6.1 Consolidated financial statements

6.1.1 Consolidated financial statements for the financial years ending December 31, 2018 and 2019

Consolidated profit & loss statement

In millions of euros	Notes	12/31/2019	12/31/2018 restated[b]
REVENUES		**2,674.8**	**2,421.3**
Cost of sales		(1,208.2)	(1,119.0)
GROSS PROFIT		**1,466.6**	**1,302.3**
OTHER OPERATING INCOME AND EXPENSES	**19**	**45.9**	**31.2**
Selling and marketing expenses		(567.6)	(479.9)
General and administrative expenses		(182.2)	(163.2)
Research and development expenses		(374.3)	(326.9)
TOTAL OPERATING EXPENSES		**(1,124.1)**	**(970.0)**
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS		**388.5**	**363.5**
BioFire acquisition's fees and depreciation costs [a]	23	(17.9)	(17.5)
OPERATING INCOME BEFORE NON-RECURRING ITEMS		**370.7**	**346.0**
Other non-recurring income (expenses)	24	0.0	0.2
OPERATING INCOME		**370.7**	**346.1**
Cost of net financial debt	22.2	(20.6)	(21.3)
Other financial income and expenses, net	22.3	(2.5)	(4.5)
Income tax	25	(77.8)	(65.1)
Share in earnings (losses) of equity-accounted companies		0.0	0.2
NET INCOME OF CONSOLIDATED COMPANIES		**269.7**	**255.4**
Non-controlling interests		(3.1)	(1.1)
ATTRIBUTABLE TO OWNERS OF THE PARENT		**272.8**	**256.5**
Basic earnings per share		€2.31	€2.18
Diluted earnings per share		€2.30	€2.17

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

(b) The comparative data pertaining to 2018 were restated to take into account the complete retrospective application of IFRS 16 (see Notes 2 and 32). As specified in Note 1.1.3, the finalisation of the work of assigning the acquisition price of Hybiome had no impact on the consolidated 2018 profit/loss.

Comprehensive income

In millions of euros	Notes	12/31/2019	12/31/2018 restated[e]
Net income of consolidated companies		**269.7**	**255.4**
Items to be reclassified to income		**19.5**	**24.2**
Fair value gains (losses) on financial hedging instruments	(a)	(1.2)	(3.1)
Tax effect		0.3	0.7
Movements in cumulative translation adjustments	(b)	20.3	26.6
Items not to be reclassified to income		**(2.5)**	**9.3**
Fair value gains (losses) on financial assets	(c)	16.4	2.4
Tax effect		(0.6)	(0.5)
Remeasurement of employee benefits	(d)	(24.0)	10.1
Tax effect		5.8	(2.7)
TOTAL OTHER COMPREHENSIVE INCOME		**17.0**	**33.7**
TOTAL COMPREHENSIVE INCOME		**286.7**	**289.1**
Non-controlling interests		(2.6)	(1.3)
ATTRIBUTABLE TO OWNERS OF THE PARENT		**289.3**	**290.4**

(a) Change in the effective share of financial hedging instruments.
(b) The change in translation differences in 2019 is mainly related to the increase in the euro rate against other currencies and in particular the dollar.
(c) Changes in the fair value of financial instruments concern shares in non-consolidated companies for which the Group has opted for a change in the fair value in other comprehensive income not recyclable in profit and loss (see Note 7).
(d) See Note 15.3.
(e) The comparative data pertaining to 2018 were restated to take into account the complete retrospective application of IFRS 16 (see Notes 2 and 32). In practice, the application of IFRS 16 had no impact on the overall net income.

Consolidated balance sheet

Assets

In millions of euros	Notes	12/31/2019	12/31/2018 restated[(a)]
Intangible assets	4	508.4	526.0
Goodwill	5	652.5	603.0
Property, plant and equipment	6.1	894.7	761.4
Right-of-use assets	6.2	130.5	137.7
Non-current financial assets	7	41.9	66.9
Net income for the period - Investments in associates		0.2	0.3
Other non-current assets		16.1	16.2
Deferred tax assets	25.3	99.0	78.5
NON-CURRENT ASSETS		**2,343.5**	**2,189.9**
Inventories and work-in progress	8	494.7	418.8
Trade receivables and assets related to contracts with customers	9	552.1	491.8
Other operating receivables	11	61.1	63.4
Current tax receivables	11	42.3	39.2
Non-operating receivables	11	13.3	12.9
Cash and cash equivalents	12	275.0	288.3
CURRENT ASSETS		**1,438.5**	**1,314.4**
ASSETS HELD FOR SALE	**13**	**0.0**	**0.1**
TOTAL ASSETS		**3,781.9**	**3,504.4**

Shareholders' equity and liabilities

In millions of euros	Notes	12/31/2019	12/31/2018 restated[(a)]
• Share capital	14	12.0	12.0
• Additional paid-in capital and reserves	14	1,919.1	1,659.5
• Attributable net income for the period		272.8	256.5
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**2,203.9**	**1,928.0**
NON-CONTROLLING INTERESTS		**50.7**	**74.0**
TOTAL EQUITY		**2,254.6**	**2,002.1**
• Long-term borrowings and debt	16	153.7	524.9
• Deferred tax shareholders' equity and liabilities	25.3	141.2	134.2
• Impairment	15	62.3	47.1
NON-CURRENT LIABILITIES		**357.2**	**706.1**
• Short-term borrowings and debt	16	438.6	129.1
• Impairment	15	47.0	45.0
• Trade payables	17	211.9	179.7
• Other operating payables	17	381.1	352.2
• Current tax payables	17	32.3	33.5
• Non-operating payables	17	59.3	56.9
CURRENT LIABILITIES		**1,170.1**	**796.3**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	**13**	**0.0**	**0.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,781.9**	**3,504.4**

(a) The comparative data pertaining to 2018 were restated to take into account the full retrospective application of IFRS 16 (see Notes 2 and 32) and modifications regarding the determination of the acquired assets and liabilities of Hybiome and Astute Medical Inc. The reconciliation between the published and the restated financial statements is provided in Note 32.

Consolidated cash flow statement

In millions of euros	Notes	12/31/2019	12/31/2018 restated[a]
Net income of consolidated companies		**269.7**	**255.4**
• Investments in associates		0.0	(0.2)
• Cost of net financial debt		20.6	21.3
• Other financial income and expenses, net		2.5	4.5
• Income tax expense		77.8	65.1
• Net additions to operational depreciation - non-current provisions		189.5	177.0
• Non-recurring income and expenditure and acquisition fees and depreciation costs for the acquisition of BioFire		17.8	17.4
EBITDA (before non-recurring items)	**16.1**	**577.9**	**540.5**
Other non-recurring income (expenses) *(excluding non-recurring provisions for impairment and capital gains and losses on disposals of fixed assets)*		(0.1)	0.1
Other financial income and expenses, net *(excluding provisions and disposals of non-current financial assets)*		(2.0)	(4.6)
Net additions to operating provisions for contingencies and losses		(6.8)	(47.8)
Fair value gains (losses) on financial instruments		(1.4)	0.3
Share-based payment		9.4	6.7
Elimination of other non-cash/non-operating income and expenses		**(0.9)**	**(45.3)**
Change in inventories		(71.0)	(26.9)
Change in trade receivables		(57.3)	(30.6)
Change in trade payables		32.9	13.1
Change in other operating working capital		26.0	36.0
Change in operating working capital requirement[b]		**(69.4)**	**(8.4)**
Other non-operating working capital		2.1	1.8
Change in non-current non-financial assets and liabilities		0.4	(1.5)
Change in working capital requirement		**(66.9)**	**(8.1)**
Income tax paid		**(81.6)**	**(65.8)**
Cost of net financial debt	**22.2**	**(20.6)**	**(21.4)**
NET CASH FROM OPERATING ACTIVITIES		**407.9**	**399.8**
Purchases of property, plant and equipment and intangible assets		(272.5)	(226.4)
Proceeds from disposals of property, plant and equipment and intangible assets		17.1	5.4
Proceeds from other non-current financial assets		(2.4)	0.0
FREE CASH FLOW[c]		**150.1**	**178.8**
Disbursement/collection related to taking non-controlling interests		48.4	(5.4)
Impact of changes in Group structure		(72.8)	(186.7)
NET CASH USED IN INVESTING ACTIVITIES		**(282.2)**	**(413.1)**
Purchases and sales of treasury shares		0.0	(22.3)
Dividends paid to owners		(41.3)	(40.2)
Change in committed debt		(69.2)	105.5
Change in interests without gain or loss of controlling interest		(23.5)	0.0
NET CASH USED IN FINANCING ACTIVITIES		**(133.9)**	**43.0**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(8.2)**	**29.7**
Net cash and cash equivalents at beginning of year		**278.2**	**260.4**
Impact of currency changes on net cash and cash equivalents		(6.1)	(11.8)
Net cash and cash equivalents at end of year		**264.0**	**278.2**

(a) The comparative data pertaining to 2018 were restated to take into account the full retrospective application of IFRS 16 (see Notes 2 and 32) and modifications regarding the determination of the acquired assets and liabilities of Hybiome and Astute Medical Inc. The reconciliation between the published and the restated financial statements is provided in Note 32. These restatements had an impact on the allocation of flows by category. The impact on net cash compared to the published financial statements is only related to the finalisation of the assignment of the acquisition price of Hybiome.

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

(c) Corresponds to the sum of cash flows related to the activity and those related to investments excluding the impact of changes in the scope of consolidation. It also includes cash flows on treasury shares and those relative to the cost of debt.

First application of IFRS 16

The first application of IFRS 16 to lease contracts had no impact on investment flows.

In accordance with the provisions of the standard, financing flows include only reimbursements of the debt related to lease liabilities, which stood at €26.6 million on December 31, 2019, against €20.1 million on December 31, 2018.

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

Statement of change in consolidated equity

	Attributable to owners of the parent										Non-controlling interests
In millions of euros	Share capital	Additional paid-in capital and consolidated reserves[a]	Cumulative translation adjustments	Changes in fair value[b]	Actuarial gains and losses[c]	Treasury shares	Share-based payment	Total additional paid-in capital and reserves	Net income	Total	Total
REPORTED EQUITY AT DECEMBER 31, 2017	**12.0**	**1,558.4**	**(32.5)**	**16.1**	**(54.0)**	**(10.9)**	**10.5**	**1,487.5**	**238.1**	**1,737.6**	**(0.9)**
IFRS 16 restatement (Note 2)		(1.9)	0.1					(1.8)		(1.8)	
RESTATED EQUITY AT DECEMBER 31, 2017	**12.0**	**1,556.5**	**(32.4)**	**16.1**	**(54.0)**	**(10.9)**	**10.5**	**1,485.7**	**238.1**	**1,735.8**	**(0.9)**
Total comprehensive income for the period			26.7	(0.4)	7.4			33.7	256.6	290.4	(1.3)
Appropriation of prior-period net income		238.1						238.1	(238.1)	0.0	
Dividends paid[d]		(40.2)						(40.2)		(40.2)	
Treasury shares		(2.7)				(21.9)		(24.6)		(24.6)	
Share-based payment[e]							6.7	6.7		6.7	
Changes in ownership interests[f]		(0.9)						(0.9)		(0.9)	76.1
Other changes[g]		(39.6)					(0.2)	(39.8)		(39.8)	
IFRS 16 restatement (Note 2)		(0.3)	0.4					0.1	(0.1)	0.0	
Hybiome acquisition adjustment		0.5	0.0					0.5		0.5	0.1
RESTATED EQUITY AT DECEMBER 31, 2018	**12.0**	**1,711.5**	**(5.4)**	**15.7**	**(46.6)**	**(32.8)**	**17.0**	**1,659.5**	**256.5**	**1,928.0**	**74.0**
Total comprehensive income for the period			19.9	14.9	(18.3)			16.5	272.8	289.3	(2.6)
Appropriation of prior-period net income		256.5						256.5	(256.5)	0.0	
Dividends paid[d]		(41.3)						(41.3)		(41.3)	
Treasury shares		(21.7)				29.0		7.2		7.2	
Share-based payment[e]							9.4	9.4		9.4	
Share subscription plans[i]		(5.3)						(5.3)		(5.3)	

In millions of euros	Attributable to owners of the parent										Non-controlling interests
	Share capital	Additional paid-in capital and consolidated reserves[a]	Cumulative translation adjustments	Changes in fair value[b]	Actuarial gains and losses[c]	Treasury shares	Share-based payment	Total additional paid-in capital and reserves	Net income	Total	Total
Changes in ownership interests[f]		12.8						12.8		12.8	(20.8)
Other changes[g]		20.9					(17.0)	3.9		3.9	
EQUITY AT DECEMBER 31, 2019	**12.0**	**1,933.3[h]**	**14.5[i]**	**30.6**	**(64.9)**	**(3.9)**	**9.4**	**1,919.1**	**272.8**	**2,203.9[h]**	**50.7[k]**

(a) Of which additional paid-in capital: €63.7 million.
(b) Including changes in the fair value of Quanterix, Labtech, Bio Theranostics, Innovaprep and GNEH shares and hedging instruments.
(c) Actuarial gains and losses on employee benefit obligations arising since the effective date of IAS 19R.
(d) Dividends per share: €0.35 in 2019 and €0.34 in 2018 (before stock split). Shares not qualifying for dividends amounted to 59,116 at December 31, 2019 compared with 569,443 at December 31, 2018.
(e) The fair value of benefits related to share grants is being recognised over the vesting period.
(f) The changes in ownership percentages in 2019 correspond to the exercise of puts on Hybiome and Hyglos minority interests. In 2018, they resulted from the acquisition of Hybiome and the repurchase of the minority interests of RAS Lifesciences.
(g) In 2019, this change corresponds to the reclassification following the awarding of free shares.
(h) Of which bioMérieux SA distributable reserves, including the net income for the financial year: €1,051.5 million.
(i) Reduction in the fair value of shares relating to the inaccessibility condition following the employee share ownership plan.
(j) See Note 14.2 Cumulative translation adjustments.
(k) In 2019, the change in non-controlling interests is the result of the additional repurchase of 12.52% of Hybiome from minority interests.

6.1.2 Notes

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

These consolidated financial statements were approved by the Board of Directors on February 25, 2020.

The financial statements will only be considered definitive after approval by the Annual General Meeting on May 19, 2020.

The consolidated financial statements are presented in millions of euros.

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

1.1 Changes in the scope of consolidation

1.1.1 Acquisition of Invisible Sentinel Inc.

On February 7, 2019, bioMérieux acquired 100% of the shares in Invisible Sentinel Inc., based in Philadelphia (United States). This company develops, manufactures and markets solutions for molecular diagnostics to identify disease-causing organisms and other contaminants in foodstuffs and beverages.

This acquisition enables bioMérieux to strengthen its position in the screening of food pathogens and the detection of disease-causing organisms within new customer segments, such as breweries and wine producers.

The acquisition was carried out for an amount of €66.4 million in cash. The subsidiary was consolidated using the full consolidation method from the takeover date, giving mainly rise to the recognition of technologies net of deferred tax liabilities for €5.6 million, a customer relationship net of deferred tax liabilities for €8.6 million, deferred tax assets of €6.2 million, and goodwill of €45.3 million. The amount of this goodwill reflects bioMérieux's determination to develop its presence in the food and beverages market.

Since the acquisition date, Invisible Sentinel has generated revenue of €6.7 million and an operating loss of €2.9 million, including the depreciation of the technologies and the customer relationship recognised during the purchase price allocation work.

1.1.2 Increase of the equity investment in Suzhou Hybiome Biomedical Engineering Co. Ltd.

An additional equity investment of 12.52% was made in June 2019, for €23.7 million. Following this transaction, bioMérieux now holds 67% of the shares in Hybiome.

The minority interests acquired in June 2019 were included in the calculation of the debt relating to the put at December 31, 2018. Consequently, the debt relating to the put was reduced by €15.2 million recognised through shareholders' equity - attributable to the parent company.

The Company was already accounted for using the full consolidation method at December 31, 2018.

