

6.1 CONSOLIDATED FINANCIAL STATEMENTS

6.1.1 Consolidated financial statements for the fiscal years ended December 31, 2020 and 2021

Consolidated profit & loss statement

<i>In millions of euros</i>	Notes	12/31/2021	12/31/2020
REVENUE		3,376.2	3,118.2
Cost of sales		-1,412.5	-1,364.5
GROSS PROFIT		1,963.8	1,753.7
OTHER OPERATING INCOME AND EXPENSES	19	44.6	46.9
Selling and marketing expenses		-575.7	-589.3
General and administrative expenses		-242.6	-200.0
Research and development expenses		-389.0	-398.8
TOTAL OPERATING EXPENSES		-1,207.2	-1,188.1
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS		801.2	612.5
Depreciation of assets from the BioFire acquisition ^(a)	23	-16.9	-17.5
OPERATING INCOME BEFORE NON-RECURRING ITEMS		784.3	595.1
Other non-recurring income (expenses)	24	0.0	-42.2
OPERATING INCOME		784.3	552.8
Cost of net financial debt	22.2	-7.1	-25.0
Other financial income and expenses	22.3	-2.7	-3.5
Income tax	25	-175.6	-121.5
Share in earnings (losses) of equity-accounted companies		-0.7	-0.2
NET INCOME OF CONSOLIDATED COMPANIES		598.2	402.7
Minority interests		-2.9	-1.7
ATTRIBUTABLE TO OWNERS OF THE PARENT		601.1	404.4
Basic earnings per share		€5.08	€3.42
Diluted earnings per share		€5.06	€3.41

(a) To make the operating statement clearer and in view of BioFire's size, the depreciation and amortization of the assets acquired and valued in the purchase price allocation are presented on a separate line of operating income before non-recurring items.

Comprehensive income

<i>In millions of euros</i>	Notes	12/31/2021	12/31/2020
Net income of consolidated companies		598.2	402.7
Items to be reclassified in income		161.0	-155.5
Fair value gains (losses) on financial hedging instruments	(a)	-2.3	-0.4
Tax effect		0.70	0.21
Movements in cumulative translation adjustments	(b)	162.6	-155.3
Items not to be reclassified to income		1.8	4.3
Fair value gains (losses) on financial assets	(c)	0.7	-1.0
Tax effect		0.0	0.1
Remeasurement of employee benefits	(d)	1.3	6.5
Tax effect		-0.2	-1.4
TOTAL OTHER COMPREHENSIVE INCOME		162.8	-151.2
COMPREHENSIVE INCOME		761.0	251.4
<i>Minority interests</i>		1.2	-2.6
ATTRIBUTABLE TO OWNERS OF THE PARENT		759.8	254.0

(a) Change in the effective share of financial hedging instruments.

(b) The change in translation differences in 2021 is mainly related to the depreciation in the euro rate against other currencies and in particular the dollar.

(c) Changes in the fair value of financial instruments concern shares in non-consolidated companies for which the Group has opted for a change in the fair value in other comprehensive income not reclassified in profit and loss (see Note 7).

(d) See Note 15.3.

Consolidated balance sheet

Assets

<i>In millions of euros</i>	Notes	12/31/2021	12/31/2020
Intangible assets	4	411.5	430.7
Goodwill	5	669.5	629.4
Property, plant and equipment	6.1	1,100.8	939.0
Right-of-use assets	6.2	124.0	129.6
Non-current financial assets	7	61.1	50.6
Investments in associates		0.9	0.0
Other non-current assets		12.6	14.3
Deferred tax assets	25.3	29.1	72.6
NON-CURRENT ASSETS		2,409.6	2,266.3
Inventories and works-in-progress	8	634.6	541.9
Trade receivables and assets related to contracts with customers	9	590.6	597.9
Other operating receivables	11	117.8	82.2
Current tax receivables	11	43.1	42.3
Non-operating receivables	11	9.5	8.0
Cash and cash equivalents	12	803.5	389.2
CURRENT ASSETS		2,199.2	1,661.6
ASSETS HELD FOR SALE	13	8.0	0.0
TOTAL ASSETS		4,616.8	3,927.8

Shareholders' equity and liabilities

<i>In millions of euros</i>	Notes	12/31/2021	12/31/2020
Share capital	14	12.0	12.0
Additional paid-in capital and reserves	14	2,510.0	2,014.8
Net income for the year		601.1	404.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		3,123.2	2,431.1
MINORITY INTERESTS		51.4	50.2
TOTAL EQUITY		3,174.6	2,481.3
Long-term borrowings and debt	16	362.8	352.4
Deferred tax liabilities	25.3	61.1	105.8
Provisions	15	62.5	64.4
NON-CURRENT LIABILITIES		486.4	522.7
Short-term borrowings and debt	16	99.7	128.9
Provisions	15	51.5	51.4
Trade payables	17	239.5	207.1
Other operating payables	17	448.4	451.7
Current tax payables	17	67.4	44.3
Non-operating payables	17	49.3	40.5
CURRENT LIABILITIES		955.8	923.8
LIABILITIES RELATED TO ASSETS HELD FOR SALE	13	0.0	0.0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,616.8	3,927.8

Consolidated cash flow statement
In millions of euros

	Notes	12/31/2021	12/31/2020
Net income of consolidated companies		598.2	402.7
• Investments in associates		0.7	0.2
• Cost of net financial debt		7.1	25.0
• Other net financial income and expenses		2.7	3.5
• Income tax expense		175.6	121.5
• Net additions to operational depreciation - non-current provisions		231.0	210.8
• Non-recurring income and expenses, depreciation from the BioFire acquisition		16.9	59.7
EBITDA (before non-recurring items)	16.1	1,032.2	823.5
Other operating non-recurring income (expenses) excluding non-recurring provisions for impairment and capital gains (losses) on disposals of fixed assets		0.0	-42.3
Other financial income and expenses (excluding provisions and disposals of non-current financial assets)		-2.7	-3.6
Net additions to operating provisions for contingencies and losses		-2.3	16.3
Fair value gains (losses) on financial instruments		0.4	0.6
Share-based payment		12.4	9.9
Elimination of other non-cash or non-operating income and expenses		7.8	-19.1
Change in inventories		-62.4	-82.9
Change in trade receivables		23.6	-80.4
Change in trade payables		24.2	4.7
Change in other operating working capital		-23.5	72.4
Change in operating working capital requirement^(a)		-38.1	-86.2
Other non-operating working capital		-1.0	5.0
Change in non-current non-financial assets and liabilities		2.7	0.5
Change in working capital requirement		-36.4	-80.7
Income tax paid		-185.4	-115.9
Cost of net financial debt	22.2	-7.1	-25.0
NET CASH FROM OPERATING ACTIVITIES		811.1	582.8
Purchases of property, plant and equipment and intangible assets		-290.1	-277.5
Proceeds from disposals of property, plant and equipment and intangible assets		20.0	24.7
Proceeds from other non-current financial assets		-0.4	-2.3
FREE CASH FLOW^(b)		540.6	327.7
Disbursement/collection related to taking non-controlling interests		-3.3	-6.3
Impact of changes in Group structure		-33.5	-3.8
NET CASH USED IN INVESTING ACTIVITIES		-307.3	-265.2
Capital increase subscribed by minority interests		0.0	1.6
Purchases and sales of treasury shares		-3.8	-18.4
Dividends paid to owners		-73.1	-22.5
Cash flow from new borrowings		18.2	292.0
Cash flows from loan repayments		-68.3	-426.5
Change in interests without gain or loss of controlling interest		0.0	-2.4
NET CASH USED IN FINANCING ACTIVITIES		-127.0	-176.2
NET CHANGE IN CASH AND CASH EQUIVALENTS		376.8	141.4
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		371.3	264.0
Impact of currency changes on net cash and cash equivalents		39.2	-34.1
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		787.3	371.3

(a) Including allocations (reversals) of short-term provisions.

(b) Free cash flow is defined as the sum of flows related to the activity and those related to investments excluding the impact of changes in the scope of consolidation. It also includes flows on treasury shares and those relative to the cost of debt.

Comments on the changes in the Group's consolidated net cash and cash equivalents are provided in Note 16.

Cash flow changes in fiscal year 2021 were not impacted by transactions related to the public health crisis, particularly transactions such as postponements of payables or rent concessions.

Change in consolidated shareholders' equity

In millions of euros	Attributable to owners of the parent									Minority 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	
SHAREHOLDER'S EQUITY AS AT DECEMBER 31, 2019	12.0	1,933.3	14.5	30.6	-64.9	-3.9	9.4	1,919.1	272.8	2,203.9	50.7
Total comprehensive income for the period			-154.4	-1.1	5.2			-150.4	404.4	254.0	-2.6
Appropriation of prior-period net income		272.8						272.8	-272.8	0.0	
Dividends paid ^(d)		-22.5						-22.5		-22.5	
Treasury shares		1.0				-19.2		-18.2		-18.2	
Share-based payment ^(e)							9.9	9.9		9.9	
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	
SHAREHOLDER'S EQUITY AS AT DECEMBER 31, 2020	12.0	2,204.5	-140.0^(j)	13.9	-59.7	-23.1	18.9	2,014.7	404.4	2,431.1^(h)	50.2
Total comprehensive income for the period			158.5	-0.9	1.1			158.7	601.1	759.8	1.2
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		-13.0				12.8		-0.2		-0.2	
Share-based payment ^(e)							12.3	12.3		12.3	
Share subscription plans ⁽ⁱ⁾		-6.2						-6.2		-6.2	
Changes in ownership interests ^(f)								0.0		0.0	
Other changes ^(g)		25.5		-16.4			-9.7	-0.6		-0.6	
SHAREHOLDER'S EQUITY AS AT DECEMBER 31, 2021	12.0	2,542.2^(h)	18.5^(j)	-3.4	-58.6	-10.3	21.5	2,510.1	601.1	3,123.2^(h)	51.4

(a) Of which additional paid-in capital: €63.7 million

(b) Including changes in the fair value of Labtech, Dynavax and GNEH shares and hedging instruments. Reclassification of the impairment of Dynavax shares in reserves after their disposal

(c) Actuarial gains and losses on employee benefit obligations arising since the effective date of IAS 19R

(d) Dividends per share: €0.62 in 2021 versus €0.19 in 2020. Shares not qualifying for dividends amounted to 95,843 at December 31, 2021 compared with 214,682 at December 31, 2020

(e) The fair value of benefits related to free share grants is being recognized over the vesting period

(f) The changes in ownership interests attributable to the parent company in 2020 correspond to (i) the change in the put option on the Hybiome minority interests and (ii) the Group's -0.30% dilution on Hybiome

(g) In 2021, this change corresponds to a reclassification following free share grants, the reclassification of the 2019 Quanterix disposal from change in fair value to reserves and the impact of selling Banyan's investment

In 2020, this change corresponds to a reclassification following free share grants and the reclassification of the 2019 Quanterix disposal from change in fair value to reserves

(h) Of which bioMérieux SA distributable reserves, including the net income for the financial year: €1,211.1 million.

(i) Decrease in the fair value of shares locked up as a result of the employee share ownership plan

(j) See Note 14.2 Cumulative translation adjustments

6.1.2 Notes to the Financial Statements

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

The parent company, bioMérieux, is a French joint stock company (société anonyme) whose registered office is located in Marcy-l'Étoile (69280) and whose shares are listed on Euronext Paris, compartment A.

The conversion of bioMérieux into a European company and the terms of the proposed conversion were approved by the Annual General Meeting on May 20, 2021 on the recommendation of the Board of Directors.

The Board of Directors wishes to ensure the continuity of bioMérieux's operations and the neutrality of the change of corporate form for the Group's activities. An analysis of the formalities required in certain jurisdictions as a result of its change of corporate form is currently being carried out. As a result, the Board of Directors has decided to postpone the Company's registration as a European Company.

These consolidated financial statements were approved by the Board of Directors on March 1, 2022.

The financial statements will only be considered definitive after approval by the Annual General Meeting on May 23, 2022.

The consolidated financial statements are presented in millions of euros.

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NOTE 1 CHANGES IN THE SCOPE OF CONSOLIDATION DURING THE FISCAL YEAR AND SIGNIFICANT EVENTS

1.1 Changes in the scope of consolidation

On July 16, 2021 bioMérieux acquired all the shares of Banyan Biomarkers Inc., based in San Diego, California, USA. The company has developed a blood biomarker test for brain injury screenings.

This acquisition of all the equity in Banyan Biomarkers Inc. follows a prior collaboration between the companies that came into being in early 2017 with the signing of a partnership that granted bioMérieux the rights to develop and market Banyan's proprietary markers worldwide for use on its VIDAS® platform in the field of *in vitro* diagnostics. This agreement took form financially as an investment of €7.7 million for 22.62% of the company's equity.

Acquisition of the remaining shares was made for €19.6 million. The purchase price adjustment clauses were considered highly unlikely at the acquisition date.

The subsidiary has been fully consolidated since the date of acquisition of control, resulting in the recognition of a net deferred tax liability of €9.5 million, deferred tax assets of €4.2 million and provisional goodwill of €11.7 million. The last figure mainly reflects the specific synergies expected with the VIDAS® platform.

Since the acquisition date, the company has generated insignificant operating income. As the impact of consolidating Banyan in the financial statements of the Group is not significant, the comparative period has not been restated.

1.2 Significant events of the fiscal year

1.2.1 COVID-19

The Group's international presence and public health mission meant that it continued to be involved in the battle against COVID-19 throughout the fiscal year 2021.

The main impacts related to the COVID-19 crisis in 2021 were as follows:

- the Group recorded an increase in business in the molecular biology respiratory infection diagnostic lines compared with fiscal year 2020, thanks to sustained demand for respiratory panels during the spread of the Delta variant and the anticipated appearance of several other respiratory pathogens;
- the Group experienced additional demand for some of its immunoassay tests used to diagnose and monitor patients with COVID-19;
- the Group resumed growth in all other product lines;
- the Group continued to spend at a much slower rate on commercial activities (conferences, promotion, advertising and marketing) and travel than it did prior to the pandemic;
- as in 2020, variable compensation and certain operating expenses, particularly transport and logistics, remained at high levels.

As stated previously, in fiscal year 2020 the financial impacts of the COVID-19 crisis boosted the Group's contributive operating income before non-recurring items by approximately €174 million. This impact was due to a net increase in volumes, savings in travel expenses and other commercial costs (conventions, promotion and advertising), offset by an increase in variable compensation and certain operating expenses. For fiscal year 2021, it is not possible to estimate with any reliability the effect of these impacts on the Group's financial statements, though it is thought to be generally favorable.

Other information

Just as in fiscal year 2020, the Group experienced no business interruptions or site closures and did not call on any government support.

Likewise, the COVID-19 pandemic has not resulted in any significant deterioration in credit risk or liquidity risk: the Group has not noted any significant deterioration in customer risk, and its financial structure remains solid.

The impairment tests performed at December 31, 2021 revealed impairment losses not directly related to the COVID-19 pandemic, the results of which are detailed in Notes 4.2 and 5.3.

The impairment losses were recognized in recurring operating income.

In accordance with the recommendations of the French Financial Markets Authority (AMF) and French auditing authorities (CNCC), the Group has not shown the COVID-19 impact on specific lines in the main financial statements.

1.2.2 MyShare Global Employee Share Ownership Plan

Over the fiscal year 2021, bioMérieux employees were given the opportunity to acquire existing bioMérieux shares on preferential terms. The launch of this employee ownership plan, called "MyShare", comports with the Group's desire to involve its employees more closely in its performance.

The share offering, authorized by the Board of Directors on December 17, 2020, was proposed to all eligible employees residing in a country that permits such transactions. (See Note 18.4 for details of the plan).

The effect of MyShare corresponds to a €10 million employee costs for fiscal year 2021.

1.2.3 Signing of a distribution agreement under an enhanced partnership with Specific Diagnostics

In 2021 a co-exclusive distribution agreement was signed with Specific Diagnostics covering Europe, where the REVEAL rapid antimicrobial susceptibility testing system has obtained the CE-IVD mark.

Furthermore, bioMérieux invested €15.2 million through convertible bonds in support of commercial activities. In 2019, bioMérieux had participated in a funding round for Specific Diagnostics, along with other investors. After that transaction, bioMérieux holds approximately 7.4% of its equity. The shares remain unconsolidated.

1.3 Summary of significant events in 2020

Apart from the COVID-19 public health crisis, which began in 2020 and whose effects continued into 2021 (see Note 1.2.1), the significant events of fiscal year 2020 were as follows:

- charitable giving in support of social action resulting in €42.2 million in other non-recurring operating income and expenses from operations in fiscal year 2020. These involved (i) €22.2 million in extraordinary corporate giving related to the COVID-19 pandemic and (ii) an initial endowment of €20 million of the bioMérieux endowment fund created in December 2020;
- issuing a €200 million Euro PP bond issue on June 29, 2020, carried at amortized cost using the effective interest rate method;
- the settlement of the defined benefit plan for bioMérieux Inc. employees, which resulted in an expense of \$4.9 million (€4.3 million), fully recognized in contributive operating income before non-recurring items in 2020;
- the remaining part of the obligation has been paid directly to plan participants who chose that option. The difference between the amount paid and the remaining obligation at the payment date in accordance with the plan provisions resulted in the recognition of \$11.4 million (€9.9 million) of income, fully recognized in other comprehensive income;
- following a number of transactions during the fiscal year on the capital of Suzhou Hybiome Biomedical Engineering Co. Ltd in 2020, the Group's stake was diluted by 0.3%, bringing its interest in Hybiome to 66.7%;
- the minority interests included in the calculation of the debt relative to the put were also diluted, consequently reducing this debt by €5.2 million as an offset to equity attributable to the parent company at the close of fiscal year 2020;
- the consolidation of Lianjian Anhua Biomedical (China) following its acquisition by Suzhou Hybiome Biomedical Engineering Co. Ltd for €4 million, generating goodwill for the Group of €0.3 million in 2020;
- the following subsidiaries were removed from the scope of consolidation due to liquidation or merger: AES Canada Inc. (USA), Yan Set Development (China), ABG Stella Inc. (United States), Bacterial Barcodes Inc. (USA), Hyglos and Hyglos Invest (Germany).

These events had no impact on the 2021 financial statements.

1.4 Information, on a comparable basis, on changes in the scope of consolidation

No information on a comparable basis is given on the profit & loss statement, as the external growth transaction occurring in 2021 did not have any significant impact.

The impact of changes in the scope of consolidation is shown on a separate line of the cash flow statement and tables showing year-on-year changes in the Notes.

NOTE 2 GENERAL ACCOUNTING PRINCIPLES

Standards, amendments and interpretations

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), including all standards, amendments and interpretations adopted by the European Commission at December 31, 2021. The reporting standards can be viewed on the European Commission's website.

The new standards, amendments and interpretations adopted by the European Commission and applicable from January 1, 2021 are presented below:

- amendments to IFRS 4, extension of the temporary exemption from applying IFRS 9;
- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest Rate Benchmark Reform - phase 2;
- amendments to IFRS 16 on leasehold agreements applicable to leasehold agreements obtained after June 30, 2021.

These amendments and decisions had no impact on the Group's financial statements at December 31, 2021.

In addition, the rulings issued by IFRIC IC in 2021, and in particular the one as to assigning benefits to periods of service rendered by beneficiaries of post-employment benefit plans, have no impact on the Group's financial statements.

bioMérieux did not opt for the early application of the standards, amendments and interpretations adopted or awaiting adoption by the European Union, which will become effective after December 31, 2021 but which could have been applied early, in particular:

- texts adopted and applicable in advance in 2021 - Mandatory application starting January 1, 2022:
 - Amendments to IAS 16 "Property, plant and equipment - Proceeds before intended use," IAS 37 "Onerous contracts - Cost of Fulfilling a Contract", IFRS 3 "Reference to the conceptual framework",
 - improvements to the following 2018-2020 standards: IAS 41 "Taxation in fair value measurements", IFRS 1 "Subsidiary as a first-time adopter", IFRS 9 "Derecognition of a financial liability: fees and commissions to be included in the 10% test", IFRS 16 "Lease incentives";
- texts not yet adopted, but applicable in advance in 2021 because they interpret texts already adopted - Applicable as of January 1, 2023 or deferred:
 - Amendment to IAS 1 "Presentation of financial statements: classification of liabilities as current or non-current",
 - Amendment to IAS 1 "Disclosure of accounting policies" and updated IFRS Practice Statement 2 "Making Materiality Judgements",
 - Amendment to IAS 8 "Definition of an accounting estimate",
 - Amendment to IFRS 10 and IAS 28.

The standards, amendments and interpretations adopted by the IASB that will enter into force for fiscal years beginning on or after January 1, 2023 and that are pending adoption by the EU, are as follows:

- amendment to IAS 12 "Deferred taxes on assets and liabilities arising from a single transaction";
- IFRS 14 "Regulatory deferral accounts";
- IFRS 17 "Insurance contracts", with amendments.

