7**
Other non-recurring income and expenses from operations *(excluding net additions to non-recurring provisions and capital gains or losses on disposals of non-current assets)*		0.0	(11.7)
Other financial income and expenses *(excluding provisions and disposals of non-current financial assets)*		(2.7)	(3.9)
Net additions to operating provisions for contingencies and losses		(0.5)	0.8
Fair value gains (losses) on financial instruments		0.2	0.2
Share-based payment		5.6	4.4
Elimination of other non-cash/non-operating income and expenses		**2.6**	**(10.2)**
Change in inventories		(56.6)	(55.5)
Change in trade receivables		62.2	6.1
Change in trade payables		(10.9)	(10.1)
Change in other operating working capital		(80.7)	37.2
Change in operating working capital requirement[(a)]		**(86.0)**	**(22.3)**
Other non-operating working capital		(0.9)	15.6
Change in non-current non-financial assets and liabilities		0.8	1.3
Change in working capital requirement		**(86.1)**	**(5.4)**
Income tax paid		**(98.1)**	**(59.9)**
Cost of net debt	**17.2**	**(3.9)**	**(8.5)**
NET CASH FROM OPERATING ACTIVITIES		**285.8**	**260.7**
Purchases of property, plant and equipment and intangible assets		(143.5)	(127.4)
Proceeds from disposals of property, plant and equipment and intangible assets		9.1	11.8
Purchases of other non-current financial assets		(6.3)	(0.6)
FREE CASH FLOW[(b)]		***145.1***	***144.5***
Purchases of/Proceeds from disposals of non-consolidated companies and equity-accounted investments		(2.7)	(4.7)
Impact of changes in scope of consolidation		0.0	(4.0)
NET CASH USED IN INVESTING ACTIVITIES		**(143.4)**	**(124.9)**
Purchases and sales of treasury shares		(2.5)	(1.9)
Dividends paid to owners		(73.1)	0.0
Cash flows from new borrowings		30.8	214.9
Cash flows from loan repayments		(29.0)	(38.4)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**(73.8)**	**174.6**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**68.6**	**310.4**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**371.3**	**264.0**
Impact of changes in exchange rates on net cash and cash equivalents		12.8	(7.7)
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD		**452.7**	**566.7**

(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 relating to treasury shares and to the cost of debt.

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

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

In millions of euros	Attributable to owners of the parent										Non-controlling interests
	Share capital	Additional paid-in capital and consolidated reserves[a]	Cumulative translation adjustments	Changes in fair value[b]	Actuarial gains and losses[c]	Treasury shares	Share-based payment	Total additional paid-in capital and reserves	Net income	**Total**	**Total**
EQUITY AT DECEMBER 31, 2018	**12.0**	**1,711.5**	**(5.4)**	**15.7**	**(46.6)**	**(32.8)**	**17.0**	**1,659.5**	**256.5**	**1,928.0**	**74.0**
Total comprehensive income for the period			19.9	14.9	(18.3)			16.5	272.8	**289.3**	**(2.6)**
Appropriation of prior-period net income		256.6						256.6	(256.6)	**0.0**	
Dividends paid[d]		(41.3)						(41.3)		**(41.3)**	**0.0**
Treasury shares		(21.7)				29.0		7.2		**7.2**	
Share-based payment[e]							9.4	9.4		**9.4**	
Share subscription plans[i]		(5.3)						(5.3)		**(5.3)**	
Changes in ownership interests[f]		12.8						12.8		**12.8**	**(20.7)**
Other changes[g]		20.9					(17.1)	3.9		**3.9**	
EQUITY AT DECEMBER 31, 2019	**12.0**	**1,933.3**	**14.5**	**30.6**	**(64.9)**	**(3.8)**	**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**	
Changes 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) Including €63.7 million in additional paid-in capital.
(b) Including changes in the fair value of Labtech, Dynavax and GNEH shares and financial hedging instruments.
(c) Actuarial gains and losses on employee benefit obligations arising since the application of IAS 19R.
(d) Dividend per share: €0.19 in 2020 versus €0.35 in 2019. 79,431 shares did not qualify for dividends at June 30, 2020 compared with 59,116 at December 31, 2019.
(e) The fair value of benefits related to free share grants is recognized over the vesting period.
(f) The changes in ownership interests attributable to the owners of the parent in first-half 2020 corresponded to (i) the change in the put option on the Hybiome minority interests and (ii) the accretion of the Group's interest in Hybiome by 2.90%.
In 2019, the changes resulted from the exercise of the put options on the Hybiome and Hyglos minority interests.
(g) In first-half 2020, these changes corresponded to a reclassification following free share grants and the reclassification of the 2019 Quanterix disposal from changes in fair value to reserves.
(h) Of which bioMérieux SA distributable reserves, including net income for the period of €1,074.6 million.
(i) See Note 10.2 "Cumulative translation adjustments".
(j) In 2020, the change in non-controlling interests was attributable to the 2.90% dilution in the Hybiome minority interests.

In millions of euros	Attributable to owners of the parent										Non-controlling interests
	Share capital	Additional paid-in capital and consolidated reserves[a]	Cumulative translation adjustments	Changes in fair value[b]	Actuarial gains and losses[c]	Treasury shares	Share-based payment	Total additional paid-in capital and reserves	Net income	**Total**	**Total**
EQUITY AT DECEMBER 31, 2019	**12.0**	**1,933.3**	**14.5**	**30.6**	**(64.9)**	**(3.9)**	**9.4**	**1,919.1**	**272.8**	**2,203.9**	**50.7**
Total comprehensive income for the period			(154.4)	(1.1)	5.2			(150.4)	404.4	**254.0**	**(2.6)**
Appropriation of prior-period net income		272.8						272.8	(272.8)	**0.0**	
Dividends paid[d]		(22.5)						(22.5)		**(22.5)**	**0.0**
Treasury shares		1.0				(19.2)		(18.2)		**(18.2)**	
Share-based payment[e]							9.9	9.9		**9.9**	
Share subscription plans[i]								0.0		**0.0**	
Changes in ownership interests[f]		2.4						2.4		**2.4**	**2.1**
Other changes[g]		17.5		(15.6)			(0.4)	1.6		**1.6**	
EQUITY AT DECEMBER 31, 2020	**12.0**	**2,204.5**	**(140.0)** [j]	**13.9**	**(59.7)**	**(23.0)**	**18.9**	**2,014.7**	**404.4**	**2,431.1** [h]	**50.2**
Total comprehensive income for the period			60.9	(2.1)	2.1			60.9	277.1	**338.0**	**0.6**
Appropriation of prior-period net income		404.4						404.4	(404.4)	**0.0**	
Dividends paid[d]		(73.1)						(73.1)		**(73.1)**	
Treasury shares		(3.5)				6.4		2.9		**2.9**	
Share-based payment[e]							5.6	5.6		**5.6**	
Share subscription plans		(6.2)						(6.2)		**(6.2)**	
Changes in ownership interests[f]		0.0						0.0		**0.0**	**0.0**
Other changes[g]		2.4		(0.5)			(2.0)	(0.2)		**(0.2)**	
EQUITY AT JUNE 30, 2021	**12.0**	**2,528.5** [h]	**(79.1)** [i]	**11.2**	**(57.6)**	**(16.6)**	**22.5**	**2,409.1**	**277.1**	**2,698.2** [h]	**50.8**

(a) Including €63.7 million in additional paid-in capital.
(b) Including changes in the fair value of Labtech, Banyan and GNEH shares and financial hedging instruments. Reclassification to reverses of the impairment recorded against the Dynavax shares, following their disposal.
(c) Actuarial gains and losses on employee benefit obligations arising since the application of IAS 19R.
(d) Dividend per share: €0.62 in 2021 versus €0.19 in 2020. 157,291 shares did not qualify for dividends at June 30, 2021 compared with 214,682 at December 31, 2020.
(e) The fair value of benefits related to free share grants is recognized over the vesting period.
(f) The changes in ownership interests attributable to the owners of the parent in 2020 corresponded to (i) the change in the put option on the Hybiome minority interests and (ii) the 0.30% dilution of the Group's interest in Hybiome.
(g) In first-half 2021, these changes corresponded to a reclassification following free share grants.
In 2020, they corresponded to a reclassification following free share grants and the reclassification of the 2019 Quanterix disposal from changes in fair value to reserves.
(h) Of which bioMérieux SA distributable reserves, including net income for the period of €1,049.0 million.
(i) Decrease in the fair value of the shares due to the non-transferability condition included in the employee share ownership plan (see Note 1.1.2).
(j) See Note 10.2.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2021

bioMérieux is a leading international diagnostics group that specializes in the field of *in vitro* diagnostics for clinical and industrial applications. The Group designs, develops, manufactures and markets diagnostic systems (reagents, instruments and services). bioMérieux 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 listed on Compartment A of Euronext Paris.
The conversion of bioMérieux into a *Societas Europaea* (European limited company) and the terms of the proposed conversion were approved at the May 20, 2021 Annual General Meeting, on the recommendation of the Board of Directors. The conversion will take effect as from the registration of the Company as a *Societas Europaea* with the Lyon Trade and Companies Registry, once the employee consultation procedure has been completed.

The condensed interim consolidated financial statements were approved for issue by the Board of Directors on August 31, 2021. 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 2020 Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 17, 2021.

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 mobilized in the fight against the COVID-19 health crisis during the first half of 2021.

The main impacts of the COVID-19 crisis were as follows:

- Sales across the molecular biology respiratory infection diagnostic lines increased versus the first half of 2020. Given the improving health situation in the United States, however, demand for BioFire respiratory panels in the United States slowed from March 2021.
- All other lines returned to growth, in particular the immunoassay line, which was driven by strong demand for COVID-related and certain emergency assays, combined with a confirmed recovery in routine parameters.
- Travel and other marketing expenses (conferences, promotion) decreased owing to the stay-at-home measures imposed in certain countries for most of the period.

As a reminder, the COVID-19 crisis had an approximately €50 million positive impact on the Group's contributive operating income before non-recurring items in the first half of 2020, arising from cost savings and higher business volumes. The impact on the first-half 2021 consolidated financial statements – while considered to be broadly positive for the period – cannot be reliably estimated.

Other information

As in 2020, the Group had no business interruptions or site closures and did not apply for any government support measures. Similarly, the COVID-19 pandemic has not resulted in any significant deterioration in credit risk or liquidity risk. Accordingly, the Group has not observed any significant deterioration in customer risk, and the Group's financial structure remains solid.
Further to the improvement in the health situation in the United States in the first quarter of 2021, the Group slightly adjusted its outlook. The analysis carried out as part of the impairment tests at June 30, 2021 (see Note 3.1.1) did not give rise to any impairment losses in the first half of the year.

In accordance with the recommendations of the French financial markets authority (*Autorité des marchés financiers* – AMF) and French auditing institute (*Compagnie Nationale des Commissaires aux Comptes* – CNCC), the Group has not shown the COVID-19 impact on specific lines in the primary financial statements for the periods presented.

1.1.2 MyShare worldwide employee share ownership plan

In May 2021, bioMérieux employees were offered the opportunity to acquire existing bioMérieux shares at preferential conditions (discount and matching contribution). The launch of MyShare, the employee share ownership plan, was designed to more effectively involve employees in the performance of the Group.

Approved by the Board of Directors on December 17, 2020, the share ownership plan was available to all eligible employees residing in countries that authorize such operations.

During the first half of 2021, MyShare generated an expense of approximately €10 million, recognized in personnel costs.

1.1.3 Signature of a distribution agreement within a strengthened partnership with Specific Diagnostic

In June 2021, bioMérieux signed a distribution agreement with Specific Diagnostics covering Europe, where the REVEAL Rapid AST has been CE-IVD approved. In addition, bioMérieux has invested US$10m through a Convertible Promissory Note to support commercial activities. In 2019, bioMérieux participated in Specific Diagnostics' Series A funding round, alongside other investors. Further to the transaction, bioMérieux holds around 8% of its share capital. The shares are not consolidated.

1.2 CHANGES IN THE SCOPE OF CONSOLIDATION

There were no changes in the scope of consolidation during the first half of 2021.