Over the 2019 fiscal year, the Company generated revenue of €25.8 million and an operating loss of €6.6 million, including the depreciation of the technologies and the customer relationship recognised during the purchase price allocation work. Finalisation of the analysis of the purchase price allocation gave rise to adjustments on the opening balance sheet. See Note 1.1.3 below.

1.1.3 Adjustments pertaining to the determination of the assets acquired in 2018

Astute Medical Inc. (acquisition in April 2018)

In the context of the work performed to finalise the determination of the fair value of the acquired assets and liabilities, the valuation assumptions for inventories resulted in a €2 million reduction of the value of the acquired inventories, net of deferred taxes, as an offset to goodwill. The work to determine the opening balance sheet is now finalised. The financial statements at December 31, 2018 have been adjusted. The reconciliation of the published data with the restated data is presented in Note 32.

Hybiome (acquisition in November 2018)

The assets and liabilities identified at the takeover date are presented in Note 32. Changes in relation to the information presented in the consolidated financial statements at December 31, 2018 involve the detailed determination of the Company's balance sheet on the acquisition date and the work on the purchase price allocation. Finalisation of the evaluation of intangible assets in 2019 led to an adjustment in the value of the technologies, net of deferred tax liabilities, of -€5.1 million (final amount €52.6 million) and the recognition of brands and customer relationships, net of deferred tax liabilities, for €11 million. Definitive goodwill stood at €123.7 million against provisional goodwill of €139.3 million on December 31, 2018 (see Note 5.3 below). The taking into account of these items had no material impact on the Group's net income for the 2018 fiscal year. Accordingly, the consolidated income statement at December 31, 2018 was not restated in relation to the integration of the opening balance sheet, only the balance sheet and the consolidated cash flow statement were adjusted.

The reconciliation of the published data with the restated data is presented in Note 32.

1.2 Significant events of the fiscal year

1.2.1 Freezing of bioMérieux Inc. retirement benefits

During the first half of 2019, the Group decided to freeze the retirement benefits for the defined benefit pension plan for bioMérieux Inc. employees (USA). This decision resulted in the recognition of $12.6 million in income, *i.e.* €11.2 million entirely recognised as contributive operating income before non-recurring items.

1.2.2 MyShare world-wide employee share ownership plan

In November 2019, employees of bioMérieux had the option to acquire existing bioMérieux shares at preferential conditions (discount and employer top-up). The launch of this employee share-ownership plan, called MyShare, expresses the desire to increase the association of employees with the performance of the Group.

The share offer, authorised by the Board of Directors' meeting of September 3, 2019, was made to all eligible employees residing in a country that authorises this transaction. See Note 18.4 for the details of the plan.

The impact of MyShare is a personnel cost of around €9.0 million.

1.3 Summary of significant events in 2018

The significant events for the 2018 fiscal year were the following:

- acquisition of Astute Medical Inc. for €75.2 million;
- acquisition of Suzhou Hybiome Biomedical Engineering Co. Ltd. for €115.6 million;
- exceptional contribution to the US retirement plan for €56.0 million.

These events had no significant impact on the annual financial statements for the 2019 fiscal year other than the adjustments related to the determination of the assets acquired in 2018 (see Note 1.1.3 above).

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 2019 did not have any significant impact.

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

Note 2 General accounting principles

Standards, amendments and interpretations

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), including all standards, amendments and interpretations adopted by the European Commission at December 31, 2019. These can be consulted on the European Commission's website at http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The new standards, amendments and interpretations adopted by the European Commission and applicable from January 1, 2019 are presented below.

- IFRS 16 "Leases"

  The Group opted for first application of IFRS 16 using the full retrospective approach. In accordance with the provisions of this option, the comparative financial statements for the 2018 fiscal year were restated, as if the standard had been applied from January 1, 2018. The principles adopted for recognising leases are presented in Note 6.2. The reconciliation between the published and the restated comparative financial statements is provided in Note 32.

- IFRIC 23 "Uncertainty over income tax treatments" in matters of corporation tax.

  The analysis conducted did not result in the recognition of additional liabilities pertaining to tax uncertainties. Tax liabilities are presented as current tax payables, in accordance with the recommendations of the IFRS IC dated September 2019, as in previous years.

- 2015-2017 annual improvements (amendments to IFRS 3, IFRS 11, IAS 12, and IAS 23), with no impact on the Group's financial statements.

- Amendments to IAS 19 "Modification, reduction or liquidation of a plan", with no impact on the financial statements of the Group. This amendment was applied for the accounts treatment of the freezing of bioMérieux Inc. retirement benefits (see Note 1.2.1).

- Amendment to IFRS 9 "Prepayment features with negative compensation", with no impact on the Group's financial statements. This amendment had no impact on the restructuring of borrowings.

- Amendments to IAS 28 "Long-term interests in associations and joint ventures", with no impact on the Group's financial statements.

bioMérieux did not opt for the early application of the standards, amendments and interpretations adopted or awaiting adoption by the European Union, which will become effective after December 31, 2019 but which could have been applied early. They mainly concern:

- amendments to the references of the conceptual framework in the IFRS standards published on December 6, 2019;

- "Definition of Material (Amendments to IAS 1 and IAS 8)", regarding the materiality threshold, published on December 10, 2019;

- "Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7", published on January 16, 2020;

- "Definition of a Business (Amendments to IFRS 3)", of which publication is planned for the second quarter of 2020.

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, 2020, but not yet approved at the European level (and for which early application is not possible on a European level), which would have had a significant impact on the consolidated financial statements.

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

General presentation methods used for the financial statements

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

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

The Group applies the indirect method of presenting cash flows.

Judgments and estimates

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

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

2.1 Presentation of the consolidated income statement

The Group's key financial performance indicator is contributive operating income before non-recurring items. It corresponds to recurring income less recurring expenses. Non-current expenses and income are not included. As specified above, the depreciation of assets recognised for the BioFire purchase price allocation are presented on a specific line, in current operating income.

2.2 Basis of consolidation

Companies over which bioMérieux has exclusive control are fully consolidated.

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

Companies over which bioMérieux exercises significant influence are accounted for by the equity method. Significant influence is the power to participate in the financial and operating policy decisions of an entity, without exercising control. It is deemed to exist when the Group holds between 20% and 50% of the voting rights either directly or indirectly.

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

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

The list of consolidated companies is provided in Note 34.

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

2.3 Fiscal year-end

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 reporting date.

2.4 Foreign currency translation

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

2.4.1 Translation of the financial statements of foreign companies

The financial statements of foreign subsidiaries whose functional currency is not the euro or the currency of a hyper-inflationary economy are translated 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 recognised in a separate heading in the statement of changes in equity ("cumulative translation adjustments") and movements during the year are presented on a separate line within other comprehensive income.

Argentina has been considered as a country subject to hyper-inflation since July 1, 2018 with regard to the criteria defined by the IAS 29 standard. Consequently, the Group analysed the treatment required by the standard, namely the conversion of the 2019 balance sheet and profit & loss statement at closing prices.

The impact of the restatement of the financial statements of bioMérieux Argentina was not significant at the consolidated level; the Group did not perform restatement.

When a foreign subsidiary is sold and the sale leads to a loss of control, translation differences previously recognised in other comprehensive income relating to that company are recognised 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 owners of the parent.

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

The main conversion rates used were the following:

AVERAGE RATES

1 euro =	USD	JPY	GBP	CNY	BRL
2019	**1.12**	**122**	**0.88**	**7.74**	**4.41**
2018	1.18	130	0.88	7.81	4.33
2017	1.13	127	0.88	7.62	3.61

YEAR-END RATES

1 euro =	USD	JPY	GBP	CNY	BRL
2019	**1.12**	**122**	**0.85**	**7.82**	**4.52**
2018	1.15	126	0.89	7.88	4.44
2017	1.20	135	0.89	7.80	3.97

2.4.2 Translation of transactions in foreign currencies

As prescribed by IAS 21 "The Effect of Changes in Foreign Exchange Rates", each Group entity translates foreign currency transactions into its functional currency at the exchange rate prevailing on the transaction date. Exchange rate gains or losses resulting from differences in rates between the transaction date and the payment date are recognised 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 and the resulting currency translation gain or loss is recognised in the income statement at the end of the reporting period.

Derivatives are recognised and measured in accordance with the general principles described in Note 27.1 "Recognition and measurement of financial instruments". Foreign exchange derivatives are recognised 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 recognised in application of the IFRS 15 standard "Income 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 recognition of revenue according to the main performance obligations identified are presented below:

- Sales of reagents:

  Revenue from the sales of reagents is recognised 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 recognised 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 finance lease contracts according to the meaning of IFRS 16 is recognised 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 of between 3 and 5 years.

- Finance leases:

  When the Group provides goods to third parties under leases with terms equivalent to a sale, the goods concerned are accounted for as if 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 elements contracts.

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

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

- Service agreements:

  The services essentially correspond to training, after-sales service and maintenance. Training and after-sales services are recognised in revenue when the services are provided. The analysis performed according to the IFRS 15 standard led to maintenance services being recognised linearly over the term of the maintenance agreement, without change in relation to the previous treatment. Deferred income is recognised 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 recognised 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 fulfils the criteria to be considered as a separate performance obligation. The performance obligation is recognised 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 2 and 3 months.

  Customer contracts which have a financing component are operating leases, financial leasing 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 judgements.

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	12/31/2019	12/31/2018
Sales of equipment	239.1	217.4
Sales of reagents	2,199.5	1,989.1
Sales of services	171.9	157.8
Equipment rentals[(a)]	40.7	34.9
Other revenue	23.6	22.2
REVENUES	**2,674.8**	**2,421.3**

(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 sectoral breakdown of the revenue is given in Note 3.5. The breakdown by technology is given in Note 3.6. The analysis performed according to IFRS 15 did not lead to presenting other breakdowns of revenue.

3.1.2 Other operating income

The other income is essentially composed of licence 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 licence 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 recognised over the term of the agreement;
- other income not related to customer contracts: this mainly 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 centres or end customers;
- depreciation of instruments placed with or leased to customers;
- Technical Support expenses, including the cost of installing and maintaining instruments placed or sold, irrespective of whether such services are billed separately. Also included under this heading are personnel expenses, travel expenses and the cost of spare parts, as well as movements in provisions for warranties granted at the time instruments are sold.

Operating expenses

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

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

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

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

Other information relating to recurring expenses

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

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

The tax credit for competitiveness and employment was recognised as a deduction from personnel costs until 2018; the arrangement was stopped in 2019.

The CVAE Corporate value-added tax (*cotisation sur la valeur ajoutée des entreprises*) and the CFE Corporate real estate tax (*cotisation foncière des entreprises*) are classified under operating expenses given that the added value generated by the Group's French operations significantly exceeds their taxable income.

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

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

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

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

In 2019, operating income before non-recurring items was the sum of the contributive operating income before non-recurring items and costs related to the amortisation of assets related to the acquisition of BioFire (see Note 23).

3.4 Segment information

Pursuant to IFRS 8 "Operating Segments", the Group has identified only one operating segment: the *in vitro* diagnostics segment and no geographic segments.

In accordance with IFRS 8, in Note 3.5 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.

3.5 Information by geographic area

Geographical areas have been determined by combining countries with similar economic characteristics and similar risk, profitability, strategy, and regulatory profiles. Group sales in the Middle East – Africa region are generated in a heterogeneous set of countries, mainly through distributors or agents, and in certain countries *via* local distribution subsidiaries. The distributors and agents are for the most part in direct contact with the French Company bioMérieux SA, which explains their being grouped with the Europe region.

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

DECEMBER 31, 2019 *In millions of euros*	Americas	EMEA[(a)]	Aspac	Corporate	Group
Revenues	**1,199.2**	**957.3**	**513.7**	**4.6**	**2,674.8**
Cost of sales	(429.7)	(434.5)	(247.9)	(96.1)	(1,208.2)
Gross profit	**769.5**	**522.8**	**265.8**	**(91.5)**	**1,466.6**
as% of revenues	*64%*	*55%*	*52%*		
Other operating income and expenses	(292.0)	(177.9)	(112.4)	(495.8)	(1,078.1)
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**477.5**	**344.9**	**153.4**	**(587.3)**	**388.5**
as% of revenues	*40%*	*36%*	*30%*		

(a) Of which France revenues: €197.8 million.

DECEMBER 31, 2018 RESTATED *In millions of euros*	Americas	EMEA[a]	Aspac	Corporate	Group
Revenues	**1,069.4**	**916.6**	**429.5**	**5.8**	**2,421.3**
Cost of sales	(396.0)	(420.1)	(208.8)	(94.2)	(1,119.0)
Gross profit	**673.4**	**496.5**	**220.7**	**(88.4)**	**1,302.3**
as% of revenues	*63%*	*54%*	*51%*		
Other operating income and expenses[b]	(237.7)	(163.9)	(83.7)	(453.5)	(938.7)
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**435.8**	**332.6**	**137.0**	**(541.9)**	**363.5**
as% of revenues	*41%*	*36%*	*32%*		

(a) Of which France revenues: €200.9 million.
(b) The comparative data pertaining to 2018 were restated to take into account the full retrospective application of IFRS 16 (see Notes 2 and 32).

DECEMBER 31, 2019 *In millions of euros*	Americas	EMEA[a]	Aspac	Corporate	Group
Non-current assets					
Intangible assets	20.7	29.6	4.0	454.1	508.4
Goodwill				652.5	652.5
Property, plant and equipment	436.0	209.3	37.3	212.2	894.7
Right-of-use assets	57.9	64.7	7.9		130.5
Working capital requirement					
Inventories and work-in progress	257.5	160.8	76.4		494.7
Trade receivables and assets related to contracts with customers	209.0	278.2	64.9		552.1
Trade payables	(97.0)	(44.8)	(70.0)		(211.9)

(a) Of which non-current assets in France: €383.4 million.

DECEMBER 31, 2018 RESTATED *In millions of euros*	Americas	EMEA[a]	Aspac	Corporate	Group
Non-current assets					
Intangible assets	20.7	34.5	4.6	466.2	526.0
Goodwill				603.0	603.0
Property, plant and equipment	338.2	185.6	37.8	199.9	761.4
Right-of-use assets[b]	55.7	72.2	9.8		137.7
Working capital requirement					
Inventories and work-in progress	172.7	176.2	69.9		418.8
Trade receivables and assets related to contracts with customers	183.0	248.7	60.0		491.8
Trade payables	(42.3)	(39.1)	(98.3)		(179.7)
Assets held for sale			**0.1**		**0.1**

(a) Of which non-current assets in France: €372.6 million.
(b) The comparative data pertaining to 2018 were restated to take into account the full retrospective application of IFRS 16 (see Notes 2 and 32).

Regional data include commercial activities, corresponding mainly to revenue in each of the above geographic areas, the related cost of sales, and the operating expenses necessary for these commercial activities. The regional data also include 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 zones.

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

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

3.6 Information by technology and application

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

In millions of euros	12/31/2019	12/31/2018
Clinical Applications	**2,208.2**	**1,987.8**
Microbiology	1,026.3	964.9
Immunoassays	474.5	441.8
Molecular biology	671.5	549.0
Other lines	35.9	32.1
Industrial applications	**466.7**	**433.5**
TOTAL	**2,674.8**	**2,421.3**

The other ranges mainly include the activity of the subsidiary BioFire Defense, for which the revenue stood at €24.7 million in 2019 and €21.1 million in 2018.

Note 4 Intangible assets

4.1 Accounting principles

4.1.1 Research & development expenses (excluding software development costs)

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

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

Development costs are recognised 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 amortised 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 on going at the acquisition date continue to be capitalised until the date the corresponding product lines are marketed.

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

4.1.2 Other intangible assets

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

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

Significant costs directly attributable to the creation or improvement of software developed in-house are capitalised 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 capitalised.

Intangible assets are amortised 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, licences, technologies;
- 10 years for major integrated management software (such as ERP systems);
- 3 to 6 years for other computer software;
- and 10 to 15 years for customer relationships.