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

There are no standards, amendments and interpretations published by the IASB, with mandatory application for the fiscal years opened on January 1, 2021, but not yet approved at the European level (and for which early application is not possible on a European level), which would have had a significant impact on the consolidated financial statements.

The financial statements of consolidated Group companies that are prepared in accordance with local accounting principles are restated to comply with the principles used for the consolidated financial statements.

General presentation methods used for the financial statements

The balance sheet is presented based on the distinction between "current" and "non-current" assets and liabilities as defined in the revised version of IAS 1. Consequently, the short-term portion of provisions, borrowings and financial assets (due within one year) is classified as "current" and the long-term portion (due beyond one year) is classified as "non-current."

The consolidated profit & loss statement is presented by function, with the exception of the presentation on a specific line, in the operating income before non-recurring items, of the net impact of the depreciation of assets related to the acquisition of BioFire.

The Group applies the indirect method of presenting cash flows.

Judgments and estimates

When preparing the consolidated financial statements, estimates and assumptions are made that affect the book value of certain assets, liabilities, and profit & loss statement items. They particularly concern the measurement and impairment of intangible assets acquired as part of business combinations and the impairment of intangible assets (including goodwill); the measurement of post-employment benefit obligations; the measurement of non-current financial assets; determination of lease periods; provisions; deferred taxes; share-based payments; as well as disclosures provided in certain notes to the financial statements. These estimates and assumptions are reviewed on a regular basis, taking into consideration past experience and other factors deemed relevant in light of prevailing economic conditions. Changes in those conditions could therefore lead to different estimates being used for the Group's future financial statements.

During the fiscal year, bioMérieux observed no significant change in the level of uncertainty related to these estimates and assumptions, except for the volatile discount rate used to measure employee benefit obligations (see Note 15.3) and assumptions related to translation differences.

The COVID-19 pandemic did not result in significant changes in estimates at December 31, 2021, nor in an increase in the uncertainties related to certain items impacting the financial statements, despite the general uncertainties related to the economic environment.

Following the completion of the “Vision 2020” program, bioMérieux renewed its commitment to environmental responsibility and impact by setting targets for reducing its environmental footprint by 2025 (as indicated in Chapter 2, Note 2.2.2.6 of the 2021 Universal Registration Document). The Group has developed an ambitious action plan to improve its environmental impact, including eco-design, greenhouse gas emissions, resource management and waste management.

2.1 Presentation of the profit & loss statement

The Group’s key financial performance indicator is contributive operating income before non-recurring items. It corresponds to recurring income less recurring expenses. Non-current expenses and income are not included. As specified above, the depreciation of assets recognized for the BioFire purchase price

At this stage, the Group has not identified any significant effect on the financial statements from current environmental regulations—such as changes in the useful life of non-current assets, changes in business plans, recognition of a provision for risks, or recognition of a credit risk.

allocation are presented on a specific line in current operating income, as in preceding years. Non-recurring income and expenses from operations do not include items related to COVID-19 (see Note 24 for details).

2.2 Consolidation methods

Companies over which bioMérieux has exclusive control are fully consolidated.

The Group determines whether it controls an investee based on the criteria set out in IFRS 10 (direct or indirect power over the investee to direct the financial and operating policies of the relevant activities, exposure to variability of returns and ability to use its power to affect the amount of the returns). Control is generally deemed to exist when the Group directly or indirectly owns more than one half of the voting rights of the investee. In determining whether control exists, the Group considers any currently exercisable potential voting rights, including those held by another entity.

Companies over which bioMérieux exercises significant influence are accounted for by the equity method. Significant influence is the power to participate in the financial and

operating policy decisions of an entity, without exercising control. It is deemed to exist when the Group holds between 20% and 50% of the voting rights either directly or indirectly.

The analysis of partnerships made according to the criteria defined by the IFRS 11 standard did not identify any joint ventures or joint operations. Joint ventures are accounted for using the equity method.

Subsidiaries are fully consolidated from the date on which control is effectively transferred to the Group.

The list of consolidated companies is provided in Note 33.

All significant intra-group balances and transactions are eliminated in consolidation (notably dividends and internal gains on inventories and non-current assets).

2.3 Fiscal year closing dates

All Group companies have a December 31 year-end, except for the Indian subsidiaries, for which interim accounts are drawn up and audited at the Group’s closing date.

2.4 Foreign currency translation

The reporting currency of bioMérieux is the euro and the consolidated financial statements are presented in millions of euros.

2.4.1 Translation of the financial statements of foreign companies

The financial statements of foreign subsidiaries whose functional currency is not the euro or the currency of a hyper-inflationary economy are converted as follows:

- balance-sheet items (except for equity) are translated using the official year-end exchange rate;
- profit & loss statement items are translated using the average exchange rate for the fiscal year;
- equity items are translated using the historical rate;
- cash flow statement items are translated using the average exchange rate for the year.

Differences resulting from the translation of subsidiaries’ financial statements are recognized in a separate heading in the statement of changes in equity (“cumulative translation adjustments”) and movements during the year are presented on a separate line within other comprehensive income.

Argentina has been considered as a country subject to hyperinflation since July 1, 2018 with regard to the criteria defined by the IAS 29 standard. Consequently, the Group analyzed the treatment required by the standard, namely the conversion of the 2021 balance sheet and profit & loss statement at closing prices.

As the impact was not material, the Group did not restate the figures for bioMérieux Argentina.

When a foreign subsidiary is sold and the sale leads to a loss of control, translation differences previously recognized in other comprehensive income relating to that company are recognized in net income for the year. If shares in a subsidiary are sold without any loss of control over the subsidiary, the translation differences are reclassified between minority interests and translation differences attributable to the parent company.

No disposal of foreign subsidiaries occurred over the fiscal years presented.

The main conversion rates used were the following:

AVERAGE RATES

1 EURO =	USD	JPY	GBP	CNY	BRL	CAD
2021	1.18	129.87	0.86	7.63	6.38	1.48
2020	1.14	121.83	0.89	7.87	5.89	1.53
2019	1.12	122.00	0.88	7.74	4.41	1.49

YEAR-END RATES

1 EURO =	USD	JPY	GBP	CNY	BRL	CAD
2021	1.13	130.40	0.84	7.19	6.31	1.44
2020	1.23	126.50	0.90	8.02	6.37	1.56
2019	1.12	122.00	0.85	7.82	4.52	1.46

2.4.2 Translation of transactions in foreign currencies

As prescribed by IAS 21 "The Effect of Changes in Foreign Exchange Rates," each Group entity translates foreign currency transactions into its functional currency at the exchange rate prevailing on the transaction date. Exchange rate gains or losses resulting from differences in rates between the transaction date and the payment date are recognized under the corresponding lines in the profit & loss statement (sales and purchases for commercial transactions).

Foreign currency payables and receivables are translated at the year-end exchange rate (December 31, 2021) and the resulting currency translation difference is recognized in the income statement at the end of the reporting period.

Derivatives are recognized and measured in accordance with the general principles described in Note 27.1 "Recognition and measurement of financial instruments." Foreign exchange derivatives are recognized in the balance sheet at their fair value at the end of each reporting period.

NOTE 3 OPERATING INCOME BEFORE NON-RECURRING ITEMS AND SEGMENT INFORMATION

3.1 Recurring income

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

The COVID-19 crisis has had no impact on revenue recognition procedures in 2021.

3.1.1 Revenue

Revenue is composed of income from the sale of goods and services according to the meaning of IFRS 15 and income from the rental of equipment according to the meaning of IFRS 16.

The principles for revenue recognition defined by IFRS 15 are defined based on an analysis in five successive stages:

- identification of the agreement;
- identification of the different performance obligations, i.e. the list of separate goods and services that the seller has undertaken to provide to the buyer;
- determination of the overall price of the agreement;
- allocation of the overall price of each performance obligation;
- recognition of revenue when a performance obligation is satisfied.

In practice, the rules for revenue recognition according to the main performance obligations identified are presented below:

- Sales of reagents:

Revenue from the sales of reagents is recognized when the Company has transferred control of assets which, in practice, corresponds to the date of dispatch.

- Sales of equipment:

Revenue from sales of equipment is recognized when the Company has transferred control of the assets which, in practice, corresponds to the date of delivery or installation, depending on the complexity of the equipment.

- Equipment rental:

Revenue composed of income from equipment rental and leasing agreements according to the meaning of IFRS 16 is recognized as revenue in a straight-line manner over the term of the agreement, for the discounted value at the date of establishment of the contract.

The contracts have an average term between three and five years.

- Finance leases:

When the Group leases assets to third parties on terms equivalent to a sale, the assets are recorded as though they had been sold, as prescribed by IFRS 16 "Leases" (see Note 6.3).

- Contracts for the provision of equipment:

Contracts for the provision of equipment are related to other services (supply of reagents, maintenance services, guarantee extensions). They are considered as multiple-element contracts.

The analysis of the criteria defined by the standard led to contracts for the provision of equipment being considered as rental agreements, not transfer contracts.

The application of the standard led to the statement in the notes to the consolidated financial statements of a breakdown of revenue based on the various components of a multiple-element arrangement (reagent sales, implicit rent, etc.), without having to change the amount of revenue.

- Service agreements:

The services essentially correspond to training, after-sales service and maintenance. Training and after-sales services are recognized in revenue when the services are provided. The analysis performed according to the IFRS 15 standard led to maintenance services being recognized linearly over the term of the maintenance agreement, without change in relation to the previous treatment. Deferred income is recognized when the maintenance services are invoiced in advance.

- Guarantees:

The majority of contracts including an item of equipment always include a guarantee. The customer does not have the option to purchase the guarantee, so it is not a guarantee providing a service, but an insurance policy and not an obligation to provide a separate service. It is recognized according to IAS 37 "Provisions, contingent liabilities and contingent assets" (see Note 15.2).

Guarantee extension contracts may be purchased by the customer, and they do provide an additional service. This service fulfills the criteria to be considered as a separate performance obligation. The performance obligation is recognized as such in accordance with the provisions of IFRS 15.

- Returns:

There are no specific obligations in terms of returns when the products sold are not defective.

- Payment conditions:

Operations related to sales of reagents and sales of equipment are paid for under the conditions defined in the contract, which may vary from one country to another. Payment deadlines are usually between two and three months.

Customer contracts which have a financing component are operating leases, leasing agreements and the provision of equipment. In these cases, the payments are made according to the payment schedule defined contractually.

Payment conditions have not been changed with the COVID-19 crisis.

The procedures for the recognition of revenue do not require significant judgments.

Also, the analysis carried out by the Group did not identify any assets in relation to marginal costs of obtaining the contract or contract performance costs, nor specific points pursuant to the distinction between agent and principal.

The Group acts as principal in its relationships with customers.

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

<i>In millions of euros</i>	12/31/2021	12/31/2020
Sales of equipment	296.3	313.2
Sales of reagents	2,794.6	2,548.5
Sales of services	196.3	178.2
Equipment rentals ^(a)	51.1	50.5
Other revenue	37.9	27.7
REVENUE	3,376.2	3,118.2

(a) *Equipment leasing includes rent and the share of revenue due to the sale of the reagents reclassified as rent for equipment provision contracts (see above).*

Revenue is measured at the fair value of the consideration received or receivable, net of any discounts and rebates granted to customers. Sales taxes and value-added taxes are not included in revenue.

The segment breakdown of revenue is given in Notes 3.4 and 3.5. The breakdown by technology is given in Note 3.6. The analysis performed according to IFRS 15 did not lead to presenting other breakdowns of revenue.

3.1.2 Other operating income

Other income primarily consists of license fees and subsidies. The rules on the recognition of other income are presented below:

- other income related to customer contracts: it is composed of reassigned royalties; and the analysis of license contracts according to IFRS 15 led to them being considered as giving a right of access to intellectual property. As the obligation for performance is fulfilled gradually, the revenue is recognized over the term of the agreement;
- other income not related to customer contracts: this primarily corresponds to research subsidies received and research tax credits, considered equivalent to subsidies according to IAS 20 (see Note 19).

3.2 Recurring expenses

Cost of sales includes the following:

- the cost of raw materials consumed, including freight, direct and indirect personnel costs for production personnel, the depreciation of assets used in production, all external expenses related to manufacturing (utilities, maintenance, tools, etc.), as well as indirect expenses (the Group's share of expenses such as Purchasing, Human Resources, and Informatics). Expenses relating to areas such as Quality Control, Production Quality Assurance, Engineering, Business Processes, and Supply Chain are included in production costs;
- amortization/depreciation or impairment losses associated with sales-related intangible technology and IT assets, as well as any immaterial impairment of goodwill. For the year 2021, the impact of impairment losses was €26 million;
- royalties paid in relation to marketed products;
- distribution expenses, including shipping and warehousing, as well as the cost of shipping finished products to distribution centers or end customers;
- depreciation of instruments placed with or leased to customers;
- technical support expenses, including the cost of installing and maintaining instruments placed or sold, irrespective of whether such services are billed separately. Also included under this heading are personnel expenses, travel expenses and the cost of spare parts, as well as movements in provisions for warranties granted at the time instruments are sold.

Operating expenses

Selling and marketing expenses include expenses incurred by the Strategy, Marketing, Sales and Sales Administration Departments. They also include sales bonuses and commissions paid to employees in the Group's Sales Departments and to independent sales agents. Advertising and promotional costs are also classified as selling and marketing expenses.

General and administrative expenses comprise the cost of General Management and Support services (Human Resources, Legal, Finance), excluding the portion of costs incurred by these departments that is allocated to the other departments that directly use their services.

Research & Development expenses include all costs concerning in-house and outsourced research & development work on new products other than software (design costs) as well as expenses related to Regulatory Affairs, Intellectual Property, Technological Monitoring, and Research & Development Quality Assurance. Subsidies received in connection with research programs are shown in other operating income (see Note 3.1.2).

Royalty payments (fixed or proportional) are included in the cost of sales of the corresponding products. If no product is marketed or marketable in the short term, these payments are classified as research & development expenses.

Other information relating to recurring expenses

Variable compensation (performance-related bonuses, commissions, discretionary and non-discretionary profit-sharing) as well as share-based payments are included in the personnel expenses of the departments concerned.

In the context of long-term employee benefits, current service costs and the interest cost net of the return on plan assets are recognized within operating income before non-recurring items.

The C.V.A.E. or Corporate value-added tax (*Cotisation sur la Valeur Ajoutée des Entreprises*) and the C.F.E. (*Cotisation Foncière des Entreprises*) are classified under operating expenses given that the added value generated by the Group's French operations significantly exceeds their taxable income.

Foreign exchange gains and losses related to transactions are included in the profit & loss statement lines corresponding to the category of the transaction concerned (primarily revenue, cost of sales, and financial expenses). The presentation of foreign exchange gains and losses related to derivative instruments is given in Note 28.

3.3 Contributive operating income before non-recurring items and operating income before non-recurring items

The Group uses contributive operating income before non-recurring items as one of its key financial performance indicators. It corresponds to recurring income less recurring expenses as defined in Notes 3.1 and 3.2. It excludes non-recurring income and expense from operations (as defined in Note 24.1) as well as depreciation or amortization of the assets acquired and valued as part of the BioFire purchase price allocation.

Amortization of goodwill recognized during the acquisition of BioFire is presented on a separate line of the operating income before non-recurring items. Depreciation and amortization charges relating to other prior acquisitions have not been restated as they are not deemed to be material.

Operating income before non-recurring items was the sum of the contributive operating income before non-recurring items and costs related to the depreciation or amortization of assets related to the acquisition of BioFire (see Note 23).

3.4 Segment information

3.4.1 Information by business segment

In accordance with IFRS 8 "Operating segments," and following the changes made to the Group's organizational structure with the set-up of two main divisions, one dedicated to clinical applications and the other to industrial applications, the Group has since 2020 presented two operating segments within *in vitro* diagnostics.

DECEMBER 31, 2021

<i>In millions of euros</i>	Clinical applications	Industrial applications	Other	Group
Revenue	2,883.7	492.5	0.0	3,376.2
Gross profit	1,714.0	245.9	3.8	1,963.8
Other operating income and expenses	-978.4	-186.4	2.2	-1,162.6
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	735.6	59.6	6.0	801.2
<i>as % of revenues</i>	26%	12%		

DECEMBER 31, 2020

<i>In millions of euros</i>	Clinical applications	Industrial applications	Other	Group
Revenue	2,663.5	454.6	0.0	3,118.2
Gross profit	1,553.7	200.8	-0.8	1,753.7
Other operating income and expenses	-962.0	-169.2	-10.1	-1,141.2
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	591.7	31.7	-10.9	612.5
<i>as % of revenues</i>	22%	7%		

In accordance with IFRS 8, in Note 3.4.2 the Group discloses information on revenue and assets broken down by geographic area, which has been prepared using the same accounting principles as those applied to prepare the consolidated financial statements.

No balance sheet information is communicated to operational managers.

The improvement in the operating margin for clinical applications is the result of growth in sales of respiratory panels during the COVID-19 pandemic, despite quality problems on a substrate present in the immunoassay tests that have now been resolved.

3.4.2 Information by geographic area

Geographical areas have been determined by combining countries with similar economic characteristics and similar risk, profitability, strategy, and regulatory profiles. Group sales in the Middle East – Africa region are generated in a heterogeneous set of countries, mainly through distributors or agents, and in certain countries via local distribution subsidiaries. The

distributors and agents are for the most part in direct contact with the French Company bioMérieux SA, which explains their being grouped with the Europe region.

The information by geographic area shown in the tables below has been prepared in accordance with the accounting principles used to prepare the consolidated financial statements.

DECEMBER 31, 2021

<i>In millions of euros</i>	Americas	EMEA ^(a)	Aspac	Corporate	Group
Revenue	1,668.5	1,124.0	580.4	3.3	3,376.2
Cost of sales	-510.4	-436.5	-255.8	-209.7	-1,412.5
Gross profit	1,158.1	687.5	324.6	-206.4	1,963.8
<i>as % of revenues</i>	69%	61%	56%		
Other operating income and expenses	-271.5	-168.1	-92.9	-630.0	-1,162.6
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	886.5	519.4	231.7	-836.4	801.2
<i>as % of revenues</i>	53%	46%	40%		

(a) Of which France revenues: €222.3 million.

DECEMBER 31, 2020

<i>In millions of euros</i>	Americas	EMEA ^(a)	Aspac	Corporate	Group
Revenue	1,588.2	1,021.9	504.6	3.5	3,118.2
Cost of sales	-523.1	-426.1	-248.3	-167.0	-1,364.5
Gross profit	1,065.1	595.8	256.3	-163.5	1,753.7
<i>as % of revenues</i>	67%	58%	51%		
Other operating income and expenses	-312.2	-167.0	-88.7	-573.3	-1,141.2
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	752.9	428.8	167.6	-736.8	612.5
<i>as % of revenues</i>	47%	42%	33%		

(a) Of which France revenues: €218.8 million.

DECEMBER 31, 2021

<i>In millions of euros</i>	Americas	EMEA ^(a)	Aspac	Corporate	Group
Non-current assets					
Intangible assets	11.4	23.1	2.0	375.0	411.5
Goodwill				669.5	669.5
Property, plant and equipment	513.4	357.9	35.4	194.0	1,100.8
Right-of-use assets	50.4	58.5	15.1		124.0
Working capital requirement					
Inventories and work-in-progress	292.1	206.9	135.6		634.6
Trade receivables and assets related to contracts with customers	250.3	264.0	76.4		590.6
Trade payables	-77.2	-19.2	-143.2		-239.5

(a) Of which non-current assets in France: €397.8 million.

DECEMBER 31, 2020

<i>In millions of euros</i>	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 includes commercial activities, corresponding mainly to revenue in each of the above geographic areas, the related cost of sales, and the operating expenses necessary for these commercial activities. The regional data also includes the non-allocated costs of the production sites in these geographical areas. The revenue is a net consolidated contribution, not including inter-company revenue with the other areas.

Corporate data mainly includes the research costs incurred by the Clinical and Industrial units, as well as the costs incurred by the Group's corporate functions and revenue from companion test research & development partnership agreements.

Intangible assets recorded in the Corporate column mainly correspond to goodwill and to technologies acquired by the Group.

3.5 Information by technology and application

The table below provides a breakdown of revenue by technology and application:

<i>In millions of euros</i>	12/31/2021	12/31/2020
Clinical applications	2,883.6	2,663.5
Molecular biology	1,267.9	1,207.1
Microbiology	1,062.3	950.6
Immunoassays	457.6	428.3
Other ranges	95.8	77.5
Industrial applications	492.5	454.6
TOTAL	3,376.2	3,118.2

The other ranges mainly include the activity of the subsidiary BioFire Defense, for which the revenue stood at €79.5 million in 2021 and €70.2 million in 2020.

