UNIVERSAL REGISTRATION DOCUMENT 2019

BOIRON

your health deserves the greatest respect

CONTENTS

A FEW WORDS FROM THIERRY BOIRON

Thierry Boiron
Chairman

Homeopathy: more important than ever before!

At a time when the Covid-19 pandemic is putting unprecedented pressure on our healthcare system, I would like to express my deep admiration for all our healthcare workers, whose courage and devotion are a model for us all. I would also particularly like to take this opportunity to express my thanks and support for all our employees, who have shown incredible commitment in a very difficult situation.

On a national scale, this health crisis is severely straining all our systems, calling on our greatest individual, collective and cultural values to work together to find the best solutions and approaches.

As is the case with homeopathy, this crisis and the debate it has generated clearly highlight the fact that focusing exclusively on the scientific dogma of "randomized double-blind trials" to the detriment of empirical epidemiology, clinical realities, and the doctor-patient relationship ultimately pits Science against Medicine, which aims to treat each and every patient using all the means available - even those which cannot be scientifically explained.

Science is constantly advancing and changing its positions. Let's leave researchers the time to develop the tools needed to fully explore and understand the mechanisms that make homeopathic medicines work. That is particularly important given that doing so would offer an opportunity for broader scientific advances.

We should also draw inspiration from major historic epidemics and allow studies of the potential benefits of homeopathic treatments for patients with the early symptoms of Covid-19.
Diverse ideas and skills will be a major asset as we face the unknown.

Numerous prestigious scientific publications(1) and clinical experience already show that homeopathy offers tremendous benefits for both public health and individual health and well-being.

The weight of that evidence shows that the abrupt and thoroughly unjustified decision to end reimbursement for homeopathy in France is a societal, medical and economic error.

Homeopathy's extremely positive risk/benefit balance makes its reimbursement not only the obvious choice for a large majority in France(2), but also essential to keep homeopathy within a secure medical framework, where it can contribute:

- to better medication use, including by contributing to efforts to prevent adverse effects of medications and antibiotic resistance,
- to savings for the healthcare system: reimbursement at a 15% rate accounts for just 0.1% of the French national health insurance budget and avoids a shift towards other, far more expensive medications(3).

Millions of physicians, pharmacists, midwives, dentists, veterinarians and patients worldwide see the safety, utility, and effectiveness of homeopathic medicines in practice every day. Why not trust them?

Now more than ever before, the world needs a diversified, pluralistic, and fully integrated approach to medicine, in which all opinions count.

(1) Nearly 6,000 publications on the reference website PubMed, including studies that demonstrate the biological activity of very highly dilute solutions and EPI3, a French pharmaco-epidemiological study of over 8,000 patients (the largest in vivo study of any medication in history).

(2) Citizens have made their opinion clear: 76% of French respondents oppose the end of reimbursement of homeopathic medicines (IPSOS, March 2020, stable vs. November 2018 and October 2019). Furthermore, a petition in favor of continued reimbursement of homeopathy garnered over 1,300,000 signatures, making it one of the most widely-signed petitions in France in 2019.

(3) Of the 40% of users who have or who plan to reduce their use of homeopathic medicines after the end of reimbursement, 47% have asked or plan to ask their doctor for other medications that are eligible for reimbursement (see IPSOS study of 1,086 French residents, Feb. 2020), which are far more expensive on average. In 2020, the total cost of reimbursement of homeopathic medicines was estimated at just €26 million due to the deductible of 50 cents per box, which covers 100% of the reimbursable cost in 2/3 of cases.

A FEW WORDS FROM VALÉRIE LORENTZ-POINSOT

Valérie Lorentz-Poinsot
General Manager

For our group, 2019 was marked by a series of abnormal events.

First and foremost, we saw carefully orchestrated attacks of an unprecedented virulence on homeopathy, which led to the French Ministry for Solidarity and Health's unfortunate decision to end national health insurance coverage of homeopathic medicines on January 1, 2021, despite their popularity with patients and healthcare professionals alike for over 200 years.

A decision that was all the more abnormal because it clearly failed to take into account the mobilization and anger of French citizens: over 1,300,000 signed a petition to continue reimbursement of homeopathy.

The evaluation process hastily launched by the HAS (*Haute Autorité de Santé*) was no less extraordinary, marked as it was by numerous errors and irregularities.

It is also astounding that this decision was presented as a financial measure, when in 2020 homeopathy is only projected to account for 0.1% of the national health insurance program's medication reimbursement expenses.

It is hard not to interpret this decision as an economic and social injustice, particularly given that French patients and healthcare providers will now increasingly turn to medications that are both more expensive and, in many cases, less safe (Ipsos Study "*Les Français et le déremboursement de l'homéopathie*" (The French and the end of reimbursement for homeopathy), February 2020). This decision thus represents a negative shift for public health in France.

In response, we have filed an appeal with the Council of State to request the annulment of the decrees ending reimbursement of homeopathy.

In France, this situation triggered an exceptional wave of support from all stakeholders. Patients, healthcare professionals and homeopathy specialists have mobilized to defend the idea that France should continue to include homeopathic therapies in its healthcare system, in line with the WHO's recommendations.

We will do everything in our power to persuade the French government to maintain reimbursement of homeopathic medicines.

After 2019, with all its extraordinary difficulties, 2020 has opened with two crises: the first, caused by the campaign to denigrate homeopathy, will unfortunately lead to major restructuring of our company's French operations; the second is, of course, the Covid-19 pandemic.

In this situation, we are taking all the necessary steps to keep our employees, who are fully dedicated to maintaining business continuity in order to serve healthcare professionals and patients, safe and healthy.

Despite these difficulties, we are determined to successfully navigate these troubled waters and ultimately recover, as we continue to develop our capacity for innovation and to promote homeopathy worldwide.

Because, now more than ever, your health deserves respect, you can count on our commitment to fostering more caring, more respectful, and more sustainable healthcare.

Chapter 1

BOIRON, YOUR HEALTH DESERVES THE GREATEST RESPECT

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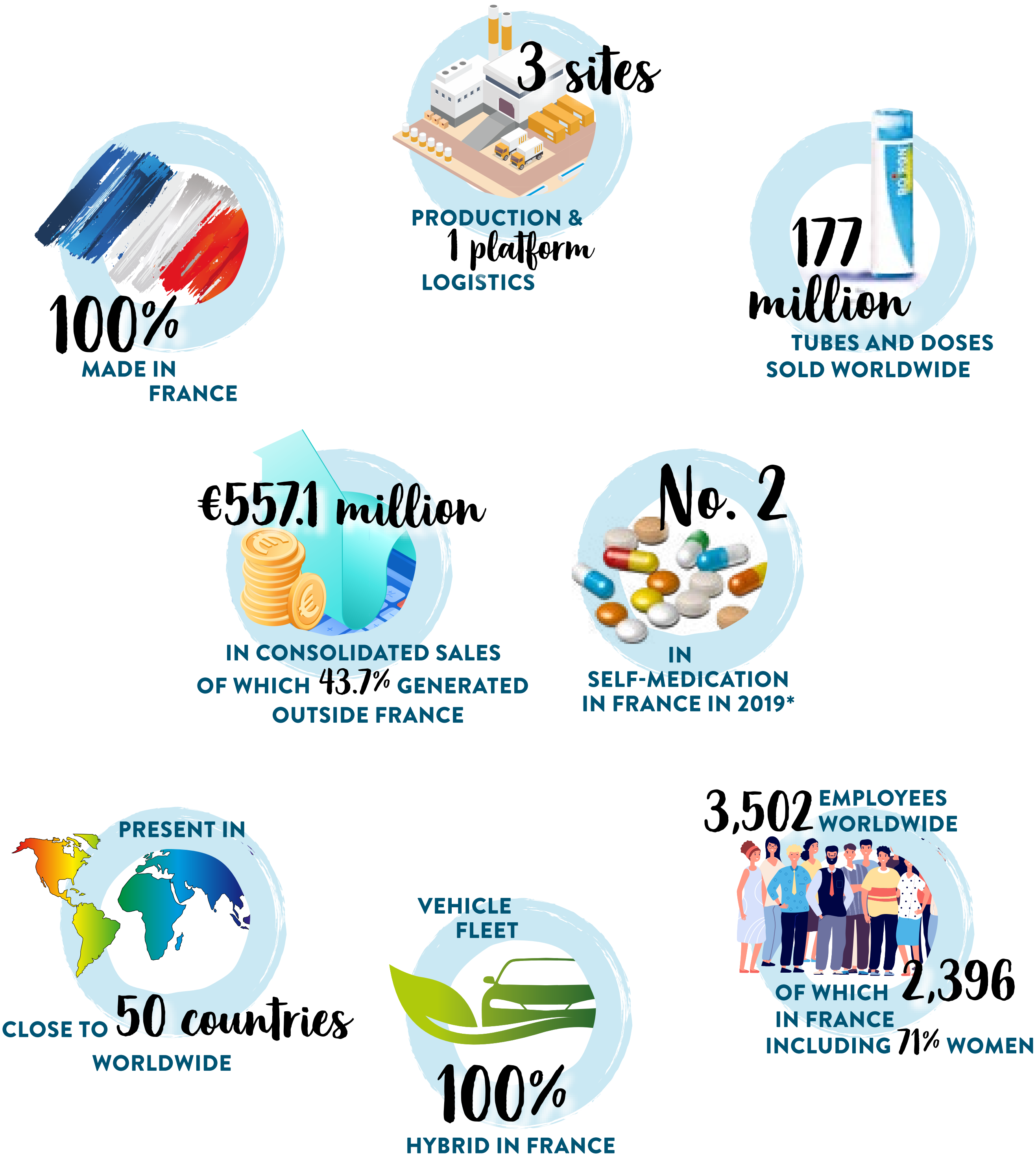
This Chapter contains our Non-Financial Performance Report pursuant to article R225-105 of the Commercial Code, as modified by Decree no. 2017-1265 of August 9, 2017 – article 2.

A concordance table is included in paragraph 6.8.

The independent third party's report appears in paragraph 1.5.

1.1 - KEY FIGURES



** IQVIA Rolling Annual Total in value end December 2019*

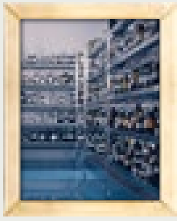
1.2 - BOIRON, A FAMILY LEGACY OF INNOVATION

1.2.1 - OUR STORY

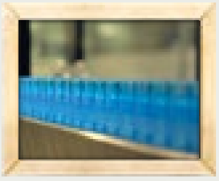
*"Homeopathy is based on science. It is not only a therapeutic method, it is also an experimental pharmacology.
Allopathy and homeopathy emerged at the same time in the late 18th and early 19th centuries, as sister sciences with a shared background. Both emerged from the Materia Medica, a late 18th century medical science that studied the "medicinal substances" used for treatments at the time."* (1)
Homeopathy has existed in France for 220 years.

Since its beginnings in 1932, the BOIRON story has been marked by the following events:

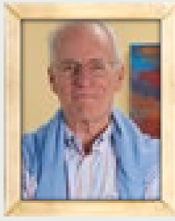
1932
The brothers Jean and Henri Boiron and René Baudry found the *Laboratoire Central Homéopathique de France*



1967
Establishment of Laboratoires BOIRON



1969
Creation of the first production unit in Lyon



1976
Christian Boiron takes over management of the company

1979
Opening of the first subsidiary in Italy

1988
Merger with the *Laboratoires Homéopathiques de France* (LHF)

2005
Merger with DOLISOS, Thierry Boiron takes over management of the company

2011
Christian Boiron becomes General Manager and Thierry Boiron Chairman of the Board of Directors

2019
Inauguration of a latest generation international logistics platform in Les Olmes

2019
Valérie Poinsot takes over management of the company

BOIRON
your health deserves the greatest respect

1.2.2 - PROMOTING MORE CARING, MORE RESPECTFUL AND MORE SUSTAINABLE HEALTHCARE

"Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity" (Preamble to the Constitution of the World Health Organization - July 22, 1946).

We all share the goal of a truly healthy life. At a time when public health challenges are multiplying (rising chronic disease rates, misuse of medications due to self-medication, cancer rates, treatment costs for public insurers, etc.), our healthcare systems are showing their limitations. The time has come to shift towards a more holistic, more responsible approach - one that takes patients, who are increasingly well-informed and aware of the need to protect their health, into account.
These challenges lend fuller meaning to BOIRON's mission:

- contributing to more caring, more respectful and more sustainable healthcare with effective, reliable, risk-free medicines and healthcare products as part of a holistic, personalized and patient-centric approach dedicated to curing without causing harm,
- that requires a profound change in mindsets and practices, and will entail everyone shouldering responsibility for creating new solutions. In practical terms, that means seeing patients as active contributors to their own health and fostering cooperation among all disciplines to support their healthcare journey, with the ultimate goal of longer and better lives.

(1) Dobrescu Dumitru, Pharmacologie homéopathique générale (General Homeopathic Pharmacology), Paris: Similia, 2011.

BOIRON, YOUR HEALTH DESERVES THE GREATEST RESPECT

As we strive to achieve that goal, we are guided by the values that our founders and their successors have instilled in us for over eight decades:

- our caring approach to medicine, which is based on respect and offers a response to consumers', and particularly patients', very real expectations for the medical care and medicines available on the market,
- our scientific rigor and our full mastery of every step of the production process, which enable us to provide high-quality medical products for all,
- our close and trusting relationships with doctors and pharmacists, formed and solidified over the years, and our ongoing dialog and experience sharing,
- our commitment to advancing medicine by exploring all possibilities with courage and humility. Prioritizing experience and observation also means cultivating curiosity and an open mind.

These values inspire all BOIRON employees worldwide and are reflected in their passion for and enjoyment in carrying out our mission.

1.2.3 - A DIFFERENT WAY TO WORK

"Starting in the 1970s, Christian Boiron set out to prove that there was a different way to run a business, one that reconciles economic and social objectives. I share that ambition, which forms the basis for BOIRON's development and organizational models, and I am proud to carry it on today.

In the future, as we always have over the past eight decades, we will continue to do everything in our power to protect nature, which provides our raw materials; to treat our employees, who give us their best, with respect; and to satisfy our customers who, now more than ever before, need to protect their health."

Valérie Lorentz-Poinsot

Economic performance and social performance go hand in hand.

Our corporate philosophy treats personal development as one of the keys to the company's economic efficiency.

Employee well-being and performance are inseparable aspects of our daily routine. Beyond homeopathic medicines and their benefits, people and their importance to the company have always been essential for BOIRON.

The group, which is still majority-owned by the Boiron family, has maintained its independence and its humanist values and is proud to live out its commitments to responsibility.

It is in that spirit that the BOIRON group is implementing the changes required for its development, particularly in France. With its numerous agreements grounded in trust and respect and through equity, profit-sharing, and diversity, our company strives to provide each and every employee with a good job, reduced inequalities, fair pay, an appropriate training policy, and the freedom to pursue their personal goals thanks to support for their aspirations both inside and outside the company.

It is thanks to this employer policy that we enjoy a balanced employee-employer dialog today.

Corporate figures are consolidated for all companies within the BOIRON group, unless expressly stated otherwise.

1.2.3.1 - PIONEERING CORPORATE AGREEMENTS

"Fifty years ago, I changed the nature of hierarchical relationships. Here, it's the managers that have to make themselves available to the other employees, and not the other way around. This approach has led to thirty-two company agreements, all based on the premise that the company's performance as an employer is indispensable to its economic performance. The interests of our shareholders are not opposed to the interests of our employees: they are the same."

Christian Boiron

In France, BOIRON's employer policy is applied through thirty-two company agreements, which are renewed every three years. The details of their provisions are laid out later in this document:

INVOLVING EMPLOYEES IN THE COMPANY'S FINANCIAL PERFORMANCE
- Performance ratio and financing for social innovations
- Corporate Savings Plan (PEE)
- Supplemental Retirement Savings Plan (PERCO)
- Profit sharing and incentives
- Bonuses (13th month)

FACILITATING EMPLOYEE MOBILITY
- Support for employees' personal goals
- Support for personal involvement in politics
- Geographic, professional and external mobility

FLEXIBLE HOURS
- Organization and duration of working hours and paid leave
- Time bank
- Voluntary part-time schedules
- Pre-retirement transition

LIFELONG SUPPORT FOR EMPLOYEES
- Assistance for employees with a seriously ill parent
- Personal protection scheme and healthcare cost coverage
- Integration of employees with disabilities
- Classification of employees' jobs and qualifications
- Seniority awards
- Workplace gender equality

This employer dynamic actively contributes to achieving the United Nations Sustainable Development Goals:

STRATEGY

CONTRIBUTION

1.2.3.2 - LABOR RELATIONS BASED ON RESPECT AND COOPERATION

The group is committed to compliance with all applicable employment regulations on all of its sites.

BOIRON has incorporated personal development and workplace well-being into its philosophy. This clearly excludes the use of forced or compulsory labor, child labor and Human rights violations.

Respect for the individual, a centerpiece of the company's mission, is fundamental and underlies our constant attention to non-discrimination. Our internal regulations prohibit all racist, xenophobic, sexist or discriminatory behavior.

The company agreements that make up our employment policy are developed thanks to the involvement of employees, the Central Social and Economic Council (CSEC), labor unions and management.

A framework agreement in force in France since 2008 establishes a framework to simplify negotiations with a system of consultations at several levels. Under this agreement, working groups can be launched at the request of general management, the Central Social and Economic Council, or a labor union. They are composed of employee representatives appointed by the CSEC and facilitators from the HR department. These groups are tasked with making recommendations on topics enabling the innovation, maintenance or adaptation of the company's employee policies.

A General Pilot Group (GPG) composed of employee and management representatives then meets to review amendments or proposals for future agreements based on their recommendations.

This consultation process is also implemented less formally at other group companies, in line with their size and/or the laws in effect, facilitating a faster and more direct dialog on employee issues.

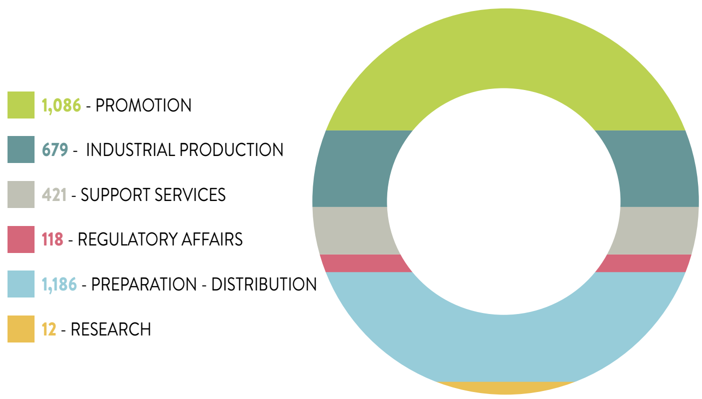
1.2.3.3 - A COMPANY ON A HUMAN SCALE

3,502 employees work for the BOIRON group, of which 96% have permanent employment contracts. Compared to the national average of 84.6%[1], the company's use of short-term contracts is therefore very limited.

68% of employees work in France.

	2019	2018
GROUP TOTAL	**3,502**	**3,672**
France	2,396	2,516
Europe excluding France	818	898
North America	185	176
Other countries	103	82

53% of employees work within the production and preparation/distribution functions.



The functions shown above are described in the glossary at paragraph 6.9.

(1) INSEE, 2017 employment survey.

1.2.3.4 - REDUCING INEQUALITY AND PROMOTING DIVERSITY

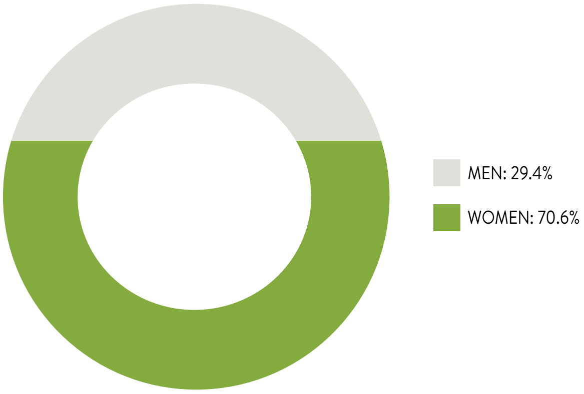
Diversity is a source of collective intelligence. The company attaches particular importance to diversity, which generates complementarity, creativity, social balance and economic efficiency.

The company focuses solely on the skills and abilities of its candidates or employees when making decisions related to hiring, career management or sanctions/departures. This competence-based approach prevents biased judgment skewed by stereotypes which could lead to discrimination.

71% of group's employees are women.

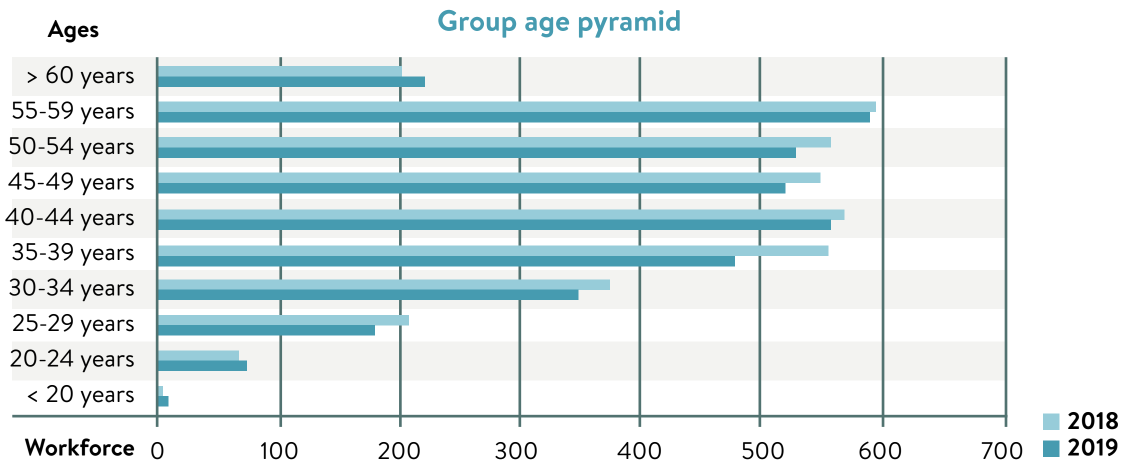
A specific corporate gender equality agreement is in force in France: it covers the conditions for access to employment, work-life balance, compensation and job classification.

	2019	2018
GROUP TOTAL	3,502	3,672
Women	2,474	2,618
Men	1,028	1,054



In France, 57% of the 406 managers are women. The national average is 40% and the European Union average is 35%[1]. The company has achieved functional gender parity.

17% of the BOIRON group workforce is under 35 years of age, 44% is between 35 and 49 years of age, and 38% is above 49 years of age. These figures highlight the loyalty of BOIRON's employees. In France, the average seniority is 18 years and 2 months.



Every year, we support numerous students during their training. These programs bring us a fresh vision of the challenges of the future; our goal is to provide the best possible support for these future employees in order to build long-lasting, win-win relationships. The experience is rich and meaningful both for us and for them.

In 2019, we hosted 129 students in initial training (interns and co-op students), up from 124 in 2018.

(1) Eurostat, press release 38/2017, 2017.

The BOIRON parent company's disability employment rate was 5.9% on December 31, 2019 (compared to 5.8% in 2018). In France, the average is 4.2%[1].

Since 1987, BOIRON has endeavored to pursue an active policy for the professional integration of people with disabilities through the application of ten three-year agreements covering the period between 1989 and 2019, all of which were certified by DIRECCTE, the French labor and employment authority.

All of these agreements are intended to promote the integration of people with disabilities. They are rooted in the group's philosophy of ensuring that there are no differences between disabled and non-disabled employees with respect to the nature of their employment contracts, classification, compensation, training and career opportunities.

Around 50% of the disabled individuals currently employed at the company have over twenty years of seniority.
A disability service is coordinated by a dedicated full-time staffer. She is assisted by disability representatives on all of the French sites. The purpose of the service is to facilitate the recognition of differences and individual fulfillment.

Its objectives focus on employees, their managers and the recruitment team, through:

- raising widespread awareness in order to conclude our company agreement,
- support for new hires and to enable job retention,
- training to encourage integration and long-term employment.

1.2.3.5 - INVOLVING EMPLOYEES IN THE COMPANY'S FINANCIAL PERFORMANCE

The company is convinced that the self-realization of each individual is a key factor in strengthening collective performance, which is the source of social progress.

The company is keenly aware that its resources require sustainable funding. It has therefore defined a performance ratio for France, a metric used to defined the financial surplus that can be distributed in order to significantly enhance employee benefits (increased purchasing power collective reduction in working hours, pre-retirement transition, employee and retirement savings plans, various perks and benefits, etc.), while also allowing progress on the group's financial results, particularly by controlling the percentage of operating expenses dedicated to personnel costs.

In France, salary expenses can be broken down as follows and are derived in part from the definition of the performance ratio (used to determine the company-wide pay increase):

	2019	2018
Company-wide increase - France	1.5%	1.1%
Individual increase - France	0.46%	0.46%

The BOIRON parent company and seven of its subsidiaries have a profit sharing formula. **84.6% of BOIRON group employees benefited from profit sharing in 2019 (up from 74% in 2018).**

For the entire group, profit sharing paid in 2019 represented 12.3% of the total annual salaries in 2019, equivalent to approximately 1.6 months' salary, compared to 1.7 months in the previous year.

The Spanish subsidiary did not distribute profit sharing benefits in 2019 for 2018.
Total group salary costs are presented in note 26 in the notes to the consolidated financial statements.

In 2019, salary increase rates at BOIRON group (global) ranged from 1% to 9% (1% to 8% in 2018).

(1) LADAPT, 22nd European Disability Employment Week, 2018.

1.2.3.6 - FACILITATING EMPLOYEE MOBILITY AND SKILLS DEVELOPMENT

Mobility is considered one of the primary success factors of BOIRON's human resources management policy and of the forward-looking management of jobs and skills. It contributes to:

- anticipation of the company's changing needs in terms of jobs,
- simplification of career advancement and skills development,
- support for employees' career aspirations and, more broadly, their personal fulfillment.

In an industry characterized by intense change, the BOIRON group's human resources policy continues to be proactive and provide support for changes involving employment and employability.

In France, under an agreement on mobility, measures have been taken to align new business needs with the available resources, particularly to take into account regulatory changes and their effects on the organization.

This approach involves individual recommendations on training, proposed transitions to growth professions or those which lack skilled workers, as well as a continuous review of organizational structures.

97 assignments, for periods ranging from five days to more than a year, have been completed in France.

88% of group employees received training in 2019, up from 84% in 2018. The average length of a training program is estimated at roughly two days.

Training costs amounted to €2,413 thousand (€2,616 thousand in 2018), equivalent to 1.8% of group payroll before taxes. This figure is above the French legal minimum of 1%[1].

	2019	2018
Number of employees who received training	3,091	3,100
Number of training hours	51,701	63,714

The number of training hours decreased by approximately 18% compared to 2018, both in France and in the subsidiaries.

This decrease was linked to an overhaul of our training plan, which has been refocused on our fundamentals.

- contributing to our employees' growth and developing their technical skills and expertise to support the company as it changes,
- supporting employees to offer them the right training at the right time, based on their needs and the situations they encounter. For example, we hold monthly management workshops where managers share a management situation they are facing with their peers and a coach to find solutions.

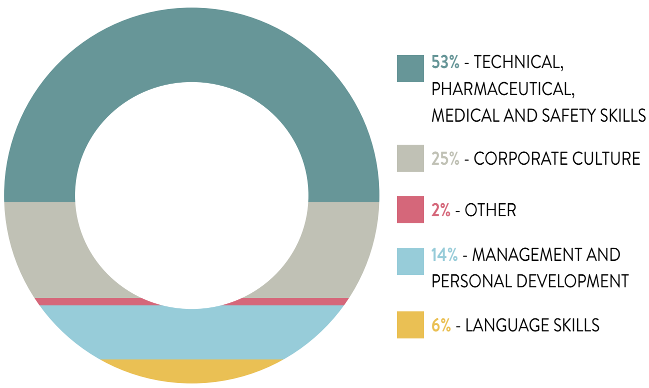
Our training policy is based on four pillars to enable our employees to develop their professional skills:

- company culture: knowledge of homeopathy and an understanding of the company's business processes,
- increasing technical and pharmaceutical know-how, including training on health and safety,
- language skills (especially French, which is the group's working language), specifically for subsidiaries,
- management and personal development: enhancing management skills and realizing personal potential.

To help our new employees find their place in our activities and assimilate our values, in 2019 we developed an 18-month new employee course. New employees can more fully understand the company, its culture, and its philosophy as soon as they arrive.

The course is focused on meetings with each member of General Management, an introduction to homeopathy, and training on simple, direct communication (NVC). A course for managers completes the program.

Distribution of training provided in 2019 by subject matter:



(1) travail-emploi.gouv.fr, corporate financial contributions to professional training and apprenticeship development, 2019.

1.2.3.7 - AN INDIVIDUALIZED APPROACH TO WORKING HOURS

Schedule management is part of the trust-based relationship between employees and the company.

The group applies the statutory working hours, in compliance with the legislation in force in all countries where it operates.

In 2019, 15% of group employees worked part-time, including 19% in France.
This distribution remained stable compared to 2018, both in France and internationally at the subsidiaries.

In 2019, at group level, 71% of part-time employees chose to work part-time and received support for their preferences and plans for organizing their hours. The other part-time positions were related to medical needs (close to 20%) or were designated as part-time by BOIRON at the time of hiring (9%).

A company agreement on personalized working hours, which applies in France, sets out the rules for access to voluntary part-time schedules and broadens the range of possibilities offered by the current legislation (for health-related reasons or for parental leave).

In France in 2019, 278 employees (versus 269 in 2018) benefited from an agreement on retirement and preparing for retirement, the annual cost of which represented 2.83% of payroll.

This particular feature of work time organization was established in 1976. The program demonstrates BOIRON's determination to ease the transition from employment to retirement through a gradual reduction in work time without any reduction in salary.

The number of overtime hours worked is immaterial.

1.2.3.8 - CONTRIBUTING TO OUR EMPLOYEES' WELL-BEING

In 1983, BOIRON made the innovative decision to create a position known at the time as the "House Mother". Its objective has remained unchanged over the years: to create a pleasant, welcoming environment where employees can grow. Today, its mission remains fully aligned with the company's philosophy, because individual well-being drives performance.

The "Hospitality" center operates on the Sainte-Foy-lès-Lyon and Messimy sites and is tasked with:
- providing a warm welcome and orientation for our visitors and service providers,
- handling the logistics for all events held on both sites, using local suppliers and an eco-friendly approach,
- creating an environment where employees feel at home: making the workplace a pleasant place to be,
- offering employees a listening ear and providing feedback: sharing information with its various contacts and General Management.

A few of the ways we support workplace quality of life:

FOSTERING COMMUNICATION

In 2019, the Messimy site opened the "Homéo Café", a space designed for relaxed conversations, where planned and unplanned meetings alike are facilitated by a central area open to all. A visit to the "Homéo Café" is also a refreshing break that can re-energize employees and boost their well-being and effectiveness.

Since taking over as General Manager of the group, Valérie Lorentz-Poinsot has always left her door open to all employees, to talk about anything and everything.

BOIRON, YOUR HEALTH DESERVES THE GREATEST RESPECT

HEALTHY MEALS

Because our employees' well-being is essential and food is one of the keys to good health, we continue to work with our catering provider to ensure that our employees can enjoy home-cooked meals with as many fresh, seasonal products as possible.

In 2019, our provider purchased 50% of the vegetables and 30% of the meat used from local producers.

RESPONSIBLE ACTIVITIES

A wide range of activities are available at lunch. They are selected to encourage physical activity (pilates, yoga, BungyPump), in line with the company's philosophy, and to educate employees about various health-related topics, with lectures on subjects like Sophrology, Gynecology and Homeopathy. All these activities offer employees a chance to focus on wellness and contribute to improving their quality of life at work.

Since five beehives were installed on the Messimy site, a series of educational workshops on bees and bee-keeping have introduced employees to the secrets of bees and their hives, and of course the best part of apiculture: harvesting honey! This year's harvest, the first on the site, brought in 16 kg of honey, which all the site's employees had the opportunity to taste at the canteen.

A special wood bench making workshop was organized as part of the "BOIRON 360°" event, in partnership with the Works Council. Volunteer employees recycled pallets from the warehouse to bring new life to the outdoor spaces on the Messimy and Sainte-Foy-lès-Lyon sites.

In France, BOIRON also has a very active Works Council. With a €1,600 thousand budget in 2019, it was able to fund a broad range of social, cultural and athletic activities for employees.

CREATIVITY

Christian Boiron frequently promoted art within the company as a way of fostering innovation, a philosophy that remains very present at BOIRON. Employees work in spaces enlivened with scenes drawn from life and from the imagination. Their workplaces are constantly changing, and everyone is welcome to add the little touches that make them feel at home.

"Art is the heart of life, life is an art, medicine is an art, and it is by art and through art that we can best communicate the things that really matter."

Christian Boiron

In addition to these examples of initiatives to support the well-being of BOIRON parent company employees, the group's subsidiaries have initiatives of their own:

- the Belgian subsidiary provided yarn to employees, who knit sweaters and scarves that were donated to charity, as well as a Saint Nicholas Day event for sick and disabled children,
- in Canada, a "green committee" educates employees about initiatives to reduce its environmental impact starting when they are hired,
- in Spain, a suggestion box is used to collect employees' ideas for sustainable development initiatives,
- in Italy, as part of the "Don't forget to hydrate" campaign, reusable metal water bottles were distributed to employees to reduce the use of disposable plastic bottles,
- in 2018, our Polish subsidiary earned "Green Office" environmental certification: it holds awareness-raising workshops on environmental issues and healthier eating for employees.

1.2.3.9 - TURNOVER AND ABSENTEEISM UNDER CONTROL

The average seniority of BOIRON parent company employees is 18 years and 2 months. That figure highlights our employees' well-being and their long-term relationship with BOIRON.
The average seniority at the subsidiaries varies from a few months (our new Colombian subsidiary) to twenty-four years (Belgium). The variations in seniority between the subsidiaries are correlated with their date of creation.

At the group level, employee turnover[1] was 10.9%, up from 7.8% in 2018.
Average employee turnover among French companies is 15%[2].

The data below relates to permanent employment contracts, temporary employment contracts are immaterial:

	2019	2018
Number of new hires	**211**	**241**
Number of departures	**365**	**275**
Departures at the employer's initiative	109	94
Retirement	96	80
Other departures at the employee's initiative	125	79
Other reasons	35	22
Staff turnover	**10.9%**	**7.8%**

The increase in departures is mainly due to higher numbers of employees voluntarily leaving the group (in France, Italy, and Belgium) and retirements, particularly in France. "Other reasons" includes amicable contract terminations in France; all such requests are accepted as long as the employee has a serious and realistic plan for which the company can provide support through its agreement on support for personal projects.

In France, employees receive support throughout their time with the company:

- we are particularly attentive to how we welcome job candidates during the hiring process,
- we make every effort to respond to all applications, whether they are submitted for a specific opening or are spontaneous application,
- we work with several charities and local structures to help people return to work (*Solidarité Emploi/passerelle emploi*, etc.),
- every person hired is provided with a personalized introductory course by their manager,
- an orientation and welcome day is organized for all new arrivals on the Messimy site, and events for supervisors and managers are held on other BOIRON sites,
- all new hires undergo a formal review with their manager halfway through the trial period. A copy of this report is sent to the human resources team for their use. The new employee's report of their first impressions is a major feature of this review,
- in 2019, 70% of employees in France had an annual review as well as a professional review. For the Group as a whole, that figure is 77%,
- all employees can, at their request, meet with the human resources team to discuss their career aspirations.

Meetings with human resources are also organized for employees who decide to leave the company.

The group absenteeism rate[3] was 5.7% both 2019 and 2018 (excluding maternity leave).
Close to 90% of these absences were due to workplace accidents, occupational illnesses, and commuting accidents.

Within the BOIRON group, there were nine cases of occupational illnesses in 2019, the same as the previous year. These professional illnesses were mainly musculoskeletal disorders. While the number of cases of occupational illnesses is low, our employee health and safety bodies are particularly attentive to these issues.

(1) Ratio of the total number of departures and physical headcount as at December 31.
(2) Source: Centre for Economics and Business Research - 2018.
(3) Ratio of number of hours of absences due to illness and workplace accidents divided by the theoretical total number of hours worked (actual hours worked + total absences).

1.2.3.10 - GUARANTEEING SAFETY AND GOOD WORKING CONDITIONS

In France, issues related to Health, Safety and Working Conditions (HSWC) are managed by the Health, Security, Environment and Safety function (HSES) (8 people), in close collaboration with the Employment Law and Occupational Health Center, whose staff includes two nurses.

Continuous improvement of security and working conditions is managed on a daily basis by safety coordinators at each production site, by specially appointed safety officers, or by members of the various CHSWCs (Committees for Health, Safety, and Working Conditions) and the Social and Economic Committee. This approach is based on regulations and on certain indicators such as workplace accidents and an assessment of the risks.

At the subsidiary level, health and safety issues are monitored either by specific committees which meet monthly or through designated interfaces or external service providers.

The BOIRON parent company intranet includes a section dedicated to the HSE function, which provides all employees with dedicated tools and information.

BOIRON is actively committed to risk prevention: we leverage "near accidents" and "dangerous situation reports" and work closely with the CHSWC on these issues. Site safety inspections are also carried out to identify areas for improvement, in addition to the work done on assessing workstation risks.
An ambitious project was also launched in 2016 at the Sainte-Foy-lès-Lyon site, then in 2017 at the other sites: changing everybody's behavior with regard to safety. This program, guided by an external service provider, includes coaching days for all management and supervisory staff (top managers, departmental heads, sector managers) and a 12-month communication campaign. Since the project's implementation, managers have covered safety during department meetings.

Major safety-related investments in 2019 were:
- the purchase of an ATEX granulator,
- an automatic box packing line end added to an existing packaging line,
- protective casings on old machines replaced with light curtains (improved ergonomics),
- improvements to certain accesses at height, with a campaign to replace ladders with safer equipment and the integration of an access platform as part of a purchase of new equipment.

Health and safety indicators

	2019		2018	
	Group	France	Group	France
Number of workplace accidents(1)	67	50	64	48
Frequency rate(2)	13.3%	15.9%	12.3%	14.6%
Severity rate(3)	0.6	0.9	0.4	0.6

(1) Number of lost-time workplace accidents (at least one day).
(2) Number of lost-time workplace accidents (at least one day) over the past year per million hours worked.
(3) Number of calendar days lost due to workplace accidents, per thousand hours worked.

1.3 - A MEDICAL OFFER FOR EVERYONE

1.3.1 - HOMEOPATHY: A RESPONSE TO PUBLIC HEALTH ISSUES

1.3.1.1 - WHAT IS HOMEOPATHY?

A MEDICAL SYSTEM

Homeopathy is recognized by the WHO (World Health Organization) as a medical system. Homeopathy draws on **medicines**, **healthcare professionals,** and a **medical philosophy**.

Beyond the therapeutic resource formed by the medicine-healthcare professional pairing, homeopathy is based on principles including:
• effectiveness and safety, in order to cure without doing harm,
• prevention,
• patients actively involved in their health,
• holistic approach to treatment,
• individual and personal approach.

Holistic patient care
Homeopathic therapy treats both the patient and their disease, not just the disease. This holistic approach enables practitioners to take into account the mental, emotional, functional, social and community aspects of the patient[1].

Individual and personal treatments
Homeopathy is an "individualized" therapy since it treats each individual as unique and takes their individual reactions to diseases into account. All treatments, even at the symptomatic level, can be individualized.

A THERAPY THAT IS A PART OF BOTH CONVENTIONAL AND COMPLEMENTARY MEDICINE

Medicines
Homeopathic medicines have been included in the French pharmacopoeia since 1965 and the European pharmacopoeia since 1995, and are therefore registered as medications by numerous countries' public health authorities.

and

Healthcare providers
Physicians, midwives and pharmacists manage patient care; they ensure that the treatment administered is appropriate and maintain patient safety.

Homeopathy is also used in complementary medicine.

It can combine conventional and complementary medicine in a single approach, in order to treat patients holistically.

Cure
Curing pathologies and symptoms based on a holistic and/or symptomatic approach.

and

Care
Preventing pathologies from emerging or recurring with maintenance treatments, improving the patient's quality of life by treating harmful symptoms as supportive care for serious chronic diseases.

TREATMENTS THAT RESPECT THE BODY

Homeopathic therapy is not "anti". It does not counteract physiological phenomena. Instead, it supports them to enable a faster recovery.

At the same time, it offers a response to patients' increasing demand for natural treatments that are in tune with human physiology and have no chemical molecules with weight-based posology and no toxic effects.

(1) NCCIH (National Center for Complementary and Integrative Health - USA).

1.3.1.2 - A SIGNIFICANT ROLE IN INTEGRATIVE MEDICINE

Because we now understand that health is not just the absence of disease but a state of complete physical, mental and social well-being, the time has come for medicine to change and shift towards an approach that focuses on the individual, thanks to personalized care. Complementary medicine, which is increasingly used in synergy with conventional medicine worldwide, meets this need to care for patients in addition to treating them.

Integrative medicine thus represents the natural evolution of the medical model by combining conventional and complementary medicine in a single coordinated approach. It is based on convincing data on the effectiveness and safety of the treatments offered, and is grounded in the belief that each patient is unique in terms of their social, spiritual and community life. Patients are actively involved in their own health. Their lifestyle, particularly their diet and physical activity, as well as their overall well-being are taken into account, as are their culture and beliefs.

Homeopathy embodies the concept of integrative medicine, since it shares its principles and beliefs. Homeopathy is a part of conventional medicine, in that it relies on medicines and healthcare professionals, but it is also a complementary therapy. It can be used to support patients by improving their quality of life and helping them play an active role in their own health.
Homeopathy offers a response to both the need to "CURE" patients and the need to "CARE" for them.

Integrative medicine is a natural fit for chronic diseases, and is particularly relevant in caring for cancer patients.

While homeopathy cannot cure cancer, it plays an important role alongside other therapeutic methods in providing integrative care for cancer patients. The latest study on the topic[(1)], carried out in Strasbourg, indicates that 30% of cancer patients use homeopathy alongside conventional therapies, making it by far the most common element in integrative oncology. That is an 83% increase over the results of a 2005 study in the same city.

Homeopathy often provides care for a medical need that is not otherwise adequately addressed, such as fatigue, persistent nausea, anxiety, sadness, and peripheral neuropathy. Over 80% of patients report that homeopathy improves these often-overlooked symptoms[1].

BOIRON
Your health deserves the greatest respect

1.3.1.3 - RESEARCH IN HOMEOPATHY AND AT BOIRON

"Homeopathy - contrary to popular belief, or to what some would like us to believe - is based on science. It was the first form of experimental pharmacology and represents a major step forward in the history of medicine and medication[(2)]".

Our research aims to further the effectiveness, utility and safety of our medicines by providing objective data to the healthcare professionals who use them on a daily basis, and to the public health authorities who assess them. We are committed to developing a holistic approach to patients, to understand and meet their needs and improve their quality of life.

The strategic focuses of the Research department:
- evaluating our leading specialties, both for their existing indications and for new indications, in order to enhance and consolidate the effectiveness of our major medicines and meet different countries' regulatory requirements,
- understanding the pharmacology and action mechanisms of infinitesimal dilutions,
- investigating the benefits of homeopathy and developing therapeutic solutions for serious diseases (e.g. research on supportive care and neurodegenerative diseases), for which significant therapeutic needs remain unmet,
- demonstrating the public health benefits of homeopathic therapies in areas where homeopathy is used and has medical benefits,
- studying and modifying our production processes, as part of our continuous improvement process for our products.

Our actions:
BOIRON has a research laboratory tasked with studying the pharmacological and biochemical processes of our medicines in different types of cell culture.

Our fundamental and clinical research activities are mainly in the following areas:
- airway infections,
- central nervous system,
- supportive care for oncology,
- traumatology.

(1) Legrand A. Étude de la prévalence de l'utilisation des médecines complémentaires par les patients atteints de cancer : à partir de 535 questionnaires recueillis d'avril à juin 2017 à Strasbourg (Study of the prevalence of the use of complementary medicine by cancer patients: based on 535 questionnaires completed from April to June 2017 in Strasbourg). Doctoral dissertation in medicine, 2018.
(2) Christian Boiron (2019) "L'Homéopathie, un combat scientifique" (Homeopathy, a scientific combat).

Our partners:
This research is done in partnership with university, academic and hospital-based research centers in France and worldwide.

BOIRON supports young researchers through the CIFRE doctoral funding program.

1.3.2 - UNIQUE HIGH-QUALITY PRODUCTION

100% made in France
30,000 inspections per year

Your health is more than just our job, it's our calling. That is why we produce effective, risk-free, high-quality healthcare products, always made in France.

Our commitment to excellence is guided by a single focus: your health. Because your health deserves the greatest respect.

The BOIRON group has chosen to invest mainly in France to benefit the development of homeopathic medicines worldwide.

The production of BOIRON medicines is split between three production sites located in France.

The other group sites based in France and internationally at subsidiaries exclusively handle the compounding and distribution of these medicines.

BOIRON, YOUR HEALTH DESERVES THE GREATEST RESPECT

You expect stringent pharmaceutical standards?

BOIRON, which is audited by regulatory authorities worldwide, including the ANSM in France and the FDA in the United States, complies with the toughest pharmaceutical standards.

You expect impeccable quality?

Our raw materials are subjected to rigorous quality inspections as soon as they arrive. Organoleptic, botanical, and physico-chemical tests are carried out by qualified professionals. The stocks selected, as well as the air and water used, are of outstanding quality.

You expect complete safety?

Our teams carry out close to 30,000 inspections per year throughout the production process (chemistry, bacteriology and botany labs). That's what it takes to ensure that our medicines are always fully reliable. To make that happen, BOIRON has 145 pharmacists in France as well as its own analytical chemistry, botany and bacteriology laboratories.

You are unique, so is our production process.

BOIRON has its own industrial equipment, designed for the unique process of producing homeopathic medicines. Our granules and globules are created on sites in Sainte-Foy-lès-Lyon and Messimy (Rhône), Montrichard (Loir-et-Cher) and Montévrain (Seine-et-Marne), so they are 100% made in France.

What about innovation?

Hi-tech homeopathic dilution, automated potentization for outstanding reproducibility, triple impregnation - an innovation which has become the industry standard, etc. BOIRON has always invested in the latest equipment to guarantee the outstanding quality of its medicines.

1.3.3 - A VERY EXTENSIVE PRODUCT OFFER, EXPANDED IN 2019

BOIRON has a wide-ranging product portfolio, offering physicians, other healthcare professionals, and patients therapeutic solutions for a very large number of pathologies.