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

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

4.2 Change

Gross value *In millions of euros*	Patents Technology	Software	Other	Total
DECEMBER 31, 2017	**538.8**	**179.4**	**33.1**	**751.3**
Translation adjustments	18.5	1.7	1.0	21.2
Acquisitions/Increases	0.6	7.7	23.0	31.3
Changes in scope of consolidation	90.3	0.0	0.0	90.3
Disposals/Decreases	(6.4)	(0.7)	(0.8)	(7.9)
Reclassifications	0.0	17.0	(15.1)	1.9
DECEMBER 31, 2018 PUBLISHED	**641.9**	**205.2**	**41.2**	**888.2**
DECEMBER 31, 2018 RESTATED[(a)]	**660.6**	**205.2**	**41.2**	**907.0**
Translation adjustments	8.7	1.3	0.6	10.6
Acquisitions/Increases	0.2	6.3	13.0	19.5
Changes in scope of consolidation	7.3	0.0	11.3	18.6
Disposals/Decreases	(4.9)	(0.9)	(0.1)	(5.8)
Reclassifications	(0.1)	8.3	(7.3)	0.9
DECEMBER 31, 2019	**671.7**	**220.2**	**58.8**	**950.8**

Accumulated depreciation and impairments In millions of euros	Patents Technology	Software	Other	Total
DECEMBER 31, 2017	**191.7**	**125.0**	**3.9**	**320.7**
Translation adjustments	5.4	1.4	0.1	6.9
Additions	40.8	19.7	0.8	61.3
Changes in scope of consolidation	0.0	0.0	0.0	0.0
Reversals/Disposals	(6.3)	(0.8)	(0.8)	(8.0)
Reclassifications	0.0	0.0	0.0	0.0
DECEMBER 31, 2018 PUBLISHED	**231.5**	**145.3**	**4.0**	**380.9**
DECEMBER 31, 2018 RESTATED[(a)]	**231.7**	**145.3**	**4.0**	**381.0**
Translation adjustments	2.6	1.0	0.0	3.6
Additions	40.7	20.6	2.3	63.6
Changes in scope of consolidation	0.0	0.0	0.0	0.0
Reversals/Disposals	(4.7)	(1.0)	(0.1)	(5.7)
Reclassifications	0.0	0.0	0.0	0.0
DECEMBER 31, 2019	**270.3**	**165.9**	**6.2**	**442.3**

Carrying amount *In millions of euros*	Patents Technology	Software	Other	Total
DECEMBER 31, 2017	**347.2**	**54.4**	**29.2**	**430.7**
DECEMBER 31, 2018 PUBLISHED	**410.2**	**59.9**	**37.2**	**507.3**
DECEMBER 31, 2018 RESTATED[(a)]	**428.9**	**59.9**	**37.2**	**526.0**
DECEMBER 31, 2019	**401.4**	**54.4**	**52.6**	**508.4**

(a) The comparative data pertaining to 2018 were restated to take into account the modifications regarding the determination of the acquired assets and liabilities of Hybiome. The reconciliation between the published and the restated financial statements is provided in Note 32.

The line "reclassifications" mainly corresponds to assets under construction put into service during the fiscal year.

The gross value of intangible assets increased by €43.8 million, notably due to the recognition of intangible assets when acquiring Invisible Sentinel Inc. for €18.6 million, including €11.3 million of other intangible assets related to customer relationships.

As a reminder, the intangible assets associated with the acquisition of Hybiome in November 2018 correspond to technology for €61.3 million, customer relationships for €4.3 million, and a brand for €8.5 million.

The gross value of intangible assets under construction represents €38.8 million at December 31, 2019 against €33.9 million in 2018 (restated data).

The review of impairment indices on assets with defined useful lives as defined in Note 5.2 led the Group to recognise depreciation on a technology asset of €6.0 million in 2019, to bring the net value of this asset down to 0, given the prospects of development for the Group.

Note 5 Goodwill

5.1 Accounting principles

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

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

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

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

In case of a put option on minority interests, borrowing is recognised for its present value against reserves. At each closure, changes in the fair value of debt, determined according to contractual provisions, are recognised against shareholders' equity attributable to the parent company. The impact of accretion is recorded in the section "Cost of net financial debt". The minority interests currently subject to puts retain all of the rights and benefits associated with the shares until the possible exercise of the option. Recognition of the debt related to the put was done without changing the value of goodwill.

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

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

Impacts of the first application of IFRS 16

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

While awaiting the expected clarifications regarding the practical methods for performing impairment tests incorporating IFRS 16 restatement, and in view of the numerous practical issues identified, the impairment tests were carried out both prior to IFRS 16 and in an approximate manner by incorporating the right-of-use asset and the debt linked to the lease liability into the book value of the CGU, without any modification being made to the calculation of the discount rate and provisional cash flows.

It should be noted that there were no CGUs with a recoverable value close to the net book value at December 31, 2018, and including leases. In addition, the first application of IFRS 16 should not, in principle, have any material impact in the event that the recoverable value is determined in relation to provisional cash flows.

5.2 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).

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 typically corresponding to 1.5%, except for the molecular business and the Hybiome entity, for which a 2.0% growth rate was used.

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

The discount rate applied to cash flows corresponds to the Weighted Average Cost of Capital (WACC), calculated using a risk-free rate (French government OAT bond rate), the equity market risk premium and the beta ratio (which adjusts the overall equity market risk in relation to the specific industry risk). In certain cases, a specific risk premium is included, chiefly to reflect technology risk and the individual market risk, like a country risk premium to take account of the exposure of each CGU to macroeconomic risks. The WACC determined by the Group is compared with the figure calculated by analysts who track the Company's stock. The discount rates calculated for the main CGUs (technological product lines) were between 7.7% and 14.0% in 2019, and between 7.5% and 9.4% in 2018. The upper range used in 2019 covers the Hybiome CGU. Given the acquisition, at the end of 2018, of this company, the Hybiome CGU was not tested in 2018. These rates are understood after tax. The application of a pre-tax WACC to pre-tax cash flows would give an identical result.

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

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

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

5.3 Change

Movements in this caption can be analysed as follows:

CGU	*In millions of euros*	12/31/2019	12/31/2018 restated[a]	12/31/2018 published
Industrial applications		**188.9**	**143.6**	**143.6**
	AES	117.1	117.1	117.1
	Invisible Sentinel	45.7		
	PML (US)	11.8	11.8	11.8
	Hyglos	5.7	5.7	5.7
	BTF (Australia)	5.0	5.5	5.5
	Advencis	2.9	2.9	2.9
	CEERAM	0.5	0.5	0.5
Molecular biology		**159.4**	**156.8**	**156.8**
	BioFire	139.7	137.1	137.1
	Argène	19.3	19.3	19.3
	RAS Lifesciences	0.4	0.5	0.5
Bacteriology		**142.9**	**142.9**	**142.9**
	AB bioMérieux (Sweden)	59.1	60.2	60.2
	Organon Teknika	52.5	51.9	51.9
	Applied Maths	11.4	11.4	11.4
	Bacterial Barcodes (US)	8.7	8.5	8.5
	bioMérieux Inc. (Vitek)	6.2	5.8	5.8
	MDI (US)	1.9	1.9	1.9
	bioMérieux Spain	1.8	1.8	1.8
	bioMérieux Biological products	1.4	1.4	1.4
Hybiome	Hybiome	**123.4**	**122.5**	**138.2**
Immunoassays	Astute Medical Inc.	**33.3**	**32.5**	**30.5**
Entities		**4.6**	**4.6**	**4.6**
	bioMérieux Poland	1.7	1.7	1.7
	bioMérieux Greece	1.7	1.7	1.7
	bioMérieux South Africa	1.3	1.2	1.2
CARRYING AMOUNT		**652.5**	**603.0**	**616.5**

(a) The comparative data pertaining to 2018 were restated to take into account the modifications involving the determination of the acquired assets and liabilities of Hybiome and Astute Medical Inc. The reconciliation between the published and the restated financial statements is provided in Note 32.

The differences between the restated 2018 column and the published 2018 column relate to the goodwill for Hybiome and Astute Medical Inc. recognised as provisional goodwill in 2018 (see Note 1.1.3).

Movements in this caption can be analysed as follows:

In millions of euros	Carrying amount
DECEMBER 31, 2017	**442.7**
Translation adjustments	6.0
Changes in scope of consolidation	167.7
DECEMBER 31, 2018 PUBLISHED	**616.5**
Opening restatement[a]	(13.5)
DECEMBER 31, 2018 RESTATED	**603.0**
Translation adjustments	4.8
Changes in scope of consolidation[b]	44.8
DECEMBER 31, 2019	**652.5**

(a) The comparative data pertaining to 2018 were restated to take into account the modifications involving the determination of the acquired assets and liabilities of Hybiome and Astute Medical Inc. (See Note 1.1.3). The reconciliation between the published and the restated financial statements is provided in Note 32.

(b) Linked to the acquisition of 100% of Invisible Sentinel Inc.

The goodwill of Astute Medical Inc. and Hybiome was provisional at December 31, 2018. It is now definitive. There was no provisional goodwill at December 31, 2019.

No impairment losses were recognised in 2019 or 2018 as a result of the impairment tests carried out as described in Note 5.1.

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

	2019			2018		
CGU	Value Carrying[(a)]	Rate Discount	Growth rate Perpetuity	Value Carrying[(a)]	Rate Discount	Growth rate Perpetuity
Industrial applications	188.9	7.8%	1.5%	143.5	7.5%	1.5%
Molecular biology	159.4	9.2%	2.0%	156.8	9.4%	2.0%
Bacteriology	142.9	7.7%	1.5%	142.9	7.5%	1.5%
Hybiome	123.4	14.0%	2.0%	N/A	N/A	N/A
Immunoassays	33.3	8.2%	1.5%	30.5	7.8%	1.5%

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

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

An analysis was carried out to assess the sensitivity of the impairment tests to changes in discount rates (adverse change of 100 basis points), perpetuity growth rates (adverse change of 50 basis points) and the operating margin (fall of 500 basis points in the ratio of operating income before non-recurring items to terminal value). This analysis will not lead to recognising additional impairment for any of the cash-generating units.

Note 6 Property, plant and equipment, assets related to right-of-use and other finance lease receivables

6.1 Property, plant and equipment

6.1.1 Accounting principles

As prescribed by IAS 16 "Property, Plant and Equipment", items of property, plant and equipment are initially recognised 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 recognised and depreciated separately. The only Group assets to which this method is applied are buildings.

The Group's application of IAS 23 "Borrowing Costs" did not lead to the capitalisation of material borrowing costs as the Group does not have a material level of 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 capitalised only if they satisfy the applicable recognition criteria, such as the replacement of an identified component.

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

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

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

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

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

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

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

Rental agreements:

As lessor: when the Group leases assets to third parties on terms equivalent to a sale, the assets are recorded as though they had been sold, as prescribed by IFRS 16 "Leases". The long-term portion of the lease payments due is recorded under "Other non-current assets" and the short-term portion are recognised under "Trade receivables". The corresponding financial income is recognised 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	Constructions	Materials and tools	Capitalised instruments	Other fixed assets	Assets under construction	Total
DECEMBER 31, 2017 PUBLISHED	**40.6**	**549.2**	**426.1**	**354.8**	**157.9**	**65.9**	**1,594.5**
Restatement lease financing agreements in right of use (IFRS 16)	*(2.9)*	*(61.1)*	*(0.6)*		*(5.7)*		*(70.3)*
DECEMBER 31, 2017 RESTATED	**37.7**	**488.1**	**425.5**	**354.8**	**152.2**	**65.9**	**1,524.1**
Translation adjustments	0.4	8.6	9.5	(0.5)	2.7	2.8	23.4
Changes in scope of consolidation					2.5		2.5
Acquisitions/Increases		10.1	24.9	56.8	8.4	101.6	201.8
Disposals/Decreases	(0.1)	(5.9)	(7.1)	(31.5)	(9.9)		(54.4)
Reclassifications	0.4	12.8	13.7	0.1	5.3	(34.2)	(1.8)
Hybiome restatement			*2.2*	*8.1*	*0.5*	*(9.6)*	*1.2*
DECEMBER 31, 2018 RESTATED[a]	**38.4**	**520.9**	**468.7**	**387.7**	**161.7**	**119.4**	**1,696.8**
Translation adjustments	0.2	4.4	4.3	2.8	1.4	1.1	14.3
Changes in scope of consolidation		0.3	0.8				1.1
Acquisitions/Increases	1.3	12.2	30.3	71.6	10.4	134.8	260.5
Disposals/Decreases	(1.0)	(9.5)	(13.7)	(57.9)	(3.1)		(85.2)
Reclassifications	0.1	25.5	33.9	0.7	8.5	(70.0)	(1.4)
DECEMBER 31, 2019	**39.0**	**553.8**	**524.2**	**404.9**	**178.9**	**185.3**	**1,886.2**

Accumulated depreciation and impairment losses *In millions of euros*	Land	Constructions	Materials and tools	Capitalised instruments	Other fixed assets	Assets under construction	Total
DECEMBER 31, 2017 PUBLISHED	**1.8**	**247.9**	**264.3**	**258.6**	**110.4**		**883.1**
Restatement lease financing agreements in right of use (IFRS 16)		*(15.6)*	*(0.5)*		*(5.7)*		*(21.8)*
DECEMBER 31, 2017 RESTATED	**1.8**	**232.3**	**263.8**	**258.6**	**104.7**		**861.3**
Translation adjustments	0.0	3.1	5.1	(0.7)	1.8		9.3
Changes in scope of consolidation					2.2		2.2
Additions	0.2	29.9	38.2	24.1	17.6	2.5	112.6
Disposals/Decreases	0.0	(5.1)	(7.0)	(26.8)	(9.6)		(48.4)
Reclassifications			0.3	(0.1)	(0.4)		(0.1)
Hybiome restatement			*0.9*	*2.9*	*0.4*	*(2.5)*	*1.7*
Restatement lease financing agreements in right of use (IFRS 16)		*(2.9)*					*(2.9)*
DECEMBER 31, 2018 RESTATED[a]	**2.1**	**257.2**	**301.4**	**258.1**	**116.7**		**935.5**
Translation adjustments	0.0	1.6	2.4	1.8	0.9		6.8
Changes in scope of consolidation		0.3	0.4				0.7
Additions	0.2	32.2	37.6	33.1	12.9		115.9
Disposals/Decreases		(9.3)	(12.5)	(43.1)	(2.5)		(67.4)
DECEMBER 31, 2019	**2.3**	**282.0**	**329.3**	**249.9**	**127.9**		**991.5**

Carrying amount *In millions of euros*	Land	Constructions	Materials and tools	Capitalised instruments	Other fixed assets	Assets under construction	Total
DECEMBER 31, 2017 PUBLISHED	**38.7**	**301.2**	**161.8**	**96.2**	**47.5**	**65.9**	**711.4**
Restatement lease financing agreements in right of use (IFRS 16)	*(2.9)*	*(45.4)*	*(0.1)*				*(48.4)*
DECEMBER 31, 2017 RESTATED	**35.8**	**255.9**	**161.7**	**96.2**	**47.5**	**65.9**	**663.0**
DECEMBER 31, 2018 RESTATED[(a)]	**36.3**	**263.7**	**167.3**	**129.6**	**44.9**	**119.4**	**761.4**
DECEMBER 31, 2019	**36.6**	**271.9**	**194.9**	**155.0**	**51.0**	**185.3**	**894.7**

(a) The comparative data pertaining to 2018 were restated to take into account the full retrospective application of IFRS 16 (see Notes 2 and 32) and modifications regarding the determination of the acquired assets and liabilities of Hybiome. The reconciliation between the published and the restated financial statements is provided in Note 32.

Assets under construction mainly concern the building of a new plant, capital expenditure on the production and automation tools in Salt Lake City, and the extension of the Craponne site in France.

The impairment tests did not lead to the recognition of significant impairment over the fiscal years presented.