1.2.1 Comparable information on changes in scope of consolidation

As bioMérieux did not carry out an external growth transactions during the first half of 2021, no comparable information is presented in the profit and loss statement.

Where applicable, any impacts of changes in the scope of consolidation are shown on a separate line of the cash flow statement and tables showing any year-on-year changes in the explanatory notes.

1.3 SUMMARY OF SIGNIFICANT EVENTS IN 2020

The significant events for the 2020 financial year were the following:

- Recognition of (i) €42 million in other non-recurring expenses in the 2020 financial statements corresponding to exceptional charitable contributions related to the COVID-19 pandemic and the initial endowment to the bioMérieux fund to support charitable activities, and (ii) €12 million in other non-recurring expenses in the first half of 2020.
- Issue of a €200 million private placement (Euro PP), recognized at amortized cost using the effective interest rate method.
- Settlement of the defined-benefit pension plan for bioMérieux Inc. employees, generating an expense of €4.3 million that was recognized in contributive operating income before non-recurring items.

These transactions did not have a material impact on the financial statements for the first half of 2021.

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 adopted by the European Commission at June 30, 2021. These standards, amendments and interpretations can be consulted 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, 2021 and June 30, 2020 are identical to those used to prepare the consolidated financial statements for the year ended December 31, 2020 and described in detail in the Universal Registration Document filed with the AMF on March 17, 2021, with the exception of the standards, amendments and interpretations that came into force in 2021. 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 effective from January 1, 2021 are presented below.

- Amendments to IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts.
- Interest Rate Benchmark Reform – Phase 2: Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

These amendments did not impact the consolidated financial statements at June 30, 2021.

There are no significant standards, amendments and interpretations, adopted or pending adoption by the European Union, whose early application would have been possible and which will come into force after June 30, 2021.

The standards, amendments and interpretations adopted by the IASB that will enter into force after financial years beginning on or after January 1, 2021, and that are pending adoption by the European Union, are as follows:

- 2018-2020 annual improvements cycle (amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41), published by the IASB in May 2020 (a).
- Amendments to IFRS 3 – Reference to the Conceptual Framework, published by the IASB in May 2020 (a).
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract, published by the IASB in May 2020 (a).
- Amendments to IAS 16 – Proceeds before Intended Use, published by the IASB in May 2020 (a).
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current, published by the IASB in January and July 2020 (b).
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies, published by the IASB in February 2021 (b).
- Amendments to IAS 8 – Definition of Accounting Estimates, published by the IASB in February 2021 (b).
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (b).
- IFRS 17 “Insurance Contracts”.

(a) Applicable for financial periods beginning on or after January 1, 2022.
(b) Applicable for financial periods beginning on or after January 1, 2023.

The Group does not expect these amendments to have a material impact on its consolidated financial statements.

The amendment to IFRS 16 (Covid-19-Related Rent Concessions beyond June 30, 2021) published by the IASB in March 2021 and effective for financial years beginning on or after April 1, 2021 cannot be early adopted at June 30, 2021 despite having been published by the IASB, as it is in the process of being adopted by the European Union. As the Group did not obtain any rent concessions in the first half of 2021, the application of the amendment would have no impact.

Given the late publication by the IFRS IC in April 2021 of its decision concerning the attribution of benefits to periods of service, the bioMérieux Group did not analyze the impacts of the decision for the purposes of the interim financial statements. The analysis will be completed for December 31, 2021.

None of the new standards, amendments or interpretations published by the IASB and effective for financial periods beginning on or after January 1, 2021, but not yet adopted by the European Union (and therefore not available for early adoption in Europe) would have had a material impact on the consolidated financial statements in the first half of 2021.

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 JUDGMENTS AND ESTIMATES

The rules regarding estimates and judgments are not materially different from those used at June 30, 2020 and December 31, 2020 (see Note 2 to the consolidated financial statements for the year ended December 31, 2020). 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, 2021 and 2020, the COVID-19 pandemic did not result in 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 AND LOSS STATEMENT

The Group's key financial performance indicator is contributive operating income before non-recurring items, corresponding to recurring income less recurring expenses. It does not include non-recurring income and expenses or the amortization of the assets acquired and valued in connection with the BioFire purchase price allocation (see Note 3.3 to the 2020 consolidated financial statements).

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 2020 consolidated financial statements).

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

Non-recurring income and expenses from operations do not include items related to COVID-19 (see details in Note 16).

2.4 SEASONALITY OF OPERATIONS

Given the importance of its respiratory panel, BioFire sales are significantly influenced by changes in the timing and intensity of the COVID-19 and seasonal influenza epidemics.

The sensitivity of the Group's other businesses to seasonal fluctuations is not material. 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 AMORTIZATION

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 indefinite useful lives, as described in Note 5.2 to the consolidated financial statements for the year ended December 31, 2020. Similarly, property, plant and equipment and intangible assets with finite useful lives 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 2021 reflect the results of these analyses. At June 30, 2021, no indications of impairment were identified.

As at December 31, 2020, the analysis did not lead to the identification of any assets under lease to be tested independently from a cash-generating unit.

3.2 CHANGES IN INTANGIBLE ASSETS AND AMORTIZATION

Intangible assets mainly comprise patents and technologies.

Gross value

In millions of euros	Patents Technologies	Software	Other	Total
DECEMBER 31, 2019	**671.7**	**220.2**	**58.8**	**950.8**
Translation adjustments	(37.9)	(7.5)	(4.5)	(49.9)
Acquisitions/Increases	0.2	5.6	10.7	16.5
Changes in scope of consolidation	0.0	0.0	2.3	2.3
Disposals/Decreases	(1.8)	(8.3)	(3.5)	(13.6)
Reclassifications	0.2	(2.8)	5.2	2.6
DECEMBER 31, 2020	**632.5**	**207.3**	**68.9**	**908.6**
Translation adjustments	16.5	2.3	1.2	20.1
Acquisitions/Increases	0.0	0.7	7.8	8.4
Changes in scope of consolidation	0.0	0.0	0.0	0.0
Disposals/Decreases	0.0	(0.3)	(0.1)	(0.4)
Reclassifications	34.5	5.3	(37.6)	2.2
JUNE 30, 2021	**683.5**	**215.3**	**40.2**	**938.9**

Amortization and impairment

In millions of euros	Patents Technologies	Software	Other	Total
DECEMBER 31, 2019	**270.3**	**165.9**	**6.2**	**442.3**
Translation adjustments	(15.2)	(5.3)	(0.2)	(20.7)
Additions	46.5	19.6	1.9	67.9
Changes in scope of consolidation	0.0	0.0	0.0	0.0
Reversals/Disposals	(1.6)	(8.3)	(3.2)	(13.1)
Reclassifications	0.2	0.0	1.2	1.4
DECEMBER 31, 2020	**300.2**	**171.9**	**5.8**	**477.9**
Translation adjustments	6.1	1.8	0.1	8.0
Additions	15.9	8.2	1.1	25.2
Changes in scope of consolidation	0.0	0.0	0.0	0.0
Reversals/Disposals	0.0	(0.3)	0.0	(0.3)
Reclassifications	0.0	0.0	1.3	1.3
JUNE 30, 2021	**322.2**	**181.7**	**8.3**	**512.1**

Net value

In millions of euros	Patents Technologies	Software	Other	Total
DECEMBER 31, 2020	**332.3**	**35.4**	**63.1**	**430.7**
JUNE 30, 2021	**361.4**	**33.6**	**31.9**	**426.8**

The “Other” column includes the net value of intangible assets in progress, which represented €11.4 million at June 30, 2021 compared to €42.0 million at December 31, 2020, and mainly concerned IT projects. A new technology was brought into service during the period following the recent market roll-out of the new VITEK MS Prime system for approximately €35 million.

At June 30, 2021, no indications of impairment were identified.

3.3 CHANGES IN GOODWILL

In millions of euros	Net value
DECEMBER 31, 2019	**652.5**
Translation adjustments	(23.4)
Changes in scope of consolidation[(a)]	0.3
DECEMBER 31, 2020	**629.4**
Translation adjustments	12.9
JUNE 30, 2021	**642.4**

(a) Linked to the acquisition of Lianjian Anhua Biomedical.

At June 30, 2021, no indications of impairment were identified.

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	Capitalized instruments	Other	Assets in progress	Total
DECEMBER 31, 2019	**38.9**	**553.9**	**524.2**	**404.9**	**178.9**	**185.3**	**1,886.2**
Translation adjustments	(2.0)	(30.5)	(26.1)	(19.6)	(8.5)	(6.8)	**(93.5)**
Acquisitions/Increases		6.5	23.7	81.7	13.0	126.9	**251.8**
Disposals/Decreases		(2.6)	(19.8)	(54.7)	(14.5)		**(91.5)**
Reclassifications	14.4	118.7	34.1	0.1	9.2	(177.7)	**(1.2)**
DECEMBER 31, 2020	**51.3**	**646.0**	**536.2**	**412.5**	**178.1**	**130.0**	**1,954.1**
Translation adjustments	0.9	11.7	9.7	4.8	2.8	3.6	**33.5**
Acquisitions/Increases		0.9	16.8	37.4	3.3	63.5	**121.8**
Disposals/Decreases		(0.4)	(2.3)	(24.4)	(2.6)		**(29.7)**
Reclassifications	0.4	22.7	24.3	3.6	5.4	(41.0)	**15.4**
JUNE 30, 2021	**52.6**	**681.0**	**584.7**	**433.9**	**187.1**	**156.0**	**2,095.2**

DEPRECIATION AND IMPAIRMENT *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other	Assets in progress	Total
DECEMBER 31, 2019	**2.3**	**282.0**	**329.3**	**249.9**	**128.0**		**991.5**
Translation adjustments	(0.1)	(11.3)	(13.9)	(11.3)	(5.6)		**(42.1)**
Additions	0.3	43.8	39.0	36.6	16.5		**136.2**
Disposals/Decreases		(2.5)	(19.8)	(30.8)	(14.4)		**(67.6)**
Reclassifications		(2.9)	(0.6)	(0.1)	0.7		**(3.0)**
DECEMBER 31, 2020	**2.5**	**309.0**	**334.0**	**244.3**	**125.3**		**1,015.0**
Translation adjustments	0.0	4.5	5.0	3.0	1.9		**14.5**
Additions	0.1	19.0	19.4	20.1	7.9		**66.5**
Disposals/Decreases		(0.4)	(2.4)	(15.5)	(2.5)		**(20.8)**
Reclassifications		11.3	(0.2)	0.8	2.0	0.3	**14.2**
JUNE 30, 2021	**2.7**	**343.4**	**355.8**	**252.7**	**134.5**	**0.3**	**1,089.3**

NET VALUE *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other	Assets in progress	Total
DECEMBER 31, 2019	**36.6**	**271.9**	**194.9**	**155.0**	**50.9**	**185.3**	**894.7**
DECEMBER 31, 2020	**48.8**	**337.0**	**202.2**	**168.2**	**52.9**	**130.0**	**939.0**
JUNE 30, 2021	**49.9**	**337.6**	**228.9**	**181.2**	**52.6**	**155.7**	**1,005.8**

Assets in progress mainly concern new buildings, capital expenditure on production and automation tools in Salt Lake City, and the construction of two new industrial facilities in Suzhou.

The new production plant in Salt Lake City was commissioned in June 2020 at a cost of approximately €96 million.

The reclassification recorded during the period for €15 million concerns leases for which all related options have been exercised and which have been reclassified to property, plant and equipment.

The analysis of indications of impairment as described in Note 3.1.1 did not give rise to any changes in impairment in the first half of 2021.

4.2 RIGHT-OF-USE ASSETS

4.2.1 Accounting principles

The accounting principles for leases are described in Note 6.2 to the 2020 consolidated financial statements.

The Group did not benefit from any material lease deferrals or concessions in the first half of 2021 (see Note 2).

