6.1 Consolidated financial statements

6.1.1 Consolidated financial statements for the fiscal years ended December 31, 2022 and 2023

Consolidated profit & loss statement

In millions of euros	Notes	2023	2022
Revenue		**3,674.7**	**3,589.1**
Cost of sales		-1,617.4	-1,580.4
Gross profit		**2,057.3**	**2,008.7**
Other operating income and expenses	**19**	**33.0**	**56.4**
Selling and marketing expenses		-725.5	-701.5
General and administrative expenses		-295.0	-253.2
Research and development		-460.1	-446.6
Total operating expenses		**-1,480.7**	**-1,401.3**
Amortization and impairment of intangible assets related to acquisitions and acquisition-related costs	23	-170.6	-76.6
OPERATING INCOME BEFORE NON-RECURRING ITEMS		**439.0**	**587.2**
Other non-recurring income and expenses from operations	24	0.0	0.0
Operating income		**439.0**	**587.2**
Cost of net financial debt	22.2	1.4	2.0
Other financial income and expenses	22.3	-3.1	-8.6
Income tax	25	-114.5	-140.1
Share in net income of associates		0.0	0.0
Consolidated net income		**322.8**	**440.5**
Share attributable to non-controlling interests		-34.8	-11.8
ATTRIBUTABLE TO THE PARENT COMPANY		**357.6**	**452.4**
Basic earnings per share		€3.03	€3.84
Diluted (net) earnings per share		€3.01	€3.82

Comprehensive income

In millions of euros	Notes	2023	2022
Consolidated net income		**322.8**	**440.5**
Items to be reclassified in income		**-112.0**	**128.7**
Fair value gains (losses) on financial hedging instruments	(a)	-7.3	5.8
Tax effect		1.8	-1.5
Movements in cumulative translation adjustments	(b)	-106.6	124.4
Items not to be reclassified to income		**-28.1**	**15.5**
Fair value gains (losses) on financial assets	(c)	-23.1	-0.3
Tax effect		0.3	-0.8
Remeasurement of employee benefits	(d)	-6.7	22.2
Tax effect		1.4	-5.6
Total other comprehensive income		**-140.1**	**144.2**
Comprehensive income		**182.7**	**584.7**
Share attributable to non-controlling interests		-36.6	-12.6
ATTRIBUTABLE TO THE PARENT COMPANY		**219.3**	**597.4**

(a) *Change in the effective share of financial hedging instruments.*
(b) *The change in translation differences in 2023 is mainly related to the depreciation of the dollar against the euro and the impact of hyperinflation (see Note 2.3).*
(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) *The change is mainly related to the decline in discount rates (see Note 15.3).*

Consolidated balance sheet

Assets

In millions of euros	Notes	12/31/2023	12/31/2022
Goodwill	4	698.8	812.5
Other intangible assets	5	528.6	625.0
Property, plant and equipment	6	1,357.1	1,250.3
Right-of-use assets		148.9	119.6
Non-current financial assets	7	219.4	90.1
Investments in associates		0.8	0.9
Other non-current assets		7.7	12.9
Deferred tax assets	25.3	92.7	58.7
Non-current assets		**3,054.0**	**2,969.9**
Inventories and work-in-progress	8	908.5	737.2
Trade receivables and assets related to contracts with customers	9	728.6	740.1
Other operating receivables	11	171.7	152.6
Current tax receivables	11	29.7	17.9
Non-operating receivables	11	14.3	16.3
Cash and cash equivalents	12	352.4	552.6
Current assets		**2,205.2**	**2,216.7**
Assets held for sale	**13**	**0.0**	**0.0**
TOTAL ASSETS		**5,259.2**	**5,186.6**

Shareholders' equity and liabilities

In millions of euros	Notes	12/31/2023	12/31/2022
Share capital	14	12.0	12.0
Additional paid-in capital and reserves	14	3,382.6	3,139.8
Net income for the year		357.6	452.4
Group equity		**3,752.2**	**3,604.2**
Minority interests		**0.0**	**38.7**
Equity of consolidated companies		**3,752.2**	**3,642.9**
Long-term borrowings and debt	16	355.4	318.4
Deferred tax liabilities	25.3	11.1	53.0
Provisions	15	53.3	41.1
Non-current liabilities		**419.7**	**412.5**
Short-term borrowings and debt	16	163.4	187.0
Provisions	15	41.6	42.1
Trade payables	17	265.1	269.4
Other operating payables	17	495.9	507.9
Current tax payables	17	52.8	49.0
Non-operating payables	17	68.5	75.8
Current liabilities		**1,087.3**	**1,131.1**
Liabilities related to assets held for sale	**13**	**0.0**	**0.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**5,259.2**	**5,186.6**

Consolidated cash flow statement

In millions of euros	Notes	2023	2022
Consolidated net income		**322.8**	**440.5**
• Investments in associates		**0.0**	**0.0**
• Cost of net financial debt		-1.4	-2.0
• Other financial income and expenses		3.1	8.6
• Income tax expense		114.5	140.1
• Net additions to operational depreciation – non-current provisions		218.4	210.0
• Amortization and impairment of intangible assets related to acquisitions		170.1	67.0
EBITDA (before non-recurring items)	**16.1**	**827.4**	**864.2**
Other non-recurring income and expenses from operations excluding non-recurring provisions for impairment and capital gains (losses) on disposals of fixed assets		0.0	0.0
Other financial income and expenses (excluding provisions and disposals of non-current financial assets)		0.4	-8.6
Net additions to operating provisions for contingencies and losses		5.8	-17.0
Fair value gains (losses) on financial instruments		-2.0	0.9
Share-based payment		19.7	13.0
Elimination of other non-cash or non-operating income and expenses		**24.0**	**-11.6**
Change in inventories		-192.6	-92.1
Change in trade receivables		-13.7	-145.6
Change in trade payables		3.4	9.9
Change in other operating working capital		-1.6	57.9
Change in operating working capital requirement[(a)]		**-204.5**	**-169.9**
Other non-operating working capital		0.7	13.5
Change in non-current non-financial assets and liabilities		0.5	0.5
Change in working capital requirement		**-203.3**	**-155.9**
Income tax paid		**-204.1**	**-223.5**
Cost of net financial debt	**22.2**	**1.4**	**2.0**
Net cash from operating activities		**445.4**	**475.1**
Purchases of property, plant and equipment and intangible assets		-338.3	-286.7
Proceeds from disposals of property, plant and equipment and intangible assets		6.4	17.4
Disbursements related to other non-current financial assets		1.8	-10.5
Free cash flow [(b)]		**115.3**	**195.3**
Disbursements related to non-consolidated and equity-accounted securities		-158.7	-43.3
Impact of changes in Group structure		0.0	-205.0
Net cash flows from (used in) investment activities		**-488.8**	**-528.1**
Purchases and sales of treasury shares [(c)]		12.7	-157.2
Dividends paid to owners		-100.2	-101.2
Cash flows from new borrowings		38.9	67.7
Cash flows from loan repayments		-73.7	-53.4
Net cash used in financing activities		**-122.3**	**-244.2**
Net change in cash and cash equivalents		**-165.7**	**-297.2**
NET CASH AT BEGINNING OF YEAR		**528.7**	**787.3**
Impact of currency changes on net cash and cash equivalents		-29.7	38.7
NET CASH AT END OF YEAR		**333.4**	**528.7**

(a) *Including allocations (reversals) of short-term provisions.*
(b) *Available free cash flow consists of cash flows related to the activity and those related to capital expenditure excluding net cash from acquisitions and disposals of subsidiaries.*
(c) *In 2022, bioMérieux had purchased treasury shares for €157 million relating to the acquisition of Specific Diagnostics and the share buyback program.*

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

Change in consolidated shareholders' equity

	Attributable to the parent company										Minority interests
In millions of euros	Share capital	Consolidated additional paid-in capital and reserves[a]	Cumulative translation adjustments	Change in fair value [b]	Actuarial gains and losses [c]	Treasury shares	Share-based payment	Total additional paid-in capital and reserves	Net income	Total	Total
Equity at December 31, 2021	**12.0**	**2,531.8[h]**	**17.7[i]**	**-3.4**	**-58.6**	**-10.3**	**21.5**	**2,499.0**	**601.1**	**3,112.1[h]**	**51.4**
Total comprehensive income for the period			125.2	3.2	16.6			145.0	452.4	597.4	-12.6
Appropriation of prior-period net income		601.1						601.1	-601.1	0.0	
Dividends paid[d]		-101.2						-101.2		-101.2	0.0
Treasury shares		-19.2				-25.7		-44.9		-44.9	
Share-based payment[e]							13.0	13.0		13.0	
Share subscription plans		0.0						0.0		0.0	
Changes in ownership interests[f]		3.1						3.1		3.1	0.0
Other changes[g]		36.0		-6.2			-15.6	14.1		14.1	
Capital transactions[j]		10.5						10.5		10.5	
Equity at December 31, 2022	**12.0**	**3,062.2[h]**	**143.0[i]**	**-6.4**	**-42.0**	**-36.0**	**19.0**	**3,139.8**	**452.4**	**3,604.2[h]**	**38.7**
Total comprehensive income for the period			-104.7	-28.2	-5.3			-138.3	357.6	219.3	-36.6
Appropriation of prior-period net income		452.4						452.4	-452.4	0.0	
Dividends paid[d]		-100.2						-100.2		-100.2	
Treasury shares		-7.7				16.9		9.2		9.2	
Share-based payment[e]							19.7	19.7		19.7	
Changes in ownership interests[f]		0.2						0.2		0.2	-2.2
Other changes[g]		13.2	-0.2				-13.3	-0.3		-0.3	
EQUITY AT DECEMBER 31, 2023	**12.0**	**3,420.1[h]**	**38.0[i]**	**-34.6**	**-47.3**	**-19.1**	**25.4**	**3,382.5**	**357.6**	**3,752.2[h]**	**0.0**

(a) *Of which additional paid-in capital: €74.0 million at December 31, 2023, against €74.0 million at December 31, 2022.*
(b) *Including changes in the fair value primarily of Oxford Nanopore Technologies and hedging instruments.*
(c) *Actuarial gains and losses on employee benefit obligations arising since the effective date of IAS 19R.*
(d) *Dividends per share: €0.85 in 2023 versus €0.85 in 2022. Shares not qualifying for dividends amounted to €206,987 at December 31, 2023 compared with €415,074 at December 31, 2022.*
(e) *The fair value of benefits related to free share grants is being recognized over the vesting period.*
(f) *In 2023, this corresponds to (i) the change put liabilities on Hybiome minority interests as well as (ii) the Group's 4.5% EPS accretion on Hybiome. In 2022, this corresponds to put liabilities on Hybiome minority interests.*
(g) *In 2023, this change mainly corresponds to reclassification following free share grants.*
In 2022, this change mainly corresponds to reclassification following free share grants and the impact of the capital gain related to Specific Diagnostics shares formerly held.
(h) *Of which bioMérieux SA distributable reserves of €1,080 million.*
(i) *See Note 14.2 Cumulative translation adjustments.*
(j) *In 2022, increase in premiums related to capital transactions following the delivery of 1,288,901 new shares for the acquisition of Specific Diagnostics, followed by a capital reduction through treasury shares of 1,288,901 shares.*

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 45 countries and a large network of distributors.

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

The Board of Directors decided on June 13, 2023, with effect from July 1, 2023, to change bioMérieux's corporate governance structure.

Under this change, the functions of Chairman and Chief Executive Officer have been separated. Alexandre Mérieux is now Chairman of the Board of Directors while Pierre Boulud becomes Chief Executive Officer.

These consolidated financial statements have been approved by the Board of Directors on March 13, 2024.

The financial statements will only be considered definitive after approval by the Annual General Meeting on May 23, 2024.

The consolidated financial statements are presented in millions of euros.

NOTE 1 Changes in the scope of consolidation during the fiscal year and significant events

1.1 Changes in the scope of consolidation

There were no acquisitions in 2023. The other changes in the scope of consolidation are related to the following operations:

- merger between the subsidiaries Applied Maths NV (absorbed company) and bioMérieux Bénélux SA (absorbing company) on January 1, 2023, both wholly-owned by the Group;
- liquidation of the subsidiary Quercus Scientific NV, which was wholly-owned by the Group;
- liquidation of the subsidiary Cambridge Biotech, which was wholly-owned by the Group;
- increase in the interest in Suzhou Hybiome Biomedical Engineering Co. Ltd from 66.7% at December 31, 2022 to 71.2% at December 31, 2023.

  This additional 4.5% interest was acquired in November 2023 for €14 million. These minority interests were included in the calculation of debt on minority interests at December 31, 2022.

1.2 Significant events of the fiscal year

1.2.1 MySHARE global employee share plan

In May 2023, bioMérieux offered to employees the opportunity to acquire existing bioMérieux shares on preferential terms (discount and matching contribution). The launch of this employee share ownership plan, called MySHARE, is part of the Group's drive to encourage greater employee involvement in its performance.

The share offer, authorized by the Board of Directors on December 14, 2022, was made to all eligible employees residing in a country that permits this operation.

A total of 5,632 employees took part, subscribing for nearly 300,000 shares.

The MySHARE plan represents a personnel costs of around €10 million for the fiscal year, recognized as general and administrative expenses.

1.2.2 Acquisition of a non-controlling interest in Oxford Nanopore

In October 2023, bioMérieux invested €158 million in Oxford Nanopore Technologies, a company offering next-generation molecular detection technology using nanopores. bioMérieux owned 6.9% of the company at December 31, 2023. The shares have been recognized as non-consolidated shares. The fair value of the shares was determined using the company's share price at December 31, 2023 and amounted to €141 million. The capital loss of €16 million was recognized against other comprehensive income.

This investment has strengthened the relationship between the two companies and follows on from the partnership announced in April 2023 through which Oxford Nanopore demonstrated its commitment to moving into clinical markets. This investment will support the development of Oxford Nanopore's products for *in vitro* diagnostics, in line with bioMérieux's commitment to help improve public health worldwide.