There are two major families of homeopathic medicines:

Non-proprietary homeopathic medicines

Generally presented in the form of tubes of granules or doses of globules, usually with no therapeutic indication or dosage stated on the packaging because it is the healthcare professional who determines the indication and dosage for the medicine depending on the individual patient. Any laboratory may sell non-proprietary homeopathic medicines. Their names cannot be protected as trademarks, as they are non-proprietary names.

Non-proprietary homeopathic medicines make up half of the BOIRON group's sales.

Proprietary, branded homeopathic medicines (specialties)

Developed to treat a particular ailment such as colds, coughs, or hot flashes. They generally come with a therapeutic indication and a dosage. Detailed instructions are contained in each packet to facilitate their use and self-medication. Unlike non-proprietary homeopathic medicines, these brands can be protected, as they are invented names.

Our main specialties are:

Oscillococcinum®
Traditionally used to treat flulike symptoms: fever, chills, headaches, aches.

Stodal®
and Stodaline®
Traditionally used to treat coughs.

Arnigel®
Traditionally used in the adjunctive local treatment of benign trauma in the absence of open wounds (bruising, contusions, muscle fatigue, etc.) for adults and children over one year of age.

Camilia®
Drinkable solution in single dose containers. Traditionally used in the treatment of teething problems in babies.

Sédatif PC®
Traditionally used in the treatment of anxiety and emotional disorders and minor sleep disorders.

Coryzalia®
Orodispersible tablet or drinkable solution in single dose containers. Traditionally used in the treatment of cold symptoms and rhinitis.

Homéoptic®
Eye drops in single dose container. Traditionally used in the treatment of adults and children over one year of age for ocular discomfort and irritation due to various causes (eye strain, swimming in the sea or a pool, ocular fatigue, smoky atmospheres, etc.).

Homéovox®
Traditionally used in the treatment of vocal disorders: laryngitis, hoarseness, vocal cord fatigue.

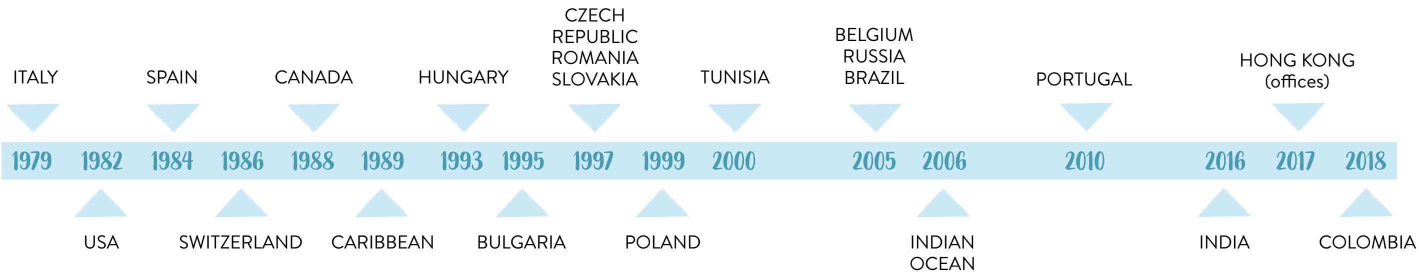
Twenty-two new products were launched in 2019:

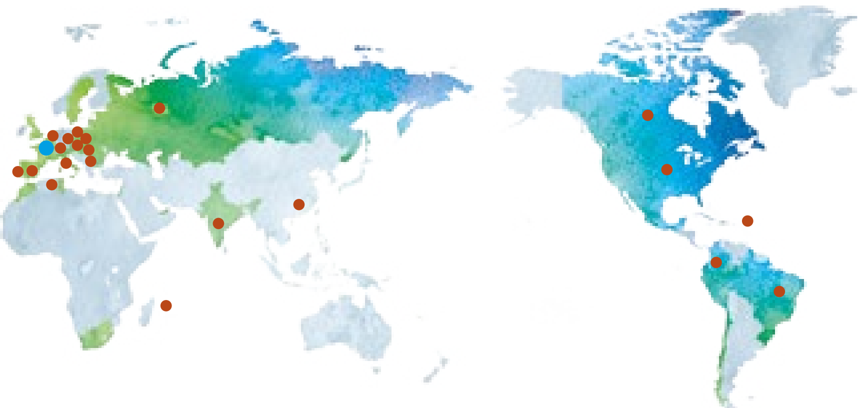
- two new specialties: Arnigel® in roll-on format in France and the "Nose hygiene" nasal spray in China,
- sixteen deployments of specialties in new countries (Tunisia, India, Brazil, Canada, Colombia, United States...),
- four new format launches: Camilia® in thirty single dose packages in Italy and Slovakia, Oscillococcinum® in thirty dose packages in Israel and Sédatif PC® in ninety tablet packages in Lithuania.

The distribution of sales between non-proprietary homeopathic medicines and specialties by geographical area appears in Chapter 3 of this document.

1.3.4 - A COMPANY OPEN TO THE WORLD

1.3.4.1 - OPERATIONS IN OVER FIFTY COUNTRIES



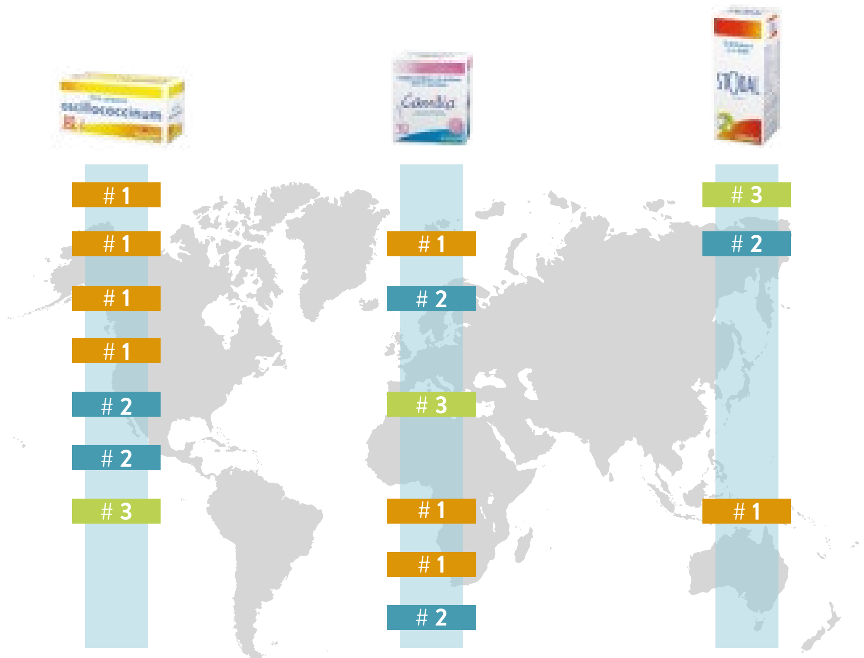


BOIRON, PROMOTING HOMEOPATHY WORLDWIDE

- 21 subsidiaries and a footprint covering close to 50 countries
- 2017: expansion in Asia (offices in Hong Kong)
  2018: creation of a subsidiary in Colombia

BOIRON is the global leader in homeopathy, with a presence in nearly fifty countries through its network of twenty-one subsidiaries and close to thirty distributors. Over 40% of sales are generated outside France.

Three of our major specialties are positioned as follows on their markets in Europe and Tunisia[(1)]:



1.3.4.2 - DIFFERENT DISTRIBUTION MODELS WORLDWIDE

In France, BOIRON medications are distributed to 21,000 pharmacies by twenty-nine local distribution centers spread across the country.

In Western Europe, BOIRON medications are marketed directly by pharmacies, pharmacy chains and wholesalers. Wholesalers are the BOIRON group's main customers in Eastern Europe and Russia.

In North America, a significant portion of its customers are mass-market retailers (supermarkets and drugstores) and health food stores. The e-commerce channel is developing.

Sales are made by distributors in countries where BOIRON does not have a subsidiary: China, Netherlands, South Africa, etc.

In 2018, the first BOIRON pharmacy, which serves the public directly, was opened in São Paulo, Brazil. A second pharmacy was opened in Bogotá, Colombia, in October 2019.

Its objective is to fully meet the expectations of physicians and their patients by bringing them a wide range of BOIRON homeopathic medicines.

1.3.5 - OUR MISSION: HOMEOPATHY EVERYWHERE, FOR EVERYONE

Our corporate mission is to promote **homeopathy, everywhere and for everyone**, in compliance with the national regulations on registration and supervision by the healthcare authorities.

A partnership exists with certain NGOs to help impoverished patients in France and developing countries access homeopathic medicines.

(1) Czech Republic, Bulgaria, Romania, France: IQVIA - rolling annual total, December 2019; Belgium, Poland: IQVIA – rolling annual total, September 2019; Slovakia: IQVIA – rolling annual total, July 2019; Tunisia: IQVIA – rolling annual total, June 2019; Oscillo (flu symptomatic) except Romania (flu defenses) / Camilia (baby teething) / Stodal (cough drinkable form) / France: Stodal + Stodaline.

1.3.5.1 - DIFFERENT REGULATIONS WORLDWIDE

EUROPE

In 1992, a European Directive(1) established the regulatory framework for the provision of industrially produced homeopathic medicines:

- Homeopathic Registration (HR) sets out the rules for homeopathic medicines that meet the following criteria: the absence of any therapeutic indication on the label, a controlled level of dilution, oral or external administration,
- Marketing Authorization (MA) applies to homeopathic specialties which claim a traditional homeopathic self-medication therapeutic indication or which cannot meet the three criteria provided above for Homeopathic Registration.

This European directive has been transposed to most European countries. Certain member states have not fully implemented this directive because claimed indications are optional for homeopathic specialties; some homeopathic medicines registered with an MA may therefore not list their indication.

RUSSIA

The Russian authorities require local clinical trials in order to maintain marketing authorization for specialties.

Since 2017, an inspection of our production sites by the Ministry of Industry of the Russian Federation has been a prerequisite for any application for a new marketing authorization or a modification of an existing MA. The Messimy site was successfully inspected in 2019.

USA

The Food and Drug Administration (FDA) policy guidelines, “Conditions under which homeopathic drugs may be marketed”, have applied since 1988.

The guidelines stipulate that products other than those intended for the treatment of serious diseases, which must be dispensed under the responsibility of an approved practitioner, may be marketed over the counter providing that the consumer is given a sufficient level of information.

Homeopathic medicines are therefore marketed as over the counter medications with indications, after notification of the authorities.

CANADA

Homeopathic medicines fall under the category of health products governed by the regulations of the Department of Natural Health Products, which came into effect in January 2004. Medicines consisting of a single stock may not bear a therapeutic indication, whereas those consisting of several stocks may do so.

(1) Directive no. 92/73/EEC transposed into French law by Law no. 94-43 of January 18, 1994 and its implementing decree no. 98-52 of January 28, 1998.

BRAZIL

Homeopathic medicines fall under the category of potentized medicines for which there are two procedures, namely notification and registration:

• medicines subject to notification may not carry a therapeutic indication. They are named in accordance with scientific nomenclature,
• medicines subject to registration may carry a therapeutic indication.

The regulatory system for homeopathic medicines was updated in 2018, leading to the end of prescription restrictions on Oscillococcinum® and allowing us to market new medicines (Coryzalia®, Cocyntal® and Camilia®).

INDIA

In India, the importation, production, sale and distribution of medicines is governed by the laws on drugs and cosmetics of 1940 and 1945. The Indian regulations are based on an ancient and well-established tradition of homeopathic medicines that must be prepared using techniques from the Indian or US homeopathic pharmacopoeia. The European and French pharmacopoeias have been recognized by the Indian authorities. A publication is expected in 2020, which will facilitate recognition of our production processes.

CHINA

Our medicines are currently marketed through crossboarding (online sales of healthcare products). This authorization is reevaluated annually. We are currently in the process of securing the marketing status of our products.

1.3.5.2 - REIMBURSEMENT BY PUBLIC HEALTH INSURANCE BODIES

Reimbursement by public health insurance bodies is possible in France, Belgium, Switzerland and Luxembourg, among the countries in which BOIRON medicines are sold.

Private health insurance providers which cover homeopathic medication exist in many countries.

In France, non-proprietary homeopathic medicines, when prescribed, have been reimbursed at a rate of 15% since January 1, 2020. These medicines are subject to a ceiling, just like all other reimbursed medicines. The prices and margins of medicines reimbursed by the national insurance system are regulated.

Branded medicines are not reimbursed, but may be covered by certain supplementary health insurance companies. Their prices and margins are deregulated and they may be actively marketed.

BOIRON has filed an appeal with the Council of State to contest the validity of the decrees that ended the reimbursement of homeopathy, effective January 1, 2021. This appeal does not have a suspensive effect. The Council of State should rule on the appeal in 2020.

1.4 - RESPECT: A CORE COMMITMENT

In a world where massive mobilization in favor of sustainable development is vital, we owe respect to all of our stakeholders and to nature.

1.4.1 - RESPECT FOR PATIENTS

We respect our patients. That means providing them with high-quality medicines and all the information they need for risk-free treatment.

BOIRON medicines are subject to pharmaceutical Good Manufacturing Practices (GMP) and local regulations related to obtaining Marketing Authorizations (MA) or Homeopathic Registration (HR), which entail frequent internal and external controls.

According to current scientific knowledge, homeopathic medicines are, by their very nature, non-toxic and only very rarely present side or iatrogenic effects.

Nonetheless, despite the high levels of dilution of the stocks which are the active ingredients in homeopathic medicines, as with any medicine, we cannot exclude the occurrence of currently unknown side effects.

The pharmacovigilance process in place within the company, which is supervised by the pharmacovigilance manager, consists of:

- monitoring and reporting to healthcare authorities all adverse side effects which might occur during the administration of one of our medicines,
- updating product information,
- informing healthcare professionals and patients.

Cosmetic-vigilance and nutri-vigilance functions, and a pharmacovigilance function for veterinary homeopathic medicine also exist within the company, under the same management responsibility.

BOIRON also provides the BOIRON Information Service (SIB, 0810 809 810) dedicated to pharmaceutical and medical information requests from healthcare professionals and patients. It receives over 30,000 phone and email inquiries per year.

BOIRON also provides patients with a mobile application to help them better comply with their treatments. Oméomémo® is a free application that makes it easier to monitor medication use.

It is available on the App Store and Google Play, and features a system of alerts so you can manage your own treatments and your family's treatments.

Oméomémo® is there all day long, at home, at work, or on the go, so you never forget your treatment.

1.4.2 - RESPECT FOR HEALTHCARE PROVIDERS

Homeopathy has been used by trained physicians for over 200 years, and is based on their clinical practice and medical experience. Physicians observe the success of the treatments they prescribe for their patients on a daily basis. These 200 years of experience highlight both the safety and the effectiveness of homeopathic medicines.

Homeopathy is a part of modern medicine because it meets the needs of different healthcare professionals.

Modern healthcare professionals are looking for collaboration. Younger physicians want to avoid isolation in their practices, preferring to work with their fellow physicians and other healthcare providers, a trend highlighted by the multi-disciplinary healthcare centers springing up across France.

Homeopathy brings healthcare professionals together in a patient-centric approach, since it can be prescribed by specialists, general practitioners, and midwives, and recommended by pharmacists, thus fostering dialog among them.

According to an April 2015 study commissioned by BOIRON from an independent research institute(1), general practitioner-homeopaths reported higher average happiness than their non-homeopath counterparts.

General practitioner-homeopaths reported that practicing homeopathy had personal benefits: a feeling of calm and freedom in their medical practice and intellectual interest. Homeopathy thus contributes to the professional well-being of general practitioners.

1.4.3 - RESPECT FOR THE ENVIRONMENT

Controlling environmental risks and our environmental impact is a key concern for our company, particularly on our production sites.

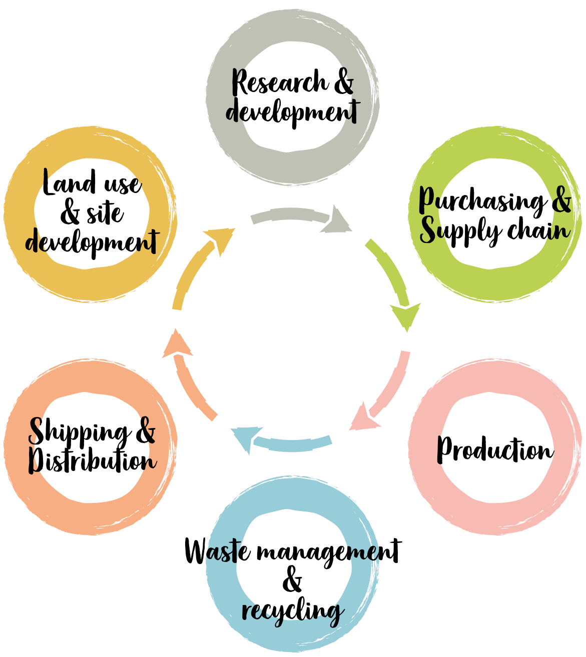
Compliance with the applicable regulations is the most basic requirement. We have long gone beyond that basic level of compliance with a continuous improvement process.

Our continuous improvement policy is applied in the production and use of homeopathic medicines. Our medicines' composition means that their production has a limited environmental impact.

Given the low environmental impact of its distribution sites, BOIRON group has chosen to limit the consolidation scope of its environmental data to its three production sites in France, which account for the highest energy consumption.

The following paragraphs reflect our environmental impact through the following primary activities:

- Eco-design approach



- Production sites in France ICPE certified
- Multi-risk environmental responsibility policy
- Solar panels to supply the canteen at corporate headquarters
- Pesticide-free landscape maintenance
- Installation of birdhouses and hives, eco-friendly pasturing (sheep on site)

- Highly-qualified harvesters in France
- Certified GMO-free plants
- Organic cultivation of endangered plant species (Ecocert)
- Collective actions to preserve biodiversity
- Manual harvesting of plants in full bloom only
- Short circuits prioritized for all purchasing
- Eco-friendly materials prioritized

- Decreased CO_2 emissions with a 100% hybrid gas-electric vehicle fleet
- Optimized deliveries and transportation
- New logistics platform in Les Olmes

- Monitored consumption (water, energy, etc.)
- Regulation & automation system

- Traditional recycling and reclamation of raw materials waste

(1) *"Médecins homéopathes et médecins prospects : quelle(s) satisfaction(s) quant à leur pratique ? (Homeopath physicians and physician prospects: satisfaction with their practice)" Institut A+A. 2015 (Base = 200 general practitioner-homeopaths and 200 non-homeopath general practitioners).*

Our environmental policy actively contributes to achieving the United Nations Sustainable Development Goals:

STRATEGY: 3 GOOD HEALTH AND WELL-BEING, 15 LIFE ON LAND

CONTRIBUTION: 6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER

1.4.3.1 - LAND USE AND SITE DEVELOPMENT

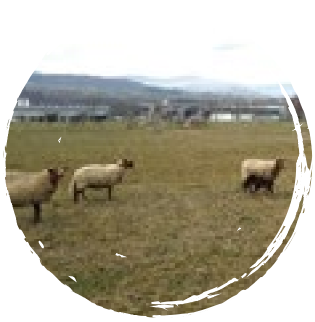
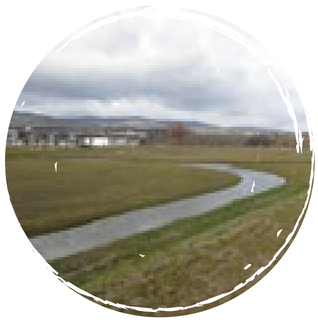
As part of the construction of buildings and site improvements, waterproofed surfaces are taken into account. To compensate, and to enable rainwater to be drained and return to the natural environment, BOIRON may need to dig retention basins, gutters or create stabilized parking areas.

On sites with several buildings, construction density is relatively low in order to reduce "domino" effects in case of fire. For example, construction density on the Messimy site is about 25%. This also helps to preserve green spaces.

Newly planted trees and bushes are naturally protected with straw, which may be sourced from late mowing on the site.
The Messimy site's surface area and rural location have enabled work on protecting biodiversity: approximately 1,000 linear meters of hedges planted using species that promote local biodiversity, meadow planted and maintained with eco-pasturing, five beehives installed.

Eco-pasturing was started on part of the site in April 2019. This type of management creates a favorable environment for some birds and insects. The project reached completion with the arrival of fifteen Solognot sheep, a heritage breed in need of preservation. Thanks to the sheep, we were able to eliminate use of mowing machines on that part of the site.

The Les Olmes site was also suitable for this type of action, and eco-pasturing and beekeeping were started on the site in 2020.
A retention basin(1) was also built on the Messimy site. This strategic addition could ultimately encourage amphibian and dragonfly reproduction.


These various strategies promote local biodiversity.

No pesticides or herbicides have been used since 2017.

7 AFFORDABLE AND CLEAN ENERGY

The construction and development of the new site in Newtown Square (outside Philadelphia, Pennsylvania, USA) received subsidies because it was recognized as eco-friendly.

Solar panels installed on the roof of our California site reduced its electricity consumption by 2/3.

(1) A wide, shallow, planted ditch that temporarily collects runoff for overflow evacuation or for evaporation, or for infiltration to restore the water tables.

1.4.3.2 - RESEARCH AND DEVELOPMENT: GUIDED BY ETHICS

Our research and development activities have little environmental impact. The main issue relates to animal experimentation.

BOIRON only works with laboratories that have been approved by its Ethics Committee. This approval process guarantees compliance with European regulations and therefore, among others, the application of the “three R’s rule”: Reduce, Refine, Replace.

These regulations take the animals’ living conditions into account: their well-being and, to the extent possible, the minimization of pain.

These laboratories are regularly inspected by personnel from the local authorities in charge community protection (DDPP).

Ecodesign, a priority for 2020

BOIRON is committed to being an eco-friendly business. That constant commitment has numerous practical applications:

- the first is organizational, with the 2019 creation of a task force within the Industrial Performance and Innovation Division to audit all of our existing packaging and define its level of recyclability with the goal of limiting our environmental impact. This task force has also been asked to draw inspiration from best practices and to serve as a reference for current trends and developments related to this process,
- in terms of the development process, we have also defined eco-design as an essential component of our product development specifications (e.g. recycled and recyclable content).

This innovative preventive approach can reduce our negative environmental impact throughout the product life cycle (LCA), while maintaining full product quality. Eco-design training was organized in partnership with Adelphe (eco-friendly packaging subsidiary).

A few examples:
- 23% of our specialties are marked with recycling instructions,
- range of forty-five plant extracts in 80% recycled boxes launched in 2019,
- transition to low migration inks for plastic tubes like those used for Sporténine® and Oscillococcinum® doses, and to plant-based inks for our packages and displays,
- reduction of the weight of our packages for annual savings of two tons of cardboard.

1.4.3.3 - SUPPLY CHAIN: RAW MATERIALS THAT DEPEND ON BIODIVERSITY

Homeopathic medicine uses the healing properties of substances from the three kingdoms: chemical/mineral, animal and vegetable. It therefore depends on biodiversity for the availability and quality of fauna, flora and mineral resources.
That makes biodiversity a key concern for BOIRON.

The raw materials, plants and stocks purchasing department and the galenics and production departments regularly work together on overall cost optimization; we prioritize short supply circuits whenever possible.

Plant stocks account for the largest proportion of purchases. Of the plant stocks, 70% are from Europe, mainly France.

The supply of plants is a particularly delicate and sensitive area. The company has therefore chosen to surround itself with highly qualified growers with whom it shares the same ethical standards in terms of environmental protection, sustainability and traceability assurance.
BOIRON works with a network of growers located in France as well as farmers based mainly in Europe.

All of the plants used are GMO-free, in some cases with registered certificates (soybean/corn) and are systematically tested for the absence of radioactive contamination.

Only some of the stocks used are covered by CITES, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention. There are two possible scenarios in this case:
- when the plant is found growing in the wild in France in sufficient quantity, an authorization to harvest is requested or a partner is sought to cultivate the plant,
- when the plant does not grow in France or cannot acclimate to it, an import permit is requested or cultivation is organized in the country of origin.

The different harvesting sites undergo quality audits: at least once every five years and more frequently in the event that anomalies are detected.

BOIRON has partnered with farmers to start organic cultivation of endangered plants (Ecocert certification), including Adonis Vernalis in Maine-et-Loire and Cyclamen Europaeum in the Rhône-Alpes region. These plants are ordered in small quantities.

Some plants have also been acclimated to France, such as the US native Hamamelis (Witch Hazel), to enable local sourcing.

BOIRON also engages in collective efforts to preserve plants in their natural environment, in France, for example, within the framework of the agreement related to the protection of Arnica with the Vosges Mountain Economic Association and the Vosges Natural Park, initially signed in 2007 and renewed in 2016. This agreement formalizes strict rules with which the various stakeholders must comply (producers, harvesters, farmers, municipalities and pharmaceutical laboratories).

A few examples of the rules for Arnica:

- harvesting is performed manually and concerns only plants in full bloom,
- pesticide use is prohibited,
- a harvest permit application must be requested from municipalities.

In recent years, BOIRON has also signed partnership agreements with two farmers for the supply of Arnica Montana and, since 2018, has been involved in a regional trial of Arnica Montana cultivation in the Auvergne Rhône-Alpes region.
Purchases of stocks of animal and mineral origin are not significant given the low quantities used.
The boxes used for packaging are produced from FSC- or PEFC-certified sustainably managed forests.
The other primary raw materials used are of low risk to the environment and production staff. In terms of natural resources, these materials are not considered rare.

Annual consumption (T)	2019	2018	Change	
Saccharose syrup	1,581	1,946	-365	-18.8%
Sugar	772	1,048	-276	-26.3%
Ethanol	321	330	-9	-2.7%
Lactose	249	312	-63	-20.2%
Vaseline	194	144	50	34.7%
Maltitol	125	117	8	6.8%
Sorbitol	105	115	-10	-8.7%

The changes in the quantities of the primary raw materials used are directly linked to sales: decrease in tubes and doses and significant increase in petroleum jelly-based creams.

1.4.3.4 - PRODUCTION ACTIVITIES

All three of the French production sites have ICPE status (Classified Installation for Environmental Protection).

Due to the June 2016 change in the ICPE nomenclature, the Messimy and Montrichard sites, formerly subject to authorization, now merely require registration. Their activities are, however, still governed by a prefectoral permit to operate in addition to the standard ministerial ordinances.

The activities of the Montévrain site are supervised by standard ministerial ordinances that define construction, technical and organizational requirements with the objective of managing the risks inherent in these activities.

The risks of pollution and other disturbances that could be caused by our production activities are controlled by:

- compliance with our regulatory obligations linked to ICPE status;
  Incorporation of these elements into our new projects: we are in regular contact with the French Regional environment, planning and housing authorities (DREAL), particularly for construction projects or facility renovations. The purpose of these discussions is to define the best technical choices to limit the potential environmental risks generated by these projects. Impact studies are also carried out on,
- emergency plans, which incorporate input from the emergency services. Measures to address technical impacts are also identified,
- attention to the obsolescence of certain installations.

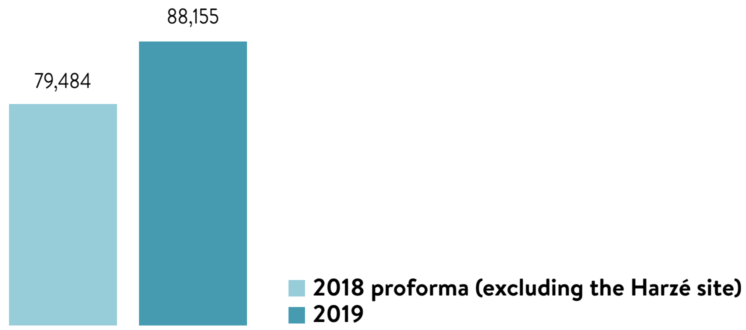
BOIRON also has a multi-risk insurance policy for environmental liability which covers environmental damage which might arise from the use of its sites.

Water consumption

The water used on the sites comes from the drinking water network.
Most of the water consumed is for production of the purified water used in the production process.
Pharmaceutical standards impose certain high water consumption practices which sometimes restrict the possibilities of reducing consumption: use of purified water for the production process but also for cleaning, for example. Nonetheless, any relevant solutions identified to reduce water consumption are implemented:

- consumption coordination and monitoring,
- process optimization: producing purified water is highly water-intensive. Operations other than production have been optimized to limit consumption,
- investments: the scrubber installed in 2015 to reduce Volatile Organic Compound emissions would have required 30 m^3 of water per day. Bio-percolators were installed at an additional cost of approximately €100 thousand for a 50% decrease in water use.

Annual water consumption (m^3)



The changes in water consumption are mainly due to activity levels and qualification procedures for new equipment (process and cleaning qualification).

Energy consumption

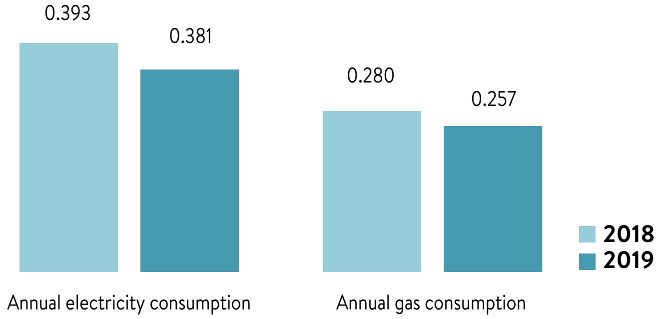
Energy consumption is primarily for the treatment of air in buildings, which is required by good manufacturing practices. Gas is mainly used to heat the buildings.

To limit the environmental impact of its activities, the company factors energy savings into any construction project as well as any technical equipment replacement projects. The company asks its partners to propose technical solutions which perform from both an environmental and economic perspective.
BOIRON currently prefers to prioritize reducing energy consumption before investing in renewable energy.

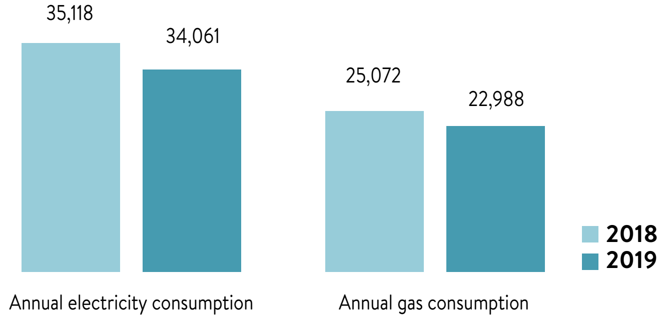
A few initiatives are listed below as examples:

- additional meters added to better control consumption,
- installation of heat pipes on some air handling systems,
- choice of high energy-efficiency technologies: heat pumps, heat pump technology with energy recovery,
- special lighting, condensing boiler,
- activity-based temperature regulation (different settings for evenings and weekends), heat recovery on some compressors to preheat water,
- solar panels that preheat the water in the company canteen,
- installation of a central control over a compressed air station,
- installation of heat insulation on the valves, faucets, flanges, sensors, etc. on the Messimy site's hot water networks,
- application of the RT 2012 standard for office areas in new buildings:
  - contacts on windows that stop heating or cooling when opened,
  - motion detectors in offices to control lighting,
  - dimmer switches.

Changes in the "energy consumption per m² of buildings" (kWh/m²)



Changes in energy consumption on production sites (MWk)



Air pollution

On the production sites, the main air emissions are alcohol vapors from the mother tincture production process (Messimy site), boiler emissions, and potentially refrigerant fluids due to the presence of cooling units.
BOIRON prioritizes reduction at the source whenever technically possible.
For alcohol vapors, given the volumes of ethanol used, the Messimy and Montrichard sites are required to draw up an annual solvent management plan and submit it to the prefecture. In 2018, these emissions represented approximately 4 TeqC.

A scrubber and two bio-percolators have been installed on the Messimy site. This choice is in line with the Best Available Techniques (BAT) and was approved by the Regional Environment, Planning and Housing Authorities (DREAL).
BOIRON also works to reduce and improve its boiler emissions: maintenance of and upgrades to existing boilers, careful choice of technologies for the new boiler room at Messimy - condensation boilers with low Nox gas burners (< 100 mg/m³).

The production plants are equipped with cooling units that use refrigerant fluids. R22 has not been used on any of our sites for several years.
Preventive maintenance is regularly carried out by properly certified personnel. Losses of refrigerant fluid can still occur. In 2019, these losses are estimated at 266 kg at the production facilities.

Water pollution

"The unique nature of our homeopathic medicines sets us apart from the "mainstream" pharmaceutical industry: our medicines do not produce water pollution due to the homeopathic dilution of their active ingredients".
Jean-Christophe BAYSSAT (Deputy General Manager and Chief Pharmacist of the company)

The three French production sites are regulated by site-specific water pollution agreements. These agreements are a commitment between the producer, the municipality and the treatment plant to remediate industrial pollution and **ensure downstream management of discharges**, which are routed to the nearest treatment plant.

The Messimy and Montrichard sites are subject to monitoring and have a measurement process covering collection, preservation, analysis and usage. Internal analyses are conducted on a weekly basis. In addition, these samples are sent to an accredited measurement laboratory on a monthly basis for the Messimy site and annually for the Montrichard site. Finally, all of these measurements are submitted to the relevant public authorities.

The risk of water pollution on our production sites is considered to be moderate due to the nature of the primary products we handle (sugar, ethanol, petroleum jelly). The main measures taken include the installation of neutralization tanks, retention basins, oil separators, grease traps (when the type of waste warrants it) and facilities dedicated to the storage of hazardous materials. A new water pre-treatment station was commissioned in spring 2017 as part of the Messimy site extension project. The station is equipped with a protective tarp to retain any pollution. The treatments used are a filtering step then neutralization, followed by a biological treatment.

Whatever the site, the discovery of abnormal pollution triggers a search for its sources as well as suitable corrective solutions.

In order to protect the rainwater drainage networks, shutter mats are placed on gutter grates when pouring liquid products. As part of the construction of new production facilities at the Messimy site, underground holding tanks were installed several years ago to prevent water pollution. In addition, in order to manage any accidental spillage, the drainage networks at production sites are equipped with shutters.

Soil emissions

In general, hazardous products are stored under containment in retention systems (storage rooms, cabinets, hazardous waste bins). The buildings that house products which could pose a risk of pollution via run-off from fire extinguishers are contained.
New unloading areas are systematically equipped with an underground tank to recover the product in the case of leakage or escape.

Noise pollution

Given their ICPE status (Classified Installation for Environmental Protection), the production sites may not exceed certain limits on noise. Measurements are taken regularly by a certified body and are submitted to the prefecture.
Any non-conformities identified or information on disturbances in the neighborhood trigger the development and implementation of a corrective action plan: installation of acoustic insulation on roofs, application of acoustic insulation on chillers, etc.
Noise pollution concerns are integrated into all projects that could have an impact: the Messimy site extension project included acoustic studies and modeling in order to anticipate disruptions and adapt the technical solutions accordingly.
A process for the improvement of the existing facilities was also initiated.

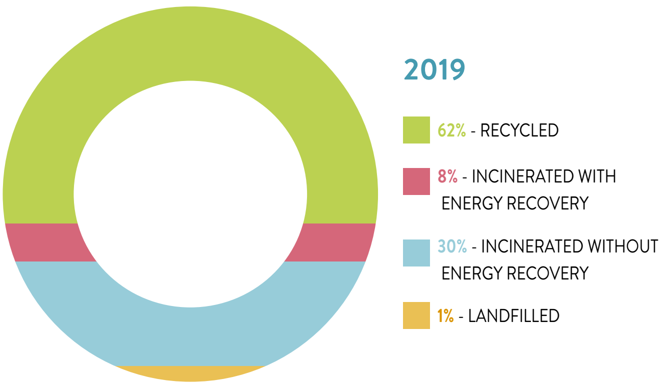
Light pollution

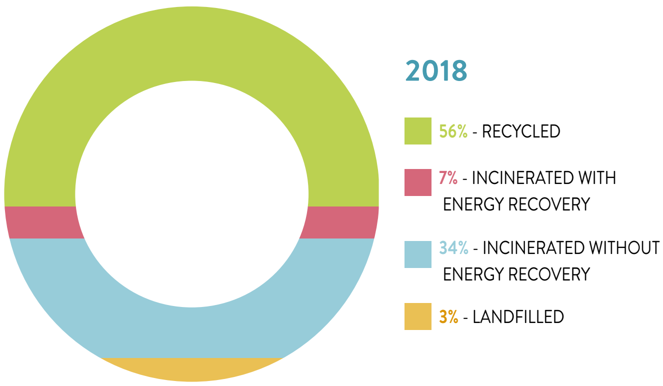
For safety and security reasons, the roads at certain production sites remain lit at night.
Technical measures have been identified to reduce this impact, so lighting levels can be significantly decreased while maintaining a satisfactory level of safety.

1.4.3.5 - WASTE MANAGEMENT AND RECYCLING

Recycling has been a group priority for over two decades, and we have achieved excellence in the field, with recycling processes for products including paper, plastic, cardboard, palettes, metal, sugar, sugar water, big-bags, mandrels, label backings, plant waste, packages and information documents, alcohol regeneration, and used cartridges, which are sold to a specialized company that partners with the *Ligue contre le cancer*.

We reclaim an increasing proportion of our production waste:





Note that just 15% of our waste is hazardous.

Since 2019, we have also focused on external and internal reuse, as well as efforts to reduce, with:

- donations of old lab equipment to a pharmacy school,
- organization of an open-house to allow interested employees to take home equipment that was no longer useful internally and had been replaced during a move,
- the sale of stainless steel drums to employees,
- the "freecycle corner" on the Intranet, where equipment that a department no longer needs can be posted,
- decreased used of cardboard displays (50% decrease in two years, saving forty-one tons of cardboard),
- use of printers that require badges on all sites, which reduced A4 paper consumption by 12% between 2018 and 2019,
- mugs distributed to all BOIRON employees in France to reduce the use of disposable cups.

1.4.3.6 - DISTRIBUTION AND MARKETING

Our products are distributed to customers (primarily pharmacies) in various manners: directly from the logistics platform in Les Olmes, from the distribution facilities or through wholesale distributors.

To date, over 95% of orders that leave the distribution facilities are destined for wholesale distributors, enabling incorporation into existing flows and optimization of shipping.

Finally, the group's new logistics platform located in Les Olmes, within easy reach of the highway network, will optimize transportation flows and thus minimize the associated emissions.

Our suppliers and flow coordinators limit the use of partially-empty trucks as much as possible.

Transportation and storage of our products have been optimized by modifying the dimensions of our cases, so palettes can be stacked during shipping, increasing volumes shipped in the same container size by 25%.

We initiated an overhaul of our global supply chain practices to adjust our industrial capacity and logistical resources to match constantly changing demand.
This process, which started in 2019, will continue to adjust group stock levels in 2020 to ensure that we produce, stock, and transport the right volumes. This progress was made possible by the implementation of a group stock policy and new and more reliable sales forecasting processes.

As a part of this change, our use of air shipping will be significantly reduced in favor of maritime shipping, thanks to improved operational planning, which reduces urgent needs.
The breakdown of our volumes shipped by shipping method (actual weights shipped) appears below:

	2019		2018	
	kg	%	kg	%
Total kg	**6,275,129**		**6,623,684**	
Land	3,391,237	54%	3,278,960	49.50%
Sea	2,478,683	40%	2,570,367	38.80%
Air	405,209	6%	774,357	11.70%

After a multi-year project to overhaul our vehicle fleet, we have now replaced all our diesel vehicles with cleaner alternatives (hybrid, gas or electric) in all the countries where we operate. That has enabled us, particularly in France, to achieve average CO_2 emissions of 86 grams (correlated NEDC), compared to the average of 110 grams across similar companies.

1.4.3.7 - CLIMATE CHANGE

Global warming may have an impact on energy expenses incurred in order to maintain the temperature of our production, packaging and storage facilities, as well as the availability of certain stocks.
We are currently unable to measure the impact of the effects of climate change on the supply of raw materials and on our business.

Since 2012, we have calculated the emissions included in scopes 1 and 2 of the carbon footprint every three years.

Action plans have been defined. The actions launched were those described as part of the energy savings plan, in addition to the work carried out on the car fleet, and have had a positive impact on scopes 1 and 2 of our carbon footprint.

	2017	2014	2011	Change between 2017 and 2014	
T eq. CO_2 (scopes 1 & 2)	8,697	8,654	9,484	+43	+0.5%
TCO_2 (scopes 1 & 2) / €millions	23	25	33	-2	-8.7%

To date, BOIRON has not undertaken any specific programs to address climate change beyond the actions described within the framework of biodiversity conservation (the cultivation of certain plants).

1.4.4 - RESPECT FOR SOCIETY

Our strong commitment to medical care that treats people holistically, with medicines that respect the body, means we are particularly attuned to all initiatives that can help preserve our ecosystem:
- our employees, our patients, healthcare professionals and the environment, as previously discussed,
- and all the other stakeholders that interact with our company: suppliers, local governments, public authorities, media, insurance providers, shareholders and investors, regulators, universities, etc.

Our actions are based on three pillars...

...and actively contribute to achieving the United Nations Sustainable Development Goals:

A “good governance” charter, signed by all the subsidiary Directors, shares our values with all group’s employees.

1.4.4.1 - CONTRIBUTING TO ECONOMIC DEVELOPMENT

Our core business is producing all of our mass produced homeopathic medicines on our three production sites in France, which are then marketed worldwide.

We also have pharmaceutical sites throughout France which compound and distribute medicines to dispensaries on a daily basis (almost 21,000).

Our strong commitment to maintaining our operations in France is reflected in the extension of our main production site in Messimy and large-scale investments in our production equipment and the construction of a logistics platform in Les Olmes.

We also act as a driver for the French economy:

- our investments in our production/distribution sites (€51 million in 2017, €39 million in 2018 and €34 million in 2019) generate indirect job creation, social contributions, and VAT and local tax revenue,
- our operating profits generate corporate income tax payments, with a group tax rate of close to 40%,
- the dividends we pay out (€28 million in 2018 and €25 million in 2019) are taxed and injected back into the economy,
- the BOIRON parent company's patronage, sponsorship and charitable donations amounted to €474 thousand in 2019, up from €254 thousand in 2018,
- in 2008, the BOIRON employee investment fund decided to allocate a part of its assets to the social economy, with a €500 thousand investment in *Habitat et Humanisme* and France Active, organizations that support housing, integration and a more just society,
- our group payroll amounted to €216 million in 2019, close to 40% of our consolidated sales.

1.4.4.2 - RESPONSIBLE PURCHASING

The Purchasing departments are tasked with choosing suppliers, in compliance with the purchasing policy and in close collaboration with the other departments concerned.

BOIRON's purchasing policy is based on five pillars. Two of these pillars incorporate this responsible purchasing philosophy:

- **maintaining a productive relationship with our suppliers based on trust, transparency and ethics,**
- **integrating a local, environmental and social dimension into the purchasing process in a targeted manner.**

BOIRON uses local companies for site extension projects and other services wherever possible, as well as working with local farmers for the Messimy and Sainte-Foy-lès-Lyon company canteens.

An evaluation process to assess suppliers' and partners' ability to meet the expectations of BOIRON over the long-term with respect to its quality, logistics, regulatory, environmental, and economic requirements has been put in place and further strengthened over the past few years.

Our purchases are mainly local, domestic or European, with the vast majority originating in France.

A team consisting of representatives from purchasing, finance, and legal and regulatory affairs (including anti-corruption matters) is tasked with evaluating and monitoring all suppliers and partners using dedicated tools and defining the steps to be taken if they do not meet these requirements

We are committed to developing and preserving genuine partnerships with our suppliers.

These trust-based, transparent relationships aim to deliver and foster the emergence of innovative, high-performance and optimal solutions. In 2019, we:

- continued to work with companies that hire employees with disabilities,
- continued to purchase supplies from mainly French and European suppliers and to prioritize local suppliers for our company canteens,
- maintained our vigilance with regard to our partners' level of dependence and financial health.

1.4.4.3 - FAIR PRACTICES

Transparency and ethics are essential in our relationship with all the stakeholders who contribute to our aims.
That commitment binds all of our employees, in the extremely regulated context of a publicly traded pharmaceutical group.

In order to limit the risk of fraud and scams, BOIRON has issued recommendations on internal controls to all its subsidiaries and has strengthened its prevention and surveillance measures.

Relations with healthcare professionals:
BOIRON applies the certification framework on direct sales and canvassing in pharmaceutical marketing published by the *Haute Autorité de Santé* in March 2016. This framework can be used to audit corporate quality management systems in the following areas:

- quality policy for promotional information,
- training and assessment of individuals who perform direct sales or canvassing,
- ethical rules that apply to these people or their supervisors.

BOIRON's promotional information activity is certified by the accredited bodies on the basis of this framework.
More specifically, in France, BOIRON must comply with the "transparency of links" system, put in place by the Bertrand Law of December 29, 2011 as amended by the Law of January 26, 2016. Under this system, it is required to publish all benefits given to healthcare professionals and other healthcare players on a single "Transparency" site.

Sapin II Law:
BOIRON applies measures to prevent and detect corruption and influence peddling, as required by the Sapin II Law of December 9, 2016, across the group, both in France and worldwide. To that end, BOIRON has drawn up a policy and a set of best practices on preventing corruption, as well as a whistleblowing procedure, which received a unanimous favorable reception from the Central Social and Economic Council. These documents can be found online at www.boironfinance.fr, in the "governance" section.

The BOIRON policy's guidelines on preventing corruption are as follows:

- identify and assess the risks of corruption,
- define and ensure compliance with the behavioral standards to prevent corruption,
- get training and inform employees and partners of the group anti-corruption policy,
- allow employees and parters to sound the alarm in the event of behavior or situations that violate the anti-corruption policy,
- implement procedures to assess customers, rank 1 suppliers and brokers,
- regularly assess the effectiveness of the corruption prevention procedure.

BOIRON therefore provides training to the group employees who are most exposed to the risks of corruption and provides awareness-raising to other employees. An e-learning program has been implemented.

1.4.5 - GROWING EVER MORE RESPONSIBLE, YEAR AFTER YEAR

Our company has strong social values and our activity naturally has a low environmental impact, but it is imperative to constantly strive to more actively protect the planet and work towards the 2030 Sustainable Development Goals.

On January 1, 2019, Valérie Lorentz-Poinsot asked Jean-Christophe Bayssat, Group Deputy General Manager, Chief Pharmacist and Director of Pharmaceutical Development, to coordinate our CSR strategy.

Following a discussion of our sustainable development challenges and our stakeholders' expectations, a working group was formed to steer the group's CSR strategy at the end of 2019, and an employee awareness-raising program was launched.

In 2020, our CSR materiality matrix will be finalized and the alignment of our existing initiatives with the CSR objectives will be assessed.
2020 will also see the confirmation of these commitments and the deployment of a proactive CSR policy for all group employees, as citizens of the world.