4.2.2 Change

GROSS VALUE *In millions of euros*	Land	Buildings	Machinery and equipment	Other	TOTAL
DECEMBER 31, 2019	**36.1**	**143.4**	**29.4**	**6.1**	**214.9**
Translation adjustments	(2.9)	(4.6)	(1.6)		**(9.0)**
Acquisitions/Increases	0.2	28.2	8.6		**36.9**
Disposals/Decreases	(0.6)	(14.5)	(7.9)	(0.2)	**(23.2)**
Reclassifications		(0.4)			**(0.4)**
DECEMBER 31, 2020	**32.8**	**152.1**	**28.4**	**5.9**	**219.2**
Translation adjustments	1.0	1.5	0.4	0.0	**2.9**
Acquisitions/Increases		7.3	7.5	0.7	**15.4**
Disposals/Decreases		(6.0)	(5.3)		**(11.3)**
Reclassifications	(0.4)	(12.4)	(0.8)	(1.9)	**(15.4)**
JUNE 30, 2021	**33.4**	**142.5**	**30.2**	**4.7**	**210.8**

DEPRECIATION *In millions of euros*	Land	Buildings	Machinery and equipment	Other	TOTAL
DECEMBER 31, 2019	**4.4**	**59.5**	**14.5**	**5.9**	**84.4**
Translation adjustments	(0.5)	(2.2)	(0.7)	0.0	**(3.4)**
Additions	0.8	16.0	7.8	0.2	**24.8**
Disposals/Decreases	(0.5)	(10.9)	(7.0)	(0.2)	**(18.6)**
Reclassifications		2.5			**2.5**
DECEMBER 31, 2020	**4.2**	**64.9**	**14.6**	**5.9**	**89.6**
Translation adjustments	0.1	0.7	0.2	0.0	**1.0**
Additions	0.3	9.3	4.1	0.1	**13.8**
Disposals/Decreases		(5.9)	(3.7)	0.0	**(9.6)**
Reclassifications		(10.8)	(0.8)	(1.9)	**(13.5)**
JUNE 30, 2021	**4.7**	**58.2**	**14.4**	**4.1**	**81.4**

NET VALUE *In millions of euros*	Land	Buildings	Machinery and equipment	Other	TOTAL
DECEMBER 31, 2019	**31.6**	**83.8**	**14.9**	**0.2**	**130.5**
DECEMBER 31, 2020	**28.6**	**87.2**	**13.8**	**0.0**	**129.6**
JUNE 30, 2021	**28.7**	**84.3**	**15.7**	**0.6**	**129.4**

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 held by the Group under finance leases:

NET VALUE *In millions of euros*	Land	Buildings	Machinery and equipment	Other	TOTAL
DECEMBER 31, 2019	**2.7**	**39.4**			**42.1**
DECEMBER 31, 2020	**2.7**	**36.5**			**39.2**
JUNE 30, 2021	**2.7**	**33.2**			**35.9**

5. CHANGES IN NON-CURRENT FINANCIAL ASSETS

In millions of euros	Gross value	Changes in fair value recognized other comprehensive income	Impairment	Net value
DECEMBER 31, 2019	**35.2**	**6.9**	**(0.2)**	**41.9**
Translation adjustments	(1.5)		0.0	(1.5)
Acquisitions/Increases	12.8		(0.1)	12.7
Disposals/Decreases	(1.5)		0.1	(1.4)
Reclassifications and changes in fair value				0.0
Changes in fair value		(1.0)		(1.0)
DECEMBER 31, 2020	**45.0**	**5.9**	**(0.2)**	**50.6**
Translation adjustments	0.6		0.0	0.6
Acquisitions/Increases	8.9		0.0	8.9
Disposals/Decreases	(10.8)		8.0	(2.8)
Reclassifications and changes in fair value				0.0
Changes in fair value		(1.5)		(1.5)
JUNE 30, 2021	**43.7**	**4.4**	**7.8**	**55.9**

Acquisitions over the period mainly concern a convertible loan granted to Specific Diagnostics (see Note 1.1.3).

Disposals over the period mainly concern the liquidation of a company whose shares had been written down in full.

The change in fair value recorded in other comprehensive income mainly concerns GNEH (Geneuro holding company), Banyan and Labtech shares.

The summary table below shows the change in fair value of the shares in non-consolidated companies at June 30, 2021 compared to December 31, 2020.

	Dec. 31, 2020			June 30, 2021			
In millions of euros	**NBV**	***Of which changes in fair through income***	***Of which changes in fair value through other comprehensive income***	**NBV**	***Of which changes in fair through income***	***Of which changes in fair value through other comprehensive income***	***Of which changes in fair value reclassified to reserves***
Banyan Biomarkers	7.7			5.7		(2.0)	
Qvella	7.0			7.0			
Sino French Innovations	5.0			5.0			
Accellix	4.1			4.2			
Pertinence Invest	4.0			4.0			
Specific Diagnostics	4.1		(0.8)	4.2			
GNEH	2.6		(0.2)	3.4		0.8	
Labtech/LBT Innovations	0.8		0.0	0.5		(0.3)	
Other securities	4.7		0.0	4.6	7.3	0.0	0.7
TOTAL	**39.9**		**(1.0)**	**38.6**	**7.3**	**(1.5)**	**0.7**

The value of the assets was reviewed at June 30, 2021.

6. ASSETS AND LIABILITIES HELD FOR SALE

There were no assets or liabilities held for sale at June 30, 2021 or December 31, 2020.

7. INVENTORIES

Since it did not suffer any stoppages or significant curtailments at its production centers, the Group did not experience low production or idle capacity over the manufacturing period of the inventories recognized at June 30, 2021 or 2020. Accordingly, the COVID-19 pandemic did not generate significant risks in terms of obsolescence, rotation or net realizable value of inventories in the first half of 2021 or 2020.

8. TRADE RECEIVABLES AND ASSETS RELATED TO CONTRACTS WITH CUSTOMERS

In millions of euros	June 30, 2021	Dec. 31, 2020
Gross trade receivables	**579.4**	**632.1**
Impairment	**(37.0)**	**(34.2)**
NET VALUE	**542.4**	**597.9**

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, 2020	Changes in scope of consolidation	Changes in gross value	Changes in allowances	Currency impact	June 30, 2021
Long-term finance lease receivables	14.3			(0.8)	0.5	14.1
NON-CURRENT ASSETS	**14.3**	**0.0**	**0.0**	**(0.8)**	**0.5**	**14.1**
Finance lease receivables	7.3		0.0	(0.1)	0.2	7.4
Trade receivables	590.6	0.0	(59.8)	(2.3)	6.5	535.0
Other assets related to contracts with customers	0.0					0.0
CURRENT ASSETS	**597.9**	**0.0**	**(59.7)**	**(2.4)**	**6.7**	**542.4**

As in 2020, at June 30, 2021, the COVID-19 crisis did not result in a material increase in customer risk observed or expected in the coming months.

The analysis carried out did not result in any changes to the trade receivable impairment model, nor to the way it is implemented (allowance rates, etc.) in the first half of 2021 or 2020.

9. LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

Liabilities related to contracts with customers mainly correspond to advances received and maintenance services invoiced in advance on service contracts. These contracts have a term of one year. The associated revenues are recognized in income over the period that the service is rendered, in practice over the 12 months following their invoicing. No material adjustments were made to any liabilities related to contracts with customers during the first half of 2021.

LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS	Notes	Dec. 31, 2020	Changes in scope of consolidation	Changes in gross value	Changes in provisions	Reclassifications	Changes in translation adjustments	June 30, 2021
Provisions for long-term guarantees	15	1.5	0.0		0.1	(0.1)	0.0	1.5
NON-CURRENT LIABILITIES		**1.5**	**0.0**	**0.0**	**0.1**	**(0.1)**	**0.0**	**1.5**
Provisions for short-term guarantees	15	11.4			(2.1)	0.1	0.3	9.7
Advances received on trade receivables	17	13.9		(2.9)			0.5	11.5
Accrued credit notes	17	16.1		(8.8)			0.4	7.7
Prepaid income	17	68.7	0.0	7.9		0.0	1.9	78.5
CURRENT LIABILITIES		**110.1**	**0.0**	**(3.9)**	**(2.1)**	**0.1**	**3.1**	**107.3**

10. SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

10.1 SHARE CAPITAL

The Company's share capital amounted to €12,029,370 at June 30, 2021 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.

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

Treasury shares held under the liquidity agreement
At June 30, 2021, the parent company held 25,100 treasury shares (versus 15,523 at June 30, 2020) in connection with a liquidity agreement entered into with a third party for market-making purposes. In the first six months of the year, the Company purchased 133,779 of its own shares and sold 121,828 shares in connection with the liquidity agreement.

Other treasury shares
During the first half of 2021, the Company definitively allocated 369,342 shares, including 36,255 free shares to employees and 333,087 shares under the MyShare employee share ownership subscription plan (see Note 1.1.2). At June 30, 2021, the Company held 132,191 treasury shares.

The liability recorded for the first half of the year in respect of share-based payment plans totaled €5.6 million versus €4.4 million in the first half of 2020, corresponding to the accrued portion of the estimated liability recognized over the vesting period. It excludes the MyShare employee share ownership subscription plan and variable compensation indexed to the share price (phantom share plans).

10.2 CUMULATIVE TRANSLATION ADJUSTMENTS

In millions of euros	June 30, 2021	Dec. 31, 2020
Dollar[(a)]	(28.8)	(81.7)
Latin America	(21.3)	(21.6)
Europe – Middle East – Africa	(36.9)	(36.4)
Other countries	8.6	(1.3)
TOTAL	**(78.4)**	**(141.1)**

(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 earnings per share are calculated based on the same number of shares as for basic earnings plus the weighted average number of potential shares to be issued that would have a dilutive effect on net income (118,686,291 at June 30, 2021, versus 118,692,000 at June 30, 2020).

11. PROVISIONS – CONTINGENT ASSETS AND LIABILITIES

11.1 ACCOUNTING PRINCIPLES

11.1.1 Provisions

The recognition and measurement criteria for provisions are identical to those used at December 31, 2020 (see Note 15.1 to the consolidated financial statements for the year ended December 31, 2020).

Additions to and reversals of provisions are recognized in full based on the situation at June 30, 2021.

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 obligation and the fair value of plan assets are identical to the method used at December 31, 2020 (see Note 15.3 to the consolidated financial statements for the year ended December 31, 2020).

In accordance with the provisions of IAS 34, post-employment benefits were not calculated in full at June 30, 2021 or June 30, 2020.

Changes in net obligations were estimated as follows:

- Interest cost and service cost were estimated by extrapolating the total benefit obligation as calculated at December 31, 2020.
- In view of the changes in interest rates over the first half of the year, the discount rates were updated on June 30, 2021, and the impact of their change was assessed at June 30, 2021.
- The analysis carried out as of June 30, 2021 did not result in changes to the other actuarial assumptions related to the total benefit obligation (including the salary increase and turnover rates) compared to December 31, 2020.
- 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 are expected in the current financial year.
- Benefits provided were determined on the basis of departures announced during the period.
- Benefits paid for retired employees during the first half were recognized in full during the period.
- The Group updated the fair value of the plan assets at June 30, 2021. The expected return on plan assets was determined based on the discount rate used to measure post-employment benefit obligations.

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

11.2 CHANGES IN PROVISIONS

In millions of euros	Retirement and other benefits	Guarantees given	Restructuring	Claims and litigation	Other contingencies and losses	Total
DECEMBER 31, 2019	**57.8**	**7.1**	**0.4**	**7.0**	**36.9**	**109.3**
Additions	8.5	22.2	6.6	2.4	13.5	53.2
Reversals (utilizations)	(6.4)	(14.6)	(0.4)	(2.7)	(5.2)	(29.3)
Reversals (surplus)	(0.1)	(1.0)	0.0	(0.3)	(6.2)	(7.6)
Net additions (reversals)	2.0	6.6	6.2	(0.6)	2.1	16.3
Actuarial (gains) losses	(6.7)	0.0	0.0	0.0	0.0	(6.7)
Other changes	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Translation adjustments	(0.6)	(0.9)	(0.4)	(0.2)	(0.8)	(2.9)
DECEMBER 31, 2020	**52.4**	**12.8**	**6.2**	**6.1**	**38.2**	**115.8**
Additions	2.2	9.3	0.0	1.6	2.7	15.8
Reversals (utilizations)	(0.4)	(10.7)	0.0	(2.0)	(2.0)	(15.1)
Reversals (surplus)	(0.4)	(0.6)	0.0	(0.1)	(0.1)	(1.2)
Net additions (reversals)	1.4	(2.0)	0.0	(0.5)	0.6	(0.5)
Actuarial (gains) losses	(2.8)	0.0	0.0	0.0	0.0	(2.8)
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	0.2	(0.1)	0.1
Translation adjustments	0.1	0.3	0.2	0.1	0.3	1.0
JUNE 30, 2021	**51.2**	**11.1**	**6.4**	**5.9**	**39.0**	**113.6**

Total provisions in the amount of €113.6 million include current provisions for €49.6 million at June 30, 2021, versus €51.4 million at December 31, 2020.