6.2 Right-of-use assets (lessee side)

As indicated in Note 2, the Group applied IFRS 16 "Leases" beginning on January 1, 2019 using the full retrospective approach. By applying this option, the comparative financial statements for 2018 were restated as if the IFRS 16 standard had been applied from January 1, 2018. The reconciliation between the published and the restated financial statements is provided in Note 32.

6.2.1 Accounting principles

Restatement on the lessee side:

IFRS 16 no longer makes a distinction, from the lessee perspective, between finance leases and operating leases, as previously defined by IAS 17. Only finance leases were restated in previous years (see Note 6.1 of the notes to the 2018 consolidated financial statements).

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

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

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

For agreements not restated as leases, the lease payments are recognised 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 recognises 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 lease.

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

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

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

In practice, the terms used for the main leases are:

- in France: an enforceable period of nine years (3/6/9 commercial leases): a non-cancelable period of three years and certainty of using the extension options after three and six years;
- in other countries, the term is that indicated in the lease unless the renewal decision is solely at the discretion of the lessee. In this case, the term used is 20 years from the date of the first lease.

The various leases do not contain an early termination clause and there is no clause likely to result in the lessor paying compensation to the Group that would be more than insignificant in the event of the non-renewal of the lease at the end of the non-cancelable period.

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 lease payments are fixed. There are purchasing options for lease financing agreements, and there are no penalties that would be more than insignificant in the event of the termination of the lease at the lessor's initiative.

Right-of-use assets are measured as follows: the cost is reduced by the accumulated depreciation and impairment losses, and adjusted to take into account, where applicable, re-measurements of the lease liability. No impairment losses or re-measurements of the lease liability were recorded during 2019.

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 favourable price. In other cases, these assets are depreciated over the term of the lease as defined above.

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

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

6.2.2 Change

Gross value *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	Total
DECEMBER 31, 2017 RESTATED	**32.1**	**131.5**	**25.0**	**6.6**	**195.3**
Translation adjustments	1.2	0.2	0.0	0.0	1.3
Acquisitions/Increases	0.6	18.9	6.9	0.1	26.3
Disposals/Decreases			0.0		0.0
Reclassifications		(5.2)	(3.9)	0.0	(9.2)
DECEMBER 31, 2018 RESTATED	**33.9**	**145.4**	**27.9**	**6.6**	**213.8**
Translation adjustments	0.5	1.1	0.3	0.0	1.9
Acquisitions/Increases	1.8	20.0	11.0	0.2	32.9
Disposals/Decreases		(23.3)	(9.8)	(0.7)	(33.8)
Reclassifications	(0.1)	0.1		0.0	0.0
DECEMBER 31, 2019	**36.1**	**143.4**	**29.4**	**6.1**	**214.9**

Accumulated depreciation *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	Total
DECEMBER 31, 2017 RESTATED	**2.6**	**41.0**	**11.7**	**6.2**	**61.5**
Translation adjustments	0.0	0.0	0.0	0.0	0.0
Additions	1.0	12.7	7.1	0.2	21.1
Disposals/Decreases					
Reclassifications		(2.3)	(3.9)	0.0	(6.3)
DECEMBER 31, 2018 RESTATED	**3.6**	**51.4**	**14.8**	**6.4**	**76.2**
Translation adjustments	0.0	0.4	0.1	0.0	0.5
Additions	0.9	15.6	8.1	0.2	24.8
Disposals/Decreases		(11.2)	(8.6)	(0.7)	(20.6)
Reclassifications		3.3	0.1	0.0	3.5
DECEMBER 31, 2019	**4.4**	**59.5**	**14.5**	**5.9**	**84.4**

Carrying amount *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	Total
DECEMBER 31, 2017 RESTATED	**29.5**	**90.5**	**13.4**	**0.4**	**133.8**
DECEMBER 31, 2018 RESTATED	**30.3**	**94.0**	**13.1**	**0.3**	**137.7**
DECEMBER 31, 2019	**31.6**	**83.8**	**14.9**	**0.2**	**130.5**

The increases are primarily linked to new leases. The decreases are primarily linked to leases having reached the end of their terms. In accordance with the provisions of the standard, 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.

At the end of 2019, amortisation and depreciation for the fiscal year was €23.2 million, against €21.1 million at the end of 2018.

The table below shows the assets linked to the finance leases reclassified as right-of-use assets based on property, plant and equipment (see Note 6.2):

Carrying amount *In millions of euros*	Land	Buildings	Machinery and equipment	Other assets	Total
DECEMBER 31, 2017 RESTATED	**2.7**	**45.6**	**0.1**	**0.1**	**48.6**
DECEMBER 31, 2018 RESTATED	**2.7**	**42.7**	**0.2**		**45.6**
DECEMBER 31, 2019	**2.7**	**39.4**			**42.1**

6.3 Finance lease receivables

6.3.1 Accounting principles

Finance leases

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

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

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

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

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

6.3.2 Change

Finance lease receivables totalled €24.7 million at December 31, 2019, against €24.5 million at December 31, 2018.

In millions of euros	In less than one year	Due in one to five years	In over five years	Total
Gross value of finance lease receivables	9.7	17.0	0.1	26.8
Accrued interest	(0.8)	(0.9)	0.0	(1.8)
Present value of minimum future lease payments	8.9	16.0	0.1	25.0
Impairment losses	(0.3)			(0.3)
NET PRESENT VALUE OF MINIMUM FUTURE LEASE PAYMENTS	**8.5**	**16.0**	**0.1**	**24.7**

The current portion of finance lease receivables is shown in trade receivables (see Note 9), while the non-current portion is carried in other non-current assets for €16.1 million.

The depreciation rules applied are presented in Note 9.

Note 7 Non-current financial assets

7.1 Accounting principles

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

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

- financial assets assessed at amortised cost:

  It concerns 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 sureties;
- financial assets valued at fair value, with recognition in other comprehensive income:
  - changes in fair value to be reclassified to income: these are financial assets for which the objective of the economic model is both to receive contractual flows and the sale of assets, and for which the contractual conditions specify, at particular dates, flows corresponding only to repayments of capital and interest. The Group has no significant assets within this category,
  - changes in fair value not to be reclassified to income (irreversible option taken on the acquisition date): these are assets that are strategic for the Group. They correspond to non-consolidated equity investments;
- financial assets valued at fair value through profit/loss: these are securities held by the Group for transaction purposes. This category is not used over the fiscal years presented, as the Group has decided to opt for recognition in other comprehensive income not to be reclassified.

Assets valued at amortised cost

The amortised 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 3 levels of fair value defined in Note 27.1.

In exceptional cases where 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	12/31/2019	12/31/2018 restated[(a)]	12/31/2018 published
Loans and receivables	10.4	8.0	13.0
Available-for-sale financial assets assessed at fair value against other comprehensive income	31.5	58.9	58.9
TOTAL	**41.9**	**66.9**	**71.8**

(a) The comparative data pertaining to 2018 were restated to take into account the modifications regarding the determination of the acquired assets and liabilities of Hybiome. The reconciliation between the published and the restated financial statements is provided in Note 32.

The loans and receivables include a surety intended to cover the post-employment benefit obligations in Germany for €2.5 million and the granting of a loan from bioMérieux Inc. to ABL Inc. for €1.8 million.

In millions of euros	Gross value	Variation in fair value against other comprehensive income	Impairment losses	Carrying amount
DECEMBER 31, 2017	**53.9**	**4.3**	**(0.3)**	**57.9**
Translation adjustments	0.0		0.0	0.0
Acquisitions/Increases	12.7		0.0	12.7
Disposals/Decreases	(1.2)		0.0	(1.2)
Reclassifications and changes in fair value				0.0
Changes in fair value of financial instruments		2.4		2.4
DECEMBER 31, 2018	**65.4**	**6.7**	**(0.3)**	**71.8**
DECEMBER 31, 2018 RESTATED[(a)]	**60.4**	**6.7**	**(0.3)**	**66.9**
Translation adjustments	0.1		0.0	0.1
Acquisitions/Increases	9.1		0.0	9.0
Disposals/Decreases	(34.4)		0.1	(34.2)
Reclassifications and changes in fair value				0.0
Changes in fair value of financial instruments		0.2		0.2
DECEMBER 31, 2019	**35.2**	**6.9**	**(0.2)**	**41.9**

(a) The comparative data pertaining to 2018 were restated to take into account the modifications regarding the determination of the acquired assets and liabilities of Hybiome. The reconciliation between the published and the restated financial statements is provided in Note 32.

The acquisitions of the fiscal year mainly concern the equity investment of bioMérieux Inc. in Specific Diagnostics for €4.5 million.

The disposals for the fiscal year concern the Quanterix shares, all of which were sold.

The change in fair value recorded in other comprehensive income stands at €16.4 million:

- €16.2 million related to changes in fair value prior to disposals;
- €0.2 million related to securities still held at closure of the fiscal year.

There was no change in fair value recognised through consolidated net profit/loss in 2019 (as in 2018).

The summary table below shows the change in fair value of the shares in non-consolidated companies at December 31, 2019 compared to December 31, 2018:

	12/31/2018			12/31/2019		
In millions of euros	NBV	Of which change in JV through profit and loss	Of which change in fair value through other comprehensive income	NBV	Of which change in JV through profit and loss	Of which change in fair value through other comprehensive income
Quanterix	32.9		5.3	0.0		15.5
Labtech/LBT Innovations	0.5		(0.7)	1.0		0.5
GNEH	3.2		(2.2)	3.4		0.2
Qvella	6.0			6.3		
Banyan Biomarkers	6.4			6.4		
Sino French Innovations	5.0			5.0		
Specific Diagnostics				4.5		
Other securities	4.9			4.9		
Securities under consolidation						0.2
TOTAL	**58.9**		**2.4**	**31.5**		**16.4**

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

There was no change in fair value recognised through profit/loss in 2019.

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 realisable 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	12/31/2019	12/31/2018 restated[(a)]	12/31/2018 published
Raw materials	191.9	166.6	162.9
Work-in-progress	54.8	47.3	45.8
Finished products and goods held for resale	285.1	240.0	238.2
GROSS VALUE	**531.8**	**453.9**	**446.9**
Raw materials	(14.2)	(13.3)	(13.3)
Work-in-progress	(2.6)	(1.6)	(1.6)
Finished products and goods held for resale	(20.3)	(20.2)	(17.1)
IMPAIRMENT LOSSES	**(37.1)**	**(35.1)**	**(32.0)**
Raw materials	177.6	153.3	149.6
Work-in-progress	52.2	45.7	44.2
Finished products and goods held for resale	264.8	219.8	221.1
CARRYING AMOUNT	**494.7**	**418.8**	**414.9**

(a) The comparative data pertaining to 2018 were restated to take into account the modifications involving the determination of the acquired assets and liabilities of Hybiome and Astute Medical Inc. The reconciliation between the published and the restated financial statements is provided in Note 32.

Inventories relating to instruments account for 17.4% of gross value.

No pledges of inventories had been granted at December 31, 2019.

Note 9 Trade receivables and assets related to contracts with customers

Trade receivables and finance leasing receivables

In millions of euros	12/31/2019	12/31/2018 restated[(a)]	12/31/2018 published
Gross trade receivables	579.9	507.8	505.9
Impairment losses	(27.8)	(16.0)	(16.0)
CARRYING AMOUNT	**552.1**	**491.8**	**490.0**

(a) The comparative data pertaining to 2018 were restated to take into account the modifications regarding the determination of the acquired assets and liabilities of Hybiome. The reconciliation between the published and the restated financial statements is provided in Note 32.

In total, 20.6% of the Group's trade receivables are due from government agencies and may be paid later than the date shown on the invoice.

Trade Receivables are recognised at amortised cost, which in practice corresponds to cost. There are no other financial assets including a financially significant component.

The due dates are mainly below 6 months except for lease contracts, financial lease contracts and contracts for the provision of equipment.

Net receivables overdue by more than 60 days relative to private companies and public organisations represent 11.6% of outstanding trade receivables in 2019, against 8.0% in 2018.

The weight of net additions to doubtful debts and bad debts represents €11.6 million, *i.e.* 0.44% of revenue.

Trade receivables include the current portion of finance lease receivables (see section 6.3).

Receivables and assets related to contracts with customers	12/31/2018 published	Hybiome restate-ment	12/31/2018 restated	Changes in scope of conso-lidation	Change in gross values	Change in provision	Currency impact	12/31/2019
Long-term finance lease receivables	16.2		16.2		(0.4)		0.4	16.1
NON-CURRENT ASSETS	**16.2**		**16.2**		**(0.4)**	**0.0**	**0.4**	**16.1**
Finance lease receivables	8.3		8.3		0.1	0.2	0.2	8.7
Gross trade receivables	481.7	1.8	483.5	0.7	66.2	(9.1)	2.2	543.4
Other assets related to contracts with customers	0.0		0.0					0.0
CURRENT ASSETS	**490.0**	**1.8**	**491.8**	**0.7**	**66.3**	**(8.9)**	**2.4**	**552.1**

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

Depreciation of trade receivables

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

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

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 recognised in income over the period that the service is rendered.

Liabilities related to contracts with customers	Notes	12/31/2018 published	Hybiome restate-ment	12/31/2018 restated	Changes in scope of consolidation	Change in gross values	Change in provision	Changes in translation differences	12/31/2019
Provisions for long-term guarantee	14	1.2		1.2	0.0		0.0	0.0	1.3
NON-CURRENT LIABILITIES		**1.2**		**1.2**	**0.0**	**0.0**	**0.0**	**0.0**	**1.3**
Provisions for short-term guarantee	14	6.8		6.8			(1.0)	0.1	5.9
Advances received on trade receivables	17	5.7	0.6	6.3		3.2		0.0	9.6
Credit note to be issued	17	1.2	1.4	2.6		(0.5)		0.0	2.2
Income invoiced in advance	17	54.7		54.7	0.0	8.5		1.2	64.4
CURRENT LIABILITIES		**68.4**	**2.0**	**70.4**	**0.0**	**11.3**	**(1.0)**	**1.4**	**82.1**

Note 11 Other receivables

In millions of euros	12/31/2019	12/31/2018 restated[(a)]	12/31/2018 published
Advances and downpayments	6.6	6.1	4.8
Prepaid expenses	14.9	13.5	14.2
Other operating receivables[(a)]	39.6	43.8	42.7
CARRYING AMOUNT OF OPERATING RECEIVABLES	**61.1**	**63.4**	**61.7**
CURRENT TAX RECEIVABLES	**42.3**	**39.2**	**39.2**
Non-operating receivables	13.3	12.9	9.6
CARRYING AMOUNT OF NON-OPERATING RECEIVABLES	**13.3**	**12.9**	**9.6**

(a) The comparative data pertaining to 2018 were restated to take into account the full retrospective application of IFRS 16 (see Notes 2 and 32) and modifications regarding the determination of the acquired assets and liabilities of Hybiome. The reconciliation between the published and the restated financial statements is provided in Note 32.

The other receivables related to customer contracts are not material.

Other operating receivables chiefly comprise research tax credit receivables (€8.3 million at December 31, 2019 *versus* €11.8 million at end-2018), and other tax-related receivables.

Non-operating receivables relate primarily to the fair value of derivative instruments carried in assets (€7.4 million in 2019 *versus* €9.3 million in 2018, see Note 27.2).

Note 12 Cash and cash equivalents

12.1 Accounting principles

Cash and cash equivalents includes cash and short-term highly liquid investments denominated in euros and subject to an insignificant risk of changes in value 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 recognised 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 closure, according to the definition given in Note 7.

There are no other current financial assets.

12.2 Change

In millions of euros	12/31/2019	12/31/2018 restated[(a)]	12/31/2018 published
Cash at bank and in hand	241.0	239.9	231.7
Cash pooled with Institut Mérieux	14.0	23.6	23.6
Short-term investments	20.0	24.8	24.8
CASH AND CASH EQUIVALENTS	**275.0**	**288.3**	**280.1**

(a) The comparative data pertaining to 2018 were restated to take into account the modifications regarding the determination of the acquired assets and liabilities of Hybiome. The reconciliation between the published and the restated financial statements is provided in Note 32.