1.3 Summary of significant events in 2022

As a reminder, the significant events of fiscal year 2022 were the following:

- acquisition of Specific Diagnostics on May 18, 2022 for $407 million, paid for with a combination of cash settlement and share issue. This subsidiary has been wholly owned by the Group since the takeover date;
- creation of Aurobac Therapeutics SAS, in partnership with Boehringer Ingelheim and Evotec SE. The amount of non-consolidated securities was €3 million at December 31, 2022;
- acquisition of a non-controlling interest in Proxim Diagnostics. bioMérieux held 19.9% of the company's capital for €17 million at December 31, 2022;
- signing of a strategic investment agreement with Accunome. bioMérieux holds approximately 11% of Accunome's equity in a stake worth €14 million.

The significant events of fiscal year 2022 had no material impact on the financial statements for fiscal year 2023.

The Specific Diagnostics purchase price allocation was completed on December 31, 2023. The final allocation of goodwill has not resulted in any change in provisional goodwill.

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 2022 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

2.1 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, 2023. 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, 2023 are presented below:

- amendment to IAS 1 "Disclosure of Accounting Policies" and updated IFRS Practice Statement 2: "Making Materiality Judgements" adopted in March 2022 by the European Union (EU);
- amendment to IAS 8 "Definition of Accounting Estimates"; adopted in March 2022 by the EU;
- amendment to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" adopted in August 2022 by the EU;
- amendment to IAS 12 - Pillar 2, adopted by the EU in November 2023, with immediate application in 2023.

These amendments had no impact on the Group's financial statements at December 31, 2023.

The Group has adopted the amendment to IAS 12 "Income Taxes" relating to the application of the European Pillar 2 Directive, so as not to take into account any effects of the Directive on the calculation of deferred taxes.

The impact on the Group's consolidated financial statements is currently being analyzed. The Group does not expect the application of Pillar 2 to have a material impact on the current income tax expense relating to the top-up tax payable under Pillar 2, as from the 2024 financial year, given the information available to date.

bioMérieux did not opt for the early application of the standards, amendments and interpretations adopted or in the process of being adopted by the European Union, which will become effective after December 31, 2023 but which could have been applied early as an interpretation of existing texts, in particular:

Fiscal years beginning on or after January 1, 2024

- Amendment to IFRS 16, "Lease liability in a sale and leaseback", published by the EU in November 2023;
- Amendment to IAS 1 "Presentation of financial statements: classification of liabilities as current or non-current, and non-current liabilities with covenants", adopted by the EU in December 2023;
- the amendment to IFRS 7 "Financial instruments: supplier finance arrangements", adopted by the IASB in May 2023, and in the process of being adopted by the EU.

Fiscal years beginning on or after January 1, 2025

- Amendment IAS 21 "Lack of exchangeability", adopted by the IASB in August 2023, and in the process of being adopted by the EU.

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, 2023, 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.

2.2 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 amortization and impairment of intangible assets related to acquisitions and acquisition-related costs.

The Group applies the indirect method of presenting cash flows.

2.3 Hyperinflation

In Argentina and Turkey, the cumulative inflation rate over the last three years has been over 100%, according to a combination of indices used to measure inflation in these countries. Consequently, bioMérieux has treated Argentina and Turkey as hyperinflationary economies and has applied the provisions of IAS 29 since January 1, 2022. The impact of these restatements on operating income is not material at Group level.

No other subsidiary became hyperinflationary during fiscal year 2023.

2.4 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 rental agreement 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 did not observe any 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), the factors associated with impairment tests on CGUs including discounted projections of future operating cash flows (see Notes 4.2 and 4.3), and the volatility associated with translation differences.

Regarding climate change effects, at this stage, the Group has not identified any significant impact 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. Indeed, risks related to climate change effects, in relation to those currently assessed, as well as the Group's commitments in terms of carbon neutrality and reduction of greenhouse gas emissions did not have any significant impact on the financial statements. The Group has incorporated short-term effects into its strategic plans, on the basis of which it performs impairment tests on intangible assets with indefinite useful lives (see Note 4). The long-term effects of these changes cannot be quantified at this stage.

2.5 Presentation of the profit & loss statement

Since fiscal year 2022, in the context of the acquisition of Specific Diagnostics, the Group has decided to present all amortization and impairment of intangible assets related to acquisitions, as well as acquisition-related costs, homogenously on a dedicated line of the profit & loss statement integrated into operating income before non-recurring items. Consequently, the contributive operating income before non-recurring items is no longer integrated into the presentation of the published profit & loss statement.

The Group continues to use contributive operating income before non-recurring items as the main performance indicator in its financial communications (see Note 33 for a description of alternative performance indicators).

The definition of other non-recurring income and expenses from operations is the same as that applied for prior years (see Note 24.1).

2.6 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 bioMérieux 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 34.

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

2.7 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.

2.8 Foreign currency translation

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

2.8.1 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 hyperinflationary 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.

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 accounts of the financial statements of foreign subsidiaries whose functional currency is that of a hyperinflationary economy are converted at the closing rate (see Note 2.3).

The main conversion rates used were the following:

AVERAGE RATES

1 EURO =	USD	JPY	GBP	CNY	BRL	CAD
2023	**1.08**	**151.97**	**0.87**	**7.66**	**5.40**	**1.46**
2022	1.05	138.02	0.85	7.08	5.44	1.37
2021	1.18	129.87	0.86	7.63	6.38	1.48

YEAR-END RATES

1 EURO =	USD	JPY	GBP	CNY	BRL	CAD
2023	**1.11**	**156.33**	**0.87**	**7.85**	**5.36**	**1.46**
2022	1.07	140.66	0.89	7.36	5.64	1.44
2021	1.13	130.40	0.84	7.19	6.31	1.44

2.8.2 Translation of transactions in foreign currencies

As prescribed by IAS 21 "The Effects 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, 2023) 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 IFRS 15 “Revenue from Contracts with Customers.”

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.
- Leasing agreements:

  When the Group makes assets available to third parties under rental agreements 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 service are recognized in revenue when the services are provided. The analysis performed according to IFRS 15 led to maintenance services being recognized linearly over the term of the maintenance agreement. 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 rental agreements, leasing agreements and the provision of equipment. In these cases, the payments are made according to the payment schedule defined contractually.

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

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

The Group acts as principal in its relationships with customers.

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

In millions of euros	2023	2022
Sales of equipment	289.8	272.9
Sales of reagents	3,027.3	2,978.3
Sales of services	247.8	227.0
Equipment rentals[(a)]	60.1	54.9
Other revenue	49.6	55.9
REVENUE	**3,674.7**	**3,589.1**

(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 Note 3.4. The breakdown by technology is given in Note 3.5. 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;
- 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 costs, 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 plans) as well as share-based payments are included in the personnel costs of the departments concerned.

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

The CVAE or Corporate value-added tax (*Cotisation sur la Valeur Ajoutée des Entreprises*) is 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 Operating income before non-recurring items

The operating income before non-recurring items is the recurring income less recurring expenses and amortization and impairment of intangible assets related to acquisitions and acquisition-related costs. Non-recurring expenses and income are not included (see Note 24.1).

Amortization and impairment of intangible assets related to acquisitions and acquisition-related costs are presented on a separate line in the operating income before non-recurring items entitled "Amortization and impairment of intangible assets related to acquisitions and acquisition-related costs" (cf. Note 23).

3.4 Segment information

3.4.1 Information by business segment

The Group has two operating segments within *in vitro* diagnostics.

2023

In millions of euros	Clinical applications	Industrial applications	Other	Group
Revenue	**3,099.4**	**575.3**	**0.0**	**3,674.7**
Gross profit	**1,760.0**	**297.2**	**0.0**	**2,057.3**
Other operating income and expenses	-1,383.2	-236.7	1.6	-1,618.3
OPERATING INCOME BEFORE NON-RECURRING ITEMS	**376.8**	**60.5**	**1.6**	**439.0**
as % of revenues	*12%[(a)]*	*11%*		

(a) Restated for the CLIA impairment loss, operating income before non-recurring items as a percentage of revenue would be 16%.

2022

In millions of euros	Clinical applications	Industrial applications	Other	Group
Revenue	**3,040.1**	**549.0**	**0.0**	**3,589.1**
Gross profit	**1,739.7**	**269.6**	**-0.7**	**2,008.7**
Other operating income and expenses	-1,200.3	-225.5	4.3	-1,421.4
OPERATING INCOME BEFORE NON-RECURRING ITEMS	**539.4**	**44.2**	**3.7**	**587.2**
as % of revenues	*18%*	*8%*		

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 deterioration in operating income before non-recurring items for clinical applications, compared with 2022, is due to the impairment of the CLIA CGU (see Note 4.3), the impact of inflation (particularly on salaries), and a strong negative currency effect.

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.

2023

In millions of euros	Americas	EMEA	Aspac	Corporate	Group
Revenue	**1,845.8**	**1,190.3[(a)]**	**637.7**	**0.9**	**3,674.7**
Cost of sales	-593.9	-556.3	-331.0	-136.2	-1,617.4
Gross profit	**1,251.9**	**634.0**	**306.7**	**-135.3**	**2,057.3**
as % of revenues	*68%*	*53%*	*48%*		
Other operating income and expenses	-346.0	-196.0	-113.4	-962.9	-1,618.3
OPERATING INCOME BEFORE NON-RECURRING ITEMS	**905.9**	**437.9**	**193.3**	**-1,098.2**	**439.0**
as % of revenues	*49%*	*37%*	*30%*		

(a) Of which France revenues: €225.5 million

2022

In millions of euros	Americas	EMEA	Aspac	Corporate	Group
Revenue	**1,841.1**	**1,121.0[(a)]**	**624.3**	**2.6**	**3,589.1**
Cost of sales	-575.7	-493.9	-294.1	-216.8	-1,580.4
Gross profit	**1,265.5**	**627.1**	**330.3**	**-214.2**	**2,008.7**
as % of revenues	*69%*	*56%*	*53%*		
Other operating income and expenses	-332.6	-186.2	-108.7	-793.9	-1,421.4
OPERATING INCOME BEFORE NON-RECURRING ITEMS	**932.9**	**440.9**	**221.6**	**-1,008.1**	**587.2**
as % of revenues	*51%*	*39%*	*35%*		

(a) Of which France revenues: €219.7 million.

DECEMBER 31, 2023

In millions of euros	Americas	EMEA[(a)]	Aspac	Corporate	Group
NON-CURRENT ASSETS					
Goodwill	434.9	253.9	10.0		698.8
Other intangible assets	18.3	21.2	0.7	488.4	528.6
Property, plant and equipment	660.7	430.1	41.2	225.3	1,357.1
Right-of-use assets	83.8	52.2	12.9		148.9
WORKING CAPITAL REQUIREMENT					
Inventories and work-in-progress	552.2	265.6	90.7		908.5
Trade receivables and assets related to contracts with customers	327.5	309.7	91.4		728.6
Trade payables	-44.5	-88.8	-131.9		-265.1

(a) Of which non-current assets in France: €431.8 million

DECEMBER 31, 2022

In millions of euros	Americas	EMEA[(a)]	Aspac	Corporate	Group
NON-CURRENT ASSETS					
Goodwill	450.3	253.1	109.2		812.5
Other intangible assets	14.3	23.3	1.6	585.8	625.0
Property, plant and equipment	621.1	389.3	64.4	175.6	1,250.3
Right-of-use assets	52.8	54.3	12.4		119.6
WORKING CAPITAL REQUIREMENT					
Inventories and work-in-progress	417.9	239.4	79.9		737.2
Trade receivables and assets related to contracts with customers	354.8	290.0	95.3		740.1
Trade payables	-78.0	-55.8	-135.6		-269.4

(a) *Of which non-current assets in France: €411.0 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.

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

3.5 Information by technology and application

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

In millions of euros	2023	2022
Clinical applications	**3,099.3**	**3,040.1**
Molecular biology	1,417.3	1,415.8
Microbiology	1,266.7	1,163.8
Immunoassays	373.0	404.1
Other ranges	42.4	56.4
Industrial applications	**575.4**	**549.0**
TOTAL	**3,674.7**	**3,589.1**

The other ranges mainly include the activity of the subsidiary BioFire Defense, for which the revenue stood at €37.3 million in 2023 and €38.8 million in 2022.

Organic growth in sales at the end of the 12 months of 2023 was 6.6%. Organic growth corresponds to year-on-year sales growth at constant exchange rates and on a like-for-like basis and excludes the impact of hyperinflation, recognized in accordance with IAS 29.

NOTE 4 Goodwill

4.1 Accounting principles

Pursuant to the revised version of IFRS 3, goodwill represents the difference between the cost of a business combination (which primarily corresponds to the consideration transferred excluding acquisition-related costs and the share previously held valued at fair value) 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. The determination of fair values and goodwill is finalized within a period of 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 includes the estimated impact of any adjustments to the purchase price, such as price supplements. These price supplements are determined 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 financial 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 equity 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."

Positive goodwill is recognized on a separate line of the "Goodwill" balance sheet at cost less any accumulated impairment losses. 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, it is attached to a cash-generating unit depending on the synergies expected for the Group (see Notes 4.2 and 4.3). It is 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 4.2 "Impairment of non-current assets."

4.2 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 4.3.

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 bioMérieux stock. The discount rates calculated for the main CGUs (technological product lines) were between 7.5% and 11.0% in 2023, and between 7.7% and 13.0% in 2022. The upper range used in 2023 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 4.3).

The Group recognizes an impairment loss where the value in use of these CGUs falls below the net book 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 recorded on the line "Amortization and impairment of intangible assets related to acquisitions and acquisition-related costs" if they meet the definition (see Note 23). 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).

4.3 Change

Total goodwill amounted to €698.8 million at December 31, 2023, compared with €812.5 million at December 31, 2022.