Net additions to provisions in the first half of 2021 represented €0.1 million in recurring items.

The COVID-19 pandemic did not give rise to the implementation of any restructuring plans.

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

The net obligation at June 30, 2021 amounted to €51.2 million, comprising mainly the provision for post-employment benefits (€35.8 million) and the provision for long-service awards (€15.5 million).

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

In millions of euros	Present value of obligation	Fair value of plan assets [(a)]	Provisions for pensions	Post-employment health insurance	Total provisions for post-employment benefits
DECEMBER 31, 2020	**74.9**	**(39.6)**	**35.3**	**1.4**	**36.7**
Current service cost	2.3		2.3	0.0	2.3
Interest cost	0.4	(0.2)	0.2	0.0	0.2
Retirements	(0.7)	0.2	(0.5)	0.0	(0.5)
Plan amendments	0.0	0.0	0.0		0.0
Contributions	0.0	(0.3)	(0.3)		(0.3)
Impact on operating income	**1.9**	**(0.2)**	**1.7**	**0.0**	**1.7**
Actuarial gains and losses (other comprehensive income)	**(1.5)**	**(1.2)**	**(2.8)**	0.0	**(2.8)**
Other movements (incl. currency impact)	(0.1)	0.1	**0.0**	0.0	**0.1**
JUNE 30, 2021	**75.3**	**(41.0)**	**34.3**	**1.5**	**35.8**

(a) Plan assets or scheduled payments.

The discount rate for obligations in respect of eurozone countries is between 0.80% and 2.0% at June 30, 2021, depending on the duration of the plans, versus between 0.6% and 1.5% at December 31, 2020. The residual 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 2020 consolidated financial statements, the Group is involved in various tax disputes and litigation and provisions for tax disputes are presented together with current taxes payable, in accordance with IFRIC 23.

All ongoing tax disputes and litigation were reviewed at June 30, 2021, further to which no material changes to the provisions were recorded.

11.5 OTHER PROVISIONS FOR CONTINGENCIES AND LOSSES

US Medical Network

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

Manovra Sanità

This law passed in August 2015 requires healthcare providers in Italy 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 recognized in 2016. This provision has been updated over the years, through to June 30, 2021.

Other provisions for contingencies and losses

These concern the risks associated with the discontinuation of certain products, and the risks associated with equipment maintenance. These provisions were updated on June 30, 2021.

11.6 CONTINGENT ASSETS AND LIABILITIES

Diagnostic tests for Lyme disease

As stated in Note 15.5 to the 2020 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, the civil proceedings, initiated by 45 plaintiffs, are now brought by 93 plaintiffs following additional identical summonses. bioMérieux objects to the claims of the summons, which it considers baseless, as the serodiagnostic test manufactured by bioMérieux is compliant with the applicable regulations and current 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 2021.

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 recommendation no. 2013-03 of the French accounting standard-setter (*Autorité des normes comptables* – ANC), 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 other companies. EBITDA as presented by bioMérieux is equal to the sum of operating income before non-recurring items and net additions to operating depreciation and amortization.

In millions of euros	First-half 2021	First-half 2020
Additive method		
• Net income	276.0	171.7
• Non-recurring income and expenses and amortization of the BioFire purchase price	8.3	21.0
• Cost of net debt[(b)]	3.9	8.5
• Other financial income and expenses	2.5	3.9
• Income tax expense	82.5	47.7
• Share in (earnings) losses of equity-accounted companies	0.9	0.3
• Net additions to depreciation and amortization of operating items – non-current provisions	97.2	91.6
EBITDA (before non-recurring items)	**471.3**	**344.7**
Simplified additive method		
• Contributive operating income before non-recurring items[(a)]	374.1	253.1
• Depreciation and amortization of operating items	97.2	91.6
EBITDA (before non-recurring items)	**471.3**	**344.7**

(a) Contributive operating income before non-recurring items corresponds to operating income before non-recurring items excluding the amortization of the BioFire intangible assets recognized as part of the purchase price allocation.
(b) The year-on-year change reflects the bond redemption during the second half of 2020.

Free cash flow is a key indicator for the Group. It is defined as cash flow from operating activities plus 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

Net cash from operating activities

EBITDA came to €471.3 million in first-half 2021, or 29.9% of revenues, up 6.7% from the €344.7 million reported for the same period one year earlier. The increase reflected growth in contributive operating income before non-recurring items and net additions to operating depreciation and amortization and operating provisions.

Tax payments represented €98.1 million, up from €59.9 million in the prior-year period due to business growth, notably in the United States.

During the first half of 2021, operating working capital requirement increased by €86 million, primarily as a result of the following factors:

- inventories rose by €56.6 million in the first half of 2021;
- trade receivables dropped sharply by €62.2 million, in line with the weaker business levels recorded in the first half of 2021 compared with the second half of 2020 and the COVID-19 crisis;
- trade payables fell by €10.9 million;
- other working capital requirement items declined by €80.7 million, mainly due to a decrease in tax and payroll liabilities in respect of variable compensation indexed to the share price (phantom share plans) for US$42 million and the payment of annual variable compensation.

Note that the COVID-19 pandemic did not impact operating cash flows. There were no deferrals or postponements in either operating payables or receivables at June 30, 2021.

Net cash used in investing activities

Capital expenditure on property, plant and equipment and intangible assets represented around 9.1% of revenues, i.e., €143.5 million in the first half of 2021, versus €127.4 million in the same prior-year period. Increases in right-of-use assets are not shown within investing cash flows, in accordance with IFRS 16.

Disbursements in respect of other non-current financial assets concern the US$10 million convertible loan agreed with Specific Diagnostics in June 2021 (see Note 1.1.3).

Accordingly, free cash flow amounted to €145.1 million in the first half of 2021, versus €144.5 million in the first half of 2020.

Net cash used in financing activities

In the first half of 2021, the Group made a dividend payment of €73.1 million to bioMérieux SA shareholders, compared with €22.5 million in 2020 (paid in the second half of 2020).

12.3 CHANGES IN BORROWINGS

At June 30, 2021, the Group's net debt stood at €31.6 million, mainly comprising the bond issue described below and IFRS 16 lease liabilities (€100.9 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 1.9% (see Note 1.3).

The bond issue is shown on the balance sheet at amortized cost, including issuance fees and calculated using the effective interest rate method, in the amount of €199.6 million.

At June 30, 2021, bioMérieux SA also had an undrawn syndicated credit facility of €500 million. This facility was originally set up in 2017 and its maturity was extended to January 2024 following the exercise of two extension options.

12.4 MATURITY OF NET DEBT

The maturity schedule presents net debt or net cash. This non-GAAP measure corresponds to the sum of cash and cash equivalents with a maturity of less than three months, less committed debt, bank overdrafts and other uncommitted borrowings.

The maturity schedule below refers to balance sheet amounts.

In millions of euros	Dec. 31, 2020	Reclassifications from non-current to current	Increase	Decrease	Changes in the cash flow statement	Other movements[b]	Translation adjustments	June 30, 2021
NON-CURRENT BORROWINGS								
Borrowings – non-current portion	49.6		6.6	(0.4)	6.2	0.0	1.4	57.1
Lease liabilities – non-current portion	103.2	(9.8)		0.0	(9.8)	9.5	1.7	104.7
Bonds	199.6		0.0		0.0			199.6
Right-of-use assets (IFRS 16)	0.0				0.0			0.0
Payables on purchases of securities – non-current portion								0.0
TOTAL NON-CURRENT BORROWINGS	**352.4**	**(9.8)**	**6.6**	**(0.4)**	**(3.6)**	**9.5**	**3.1**	**361.4**
CURRENT BORROWINGS								
Bonds – current portion	0.0			0.0	0.0			0.0
Borrowings – due within 1 year	51.6		9.3	(14.6)	(5.3)	0.1	1.9	48.3
Lease liabilities – current portion	24.4	9.8		(14.1)	(4.3)	4.1	0.3	24.6
Commercial paper	35.0		15.0		15.0			50.0
Payables on purchases of securities – due within 1 year	0.0							0.0
TOTAL CURRENT BORROWINGS	**111.0**	**9.8**	**24.3**	**(28.6)**	**5.4**	**4.2**	**2.3**	**123.0**
TOTAL BORROWINGS (B)	**463.5**	**(0.0)**	**30.8**	**(29.0)**	**1.8**	**13.7**	**5.4**	**484.4**
NET CASH AND CASH EQUIVALENTS								
Cash	313.5		45.5		45.5		4.3	363.3
Cash investments	23.0		10.2		10.2		0.0	33.2
Current accounts	52.8		43.9		43.9		0.0	96.7
Cash and cash equivalents	389.2	0.0	99.6	0.0	99.6	0.0	4.3	493.1
Bank overdrafts[a]	(17.9)		(31.0)		(31.0)		8.5	(40.4)
NET CASH AND CASH EQUIVALENTS (A)	**371.3**	**0.0**	**68.6**	**0.0**	**68.6**	**0.0**	**12.8**	**452.7**
NET DEBT (B) – (A)	**92.2**	**(0.0)**	**(37.8)**	**(29.0)**	**(66.8)**	**13.7**	**(7.4)**	**31.6**

(a) Cash and bank overdrafts are repayable on demand, within the meaning of IAS 7.
(b) Other movements in lease liabilities concern new leases not presented in financing flows in accordance with accounting standards.

At June 30, 2021, non-current borrowings mainly comprised the new bond issue contracted in 2020 for €199.6 million and maturing in more than five years, lease liabilities (see Note 12.5 below), and the put option on Hybiome minority interests for €26 million.

The portion of borrowings due within one year mainly includes:

– marketable securities for €50 million;

– the loan taken out by bioMérieux Shanghai, corresponding to a €32.9 million revolving credit facility;

– the portion of lease liabilities due within one year (see Note 12.5 below).

At the reporting date, the Group had met all of its scheduled repayments.

No loan agreements, which would be effective in the second half of 2021, were entered into before June 30, 2021.

Only repayments of loans are presented in the consolidated cash flow statement.

12.5 IMPACT OF LEASE LIABILITIES ON BORROWINGS AND DEBT

In millions of euros	June 30, 2021	Dec. 31, 2020
Lease liabilities	**129.2**	**127.7**
Of which leases with purchase options	*28.3*	*30.3*
Due beyond 5 years	**56.0**	**57.6**
Of which leases with purchase options	*9.1*	*11.1*
Due in 1 to 5 years	**48.7**	**45.6**
Of which leases with purchase options	*15.4*	*15.4*
Due within 1 year	**24.5**	**24.5**
Of which leases with purchase options	*3.8*	*3.8*

12.6 DEBT COVENANTS

In the event of a change in the effective control of the Company, holders of the Euro PP notes are entitled to request the redemption of their bonds.

The syndicated credit facility and the private placement subscribed in June 2020 are subject to a single covenant: “net debt to operating income before non-recurring items and amortization of acquisition costs” calculated before the impact of applying IFRS 16. At June 30, 2021, the Group complied with this covenant, which may not exceed 3.5.

In January 2017, bioMérieux SA renegotiated its syndicated credit facility, taking the amount to €500 million. The facility is repayable in full at term in 2024.

Other term borrowings at June 30, 2021 mainly include commercial paper, short-term local financing, cash-settled share plans, and leases liabilities. None of these borrowings are subject to covenants.

12.7 INTEREST RATES

Before hedging, 68% of the Group’s borrowings are at fixed rates (€328.8 million), with the remainder at floating rates (€155.6 million).