Some cash investments are in SICAV money-market funds (€15.0 million at December 31, 2019 *versus* €17.6 million at December 31, 2018).

Investments are placed with leading credit institutions. No adjustments were recognised 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:

	12/31/2019	12/31/2018
Investment	BNP PARIBAS SIGNATURE PART CLASSIC money-market fund	BNP PARIBAS DEPOSIT money-market fund
Amount	€15 million	€17.6 million
Classification	Short-term money-market fund	Short-term money-market fund
ISIN Code	FR0011046085	FR0011046085

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

Note 13 Assets and liabilities held for sale

13.1 Accounting principles

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

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

13.2 Change

At December 31, 2019, the Group had no assets held for sale, as at the end of 2018.

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, 2019 and was divided into 118,361,220 shares, of which 78,060,118 carried double voting rights. Following a decision taken by the General Meeting of March 19, 2001, the Company's bylaws no longer refer to a par value for its shares.

Other than the free shares (see Note 18.2), there were no valid dilutive rights or securities on December 31, 2019.

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

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

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

14.2 Cumulative translation adjustments

In millions of euros	12/31/2019	12/31/2018 restated[(b)]	12/31/2017 restated[(b)]
Dollars[(a)]	54.9	35.6	(2.2)
Latin America	(15.2)	(14.0)	(10.9)
Europe - Middle East - Africa	(31.5)	(30.7)	(23.5)
Other countries	6.2	3.6	4.2
TOTAL	**14.4**	**(5.5)**	**(32.4)**

(a) US and Hong Kong dollars.
(b) The comparative data pertaining to 2018 were restated to take into account the application of IFRS 16 and modifications regarding the determination of the acquired assets and liabilities of Hybiome. The reconciliation between the published and the restated financial statements is provided in Note 32.

In 2019, the cumulative translation adjustments were mainly related to the appreciation of the dollar.

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 treasury shares for the purpose of allocation under the share grant plans described in Note 18.

Treasury shares held under the liquidity agreement or for the purpose of allocation under 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 recognised directly in equity (disposal gains and losses, impairment, etc.).

Treasury shares held under the liquidity contract

At December 31, 2019, the parent company held 21,697 treasury shares as part of this contract. During the fiscal year, it purchased 486,240 and sold 491,699 treasury shares.

Other treasury shares

On January 1, 2019, the Company held 582,247 treasury shares. During the fiscal year, the Company bought 320,000 shares and definitively allocated 824,868 shares intended to provide free shares to employees and shares related to the stock option plan (see Notes 18.2 and 18.4).

At December 31, 2019, the Company held a total of 37,419 treasury shares intended for free share grants authorised by the Annual General Meeting.

14.4 Minority interests

The minority interests essentially cover the Company Suzhou Hybiome Biomedical Engineering for €50.7 million, representing 33.0%. 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 recognised 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 118,302,104 at December 31, 2019, against 117,791,777 at December 31, 2018.

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 118,709,370 at December 31, 2019, against 118,411,626 at December 31, 2018.

The restatements for 2018 mentioned in Notes 1 and 2 had no impact on the consolidated profit/loss for 2018.

16.5 Impact of liabilities related to leases on borrowings and financial debt

In millions of euros	12/31/2019	12/31/2018	12/31/2017
Debt related to leases	**128.5**	**134.6**	**130.7**
Of which leases with purchase option	*34.1*	*37.7*	*41.7*
Due beyond 5 years	**61.1**	**66.2**	**60.1**
Of which leases with purchase option	*15.0*	*18.7*	*22.6*
Due in 1 to 5 years	**45.4**	**46.0**	**48.4**
Of which leases with purchase option	*15.3*	*15.5*	*15.2*
Due within 1 year	**23.9**	**22.4**	**22.2**
Of which leases with purchase option	*3.8*	*3.5*	*3.9*

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

The amount of financial interest recorded pursuant to leases according to IFRS 16 stood at €3.0 million at December 31, 2019, against €3.2 million at December 31, 2018.

16.6 Debt covenants

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

The syndicated credit facility is subject to a single ratio: "net debt to operating income before non-recurring items before depreciation and amortisation", calculated outside the application of IFRS 16, which was modified by the addendum of January 2017; it should not exceed 3.5. The Group complied with this ratio at December 31, 2019.

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

The other term borrowings at December 31, 2019 primarily correspond to commercial paper, short-term local financing, share allocation plans delivered under cash and cash equivalents, and finance lease liabilities related to assets. None of these borrowings is subject to financial ratios.

16.7 Interest rates

Before hedging, 68% of the Group's borrowings are at fixed rates (€394.1 million), and the remainder is at floating rates (€187.2 million).

The fixed-rate debt is composed of:

- debts on lease liabilities (€94.5 million) at a rate that mostly corresponds to marginal borrowing rates (see Note 6.3.1);
- and the bond issue (maturity 2020) at a rate of 2.875% for €299.6 million. An interest rate swap was taken out converting the interest on half of the bond issue into a floating rate from the beginning, capped at 1.20% and with a floor of 0.30%. In April 2017, due to the forthcoming maturity of the ceiling and floor, a new swap contract was purchased to fix this variable rate at 0.094% from July 18, 2018.

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	12/31/2019	12/31/2018 published	IFRS 16 restatement	Hybiome restatement	12/31/2018 restated
Euro	268.5	271.5	21.6		293.1
Chinese yuan	42.0	74.3	0.9	1.8	77.0
Indian rupee	11.1	4.5	1.7		6.2
Brazilian real	5.1	3.9	0.4		4.4
South African rand	5.0	(1.8)	0.5		(1.3)
South Korean won	4.9	0.1	0.2		0.3
Japanese yen	5.9	3.4	1.6		5.0
Pound sterling	3.7	(13.2)	1.4		(11.8)
Mexican peso	0.7	(1.2)	0.3		(0.9)
Canadian dollar	1.6	(4.0)	3.3		(0.7)
Hong Kong dollars	(0.9)	(10.1)	1.8		(8.3)
Polish zloty	(0.7)	(2.7)	0.9		(1.8)
Thailand baht	(1.3)	(0.5)	0.0		(0.5)
Czech koruna	(1.4)	(1.1)	0.2		(0.9)
Danish krone	(1.6)	(1.8)	0.1		(1.7)
Turkish lira	(1.5)	(1.4)	0.6		(0.8)
Russian rouble	(2.4)	(0.6)	0.2		(0.4)
Swiss franc	(4.3)	(2.0)	0.4		(1.5)
Swedish krona	(4.4)	(3.8)	0.4		(3.4)
Australian dollars	(16.6)	(13.4)	3.0		(10.4)
US dollars	6.9	(30.4)	54.2		23.8
Other currencies	(3.0)	(2.9)	3.1		0.3
TOTAL	**317.4**	**266.9**	**96.9**	**1.8**	**365.7**

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	12/31/2019	12/31/2018 restated[a]	12/31/2018 published
Trade payables	**211.9**	**179.7**	**176.9**
Advances and downpayments	9.6	6.3	5.7
Accrued payroll and other taxes	283.3	262.4	259.6
Deferred income	64.4	54.7	54.7
Other payables	23.8	28.8	25.3
Other operating payables	**381.1**	**352.2**	**345.1**
Current tax payables[b]	**32.3**	**33.5**	**33.5**
Due to suppliers of non-current assets	35.8	26.0	25.0
Other	23.6	30.8	30.8
NON-OPERATING PAYABLES	**59.3**	**56.9**	**55.8**

(a) The comparative data pertaining to 2018 were restated to take into account the full retrospective application of IFRS 16 (see Notes 2 and 32) and modifications regarding the determination of the acquired assets and liabilities of Hybiome and Astute Medical Inc. The reconciliation between the published and the restated financial statements is provided in Note 32.

(b) Payable tax debts include the valuation of tax risks according to IFRIC 23. Its application in 2019 did not lead to the recognition of additional liabilities. In accordance with this interpretation, the liabilities related to litigation and tax risks (excluding penalties and late-payment interest) are recorded in "Current tax payables", as previously (see Note 15.4.3).

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

Operating and non-operating payables generally fall due within one year, except for certain deferred income. Other non-operating payables relate mainly to the fair value of derivative instruments carried in liabilities (€19.1 million at end-2019 *versus* €27.0 million at end-2018, see Note 27.2).

Note 18 Share-based payments

18.1 Share-based payment and share grant plans

The transactions paid in shares concern the bioMérieux SA share grant plans approved by the Ordinary and/or Extraordinary Shareholders' Meetings of May 30, 2012; May 29, 2013; May 28, 2014; May 28, 2015; May 26, 2016; May 30, 2017; May 17, 2018; and May 23, 2019.

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 recognised during the vesting period is recorded as a debt.

In accordance with IFRS 2 "Share-based Payment", the corresponding tax savings recognised 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 recognised.

18.2 Share grant plans

	Year in which plan opened				
Number of shares	2015	2016	2017	2018	**2019**
Initial number of options granted	53,100	402,300	40,116	169,685	**266,189**
Options cancelled	6,600	25,200	1,431	4,275	**27,759**
Number of shares remitted in 2019	46,500	376,200	0	0	**0**
Number of shares to be remitted as of December 31, 2019	0	900	38,685	165,410	**238,430**

The number of shares for plans prior to 2017 were tripled after the three-for-one split decided by the Combined General Meeting of June 2017.

Between 2012 and 2019, the Board of Directors granted free shares (out of existing shares) to certain employees and corporate officers.

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

In 2019, a net expense of €10.5 million was recognised in personnel costs due to compensation in shares, including the expenses related to employers' contributions (against a net expense of €6.6 million in 2018).

At December 31, 2019:

- for 407,266 free shares, the Company considered that the performance criteria were achieved;
- for 36,159 free shares, the Company considered that the performance criteria were not achieved.

At December 31, 2019, bioMérieux SA held 37,419 of its own shares for allocation under the above-described share grant plans. The Company would have to purchase a maximum of 406,006 additional shares at a cost of €32.2 million based on the share price at December 31, 2019.

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

18.3 Share-based payments delivered under cash and cash equivalents

In 2015, 2016 and 2017, the Group set up variable compensation plans in the United States indexed on the price of the bioMérieux share (phantom shares). This additional paid-in capital is comparable to allocation plans for free shares delivered under cash and cash equivalents. Due to the drop in the share price, the impact of these plans on the financial statements of the Group is an expense of €35.6 million in the 2019 fiscal year, against income of €7.2 million in 2018. The debt relative to these plans at December 31, 2019 stood at €39.2 million, against €27.0 million at December 31, 2018.

18.4 Stock option plans

Description of the "MyShare" stock option plan

In 2019, eligible employees of the Group were able to take part in an offer reserved for an employee share ownership plan, called "MyShare". The offer was implemented in the form of a transfer of treasury shares. The Group has offered employees an opportunity to acquire shares with a discount and employer top-up, directly or through the intermediary of a mutual fund. The amounts invested are frozen for four years or five years, except in the case of early release specified by the law, and may carry a risk of loss of capital. The main characteristics of the plan are:

- a 30% discount on the reference price of the share, which corresponds to the average opening price of the bioMérieux share over the twenty (20) trading days preceding October 30, 2019;
- a top-up by bioMérieux of 100% of the amount of subscriptions, up to a thousand euros per employee;
- in return, the funds are frozen over a period of five years for French employees and four years for international employees.

Accounting impact

The subscription price of the MyShare plan is defined by the average opening price of the bioMérieux share over the twenty (20) trading days preceding October 30, 2019. The reference price, fixed at €74.60, is reduced by 30%, namely €52.22.

The accounts expense for the plan corresponds to the difference between the fair value of the share subscribed and the subscription price. The fair value takes into account the securities' non-sellability, namely four years for international employees and five years for French employees.

The expense recognised for the plan corresponds to the difference between the fair value of the share subscribed and the subscription price.

The recognised expense of €8.1 million for the plan corresponds to the cost of the bioMérieux top-up for €4.2 million and an expense valued at €3.9 million, corresponding to the difference between the value of a non-sellable share and the subscription price. The value of a non-sellable share is calculated according to the following assumptions: riskless interest rate: 0.2%, refinancing rate for an employee: 3.9%, and borrowing rate of the share: 0.4%.

Employer contributions related to MyShare stand at €0.9 million (see Note 1.2.2).

Note 19 Other operating income and expenses

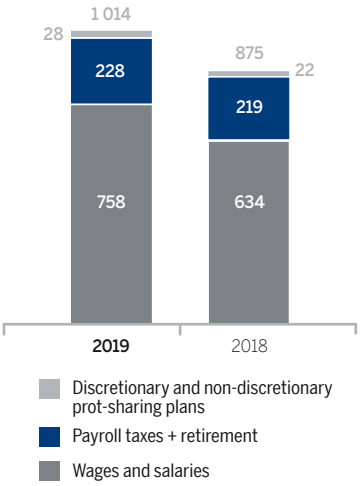
In millions of euros	2019	2018
Net royalties received	3.4	4.0
Research tax credits	28.9	24.0
Research grants	1.8	1.4
Other	11.8	1.8
TOTAL	**45.9**	**31.2**

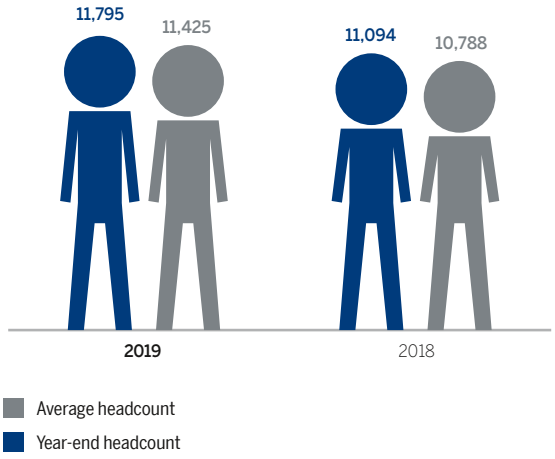
The other income related to customer contracts mainly corresponds to licence fees received.

Other income mainly includes rent in the United States for €5.3 million and income from the sale of assets in Australia for €2.0 million.

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

Note 20 Personnel costs





Wages and salaries take into account the share in the fair value of share-based payment (see Note 18).

Payroll taxes include amounts paid into defined contribution plans for €5.4 million.

The inclusion of the tax credit for competitiveness and employment in the calculation of the social charges in 2019 had no impact, because it was recognised as a deduction from payroll taxes in 2018 (see Note 3.2).

The incentive plan only concerns bioMérieux SA.

Note 21 Depreciation, amortisation and provisions, net

	12/31/2019	12/31/2018 restated[a]	12/31/2018 published
Depreciation and amortisation of non-current assets	207.6	196.5	175.4
Impairment	(6.8)	(48.2)	(48.2)
Impairment of current assets	10.3	2.7	2.7
Impairment of non-current financial assets	(0.1)	(0.5)	(0.5)
TOTAL	**211.0**	**150.5**	**129.4**

(a) The 2018 data were restated to take into account the impact of IFRS 16.

Depreciation and amortisation expense includes €189.6 million shown within contributive operating income before non-recurring items and €17.9 million relating to the amortisation of the fair value of assets recognised in relation to the acquisition of BioFire.

The net reversals of provisions on December 31, 2018 mainly related to the American post-employment benefit obligations and followed on from an exceptional payment of $67 million, representing €59 million, to the fund for covering commitments (see Note 1.3).

Note 22 Net financial expense

22.1 Accounting principles

Financial income and expenses are shown on two separate lines:

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

22.2 Cost of net financial debt

In millions of euros	12/31/2019	12/31/2018 restated[a]	12/31/2018 published
Finance costs	(19.4)	(16.9)	(16.9)
Interest rate hedging derivatives[b]	2.0	(2.7)	(2.7)
Foreign exchange gains (losses)	(0.5)	1.1	1.1
Interest on leasing debt (IFRS 16)	(2.7)	(2.8)	0.0
TOTAL	**(20.6)**	**(21.3)**	**(18.5)**

(a) The comparative data pertaining to 2018 were restated to take into account the full retrospective application of IFRS 16. The reconciliation between the published and the restated financial statements is provided in Note 32.
(b) Corresponds to fair value gains and losses on interest rate hedging instruments taken out in connection with the BioFire acquisition.