NOTE 4 INTANGIBLE ASSETS

4.1 Accounting principles

4.1.1 Research & development expenses (excluding software development costs)

In accordance with IAS 38 "Intangible Assets," research expenses are not capitalized.

Under IAS 38, development expenses must be recognized as intangible assets whenever specific conditions are met, related to technical feasibility and marketing and profitability prospects. Given the high level of uncertainty attached to development projects carried out by the Group, these recognition criteria are not met until the regulatory procedures required for the sale of the products concerned have been finalized. As most costs are incurred before that stage, development expenses are recognized in the consolidated income statement in the period during which they are incurred.

Development costs are recognized as part of a business combination at the fair value of the projects identified in the balance sheet at acquisition, in accordance with the provisions of IFRS 3 (revised). These costs are amortized from the date of marketing of the lines affected by the projects in a linear fashion over their expected useful life.

Development expenses related to projects ongoing at the acquisition date continue to be capitalized until the date the corresponding product lines are marketed.

Development expenses incurred after the business combination date and related to new projects are recognized in accordance with IAS 38 as described previously. In practice, all subsequent costs are expensed.

4.1.2 Other intangible assets

Other intangible assets mainly include patents, licenses, elements of intellectual property, software, and customer relationships. They all have finite useful lives and are initially recognized as follows:

- if purchased: at their purchase price;
- in the case of business combinations: at fair value, generally based on the price paid (where the price of the intangible asset is identified), or based on the discounted value of estimated future cash flows;
- in the case of internal production: at their cost price for the Group.

Significant costs directly attributable to the creation or improvement of software developed in-house are capitalized if it is considered probable that they will generate future economic benefits. Other development costs are expensed as incurred. In the case of software, only in-house and outsourced development costs related to organic analyses, programming, tests, trials, and user documentation are capitalized.

Intangible assets are amortized in accordance with the expected pattern of consumption of future economic benefits embodied in the asset concerned, generally on a straight line basis over periods of:

- 5 to 20 years for patents, licenses, technologies;
- 10 years for major integrated management software (such as ERP systems);
- 3 to 6 years for other computer software;
- and 10 to 15 years for customer relationships.

Software is amortized when it comes into operational effect in each subsidiary, on a phased basis where applicable.

Intangible assets are carried at their initial cost less accumulated amortization and any accumulated impairment losses. Depreciation and amortization are recognized in the consolidated income statement based on the assets' function. Impairment losses are recognized under "Other non-recurring income and expenses from operations" if they meet the applicable definition (see Note 24.1). For ERP-type management software, any termination of a project or batch constitutes an indication that the asset is impaired.

4.2 Change

Gross value <i>In millions of euros</i>	Patents Technology	Software	Other	Total
DECEMBER 31, 2019	671.7	220.2	58.8	950.8
Translation differences	-37.9	-7.5	-4.5	-49.9
Acquisitions/Increases	0.2	5.6	10.7	16.5
Changes in the 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 differences	43.3	5.0	2.7	51.0
Acquisitions/Increases	0.1	8.1	6.7	14.9
Change in the scope of consolidation ^(a)	12.3	0.0	0.0	12.3
Disposals/Decreases	0.0	-1.6	-0.5	-2.1
Reclassifications	36.7	9.1	-45.1	0.7
DECEMBER 31, 2021	724.8	227.9	32.7	985.3

(a) Linked to the acquisition of Banyan Biomarkers (see Note 1.1).

Depreciation and impairments <i>In millions of euros</i>	Patents Technology	Software	Other	Total
DECEMBER 31, 2019	270.3	165.9	6.2	442.3
Translation differences	-15.2	-5.3	-0.2	-20.7
Additions	46.5	19.6	1.9	67.9
Changes in the 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 differences	17.4	4.3	0.2	22.0
Additions	57.8	16.9	1.6	76.2
Changes in the scope of consolidation	0.0	0.0	0.0	0.0
Reversals/Disposals	0.0	-1.7	-0.4	-2.1
Reclassifications	0.0	0.0	-0.1	-0.1
DECEMBER 31, 2021	375.3	191.4	7.1	573.9

Net values <i>In millions of euros</i>	Patents Technology	Software	Other	Total
DECEMBER 31, 2020	332.3	35.4	63.1	430.7
DECEMBER 31, 2021	349.5	36.5	25.5	411.5

Reclassifications mainly corresponds to assets under construction put into service during the fiscal year. The gross value of intangible assets under construction represented €5.7 million at December 31, 2021 against €42.7 million in 2020. This change is mainly due to the introduction of technology in marketing the new VITEK® MS PRIME system.

The review of impairment loss indices on assets with defined useful lives as defined in Note 5.2 led the Group to recognize impairment on a technology asset of €24 million in 2021. Impairment recognized in 2020 totaled €13 million.

NOTE 5 GOODWILL

5.1 Accounting principles

In application of the revised version of IFRS 3, goodwill represents the excess of the cost of a business combination (excluding acquisition-related costs) and the fair value of the Group's share of the acquiree's identifiable assets, liabilities and contingent liabilities on the acquisition date. Goodwill is measured in the acquiree's functional currency. Provisional values may be assigned to fair values and goodwill during a "measurement period" which may not exceed one year from the acquisition date. Any changes made to provisional values after the end of the measurement period are recognized in income, including those concerning deferred tax assets.

The purchase price of a business combination includes the estimated impact of any contingent consideration. This consideration is measured by applying the criteria included in the acquisition agreement, such as revenue or earnings targets, to forecasts that are deemed to be the most probable. It is then remeasured at the end of each reporting period, and any changes are recorded in income after the acquisition date (including during the measurement period). They are discounted if the impact is material. Any discounting adjustments to the book value of the liability are recognized in "Cost of net debt."

Minority interests are measured at the time of the acquisition either at fair value (full goodwill method) or at the minority interest's proportionate share of the acquired Company's net assets (partial goodwill method). The option is taken for each acquisition.

When the Group purchases an additional interest in an acquired entity after the acquisition date, the difference between the consideration paid and the Group's share in the acquiree's net assets is recognized directly in consolidated reserves. Similarly, if the Group sells an interest in an acquired entity without losing control, the resulting impact is also recognized directly in consolidated reserves.

In the case of a put option on minority interests, without those interests waiving their rights and associated benefits, borrowing is recognized for its present value against reserves, with no change in goodwill. At each closure, changes in the fair value of debt, determined according to contractual provisions, are recognized against shareholders' equity attributable to the parent company. The impact of accretion is recorded in the section "Cost of net financial debt."

Goodwill is recognized on a separate line of the balance sheet at cost less any accumulated impairment losses. Any negative goodwill is recognized directly in income during the year in which the controlling interest was acquired.

In compliance with IFRS 3 "Business Combinations," goodwill is not amortized. On the acquisition date, they are attached to a cash-generating unit depending on the synergies expected for the Group (see Note 5.2). They are tested at least once a year for impairment losses and whenever there is an indication that they may be impaired. The methods used for performing the tests and recognizing any identified impairment losses are described in Note 5.2 "Impairment of non-current assets."

5.2 Impairment of non-current assets

The Group systematically carries out annual impairment tests on goodwill and other intangible assets with an indefinite useful life (the Group did not have any such assets in the years presented in these consolidated financial statements).

Property, plant and equipment and intangible assets with a finite useful life are tested for impairment whenever there is an indication that they may be impaired.

A CGU corresponds either to a legal entity or to a product line (a group of property, plant and equipment, mainly production plants, and intangible assets, essentially technologies, which generate cash flows as a result of products based on the same technology). Detailed information on CGUs is provided in Note 5.3.

No changes in CGUs were made during the fiscal years presented.

Impairment testing is used to determine the recoverable amount of a CGU or group of CGUs, representing the higher of their value in use and fair value less costs to sell.

In practice, the value in use of a CGU or group of CGUs is determined primarily on the basis of discounted operating cash flow projections covering a period of five years and based on the most recent business plan, and a terminal value.

The growth assumptions used to calculate the value in use for the business plan projection time horizon are consistent with available market information and conservative assumptions have been used for determining the terminal value, including a perpetuity growth rate of 2.0%.

Cash flow projections do not include any expansion investments or restructurings that have not already commenced.

The discount rate applied to cash flows corresponds to the Weighted Average Cost of Capital (WACC), calculated using a risk-free rate (French government OAT bond rate), the equity market risk premium and the beta ratio (which adjusts the overall equity market risk in relation to the specific industry risk). In certain cases, a specific risk premium is included, chiefly to reflect technology risk and the individual market risk, like a country risk premium to take account of the exposure of each CGU to macroeconomic risks. The WACC determined by the Group is compared with the figure calculated by analysts who track the Company's stock. The discount rates calculated for the main CGUs (technological product lines) were between 7.2% and 13.0% in 2021, and between 7.7% and 14.0% in 2020. The upper range used in 2021 was for the CLIA CGU. These rates are understood after tax. The application of a pre-tax WACC to pre-tax cash flows would give an identical result.

Tests were performed to assess the sensitivity of the recoverable amounts to changes in certain actuarial and operating assumptions (see Note 5.3).

The COVID-19 crisis has not led to any changes in the methods used to calculate impairment tests, nor to the recognition of significant additional impairment losses related to the pandemic. As in the past, risk is reflected first and foremost in forecasts. The Group did not introduce any new sensitivity criteria or change the ranges of the sensitivity tests as a result of the analysis.

The Group recognizes an impairment loss where the value in use of these CGUs falls below the net value. The impairment loss is allocated first to reduce the book value of any goodwill, with the residual amount allocated to the other assets of the unit, except if this reduces the net book value of those assets below their fair value.

Impairment losses are recognized under "Other non-recurring income and expenses from operations" if they meet the applicable definition (see Note 24.1). Impairment losses against goodwill in respect of fully consolidated entities may not be reversed unless the asset is sold.

Impacts of the application of IFRS 16

The analysis did not lead to the identification of assets associated with rental agreements to be tested independently from a cash-generating unit (CGU).

While awaiting the expected clarifications regarding the practical methods for performing impairment tests incorporating IFRS 16 restatement, and in view of the numerous practical issues identified, the impairment tests

were carried out, by incorporating, as in 2020, the right-of-use asset and the debt linked to the lease liability into the book value of the CGU, without any modification being made to the calculation of the discount rate and projected cash flows.

As stated in the notes to the 2020 consolidated financial statements, the application of IFRS 16 should not, in principle, have any material impact in the event that the recoverable value is determined in relation to provisional cash flows.

5.3 Change

Changes in this item can be analyzed as follows:

CGU		12/31/2021	12/31/2020
<i>In millions of euros</i>			
Industrial applications		188.6	184.9
	AES	117.1	117.1
	Invisible Sentinel	45.4	41.9
	PML (US)	11.8	11.8
	bioMérieux Germany (Hyglos)	5.7	5.7
	BTF (Australia)	5.1	5.1
	Advencis	2.9	2.9
	CEERAM	0.5	0.5
Molecular biology		158.3	147.5
	BioFire	138.6	127.9
	Argène	19.3	19.3
	RAS Lifesciences	0.4	0.4
Bacteriology		143.6	141.5
	AB bioMérieux (Sweden)	60.2	61.5
	Organon Teknika	52.3	51.0
	bioMérieux Inc. (Vitek+ Bacterial Barcodes)	14.6	12.4
	Applied Maths	11.4	11.4
	Bacterial Barcodes (US)	0.0	0.0
	MDI (US)	1.9	1.9
	bioMérieux Spain	1.8	1.8
	bioMérieux Biological products	1.4	1.4
CLIA		129.5	120.5
	Hybiome	129.3	120.3
	Lianjian Anhua Biomedical	0.3	0.3
Immunoassays		45.2	30.5
	Astute Medical Inc.	33.0	30.5
	Banyan Biomarkers*	12.2	
Entities		4.3	4.4
	bioMérieux Greece	1.7	1.7
	bioMérieux Poland	1.6	1.6
	bioMérieux South Africa	1.1	1.1
NET VALUE		669.5	629.4

* Provisional goodwill at December 31, 2021

Changes in this item can be analyzed as follows:

<i>In millions of euros</i>	Net value
DECEMBER 31, 2019	652.5
Translation differences	-23.4
Change in the scope of consolidation ^(a)	0.3
DECEMBER 31, 2020	629.4
Translation differences	33.0
Changes in the scope of consolidation ^(b)	11.7
Impairment losses ^(c)	-4.6
DECEMBER 31, 2021	669.5

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

(b) *Linked to the acquisition of Banyan Biomarkers (see Note 1.1).*

(c) *Related to the impairment loss of the CLIA CGU.*

There was no provisional goodwill at December 31, 2020. The provisional goodwill at December 31, 2021 refers to the goodwill of Banyan Biomarkers (see Note 1.1).

The impairment tests carried out in accordance with the rules defined in Note 5.1 led to the recognition of an impairment loss on the goodwill of the CLIA CGU for a total of €4.6 million in 2021, plus an impairment loss on an isolated asset (see Notes 4.2 and 6.1.2).

The inputs used in the impairment tests carried out on the Group's main CGUs are set out below:

CGU	2021			2020		
	Net value ^(a)	Discount rate	Perpetual growth rate	Net value ^(a)	Discount rate	Perpetual growth rate
Industrial applications	188.6	7.2%	2.0%	184.9	7.7%	1.5%
Molecular biology	158.3	7.7%	2.0%	147.5	8.9%	2.0%
Bacteriology	143.6	7.4%	2.0%	141.5	7.8%	1.5%
CLIA	129.5	13.0%	2.0%	120.5	14.0%	2.0%
Immunoassays	45.2	8.4%	2.0%	30.5	8.3%	1.5%

(a) *Net value of goodwill assigned to the CGU.*

Revenue and operating margin growth assumptions are set for each CGU in accordance with the best estimates at the test date. They take into account the level of maturity of our products and target markets, and also forecast development and innovation for our ranges.

A cumulative analysis was carried out to assess the sensitivity of the impairment tests to changes in discount rates (adverse change of 50 basis points), terminal growth rates (adverse change of 50 basis points) and the operating margin (fall of

100 basis points in the ratio of operating income before non-recurring items to terminal value). This analysis would not lead to the recognition of any additional impairment loss for any of the cash-generating units, with the exception of the CLIA cash-generating unit, for which an additional impairment loss of €23 million would be recognized.

As stated above, the pandemic has not resulted in any changes to the sensitivity analyses.

NOTE 6 PROPERTY, PLANT AND EQUIPMENT, ASSETS RELATED TO RIGHT-OF-USE AND OTHER FINANCE LEASE RECEIVABLES

6.1 Property, plant and equipment

6.1.1 Accounting principles

As prescribed by IAS 16 "Property, Plant and Equipment," items of property, plant and equipment are initially recognized at their purchase or production cost or at their acquisition-date fair value if acquired as part of a business combination. They are not revalued. Any revaluations carried out by Group companies in their individual accounts are eliminated when preparing the consolidated financial statements.

Property, plant and equipment are recorded using the component approach. Under this approach, each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life to that of the asset as a whole is recognized and depreciated separately. The only Group assets to which this method is applied are buildings.

IAS 23 "Borrowing Costs" does not call for the capitalization of material borrowing costs, as the Group has little debt resulting from purchases of property, plant and equipment.

Routine maintenance and repair costs of property, plant and equipment is expensed as incurred. Other subsequent expenses are capitalized only if they satisfy the applicable recognition criteria, such as the replacement of an identified component.

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

The depreciable value of property, plant and equipment corresponds to their acquisition cost as they are not considered to have any material residual value. The straight-line method of depreciation is used for these assets.

The assets are depreciated over their estimated useful lives as follows:

- machinery and equipment: 3-10 years;
- instruments: 5-10 years;
- shell: 30-40 years;
- Finishing work, fixtures and fittings: 10-20 years.

Depreciation periods in respect of buildings are calculated separately for each component.

The useful lives of items of property, plant and equipment are reviewed periodically. The impact of any adjustments is accounted for prospectively as a change in accounting estimates.

Impairment tests are carried out for property, plant and equipment whenever events or market developments indicate that an asset may have declined in value. If an asset's recoverable amount (see Note 5.2) is less than its net book value, either its useful life is adjusted or an impairment loss is recorded in "Other non-recurring income and expenses from operations," if the applicable definition is met (see Note 24.1).

Rental agreements

As lessor: when the Group leases assets to third parties on terms equivalent to a sale, the assets are recorded as though they had been sold, as prescribed by IFRS 16 "Leases." The long-term portion of the lease payments due is recorded under "Other non-current assets" and the short-term portion are recognized under "Trade receivables." The corresponding financial income is recognized in the income statement during the period in which it is received, under "Other financial income and expenses."

6.1.2 Analysis of movements in property, plant and equipment

Gross value <i>In millions of euros</i>	Land	Buildings	Machinery and equipment	Capitalized instruments	Other assets	Assets under construction	Total
DECEMBER 31, 2019	38.9	553.9	524.2	404.9	178.9	185.3	1,886.2
Translation differences	-2.0	-30.5	-26.1	-19.6	-8.5	-6.8	-93.5
Changes in the scope of consolidation				0.0		2.2	2.2
Acquisitions/Increases		6.5	23.7	81.7	13.0	126.9	251.8
Disposals/Decreases	0.0	-2.6	-19.8	-54.7	-14.5		-91.5
Reclassifications	14.4	118.7	34.1	0.1	9.2	-177.7	-1.2
DECEMBER 31, 2020	51.3	646.0	536.2	412.5	178.1	130.0	1,954.0
Translation differences	2.3	30.8	25.4	7.5	7.5	9.0	82.6
Acquisitions/Increases		32.2	35.1	79.5	20.6	110.7	278.1
Disposals/Decreases		-2.6	-12.6	-47.9	-11.2		-74.2
Reclassifications	0.9	36.4	42.3	3.6	8.3	-92.6	-1.2
DECEMBER 31, 2021	54.5	742.7	626.4	455.2	203.4	157.1	2,239.3

Depreciation and impairments <i>In millions of euros</i>	Land	Buildings	Machinery and equipment	Capitalized instruments	Other assets	Assets under construction	Total
DECEMBER 31, 2019	2.3	282.0	329.3	249.9	127.9		991.4
Translation differences	-0.1	-11.3	-13.9	-11.3	-5.6		-42.1
Additions	0.3	43.8	39.0	36.6	16.5		136.2
Disposals/Decreases	0.0	-2.5	-19.8	-30.8	-14.4		-67.6
Reclassifications		-2.9	-0.6	-0.1	0.7		-3.0
DECEMBER 31, 2020	2.5	309.0	334.0	244.3	125.2		1,015.0
Translation differences	0.1	11.1	13.0	4.6	4.7		33.6
Additions	0.3	38.4	41.3	42.8	16.5		139.3
Disposals/Decreases		-2.6	-12.8	-28.2	-10.9		-54.5
Reclassifications		3.3	-1.1	0.8	2.1		5.2
DECEMBER 31, 2021	2.9	359.3	374.3	264.3	137.6		1,138.5

Net values <i>In millions of euros</i>	Land	Buildings	Machinery and equipment	Capitalized instruments	Other assets	Assets under construction	Total
DECEMBER 31, 2019	36.6	271.9	194.9	155.0	51.0	185.3	894.8
DECEMBER 31, 2020	48.8	337.0	202.2	168.2	52.9	130.0	939.0
DECEMBER 31, 2021	51.6	383.4	252.1	190.9	65.8	157.1	1,100.8

Assets under construction mainly concern the construction of a new campus in Suzhou, the second part of a new administrative building in Salt Lake City and the expansion of a storage building in France.

A part of the new administration building in Salt Lake City was put in service in September 2021 for approximately €65 million.

As of December 31, 2021, administrative sites in the United States and Belgium were reclassified as assets held for sale in the amount of €8.0 million.

6.2 Right-of-use assets (lessee side)

6.2.1 Accounting principles

Restatement on the lessee side

IFRS 16 makes no distinction, from the lessee perspective, between leasing agreements and operating leases.

Leases are rental agreements (or agreements that contain a rental component) that convey the right to receive the near totality of the economic benefits associated with the use of the asset resulting from the right to manage the use of the identified asset during the period of use.

Leases which meet this definition are recognized according to the procedures defined below. As specified by the standard, the Group has adopted certain simplification measures, notably those enabling exclusion of leases with a residual term of less than twelve months and leases covering assets of low value, and the identical application of leasing agreements according to IAS 17.

In practice, the analysis predominantly resulted in the restatement of real estate and vehicle leases.

For agreements not restated as leases, the lease payments are recognized as expenses on a straight line basis over the term of the agreement.

The accounting rules for agreements that fall within the scope of IFRS 16 are presented below.

As of the commencement date of the agreement, the Group recognizes a right-of-use asset and a financial liability for the lease liability. The asset is recorded as a separate line item on the balance sheet; the liability is presented under borrowings.