The Group’s fixed-rate debt comprises:

- lease liabilities (€129.2 million) at a rate that mostly corresponds to the incremental borrowing rate (see Note 20.1);
- the private placement issued in June 2020 for €199.6 million.

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 banks.

bioMérieux SA may be required to issue a first call guarantee to banks granting external funding facilities to subsidiaries.

The Group’s hedging agreements are presented in Note 20.1.

13. REVENUES

Revenues are recognized in accordance with IFRS 15 “Revenue from Contracts with Customers”.

The revenue recognition criteria are identical to those used at December 31, 2020 (see Note 3.1 to the consolidated financial statements at December 31, 2020).

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

In millions of euros	First-half 2021	First-half 2020
Sales of equipment	156.9	154.2
Sales of reagents	1,280.7	1,197.9
Sales of services	92.8	88.1
Equipment rentals[(a)]	26.7	22.6
Other revenues	17.1	13.3
Revenues	**1,574.2**	**1,476.2**

(a) Equipment under lease includes rent and the share of revenues from the sale of reagents that is reclassified as rent.

A breakdown by geographic area is provided in Note 19.3 on segment information. A breakdown by technology and application is provided in Note 19.4.

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

14. OTHER OPERATING INCOME AND EXPENSES

In millions of euros	First-half 2021	First-half 2020
Net royalties received	1.4	1.6
Research tax credits	13.2	13.0
Research grants	1.0	2.5
Other	4.6	4.8
TOTAL	**20.2**	**21.9**

In accordance with IAS 20, bioMérieux presents research tax credits as a subsidy within other operating income, as in previous financial reporting periods.

15. AMORTIZATION OF ASSETS LINKED TO THE ACQUISITION OF BIOFIRE

At June 30, 2021, the amortization of the BioFire assets valued at the acquisition date stood at €8.3 million, versus €9.0 million at June 30, 2020.

16. OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATIONS

16.1 ACCOUNTING PRINCIPLES

Other non-recurring income and expenses from operations for the period (net gains/losses on disposals of material assets, restructuring costs, etc.) were recognized in full in first-half 2021.

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

No material transactions were recorded in other non-recurring income and expenses from operations in the first half of 2021.

In the first half of 2020, the Group recognized €12.0 million in other non-recurring expenses from operations in respect of a contribution to support charitable initiatives. These expenses generated a tax credit of €3.9 million.

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 lease, 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 DEBT

In millions of euros	First-half 2021	First-half 2020
Finance costs[(a)]	(4.0)	(7.8)
Interest rate hedging derivatives	1.5	1.1
Foreign exchange gains (losses)	(0.2)	(0.4)
Interest expense on lease liabilities	(1.2)	(1.4)
TOTAL	**(3.9)**	**(8.5)**

(a) The year-on-year change reflects the bond redemption during the second half of 2020.

Finance costs chiefly comprise interest expense on bonds.

17.3 OTHER FINANCIAL INCOME AND EXPENSES

In millions of euros	First-half 2021	First-half 2020
Interest income on leasing receivables	0.9	0.7
Currency hedging derivatives[(a)]	(4.0)	(4.0)
Other	0.6	(0.6)
TOTAL	**(2.5)**	**(3.9)**

(a) Corresponds to the impact of premiums/discounts on forward sales and to the effect of the time value of currency options, which the Group has elected not to treat as hedging costs.

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

18. INCOME TAX

18.1 ACCOUNTING PRINCIPLES

The income tax expense for the first half is calculated individually for each entity by applying the estimated average tax rate for the financial 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, is calculated in greater detail, resulting in an income tax expense approximating the estimated average annual tax rate.

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

The CVAE corporate value-added tax (*Cotisation sur la Valeur Ajoutée des Entreprises*) is presented in operating income before non-recurring items.

The CIR research tax credit (*Crédit Impôt Recherche*) is estimated based on the underlying expenses incurred.

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

Pending the IFRS IC's confirmation, the Group has opted to recognize the deferred tax effect in the restatements of leases.

18.2 CHANGES IN INCOME TAX

At June 30, 2021, the effective tax rate stood at 23.0% of pre-tax income, compared to 21.7% at June 30, 2020.

In first-half 2021, the Group's effective tax rate continued to benefit from the Foreign-Derived Intangible Income (FDII) deduction in the United States, which represented a tax saving of €4.4 million in first-half 2021 versus €2.9 million in first-half 2020. In first-half 2021, the Group also recorded a non-recurring tax benefit of €2.6 million in respect of the updated FDII and Global Intangible Low-Taxed Income (GILTI) calculations in the United States for 2018.

In millions of euros	2021		2020	
	Tax	Rate	Tax	Rate
Theoretical tax at standard French tax rate	**102.1**	**28.4%**	**70.3**	**32.0%**
• Impact of income tax at reduced tax rates and foreign tax rates	(10.7)	-3.0%	(17.7)	-8.0%
• Impact of permanent differences	(4.8)	-1.3%	(1.2)	-0.5%
• Impact of dividend distribution and tax on dividend payouts	0.6	0.2%	0.4	0.2%
• Deferred tax assets not recognized on tax loss carryforwards	0.4	0.1%	0.3	0.1%
• Impact of research tax credits presented in operating income	(3.5)	-1.0%	(3.7)	-1.7%
• Tax credits (other than research tax credits)	(1.1)	-0.3%	(0.7)	-0.3%
• Utilization of previously unrecognized tax assets	(0.4)	-0.1%	0.0	0.0%
EFFECTIVE INCOME TAX EXPENSE	**82.5**	**23.0%**	**47.7**	**21.7%**

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 (*in vitro* diagnostics).

In accordance with IFRS 8, information on revenues 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 BUSINESS SEGMENT

In accordance with IFRS 8 "Operating Segments", and following the changes made to the Group's organizational structure with the set-up of two main divisions dedicated to clinical applications and industrial applications, the Group now presents two operating sub-segments within *in vitro* diagnostics. Comparative information has been restated.

FIRST-HALF 2021

In millions of euros	Clinical applications	Industrial applications	Other	Group
Revenues	**1,329.9**	**244.3**	**0.0**	**1,574.2**
Gross profit	**793.2**	**121.7**	**0.1**	**915.0**
Other operating income and expenses	(455.0)	(89.6)	3.7	(540.9)
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**338.2**	**32.1**	**3.8**	**374.1**
as % of revenues	*25%*	*13%*		

FIRST-HALF 2020

In millions of euros	Clinical applications	Industrial applications	Other	Group
Revenues	**1,257.4**	**218.8**	**0.0**	**1,476.2**
Gross profit	**716.4**	**103.9**	**(3.8)**	**816.4**
Other operating income and expenses	(470.6)	(84.4)	(8.3)	(563.3)
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**245.8**	**19.5**	**(12.1)**	**253.1**
as % of revenues	*20%*	*9%*		

19.3 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.

FIRST-HALF 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.

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In millions of euros	Americas	EMEA[(a)]	Aspac	Corporate	Group
Non-current assets					
Intangible assets	12.7	18.4	2.5	393.2	426.8
Goodwill				642.4	642.4
Property, plant and equipment	450.4	235.0	52.5	267.9	1,005.8
Right-of-use assets	57.3	57.8	14.3		129.4
Working capital requirement					
Inventories and work-in-progress	281.2	219.4	110.4		611.0
Trade receivables and assets related to contracts with customers	203.5	267.0	71.9		542.4
Trade payables	(50.4)	(48.2)	(100.5)		(199.1)

(a) Of which non-current assets in France: €379.3 million.

FIRST-HALF 2021

In millions of euros	Americas	EMEA[(a)]	Aspac	Corporate	Group
Revenues	**731.8**	**547.9**	**292.8**	**1.7**	**1,574.2**
Cost of sales	(229.2)	(214.3)	(124.7)	(91.0)	(659.1)
Gross profit	**502.7**	**333.6**	**168.1**	**(89.3)**	**915.0**
as % of revenues	*69%*	*61%*	*57%*		
Other operating income and expenses	(122.3)	(80.1)	(43.7)	(294.9)	(540.9)
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**380.4**	**253.5**	**124.4**	**(384.2)**	**374.1**
as % of revenues	*52%*	*46%*	*42%*		

(a) Of which France revenues: €114.6 million.

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In millions of euros	Americas	EMEA[(a)]	Aspac	Corporate	Group
Non-current assets					
Intangible assets	13.8	18.5	3.0	395.4	430.7
Goodwill				629.4	629.4
Property, plant and equipment	424.6	222.9	47.1	244.4	939.0
Right-of-use assets	56.9	59.0	13.6		129.6
Working capital requirement					
Inventories and work-in-progress	259.8	199.9	82.2		541.9
Trade receivables and assets related to contracts with customers	254.1	273.1	70.7		597.9
Trade payables	(42.5)	(64.4)	(100.2)		(207.1)

(a) Of which non-current assets in France: €376.3 million.

Regional data include commercial activities, corresponding mainly to revenues 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 eligible for inclusion in the calculation of the cost price (e.g., project costs) 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.

19.4 INFORMATION BY TECHNOLOGY AND APPLICATION

The table below provides a breakdown of revenues by technology:

In millions of euros	First-half 2021	First-half 2020
Clinical applications	**1,329.9**	**1,257.4**
Molecular biology	538.3	557.3
Microbiology	496.4	460.4
Immunoassays	240.7	195.0
Other ranges	54.4	44.7
Industrial applications	**244.3**	**218.8**
TOTAL	**1,574.2**	**1,476.2**

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 for the year ended December 31, 2020.

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

20.1 HEDGING INSTRUMENTS

Currency hedges in effect at June 30, 2021, set up under the currency hedging policy described in Note 28.1.1 to the consolidated financial statements at December 31, 2020, are the following:

Currency hedges at June 30, 2021 *In millions of euros*	**Expiration date 2021**		**Market value 2021**[(a)]
	<1 year	**1-5 years**	
Hedges of existing commercial transactions			
- currency forward contracts	182.8	0.0	(2.8)
- options	-	-	-
TOTAL	**182.8**	**0.0**	**(2.8)**
Hedges of future commercial transactions			
- currency forward contracts	220.6	-	(2.9)
- options	-	-	0.0
TOTAL	**220.6**	**-**	**(2.9)**

(a) Difference between the hedging rate and the market rate at June 30, 2021, including premiums paid and received.

All of the currency forward purchases and sales and options outstanding at June 30, 2021 had maturities of less than 12 months.

The analysis carried out at June 30, 2021 (taking into account the COVID-19 context in particular) did not result in any changes to the qualification of the currency derivatives as hedges.

The table below gives a summary of hedging instruments held by the Group, and their changes in fair value:

In millions of euros	Type of hedge	Notional amount of the hedge at the period-end	Fair value of the hedging instrument at the period-end		Change in the fair value of the hedging instrument over the period	
			assets	liabilities	recognized in income	recognized in other comprehensive income
FAIR VALUE HEDGES						
EUR interest rate risk						
Debt in EUR	interest rate swaps					
Debt in EUR	interest rate options					
Exchange rate risk					0.5	0.9
Trade receivables in foreign currencies	forward sales	182.8	0.0	2.8		
Trade payables in foreign currencies	forward purchases					
Trade receivables in foreign currencies	options					
Financial receivables in foreign currencies	forward sales	64.8		0.2		
Borrowings in foreign currencies	forward purchases	354.9	0.8			
CASH FLOW HEDGES						
EUR interest rate risk						
Debt in EUR	interest rate swaps					
USD interest rate risk						
Loan in US$	cross currency swaps					
Exchange rate risk						
Future commercial sales in foreign currencies	forward sales	220.6		2.9		
Future commercial purchases in foreign currencies	forward purchases					
Future commercial sales in foreign 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, respectively.

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

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, only the maturity schedule concerning net debt is presented (see Note 12.4).

The table below shows projected cash flows from the bond issue and the hedges related to the contractual repayment of the principal at par and to contractual interest payments at June 30, 2021:

In millions of euros	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
7-year Euro PP[(a)]	(2.2)	(8.7)	(147.2)
10-year Euro PP[(a)]	(1.0)	(4.2)	(59.2)
CBI (including VAT)	(4.6)	(18.5)	(10.4)

(a) Contractual flows of principal and interest.