1.5 - THIRD PARTY ASSURANCE REPORT

To the shareholders,

Following the request made to us by the BOIRON parent company (hereafter the "entity") and in our capacity as an independent third-party organization accredited by COFRAC under no. 3-1081 (scope available at www.cofrac.fr), we hereby submit to you our report on the consolidated statement of non-financial performance for the financial year ended on December 31, 2019 (hereafter the "Statement"), presented in the group's management report pursuant to the legal and regulatory provisions of articles L225-102-1, R225-105 and R225-105-1 of the French Commercial Code.

The entity's obligations

The Board of Directors is responsible for drawing up a Statement that complies with the legal and regulatory provisions, including a presentation of the business model, a description of the primary non-financial risks, a presentation of the policies applied with respect to these risks, and the results of these policies, including key performance indicators.

The Statement was drawn up in compliance with the guidelines applied (hereafter the "Guidelines") by the entity, the key elements of which appear in the Statement.

Independence and quality control

Our independence is defined pursuant to article L822-11-3 of the French Commercial Code and our Code of Ethics. Furthermore, we have implemented a quality control system including documented policies and procedures to ensure compliance with ethical standards, professional standards and the applicable laws and regulations.

Third party assurance report

Our role is, based on our audit, to express a justified opinion issuing a conclusion of moderate assurance with regard to:

- the Statement's compliance with the provisions of article R225-105 of the French Commercial Code,
- the sincerity of the information provided pursuant to 3° of I and II of article R225-105 of the French Commercial Code, i.e. the results of the policies including key performance indicators and actions related to the primary risks, hereafter the "Information."

However, our role does not extend to issuing an opinion on:

- the entity's compliance with the other applicable legal and regulatory provisions, particularly with regard to the vigilance plan and preventing corruption and tax evasion,
- the products' and services' compliance with the applicable laws and regulations.

Nature and scope of the work

We conducted the work in accordance with the applicable standards in France that define how the third-party independent organization is to carry out the assignment and with international standard ISAE 3000.

Our work was carried out between February 13 and February 28, 2019, for a period of approximately seven person-days.
We carried out seven interviews with the people responsible for the Statement.

We carried out work that enabled us to assess the Statement's compliance with the regulatory provisions and the sincerity of the Information:

- we studied the activity of all of the companies included in the consolidation scope, the presentation of the main social and environmental risks linked to this activity, and its effects with regard to Human rights and the prevention of corruption and tax evasion, as well as the attendant policies and their results,
- we assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and comprehensibility, taking into consideration any best practices in the sector,
- we verified that the Statement covers all of the categories of information listed in paragraph III of article L225-102-1 on social and environmental issues, as well as respect for Human rights and the prevention of corruption and tax evasion,
- we verified that the Statement presents the business model and the main risks linked to the activity of all the entities included in the consolidation scope, including, where relevant and proportionate, the risks generated by its business relationships, its products or its services, as well as its policies, actions, and results, and including key performance indicators,
- where relevant with regard to the major risks or policies presented, we verified that the Statement provides the information required pursuant to paragraph II of article R225-105,
- we assessed the selection and approval process for the major risks,
- we verified the existence of internal control and risk management procedures implemented by the entity,
- we assessed the consistency of the results and the key performance indicators selected with the major risks and policies presented,
- we verified that the statement covers the consolidated scope, i.e. all the companies included in the consolidation scope in compliance with article L233-16 and subject to the limitations defined in the Statement,
- we assessed the collection process implemented by the entity with regard to the completeness and sincerity of the Information,

- for the key performance indicators and other quantitative results that we deemed most important, we implemented:
- analytical procedures consisting of verifying that the data collected was correctly consolidated and that all trends were consistent,
- detailed testing based on sampling, to verify that the definitions and procedures were correctly applied and compare them with the evidence. This work was done with a selection of contributing entities(1) and covered between 33% and 100% of the consolidated data on key performance indicators and results selected for these tests(2),
- we consulted the documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we deemed the most important,
- we assessed the consistency of the Statement as a whole in light of our knowledge of all the companies included in the consolidation scope.

It is our belief that the work we carried out in exercising our professional judgment allows us to draw a conclusion of moderate assurance; a higher level of assurance would have required more extensive verifications.

Due to the use of sampling techniques as well as to the limitations inherent in the operation of any information and internal control system, the risk of not detecting a material irregularity in the Statement cannot be totally ruled out.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to doubt that the Non-Financial Performance Statement, taken as a whole, is compliant with the applicable regulatory provisions and that the Information, taken as a whole, is fairly presented, in accordance with the Guidelines.

Lyon, April 10, 2020

FINEXFI
Isabelle LHOSTE
Partner

(1) Production sites selected for the tests: Messimy and Sainte-Foy-lès-Lyon.
(2) Work force and age distribution, organization of working hours, hiring and dismissals, health and safety, training hours, philanthropy, production activities (water and energy consumption), waste management and recycling, distribution activities.

1.6 - RISK FACTORS AND INTERNAL CONTROL

1.6.1 - RISK FACTORS

The BOIRON group operates in an increasingly complex, challenging and fast-changing environment, giving rise to new risks.

In order to identify and assess these risks, the macro-economic risk map is updated annually by General Management, the operational departments and the internal audit department. It is the subject of discussions with the audit committee.

To meet the new regulatory requirements (prospectus regulation (EU) 2017/1129), the presentation of the Chapter "Risk Factors" has been revised for easier reading. In compliance with the ESMA's recommendations, the risks presented are net of risk control measures, so only significant net risks are covered by this Chapter.

The following risks do not appear in the risk map below, since they are not considered significant and specific to BOIRON:
- financial and market risks (rate, counterparty, exchange, liquidity, share and country risks): these are described in note 23 in the appendices to the consolidated financial statements,
- environmental risks: these are addressed in paragraph 1.4.3.

The risk factors have been classified in four categories, laid out below:

BUSINESS RISKS
- questioning and denigration of homeopathy,
- market diversity.

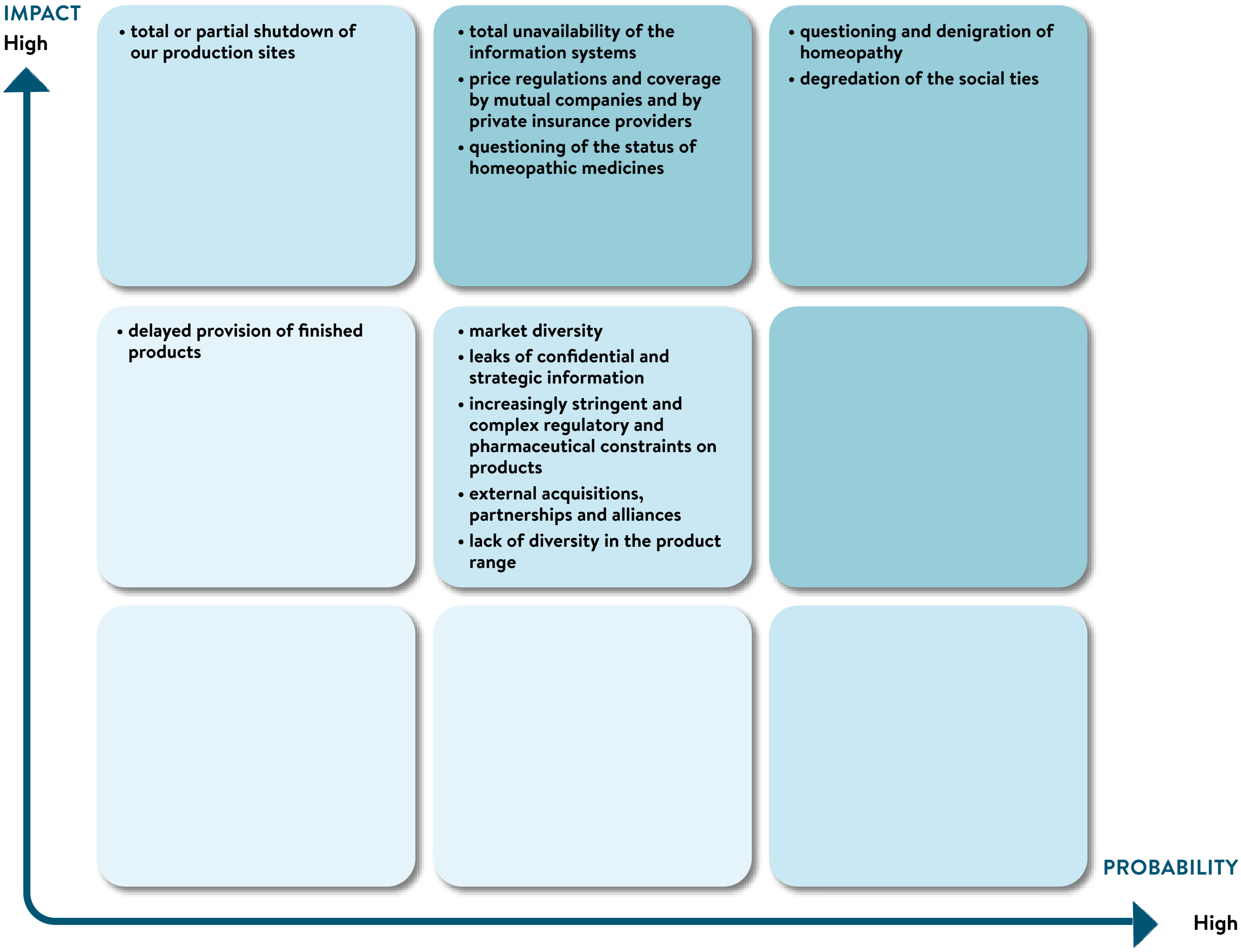
REGULATORY RISKS
- price regulations and coverage by mutual companies and by private insurance providers,
- questioning of the status of homeopathic medicines,
- increasingly stringent and complex regulatory and pharmaceutical constraints on products.

ORGANIZATIONAL RISKS
- degradation of the social ties,
- external acquisitions, partnerships and alliances,
- lack of diversity in the product range,
- delayed provision of finished products.

INDUSTRIAL AND IT RISKS
- total unavailability of the information systems (following a cyberattack),
- total or partial production site shutdown,
- leaks of confidential and strategic information.

The primary risks presented here are those that can affect the group's business, financial position, reputation, results, or outlook. They are assessed after taking into account the action plans implemented. Updates to the risk map result in an assessment of the risk mitigation measures currently in place and identification of action plans to implement.

The risk map shown below is a risk management resource. It shows the risks that are the most significant and the most characteristic of the BOIRON group's activity, based on their probability and their potential financial, organizational and reputation impacts.



All the risks presented below could have major repercussions for the group's medicine production, business, profitability or image.

The most significant risks appear first in each category, pursuant to paragraph 1 of article 16 of regulation 2017/1129.

This analysis was carried out in 2019, and a dedicated paragraph ("impact of the current public health crisis on the risk factors") was added after the accounts statements were done to address the unprecedented crisis that has affected the first half of 2020.

Impact of the current public health crisis on the risk factors

The coronavirus pandemic (COVID-19) affects all BOIRON group companies, despite the implementation of all the recommendations issued by the public health authorities and the business continuity observed in the group. This crisis affects the health of the group's employees, customers, and suppliers, as well as its operations, projects and performance.

At this stage, it is clear that the crisis will have significant macroeconomic consequences, but they remain difficult to quantify. Within this context, all of BOIRON's risk factors are potentially impacted by this crisis, particularly the following risk factors:

- market diversity: our presence in heavily affected markets impact our business activity in those areas,
- delayed provision of finished products: internal and external supply chain and logistics disruptions could exacerbate delays,
- unavailability of the information systems (following a cyberattack): the current crisis has increased the risk of external attacks,
- the total or partial shutdown of our production sites: the potential health impact on BOIRON's employees and service providers has heightened this risk,
- degradation of the social ties: the legal and regulatory changes required by this crisis, particularly in France, as well as the announced reorganization (cf. post-closure events) may influence this risk.

1.6.1.1 - BUSINESS RISKS

Questioning and denigration of homeopathy

Identification and description of the risk

The reputation, image and business of the BOIRON group, as well as its offer, have been seriously affected by:

- coordinated and extremely aggressive campaigns to discredit homeopathy on social media,
- the positions taken by the French Ministry of Health and public statements questioning the effectiveness of homeopathic medicines,
- the large-scale media coverage, orchestrated by the HAS, of its opinion, expressed during its June 2019 press conference at which it announced that homeopathic medicines "are not adequately effective to be recommended for reimbursement."
  Other press releases and statements include:
  - a March 2019 statement in which the Academies of Medicine and Pharmacy explicitly requested the end of reimbursement for homeopathic medicines,
  - the October 2019 statement of the Council of the National Order of Physicians which ended the authorization of the "homeopathic practice orientation" certification for future physicians,
  - the December 2019 statement by the National Continuing Professional Education Agency (DPC): "training exclusively focused on homeopathy will be neither recognized by the DPC nor published on the Agency's website, and therefore will not be funded",
- numerous media outlets' explicitly negative positions on homeopathy.

BOIRON has also seen extremely hostile attitudes towards homeopathy on the part of certain governments, particularly in Spain and Hungary.

Impact and consequences

The first effect was the June 2019 decision by the Ministry for Solidarity and Health to progressively end reimbursement of homeopathic medicines (cf. Key events - Chapter 3).

BOIRON also believes that the large numbers of such attacks had a significant effect on the decrease in prescriptions and thus its drop in sales in France. These major events have led the company to consider how to transform its business.

The situation also led different groups and individuals to take action:

- the creation of a collective of key French homeopathy players: patient organizations, physicians' and pharmacists' unions, academic societies, training institutions, and homeopathic medicine producers,
- large-scale mobilization of French consumers, with the "Monhoméomonchoix" petition,
- the organization of the "*Santé vous libre !*" homeopathy events to bear witness to the realities of homeopathic therapy and medicines.

Market diversity

Identification and description of the risk

Due to its international presence, the BOIRON group may be more exposed to political and economic instability, to cultural or regulatory specificities, or to the risk of counterfeiting.

BOIRON's presence in the United States and Canada, as well as its increasing visibility in the zone, expose it to the risk of class-action lawsuits (see note 34 to the consolidated financial statements).

Furthermore, its growth in certain geographical zones including the United States relies on e-commerce, with all its attendant risks.

In Asia, particularly in China, the group's growth is recent and relies on local partnerships and e-commerce. Its success in Asia is closely linked to its commercial partners' choices.

Potential impact

The group's numerous and highly complex markets (number of products, distribution channels, countries, etc.) require effective market and regulatory intelligence. BOIRON must be highly responsive to all these trends.

Specialized attorneys are essential to manage the risk of class action lawsuits in North America.

The growth of the group's e-commerce activity generates unique pharmaceutical, legal, logistical and organizational constraints, with the risk of dereferencing.
The diversity of BOIRON's countries and distribution channels mitigates its dependence on any given market and is essential for the growth of its business.

1.6.1.2 - REGULATORY RISKS

Price regulations and coverage by mutual companies and by private insurance providers

Identification and description of the risk

In France, the reimbursement of non-proprietary medicines by the National Health Insurance Program was called into question following the publication of decrees that reduced the reimbursement rate to 15% as of January 1, 2020 and then to 0% as of January 1, 2021.

According to several external analyses[1], despite the coverage provided by private insurance providers, BOIRON expects to see:

- restructuring of the market,
- an immediate decrease in prescriptions for these medicines,
- a significant decrease in the number of packages of medicine sold,
- an increase in self-medication for the medicines that are no longer reimbursed, but which will not offset the steep drop in sales,
- changing prices in pharmacies, due to price deregulation.

Potential impact

In France, in addition to the decrease in sales already seen in 2019 (see Chapter 3), the Ministry for Solidarity and Health's decision has also damaged the image of homeopathic therapies in general and BOIRON in particular.

The end of reimbursement will lead to deregulated pricing and margins. For BOIRON, the challenge will be to find the right position to take into account the increase in industrial costs due to the decrease in volumes while remaining affordable for all patients.

However, deregulated pricing in pharmacies could lead to potentially significant price differences between regions and between rural and urban areas.

The threat of the end of reimbursement led BOIRON to start negotiations with private insurance providers in 2019, which will continue in 2020, to ensure that they will continue to cover homeopathic medicines.

Questioning and denigration of homeopathy

Identification and description of the risk

In all countries, the regulatory authorities are imposing ever increasing regulatory constraints, whether related to market access (registration, marketing authorization, reimbursement), marketing (packaging), advertising, homeopathic medicine production, and production site compliance, with ever-shorter deadlines.

The procedures required to demonstrate our medicines' compliance with these requirements can take several years and require changing the registration procedures, in addition to significant financial and human resources.

In the European Union, the regulatory status of homeopathic medicines is governed by the European Directive establishing a community code for medicinal products[2].

Homeopathic medicines can be authorized with two different statuses:

- the first, which allows them to obtain Marketing Authorizations (MA), with or without indications depending on whether transposition was full or partial,
- the second, which leads to Homeopathic Registration (HR) without indications. The process of obtaining HR status includes a strain by strain assessment, leading to the progressive stop of some, based on the process of validating the products on the market prior to publication of this Directive. Note that the European Commission intends to review all its Directives to replace them with Regulations in the medium- or long-term.

In France, BOIRON submitted most of its filings for reregistration between 2001 and 2015, in accordance with the timetable set by the ANSM (is for certain French drug safety agency). The main risk of deregistration concerns certain strains for which BOIRON has little recent data. At the end of December 2019, of the 1,020 strains authorized and filed, 483 HRs had already been obtained and 215 deregistered. The ANSM is slated to issue an opinion on all pending cases by the end of July 2020, following the acceleration of its evaluation process.

Outside the European Union, each country has its own regulations (see Chapter 1). In the United States, homeopathic medicines are marketed over the counter with indications, following notification of the authorities.
These different regulations are the target of recurrent attacks by those who are skeptical of homeopathy in different countries.

Potential impact

Homeopathic medicines and their status are governed by a directive in the European Union. Questions to the directive may arise in the long-term, but BOIRON cannot assess their effects at this stage.

The loss of or failure to file an application for an MA or HR leads to the loss of authorization to market the product in the country in question. When BOIRON decides not to file for an MA, an analysis is carried out to assess the impact of its decision, particularly in terms of reducing the product portfolio, and alternatives are assessed to offset the lost sales.

(1) 2011 IRDES report on "Le déremboursement des médicaments en France entre 2002 et 2011 : éléments d'évaluation" (Medication reimbursements ended in France between 2002-2011: an evaluation) and the 2018 IQVIA study on "l'impact du déremboursement : le cas des Anti-Arthrosiques Symptomatiques d'Action Lente (AASAL) à base de glucosamine et des spécialités à base de magnésium" (The impact of the end of reimbursement: the case of glucosamine-based symptomatic slow-acting anti-arthritics and magnesium-based specialties).

(2 In the European Union, the regulatory status of homeopathic medicines is governed by European Directive 2001/83, which establishes a community code for medicinal products. This directive, which regulates the marketing, production, distribution and promotion of medicinal products for human use, uses the same terms as directive 92/73/EU of September 22, 1992, which exclusively covered homeopathic medicines.

Increasingly stringent and complex regulatory and pharmaceutical constraints on products

Identification and description of the risk

At a time when homeopathy's detractors claim that it lacks effectiveness and scientific evidence, the BOIRON group is subject to strict constraints and numerous requirements relating to the development and production of medicines, which apply to all pharmaceutical laboratories.

The risks inherent to its activities are as follows:
- production and sale of non-compliant medicines,
- recall of a batch or withdrawal of a medicine from the market,
- non-detection of a flaw in the production process or the traceability of production data,
- inadequate regulatory compliance of our products leading to a product's withdrawal from the market.

Furthermore, the regulatory requirements in terms of Good Manufacturing, Compounding and Distribution Practices (GMP, GCP, GDP) are constantly evolving. Responding to those changes requires increasingly IT-driven processes, such as the implementation of data integrity measures. These requirements also apply to the supply of raw materials for pharmaceutical use, which are particularly numerous in the case of homeopathic medicines.

In France, the ANSM has begun work on updating the Good Compounding Practices (GCP) guide that governs compounding. This could lead to a decrease in sales of compounded homeopathic medicines.

Above and beyond the internal control of the quality system, which was achieved by exhaustive audit reviews, the BOIRON group is subject to regular inspections by the healthcare authorities.

The pharmaceutical regulations of the various countries very often include their own inspection system. These inspections are recognized by different countries within the framework of a system of mutual recognition. However, these agreements are limited. Some governments conduct their own pharmaceutical inspections, such as the Russian agency's 2017 and 2019 inspections.

In France, the inspection is conducted by the French agency for drug safety (ANSM), which inspects production sites every year.

The latest FDA (US drug safety agency) inspection of the Montévrain site, which specializes in sterile single-dose containers, in June 2018, did not reveal any deviations.

In Russia, a federal law passed in December 2017 requires certain industries, including the pharmaceutical industry, to apply a datamatrix to imported products to enable traceability from production to sale to the patient.
Serialization and aggregation of group products (additional codes applied to track all packaging) will be required to keep them on the market in 2020.

Potential impact

The primary potential effects of this risk are:
- withdrawal of a product from the market,
- prohibition on marketing and sales following an inspection,
- temporary or permanent closure of a site,
- increased production costs due to new requirements,
- increased rejections of batches of raw materials or finished products that do not meet the criteria.

BOIRON has expanded its quality teams to address these major challenges. BOIRON has implemented a serialization project, with investments in new equipment for its production lines and a dedicated information system.

These regulatory changes also provided an opportunity to launch innovation and automation projects for the manufacturing and inspection processes (Manufacturing Execution System and Laboratory Execution System).

1.6.1.3 - ORGANIZATIONAL RISKS

Degradation of social ties

Identification and description of the risk

The risks of the degradation of labor relations are tied to human resources management (remuneration policy, work organization, etc.) and talent management (departures of key people, loss of expertise, etc.).

In France, the recent attacks on homeopathy have decreased BOIRON's appeal as an employer. The increasingly tight labor market in the Rhône-Alpes and Paris regions has also affected turnover, with an increase in voluntary departures (see paragraph 1.2.3.9). Profit sharing and corporate performance-based incentives also decreased in 2019. This led to a decrease in all employees' total compensation, which can increase departures.

Furthermore, the average employee age at BOIRON is 46 years and 8 months, with average service lengths of 18 years and 2 months. BOIRON thus expects numerous retirements in the short term. BOIRON must therefore prepare for a large influx of new employees with new expectations.

Given the current situation, BOIRON is considering an overhaul of its structure, which could also impact labor relations.

Potential impact

These risks could cause or accelerate the loss of talents and spark internal tensions.
Adaptation, change support and skills development may be inadequate given the scale of the group's transformation, business needs, and new expectations in terms of organization and ways of working.

In 2019, BOIRON formed a multi-disciplinary working group to propose avenues for improvement in this area and the associated action plans.

External acquisitions, partnerships and alliances

Identification and description of the risk

One solution for BOIRON to develop and diversify its activity is investing in acquisitions, partnerships, or alliances.

However, these operations can generate costs, be completed in a context very different from that initially planned, and ultimately expose the group to new legal, regulatory or financial risks.

Potential impact

BOIRON could omit or underestimate certain critical aspects: regulatory, financial, organizational and human. Depending on the diversification strategy applied and the potential partners used, BOIRON could be exposed to quality risks that could affect its image.

The operation's potential benefits could be eliminated, potentially with a significant negative effect on BOIRON's business, financial position and outlook.

Lack of diversity in the product range

Identification and description of the risk

BOIRON's business essentially consists of the production, distribution, and sale of homeopathic medicines, and its product range is highly dependent on seasonal illnesses.

2019 saw aggressive public denigration of homeopathic therapies in several European countries and a decrease in group sales. Homeopathy is also experiencing significant competition from other "natural" therapies.

Homeopathy is absent from certain geographical areas, particularly in Africa and Asia, where the regulatory status of homeopathic medicines is non-existent.
BOIRON must therefore continue to modify its product range.

Potential impact

The main effects of this lack of diversity are the loss:
- of market share to other therapies (essential oils, phytotherapy, aromatherapy, nutritional supplements, etc.),
- of growth opportunities aligned with its historic position on effective, risk-free solutions and products,
- of development in new regions.

Delayed provision of finished products

Identification and description of the risk

In certain situations, BOIRON may be unable to meets its customers' needs within the allotted timeframe, particularly internationally.

Regulatory and pharmaceutical constraints, the diversity of our markets and customers, and the different statuses of our products make production and distribution extremely complex.

The main causes that have been identified are linked to the difficulty in forecasting operational sales, the large number of upstream and downstream quality control operations, and product releases and implementation of the stock management policy.

Potential impact

Failure to provide finished products can affect BOIRON's turnover and reputation.
With certain customers, it can even lead to the dereferencing of BOIRON products or the payment of penalties.

In 2019, BOIRON launched a cross-functional project to improve its internal processes, business model, and customer service and better anticipate its production capacity. In the short term, BOIRON will purchase new sales forecasting software and improve its planning by optimizing its MRP (Material Requirement Planning) module.

1.6.1.4 - INDUSTRIAL AND IT SYSTEM RISKS

Total unavailability of the information systems

Identification and description of the risk

The group operates in an environment of open, intertwined and exposed information systems:
- use of Cloud solutions (new CRM),
- increased ties to its subsidiaries (technical and application-based),
- use of new mobility solutions (new collaborative tools).

This increases the group's exposure to the Internet and all its threats.
A cyberattack could leave BOIRON's IT systems completely unavailable.

Potential impact

Despite the security measures taken on our IT systems, unavailability could still occur and would make it temporarily impossible to produce or sell products or to communicate or work within the group.
An attack on the group's information systems could damage the group's image in the eyes of the public and the authorities.

Total or partial production site shutdown

Identification and description of the risk

The risk of a total or partial shutdown of the group's sites mainly affects the Messimy and Montévrain production sites and the Les Olmes logistics site.

However, our geographical network and the information systems in place on these distribution sites would enable us to transfer orders and deliveries from one site to another, thus reducing the risk in France.

The main risks are:
- a fire starting and triggering the sprinklers: smoke and water would damage the equipment and/or products,
- a fire destroying one or more buildings with few or no sprinklers,
- a suspicion of bacteria detected on a site, in its utilities, or a batch of products.

Potential impact

These risks could shut down the site or equipment to a greater or lesser extent.

Leaks of confidential and strategic information

Identification and description of the risk

The information in question could be:
- strategic, meaning that the leak would have a significant impact on BOIRON's business (e.g. planned acquisition, product launch, etc.),
- subject to a regulatory framework, e.g. a leak of sensitive human resources data, customer data, or medical data, which are covered by the General Data Protection Regulation (GDPR).

This information is exposed to internal threats (e.g. malicious actions, data theft) as well as external ones (e.g. cyberattacks).

Potential impact

Despite the measures in place (GDPR compliance, confidential information map, etc.), a data leak would have a negative impact on BOIRON's image and could lead to the loss of opportunities.

It could also lead to financial penalties imposed by the administrative authorities.

1.6.2 - INTERNAL CONTROL PROCEDURES

The BOIRON parent company is the largest company within the BOIRON group in terms of business volumes, total balance sheet assets and level of risk. It produces most of the medicines and products distributed by itself and its subsidiaries. Below, you will find the BOIRON parent company's internal control procedures, both with regard to its own operations and controls of its subsidiaries.

1.6.2.1 - THE INTERNAL CONTROL SYSTEM

Objectives and limitations

The internal control measures are based on the reference framework of the French Financial Markets Authority (AMF) and its implementation guide.

The current internal control procedures are aimed at providing reasonable assurance of the following:
- compliance with the laws and regulations,
- the application of instructions and guidelines established by General Management,
- the proper functioning of the company's internal processes, in particular those related to the safeguard of assets and personal protection,
- the reliability of the financial information.

Risk management and internal control are part of the responsibilities of the various departments at all levels of the group.

In 2014, a good governance charter was signed by each of the subsidiary directors. It formalizes the internal rules of good governance with respect to assets, customer and cash risk monitoring, as well as the management and marketing policy. This charter was updated in 2019.

This charter aims to guarantee:
- a balance between development, control and risk management by the BOIRON subsidiaries and the BOIRON group,
- improved communication and sharing of information between the parent company and its subsidiaries,
- proper implementation of BOIRON group strategy.

However, as is the case with any control system, the measures applied cannot guarantee total control of all risks.

The main internal control players

Company policy consists in raising the awareness of each employee, department and business unit of the responsibilities and risks inherent to their functions.

The main internal control players are:
- the Board of Directors and the audit committee,
- the General Manager, the Deputy General Manager and the Assistant General Manager,
- the Chief Pharmacist (Deputy General Manager) and the Interim Chief Pharmacists,
- the support and operational departments,
- the internal audit department.

General Management and the Board of Directors, through the audit committee, take part in the steering and supervision of the internal control.

Monitoring the internal control system

The internal audit department monitors the efficacy of the company's internal control system through its audits, and formulates recommendations and ensures their follows up. Its scope includes both purely financial matters and more operational areas (analysis of purchasing processes, sales, organizational audits, IT audits, project audits, etc.) in France and abroad.

A written report on each audit is submitted to the audited parties, General Management, the audit committee and the Chairman of the Board. In addition, the internal audit department, together with the BOIRON group treasury department, monitors the risk of fraud and raises the staff's awareness regarding such risks: fake Chairman schemes, cybercrime, data falsification, etc.

The internal audit department also calls upon experts in various fields, such as the IT Systems Security Director, the legal department, the DPO (Data Protection Officer), and the quality department.

A charter was adopted in April 2008 which sets out the internal audit department's operating methods. This charter was updated and approved by the audit committee on June 14, 2018.

The internal audit department is the preferred partner of the audit committee and the statutory auditors, with whom it corresponds regularly.

Information system governance includes management of these risks, with the presence of an IT Systems Security Director. These risks are also covered by the implementation of an information systems business continuity plan and recovery plan.

There is a repository of computer applications that includes a classification of applications according to different risk criteria (availability, integrity, confidentiality, traceability, etc.). Cross-functional working groups meet on a regular basis and include teams from the business lines, the support functions and IT to ensure that the most critical computer applications are under control.

Furthermore, internal and external audits are regularly conducted (audits following the deployment of ERP, intrusion tests, etc.) to evaluate the internal control systems.

1.6.2.2 - INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT RELATING TO THE PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

Objectives

Internal control procedures relating to the preparation and treatment of accounting and financial information aim to ensure:
- the reliability of the group's annual financial statements and the consolidated financial statements pursuant to the IFRS (corporate consolidation),
- the control of risks of mistakes, inaccuracies or omissions of material information in the financial statements related to the company's financial position and company assets and liabilities.

The group's administrative and finance department is a key player for internal control and accounting and financial risk management.

Specialized committees meet regularly in order to ensure control of risks within their areas:
- the group customer risk committee meets once a month to review the situation and customer risk trends of all BOIRON group subsidiaries. It also reviews internal and external credit limits and customers' outstanding overdue receivables, as well as their financial position, in order to determine the corrective actions to be taken,
- the treasury commitee meets once a month to review the financial situation of each companies of the group, the centralized management of cash surpluses and financial risks (exchange rate, interest rate, liquidity) and check their compliance with the policies defined by the General Management,
- the financial risks committee meets half-yearly to evaluate risks that may have a financial impact at BOIRON group level. Its findings are presented to the audit committee. In 2020, this committee will also evaluate the risk factors linked to the risk mapping process established at the end of 2019.

Procedures for preparing the group's consolidated financial statements and the group reporting

The corporate consolidation and the BOIRON group reporting process includes the following main steps:
- the collection of the subsidiaries' financial data and their analyses as compared to their prior year activity, their budgets, or last updated budgets,
- the control of collected data,
- the preparation, validation and analysis of the consolidated corporate financial statements and group financial reporting.

The administrative and finance department performs regulatory monitoring and calls upon an IFRS expert (every six months) to provide an update of accounting rules and requirements regarding the reporting of consolidated financial statements.

A guide to the BOIRON group accounting and financial norms is regularly updated and made available to all group companies.

All proposals for significant changes to accounting standards and options are the subject of an explanatory memorandum submitted to General Management.

Potential changes are presented to the audit committee and the Board of Directors following approval by the statutory auditors.

More generally, the audit committee, in regular contact with the statutory auditors and employees responsible for preparing the group's corporate and consolidated financial statements, ensures the quality and reliability of processes for preparing financial information provided to shareholders and to the public, in accordance with its assignments, described in paragraph 2.2.3.1.2.

Procedure for the review of liabilities

The administrative and finance department uses an independent actuary to value these commitments.
The consolidation department compiles corporate liabilities based on information provided by the subsidiaries and reviews their accounting and valuation methods.

Procedures for preparing financial statements

All financial statements are reviewed by General Management and the Board of Directors. Prior to transmission to the Board of Directors, the documents related to annual and semi-annual regulated information are also reviewed by General Management and the statutory auditors. Multidisciplinary proofreading committees are formed each year before publication of the Universal registration document.
A part of the transmission, organization and publication of the financial statements is outsourced.

Relations with the statutory auditors

Within the framework of their assignments, the statutory auditors review the main accounting processes in France and the majority of the subsidiaries. The recommendations resulting from their work are reviewed by the administrative and finance department and the audit committee and, where appropriate, are subject to decisions to take action, follow-up on which is handled by the internal audit department.

1.6.3 - INSURANCE POLICY

The group has a liability insurance program that covers its business up to a limit of €30 million.
Its international distribution subsidiaries also have local third-party liability master policies.

The company’s assets are guaranteed by an insurance policy which covers both direct damages to assets and any consequential operating losses. Insurance company inspectors regularly visit the industrial sites and are involved in the risk prevention policy put in place by the operations department.

BOIRON also has a multi-risk policy for environmental responsibilities which covers environmental damage which might arise from the use of its sites.
This policy covers all of its production sites in France.

Chapter 2

CORPORATE GOVERNANCE

This section comprises the corporate governance report prepared in accordance with articles L225-37-2 to L225-37-5 of the French Commercial Code.

The purpose of this report is to present the company's corporate governance, as well as the policy on and amount of corporate officer compensation.

The audit work performed by the administrative and finance department for the preparation of this report is based on the collection and analysis of information from the main company departments. The General Manager and the Deputy General Manager were also consulted and asked for their approval.

This report was examined by the audit committee and approved by the Board of Directors on April 7, 2020. It was also forwarded to the statutory auditors, to assist them in their work.

2.1 - CORPORATE GOVERNANCE GUIDELINES AND RULES

Our company has taken note of the provisions of the corporate governance codes published by MIDDLENEXT in September 2016 and by AFEP-MEDEF in January 2020, and has analyzed them with regard to its own principles.

In accordance with article L225-37-8 of the French Commercial Code, the company hereby notes that it does not refer to any of the corporate governance codes mentioned above.

Its governance is based on its specific realities and principles, including:

- the wish to promote a stable shareholder structure which is representative of its family character and broadly open to employees. The shareholder structure also includes several other shareholders that have invested over the long-term,
- the quest for a dynamic balance on the Board of Directors between family Board Members, employee Board Members, and other Board Members who have developed a close and lasting relationship with the company. The notion of “independence” is, for the company, transcended by personality, honesty and directness,
- a Board of Directors whose effectiveness depends largely on the technical expertise of its members, their in-depth knowledge of the company, and their personalities,
- the separation of the functions of the Chairman and the General Manager, the latter being supported by one or more Deputy General Managers,
- the consideration of a balanced representation of women and men on the Board of Directors,
- the authenticity and transparency of communication between the various governing bodies (the Board of Directors, the Audit and Compensation Committees, the General Manager and the Deputy General Manager(s)), and between these bodies and the statutory auditors,
- the transparency of compensation paid to Board Members and executives.

Moreover, above and beyond the statutory requirements, the company has established various rules with respect to corporate governance, including rules on:

- Board of Directors meetings, the frequency and length of which allow Board Members to examine the issues on the agenda in detail,
- audit committee meetings, the frequency and length of which allow Board Members to examine the issues raised in detail,
- referral to a Compensation Committee for advice to the Board of Directors on the corporate officers’ compensation,
- the definition a three-year term of office for Board Members, including the Chairman and Committees’ members, with the possibility of renewal,
- Board of Directors' meetings for approval of the company's financial reporting,
- the implementation of specific rules on the identification and management of conflicts of interest. In a situation of conflict of interest, even if potential, between corporate and direct or indirect personal interests or the interests of a shareholder or a group of shareholders interests that he or she represents, the Board Member in question must notify the Board of Directors and abstain from the debate and vote. Information relating to conflicts of interest within the Board of Directors is included in paragraph 2.2.4.

2.2 - COMPOSITION, ORGANIZATION AND FUNCTIONING OF THE BOARD OF DIRECTORS

2.2.1 - COMPOSITION OF THE BOARD OF DIRECTORS

The functioning of the Board of Directors is determined by articles 16 to 21 of the articles of association, which set out, in particular, the requirement for a Board Member to own a minimum of ten shares (with the exception of the Board Member representing employee shareholders, in application of the law).

Following Mr. Christian Boiron's decision to step down as a Board Member on April 7, 2020, the Board of Directors has six female members out of a total of twelve. If the Board Member representing employees and the Board Member representing employee shareholders are excluded from the calculation, as required by law, the Board of Directors includes five women out of a total of ten Board Members (50% of the total). The company is therefore in compliance with the provisions of article L225-18-1 of the French Commercial Code concerning the equal representation of women and men on Boards of Directors, which states that the proportion of Board Members of each gender cannot be lower than 40% on boards comprising more than eight members.

Pursuant to article L225-37-4 6° of the French Commercial Code, it is hereby stipulated that the company does not apply a diversity policy to its Board of Directors. Half of the Board of Directors is composed of Boiron family members, since the company is controlled by the BOIRON family consortium and the family has always played a key role in corporate governance. However, as stated above, the make-up of the Board of Directors does reflect diversity in terms of gender equality, with six women out of a total of twelve Board Members; in terms of age, with Board Members of three different generations; and in terms of skills, with Board Members with a wide range of qualifications and professional backgrounds (pharmacists, corporate administrators, managers, accountants, financial engineers).

The Board of Directors includes an independent Board Member: Mr. Michel Bouissou. The independence criteria applied are described in paragraph 2.2.3.1.1. Mr. Michel Bouissou does not have any business dealings with the company.

Pursuant to article L225-27-1 of the French Commercial Code and article 16 of the articles of association, employees are represented by a Board Member, Ms. Christine Boutin, appointed by the Central Works Council on June 21, 2018 for a three-year term.

The employee shareholders are represented by a Board Member: Mr. Grégory Walter, appointed by the Combined Shareholders' Meeting of May 18, 2017 on the recommendation of the Supervisory Board of the Employee Equity Mutual Fund (FCPE), for a three-year term.

The terms of office as Board Members of Mr. Thierry Boiron, Ms. Valérie Lorentz-Poinsot, Ms. Michèle Boiron, Mr. Jacky Abécassis and Mr. Bruno Grange, and the term of office as the Board Member representing employee shareholders of Mr. Grégory Walter will expire at the end of the next Shareholders' Meeting. The Combined Shareholders' Meeting to be held on May 28, 2020 will be asked to renew their terms for a period of three years.

The Combined Shareholders' Meeting of May 28, 2020 will also be asked to increase the number of current Board Members to fourteen, and to appoint Ms. Anabelle Flory-Boiron and Ms. Laurence Boiron as Board Members.

Composition of the Board of Directors and General Management - as at April 7, 2020:

Surname, First name, Office Age	Date of initial appointment	End of term of office	Primary role within the company	Primary role outside the company	Other offices or positions held with any company *Family ties - Notes*
Thierry Boiron Board Member, Chairman of the Board of Directors 59 years - French citizen	As a Board Member: BoD meeting of 09/18/1996 As Chairman of the Board of Directors. BoD meeting of 05/19/2011 Effective 07/01/2011	2020 OSM 2020 OSM	Chairman of the Board of Directors	None	Board Member, Chairman and Chief Executive Officer of SODEVA(1) Manager of SOFABI (3) Manager of SODEGE (3) Manager of SCI SOKYF (3) *Brother of Michèle and Christian Boiron, cousin of Christine Boyer-Boiron*
Valérie Lorentz-Poinsot Board Member, General Manager 51 years - French citizen	As a Board Member: CSM of 05/22/2014 As General Manager: BoD meeting of 09/05/2018 Effective 01/01/2019	2020 OSM Open-ended term	General Manager	None	Board Member, Chairman and Chief Executive Officer of LES ÉDITIONS SIMILIA (2) Board Member and Chairman of BOIRON (2) (Switzerland) Board Member of BOIRON USA (2) (USA), BOIRON(2) (USA), BOIRON CANADA (2) (Canada), Laboratoires BOIRON (2) (Italy), BOIRON MEDICAMENTOS HOMEOPATICOS(2) (Brazil) Permanent representative of BOIRON on the Board of Directors of UNDA (2) (Belgium) Manager of BOIRON (2) (Germany) Chairman of the Supervisory Board of the FYTEXIA Group (3)
Christian Boiron Board Member 72 years - French citizen	As a Board Member: ESM of 12/12/1973	BoD meeting of 04/07/2020 (5)	None	None	Board Member of SODEVA (1) Board Member of Claude Bernard University (LYON 1), Board Member of LYON SUD-CHARLES MÉRIEUX school of medicine *Brother of Michèle and Thierry Boiron, father of Stéphanie Chesnot and Virginie Heurtaut, cousin of Christine Boyer-Boiron*
Jean-Christophe Bayssat Deputy General Manager 57 years - French citizen	BoD meeting of 12/16/2015 Effective 01/01/2016	Open-ended term	Chief Pharmacist Director of Pharmaceutical Development (employee)	None	Board Member of AFIPRAL (association, France)
Jacky Abécassis Board Member 78 years - French citizen	OSM of 05/06/1987	2020 OSM	None	None	Member of the BOIRON Compensation Committee
Michèle Boiron Board Member 75 years - French citizen	BoD meeting of 09/18/1996	2020 OSM	None	Pharmacist Advisor	Board Member of SODEVA (1) and BOIRON (2) (Switzerland) *Sister of Christian and Thierry Boiron, cousin of Christine Boyer-Boiron*

Surname, First name, Office Age	Date of initial appointment	End of term of office	Primary role within the company	Primary role outside the company	Other offices or positions held with any company *Family ties - Notes*
Jean-Pierre Boyer Board Member 74 years - French citizen	OSM of 05/18/2000	2021 OSM	None	None	Member of the BOIRON audit committee Board Member of Societé Henri Boiron (SHB) (1)
Bruno Grange Board Member 67 years - French citizen	CSM of 05/23/2002	2020 OSM	None	None	Member of the BOIRON Compensation Committee
Christine Boyer-Boiron Board Member 76 years - French citizen	OSM of 05/22/2003	2021 OSM	None	None	Board Member of Societé Henri Boiron (SHB) (1) *Cousin of Michèle, Christian and Thierry Boiron*
Stéphanie Chesnot Board Member 48 years - French citizen	BoD meeting of 03/10/2010	2021 OSM	None	Management and administration consulting	Board Member of SODEVA (1) Member of the BOIRON audit committee Managing Partner of LA SUITE ARCHITECTURE (3) *Daughter of Christian Boiron*
Michel Bouissou Independent Board Member (4) 78 years - French citizen	OSM of 05/20/2010	2022 OSM	None	Chairman and Chief Executive Officer	Chairman of the BOIRON audit committee, Member of the BOIRON Compensation Committee Chairman and Chief Executive Officer of CITA SA (3)
Virginie Heurtaut Board Member 45 years - French citizen	CSM of 05/23/2013	2022 OSM	None	Architect	Member of the audit committee Board Member of SODEVA (1) Managing Partner of LA SUITE ARCHITECTURE (3) *Daughter of Christian Boiron*
Grégory Walter Board Member representing shareholder employees 42 years - French citizen	CSM of 05/18/2017	2020 OSM	Senior pharmaceutical technician	None	Chairman of the FCPE BOIRON Supervisory Board
Christine Boutin Board Member representing employees 52 years - French citizen	Central Works Council meeting of 06/21/2018 (recognized by the BoD meeting of 07/19/2018)	06/21/2021	Pharmacist, Assistant Director of the Nantes establishment	None	

(1) Family consortium company (non-listed company).
(2) BOIRON group company (non-listed company).
(3) Non-listed company.
(4) The criteria applied by the company to determine independence are provided in paragraph 2.2.3.1.1.
(5) Mr. Christian Boiron informed the Board of Directors meeting of April 7, 2020 of his intent to resign from the Board of Directors.

Offices (excluding subsidiaries) held by Board Members over the past five years that are no longer held:

Michel Bouissou:	Chairman of the Board of SEVENTURE PARTNERS (until February 2014). Member of the Supervisory Board of SEVENTURE PARTNERS (until July 2015). Member of the Supervisory Board of ISATIS CAPITAL (until September 2015). Board Member of NATIXIS VENTURE SELECTION (representing SEVENTURE PARTNERS until July 2015). Board Member of SAIRE (until July 2015).
Bruno Grange:	Chairman of the Supervisory Board of the BOIRON FCPE (Employee Investment Fund) (until September 22, 2015).
Christian Boiron:	Resigned as General Manager, effective December 31, 2018. Board Member and Chairman of CHR (until 03/18/2015 – merger/acquisition of CHR by SODEVA). Resigned as Chairman and Chief Executive Officer of SODEVA, effective December 31, 2018.
Stéphanie Chesnot:	Board Member of CHR (until 03/18/2015 - merger/acquisition of CHR by SODEVA).
Virginie Heurtaut:	Board Member of CHR (until 03/18/2015 - merger/acquisition of CHR by SODEVA).
Valérie Lorentz-Poinsot:	Board Member of LEEM (until December 2016).

2.2.2 - ORGANIZATION AND FUNCTIONING OF THE BOARD OF DIRECTORS

2.2.2.1 - CHAIRMAN OF THE BOARD OF DIRECTORS

The Board Meeting of December 15, 2004 decided to separate the functions of Chairman and General Manager.

Mr. Thierry Boiron holds the position of Chairman of the Board of Directors.
The Chairman of the Board of Directors organizes and directs the work of the Board of Directors, on which he reports to the Shareholders' Meeting. He oversees the proper functioning of the Board of Directors and the Shareholders' Meeting, notably by ensuring the regularity of meeting notices, the holding of meetings, and the respect of shareholder rights regarding disclosure of documentation. He also ensures that the statutory auditors are informed of the agreements subject to their control, that Board Members are able to fulfill their mission and, to that purpose, have at their disposal all the information needed to deliberate with full knowledge of the facts.

2.2.2.2 - PREPARATION OF THE WORK OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors provides each Board Member with all documents and information necessary to fulfill his mission within an adequate time frame. One employee representative elected by the Central Works Committee attends Board Meetings and receives the same information as the Board Members, within the same time frame. The statutory auditors are invited to the Board of Directors' meetings for the preparation of annual and semi-annual financial statements and provisional budget documents.