The lease liability is measured at the discounted value of the lease payments not yet paid over the term of the agreement.

The discounted value is determined by using the implicit borrowing rate for leases formerly qualified as leasing agreements and the marginal borrowing rate for other leases. The incremental borrowing rate is calculated for each country according to the term of the agreement. The incremental borrowing rate corresponds to a duration rate taking into account the rent payment profile, and not a maturity rate, in accordance with the recommendations of the IFRS IC of September 2019.

The term of a lease is the enforceable period, which corresponds to the non-cancellable period, plus:

- any option to extend the lease if the Group is reasonably certain it will exercise the option;
- any lease termination option if the Group is reasonably certain it will not exercise the option.

In accordance with the IFRS IC's interpretation of November 2019, the Group takes into account the date up until which the lessee is reasonably certain to continue the lease beyond the contractual term.

In practice:

- the various leases do not contain an early termination clause and there is no clause likely to result in the lessor paying compensation to the Group that would be more than insignificant in the event of the non-renewal of the lease at the end of the non-cancelable period, and there are no other economic incentives to renewing the rental agreements;
- the terms used for the main leases are:
 - in France: an enforceable period of nine years (3/6/9 commercial leases): a non-cancelable period of three years and certainty of using the extension options after three and six years,
 - in other countries, the term is that indicated in the lease unless the renewal decision is solely at the discretion of the lessee. In this case, the term used is 20 years from the date of the first lease for real estate rentals;
- the Group did not receive any rent relief related to the health crisis in the fiscal years presented;
- lease payments represent fixed payments, variable payments based on an index or a rate, and the exercise price of the purchasing options that the lessee has the reasonable certainty of exercising. In practice, most of the rents are fixed. Purchase options exist for leasing agreements;
- right-of-use assets are measured as follows: the cost is reduced by the accumulated depreciation and impairment losses, and adjusted to take into account, where applicable, re-measurements of the lease liability. No impairment losses or re-measurements of the lease liability were recorded during 2021;
- right-of-use assets are depreciated over the expected duration of use of the property (including the portion linked to the use of land), in the case of a purchase option at a favorable price. In other cases, these assets are depreciated over the term of the agreement as defined above;
- lease-related fixtures and fittings are amortized over a period that in practice is close to the term of the agreement. For information, the net book value is not material;
- the Group has opted to recognize a deferred tax on the restatements of rental agreements.

6.2.2 Change

Gross value <i>In millions of euros</i>	Land	Buildings	Machinery and equipment	Other assets	Total
DECEMBER 31, 2019	36.1	143.4	29.4	6.1	214.9
Translation differences	-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 differences	2.1	3.4	0.6	0.0	6.1
Changes in the scope of consolidation					
Acquisitions/Increases		18.0	11.2	0.8	30.0
Disposals/Decreases	-9.1	-14.6	-7.8	-0.2	-31.6
Reclassifications	-0.4	-12.4	-0.8	-1.9	-15.5
DECEMBER 31, 2021	25.5	146.5	31.7	4.6	208.2

Depreciation <i>In millions of euros</i>	Land	Buildings	Machinery and equipment	Other assets	Total
DECEMBER 31, 2019	4.4	59.5	14.5	5.9	84.4
Translation differences	-0.5	-2.2	-0.7	0.0	-3.4
Additions	0.8	16.0	7.8	0.2	24.8
Disposals/Decreases	-0.5	-10.9	-7.0	-0.2	-18.6
Reclassifications		2.5			2.5
DECEMBER 31, 2020	4.2	64.9	14.6	5.9	89.6
Translation differences	0.3	1.7	0.3	0.0	2.2
Changes in the scope of consolidation					
Additions	0.7	18.5	8.6	0.1	27.9
Disposals/Decreases	-1.7	-14.1	-6.1	-0.2	-22.0
Reclassifications		-10.8	-0.8	-1.9	-13.5
DECEMBER 31, 2021	3.5	60.1	16.6	4.0	84.3

Net values <i>In millions of euros</i>	Land	Buildings	Machinery and equipment	Other assets	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
DECEMBER 31, 2021	22.0	86.4	15.1	0.6	124.0

The increases are primarily linked to new leases. The decreases are primarily linked to leases having reached the end of their terms. In accordance with the provisions of IFRS 16, and given the nature of the movements, increases and reductions related to rental agreements are not reported in the investment flows of the cash flow statement.

The following table shows assets under leasing agreements:

Net values <i>In millions of euros</i>	Land	Buildings	Machinery and equipment	Other assets	Total
DECEMBER 31, 2019	2.7	39.4			42.1
DECEMBER 31, 2020	2.7	36.5			39.2
DECEMBER 31, 2021	2.7	32.3			35.0

The rental expense related to non-restated agreements is not material for the years presented.

6.3 Finance lease receivables

6.3.1 Accounting principles

Finance leases

As lessee: leases are classified as finance leases whenever they transfer to the lessee substantially all of the risks and rewards incidental to ownership. Leases qualify as finance leases based on the substance of each contract, and notably when:

- ownership of the leased asset is transferred to the lessee at the end of the lease term;
- the lessee has the option to purchase the asset at a preferential price;
- the lease term covers the major part of the leased asset's economic life;
- the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
- the leased assets are of such a specialized nature that only the lessee can use them without making major modifications.

Whenever the Group leases property under an agreement classified as a finance lease, the fair value of the asset concerned or, if lower, the present value of the minimum lease payments is capitalized and depreciated over the asset's useful life. A corresponding liability is recognized in the balance sheet. Lease payments are apportioned between the financial expenses and the reduction of the outstanding liability.

Other rental agreements are classified as operating leases and the lease payments are expensed on a straight-line basis over the term of the agreement.

Certain instruments are sold via finance lease arrangements (see Note 6.1). The usual lease term is five years.

6.3.2 Change

Financial leases receivables totaled €20.2 million at December 31, 2021, against €21.6 million at December 31, 2020.

<i>In millions of euros</i>	Due within 1 year	From 1 to 5 years	In over 5 years	Total
Gross value of financial leases receivables	8.6	13.3	0.0	21.9
Accrued interest	-0.6	-0.7	0.0	-1.3
Present value of minimum future lease payments	7.9	12.6	0.0	20.6
Impairment losses	-0.4			-0.4
NET PRESENT VALUE OF MINIMUM FUTURE LEASE PAYMENTS	7.5	12.6	0.0	20.2

The current portion of financial leases receivables is shown in trade receivables (see Note 9), while the non-current portion is carried in other non-current assets for €12.6 million.

The depreciation rules applied are presented in Note 9.

NOTE 7 NON-CURRENT FINANCIAL ASSETS

7.1 Accounting principles

Non-current financial assets include investments in non-consolidated companies, loans and receivables maturing in more than one year – including pension plan assets whenever these have not been definitively allocated to cover corresponding obligations – and deposits and guarantees. They are recognized and measured in compliance with the rules described in Note 27.

In application of the IFRS 9 standard, non-current financial assets are broken down into 3 categories:

- financial assets assessed at amortized cost:

These are financial assets for which the objective of the economic model is to receive contractual flows, and for which the contractual conditions specify, at particular dates, flows corresponding only to repayments of capital and interest. They correspond to loans, deposits and guarantees;

- financial assets valued at fair value, with recognition in other comprehensive income:
 - changes in fair value to be reclassified to income: these are financial assets for which the objective of the economic model is both to receive contractual flows and the sale of assets, and for which the contractual conditions specify, at particular dates, flows corresponding only to repayments of capital and interest. The Group has no significant assets within this category,
 - changes in fair value not to be reclassified to income (irreversible option taken on the acquisition date): these are assets that are strategic for the Group. They correspond to non-consolidated equity investments;

- financial assets measured at fair value through profit or loss: these are securities held by the Group for trading purposes. This category is not used over the fiscal years presented, as the Group has so far decided to opt for recognition in other comprehensive income not to be reclassified.

Assets valued at amortized cost

The amortized cost is determined according to the effective interest rate method, as defined by the IFRS 9 standard. This rate is determined when putting in place the related contract.

Financial assets valued at fair value

Fair value is determined according to the methodology defined by the standard IFRS 13, according to the three levels of fair value defined in Note 27.1.

In exceptional cases where the fair value of financial assets cannot be determined reliably (lack of recent information, wide range of valuations, etc.), the cost will be considered as the best estimate of the fair value.

No reclassification between the various categories occurred over the fiscal years presented.

The breakdown of other financial assets for which the Group has opted for this presentation is presented separately in the table below.

7.2 Change

In millions of euros

	12/31/2021	12/31/2020
Loans and receivables	27.5	10.7
Non-consolidated financial assets assessed at fair value against other comprehensive income	33.6	39.9
TOTAL	61.1	50.6

The loans and receivables include the offer of convertible debt to Specific Diagnostics for €15.2 million (see Note 1.2.3), a surety intended to cover the post-employment benefit obligations in Germany for €2.8 million and the granting of a loan from bioMérieux Inc. to ABL Inc. for €1.2 million.

<i>In millions of euros</i>	Gross value	Changes in fair value recorded in other comprehensive income	Impairment losses	Net value
DECEMBER 31, 2019	35.2	6.9	-0.2	41.9
Translation differences	-1.5		0.0	-1.5
Acquisitions/Increases	12.8		-0.1	12.7
Disposals/Decreases	-1.5		0.1	-1.4
Changes in fair value		-1.0		-1.0
DECEMBER 31, 2020	45.0	5.9	-0.2	50.6
Translation differences	2.0		0.0	2.0
Acquisitions/Increases	18.7		0.0	18.6
Disposals/Decreases	-18.8		8.0	-10.8
Changes in fair value		0.7		0.7
DECEMBER 31, 2021	46.7	6.6	7.8	61.1

The increases correspond mainly to the granting of convertible loans to Specific Diagnostics in the amount of €15.2 million (see Note 1.2.3).

The decreases relate to Banyan Biomarkers, all of whose shares were purchased (see Note 1.1), as well as to the sale of Dynavax shares and the liquidation of a company whose shares were fully impaired.

The change in fair value recorded in other comprehensive income concerns GNEH (Geneuro holding) and Labtech securities.

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

<i>In millions of euros</i>	12/31/2020		12/31/2021			
	NBV	Of which change in fair value through other comprehensive income	NBV	Of which change in fair value through profit and loss	Of which change in fair value through other comprehensive income	Of which change in fair value through profit and loss
Banyan Biomarkers	7.7		0.0			
Qvella	7.0		7.0			
Sino French Innovations	5.0		5.0			
Accellix	4.1		4.4			
Pertinence Invest	4.0		4.0			
Specific Diagnostics	4.1		4.4			
GNEH	2.6	-0.8	3.3		0.7	
Labtech/LBT Innovations	0.8	-0.2	0.7		0.0	
Other securities	4.7	0.0	4.8	0.0	0.0	0.0
TOTAL	39.9	-1.0	33.6	0.0	0.7	0.0

The changes in fair value of securities classified as level 3 are presented in Note 27.1.

The change in fair value recognized in through profit or loss in 2021 concerns securities that were liquidated during the fiscal year and were fully impaired.

NOTE 8 INVENTORIES AND WORK-IN-PROGRESS

8.1 Accounting principles

As required under IAS 2 "Inventories," inventories are measured at the lower of cost and net realizable value.

Inventories of raw materials, goods held for resale and consumables are measured at their purchase price plus related expenses using the FIFO method. Work-in-progress and finished products are measured at their actual production cost, including direct and indirect costs.

Inventories are written down where necessary, taking into account selling prices, obsolescence, residual shelf life, product condition, sale prospects and, in the case of spare parts, changes in the corresponding instruments' installed base.

8.2 Change

<i>In millions of euros</i>	12/31/2021	12/31/2020
Raw materials	263.8	216.3
Work-in-progress	51.7	56.3
Finished products and goods held for resale	361.7	312.3
GROSS VALUE	677.2	584.9
Raw materials	-18.9	-15.2
Work-in-progress	-4.5	-3.6
Finished products and goods held for resale	-19.2	-24.2
PROVISIONS FOR IMPAIRMENTS	-42.6	-43.0
Raw materials	244.9	201.1
Work-in-progress	47.2	52.7
Finished products and goods held for resale	342.5	288.1
NET VALUES	634.6	541.9

Inventories relating to instruments account for 18.8% of gross value.

No pledges of inventories had been granted at December 31, 2021.

Without a work stoppage or significant reduction in its production centers, the Group experienced no major slowdowns over the manufacturing period.

The analysis carried out did not result in any change in the methods used to write down inventories, as in 2020. In particular, the COVID-19 pandemic did not generate significant risks in terms of obsolescence, rotation or net realizable value of inventories.

NOTE 9 TRADE RECEIVABLES AND ASSETS RELATED TO CONTRACTS WITH CUSTOMERS

Trade receivables and finance leasing receivables

<i>In millions of euros</i>	12/31/2021	12/31/2020
Gross trade receivables	633.7	632.1
Impairment losses	-43.1	-34.2
NET VALUE	590.6	597.9

In total, 18.6% of the Group's trade receivables are due from government agencies and may be paid later than the date shown on the invoice.

Trade receivables are recognized at amortized cost, which in practice corresponds to cost. There are no other financial assets including a financially significant component.

The Group has not set up any deconsolidating factoring contracts.

The due dates are mainly below six months except for rental agreements, financial lease contracts and contracts for the provision of equipment.

Net receivables overdue by more than 60 days relative to private companies and public organizations represent 11.7% of outstanding trade receivables in 2021, against 12.2% in 2020.

The weight of net additions to doubtful debts and bad debts represents €9.7 million, i.e. 0.29% of revenue.

Trade receivables include the current portion of leasing agreement receivables (see Section 6.3).

Receivables and assets related to contracts with customers	12/31/2020	Changes in the scope of consolidation	Change in gross values	Change in provision	Change in method	Currency impact	12/31/2021
Long-term finance lease receivables	14.3		-2.7			1.1	12.8
NON-CURRENT ASSETS	14.3		-2.7	0.0	0.0	1.1	12.8
Finance Lease receivables	7.3		-0.2	-0.1	0.0	0.6	7.5
Gross trade receivables	590.6	0.2	-15.4	-7.8	0.0	15.4	583.1
Other assets related to contracts with customers	0.0						0.0
CURRENT ASSETS	597.9	0.2	-15.7	-7.9	0.0	16.0	590.6

The share of provisions on financial leasing receivables is not material (see Note 6.3).

Depreciation of trade receivables

Provisions for depreciation of trade receivables are recognized to take into account expected losses and are recognized according to the following model:

- doubtful trade receivables: provisioned case-by-case;
- customers for whom impairment loss indices have been identified (late payment, claims and litigation, etc.): individual and statistical provision;
- customers with no impairment loss index at the closing date: a provision for expected losses is recognized case-by-case, taking into account qualitative and quantitative information (e.g., information on the customer, rating of the customer, etc.) in the context of the customer credit risk monthly review process, according to information obtained on the customer.

The credit risk is assessed at each closure, taking into account guarantees received, where applicable.

The crisis related to the COVID-19 pandemic did not result in a significant increase in customer risk observed or expected in the coming months. In particular, customer payment deadlines and defaults remained stable.

The analysis carried out did not result in any change to the trade receivables provisioning model, nor to the way it is implemented, as in 2020.

Netting agreements

N/A.

Other assets related to contracts with customers

There are no assets related to the costs of obtaining or implementing contracts.

NOTE 10 LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

Liabilities related to contracts with customers correspond essentially to advances of payment received and maintenance services invoiced in advance on service contracts (see Note 17). The associated revenue is recognized in income over the period that the service is rendered.

Liabilities related to contracts with customers	Notes	12/31/2020	Changes in the scope of consolidation	Change in gross values	Change in provision	Reclassification	Changes in translation differences	12/31/2021
Provisions for long-term guarantee	15	1.5	0.0		0.0	-0.1	0.0	1.3
NON-CURRENT LIABILITIES		1.5	0.0	0.0	0.0	-0.1	0.0	1.3
Provisions for short-term guarantee	15	11.4			-4.8	0.1	0.6	7.4
Advances received on trade receivables	17	13.9		9.6			1.8	25.3
Credit note to be issued	17	16.1		-4.5			0.7	12.4
Income invoiced in advance	17	68.7	0.0	10.6		0.0	4.7	84.0
CURRENT LIABILITIES		110.1	0.0	15.7	-4.8	0.0	7.9	129.1

NOTE 11 OTHER RECEIVABLES

<i>In millions of euros</i>	12/31/2021	12/31/2020
Advances and deposits	28.2	20.3
Prepaid expenses	23.9	20.7
Other operating receivables	65.7	41.3
NET VALUE OF OPERATING RECEIVABLES	117.8	82.2
CURRENT TAX RECEIVABLES	43.1	42.3
Non-operating receivables	9.5	8.0
NET VALUE OF NON-OPERATING RECEIVABLES	9.5	8.0

Advances and deposits rose by €7.9 million, of which €4.3 million related to the payment of the second of two parts of an advance under a license agreement signed in 2020.

The other receivables related to customer contracts are not material.

Other operating receivables are mainly composed of research tax credit receivables (€24.5 million at December 31, 2021 versus €12.6 million at end-2020), and other tax-related receivables.

Non-operating receivables relate primarily to the fair value of derivative instruments carried in assets (€7.5 million in 2021 versus €7.3 million in 2020, see Note 27.2).

NOTE 12 CASH AND CASH EQUIVALENTS

12.1 Accounting principles

Cash and cash equivalents include cash and short-term highly liquid investments denominated in euros and subject to an insignificant risk of impairment loss and counterparty default.

Investments meeting these criteria are measured at the end of the reporting period at their fair value, with fair value gains or losses recognized in income (see Note 27).

None of the Group's investments are pledged or subject to major restrictions.

Investment securities and other cash equivalents are valued at their fair value at each closing, according to the definition given in Note 7.

There are no other current financial assets.

12.2 Change

<i>In millions of euros</i>	12/31/2021	12/31/2020
Cash	547.1	313.5
Cash investment with Institut Mérieux ^(a)	170.4	51.4
Cash investment with GNEH	1.4	1.4
Cash investments	84.6	23.0
CASH AND CASH EQUIVALENTS	803.5	389.2

(a) These investments are liquid and may be redeemed within a maximum of four business days.

Some cash investments are in term accounts as well as in SICAV money-market funds (€13.0 million at December 31, 2021, just as in 2020).

Investments are placed with leading credit institutions. No adjustments were recognized in respect of the risk of non-collection associated with these financial assets following the analysis carried out pursuant to IFRS 13 (see Note 28.5).

Cash investments in SICAV money-market funds are as follows:

	12/31/2021	12/31/2020
Investment	BNP PARIBAS SIGNATURE PART CLASSIC money-market fund	BNP PARIBAS SIGNATURE PART CLASSIC money-market fund
Amount	€13 million	€13 million
Classification	Short-term money-market fund	Short-term money-market fund
ISIN Code	FR0011046085	FR0011046085

The Group regularly reviews the investments made by each SICAV euro money-market fund as well as their past performance in order to ensure that they qualify as cash and cash equivalents in accordance with the recognition criteria in IAS 7.

NOTE 13 ASSETS AND LIABILITIES HELD FOR SALE

13.1 Accounting principles

In accordance with IFRS 5, net assets and liabilities whose recovery is expected through a sale transaction rather than by continuous usage are reclassified as assets held for sale or as liabilities held for sale.

Impairment tests were carried out by comparing the value of the net assets to their fair value less costs to sell (see Note 5.2).

13.2 Change

As of December 31, 2021, the Group is considering the possibility of selling administrative sites in the United States (€7.6 million) and Belgium (€0.4 million), the net book value of which has been reclassified as assets held for sale. These assets are not subject to any impairment risk, as their potential sale value covers their net book value.

In January 2022, a building in the United States was sold at a price higher than the net book value (see Note 31).

NOTE 14 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

14.1 Share capital

The Company's share capital amounted to €12,029,370 at December 31, 2021 and was divided into 118,361,220 shares, of which 72,559,499 carried double voting rights. Following a decision taken by the Annual General Meeting of March 19, 2001, the Company's bylaws no longer refer to a par value for its shares.

Other than the free shares (see Note 18.2), there were no valid dilutive rights or securities on December 31, 2021.

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

The Company is not subject to any specific regulatory or contractual obligations in terms of its share capital.

The Group does not have any specific policy concerning equity financing. Decisions on whether to use debt or equity financing are made on a case-by-case basis for each proposed transaction. The equity used by the Group for its own operations corresponds to its consolidated equity.

14.2 Cumulative translation adjustments

<i>In millions of euros</i>	12/31/2021	12/31/2020
Dollars ^(a)	61.9	-81.7
Latin America	-23.1	-21.6
Europe – Middle East – Africa	-41.0	-36.4
Other countries	23.8	-1.3
TOTAL	21.6	-141.1

(a) US and Hong Kong dollars.