20.3 FINANCIAL INSTRUMENTS: FINANCIAL ASSETS AND LIABILITIES

The table below shows a breakdown by category of financial assets and liabilities (excluding accrued payable and receivable payroll and other taxes), as prescribed by IFRS 9 (see Note 27.1 to the consolidated financial statements for the year ended December 31, 2020), and provides a comparison between their book value and fair value:

	June 30, 2021						
In millions of euros	Assets at fair value through income (excl. derivatives)	Shares in non-consolidated companies – Changes in fair value through other comprehensive income	Receivables, payables and borrowings at amortized cost	Derivative instruments	Book value	Fair value	Level
Financial assets							
Shares in non-consolidated companies		38.6			38.6	38.6	1-3
Other non-current financial assets			17.3		17.3	17.3	-
Other non-current assets			13.9		13.9	13.9	
Derivative instruments (positive fair value)				9.8	9.8	9.8	2
Trade receivables			542.4		542.4	542.4	-
Other receivables			19.4		19.4	19.4	-
Cash and cash investments	493.2				493.2	493.2	1
TOTAL FINANCIAL ASSETS	**493.2**	**38.6**	**593.0**	**9.8**	**1,134.6**	**1,134.6**	
Financial liabilities							
Bonds[(a)]			199.6		199.6	199.6	1
Other financing facilities			161.9		161.9	161.9	2
Derivative instruments (negative fair value)				13.4	13.4	13.4	2
Borrowings – current portion			163.2		163.2	163.2	2
Trade payables			199.1		199.1	199.1	-
Other current liabilities			130.0		130.0	130.0	-
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**853.8**	**13.4**	**867.2**	**867.2**	

(a) The book value of 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, 2020).

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, shares in non-consolidated companies are recognized at fair value except where this cannot be reliably determined.

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

During the first half of 2021, two reclassifications were made:

– the Banyan shares were reclassified from level 3 to level 2 given the recent acquisition of the company (see Note 23);

– the bond issue was reclassified from level 2 to level 1 as the notes are not rated.

At December 31, 2020, the breakdown of assets and liabilities was as follows:

In millions of euros	December 31, 2020						
	Assets at fair value through income (excl. derivatives)	Shares in non-consolidated companies – Changes in fair value through other comprehensive income	Receivables, payables and borrowings at amortized cost	Derivative instruments	Book value	Fair value	Level
Financial assets							
Shares in non-consolidated companies		39.9			39.9	39.9	1-3
Other non-current financial assets			10.7		10.7	10.7	-
Other non-current assets			14.3		14.3	14.3	
Derivative instruments (positive fair value)				7.3	7.3	7.3	2
Trade receivables			597.9		597.9	597.9	-
Other receivables			20.3		20.3	20.3	-
Cash and cash investments	389.2				389.2	389.2	1
TOTAL FINANCIAL ASSETS	**389.2**	**39.9**	**643.2**	**7.3**	**1,079.6**	**1,079.6**	
Financial liabilities							
Bonds[(a)]			199.6		199.6	206.5	2
Other financing facilities			152.8		152.8	152.8	2
Derivative instruments (negative fair value)				10.5	10.5	10.5	2
Borrowings – current portion			128.9		128.9	128.9	2
Trade payables			207.1		207.1	207.1	-
Other current liabilities			146.2		146.2	146.2	-
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**834.6**	**10.5**	**845.1**	**852.0**	

(a) The book value of bond issues is shown net of issue fees and premiums.

Movements in financial instruments whose fair value was determined using Level 3 inputs under the IFRS 13 hierarchy (see Note 27.2 to the consolidated financial statements at December 31, 2020) were as follows in first-half 2021:

DECEMBER 31, 2020	**36.5**
Reclassification from level 3 to level 2	(7.7)
Gains and losses recognized in income	
Gains and losses recognized in other comprehensive income	
Acquisitions	
Disposals	
Changes in scope of consolidation, translation adjustments	0.2
JUNE 30, 2021	**29.0**

20.4 COUNTRY RISK

The Group's commercial business is mainly located in the United States (39% of revenues), China (9%), France (7%), Germany (4%), Italy (4%), the United Kingdom (3%) and Japan (3%). No other country represents more than 2.5% of the Company's revenues.

20.5 CREDIT RISK

With revenues in more than 160 countries from government organizations 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 payment deadlines and late payments.

The Group's policy in terms of writing down trade receivables is described in Note 9 to the consolidated financial statements at December 31, 2020.

As in the prior period, the Group did not identify any material increase in credit risk in respect of the COVID-19 pandemic during the first half of 2021.

21. OFF-BALANCE SHEET COMMITMENTS

There were no material changes in off-balance sheet commitments during the first half of 2021 (see Note 29 to the consolidated financial statements for the year ended December 31, 2020), except for the commitments made to Specific Diagnostics. Under the terms of the distribution agreement entered into recently with Specific Diagnostics (see Note 1.1.3), bioMérieux has given a minimum purchase commitment of €16 million over the life of the agreement.

For commitments related to derivative instruments, see Note 20.3.

22. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties continued on the same basis as in 2020 without any significant developments (see Note 30 to the consolidated financial statements for the year ended December 31, 2020).

23. SUBSEQUENT EVENTS

In a persistently uncertain economic environment, business growth remains linked to developments in the health crisis.

On July 16, 2021, bioMérieux acquired all the outstanding shares of Banyan, which identifies blood based biomarkers for detecting brain injuries.

II – INTERIM MANAGEMENT REPORT

AT JUNE 30, 2021

INTERIM MANAGEMENT REPORT
AT JUNE 30, 2021

1. SIGNIFICANT EVENTS OF FIRST-HALF 2021

1.1 COVID-19 diagnostic tests activity

Launch of EPISEQ® SARS-COV-2, a cloud-based software application for the epidemiological surveillance of SARS-CoV-2 variants

Viral mutation is a naturally occurring phenomenon leading to the emergence of variants that can have different characteristics. Today, a number of SARS-CoV-2 variants are circulating worldwide. Some of these variants are under particular scrutiny because of their impact on the pandemic (increased infectiousness or severity of infection, possible vaccine escape). Genomic surveillance of mutant circulation is therefore essential for public health.

Launched worldwide, EPISEQ® SARS-COV-2 is a new application, intended to identify SARS-CoV-2 variants using samples from positive patients. Automatically updated each week, the platform identifies variants based on international nomenclatures[1] including any new variant of concern (VOC) as defined by the World Health Organization and the US Centers for Disease Control and Prevention.

EPISEQ® SARS-COV-2 is compatible with three major sequencing platforms (Illumina, Oxford Nanopore, Thermo Fisher) and is easy to use for any microbiology lab without bioinformatics knowledge or computing resources. The application permits the export of viral genome assemblies and mutations in order to facilitate reporting to national public health authorities and for epidemiology studies.

Drawing on its expertise in microbiology and informatics, bioMérieux has developed BIOMÉRIEUX EPISEQ®, a genomic cloud-based computing platform that supports laboratories in the utilization of next-generation sequencing (NGS) technologies and the interpretation of its outcome. Multiple NGS- and cloud-based software modules are being developed on this platform.

CE marking of the new generation of IgG serology test with VIDAS® SARS-COV-2 IgG II to semi-quantitatively detect antibodies in people who have been exposed to the SARS-CoV-2 that causes the COVID-19 disease

VIDAS® SARS-COV-2 IgG II offers a semi-quantitative interpretation of the level of IgG antibodies directed against the Receptor-Binding Domain (RBD) of the Spike (S) viral protein. Indeed numerous vaccines for COVID-19 are available, mostly focusing on eliciting an immune response to the RBD/S viral protein. Following an internal evaluation with two of the more common vaccines (Pfizer–BioNTech Comirnaty and Moderna mRNA-1273), it was demonstrated that this new VIDAS® assay will detect anti-SARS-Cov-IgG antibodies post-vaccination. Additionally, we have documented correlation of the IgG level results with the WHO international standard.

In 2021, on top of the importance of detecting the COVID-19 virus, the emergence of variant strains and expansion of vaccination have generated new public health challenges. In particular, obtaining quantitative serological information by measuring antibody levels might provide important insights to help evaluate a person's immune response following either natural infection or vaccination.

Hospitals and private laboratories can run this new test on bioMérieux's VIDAS® analyzers (MINI VIDAS®, VIDAS® and VIDAS® 3) which are widely available with more than 30,000 systems installed around the world.

1 Pango and Nextstrain

BIOFIRE® Respiratory 2.1 (RP2.1) Panel with SARS-CoV-2 obtains De Novo FDA authorization

BioFire Diagnostics, bioMérieux's subsidiary specialized in molecular syndromic infectious disease testing, has received U.S. Food and Drug Administration (FDA) De Novo authorization for the BIOFIRE® RP2.1 Panel. This panel allows for the detection of 22 viral and bacterial pathogens responsible for respiratory infections, including SARS-CoV-2 (the cause of COVID-19 disease). The panel is the first SARS-CoV-2 diagnostic test of any kind that has been granted De Novo status by the U.S. FDA, having gone through the normal U.S. FDA review pathway outside of the Emergency Use Authorization (EUA) track. This De Novo authorization will be concurrent with the revocation of the U.S. FDA EUA that was obtained on May 1, 2020 for this panel. The BIOFIRE® RP2.1 Panel EUA and De Novo kits are identical with the exception of changes to the labeling.

The De Novo application was supported by a multicenter prospective clinical study in which the performance of the BIOFIRE® RP2.1 Panel SARS-CoV-2 assay was evaluated in over 500 specimens against a combined reference of three independent molecular SARS-CoV-2 assays, each with U.S. FDA EUA designation. The BIOFIRE® RP2.1 Panel SARS-CoV-2 assay demonstrated positive percent agreement (PPA) of 98.4% and negative percent agreement (NPA) of 98.9%.

The BIOFIRE® RP2.1 Panel allows healthcare providers to quickly identify common respiratory pathogens found in patients presenting with acute respiratory tract infection, using one simple test. The BIOFIRE® RP2.1 Panel yields results in approximately 45 minutes using nasopharyngeal swab (NPS) samples in transport media or saline. It runs on the fully automated FILMARRAY® 2.0 and FILMARRAY® TORCH Systems with a sample preparation time of just two minutes.

1.2 New products

CE-marking of the new MALDI-TOF mass spectrometry identification system: VITEK® MS PRIME

VITEK® MS PRIME is the next generation of the MS MALDI-TOF[2] mass spectrometry system for routine microbial identification in minutes. Rapid microorganism identification is a pivotal step in the microbiology workflow. Over the past decade, MALDI-TOF mass spectrometry has transformed this process, providing critical information rapidly to clinicians in order to prescribe more effective antimicrobial therapy. Including time-saving innovations to deliver faster identification results, VITEK® MS PRIME is a compact automated benchtop system designed to increase laboratory productivity for greater impact to patient care.

With 700,000[3] deaths worldwide annually, antimicrobial resistance (AMR) is a global health priority. Antimicrobial Stewardship (AMS), a key part of the arsenal to fight resistance, starts with diagnostics.

VITEK® MS PRIME positively impacts stewardship programs by providing even faster, highly accurate pathogen identification making excellent use of the large database of clinically relevant species to support earlier, targeted therapy. VITEK® MS PRIME, manufactured by bioMérieux is a result of our constant commitment to support laboratories with tools that provide increased AMS efficiency and more effective patient therapy.

2 MALDI-TOF: Matrix Assisted Laser Desorption Ionization-Time of Flight

3 Tackling drug-resistant infections globally: the review on antimicrobial resistance chaired by Jim O'Neill 2016

CE marking of three tests on VIDAS® to diagnose Dengue

VIDAS® DENGUE NS1 Ag, Anti-DENGUE IgM and Anti-DENGUE IgG are the new automated assays intended as an aid in the diagnosis of dengue infection.

These VIDAS® DENGUE assays can be used independently to detect the viral antigen (NS1) and antibodies (IgM and IgG) produced by the host in response to the infection. These three serological tests are recommended by international guidelines[4].