2.2.2.3 - MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met eight times during 2019. The average length of Board meetings was approximately three and a half hours (two and a half hours for meetings to which members could call in). The Board Members' attendance rate was 96% in 2019. During 2019, the Board of Directors was informed of, examined, or made decisions concerning the following points: the BOIRON group's strategy and its business strategy, the strategy and actions to ensure the continued reimbursement of homeopathic medicines in France and the consequences of the end of reimbursement, the annual and semi-annual consolidated financial statements, quarterly activity, financial notices, provisional management documents, the company's gender equality and equal pay policy, the compensation of the corporate officers, the implementation of the share buyback program and the cancellation of treasury shares, regulated agreements, plans for the replacement of Board and Committees' members, authorizations to be granted to General Management for the approval of security interests, endorsements and guarantees, the development of medical teaching on homeopathy, the research strategy, the formation of a subsidiary in China, the reorganization of the business in Belgium and the recapitalization of subsidiaries.

2.2.2.4 - INTERNAL REGULATIONS

Above and beyond the operating rules defined by the company's articles of association, the Board of Directors, in its meeting on March 7, 2007, adopted internal rules and regulations which provide the possibility for Board Members to participate in Board deliberations by means of video conference or telecommunications under the conditions determined by the regulations in force. This type of participation is not allowed for decisions related to the approval of the annual and semi-annual financial statements, including the consolidated financial statements.

The internal regulations are available on the website:
www.boironfinance.com.

2.2.2.5 - TERM OF OFFICE AND AGE LIMITS

According to article 17 of the articles of association, Board Members' term of office is three years and the number of Board Members over the age of 85 may not exceed one third of the members of the Board of Directors. The oldest Board Member is deemed to have resigned at the end of the annual Ordinary Shareholders' Meeting for the approval of the financial statements for the period during which this limit is reached.

2.2.2.6 - SPECIFIC INFORMATION RELATING TO CORPORATE OFFICERS

For the purposes of their corporate offices, corporate executives and Board Members are domiciled at the company's headquarters.

To the best of the company's knowledge at the time this document was prepared, no member of any control, management, or supervisory body has, during the past five years:

- been convicted of fraud,
- been involved in the bankruptcy, sequestration, liquidation, or forced administration of a company as a member of a control, management, or supervisory body thereof,
- been held liable or subjected to official public sanctions by a statutory or regulatory authority (including the designated professional organizations),
- been banned by a legal authority from acting as a member of a control, management, or supervisory body, or from being involved in the running of the business of a publicly-listed company.

2.2.2.7 - GENERAL MANAGEMENT ORGANIZATION AND COORDINATION WITH THE BOARD OF DIRECTORS

Ms. Valérie Lorentz-Poinsot has served as General Manager since January 1, 2019. She replaced Mr. Christian Boiron, who resigned from his role as General Manager at the Board of Directors meeting of September 5, 2018, effective December 31, 2018.
The General Manager has the broadest possible powers to act on behalf of the company in all circumstances, and is bound by no limitation of power. These powers are exercised within the sole limits of the company's corporate purpose and subject to the powers granted expressly by law to Shareholders' Meetings as well as to the Board of Directors.

She is assisted in her function by Mr. Jean-Christophe Bayssat, Deputy General Manager, who enjoys the same powers in respect of third parties as the General Manager.
The Deputy General Manager exercises technical functions which are distinct from his mandate and therefore remains a contractual employee in this respect: Mr. Jean-Christophe Bayssat serves as Chief Pharmacist and Pharmaceutical Development Director.

The Chairman and General Manager meet periodically in order to guarantee coordination between the Board of Directors and General Management.

The General Manager is also supported by a Management Committee made up of: the Deputy General Manager, the Chief Pharmacist and Pharmaceutical Development Director, the Assistant Deputy General Manager for Human Resources, the Administrative and Financial Director, the Industrial Director, the Operations Director, the Regulatory Affairs Director, the Group Marketing Director, the Labor Relations Director, the IT Services Director and the Boiron France Director.

2.2.3 - SPECIALIZED BOARD COMMITTEES

2.2.3.1 - AUDIT COMMITTEE

The members of the audit committee are Mr. Michel Bouissou, Chairman, Ms. Stéphanie Chesnot, Mr. Jean-Pierre Boyer and, since the Board of Directors meeting of March 11, 2020, Ms. Virginie Heurtaut.
Each of them has specific expertise in light of his or her education and professional work experience:

- Mr. Michel Bouissou (independent member) has specialized skills in the field of finance: having worked as a consultant engineer, he has since had diverse responsibilities in the field of corporate financing within various banking and financial institutions,
- Ms. Stéphanie Chesnot has specialized skills in legal affairs and administration: as a graduate in international business law, tax affairs and business administration, she has worked as a strategy consultant, in law and in management and administration,
- Mr. Jean-Pierre Boyer has specialized skills in finance and accounting: he is a certified public accountant having studied accountancy and has held positions of administrative and financial responsibility in a number of companies,
- Ms. Virginie Heurtaut has specialized skills in corporate management and administration: she holds a masters degree in corporate management and administration and runs an architecture firm.

2.2.3.1.1 - Independence of audit committee members

In accordance with the provisions of article L823-19 of the French Commercial Code, the audit committee includes, in the person of its Chairman, at least one member with skills in finance and accounting and who is deemed to be independent with regards to the following criteria:

- not an officer of a company of which BOIRON is directly or indirectly a Board Member, or of which an employee or corporate officer of BOIRON (current or having been so in the last five years) is a Board Member,
- not a customer, supplier, commercial banker, or finance banker:
  - which would be of significance to the company or its group,
  - or for which the company or its group represents a significant portion of the business,
- no close family link to a corporate officer,
- has not been a statutory auditor of the company over the last five years.

2.2.3.1.2 - Audit committee responsibilities

A charter first prepared in March 2000 and last updated on June 14, 2018, describes the responsibilities and functioning of this Committee, in accordance with the statutory audit reform.

The audit committee has studied the guides on the statutory auditing reform and services other than financial statement certification which were published in November 2018 and produced by MIDDLENEXT, AFEP, ANSA and MEDEF.

Its responsibilities thus cover the following five areas:

- the audit committee is responsible for checking the quality and reliability of the process for preparing the financial information provided to shareholders and the public. It ensures compliance with regulatory requirements in this regard. It examines the situation of the company and the existing risks and is informed of the organizational resources and accounting policies applied by the company. It may discuss any topic that may require additional information directly with the statutory auditors or the employees responsible for preparing the statutory financial statements of the BOIRON parent company and the BOIRON group. In particular, it assesses the adequacy of the provisions with regard to identified risks,

- it is responsible for verifying the effectiveness of internal control processes and the group's risk management, particularly the internal control measures required by the laws and regulations, including the legal provisions on preventing corruption and the General Data Protection Regulation (GDPR). It reviews and assesses internal procedures for collecting and controlling the information required for the preparation of financial reporting, including the completeness, reliability, integrity, and regularity thereof. The internal audit reports and risk maps are updated annually and sent to the audit committee. It takes part in drawing up the annual audit plan and monitors the work performed by the internal audit department as well as its recommendations. The audit committee and the internal audit department meet at least four times per year,

- it participates in the selection of the statutory auditors. It approves the selection procedure in cooperation with the group's administrative and finance department. It reviews bids and interviews the firms involved in the call to tender. Finally, it prepares a report for the Board of Directors, including its recommendations on the choice of statutory auditors at the time of the appointment or renewal of their term of office, and provides its opinion on the amount of their fees for the statutory audit assignments to be carried out. The next call to tender for the selection of the new statutory auditors is planned for 2022, in light of the fact that they must be appointed during the Shareholders' Meeting in 2023 to audit the financial statements for the fiscal year ending on December 31, 2022,

- it assesses the quality of the statutory audits performed by the statutory auditors. It considers the observations and findings of the High Council of Statutory Auditors following any audits of our statutory auditors. Its role is to facilitate communication between the Board of Directors, the statutory auditors and the company's General Management. It helps the Board of Directors better understand the nature of the statutory auditors' role, monitor their work, and correctly grasp the grounds of their comments,

- it also assesses the degree of independence of the statutory auditors. To this end, the latter submit an annual declaration of independence together with an update of the information listed in article L820-3 of the French Commercial Code, detailing the services provided by the network to which they belong. The audit committee reviews and approves in advance, pursuant to the statutory and regulatory provisions, any assignments other than the certification of the financial statements that may be entrusted to the statutory auditors and their network, based on the recommendations made by the group's administrative and finance department. The cost and scope of tasks other than certification of the financial statements carried out by the statutory auditors in 2019 were immaterial (see note 36 in the notes to the consolidated financial statements) and thus do not exceed 15% of the total fees received by DELOITTE & ASSOCIÉS and MAZARS during each of the past three fiscal years.

The audit committee has no decision-making authority and its findings and recommendations are exclusively intended for the Board.

In 2019, the audit committee met five times and its meetings lasted six hours on average. Furthermore, discussions were held between members of the audit committee on several occasions via conference call and email.

Two meetings were devoted to examining the annual and semi-annual financial statements and to the preparation of the statutory auditors' new report. The audit committee takes part in the Risk Committee meetings with the financial division, the legal affairs division and the human resources division.
The audit committee also attends an annual meeting between General Management and the statutory auditors to discuss the group's business, concerns, and/or any major changes.

Two other meetings were dedicated to risk mapping, the handover of work by the internal audit department, the implementation of anti-corruption measures, and personal data protection measures, with contributions and support from the relevant functional divisions.

Following each of these meetings, a report is provided to the Chairman of the Board and to General Management.

Furthermore, the Chairman of the audit committee provides regular reports to the Board of Directors.
The participation rate of audit committee members in 2019 was 92%.

2.2.3.2 - COMPENSATION COMMITTEE

The Compensation Committee is composed of three members (no chair):

- Mr. Michel Bouissou (independent member),
- Mr. Bruno Grange,
- Mr. Jacky Abecassis (since the Board of Directors meeting of March 11, 2020).

Its role consists of examining and proposing to the Board of Directors the amounts and terms of fixed and variable compensation, including benefits in kind and deferred compensation, for the Chairman, General Manager and Deputy General Managers. Its operating procedures and responsibilities are described in a charter approved by the Board of Directors on December 17, 2003.

In 2019, discussions were held between members of the Compensation Committee by conference call and email on two occasions. The main topic discussed during these conversations concerned changes in the compensation paid to the Chairman and members of General Management.

2.2.4 - CONFLICTS OF INTEREST AMONG BOARD MEMBERS, ADMINISTRATIVE BODIES AND GENERAL MANAGEMENT

In a situation of conflict of interest, even if potential, between the company's interest and a Board Member's direct or indirect personal interests or those of the shareholder or group of shareholders that he or she represents, the Board Member must bring this situation to the attention of the Board of Directors and abstain from the corresponding deliberations and vote.

To the best of the company's knowledge, at the time this document was prepared, no potential conflict of interest between the duties of any member of a control, management, or supervisory body towards the issuer and his or/her private interests and/or other responsibilities had been identified.

To the best of the company's knowledge, at the time this document was prepared, no other restrictions have been accepted by any member of a control, management, or supervisory body with regard to the sale of their shares in the issuer during a given period of time, other than those listed in paragraph 2.5 of this Universal registration document.

Agreements approved during previous fiscal years, whose implementation continued during the past fiscal year

The company SODEVA, which holds a 45.40% stake in BOIRON and in which Mr. Thierry Boiron (Chairman of the Board), and Mr. Christian Boiron, Ms. Michèle Boiron, Ms. Stéphanie Chesnot and Ms. Virginie Heurtaut (Board Members) are partners, receives accounting, tax, legal, and financial consulting and assistance services provided by BOIRON under an agreement authorized by the Board of Directors meeting of May 18, 2000. This agreement remained in force during the fiscal year ended on December 31, 2019. The company's interest in maintaining this agreement lies in the fact that its accounts are consolidated into those of SODEVA.

This agreement was reviewed by the Board of Directors meeting of December 19, 2019, which found that it continued to meet the criteria which had led to their initial approval. This agreement is described in the statutory auditors' special report on regulated agreements in section 2.3 of this Universal registration document.

Agreements approved and signed during the past fiscal year

On March 15, 2017, LA SUITE ARCHITECTURE, whose managers are Ms. Virginie Heurtaut and Ms. Stéphanie Chesnot, Board Members, entered into an agreement with BOIRON covering ad hoc consulting duties for the landscaping of the outside areas at the site in Messimy, in exchange for the payment of fees. This agreement was duly authorized by the Board of Directors on December 14, 2016 and approved by the Combined Shareholders' Meeting of May 17, 2018. This agreement is renewed annually due to LA SUITE ARCHITECTURE's unique landscaping skills and familiarity with the company. Renewal of the contract for the year 2020 was approved by the Board of Directors on September 4, 2019 for the same reasons.

Ms. Michèle Boiron, Board Member, receives fees paid by the company pursuant to an agreement covering consulting and assistance services for the development of homeopathy in France and abroad, authorized by the Board of Directors meeting of December 18, 1996. This agreement is renewed annually due to the importance of the work done by Ms. Michèle Boiron and her contributions to the worldwide development of the company and of homeopathy. The Board of Directors meeting of September 4, 2019 authorized the renewal of her contract for the year 2020 for the same reasons.

No other service agreement has been signed by and between members of the Board or the General Management and the company or one of its subsidiaries.

Furthermore, to the company's knowledge, no agreement was directly or indirectly entered into between a corporate officer or shareholder holding over 10% of the voting rights in the company and a company which is controlled as defined by article L233-3 of the French Commercial Code (with the exception of any ordinary agreement(s) concluded under normal terms and conditions).

The Board of Directors meeting of March 11, 2020 defined a procedure for the assessment of ordinary agreements concluded under normal terms and conditions, in compliance with article L225-39 of the French Commercial Code. Under this procedure, the legal department and internal audit issue an opinion on the classification of such agreements. If they find that the agreement in question is a regulated agreement, they inform the Chairman of the Board of Directors to trigger implementation of the statutory procedure. If they find that the agreement in question is an ordinary agreement concluded under normal terms and conditions, they submit a report featuring the key terms of the agreement and their conclusions to the audit committee. Previously concluded agreements are reviewed whenever they are modified or renewed.

Agreements currently in force that are defined as ordinary agreements concluded under normal terms and conditions are also reviewed annually. At the time of publication of this document, implementation of this assessment procedure showed that, with the exception of the regulated agreements described above, all existing agreements were unregulated agreements, i.e. either agreements with fully-owned subsidiaries or agreements that meet the criteria for current conventions concluded under normal conditions.

To the best of the company's knowledge and at the time this document was prepared, there are no arrangements or agreements with major shareholders, customers, suppliers or others under the terms of which any member of a control, management, or supervisory body was selected as a member of a control, management, or supervisory body or General Management.

2.3 - STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND APPROVAL OF THESE AGREEMENTS

YEAR ENDED DECEMBER 31, 2019

To the BOIRON Shareholders' Meeting,

In our capacity as statutory auditors to your company, we hereby submit to you our report on the regulated agreements.
Our role is to communicate to you, on the basis of the information provided to us, the characteristics, essential features, and reasons which justify the company's interest in the agreements of which we have been informed or which we discovered in the course of our work; our role does not extend to issuing an opinion on their relevance or appropriateness, nor to researching the potential existence of other such agreements. Pursuant to article R.225-31 of the French Commercial Code, you are responsible for evaluating the interest of signing such agreements, with a view to their approval.

We are also responsible for providing you with the information required by article R.225-31 of the French Commercial Code on the implementation during the past fiscal year of the agreements already approved by the Shareholders' Meeting.

We carried out the audit work that we deemed necessary based on the professional standards of the National Order of Statutory Auditors with regard to this audit. This audit work consisted of verifying the consistency of the information provided to us with the documents on which it is based.

AGREEMENTS SUBJECT TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

AGREEMENTS APPROVED AND SIGNED DURING THE PAST FISCAL YEAR

Pursuant to article 225-40 of the French Commercial Code, we have been informed of the following agreements concluded during the past fiscal year and subject to prior approval by your Shareholders' Meeting.

- **With Ms. Michèle Boiron (Board Member of your company)**

Nature and purpose: contract for consulting and assistance services for the development of homeopathy in France and abroad, signed with Ms. Michèle Boiron on January 29, 1997 and authorized by the Board of Directors meeting of December 18, 1996. A rider, approved by the Board of Directors meeting of October 7, 2017, has been added to this contract, increasing her compensation from €1,500 to €1,600 excluding tax per day of work. The rider took effect on January 1, 2018 and was renewed for one year on January 1, 2019.

Terms: for the fiscal year ended on December 31, 2019, Ms. Michèle Boiron's compensation was €1,600 (excluding tax) per day of work. The total amount of compensation recognized as an expense and paid out for 2019 was €29,760 (including tax).
Reasons justifying its interest for the company: the company's interest in concluding this agreement lies in the importance of the work done by Ms. Michèle Boiron and her contributions to the worldwide development of the company and of homeopathy.
The Board Meeting of September 4, 2019 decided to renew the contract for the year 2020 under the same terms and conditions.

- **With the company LA SUITE ARCHITECTURE, of which Ms. Virginie Heurtaut and Ms. Stéphanie Chesnot (Board Members of your company) are joint managing partners**

Nature and purpose: contract covering ad hoc consulting duties for the landscaping of the outside areas of the Messimy site (green spaces, paths, roads and parking spaces, site entrance and reception) and integration of the Sainte-Foy-lès-Lyon site's capacity, initially authorized by the Board of Directors meeting of December 14, 2016, renewal authorized by the Board of Directors meeting of October 18, 2018 for a period of one year effective January 1, 2019.

Terms: the contract was signed for a fixed term of one year from January 1, 2017, with the option of tacit annual renewal.
Compensation under the contract is €1,200 (excluding tax) per day of work. No compensation was recognized as an expense or paid for the year 2019.

Reasons justifying its interest for the company: the company's interest in concluding this agreement lies in the fact that the company LA SUITE ARCHITECTURE, represented by Ms. Virginie Heurtaut and Ms. Stéphanie Chesnot, has both unique expertise in landscaping and a thorough knowledge of the company. These skills will enable it to assist in work on development of the Messimy site.
The Board Meeting of September 4, 2019 decided to authorize renewal of the contract with LA SUITE ARCHITECTURE for the year 2020 under the same terms and conditions as those laid out above, for a period of one year.

AGREEMENT ALREADY APPROVED BY THE SHARE-HOLDERS' MEETING

Agreement approved during previous fiscal years

A) IMPLEMENTATION OF WHICH CONTINUED DURING THE PAST FISCAL YEAR

Pursuant to article R.225-30 of the French Commercial Code, we have been informed that implementation of the following agreement, already approved by the Shareholders' Meeting in previous fiscal years, continued during the past fiscal year.

- **With the company SODEVA, which held a 45.35% stake in BOIRON as at December 31, 2018**

Individuals involved: Mr. Christian Boiron (General Manager until December 31, 2018, Board Member), Mr. Thierry Boiron (Chairman of the Board of Directors), Ms. Michèle Boiron (Board Member), Ms. Stéphanie Chesnot (Board Member) and Ms. Virginie Heurtaut (Board Member).

Nature: agreement on accounting, tax, legal and financial consulting and assistance services for SODEVA, signed on May 30, 2000.
This agreement, which received prior authorization from the Board of Directors on May 18, 2000, continued through the fiscal year ended on December 31, 2019.

Value of the services provided: the value of the services recognized as income and collected for the 2019 fiscal year was €7,846 including tax.

Reasons justifying its interest for the company: the company's interest in maintaining this agreement lies in the fact that its accounts are consolidated into those of SODEVA.
As required by law, we hereby inform you that the Board of Directors has not carried out the annual review of this agreement required by article L. 225-40-1 of the French Commercial Code.

Done in Lyon and Villeurbanne, April 10, 2020

The statutory auditors

DELOITTE ET ASSOCIÉS
Vanessa Girardet

MAZARS
Nicolas Dusson
Séverine Hervet

2.4 -POWERS AND AUTHORIZATION TO INCREASE OR DECREASE THE CAPITAL

There is no delegation or authorization to the Board of Directors to increase capital.

The Combined Shareholders' Meeting of May 16, 2019 adopted the following resolution:

Fifteenth resolution - Granting of authority to the Board of Directors to cancel shares bought back by the company pursuant to the provisions of article L225-209 of the French Commercial Code.

This authorization was granted to the Board of Directors for a period of 24 months, until May 15, 2021, within the limit of 10% of the share capital, i.e. 1,756,556 shares. This authorization was used by the Board of Directors, pursuant to the decision of December 19, 2019, to cancel 20,152 shares bought back by the company, effective December 31, 2019.

Financial authorization	Ceiling	Date of authorization	Period of authorization	Use of the authorization	Expiry date
Authorization to cancel shares bought back by the company within the framework of the provisions of article L225-209 of the French Commercial Code	Cancellation of shares, up to 10% of the capital	05/16/2019	24 months	Cancellation of 20,152 shares	05/15/2021

2.5 - FACTORS LIKELY TO HAVE AN INFLUENCE IN THE EVENT OF A PUBLIC TENDER OFFER

Pursuant to article L225-37-5 of the French Commercial Code, the Company notes the following:

- the structure of the share capital as well as direct or indirect stockholding of which the company is aware and all such information is included in paragraph 5.2,
- there is no agreement providing for compensation for members of the Board or employees if they resign or are dismissed without real and serious grounds or if their employment is terminated due to a public tender offer,
- to our knowledge, the agreements between shareholders that could restrict the transfer of shares and the exercise of voting rights are as follows:

Shareholders' agreement:

Shareholders' agreement (signed on October 13, 1987 and published by the SBF in notice no. 92-1278 dated May 20, 1992):
Some shareholders granted a preemption right to SODEVA for a portion of their shares.

Shareholders' agreement (signed on June 29, 2005 and published by the AMF on July 13, 2005):
Reciprocal preemption rights between the members of the BOIRON family and the companies SHB and SODEVA in the event of the sale of BOIRON shares.

"DUTREIL" commitments:

Regime	Signature date	Expiry of collective commitment	Renewal method	Percentage of the share capital covered by the pact or commitment as of the signature date	Percentage of the voting rights covered
Art. 885 I bis of the French Tax Code	03/26/2004	6 years from the date of signature	Tacit renewal for additional one-year periods	40.41%	52.10%
Art. 787 B of the French Tax Code	07/29/2005	2 years from the date of signature	Tacit renewal for additional two-year periods	39.23%	50.33%
Art. 885 I bis of the French Tax Code	05/31/2007	6 years from the date of signature	Tacit renewal for additional one-year periods	26.58%	35.76%
Art. 885 I bis of the French Tax Code	12/19/2007	6 years from the date of signature	Tacit renewal for additional one-year periods	32.40%	43.95%
Art. 787 B of the French Tax Code	06/14/2013	2 years from registration (in this case June 19, 2013)		20.77%	25.64%
Art. 787 B of the French Tax Code Art. 885 I bis of the French Tax Code	09/23/2013	2 years from registration (in this case November 21, 2013)	Tacit renewal for additional one-year periods	35.39%	42.95%
Art. 787 B of the French Tax Code	11/15/2013	2 years from registration (in this case November 20, 2013)		34.11%	42.05%
Art. 885 I bis of the French Tax Code	11/15/2013	2 years from registration (in this case November 20, 2013)		34.18%	42.14%
Art. 787 B of the French Tax Code	11/15/2013	2 years from registration (in this case November 20, 2013)		23.34%	27.07%
Art. 885 I bis of the French Tax Code	11/15/2013	2 years from registration (in this case November 20, 2013)		23.34%	27.07%
Art. 885 I bis of the French Tax Code	05/26/2016	2 years from registration (in this case June 6, 2016)		39.93%	47.31%
Art. 885 I bis of the French Tax Code	05/26/2016	2 years from registration (in this case June 6, 2016)		41.09%	48.78%
Art. 787 B of the French Tax Code Art. 885 I bis of the French Tax Code	12/06/2016	2 years from registration (in this case December 20, 2016)	Tacit renewal for additional one-year periods	35.47%	44.81%
Art. 787 B of the French Tax Code	01/24/2019	2 years from registration (in this case February 7, 2019)		23.63%	26.75%
Art. 787 B of the French Tax Code	04/17/2019	2 years from registration		44.45%	50.27%

Name of signatories who are members of general management	Name of signatories with close ties to general management	Name of signatories holding at least 5% of the share capital and/or voting rights in the company
Christian Boiron	Paola Boiron, Marie-Isabelle Boiron, Benjamin Boiron, Anabelle Flory, Stéphanie Chesnot, Virginie Heurtaut, Michèle Boiron, Fabienne Boiron, Jacqueline Boiron, Hervé Boiron, Laurence Boiron, Dominique Boiron, Christine Boyer-Boiron, Jean-Pierre Boyer, Christian Boyer, Olivier Boyer, SODEVA	SODEVA SHB
Christian Boiron Thierry Boiron	Jacqueline Boiron, Hervé Boiron, Marcelle-Cécile Boiron, Laurence Boiron, Dominique Boiron, Christine Boyer-Boiron, Jean-Pierre Boyer, Christian Boyer, Olivier Boyer, SODEVA	SODEVA SHB
Christian Boiron Thierry Boiron	Michèle Boiron, SODEVA	SODEVA
Christian Boiron Thierry Boiron	Christine Boyer-Boiron, Dominique Boiron, Hervé Boiron, SODEVA	SODEVA SHB
Christian Boiron Thierry Boiron	Fabienne Boiron, Killian Boiron, Félix Boiron, Elliot Boiron, SODEVA	SODEVA
Christian Boiron Thierry Boiron	Christine Boyer-Boiron, Dominique Boiron, Hervé Boiron, Marcelle-Cécile Boiron, Laurence Boiron, Jean-Pierre Boyer, Christian Boyer, Olivier Boyer, SODEVA	SODEVA SHB
Christian Boiron Thierry Boiron	Marie-Isabelle Boiron, Benjamin Boiron, Anabelle Flory, Stéphanie Chesnot, Virginie Heurtaut, SODEVA	SODEVA
Christian Boiron Thierry Boiron	Marie-Isabelle Boiron, Benjamin Boiron, Anabelle Flory, Stéphanie Chesnot, Virginie Heurtaut, SODEVA	SODEVA
Christian Boiron Thierry Boiron	Marie-Isabelle Boiron, Benjamin Boiron, Anabelle Flory, Stéphanie Chesnot, Virginie Heurtaut, SODEVA, CHR	SODEVA CHR
Christian Boiron Thierry Boiron	Marie-Isabelle Boiron, Benjamin Boiron, Anabelle Flory, Stéphanie Chesnot, Virginie Heurtaut, SODEVA, CHR	SODEVA CHR
Christian Boiron Thierry Boiron	Christian Boiron, Marie-Isabelle Boiron, Benjamin Boiron, Anabelle Flory, Stéphanie Chesnot, Virginie Heurtaut, Thierry Boiron, SODEVA	SODEVA
Christian Boiron Thierry Boiron	Christian Boiron, Michèle Boiron, Thierry Boiron, SODEVA	SODEVA
Christian Boiron Thierry Boiron	Christian Boiron, Thierry Boiron, Dominique Boiron, Christine Boyer-Boiron, Hervé Boiron, Marcelle-Cécile Boiron, Laurence Boiron, SODEVA, SHB	SODEVA SHB
Thierry Boiron Valérie Lorentz-Poinsot	Fabienne Boiron, SODEVA	SODEVA
Thierry Boiron Valérie Lorentz-Poinsot	Killian Boiron, Félix Boiron, Elliott Boiron, SODEVA	SODEVA

- there are no shares with special control rights. Nevertheless, it is specified that a double voting right is assigned to all shares fully paid and for which the registration for at least three years in the name of the same shareholder can be proven (article 35 of the articles of association),
- the voting rights of shares held by employees through the FCPE (Employee Investment Fund) for which investments are made in BOIRON shares are exercised by a proxyholder authorized by the Fund's Supervisory Board for the purposes of representing it at the Shareholders' Meeting,
- the appointment and dismissal of members of the Board of Directors are governed by law and the articles of association,
- with regard to the powers of the Board of Directors, the Board does not benefit from any delegation or authorization to increase capital.
  The powers of the Board to buy back shares are presented in paragraph 5.1.3,
- amendments to the company's articles of association are made in line with the statutory and regulatory provisions,
- there are no restrictions on the exercise of voting rights in the articles of association,
- there are no restrictions on share transfers in the articles of association.

2.6 - COMPENSATION OF CORPORATE OFFICERS

2.6.1 - COMPENSATION POLICY

The Board of Directors has, in line with the recommendations made by the Compensation Committee, established a compensation policy aligned with its corporate interests and designed to contribute to its sustainability and its business strategy for each of the company's corporate officers.

To this end, the Board has defined the compensation policy for the General Manager based on these elements, particularly by defining the criteria for his or her variable compensation based on achievement of quantitative objectives linked to the implementation of the business strategy, in line with the company's interests.

No compensation of any kind may be defined, granted, or paid by the company, and no commitments may be made by the company, unless they comply with the approved compensation policy or, in its absence, with the existing compensation or practices within the company. However, under exceptional circumstances, the Board of Directors may temporarily make an exception to the application of the compensation policy, as long as this exception is temporary, is in the company's interest, and is necessary to ensure its sustainability or viability.

The compensation policy for each corporate officer is defined, revised and implemented by the Board of Directors, of the recommendation of the Compensation Committee.

Note that the Chairman, General Manager and Deputy General Manager(s) (who are Board Members) do not deliberate or vote on these issues.

For the purposes of the decision-making process used to define the compensation policy, the compensation and terms and conditions of employment of the company's employees are taken into account by the Compensation Committee and the Board of Directors as follows: the compensation and employment conditions provided for company employees are intended to closely link the company's economic performance and employees' growth (see paragraph 1.2.3.5). The compensation policy for corporate officers is no exception to this rule, and prohibits the payment of bonuses that are not justified by performance:

- with regard to the fixed compensation for the offices of Chairman of the Board of Directors, General Manager and Deputy General Manager, the decision was made to apply the same company-wide pay increases as for all company employees, at the same rates and on the same dates,

- the variable compensation which only the General Manager receives in respect of his or her office reflects the performance of the group as a whole, since it is essentially based on the achievement of objectives linked to the group's operating income, while employee profit-sharing is based on their company's operating income. The data used in both calculations is similar with the exception of the scope, since the General Manager serves the group as a whole.

In the event of changes in governance, the compensation policy will be applied to the company's new corporate officers, with any necessary modifications.

The compensation policy for newly appointed corporate officers, or those whose term of office must be renewed during a fiscal year, shall comply with these conditions.

Pursuant to article L225-37-2 III paragraph 2, in the event of any planned temporary exceptions to the compensation policy, the Board of Directors will make a decision based on the recommendation of the Compensation Committee and will verify that this exception is in the company's interest and is necessary to ensure its sustainability or viability. If these criteria are met, the shareholders will be notified of the justification for the exception in the company's next governance report. Note that the Chairman of the Board of Directors, the General Manager and Deputy General Manager(s) (who are Board Members) would not deliberate or vote on these questions.

The variable compensation section of the compensation policy for the General Manager has changed compared to the 2019 fiscal year and previous years. His or her variable compensation was calculated based on a percentage of the group's prior year operating income. Starting in the 2020 fiscal year, his or her variable compensation will be based on quantitative objectives, as described in paragraph 2.6.1.1.2.

The Shareholders' Meeting of May 28, 2020 will be asked to approve the compensation policy for corporate officers presented in this section, by means of the seventeenth, eighteenth, nineteenth and twentieth resolutions.

2.6.1.1 - COMPENSATION POLICY FOR THE CHAIRMAN OF THE BOARD, THE GENERAL MANAGER AND THE DEPUTY GENERAL MANAGERS

The compensation policy for the Chairman of the Board, the General Manager, and the Deputy General Managers contributes to the company's interests, business strategy, and sustainability in the following manner:

- the amount and nature of the compensation of the Chairman of the Board of Directors, the General Manager and the Deputy General Managers, including benefits in kind, is determined by the Board of Directors based on the recommendation made by the Compensation Committee; this recommendation is in turn based on external comparative studies, which are the benchmark for such compensation and take into account market standards across equivalent companies and industries as well as the corporate officers' experience and responsibilities,
- only the General Manager may receive variable compensation in respect of his or her corporate office. The Compensation Committee proposes a profit-sharing system to the Board for this purpose; it ensures that this system is aligned with the company's general compensation policy and that the performance criteria are based on trends in the group's operating income,
- no executive or corporate officer may receive a variable multi-year compensation package,
- no executive or corporate officer may be awarded bonus shares, share subscription options and/or purchase options,
- no executive may be given a golden hello or golden parachute,
- no executive may be awarded compensation for a non-compete clause,
- no executive may be awarded a top-hat pension, a defined-benefit retirement pension, or a defined-contribution retirement plan.

2.6.1.1.1 - Chairman of the Board of Directors

The components of the total compensation and benefits of all kinds that may be allocated to the Chairman of the Board in respect of his or her corporate office are:

Fixed compensation: the Chairman of the Board of Directors receives fixed compensation in respect of his or her duties as Chairman of the Board, to which the company's general salary increases are applied on the same dates and at the same rates.

Compensation for service as a member of the Board of Directors: the Chairman of the Board of Directors receives compensation for his or her office as a member of the Board of Directors, as do all Board Members; this compensation is primarily intended as compensation for their role and the attendant responsibilities, and not for attendance at meetings. The budget allocated for Board Member compensation is distributed as described in paragraph 2.6.1.2.

Benefits in kind: the Chairman of the Board of Directors receives a company car and contributions to a pension and personal protection scheme.

Social benefits: these are commitments related to service awards.

2.6.1.1.2 - General Manager

The components of the total compensation and benefits of all kinds that may be allocated to the General Manager in respect of his or her corporate office and their respective proportions are:

Fixed compensation: the General Manager receives fixed compensation in respect of his or her corporate office, to which the company's global salary increases are applied on the same dates and at the same rates.

Annual variable compensation: the General Manager also receives variable compensation in respect of his or her corporate office, based on quantitative objectives.

In 2020, the criteria used to define the General Manager's annual variable compensation are based on achievement of the following quantitative financial objectives:

- for the General Manager to be eligible for variable compensation, the group's operating income for the 2020 fiscal year must be equal to at least 5% of the group's sales during that fiscal year,
- if this condition is met, the General Manager's variable compensation will be based on a percentage of the group's operating income for fiscal year 2020; this percentage will be 0.50% if the group's operating income is less than or equal to €50,000 thousand, 0.60% if the group's operating income is greater than €50,000 thousand and less than or equal to €80,000 thousand, and 0.70% if its operating income exceeds €80,000 thousand.

The group's operating income may, where appropriate, be recalculated to restate any amounts considered extraordinary. In this case, the recalculation will be justified and documented by the Compensation Committee, to allow the Board of Directors to define its position and submit this extraordinary amount to a vote by the Shareholders' Meeting.

The criteria of the variable compensation policy complies with the objectives of the compensation policy in that they are linked to the changes in the group's operating income and the implementation of specific strategic objectives which, over time, contribute to the company's interest and sustainable development.

The General Manager does not receive a variable multi-year compensation package.

Extraordinary compensation: should extraordinary events occur, an extraordinary bonus may be paid to the General Manager; the criteria for and amount of this bonus will be determined by the Board of Directors.

The payment of annual variable compensation allocated in respect of the previous fiscal year and the payment of extraordinary compensation will be subject to approval by the Ordinary Shareholders' Meeting of all compensation and benefits paid or awarded to the executive in question in respect of the past fiscal year (individual ex post say on pay).

Benefits in kind: the General Manager enjoys the benefit of a company car, contributions to a pension and personal protection scheme, and payment of premiums for GSC-type executive job loss insurance.

Compensation for service as a member of the Board of Directors: the General Manager also receives compensation for his or her office as a member of the Board of Directors, as do all Board Members; this compensation is primarily intended to remunerate their role and the attendant responsibilities, and not for attendance at meetings. The budget allocated for Board Member compensation is distributed as described in paragraph 2.6.1.2.

The General Manager, Ms. Valérie Lorentz-Poinsot, signed an agreement with BOIRON, authorized by the Board of Directors meeting of December 13, 2018, to suspend her employment contract for the duration of her term of office, to maintain her service length and include her term as General Manager in her total service length, and to retain her most recent level of compensation as General Manager upon the resumption of her employment contract.

2.6.1.1.3 - Deputy General Managers

The components of the total compensation and benefits of all kinds that may be allocated to the Deputy General Managers in respect of their corporate office are:

In respect of their corporate office

Fixed compensation: the Deputy General Managers receive fixed compensation in respect of their terms of office, to which the company's general salary increases are applied on the same dates and at the same rates.

Compensation for their service as members of the Board of Directors: the Deputy General Managers also receive compensation in respect of their office as members of the Board of Directors, as do all Board Members; this compensation is primarily intended to remunerate their role and the attendant responsibilities, and not for attendance at meetings. The budget allocated for Board Member compensation is distributed as described in paragraph 2.6.1.2.

In respect of their employment contracts (components not subject to a vote)

The Deputy General Managers receive fixed and variable compensation and benefits in kind under the terms of their employment contracts, as well as rights pursuant to their employment contracts. All such compensation, rights and benefits pursuant to their employment contracts fall outside the scope of articles L225-37-2 and L225-100-II of the French Commercial Code ("say on pay"). These elements of their compensation are therefore not subject to a vote. However, for completeness, these compensation, benefits, and rights are detailed below.

Fixed compensation: the Deputy General Managers receive fixed compensation in respect of their employment contracts, under which they perform duties separate from those of their office as Board Members, and to which the company's general salary increases are applied on the same dates and at the same rates.

Annual variable compensation: the Deputy General Managers also receive variable compensation exclusively tied to their employment contracts. This variable compensation is calculated based on a percentage of the group's prior year operating income. It should be noted there are no multi-year variable compensation packages. Variable compensation also includes incentive bonuses awarded under the company profit sharing agreement, mandatory profit sharing bonuses and employer matching for company savings plans (PEE and PERCO savings plans).

Benefits in kind: the Deputy General Managers enjoy the benefit of a company car, as well as contributions to a pension and personal protection scheme under their employment contracts.

Social benefits: the Deputy General Managers also benefit from the rights granted under their employment contracts, as do all other employees, such as long service awards, and rights under the Pre-Retirement Transition Agreement and Retirement Indemnities. These rights arise from the defined post-employment benefits plan and are calculated using the projected units of credit method.

2.6.1.2 - BOARD MEMBERS

The compensation paid to the members of the Board of Directors, including those representing employees and employee shareholders, as well as that paid to the audit committee members and the Compensation Committee members, is primarily to remunerate their role as Board Members and the attendant responsibilities, and not for attendance at meetings. The annual fixed amount allotted by the Shareholders' Meeting is distributed equally on a prorata temporis basis (number of days).

Furthermore, the members and Chairs of the Board of Directors committees receive additional compensation. The additional amount allocated may differ by committee, but is identical for all members of each committee. The committee Chairs receive higher additional compensation than that allocated to the committee members.

The Board Members do not receive any extraordinary compensation.

The compensation policy for corporate officers also provides for the following scenarios:

- the termination of a Board Member's term of office and the appointment of a replacement Board Member: the annual fixed compensation allocated by the Shareholders' Meeting is pro rated based on the term of office of each Board Member, using the date of the Board Meeting at which the termination of the term of office was recorded, and that of the Board Meeting or Shareholders' Meeting at which the cooption or appointment took place, unless the Board of Directors decides otherwise,
- the termination of a Board Member's term of office without replacement: the distribution is on an equal and prorata temporis basis, having regard to the date of the Board meeting at which the termination of the term of office was recorded,
- the appointment of an additional Board Member during the fiscal year: the distribution is on an equal and prorata temporis basis, based on the date of the Board Meeting or Shareholders' Meeting at which the cooption or appointment took place.

In its eighth ordinary resolution, the Ordinary Shareholders' Meeting of May 16, 2019 set the annual compensation of the members of the Board of Directors at €242,615 for the 2019 fiscal year.

The Board of Directors will ask the Shareholders' Meeting of May 28, 2020, to set the new compensation budget to be allocated to the members of the Board of Directors at €305 thousand for the 2020 fiscal year.

As company employees, the members of the Board of Directors representing employees and employee shareholders also received fixed and variable compensation under their employment contracts. Their variable compensation includes incentive bonuses attributed under the company profit sharing agreement, mandatory profit sharing bonuses, and employer matching for company savings plans (PEE and PERCO savings plans).
They also enjoy the benefit of long service awards, retirement indemnities, and the agreement on preparation for retirement under their employment contracts. These elements of their compensation are linked to their employment contracts and are therefore not subject to a vote.

2.6.1.3 - INFORMATION ON THE CORPORATE OFFICERS' OFFICES AND EMPLOYMENT AND/OR SERVICE PROVISION CONTRACTS WITH THE COMPANY

The table below shows the terms of office of the company's corporate officers and any employment or service provision contracts with the company and the notice periods and dismissal or termination conditions that apply to them.

Corporate Officers	office(s) held	End of term(s)	Employment contract with the company	Contract for provision of services to the company	Notice period	Conditions for dismissal or termination
Thierry Boiron	Chairman of the Board of Directors Board Member	2020 OSM 2020 OSM	No	No		Dismissal from office in compliance with the law and jurisprudence
Valérie Lorentz-Poinsot	General Manager Board Member	Unlimited term 2020 OSM	No (Employment contract suspended)	No		Dismissal from office in compliance with the law and jurisprudence
Jean-Christophe Bayssat	Deputy General Manager	Unlimited term	Yes (Open-ended employment contract for his position as Chief Pharmacist and Director of Pharmaceutical Development)	No	3 months' notice for employee positions	Dismissal from office in compliance with the law and jurisprudence Termination of the employment contract in compliance with the law and jurisprudence
Michèle Boiron	Board Member	2020 OSM	No	Yes	Termination of the service provision contract, with 3 months' notice before December 31 each year	Dismissal from office in compliance with the law and jurisprudence
Grégory Walter	Board Member representing employee shareholders	2020 OSM	Yes (Open-ended employment contract for his position as a senior pharmaceutical technician)	No	3 months' notice for employee positions	Dismissal from office in compliance with the law and jurisprudence Termination of the employment contract in compliance with the law and jurisprudence
Christine Boutin	Board Member representing employees	06/21/2021	Yes (Open-ended employment contract for her position as Pharmacist and Assistant to the Director of the Nantes establish-ment)	No	3 months' notice for employee positions	Dismissal from office in compliance with the law and jurisprudence Termination of the employment contract in compliance with the law and jurisprudence

The terms of the other Board Members' mandates appear in paragraph 2.2.1.

2.6.2 - INFORMATION ON EACH CORPORATE OFFICER REQUIRED BY ARTICLE L225-37-3 (I) OF THE FRENCH COMMERCIAL CODE (THIRTEENTH RESOLUTION OF THE SHAREHOLDERS' MEETING OF MAY 28, 2020)

The information provided in this paragraph will be submitted to a vote by the next Shareholders' Meeting (thirteenth resolution of the Combined Shareholders' Meeting of May 28, 2020); in the tables, only the gray shaded columns are subject to a vote (global ex post say on pay).

The amounts due correspond to the amounts allocated for the fiscal year in question.

2.6.2.1 - SUMMARY TABLES OF THE COMPENSATION, STOCK OPTIONS AND SHARES ALLOCATED TO EACH EXECUTIVE CORPORATE OFFICER

The amounts shown in the following tables are expressed in gross compensation amounts and in euros.
The amounts listed as allocated in the tables below are those allocated in respect of the fiscal year in question and those listed as paid are those paid during the fiscal year in question.

Thierry Boiron Chairman of the Board of Directors	2019 fiscal year		2018 fiscal year	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed compensation	239,429	239,429	236,371	236,371
Annual variable compensation				
Multi-year variable compensation				
Extraordinary compensation				
Compensation as a Member of the Board of Directors	13,025	13,025	13,025	13,025
Benefits in kind:	5,720	5,720	5,987	5,987
- relating to company car	5,720	5,720	5,987	5,987
- relating to retirement and personal protection scheme				
Valuation of stock options allocated during the year				
Valuation of performance shares allocated during the year				
Valuation of other long-term compensation plans				
TOTAL	**258,174**	**258,174**	**255,383**	**255,383**
Social benefits:	37,914		36,040	
- of which Preparation for Retirement				
- of which Retirement Indemnities				
- of which long service awards	37,914		36,040	

Valérie Lorentz-Poinsot General Manager since January 1, 2019	2019 fiscal year		2018 fiscal year (1)	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed compensation	375,983	375,983	368,938 (2)	368,938 (2)
Annual variable compensation	334,573 (4)	403,932 (3)	405,563 (3)	409,386 (3)
Multi-year variable compensation				
Extraordinary compensation				
Compensation as a Member of the Board of Directors	13,025	13,025	13,025	13,025
Benefits in kind:	75,472	75,472	16,670	16,670
- relating to company car	7,002	7,002	7,480	7,480
- relating to retirement and personal protection scheme:	10,415	10,415	9,190	9,190
- relating to job loss insurance (5)	58,055	58,055		
Valuation of stock options allocated during the year				
Valuation of performance shares allocated during the year				
Valuation of other long-term compensation plans				
TOTAL	**799,053**	**868,412**	**804,196**	**808,019**
Social benefits (6):	42,047		17,385	
- of which Preparation for Retirement				
- of which Retirement Indemnities				
- of which long service awards	42,047		17,385	

(1) Ms. Valérie Lorentz-Poinsot was Deputy General Manager until December 31, 2018.
(2) The fixed compensation in respect of fiscal year 2018 corresponds to the compensation allocated and paid under her employment contract and that allocated and paid in respect of her corporate office as Deputy General Manager; paid vacation and time bank adjustment for a total of €110,537 in 2018.
Time bank adjustment performed in 2019 for a total of €12,764 in respect of fiscal year 2018.
(3) 2018 variable compensation exclusively linked to her employment contract. It was composed (i) of the incentive bonus based on group operating income, (ii) of incentive bonuses attributed with respect to the company profit sharing agreement, mandatory profit sharing bonuses and employer matching for company savings plans (PEE and PERCO savings plans).
The incentive bonuses and mandatory profit-sharing bonuses were provisioned as of December 31 of year N-1 (for amounts due) or distributed during the applicable period (for amounts paid).
(4) Variable compensation awarded in respect of 2019 is based on group operating income in 2019.
The variable compensation awarded in respect of 2019 corresponds to 89% of the fixed compensation in respect of and paid during this fiscal year.
The payment of annual variable compensation allocated in respect of the 2019 fiscal year is subject to approval by the Shareholders' Meeting of May 28, 2020 of compensation paid during or allocated in respect of the 2019 fiscal year (ex post vote).
(5) An executive job loss insurance policy has been taken out on behalf of Valérie Lorentz-Poinsot by the company from a private insurer.
(6) Taking on the position of General Manager on January 1, 2019 led to the loss of all social benefits.