The cost of net debt chiefly includes interest in respect of the bond issue and interest on lease debts (IFRS 16).

22.3 Other financial income and expenses, net

In millions of euros	12/31/2019	12/31/2018
Interest income on leased assets	1.2	1.2
Currency hedging derivatives	(4.4)	(6.6)
Other	0.6	1.0
TOTAL	**(2.5)**	**(4.5)**

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

22.4 Foreign exchange gains (losses)

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

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

Foreign exchange gains and losses on commercial transactions are recognised under the relevant headings in the consolidated income statement. The foreign exchange gains and losses impacted the consolidated income statement in the following manner:

In millions of euros	12/31/2019	12/31/2018
Sales	(0.7)	0.4
Purchases	(7.1)	(8.8)
Financial items	(0.5)	1.1
TOTAL	**(8.4)**	**(7.3)**

Note 23 Accumulated depreciation of assets linked to the acquisition of BioFire

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

This line now comprises the amortisations of the assets acquired and valued during the purchase price allocation (technologies) for €17.9 million at the end of December 2019.

Over the 2018 fiscal year, the amount of depreciation of acquired assets stood at €17.5 million.

Note 24 Other non-recurring income (expenses)

24.1 Accounting principles

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

Restructuring costs (which include the cost of severance payments) correspond to the expenses recognised 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

Other non-recurring income and expenses from operations were not material in 2019 or in 2018.

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 and CICE tax credits for competitiveness and employment (see Note 3.2)) are presented as a deduction from income tax expense. The CICE is no longer presented in the financial statements at December 31, 2019 since it was eliminated effective January 1, 2019 and was replaced by a system to reduce expenses.

Deferred taxes are recognised using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. 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 recognised in profit/loss or in other comprehensive income, according to the recognition of the underlying restatement.

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

Deferred tax assets arising on temporary differences are only recognised if they can be utilised against future deductible temporary differences, or where there is a reasonable probability of their utilisation 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 new tax provisions applicable for tax loss carryforwards (utilisation ceilings, etc.).

25.2 Analysis of income tax expense

In millions of euros	2019 Tax	2019 Rate	2018 restated[(a)] Tax	2018 restated[(a)] Rate
Theoretical tax at standard French tax rate	**119.4**	**34.4%**	**110.2**	**34.4%**
• Impact of income tax at reduced tax rates and foreign tax rates	(23.5)	-6.9%	(34.5)	-10.8%
• Impact of permanent differences	(8.7)	-2.5%	(2.4)	-0.7%
• Impact of tax on the payment of dividends	0.4	0.1%	0.7	0.2%
• Deferred tax assets not recognised on tax losses carried forward	1.4	0.4%	2.0	0.6%
• Impact of research and CICE tax credits presented in operating income	(8.8)	-2.5%	(9.0)	-2.8%
• Tax credits (other than research tax credits)	(2.3)	-0.7%	(1.9)	-0.6%
ACTUAL INCOME TAX EXPENSE	**77.8**	**22.4%**	**65.1**	**20.3%**

(a) The comparative data pertaining to 2018 were restated to take into account the full retrospective application of IFRS 16. See Note 32.

The basic Corporate income tax rate in France is 33.33%. Act No. 99-1140 of December 29, 1999 on social security funding introduced a surtax that raised the statutory rate by 1.1%.

The Group's effective tax rate at December 31, 2019 stood at 22.4%, compared with 20.3% at end-2018.

As a reminder, the effective tax rate in 2018 had benefited from the positive effect of the exceptional contribution to the pension fund in the United States and the favourable resolution of a tax dispute in Sweden, which had materially affected the effective tax rate downwards.

In 2019, the Group had benefited from the positive impact of regulations relative to the US tax reform published in March 2019 (€7.0 million, of which €3.5 million pursuant to the 2018 fiscal year). In 2019, the effective tax rate also benefited from the positive impact of including a discount due to non-sellability in relation to the employee share ownership plan for €1.8 million (see Note 1.2.2).

Excluding these non-recurring effects, the effective tax rate of the Group stood at 24.1%.

The deferred tax rate was maintained at 32.02% for payments from January 1, 2020 and 25.83% for payments from January 1, 2021, to take into account the provisions of the 2020 finance law.

The income tax expense breaks down as follows:

In millions of euros	2019	2018 restated[(a)]	2018 published
Current tax	82.7	68.6	68.6
Deferred tax	(4.9)	(3.5)	(3.4)
TOTAL	**77.8**	**65.1**	**65.2**

(a) The comparative data pertaining to 2018 were restated to take into account the full retrospective application of IFRS 16. See Note 32.

25.3 Change in deferred tax

In millions of euros	Deferred tax assets	Deferred tax shareholders' equity and liabilities
DECEMBER 31, 2017 PUBLISHED	**51.6**	**103.8**
Opening restatement	1.1	0.5
DECEMBER 31, 2017 RESTATED[(a)]	**52.7**	**104.3**
Translation adjustments	1.8	3.8
Changes in scope of consolidation	16.2	22.8
Movements recognised in income	7.8	4.5
Other comprehensive income (expense)	(0.8)	1.5
Other movements	(2.4)	(0.4)
DECEMBER 31, 2018 PUBLISHED	**74.3**	**136.0**
Opening restatement	4.2	(1.8)
DECEMBER 31, 2018 RESTATED[(a)]	**78.5**	**134.2**
Translation adjustments	0.9	1.8
Changes in scope of consolidation	6.2	4.4
Movements recognised in income	9.5	4.6
Other comprehensive income (expense)	1.4	(4.1)
Change in fair value of financial instruments	*(0.3)*	
IAS 19R	*1.7*	*(4.1)*
Other movements	2.5	0.3
DECEMBER 31, 2019	**99.0**	**141.2**

(a) The 2017 data were restated to take into account the impact of IFRS 16, as were the 2018 data to take into account the impact of IFRS 16 and the integrations of Hybiome and Astute Medical Inc. The reconciliation between the published and the restated financial statements is provided in Note 32.

Deferred tax assets are mainly generated in the US and result from:

- the activation of losses carried forward and tax benefits recognised for the purchase price allocation of Astute Medical Inc. and Invisible Sentinel Inc.;
- temporary differences due in particular to the non-deductibility of certain provisions and the elimination of internal margins on inventories;
- deferred tax on other comprehensive income items correspond to fair value adjustments to financial instruments (-€0.3 million in 2019) and deferred taxes on actuarial gains and losses relating to post-employment benefit obligations (€5.8 million in 2019).

In 2019, new deferred tax assets were recognised for €6.2 million for deficits carried forward and tax credits recognised for the acquisition of Invisible Sentinel Inc.

At December 31, 2019, deductible timing differences deriving from tax losses that were not recognised as deferred tax assets amounted to €24.4 million (of which €22.6 million in respect of unrecognised tax loss carryforwards), representing a potential tax savings of €7.2 million (of which €6.8 million in respect of unrecognised tax loss carryforwards).

At December 31, 2018, deductible timing differences deriving from tax losses that were not recognised as deferred tax assets amounted to €19.2 million (of which €17.6 million in respect of unrecognised tax loss carryforwards), representing a potential tax savings of €6.0 million (of which €5.5 million in respect of unrecognised tax loss carryforwards).

Deferred tax liabilities were primarily from BioFire (€54.2 million), bioMérieux SA (€25.5 million), and Hybiome (€10.4 million), mainly corresponding to the accounting of fixed assets at fair value. New deferred tax liabilities were recognised on the Group's latest acquisition (€4.4 million relative to Invisible Sentinel Inc.).

Note 26 Fees of Statutory Auditors

	12/31/2019							12/31/2018						
In thousands of euros	Ernst &Young		Grant Thornton		Other		Total	Ernst &Young		Grant Thornton		Other		Total
Statutory audit	**1,167**	**91%**	**580**	**100%**	**211**	**100%**	**1,958**	**1,064**	**91%**	**586**	**97%**	**36**	**100%**	**1,685**
• bioMérieux SA	169	13%	156	27%		0%	325	158	13%	153	25%		0%	311
• fully consolidated subsidiaries	998	78%	424	73%	211	100%	1,633	906	78%	433	72%	36	100%	1,374
Services other than statutory audit	**119**	**9%**		**0%**			**119**	**105**	**9%**	**19**	**0%**		**0%**	**124**
Audit	**1,286**	**100%**	**580**	**100%**	**211**	**100%**	**2,077**	**1,168**	**100%**	**605**	**100%**	**36**	**100%**	**1,809**
Legal, tax, labour-related services	0	0%	0	0%			0		0%	0	0%			0
Other	0	0%		0%			0		0%		0%			0
Other services	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**
TOTAL	**1,286**	**100%**	**580**	**100%**	**211**	**100%**	**2,077**	**1,168**	**100%**	**605**	**100%**	**36**	**100%**	**1,809**

Note 27 Financial instruments: financial assets and liabilities

27.1 Recognition and measurement of financial instruments

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

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

• Financial assets:

The IFRS 9 standard breaks down the financial assets into 3 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 amortised cost.

• Financial liabilities:

Borrowings are recognised at amortised 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 recognised at amortised cost, which in practice corresponds to their cost.

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

• Reclassifications of financial assets and liabilities:

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

• Derivative instruments:

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

In practice, the hedging instruments mainly correspond to simple products covering a single risk (swaps, forward sales, and options), for which the main characteristics (reference rates and interest payment dates) back the items covered, with the exception of cross-currency swaps, which cover exchange rate risks, and interest rate risks related to the repayment of loans made in dollars by bioMérieux SA to bioMérieux Inc. for financing BioFire.

The hedging instruments are recognised 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 recognised 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 recognised 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 and cross-currency swaps) are recognised 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 recognised under other comprehensive income are reclassified to income in the same period(s) during which the hedged forecast cash flows affect income.

Presentation of financial assets and liabilities at fair value through income

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

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

27.2 Change

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

	December 31, 2019						
In millions of euros	Financial assets at fair value through income (excl. derivatives)	Shares in non-consolidated companies with change in fair value by other components of comprehensive income	Receivables and borrowings at amortised cost	Derivative instruments	Value accounting	Fair value	Level
Financial assets							
Shares in non-consolidated companies		31.5			31.5	31.5	1-3
Other non-current financial assets			10.4		10.4	10.4	-
Other non-current assets			16.1		16.1	16.1	
Derivative instruments (positive fair value)				7.4	7.4	7.4	2
Trade receivables			552.1		552.1	552.1	-
Other receivables			6.6		6.6	6.6	-
Cash and cash equivalents	275.0				275.0	275.0	1
TOTAL FINANCIAL ASSETS	**275.0**	**31.5**	**585.2**	**7.4**	**899.1**	**899.1**	
Financial liabilities							
Bond issue[(a)]			299.6		299.6	306.2	1
Other financing facilities			153.7		153.7	153.7	2
Derivative instruments (negative fair value)				19.1	19.1	19.1	2
Borrowings - current portion			139.0		139.0	139.0	2
Trade payables			211.9		211.9	211.9	-
Other current liabilities			69.2		69.2	69.2	-
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**873.4**	**19.1**	**892.5**	**899.1**	

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

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 carrying amount approximates fair value.

bioMérieux enters into derivative instruments as part of master agreements that provide for offsetting in the event of counterparty default. The impact of these master netting agreements on the fair value of derivative instruments at December 31, 2019 was a net negative exposure of €11.7 million *versus* a net exposure of €17.7 million at end-2018.

No inter-category reclassifications were carried out in 2019. None of the Group's financial assets has been pledged as collateral.

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

	December 31, 2018 restated[b]						
In millions of euros	Financial assets at fair value through income (excl. derivatives)	Shares in non-consolidated companies with change in fair value by other components of comprehensive income	Receivables and borrowings at amortised cost	Derivative instruments	Value Book	Fair value	Level
Financial assets							
Other shares in non-consolidated companies		58.9			58.9	58.9	1-3
Other non-current financial assets			8.0		8.0	8.0	-
Other non-current assets			16.2		16.2	16.2	
Derivative instruments (positive fair value)				9.3	9.3	9.3	2
Trade receivables			491.8		491.8	491.8	-
Other receivables			6.1		6.1	6.1	-
Cash and cash equivalents	288.3				288.3	288.3	1
TOTAL FINANCIAL ASSETS	**288.3**	**58.9**	**522.1**	**9.3**	**878.6**	**878.6**	
Financial liabilities							
Bond issue[a]			299.1		299.1	313.8	1
Other financing facilities			225.8		225.8	225.8	2
Derivative instruments (negative fair value)				27.0	27.0	27.0	2
Borrowings - current portion			129.1		129.1	129.1	2
Trade payables			179.7		179.7	179.7	-
Other current liabilities			61.1		61.1	61.1	-
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**894.8**	**27.0**	**921.8**	**936.5**	

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

(b) The comparative data pertaining to 2018 were restated to take into account the full retrospective application of IFRS 16 (see Notes 2 and 32) and modifications regarding the determination of the acquired assets and liabilities of Hybiome and Astute Medical Inc. The reconciliation between the published and the restated financial statements is provided in Note 32.

In millions of euros	December 31, 2018 published						
	Financial assets at fair value through income (excl. derivatives)	Shares in non-consolidated companies with change in fair value by other components of comprehensive income	Receivables and borrowings at amortised cost	Derivative instruments	Value Book	Fair value	Level
Financial assets							
Shares in non-consolidated companies		58.9			58.9	58.9	1-3
Other non-current financial assets			12.9		12.9	12.9	-
Other non-current assets			14.6		14.6	14.6	
Derivative instruments (positive fair value)				9.3	9.3	9.3	2
Trade receivables			446.4		446.4	446.4	-
Other receivables			4.8		4.8	4.8	-
Cash and cash equivalents	280.1				280.1	280.1	1
TOTAL FINANCIAL ASSETS	**280.1**	**58.9**	**478.7**	**9.3**	**827.0**	**827.0**	
Financial liabilities							
Bond issue[(a)]			299.1		299.1	318.8	1
Other financing facilities			147.7		147.7	147.7	2
Derivative instruments (negative fair value)				27.0	27.0	27.0	2
Borrowings - current portion			100.2		100.2	100.2	2
Trade payables			176.9		176.9	176.9	-
Other current liabilities			56.0		56.0	56.0	-
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**779.9**	**27.0**	**806.9**	**826.6**	

(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, 2019 were as follows:

In millions of euros	Shares in non-consolidated companies
DECEMBER 31, 2017	**44.3**
Change of level 3 to 2	(27.7)
Gains and losses recognised in income	
Gains and losses recognised in other comprehensive income	
Acquisitions	5.5
Disposals	0.0
Changes in Group structure, translation adjustments	0.1
DECEMBER 31, 2018	**22.3**
Change of level 3 to 2	
Gains and losses recognised in income	
Gains and losses recognised in other comprehensive income	(0.4)
Acquisitions	5.2
Disposals	
Changes in Group structure, translation adjustments	
DECEMBER 31, 2019	**27.1**

Note 28 Risk management

28.1 Exchange rate risk

28.1.1 Group policy

Since more than two-thirds of the Group's operations are conducted outside the eurozone, its revenue, results and balance sheet may be affected by fluctuations in exchange rates between the euro and other currencies. Revenue is particularly affected by movements in exchange rates between the euro and the US dollar (about 43% of revenue in 2019) and, more occasionally, other currencies.