Cumulative translation adjustments attributable to the parent amounted to €18.5 million at December 31, 2021, versus -€140.0 million a year earlier.

14.3 Treasury shares

The Company has entered into an agreement with an investment services provider for market-making purposes. It therefore sometimes has to buy, hold and resell a small number of its own shares in connection with this agreement. It also purchases shares to cover the obligations it assumes in connection with the free share grant plans mentioned in Note 18.

Treasury shares held under the liquidity agreement or for the purpose of allocation under free share grant plans are recorded as a deduction from equity, and the impacts of all corresponding transactions recorded in the individual financial statements are also recognized directly in equity (disposal gains and losses, impairment, etc.).

Treasury shares held under the liquidity contract

At December 31, 2021, the parent company held 16,734 treasury shares as part of this contract. During the fiscal year, it purchased 339,932 and sold 336,347 treasury shares.

Other treasury shares

At January 1, 2021, the Company held 201,533 treasury shares. During the fiscal year, the Company bought 350,000 shares and definitively allocated 472,424 shares intended to provide free shares to employees and shares related to the stock option plan (see Note 18.2 and 18.4).

At December 31, 2021, the Company held a total of 79,109 treasury shares intended for free share grants authorized by the Annual General Meeting.

14.4 Minority interests

The minority interests essentially cover the company Suzhou Hybiome Biomedical Engineering for €51.3 million, representing 33.3%. The impact of the share of minorities on the key aggregates of the Group is not material over the fiscal year.

14.5 Other comprehensive income (expense)

The main elements making up comprehensive income are the changes in the fair value of financial instruments for which changes in fair value are recognized in this section (see Note 7), actuarial gains and losses on defined benefit pension plans, changes in fair value of cash flow hedges, changes in translation differences coming from subsidiaries whose accounts are denominated in foreign currencies and changes in the value of tangible or intangible assets (if the option has been exercised for fair value).

The Group presents other comprehensive income showing the components of other comprehensive income that may be subsequently reclassified to income separately from components not subsequently declassifiable.

14.6 Earnings per share

Basic earnings per share is calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding during the period (excluding shares intended for allocation under free share grants and treasury shares held for market-making purposes). The weighted average number of shares was 118,265,377 at December 31, 2021, against 118,146,538 at December 31, 2020.

Diluted (net) earnings per share are calculated from the number of shares defined in the basic earnings increased by the weighted average number of potential shares to be issued and which would have a dilutive effect on net income. The number of the latter was 118,893,289 at December 31, 2021, against 118,652,069 at December 31, 2020.

NOTE 15 PROVISIONS – CONTINGENT ASSETS AND LIABILITIES

15.1 Accounting principles

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets," provisions are recognized when the Group has a legal or constructive obligation toward a third party, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and no inflow of resources of an equivalent amount is expected in return, and when the amount of the obligation can be reliably estimated.

Provisions for restructuring costs are recognized only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed formal plan. Restructuring provisions notably cover the cost of severance payments.

Long-term provisions are discounted to present value when the impact of discounting is material and the date the underlying event is expected to materialize is known.

Material contingent liabilities are disclosed in Note 15.5, unless the probability of an outflow of resources embodying economic benefits is remote.

Material contingent assets are disclosed in Note 15.5 where an inflow of economic benefits is probable.

15.2 Change in provisions

<i>In millions of euros</i>	Retirement benefits 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 differences	-0.6	-0.9	-0.4	-0.2	-0.8	-2.9
DECEMBER 31, 2020	52.4	12.9	6.2	6.1	38.2	115.8
Additions	2.9	16.3	2.2	3.6	10.6	35.5
Reversals (utilizations)	-1.7	-19.5	-1.6	-2.5	-8.3	-33.6
Reversals (surplus)	-0.3	-1.5	-1.7	-0.1	-0.5	-4.1
Net additions (reversals)	0.9	-4.8	-1.2	1.0	1.7	-2.3
Actuarial (gains) losses	-1.2	0.0	0.0	0.0	0.0	-1.2
Changes in the scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	0.1	0.0	-0.2	0.0
Translation differences	0.2	0.6	0.5	0.2	0.3	1.7
DECEMBER 31, 2021	52.3	8.8	5.6^(a)	7.3^(b)	40.0^(b)	114.1

(a) Corresponds mainly to the planned bioMérieux Inc. and BioFire transition and the transfer of the North American registered office to Salt Lake City.

(b) See Note 15.4.

Provisions for product warranties are recognized based on an estimate of the costs relating to the contractual warranty for instruments sold over the remaining period under warranty (see Note 3.1.1).

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

15.3 Post-employment and other long-term benefit obligations

15.3.1 Accounting principles

15.3.1.1 Short-term employee benefits

Short-term employee benefits include wages, salaries and payroll taxes as well as paid vacation and performance-related bonuses. They are expensed during the fiscal year in which employees perform the corresponding services. Outstanding payments at the end of the reporting period are included in "Other operating payables."

15.3.1.2 Post-employment benefits

These benefits notably correspond to pensions, contractual retirement payments, and post-employment health insurance. They are covered either by defined contribution plans or defined benefit plans.

Defined contribution plans: where required under local laws and practices, the Group pays salary-based contributions to pension and social security organizations. The Group's obligation is limited to the payment of contributions. The contributions are expensed during the fiscal year in which employees perform the corresponding services. Outstanding payments at the end of the reporting period are included in "Other operating payables."

Defined-benefit plans: all plans other than defined-contribution plans:

- they concern regular or supplementary post-employment benefit obligations paid in the form of annuities (primarily in France and Germany) and contractual retirement payments (primarily in France and Japan);
- health insurance for retired employees.

The Group's defined benefit pension obligation is estimated by actuaries, in accordance with the amended IAS 19, as presented hereafter:

Post-employment benefit obligations are calculated in accordance with the projected unit credit method. They take into consideration actuarial assumptions such as discount rates, the rate of future salary increases, employee turnover and mortality rates. The main assumptions used are set out below in Note 15.3.2.

For the purpose of determining the discount rate, the Group analyzed various market rates and, as prescribed by the amended IAS 19R, chose an estimated average of the Iboxx Corporate AA and Bloomberg indices (euro, US dollar and

pound sterling) at December 31, 2021, taking into account the average durations of the Group's plans where these differ from the observable maturities of the bonds used for those indices.

Post-employment benefit obligations are presented in the balance sheet for their total amount less the fair value of plan assets.

The impact on the service cost for the year and on the interest cost net of the return on plan assets is recognized in operating income before non-recurring items.

The impacts of changes in actuarial gains and losses related to benefit obligations and plan assets (actuarial assumptions and experience adjustments) are immediately recognized under other comprehensive income at their net-of-tax amount. They are not reclassified to income.

The impacts resulting from amendments to and settlements of pension plans are immediately recognized in income.

The expected return on plan assets recognized in income is calculated using the discount rate used to estimate the total benefit obligation.

Tests are performed to measure the sensitivity of the Group's post-employment benefit obligation to changes in certain actuarial assumptions (see Note 15.3.8).

IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" is not relevant to the Group.

Similarly, the ruling issued by IFRIC IC in April 2021 as to assigning benefits to periods of service rendered by beneficiaries of post-employment benefit plans had no effect on the Group's financial statements. The collective bargaining agreements applicable within the Group, which meet the three criteria defined by IFRS IC, do not provide for ceilings or vesting tranches.

15.3.1.3 Other long-term benefits

Other long-term benefits include long-service awards and bonuses. The corresponding liabilities are recognized on an actuarial basis whenever they have a material impact. Actuarial gains and losses and past service cost are recognized immediately in income.

15.3.2 Assumptions used

Post-employment benefits and other obligations are covered by provisions and essentially concern France. These obligations are calculated using actuarial methods based on a certain number of assumptions.

The main assumptions used are as follows:

	France	
	12/31/2021	12/31/2020
Expected salary increase rate	2.50%	2.00%
Discount rate	1.00%	0.90%
Average duration of plans	12.6	12.6

The expected return on plan assets corresponds to the discount rate applied to the post-employment benefit obligations, in accordance with the amended IAS 19, according to the calculated duration.

15.3.3 Breakdown of provisions for employee benefits

<i>In millions of euros</i>	12/31/2021	12/31/2020
Post-employment benefits	35.7	36.7
Long-service awards	16.6	15.7
TOTAL PROVISIONS FOR LONG-TERM EMPLOYEE BENEFITS	52.3	52.4

15.3.4 Change in provisions for employee benefits post employment

<i>In millions of euros</i>	Present value of obligation	Fair value of funds ^(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	4.8		4.8	0.0	4.8
Interest cost	0.7	-0.4	0.3	0.1	0.4
Retirements	-2.7	0.8	-1.8	-0.1	-1.9
Plan liquidation	0.0	0.0	0.0		0.0
Contributions	0.0	-3.4	-3.4		-3.4
Impact on operating income	2.8	-2.9	-0.1	0.0	-0.1
Actuarial gains and losses (Other comprehensive income)	1.0	-1.9	-0.9	-0.3	-1.2
Other movements (incl. currency impact)	0.8	-0.6	0.2	0.1	0.3
DECEMBER 31, 2021	79.5	-45.0	34.5	1.2	35.7

(a) Plan assets or scheduled payments.

<i>In millions of euros</i>	Present value of obligation	Fair value of funds ^(a)	Provisions for pensions	Post-employment health insurance	Total provisions for post-employment benefits
DECEMBER 31, 2020	268.1	-226.6	41.5	1.5	43.0
Current service cost	3.8		3.8	0.0	3.8
Interest cost	3.7	-3.3	0.5	0.1	0.5
Retirements ^(b)	-99.9	98.4	-1.5	0.0	-1.5
Plan liquidation ^(b)	-103.6	107.2	3.6		3.6
Contributions	0.0	-5.8	-5.8		-5.8
Impact on operating income	-196.0	196.5	0.6	0.1	0.6
Actuarial gains and losses (Other comprehensive income)	6.3	-13.0	-6.7	0.0	-6.7
Other movements (incl. currency impact)	-3.3	3.4	0.1	-0.1	-0.1
DECEMBER 31, 2021	74.9	-39.6	35.3	1.4	36.7

(a) Plan assets or scheduled payments.

(b) Including the impact of the liquidation of the defined-benefit pension plan for bioMérieux Inc. employees for -€98.0 million on retirements and -€103.0 million on the change of plan. See Note 1.3.

15.3.5 Net post-employment benefit expense for the fiscal year

<i>In millions of euros</i>	12/31/2021	12/31/2020
Current service cost	4.8	3.8
Return on plan assets	-0.4	-3.3
Interest cost	0.7	3.7
TOTAL	5.1	4.3

15.3.6 Breakdown of net obligation by country

<i>In millions of euros</i>	12/31/2021		Total
	France	Other countries	
Present value of obligation	46.2	33.4	79.6
Fair value of funds ^(a)	-30.8	-14.2	-45.0
Provisions for pensions	15.4	19.2	34.6
Post-employment health insurance	0.0	1.1	1.1
Other long-term benefits			0.0
TOTAL POST-EMPLOYMENT BENEFITS	15.4	20.3	35.7
Long-service awards	16.6	0.1	16.6
TOTAL PROVISIONS FOR PENSIONS AND OTHER LONG-TERM BENEFITS	32.0	20.4	52.3

(a) Plan assets and scheduled payments.

15.3.7 Information on plan assets

Plan assets mainly concern France.

15.3.7.1 Allocation of funds

<i>In millions of euros</i>	12/31/2021	12/31/2020
	France	France
Equities	2.6	1.4
Bonds	25.0	23.6
Other	3.2	2.0
TOTAL	30.8	27.0

15.3.7.2 Actual return on plan assets

	Return 2021	Return 2020
France	2.7%	2.1%

15.3.8 Other information

The timing of future benefit payments at December 31, 2021 is as follows:

<i>in %</i>	Future service payments <i>(as % of net obligation)</i>
< 1 year	6%
1-5 years	30%
> 5 years	64%

This payment schedule is close to that calculated in 2020.

A portion of these payments will be funded by the plan assets. Contributions will be decided on a yearly basis.

A 0.5-point increase in the discount rate would have a favorable impact of around 6.9% on the amount of commitments (namely €5.3 million).

15.4 Other provisions

15.4.1 Provisions for claims and litigation

The Company is involved in a certain number of claims and litigation arising from the normal course of its business, the most significant of which are described below. Based on available information, the Group does not believe that these claims will have a materially unfavorable impact on the continuity of its operation. When a risk is identified, a provision is recognized as soon as it can be reliably estimated. The provision for claims and litigation covers all disputes in which the Group is involved and amounted to €7.3 million at December 31, 2021, against €6.1 million at December 31, 2020 (excluding tax claims and litigation detailed in Note 15.4.2).

Other than the tax disputes explained below, the claims and litigation mainly included disputes with distributors following the termination of their distribution contracts. A provision has been set aside for the probable amounts that the Group will have to pay based on the plaintiff's claims.

15.4.2 Tax disputes and risks

Liabilities related to tax disputes and risks concerning income taxes are recorded on the line "Current tax payables" (see Note 17). Late-payment interest is recorded on the line "Other payables" (see Note 17).

Penalties relating to these claims and litigation and to risks are recorded in "Provisions, contingent liabilities and contingent assets."

At December 31, 2021, tax risks (comprising the various items listed above) stood at €10.9 million. They mainly relate to the Italian tax dispute.

Tax dispute and mutual agreement procedure (MAP) in Italy

Further to two tax audits in Italy in respect of fiscal years 2004 to 2007 and 2009 to 2010, bioMérieux Italy has received tax re-assessment notices relating to transfer prices and the portion of shared costs allocated to this subsidiary.

In the context of this dispute, the Group has requested two mutual agreement procedures to be initiated between the relevant French and Italian authorities, one related to the period 2004 to 2007, and the other to the period 2009 to 2010.

These procedures were initiated based on the European Arbitration Convention of July 23, 1990, as amended by the protocol of May 25, 1999. The aim of these proceedings is to prevent the double taxation of companies by different Member States owing to an upward adjustment of profits of one of the companies in a Member State (as regards transfer pricing). The neutralization does not apply to penalties or late-payment interest.

15.5 Contingent assets and liabilities

Diagnostic tests for Lyme disease

On October 14, 2016, bioMérieux, like other manufacturers, was summoned before the Tribunal de Grande Instance de Paris (Paris District Court) in view of obtaining compensation for anxiety allegedly "caused by the lack of reliability of serodiagnostic tests" for Lyme disease. The civil proceeding, initiated by 45 plaintiffs, increased to 93 following the joinder of two identical new summonses. In December 2021, the Paris court dismissed all opposing claims. As of February 28, 2022, this decision has not been appealed.

During the 2016 fiscal year, the competent French and Italian authorities reached an amicable agreement for the period 2004 to 2007. This agreement, which was accepted by the Group, eliminates the tax adjustment for 2004 and limits the basis for subsequent adjustments. As of December 31, 2021 the Italian tax authorities had not issued tax assessments for the adjustments maintained in respect of 2005, 2006 and 2007 following the 2016 mutual agreement procedure. The assessment notifications were received in February 2022 (see Note 31).

For the period 2009 to 2010, an agreement was reached between France and Italy in September 2020. Under this agreement, the Italian authorities shelved all initial adjustments.

In parallel, adjustments made to the sales flows between Italy and the Group's US subsidiary (as well as to other items such as the quota of shared expenses) continued to be subject to a local Italian law dispute for the periods 2004 to 2007 and 2009 to 2010. With regard to the period 2004 to 2007, the Group filed an appeal with the Supreme Court in May 2020 after an appeal to the lower court resulted in an unfavorable ruling. The duration of this proceeding cannot be estimated at this stage. With regard to the period 2009 to 2010, no ruling has yet been made in the lower court.

At December 31, 2021, a liability corresponding to the best estimate of the consequences of ongoing proceedings is booked to the Group's financial statements.

On February 9, 2022, bioMérieux Italia received notices of assessment relating to the period 2004-2007, including those from the MAP, for €12 million (see Note 31).

15.4.3 Other provisions for contingencies and losses

US Medical Networks, LLC

In 2019 action was brought against BioFire Diagnostics by US Medical Networks, LLC demanding that it cease using software and customer files deemed to be the property of US Medical Networks, LLC. The dispute was finally resolved during 2021.

Manovra Sanità

This bill, which was passed in Italy in August 2015, requires healthcare providers to cover 40% of the difference between the health budget of each province and the actual expenditure incurred. No implementing decree has yet been adopted. Nevertheless, in accordance with market practice, the provision for risk recognized as of 2016 was updated at December 31, 2021.

Other provisions for risks

These relate to miscellaneous risks identified and to costs related to the discontinuation of certain product ranges.

NOTE 16 NET DEBT – CASH

16.1 Consolidated cash flow statement

The consolidated cash flow statement is presented according to the recommendation of the French accounting standards authority (Autorité des normes comptables – ANC) No. 2013-03 dated November 7, 2013.

It lists separately:

- cash flows from operating activities;
- cash flows from investing activities;
- cash flows from financing activities.

Cash flows from investing activities include the amount of net cash of companies acquired or sold on the date of their first-time consolidation or their derecognition, as well as amounts due to suppliers of non-current assets and amounts receivable on disposals of non-current assets.

Net cash and cash equivalents correspond to the Group's net debit and credit cash positions.

The consolidated cash flow statement shows the Group's EBITDA. EBITDA is not defined under IFRS and may be calculated differently by different companies. EBITDA or gross operating income as presented by bioMérieux is equal to the sum of operating income before non-recurring items and net additions to operating depreciation and amortization.

<i>In millions of euros</i>	12/31/2021	12/31/2020
Additive method		
• Net income	598.2	402.7
• Non-recurring income and expenses, depreciation from the acquisition of BioFire	16.9	59.7
• Cost of net financial debt ^(a)	7.1	25.0
• Other financial income and expenses	2.7	3.6
• Income tax expense	175.6	121.5
• Investments in associates	0.7	0.2
• Net additions to operational depreciation – non-current provisions	231.0	210.8
EBITDA (BEFORE NON-RECURRING ITEMS)	1,032.2	823.5
Simplified additive method		
• Contributive operating income before non-recurring items ^(b)	800.5	612.5
• Investments in associates	0.7	0.2
• Depreciation and amortization	231.0	210.8
EBITDA (BEFORE NON-RECURRING ITEMS)	1,032.2	823.5

(a) The change between the two years is due to the unwinding of the former bond issue, which was repaid in the second half of 2020, and to the recognition of an additional debt to the BPI in 2020 (a debt which has not changed significantly in 2021).

(b) The contributive operating income before non-recurring items corresponds to the operating income before non-recurring items excluding the charge for the amortization of the intangible assets of BioFire recognized when assigning the acquisition price.

The available free cash flow is a key indicator for the Group. It is defined as cash flow from operating activities as well as cash flow from investing activities, excluding net cash and cash equivalents from acquisitions and disposals of subsidiaries.

16.2 Comments on the consolidated cash flow statement

Net cash from operating activities

EBITDA reached €1,032 million in 2021, representing 30.6% of sales, up by 25.4% compared to €824 million for 2020. The increase reflected growth in contributive operating income before non-recurring items and net additions to depreciation and amortization of operating items and operating provisions.

Tax payments amounted to €185 million, up from €116 million the previous year, largely due to higher earnings.

In 2021, the operating working capital requirement increased by €38 million. The change was primarily a result of the following factors:

- inventories rose by €62 million in 2021, in line with volume;

- trade receivables fell €24 million, in line with the improvement in collection times, despite the increase in sales;
- in step with volume, trade payables rose slightly by €24 million;
- other working capital items worsened by €24 million because of a sharp fall in tax and social security liabilities due primarily to the payment of variable compensation indexed to the share price (*phantom share plans*) in the amount of €36 million, offset by the increase in variable compensation.

At the end of the 2021 fiscal year, cash generated from operating activities reached €811 million, up by 39% compared to the €583 million recorded during the previous fiscal year.

Net cash used in investing activities

As expected, disbursements related to capital expenditure amounted to about 9% of revenues, namely €290 million at the end of 2021, against €278 million during the previous fiscal year. Major investments worth mentioning include the expansion of BioFire's production capacity in Salt Lake City, the construction of a production facility in Suzhou and the construction of a new facility for Hybiome.

In this context, free cash flow reached €541 million in 2021, against about €328 million in 2020.

Acquisitions of non-controlling interests and takeovers amounted to €34 million in 2021, relating to the acquisition of Banyan for €19 million (see Note 1.1) and the granting of two convertible loans to Specific Diagnostics for €15 million (see Note 1.2.3).

16.3 Change in net debt

No borrowings are recognized or re-estimated at fair value, with the exception of debts related to price supplements, recognized and re-valued at each closure at their fair value as defined contractually (see Note 27) and to a debt with BPI as part of a research program.