Jean-Christophe Bayssat Deputy General Manager	2019 fiscal year		2018 fiscal year	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed compensation	30,000 (1)	30,000 (1)	30,000 (1)	30,000 (1)
	200,251 (2)	200,251 (2)	198,346 (2)	210,908 (2)
Annual variable compensation under an employment contract (3)	126,113	194,265	192,103	220,505
Multi-year variable compensation				
Extraordinary compensation				
Benefits in kind:	6,491	6,491	7,118	7,118
- relating to company car	5,619	5,619	5,895	5,895
- relating to retirement and personal protection scheme	872	872	1,223	1,223
Valuation of stock options allocated during the year				
Valuation of performance shares allocated during the year				
Valuation of other long-term compensation plans				
TOTAL	**362,855**	**431,007**	**427,567**	**468,531**
Social benefits:	814,711		752,095	
- of which Preparation for Retirement	495,976		457,292	
- of which Retirement Indemnities	292,929		271,344	
- of which long service awards	25,806		23,459	

(1) Compensation allocated and paid in respect of his corporate office.
(2) Compensation allocated and paid under his employment contract, long service bonus of €12,562 paid in 2018.
(3) The variable compensation is exclusively associated with the employment contract. It is composed (i) of the incentive bonus based on group operating income, (ii) of incentive bonuses attributed with respect to the company profit sharing agreement, mandatory profit sharing bonuses and employer matching for company savings plans (PEE and PERCO savings plans). The incentive bonuses and mandatory profit-sharing bonuses were provisioned as of December 31 of year N-1 (for amounts due) or distributed during the applicable period (for amounts paid).
The variable compensation awarded in respect of 2019 corresponds to 54.8% of the fixed compensation allocated in respect of and paid during this fiscal year.

2.6.2.2 - SUMMARY OF THE COMPENSATION, STOCK OPTIONS AND SHARES ALLOCATED TO THE EXECUTIVE CORPORATE OFFICERS

Executive Corporate Officers	Employment contract		Contributions to a supplemental retirement plan		Compensation or benefits due or likely to be due following termination or change of functions		Compensation for a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Thierry Boiron Chairman of the Board of Directors 05/19/2011 (1) OSM 2020 (2)		X	X (3)			X		X
Valérie Lorentz-Poinsot General Manager 01/01/2019 (1) Undetermined (2)		X (6)	X (3)			X (7)		X
Jean-Christophe Bayssat Deputy General Manager 12/16/2015 (1) Undetermined (2)	X (8)		X (4)		X (5)			X

(1) Corresponds to date of initial appointment or the beginning of the current term of office.
(2) Corresponds to date of end of current term of office.
(3) Employer contribution to supplemental defined-contribution retirement benefits according to article 83 of the French General Tax Code.
(4) Employer contribution related to supplemental defined-contribution retirement benefits according to article 83 of the French General Tax Code and employer matching for the Company savings (PEE) and retirement saving (PERCO) plans.
(5) Amount corresponding to Retirement Indemnities and the Agreement on Preparation for Retirement related to the employment contracts, from which the Deputy General Managers benefit without condition, as do all company staff under the terms of their employment contracts (see note 2.9.1 in the notes to the consolidated financial statements).
(6) Ms. Valérie Lorentz-Poinsot's employment contract has been suspended in light of her appointment as General Manager.
(7) Ms. Valérie Lorentz-Poinsot benefits from the payment of premiums for a GSC-type executive job loss insurance policy.
(8) Mr. Jean-Christophe Bayssat's employment contract covers unique aspects of his office.

2.6.2.3 - EQUITY RATIO TABLE

2019 fiscal year	Chairman of the Board of Directors	General Manager (2)	Deputy General Manager
Average employee compensation (1) excluding corporate officers	48,915	48,915	48,915
Median employee compensation (1) excluding corporate officers	41,727	41,727	41,727
Executive corporate officer compensation (3)	258,174	868,413	431,008
Ratio to mean employee compensation (4)	5	18	9
Ratio to median employee compensation (5)	6	21	10

2018 fiscal year	Chairman of the Board of Directors	General Manager	Deputy General Manager	Deputy General Manager
Average employee compensation (1) excluding corporate officers	48,187	48,187	48,187	48,187
Median employee compensation (1) excluding corporate officers	41,004	41,004	41,004	41,004
Executive corporate officer compensation (3)	255,383	958,006	808,019	468,531
Average employee compensation ratio (4)	5	20	17	10
Median employee compensation ratio (5)	6	23	20	11

2017 fiscal year	Chairman of the Board of Directors	General Manager	Deputy General Manager	Deputy General Manager
Average employee compensation (1) excluding corporate officers	48,446	48,446	48,446	48,446
Median employee compensation (1) excluding corporate officers	41,126	41,126	41,126	41,126
Executive corporate officer compensation (3)	251,661	888,759	620,104	441,554
Average employee compensation ratio (4)	5	18	13	9
Median employee compensation ratio (5)	6	22	15	11

2016 fiscal year	Chairman of the Board of Directors	General Manager	Deputy General Manager	Deputy General Manager
Average employee compensation (1) excluding corporate officers	48,779	48,779	48,779	48,779
Median employee compensation (1) excluding corporate officers	41,300	41,300	41,300	41,300
Executive corporate officer compensation (3)	216,156	852,604	591,581	367,565
Average employee compensation ratio (4)	4	17	12	8
Median employee compensation ratio (5)	5	21	14	9

2015 fiscal year	Chairman of the Board of Directors	General Manager	Deputy General Manager	Deputy General Manager
Average employee compensation (1) excluding corporate officers	NC	NC	NC	NC
Median employee compensation (1) excluding corporate officers	NC	NC	NC	NC
Executive corporate officer compensation (3)	227,618	993,672	564,830	555,039
Average employee compensation ratio (4) (6)				
Median employee compensation ratio (5) (6)				

(1) Compensation based on full-time equivalents for company employees.
(2) Ms. Valérie Lorentz-Poinsot was appointed General Manager on January 1, 2019, replacing Mr. Christian Boiron. Since January 1, 2019, there has therefore been only one Deputy General Manager, Mr. Jean-Christophe Bayssat.
(3) The items of compensation disclosed are compensation paid in respect of this office as well as any compensation paid by the company that falls within the consolidation scope (fixed and variable compensation and benefits in kind).
(4) The ratio corresponds to the relationship between the executive's compensation and the average compensation of the company's employees.
(5) The ratio corresponds to the relationship between the executive's compensation and the median compensation of the company's employees.
(6) Due to a change in the human resources IT system in 2015, the company is unable to calculate comparable ratios for prior years.

2.6.2.4 - CHANGES IN CONSOLIDATED NET INCOME

The amounts presented in the following table are expressed in euros.

	2019	2018	2017	2016	2015
Net income, group share	40,629,797	57,459,133	78,242,826	77,725,010	73,931,852

2.6.2.5 - TABLE SHOWING THE COMPENSATION RECEIVED BY THE NON-EXECUTIVE CORPORATE OFFICERS

The amounts presented in the following table are expressed in euros.

Non-executive corporate officers	Amounts allocated (1) in respect of the 2019 fiscal year	Amounts paid (1) during the 2019 fiscal year	Amounts paid (1) during the 2018 fiscal year
Christian Boiron			
Compensation for service as a Member of the Board of Directors	13,025	13,025	
Other compensation(2)			
Jacky Abécassis			
Compensation for service as a Member of the Board of Directors	13,025	13,025	13,025
Michèle Boiron			
Compensation for service as a Member of the Board of Directors	13,025	13,025	13,025
Other compensation(3)		32,593	106,437
Michel Bouissou			
Compensation for service as a Member of the Board of Directors	45,631	45,631	45,631
Christine Boyer-Boiron			
Compensation for service as a Member of the Board of Directors	13,025	13,025	13,025
Jean-Pierre Boyer			
Compensation for service as a Member of the Board of Directors	31,770	31,770	31,770
Stéphanie Chesnot			
Compensation for service as a Member of the Board of Directors	31,770	31,770	31,770
Bruno Grange			
Compensation for service as a Member of the Board of Directors	16,219	16,219	16,219
Virginie Heurtaut			
Compensation for service as a Member of the Board of Directors	13,025	13,025	13,025
Grégory Walter (5)			
Compensation for service as a Member of the Board of Directors	13,025	13,025	8,100
Other compensation(4)	44,955	47,863	44,920
Christine Boutin (6)			
Compensation for service as a Member of the Board of Directors	13,025	5,924	
Other compensation(4)	79,415	84,665	83,962
TOTAL	**340,935**	**374,585**	**420,909**

(1) Compensation in respect of a corporate office allocated in respect of a given year (year N) is paid at the beginning of the following year (year N+1).
(2) Mr. Christian Boiron served as General Manager until December 31, 2018. The amount shown comprises his fixed compensation, annual variable compensation, and benefits in kind allocated in respect of his term of office as General Manager during the fiscal year ended on December 31, 2018.
(3) This compensation consists essentially of fees invoiced under a regulated agreement on consulting and assistance services for the development of homeopathy (see the statutory auditors' special report on regulated agreements). The fees paid in 2019 amounted to €29,760 including tax versus €101,820 including tax in 2018. The remainder comprises royalties collected by Michèle Boiron.
(4) This compensation consists of fixed and variable components under the employment contract. It includes payments made under the company profit sharing agreement, mandatory profit sharing bonuses and employer matching for the company PEE and PERCO savings plans paid during the fiscal year in question.
(5) Mr. Grégory Walter has held the position of Board Member representing employee shareholders since the Combined Shareholders' Meeting of May 18, 2017. As an employee of the company, he enjoys the benefit of long service awards, Retirement Indemnities and the Agreement on Preparation for Retirement. These benefits amounted to €39,593 as of December 31, 2019.
(6) Ms. Christine Boutin has held the position of Board Member representing employees since her appointment by the Central Works Council on June 21, 2018. As an employee of the company, she enjoys the benefit of long service awards, Retirement Indemnities and the Agreement on Preparation for Retirement. These benefits amounted to €94,494 as of December 31, 2019.

2.6.3 - APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ITEMS COMPRISING THE TOTAL COMPENSATION AND BENEFITS OF ANY KIND PAID DURING OR ALLOCATED IN RESPECT OF THE 2019 FISCAL YEAR TO THE EXECUTIVE CORPORATE OFFICERS (FOURTEENTH RESOLUTION, FIFTEENTH RESOLUTION AND SIXTEENTH RESOLUTION OF THE SHAREHOLDERS' MEETING OF MAY 28, 2020)

2.6.3.1 - COMPENSATION FOR 2019 FISCAL YEAR DUE OR PAID TO **MR. THIERRY BOIRON, CHAIRMAN OF THE BOARD OF DIRECTORS,** DURING OR IN RESPECT OF THE 2019 FISCAL YEAR, IN RESPECT OF HIS TERM OF OFFICE (FOURTEENTH RESOLUTION OF THE SHAREHOLDERS' MEETING OF MAY 28, 2020)

Items of compensation	2019 fiscal year	
	Amounts allocated	Amounts paid
Fixed compensation (1)	239,429	239,429
Compensation for service as a Member of the Board of Directors	13,025	13,025
Book value of benefits-in-kind	5,720 (2)	5,720 (2)
TOTAL	**258,174**	**258,174**

(1) Amount allocated in respect of year N and paid in year N.
(2) Benefit in kind: company car.

2.6.3.2 - COMPENSATION FOR 2019 FISCAL YEAR DUE OR PAID TO **MS. VALÉRIE LORENTZ-POINSOT, GENERAL MANAGER,** IN RESPECT OF HER TERM OF OFFICE (FIFTEENTH RESOLUTION OF THE SHAREHOLDERS' MEETING OF MAY 28, 2020)

Items of compensation	2019 fiscal year	
	Amounts allocated	Amounts paid
Fixed compensation (1)	375,983	375,983
Annual variable compensation	334,573 (3)	403,932 (2)
Compensation for service as a Member of the Board of Directors	13,025	13,025
Book value of benefits-in-kind	7,002 (4) 10,415 (5)	7,002 10,415 (5)
Job loss insurance	58,055 (6)	58,055 (6)
TOTAL	**799,053**	**868,412**

Amount allocated in respect of year N and paid in year N.
(2) Variable compensation allocated in respect of the 2018 fiscal year and paid during the 2019 fiscal year was exclusively linked to her employment contract. It was composed (i) of the incentive bonus based on group operating income, (ii) of incentive bonuses attributed with respect to the company profit sharing agreement, mandatory profit sharing bonuses and employer matching for company savings plans (PEE and PERCO savings plans). Amount allocated for the 2018 fiscal year already approved by the 2019 Shareholders' Meeting and paid in 2019. The incentive bonuses and mandatory profit-sharing bonuses were provisioned as of December 31 of year N-1 (for amounts due) or distributed during the applicable period (for amounts paid).
(3) Variable compensation awarded in respect of 2019 is based on group operating income in 2019. Expected achievement of this quantitative criterion has been precisely defined by the Board of Directors but has not been made public for reasons of confidentiality.
Amount to be paid after approval by the 2020 Shareholders' Meeting.
(4) Benefit in kind: company car.
(5) Benefit in kind: provident pension scheme.
(6) Benefit in kind: job loss insurance.

2.6.3.3 - COMPENSATION FOR 2019 FISCAL YEAR DUE OR PAID TO **MR. JEAN-CHRISTOPHE BAYSSAT, DEPUTY GENERAL MANAGER,** IN RESPECT OF HIS TERM OF OFFICE (SIXTEENTH RESOLUTION OF THE SHAREHOLDERS' MEETING OF MAY 28, 2020)

Items of compensation	2019 fiscal year	
	Amounts allocated	Amounts paid
Fixed compensation (1)	30,000	30,000
Annual variable compensation	0	0
Book value of benefits-in-kind	0	0
TOTAL	**30,000**	**30,000**

(1) Amount allocated in respect of year N and paid in year N.

2.6.4 - GRANTS OF STOCK OPTIONS AND PERFORMANCE SHARES

Stock options granted during the year to each executive corporate officer by the issuer and by any group company	NONE
Stock options exercised during the year by each executive corporate officer	NONE
Performance shares allocated to each corporate officer	NONE
Performance shares vested to each corporate officer	NONE
History of attribution of stock options	NONE
Stock options granted to the first ten non-corporate officer beneficiary employees and options exercised by them	NONE

2.6.5 - PARTICIPATION OF SHAREHOLDERS AT SHAREHOLDERS' MEETINGS

The modalities for the participation of shareholders in Shareholders' Meetings are set out in articles 29 to 33 of the articles of association.

Chapter 3

2019 PERFORMANCE AND OUTLOOK

3.1 - 2019 HIGHLIGHTS

The biggest highlights for the group during the year were in France, driven by unprecedented support for homeopathy: more than 1,300,000 French people signed the MonHoméoMonChoix petition set up by a collective of doctors, patients, learned societies, homeopathic medicine companies, and others, to maintain the reimbursement of homeopathic medicines. Group employees have shown remarkable determination during this time.

In response, in July 2019, the government announced a revision of the reimbursement rate for these treatments to 15%, as of January 1, 2020. Total delisting has been postponed to January 1, 2021.

This decision effectively deprives patients and health professionals of their freedom of choice, which is entirely out of step with major public health issues.

For this reason, in October 2019, Laboratoires BOIRON and LEHNING filed two appeals before the French *Conseil d'État* for the annulment of decrees dated August 30, 2019 designed to phase out the reimbursement of homeopathic medicines and specialties by 2021.

Over the year, twenty-two new products were launched:

- two new specialties: Arnigel® in roll-on format in France and the "Nose hygiene" nasal spray in China,
- sixteen deployments of specialties in new countries (Tunisia, India, Brazil, Canada, Colombia, United States...),
- four new format launches: Camilia® in 30 single dose packages in Italia and Slovakia, Oscillococcinum® in thirty doses in Israel and Sédatif PC® in 90 tablets in Lithuania.

In October 2019, a BOIRON pharmacy, serving the public directly, was opened in **Bogota, Colombia.** Its objective is to fully meet the expectations of physicians and their patients by bringing them a wide range of BOIRON homeopathic medicines.

Group sales were down by €47,089 thousand compared to 2018, i.e. - 7.8%, significantly impacted by the 12.6% decrease in sales of non-proprietary homeopathic medicines and specialties in France, amid considerable criticism of homeopathy and the government's announcement of its gradual delisting.
The decline in sales in Europe (Spain, Poland, Belgium and Romania) was partially offset by an increase in business in Russia and Italy, resulting from changes in the product offering.

The virulent, unjustified and repeated attacks on homeopathy in France and Spain weighed heavily on **operating income in 2019, which declined sharply:** it came to €66,915 thousand, down from €106,022 thousand in 2018.
The gross margin decreased by €39,671 thousand, impacted by the decline is sales.

Operating expenses, excluding non-recurring items, were down by €14,919 thousand, mainly concerning payroll costs.

Non-recurring items gave rise to an adverse change in other operating revenue and expenses of €14,357 thousand:

- in financial difficulty since the stopping of sales to its Italian distributor, our subsidiary UNDA has signed an agreement for the sale of its commercial property and real estate assets. This resumption of activity will make it possible to safeguard almost every job. In 2019, it generated asset impairments and provisions of €5,875 thousand,
- the trademarks, patents and equipment relating to the medical device purchased in 2017 from the company ALKANTIS were written down in full, in the amount of €2,069 thousand,
- in 2018, a capital gain of €6,207 thousand was recorded in relation to the sale of Levallois-Perret site.

3.2 - GROUP FINANCIAL PERFORMANCE

3.2.1 - GROUP SALES

The criterion used for the allocation of sales, shown below, is sales by destination, as reported in the financial disclosures and press releases related to sales. The criteria used to allocate assets employed to achieve sales are used for segment reporting in the notes to the consolidated financial statements.

Sales (in thousands of euros)	2019	2018	Variation at current exchange rate	Variation at constant exchange rate
France	**313,400**	**358,555**	**-12.6%**	**-12.6%**
Mainland France	304,474	348,475	-12.6%	
Caribbean	4,358	5,013	-13.1%	
Réunion	3,358	3,777	-11.1%	
Others France	1,210	1,290	-6.2%	
Europe (excluding France)	**132,981**	**135,901**	**-2.1%**	**-2.5%**
Italy	34,879	33,467	+4.2%	
Russia	27,613	24,914	+10.8%	+8.4%
Belgium	15,498	16,988	-8.8%	
Spain	13,728	16,380	-16.2%	
Romania	7,904	9,238	-14.4%	-12.8%
Poland	5,570	7,555	-26.3%	-25.6%
Bulgaria	5,624	5,771	-2.5%	
Czech Republic	6,255	5,363	+16.6%	+16.8%
Portugal	4,213	4,278	-1.5%	
Switzerland	3,464	3,465	-0.0%	-3.7%
Slovakia	2,349	2,667	-11.9%	
Hungary	2,683	2,596	+3.4%	+5.4%
Others Europe	3,201	3,219	-0.6%	
North America	**87,672**	**88,400**	**-0.8%**	**-5.7%**
USA	77,332	78,022	-0.9%	-6.0%
Canada	10,340	10,378	-0.4%	-3.1%
Other countries	**23,070**	**21,356**	**+8.0%**	**+8.6%**
Hong Kong/China/Taiwan	7,991	5,175	+54.4%	
Tunisia	6,891	7,366	-6.4%	
Brazil	5,159	3,909	+32.0%	+35.2%
India	279	206	+35.4%	+32.5%
Colombia	161	1,930	-91.7%	
Others	2,589	2,770	-6.5%	
BOIRON GROUP	**557,123**	**604,212**	**-7.8%**	**-8.6%**

Sales (in thousands of euros)	Non-proprietary homeopathic medicines 2019	Non-proprietary homeopathic medicines 2018	Variation at current exchange rates	OTC Specialties 2019	OTC Specialties 2018	Variation at current exchange rates
BOIRON GROUP	**261,874**	**287,243**	**-8.8%**	**293,749**	**315,577**	**-6.9%**
France*	204,495	233,304	-12.3%	107,772	124,220	-13.2%
Europe (excluding France)	35,351	34,305	+3.0%	97,565	101,466	-3.8%
North America	19,490	17,515	+11.3%	68,155	70,863	-3.8%
Other countries	2,538	2,119	+19.8%	20,257	19,028	+6.5%

**Mainland and overseas departments and territories*

Group sales amounted to €557,123 thousand in 2019, down by 7.8% compared to 2018. This decrease was due to a 9.5% drop in volumes, partly offset by a positive exchange rate effect (+0.8%) and price increases (+0.9%):

- the quantities sold decreased in Metropolitan France, mainly relating to non-proprietary homeopathic medicines, but also specialties. A decrease was also recorded in the United States, due to the challenging and exceptional performance posted in 2018, in Colombia, Spain, Belgium, Poland and Romania. However, sales increased in Asia, Brazil and Russia,
- the positive exchange rate effect amounted to €4,644 thousand, mainly due to the appreciation of the US Dollar (€4,025 thousand), the rouble (€595 thousand) and the Canadian dollar (€281 thousand),
- price increases relate to mainland France (mainly for specialties), Italy, Russia, the Czech Republic and the United States.

In France, where homeopathy is the subject of unjustified and discriminatory attacks, sales fell by 12.6% to €45,155 thousand. Sales of non-proprietary homeopathic medicines decreased by 12.3%. Specialty sales decreased 13.2%, with particularly significant drops in Oscillococcinum®, Stodal® and Sédatif PC®. However, roll-on Arnigel®, launched in February 2019, posted an increase.

In the "Europe excluding France" area, specialties were down by 3.8% while sales of non-proprietary homeopathic medicines increased by 3.0%.

At constant exchange rates, the decrease amounted to 2.5%:

- in Spain, activity fell by 16.2%: non-proprietary homeopathic medicines were down by 12.4%, Oscillococcinum® was down by 22.9%, and Stodal was down by 31.6%,
- sales were also down in Poland (-25.6%), Belgium (-8.8%) and Romania (-12.8%), in most specialties,
- on the other hand, sales increased in Russia (up 8.4%) mainly in Camilia®, and in Italy (up 4.2%) in non-proprietary homeopathic medicines.

In North America, sales fell by 0.8%. At constant exchange rates, this region fell by 5.7%:

- sales in the United States were down by 6.0%, mainly due to a challenging and exceptional year posted in 2018. This decrease mainly concerns Oscillococcinum® (down 26.7%), partially offset by the growth posted in arnica gels and creams (up 11.1%) and non-proprietary homeopathic medicines (up 5.8%),
- sales in Canada were down slightly (3.1%): non-proprietary homeopathic medicine sales were up 6.3% while specialties dropped by 5.9%, particularly on Oscillococcinum®.

In "Other countries", sales were up 8.0%. At constant exchange rates, the increase was 8.6%, primarily in Hong Kong, China and Taiwan (up 54.4%, mainly in Calendula® cream and Homéoplasmine®) and Brazil (up 35.2%, across all specialties). Sales in Colombia however fell by 91.7% mainly in Oscillococcinum®, in connection with an increase in our distributor's inventories in 2018.

3.2.2 - GROUP FINANCIAL POSITION

Figures in thousands of euros	2019 (1)	2018	Variation
Sales	557,123	604,212	-7.8% (2)
Operating income	66,915	106,022	-36.9%
Net income - Group share	40,630	57,459	-29.3%
Cash flow (3)	103,033	131,821	-21.8%
Net investments	33,563	39,407	-14.8%
Net cash	207,957	216,830	-4.1%

(1) IFRS 16 leases has been applicable since January 1, 2019. Its impact on the 2019 profit and loss statement is not significant. It has been applied using the simplified retrospective transition method, involving no restatement of the 2018 financial statements. The impact of IFRS 16 as of January 1, 2019 is presented in the notes to the financial statements.
(2) -8.6% at constant exchange rates.
(3) Before cash income, financing costs and taxes.

3.2.2.1 - GROUP PROFIT AND LOSS STATEMENT

The **group's operating income** amounted to €66,915 thousand versus €106,022 thousand in 2018. It represented 12.0% of sales versus 17.5% in 2018. It was mainly impacted by a decrease in the gross margin of €39,671 thousand and the €14,357 thousand negative impact of non-recurring revenue and expenses (presented in other operating revenue and expenses).
A €14,919 thousand reduction in recurring operating expenses (e.g. payroll) helped curb this decrease in profitability.

Industrial production costs amounted to €127,224 thousand compared to €134,645 thousand in 2018, a decrease of 5.5% driven by:

- a decrease in personnel costs (including profit-sharing and incentive schemes) of €4,531 thousand, mainly in France, due to the reduction in headcount (departures not replaced), social security charges (resulting from the elimination of the CICE Competitiveness and Employment Tax Credit) and provisions for profit-sharing and incentive schemes (in connection with the decline in profitability),

- transport cost savings (down by €2,028 thousand), compared to the high volumes shipped to the United States in 2018 by air amid strong business,
- a decrease in outsourced services (down by €1,454 thousand) primarily in France, with a decrease in site maintenance and production tool maintenance costs,
- a decrease in net provisions for recurring returns (-€1,171 thousand), in line with the decrease in business,
- a decrease in net amortization and depreciation on assets (down by €954 thousand) due to the end of the amortization period for the production module of the BOIRON parent company accounting software,
- an increase in supplies consumed (up €4,002 thousand), including a significant increase in inventories in 2018. Restated for changes in inventories, purchases consumed were down.

The gross margin rate amounted to 77.2% for 2019 versus 77.7% in 2018.

Preparation and distribution costs decreased by 6.8% and amounted to €119,797 thousand. These savings are primarily explained by:

- the decrease in personnel costs (including profit-sharing) of €6,079 thousand in France, mainly related to unreplaced retirements. Group headcount devoted to this activity was 1,187, as opposed to 1,252 at the end of 2018,
- the decrease in French taxes (down €2,684 thousand), mainly on taxes on sales and value added, due to the decrease in business,
- depreciation and amortization of fixed assets increased by €801 thousand in relation to the commissioning of part of our new logistics platform in Les Olmes, near Tarare,
- finally, costs of €282 thousand relate to the restructuring plan launched in Spain.

Promotion costs amounted to by €153,462 thousand, down 1.4% from €155,622 thousand in 2018, mainly due to:

- the €4,102 thousand decrease in personnel costs (including incentive and profit-sharing schemes) in France, Spain, Belgium and Italy, following decreases in sales representative bonuses, and severance pay,
- savings on advertising costs (down by €2,477 thousand) mainly in France on advertising and advertising material for specialties, partially offset by costs relating to the MonHoméoMonChoix campaign,
- on the other hand, outsourcing (up €2,954 thousand), particularly in France, with consulting costs for the above-mentioned campaign, and increases in fees and marketing studies.

Research costs amounted to €3,133 thousand, down by 18.1% from €3,825 thousand in 2018, due to the decrease in studies in France and Russia.

Regulatory affairs costs were stable (down by 0.7%) and came to €11,146 thousand.

Support function costs fell by 9.6% to €69,430 thousand, down from €76,783 thousand in 2018.

This was due to:

- IT expenses down €565 thousand in Italy and Canada, partially offset by higher staff costs, IT support and maintenance costs in Russia,
- a decrease in personnel costs (including profit-sharing and incentive schemes) of €3,492 thousand, mainly in France, in connection with the decrease in social security charges (elimination of the CICE tax credit) and changes within General Management,
- savings on outsourced services (down by €1,725 thousand) with a favorable baseline of legal fees recorded in 2018 in France, Belgium and the United States.

Other operating income amounted to €3,005 thousand compared to €12,865 thousand in 2018. This includes:

- the research tax credit in France (€1,600 thousand versus €1,683 thousand in 2018),
- foreign exchange gains of €437 thousand (down from €779 thousand in 2018) on commercial transactions,
- the capital gain on the sale of the former head office of the US subsidiary (€1,141 thousand).

In 2018, this included:

- the CICE Competitiveness and Employment Tax Credit in France (€2,768 thousand), abolished in 2019 and replaced by a decrease in social security charges, recorded by the operating activities mentioned above,
- the capital gain on the sale of the Levallois-Perret site of €6,207 thousand.

Other operating expenses totaled €9,023 thousand, compared to €474 thousand in 2018. These includes:

- costs relating to the disposal of UNDA commercial property and real estate assets in Belgium (€5,875 thousand),
- impairment of trademarks, patents and equipment relating to the medical device purchased in 2017 from the company ALKANTIS, in the amount of €2,069 thousand,
- a provision for the reorganization of subsidiary BOIRON SPRL in Belgium (€898 thousand).

Cash revenue and financing expenses amounted to income of €373 thousand, versus €385 thousand in 2018.

Other financial income and expenses amounted to a net expense of €2,903 thousand versus €2,414 thousand in 2018. They mainly comprise the expense related to the decrease over time of the impact of the interest cost related to employee benefits (€2,277 thousand, up from €2,292 thousand in 2018) and financial exchange losses, mainly in the US dollar, of €901 thousand, versus €201 thousand in 2018.

The **effective tax rate** amounted to 37.0% versus 44.8% in 2018. This decrease is mainly due to recognition of a provision of €8,961 thousand in 2018 for the tax audit currently being conducted on the BOIRON parent company. In 2019, this provision was revised downwards by €1,188 thousand following the response from the tax authorities.

Net income (group share) amounted to €40,630 thousand versus €57,459 thousand in 2018. Earnings per share amounted to €2.32 in 2019, up from €3.23 in 2018.

3.2.2.2 - CONSOLIDATED CASH FLOW

Group net cash amounted to €207,957 thousand at the end of 2019, compared to €216,830 thousand at the end of 2018.
The change in cash (including the impact of foreign currency fluctuations) included an outflow of €8,873 thousand in 2019, compared to outflow of €48,110 thousand in 2018. In 2018, this was impacted by the buyback of treasury shares.

Cash flow from operating activities amounted to €50,859 thousand in 2019, compared to €84,250 thousand in 2018, down €33,391 thousand. This decrease can be explained by:

- the decrease in free cash flow (€28,788 thousand), compared with the decrease in operating income excluding non-cash items (in particular provisions and asset impairment in Belgium and France). It represented 18.5% of sales versus 21.8% in 2018,
- the decrease in taxes paid (€10,123 thousand) with lower interim payments in 2019, partially offset by the baseline effect of the €4,182 thousand tax refund in respect of the 3% tax on dividends previously paid,
- the decreased change in Working Capital Requirements (€14,726 thousand). In 2019, the change in Working Capital Requirement (WCR) of -€23,493 thousand mainly resulted from the following factors:
  - an increase in inventories (€848 thousand) mainly in Russia on specialties and raw materials in France, partially offset by an increase in impairment in Belgium and in France,
  - a decrease in accounts receivable (€405 thousand), due to the decline in business in France and Romania, offset by increases in Russia, Italy and Brazil,
  - a decrease in accounts payable (€8,116 thousand), mainly in France (mainly on advertising costs),
  - a €14,661 thousand decrease in employee-related liabilities in France, mainly on incentive and profit-sharing scheme liabilities (in connection with the decrease in profitability) and on social security charges (in particular resulting from the elimination of the CICE tax credit).

Cash flows related to investment activities amounted to €33,563 thousand compared to €39,407 thousand in 2018. The decrease of €5,844 thousand was mainly the result of investments in the Messimy site. In 2019, cash flows mainly related to:

- acquisitions of tangible fixed assets amounting to €26,538 thousand:
  - conversion of the group logistics platform in Les Olmes,
  - on the Messimy site, continued work on the new buildings and replacement of production equipment,
  - investment in production equipment on the Montévrain site,
  - repair work on the administrative building and a new establishment (combining several establishments and preparation work) on the Sainte-Foy-Lès-Lyon site,
  - continuation of renovation work on the US subsidiary's new head office, where it moved in June 2019,
- disposals of tangible fixed assets for €4,582 thousand, including the sale of the former head office in the United States, land and buildings in Belgium (UNDA) and the site in Madrid, in Spain,
- investments in intangible fixed assets for €10,990 thousand: these relate to group IT projects (the deployment of Cloud and WIFI solutions, deployment and developments of the various IT infrastructures, particularly in Les Olmes, the CRM project for medical sales representatives, and the continued implementation of JDEdwards).

Cash flows from financing activities amounted to €27,187 thousand, compared to €91,961 thousand in 2018. These mainly include:

- the payment of dividends in the amount of €25,389 thousand (compared to €28,304 thousand in 2018),
- the change in rental liabilities and related interest for €2,434 thousand, resulting from the application of IFRS 16 leases (as the group adopted the simplified retrospective transition method, 2018 figures have not been restated).

In 2018, €63,701 thousand of shares had been repurchased outside of the liquidity contract (in 2019, no shares were purchased).

3.2.2.3 - CONSOLIDATED BALANCE SHEET

The **balance sheet** totaled €764,283 thousand at 2019 year-end, versus €767,017 thousand at the end of 2018.

Under assets, the main points to note are:

- the increase in inventories (up €1,502 thousand) and the decreased cash position (down €8,804 thousand) as previously discussed,
- the increase in accounts receivables (up €2,121 thousand), mainly due to the impact of translation adjustments (€2,468 thousand) on receivables in Russia and the United States,
- a new line item "Rights of use relating to leases" (€6,488 thousand) corresponding to the application of IFRS 16 leases, as of January 1, 2019. The scope of restatement covers buildings, mainly in Belgium (BOIRON SPRL), Italy, Colombia, Poland and France. BOIRON group has adopted the simplified retrospective transition method, making it possible not to restate the financial statements for the year ending December 31, 2018,
- the decrease in tangible fixed assets (down €3,394 thousand) due to depreciation, impairment of fixed assets and sales of assets higher than annual investments,
- decrease in assets held for sale (€1,067 thousand). In 2019, this line item includes two buildings in Belgium. In 2018, it also included the former administrative headquarters of the US subsidiary, which was sold in July 2019,
- the decrease in other current assets (down €3,670 thousand), including tax receivables in France and interim payments made in Russia and France.

Under liabilities, the following should be noted:

- the increase in shareholders' equity (group share) of €19,471 thousand: consolidated net income, group share (€40,630 thousand), the increase in actuarial gains and losses, net of tax, on employee benefit obligations (up €2,186 thousand) and currency translation adjustments (up €2,757 thousand) were offset by the dividend payout by BOIRON parent company (€25,389 thousand),
- the addition of two new line items "Non-current (€5,236 thousand) and current (€1,759 thousand) rental liabilities" in connection with the application of IFRS 16 leases, mentioned above,
- the decrease in employee benefit obligations (€765 thousand)

mainly in France: the increase in actuarial gains and losses and in benefits paid was partially offset by the impact of the interest cost related to benefits on net financial income,
- the decrease in current and non-current provisions (€299 thousand): the reversal of a portion of the tax audit provision in France and the decrease in provisions for returns (linked to the decline in activity) were partially offset by the creation of new provisions for the reorganization of operations in Belgium (described under other operating expenses),
- the decrease in accounts payable (€7,186 thousand) and other current liabilities (down by €20,240 thousand) set out under cash flow.

3.3 - FINANCIAL PERFORMANCE OF BOIRON PARENT COMPANY

3.3.1 - PROFIT AND LOSS STATEMENT OF BOIRON PARENT COMPANY

Sales amounted to €423,694 thousand versus €494,072 thousand in 2018, down by 14.2%.

Sales in mainland France fell by €44,313 thousand, mainly in non-proprietary medicines homeopathic (down €27,964 thousand) and specialties (down by €16,450 thousand). Sales to subsidiaries decreased 22.3% (or €25,679 thousand).

Operating income amounted to €80,384 thousand, a decrease of €45,737 thousand. This decrease was mainly due to the sharp decline in sales for the year (down by €70,378 thousand), offset by the following items:
- the change in other revenue in the amount of €4,215 thousand, including an intra-group price adjustment of €3,391 thousand,
- increases in production inventories and capitalized production over the period of €1,252 thousand and €1,030 thousand, respectively,
- the decrease in the cost of materials consumed in connection with the decline in business €2,106 thousand,
- the decrease in outsourcing costs of €5,999 thousand:
  - decrease in transport costs of €2,398 thousand, in line with the downturn in sales in France and abroad,
  - decline in advertising costs (€2,452 thousand),
  - savings on building maintenance costs (€1,540 thousand),
- other expenses declined €1,666 thousand, mainly impacted by the decrease in fees payable,
- shall decline in taxes and duties (€3,226 thousand), mainly due to the reduction in pharmaceutical taxes based on net sales,
- personnel costs were down by €5,158 thousand, mainly due to reductions in payroll costs, primarily in distribution, and a reduction of social security charges, including the social security flat-rate on profit-sharing and incentive schemes.

The net financial expense for 2019 came to €6,929 thousand, compared to an expense of €3,561 thousand in 2018, in line with the increase in expenses net of reversals on equity investments.

Extraordinary income included a change in net income of €961 thousand compared to 2018, mainly resulting from the following operations:
- in 2018, recognition of a net capital gain on the disposal of the Levallois-Perret site in the amount of €6,207 thousand, allocation for tax risk of €9,247 thousand,
- in 2019, adjustment with a reversal of a tax risk provision of €1,262 thousand, liquidation of the non-trading subsidiary DOLISOS Italy (€2,334 thousand) and a provision for trademarks, patents and equipment (€2,067 thousand).

Incentive and profit-sharing for the year was down by €7,430 thousand, as well as corporate income tax by €15,078 thousand, as a result of the decline in profitability over the year.

Net income for the financial year amounted to €37,941 thousand, down 40.3% (€25,638 thousand) compared to 2018.

Under the provisions of article 39.4 of the French General Tax Code, the company recorded amortization of €292,108 thousand for the portion of the purchase price of passenger vehicles exceeding €18,300 (compared to €293,811 in 2018).

3.3.2 - PRESENTATION OF THE FINANCIAL STATEMENTS AND APPROPRIATION OF EARNINGS OF BOIRON PARENT COMPANY

Profit for the 2019 fiscal year	**€37,941,309.66**
+ Profit carried forward	€35,357,559.18
= Distributable income	**€73,298,868.84**
- Dividend of €1.05 per share on the basis of 17,545,408 shares	-€18,422,678.40
= Remainder	**€54,876,190.44**
- Other reserves	€34,000,000.00
= Carried forward	**€20,876,190.44**

3.4 - SIGNIFICANT SUBSEQUENT EVENTS AT THE END OF THE YEAR

Project concerning the reorganization in France
On March 11, 2020, Laboratoires BOIRON, a world leader in homeopathic medicines based in France, announced a major reorganization plan.

For the past two years, the virulent, unjustified and repeated attacks on homeopathy in France have weighed heavily on our company, and have resulted in a sharp decline in business and economic results.

While 100% of production and 56% of sales are generated in France, the sudden decision of the Ministry of Solidarity and Health to delist homeopathic medicines on January 1, 2021, was a major disruption leading our company to announce the following reorganization plan:

- shutdown of the Montrichard production site near Tours,
- closure of 12 preparation and distribution sites of the 27 that we operate in France: Avignon, Belfort, Brest, Grenoble, Limoges, Niort, Paris-Bois d'Arcy, Paris-Ivry, Pau, Rouen, Strasbourg and Toulon,
- the resizing of the production and preparation/distribution teams at continued sites,
- the reorganization of sales teams.

The plan would entail the elimination of 646 positions, and the creation of 134 new positions.

We will do everything in our power to curb the impact of this reorganization project on our employees, while respecting our social heritage.
This plan is expected to help maintain the high service quality provided to healthcare professionals and patients.
Given the inability to quantify the financial impact of this reorganization plan as at the closing date, the financial statements for the year ending December 31, 2019 do not include any impact.

Impact of COVID-19[(1)]
Laboratoires BOIRON is currently facing a major health crisis impacting many countries around the world.
Our primary concern during this time is the health of our employees and patients.

As such, in agreement with the trade unions, we have decided to postpone the launch of discussions on the reorganization plan to the end of the lockdown period, in order to concentrate on our responsibility to:

- take all necessary steps to protect the health of our employees,
- to implement a business continuity plan serving patients, pharmacists and physicians who need our medicines.

We aim to maintain production and distribution of our medicines at all of our sites in France and abroad, backed by the unwavering commitment of our teams.
We have also launched production of hydro-alcoholic gel, in order to supply hundreds of liters per day to meet the demand of the Directorate General of Health.

The impact of this unprecedented global crisis on our business is constantly evolving. We are therefore unable to quantify it reliably.

In view of the measures taken during this crisis and the group's cash position, the going concern assumption has been maintained.

No other post-balance sheet event having a potential material impact on the group's financial statements has been identified.

3.5 - OUTLOOK

This section contains BOIRON group's outlook, which reflects its forecasts and beliefs.

Actual results may differ significantly from this outlook, in particular in terms of risks and uncertainties mentioned in section 1.6.

As stated by Valérie Lorentz-Poinsot in the introduction to this Universal registration document:
"After an unprecedented 2019, 2020 looks to be the stage for two ongoing crises: the first is the smear campaign launched against homeopathy, which will sadly result in a major reorganization of our business in France; the second is the COVID-19 pandemic[(1)].
In this context, we're doing everything we can to safeguard the health of our employees, who are fully committed to the sustainability of our business, serving healthcare professionals and patients.
Despite the challenges facing us, we are determined to overcome this difficult period and bounce back, continue developing our innovation capacities, and promote homeopathy around the world."

At this stage, BOIRON is expecting to post a decrease in sales and earnings in 2020.

(1) Information on the COVID-19 health crisis was not included in the management report approved by the Board of Directors on March 11, 2020.

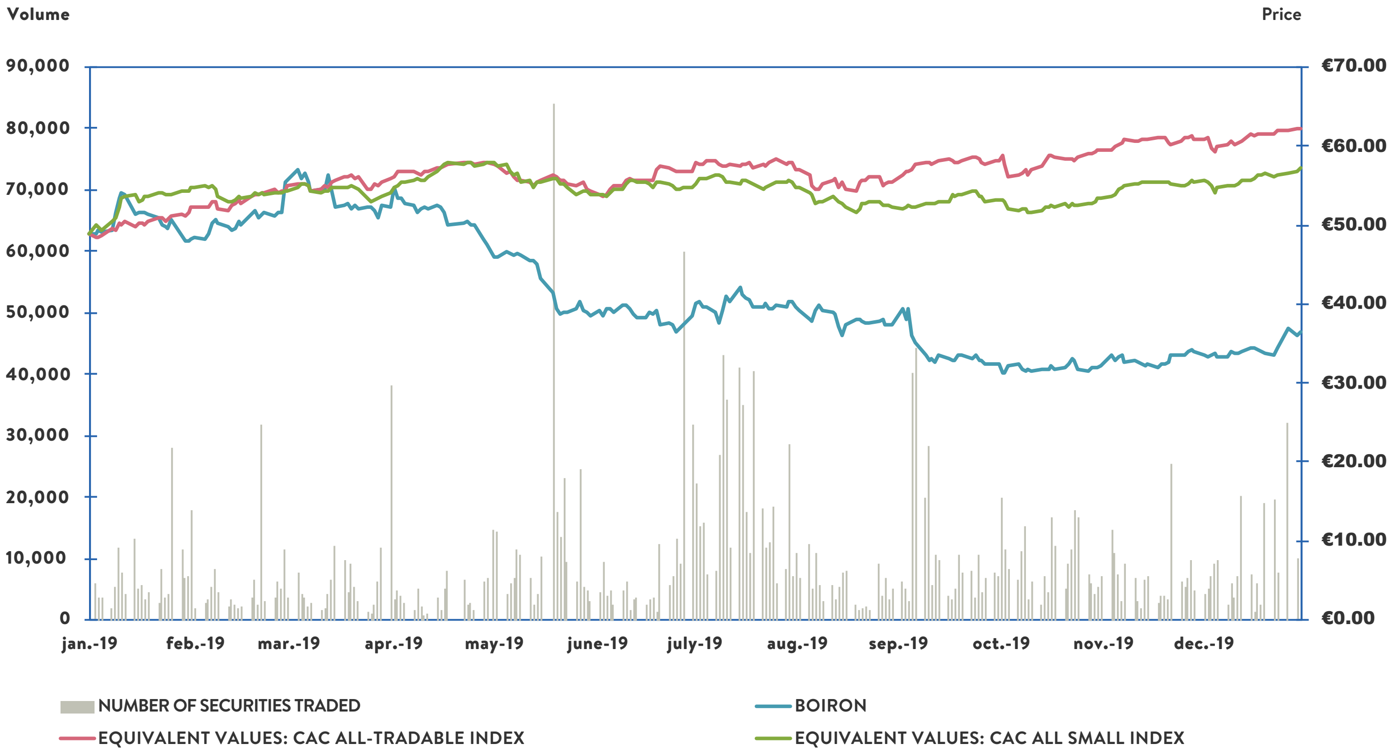
3.6 - SHARE PRICE AND SHAREHOLDING INFORMATION

3.6.1 - SHARE PRICE PERFORMANCE

The BOIRON share price closed the 2019 period at €36.40, by down 25.6% from its level of €48.95 on December 31, 2018. The BOIRON share price peaked at €57.10 during the March 4, 2019 trading session and fell to a low of €30.60 during the October 9, 2019 trading session. Over the year as a whole, 2,327,124 shares were traded, an average of 7,762 shares per trading session.
Compared to 2018, the number of shares traded in 2019 increased by 33% and represented 13% of the company's share capital.

2018	Average closing price *in euros*	+ highest during trading *in euros*	+ lowest during trading *in euros*	Average of securities traded *per trading day*	Volume of transactions *in millions of euros*	Shares traded during the month
January	75.41	78.50	69.30	10,797	17.68	237,540
February	68.92	70.80	66.30	8,816	12.13	176,318
March	69.40	73.80	66.10	7,730	11.26	162,322
April	71.55	75.10	68.20	5,614	8.04	112,283
May	74.17	76.90	68.20	8,934	14.46	196,541
June	72.17	74.20	69.70	4,397	6.66	92,327
July	71.15	73.50	67.50	3,498	5.44	76,951
August	67.81	69.00	66.60	3,343	5.22	76,896
September	60.20	67.10	56.10	7,597	9.12	151,939
October	56.48	59.00	52.30	6,845	8.81	157,438
November	52.07	54.50	50.50	6,280	7.23	138,168
December	49.80	53.00	46.65	9,048	8.51	171,920
2019	*in euros*	*in euros*	*in euros*	*per trading day*	*in millions of euros*	
January	50.50	54.30	47.50	7,557	8,334	166,245
February	50.625	55.40	48.00	5,574	5,675	111,470
March	53.733	57.10	50.80	5,012	5,621	105,254
April	51.483	55.00	47.55	5,414	5,598	108,270
May	42.71	47.60	37.10	13,490	11,774	283,283
June	38.493	41.00	34.30	8,188	6,174	163,768
July	39.867	43.70	35.65	20,603	18,846	473,874
August	38.095	40.45	36.00	5,559	4,677	122,290
September	34.117	39.50	32.10	11,676	8,394	245,196
October	31.909	33.15	30.60	9,358	6,860	215,245
November	33.00	34.40	31.55	7,148	4,958	150,098
December	34.21	37.35	32.50	9,107	6,229	182,131

Average closing prices



3.6.2 - MULTI-YEAR DATA

	2015	2016	2017	2018	2019
Number of shares	**19,441,713**	**19,441,713**	**19,414,756**	**17,565,560**	**17,545,408**
Source data adjusted by share					
Net income (1)	4.01	4.22	4.25	3.28	2.32
Cash flow (1)	8.32	8.47	8.07	7.52	5.88
Net dividend	1.5	1.6	1.6	1.45	1.05
Payout ratio (1)	37%	38%	38%	44%	45%
Closing price	74.5	84.17	74.85	48.95	36.4
Return (net dividend/closing price)	2.01%	1.90%	2.14%	2.96%	2.88%
PER at year-end (year N)	19.59	21.05	18.57	14.96	15.72
Average monthly volume	167,194	139,515	118,176	145,887	193,927
Market capitalization at December 31 (in millions)	1,448	1,636	1,453	860	639

(1) Excluding treasury shares at December 31.