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

Currencies other than the euro and the dollar represent 31% of the Group's revenue. However, as costs incurred in these other occurrences are limited, the Group's operating income is greatly exposed to fluctuations in these currencies. This exposure is spread over approximately 20 currencies, none of which accounts for more than 8% 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 put in place 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 recognises foreign exchange gains or losses when the hedges are unwound and simultaneously recontracted. 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, 2019). 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	12/31/2019		12/31/2018	
Euro	**706**	**26%**	**679**	**28%**
Other currencies				
Dollars[(a)]	1,142	43%	1,009	42%
Renminbi	222	8%	170	7%
Indian rupee	67	3%	59	2%
Pound sterling	54	2%	52	2%
Japanese yen	52	2%	46	2%
Canadian dollar	41	2%	39	2%
South Korean won	40	2%	42	2%
Brazilian real	36	1%	32	1%
Australian dollar	32	1%	33	1%
Other currencies	282	11%	261	11%
SUB-TOTAL		**74%**		**72%**
TOTAL	**2,675**	**100%**	**2,421**	**100%**
Sensitivity	**(20)**		**(17)**	

(a) US and Hong Kong dollars.

The sensitivity analysed 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:

	2019	2018
Net income	(41.7)	(38.3)
Shareholders' equity[a]	(146.9)	(128.1)

(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, 2019:

In millions of currency units	USD	CNY	INR	KRW	MXN
Assets denominated in foreign currencies	48	167	971	11,592	162
Liabilities denominated in foreign currencies	(24)	(4)	0	0	0
Net exchange exposure before hedging	**24**	**163**	**971**	**11,592**	**162**
Impact of hedging	5	107	0	8,300	52
Net exchange exposure after hedging	**19**	**56**	**971**	**3,292**	**110**
In millions of euros					
Net exchange exposure after hedging	**17**	**7**	**12**	**3**	**5**
SENSITIVITY	**(1.6)**	**(0.7)**	**(1.1)**	**(0.2)**	**(0.5)**

The sensitivity analysed above shows the impact of a 10% increase in the exchange rate on the net foreign exchange exposure at December 31, 2019, taking into account hedging transactions.

Exposure of borrowings

The Group's borrowings with third parties are primarily denominated in euros and contracted by bioMérieux SA. However, since these borrowings were contracted in order to finance an acquisition in the US, they were converted into US dollars using a cross-currency swap (see Note 28.4.1).

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, 2019:

Currency hedge at December 31, 2019 *In millions of euros*	Expiration date 2019		Value 2019 Market[a]
	< 1 year	1 to 5 years	
Hedges of existing commercial transactions			
• currency forward contracts	67.0	0.0	(0.2)
• options	0.4	0.0	0.0
TOTAL	**67.4**	**0.0**	**(0.2)**
Hedges of future commercial transactions			
• currency forward contracts	289.9	0.0	(1.6)
• options	5.9	0.0	0.1
TOTAL	**295.8**	**0.0**	**(1.5)**

(a) Difference between the hedging price and the market price at December 31, 2019.

Currency hedges in effect at December 31, 2018 were as follows:

Currency hedge at December 31, 2018 *In millions of euros*	Expiration date 2018		Value 2018 Market[(a)]
	<1 year	1 to 5 years	
Hedges of existing commercial transactions			
• currency forward contracts	70.1	0.0	0.1
• options	0.0	0.0	0.0
TOTAL	**70.1**	**0.0**	**0.1**
Hedges of future commercial transactions			
• currency forward contracts	332.7	1.9	(2.8)
• options	11.8	0.0	0.2
TOTAL	**344.5**	**1.9**	**(2.6)**

(a) Difference between the hedging price and the market price at December 31, 2018.

There were no net investment hedges of foreign operations at December 31, 2019.

All of the currency forward contracts and options outstanding at December 31, 2019 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 financial year	
In millions of euros	Category of the hedge	Notional hedge amount at closing	assets	shareholders' equity and liabilities	of which portion recognised as net income	of which portion recognised in other comprehensive income
FAIR VALUE HEDGE						
EUR interest rate risk						
Debt in EUR	Interest rate swap rate	300.0	2.2		(2.3)	
Debt in EUR	rate options					
Exchange rate risk					**0.5**	
trade receivables in currencies	forward sales	67.0	0.0	(0.2)		
trade debts in currencies	forward purchases		0.0			
trade receivables in currencies	options	0.4				
financial receivables in currencies	forward sales	24.0		(0.1)		
borrowings in currencies	forward purchases	80.0		(0.4)		
CASH FLOW HEDGING						
EUR interest rate risk						
Debt in EUR	Interest rate swap rate					
USD interest rate risk						
loan in $	cross currency swap	49.2		(10.9)	(0.4)	(0.8)
Exchange rate risk					**0.4**	**(0.4)**
future commercial sales in currencies	forward sales	289.9		(1.6)		
future commercial purchases in currencies	forward purchases					
future commercial sales in currencies	options	5.9	0.1			

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 organisations 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 policy of the Group in terms of the depreciation 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 16.3).

The table below shows the projected cash flows from the bond issue and the hedges related to contractual redemption of the principal at par and to contractual interest payments at December 31, 2019:

In millions of euros	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bond issue[a]	(308.6)	0.0	0.0
Cross currency swap	(11.6)	0.0	0.0
Optional strategies[b]	0.0	0.0	0.0
Interest rate swap[b]	2.2	0.0	0.0

(a) Contractual flows of principal and interest.
(b) Based on the IRS yield curve at December 31, 2019.

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.

The bond issue for €300 million at a fixed rate breaks down at December 31, 2019 into €150 million of debt at a fixed rate and €150 million of debt for which the sensitivity to interest-rate risk is nil after taking into account derivative instruments.

In order to hedge the exchange rate and interest rate risks on the repayments of the US dollar-denominated loan granted by bioMérieux SA to bioMérieux Inc. to finance the acquisition of BioFire, the Group set up a cross-currency swap in January 2014 for a notional amount of $67 million on December 31, 2019. The instrument thus converts the debt in dollars into a debt in euro, one of the legs of which, representing 57% of the notional amount, receives the variable interest rate.

An indexed variable-rate real estate lease financing agreement for an original notional amount of €44.4 million was put in place in 2016 to finance Campus de l'Etoile. This financing is not backed by any hedging mechanism. The capital outstanding at December 31, 2019 was €32.7 million.

28.4.2 Hedging instruments and sensitivity

At December 31, 2019, the hedging portfolio against exchange-rate risk was broken down into interest rate swap contracts at €150 million and a cross-currency swap of $470 million originally (see Note 28.4.1).

The market value of these instruments represents a net liability of €8.7 million. It breaks down as follows:

In millions of euros	2019 market value
Cross currency swap	(10.9)
Options	0.0
Interest rate swap	2.2

Sensitivity of net income to changes in the cost of net debt (excluding the impact of the cross-currency swap) attributable to fluctuations in short-term interest rates

The impact on the cost of debt (calculated on a full-year basis) resulting from changes in net debt at year-end attributable to fluctuations in short-term interest rates is shown in the table below including the impact of interest rate hedging:

In millions of euros	Net income
50-bp increase	(0,059)
50-bp decrease	0,000

Sensitivity of equity and net income to changes in the fair value of interest rate derivatives

Changes in the fair value of interest rate derivatives attributable to changes in the interest rate curve adopted at year-end would have the following impact on the Group's equity and net income:

- the impacts recognised in equity relate to the effective portion of the instruments classified as cash flow hedges;
- the impacts recognised in income relate to the ineffective portion of instruments classified as cash flow hedges, and to the impact of changes in the fair value of instruments that do not qualify for hedge accounting.

A change of 50 basis points applied to the entire yield curve at the closing date and to transactions in effect at December 31, 2019 would have led to an increase (decrease) in equity and net income for the following amounts (based on constant exchange rates and volatility):

In millions of euros	Equity (excluding net income)	Net income
50-bp increase	0.0	(0,003)
50-bp decrease	0.0	0,003

Sensitivity of equity and net income to changes in the fair value of the cross-currency swap

A change of 50 basis points applied to the entire yield curve (euro and US dollar) would have led to an increase (decrease) in equity and net income for the following amounts:

In millions of euros	Shareholders' equity (excl. net income)	Net income
50-bp increase	0.0	0.1
50-bp decrease	0.0	(0.1)

A change of 5% in the closing euro/dollar rate (1.1234 at the closing date) applied to operations in progress on December 31, 2019 would cause an increase (reduction) in equity and income, for the following amounts:

In millions of euros	Shareholders' equity (excl. net income)	Net income
Increase of 5%	0.0	2.9
Decrease of 5%	0.0	(3.2)

These impacts on income would have been perfectly offset by the impact that the underlying change would have had if it had been subject to the same changes.

The impact on the cost of debt (calculated on a full-year basis) resulting from a 50 basis point change and a 5% change in the euro/dollar closing rate applied to net debt at year-end, attributable to fluctuations in short-term interest rates, is shown in the table below, including the impact of interest rate hedging at that date:

In millions of euros	Net income
Increase of 50 bp and 5%	3.0
Decrease of 50 bp and 5%	(3.3)

28.5 Counterparty risk

Since there is currently no major financial or economic crisis, the Group is not exposed to a significant credit risk. At December 31, 2019 and 2018, 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.

Still in the context of the IFRS 13 standard, 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, the fair value of interest rate derivatives at December 31, 2019, and the rating of bioMérieux's banking counterparties.

Note 29 Off-balance sheet commitments

Outstanding commitments given or received at December 31, 2019 are described below:

29.1 Off-balance sheet commitments relating to Group companies

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

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

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

29.2.1 Commitments given

- Bank guarantees given by the Group in connection with bids submitted totalled €133.4 million at December 31, 2019.

29.2.2 Commitments received

- At December 31, 2019, bioMérieux SA has an undrawn syndicated credit facility of €500 million, which was amended in 2018, bringing its maturity to January 2024 (five years with the option for extension twice for one year, one of which remains to be exercised) (see Note 16.2).

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

29.3.1 Commitments given

- bioMérieux Inc. and bioMérieux SA are parties to various agreements that provide for payments based on progress in corresponding research projects or a minimum volume of sales (€3.2 million).
- Within the framework of the free share grant plans approved by the Board of Directors, bioMérieux SA, which holds 37,419 shares as coverage, would need to purchase 406,006 additional shares if all of the promised shares were to be granted. This commitment represents an amount of €32.2 million based on the share price at December 31, 2019.
- bioMérieux SA entered into a ten-year partnership with BIOASTER, a Technological Research Institute in Lyon specialised in infectious diseases. In the period 2012-2015, its contribution to research activities resulted in new partnership agreements being put in place with BIOASTER for almost €4 million. bioMérieux's own employees are also involved in these partnership agreements. A new collaboration cycle was opened for the period between January 1, 2016 and end of July 2020 during which bioMérieux SA has made a commitment to BIOASTER in the same proportions.
- bioMérieux SA participates in a research program coordinated by Institut Mérieux, together with bioMérieux, Transgène, Genosafe and the Genethon association. The aim of this program is to develop a new generation of diagnoses and therapies focusing on cancers, infectious diseases and genetic disorders. This program is known under the acronym "ADNA" (for "Advanced Diagnostics for New therapeutic Approaches"). In this context, and given the addendums that modified the initially-adopted research programme, bioMérieux SA began research and development work for an estimated amount of €67.5 million covering the period 2007 to 2017. The programme ended in December 2017. In return, bioMérieux SA received subsidies (€16.1 million) and repayable grants (€7.5 million). If it succeeds, bioMérieux SA must reimburse the reimbursable aid according to a payment schedule that depends on the revenue made on certain products, then pay a profit share until 2029 (3.4% of this revenue).
- Other commitments given (endorsements and guarantees other than real estate rent obligations) amounted to €0.6 million. bioMérieux SA has committed to participate in a capital increase by ATI in the amount of €0.2 million.

29.3.2 Commitments received

- Other commitments received amount to €4.3 million.

Note 30 Transactions with related parties

30.1 Directors' and officers' compensation

Members of the Company's administrative, management and supervisory bodies were paid an aggregate €12.3 million in compensation during the 2019 fiscal year.

Executive compensation *In millions of euros*	2019	2018
Fixed compensation	5.1	4.8
Variable compensation	3.5	4.7
Benefits-in-kind	0.3	0.2
Free shares	2.9	2.4
Directors' fees	0.0	0.0
Termination benefits	0.5	0.0
TOTAL	**12.3**	**12.2**

30.2 Other transactions with non-consolidated affiliates

- The Institut Mérieux, which held 58.9% of bioMérieux SA at December 31, 2019, provided €8.2 million in services and research for the bioMérieux Group over the fiscal year, reinvoiced to bioMérieux Inc. for €2.9 million, and to BioFire for €2.0 million. The companies of the bioMérieux Group re-invoiced €1.2 million to the Institut Mérieux for expenses borne on its behalf (bioMérieux SA for €0.7 million and bioMérieux India for €0.4 million).
- During 2019, the Group supplied €14.2 million worth of reagents and instruments to entities of the Mérieux NutriSciences Corp. Group, in which Institut Mérieux holds a majority interest.
- Thera Conseil, which is 99.2% owned by Institut Mérieux, billed bioMérieux SA €1.7 million for services in respect of 2019.
- Also during the year, bioMérieux SA contributed €2.0 million to the Fondation Christophe & Rodolphe Mérieux.
- ABL, fully owned by Institut Mérieux, invoiced raw materials to bioMérieux SA for €2.4 million during the 2019 fiscal year. Conversely, bioMérieux Inc. re-invoiced ABL Inc. €3.1 million. Also, ABL received a loan of $1.8 million from bioMérieux Inc.
- During the 2019 fiscal year, bioMérieux SA invoiced services for €1.7 million to Mérieux Université, which it held at 40%; the remaining 60% was held by the Institut Mérieux (40%) and Mérieux NutriSciences (20%). Conversely, it paid €3.9 million to Mérieux Université for training fees.

Note 31 Subsequent events

The Group did not identify any events subsequent to closing.

Note 32 Impacts on the consolidated financial statements

The Group restated the comparative financial statements for the retrospective application of IFRS 16 to the lease accounts in 2019 (see Notes 2 and 6.2) and for the adjustments linked to the preparation of the balance sheet at acquisition for companies acquired in 2018 (see Note 1.1).

In accordance with IAS 8, the comparative financial statements were restated as if IFRS 16 had been applied effective January 1, 2018.

Impact on the consolidated profit & loss statement

The implementation of IFRS 16 resulted in the cancellation of the lease payments linked to restated leases and the recording of amortisation and depreciation and financial expenses.

Impact on the balance sheet

The implementation of IFRS 16 resulted in the recording of right-of-use assets, financial liabilities for lease liabilities and deferred taxes. The negative restatements on the property, plant and equipment line correspond to the reclassification of lease financing agreements, previously restated according to IAS 17, to the right-of-use assets line.

Impact on the consolidated cash flow statement

The implementation IFRS 16 primarily resulted in:

- the recording as financing cash flows of the repayments of borrowings associated with lease liabilities;
- an increase in restated amortisation and depreciation in the operating cash flows;
- the presentation of interest paid for the lease liability as operating cash flows.

Impact on earnings per share

No information is provided since the impact is not material.