The test process is fully automated, from sample identification to the result report. Based on the single test concept and the "load & go" system, the VIDAS® DENGUE panel is easy to use and accessible to all laboratories. Capitalizing on bioMérieux's expertise in infectious diseases, VIDAS® DENGUE assays enable clear-cut results with no equivocal zone and an objective interpretation thanks to the automation.

Performed on the VIDAS® family platforms, VIDAS® DENGUE assays provide reliable results with improved quality compared to the existing manual methods. The performance level responds to the medical need for an early and accurate diagnosis of dengue.

Dengue is a viral disease transmitted to humans by certain types of mosquitoes. With 100 to 400 million people affected each year, it is the most common arthropod-borne viral infection worldwide. The global incidence of this infection has grown over eight-fold during the last 20 years, with the greatest burden observed in Asia (75%) followed by Latin America and Africa[5].

Dengue often presents non-specifically and with fever, thereby leading to a high risk of misdiagnosis in the absence of laboratory confirmation, especially in countries where many other infectious diseases are circulating.

Diagnostic testing for dengue relies on several laboratory methods, mainly manual, which each have their own advantages and limitations. If molecular assays are not available or the patient presents later during the course of the disease, serological methods are particularly well suited[6].

CE marking of TB IGRA® test on VIDAS®

VIDAS® TB-IGRA is the new fully automated assay intended as an aid in the diagnosis of infection with Mycobacterium tuberculosis. This innovative and fully automated IGRA (Interferon-Gamma Release Assay) test diagnoses latent TB infection.

Performed on the VIDAS® 3 platform, VIDAS® TB-IGRA provides reliable test results and improves current workflow compared to existing TB-IGRA solutions.

The complete test process is fully automated from sample to result interpretation, including the stimulation step. Only one whole blood sample tube is needed with no manual sample preparation. Thanks to this simplified "load & start" process, laboratories will now be able to easily manage TB-IGRA testing in-house and deliver faster results to clinicians without additional cost.

In addition to full automation, VIDAS® TB-IGRA demonstrated strong clinical performances[7]. Clinical trials conducted on populations coming from different areas around the world demonstrated a better

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4 WHO, CDC, HAS, PAHO dengue testing recommendations.

5 Wilder-Smith A, Ooi E-E, Horstick O, Wills B. Dengue. The Lancet. 2019;393(10169):350-63.

WHO. Dengue and severe dengue. Fact sheets. [cited 2021 March 31]. Available from: https://www.who.int/news-room/fact-sheets/detail/dengue-and-severe-dengue.

6 Raafat N, Blacksell SD, Maude RJ. A review of dengue diagnostics and implications for surveillance and control. Trans R Soc Trop Med Hyg. 2019;113(11):653-60.

Muller DA, Depelsenaire AC, Young PR. Clinical and Laboratory Diagnosis of Dengue Virus Infection. J Infect Dis. 2017;215(suppl_2):S89-S95.

Peeling RW, Artsob H, Pelegrino JL, Buchy P, Cardosa MJ, Devi S, et al. Evaluation of diagnostic tests: dengue. Nat Rev Microbiol. 2010;8(12 Suppl):S30-8.

7 *VIDAS® TB-IGRA Package insert 053331*

sensitivity in an active TB population compared to an existing test (97% vs 80.6%*), a high specificity of 97.5% in populations at very low risk of being TB infected** and a strong correlation with the comparative assay* on populations at mixed risk levels of TB infection. Furthermore, significantly fewer indeterminate results (0.1% vs 1.3%*) were observed.

This innovative and fully automated IGRA (Interferon-Gamma Release Assay) test diagnoses latent TB infection.

Tuberculosis continues to be a major global health problem. With 10 million new active cases and 1.4 million related deaths worldwide in 2019[8], TB remains an important cause of mortality from a single infectious disease.

It is estimated that one-fourth of the global population is infected with Mycobacterium tuberculosis, the bacteria responsible for TB disease. In most cases (90-95%), people with healthy immune systems can control the infection without developing the active disease: this is called “Latent Tuberculosis Infection” (LTBI). The remaining infected people (5-10%), will develop active TB disease (aTB), making them sick as well as infectious to others.

There is no single gold standard for diagnosing LTBI. Current diagnostic tools for LTBI include a detailed clinical history of exposure to TB, the tuberculin skin test (TST) or an IGRA test, which are indirect diagnostic methods based on the host immune response to the pathogen[9].

Despite their improved performances over TST, current IGRA tests are cumbersome, consist of many manual steps, and can negatively impact the lab workflow. There is a need for improved TB-IGRA tests having complete automation, standardization of each step, faster time to results, more accurate and reliable clinical performances and increased ease-of-use for any lab without specialized expertise.

* *Comparative assay used during clinical trials is a CE-marked and FDA-cleared TB- IGRA test.*
** *Specificity assessed in healthy blood donors from a country with low TB prevalence.*

[8] *World Health Organization. Tuberculosis (fact sheet). Published on March 14, 2020. https://www.who.int/news-room/fact-sheets/detail/tuberculosis*
[9] *World Health Organization. Latent tuberculosis infection (LTBI) - FAQs. Published in 2015. https://www.who.int/tb/areas-of-work/preventive-care/ltbi/faqs/en/*

CE marking of NEPHROCHECK® test on VIDAS®

Risk of acute kidney injury (AKI) is a common complication, affecting between 7% and 18% of all hospitalized patients[10] and up to 50% of critically ill patients[11]. The condition is associated with a ten-fold increase in hospital mortality and a higher rate of chronic kidney disease among post-op patients[12]. While a number of acute risk factors and patient characteristics have been identified which predispose patients to AKI[13], there is no reliable way for a clinician to establish a clear risk profile for any given patient. Delays in recognizing AKI can potentially lead to irreversible consequences. In many cases, adverse patient outcomes are avoidable if the condition is identified and managed in a timely fashion[14].

NEPHROCHECK® is an innovative test that detects kidney stress prior to actual damage, when a timely intervention can still make a difference. It is used in conjunction with clinical evaluation as an aid to support the risk assessment of moderate or severe AKI in acutely ill patients. With this early information, clinicians can either rule out kidney stress with confidence, or implement a series of protective measures for the kidneys.

The NEPHROCHECK® test relies on the detection of two innovative urinary biomarkers: TIMP-2 (tissue inhibitor of metalloproteinases-2) and IGFBP-7 (insulin-like growth factor-binding protein 7). Both proteins are produced by stressed kidney cells as an early warning signal, before the onset of AKI. Specific to kidney stress, they are not affected by any of the usual co-morbidities (such as sepsis, trauma, chronic kidney disease or cancer).

1.3 Agreements and partnerships

bioMérieux and Specific Diagnostics announce a co-exclusive distribution agreement for the SPECIFIC REVEAL® Rapid AST system in Europe

In the context of the global threat of Antimicrobial Resistance (AMR), clinicians need to receive faster antibiotic susceptibility test (AST) results and accurate interpretation, to enable timely and optimized patient intervention. In bloodstream infections, an urgent and often life-threatening condition, time is of the essence to deliver targeted antibiotic treatment: it is crucial to determine what antibiotic to prescribe, at which dose, and for what duration. Making clinical decisions based on rapid AST not only dramatically improves patient outcomes, but also serves the broader purpose of fighting Antimicrobial Resistance, to help sustain the efficacy of antibiotics for generations to come.

A perfect complement to bioMérieux's suite of systems delivering rapid results

Developed by Specific Diagnostics, and based on its unique, patented metabolomic signature technology, the REVEAL Rapid AST system provides actionable results for bloodstream infections (in an average of 5 hours[15] directly from positive blood culture), allowing either timely de-escalation to a focused, more appropriate and lower-cost therapy, or life-saving rapid escalation to a more effective drug where a multidrug-resistant (MDR) infection is present. REVEAL Rapid AST offers customers an easy to use instrument with a targeted menu, small footprint, and modular design well-suited for a large number of hospitals.

10 Lewington AJ, Cerdá J, Mehta RL. Raising awareness of acute kidney injury: a global perspective of a silent killer. Kidney Int. 2013;84(3):457-467.
11 Mandelbaum T, Scott DJ, Lee J, et al. Outcome of critically ill patients with acute kidney injury using the AKIN criteria. Crit Care Med. 2011;39(12):2659-2664.
12 Hobson C, Ozrazgat-Baslanti T, Kuxhausen A, et al. Cost and mortality associated with postoperative acute kidney injury. Ann Surg. 2014;00:1-8.
13 Ronco C, Ricci Z. The concept of risk and the value of novel markers of acute kidney injury. Crit Care. 2013;17:117-118
14 Mehta RL, Cerda J, Burdmann EA, et al. International Society of Nephrology's 0by25 initiative for acute kidney injury (zero preventable deaths by 2025): a human rights case for nephrology. Lancet. 2015
15 Tibbetts et al, ECCMID 2020 and in review.

REVEAL Rapid AST system is a perfect complement to bioMérieux's unique suite of systems delivering rapid results including the industry's fastest blood culture system, the BACT/ALERT® VIRTUO®, and rapid identification with either VITEK® MS PRIME or BIOFIRE® BCID2, and VITEK® 2.

The addition of REVEAL Rapid AST enables hospitals to have the fastest possible path to fully actionable results, combining ID (microbial identification) and AST, to allow clinicians to diagnose and treat patients much faster, establishing a new standard of care.

A distribution agreement within a strengthened partnership

The co-exclusive distribution agreement signed between both companies will cover Europe, where the REVEAL Rapid AST has been CE-IVD approved. In addition, bioMérieux will invest US$10m through a Convertible Promissory Note to support commercial activities. In 2019, bioMérieux participated in Specific Diagnostics' Series A funding round, alongside other investors. Further to this transaction, bioMérieux holds around 8% of the share capital of Specific Diagnostics.

The Biotech Digital Campus joins forces with biotechnology schools and training organizations to develop the talents of tomorrow

The Biotech Digital Campus is a recipient of the Engineering Action for innovative professional and support training, funded by the Future Investment Program (PIA). Steered by a leading industrial consortium (bioMérieux, Novasep, Sanofi, Servier), it is now joining forces with a panel of key players in biotechnology training: EASE, ENSTBB-Bordeaux INP, ESTBB, IFIS, Groupe IMT, MabDesign, and Sup'Biotech. These schools and training organizations will support the Campus in developing its educational curricula, including digital training modules, intended for employees in the sector or in retraining, as well as for students and job seekers.

1.4 Conversion of the Company into a *Societas Europaea*

The conversion of bioMérieux into a *Societas Europaea* (European limited company) and the terms of the proposed conversion were approved at the May 20, 2021 Annual General Meeting, on the recommendation of the Board of Directors. The conversion will take effect as from the registration of the Company as a *Societas Europaea* with the Lyon Trade and Companies Registry, once the employee consultation procedure has been completed.

The Group is present in 22 European countries, which are home to 42% of its total workforce and account for approximately 30% of its consolidated sales. The proposed conversion would align the Group's form of incorporation with its European roots and identity, and the Company would benefit from a homogeneous regulatory base recognized and understood both in Europe and internationally. This change will not affect bioMérieux's stock listing, operations, the location of its registered office or its governance.

2. FINANCIAL SUMMARY

Consolidated data In € millions	**2021**	2020	% Change As reported
Net Sales	**1,574**	**1,476**	**+12.3 %**
Contributing operating income before non-recurring items [1]	**374**	253	+47.8 %
% sales	***23.8 %***	*17.1 %*	
Operating incomel [2]	**366**	232	+57.6 %
Net income, group share	**277**	**173**	**+60.3 %**
Diluted net income per share *(in €)*	**2.33 €**	1.46 €	

(1) Contributive operating income before non-recurring items corresponds to operating income before non-recurring items relating to the BioFire acquisition.

(2) Operating income is the sum of contributive operating income before non-recurring items, BioFire purchase price amortization expense and "material, extraordinary and non-recurring items" recognized in "Other non-recurring income and expenses from operations, net".

3. BUSINESS REVIEW

3.1 Activity[16]

Consolidated sales amount to €1,574 million in first-half 2021, up 12.3 % like-for-like from €1,476 million in the prior-year period. Reported growth stands at 6.6 % for the period. The currency effect is reducing reported sales by €84 million, primarily due to the decline in the US dollar and certain Latin American currencies against the euro during the first semester.