ISIN code: FR0000061129 (BOI)
LEI code: 9695000UMPNY21KKDO98
Reuters: BOIR.PA
Bloomberg: BOI FP
Share listed on EURONEXT PARIS – Compartment B
Share includes on the Euronext CAC ALL SHARES, CAC ALL-TRADABLE, CAC HEALTH CARE, CAC MID&SMALL, CAC SMALL, EN TECH CROISSANCE, FAS IAS and GAIA indexes
Establishment in charge of managing shares: BNP PARIBAS Securities Services
Market making agreement: Oddo

3.6.3 - INFORMATION ON DIVIDENDS

Fiscal year	Revenues eligible for tax credit		Revenues not eligible for tax credit
	Dividends[1]	Other distributed income	
2016	€31,063,609.60 i.e. €1.60 per share	-	-
2017	€31,063,609.60 i.e. €1.60 per share	-	-
2018	€25,470,062.00 i.e. €1.45 per share	-	-

(1) Of which carried forward (corresponding to dividends not paid out on treasury shares):
- €1,578,148.80 in 2016
- €2,759,129.60 in 2017
- €85,978.25 in 2018

Chapter 4

ANNUAL FINANCIAL STATEMENTS

4.1 - CONSOLIDATED FINANCIAL STATEMENTS

4.1.1 - CONSOLIDATED FINANCIAL STATEMENTS

4.1.1.1 - CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2019	2018 [(1)]
Sales	**24**	**557,123**	**604,212**
Other sales revenue	24	2	4
Industrial production costs		(127,224)	(134,645)
Preparation and distribution costs		(119,797)	(128,483)
Promotion costs		(153,462)	(155,622)
Research costs	27	(3,133)	(3,825)
Regulatory affairs costs		(11,146)	(11,227)
Support function costs		(69,430)	(76,783)
Other operating revenue	28	3,005	12,865
Other operating expenses	28	(9,023)	(474)
Operating income		**66,915**	**106,022**
Cash revenue and financing expenses		373	385
Cash revenue		793	592
Financing expenses		(420)	(207)
Other financial revenue and expenses	29	(2,903)	(2,414)
Other financial revenue		495	493
Other financial expenses		(3,398)	(2,907)
Share in net earnings (losses) of companies at equity		0	0
Income before tax		**64,385**	**103,993**
Income tax	30	(23,801)	(46,539)
Consolidated net income		**40,584**	**57,454**
Net income (minority share)		(46)	(5)
NET INCOME (GROUP SHARE)	**31**	**40,630**	**57,459**
Earnings per share [(2)]	***31***	***€2.32***	***€3.23***

(1) IFRS 16 has been applied using the simplified retrospective transition method, involving no restatement of the 2018 financial statements. The impact of IFRS 16 as of January 1, 2019 is presented in note 2 to the consolidated financial statements.
(2) In the absence of dilutive instruments, the average earnings per share is the same as the average diluted earnings per share.

4.1.1.2 - STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	Notes	2019	2018 (1)
Consolidated net income		**40,584**	**57,454**
Other items of comprehensive income that will be reclassified subsequently to profit or loss		**2,742**	**(3,299)**
Currency translation adjustments		2,757	(3,291)
Other movements		(15)	(8)
Changes in the fair value of financial instruments		0	0
Other items of comprehensive income that will not be reclassified subsequently to profit or loss		**2,186**	**6,965**
Actuarial differences related to post-employment benefits (1)	19	2,186	6,965
Other items of comprehensive income (2)		**4,928**	**3,666**
Consolidated comprehensive income		**45,512**	**61,120**
Comprehensive income (minority share)		(50)	13
COMPREHENSIVE INCOME (GROUP SHARE)		**45,562**	**61,107**

(1) In 2019: +€1,941 thousand in gross actuarial differences and +€245 thousand in deferred taxes (including +€867 thousand in tax adjustments relating to the expected decrease in French tax rates, see note 30).
In 2018: +€10,092 thousand in gross actuarial differences and -€3,127 thousand in deferred taxes (including +€353 thousand in tax adjustments related to the anticipated decrease in French tax rates, see note 30).

(2) There were no tax impacts in the other items of comprehensive income other than those mentioned in (1).

4.1.1.3 - CONSOLIDATED BALANCE SHEET

ASSETS (in thousands of euros)	Notes	12/31/2019	12/31/2018 (1)
Non-current assets		**349,889**	**347,327**
Goodwill	6	89,646	89,630
Intangible fixed assets	7	27,068	26,420
Tangible fixed assets	8	191,263	194,657
Rights of use relating to leases	9	6,488	0
Investments	10	2,385	2,264
Other non-current assets	14	29	32
Deferred taxes assets	30	33,010	34,324
Current assets		**414,394**	**419,750**
Assets held for sale	11	1,519	2,586
Inventories and work in progress	12	72,249	70,747
Accounts receivable and other assets linked to customer accounts	13	104,274	102,153
Income tax receivables	14	9,523	4,961
Other current assets	14	18,385	22,055
Cash and cash equivalents	15	208,444	217,248
TOTAL ASSETS		**764,283**	**767,077**

EQUITY & LIABILITIES (in thousands of euros)	Notes	12/31/2019	12/31/2018 (1)
Shareholders' equity (group share)		**505,475**	**486,004**
Capital	16	17,545	17,566
Additional paid-in-capital		79,876	79,876
Retained earnings		408,054	388,562
Minority interests		(14)	39
Total shareholders' equity		**505,461**	**486,043**
Non-current liabilities		**120,571**	**115,743**
Non-current borrowings and financial debts	17	4,536	4,206
Non-current rental liabilities	18	5,236	0
Employee benefits	19	108,429	109,194
Non-current provisions	20	898	173
Other non-current liabilities	22	1,443	1,644
Deferred taxes liabilities	30	29	526
Current liabilities		**138,251**	**165,291**
Current borrowings and financial debts	17	1,485	1,786
Current rental liabilities	18	1,759	0
Current provisions	20	16,388	16,814
Accounts payable	21	41,430	48,616
Income tax liabilities	22	1,871	2,517
Other current liabilities	22	75,318	95,558
TOTAL LIABILITIES		**764,283**	**767,077**

(1) IFRS 16 has been applied using the simplified retrospective transition method, involving no restatement of the 2018 financial statements. The impact of IFRS 16 as of January 1, 2019 is presented in note 2 to the consolidated financial statements.

4.1.1.4 - STATEMENT OF CONSOLIDATED CASH FLOWS

(in thousands of euros)	Notes	2019	2018 (1)
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	**32**	**50,859**	**84,250**
Net income (group share)		40,630	57,459
Amortization of rights of use relating to leases		2,021	0
Other amortization and provisions (excluding current assets)		36,126	34,364
Other items (including income on asset disposals)		828	(6,156)
Gross cash flow of consolidated companies after investment income, financing expenses and taxes		*79,605*	*85,667*
Cash revenue and financing expenses		(373)	(385)
Tax charge (including deferred taxes)		23,801	46,539
Consolidated cash flow before investment income, financing expenses and taxes	**32**	**103,033**	**131,821**
Tax paid / tax repayment	**32**	**(28,681)**	**(38,804)**
Changes in working capital requirements, including:	**32**	**(23,493)**	**(8,767)**
Changes in inventories and work in progress		(848)	(9,771)
Changes in accounts receivable		405	(2,197)
Change in accounts payable		(8,116)	5,165
Change in other trade receivables and operating debts		(14,934)	(1,964)
NET CASH FLOWS RELATED TO INVESTMENT ACTIVITIES	**32**	**(33,563)**	**(39,407)**
Acquisitions of tangible fixed assets	32	(26,538)	(40,884)
Acquisitions of intangible assets	32	(10,990)	(6,800)
Disposals of tangible fixed assets	32	4,582	8,376
Disposals of intangible assets		11	0
Investment grants received		0	0
Acquisitions of investments		(85)	(25)
Disposals of investments		4	26
Acquisitions of current financial assets		(547)	(100)
Disposals of current financial assets		0	0
Impact of changes of scope - acquisitions	32	0	0
Impact of changes of scope - disposals		0	0
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	**32**	**(27,187)**	**(91,961)**
Dividends paid to parent company shareholders	32	(25,389)	(28,304)
Dividends paid to minority holders of consolidated companies		(3)	(3)
Capital increases and reductions, additional paid-in capital and reserves		(18)	(7)
Buyback of treasury shares (excluding the liquidity contract)		0	(63,701)
Disposals of treasury shares (excluding the liquidity contract)		0	0
Loan issues	17	1,721	1,149
Repayment of loans	17	(1,760)	(1,481)
Interests paid		(97)	(206)
Repayment of rental liabilities	18	(2,111)	0
Interests on rental liabilities		(323)	0
Cash revenue		793	592
CHANGE IN CASH POSITION	**32**	**(9,891)**	**(47,118)**
Impact of exchange rate fluctuations		1,018	(992)
Net cash position at January 1	**32**	**216,830**	**264,940**
Net cash position at December 31	**32**	**207,957**	**216,830**
Consolidated cash flow before cash revenue, financing expenses and taxes:			
- per share		***€5.88***	***€7.41***
- as a % of sales		***18.5%***	***21.8%***

(1) IFRS 16 has been applied using the simplified retrospective transition method, involving no restatement of the 2018 financial statements. The impact of IFRS 16 as of January 1, 2019 is presented in note 2 to the consolidated financial statements.

4.1.1.5 - CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY AT DECEMBER 31, 2019

Before allocation of net income (in thousands of euros)	Number of shares (1)	Capital	Share premium	Treasury shares	Consolidated reserves (2) (3)	Actuarial differences related to post-employment benefits	Currency translation adjustments	Share-holder's equity, Group share	Minority interests	Share-holders' equity Total
12/31/2017	18,430,251	19,415	79,876	(70,594)	532,150	(31,853)	(11,533)	517,461	29	517,490
Purchases and sales of treasury shares	938,247			(63,817)	(443)			(64,260)		(64,260)
Cancellation of treasury shares	(1,849,196)	(1,849)		131,888	(130,039)			0		
Dividends paid					(28,304)			(28,304)	(3)	(28,307)
Transactions with shareholders	**(910,949)**	**(1,849)**	**0**	**68,071**	**(158,786)**	**0**	**0**	**(92,564)**	**(3)**	**(92,567)**
Net income					57,459			57,459	(5)	57,454
Other comprehensive income					(26)	6,965	(3,291)	3,648	18	3,666
Comprehensive income	**0**	**0**	**0**	**0**	**57,433**	**6,965**	**(3,291)**	**61,107**	**13**	**61,120**
12/31/2018 reported	17,519,302	17,566	79,876	(2,523)	430,797	(24,888)	(14,824)	486,004	39	486,043
Impact of the application of IFRS 16 as at 01/01/2019					(448)			(448)		(448)
01/01/2019 restated for IFRS 16	17,519,302	17,566	79,876	(2,523)	430,349	(24,888)	(14,824)	485,556	39	485,595
Purchases and sales of treasury shares	(10,052)			124	(378)			(254)		(254)
Cancellation of treasury shares		(20)		1,184	(1,164)			0		
Dividends paid					(25,389)			(25,389)	(3)	(25,392)
Transactions with shareholders	**(10,052)**	**(20)**	**0**	**1,308**	**(26,931)**	**0**	**0**	**(25,643)**	**(3)**	**(25,646)**
Net income					40,630			40,630	(46)	40,584
Other comprehensive income					(11)	2,186	2,757	4,932	(4)	4,928
Comprehensive income	**0**	**0**	**0**	**0**	**40,619**	**2,186**	**2,757**	**45,562**	**(50)**	**45,512**
12/31/2019	17,509,250	17,546	79,876	(1,215)	444,037	(22,702)	(12,067)	505,475	(14)	505,461

(1) Number of shares after elimination of treasury shares.
(2) Of which €367,937 thousand in other reserves and carryovers and €2,201 thousand in the legal reserve fund in the BOIRON parent company financial statements of December 31, 2019.
(3) The application of IFRS 16, under the simplified retrospective transition method, resulted in a negative impact of the standard at January 1, 2019, net of tax, of €448 thousand.

4.1.2 - NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

These notes form an integral part of the consolidated financial statements for the year ended December 31, 2019. The consolidated financial statements were approved by the Board of Directors on March 11, 2020.
These financial statements will be submitted for approval by the Shareholders' Meeting of May 28, 2020.

PRESENTATION OF THE COMPANY

BOIRON, the group parent company, is a French public limited company. Its main business activity is manufacturing and selling homeopathic medicines.
Its headquarters is located at 2, avenue de l'Ouest Lyonnais, 69510 Messimy, France.
At December 31, 2019, BOIRON parent company and its subsidiaries had 3,502 employees (actual workforce) in France and abroad, compared to 3,672 at December 31, 2018.
BOIRON stock is listed on Euronext Paris.

NOTE 1 - MAIN EVENTS OF THE YEAR

In 2019, group sales fell by 7.8% to €47,089 thousand, significantly impacted by the 12.6% decrease in sales of non-proprietary homeopathic medicines and specialties in France, amid considerable criticism of homeopathy and the government's announcement of its gradual delisting.

The decline in sales in Europe (Spain, Poland, Belgium and Romania) was partially offset by an increase in business in Russia and Italy, resulting from changes in the product offering.

The virulent, unjustified and repeated attacks on homeopathy in France (Laboratoires BOIRON's no. 1 market) and in Spain weighed heavily on operating income in 2019, which declined sharply: it came to €66,915 thousand, down from €106,022 thousand in 2018.

The gross margin decreased by €39,671 thousand, impacted by the decline is sales.
Operating expenses, excluding non-recurring items, were down by €14,919 thousand, mainly concerning payroll costs.

Non-recurring items gave rise to an adverse change in other operating revenue and expenses of €14,357 thousand:

- in financial difficulty since the stopping of sales to its Italian distributor, our subsidiary UNDA has signed an agreement for the sale of its business and real estate assets. This resumption of activity will make it possible to safeguard almost every job. In 2019, it generated asset impairments and provisions of €5,875 thousand (see notes 8, 12, 20 and 28),
- the trademarks, patents and equipment relating to the medical device purchased in 2017 from ALKANTIS were written down in full, in the amount of €2,069 thousand (see notes 7, 8 and 28),
- in 2018, a capital gain of €6,207 thousand was recorded in relation to the sale of Levallois-Perret (see note 28).

In October 2019, Laboratoires BOIRON and LEHNING filed two appeals before the French *Conseil d'État* for the annulment of decrees dated August 30, 2019 designed to phase out the reimbursement of homeopathic medicines and specialties by 2021 (see note 34).

NOTE 2 - VALUATION METHODS AND CONSOLIDATION PRINCIPLES

The consolidated financial statements are presented in thousands of euros, unless stated otherwise.

The BOIRON group financial statements for the year ended December 31, 2019 were prepared in accordance with the standards, amendments and interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union.
This framework, available on the European Commission website, comprises International Accounting Standards (IAS and IFRS), interpretations from the Standing Interpretations Committee (SIC) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC).

BOIRON group has applied IFRS 16 leases as of January 1, 2019, opting for the simplified retrospective method, including the following simplification measures:

- calculation of the marginal borrowing rate as at the date of first application, taking into account the original maturity of the lease, rather than the residual maturity,
- restatement of significant leases with a remaining term of more than twelve months, as at January 1, 2019,
- exclusion of initial direct costs from asset valuation,
- use of knowledge acquired after the start of the lease, for example to determine the term of leases that contain renewal or termination options.

In accordance with the standard relating to the simplified retrospective method, the comparative accounts have not been restated. The main financial impacts on the financial statements are presented below:

- impact, net of tax, on opening shareholders' equity at January 1, 2019: -€448 thousand,
- increase in rights-of-use assets at January 1, 2019: €7,108 thousand, i.e. 3.7% of the net book value of tangible assets,
- increase in rental liabilities at January 1, 2019: €7,702 thousand, in a context where the group has no debt,
- increase in operating income in 2019: €414 thousand (i.e. 0.6% of operating income),
- increase in consolidated cash flow from operations and loan repayments of €2,435 thousand (or 2.4% of cash flow from operating activities) and €2,111 thousand respectively (as stated above, the group had no debt).

In practice the impact at January 1, 2019 is presented:
- on a separate line in the consolidated statement of changes in shareholders' equity,
- in a specific column under the tables of changes in rights of use related to leases and rental liabilities.

Rights of use related to lease contracts and rental liabilities are presented separately in the balance sheet. Amortization of rights of use and repayment of rental liabilities are presented separately in the cash flow statement.

Off-balance sheet commitments relating to rental commitments under operating leases presented in note 31 to the consolidated financial statements for the year ending December 31, 2018 (in accordance with IAS 17), amounted to €17.5 million, i.e. approximately €15.3 million discounted at marginal borrowing rates at January 1, 2019.
Rental liabilities (see note 18) stood at €7.7 million as of January 1, 2019.

The €7.6 million difference is due to leases not included in the scope of restatement, in accordance with the standard, and leases not restated due to their insignificant impact on the group's accounts (i.e. vehicle rental leases).
The options applied by the group regarding discount rates and lease terms are presented in note 2.4.4.

The other standards, amendments and interpretations which took effect on January 1, 2019 did not have a material impact or are not applicable. This mainly concerns:
- IFRIC 23 "Uncertainty over income tax treatments". The analysis carried out did not give rise to the recognition of any additional liabilities for tax uncertainties,
- annual improvement cycle 2015-2017 (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23),
- amendment to IAS 19 "Plan amendment, curtailment or settlement",
- amendment to IFRS 9 "Prepayment features with negative compensation",
- IAS 28 amendment "Interests in associates and joint-ventures".

BOIRON group chose not to perform early application of the standards, amendments and interpretations adopted or to be adopted by the European Union for which early application would have been possible and which go into effect as from January 1, 2020, subject to their adoption by the European Union. This mainly concerns the following standards and amendments:
- amendments to IFRS 3 "Definition of a business", the adoption of which is scheduled for the first quarter of 2020,
- amendments to IAS 1 and IAS 8 on the definition of materiality, published on December 10, 2019,
- amendments to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and an associate or joint venture",
- amendments to IFRS 7, IFRS 9 and IAS 39 on the benchmark interest rate reform, published on January 16, 2020.

The group does not expect these amendments to have a significant impact on its financial statements.

There are no standards, amendments or interpretations published by the IASB with mandatory application for fiscal years starting on or after January 1, 2019 which have not yet been approved at the European level, that would have a material impact on the financial statements for the year.

2.1 - USE OF ESTIMATES AND ASSUMPTIONS

The group regularly makes estimates and establishes assumptions which affect the carrying amount of some assets and liabilities, revenue and expenses and the information disclosed in the notes to the financial statements. The main areas in which estimates and assumptions are used are:
- impairment tests on assets (note 6),
- employee benefits (note 19),
- provisions (note 20).

These estimates and assumptions are the subject of regular revision and analyses drawing on historical data and the forecast data regarded as the most likely to prove to be accurate. A divergent trend in the estimates and assumptions used could affect the amounts recognized in the financial statements.

The group did not report significant changes in the level of uncertainty associated with these estimates and assumptions, excluding the volatility of the discount rate used for employee benefits and exchange rates (especially the US dollar, the Russian rouble and the Brazilian real), which has remained very high for several years. However, changes in exchange rates have not led to the identification of an additional asset impairment risk.

Employee benefits' sensitivity to rate changes and the group's sensitivity to exchange rate fluctuations are described in notes 19 and 23.

The risk analysis (especially for risks relating to changes in market conditions and country risks) is presented in note 23.

2.2 - CONSOLIDATION METHODS

The companies under the exclusive control of BOIRON group are fully consolidated. The analysis performed according to the criteria defined by IFRS 10 (rights on relevant activities, exposure to variable returns and the ability to use its powers to affect the returns) confirmed the existence of full control over the subsidiaries included in BOIRON group consolidation scope with no changes compared to 2018. BOIRON group directly or indirectly holds more than 50% of the voting rights in all of its fully-controlled subsidiaries.

The analysis of the criteria defined by IFRS 10 and IFRS 11 standards did not identify joint ventures and joint activities for the periods reported.
The companies over which BOIRON group has neither material influence nor control are not consolidated.

The list of the companies included in the scope of consolidation is provided in note 3 to the financial statements.

2.3 - FOREIGN CURRENCY TRANSLATION METHODS

2.3.1. Translation of foreign currency transactions

Foreign currency transactions are translated into euro at the average exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the closing date are translated at the closing rate. Exchange rate adjustments are recognized as revenue or expenses, in operating income or in other financial expenses and revenue on the basis of the nature of the transaction concerned. The value of non-monetary assets and liabilities denominated in foreign currency is fixed at the exchange rate of the transaction date.

These measures apply to all foreign currency transactions, whether or not they are hedged. The accounting standards for hedging transactions are described in note 2.10.

2.3.2. Translation of the financial statements of foreign companies

Balance sheet items (other than shareholders' equity items) of consolidated companies for which the functional currency is not the euro have been translated at the closing rate. Revenue and expenses and cash flows are translated at the average rate for the fiscal year. Shareholders' equity items other than net income of the year are translated at the historical rate.

The exchange rate adjustments resulting from this approach are presented under "currency translation adjustments". The exchange rate adjustments of the year are recognized in other items of comprehensive income. Those will be recycled through the income statement in the event that the subsidiary is sold.

The goodwill resulting from the acquisition of a foreign company is regarded as assets and liabilities of that company. Therefore, it is denominated in the functional currency of the company and translated at the closing rate.

The group does not have subsidiaries in hyperinflationary countries.

2.4 - NON-CURRENT ASSETS

2.4.1. Goodwill

The revised IFRS 3 standard on business combinations was implemented on a prospective basis from January 1, 2010; the existing goodwill on that date was reported in the consolidated balance sheet in compliance with the previously applicable standards. The group had elected to lock the goodwill outstanding when the IFRS standards were first applied and net its gross value and accumulated amortization.

The group has only completed one merger since January 1, 2010: the 2017 acquisition of 100% of the capital of Laboratoire FERRIER. Pursuant to revised IFRS 3 the goodwill was calculated using the difference between the cost of the merger (excluding acquisition costs) and the group's share in the fair value at the date of acquisition of the assets, liabilities and identifiable potential liabilities of the businesses acquired. Determination of the fair values and goodwill is finalized within one year following the date of acquisition. Changes made after this date are recognized in income, including those related to deferred tax assets. There were no price supplements for the fiscal years presented.

2.4.2. Intangible fixed assets

IAS 38 standard defines an intangible asset as an identifiable non-monetary asset without physical substance. It may be separable or stem from a contractual or legal right. When the intangible asset has a finite useful life, it may be amortized. The group does not have any intangible fixed assets with an indefinite useful life, with the exception of brands.

IAS 23 standard "Borrowing costs" has not led to the capitalization of interest, as group debt is not material.

An impairment test is performed at the closing date each time any evidence of impairment is identified; this situation has, to date, only applied to some acquired brands for which marketing of certain medications was discontinued and for which the write-off was estimated on the basis of future sales projections. In the case of the ongoing ERP projects, the evidence of impairment was the discontinuation of the project. No evidence of impairment has been identified on the ongoing development projects as of the closing dates of the periods reported.

Intangible assets recognized by the BOIRON group are therefore valued at acquisition cost. These assets are mostly IT software that is amortized on a straight-line basis over its estimated useful life:

- ERP-type integrated management software is amortized over an eight-year period, given its operational importance and estimated useful life,
- other software is amortized over periods ranging from one to five years.

Patents acquired by the group are amortized over the legal protection period, i.e. twenty years, except when a shorter economic useful life is identified.

Internally-generated brands are recognized as expenses. The fees paid to exploit them and OTC family medication specialties formulas are not recognized as intangible assets, since they do not meet the criteria for capitalization. In practice, the brands recognized as intangible assets are therefore solely brands acquired through corporate acquisitions.

The research and development expenses essentially consist of:

- firstly, pharmacological, clinical and fundamental research costs that do not meet the IAS 38 criteria for capitalization. They are recognized as expenses of the fiscal year in which they are incurred. The group chooses to present the research tax credit associated with these research expenses, which can be considered a research grant, under other operating revenue (see note 2.6),
- secondly, for software acquired or developed: software expenses are capitalized when associated with large IT projects.

In the case of software, only the expenditure on internal and external development related to the following stages is capitalized:

- organic analysis expenses,
- programming, tests and trial series expenses,
- expenses related to end-user documentation.

These expenses are capitalized in accordance with the six criteria set out in IAS 38:

- the technical feasibility required to complete programs,
- the intention to complete and use them,
- the ability to use them,
- the ability of these programs to generate probable future economic benefits,
- the availability of technical resources to complete them,
- and lastly, the ability to reliably assess the expenditure attributable to these assets.

IT projects capitalized are amortized based on the start-up date of the various modules.

The expenses related to Market Authorizations, unless acquired, are not capitalized since they do not represent an asset.

2.4.3. Tangible fixed assets

2.4.3.1. Recognition

Under IAS 16 "Property, plant and equipment", the gross value of tangible fixed assets is their acquisition cost, including incidentals. It is not revalued. Tangible fixed assets are recognized using the component method.
Maintenance and repair costs are recognized as expenses when incurred, except where they are incurred to increase productivity or to extend an asset useful life, in which case they are capitalized.

IAS 23 standard "Borrowing costs" has not led to the capitalization of interest, as group debt is not material.

The group does not own any investment property.

2.4.3.2. Depreciation

Tangible fixed assets (excluding land) are depreciated on a straight-line basis over the period in which they are expected to be used, as estimated by the BOIRON group. The residual value is taken into account in the calculation of the depreciable amount, when it is deemed to be material.

The standard periods over which fixed assets are generally expected to be used are as follows:

- three to five years for office equipment and IT equipment,
- eight to twelve years for industrial equipment and tooling, furniture, land improvements, general facilities and sundry fixtures and fittings,
- thirty years for buildings.

2.4.4. Rights of use related to leases and accounting principles specific to IFRS 16

As stated in note 2, the group applied IFRS 16 "Leases" as of January 1, 2019, opting for the simplified retrospective method. The comparative financial statements have not therefore been restated.

2.4.4.1. Rules for recognizing leases until December 31, 2018, pursuant to IAS 17

The group does not have any finance leases.

2.4.4.2. Rules for recognizing leases since January 1, 2019, pursuant to IFRS 16

- **Specific rules adopted for the transition on January 1, 2019**

The options applied for the transition are detailed in note 2.

- **General accounting policies**

On the lessee's side, IFRS 16 no longer distinguishes between finance leases and operating leases, as previously defined under IAS 17.

Leases confer the right to control the use of a given asset for a certain period of time, in exchange for consideration.

Leases that fall within this definition are recognized in accordance with the methods set out below, except in the event of exemptions provided for by the standard (lease terms of less than twelve months and/or low-value underlying assets) and leases that have not been restated due to their non-material impact.
In practice, the analysis gave rise only to the restatement of contracts relating to tangible assets, and more specifically to real estate leases.

For leases not restated, rental amounts were maintained under operating expenses.

For restated leases (real estate leases), the accounting rules are presented below.

At the lease start date, the group recognizes a right of use asset and a rental liability. Assets and liabilities are presented on a separate line on the balance sheet.

The rental commitment is measured at the present value of outstanding lease payments over the lease term.

The present value is determined using the marginal borrowing rate calculated for each country, depending on the lease term. The marginal borrowing rate is a rate of the payment profile.
The lease term is the enforceable period, which is the non-cancellable period plus any option to extend the lease that the group is reasonably certain it will exercise, as well as any option to terminate the lease that the group is reasonably certain it will not exercise.

In practice the terms used for the main leases are as follows:
- in Italy: enforceable period of ten years,
- in Belgium: 30-year emphyteutic lease,
- in Poland: enforceable period of ten years,
- in Russia: enforceable period of six years,
- in France: nine-year enforceable period (commercial leases 3/6/9): non-cancellable period of three years and certainty of exercising extension options after three and six years.

The leases do not contain early termination clauses, nor is there any clause liable to terminate the contract that would result in the company bearing more than insignificant penalties in the event of non-renewal of the lease at the end of the non-cancellable period. In practice, most rental amounts are fixed, and no purchase option is provided for.

Regarding taxes, and pending confirmation by IFRIC, the group has opted to recognize deferred tax on the restatement of property leases.

Rights of use relating to leases are valued as follows: cost is reduced by accumulated amortization and impairment losses, and adjusted to take into account any revaluations of the rental obligation. No impairment or revaluation of the lease obligation was recognized in 2019.

In the absence of a purchase option, rights of use related to leases are amortized over the lease term.
In accordance with the IFRIC's decision, lease-related fixtures and fittings are depreciated over the term of the lease, unless there is a series of presumptions showing that the underlying asset will be used over a period longer than the lease term.

The group has not identified any situations in which it is a lessor, nor any leasebacks.

2.4.5. Investments and other non-current financial assets

2.4.5.1. Financial assets valued at depreciated cost

Financial assets are valued at amortized cost when they are not listed at fair value in the income statement, are held for the purpose of obtaining contractual cash flows, and generate cash flows which correspond only to capital reimbursement and interest payments. These assets are later valued at amortized cost using the effective interest rate, less impairments. Interest income, foreign exchange profits and losses, impairments and profits and losses generated by derecognition are listed in the income statement.

For the group, this line item mainly refers to the "restricted cash" section of the liquidities contract linked to the share buyback (see notes 2.8 and 10), and the non-current portion of real estate loans and guarantees.

The non-current financial assets refer to assets with a life of more than one year.

2.4.5.2. Financial assets at fair value through other comprehensive income

There are no non-current financial assets that fall into this category.

2.4.5.3. Financial assets at fair value through profit or loss

This section includes non-consolidated participating securities. The group does not have significant non-consolidated investments. All changes in fair value, including dividends received, are recognized on the income statement. The accounting treatment for these securities is covered in note 2.10.

2.5 - MONITORING THE VALUE OF FIXED ASSETS

Under IAS 36 standard "Impairment of assets", the recoverable amount of tangible and intangible fixed assets with finite useful lives is tested whenever there are indications of impairment, reviewed at each annual closing date or more frequently if justified by internal or external events.

Impairment losses on depreciable tangible and intangible fixed assets are booked in operating income and give rise to a prospective change to the amortization plan; they may be subsequently reversed if the recoverable amount rises above the carrying amount (up to the amount of the impairment loss initially recognized).

Goodwill and other intangible assets, for which expected useful lives are not defined or have not been amortized as they remain under development (mainly ongoing ERP development projects), are tested when indications of impairment appear and at least once a year.

The tests are performed based on the assets, either at the individual asset level or at the level of the Cash Generating Units (CGU). A CGU is a set of assets the continuing use of which generates cash inflows, for the most part independently of the cash inflows generated by other asset groups. CGUs correspond to countries and represent operating activities, uniting product groups which are homogeneous in terms of strategy, marketing and industry. This segmentation is in line with the business sector information. The scope of the CGUs was not modified during the fiscal years presented (see note 6.1).

In order to carry out impairment tests on the CGUs, the fixed assets (including goodwill) and items of working capital requirement are assigned to CGUs. Impairment tests are carried out by comparing the carrying amount of the assets of the CGU with their recoverable amount.
The recoverable value is the higher of their value in use or fair market value minus disposal costs. In practice, impairment tests on goodwill are currently performed as compared to their value in use. The value in use is calculated using the discounted future cash flows over a five-year period and an ending value.

The main procedures for implementation of this method are presented in note 6.2.

When the recoverable value is less than the carrying amount of the CGU, the difference is recognized as an impairment loss in the income statement. The impairment loss is preferably written-off against existing goodwill. Impairment losses related to goodwill, reported as other operating expenses, cannot be reversed, excluding for goodwill outflow (for instance: transfer of a subsidiary).

Tests were performed in note 6.2 to determine the sensitivity of the values calculated to certain key actuarial and operational hypotheses.

Impact of the first-time application of IFRS 16:
The analysis conducted did not identify any assets related to leases that would need to be tested independently of a CGU.
Pending clarification regarding the practical procedures for conducting impairment tests incorporating the restatement under IFRS 16, and in view of the practical difficulties identified, the impairment tests were carried out i) before the impact of IFRS 16 and ii) on an approximate basis, by including in the book value the CGU the underlying asset relating to the right of use and the rental liability, without any change in the calculation of the discount rate and forecast cash flows.
There are no CGUs for which the recoverable amount was close to the net book value as of December 31, 2019, including leases. Furthermore, the first-time application of IFRS 16 is not expected to have a significant impact, in the case of a recoverable amount calculated in relation to forecast cash flows.

2.6 - DEFERRED TAXES

In accordance with IAS 12 “Income taxes”, deferred taxes are recognized on the temporary differences between the carrying amount of assets and liabilities and their tax base, and also on tax losses, using the liability method. Similarly, deferred taxes are recognized in the entries reconciling the individual company financial statements with the consolidated financial statements.
Deferred tax assets related to tax loss carryforwards are only recognized insofar as they may be charged to future taxable differences, when there is a reasonable likelihood of accomplishment or recovery, estimated on the basis of available forecasts or when there are opportunities for fiscal optimization at the BOIRON group’s initiative. They are not material for the group.

In order to assess the BOIRON group’s ability to claw back these assets, the following items are taken into account in particular:

- temporary asset differences, taken into account over a period of five years,
- forecasts of future tax results available generally estimated for a five-year period, taking into account the local constraints related to the use of tax losses,
- history of the taxable profits of previous years and reason for the losses (significant and non-recurring expenses, etc.),
- and, if necessary, a fiscal strategy such as the planned disposal of undervalued assets, consolidation of subsidiaries or scrapping of liabilities, when the decision depends on the group.

As indicated above, and pending finalization of the IFRIC’s decision, the group has recognized deferred tax on the restatement of leases under IFRS 16.

The amount of deferred tax assets not recognized by the application of these principles is provided in note 30.

The net position set out in the balance sheet is the result of offsetting deferred tax receivables and debts of the same tax company in accordance with the conditions of IAS 12 standard. Deferred taxes in the balance sheet are not discounted.

A deferred tax liability is recognized when a planned distribution of reserves generates a tax impact, if that impact is material.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied during the fiscal year in which the asset will be realized or the liability settled, on the basis of the tax rates (and tax regimes) adopted or virtually adopted at the closing date. The impact of the gradual reduction of corporate tax rates is set out in note 30.

Deferred tax assets and liabilities may be recognized by compensation in the income statement or in other comprehensive income depending on the manner in which the items to which they relate have been recognized.

In France:

- the tax on company value added (*Cotisation sur la Valeur Ajoutée des Entreprises* or “C.V.A.E” in French) recognized as an operating expense and not as a corporate income tax,
- the French research tax credit (CIR) is recognized under other operating revenue,
- the competitiveness and employment tax credit (CICE) was abolished in 2019, and was offset by a decrease in social security charges. It was previously presented under other operating income.

2.7 - CURRENT ASSETS

2.7.1. Assets held for sale and discontinued operations

Pursuant to IFRS 5, non-current assets and liabilities that are immediately available for sale, for which a sale plan and the necessary customer canvassing work have been carried out and the disposal of which is highly likely within a year, are classed as being held for sale. These non-current assets and liabilities are valued at the lower of their carrying amount and their fair value net of sale fees.
Assets are no longer depreciated once they have been classified within this category.

2.7.2. Inventories

Under IAS 2 “Inventories”, inventories are valued at the lower of their cost or their net realizable value.
All inventories are valued in accordance with the weighted average price method.

The cost of inventories takes into account the following aspects:
- the gross value of raw materials and supplies includes the acquisition price and incidental acquisition costs,
- manufactured goods are valued at production cost including supplies consumed, direct and indirect production expenses and allowances to depreciation of assets used in production,
- inter-company profits included in inventories are eliminated.

Net realizable value is the estimated selling price in the normal course of business, less the estimated costs of completion and necessary to make the sale. A provision for impairment loss is recognized when the realizable value of an item of inventory falls below its cost. In the case where the realizable value cannot be determined from directly observable data, it's estimated based on evidence of impairment, such as the rates of inventory turnover on products or their obsolescence.

2.7.3. Current financial assets

These assets include accounts receivable, other current assets and cash and cash equivalents.

Given the company operating cycle, the term "current assets" refers to assets with a life of less than one year.

2.7.3.1. Trade receivables (accounts receivable), other assets linked to contracts and other liabilities linked to contracts

The procedures for recognizing sales (revenues) are presented in note 2.11.1.

Trade receivables are initially recognized at their fair value, which most often corresponds to their nominal value. Receivables are discounted when they include a significant financing component (payment deadlines of over one year). In practice, there were no receivables with significant financing components during the fiscal years presented.

The group's customer risk is not significant.
A provision was allocated as required by IFRS 9, based on expected losses and any collateral.
The group uses the simplified impairment method for receivables. The group thus distinguishes between doubtful clients (clients at high risk of default) and other receivables.
Provisions for bad debts are made on a case-by-case basis.
Provisions for other receivables are made on the basis of a provision matrix which uses the probability of default and the probability of a loss in the event of default.
Risk analysis is based on criteria including the client's financial position, the age of the receivable, and the existence of a legal dispute, coverage or collateral.
An impairment loss is recognized when cash flows estimated at closing date are lower than the booked value.

There are no assets linked to the incremental cost of obtaining a contract or contract fulfillment costs.

Client contract liabilities (see note 2.11.1) include:
- debts to customers related to consideration due to clients,
- deferred revenue, which is not material and is intended to link sales to the fiscal year.

2.7.3.2. Cash and cash equivalents

This item comprises current account balances, term deposits, negotiable debt instruments and cash fund units (French "OPCVM") in euros which are marketable or may be disposed of quickly without incurring material penalties and are not at material risk of impairment loss should interest rates fluctuate. The latter are valued at their fair value, namely the net asset value at the closing date. Fair value changes are recognized as income.
Investments which do not meet this definition are recognized in other current or non-current financial assets, as appropriate. There are no investments in this situation as of the closing dates reported.

2.8 - CONSOLIDATED SHAREHOLDERS' EQUITY AND TREASURY SHARES

The group treasury shares, in line with the share buyback program and the liquidity agreement, are recognized at their acquisition cost and deducted from shareholders' equity. Income from the sale of treasury shares is allocated to shareholders' equity for the amount after income tax.

2.9 - NON-CURRENT AND CURRENT LIABILITIES

2.9.1. Employee benefits

The group staff receives employee benefits in line with applicable legislation in the countries where its companies operate or under local agreements signed with the social partners.

Group employees receive:
- short-term benefits: paid leave, year-end bonuses, profit-sharing or entitlement to recover working time under agreements on the reduction of working hours,
- post-employment benefits: Internal Agreement on Preparation for Retirement, Retirement Indemnities as per the collective agreement, Social Security retirement pension and supplementary pensions,
- other long-term benefits: long-service awards, bonuses granted and prepensions.

The group offers these benefits through either defined contribution plans or defined benefit plans.

2.9.1.1. Short-term benefits

Short-term benefits are recognized in the debts of the various group companies that grant them and are included in other current liabilities.

2.9.1.2. Post-employment benefits

2.9.1.2.1. Defined contribution plans

Defined contributions plans are characterized by payments to organizations that free the employer from any subsequent obligation, with the organization responsible for paying the amounts due to staff. Given their nature, defined contributions plans do not give rise to the recognition of provisions in the BOIRON group financial statements, as the contributions are recognized as expenses when they fall due.

2.9.1.2.2. Defined benefit plans

Under IAS 19 revised standard "Employee benefits", in the case of defined benefit plans, post-employment benefits are measured on a yearly basis by independent actuaries, in line with the projected unit credit method, according to the scale provided in the collective labor convention or the company agreement. Retirement indemnities are estimated using the hypothesis of voluntary departures, taking social charges into account.

Under this method, each period of service gives rise to an additional unit in terms of benefit entitlement and each unit is assessed separately to calculate the final obligation. This final obligation is then discounted.

The main items taken into account in these calculations are:
- the estimated date of payment of the benefit,
- a financial discount rate in the country where the benefits are granted,
- assumptions on salary increases, staff turnover and mortality rates.

The main actuarial assumptions retained at the closing date are described in note 19.

Tests are conducted to assess these benefits' sensitivity to a change in the discount rate.

The cost of services rendered is recorded against operating income while the financial cost, net of the return on the related outsourced investments, is recognized as other financial revenue and expenses.
The expected rate of return on the outsourced fund assets corresponds to the discount rate used to estimate the global employee benefit liability for the previous period.

When benefits are pre-financed via outsourced funds, assets held through funds are measured at their fair value and presented in the balance sheet net of the commitment.

The positive or negative actuarial differences include the effects on the benefit of changes in the calculation assumptions, the adjustments to the obligation based on experience as well as differences in outsourced fund returns in the case of prefinancing. Pursuant to IAS 19 revised, these differences are recognized as a non-recyclable component of other comprehensive income, for their after-tax value.

Past service cost and plan terminations

The past service costs associated with plan changes or reductions in benefits and gains or losses on plan terminations are recorded in operating income on the date of occurrence, since the adoption of IAS 19 revised standard.

No plan modification or termination occurred in 2018 and 2019.

Post-employment benefits of French companies

Retirement Indemnities

These indemnities affect the BOIRON parent company, BOIRON Caribbean and BOIRON Indian Ocean.

Agreement on Preparation for Retirement

The key terms are as follows:
- the retirement preparation scheme provides for free time and the gradual reduction of working time, facilitating the transition from work to retirement with no loss of wages,
- employees who benefit from this agreement include those who are finishing their career with BOIRON parent company and will be leaving the workforce within the framework of a departure or retirement, and have at least ten years' seniority on their official retirement date,
- employees who benefit from the agreement have the option of joining the retirement preparation program no more than four years and no less than three years prior to the age at which they will be entitled to collect their old age pension under the general pension scheme,
- the accrued retirement preparation time amounted to 1,638 hours or 468 half-days for a full-time employee with at least twenty-five years of service. For part-time employees with less than twenty-five years of seniority, the hours or half days are prorated,
- this reduction in working hours applies to the working hours in effect when the retirement preparation program begins,
- predetermined options for reductions in hours are available for employees to organize their working time reduction, taking into account the various requirements.

In the event that the French Social Security program or the supplementary pension plans were to materially change the conditions for receiving a full-rate pension, the parties would meet to, if necessary, adapt the terms and conditions of these arrangements.

Post-employment benefits of BOIRON Italy

Liabilities related to the TFR in Italy (payment of a retirement indemnity to Italian staff) are recognized in other non-current liabilities because they are certain accrued expenses. Advances paid to employees are recognized negatively in other non-current liabilities. The annual charge relating to the change in these entitlements is included on the staff costs lines in the consolidated income statement.

2.9.1.3. Other long-term benefits

These benefits relate to long-service bonuses paid by the French companies, bonuses granted by BOIRON Spain, and prepensions and bonuses granted by Belgian subsidiaries and BOIRON India.

At the closing date of each fiscal year, an independent actuary calculates the discounted value of the employer's future obligations related to these benefits.

Once the discounted value has been calculated, a non-current provision is recorded as a liability in the balance sheet.

The group does not outsource the financing of these benefits.
Actuarial differences and the impact of changes, reductions or liquidations affecting the other long-term benefit plans (long-service and other bonuses) are recognized as operating income, like the other components of the change.

2.9.2. Borrowings and financial debts (excl. financial rental liabilities)

Non-current borrowings and financial debts include the portion at over one year of borrowings and other financings, particularly the staff profit-sharing reserve. Borrowings and financial debts are not material and include the staff profit-sharing reserve.

Current borrowings and financial debts include:
- the portion of borrowings and other financing due in under one year (current portion),
- bank overdrafts.

Borrowings and financial debts are valued at amortized cost, using with the effective interest rate method. No financial debts were recognized at fair value.

2.9.3. Rental liabilities

As stated in note 2, the group applied IFRS 16 "Leases" as of January 1, 2019, opting for the simplified retrospective method. The comparative financial statements have not therefore been restated.

The accounting methods and principles for lease liabilities under IFRS 16 are discussed in note 2.4.4.

2.9.4. Provisions and contingent liabilities

Under IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognized when the group has an effective, legal or implicit obligation towards a third party, and when it is probable that this obligation will lead to an outflow of resources to this third party, without at least equivalent consideration being expected from the latter, and where the amount can be reliably measured. The portion of the provision at less than one year is recognized as current, with the balance being recognized as non-current.

These provisions mainly cover:
- provisions for returned goods, which are calculated on a statistical basis based on the history of returns in previous years, and on the basis of knowledge of events suggesting that there will be exceptional numbers of returns,
- provisions for labor and commercial disputes,
- provisions intended to cover ongoing actions relating to risk procedures,
- provisions for reorganizations.

In the case of reorganizations, a liability is recognized as soon as the reorganization has been disclosed, a detailed plan exists or its implementation has been launched along with a completion calendar making any material changes to the restructuring plan unlikely.
Provisions are discounted when actualization impact is material.

Contingent assets and liabilities are mentioned in note 34.

2.9.5. Accounts payable and other liabilities

Other non-current liabilities include the portion of other liabilities payable in more than one year.

Other current liabilities include the portion of other liabilities payable in less than one year.

2.10 - FINANCIAL INSTRUMENTS

Financial instruments consist of financial assets, financial liabilities and derivatives.

Financial instruments are presented in various headings of the balance sheet (non-current financial assets, accounts receivable, accounts payable, financial debts, etc.).

2.10.1. Financial assets valued at amortized cost

Financial assets valued at amortized cost mainly include non-current financial assets (see note 2.4.5.1) and current financial assets such as accounts receivable (see note 13), other receivables excluding tax and social charges receivables, and adjustment accounts accrued income and prepaid expenses (see note 14).

As previously noted, there are no financial assets with a significant financing component.

2.10.2. Financial assets at fair value through other comprehensive income

The group does not have any assets of this kind.

2.10.3. Financial assets at fair value through profit or loss

Non-current financial assets are non-consolidated investments, which are not material (see note 10). Analysis has shown that valuing at cost provides the best estimate of fair value.

Current financial assets are mainly short-term investments (see note 15).

2.10.4. Financial liabilities valued at amortized cost

These liabilities mainly include:
- borrowings and financial debts, valued using the effective interest rate method (see note 17),
- accounts payable with no financing components.

Please note that the only financial liabilities with a significant financing component are post-employment benefits (see note 19).