CGU *In millions of euros*	12/31/2023	12/31/2022
Industrial applications	189.5	191.4
Molecular biology	161.7	166.8
Microbiology	296.9	303.2
CLIA	0.0	98.8
Immunoassays	46.3	48.0
Entities	4.3	4.3
NET VALUE	**698.8**	**812.5**

Changes in the goodwill can be analyzed as follows:

In millions of euros	Net value
December 31, 2021	**669.5**
Translation differences	7.6
Change in the scope of consolidation[(a)]	164.4
Impairment losses[(b)]	-29.0
December 31, 2022	**812.5**
Translation differences	-18.8
Impairment losses[(b)]	-94.9
DECEMBER 31, 2023	**698.8**

(a) Related to the acquisition of Specific Diagnostics.
(b) Related to the impairment losses of the CLIA CGU.

The goodwill relating to Specific Diagnostics, deemed provisional at year-end 2022, is now considered to be final. The final valuation of this goodwill did not result in any change in value.

The impairment tests carried out in accordance with the rules defined in Note 4.1 led to the recognition of an additional impairment loss on the goodwill of the CLIA CGU of €94.9 million for the 2023 fiscal year (compared with €29 million for the 2022 fiscal year), at an average rate. The analysis also led to the recognition of an additional impairment on the CLIA CGU's technology of €27.2 million at the average rate, at December 31, 2023 (see Note 5.2).

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

	2023			2022		
CGU	Net value[(a)]	Discount rate	Perpetual growth rate	Net value[(a)]	Discount rate	Perpetual growth rate
Industrial applications	189.5	8.0%	2.0%	191.4	7.7%	2.0%
Molecular biology	161.7	7.7%	2.0%	166.8	8.3%	2.0%
Microbiology	296.9	7.5%	2.0%	303.2	7.9%	2.0%
CLIA	0.0	11.0%	2.0%	98.8	13.0%	2.0%
Immunoassays	46.3	9.5%	2.0%	48.0	8.8%	2.0%

(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 bioMérieux's products and target markets, and also forecast development and innovation for its ranges.

A cumulative analysis for all CGUs 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 the Molecular Biology, Immunoassays and Industrial Applications cash-generating units. Conversely, impairment would be recorded on the following cash-generating units:

- microbiology, in the event of a decline in the rate of return in excess of 70 basis points;
- CLIA, in the event of a deterioration in one of the actuarial parameters or a drop in operating income.

NOTE 5 Other intangible assets

5.1 Accounting principles

5.1.1 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 other 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.

5.1.2 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 (when the price of the intangible asset is identified), or based on the discounted value of estimated future cash flows. These assets, mainly comprised of technologies, are then attached to a CGU according to the expected synergies;
- 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.

Other 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.

The application since 2022 of the IFRS IC decision on the treatment of configuration and customization costs related to SaaS agreements has had no significant impact on the Group's financial statements.

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

Other intangible assets are carried at their initial cost less accumulated amortization and any accumulated impairment losses. Depreciation and amortization are recognized in the profit & loss 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 of impairment losses.

5.2 Change

Gross value *In millions of euros*	Patents Technology	Software	Other	Total
December 31, 2021	**724.8**	**227.9**	**32.7**	**985.3**
Translation differences	24.2	3.6	0.7	28.5
Acquisitions/Increases	0.2	13.1	4.7	18.0
Change in the scope of consolidation[(a)]	245.1	0.0	0.0	245.2
Disposals/Decreases	-0.1	-4.8	0.0	-4.9
Reclassifications	0.0	7.2	-6.5	0.7
Hyperinflation	0.0	2.5	0.6	3.1
December 31, 2022	**994.2**	**249.4**	**32.1**	**1,275.8**
Translation differences	-31.2	-2.7	-0.6	-34.6
Acquisitions/Increases	3.4	13.1	4.5	21.0
Changes in the scope of consolidation	0.0	0.0	0.0	0.0
Disposals/Decreases	0.0	-8.7	0.0	-8.7
Reclassifications	0.0	4.3	-4.6	-0.3
Hyperinflation	0.0	1.1	0.4	1.5
DECEMBER 31, 2023	**966.4**	**256.5**	**31.8**	**1,254.7**

(a) Related to the acquisition of Specific Diagnostics in 2022 (see Note 1.3).

Amortization and impairment *In millions of euros*	Patents Technology	Software	Other	Total
December 31, 2021	**375.3**	**191.4**	**7.1**	**573.9**
Translation differences	12.8	3.0	0.2	15.9
Additions	43.0	18.1	1.7	62.8
Changes in the scope of consolidation	0.0	0.0	0.0	0.0
Reversals/Disposals	-0.1	-4.2	0.0	-4.3
Reclassifications	0.0	0.0	0.0	0.0
Hyperinflation	0.0	1.9	0.6	2.6
December 31, 2022	**431.0**	**210.2**	**9.6**	**650.8**
Translation differences	-12.8	-1.9	-0.2	-14.9
Additions	80.2	15.7	1.7	97.7
Changes in the scope of consolidation	0.0	0.0	0.0	0.0
Reversals/Disposals	0.0	-8.7	0.0	-8.7
Reclassifications	0.0	0.1	0.0	0.0
Hyperinflation	0.0	0.8	0.4	1.2
DECEMBER 31, 2023	**498.4**	**216.2**	**11.4**	**726.0**

Net values *In millions of euros*	Patents Technology	Software	Other	Total
December 31, 2021	**349.5**	**36.5**	**25.5**	**411.5**
December 31, 2022	**563.2**	**39.3**	**22.5**	**625.0**
DECEMBER 31, 2023	**468.0**	**40.2**	**20.4**	**528.6**

Reclassifications mainly corresponds to assets under construction put into service during the fiscal year. The gross value of other intangible assets under construction represented €3.8 million at December 31, 2023 against €3.9 million in 2022.

The review of indicators of impairment losses on assets with finite useful lives, as defined in Note 4.2, led the Group to recognize impairment losses on several technology assets for a total of €35.2 million, at average rates, at December 31, 2023, of which €27.2 million corresponds to the additional impairment loss recognized on CLIA CGU technology.

It should be noted that no impairment was recorded in respect of the 2022 fiscal year (see Note 4.3).

NOTE 6 Property, plant and equipment, assets related to right-of-use and other leasing agreement 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 property, plant and equipment 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 property, plant and equipment are depreciated over their estimated useful lives as follows:

- machinery and equipment: 3 to 10 years;
- instruments: 5 to 10 years;
- shell: 30 to 40 years;
- Finishing work, fixtures and fittings: 10 to 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 4.2) 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 makes assets available to third parties under rental agreements on terms equivalent to a sale, the assets are recorded as though they had been sold, as prescribed by IFRS 16 "Leases". The long-term portion of the lease payments due is recorded under "Other non-current assets" and the short-term portion are recognized under "Trade receivables". The corresponding financial income is recognized in the income statement during the period in which it is received, under "Other financial income and expenses".

6.1.2 Analysis of movements in property, plant and equipment

Gross value *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other assets	Assets under construction	Total
December 31, 2021	**54.5**	**742.7**	**626.4**	**455.2**	**203.4**	**157.1**	**2,239.3**
Translation differences	1.5	23.1	20.8	2.6	5.9	0.2	54.1
Changes in the scope of consolidation		0.6	0.5		0.1		1.2
Acquisitions/Increases	0.5	23.3	45.2	64.4	10.2	128.6	272.2
Disposals/Decreases	0.0	-25.9	-28.5	-41.2	-17.6		-113.1
Reclassifications		59.4	17.7	0.4	4.7	-58.8	23.4
Hyperinflation		0.2	0.1	11.8	0.6	0.0	12.7
December 31, 2022	**56.5**	**823.4**	**682.2**	**493.2**	**207.3**	**227.1**	**2,489.8**
Translation differences	-1.2	-17.6	-16.0	-7.2	-4.4	-7.7	-54.1
Acquisitions/Increases	3.1	19.5	63.2	94.4	7.0	121.6	308.9
Disposals/Decreases	0.0	-4.4	-7.4	-32.1	-8.9		-52.8
Reclassifications	-0.1	24.5	63.3	0.3	3.7	-91.5	0.2
Hyperinflation		0.1	0.0	6.4	0.3	0.1	6.9
DECEMBER 31, 2023	**58.5**	**845.6**	**785.3**	**555.0**	**205.0**	**249.6**	**2,698.9**

Amortization and impairment *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other assets	Assets under construction	Total
December 31, 2021	**2.9**	**359.3**	**374.3**	**264.3**	**137.6**		**1,138.5**
Translation differences	0.0	8.2	10.7	1.9	3.5		24.3
Additions	0.3	39.7	46.2	50.4	20.2		156.9
Disposals/Decreases	0.0	-16.7	-28.6	-38.1	-17.4		-100.8
Reclassifications		11.9	0.3	0.0	0.0		12.2
Hyperinflation		0.2	0.1	7.6	0.5		8.4
December 31, 2022	**3.2**	**402.7**	**403.1**	**286.1**	**144.4**		**1,239.5**
Translation differences	-0.1	-6.8	-7.4	-3.0	-2.9		-20.2
Additions	0.3	43.9	50.1	52.9	19.3		166.4
Disposals/Decreases	-0.1	-4.4	-7.6	-27.6	-8.8		-48.6
Reclassifications			-0.3	0.0	0.2		0.0
Hyperinflation		0.1	0.0	4.3	0.3		4.6
DECEMBER 31, 2023	**3.3**	**435.5**	**437.9**	**312.6**	**152.5**		**1,341.8**

Net values *In millions of euros*	Land	Buildings	Machinery and equipment	Capitalized instruments	Other assets	Assets under construction	Total
December 31, 2021	**51.6**	**383.4**	**252.1**	**190.9**	**65.8**	**157.1**	**1,100.8**
December 31, 2022	**53.3**	**420.7**	**279.2**	**207.2**	**62.9**	**227.1**	**1,250.3**
DECEMBER 31, 2023	**55.1**	**410.1**	**347.4**	**242.4**	**52.5**	**249.6**	**1,357.1**

Assets under construction mainly concern capital expenditure on production and automation equipment in the United States.

A section of the new Suzhou plant was commissioned during the fiscal year for approximately €27 million.

Impairment tests were not conducted to recognize significant impairments over the fiscal years presented.

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 rental agreements.

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.

Rental agreements 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 agreements with a residual term of less than twelve months and agreements 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 rental agreements.

For agreements not restated as rental agreements, the rental 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 rental agreements formerly qualified as leasing agreements and the marginal borrowing rate for other rental agreements. 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 rental agreement is the enforceable period, which corresponds to the non-cancellable period, plus:

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

In practice:

- the various agreements 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 agreement 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 rental agreements 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 agreement 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.

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 revaluations of the lease liability were recognized during this fiscal year.

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.

Rental agreement-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.

Deferred tax is recognized on restatements of rental agreements.

6.2.2 Change

Gross value *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	TOTAL
December 31, 2021	**25.5**	**146.5**	**31.7**	**4.6**	**208.2**
Translation differences	1.4	1.8	0.5	0.0	3.7
Acquisitions/Increases	0.0	13.0	10.0	0.1	23.1
Disposals/Decreases	-0.6	-11.1	-7.7	0.0	-19.4
Reclassifications		-6.2		0.0	-6.2
December 31, 2022	**26.3**	**148.7**	**34.6**	**4.7**	**214.2**
Translation differences	-0.8	-3.7	-1.0	0.0	-5.5
Changes in the scope of consolidation					
Acquisitions/Increases		49.7	17.2	0.0	66.9
Disposals/Decreases		-12.1	-12.0	0.0	-24.2
Reclassifications					
DECEMBER 31, 2023	**25.5**	**182.5**	**38.8**	**4.6**	**251.3**

Amortization *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	TOTAL
December 31, 2021	**3.5**	**60.1**	**16.6**	**4.0**	**84.3**
Translation differences	0.2	0.8	0.3	0.0	1.3
Additions	0.5	18.7	9.5	0.2	28.9
Disposals/Decreases	-0.6	-9.3	-6.8	0.0	-16.7
Reclassifications		-3.0			-3.0
December 31, 2022	**3.7**	**67.2**	**19.5**	**4.2**	**94.6**
Translation differences	-0.1	-1.6	-0.5	0.0	-2.2
Changes in the scope of consolidation					
Additions	0.5	19.2	9.6	0.2	29.5
Disposals/Decreases		-8.8	-10.7	0.0	-19.4
Reclassifications					
DECEMBER 31, 2023	**4.0**	**76.1**	**18.0**	**4.3**	**102.4**

Net values *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	TOTAL
December 31, 2021	**22.0**	**86.4**	**15.1**	**0.6**	**124.0**
December 31, 2022	**22.6**	**81.4**	**15.0**	**0.5**	**119.6**
DECEMBER 31, 2023	**21.4**	**106.5**	**20.8**	**0.3**	**148.9**

The increases are primarily linked to new agreements. The decreases are primarily linked to agreements 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 the net value of assets under leasing agreements:

Net values *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	TOTAL
December 31, 2021	**2.7**	**32.3**			**35.0**
December 31, 2022	**2.7**	**26.3**			**29.0**
DECEMBER 31, 2023	**2.7**	**23.9**			**26.6**

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

6.3 Leasing agreement receivables

6.3.1 Accounting principles

LEASING AGREEMENTS

Rental agreements are classified as leasing agreements whenever they transfer to the lessee substantially all of the risks and rewards incidental to ownership. Agreements qualify as leasing agreements 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 useful life;
- the present value of the minimum rental 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 leasing agreement, the fair value of the asset concerned or, if lower, the present value of the minimum rental payments is capitalized and depreciated over the asset's useful life. A corresponding liability is recognized in the balance sheet. Rental 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 leasing agreements (see Note 6.1). The usual agreement term is five years.

6.3.2 Change

Leasing agreement receivables totaled €11.1 million at December 31, 2023, against €19.1 million at December 31, 2022.

In millions of euros	In less than one year	From 1 to 5 years	In over 5 years	12/31/2023
Gross value of leasing agreement receivables	5.7	7.8	0.0	13.6
Accrued interest	-0.2	-0.2	0.0	-0.4
Present value of minimum future lease payments	5.5	7.7	0.0	13.2
Impairment losses	-2.1			-2.1
NET PRESENT VALUE OF MINIMUM FUTURE LEASE PAYMENTS	**3.5**	**7.7**	**0.0**	**11.1**

The current portion of leasing agreement receivables is shown in trade receivables (see Note 9), while the non-current portion is carried in other non-current assets for €7.7 million.