No debt restructuring occurred over the presented fiscal years. Likewise, current debts at December 31, 2020 were not restructured in the past.

At December 31, 2021, after the €73.1 million dividend payout to bioMérieux SA shareholders, the Group's net cash surplus was €341.1 million, largely consisting of net cash of €787 million offset by the bond issue described below and the debt on lease liabilities related to IFRS 16 (€96 million).

Net cash used in financing activities

The Company paid a dividend of €73.1 million, a sharp increase over last year. Due to the exceptional circumstances of COVID-19, the Annual General Meeting had decided in 2020 to exceptionally reduce the dividend in order to support social action.

As stated previously, in June 2020 bioMérieux issued a new €200 million Euro PP bond placed with a leading European investor.

IFRS 16

In accordance with the provisions of the standard, financing flows include only reimbursements of the debt related to lease liabilities, and stood at €30.0 million on December 31, 2021, against €30.5 million on December 31, 2020.

The interest paid on borrowings for lease liabilities is presented as operating cash flows, in the same manner as other interest paid on borrowings.

In June 2020, bioMérieux had issued a new private placement bond of €200 million, comprising €145 million repayable in seven years with an annual coupon of 1.5% and €55 million repayable in 10 years with an annual coupon of 1.9% (see Note 1.3).

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

On December 31, 2021, bioMérieux SA also had a non-drawn syndicated credit facility of €500 million, put in place in 2017 and for which the maturity was brought to January 2024 following the exercise of two options for extension.

Furthermore, in order to meet the general financing needs of bioMérieux SA and its subsidiaries, the Company can use two programs for the issuance of marketable securities. One is a short-term program with the following key features:

Maximum ceiling of the program	€500,000,000.00
Duration	< 1 year
Minimum amount per issue	€150,000 or the equivalent value of this amount in foreign currency determined at the time of issue
Issue currency	Euros or any other currency authorized by the French regulations applicable at the time of the issue
Domiciliary agent	CACEIS Corporate Trust
Arranger	Crédit Agricole Corporate and Investment Bank
Dealers	Aurel BGC
	BNP Paribas
	BRED Banque Populaire
	Crédit Agricole Corporate and Investment Bank
	Crédit Mutuel – CIC
	Natixis
	Société Générale
	ING Belgium Succursale France

The other is a medium-term program with the following key features:

Maximum ceiling of the program	€500,000,000.00
Duration	> 1 year
Minimum amount per issue	€150,000 or the equivalent value of this amount in foreign currency determined at the time of issue
Issue currency	Euros or any other currency authorized by the French regulations applicable at the time of the issue
Domiciliary agent	CACEIS Corporate Trust
Arranger	Crédit Industriel et Commercial
Dealers	Aurel BGC
	BNP Paribas
	BRED Banque Populaire
	Crédit Agricole Corporate and Investment Bank
	Credit Industriel et Commercial
	Natixis
	Société Générale

The information memorandum pertaining to the marketable securities issuance programs can be found on the Bank of France website (www.banque-france.fr/en).

16.4 Maturities of net debt

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

The payment schedule below refers to balance sheet amounts.

<i>In millions of euros</i>	12/31/2020	Changes in the scope of consoli- dation	Non-current to current reclassifications	Increase	Decrease	Change to the consolidated cash flow statement	Other move- ments ^(d)	Translation adjustments	12/31/2021
BORROWINGS – NON-CURRENT PORTION									
Borrowings – non current portion	49.6		-1.0	12.9	0.0	11.9	0.0	4.0	65.6
Non-current lease liabilities	103.2		-22.2		0.0	-22.2	12.9	3.6	97.6
Bond issues	199.6			0.0		0.0			199.6
IFRS 16 right-of-use assets	0.0					0.0			0.0
Non-current liabilities on acquisition of securities									0.0
TOTAL BORROWINGS – NON-CURRENT	352.4	0.0	-23.2	13.0	0.0	-10.3	12.9	7.6	362.8
BORROWINGS – CURRENT PORTION									
Current bond issue	0.0				0.0	0.0			0.0
Borrowings due within one year	51.6		1.0	5.2	-13.3	-7.1	0.1	4.0	48.6
Current lease liabilities	24.4		22.2		-30.0	-7.8	7.4	0.7	24.8
Commercial paper	35.0				-25.0	-25.0			10.0
Liabilities on acquisition of securities - portion due in less than one year	0.0								0.0
BORROWINGS – CURRENT PORTION	111.0	0.0	23.2	5.2	-68.3	-39.9	7.6	4.7	83.4
TOTAL BORROWINGS (B)	463.5	0.0	0.0	18.2	-68.3	-50.1	20.5	12.3	446.1
NET CASH AND CASH EQUIVALENTS									
Cash	313.5	0.6		225.2		225.8		7.8	547.1
Cash investments	23.0			61.3		61.3		0.3	84.6
Current accounts	52.8			162.3	-43.3	119.1		0.0	171.8
Cash and cash equivalents ^(a)	389.2	0.6	0.0	448.8	-43.3	406.2	0.0	8.1	803.5
Bank overdrafts ^(b)	-17.9			-29.4		-29.4		31.1 ^(c)	-16.3
NET CASH AND CASH EQUIVALENTS (A)	371.3	0.6	0.0	419.4	-43.3	376.8	0.0	39.2	787.3
NET DEBT (B) – (A)	92.1	-0.6	0.0	-401.3	-25.1	-426.9	20.5	-26.9	-341.1

(a) See Note 12.2.

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

(c) This amount includes cash pool-related effects.

(d) Other changes are related to new rental agreements not presented in the financing flows in accordance with the standard.

At December 31, 2021, non-current borrowings mainly comprised debt related to lease liabilities (see Note 16.5), the bond issue contracted in 2020 for €199.6 million, and the put option on the Hybiome minority interests for €29.1 million.

Current borrowings mainly comprised:

- short-term marketable securities for €10 million;
- the loan contracted by Shanghai, corresponding to a revolving credit for €29.0 million;

- the portion of at least one year of the debt relative to lease liabilities that is due within one year (see Note 16.5 below).

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

No loan agreement was signed prior to December 31, 2021 concerning loans to be set up in 2022.

16.5 Impact of liabilities related to rental agreements on borrowings and financial debt

<i>In millions of euros</i>	12/31/2021	12/31/2020
Debt related to leases	122.3	127.7
<i>Of which leases with purchase option</i>	26.8	30.3
Due beyond 5 years	47.9	57.6
<i>Of which leases with purchase option</i>	7.2	11.1
Due in 1 to 5 years	49.7	45.6
<i>Of which leases with purchase option</i>	15.9	15.4
Due within 1 year	24.8	24.5
<i>Of which leases with purchase option</i>	3.8	3.8

Only reductions in loans are presented in the consolidated cash flow statement.

The amount of financial interest recorded pursuant to rental agreements according to IFRS 16 stood at €2.5 million at December 31, 2021, against €2.8 million at December 31, 2020.

As stated in Note 6.2.1, there were no significant rental agreement adjustments during the fiscal year. Moreover, rent components that were not included in the lease liability calculation, pursuant to IFRS 16 (e.g. variable rents), were not material.

16.6 Debt covenants

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

The syndicated credit facility and the new private placement bond subscribed in June 2020 are subject to a single ratio: "net debt to operating income before non-recurring items before depreciation and amortization," calculated outside the application of IFRS 16. The ratio, which may not exceed 3.5, was complied with at December 31, 2021.

Also, in January 2017, bioMérieux SA renegotiated this syndicated credit facility to bring its amount to €500 million at maturity in 2024.

The other term borrowings at December 31, 2021 primarily correspond to commercial paper, short-term local financing, share allocation plans delivered under cash and cash equivalents, and leasing agreement liabilities related to assets. None of these borrowings is subject to a covenant.

16.7 Interest rates

Before hedging, 66% of the Group's borrowings are at fixed rates (€295.6 million), and the remainder is at floating rates (€150.5 million).

At December 31, 2021 the fixed-rate debt consisted of:

- debts on lease liabilities (€96.0 million) at a rate that mostly corresponds to incremental borrowing rates (see Note 6.3.1);
- and the €199.6 million bond issue, of which €145 million redeemable in six years with an annual coupon of 1.5%, and €55 million redeemable in nine years with an annual coupon of 1.902%.

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

16.8 Breakdown of net debt (net cash) by currency

<i>In millions of euros</i>	12/31/2021	12/31/2020
Euro	346.0	317.5
Chinese yuan	49.4	5.1
Japanese yen	4.0	1.0
Brazilian real	3.3	3.4
Mexican peso	2.1	7.5
Indian rupee	0.6	6.1
South Korean won	0.6	3.8
South African rand	0.3	3.8
Polish zloty	0.1	-1.2
Turkish lira	-0.4	-2.7
Czech koruna	-0.8	-1.2
Chilean peso	-0.9	1.8
Argentinian peso	-1.3	-1.8
Danish krone	-1.5	-1.9
Norwegian krone	-1.7	-2.2
New Taiwan dollar	-1.8	-1.7
Swiss franc	-2.1	-2.0
Hong Kong dollar	-3.4	-1.2
Pound sterling	-3.7	-8.8
Swedish krona	-4.3	-3.1
Canadian dollar	-5.7	-0.3
Russian ruble	-15.9	-5.7
Australian dollar	-18.2	-7.0
Singapore dollar	-27.0	0.7
US dollar	-657.8	-218.3
Other currencies	-1.0	0.8
TOTAL	-341.1	92.2

16.9 Loan guarantees

None of the Group's assets have been pledged as collateral to a bank.

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

Hedging agreements are discussed in Note 27.

NOTE 17 TRADE AND OTHER PAYABLES

<i>In millions of euros</i>	12/31/2021	12/31/2020
Trade payables	239.5	207.1
Advances and deposits	25.3	13.9
Tax and social-security debts	317.9	327.4
Deferred income	84.0	68.7
Other payables	21.2	41.7
Other operating payables	448.5	451.7
Current tax payables^(a)	67.4	44.3
Debt to suppliers of non-current assets	32.5	21.9
Other	16.9	18.7
NON-OPERATING PAYABLES	49.3	40.5

(a) Current tax payables include the valuation of tax risks according to IFRIC 23. In accordance with this interpretation, the liabilities related to tax disputes and risks (excluding penalties and late-payment interest) are recorded in "Current tax payables" (see Note 15.4.2).

The details of the other liabilities related to customer contracts are presented in Note 10.

Operating and non-operating payables generally fall due within one year, except for certain deferred income. Other non-operating payables relate mainly to the fair value of derivative instruments carried in liabilities (€10.9 million in 2021 versus €10.5 million in 2020, see Note 27.2).

NOTE 18 SHARE-BASED PAYMENTS

18.1 Share-based payment and share grant plans

The transactions paid in shares concern the bioMérieux SA free share grant plans approved by the Ordinary and/or Extraordinary Shareholders' Meetings of May 30, 2017; May 17, 2018; May 23, 2019; June 30, 2020; and May 23, 2021.

A summary of these plans is presented below.

In accordance with IFRS 2 "Share-based Payment", the fair value of the benefits granted is expensed over the vesting period, with a corresponding increase in equity. The expense is based on the value of the underlying shares or options at the grant date, i.e. the date on which the list of beneficiaries was approved by the Board of Directors. The probability that the rights will vest is reviewed at the end of each reporting period and until the vesting date, to take into account whether the continuous employment and performance conditions have been met. Any changes are taken to income. At the end of the vesting period, the amount of the cumulative expense is adjusted on the amount effectively vested and held in a specific reserve account.

This account is liquidated if the rights are exercised or lapse.

When the share-based payment plan is settled in cash and cash equivalents, the fair value of the plan is updated at each balance sheet date during the vesting period. The counterparty of the expense recognized during the vesting period is recorded as a debt.

In accordance with IFRS 2 "Share-based Payment", the corresponding tax savings recognized in the parent company financial statements is allocated in the consolidated financial statements to the fiscal year during which the share-based payment expense is recognized.

18.2 Free share grant plans

Number of shares	Date on which plans opened				
	2017	2018	2019	2020	2021
Initial number of options granted	32,016	169,685	266,189	126,103	175,315
Options canceled	2,153	23,941	75,861	15,390	24,082
Number of shares remitted in FY 2021	29,863	110,744	0	0	0
Number of shares to be remitted as of December 31, 2021	0	35,000	190,328	110,713	151,233

Between 2017 and 2021, the Board of Directors granted restricted stock (out of existing shares) to certain employees and corporate officers.

These plans specify that shares will only be definitively assigned after a vesting period of between three and four years. The conditions for the acquisition of rights are related to presence conditions, and, for certain plans, the definitive acquisition of performance shares is subject to achieving objectives based on revenue and operating income or the achievement of specific objectives. The performance shares are no longer subject to a lock-up period if the vesting period is at least two years. The lock-up period may be waived for shares granted to non-French tax residents provided that the shares concerned are subject to a four-year vesting period.

In 2021, a net expense of €14.2 million was recognized in personnel costs due to compensation in shares, including the expenses related to employers' contributions (against a net expense of €11.8 million in 2020).

At December 31, 2021:

- regarding 441,921 free shares, the Company considered that the performance criteria were achieved;
- regarding 45,354 free shares, the Company considered that the performance criteria were not achieved.

At December 31, 2021, bioMérieux SA held 79,109 of its own shares for allocation under the above-described share grant plans. The Company would have to purchase a maximum of 362,812 additional shares at a cost of €45.3 million based on the share price at December 31, 2021.

The fair value of shares corresponds to the market price on the date of assignment of the plans.

18.3 Share-based payments delivered under cash and cash equivalents

In 2015, 2016 and 2017, the Group set up variable compensation plans in the United States indexed on the price of the bioMérieux share (phantom shares). This additional paid-in capital is comparable to allocation plans for share grants delivered under cash and cash equivalents. The impact on cash at December 31, 2021 was a disbursement of €35.6 million.

The impact on the profit & loss statement was an expense of €2 million in 2021 compared, versus €44 million in 2020.

As these plans expired in 2021, there was no liability left at December 31, 2021, versus a liability of €32.1 million at December 31, 2020.

18.4 Stock options plan

Description of the “MyShare” stock options plan

In 2021, eligible Group employees were able to participate in a restricted offering within an employee share ownership plan called “MyShare.” The offering was made in the form of a sale of treasury shares. The Group offered employees the opportunity to acquire shares at a discount and with a matching contribution, either directly or through a mutual fund. The sums invested are blocked for four or five years, except for early release provided by law, and may present a risk of capital loss. The main features of the plan are:

- a 30% discount on the reference price of the share, equal to the average opening price of bioMérieux shares over the twenty (20) trading days preceding May 3, 2021;
- a matching contribution by bioMérieux of 100% of the subscription up to €750 per employee;
- in return, the funds are blocked for a period of five years for French employees and four years for international employees.

Accounting effects

The subscription price of the MyShare plan is defined as the average opening price of bioMérieux shares over the twenty (20) trading days preceding May 3, 2021. The reference price, set at €108.58, is reduced by 30% to €76.01.

The accounting expense of the plan equals the difference between the fair value of the share subscribed and the subscription price. Fair value takes into account the non-transferability of the shares, i.e. Four years for international employees and five years for French employees.

The expense recognized under the plan of approximately €10 million reflects:

- €4.0 million for the cost of the bioMérieux matching contribution;
- €4.7 million of difference between the value of a non-transferable share and the subscription price and;
- payroll charges and miscellaneous expenses.

The value of a non-transferable share is calculated using the following assumptions. Risk-free interest rate: 0.1%, Refinancing rate per employee: 4.0%, and Share borrowing rate: 0.5%.

NOTE 19 OTHER OPERATING INCOME AND EXPENSES

<i>In millions of euros</i>	12/31/2021	12/31/2020
Net royalties received	2.7	3.5
Research tax credits	26.2	30.0
Research grants	5.5	3.1
Other	10.2	10.3
TOTAL	44.6	46.9

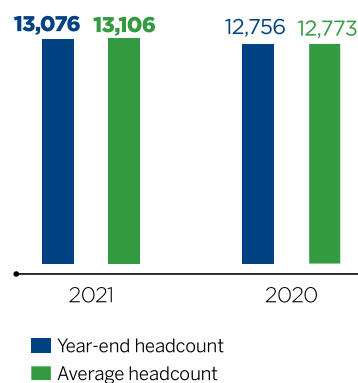
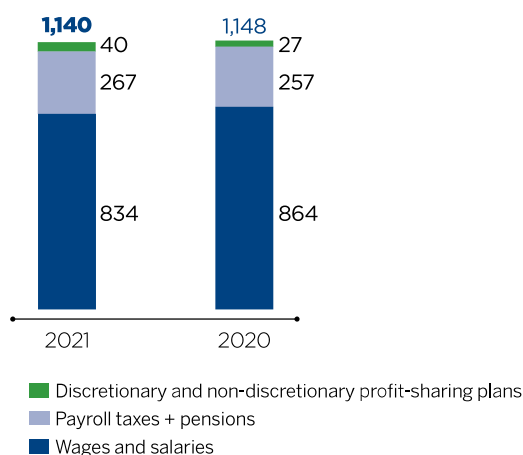
The other income related to customer contracts mainly corresponds to license fees received.

Research grants increased and included a €4.2 million subsidy received by Astute Medical Inc.

Other income mainly includes €5.6 million in rental income in the United States in Durham and €1.5 million in tax refunds in Brazil.

In accordance with IAS 20, bioMérieux presents research tax credits as a subsidy within other operating income.

NOTE 20 EMPLOYEE COSTS



At constant exchange rates, personnel costs were up compared to fiscal 2020. In addition, personnel costs in 2020 included the share of the fair value of the share-based compensation (phantom shares). These plans expired in 2021 (see Note 18.3).

Payroll taxes include amounts paid into defined contribution plans for €4.9 million.

The profit sharing only concerns bioMérieux SA.

NOTE 21 DEPRECIATION, AMORTIZATION AND PROVISIONS, NET

<i>In millions of euros</i>	12/31/2021	12/31/2020
Depreciation and amortization of non-current assets	247.8	228.4
Provisions	-1.7	15.7
Impairment of current assets	12.3	15.9
Impairment of non-current financial assets	-0.6	0.7
TOTAL	257.8	260.7

Depreciation and amortization expense includes €241.6 million shown within contributive operating income before non-recurring items and €16.9 million relating to the amortization of the fair value of assets recognized in relation to the acquisition of BioFire.

NOTE 22 NET FINANCIAL EXPENSE

22.1 Accounting principles

Financial income and expenses are shown on two separate lines:

- **“Cost of net financial debt,”** which includes interest expense, fees and foreign exchange gains and losses arising on borrowings, as well as income generated by cash and cash equivalents.
- **“Other financial income and expenses,”** net, which includes interest income on instruments sold under leasing agreement arrangements, the impact of disposals and writedowns of investments in non-consolidated companies, late-payment interest charged to customers, discounting gains and losses, and the ineffective portion of currency hedges on commercial transactions.

22.2 Cost of net financial debt

<i>In millions of euros</i>	12/31/2021	12/31/2020
Financial expenses ^(a)	-6.6	-22.3
Currency hedging derivatives	3.1	0.8
Foreign exchange gains (losses)	-1.1	-0.7
Interest on leasing debt	-2.5	-2.6
TOTAL	-7.1	-25.0

(a) The change between the two years is due to the unwinding of the former bond issue, which was repaid in the second half of 2020, and to the recognition of an additional debt to the BPI in 2020 (a debt which did not change significantly in 2021).

Financial expenses mainly include interest on the bond issue.

22.3 Other financial income and expenses

<i>In millions of euros</i>	12/31/2021	12/31/2020
Interest income on leased assets	1.7	1.5
Disposals and writedowns of non-consolidated companies	0.6	-0.6
Currency hedging derivatives ^(a)	-6.3	-5.8
Other	1.3	1.4
TOTAL	-2.7	-3.5

(a) Corresponds to the swap point effect of forward sales and the effect of the time value of currency options, for which the Group has not left itself the option to treat them as hedging cost.

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

22.4 Foreign exchange gains (losses)

Foreign exchange gains and losses result from differences between the transaction exchange rate and the settlement rate (or the year-end rate if the payment has not yet been made). These differences only partially reflect the impact of currency fluctuations.

The transaction exchange rate is the rate prevailing on the date the transaction takes place. The settlement exchange rate is

either the rate in effect on the date of payment or the hedging rate (excluding time value) if a currency hedge was set up for the transaction.