Evolution of sales
In € millions

SALES – SIX MONTHS ENDED JUNE 30, 2020	**1,476**	
Currency effect [1]	-84	-5.7 %
Changes in scope of consolidation [2]	0	
Organic growth (at constant exchange rates and scope of consolidation)	+182	+12.3 %
SALES – SIX MONTHS ENDED JUNE 30, 2021	**1,574**	**+6.6 %**

(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.

(2) 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.

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

Analysis of sales by application

Sales by Application In € millions	**Q2 2021**	Q2 2020	% change as reported	**% change** at constant exchange rates and scope of consolidation	**Six months ended June 30, 2021**	Six months ended June 30, 2020	% change as reported	**% change** at constant exchange rates and scope of consolidation
Clinical applications	**608.1**	601.6	+1.1 %	**+5.9 %**	**1,329.9**	1,257.4	+5.8 %	**+11.6 %**
Molecular biology	**213.9**	264.1	-19.0 %	**-14.0 %**	**538.3**	557.3	-3.4 %	**+3.2 %**
Microbiology	**249.0**	208.7	+19.3 %	**+23.7 %**	**496.4**	460.4	+7.8 %	**+12.5 %**
Immunoassays	**120.5**	96.2	+25.2 %	**+29.4 %**	**240.7**	195.0	+23.4 %	**+28.6 %**
Other lines(1)	**24.8**	32.5	-23.7 %	**-17.2 %**	**54.4**	44.7	+21.8 %	**+32.2 %**
Industrial Applications(2)	**121.5**	105.8	+14.8 %	**+19.1 %**	**244.3**	218.8	+11.7 %	**+16.7 %**
TOTAL SALES	**729.6**	707.4	+3.1 %	**+7.9 %**	**1,574.2**	1,476.2	+6.6 %	**+12.3 %**

(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.

- **Clinical application** sales, which accounts for approximately 84% of bioMérieux's consolidated total, rise by nearly 6% year-on-year to €608 million in the second quarter of 2021, and by almost 12% to €1,330 million over the first half.
  - In **molecular biology**, BIOFIRE® reagents sales grew by 5% during the second quarter. More specifically, the strong demand for BIOFIRE® respiratory panels outside of US is compensating the softening of the US demand for respiratory panels observed in March, but stabilized since then. Non-respiratory panels continued their accelerated growth on a global basis. The BIOFIRE® installed base is continuing to expand, to more than 20,100 units at June 30, 2021, versus 19,500 at March 31, 2021.
  - The **microbiology** business enjoys a solid 24% growth in Q2, compared with the same period of 2020, led by reagents sales on all key ranges, with a remarkable performance in each geographic area, confirming an upturn of this segment beyond pre-pandemic levels.
  - In **immunoassay,** the remarkable performance of the quarter at +29%, is led both by double digit growth in reagents sales, due to Covid-related parameters and also routine ones, as well as a high level of equipment installations

- **Industrial application** sales, which represent around 16% of the consolidated total, increase by 19% year-on-year to €121 million in the second quarter. Growth is fueled by both food and pharmaceutical segments and double digit growth both on reagents and instruments sales.

Analysis of sales by region

Sales by Region In € millions	**Q2 2021**	Q2 2020	% change as reported	**% change** at constant exchange rates and scope of consolidation	**Six months ended June 30, 2021**	Six months ended June. 30, 2020	% change as reported	**% change** at constant exchange rates and scope of consolidation
Americas	**319.5**	364.7	-12.4 %	**-4.8 %**	**732.0**	762.4	-4.0 %	**+4.9 %**
North America	**273.3**	325.7	-16.1 %	**-8.7 %**	**643.7**	684.0	-5.9 %	**+2.5 %**
Latin America	**46.2**	38.9	+18.7 %	**+26.7 %**	**88.3**	78.4	+12.7 %	**+26.0 %**
Europe (1)	**268.1**	225.0	+19.1 %	**+20.0 %**	**549.4**	472.7	+16.2 %	**+17.7 %**
Asia Pacific	**142.0**	117.7	+20.7 %	**+24.1 %**	**292.8**	241.1	+21.4 %	**+25.4 %**
TOTAL SALES	**729.6**	707.4	+3.1 %	**+7.9 %**	**1,574.2**	1,476.2	+6.6 %	**+12.3 %**

(1) Including the Middle East and Africa.

- Sales in the **Americas** (47% of the consolidated total) reaches €320 million in second quarter 2021, a contraction of almost 5% versus the same period in 2020, first half increases at 5% to stand at €732 million.
  - In **North America** (41% of the consolidated total), the quarterly performance has been contrasted fueled by a double digit growth registered in both microbiology and industry application whereas demand for the BIOFIRE® molecular biology respiratory panel is decreasing and erosion on both price & volume keeps on affecting procalcitonin assays sales in the United States.
  - **Latin America** recorded a solid increase in the last quarter, led by remarkable growth in reagent sales in immunoassay , microbiology and industry applications.

- Sales in the **Europe – Middle East – Africa** region (35% of the consolidated total) come to €268 million for the second quarter, up 20% year-on-year, and to €549 million for the first half, up 18% year-on-year.
  - In **Europe** (31% of the consolidated total), robust sales growth was reported across most countries, fueled by strong business in all key ranges including BIOFIRE® molecular reagents.
  - Sales in the **Russia - Middle East - Africa** region is benefiting from double-digit growth in Africa, Russia and Turkey,

- Sales in the **Asia-Pacific** region (19% of the consolidated total) come to €142 million in the second quarter of 2021, up 25% compared with the same period in 2020. Business continues to be particularly strong in Japan thanks to the BIOFIRE® range and in India. Activity in China is solid, beyond pre-pandemic levels.

3.2 Financial highlights

CONSOLIDATED INCOME STATEMENT

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

For the six months to June 30, 2021, contributive operating income before non-recurring items rose by 48% year-on-year to €374 million, representing 23.8% of sales. The reported figure includes an unfavorable currency effect of around €29 million. Bonus plans in the United States that are indexed to the bioMérieux share price (phantom share plans) have been fully settled, they totaled an expense of €2 million during the period this year, compared to €42 million in first-half 2020.

- **Gross profit** stood at €915 million, or 58.1% of sales, up from 55.3% at the end of June 2020. The increase in gross margin stemmed primarily from the positive impact of changes in the product mix and growth in volumes.
- **Selling, general and administrative expenses** amounted to €380 million, or 24.1% of sales, compared with 25.9% in first-half 2020. On a like-for-like basis, they rose by 3%, the favorable effect of phantom share plans have been partially offset by the MyShare 2021, a worldwide employee share ownership plan.
- **R&D expenses** amounted to €182 million, or 11.5% of sales, compared with €203 million and 13.8% in first-half 2020. They decrease by 6% on a like-for-like basis due to lower phantom shares expense, they would have been stable otherwise.
- **Other operating income** amounted to around €20 million for the year, down from €22 million in first-half 2020, due to a decrease in R&D subsidies.

– **Operating income**

The amortization of BioFire acquired intangible assets amounted to €8 million in first-half 2021 to be compared with €9 million during the same period last year. As a result, the Group ended the first-half 2021 with **operating income** of €366 million, up 58% on the €232 million reported during the same period in 2020.

– **Net income of consolidated companies**

Net financial expense amounted to €6.4 million over the period, down from the €12.4 million recorded in first-half 2020. The cost of net debt came to €3.9 million in 2021 versus €8.5 million in first-half 2020, and other financial income and expenses totaled €2.5 million, compared to €3.9 million in first-half 2020 thanks to both lower debt level and refinancing operation carried out in June 2020.

The Group's **effective tax rate** stood at 23.0 % on June 30, 2021, versus 21.7% in first-half 2020 due to country mix.

Net income, Group share amounted to €277 million in 2021, up 60% from €173 million in first-half 2020.

CASH MANAGEMENT AND FINANCE

– **Free cash flow**

EBITDA[17] came to €471 million in first-half 2021, or 29.9% of sales, up 37% from the €345 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 €98 million, an increase from the €60 million paid in the first six months of 2020, primarily due to stronger results.

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

Working capital requirement rose by €86 million in first-half 2021. The change was primarily a result of the following factors:

- inventories rose by €57 million during the period, in line with the slowdown in molecular range activity compared to the last months of 2020;
- trade receivables were down by €62 million and trade payables decrease by €11 million both in line with the activity
- other working capital requirement items increased by €81 million, led by tax liabilities, settlement in cash of the phantom share plans as well as the yearly payment of variable compensation and profit sharing.

Capital expenditures represented around 9% of sales or €144 million in first-half 2021, versus €127 million in first-half 2020. One of the main capital expenditures was related to the construction project of a new office building in Salt Lake City.

In light of the above, **free cash flow** came in at €145 million in first-half 2021, compared to €144 million in first-half 2020.

– **Change in net debt**

A **Dividend** of €73 million has been paid in first-half 2021, equivalent to 0,62 EUR / share.

As a result, consolidated **net debt** came to €32 million at June 30, 2021, versus €92 million as of December 31, 2020. This net debt includes the discounted liability related to leases amounting to €100 million (IFRS16).

4. SUBSEQUENT EVENTS

On July 16th 2021, bioMérieux proceeded with the whole acquisition of 100% of Banyan Biomarkers, an innovative biomarkers company developing blood tests capable of diagnosing the consequences of traumatic brain injuries. Since 2017, bioMérieux has maintained a minority equity participation in Banyan Biomarkers, and with this acquisition, bioMérieux further strengthens its commitment to the development of innovative in vitro diagnostic solutions dedicated to the emergency field.

More information will be provided during the launch of this test, scheduled for the first half of 2022.

5. RISK FACTORS

The principal risks to which bioMérieux is exposed are set out in the 2020 Universal Registration Document filed with the French financial markets authority on March 17, 2021 under number D.21-0136 (see sections 2 and 6.1 – Note 28 to the consolidated financial statements for the year ended December 31, 2020).

Notes 11 (Provisions – Contingent assets and liabilities) and 20 (Management of exchange rate and market risks) to the 2021 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 2021.

Given the health crisis related to the ongoing COVID-19 pandemic, the Company is not in a position to assess how the pandemic could impact its operations, production and results, which depends on its development in terms of intensity and severity and the ongoing vaccine roll-out (see introduction to section 2.2. of the 2020 Universal Registration Document and Note 1.1.1 to the 2021 interim consolidated financial statements).

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.

6. PRINCIPAL TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties continued on the same basis as in 2020 without any significant developments (see Note 30 to the consolidated financial statements for the year ended December 31, 2020 in section 6 of the 2020 Universal Registration Document).

7. OUTLOOK

2021 guidance confirmed :

bioMérieux confirms its annual guidance of organic sales growth at neutral to mid-single digit rate and contributive operating income before non-recurring items in line with 2020.

III – STATEMENT BY THE PERSONS RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

STATEMENT BY THE PERSONS RESPONSIBLE FOR THE HALF-YEAR 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 43 *et seq.* above provides a fair view of the significant events that took place during the first six months of the financial 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 financial year.

Marcy l'Etoile, September 1, 2021

Chairman and Chief Executive Officer

Alexandre Mérieux

IV – STATUTORY AUDITORS' REPORT

Statutory Auditors' review report on the 2021 interim financial information

GRANT THORNTON
French member of Grant Thornton International

ERNST & YOUNG et Autres

bioMérieux

Six months ended June 30, 2021

Statutory Auditors' review report
on the 2021 interim financial information

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Member of the Compagnie
régionale de Versailles et du Centre

bioMérieux

Six months ended June 30, 2021

Statutory Auditors' review report on the 2021 interim financial information

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the 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 review of the accompanying condensed interim consolidated financial statements of bioMérieux for the six months ended June 30, 2021;
- the verification of the information contained in the interim management report.

Due to the global crisis related to the COVID-19 pandemic, the condensed interim consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and the performance of our work.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review 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 in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 given in the interim management report 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, 2021

The Statutory Auditors

GRANT THORNTON	ERNST & YOUNG et Autres
French member of Grant Thornton International	
Françoise Mechin	Sylvain Lauria