As previously stated, the changes were the following at December 31, 2022:

In millions of euros	In less than one year	From 1 to 5 years	In over 5 years	12/31/2022
Gross value of leasing agreement receivables	8.3	13.6	0.0	21.9
Accrued interest	-0.7	-0.7	0.0	-1.3
Present value of minimum future lease payments	7.7	12.9	0.0	20.6
Impairment losses	-1.6			-1.6
NET PRESENT VALUE OF MINIMUM FUTURE LEASE PAYMENTS	**6.1**	**12.9**	**0.0**	**19.1**

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 three 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 to receive both contractual flows and flows from 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	12/31/2023	12/31/2022
Loans and receivables	14.2	19.8
Non-consolidated financial assets assessed at fair value against other comprehensive income	205.2	70.3
TOTAL	**219.4**	**90.1**

The change in non-consolidated investments corresponds mainly to the investment of €158 million in Oxford Nanopore Technologies made in October 2023, revalued at the share price on December 31, 2023 (see Note 1.2.2).

Loans and receivables include a debt convertible into shares and a surety intended to cover post-employment benefit obligations in Germany.

In millions of euros	Acquisition value	Changes in fair value	Fair value
December 31, 2021	**65.9**	**-4.8**	**61.1**
Translation differences	1.2	0.0	1.2
Acquisitions/Increases	52.0	0.0	52.0
Disposals/Decreases	-24.0	0.0	-23.9
Changes in fair value recorded in other comprehensive income		-0.3	-0.3
December 31, 2022	**95.1**	**-5.1**	**90.1**
Translation differences	-2.1	0.0	-2.2
Acquisitions/Increases	162.4	-3.4	158.9
Disposals/Decreases	-4.4	0.0	-4.4
Changes in fair value recorded in other comprehensive income		-23.1	-23.1
DECEMBER 31, 2023	**251.0**	**-31.6**	**219.4**

The change in fair value recognized in other comprehensive income mainly concerns shares in Oxford Nanopore Technologies.

The summary table below shows the change in fair value of the shares in non-consolidated companies at December 31, 2023 compared to December 31, 2022:

	12/31/2022			12/31/2023	
In millions of euros	Fair value	Of which change in fair value through other comprehensive income	Of which change in recycling of fair value through reserves	Fair value	Of which change in fair value through other comprehensive income
Oxford Nanopore Technologies				141.5	-16.5
Proxim	16.9			16.3	
Accunome	13.6			12.7	
Other securities	39.8	-0.3	28.3	34.6	-6.6
TOTAL	**70.3**	**-0.3**	**28.3**	**205.2**	**-23.1**

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

NOTE 8 Inventories and work-in-progress

8.1 Accounting principles

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

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

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

8.2 Change

In millions of euros	12/31/2023	12/31/2022
Raw materials	384.7	326.0
Work-in-progress	99.8	89.8
Finished products and goods held for resale	470.0	364.3
Gross value	**954.4**	**780.1**
Raw materials	-20.1	-19.9
Work-in-progress	-3.2	-3.6
Finished products and goods held for resale	-22.7	-19.3
Provisions for impairments	**-45.9**	**-42.8**
Raw materials	364.7	306.1
Work-in-progress	96.6	86.2
Finished products and goods held for resale	447.3	344.9
NET VALUES	**908.5**	**737.2**

Inventories relating to instruments accounted for 19.7% of gross value in 2023, compared with 19% in 2022.

No pledges of inventories had been granted at December 31, 2023.

Without a work stoppage or significant reduction in its production centers, the Group experienced no major slowdowns over the manufacturing period recognized as at December 31, 2023, as in 2022.

The analysis carried out did not result in any change in the methods used to write down inventories, as in 2022.

NOTE 9 Trade receivables and assets related to contracts with customers

Trade receivables and finance leasing receivables

In millions of euros	12/31/2023	12/31/2022
Gross trade receivables	780.3	787.8
Impairment losses	-51.7	-47.7
NET VALUE	**728.6**	**740.1**

In total, 17% of the Group's trade receivables relate to government agencies and may be paid later than the date shown on the invoice.

Trade receivables are recognized at amortized 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, leasing agreements and contracts for the provision of equipment.

Net receivables overdue by more than 60 days relative to private companies and public organizations represent 14.0% of outstanding trade receivables in 2023, against 14.6% in 2022.

The weight of net additions to doubtful debts and bad debts represents €10.4 million, i.e. 0.3% of revenue.

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

Receivables and assets related to contracts with customers	12/31/2022	Changes in the scope of consolidation	Change in gross values	Change in provision	Change in method	Currency impact	12/31/2023
Long-term leasing agreement receivables	12.9		-4.9			-0.3	7.7
Non-current assets	**12.9**		**-4.9**	**0.0**	**0.0**	**-0.3**	**7.7**
Leasing agreement receivables	6.1		-1.9	-0.6	0.0	-0.2	3.5
Gross trade receivables	734.0	0.0	20.8	-4.6	0.0	-25.0	725.2
Other assets related to contracts with customers	0.0						0.0
Current assets	**740.1**	**0.0**	**18.9**	**-5.2**	**0.0**	**-25.2**	**728.6**

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

IMPAIRMENT 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 indicators of impairment losses 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 analysis carried out did not result in any change to the trade receivables provisioning model, nor to the way it is implemented, as in 2022.

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	12/31/2022	Changes in the scope of consolidation	Change in gross values	Change in provision	Reclassification	Changes in translation differences	12/31/2023
Provisions for long-term guarantee	15	1.0	0.0		0.1	0.0	-0.1	1.1
Non-current liabilities		**1.0**	**0.0**	**0.0**	**0.1**	**0.0**	**-0.1**	**1.1**
Provisions for short-term guarantee	15	6.3			2.6	0.0	-0.4	8.5
Advances received on trade receivables	17	22.1		-8.7		0.0	-1.4	12.1
Credit note to be issued	17	12.3		2.3		0.1	-0.2	14.5
Income invoiced in advance	17	88.5	0.0	-1.3		-4.5	-2.6	80.1
Current liabilities		**129.2**	**0.0**	**-7.7**	**2.6**	**-4.4**	**-4.5**	**115.1**

NOTE 11 Other receivables

In millions of euros	12/31/2023	12/31/2022
Advances and deposits	40.2	30.3
Prepaid expenses	38.6	31.4
Other operating receivables	94.2	90.8
Provisions for impairment	-1.4	0.0
Net value of operating receivables	**171.7**	**152.6**
Current tax receivables	**29.7**	**17.9**
Non-operating receivables	14.3	16.3
NET VALUE OF NON-OPERATING RECEIVABLES	**14.3**	**16.3**

The other receivables related to customer contracts are not material.

Other operating receivables are mainly composed of research tax credit receivables (€54.5 million at December 31, 2023 versus €49.0 million at end-2022) and other tax-related receivables.

Non-operating receivables relate primarily to the fair value of derivative instruments carried in assets (€5.2 million in 2023, versus €8.5 million in 2022, see Note 27.2) and to hedging assets which exceed the discounted value of post-employment benefit obligations for €1.4 million for 2022 (see Note 15.3.3).

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

In millions of euros	12/31/2023	12/31/2022
Cash	287.1	401.7
Cash investment with GNEH	0.0	1.5
Cash investments	65.2	149.5
CASH AND CASH EQUIVALENTS	**352.4**	**552.6**

Some cash investments are in term accounts as well as in SICAV money-market funds for €34 million in 2023 versus €93 million in 2022.

Investments are placed with leading credit institutions. With the exception of the investment made with GNEH, 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:

	12/31/2023	12/31/2022
Investment	BNP PARIBAS SIGNATURE PART R money-market fund	BNP PARIBAS SIGNATURE PART R money-market fund
Amount	€20 million	€80 million
Classification	Short-term money-market fund	Short-term money-market fund
ISIN Code	FR0013245651	FR0013245651
Investment	BNP PARIBAS SIGNATURE PART CLASSIC money-market fund	BNP PARIBAS SIGNATURE PART CLASSIC money-market fund
Amount	€14 million	€13 million
Classification	Short-term money-market fund	Short-term money-market fund
ISIN Code	FR0011046085	FR0011046085
Investment	SICAV AMUNDI EURO LIQUIDITY SRI IC	
Amount	€0.2 million	
Classification	Short-term money-market fund	
ISIN Code	FR0010251660	

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.

The impact related to use restrictions on demand deposits is not significant.

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 related liabilities.

Impairment tests were carried out by comparing the value of the net assets to their fair value less costs to sell (see Note 4.2).

13.2 Change

At December 31, 2023, no assets or liabilities were classified as held for sale, as was the case at December 31, 2022.

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, 2023 and was divided into 118,361,220 shares with a total of 190,949,489 voting rights (of which 72,588,269 shares carry double voting rights). Following a decision taken by the Annual General Meeting of March 19, 2001, the Company's articles of association no longer refer to a par value for its shares. No rights or securities with a dilutive impact on capital were outstanding at December 31, 2023.

Other than the free shares (see Note 18.2), there were no valid dilutive rights or securities on December 31, 2023.

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 external financing or capital increases are made on a case-by-case basis for each proposed transaction. The equity used by the Group for its own operations corresponds to its consolidated equity.

14.2 Cumulative translation adjustments

In millions of euros	12/31/2023	12/31/2022
Dollars[(a)]	86.4	188.2
Latin America	-19.9	-20.7
Europe – Middle East – Africa	-32.2	-40.2
Other countries	4.5	18.0
TOTAL	**38.7**	**145.3**

(a) US and Hong Kong dollars.

Cumulative translation adjustments attributable to the parent company amounted to €38.0 million at December 31, 2023, including €12.8 million linked to hyperinflation (see Note 2.3) versus €143.0 million last year. This decline is mainly due to the dollar's depreciation over the fiscal year.

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, 2023, the parent company held 51,569 treasury shares as part of this contract. During the fiscal year, it purchased 731,380 and sold 733,282 treasury shares.

Other treasury shares

At January 1, 2023, the Company held 361,603 treasury shares. During the fiscal year, the Company bought 200,000 shares and definitively allocated 106,720 shares intended to provide free share grants to employees and 299,465 shares for the share subscription plan (see Notes 1.1.1, 18.2 and 18.4).

At December 31, 2023, the Company held a total of 155,418 treasury shares intended for free share grants authorized by the Annual General Meeting.

14.4 Minority interests

Minority interests essentially cover Suzhou Hybiome Biomedical Engineering, and dropped from €38.7 million at December 31, 2022, or 33.3%, to a balance capped at 0 at December 31, 2023, or 28.8%.

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 118,154,233 at December 31, 2023, against 117,946,146 at December 31, 2022.

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 118,802,462 at December 31, 2023, against 118,440,601 at December 31, 2022.

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 when the impact of discounting is material and the resolution date is known.

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

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

15.2 Change in provisions

In millions of euros	Retirement benefits and other benefits	Guarantees given	Restruc-turings	Claims and litigation	Other provisions	Total
December 31, 2021	**52.3**	**8.8**	**5.6**	**7.3**	**40.0**	**114.1**
Additions	1.7	12.0	5.3	1.3	6.1	26.4
Reversals (utilizations)	-5.0	-11.8	-4.2	-6.8	-5.3	-33.0
Reversals (surplus)	-0.4	-1.9	0.0	-2.2	-5.9	-10.3
Net additions (reversals)	-3.6	-1.7	1.0	-7.7	-5.1	-17.0
Actuarial gains and losses	-21.3	0.0	0.0	0.0	0.0	-21.3
Changes in the scope of consolidation	0.0	0.0	0.0	3.8	3.0	6.8
Other changes	0.1	0.0	0.0	0.0	0.0	0.0
Translation differences	-0.3	0.2	0.3	0.2	0.2	0.6
December 31, 2022	**27.2**	**7.3**	**7.0**	**3.6**	**38.2**	**83.2**
Additions	5.7	15.1	0.9	1.6	19.2	42.6
Reversals (utilizations)	-2.4	-11.1	-4.8	-1.0	-8.1	-27.3
Reversals (surplus)	-0.2	-1.3	0.0	-2.0	-5.9	-9.4
Net additions (reversals)	3.2	2.7	-3.9	-1.4	5.3	5.8
Actuarial gains and losses	7.0	0.0	0.0	0.0	0.0	7.0
Other changes	0.0	0.0	0.0	0.0	0.0	-0.1
Translation differences	-0.2	-0.4	-0.1	0.0	-0.3	-1.1
DECEMBER 31, 2023	**37.0**	**9.6**	**2.9**[a]	**2.2** [b]	**43.2** [b]	**94.9**

(a) Mainly corresponds to strategic reorganizations in the United States.
(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).

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, termination benefits, 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 termination benefits (primarily in France);
- 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 19 (revised), chose an estimated average of the Iboxx Corporate AA and Bloomberg indices (euro, US dollar and pound sterling) at December 31, 2023, 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 current 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.

Susceptibility 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).

The impact of the French pension reform, defined by the law of April 15, 2023, which raises the legal retirement age from 62 to 64 for general scheme employees, was reflected in commitments at December 31, 2023, with no material impact on the financial statements.

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	
	12/31/2023	12/31/2022
Expected salary increase rate	3.00%	2.70%
Discount rate	3.20%	3.90%
Average duration of plans	12.3	11.5

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

In millions of euros	12/31/2023	12/31/2022
Post-employment benefits[a]	21.3	12.6
Long-service awards	15.7	13.2
TOTAL PROVISIONS FOR LONG-TERM EMPLOYEE BENEFITS	**37.0**	**25.8**

(a) Includes plan assets that exceed the discounted value of commitments for €1.4 million at December 31, 2022.

- At December 31, 2023, the reduction in the discount rate compared with 2022 led to an increase in the valuation of post-employment benefits and long-term employee benefits. Obligations relating to retirement benefits are prefinanced by means of an insurance contract. In 2023, repayments of around €2 million have been made using hedge funds. At December 31, 2022 the amount of plan assets exceeded the present value of commitments by €1.4 million. This excess coverage was recognized in non-operating receivables (see Note 11).