Foreign exchange gains and losses on commercial transactions are recognized under the relevant headings in the profit & loss statement. The foreign exchange gains and losses impacted the profit & loss statement in the following manner:

<i>In millions of euros</i>	12/31/2021	12/31/2020
Revenue	-0.2	-0.3
Cost of sales	-11.4	0.9
Financial items	-1.1	-0.7
TOTAL	-12.6	-0.2

NOTE 23 DEPRECIATION AND AMORTIZATION OF ASSETS FROM THE BIOFIRE ACQUISITION

In order to improve the understanding of operating income and due to the transaction's scale, costs relating to the acquisition of BioFire Diagnostics and BioFire Defense – consolidated for the first time at June 30, 2014 – are shown on a separate line of operating income before non-recurring items.

This line now comprises the depreciation and amortization of the assets acquired and valued during the purchase price allocation (technologies) for €16.9 million at the end of December 2021.

Over the 2020 fiscal year, the amount of depreciation of acquired assets stood at €17.5 million.

The difference between the two years is attributable to the currency impact.

NOTE 24 OTHER NON-RECURRING INCOME AND EXPENSES FROM OPERATING ACTIVITIES

24.1 Accounting principles

Other non-recurring income and expenses from operations, net are items that are "material, extraordinary and non-recurring." They are presented on a separate line of the income statement in order to give a clearer picture of the Group's routine business performance. They chiefly include material amounts of net proceeds from disposals of non-current assets (other than instruments), restructuring costs and impairment losses (see Note 5).

Restructuring costs (which include the cost of severance payments) correspond to the expenses recognized when the Group officially announces the closure of a facility or a scaling down of operations in the ordinary course of business, as well as subsequent adjustments made to reflect the actual costs incurred.

24.2 Change

As of December 31, 2021, non-recurring operating income and expenses from operations were not material.

As reported before, for the year ended December 31, 2020, other non-recurring operating income and expenses were €42.2 million and reflected extraordinary corporate giving related to the COVID-19 pandemic as well as the initial endowment to the bioMérieux endowment fund created in December 2020 to support social action.

NOTE 25 CURRENT AND DEFERRED INCOME TAX

25.1 Accounting principles

The income tax expense for the period comprises current and deferred tax.

Tax credits (excluding research tax credits (see Note 3.2)) are presented as a reduction from income tax expense.

Deferred taxes are recognized using the liability method for all temporary differences arising between the tax bases of assets and liabilities. These differences arise in particular from:

- temporary differences between the recognition of certain income and expense items for financial reporting and tax purposes (e.g., non-deductible provisions, employee profit-sharing, etc.);
- consolidation adjustments (e.g., accelerated depreciation, provisions, elimination of internal gains included in inventories and non-current assets, etc.);
- forecast withholding tax on dividend payments planned for the following year;
- calculation of the fair value of assets and liabilities relating to companies acquired.

Changes in deferred tax are recognized in profit/loss or in other comprehensive income, according to the recognition of the underlying restatement.

Deferred taxes are calculated using the liability method based on the probable dates of payment. They are recognized at the enacted tax rate (or nearly enacted rate) for their nominal value without discounting.

Deferred tax assets arising from temporary differences are only recognized to the extent that they can be utilized against future deductible temporary differences, or where there is a reasonable probability of their utilization or recovery against future taxable income. In practice, and notably in the case of tax loss carryforwards, this rule is applied based on budget forecasts approved by management using a maximum time horizon of two years. The calculation of deferred taxes takes account of tax provisions applicable for tax loss carryforwards (utilization ceilings, etc.).

Deferred taxes on the balance sheet are presented as a net position by tax entity, on both sides of the consolidated balance sheet. Deferred tax assets and liabilities are offset only to the extent that bioMérieux has a legally enforceable right to offset current tax assets and liabilities, and to the extent that the deferred tax assets and liabilities relate to taxes in the same tax jurisdiction.

25.2 Analysis of income tax expense

<i>In millions of euros</i>	12/31/2021		12/31/2020	
	Tax	Rate	Tax	Rate
Theoretical tax at standard French tax rate	220.0	28.4%	167.9	32.0%
• Impact of income tax at reduced tax rates and foreign tax rates	-27.3	-3.5%	-38.9	-7.4%
• Impact of permanent differences	-10.3	-1.3%	-0.2	0.0%
• Impact of tax on the payment of dividends	2.4	0.3%	0.7	0.1%
• Deferred tax assets not recognized on tax losses carried forward	0.8	0.1%	1.6	0.3%
• Impact of research tax credits presented in operating income	-6.9	-0.9%	-8.6	-1.6%
• Tax credits (other than research tax credits)	-2.7	-0.4%	-1.0	-0.2%
• Use of previously unrecognized tax assets	-0.4	-0.1%	0.0	0.0%
ACTUAL INCOME TAX EXPENSE	175.6	22.7%	121.5	23.2%

The basic corporate income tax rate in France is 28.41%, lower than in 2020 (32.02%).

The Group's effective tax rate at December 31, 2021 stood at 22.7%, as against 23.2% at end-2020.

In 2021, the Group's effective tax rate continued to benefit from the Foreign-Derived Intangible Income (FDII) deduction in the United States which amounted to €12.5 million. The increase in this benefit was due to the sharp rise in export revenue in the United States. The effective tax rate was also impacted in 2021 by:

- the positive effects of a discount for non-transferability on the employee share ownership plan of €1.8 million and adjustments to prior years of €1 million and;
- the negative impact of provisions for tax risks of €2.3 million.

These non-recurring effects had no impact on the Group's effective tax rate, since they offset each other.

As previously reported, the Group's effective tax rate in 2020 benefited from the Foreign-Derived Intangible Income (FDII) deduction in the United States, which represented a tax saving of €7.5 million.

The rate was also significantly impacted by:

- the favorable outcome of the tax dispute in Italy: an amicable agreement was reached in September 2020 between the competent Italian and French authorities under the MAP

(Mutual Agreement Procedure), initiated by the Group in respect of fiscal years 2009 and 2010. Accordingly, some provisions were reversed, generating a positive impact on the effective tax rate of €3.7 million;

- the negative impact of the exceptional charitable contributions and initial endowment to the bioMérieux endowment fund in France (negative impact on the effective tax rate of €8.9 million). Extraordinary corporate giving (in France, €15.9 million euros of extraordinary giving, in addition to the €7.3 million budgeted for the usual sponsorship activities) and the initial endowment to the endowment fund (€20 million) did not in fact make it possible to benefit from a tax income since:
 - donations are not tax deductible,
 - the tax deduction for charitable contributions is capped at a percentage of revenue and is therefore limited to a portion of donations.

Restated for these two non-recurring effects, the effective tax rate of the Group was 22.3% in 2020.

The income tax expense breaks down as follows:

<i>In millions of euros</i>	12/31/2021	12/31/2020
Current tax	181.4	129.1
Deferred tax	-5.8	-7.6
TOTAL	175.6	121.5

25.3 Change in deferred tax

<i>In millions of euros</i>	12/31/2021	12/31/2020
TOTAL NET DEFERRED TAX ASSETS/(LIABILITIES) AT BEGINNING OF YEAR	-33.2	-42.2
Translation differences	-3.9	2.8
Changes in the scope of consolidation ^(a)	1.4	0.0
Movements recognized in income	4.0	7.7
Other comprehensive income	-0.3	-1.0
Other movements	-0.1	-0.5
TOTAL NET DEFERRED TAX ASSETS / (LIABILITIES) AT YEAR END	-32.0	-33.2

(a) Related to the acquisition of Banyan Biomarkers – see Note 1.1

On the asset side, deferred taxes result mainly from:

- temporary differences due in particular to the non-deductibility of certain provisions and the elimination of internal margins on inventories;
- other comprehensive income items corresponds to fair value adjustments to financial instruments (€0.7 million in 2021) and deferred taxes on actuarial gains and losses relating to post-employment benefit obligations (-€1.0 million in 2021).

As of December 31, 2021, unrecognized deferred tax assets, largely for tax losses, amounted to €25.8 million. They represent a potential tax saving of €7.0 million.

As of December 31, 2020, unrecognized deferred tax assets, largely for tax losses, amounted to €26.3 million. They represented a potential tax saving of €7.5 million.

On the liabilities side, deferred taxes arise mainly from the recognition at fair value of fixed assets, mainly from the US tax consolidation group (€48.2 million) and Hybiome (€6.8 million).

NOTE 26 FEES OF STATUTORY AUDITORS

<i>In thousands of euros</i>	12/31/2021							12/31/2020						
	Ernst & Young		Grant Thornton		Other	Total	Ernst & Young		Grant Thornton		Other	Total		
Statutory audit	1,163	93%	604	100%	228	60%	1,996	1,152	90%	603	98%	207	100%	1,962
• bioMérieux SA	169	13%	165	27%			334	161	13%	158	26%		0%	318
• fully consolidated subsidiaries	994	79%	439	73%	228	60%	1,661	991	77%	446	73%	207	100%	1,644
Services other than statutory audit	93	7%	1	0%	132	35%	226	130	10%	11	0%			130
Audit	1,256	100%	605	100%	361	95%	2,222	1,282	100%	614	100%	207	100%	2,103
Legal, tax, labor-related services	0	0%	0	0%	21	5%	21	0	0%	0	0%	0		0
Other	0	0%	0	0%	0	0%	0	0	0%	0	0%	0		0
Other services	0	0%	0	0%	21	5%	21	0	0%	0	0%	0	0%	0
TOTAL	1,256	100%	605	100%	381	100%	2,243	1,282	100%	614	100%	207	100%	2,103

NOTE 27 FINANCIAL INSTRUMENTS: FINANCIAL ASSETS AND LIABILITIES

27.1 Recognition and measurement of financial instruments

Financial instruments include financial assets, financial liabilities and derivatives (swaps, forward contracts, etc.).

Financial instruments appear under several headings in the balance sheet: non-current financial assets, other non-current assets, trade receivables, other receivables and other payables (e.g. changes in the fair value of derivatives), short-term and long-term borrowings, trade payables, cash and cash equivalents.

Financial assets

The IFRS 9 standard breaks down the financial assets into three categories. These categories are described in Note 7 "Non-current financial assets."

Current financial assets (excluding assets related to derivatives) are only assets valued at amortized cost.

Financial liabilities

Borrowings are recognized at amortized cost, with the exception of debts on price supplements, revalued at each closure at their fair value as defined contractually.

Other financial liabilities included in the other sections of current and non-current liabilities mainly concern trade payables, and are recognized at amortized cost, which in practice corresponds to their cost.

For information, the only liabilities having a material financing component are the commitments for retirement benefits and liabilities related to termination benefits in Italy.

Reclassifications of financial assets and liabilities

There were no reclassifications of financial assets and liabilities over the fiscal years presented between the various categories presented above.

Derivative instruments

The Group has set up interest-rate and foreign exchange hedging instruments that meet the definition of hedges as specified in IFRS 9 and coherent with its general policy on risk management (hedging relationship clearly defined and documented at the date of establishment of the hedge, demonstrated efficiency, eligible hedging instrument, and no dominant credit risks).

In practice, the hedging instruments mainly correspond to simple products covering a single risk (swaps, forward sales, and options), for which the main characteristics (reference rates and interest payment dates) back the items covered.

The hedging instruments are recognized originally at their fair value. They are subsequently remeasured to fair value at year-end and are recorded in the balance sheet under "Non-operating receivables" and "Non-operating payables." Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (IFRS 13). The fair value of currency derivatives is determined using standard market valuation techniques based on observable market data (interest rates, exchange rates, observable implied volatility). Fair value generally corresponds to a level 2 of fair value.

Accounting for changes in their fair value depends on the type of derivative concerned and whether there is a hedging relationship, and if so what type of hedge is involved:

- fair value gains and losses on derivatives not qualifying as hedging instruments are recognized in the consolidated income statement. Fair value gains and losses on derivatives qualifying and used as cash flow hedges (i.e. hedges of foreign currency receivables and payables) are recognized in full in the consolidated income statement on a symmetrical basis with the loss or gain on the hedged item;
- fair value gains and losses on derivatives qualifying and used as cash flow hedges (i.e. hedges of future commercial transactions in foreign currencies, mainly in the form of forward transactions) are recognized directly in other comprehensive income for the effective portion, and in the income statement for the non-effective portion (mainly the time value of money in the case of currency forward transactions). Amounts recognized under other comprehensive income are reclassified to income in the same period(s) during which the hedged forecast cash flows affect income.

Presentation of financial assets and liabilities at fair value through income

In accordance with IFRS 13, financial instruments are presented in one of the three levels (see Note 27.2) of the fair value hierarchy:

- level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2: market inputs for the asset or liability that are observable either directly (e.g., adjusted level 1 quoted prices), or indirectly (e.g., inputs derived from quoted prices);
- level 3: non-market inputs for the asset or liability that are not observable (e.g. price on an inactive market or valuation based on multiples for unlisted securities).

27.2 Change

The breakdown of financial assets and liabilities according to the categories specified by the IFRS 9 standard “non-accounted” categories (see Note appendix 27.1), and the comparison between the accounting values and fair values, are given in the table below (excluding tax and social-security debts or receivables):

In millions of euros	December 31, 2021						
	Financial assets at fair value through profit or loss (excl. derivatives)	Shares in non-consolidated companies with change in fair value by other components of comprehensive income	Receivables and borrowings at amortized cost	Derivative instruments	Book value	Fair value	Level
Financial assets							
Shares in non-consolidated companies		33.6			33.6	33.6	1 – 3
Other non-current financial assets			27.5		27.5	27.5	-
Other non-current assets			12.6		12.6	12.6	-
Derivative instruments (positive fair value)				7.5	7.5	7.5	2
Trade receivables			590.6		590.6	590.6	-
Other receivables			28.2		28.2	28.2	-
Cash and cash investments	803.5				803.5	803.5	1
TOTAL FINANCIAL ASSETS	803.5	33.6	658.9	7.5	1,503.5	1,503.5	
Financial liabilities							
Bond issue ^(a)			199.6		199.6	199.6	1
Other financing facilities			163.2		163.2	163.2	2
Derivative instruments (negative fair value)				10.9	10.9	10.9	2
Borrowings – current portion			99.7		99.7	99.7	2
Trade payables			239.5		239.5	239.5	-
Other current liabilities			163.0		163.0	163.0	-
TOTAL FINANCIAL LIABILITIES	-	-	865.0	10.9	875.9	875.9	

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

Levels 1 to 3 correspond to the fair value hierarchy as defined by IFRS 13 (see Note 27.1).

In practice, financial assets and liabilities at fair value essentially concern certain securities, cash investments and derivative instruments. In other cases, fair value is shown in the table above for information purposes only.

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

No reclassification among the different categories was done in 2021 except for the reclassification from category 2 to 1 of the bond issue in the absence of an exchange listing.

None of the Group's financial assets has been pledged as collateral.

Impairment losses recorded against financial assets primarily relate to write-offs of trade receivables (see Note 9) and non-current financial assets (see Note 7).

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

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

Movements in financial instruments whose fair value was determined using level 3 inputs under IFRS 13 (see Note 27.1) at December 31, 2021 were as follows:

<i>In millions of euros</i>		Shares in non-consolidated companies
DECEMBER 31, 2019		27.1
Change from level 3 to 2		
Gains and losses recognized in income		
Gains and losses recognized in other comprehensive income		
Acquisitions		9.3
Disposals		
Changes in Group structure, translation adjustments		
DECEMBER 31, 2020		36.5
Change from level 3 to 2		
Gains and losses recognized in income		
Gains and losses recognized in other comprehensive income		
Acquisitions		0.0
Disposals		-0.2
Changes in the scope of consolidation, translation adjustments ^(a)		-6.8
DECEMBER 31, 2021		29.5

(a) Refers mainly to Banyan (see Note 1.1).

NOTE 28 RISK MANAGEMENT

28.1 Exchange rate risk

28.1.1 Group policy

Since more than two-thirds of the Group's operations are conducted outside the eurozone, its revenue, results and balance sheet may be affected by fluctuations in exchange rates between the euro and other currencies. Revenue is particularly affected by movements in exchange rates between the euro and the US dollar (about 46% of revenue in 2021) and, more occasionally, other currencies.

However, given the Group's significant presence in the United States, certain operating expenses are settled in dollars, thereby mitigating the impact of fluctuations in the dollar on operating income.

Currencies other than the euro and the dollar represent 31% of the Group's revenue. However, as costs incurred in these other occurrences are limited, the Group's operating income is greatly exposed to fluctuations in these currencies. This exposure is spread over approximately 20 currencies, none of which accounts for more than 7% of the Group's revenue. This exposure thus becomes significant only if several of the currencies concerned fluctuate against the euro in the same direction, without any set-off.

The Group's current policy is to seek to hedge the impact of exchange rate fluctuations on budgeted net income. According to their availability and cost, the Group may make use of hedging instruments to limit the risks related to the fluctuation of exchange rates. Its current practice is to set up global hedges covering similar risks. Hedging contracts are purchased to cover transactions included in the budget and not for speculative purposes.

Distribution subsidiaries are currently mainly billed in their local currencies by manufacturing entities (except where prohibited by law), so that currency risks can be managed at Corporate level for these latter.

Whenever possible, the Group hedges currency risks arising on debt denominated in currencies other than those of the country in which operations are located, so as to offset any foreign currency translation risks. However, when these hedges are extended during the loan transaction, the Group recognizes foreign exchange gains or losses when the hedges are unwound and simultaneously re-contracted. These gains and losses cancel each other out over the term of the loan, but may be material in a given fiscal year.

In addition to having an impact on the Group's net income, exchange rate fluctuations can affect its equity; due to its worldwide presence, many of its assets and liabilities are recorded in US dollars or in other foreign currencies. To date, the Group does not hedge these exchange rate risks on its net assets.

Hedges consist mainly of forward currency sales and purchases and options (maturing within 12 months at December 31, 2021). Detailed information on hedging transactions is provided in Note 28.1.3.

The Group has not identified any material increase in risks related to the COVID-19 pandemic (liquidity risk, credit risk, etc.).

28.1.2 Exposure of revenue to exchange rate risk

<i>In millions of euros</i>	12/31/2021		12/31/2020	
Eurozone	806	24%	760	24%
Other currencies				
Dollars ^(a)	1,555	46%	1,506	48%
Renminbi	233	7%	207	7%
Indian rupee	78	2%	67	2%
Pound sterling	82	2%	65	2%
Japanese yen	86	3%	64	2%
Canadian dollar	64	2%	58	2%
South Korean won	42	1%	39	1%
Australian dollar	35	1%	31	1%
Brazilian real	32	1%	28	1%
Other currencies	363	11%	311	10%
SUB-TOTAL	2,570	76%	2,377	76%
TOTAL	3,376	100%	3,118	100%
Sensitivity	-26		-24	

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

The sensitivity analyzed above shows the impact on revenue of a 1% increase in the euro exchange rate against all currencies.

Consolidated equity

A 10% increase in the euro exchange rate against all currencies would have had the following effect:

	12/31/2021	12/31/2020
Net income	-80.7	-54.0
Equity ^(a)	-230.2	-176.0

(a) Translated at the year-end (closing) exchange rate.

Exposure of assets and liabilities

The table below shows the US dollar and the four main currencies to which the Group is exposed at December 31, 2021:

<i>In millions of currency units</i>	USD	CNY	CAD	JPY	GBP
Assets denominated in foreign currencies	49	388	25	2,156	14
Liabilities denominated in foreign currencies	-8	-12	0	-1	-3
Net exchange exposure before hedging	40	376	25	2,156	11
Impact of hedging	7	85	3	1,020	4
Net exchange exposure after hedging	33	290	22	1,136	7
<i>In millions of euros</i>					
Net exchange exposure after hedging	29	40	16	9	9
SENSITIVITY	-2.6	-3.7	-1.4	-0.8	-0.8

The sensitivity analyzed above shows the impact of a 10% increase in the exchange rate on the net foreign exchange exposure at December 31, 2021, taking into account hedging transactions.

Exposure of borrowings

The Group's borrowings vis-à-vis third parties are mostly denominated in euros.

The Group's policy is to prefer inter-company financing in the currency of the subsidiary; these loans are generally hedged by currency swap contracts. When it is difficult for the Group to grant loans to its foreign subsidiaries, the subsidiaries borrow from leading banks in their local currency.

28.1.3 Hedging instruments

As part of the currency hedging policy, the following currency hedging instruments were in effect at December 31, 2021:

Currency hedge at December 31, 2021 <i>In millions of euros</i>	Maturities		2021 Market value ^(a)
	< 1 year	1-5 years	
Hedges of existing commercial transactions			
• Currency forward contracts	142.3	0.0	-0.4
• options	0.0	0.0	0.0
TOTAL	142.3	0.0	-0.4
Hedges of future commercial transactions			
• Currency forward contracts	527.6	0.0	-4.4
• options	13.5	0.0	-0.2
TOTAL	541.1	0.0	-4.6
Derivatives not qualifying as hedges	20.4	0.0	0.0
TOTAL	20.4	0.0	0.0

(a) Difference between the hedging price and the market price at December 31, 2021.