32.1 Impact on the main aggregates of the consolidated profit & loss statement at December 31, 2018

In millions of euros	12/31/2018 published	IFRS 16 restatement	12/31/2018 restated
REVENUES	**2,421.3**		**2,421.3**
Cost of sales	(1,119.1)	0.1	(1,119.0)
GROSS PROFIT	**1,302.2**	**0.1**	**1,302.3**
OTHER OPERATING INCOME AND EXPENSES	**31.2**		**31.2**
Selling and marketing expenses	(480.3)	0.4	(479.9)
General and administrative expenses	(165.2)	2.0	(163.2)
Research and development expenses	(326.9)		(326.9)
TOTAL OPERATING EXPENSES	**(972.4)**	**2.4**	**(970.0)**
CONTRIBUTIVE OPERATING INCOME BEFORE NON-RECURRING ITEMS	**361.0**	**2.5**	**363.5**
BioFire acquisition's fees and depreciation costs	(17.5)		(17.5)
OPERATING INCOME BEFORE NON-RECURRING ITEMS	**343.5**	**2.5**	**346.0**
Other non-recurring income (expenses)	0.2		0.2
OPERATING INCOME	**343.6**	**2.5**	**346.1**
Cost of net financial debt	(18.5)	(2.8)	(21.3)
Other financial income and expenses, net	(4.5)		(4.5)
Income tax	(65.2)	0.1	(65.1)
Share in earnings (losses) of equity-accounted companies	0.2		0.2
NET INCOME OF CONSOLIDATED COMPANIES	**255.6**	**(0.2)**	**255.4**
Non-controlling interests	(1.1)		(1.1)
ATTRIBUTABLE TO OWNERS OF THE PARENT	**256.6**	**(0.2)**	**256.5**
Basic earnings per share	€2.18		€2.18
Diluted earnings per share	€2.17		€2.17

32.2 Impact on the main aggregates of the consolidated balance sheet at December 31, 2018

Assets

In millions of euros	12/31/2018 published	IFRS 16 restatement	Hybiome adjustment	Astute adjustment	12/31/2018 restated
Intangible assets	507.3		18.8		526.0
Goodwill	616.5		(15.6)	2.1	603.0
Property, plant and equipment	807.5	(45.6)	(0.5)		761.4
Right-of-use assets		137.7			137.7
Non-current financial assets	71.8		(4.9)		66.9
Net income for the period - Investments in associates	0.3				0.3
Other non-current assets	16.2				16.2
Deferred tax assets	74.3	1.5	1.9	0.7	78.5
NON-CURRENT ASSETS	**2,093.9**	**93.5**	**(0.3)**	**2.8**	**2,189.9**
Inventories and works-in-progress	414.9		6.3	(2.4)	418.8
Trade receivables and assets related to contracts with customers	490.0		1.8		491.8
Other operating receivables	61.7	(0.9)	2.6		63.4
Current tax receivables	39.2				39.2
Non-operating receivables	9.6		3.3		12.9
Cash and cash equivalents	280.1		8.2		288.3
CURRENT ASSETS	**1,295.6**	**(0.9)**	**22.2**	**(2.4)**	**1,314.4**
ASSETS HELD FOR SALE	**0.1**				**0.1**
TOTAL ASSETS	**3,389.6**	**92.6**	**21.9**	**0.4**	**3,504.4**

Shareholders' equity and liabilities

In millions of euros	12/31/2018 published	IFRS 16 restatement	Hybiome adjustment	Astute adjustment	12/31/2018 restated
Share capital	12.0				12.0
additional paid-in capital and reserves	1,660.6	(1.7)	0.5		1,659.5
Attributable net income for the period	256.6	(0.1)			256.5
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**1,929.3**	**(1.8)**	**0.5**		**1,928.0**
NON-CONTROLLING INTERESTS	**74.0**		**0.1**		**74.0**
TOTAL EQUITY	**2,003.3**	**(1.8)**	**0.6**		**2,002.1**
Long-term borrowings and debt	446.8	68.0	10.1		524.9
Deferred tax shareholders' equity and liabilities	136.0	0.8	(2.6)		134.2
Impairment	47.1				47.1
NON-CURRENT LIABILITIES	**629.9**	**68.8**	**7.5**		**706.1**
Short-term borrowings and debt	100.2	28.9			129.1
Impairment	45.0				45.0
Trade payables	176.9		2.4	0.4	179.7
Other operating payables	345.1	(3.3)	10.3		352.2
Current tax payables	33.5				33.5
Non-operating payables	55.8		1.1		56.9
CURRENT LIABILITIES	**756.4**	**25.6**	**13.8**	**0.4**	**796.3**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	**0.0**				**0.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,389.6**	**92.6**	**21.9**	**0.4**	**3,504.4**

32.3 Impact on the main aggregates of the consolidated balance sheet at January 1, 2018

Assets

In millions of euros	12/31/2017 published	IFRS 16 restatement	01/01/2018
Intangible assets	430.7		430.7
Goodwill	442.7		442.7
Property, plant and equipment	711.4	(48.4)	663.0
Right-of-use assets		133.8	133.8
Non-current financial assets	57.9		57.9
Net income for the period - Investments in associates	0.1		0.1
Other non-current assets	14.1	(0.8)	13.3
Deferred tax assets	51.6	1.1	52.7
NON-CURRENT ASSETS	**1,708.5**	**85.7**	**1,794.2**
Inventories and works-in-progress	380.3		380.3
Trade receivables and assets related to contracts with customers	460.1		460.1
Other operating receivables	75.1		75.1
Current tax receivables	36.1		36.1
Non-operating receivables	15.7		15.7
Cash and cash equivalents	312.1		312.1
CURRENT ASSETS	**1,279.4**	**0.0**	**1,279.4**
ASSETS HELD FOR SALE	**2.1**		**2.1**
TOTAL ASSETS	**2,990.0**	**85.7**	**3,075.7**

Shareholders' equity and liabilities

In millions of euros	12/31/2017 published	IFRS 16 restatement	01/01/2018
Share capital	12.0		12.0
Additional paid-in capital and reserves	1,487.5	(1.8)	1,485.7
Attributable net income for the period	238.1		238.1
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**1,737.6**	**(1.8)**	**1,735.8**
NON-CONTROLLING INTERESTS	**(0.9)**		**(0.9)**
TOTAL EQUITY	**1,736.7**	**(1.8)**	**1,734.9**
Long-term borrowings and debt	391.1	71.1	462.2
Deferred tax shareholders' equity and liabilities	103.8	0.5	104.3
Impairment	106.7		106.7
NON-CURRENT LIABILITIES	**601.5**	**71.6**	**673.1**
Short-term borrowings and debt	76.9	17.8	94.7
Impairment	34.1		34.1
Trade payables	161.3		161.3
Other operating payables	300.7	(1.9)	298.8
Current tax payables	24.2		24.2
Non-operating payables	54.6		54.6
CURRENT LIABILITIES	**651.8**	**15.9**	**667.7**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	**0.0**	**0.0**	**0.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**2,990.0**	**85.7**	**3,075.7**

32.4 Impact on the main aggregates of the consolidated cash flow table at December 31, 2018

In millions of euros	12/31/2018 published	Hybiome restatement	IFRS 16 restatement	12/31/2018 restated
Net income of consolidated companies	**255.5**		**(0.1)**	**255.4**
Investments in associates	(0.2)		0.0	(0.2)
Cost of net financial debt	18.5		2.8	21.3
Other financial income and expenses	4.5		0.0	4.5
Income tax expense	65.2		(0.1)	65.1
Net additions to operational depreciation - non-current provisions	157.9		19.1	177.0
Non-recurring income and expenditure and acquisition fees and depreciation costs for the acquisition of BioFire	17.4		0.0	17.4
EBITDA (before non-recurring items)	**518.8**	**0.0**	**21.7**	**540.5**
Elimination of other non-cash/non-operating income and expenses	**(45.3)**	**0.0**	**0.0**	**(45.3)**
Change in operating working capital requirement	**(2.8)**	**(6.1)**	**0.5**	**(8.4)**
Change in working capital requirement	**(1.6)**	**(7.0)**	**0.5**	**(8.1)**
Income tax paid	**(66.5)**		**0.7**	**(65.8)**
Cost of net financial debt	**(18.5)**		**(2.8)**	**(21.3)**
NET CASH FROM OPERATING ACTIVITIES	**386.9**	**(7.0)**	**19.7**	**399.8**
FREE CASH FLOW	**165.5**	**(7.0)**	**20.1**	**178.8**
NET CASH USED IN INVESTING ACTIVITIES	**(418.2)**	**4.7**	**0.4**	**(413.1)**
NET CASH USED IN FINANCING ACTIVITIES	**52.7**	**10.4**	**(20.1)**	**43.0**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**21.4**	**8.1**	**0.0**	**29.7**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**260.4**			**260.4**
Impact of currency changes on net cash and cash equivalents	(11.8)			(11.8)
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**270.0**	**8.1**	**0.0**	**278.2**

32.5 Impact on the main aggregates of the consolidated financial position at December 31, 2018

In millions of euros	12/31/2018 published	IFRS 16 restatement (Note 2.2)	Hybiome adjustment	12/31/2018 restated
Cash at bank and in hand	231.7		8.2	239.9
Short-term investments	48.4			48.4
Cash and cash equivalents	**280.1**	**0.0**	**8.2**	**288.3**
Bank overdrafts	(10.1)			(10.1)
NET CASH AND CASH EQUIVALENTS (A)	**270.0**	**0.0**	**8.2**	**278.2**
COMMITTED DEBT (B)	**536.9**	**96.9**	**10.0**	**643.9**
o/w due beyond 5 years	*24.3*	*47.5*		*71.8*
o/w due in 1 to 5 years	*422.5*	*30.6*		*453.1*
o/w due within 1 year	*90.1*	*18.9*	*10.0*	*119.0*
NET DEBT (B) - (A)	**266.9**	**96.9**	**1.8**	**365.7**

32.6 Impact on the main aggregates of the consolidated financial earnings at December 31, 2018

In millions of euros	12/31/2018 published	IFRS 16 restatement (Note 2.2)	12/31/2018 restated
Finance costs	(16.9)		(16.9)
Interest rate hedging derivatives	(2.7)		(2.7)
Foreign exchange gains (losses)	1.1		1.1
Interest on leasing debt (IFRS 16)	0.0	(2.8)	(2.8)
TOTAL	**(18.5)**	**(2.8)**	**(21.3)**

Note 33 Consolidation

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

Note 34 List of consolidated companies at December 31, 2019

Changes in the scope of consolidation during the 2019 fiscal year are described in Note 1.1.

		2019[(a)]	2018	2017
bioMérieux SA	69280 Marcy l'Étoile - France R.C.S. (Trade and companies register) Lyon B 673 620 399			
AB bioMérieux	Dalvägen 10 169 56 Solna, Stockholm – Sweden	100%	100%	100%
ABG STELLA	1105 N Market St Suite 1300 Wilmington, Delaware 19801 – US	100%	100%	100%
AES Canada Inc.	500 boul. Cartier Ouest, suite 262 H7V 5B7 Laval, QC – Canada	100%	100%	100%
AES Chemunex GmbH	Zeiloch 20 – 76646 Bruschal – Germany			100%
Applied Maths Inc.	11940 Jollyville Road, Suite 115N Austin, Texas 78759 – US	100%	100%	100%
Applied Maths NV	Keistraat 120,9830 Sint-Martens-Latem Belgium	100%	100%	100%
Astute Medical Inc.	3550 General Atomics Court Building 02/620 San Diego, CA 92121 - United States	100%	100%	
Bacterial Barcodes Inc.	425 River Road – Athens – GA 30602 – US	100%	100%	100%
BioFire Defense Inc.	79 W 4500 S, Suite 14 Salt Lake City, UT 84107 – US	100%	100%	100%
BioFire Diagnostics Inc.	390 Wakara Way Salt Lake City, Utah 84108 – US	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 - Ivory Coast	100%	100%	100%
bioMérieux Algeria	Bois des cars 2 - Lot 11 1st t floor -16302 Dely Ibrahim Alger - Algeria	100%	100%	100%
bioMérieux Germany	Weberstrasse 8 – D 72622 Nürtingen – Germany	100%	100%	100%
bioMérieux Argentina	Edificio Intecons - Arias 3751 3er piso - C1430CRG Buenos Aires - Argentina	100%	100%	100%

		2019[a]	2018	2017
bioMérieux Asia Pacific Pte Ltd.	11 – Biopolis Way – Helios – Unit # 10-05 – 138667 – SINGAPORE	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 Wien – 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 - The 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 (Québec) – 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 7 No. 127–48 – Oficina 806 – Bogota DC – Colombia	100%	100%	100%
bioMérieux Korea	1st and 2nd floor Yoo Sung Building #830-67, Yeoksam-dong, Kangnam ku – Seoul – South Korea	100%	100%	100%
bioMérieux CZ	Hvezdova 1716/2b – Prague 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%		
bioMérieux Spain	Manuel Tovar 45-47 – 28034 Madrid – Spain	100%	100%	100%
bioMérieux Finland	Tekniikantie 14 FI-02150 Espoo – Finland	100%	100%	100%
bioMérieux Greece	Papanikoli 70 – 15232 Halandri – Athens – Greece	100%	100%	100%
bioMérieux Hong Kong Investment	19/Floor Billion Plaza 8 Cheung Yue Street – Kowloon – Hong Kong	100%	100%	100%
bioMérieux Hungary	Vaci ut 175 – 1138 Budapest – Hungary	100%	100%	100%
bioMérieux Inc.	100 Rodolphe Street – Durham NC 27712 – US	100%	100%	100%
bioMérieux India	A-32, MohanCo-operative Ind. Estate - New Delhi 110 044 - India	100%	100%	100%
bioMérieux International SAS (formerly Stella SAS)	69280 Marcy l'Étoile - France			100%
bioMérieux Italy	Bagno a Ripoli, Via di Campigliano, 58 – 50012 Ponte a Ema – Florence – Italy	100%	100%	100%
bioMérieux Japan Ltd. (formerly Sysmex bioMérieux)	Akasaka Tameike Tower 2F, 2-17-7, Akasaka, Minato-ku, Tokyo	100%	100%	100%
bioMérieux Kenya	Delta Office Suites, Land Reference No. 4393/27, Waiyaki Way, P. O. Box 30333 – 00100 - G.P.O Nairobi - Kenya	100%	100%	
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%

		2019[(a)]	2018	2017
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%		
bioMérieux Poland	ul. Gen. J. Zajączka 9 -01-518 Warsawa - Poland	100%	100%	100%
bioMérieux Portugal	Av. 25 de Abril de 1974, No. 23-3° – 2795-197 Linda A Velha Portugal	100%	100%	100%
bioMérieux United Kingdom	Grafton Way, Basingstoke Hampshire RG 22 6HY - United Kingdom	100%	100%	100%
bioMérieux Russia	1st Nagatinskiy proezd, 10, str.1, business center "Newton Plaza" - Moscow 115 533 - Russia	100%	100%	100%
bioMérieux (Shanghai) Biotech Co. Ltd. (formerly Meikang)	4633 Pusan Road, Kangqiao Industrial Park – Pudong New District – Shanghai – 201315 – China	100%	100%	100%
bioMérieux Shanghaï Company Ltd.	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%		
bioMérieux SRB doo	Belgrade Office Park, Djordja Stanojevica 12/III, New Belgrade, 11070 Belgrade - Serbia	100%	100%	100%
bioMérieux Switzerland	51 Avenue Blanc – Case Postale 2150–1202 Geneva – 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%
BTF Pty Limited	PO Box 599 – North Ryde BC – NSW 1670 – Australia	100%	100%	100%
Cambridge Biotech	365 Plantation Street One Biotech Park Worcester, MA 01605 – United States	100%	100%	100%
Huilai	Room 8738, Building 1, No. 1758, Luchaogang Road, Nanhui New Town, Pudong New District - China	100%	100%	
Hyglos Invest GmbH	Am Neuland 3 – 82347 Bernried am Starnberger See Germany	100%	100%	100%
Hyglos GmbH	Am Neuland 3 – 82347 Bernried am Starnberger See Germany	100%	100%	100%
Invisible Sentinel	3711 Market St., Ste. 910 Philadelphia, PA 19104 United States	100%		
Mérieux Université	113 Route de Paris – 69160 Tassin-La-Demi-Lune – France	40%	40%	40%
Quercus Scientific NV	Keistraat 120,9830 Sint-Martens-Latem Belgium	100%	100%	100%
RAS Lifesciences	Plot No. 13, 4-7-18/13/2, Raghavendra Nagar, Nacharam, Hyderabad -500 076 - India	100%	100%	70%

		2019[(a)]	2018	2017
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	67%	54%	
Yan Set Invest Development	19/F Billion Plaza, 8 Cheung Yue Street Cheung Sha Wan Kowloon - Hong-Kong	100%	100%	100%

(a) Percentage control is identical to percentage interest, except in the case of Hyglos Invest GmbH, for which the percentage interest is 75%.