15.3.4 Change in provisions for employee benefits post employment

In millions of euros	Present value of obligation	Fair value of funds[a]	Provisions for pensions	Post-employment health insurance	Total provisions for post-employm ent benefits
December 31, 2022	**59.6**	**-48.2**	**11.4**	**1.2**	**12.6**
Current service cost	2.8		2.8	0.0	2.8
Interest cost	2.0	-1.7	0.3	0.0	0.3
Retirements	-3.7	2.3	-1.4	-0.1	-1.5
Plan liquidation	-0.2	0.3	0.1		0.1
Contributions	0.0	0.6	0.6		0.6
Impact on operating income	**0.9**	**1.5**	**2.4**	**-0.1**	**2.3**
Actuarial gains and losses (Other comprehensive income)	**5.5**	**1.5**	**7.0**	**0.0**	**7.0**
Other movements (incl. currency impact)	0.1	-0.7	-0.6	0.0	-0.6
DECEMBER 31, 2023	**66.1**	**-45.8**	**20.2**	**1.1**	**21.3**

(a) Plan assets or scheduled payments.

In millions of euros	Present value of obligation	Fair value of funds[a]	Provisions for pensions	Post-employment health insurance	Total provisions for post-employm ent benefits
December 31, 2021	**79.5**	**-45.0**	**34.5**	**1.2**	**35.7**
Current service cost	4.2		4.2	0.0	4.2
Interest cost	0.8	-0.4	0.4	0.0	0.4
Retirements	-2.0	0.1	-1.9	-0.1	-2.1
Plan liquidation	0.0	0.0	0.0		0.0
Contributions	0.0	-3.4	-3.4		-3.4
Impact on operating income	**2.9**	**-3.8**	**-0.8**	**-0.1**	**-0.9**
Actuarial gains and losses (Other comprehensive income)	**-22.8**	**1.1**	**-21.7**	**0.0**	**-21.7**
Other movements (incl. currency impact)	0.0	-0.5	-0.5	0.1	-0.4
DECEMBER 31, 2022	**59.6**	**-48.2**	**11.4**	**1.2**	**12.6**

(a) Plan assets or scheduled payments.

15.3.5 Net post-employment benefit expense for the fiscal year

In millions of euros	12/31/2023	12/31/2022
Current service cost	2.8	4.2
Return on plan assets	-1.7	-0.4
Interest cost	2.0	0.8
TOTAL	**3.1**	**4.5**

15.3.6 Breakdown of net obligation by country

In millions of euros	12/31/2023 France	12/31/2023 Other countries	12/31/2023 Total
Present value of obligation	39.4	26.6	66.0
Fair value of funds[(a)]	-33.0	-12.8	-45.8
Provisions for pensions	**6.4**	**13.8**	**20.2**
Post-employment health insurance	0.0	1.1	1.1
Other long-term benefits			0.0
TOTAL POST-EMPLOYMENT BENEFITS	**6.4**	**14.9**	**21.3**
Long-service awards	15.2	0.5	15.7
TOTAL PROVISIONS FOR PENSIONS AND OTHER LONG-TERM BENEFITS	**21.7**	**15.4**	**37.0**

(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

In millions of euros	12/31/2023 France	12/31/2022 France
Equities	2.9	2.7
Bonds	26.3	26.8
Other	3.8	5.0
TOTAL	**33.0**	**34.5**

15.3.7.2 Actual return on plan assets

	Return 2023	Return 2022
France	1.4%	2.1%

15.3.8 Other information

The timing of future benefit payments at December 31, 2023 is as follows:

as %	Future service payments *(as % of net obligation)*	12/31/2022
Less than 1 year	6%	7%
1 to 5 years	32%	35%
More than 5 years	62%	58%

This payment schedule is close to the one calculated in 2022.

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 6.0% on the amount of commitments (namely €3.8 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 and litigation will have a materially unfavorable impact on Group financial statements. 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 €2.2 million at December 31, 2023, against €3.6 million at December 31, 2022 (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."

Tax disputes and mutual agreement procedures (MAP) in Italy

As a result of various tax audits, out-of-court settlements and litigation proceedings:

- for the period 2004 to 2007, an accrued income of €2.5 million has been recognized in the financial statements. This accrued income has decreased by €3.5 million (it was €6 million at December 31, 2022) following repayments made in 2023 by the tax authorities. The proceeding is currently before the Supreme Court of Cassation;
- on February 8, 2023, the tax authorities appealed the decision of the Court of First Instance which had ruled in bioMérieux's favor concerning the period 2009 to 2010.

With regard to the dispute currently before the Supreme Court of Cassation, accrued income fell from €6 million at December 31, 2022 to €2.5 million at December 31, 2023, given the settlements received in 2023 by bioMérieux Italy.

15.4.3 Other provisions

Manovra

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. In April 2023, an implementing decree was published for the period between 2015 and 2018, and bioMérieux Italy paid the amounts due, thereby removing the risk over this period.

In line with market practice, a provision for risk has been recognized in the financial statements for the periods 2019 to 2023.

Other provisions

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

15.5 Contingent assets and liabilities

Diagnostic tests for Lyme disease

On October 14, 2016, bioMérieux, like other laboratories, 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. The Paris court decision is the subject of an appeal brought by 30 claimants, notified to bioMérieux.

At this stage of the proceeding, it is not possible to reliably estimate the risk incurred by the Group.

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 investment activities;
- cash flows from financing activities.

Cash flows from investment 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.

In millions of euros	2023	2022
ADDITIVE METHOD		
• Net income	322.8	440.5
• Amortization and impairment of intangible assets related to acquisitions	170.1	67.0
• Cost of net financial debt	-1.4	-2.0
• Other financial income and expenses	3.1	8.6
• Income tax expense	114.5	140.1
• Investments in associates	0.0	0.0
• Net additions to operational depreciation – non-current provisions	218.4	210.0
EBITDA (before non-recurring items)	827.4	864.2
SIMPLIFIED ADDITIVE METHOD		
• Operating income before non-recurring items	439.0	587.2
• Depreciation and amortization	218.4	210.0
• Amortization and impairment of intangible assets related to acquisitions	170.1	67.0
EBITDA (BEFORE NON-RECURRING ITEMS)	**827.4**	**864.2**

The available free cash flow is a key indicator for the Group. It is defined as cash flows from operating activities as well as cash flows 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 amounted to €827 million in 2023, or 22.5% of sales, down 4.2% from the €864 million recorded in 2022, mainly due to unfavorable currency impacts, which reduced contributive operating income before non-recurring items.

Tax payments amounted to €204 million, down from €224 million paid the previous year. This reduction was due mainly to tax claims and litigation payments made in 2022.

In 2023, the operating working capital requirement increased by €205 million. The change was primarily a result of the following factors:

- inventories rose by €193 million in 2023, due to the replenishment of BioFire range inventories (raw materials and finished products), the launch of new products (BioFire range, Vidas Kube and Vitek MS PRIME instruments), the effect of price increases on raw materials, and later winter epidemics at the end of 2023;
- trade receivables were up slightly by around €14 million, mainly due to business growth;
- trade payables were up by €3 million, due to an increase in purchases in the last quarter of 2023 in the United States;

At the end of the 2023 fiscal year, cash generated from operating activities reached €445 million, down by 6.2% compared to the €475 million recorded during the previous fiscal year.

Net cash used in investment activities

Capital expenditures represented around 9.0% of sales or €338 million in 2023, versus €287 million in the previous year. Main capital expenditure concerned the expansion of production capacity in the United States and the construction of a new site for Hybiome in China.

It should be remembered that increases in right-of-use related assets (IFRS 16) are not presented as investment flows, in accordance with the standards.

In this context, free cash flow reached €115 million in 2023, against about €195 million in 2022.

Acquisitions related to non-consolidated and equity-accounted investments amounted to €159 million in 2023, mainly linked to the acquisition of a minority stake in Oxford Nanopore (see Note 1.2.2).

Net cash used in financing activities

The Company paid a dividend of €100.2 million.

Cash flows from loan repayments correspond mainly to the repayment of commercial paper and the payment of a debt related to the buyout of minority interests.

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 €29.3 million on December 31, 2023, against €28.6 million on December 31, 2022.

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

16.3 Change in net debt

No financial debt has been recognized or remeasured at fair value.

No debt restructuring occurred over the presented fiscal years. Likewise, current debts at December 31, 2022 were not restructured in the past.

At December 31, 2023, after the €100.2 million dividend payout to bioMérieux SA shareholders, the Group's net debt was €166.4 million, largely consisting of net cash of €333 million offset by the bond issue described below and the debt on lease liabilities related to IFRS 16 (€130.6 million).

In June 2020, bioMérieux had contracted a bond issue for an amount of €200 million, comprising €145 million repayable in 2027 with an annual coupon of 1.50% and €55 million repayable in 2030 with an annual coupon of 1.902%.

The bond issue is shown on the balance sheet at amortized cost calculated using the effective interest rate method, in the amount of €199.7 million.

bioMérieux SA also had an undrawn syndicated credit facility of €600 million at December 31, 2023. This syndicated credit facility replaced the previous one in March 2023, and has a maturity date of March 2028 (5 years). Following the exercise of an extension option in February 2024, its maturity was extended to March 2029. On February 12, 2024, bioMérieux amended this syndicated credit facility agreement to include a margin adjustment mechanism based on the achievement of four Environmental, Social and Governance indicators.

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	Less than 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	Uptevia 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

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

Maximum ceiling of the program	€500,000,000.00
Duration	Greater than 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	Uptevia Corporate Trust
Arranger	Crédit Industriel et Commercial
Dealers	Aurel BGC BNP Paribas BRED Banque Populaire Crédit Agricole Corporate and Investment Bank Crédit 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.

In millions of euros	12/31/2022	Increase	Decrease	Change to the consolidated cash flow statement	Other movements[d]	Translation differences	12/31/2023
NON-CURRENT BORROWINGS (A)							
Borrowings – non current portion	25.1	10.9		10.9	1.1	-2.6	34.4
Non-current rental agreement liabilities	93.7			0.0	30.6	-3.1	121.2
Bond issues	199.7	0.1		0.1			199.7
Total borrowings – non-current	**318.5**	**11.0**	**0.0**	**11.0**	**31.7**	**-5.7**	**355.4**
CURRENT BORROWINGS (B)							
Current bond issue	0.0			0.0			0.0
Borrowings due within one year	106.9	27.9	-24.3	3.6	1.0	-4.4	107.1
Current rental agreement liabilities	26.2		-29.3	-29.3	31.5	-1.0	27.4
Commercial paper	30.0		-20.0	-20.0			10.0
Borrowings – current portion	**163.1**	**27.9**	**-73.7**	**-45.8**	**32.5**	**-5.4**	**144.4**
Total borrowings (B)	**481.6**	**38.9**	**-73.7**	**-34.8**	**64.0**	**-11.2**	**499.8**
NET CASH AND CASH EQUIVALENTS							
Cash	401.6		-94.5	-94.5		-19.1	288.1
Cash investments	149.5		-85.1	-85.1		-0.1	64.2
Current accounts	1.5		-1.5	-1.5		0.0	0.0
Cash and cash equivalents[a]	552.6	0.0	-181.2	-181.2	0.0	-19.1	352.4
Bank overdrafts[b]	-23.9	15.5		15.5		-10.6[c]	-19.0
Net cash (A)	**528.7**	**15.5**	**-181.2**	**-165.7**	**0.0**	**-29.7**	**333.4**
NET DEBT (B) – (A)	**-47.1**	**23.4**	**107.5**	**130.9**	**64.0**	**18.6**	**166.4**

(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 as well as a change in debt on the buyout of minority interests in Hybiome.

At December 31, 2023, non-current borrowings mainly comprised debt related to lease liabilities (see Note 16.5) and the bond issue contracted in 2020 for €199.7 million.

Current borrowings mainly comprised:

- the loan contracted by Shanghai, corresponding to revolving credit of €72.6 million compared with €51.5 million in 2022;
- the put debt on Hybiome minority interests for €19 million compared with €42 million in 2022;
- short-term marketable securities for €10 million, compared with €30 million in 2022;
- 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, 2023 concerning loans to be set up in 2024.

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

In millions of euros	12/31/2023	12/31/2022
Debt related to rental agreements	**148.6**	**119.9**
Of which rental agreements with purchase option	18.0	22.2
Due beyond 5 years	**57.1**	**42.1**
Of which rental agreements with purchase option	0.0	2.9
Due in 1 to 5 years	**64.1**	**51.6**
Of which rental agreements with purchase option	14.3	15.4
In less than one year	**27.4**	**26.2**
Of which rental agreements with purchase option	3.7	3.9

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 €3.6 million at December 31, 2023, against €2.8 million at December 31, 2022.

Rent components that were not included in the lease liability calculation, pursuant to IFRS 16 (e.g. variable rents), were not material.

16.6 Borrowings 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 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, 2023.

Furthermore, in March 2023, bioMérieux SA renegotiated its syndicated credit facility to increase its amount to €600 million, with a bullet repayment in 2028.

The other term borrowings at December 31, 2023 primarily correspond to negotiable debt securities, 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 (€330.3 million), and the remainder is at floating rates (€169.5 million).

At December 31, 2023 the fixed-rate debt consisted of:

- debts on lease liabilities (€130.6 million) at a rate that mostly corresponds to incremental borrowing rates (see Note 6.2.1);
- and the €199.7 million bond issue, including €145 million redeemable in 2027 with an annual coupon of 1.50%, and €55 million redeemable in 2030 with an annual coupon of 1.902%.