Currency hedges in effect at December 31, 2020 were as follows:

Currency hedge at December 31, 2020 <i>In millions of euros</i>	Maturities		2020 Market value ^(a)
	< 1 year	1-5 years	
Hedges of existing commercial transactions			
• Currency forward contracts	63.8	0.0	-0.6
• options	0.0	0.0	0.0
TOTAL	63.8	0.0	-0.6
Hedges of future commercial transactions			
• Currency forward contracts	458.9	0.0	-1.4
• options	2.2	0.0	0.0
TOTAL	461.1	0.0	-1.4

(a) Difference between the hedging price and the market price at December 31, 2020.

There were no net investment hedges of foreign operations at December 31, 2021.

All of the currency forward contracts and options outstanding at December 31, 2021 had maturities of less than 12 months.

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

<i>In millions of euros</i>	Category of the hedge	Notional hedge amount at closing	Fair value of the hedging instrument at closing		Change in the fair value of the hedging instrument over the fiscal year	
			assets	shareholders' equity and liabilities	of which portion recognized as net income	of which portion recognized in other comprehensive income
FAIR VALUE HEDGE						
EUR interest rate risk						
Debt in EUR	interest rate swap rate					
Debt in EUR	Rate options				0.9	-2.3
Exchange rate risk						
Trade receivables in currencies	forward sales	142.3		-0.4		
Trade debts in currencies	forward purchases					
Trade receivables in currencies	options					
Financial receivables in currencies	forward sales	47.1		-0.2		
Borrowings in currencies	forward purchases	422.5	1.5			
CASH FLOW HEDGING						
EUR interest rate risk						
Debt in EUR	interest rate swap rate					
USD interest rate risk						
Loan in \$	cross currency swap					
Exchange rate risk						
Future commercial sales in currencies	forward sales	527.6		-4.4		
Future commercial purchases in currencies	forward purchases					
Future commercial sales in currencies	options	13.5	-0.2			
DERIVATIVES NOT QUALIFYING AS HEDGES						
	forward sales	20.4		-0.0		

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

28.2 Credit risk

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

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

The impact of the COVID-19 pandemic on credit risk in 2021 was not material.

The policy of the Group in terms of writing down trade receivables is described in Note 9.

28.3 Liquidity risk

Financial liabilities due in less than one year and in more than one year are classified in the balance sheet as current and non-current liabilities, respectively.

The Group is not exposed to liquidity risk on its current financial assets and liabilities since its total current financial assets far exceed its total current financial liabilities.

Accordingly, the only maturity schedule disclosed pertains to net debt (see Note 16.4).

The impact of the COVID-19 pandemic on liquidity risk in 2021 was not material.

The table below shows the projected cash flows from the new private placement (divided into two tranches), the property lease agreement and contractual interest payments at December 31, 2021:

<i>In millions of euros</i>	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
EuroPP 7 years ^(a)	-2.2	-8.7	-147.2
EuroPP 10 years ^(a)	-1.0	-4.2	-59.2
CBI (including VAT)	-4.6	-18.6	-8.1

(a) Contractual flows of principal and interest.

28.4 Interest rate risk

28.4.1 Exposure to interest rate risks

As part of its interest rate risk management policy aimed primarily at managing the risk of an increase in interest rates, the Group splits its debt between fixed and floating interest rates.

A fixed-rate bond issue was set up in 2020 for €199.6 million, of which €145 million redeemable in seven years with an annual coupon of 1.5%, and €55 million redeemable in 10 years with an annual coupon of 1.902%. This financing is therefore not backed by any hedging mechanism.

An indexed variable-rate property lease financing agreement for an original notional amount of €44.4 million was put in place in 2016 to finance Campus de l'Etoile. This financing is not backed by any hedging mechanism. The principal outstanding at December 31, 2021 was €25.4 million.

28.5 Counterparty risk

At present, the Group is not exposed to any material credit risk. As indicated above, the public health crisis has had no material impact on credit risk. At December 31, 2021 as also at December 31, 2020, investments were solely in short-term instruments, with a net asset value calculated daily.

The Group's financial transactions (credit facilities, financial market transactions, financial investments, etc.) are with leading banks and are spread among all of its banking partners in order to limit counterparty risk.

28.4.2 Hedging instruments and sensitivity

Sensitivity of net income to changes in the cost of net debt attributable to fluctuations in short-term interest rates

The impact on the cost of debt (calculated on a full-year basis) resulting from changes in net debt at year-end attributable to fluctuations in short-term interest rates, including the impact of interest rate hedging, was not significant.

No IFRS 13 adjustments were therefore applied to financial assets in respect of the risk of non-collection.

Also in the context of IFRS 13, an analysis was carried out to assess the credit risk related to the fair value of financial instruments. Counterparty risk was not considered material, given the short-term maturity (less than one year) of the Group's currency hedges at December 31, 2021, and the rating of bioMérieux's banking counterparties.

NOTE 29 OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments have not changed significantly since December 31, 2020 (see Note 29 to the consolidated financial statements for the year ended December 31, 2020), with the exception of those made to Specific Diagnostics. In view of the recent distribution agreement (see Note 1.2.3), bioMérieux made a minimum purchase commitment of approximately €16 million over the term of the agreement.

Outstanding commitments given or received at December 31, 2021 are described below:

29.1 Off-balance sheet commitments relating to Group companies

The Group is subject to a number of earn-out clauses relating to acquisitions and disposals. At the closing date, it was not deemed probable that these clauses would be triggered, or that the amount involved could be reliably estimated.

29.2 Off-balance sheet commitments relating to the Company's financing

- Commitments related to borrowings are described in Note 16.3.
- Commitments related to derivative instruments are described in Note 27.

29.2.1 Commitments given

- Bank guarantees given by the Group in connection with bids submitted totaled €150 million at December 31, 2021.

29.2.2 Commitments received

- At December 31, 2021, bioMérieux SA had an undrawn syndicated credit facility of €500 million, which was amended in 2018, bringing its maturity to January 2024 (five years with an option for two one-year extensions, one of which has not been exercised – see Note 16.2).

29.3 Off-balance sheet commitments relating to the Group's operating activities

29.3.1 Commitments given

- bioMérieux Inc. and bioMérieux SA are parties to various agreements that provide for payments based on progress in corresponding research projects or a minimum volume of sales (€1.2 million).
- Under the free share grant plans approved by the Board of Directors of bioMérieux SA, which holds 79,109 shares as coverage, would need to purchase 362,812 additional shares if all promised shares were allocated. This commitment represents an amount of €45.3 million based on the share price at December 31, 2021.
- In China, bioMérieux Suzhou Biotech has committed €22.9 million to suppliers in connection with the construction of its new plant.
- In China, Hybiome has committed €40.3 million to banking institutions.
- Other commitments given (endorsements, sureties and guarantees excluding firm rental commitments) amounted to €3.2 million. bioMérieux SA committed to invest €0.1 million in a round of equity funding by ATI.

29.3.2 Commitments received

- Other commitments received amount to €5.9 million.

NOTE 30 TRANSACTIONS WITH RELATED PARTIES

30.1 Compensation of members of administrative, management and supervisory bodies

Members of the Company's administrative, management and supervisory bodies (the Board of Directors and the Executive Committee) were paid an aggregate €10.6 million in compensation during the 2021 fiscal year.

Executive compensation <i>In millions of euros</i>	2021	2020
Fixed compensation	3.4	3.3
Variable compensation	3.9	2.1
Pensions	0.0	0.0
Benefits-in-kind	0.2	0.2
Free shares	3.1	2.0
Compensation allocated to directors	0.1	0.0
Termination benefits	0.0	2.3
TOTAL	10.6	9.9

30.2 Other transactions with non-consolidated affiliates

- The Institut Mérieux, which held 58.9% of bioMérieux SA at December 31, 2021, provided €11.8 million in services and research for the bioMérieux Group over the fiscal year, of which €3.3 million was re-invoiced to bioMérieux Inc., and €4.2 million to BioFire. bioMérieux Group companies re-invoiced €1.8 million to the Institut Mérieux for expenses incurred on its behalf (bioMérieux SA for €1.3 million and bioMérieux India for €0.5 million).
- During 2021, the Group supplied €14.1 million worth of reagents and instruments to entities of the Mérieux NutriSciences Corp. Group, in which Institut Mérieux holds a majority interest.
- Théra Conseil, 99.2% owned by Institut Mérieux, billed bioMérieux SA €1.3 million for services in 2021.
- bioMérieux SA contributed €2.0 million to the Fondation Christophe et Rodolphe Mérieux for humanitarian projects.
- ABL, 99.5% owned by Institut Mérieux, invoiced bioMérieux SA for €1.9 million of raw materials in fiscal year 2021. Conversely, bioMérieux Inc. re-invoiced ABL Inc. for €2.6 million. In addition, ABL received a \$1.4 million loan from bioMérieux Inc.
- During financial 2021, bioMérieux SA invoiced €2.4 million of services to Mérieux Université, in which it held 40% ownership, the remaining 60% held by the Institut Mérieux (40%) and Mérieux NutriSciences (20%). Conversely, it paid €4.9 million to Mérieux Université for training fees.

NOTE 31 SUBSEQUENT EVENTS

ARPEGE

On January 6, 2022, bioMérieux announced its participation in the French multidisciplinary consortium ARPEGE (AppRoche théraPeutique Économique & diaGnostique de l'antibiorésistancE), whose goal is to develop a set of solutions strengthening the ability of healthcare facilities to fight antibiotic resistance.

Tax dispute and mutual agreement procedure (MAP) in Italy

On February 9, 2022, bioMérieux Italy received notices of assessment relating to the period 2004-2007, including those from the MAP, for €12 million.

Sale of a building in the United States

In January 2022, a building in the United States was sold for \$10 million (see Note 13).

Russia's military offensive against Ukraine

Given bioMérieux's limited activities in Russia, Belarus and Ukraine (around 1% of revenue and around 2% of contributive operating income before non-recurring items), the Group does not expect any significant negative consequences linked to the war or as a result of the sanctions imposed on Russia by various countries (export restrictions, airspace ban and potential closure of interbank communication systems).

NOTE 32 CONSOLIDATION

bioMérieux is a fully consolidated entity of Compagnie Mérieux Alliance (17 rue Bourgelat, 69002-Lyon, France).

NOTE 33 LIST OF CONSOLIDATED COMPANIES AT DECEMBER 31, 2021

Changes in the scope of consolidation during the 2021 fiscal year are described in Note 1.1.

		2021 ^(a)	2020	2019
bioMérieux SA	69280 Marcy l'Étoile – France R.C.S. Lyon B 673 620 399			
AB bioMérieux	Dalvägen 10 169 56 Solna, Stockholm – Sweden	100%	100%	100%
ABG STELLA	1105 N Market St Suite 1300 Wilmington, Delaware 19801 – USA			100%
AES Canada Inc.	500 boul. Cartier Ouest, suite 262 H7V 5B7 Laval, QC – Canada			100%
Applied Maths Inc.	11940 Jollyville Road, Suite 115N Austin, Texas 78759 – USA	100%	100%	100%
Applied Maths NV	Keistraat 120 9830 Sint-Martens-Latem Belgium	100%	100%	100%
Astute Medical Inc.	3550 General Atomics Court Building 02/620 San Diego, CA 92121 – United States	100%	100%	100%
Bacterial Barcodes Inc.	425 River Road – Athens – GA 30602 – USA			100%
Banyan Biomarkers Inc.	16470 West Bernardo Drive, Suite 100 San Diego, California 92127	100%		
BioFire Defense Inc.	1209 Orange Street Wilmington, DE 19801 – USA	100%	100%	100%
BioFire Diagnostics LLC	1209 Orange Street Wilmington, DE 19801 – USA	100%	100%	100%
bioMérieux South Africa	1 st Floor, 44 on Grand Central, 1 Bond Street, cnr Grand Central Boulevard, Midrand 1682 – South Africa	100%	100%	100%
bioMérieux West Africa	Avenue Joseph Blohorn – 08 BP 2634 Abidjan 08 – Côte d'Ivoire	100%	100%	100%
bioMérieux Algeria	Bois des cars 2 – Lot 11 1 st floor – 16302 Dely Ibrahim Algiers – Algeria	100%	100%	100%
bioMérieux Germany	Weberstrasse 8 – D 72622 Nürtingen – Germany	100%	100%	100%
bioMérieux Argentina	Edificio Intecons – Arias 3751 3 rd floor – C1430CRG Buenos Aires – Argentina	100%	100%	100%
bioMérieux Asia Pacific Pte Ltd.	11 – Biopolis Way, Helios, Unit #10-05 138667 – Singapore	100%	100%	100%
bioMérieux Australia	Unit 25B, Parkview Business Centre – 1 Maitland Place Baulkham Hills NSW 2153 – Australia	100%	100%	100%
bioMérieux Austria	Eduard-Kittenberger-Gasse 95-B, A-1230 Vienna – Austria	100%	100%	100%
bioMérieux Belgium	Media Square - 18-19 Place des Carabiniers 1030 Brussels - Belgium	100%	100%	100%
bioMérieux Benelux BV	Regus - Amersfoort A1, Databankweg 26, 3821 AL Amersfoort – Netherlands	100%	100%	100%
bioMérieux Brazil	Estrada Do Mapuá, 491 Jacarepaguá – CEP 22713 320 Rio de Janeiro – RJ – Brazil	100%	100%	100%
bioMérieux Canada	7815 boulevard Henri Bourassa – West – H4S 1P7 Saint Laurent (Quebec) – Canada	100%	100%	100%
bioMérieux Chile	Seminario 131 – Providencia – Santiago – Chile	100%	100%	100%
bioMérieux China	19/Floor Billion Plaza 8 Cheung Yue Street – Kowloon – Hong Kong	100%	100%	100%
bioMérieux Colombia	Carrera 7N° 127-48 – Oficina 806 – Bogota DC – Colombia	100%	100%	100%
bioMérieux Korea	1 st & 2 nd floor Yoo Sung Building #830-67, Yeoksam-dong, Kangnam ku – Seoul – South Korea	100%	100%	100%

		2021 ^(a)	2020	2019
bioMérieux CZ	Hvezdova 1716/2b – Praha 4 – 140 78 – Czech Republic	100%	100%	100%
bioMérieux Denmark	Lautruphøj 1-3, DK– 2750, Ballerup – Denmark	100%	100%	100%
bioMérieux Egypt	Room 2, Unit 23, 2 nd Floor, Star Capital Tower A2, Citystars, Heliopolis, Cairo, Egypt	100%	100%	100%
bioMérieux Egypt Distribution Co. LLC	Room No. 2, Unit No. 23, 2 nd Floor, Tower 2A, Star Capital, City Stars, Heliopolis, Cairo, EGYPT	100%	100%	
bioMérieux Spain	Manuel Tovar 45 – 47 – 28034 Madrid – Spain	100%	100%	100%
bioMérieux Finland	Tekniikantie 14 FI-02150 Espoo - Finland	100%	100%	100%
bioMérieux Greece	Papanikoli 70 – 15232 Halandri – Athens – Greece	100%	100%	100%
bioMérieux Hong Kong Investment	19/Floor Billion Plaza 8 Cheung Yue Street – Kowloon – Hong Kong	100%	100%	100%
bioMérieux Hungary	Vaci ut 175 – 1138 Budapest – Hungary	100%	100%	100%
bioMérieux Inc.	100 Rodolphe Street – Durham NC 27712 – USA	100%	100%	100%
bioMérieux India	A-32, Mohan Cooperative Ind. Estate – New Delhi 110 044 – India	100%	100%	100%
bioMérieux Italy	Bagno a Ripoli, Via di Campigliano, 58 – 50012 Ponte a Ema – Firenze – Italy	100%	100%	100%
bioMérieux Japan Ltd	Akasaka Tameike Tower 2F, 2-17-7, Akasaka, Minato-ku, Tokyo	100%	100%	100%
bioMérieux Kenya	Delta Office Suites, Land Reference No. 4393/27, Waiyaki Way, P. O. Box 30333 – 00100 – G.P.O Nairobi – Kenya	100%	100%	100%
bioMérieux Malaysia	Dataran Prima 47301 Petaling Jaya, Selangor darul Ehsan – Malaysia	100%	100%	100%
bioMérieux Mexico	Chihuahua 88, col. Progreso – Mexico 01080, DF – Mexico	100%	100%	100%
bioMérieux Middle East	DHCC Al Baker Building 26 – Office 107 – P.O. Box 505 201 Dubai – United Arab Emirates	100%	100%	100%
bioMérieux Norway	Nydalsveien 28 P.B. 4814 Nydalen – N-0484 Oslo – Norway	100%	100%	100%
bioMérieux Philippines	1004, 20 th Drive Corporate Center, McKinley Business Park, Bonifacio Global City, Taguig City Philippines ZIP CODE 1634	100%	100%	100%
bioMérieux Poland	ul. Gen. J. Zajączka 9 – 01-518 Warszawa – Poland	100%	100%	100%
bioMérieux Portugal	Av. 25 de Abril de 1974, N°23-3° – 2795-197 LINDA A VELHA Portugal	100%	100%	100%
bioMérieux United Kingdom	Grafton Way, Basingstoke Hampshire RG 22 6HY – United Kingdom	100%	100%	100%
bioMérieux Russia	1 st Nagatinskiy proezd, 10, str.1, business center “Newton Plaza” – Moscow 115 533 – Russia	100%	100%	100%
bioMérieux (Shanghai) Biotech Co. Ltd	N° 4633 Pusan Road, Kangqiao Industrial Park – Pudong New District – Shanghai – 201315 – China	100%	100%	100%
bioMérieux Shanghai Company Ltd.	N° 4633 Pusan Road, Kangqiao Industrial Park – Pudong New District – Shanghai – 201315 – China	100%	100%	100%
bioMérieux Singapore	11 – Biopolis Way – Helios – Unit # 10-04 – 138667 – Singapore	100%	100%	100%
bioMérieux Sweden	Hantverkavagen 15 – 43633 Askim – Sweden	100%	100%	100%
bioMérieux Suzhou Biotech Co. Ltd.	Jiangsu Suzhou New District County Township Hong Xi Rd Village No.148.	100%	100%	100%
bioMérieux SRB doo	Belgrade Office Park, Djordja Stanojevic 12/III, Nouveau Belgrade, 11070 Belgrade – Serbia	100%	100%	100%
bioMérieux Switzerland	51 Avenue Blanc – Case Postale 2150 – 1202 Genève – Switzerland	100%	100%	100%
bioMérieux Thailand	3195/9 Vibulthani Tower, 4 th floor – Rama IV Road – Klongton – Klongtoey – Bangkok 10110 – Thailand	100%	100%	100%
bioMérieux Turkey	Isiklar Cad. NO 29, Atasehir – 34750 Istanbul – Turkey	100%	100%	100%
bioMérieux Vietnam	Floor 10, Vinaconex Tower, 34 Lang Ha, Lang Ha ward, Dong Da District, Hanoi -Vietnam	100%	100%	100%

		2021 ^(a)	2020	2019
BTF Pty Limited	PO Box 599 – North Ryde BC – NSW Australia 1670 – Australia	100%	100%	100%
Cambridge Biotech	365 Plantation Street One Biotech Park Worcester, MA 01605 – USA	100%	100%	100%
Huilai	Room 8738, Building 1, No. 1758, Luchaogang Road, Nanhui New Town, Pudong New District – China	100%	100%	100%
Hyglos Invest GmbH	Am Neuland 3 – 82347 Bernried am Starnberger See Germany			100%
Hyglos GmbH	Am Neuland 3 – 82347 Bernried am Starnberger See Germany			100%
Invisible Sentinel	3711 Market St., Ste. 910 Philadelphia, PA 19104 USA	100%	100%	100%
Mérieux Université	113 Route de Paris – 69160 Tassin-La-Demi-Lune – France	40%	40%	40%
Quercus Scientific NV	Keistraat 120 9830 Sint-Martens-Latem Belgium	100%	100%	100%
RAS Lifesciences	Plot No. 13, 4-7-18/13/2, Raghavendra Nagar, Nacharam, Hyderabad – 500 076 – India	100%	100%	100%
SSC Europe	ul. Gen. J. Zajączka 9 – 01-518 Warszawa – Poland	100%	100%	100%
Suzhou Hybiome Biomedical Engineering Co Ltd	Building 4, No. 8, Jinfeng Road, Suzhou High-tech Zone – China	67%	67%	67%
Suzhou Lianjian Anhua Biomedical Co. Ltd	Room 120, Building 1, No. 18 Madun Road, Suzhou New District, China	67%	67%	
Yan Set Invest Development	19/F Billion Plaza, 8 Cheung Yue Street Cheung Sha Wan Kowloon – Hong Kong			100%

(a) Percentage control is identical to percentage interest, except in the case of Suzhou Lianjian Anhua Biomedical Co. Ltd where it is 100%.