2.10.5. Reclassification of financial assets and liabilities during the fiscal years presented

No reclassifications were performed for the fiscal years presented.

2.10.6. Derivative instruments

The group has implemented exchange risk hedging instruments as provided for by IFRS 9, in line with its general risk management policy (hedging relationship clearly defined and documented at the date of implementation, proven effectiveness, eligible hedge, no major credit risks, etc.).

Hedging instruments are used for a maximum of twelve months.

In practice, hedging instruments are simple products (mainly futures sales), and are generally fair value hedges rather than cash flow hedges.

Variations in the fair value of fair value hedging contracts are recognized in the income statement.

Variations in the fair value of cash flow hedges are recognized directly under other comprehensive income for the effective portion and under income for the ineffective portion. The amounts recognized under other comprehensive income are symmetrically reported as income when the hedged element is recognized. The exchange rate hedges in place on December 31, 2019 are listed in note 23.

Currency derivatives are essentially futures and options transactions, which fall under level 2 of the hierarchy defined by IFRS 13 standard (fair value calculated using valuation techniques based on observable data such as the prices of assets or liabilities or pricing parameters from an active market).

Currency derivatives are valued at fair market value at each closing date and reported in the balance sheet as other current assets and liabilities. The fair value was determined on the basis of information provided by an external service provider as at the closing date. The counterparty for the fair value depends on the derivative and the hedging relationship: because the derivatives are primarily related to fair value hedges, changes in the fair value of derivatives are reported as other operating revenue and expenses or financial revenue and expenses (see notes 2.11.2 and 2.11.3), depending on whether or not they qualify as hedges.

Pursuant to IFRS 13, financial instruments are presented under three categories, according to a hierarchy of fair value determination methods:
- level 1: fair value as measured by reference to market prices (unadjusted), linked to identical assets and liabilities, on active markets,
- level 2: fair value as measured by reference to the observed level 1 quoted price for the asset or liability, either directly (derived from the prices) or indirectly (based on data derived from the prices),
- level 3: fair value as measured by reference to data related to the asset or liability not based on observable market data.

A summary table of assets by category and by level, at the closing date, is provided in note 23.

2.11 - PROFIT AND LOSS STATEMENT

The group applies ANC (French accounting standards agency) recommendation no. 2013-R-03 of November 7, 2013 on the presentation of the income statement, and has opted not to present a level corresponding to current operating income; only operating income is identified.

2.11.1. Operating revenue

IFRS 15 sets out the rules for recognizing sales, on the basis of a five-step analysis:
- identification of the agreement,
- identification of the different performance obligations, i.e. the list of the goods or services that the vendor has undertaken to supply to the buyer,
- determining the overall price of the agreement,
- allocation of the overall price to each performance obligation,
- recognition of sales and related costs when a performance obligation is satisfied.

The BOIRON group's business activities essentially focus on the production and distribution of homeopathic products (over 90% of sales). Sales are recognized on the date of transfer of control, which in practice is the delivery date. Revenue is therefore recognized after completion; there are no earnings generated by product sales recognized in advance.
The group acts only as the principal.
Its client contracts do not include any distinct, material performance requirements.
The business earnings recognition rules are not based on estimates. Guarantees are treated as a separate service obligation and, where necessary, are covered by a provision recognized in compliance with IAS 37 (see note 2.9.4).

An analysis based on the criteria defined by IFRS 15 has led the group to present the consideration paid to customers, thus decreasing sales, with no change from current treatment. Amounts paid to customers are not consideration for distinct and identifiable services.

In accordance with IFRS 15 standard, operating revenue is recorded net of:
- rebates, reductions,
- credit notes,
- discounts,
- consideration paid to customers and treated as a price reduction,
- changes in the provisions for extraordinary returns.

Sales generated by services are not material (0.2% of sales). They are recognized as the services are provided.

Foreign exchange gains and losses on operating transactions are included in other operating revenue and expenses, for the effective portion, and when the impact is material, in other financial income and expenses, for the ineffective portion.

2.11.2. Operating income

The performance indicator used by the BOIRON group is operating income. It corresponds to consolidated group income before:
- the cost of net financial debt,
- other financial revenue and expenses,
- the group's share of the net income or loss of companies accounted for under the equity method,
- income from activities held for sale,
- corporate income tax.

It includes the result of group activities and other operating revenue and expenses.

Other operating revenue and expenses include:
- extraordinary, non-recurring and significant items, such as:
  - income from the disposal of tangible and intangible assets and consolidated shares,
  - provisions, current asset impairment, goodwill impairment and depreciation and amortization of tangible and intangible fixed assets, the cause of which meets this definition (closure of sites, etc.),
- exchange gains and losses on operating transactions, the income on derivative instruments on trade transactions as well as the research tax credit (French "CIR").

This item previously included the French CICE Competitiveness and Employment Tax Credit abolished in 2019 and replaced by decreases in social security charges, recorded within the group's activities.

2.11.3. Cash revenue and financing expenses, other financial revenue and expenses

Cash revenue and financing expenses comprise:
- interest expenses on the consolidated financial debt (cost of gross long-term debt including financial expenses, interests on rental liabilities, issue costs, foreign exchange gains and losses on financial debts and the impact of hedging transactions) comprising borrowings and other financial debt (particularly overdrafts),
- less any income from cash and cash equivalents.

Other financial revenue and expenses comprise:
- the impact of discounting assets and liabilities (excluding rental liabilities), which is mainly based on the financial cost of the employee benefits, net of the return on the outsourced fund,
- other expenses paid to banks on financial transactions,
- the impact on income of non-consolidated equity interests (dividends, impairment losses, gains and losses on disposal),
- foreign exchange gains and losses on financial transactions, including current accounts not eliminated during consolidation,
- income from derivative currency instruments generated by trade and financial transactions, not qualified as hedges or generated by the ineffective portion in the case of a material impact.

2.11.4. Earnings per share

Under IAS 33, basic earnings per share is calculated by dividing the BOIRON group share of net income by the weighted average number of ordinary shares in circulation during the period, after deduction of treasury shares.

There were no dilutive instruments or discontinued operations under IFRS 5.

2.12 - STATEMENT OF CASH FLOWS

The statement of cash flows is drawn up pursuant to IAS 7 using the indirect method, taking consolidated net income as the starting point. It separates out flows from operating activities from those generated by investment and financing activities.

Cash flows from operating activities generate revenue and do not meet the criteria for investment and financing flows. The group has elected to classify dividends received from non-consolidated companies in this category. Changes in provisions associated with working capital requirements are allocated to the corresponding flows.

Cash flows related to investment activities stem from acquisitions and disposals of long-term assets and other assets not classed as cash equivalents, with the exception of increases and decreases in rights of use related to leases not considered as cash flows under the standard. The impact of changes in scope during the fiscal year is also clearly identified in these flows. Flows related to acquisitions and disposals are presented net of the changes in asset liabilities and in asset disposals receivables.

Financing activities are those that result in a change in the amount or nature of shareholders' equity or the company debts. Capital increases for the full-year period and paid dividends, movements in treasury shares excluding the liquidity contract, increases in or repayments of borrowings are included in this category, and repayments of rental liabilities (increases in liabilities are not considered cash flows, pursuant to the standard). The group also opted to include paid interests (including interests on rental liabilities) and collected cash revenue.

The group's cash and cash equivalents, the change in which is analyzed in the statement of cash flows, are defined as the net balance of the balance sheet sections hereafter:

- cash and cash equivalents,
- current bank overdrafts and bank credit balances.

2.13 - SEGMENT REPORTING

In line with IFRS 8, segment reporting is presented in note 5 to the financial statements.

The segment reporting level applied by the group is the geographical area, with not change compared to previous years. Management makes decisions on this strategic basis using reporting by geographic area as a primary analysis tool. Geographical segmentation also corresponds to the group's functional organization.

The various geographic areas were defined by grouping countries with similar economic characteristics, based on their similarities in terms of risks, strategy, and regulatory and profitability requirements.

This analysis led to the use of the following areas, which remain unchanged from previous periods:

- France: mainland France and the overseas departments and territories,
- Europe: all European countries excluding France,
- North America: only the United States and Canada,
- Other countries: all countries that do not meet the criteria for any of the three areas set out above.

Income by segment is determined based on consolidated figures, on a comparable basis as for prior years.

The criterion for allocation to a geographic area is the location of the assets used to generate sales. This criterion is different from that used for the information on sales released on a quarterly basis, which uses allocation by geographic destination of sales (market).

There is only one material sector of activity, the manufacture and marketing of homeopathic medicines. Revenues derived from ancillary activities are not material.

NOTE 3 - CONSOLIDATION SCOPE

The following BOIRON group companies are fully consolidated, listed by date of creation or date of entry into the group:

Country	Company name	Changes in consolidation scope		% interest as at 12/31/2019	% interest as at 12/31/2018	% of control as at 12/31/2019	% of control as at 12/31/2018
		Type of change	Date				
Belgium	UNDA (1)			99.28%	99.28%	99.28%	99.28%
Italy	LABORATOIRES BOIRON			99.91%	99.91%	99.97%	99.97%
USA	BOIRON USA (2)			100.00%	100.00%	100.00%	100.00%
USA	BOIRON			100.00%	100.00%	100.00%	100.00%
Spain	BOIRON SOCIEDAD IBERICA DE HOMEOPATIA			99.99%	99.99%	100.00%	100.00%
Canada	BOIRON CANADA			100.00%	100.00%	100.00%	100.00%
Germany	BOIRON (3)			100.00%	100.00%	100.00%	100.00%
France (Martinique)	BOIRON CARAÏBES			99.04%	99.04%	99.04%	99.04%
Czech Rep.	BOIRON CZ			100.00%	100.00%	100.00%	100.00%
Slovakia	BOIRON SK			100.00%	100.00%	100.00%	100.00%
Poland	BOIRON SP			100.00%	100.00%	100.00%	100.00%
Romania	BOIRON RO			100.00%	100.00%	100.00%	100.00%
Tunisia	BOIRON TN			99.90%	99.90%	100.00%	100.00%
Hungary	BOIRON HUNGARIA			100.00%	100.00%	100.00%	100.00%
Russia	BOIRON			100.00%	100.00%	100.00%	100.00%
Brazil	BOIRON MEDICAMENTOS HOMEOPATICOS			99.99%	99.99%	100.00%	100.00%
Belgium	BOIRON BELGIUM (2)			100.00%	100.00%	100.00%	100.00%
France	LES ÉDITIONS SIMILIA (4)			97.52%	97.52%	97.54%	97.54%
Italy	LABORATOIRES DOLISOS ITALIA (3)	Liquidation	11/11/2019	0.00%	0.00%	100.00%	100.00%
Switzerland	BOIRON			100.00%	100.00%	100.00%	100.00%
France (La Réunion)	BOIRON			100.00%	100.00%	100.00%	100.00%
Bulgaria	BOIRON BG			100.00%	100.00%	100.00%	100.00%
Portugal	BOIRON			100.00%	100.00%	100.00%	100.00%
Belgium	BOIRON			100.00%	100.00%	100.00%	100.00%
India	BOIRON LABORATORIES			99.99%	99.99%	99.99%	99.99%
Colombia	BOIRON S.A.S.			100.00%	100.00%	100.00%	100.00%

(1) Direct and indirect holding via BOIRON parent company and BOIRON BELGIUM.
(2) Holding company.
(3) Company without activity.
(4) Company whose main activity is publishing.

The year end is December 31 for all companies except BOIRON LABORATORIES in India, which closes its company accounts on March 31. It prepares interim statements, subject to a contractual audit, on December 31 for use in the annual consolidated financial statements.

Given that their impact within the group is considered non-significant, the non-consolidated controlled companies are recognized as investments (see note 10).

NOTE 4 - CURRENCY TRANSLATION METHOD

The following table sets out the euro conversion rates against the currencies used for consolidation for the main companies in foreign currencies:

Conversion rate	Average rate 2019	Average rate 2018	Closing rate 2019	Closing rate 2018
Czech Koruna	25.670	25.643	25.408	25.724
US Dollar	1.120	1.181	1.123	1.145
Canadian Dollar	1.486	1.530	1.460	1.561
Hungarian Forint	325.230	318.824	330.530	320.980
New Romanian Leu	4.746	4.654	4.783	4.664
Brazilian Real	4.414	4.309	4.516	4.444
Russian Ruble	72.459	74.055	69.956	79.715
Polish Zloty	4.298	4.261	4.257	4.301

NOTE 5 - SEGMENT REPORTING

The table below shows the 2019 data:

Data relating to the income statement	France	Europe (excl. France)	North America	Other countries	Eliminations (1)	2019
External sales	339,029	126,092	86,510	5,492		557,123
Inter-sector sales	97,179	6,789	24	1,817	(105,809)	0
TOTAL SALES	**436,208**	**132,881**	**86,534**	**7,309**	**(105,809)**	**557,123**
OPERATING INCOME	**73,650**	**(9,237)**	**721**	**(1,558)**	**3,339**	**66,915**
of which net allowances to amortization, depreciation and impairment on fixed assets	*(31,148)*	*(3,919)*	*(623)*	*(262)*		*(35,952)*
of which net changes in impairment of assets, provisions and social benefits	*622*	*(3,107)*	*(253)*	*(23)*	*20*	*(2,741)*
Cash revenue and financing expenses	840	60	(495)	(32)		373
Corporate income tax	(22,468)	(168)	(82)	(21)	(1,062)	(23,801)
NET INCOME (GROUP SHARE)	**49,116**	**(9,295)**	**141**	**(1,609)**	**2,277**	**40,630**

Data concerning balance sheet	France	Europe (excl. France)	North America	Other countries	Eliminations (1)	12/31/2019
Balance sheet total	734,964	111,856	93,579	8,459	(184,575)	764,283
Goodwill	85,316	2,825	1,505			89,646
Net tangible fixed assets and intangible assets	199,619	5,310	12,677	725		218,331
Deferred taxes assets	27,104	3,751	2,139	16		33,010
Working Capital Requirements	35,588	38,786	31,727	3,089	(27,801)	81,389

Data relating to the cash flow statement	France	Europe (excl. France)	North America	Other countries	Eliminations (1)	2019
Acquisition of tangible and intangible assets	30,673	1,244	5,205	406		37,528

(1) Of which eliminations of inter-sector flows and internal results.

The 2018 figures are presented below:

Data relating to the income statement	France	Europe (excl. France)	North America	Other countries	Eliminations [1]	2018
External sales	384,486	128,985	86,626	4,115		604,212
Inter-sector sales	119,958	7,230	30	1,810	(129,028)	0
TOTAL SALES	**504,444**	**136,215**	**86,656**	**5,925**	**(129,028)**	**604,212**
OPERATING INCOME	**118,845**	**(1,349)**	**1,258**	**(1,280)**	**(11,452)**	**106,022**
of which net allowances to amortization, depreciation and impairment on fixed assets	*(29,272)*	*(1,736)*	*(432)*	*(77)*		*(31,517)*
of which net changes in impairment of assets, provisions and social benefits	*(373)*	*2,550*	*335*	*276*		*2,788*
Cash revenue and financing expenses	290	103	(104)	96		385
Corporate income tax	(48,757)	(1,460)	(309)	(22)	4,009	(46,539)
NET INCOME (GROUP SHARE)	**67,972**	**(2,696)**	**844**	**(1,218)**	**(7,443)**	**57,459**

Data concerning balance sheet	France	Europe (excl. France)	North America	Other countries	Eliminations [1]	12/31/2018
Balance sheet total	750,615	107,723	68,265	5,476	(165,004)	767,075
Goodwill	85,316	2,825	1,489			89,630
Net tangible fixed assets and intangible assets	203,361	9,555	7,743	418		221,077
Deferred taxes assets	28,648	3,192	2,484			34,324
Working Capital Requirements	23,830	42,680	16,820	1,994	(29,245)	56,079

Data relating to the cash flow statement	France	Europe (excl. France)	North America	Other countries	Eliminations [1]	2018
Tangible and intangible investments	42,469	706	4,182	326		47,683

(1) Of which eliminations of inter-sector flows and internal results.

The breakdown of consolidated sales figures by sales location, as published in the quarterly regulatory information, is presented as follows:

Sales data	2019	2018
France	313,400	358,555
Europe (excluding France)	132,981	135,901
North America	87,672	88,400
Other countries	23,070	21,356
TOTAL SALES	**557,123**	**604,212**

The breakdown of sales by product line is presented in note 24.

The structure of group customers is fragmented. No customer represented more than 10% of group sales during the periods presented.

NOTE 6 - GOODWILL

6.1 - QUANTIFIED DATA

Goodwill	12/31/2018	Increases / (Decreases)	Currency translation adjustments	12/31/2019
BOIRON S.A. (1)	84,653			84,653
LES ÉDITIONS SIMILIA	663			663
Total "France" (2)	***85,316***	***0***	***0***	***85,316***
Belgium	2,232	(2,232)		0
Italy	2,242			2,242
Spain	583			583
Switzerland	55			55
Total "Europe (excluding France)"	***5,112***	***(2,232)***	***0***	***2,880***
Canada	229		(5)	224
USA	1,260		21	1,281
Total "North America"	***1,489***	***0***	***16***	***1,505***
Total "Other countries"	***0***			***0***
TOTAL GROSS GOODWILL	**91,917**	**(2,232)**	**16**	**89,701**
Switzerland impairment	(55)			(55)
Belgium impairment	(2,232)	2,232		0
TOTAL NET GOODWILL	**89,630**	**0**	**16**	**89,646**

(1) BOIRON parent company goodwill comes from DOLISOS (€70,657 thousand), LHF (€7,561 thousand), SIBOURG (€1,442 thousand), from DSA (€1,381 thousand), from HERBAXT (€1,785 thousand) and from Laboratoire FERRIER (€1,827 thousand).
(2) As goodwill from the various acquisitions made in France has become inseparable, impairment tests are carried out in France.

There were no acquisitions that generated new goodwill in 2019. Goodwill in Belgium, written down in full since 2012, was scrapped in 2019 due to the disposal of UNDA business and fixed assets (see note 1).
Other changes in gross goodwill in 2019 were only due to currency translation adjustments in the "North America" area.

Forecasts for the French CGU have been amended to take into account the decrease in sales in 2019 and the change in homeopathic medicine coverage by the French health insurance *Assurance Maladie.* These changes did not give rise to the recognition of any impairment losses on the French CGU, as the recoverable amount is much higher than the CGU's net book value.

6.2 - IMPAIRMENT TESTS

As noted in note 2.5, impairment tests are conducted by determining the CGU's value-in-use, using the discounted future cash flow method, implemented according to the following principles:

- cash-flows are based on medium-term (five-year) budgets and forecast prepared by the group financial control department and approved by General Management,
- the growth rate assumptions used for the given time frame may vary depending on the different market specificities,
- free cash flows do not take any financial items in account,
- the discount rate is determined using the OAT rate, the market risk premium, a beta coefficient, and if necessary a specific risk premium, generally related to a country-specific risk. Specific risk premiums are adjusted to exclude the risk already taken into account in the forecasts. The rates calculated accordingly have been reconciled with the rates used by certain analysts,
- the discount rate applied for France (95% of net goodwill) was 9.3% in 2019, compared to 9.4% in 2018. The rates adopted for the other CGUs ranged from 9.2% to 13.9% in 2019 (9.5% to 13.7% in 2018),
- the ultimate value is calculated by discounting normative cash flow to infinity; normative cash flow is generally calculated using the cash flow amount for the last period of the given timeframe, based on the discount rate applied for the given time frame and a perpetual growth rate consistent with CGU- and country-related criteria, and in line with analysts' assumptions and industry standards. The rate used for France was 2.0% for 2019, as in 2018; the rates used for the other CGUs ranged from 0.8% to 2.5% in 2019, as in 2018,
- the growth in sales, and more broadly in the different flows, elected per CGU is in line with the organizational structure, current investments and historical evolutions. It therefore only takes account of reorganizations carried out as of the date of the test and is based on renewal investments and not on growth-related investments.

The tests performed did not lead to any additional impairments.

The group conducted tests to assess the sensitivity of the values determined to a possible change in:

- the discount rate (0.5 point upwards or downwards),
- the growth rate to infinity (0.5 point upwards or downwards),
- the operating income rate (0.5 point upwards or downwards).

The group did not identify any reasonably possible changes in key assumptions which might lead to the recognition of impairment.

NOTE 7 - INTANGIBLE FIXED ASSETS

Intangible fixed assets	12/31/2018	Increases		Disposals and scrappings	Impact of impairment tests	Currency translation adjustments and other movements	12/31/2019
		Acquisitions	Annual amortization				
Brands	**1,047**	60					**1,107**
Software	**87,426**	5,712		(1,687)		4,576	**96,027**
Licenses and ownership rights	**43**	2					**45**
Patents and formulas	**2,395**						**2,395**
Intangible assets in progress (1)	**5,433**	4,921				(4,619)	**5,735**
Other intangible assets	**2,860**	36		(168)		188	**2,916**
GROSS INTANGIBLE FIXED ASSETS	**99,204**	**10,731**	**0**	**(1,855)**	**0**	**145**	**108,225**
Brands	**(917)**				(126)		**(1,043)**
Software	**(69,239)**		(7,431)	1,675		(9)	**(75,004)**
Licenses and ownership rights	**(42)**						**(42)**
Patents and formulas	**(288)**		(245)		(1,858)		**(2,391)**
Other intangible assets	**(2,298)**		(360)	168		(187)	**(2,677)**
AMORTIZATION AND IMPAIRMENT OF INTANGIBLE ASSETS	**(72,784)**	**0**	**(8,036)**	**1,843**	**(1,984)**	**(196)**	**(81,157)**
NET INTANGIBLE ASSETS	**26,420**	**10,731**	**(8,036)**	**(12)**	**(1,984)**	**(51)**	**27,068**

(1) This refers to the capitalization of IT projects in progress based on their implementation, generally amortized over eight years. Portions of the modules related to various IT programs in France were completed in 2019 (see the "Currency translation adjustments and other movements" column); the remainder should be completed between 2020 and 2021.

The entries in the column "Disposals and scrappings" include scrapping of unused software for a value of €1,687 thousand. The majority of them had been fully amortized.

Trademarks and patents acquired in 2017 from ALKANTIS were fully impaired, in the amount of €1,984 thousand.

The group has not identified any signs of impairment loss on intangible assets in progress related to ERP.
The implementation of impairment tests as of December 31, 2019 did not lead to the recognition of any impairment of intangible assets other than those presented above, as on December 31, 2018.

No intangible fixed assets were pledged as collateral, guarantees or securities on December 31, 2018 and December 31, 2019.

No intangible assets were reclassified in 2019, as in 2018, to assets held for sale.

Intangible asset movements in 2018 were as follows:

Intangible fixed assets	12/31/2017	Increases		Disposals and scrappings	Impact of impairment tests (IAS 36)	Currency translation adjustments and other movements	12/31/2018
		Acquisitions	Annual amortization				
GROSS INTANGIBLE FIXED ASSETS	**97,862**	**7,682**	**0**	**(6,300)**	**0**	**(40)**	**99,204**
AMORTIZATION AND IMPAIRMENT OF INTANGIBLE ASSETS	**(68,755)**	**0**	**(9,187)**	**5,086**	**0**	**72**	**(72,784)**
NET INTANGIBLE ASSETS	**29,107**	**7,682**	**(9,187)**	**(1,214)**	**0**	**32**	**26,420**

Research costs are recognized as expenses, as shown in note 27.

NOTE 8 - TANGIBLE FIXED ASSETS

Tangible fixed assets	12/31/2018	Increases		Disposals and scrappings	Impact of impairment tests	Assets held for sale (see note 11)	Currency translation adjustments and other movements	12/31/2019
		Acquisitions	Annual amortization					
Land and fixtures	**45,764**	1,849		(554)			728	**47,787**
Buildings	**212,619**	7,552		(7,784)			4,337	**216,724**
Equipment	**142,109**	7,614		(5,346)		(4,166)	3,637	**143,848**
Tangible fixed assets in progress	**12,810**	6,117					(9,361)	**9,566**
Other fixed assets	**35,729**	1,395		(3,608)		(1,281)	786	**33,021**
Property and equipment leases	**0**							**0**
GROSS TANGIBLE FIXED ASSETS	**449,031**	**24,527**	**0**	**(17,292)**	**0**	**(5,447)**	**127**	**450,946**
Land and fixtures	**(15,538)**		(1,942)	1				**(17,479)**
Buildings	**(120,351)**		(10,192)	5,012			(56)	**(125,587)**
Equipment	**(88,221)**		(8,904)	4,795	(582)	4,166	(20)	**(88,766)**
Other fixed assets	**(30,264)**		(1,887)	3,539	(404)	1,281	(116)	**(27,851)**
Property and equipment leases	**0**							**0**
AMOUNT OF AMORTIZATION AND IMPAIRMENT OF TANGIBLE FIXED ASSETS	**(254,374)**	**0**	**(22,925)**	**13,347**	**(986)**	**5,447**	**(192)**	**(259,683)**
NET TANGIBLE FIXED ASSETS	**194,657**	**24,527**	**(22,925)**	**(3,945)**	**(986)**	**0**	**(65)**	**191,263**

Tangible assets in progress primarily relate to the ongoing renovation of the logistics platform in Les Olmes, and industrial equipment and refurbishment work at production sites in France. Partial commissioning occurred in 2019, with the balance scheduled for 2020 through 2021.

Impairment of tangible assets amounted to €986 thousand in 2019 and primarily relate to UNDA assets (€902 thousand), with a view to their disposal on January 1, 2020 (see note 1).

As at December 31, 2019 and December 31, 2018, no tangible fixed asset was subject to a pledge, guarantee or collateral.

Changes in tangible fixed assets in 2018 were as follows:

Tangible fixed assets	12/31/2017	Increases		Disposals and scrappings	Impact of impairment tests (IAS 36)	Activities held for sale (IFRS 5) (see note 11)	Currency translation adjustments and other movements	12/31/2018
		Acquisitions	Annual amortization					
Land and fixtures	**41,963**	5,633		(451)		(338)	(1,043)	**45,764**
Buildings	**196,201**	17,136		(1,466)		(3,315)	4,063	**212,619**
Equipment	**134,292**	6,468		(5,623)		(99)	7,071	**142,109**
Tangible fixed assets in progress	**12,152**	10,155					(9,497)	**12,810**
Other fixed assets	**36,342**	2,063		(2,614)		(64)	2	**35,729**
Property and equipment leases	**0**							**0**
GROSS TANGIBLE FIXED ASSETS	**420,950**	**41,455**	**0**	**(10,154)**	**0**	**(3,816)**	**596**	**449,031**
Land and fixtures	**(14,028)**		(1,547)	37				**(15,538)**
Buildings	**(112,100)**		(9,980)	1,349		1,172	(792)	**(120,351)**
Equipment	**(85,434)**		(8,414)	5,556		56	15	**(88,221)**
Other fixed assets	**(30,526)**		(2,389)	2,582		32	37	**(30,264)**
Property and equipment leases	**0**							**0**
AMOUNT OF AMORTIZATION AND IMPAIRMENT OF TANGIBLE FIXED ASSETS	**(242,088)**	**0**	**(22,330)**	**9,524**	**0**	**1,260**	**(740)**	**(254,374)**
NET TANGIBLE FIXED ASSETS	**178,862**	**41,455**	**(22,330)**	**(630)**	**0**	**(2,556)**	**(144)**	**194,657**

The implementation of impairment tests at December 31, 2019 did not lead to the recognition of impairment of intangible assets, as on December 31, 2018.

NOTE 9 - RIGHTS OF USE RELATING TO LEASES

The new IFRS 16 standard on leases has been mandatory since January 1, 2019 (see note 2). Under assets on the balance sheet, the group opted to present rights of use related to leases on a separate line.

As of December 31, 2019, the impacts were as follows:

Rights of use relating to leases	12/31/2018 (1)	Impact of the application of IFRS 16 as at 01/01/2019	Increases		Decreases	Currency translation adjustments and other movements	12/31/2019
			New leases	Amortization			
Gross rights of use relating to leases	0	19,147	1,386		(3,225)	115	17,423
Amortization of rights of use relating to leases contracts	0	(12,039)		(2,021)	3,225	(100)	(10,935)
TOTAL RIGHTS OF USE RELATING TO LEASES	**0**	**7,108**	**1,386**	**(2,021)**	**0**	**15**	**6,488**

(1) IFRS 16 has been applied using the simplified retrospective transition method, involving no restatement of the 2018 financial statements. The impact of IFRS 16 as of January 1, 2019 is presented in a specific column.

The main rights of use at December 31, 2019 concerning BOIRON SPRL (€1,286 thousand), BOIRON Italy (€1,194 thousand), BOIRON Colombia (€576 thousand), BOIRON Poland (€531 thousand), BOIRON parent company (€502 thousand), BOIRON Indian Ocean (€490 thousand) and BOIRON Switzerland (€359 thousand).

NOTE 10 - FINANCIAL FIXED ASSETS

Financial fixed assets	12/31/2019			12/31/2018		
	Gross value	Change in fair value	Net value	Gross value	Change in fair value	Net value
Financial assets at fair value through profit or loss	**1,120**	**(64)**	**1,056**	**778**	**(205)**	**573**
Non-consolidated investments (1)	1,120	(64)	1,056	778	(205)	573
Financial assets valued at depreciated cost	**1,329**	**0**	**1,329**	**1,764**	**(73)**	**1,691**
Loans (2)	411		411	414		414
Guarantees and other receivables (3)	438		438	345		345
Other investments (4)	480		480	1,005	(73)	932
Financial assets at fair value through other comprehensive income	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL FINANCIAL INVESTMENTS	**2,449**	**(64)**	**2,385**	**2,542**	**(278)**	**2,264**

(1) €566 thousand worth of CEDH shares, a non-consolidated entity held by BOIRON parent company,
€7 thousand worth of CDFH shares, a non-consolidated entity held by BOIRON parent company,
€205 thousand worth of ARCHIBEL shares, a non-consolidated entity held by UNDA, fully impaired and disposed of with the company being liquidated,
€483 thousand in FCPI securities (Fonds Commun de Placement dans l'Innovation).
(2) Including €406 thousand in subsidized home loans (French 1% logement) taken over from DOLISOS S.A. by BOIRON parent company under the merger agreement, revalued in 2012.
(3) Mainly including €139 thousand for real estate guarantees in Russia, France (€122 thousand), Switzerland (€38 thousand), Romania (€35 thousand) and Hungary (€32 thousand).
(4) Including €445 thousand corresponding to the "restricted cash" portion of the liquidity contract (see note 2.4.5).

As at December 31, 2019 and December 31, 2018, no investment was subject to a pledge, guarantee or collateral.
There is no indicator of risk or lawsuit at non-consolidated companies, the shares of which are not impaired.

NOTE 11 - ASSETS AND LIABILITIES HELD FOR SALE

Assets held for sale	12/31/2018	Disposals and scrappings	Impact of impairment tests	Allocation of assets	Currency translation adjustments	Other reclassifications	12/31/2019
Land and fixtures available for sale	349	(357)			8		0
Buildings available for sale	2,160	(566)			13		1,607
Equipment available for sale	44	(45)			1		0
Other assets available for sale	33	(34)			1		0
Other assets held for sale	0						0
ASSETS HELD FOR SALE	**2,586**	**(1,002)**	**0**	**0**	**23**	**0**	**1,607**
ADDITIONAL IMPAIRMENT OF FIXED ASSETS HELD FOR SALE	**0**	**0**	**(88)**	**0**	**0**	**0**	**(88)**
TOTAL NET ASSETS HELD FOR SALE	**2,586**	**(1,002)**	**(88)**	**0**	**23**	**0**	**1,519**

In 2018, "Assets held for sale" related to two buildings in Belgium (€1,607 thousand) and the US subsidiary's headquarters (€979 thousand).

In 2019:

- the US subsidiary headquarters (€979 thousand), put up for sale in the second half of 2018, was sold in July 2019 for €2,147 thousand, generating a capital gain of €1,141 thousand,
- the value of two buildings in Belgium (BOIRON SPRL) put up for sale in 2018, was revised downwards to €1,519 thousand, following impairment of €88 thousand,
- all UNDA (Belgium) tangible assets (property, plant and equipment) and inventories were classified under this category, for a net value of zero, following impairment (see notes 8 and 12).

In compliance with IFRS 5, these assets are valued at the lower of their carrying amount and their fair value net of sale fees. They are no longer depreciated once they have been classified under this category (see note 2.7.1). The analysis performed did not lead to any recognition of impairment.

There were no liabilities held for sale as at December 31, 2019, as in 2018.

NOTE 12 - INVENTORIES AND WORK IN PROGRESS

Inventories and work in progress	12/31/2018	Change	Impairment in the fiscal year	Reversal for the period	Currency translation adjustments and other movements	12/31/2019
Raw materials and supplies	13,914	642			(695)	13,861
Semi-finished goods and finished goods	58,747	1,952			(161)	60,538
Goods	783	271			1	1,055
TOTAL GROSS INVENTORIES	**73,444**	**2,865**	**0**	**0**	**(855)**	**75,454**
TOTAL IMPAIRMENT OF INVENTORIES	**(2,697)**	**0**	**(4,247)**	**2,230**	**1,509**	**(3,205)**
TOTAL NET INVENTORIES	**70,747**	**2,865**	**(4,247)**	**2,230**	**654**	**72,249**

Inventory impairment is calculated on the basis of criteria set out in note 2.7.2.

Impairment losses for the year include €1,275 thousand in total impairment of UNDA inventories, with a view to their disposal on January 1, 2020 (see note 1).

As at December 31, 2019 and December 31, 2018, no inventory had been pledged to guarantee liabilities.

NOTE 13 - ACCOUNTS RECEIVABLE AND OTHER ASSETS LINKED TO CUSTOMER ACCOUNTS

Accounts receivable and other assets linked to customer accounts	12/31/2018	Change	Annual impairment	Reversals for the fiscal year (unused impairment)	Reversals for the fiscal year (used impairment)	Currency translation adjustments and other movements	12/31/2019
Gross accounts receivable denominated in euros	60,470	(4,598)					55,872
Gross accounts receivable denominated in other currencies	43,108	4,039				2,540	49,687
TOTAL GROSS ACCOUNTS RECEIVABLE	**103,578**	**(559)**	**0**	**0**	**0**	**2,540**	**105,559**
Impairment of accounts receivable denominated in euros	(1,165)		(163)	177	130		(1,021)
Impairment of accounts receivable denominated in foreign currency	(260)		(115)	123	2	(14)	(264)
TOTAL IMPAIRMENT OF ACCOUNTS RECEIVABLE	**(1,425)**	**0**	**(278)**	**300**	**132**	**(14)**	**(1,285)**
Net accounts receivable denominated in euros	59,305	(4,598)	(163)	177	130		54,851
Net accounts receivable denominated in other currencies	42,848	4,039	(115)	123	2	2,526	49,423
TOTAL NET ACCOUNTS RECEIVABLE	**102,153**	**(559)**	**(278)**	**300**	**132**	**2,526**	**104,274**

No outstanding receivables had been sold as at December 31, 2019 or December 31, 2018.

No material change in scope occurred during the fiscal years presented.

As stated in note 2.7.3.1, there are no other assets linked to contracts.

Impairment of trade receivables is recognized in accordance with the principles set out in note 2.7.3.1.

As stated in note 2.7.3.1, customer risk is considered insignificant given that the “net cost” of doubtful clients is low.

Credit risk is addressed in note 23.

Accounts receivable denominated in foreign currencies mainly relate to Russia, the United States, Romania, Poland, the Czech Republic, Brazil and Canada (see note 23).

NOTE 14 - INCOME TAX RECEIVABLES AND OTHER CURRENT AND NON-CURRENT ASSETS

Other current assets	12/31/2018	Change	Impairment in the fiscal year	Reversals for the fiscal year (unused impairment)	Reversals for the fiscal year (used impairment)	Currency translation adjustments and other movements	12/31/2019
INCOME TAX RECEIVABLES (non-financial assets)	**4,961**	**4,541**				**21**	**9,523**
Non-financial assets	**16,345**	**(2,252)**	**0**	**0**	**0**	**(53)**	**14,040**
State and local government, excluding income tax	13,395	(2,833)				(78)	10,484
Staff	249	(22)				12	239
Accrued expenses	2,701	603				13	3,317
Financial assets valued at depreciated cost	**5,707**	**(306)**	**0**	**0**	**0**	**(1,027)**	**4,374**
Other debtors	5,707	(306)				(1,027)	4,374
Assets linked to customer contracts	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Derivative instruments	**68**	**18**					**86**
Other gross current assets (excluding income tax receivables)	**22,120**	**(2,540)**	**0**	**0**	**0**	**(1,080)**	**18,500**
Impairment of other current assets	**(65)**		**(115)**	**3**	**62**	**0**	**(115)**
TOTAL OTHER NET CURRENT ASSETS	**22,055**	**(2,540)**	**(115)**	**3**	**62**	**(1,080)**	**18,385**

Other non-current assets	12/31/2018	Change	Impairment in the fiscal year	Reversals for the fiscal year (unused impairment)	Reversals for the fiscal year (used impairment)	Currency translation adjustments and other movements	12/31/2019
TOTAL OTHER NET NON-CURRENT ASSETS	**32**	**(3)**	**0**	**0**	**0**	**0**	**29**

NOTE 15 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents	12/31/2019			12/31/2018		
	Euros	Foreign currencies (euro equivalent)	Total	Euros	Foreign currencies (euro equivalent)	Total
Cash equivalents	2,603	2,078	4,681	1,887	1,771	3,658
Cash	200,117	3,646	203,763	205,926	7,664	213,590
TOTAL	**202,720**	**5,724**	**208,444**	**207,813**	**9,435**	**217,248**

Cash equivalents primarily include euro money market funds or similar investments (certificates on deposits and future deposits, etc.) that meet the IAS 7 criteria (see note 2.7.3.2).

Fair value changes were not material at the closing date.

No investment instruments had been provided as guarantees or were subject to restrictions at the end of the period.

The amount of non-available cash and cash equivalents for the group (example: exchange controls) is not material.

NOTE 16 - SHAREHOLDERS' EQUITY

As part of the share buyback program, on December 19, 2019, the Board decided to cancel all treasury shares owned on December 31, 2019, a total of 20,152 shares, as authorized by the Combined Shareholders' Meeting of May 16, 2019.
Share capital at December 31, 2019 therefore comprised 17,545,408 fully paid-up shares of 1 euro each.
The share movements are presented in the table of changes in consolidated shareholders' equity.

There are no preference shares.

BOIRON parent company is not subject to any external regulatory or contractual constraints on its capital.
For monitoring purposes, the company includes the same elements in its shareholders' equity as those integrated into the consolidated shareholders' equity.

16.1 - TREASURY SHARES

The capital is comprised as follows (number of shares):

Capital	12/31/2019	12/31/2018
Total number of shares	**17,545,408**	**17,565,560**
Treasury shares	(36,158)	(46,258)
Number of shares excluding treasury shares	17,509,250	17,519,302

Shares registered to the same person for three years or more have double voting rights at shareholders' meetings.

There are no share warrants in circulation and the company has not introduced any employee stock option plans or dilutive instruments.

Treasury shares are valued at historical cost and their value is directly booked in consolidated shareholders' equity.

As at December 31, 2019, the treasury share portfolio amounted to €1,215 thousand.
Acquisitions made during the fiscal year totaled €4,528 thousand (all via the liquidity contract). Disposals during the year amounted to €4,652 thousand (in historic acquisition costs), all through the liquidity contract.

The unrealized gain on the portfolio was €22 thousand (on the basis of the average price in December 2019).
On December 31, 2019, 36,158 shares were owned through a liquidity contract with NATIXIS.
No shares were acquired in 2019 with a view to cancellation.

Following the cancellation of shares held at December 31, 2018 (see previous section) there were no remaining shares for cancellation at December 31, 2019.

16.2 - DIVIDEND PER SHARE

Dividend per share (€)	
2018 dividend paid in 2019	1.45
2019 dividend proposed to the GM	1.05

16.3 - MINORITY INTERESTS

Given the immaterial impact of minority interests, the group does not report their contribution to the main line items on the balance sheet and income statement, with the exception of their contributions to net income and shareholders' equity.

NOTE 17 - CURRENT AND NON-CURRENT BORROWINGS AND FINANCIAL DEBTS

Borrowings and financial debts	12/31/2018	Increases	Decreases	Currency translation adjustments and other movements	12/31/2019
Total treasury liabilities	**418**	**101**	**(35)**	**3**	**487**
Financial borrowings	**34**				**34**
Profit-sharing reserve	**5,540**	1,720	(1,760)		**5,500**
Total borrowings and financial debts	**5,574**	**1,720**	**(1,760)**	**0**	**5,534**
TOTAL BORROWINGS AND FINANCIAL DEBTS	**5,992**	**1,821**	**(1,795)**	**3**	**6,021**
non-current	***4,206***	***1,720***	***(391)***	***(999)***	***4,536***
current	***1,786***	***101***	***(1,404)***	***1,002***	***1,485***

The change in current and non-current borrowings and financial debts during 2018 was as follows:

Borrowings and financial debts	12/31/2017	Increases	Decreases	Currency translation adjustments and other movements	12/31/2018
Total treasury liabilities	**10,069**	**35**	**(9,690)**	**4**	**418**
Total borrowings and financial debts	**5,906**	**1,149**	**(1,481)**	**0**	**5,574**
TOTAL BORROWINGS AND FINANCIAL DEBTS	**15,975**	**1,184**	**(11,171)**	**4**	**5,992**
non-current	***4,793***	***1,149***	***(362)***	***(1,374)***	***4,206***
current	***11,182***	***35***	***(10,809)***	***1,378***	***1,786***

On December 31, 2019 and December 31, 2018, the majority of financial debts were denominated in euros.

The repayment schedule for the financial liabilities is presented in note 23.

Interest rate risk is discussed in note 23.3.1.
Bank loans taken over by the BOIRON group do not include any financial covenant or "trigger event".

NOTE 18 - CURRENT AND NON-CURRENT RENTAL LIABILITIES

The new IFRS 16 standard on leases has been mandatory since January 1, 2019 (see note 2). Under liabilities on the balance sheet, the group has opted to present current and non-current rental liabilities on two separate lines.

As of December 31, 2019, the impacts were as follows:

Rental liabilities	12/31/2018 (1)	Impact of the application of IFRS 16 on 01/01/2019	Increases	Decreases	Currency translation adjustments and other movements	12/31/2019
Non-current rental liabilities	0	5,625	1,185		(1,574)	5,236
Current rental liabilities	0	2,077	201	(2,111)	1,592	1,759
TOTAL CURRENT AND NON-CURRENT RENTAL LIABILITIES	**0**	**7,702**	**1,386**	**(2,111)**	**18**	**6,995**

(1) IFRS 16 has been applied using the simplified retrospective transition method, involving no restatement of the 2018 financial statements. The impact of IFRS 16 as of January 1, 2019 is presented in a specific column. In addition, in 2018 there were no finance leases restated in accordance with IAS 17.

Liabilities relating to new contracts are presented under "Increases".
"Decreases" correspond to the repayment of rental liabilities.
"Other movements" correspond to reclassifications between non-current and current rental liabilities.

The repayment schedule for rental liabilities is presented in note 23.

Rental liabilities are set at fixed rates. As set out in note 2.4.4, there are no variable components in restated leases.

NOTE 19 - NON-CURRENT EMPLOYEE BENEFITS

19.1 - GROUP QUANTIFIED DATA

Employee benefits	Company name	Country	12/31/2018	Impact on operating income	Impact on financial income	Impact on other comprehensive income		12/31/2019
						Actuarial differences	Currency translation adjustments and other movements	
Retirement Indemnities	BOIRON parent company	France	27,929	1,607	464	(1,329)		28,671
Retirement Indemnities	BOIRON CARAÏBES	France	82	(3)	2	(7)		74
Retirement Indemnities	BOIRON (Réunion)	France	66	4	1	3		74
Agreement on Preparation for Retirement	BOIRON parent company	France	73,160	(2,830)	1,318	(608)		71,040
Retirement commitments	BOIRON SP	Poland	1					1
Total post-employment benefits (defined contribution plans)			**101,238**	**(1,222)**	**1,785**	**(1,941)**	**0**	**99,860**
Long-service bonuses	BOIRON parent company	France	6,772	938				7,710
Long-service bonuses	BOIRON CARAÏBES	France	46	(9)				37
Bonuses granted	BOIRON SOCIEDAD IBERICA DE HOMEOPATIA	Spain	535	(64)				471
Bonuses granted	BOIRON India	India	5	3				8
Bonuses granted	UNDA	Belgium	115	(115)				0
Bonuses granted	BOIRON	Belgium	161	(31)				130
Early retirement	UNDA	Belgium	322	(109)				213
Total other long-term benefits			**7,956**	**613**	**0**	**0**	**0**	**8,569**
TOTAL EMPLOYEE BENEFITS RECORDED UNDER NON-CURRENT LIABILITIES			**109,194**	**(609)**	**1,785**	**(1,941)**	**0**	**108,429**

In 2018, employee benefits changed as follows:

Employee benefits	Company name	Country	12/31/2017	Impact on operating income	Impact on financial income	Impact on other comprehensive income		12/31/2018
						Actuarial differences	Currency translation adjustments and other movements	
Total post-employment benefits (defined contribution plans)			**108,601**	**929**	**1,799**	**(10,091)**	**0**	**101,238**
Total other long-term benefits			**8,445**	**(489)**	**0**	**0**	**0**	**7,956**
TOTAL EMPLOYEE BENEFITS RECORDED UNDER NON-CURRENT LIABILITIES			**117,046**	**440**	**1,799**	**(10,091)**	**0**	**109,194**

19.2 - EMPLOYEE BENEFITS AT BOIRON PARENT COMPANY

19.2.1. Main actuarial assumptions

Actuarial assumptions France		2019	2018	2017
Discount rate		0.90%	1.80%	1.70%
Annual salary revaluation (1)		1.80%	2.00%	2.00%
Social security contributions rate (2)	Executives	52.71%	46.55%	50.00%
	Non-executives	44.54%	46.55%	50.00%

(1) Except differentiated increases by age bracket.
(2) From 2019, a social security contribution rate specific to each status (executive/non-executive) has been applied.

Total pre-tax actuarial differences have varied significantly in recent years: -€1,941 thousand in 2019, -€10,091 thousand in 2018, -€4,446 thousand in 2017 and +€2,337 thousand in 2016:
- the volatility of the discount rate, calculated at the end of the fiscal year as required by the revised IAS 19 standard, was a major factor in these variations,
- in 2019, the net change included i) the significant impact of the decrease in the discount rate, and ii) the revision of certain actuarial assumptions (such as the staff turnover rate and the pro rata method for commitments).

As in 2018, the group analyzed the various rates on the market and selected the most relevant benchmark as defined in IAS 19 revised standard, namely a market yield based on high-quality corporate bond issuances, which is conservative in light of the group employee commitments (fifteen years) and observed on an adequately liquid market.