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

16.8 Breakdown of net debt (net cash) by currency

In millions of euros	12/31/2023	12/31/2022
Euros	425.5	505.7
Chinese yuan	76.8	54.2
Singapore dollar	11.9	-40.6
South Korean won	5.5	5.0
Japanese yen	5.3	10.7
Brazilian real	3.9	4.0
Mexican peso	3.2	1.9
Polish zloty	1.3	-2.0
Chilean peso	0.5	-0.8
Colombian peso	0.5	1.1
Philippine peso	0.4	1.6
Hong Kong dollar	0.3	-2.1
Algerian dinar	-0.2	-0.2
United Arab Emirates dirham	-0.3	0.5
Naira	-0.3	0.0
Kenyan shilling	-0.5	-0.1
Thai baht	-0.5	-0.1
New Taiwan dollar	-0.6	0.2
Hungarian forint	-0.8	-0.5
Argentinian peso	-0.9	-1.3
Canadian dollar	-1.1	-1.0
Norwegian krone	-1.4	-1.9
Turkish lira	-1.8	-1.4
Danish krone	-1.8	-1.9
Indian rupee	-3.2	-9.5
Czech koruna	-3.5	3.9
Swedish krona	-4.1	-3.8
Egyptian pound	-5.1	-2.1
Swiss franc	-5.4	-5.8
Pound sterling	-5.9	-6.3
Russian ruble	-7.3	-9.9
South African rand	-7.5	-8.2
Australian dollar	-20.2	-10.9
US dollar	-295.5	-523.8
Other currencies	-0.6	-1.5
TOTAL	**166.4**	**-47.1**

16.9 Loan guarantees

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

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

Hedging agreements are discussed in Note 27.

NOTE 17 Trade and other payables

In millions of euros	12/31/2023	12/31/2022
Trade payables	**265.1**	**269.4**
Advances and deposits	12.1	22.1
Tax and social-security debts	378.7	372.6
Deferred income	80.1	88.5
Other payables	25.1	24.6
Other operating payables	**495.9**	**507.9**
Current tax payables [(a)]	**52.8**	**49.0**
Debt to suppliers of non-current assets	33.6	40.7
Other	35.0	35.1
NON-OPERATING PAYABLES	**68.5**	**75.8**

(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).

Details of other liabilities related to customer contracts (advances, prepayments and deferred income) 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 (€11.9 million in 2023 versus €9.5 million in 2022, see Note 27.2).

NOTE 18 Share-based payments

18.1 Share-based payment and free share grant plans

The transactions paid in shares concern the bioMérieux SA free share grant plans approved by the Combined Annual General Meetings of May 23, 2019; June 30, 2020; May 23, 2021; May 23, 2022; and May 23, 2023.

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

	Date on which plans opened				
Number of shares	**2020**	**2021**	**2022**	**2023**	**Total**
Initial number of options granted	126,103	175,315	272,218	287,538	861,174
Options canceled	-19,383	-19,128	-27,146	-40,567	-106,225
Number of shares remitted in FY 2023	-106,720	-	-	-	-106,720
Number of shares to be remitted as of December 31, 2023	-	156,187	245,072	246,971	648,229

Between 2020 and 2023, 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 three years and over. 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 three-year vesting period.

In 2023, a net expense of €19.7 million was recognized in personnel costs due to compensation in shares, excluding the expenses related to employer contributions (against a net expense of €13.0 million in 2022).

At December 31, 2023:

- regarding 703,766 free shares, the Company considered that the performance criteria were achieved;
- regarding 55,537 free shares, the Company considered that the performance criteria were not achieved.

At December 31, 2023, bioMérieux SA held 155,418 of its own shares for allocation under the above-described free share grant plans. The Company would have to purchase a maximum of 548,348 additional shares at a cost of €55.2 million based on the share price at December 31, 2023.

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

NOTE 19 Other operating income and expenses

In millions of euros	2023	2022
Net royalties received	3.4	3.3
Research tax credits	24.6	30.4
Research grants	2.0	1.8
Other	3.0	20.9
TOTAL	**33.0**	**56.4**

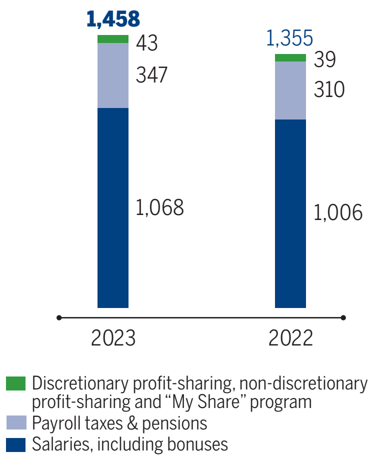
The other income related to customer contracts mainly corresponds to license fees received.

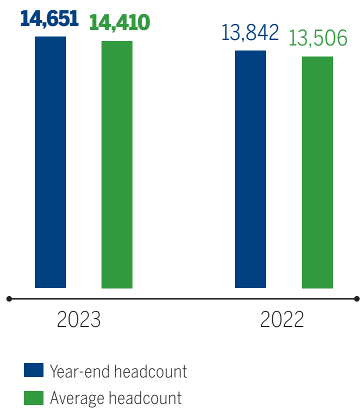
Research grants are up and include subsidies received by bioMérieux SA and Hybiome.

Other income mainly includes rental income from the Durham site in the United States at December 31, 2023. At December 31, 2022, it mainly included disposal gains realized on the sale of two buildings in the United States for a total of €12.8 million, rents in Durham in the United States for €6.2 million and the settlement of a provision reversal in Italy for €2.9 million.

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

NOTE 20 Personnel costs





At a constant exchange rate, personnel costs were up compared to fiscal 2022.

Payroll taxes include amounts paid into defined contribution plans for €8.9 million.

It should be remembered that in 2023, a "MySHARE" employee shareholding plan was set up, with an impact of around €10 million (see Note 1.2.1).

The discretionary profit sharing only concerns bioMérieux SA.

NOTE 21 Impairment, net additions to amortization and depreciation and provisions

In millions of euros	2023	2022
Amortization, depreciation and impairment of non-current assets	218.4	210.0
Amortization and impairment of intangible assets related to acquisitions	170.1	66.9
Provisions	5.8	-17.0
Impairment of current assets	10.7	3.0
Impairment of non-current financial assets	5.0	
TOTAL	**409.9**	**262.9**

Since fiscal year 2022, to improve the understanding of the profit & loss statement, amortization and impairment of intangible assets related to acquisitions and acquisition-related costs have been presented on a separate line from operating income (see Notes 2.4 and 23).

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**", include interest income on instruments sold under leasing agreement arrangements, the impact of disposals and impairment of investments in non-consolidated companies, late-payment interest charged to customers, gains and losses on the net monetary situation linked to hyperinflation, and the ineffective portion of currency hedges on commercial transactions.

22.2 Cost of net financial debt

In millions of euros	2023	2022
Financial expenses	-0.1	-1.3
Currency hedging derivatives	4.9	3.1
Foreign exchange gains and losses	1.0	3.0
Interest on leasing debt	-4.3	-2.8
TOTAL COST OF DEBT	**1.4**	**2.0**

The rise in interest on leasing debt is due to the increase in the number of contracts in 2023.

22.3 Other financial income and expenses

In millions of euros	2023	2022
Interest income on leased assets	1.1	1.2
Disposals and writedowns of non-consolidated companies	-3.4	0.0
Currency hedging derivatives[a]	-1.2	-7.5
Other	0.5	-2.3
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**-3.1**	**-8.6**

(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 and losses

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

The transaction exchange rate is the rate prevailing on the date the transaction takes place. The settlement exchange rate is either the rate in effect on the date of payment or the hedging rate (excluding time value) if a currency hedge was set up for the transaction.

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

In millions of euros	2023	2022
Revenue	0.0	-0.9
Cost of sales	-9.7	-16.1
Financial items	1.0	3.0
TOTAL	**-8.7**	**-14.1**

NOTE 23 Amortization and impairment of intangible assets related to acquisitions and acquisition-related costs

To improve the understanding of the profit & loss statement, amortization and impairment of intangible assets related to acquisitions and acquisition-related costs have been presented on a separate line from operating income since 2022 (see Note 2.5).

In millions of euros	2023	2022
Amortization of intangible assets	40.5	38.0
Impairment of intangible assets	129.6	29.0
Acquisition-related costs	0.3	9.6
Other	0.2	0.0
TOTAL	**170.6**	**76.6**

Amortization and impairment of intangible assets related to acquisitions and acquisition-related costs in 2023 amounted to €170.6 million compared with €76.6 million in 2022.

In 2023, they mainly include:

- Impairment of the CLIA CGU for €122.1 million, including €94.9 million for goodwill impairment loss and €27.2 million for technology loss;
- amortization of assets valued as part of purchase price allocation for acquisitions, especially those for BioFire for €17.6 million and Specific Diagnostics for €11.9 million.

NOTE 24 Other non-recurring income and expenses from operations

24.1 Accounting principles

Other non-recurring income and expenses from operations, include 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 especially include restructuring costs when these are significant.

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 at December 31, 2023, non-recurring income and expenses from operations were not material, just like the previous year.

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

	2023		2022	
In millions of euros	Tax	Rate	Tax	Rate
Theoretical tax at standard French tax rate	**113.0**	**25.8%**	**150.0**	**25.8%**
• Impact of income tax at reduced tax rates and foreign tax rates	7.5	1.7%	-0.9	-0.2%
• Impact of FDII in the United States	-20.0	-4.6%	-13.3	-2.3%
• Impact of recurring permanent differences	4.0	0.9%	7.0	1.2%
• Impact of tax on the payment of dividends	4.1	0.9%	0.7	0.1%
• Deferred tax assets not recognized on tax losses carried forward	3.5	0.8%	1.0	0.2%
• Impact of research tax credits presented in operating income	-5.9	-1.3%	-7.3	-1.3%
• Tax credits (other than research tax credits)	-3.9	-0.9%	-1.0	-0.2%
• Use of previously unrecognized tax assets	0.0	0.0%	-0.4	-0.1%
Actual income tax expense, excluding non-recurring effects	**102.2**	**23.4%**	**135.8**	**23.4%**
• Impact of non-recurring permanent differences	12.2	2.8%	4.3	0.7%
ACTUAL INCOME TAX EXPENSE	**114.5**	**26.2%**	**140.1**	**24.1%**

The basic corporate income tax rate in France is 25.83%, unchanged from 2022.

The Group's effective tax rate at December 31, 2023 stood at 26.2%, as against 24.1% at end-2022.

In 2023, the Group's effective tax rate continued to benefit from the Foreign-Derived Intangible Income (FDII) deduction in the United States, which represented a tax saving of €20 million in 2023. It was also impacted by the following other permanent non-recurring differences:

- the negative effects related to the impairment loss of the CLIA CGU for €14.2 million and tax risks for €2.6 million;
- the positive effects related to a tax deduction for local goodwill of €2.5 million and adjustments to prior years of €2.0 million.

Restated for these non-recurring effects, the effective tax rate of the Group was 23.4% in 2023.

As previously reported, the Group's effective tax rate in 2022 benefited from the Foreign-Derived Intangible Income (FDII) deduction in the United States, which represented a tax saving of €13.3 million.

It was also impacted by the impairment loss of the CLIA CGU recognized in 2022. Restated for this non-recurring effect, the effective tax rate of the Group was 23.4% in 2022.

The income tax expense breaks down as follows:

In millions of euros	2023	2022
Current tax	195.4	208.0
Deferred tax	-81.0	-67.9
TOTAL	**114.5**	**140.1**

25.3 Change in deferred tax

In millions of euros	2023	2022
Total net deferred tax assets/(liabilities) at beginning of year	**5.6**	**-28.3**
Translation differences	-4.8	-4.7
Changes in the scope of consolidation	0.0	-16.7
Movements recognized in income	81.0	67.9
Other comprehensive income	3.8	-8.5
Other movements	-3.9	-4.0
TOTAL NET DEFERRED TAX ASSETS/(LIABILITIES) AT YEAR END	**81.6**	**5.6**

The increase in deferred tax assets between the two year ends is mainly explained by the increase in the (tax) capitalization of research & development expenses in the United States.

Furthermore, entries relating to other comprehensive income correspond to deferred tax for actuarial gains and losses related to post-employment benefit obligations (+€1.8 million in 2023), as well as entries in the fair value of financial instruments (+€2.0 million in 2023).

Unrecognized deferred tax assets amounted to €16.9 million at December 31, 2023, compared with €16.4 million at December 31, 2022.

NOTE 26 Fees of Statutory Auditors

	2023							2022						
In thousands of euros	Ernst & Young		Grant Thornton		Other		Total	Ernst & Young		Grant Thornton		Other		Total
Certification of the financial statements	**1,367**	**92%**	**748**	**99%**	**199**	**62%**	**2,314**	**1,378**	**91%**	**695**	**99%**	**253**	**46%**	**2,326**
• bioMérieux SA	236	16%	211	28%			447	237	16%	199	28%			436
• fully consolidated subsidiaries	1,131	76%	537	71%	199	62%	1,868	1,141	76%	496	71%	253	46%	1,890
Services other than statutory audit	**118**	**8%**	**5**	**1%**	**0**	**0%**	**123**	**131**	**9%**	**4**	**1%**	**0**	**0%**	**136**
Audit	**1,484**	**100%**	**753**	**100%**	**199**	**62%**	**2,437**	**1,509**	**100%**	**699**	**100%**	**253**	**95%**	**2,462**
Legal, tax, labor-related services	0	0%	0	0%	121	38%	121	0	0%	0	0%	282	5%	282
Other	7	0%	0	0%	0	0%	7	0	0%	0	0%	19		19
Other services	**7**	**0%**	**0**	**0%**	**121**	**38%**	**128**	**0**	**0%**	**0**	**0%**	**301**	**54%**	**301**
TOTAL	**1,491**	**100%**	**753**	**100%**	**321**	**100%**	**2,565**	**1,509**	**100%**	**699**	**100%**	**554**	**100%**	**2,763**

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

IFRS 9 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, etc.).

In practice, the hedging instruments mainly correspond to simple products covering a single risk (swaps, forward sales, options, etc.), for which the main characteristics (reference rates, interest payment dates, etc.) 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 “non-accounted” categories (see Note appendix 27.1), and the comparison between the accounting values and fair values, are given in the table below (excluding tax and social-security debts or receivables):

	December 31, 2023						
In millions of euros	Financial assets at fair value through profit or loss (excl. derivatives)	Shares in non-consolidated companies with change in fair value 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		207.1			207.1	207.1	1 – 3
Other non-current financial assets			12.3		12.3	12.3	-
Other non-current assets			7.7		7.7	7.7	
Derivative instruments (positive fair value)				5.2	5.2	5.2	2
Trade receivables			728.6		728.6	728.6	-
Other receivables			40.2		40.2	40.2	-
Cash and cash investments	352.4				352.4	352.4	1
TOTAL FINANCIAL ASSETS	**352.4**	**207.1**	**788.8**	**5.2**	**1,353.5**	**1,353.5**	
Financial liabilities							
Bond issue[a]			199.7		199.7	199.7	1
Other financing facilities			155.7		155.7	155.7	2
Derivative instruments (negative fair value)				11.9	11.9	11.9	2
Borrowings – current portion			163.4		163.4	163.4	2
Trade payables			263.2		263.2	263.2	-
Other current liabilities			152.8		152.8	152.8	-
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**934.8**	**11.9**	**946.7**	**946.7**	

(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 2023 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 impairment of trade receivables (see Note 9) and non-current financial assets (see Note 7).

In millions of euros	December 31, 2022						
	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		70.3			70.3	70.3	1 – 3
Other non-current financial assets			19.8		19.8	19.8	-
Other non-current assets			12.9		12.9	12.9	
Derivative instruments (positive fair value)				8.5	8.5	8.5	2
Trade receivables			740.1		740.1	740.1	-
Other receivables			30.3		30.3	30.3	-
Cash and cash investments	552.6				552.6	552.6	1
Total financial assets	**552.6**	**70.3**	**803.1**	**8.5**	**1,434.5**	**1,434.5**	
Financial liabilities							
Bond issue[(a)]			199.7		199.7	199.7	1
Other financing facilities			118.7		118.7	118.7	2
Derivative instruments (negative fair value)				9.5	9.5	9.5	2
Borrowings – current portion			187.0		187.0	187.0	2
Trade payables			269.4		269.4	269.4	-
Other current liabilities			175.9		175.9	175.9	-
Total financial liabilities	**-**	**-**	**950.7**	**9.5**	**960.2**	**960.2**	

(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, 2023 were as follows:

In millions of euros	
December 31, 2022	**69.9**
Change from level 3 to 2	
Gains and losses recognized in income	
Gains and losses recognized in other comprehensive income	-6.9
Acquisitions	2.0
Disposals	
Changes in Group structure, translation adjustments	-2.0
DECEMBER 31, 2023	**63.0**

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 45% of revenue in 2023) 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 30% 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, 2023). Detailed information on hedging transactions is provided in Note 28.1.3.

28.1.2 Exposure of revenue to exchange rate risk

In millions of euros	2023		2022	
Eurozone	**908**	**25%**	**858**	**24%**
Other currencies				
Dollars[(a)]	1,662	45%	1,664	46%
Renminbi	231	6%	237	7%
Indian rupee	102	3%	90	2%
Pound sterling	79	2%	73	2%
Japanese yen	80	2%	97	3%
Canadian dollar	58	2%	61	2%
South Korean won	51	1%	46	1%
Australian dollar	36	1%	37	1%
Brazilian real	44	1%	41	1%
Other currencies	423	11%	386	11%
Sub-total	**2,767**	**75%**	**2,731**	**76%**
TOTAL	**3,675**	**100%**	**3,589**	**100%**
Sensitivity	**-37**		**-36**	

(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:

In millions of euros	2023	2022
Net income	-56.7	-67.6
Equity[(a)]	-270.9	-281.2

(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, 2023:

	USD	CNY	CAD	JPY	INR
In millions of currency units					
Assets denominated in foreign currencies	28	518	15	2,782	1,281
Liabilities denominated in foreign currencies	-17	-17	-1	-59	-46
Net exchange exposure before hedging	**11**	**501**	**14**	**2,723**	**1,235**
Impact of hedging	3	239	11	2,473	1,050
Net exchange exposure after hedging	**7**	**263**	**3**	**250**	**185**
In millions of euros					
Net exchange exposure after hedging	**7**	**33**	**2**	**2**	**2**
SENSITIVITY	**-0.6**	**-3.0**	**-0.2**	**-0.1**	**-0.2**

The sensitivity analyzed above shows the impact of a 10% increase in the exchange rate on the net foreign exchange exposure at December 31, 2023, taking into account hedging transactions.

Exposure of borrowings

The Group's borrowings to 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, 2023:

Currency hedge at December 31, 2023 *In millions of euros*	Maturities		2023 market value[(a)]
	< 1 year	1 to 5 years	
Hedges of existing commercial transactions			
• currency forward contracts	251.2	0.0	-0.5
• options	0.0	0.0	0.0
TOTAL	**251.2**	**0.0**	**-0.5**
Hedges of future commercial transactions			
• currency forward contracts	737.7	0.0	-4.2
• options	5.4	0.0	0.1
TOTAL	**743.1**	**0.0**	**-4.2**
Derivatives not qualifying as hedges	20.0	0.0	0.0
TOTAL	**20.0**	**0.0**	**0.0**

(a) Difference between the hedging price and the market price at December 31, 2023.

Currency hedges in effect at December 31, 2022 were as follows:

Currency hedge at December 31, 2022 *In millions of euros*	**Maturities**		**2022 market value[(a)]**
	< 1 year	**1 to 5 years**	
Hedges of existing commercial transactions			
• currency forward contracts	152.3	0.0	-0.9
• options	0.0	0.0	0.0
TOTAL	**152.3**	**0.0**	**-0.9**
Hedges of future commercial transactions			
• currency forward contracts	566.2	0.0	0.6
• options	8.4	0.0	0.2
TOTAL	**574.5**	**0.0**	**0.7**
Derivatives not qualifying as hedges	4.9	0.0	0.0
TOTAL	**4.9**	**0.0**	**0.0**

(a) Difference between the hedging price and the market price at December 31, 2022.

There were no net investment hedges of foreign operations at December 31, 2023.

All of the currency forward contracts and options outstanding at December 31, 2023 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:

			Fair value of the hedging instrument at closing		**Change in the fair value of the hedging instrument over the fiscal year**	
In millions of euros	**Category of the hedge**	**Notional hedge amount at closing**	**assets**	**share-holders' equity and liabilities**	**of which portion recognized as net income**	**of which portion recognized in other comprehen-sive income**
FAIR VALUE HEDGE						
EUR interest rate risk						
Debt in EUR	interest rate swap rate					
Debt in EUR	Rate options					
Exchange rate risk					**1.5**	**-7.3**
Trade receivables in currencies	forward sales	251.2		-0.5		
Trade debts in currencies	forward purchases					
Trade receivables in currencies	options					
Financial receivables in currencies	forward sales	105.8	0.5			
Borrowings in currencies	forward purchases	402.3		-3.0		
CASH FLOW HEDGING						
EUR interest rate risk						
Debt in EUR	interest rate swap rate					
USD interest rate risk						
Loan in $	cross currency swaps					
Exchange rate risk						
Future commercial sales in currencies	forward sales	737.7		-4.2		
Future commercial purchases in currencies	forward purchases					
Future commercial sales in currencies	options	5.4	0.1			
DERIVATIVES NOT QUALIFYING AS HEDGES						
	forward sales	20.0		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 Group's policy on the impairment of trade receivables is described in Note 9.

28.3 Liquidity risk

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

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

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

The table below shows the projected cash flows from the private placement (divided into two tranches), the property lease agreement and contractual interest payments at December 31, 2023:

In millions of euros	In less than one year	Due in 1 to 5 years	Due beyond 5 years
EuroPP 7 years[(a)]	2.2	151.5	0.0
EuroPP 10 years[(a)]	1.0	4.2	57.1
CBI (including VAT)	5.3	18.0	0.0

(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 (see Note 16.7).

A fixed-rate bond issue was set up in 2020 for €199.7 million, including €145 million redeemable in 2027 with an annual coupon of 1.50%, and €55 million redeemable in 2030 with an annual coupon of 1.902%. This financing is therefore not backed by any hedging mechanism.

An indexed variable-rate property leasing 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, 2023 was €18.0 million.

28.4.2 Hedging instruments and sensitivity

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.

28.5 Counterparty risk

At present, the Group is not exposed to any material credit risk. At December 31, 2023 as also at December 31, 2022, investments were solely in short-term instruments, with a net asset value calculated daily.

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

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

Also in the context of IFRS 13, an analysis was carried out to assess the credit risk related to the fair value of financial instruments. Counterparty risk was not considered material, given the short-term maturity (less than one year) of the Group's currency hedges at December 31, 2023, and the rating of bioMérieux's banking counterparties.

NOTE 29 Off-balance sheet commitments

The off-balance sheet commitments have not significantly changed since December 31, 2022 (see Note 29 of the appendix to the consolidated financial statements of December 31, 2022).

Outstanding commitments given or received at December 31, 2023 are described below:

29.1 Off-balance sheet commitments relating to Group companies

Following acquisition and sale transactions, the Group is subject to price adjustment clauses, the probability of application of which was not deemed sufficient at the closing date.

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 €174 million at December 31, 2023.

29.2.2 Commitments received

- bioMérieux SA also had an undrawn syndicated credit facility of €600 million at December 31, 2023. This syndicated credit facility replaced the previous one in March 2023 and matures in March 2028 (five years) with extension options for two additional years (See Note 16.3.).

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

29.3.1 Commitments given

- bioMérieux SA has entered into various agreements with third parties that provide for payments based on progress in corresponding research projects or a minimum volume of sales (€1.3 million).
- Under the free share grant plans approved by the Board of Directors of bioMérieux SA, which holds 155,418 shares as coverage, would need to purchase 548,348 additional shares if all promised shares were allocated. This commitment represents an amount of €55.2 million based on the share price at December 31, 2023.
- In China, Hybiome has committed €40.2 million to banking institutions.
- Other commitments given (endorsements, deposits and guarantees excluding firm rental commitments) amounted to €2.1 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 Gross compensation paid to members of the Executive Committee

Members of the Company's Executive Committee were paid an aggregate €12.2 million in compensation during the 2023 fiscal year.

In millions of euros	2023	2022
Fixed compensation	3.7	3.4
Variable compensation	4.0	3.3
Pensions	0.0	0.0
Benefits-in-kind	0.2	0.2
Free shares	4.2	2.8
Compensation to members of the Board of Directors[(a)]	0.0	0.0
TOTAL	**12.2**	**9.8**

(a) This line relates only to Alexandre Mérieux in respect of his directorship.

30.2 Other transactions with non-consolidated affiliates

- Institut Mérieux, which held 58.9% of bioMérieux SA at December 31, 2023, provided €13.2 million in services and research for the bioMérieux Group over the fiscal year, of which €4.3 million was rebilled to bioMérieux Inc., and €5.2 million to BioFire. bioMérieux SA rebilled €0.4 million to Institut Mérieux for expenses paid on its behalf.
- During 2023, the Group supplied €15.8 million worth of reagents and instruments to entities of the Mérieux NutriSciences Corporation Group, in which Institut Mérieux holds a majority interest.
- Théra Conseil, which became Ekno in 2023 and 35% owned by Institut Mérieux, billed bioMérieux SA €2.4 million for services in 2023.
- bioMérieux Inc. rebilled ABL Inc., 99.5% owned by Institut Mérieux, €2.8 million. In addition, at December 31, 2023 ABL received a $0.8 million loan from bioMérieux Inc.
- During financial 2023, bioMérieux SA invoiced €2.7 million of services to Mérieux Université, in which it held 40% ownership, the remaining 60% held by the Institut Mérieux (40%) and Mérieux NutriSciences Corporation (20%). Conversely, it paid €5.8 million to Mérieux Université for training fees.

NOTE 31 Subsequent events

Acquisition of Lumed Inc.

On January 4, 2024, bioMérieux acquired 100% of Lumed Inc., a Canadian company specialized in software, which created a clinical decision support system for hospitals to optimize antibiotic prescriptions and healthcare-associated infection monitoring.

This acquisition of the entire capital of Lumed Inc. followed the acquisition of a non-controlling interest of 16.2% of the capital in 2017 and 2019 for €0.7 million, giving rise to a close collaboration between the two companies. The acquisition of 83.8% of the capital in 2024 represents an investment of nearly €9 million.

The purchase of Lumed Inc. illustrates bioMérieux's intention to develop its portfolio of data analysis solutions while continuing to concentrate on, and commit to, antimicrobial stewardship and preventing and fighting infection.

Purchase of debt on minority interests

The stake in Suzhou Hybiome Biomedical Engineering Co. Ltd increased from 71.2% at December 31, 2023 to 87.4% at January 31, 2024. This €19 million additional interest was acquired in January 2024. These minority interests were included in the calculation of debt on minority interests at December 31, 2023.

NOTE 32 Consolidation

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

NOTE 33 Alternative performance indicators

The Group uses alternative performance indicators not defined by accounting standards. These include organic growth, as defined in Note 3.5, EBITDA and free cash flow, as defined in Note 16, and contributive operating income before non-recurring items.

Contributive operating income before non-recurring items corresponds to operating income before non-recurring items (as defined in Note 3.3) excluding amortization and impairment of intangible assets related to acquisitions and acquisition-related costs (see Note 23).

In millions of euros	2023	2022
Operating income before non-recurring items	**439.0**	**587.2**
Amortization and impairment of intangible assets related to acquisitions and acquisition-related costs	170.6	76.6
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**609.6**	**663.8**

NOTE 34 List of consolidated companies at December 31, 2023

Changes in the scope of consolidation during the 2023 fiscal year are described in Note 1.1.

		2023[(a)]	2022	2021
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%
Applied Maths Inc.	11940 Jollyville Road, Suite 115N Austin, Texas 78759 – United States	100%	100%	100%
Applied Maths NV	Keistraat 120 9830 Sint-Martens-Latem – Belgium		100%	100%
Astute Medical Inc.	3550 General Atomics Court Building 02/620 San Diego, CA 92121 – United States	100%	100%	100%
Banyan Biomarkers Inc.	16470 West Bernardo Drive, Suite 100 San Diego, California 92127 – United States	100%	100%	100%
BioFire Defense Inc.	1209 Orange Street Wilmington, DE 19801 – U.S.	100%	100%	100%
BioFire Diagnostics LLC	1209 Orange Street Wilmington, DE 19801 – U.S.	100%	100%	100%
bioMérieux South Africa	1st Floor, 44 on Grand Central, 1 Bond Street, cnr Grand Central Boulevard, Midrand 1682 – South Africa	100%	100%	100%
bioMérieux West Africa	Avenue Joseph Blohorn – 08 BP 2634 – Abidjan 08 – Côte d'Ivoire	100%	100%	100%
bioMérieux Algeria	Bois des cars 2 – Lot 11 1st floor – 16302 Dely Ibrahim – Algiers – Algeria	100%	100%	100%
bioMérieux Germany	Weberstrasse 8 – D 72622 Nürtingen – Germany	100%	100%	100%
bioMérieux Argentina	EdificioIntecons – Arias 3751 3er piso – C1430CRG – Buenos Aires – Argentina	100%	100%	100%
bioMérieux Asia Pacific Pte Ltd.	11 – BiopolisWay, 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	1st & 2nd floor Yoo Sung Building #830-67, Yeoksam-dong, Kangnamku – Seoul – South Korea	100%	100%	100%
bioMérieux CZ	Hvezdova 1716/2b – Praha 4 – 140 78 – Czech Republic	100%	100%	100%
bioMérieux Denmark	Lautruphøj 1–3, DK– 2750, Ballerup – Denmark	100%	100%	100%
bioMérieux Egypt	Room 2, Unit 23, 2nd Floor, Star Capital Tower A2, Citystars, Heliopolis, Cairo, Egypt	100%	100%	100%
bioMérieux Egypt Distribution Co. LLC	Room No. 2, Unit No. 23, 2nd Floor, Tower 2A, Star Capital, City Stars, Heliopolis, Cairo – Egypt	100%	100%	100%
bioMérieux Spain	Manuel Tovar 45 – 47 – 28034 Madrid – Spain	100%	100%	100%

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

		2023[(a)]	2022	2021
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%
bioMérieux Hungary	Vaci ut 175 – 1138 Budapest – Hungary	100%	100%	100%
bioMérieux Inc.	100 Rodolphe Street – Durham NC 27712 – U.S.	100%	100%	100%
bioMérieux India	A-32, MohanCo-operativeInd. Estate – New Delhi 110 044 – India	100%	100%	100%
bioMérieux Italy	Bagno a Ripoli, Via di Campigliano, 58 – 50012 Ponte a Ema – Florence – Italy	100%	100%	100%
bioMérieux Japan Ltd	Akasaka Tameike Tower 2F, 2-17-7, Akasaka, Minato-ku, Tokyo	100%	100%	100%
bioMérieux Kazakhstan	14A Auezova street, Almaly district, Almaty, Republic of Kazakhstan, 050026	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	A-15-13A Tower A, Menara Prima Avenue, Jalan PJU 1/39, 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 Nigeria	2nd Floor, Plot 100, Ajose Adeogun Street, Victoria Island, Lagos State, Nigeria	100%	100%	
bioMérieux Norway	Nydalsveien 28 P.B. 4814 Nydalen – N-0484 Oslo – Norway	100%	100%	100%
bioMérieux Philippines	1004, 20th Drive Corporate Center, McKinley Business Park, Bonifacio Global City, Taguig City Philippines Zip code 1634	100%	100%	100%
bioMérieux Poland	ul. Gen. J. Zajączka 9 – 01-518 Warsawa – Poland	100%	100%	100%
bioMérieux Portugal	Av. 25 de Abril de 1974, N°23-3° – 2795-197 LINDA A Velha Portugal	100%	100%	100%
bioMérieux United Kingdom	Chineham Gate, Crockford Lane, Hampshire RG24 8NA	100%	100%	100%
bioMérieux Russia	1st Nagatinskiy proezd, 10, str.1 business center "Newton Plaza" – Moscow 115 533 – Russia	100%	100%	100%
bioMérieux (Shanghai) Biotech Co. Ltd	N° 4633 Pusan Road, Kangqiao Industrial Park – Pudong New District – 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	Hantverksvagen 15 – 43633 Askim – Sweden	100%	100%	100%
bioMérieux Suzhou Biotech Co. Ltd.	Jiangsu Suzhou New District County Township Hong Xi Rd Village No.148.	100%	100%	100%
bioMérieux SRB doo	Belgrade Office Park, Djordja Stanojevica 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, 4th 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%

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

		2023[(a)]	2022	2021
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 – U.S.		100%	100%
Huilai	Room 8738, Building 1, No. 1758, Luchaogang Road, Nanhui New Town, Pudong New District – China	100%	100%	100%
Invisible Sentinel	3711 Market St., Suite. 910 Philadelphia, PA 19104 United States	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%
RAS Lifesciences	Plot No. 13, 4-7-18/13/2, Raghavendra Nagar – Nacharam, Hyderabad – 500 076 – India	100%	100%	100%
Specific Diagnostics (US)	130 Baytech Drive, 95134 San Jose, California, U.S.	100%	100%	
Specific Diagnostics (France)	3, boulevard de Sébastopol 75001 Paris – France	100%	100%	
Specific Diagnostics (Ireland)	10 Earlsfort Terrace, Dublin 2, D02 T380 – Ireland	100%	100%	
Specific Diagnostics (UK)	55 Baker Street, London, United Kingdom, W1U 7EU	100%	100%	
SSC Europe	ul. Gen. J. Zajączka 9 – 01-518 Warsawa – Poland	100%	100%	100%
Suzhou Hybiome Biomedical Engineering Co Ltd	Building 4, No. 8, Jinfeng Road, Suzhou High-tech Zone – China	71%	67%	67%
Suzhou Lianjian Anhua Biomedical Co. Ltd	Room 120, Building 1, No. 18 Madun Road, Suzhou New District, China	71%	67%	67%

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

6.1.3 Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

At the bioMérieux Annual General Meeting,

Opinion

In performing the duty assigned to us by your Annual General Meetings, we conducted an audit of the consolidated financial statements of bioMérieux for the fiscal year ended December 31, 2023, as appended to this report.

We hereby certify that the consolidated financial statements are in accordance with International Financial Reporting Standards as adopted by the European Union, are reliable and give a true and fair view of the results of the operations for the previous fiscal year as well as of the financial position and assets, at the end of the year, of the parties and entities included in the consolidation scope.

The opinion expressed above is consistent with the contents of our report to the Audit Committee.

Basis for opinion

Audit Standard

We conducted our audit according to generally accepted professional standards in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are stated in the section "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" of this report.

Independence

We have conducted our audit in accordance with the rules of independence as set out in the French Commercial Code and in the French Code of Ethics for Statutory Auditors, over the period between January 1, 2023 to the date of issue of our report, and in particular we have not provided any services prohibited by Article 5(1) of EU Regulation No. 537/2014.

Justification for our assessments – Key points of the audit

Pursuant to the provisions of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the key points of the audit relating to risks of material misstatements which, according to our professional judgment, were the most significant for the audit of the consolidated financial statements for the fiscal year, plus the answers we have provided to control these risks.

Our assessments on these matters are part of the audit approach of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on the elements of these consolidated financial statements taken separately.

Valuation of goodwill and intangible assets

Risk identified	Our response
At December 31, 2023, goodwill amounted to €698.8 million and intangible assets to €528.6 million. Together, they account for almost 23% of the Group's total assets. As described in Notes 4 and 5 to the consolidated financial statements, at the acquisition date, goodwill and intangible assets were allocated to a cash-generating unit (CGU) based on expected synergies for your Group. At each closure, your Group systematically tests cash-generating units (CGUs) for impairment and also determines whether there are any indications of impairment losses. Impairment testing is used to determine the recoverable amount of a CGU or group of CGUs, representing the higher of their value in use and fair value less costs to sell. In practice, the value in use of a CGU or group of CGUs is determined primarily on the basis of discounted operating cash flow projections covering a period of five years and based on the most recent business plan, and a terminal value. We consider the valuation of goodwill and intangible assets to be a key audit issue, given the uncertainties inherent in the likelihood of achieving forecasts in the current environment and the fact that the recoverable amount of goodwill relies heavily on management's judgment, particularly with regard to operating margin rates, growth rates used for cash flow projections and the discount rates applied to them.	We included assessment specialists in the audit team in order to examine the impairment tests performed by senior management. Our work consisted mainly in: • assessing the principles and methods for determining evidence of impairment losses and the recoverable amount of goodwill and intangible assets; • analyzing, most notably through interviews with senior management, the main data and assumptions on which the estimates are based (such as the discount rate and the perpetuity growth rate); • reviewing business forecasts and prospects of legal entities or ranges through interviews with senior management, and comparing the accounting estimates of cash flow projections of previous periods with the corresponding actual figures; • comparing, through random sampling, the accounts of the data used in carrying out impairment tests and testing the accuracy of the arithmetic calculations of the valuations used by your Group; • comparing with accounting records any impairment losses resulting from impairment test calculations prepared by management.

Specific verification

As required by the legal and regulatory provisions, and in accordance with the professional standards applicable in France, we have also verified the information presented in the Board of Directors' management report concerning the group.

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

We hereby certify that the consolidated statement of non-financial performance set forth in Article L. 225-102-1 of the French Commercial Code is included in the information about the group presented in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of that Code, we have not verified the fairness of the information contained in this statement, nor its consistency with the consolidated financial statements.

Other verifications or information required by laws and regulations

Format of the consolidated financial statements to be included in the annual financial report

In accordance with the professional standard on the due diligence of statutory auditors in relation to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified compliance with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, as presented in the consolidated financial statements to be included in the annual financial report referred to in Article L. 451-1-2, I of the French Monetary and Financial Code. These have been prepared under the responsibility of the Chief Executive Officer. Our work with consolidated financial statements includes verifying that the markup of these financial statements complies with the format defined by the above-mentioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic reporting format.

Due to the technical limitations inherent in the macro-tagging of consolidated financial statements in accordance with the European Single Electronic Format (ESEF), the content of certain tags in the notes to the financial statements may not be identical to the consolidated financial statements attached to this report.

Additionally, it is not our responsibility to verify that the consolidated financial statements that your entity will include in the annual financial report filed with the AMF correspond to those we have audited.

Appointment of Statutory Auditors

We were appointed Statutory Auditors of bioMérieux by your Annual General Meeting of May 30, 2017 for GRANT THORNTON and May 30, 2012 for ERNST & YOUNG et Autres.

At December 31, 2023, GRANT THORNTON was in the seventh continuous year of its audit engagement, while ERNST & YOUNG et Autres was in the 12th year.

Responsibilities of senior management and the persons constituting corporate governance for the consolidated financial statements

Senior management is responsible for the preparation of consolidated financial statements that present a true view in accordance with the IFRS standard adopted by the European Union, together with the implementation of the internal control it deems relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, senior management is responsible for assessing the Company's ability to continue as a going concern, to present in these financial statements, if necessary, information concerning the continuity of the Company's operations and to apply the accounting policy of going concern, unless there are plans to unwind the Company or discontinue the business.

The Audit Committee is responsible for monitoring the financial reporting preparation process and the effectiveness of internal control and risk management systems and, if necessary, the Internal Audit Department with respect to procedures relating to preparation and treatment of financial and accounting information.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Audit objective and procedure

It is our duty to draw up a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or result from errors and are considered as material when it can be reasonably expected that, taken singly or together, they can influence the economic decisions that users of the financial statements take based thereon.

As stated in Article L. 821-55 of the French Commercial Code, our engagement to certify the financial statements does not consist in guaranteeing the viability or quality of management of your Company.

Within the framework of an audit conducted in compliance with professional standards applicable in France, the statutory Auditor exercises his professional judgment throughout the audit. Furthermore:

- the statutory auditor identifies and assesses the risks whereby the consolidated financial statements may contain material misstatements, whether from fraud or errors; defines and implements audit procedures in view of those risks; and collects the elements they consider sufficient and appropriate on which to base their opinion. The risk of not detecting a material misstatement arising from fraud is higher than the risk of a material misstatement resulting from error, because fraud may imply collusion, falsification, voluntary omissions, false declarations or the circumvention of internal control;
- the statutory auditor reviews the relevant internal control for the audit in order to define the appropriate audit procedures for the circumstances and not to express an opinion on the effectiveness of internal control;
- he assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by senior management, as well as information concerning these methods provided in the consolidated financial statements;
- he assesses the appropriateness of the application by the management of the going concern concept and, according to the elements collected, whether or not there is a material uncertainty linked to events or circumstances likely to compromise the Company's ability to continue as a going concern. This assessment is based on the information collected until the date of his report. It is however pointed out that subsequent circumstances or events could jeopardize continuity as a going concern. If he concludes that there is a material uncertainty, the statutory auditor draws the attention of the readers of the report to the information provided in the consolidated financial statements about such uncertainty, or if this information is not provided or is not relevant, he issues a certification with reservations or a refusal to certify;
- they assess the overall presentation of the consolidated financial statements and whether these reflect underlying operations and events, so as to give a true view;
- concerning the financial information of the persons or entities included in the consolidation scope, he collects the information considered sufficient and appropriate to express an opinion on the consolidated financial statements. He is responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed thereafter.

Report to the Audit Committee

We submit a report to the Audit Committee that presents, in particular, the scope of the audit and the work schedule implemented as well as the conclusions of our audit. Our audit also informs the Audit Committee of any material weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and treatment of financial and accounting information.

The points mentioned in the report to the Audit Committee include the risks of material misstatements that we consider to have been the most important for the audit of the consolidated financial statements of the fiscal year, which therefore constitute the key points of the audit, which it is our duty to describe in this report.

We also submit to the Audit Committee the declaration provided for in Article 6 of EU Regulation No. 537/2014 confirming our independence, within the meaning of the rules applicable in France as set out in Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the Statutory Auditors' Professional Code of Ethics. If necessary, we will meet the Audit Committee to discuss the risks that threaten our independence and the safeguard measures applied.

Lyon, March 19, 2024

The Statutory Auditors

GRANT THORNTON	ERNST & YOUNG et Autres
French member of Grant Thornton International	
Jean Morier	Sylvain Lauria