A 0.5 point increase in the discount rate, the annual salary revaluation rate or turnover rate would have an impact of less than 6.0% on Retirement Indemnities and the Agreement on Preparation for Retirement; this impact would be recognized in "Other comprehensive income".

Sensitivity to outsourced fund yields is insignificant given that yields on general assets, which account for 79.8% of investments, cannot fall below the annual guaranteed minimum on general assets.

19.2.2. Retirement Indemnities

The provisions for BOIRON parent company retirement indemnities changed as follows between 2018 and 2019:

Retirement Indemnities BOIRON parent company	12/31/2018	Impact on operating income			Impact on financial income	Impact on other comprehensive income	12/31/2019
		Cost of services	Payments	Plan changes	Interest cost net of estimated return on investment	Actuarial differences (1)	
Actual value of liabilities	**55,164**	1,607	(3,529)		956	625	**54,823**
Investments value	**(27,235)**		3,529		(492)	(1,954)	**(26,152)**
Retirement Indemnity provision BOIRON parent company	**27,929**	**1,607**	**0**	**0**	**464**	**(1,329)**	**28,671**

(1) Including -€7,217 thousand of differences relating to the change in the method for estimating the commitment (pro rata calculation) and +€4,553 thousand relating to the increase in the discount rate.

The provisions for BOIRON parent company retirement indemnities changed as follows between 2017 and 2018:

Retirement Indemnities BOIRON parent company	12/31/2017	Impact on operating income			Impact on financial income	Impact on other comprehensive income	12/31/2018
		Cost of services	Payments	Plan changes	Interest cost net of estimated return on investment	Change differences (1)	
Actual value of liabilities	**59,004**	2,362	(2,537)		978	(4,643)	**55,164**
Investments value	**(29,884)**		2,537		(492)	604	**(27,235)**
Retirement Indemnity provision BOIRON parent company	**29,120**	**2,362**	**0**	**0**	**486**	**(4,039)**	**27,929**

(1) Of which -€585 thousand of actuarial differences linked to the discount rate increase.

Payments include contributions paid to the outsourced fund and refunds obtained from the fund following employee departures. These refunds cover payments made to employees. No contributions to the outsourced fund were made in 2019.

The net expense for the fiscal year recognized under income before tax, taking into account the payments reported in income (service costs and interest cost net of estimated return on investment) amounted to €2,071 thousand versus €2,848 thousand in 2018 (see notes 26 and 29).

The average duration of this employee benefit liability in 2019 was 17.6 years (versus 14.94 years in 2018).

The distribution over time of this commitment is as follows:
- 5% less than one year,
- 26% between one and five years,
- 69% more than five years.

Cash flows are limited to the payments made to the outsourced fund. The group is not in a position to determine the amount of the payments that will be made to the fund in 2020, as this amount is subject to arbitrage during the year.

Outsourced fund

Investments are made in two types of funds: a euro-denominated fund and unit-linked funds.

Investments break down between these fund types as follows:
- Cardif Sécurité (general assets): 79.8%,
- SCI Primonial Capimmo: 8.0%,
- MFS Meridian Global Equity: 12.2%.

The overall breakdown of investments at December 31, 2019 was as follows:

Breakdown of investments	12/31/2019	12/31/2018
Bonds	61.6%	52.7%
Equities	22.6%	21.7%
Money market	2.4%	3.7%
Real estate	12.5%	20.7%
Others	0.9%	1.2%

Fair asset value is determined according to:
- level 1 for 87% of investments (shares, bonds, money market funds and some real estate investments), i.e. the market value of assets as per FININFO, given that the return provided to the group cannot be less than the guaranteed minimum annual amount,
- level 3 for certain real estate investments.

Most of these investments are made in the euro area.
The 2019 actual yield of these funds was 2.45% (2.85% in 2018).

19.2.3. Agreement on Preparation for Retirement

As stated in note 2.9.1.2, BOIRON parent company employees benefit from an Agreement on Preparation for Retirement (APR).

Between 2018 and 2019, the change in provisions for this agreement was as follows:

Agreement on Preparation for Retirement BOIRON parent company	12/31/2018	Impact on operating income			Impact on financial income	Impact on other comprehensive income	12/31/2019
		Cost of services	Payments	Plan changes	Interest cost	Actuarial differences(1)	
BOIRON parent company APR provision (discounted value of commitment)	73,160	1,782	(4,612)		1,318	(608)	71,040

(1) *Including -€13,073 thousand of differences relating to the change in methodology on the pro rata calculation and +€5,719 thousand relating to the increase in the discount rate.*

Between 2017 and 2018, the change in provisions for this agreement was as follows:

Agreement on Preparation for Retirement BOIRON parent company	12/31/2017	Impact on operating income			Impact on financial income	Impact on other comprehensive income	12/31/2018
		Cost of services	Payments	Plan changes	Interest cost	Actuarial differences(1)	
BOIRON parent company APR provision (discounted value of commitment)	79,380	3,017	(4,454)		1,311	(6,094)	73,160

(1) *Of which -€803 thousand of actuarial differences linked to the discount rate increase.*

Payments consist of paid services; there is no investment in an outsourced fund.

The net expense for the fiscal year taking into account the payments reported in income (service costs, interest cost and plans changes impact) amounted to €3,100 thousand versus €4,328 thousand in 2018 (see notes 26 and 29).

The average duration of this employee benefit liability in 2019 was 16 years (versus 14.6 years in 2018).

The distribution over time of this commitment is as follows:
- 6% less than one year,
- 41% between one and five years,
- 53% more than five years.

19.2.4. Long-service bonuses

As set out in note 2.9.1.3, the change in long-service bonuses, including actuarial differences, is wholly recognized as operating income.

The change in actuarial debt on long-service bonuses at the BOIRON parent company between 2018 and 2019 was as follows:

Long-service bonuses - BOIRON parent company	12/31/2018	Cost 2019	Actuarial differences	Plan changes	Payments	12/31/2019
Long-service bonuses provision - BOIRON parent company	6,772	526	1,042		(630)	7,710

The change in actuarial debt on long-service bonuses at the BOIRON parent company between 2017 and 2018 was as follows:

Long-service bonuses - BOIRON parent company	12/31/2017	Cost 2018	Actuarial differences	Plan changes	Payments	12/31/2018
Long-service bonuses provision - BOIRON parent company	7,112	614	(313)		(641)	6,772

Unlike previous years, in 2019 actuarial gains and losses were significant due to the decrease in the discount rate (0.9% in 2019 compared to 1.8% in 2018).

The cost breakdown between service costs and interest costs for 2019 and 2018 was as follows:

Long-service bonuses costs - BOIRON parent company	2019	2018
Service cost	408	506
Interest cost	118	108
TOTAL COST IN OPERATING INCOME	526	614

NOTE 20 - CURRENT AND NON-CURRENT PROVISIONS

Current provisions	12/31/2018	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	12/31/2019
Provisions for returned goods	5,383	4,040	(281)	(4,557)	53	4,638
Provisions for contingencies and lawsuits	10,980	842	(177)	(1,774)	(1)	9,870
Provisions for reorganizations	451	1,979	(191)	(359)		1,880
Other provisions for other expenses	0					0
TOTAL CURRENT PROVISIONS	16,814	6,861	(649)	(6,690)	52	16,388

Non-current provisions	12/31/2018	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	12/31/2019
Provisions for contingencies and lawsuits	173		(149)	(24)		0
Provisions for reorganizations	0	898				898
TOTAL NON-CURRENT PROVISIONS	173	898	(149)	(24)	0	898

20.1.1. Tax audit

Provisions for risks and litigation include a €7,986 thousand provision for the tax audit performed on the BOIRON parent company in 2015 and 2016. A €9,248 thousand provision was recognized in 2018 following a proposal to reassessment of the statute of limitations for the 2015 fiscal year. €1,262 thousand was reversed, following the tax authorities' response at the end of 2019. The provision covers 2015 and 2016.

20.1.2. Provisions for reorganizations

Current provisions for reorganizations came to €1,880 thousand as of December 31, 2019, and break down as follows:

- €1,366 thousand at UNDA in relation to the departure of two employees and promotion services provided free of charge to the purchaser over three years (see notes 1 and 28),
- €514 thousand in France as part of the second stage of the reorganization of French sites, a net increase of €64 thousand compared to 2018.

Non-current reorganization provisions amounted to €898 thousand at December 31, 2019 and relate to the reorganization of the Belgian subsidiary's operations (BOIRON SPRL) to be finalized in 2021.

The change in current and non-current provisions during 2018 was as follows:

Current provisions	12/31/2017	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	12/31/2018
Provisions for returned goods	5,569	5,247	(576)	(4,942)	85	5,383
Provisions for contingencies and lawsuits	1,945	10,066	(506)	(505)	(20)	10,980
Provisions for reorganizations	567	209		(325)		451
Other provisions for other expenses	0					0
TOTAL CURRENT PROVISIONS	**8,081**	**15,522**	**(1,082)**	**(5,772)**	**65**	**16,814**
Non-current provisions	**12/31/2017**	**Increases**	**Decreases (unused)**	**Decreases (used)**	**Currency translation adjustments and other movements**	**12/31/2018**
Provisions for contingencies and lawsuits	256	8	(91)			173
TOTAL NON-CURRENT PROVISIONS	**256**	**8**	**(91)**	**0**	**0**	**173**

Other contingent assets and liabilities are presented in note 34.

NOTE 21 - ACCOUNTS PAYABLE

Accounts payable	12/31/2019	12/31/2018
Accounts payable denominated in euros	26,753	19,713
Accounts payable denominated in other currencies	14,677	28,903
TOTAL ACCOUNTS PAYABLE	**41,430**	**48,616**

NOTE 22 - INCOME TAX PAYABLE AND OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities	12/31/2019		12/31/2018	
	Current	Non-current	Current	Non-current
INCOME TAX PAYABLES (non-financial liabilities)	**1,871**	**0**	**2,517**	**0**
Non-financial liabilities	**58,855**	**1,384**	**77,265**	**1,600**
State and local government, excluding income tax	6,664	49	8,527	98
Personnel and social security organizations	52,126	1,335	68,679	1,502
Deferred revenue (1)	65		59	
Financial liabilities valued at amortized cost	**16,463**	**59**	**18,293**	**44**
Fixed asset suppliers	4,626		6,896	
Accounts payable(1)	9,988		10,250	
Other creditors	1,849	59	1,147	44
Derivative instruments (2)	**0**	**0**	**0**	**0**
TOTAL OTHER LIABILITIES EXCLUDING CORPORATE INCOME TAX LIABILITIES	**75,318**	**1,443**	**95,558**	**1,644**

(1) Client contract liabilities (see note 2.7.3.1).
(2) See note 23.

Other non-current liabilities mainly correspond to the debt related to the Italian TFR (see note 2.9.1.2).

Deferred income from client contracts was not material.

NOTE 23 - FINANCIAL INSTRUMENTS

23.1 - BALANCE SHEET INFORMATION

With regard to the financial assets and liabilities the following tables show:

- the breakdown according to the categories specified by IFRS 9 and set out in note 2.10:
  - A: assets and liabilities valued at amortized cost,
  - B: financial assets at fair value through other comprehensive income. No financial asset met this definition during the fiscal years presented,
  - C: assets and liabilities at fair value through income. These are mainly short-term investments (valued by an outside service provider) and non-consolidated securities, which are not material,
  - D: derivative instruments recognized at fair value under income. As stated in note 2.10, for the fiscal years presented there were no derivative instruments the fair value of which was recognized in other comprehensive income,
- the breakdown into the levels provided for in amendments to IFRS 13 and described in note 2.10,
- the comparison between carrying amounts and fair values,
- breakdown by maturity.

This table does not include the outsourced fund for employment benefits, covered in note 19, which is assessed at fair value at closing and presented on the balance sheet as a decrease in commitments.

No financial instruments were reclassified in another category or sold to a third party in 2018 or 2019.

There are no discounted loans or financial liabilities, with the exception of rental liabilities. Furthermore, non-accrued interest is not taken into account in the schedules, given their non-material impact.

Financial instruments - balance sheet	Cross-reference notes	Designation of financial instruments	Level required by amendments IFRS 13 (1)	Net Book Value	Fair Value	Schedule		
12/31/2019						Less than one year	One to five years	Over five years
FINANCIAL ASSETS				**320,405**	**320,405**	**318,020**	**0**	**0**
Non-consolidated investments	Note 10	C	N/A	1,056	1,056	N/A	N/A	N/A
Other financial investments	Note 10	A	N/A	1,329	1,329	N/A	N/A	N/A
Other non-current financial assets	Note 14	A	N/A					
Accounts receivable	Note 13	A	N/A	104,274	104,274	104,274		
Derivative instruments	Note 14	D	2	86	86	86		
Other current financial assets	Note 14	A	N/A	5,216	5,216	5,216		
Cash and cash equivalents	Note 15	C	1 or 2	208,444	208,444	208,444		
FINANCIAL LIABILITIES				**71,925**	**71,925**	**62,153**	**9,772**	**0**
Cash liabilities	Note 17	C	N/A	487	487	487		
Borrowings and financial debts except treasury liabilities	Note 17	A	N/A	5,534	5,534	998	4,536	
Rental liabilities	Note 18	A	N/A	6,995	6,995	1,759	5,236	
Other non-current financial liabilities	Note 22	A	N/A	59	59	59		
Accounts payable	Note 21	A	N/A	41,430	41,430	41,430		
Derivative instruments	Note 22	D	2					
Other current financial liabilities	Note 22	A	N/A	17,420	17,420	17,420		

(1) See definition in note 2.10.

Data on December 31, 2018 was as follows:

Financial instruments - balance sheet 12/31/2018	Cross-reference notes	Designation of financial instruments	Level required by amendments IFRS 13 [(1)]	Net Book Value	Fair Value	Schedule Less than one year	One to five years	Over five years
FINANCIAL ASSETS				**327,377**	**327,377**	**325,111**	**2**	**0**
Non-consolidated investments	Note 10	C	N/A	573	573	N/A	N/A	N/A
Other financial investments	Note 10	A	N/A	1,691	1,691	N/A	N/A	N/A
Other non-current financial assets	Note 14	A	N/A	2	2		2	
Accounts receivable	Note 13	A	N/A	102,153	102,153	102,153		
Derivative instruments	Note 14	D	2	68	68	68		
Other current financial assets	Note 14	A	N/A	5,642	5,642	5,642		
Cash and cash equivalents	Note 15	C	1 or 2	217,248	217,248	217,248		
FINANCIAL LIABILITIES				**72,945**	**72,945**	**68,739**	**4,206**	**0**
Cash liabilities	Note 17	C	N/A	418	418	418		
Borrowings and financial debts except treasury liabilities	Note 17	A	N/A	5,574	5,574	1,368	4,206	
Rental liabilities [(2)]	Note 18	A	N/A					
Other non-current financial liabilities	Note 22	A	N/A	44	44	44		
Accounts payable	Note 21	A	N/A	48,616	48,616	48,616		
Derivative instruments	Note 22	D	2					
Other current financial liabilities	Note 22	A	N/A	18,293	18,293	18,293		

(1) See definition in note 2.10.
(2) IFRS 16 has been applied using the simplified retrospective transition method, involving no restatement of the 2018 financial statements. In addition, in 2018 there were no finance leases restated in accordance with IAS 17.

The only financial instruments valued at fair value are marketable securities and derivative instruments corresponding to levels 1 and 2 of the classification defined by IFRS 13 (see note 2.10). The group did not identify any adjustments related to counterparty risks (non-payment risk of an asset) or credit risks (non-payment risk of a liability).

The application of IFRS 7 did not give rise to the recognition of any adjustments for non-performance risk (counterparty risk and credit risk).

Derivative instruments

These only include derivative exchange rate hedging instruments, mainly in the form of currency futures.
On December 31, 2019, the current foreign exchange derivatives corresponded only to fair value hedges and not to cash flows. As such, changes in the fair value of derivatives were recognized in full as income.

The table below presents these instruments for futures contracts (no currency exchange options available) and the main currencies involved for 2019 and 2018:

Derivative instruments		12/31/2019 Fair value commercial hedges			12/31/2019 Current account cash position hedges			12/31/2018 Fair value commercial hedges			12/31/2018 Current account cash position hedges		
Currency	Type of contract	Notional (in thousands of currency)	Notional (in thousands of euros)	Fair Value (in thousands of euros)	Notional (in thousands of currency)	Notional (in thousands of euros)	Fair Value (in thousands of euros)	Notional (in thousands of currency)	Notional (in thousands of euros)	Fair Value (in thousands of euros)	Notional (in thousands of currency)	Notional (in thousands of euros)	Fair Value (in thousands of euros)
US Dollar	Futures contracts				(10,000)	(8,902)	109	(19,400)	(17,047)	19	(15,500)	(13,620)	33
Canadian Dollar	Futures contracts										(1,000)	(671)	9
Hungarian Forint	Futures contracts										(150,000)	(464)	(3)
Romanian Leu	Futures contracts				(28,000)	(5,854)	(12)	(9,000)	(1,901)	1	(20,000)	5	(7)
Polish Zloty	Futures contracts				(7,000)	(1,644)	(17)				(19,000)	(4,471)	16
Czech Koruna	Futures contracts				12,000	472	3						
Brazilian Real	Futures contracts				(3,000)	(664)	3						
OVERALL TOTAL			**0**	**0**		**(16,592)**	**86**		**(18,948)**	**20**		**(19,222)**	**48**

Derivative maturities are under one year.

The details and types of elements hedged are listed in note 23.3.3.

At the closing date, the fair value of these instruments, as determined by an external consultant and including all currencies, amounted to €86 thousand, versus €68 thousand on December 31, 2018. These amounts were recognized under other current assets (see note 14).

In the income statement, their change between 2018 and 2019 was recognized in other operating revenue and expenses because they constitute fair value hedges which are considered effective.

23.2 - IMPACT ON INCOME STATEMENT

The impact of revenue and expenses related to financial assets and liabilities is disclosed:

- for revenue and expenses recognized in operating income: in notes 13 and 14 (impairment of trade receivables and other receivables) and in note 28 (foreign exchange gains and losses on commercial transactions and gains and losses on derivative instruments related to hedging of commercial transactions),
- for income and expenses recognized in financial income: in note 29 (gains and losses on derivatives related to financial hedges).

23.3 - MARKET RISK MANAGEMENT

The main features of the group's market risk management policy are:

- a centralization of risks within the BOIRON parent company,
- a hedging target,
- a separation of decision-making, execution and control responsibilities:
  - General Management approves the annual market risk management policy proposed by the finance department,
  - the group treasury department assesses risks, implements and monitors hedging transactions,
  - the treasury committee controls the transactions made by the group treasury department.

23.3.1. Interest rate risk

Cash surpluses and group companies' financing requirements are centralized as part of a cash pooling process and managed by the group treasury department. In 2019, group consolidated cash was constantly in surplus, as in 2018.

Cash surplus investment vehicles are selected by the group treasury department in compliance with a management policy which prioritizes the criteria of liquidity and security. The rules are as follows:

- use of monetary and similar products,
- product selection based on liquidity,
- distribution of risk by diversifying the types of financial instruments and counterparties,
- selection of issuers and counterparties based on their creditworthiness.

As at December 31, 2019, the interest rate risk breaks down as follows, given the terms of the rates applied to the assets/liabilities position:

Financial instruments - Interest rate risk	Daily - 1 year	1 - 5 years	> 5 years
ASSETS - short-term investments and cash equivalents	208,444		
LIABILITIES - cash liabilities, borrowings and financial debts (excl. financial rental liabilities)	(1,485)	(4,536)	
Net cash position	**206,959**	**(4,536)**	**0**

An immediate one-point increase in short-term interest rates, applied to the closing net cash balance, would have a pre-tax positive impact of €2,070 thousand on annual financial income.

23.3.2. Counterparty risk

BOIRON group's risk exposure regarding its financial counterparties is notably related to its surplus cash and cash equivalents held by top-quality counterparties. The treasury department monitors their external ratings and ensures that these investments are split amongst an appropriate number of counterparties.

23.3.3. Foreign exchange risk

BOIRON group is exposed to two types of foreign exchange risk:

- foreign exchange risk on assets, related to BOIRON parent company's interests in its foreign subsidiaries. This risk is assessed but is not subject to specific management as these interests are held for the foreseeable future,
- foreign exchange risk on transactions stemming from commercial and financial transactions carried out in currencies other than the euro, which is the group's reference currency.

The foreign exchange risk on transactions is centralized on the BOIRON parent company and mainly comes from:

- sales in local currencies,
- the financing needs of certain foreign subsidiaries,
- dividends in local currency paid by the subsidiaries.

The foreign exchange risk on transactions is hedged to protect the BOIRON group earnings from unfavorable exchange rate fluctuations as compared to the euro.

However, these hedges are flexible and implemented gradually in order to take advantage of favorable trends.

The permitted hedging transactions are: foreign currency loans and borrowings, cash or forward currency translation, currency options, over a maximum twelve-month term.

On December 31, 2019, the breakdown of the main assets and liabilities in foreign currencies on the books of BOIRON parent company was as follows:

Breakdown of BOIRON parent company main assets and liabilities in foreign currencies		Russian Ruble	US Dollar	Czech Koruna	Polish Zloty	Canadian Dollar	Hungarian Forint	Others currencies	TOTAL
Accounts receivable	in thousands of currency	470,893	2,060	28,172	1,682	1,629	67,911		
Accounts payable	in thousands of currency	(13,672)	(6)						
Net position on commercial transactions before hedging	**in thousands of currency**	**457,221**	**2,054**	**28,172**	**1,682**	**1,629**	**67,911**		
Fair value commercial hedges	in thousands of currency								
Net position on commercial transactions after hedging	**in thousands of currency**	**457,221**	**2,054**	**28,172**	**1,682**	**1,629**	**67,911**		
Cash accounts	in thousands of currency	1,159	10,029	(10,001)	7,053	6	746		
Net position on financial transactions before hedging	**in thousands of currency**	**1,159**	**10,029**	**(10,001)**	**7,053**	**6**	**746**		
Current account cash position hedges	in thousands of currency		(10,000)	12,000	(7,000)				
Net position on financial transactions after hedging	**in thousands of currency**	**1,159**	**29**	**1,999**	**53**	**6**	**746**		
Net position after total hedging	**in thousands of currency**	**458,380**	**2,083**	**30,171**	**1,735**	**1,635**	**68,657**		
NET POSITION AFTER TOTAL HEDGING (EURO EQUIVALENT)	**in thousands of euros**	**6,552**	**1,854**	**1,187**	**408**	**1,120**	**208**	**(1,958)**	**9,371**

The net positions before and after management were converted at the closing rates presented in note 4. Only fair value hedges are presented in this table, insofar as hedges on future cash flows do not cover assets and liabilities recorded in 2019. In addition, there were no future cash flow hedges as of December 31, 2019.

The impact of an abrupt 10% increase in the exchange rates (drop in other currencies against the euro) would be as follows as at December 31, 2019:

Impact of an abrupt 10% increase in exchange rates		Russian Ruble	US Dollar	Czech Koruna	Polish Zloty	Canadian Dollar	Hungarian Forint	Others currencies	TOTAL
- on net position after management at closing date	**in thousands of euros**	**(596)**	**(169)**	**(108)**	**(37)**	**(102)**	**(19)**	**169**	**(862)**
- on sales	**in thousands of euros**	**(2,510)**	**(2)**	**(569)**	**(506)**	**(879)**	**(244)**	**(3,741)**	**(8,451)**
- on income before tax of subsidiaries	**in thousands of euros**	**(217)**		**(29)**	**194**	**(25)**	**85**	**4,145**	**4,153**
- on shareholders' equity	**in thousands of euros**	**(2,287)**	**(6,364)**	**(203)**	**(264)**	**(203)**	**(43)**	**(882)**	**(10,246)**

23.3.4. Credit risk

Group client risk is considered low.

The BOIRON group pays particular attention to debt collection and continues to develop its credit risk management tools in light of the current economic context.

Each group entity has its own department tasked with monitoring accounts receivable and handling recovery. Consolidated monitoring of accounts receivable outstanding, late payments and the associated risk is managed centrally by a dedicated department.

Hedging mechanisms (credit insurance, bank guarantees, letters of credit) are set up when clients are overly concentrated or where there is a high loss exposure in a particular country or geographic area. This is the case for export sales by the BOIRON parent company and UNDA, as well as sales in Poland, Russia, Brazil, Portugal, Slovakia, Czech Republic, Hungary, Romania, Spain and Italy (for some sales).

The group's guarantees amounted to €91,106 thousand (compared to €92,102 thousand in 2018) on December 31, 2019.

At December 31, 2019, the amount of overdue accounts receivable that had not been written back was €10,140 thousand, i.e. 9.6% of

accounts receivable (up from €9,497 thousand or 9.3% of accounts receivable on December 31, 2018); some of these receivables are covered by insurance. This increase is essentially due to payment delays in Tunisia.
Accounts receivable overdue for less than a month accounted for 57% of this amount.
The remainder was overdue for less than a year.
The group's collections time was 55 days (identical to the previous year).

There were no major accounts receivable restructuring agreements or offsetting agreements as of December 31, 2019.

Total bad debt losses, net of bad debt write-downs and reversals, amounted to a profit of €19 thousand, i.e. less than 0.01% of consolidated sales, compared with a net profit of €386 thousand in 2018 (excluding the reversal of write-downs on disputed customer receivables in Belgium), i.e. 0.06% of consolidated sales.

The BOIRON group did not observe any material failures in 2019, as in 2018.

23.3.5. Liquidity risk

The company conducted a specific review of its liquidity risk and is confident in its ability to meet the upcoming maturities.

Historically, the BOIRON group's short-term assets have always exceeded its short-term liabilities and its cash position shows a structural surplus. The BOIRON group's financial structure remained unchanged in 2019. As such, the details are not provided for maturities under one year.

23.3.6. Equity, bond and other asset risk

The group does not directly hold a portfolio of shares and bonds. It holds FCPI investment fund (*Fonds Commun de Placement dans l'Innovation*) securities and bonds with a net value at December 31, 2019 of €483 thousand (see note 10).

The breakdown by asset type for the outsourced fund related to employee benefits is presented in note 19.
79.8% of investments are covered by a guaranteed minimum rate and do not involve any equity risk.

23.3.7. Country risk

23.3.7.1. United Kingdom (Brexit)

The group has no significant business in the United Kingdom.

23.3.7.2. Tunisia

In 2019, the group posted sales of €6,891 thousand via the Pharmacie Centrale de Tunisie, the country's sole importer of medications. Given a crisis regarding the financing of the health system in Tunisia since the end of 2016, BOIRON has recorded late payments for its receivables and an extension of the payment deadlines. Please note that all accounts receivable are covered by credit insurance and that no losses were recognized during the year.
This situation is being monitored at group level.

NOTE 24 - OPERATING REVENUE

Operating revenue	2019	%	2018	%
Non-proprietary homeopathic medicines	261,874	47.0	287,243	47.6
OTC specialties	293,749	52.7	315,577	52.2
Other (1)	1,500	0.3	1,392	0.2
TOTAL SALES	**557,123**	**100.0**	**604,212**	**100.0**
Other operating revenue (fees)	**2**		**4**	

(1) The "Other" heading in net sales includes sales of books as well as invoicing for services (training).

The sales recognition rules are the same across all product lines (see note 2.11.1: recognition of sales at delivery in practice).

The product lines presented in this sales breakdown do not constitute operating segments pursuant to IFRS 8.

The breakdown of sales by geographical region is presented in note 5 on sector-specific information.

Our analysis of IFRS 15 did not identify any other relevant revenue breakdowns.

NOTE 25 - AMORTIZATION, DEPRECIATION, IMPAIRMENT AND PROVISIONS

Amortization, depreciation, impairment and provisions on operating income	2019	2018
Allowances to amortization and impairments on intangible assets	(10,020)	(9,187)
Allowances to amortization and impairments on tangible fixed assets	(23,911)	(22,330)
Net amortization of rights of use relating to leases (1)	(2,021)	
TOTAL NET AMORTIZATION, DEPRECIATION AND IMPAIRMENT OF INTANGIBLE AND TANGIBLE ASSETS UNDER OPERATING INCOME	**(35,952)**	**(31,517)**
Impairment on current assets	(1,913)	2,852
Provisions	(1,510)	663
Provisions for tax audits	74	(287)
Employee benefits	609	(440)
TOTAL NET CHANGES IN ASSET IMPAIRMENT AND PROVISIONS UNDER OPERATING INCOME	**(2,740)**	**2,788**
TOTAL AMORTIZATION, DEPRECIATION, IMPAIRMENT AND PROVISIONS UNDER OPERATING INCOME	**(38,692)**	**(28,729)**

Amortization, depreciation, impairment and provisions under financial income	2019	2018
Impairment on financial assets	213	(73)
Provisions		
Employee benefits	(1,785)	(1,799)
TOTAL NET CHANGES IN ASSET IMPAIRMENT AND PROVISIONS UNDER FINANCIAL INCOME	**(1,572)**	**(1,872)**

Amortization, depreciation, impairment and provisions for taxes on income	2019	2018
Provisions for tax audits	1,188	(8,961)
TOTAL NET CHANGES IN IMPAIRMENT OF ASSETS AND PROVISIONS FOR TAXES ON INCOME	**1,188**	**(8,961)**
TOTAL AMORTIZATION, DEPRECIATION, IMPAIRMENT AND PROVISIONS	**(39,076)**	**(39,562)**

(1) As set out in note 2, the 2018 financial statements have not been restated following the first-time application of IFRS 16.

The net changes in amortization, depreciation, impairment and provisions, recognized in operating income by purpose are detailed below:

Amortization, depreciation, impairment and provisions on operating income by purpose	2019	2018
Sales	(144)	499
Industrial production costs	(15,546)	(16,520)
Preparation and distribution costs	(5,865)	(5,626)
Promotion costs	(1,996)	(1,552)
Research costs	(215)	(236)
Regulatory affairs costs	(60)	7
Support function costs	(8,717)	(8,618)
Other operating revenue and expenses	(6,149)	3,317
TOTAL	**(38,692)**	**(28,729)**

NOTE 26 - STAFF COSTS IN OPERATING INCOME

Staff costs in operating income by nature	2019	2018
Salaries and social charges	(191,989)	(201,297)
Profit-sharing	(10,967)	(17,870)
Employee benefits (total cost)	(5,528)	(6,540)
Other staff costs	(7,743)	(7,797)
TOTAL STAFF COSTS IN OPERATING INCOME	**(216,227)**	**(233,504)**

In 2019, the elimination of the CICE tax credit (previously presented under other operating income, see note 28) was offset by a decrease in social security charges.

The cost of employee benefits (excluding financial costs), included in staff costs breaks down as follows:

Cost of employee benefits (excluding interest expense)	2019	2018
Retirement Indemnities	(1,615)	(2,369)
Agreement on Preparation for Retirement	(1,782)	(3,017)
Italian TFR	(596)	(660)
Belgium prepension	(12)	(21)
Long-service bonuses and bonuses granted	(1,523)	(473)
TOTAL COST OF EMPLOYEE BENEFITS (EXCLUDING INTEREST EXPENSE)	**(5,528)**	**(6,540)**

Staff costs by purpose have changed as follows:

Staff costs in operating income by purpose	2019	2018
Industrial production costs	(41,596)	(46,127)
Preparation and distribution costs	(60,767)	(67,051)
Promotion costs	(70,923)	(74,650)
Research costs	(885)	(990)
Regulatory affairs costs	(6,707)	(5,970)
Support function costs	(35,471)	(38,716)
Other operating revenue and expenses	122	
TOTAL STAFF COSTS IN OPERATING INCOME	**(216,227)**	**(233,504)**

The amount paid by BOIRON parent company for mandatory and supplemental retirement plans was €17,131 thousand in 2019, compared to €17,095 thousand in 2018.

NOTE 27 - RESEARCH COSTS

Research costs, which correspond to the costs of pharmacological, clinical and fundamental research (see note 2.4.2), amounted to €3,133 thousand in 2019 compared to €3,825 thousand in 2018: they primarily included fees of €1,595 thousand in 2019 (compared to €2,043 thousand in 2018) and staff costs (see note 26).

NOTE 28 - OTHER OPERATING REVENUE AND EXPENSES

Other operating revenue and expenses	2019	2018
Income on disposable assets [1]	889	6,438
Tax credit competitiveness employment [2]		2,768
Other tax credits (including research tax credits) [3]	1,600	1,683
Impacts of disposal of UNDA business and fixed assets in Belgium [4]	(5,875)	
Trademark, patent and fixed asset impairment - ALKANTIS [5]	(2,069)	
Net changes in provisions [6]	(1,023)	(21)
Gains and losses on derivative instruments (related to operating hedges)	(6)	(152)
Foreign exchange gains and losses on operating transactions	437	779
Settlement of the commercial dispute in Belgium [7]		(171)
Others	29	1,067
TOTAL OTHER OPERATING REVENUE AND EXPENSES	**(6,018)**	**12,391**
including other operating revenue	***3,005***	***12,865***
including other operating expenses	***(9,023)***	***(474)***

(1) In 2019: mainly the capital gain on the sale of the former head office of the US subsidiary (€1,141 thousand).
In 2018: the capital gain on the sale of the Levallois-Perret site of €6,207 thousand.
(2) In 2019, the Tax Credit for Competitiveness and Employment was abolished and was replaced by a decrease in social security charges on all operating activities. Its impact on operating income was not material (see note 2.6).
(3) See note 2.6.
(4) €5,875 thousand impact relating to the disposal of UNDA business and fixed assets in Belgium (see note 1):
-€890 thousand capital loss on the sale of land and buildings in December 2019,
-€2,000 thousand in financial compensation paid in 2020 to the purchaser for assuming the business risk and social security liabilities, minus the sale price for other tangible fixed assets and inventories of €800 thousand,
-€2,541 thousand impairment net of losses on other fixed assets and inventories before transfer on January 1, 2020,
-€1,366 thousand reorganization provision relating to i) the two employees who will not be retained by the purchaser, and ii) the promotion fees provided free of charge to the purchaser for the next three years (see note 20),
+€122 thousand of social commitments not transferred to the purchaser.
(5) Assets (trademarks, patents and equipment) acquired in 2017 from ALKANTIS were written down in the amount of €2,069 thousand (see notes 8 and 12).
(6) Of which -€898 thousand related to the recognition of a reorganization provision in 2021 for activities in Belgium (see note 20).
(7) In 2018, the impact of the settlement of the commercial dispute in Belgium was -€171 thousand: -€1,766 thousand in termination compensation and +€1,596 thousand in reversal of accounts (trade) receivable impairment.

NOTE 29 - OTHER FINANCIAL REVENUE AND EXPENSES

Other financial revenue and expenses	2019	2018
TOTAL OTHER FINANCIAL REVENUE	**495**	**493**
including net financial return on outsourced investments of employee benefits [1]	492	492
TOTAL OTHER FINANCIAL EXPENSES	**(3,398)**	**(2,907)**
including interest cost of employee benefits [1]	(2,277)	(2,291)
including gains and losses on cash and financial accounts	(45)	(44)
including gains and losses on derivative instruments (related to financial hedges)	(856)	(157)
including impairment of long-term securities	(65)	(73)
including bank fees on financial transactions	(101)	(328)

(1) See note 19.

NOTE 30 - INCOME TAX

30.1 - BREAKDOWN OF THE TAX CHARGE

Income tax	2019	2018
Current taxes payable	(22,322)	(48,668)
Deferred taxes	(1,479)	2,129
TOTAL INCOME TAX	**(23,801)**	**(46,539)**
Effective rate	**37.0%**	**44.8%**

The difference between the recognized tax charge and the tax that would have been recognized at the BOIRON parent company's theoretical rate breaks down as follows for 2018 and 2019:

Income tax	2019	%	2018	%
Theoretical tax	(22,168)	34.4	(35,805)	34.4
Impact of subsidiaries tax rates	(904)	1.4	(204)	0.2
Impact of reduced tax rates in France (1)	1,610	(2.5)	(1,165)	1.1
Permanent differences	(1,267)	2.0	(438)	0.4
Non-recognition of taxes on tax losses or profits	(2,592)	4.0	(954)	0.9
Provisions for tax audits (2)	1,416	(2.2)	(8,961)	8.6
Tax credits, deferred income tax adjustment and other	104	(0.2)	988	(1.0)
TOTAL INCOME TAX	**(23,801)**	**37.0**	**(46,539)**	**44.8**

(1) Deferred tax income of €1,393 thousand was recognized under net income at December 31, 2019, in anticipation of the decrease in the French tax rate (gradual decrease until 2022, reaching 25.83%, down from 34.43% currently).
In 2018, an additional expense of €1,257 thousand was recognised in this respect.
(2) A €1,188 thousand reversal was recorded in respect of the provision for the BOIRON parent company tax audit (see note 20).

The group's theoretical tax rate (34.4%) is calculated based on that applicable in France in 2019.

30.2 - BREAKDOWN OF DEFERRED TAXES IN THE BALANCE SHEET

The position of deferred taxes in the balance sheet has changed as follows:

Deferred taxes	12/31/2018	Impact on net income	Impact on other comprehensive income		Impact of the application of IFRS 16 at 01/01/2019	12/31/2019
			Actuarial differences on employee benefits	Currency translation adjustments and other movements		
Deferred taxes on regulated provisions	(12,344)	118		2		(12,224)
Deferred taxes on finance leases and rental contracts under IFRS 16	0	1		4	131	136
Deferred taxes on loss carry-forwards	1,407	500		(2)		1,905
Deferred taxes on employee benefits	27,003	1,654	245			28,902
Deferred taxes in relation to local taxation	6,797	(2,128)		103		4,772
Deferred taxes on other items	10,935	(1,624)		179		9,490
TOTAL NET DEFERRED TAX (1)	**33,798**	**(1,479)**	**245**	**286**	**131**	**32,981**
including net deferred tax assets	***34,324***	***(1,978)***	***245***	***288***	***131***	***33,010***
including net deferred tax liabilities	***(526)***	***499***		***(2)***		***(29)***

(1) The planned income tax reductions in France have resulted in the recognition of:
- €1,393 thousand in net income (see note 30.1),
- €867 thousand in other comprehensive income.

Deferred tax assets and liabilities are offset within the same company, as taxes are deducted by the same tax authorities.

As at December 31, 2019, deferred taxes not recorded on loss carryforwards, in accordance with the principles set out in note 2.6, amounted to €7,602 thousand, compared to €5,315 thousand at December 31, 2018. They mainly relate to UNDA, Brazil, Poland, Switzerland and India.

NOTE 31 - EARNINGS PER SHARE (EXCLUDING TREASURY SHARES)

Earnings per share	2019	2018
Net earnings (in thousands of euros)	40,630	57,459
Average number of shares for the fiscal year	17,512,257	17,789,791
EARNINGS PER SHARE (IN €)	**2.32**	**3.23**

The method for calculating the weighted average number of shares is described in note 2.11.4.
In the absence of dilutive instruments, average earnings per share is the same as average diluted earnings per share.

NOTE 32 - STATEMENT OF CASH FLOWS

Group net cash amounted to €207,957 thousand at 2019 year-end, compared to €216,830 thousand at the end of 2018.

The reconciliation between cash flow on the consolidated balance sheet and net cash on the statement of cash flows is as follows:

Reconciliation of cash between consolidated financial statements			2019	2018
Cash and cash equivalents	Consolidated balance sheet	Note 15	208,444	217,248
Cash liabilities (included in current borrowings and financial debts)	Consolidated balance sheet	Note 17	487	418
Net cash	**Consolidated statement of cash flows**		**207,957**	**216,830**

Group net cash amounted to €207,957 thousand at 2019 year-end, compared to €216,830 thousand at the end of 2018.

The change in cash (including the impact of foreign currency fluctuations) included an outflow of €8,873 thousand in 2019, compared to outflow of €48,110 thousand in 2018. In 2018 this was impacted by the buyback of treasury shares.

Cash flow from operating activities amounted to €50,859 thousand in 2019, compared to €84,250 thousand in 2018, down €33,391 thousand. This increase can be explained by:

- the decrease in free cash flow (€28,788 thousand), compared with the decrease in non-cash operating income (in particular provisions and asset impairment in Belgium and France). It represented 18.5% of sales versus 21.8% in 2018,
- the decrease in taxes paid (€10,123 thousand) with lower interim payments in 2019, partially offset by the baseline effect of the €4,182 thousand tax refund in respect of the 3% tax on dividends previously paid,
- the decreased change in working capital requirements (€14,726 thousand). In 2019, the change in Working Capital Requirement (WCR) of -€23,493 thousand mainly resulted from the following factors:
  - an increase in inventories (€849 thousand) mainly in Russia on specialties and raw materials in France, partially offset by an increase in impairment in Belgium and in France,
  - a decrease in accounts receivable (€405 thousand), due to the decline in business in France and Romania, offset by increases in Russia, Italy and Brazil,
  - a decrease in accounts payable (€8,116 thousand), mainly in France (mainly on advertising costs),
  - a €14,661 thousand decrease in employee-related liabilities in France, mainly on incentive and profit-sharing scheme liabilities (in connection with the decrease in profitability) and on social security charges (in particular resulting from the elimination of the CICE tax credit).

Cash flows related to investment activities amounted to €33,563 thousand compared to €39,407 thousand in 2018. The decrease of €5,844 thousand was mainly the result of investments in the Messimy site. In 2019, cash flows mainly related to:

- acquisitions of tangible fixed assets amounting to €26,538 thousand:
  - conversion of the logistics platform in Les Olmes,
  - on the Messimy site, ongoing work on the new buildings and replacement of production equipment,
  - investment in production equipment on the Montévrain site,
  - repair work on the administrative building and a new establishment (combining several establishments and preparation work) on the Sainte-Foy-Lès-Lyon site,
  - continuation of renovation work on the US subsidiary's new head office, where it moved in June 2019,
- disposals of tangible fixed assets for €4,582 thousand, including the sale of the former head office in the United States, land and buildings in Belgium (UNDA) and the site in Madrid, in Spain,
- investments in intangible fixed assets for €10,990 thousand: these relate to Group IT projects (the deployment of Cloud and WIFI solutions, deployment and developments of the various IT infrastructures, particularly in Les Olmes, the CRM project for medical sales representatives, and the continued implementation of JD Edwards).

Cash flows from financing activities amounted to €27,187 thousand, compared to €91,961 thousand in 2018. These mainly include:

- the payment of dividends in the amount of €25,389 thousand (compared to €28,304 thousand in 2018),
- the change in rental liabilities and related interest for €2,434 thousand, resulting from the application of IFRS 16 leases (as the group adopted the simplified retrospective transition method, 2018 figures have not been restated).

In 2018, €63,701 thousand of shares had been repurchased outside of the liquidity contract (in 2019, no shares were purchased).

NOTE 33 - OFF-BALANCE SHEET LIABILITIES

BOIRON group has no off-balance sheet liabilities related to acquisitions and disposals of subsidiaries (share repurchase agreements, etc.).
Off-balance sheet liabilities relating to isolated asset acquisitions include the acquisition of the ALKANTIS company's trademarks and patents. This self-financed acquisition in 2017 amounted to €2,495 thousand. The contract also provides for the payment of an earn-out in favor of the seller:

- 10% of sales net of discounts exceeding €10 million recorded in 2022 on this product, paid in 2023, with an earn-out cap of €2 million,
- 10% of sales net of discounts exceeding €20 million recorded in 2027 on this product, paid in 2028, with an earn-out cap of €4 million.

No amounts were recognized for these earn-out payments, as the recognition criteria had not yet been met. Assets (trademarks, patents and manufacturing equipment) were fully written down in 2019 in the amount of €2,069 thousand (see notes 7 and 8).

The reconciliation between i) rental commitments under operating leases at December 31, 2018, discounted at the marginal borrowing rate at January 1, 2019, and ii) IFRS 16 rental liabilities, is presented in note 2.

As at December 31, 2019, there were no clauses that could give rise to additional liabilities other than those set out in note 10.

Off-balance sheet liabilities related to group operating activities are presented below:

Off-balance sheet commitments relating to operating activities	12/31/2019	Schedule			12/31/2018
		Less than 1 year	From 1 to 5 years	More than 5 years	
Received commitments	**452**	**449**	**3**	**0**	**1,276**
Real estate guarantees	452	449	3		1,276
Given commitments	**8,342**	**3,145**	**4,300**	**897**	**18,367**
Bank securities	647	572		75	
Customs and tax deposits	822			822	822
Leases (1)	6,873	2,573	4,300		17,545

(1) In 2019, this item included commitments relating to vehicle leases, which have not been restated in the consolidated financial statements in accordance with IFRS 16, as stated in note 2. This amount is not discounted.

NOTE 34 - CONTINGENT ASSETS AND LIABILITIES

34.1 - DISPUTES IN CANADA

BOIRON Canada was the subject of two consumer lawsuits, on March 16, 2012 in Ontario and April 13, 2012 in Quebec, aiming to launch class actions.

In Quebec, the Montreal Superior Court refused the request in its judgment handed down on January 19, 2015. The Quebec Appeals Court overruled this judgment on October 26, 2016 and authorized the start of class action proceedings. Our Canadian subsidiary appealed the judgment of the Appeals Court before the Supreme Court of Canada.
The Supreme Court rejected our appeal in May 2017. Substantive proceedings are under way before the Superior Court of Quebec.
In Ontario, proceedings have not evolved since the suit was filed by the plaintiff.

At this stage, we are unable to assess the risk in relation to these matters. As such, the principles defined in note 2.9.4 did not lead to the recognition of a provision as at December 31, 2019.

34.2 - DISPUTE IN FRANCE

We are involved in a commercial dispute with the company, its director and two minority shareholders, from which we acquired the trademarks and patents for a sterile cooling compress medical device called "Alkantis Ice Stérile".

The application of the principles defined in note 2.9.4 did not lead to the recognition of a provision as at December 31, 2019.

There are no other governmental, judicial or arbitration proceedings, including all proceedings of which the Company is aware, or which are pending or threatened, which may have or have had a material impact upon the financial position or profitability of the company or the group in the past twelve months.

34.3 - APPEALS TO THE COUNCIL OF STATE

Laboratoires BOIRON and LEHNING petitioned the Council of State to obtain the cancellation of:

- decree no. 2019-905, which reduces, on a transitional basis, the rate of health insurance coverage of homeopathic specialties and preparations from 30% to 15%,
- decree no. 2019-904, which excludes homeopathic preparations from health French insurance coverage, effective as from a decreed date, and no later than January 1, 2021,
- the decree issued on October 4, 2019 delisting homeopathic medicines from the list of pharmaceutical specialties reimbursed to insured persons, as from January 1, 2021, as well as other regulations issued pursuant to these decrees.

These appeals concern both the irregularities that marred the homeopathy assessment procedure by the Transparency Commission of the High Authority for Health (*commission de la transparence de la Haute Autorité de Santé*), and the unfounded unjustified nature of these decrees.

A preliminary ruling on the issue of constitutionality (QPC) was also requested in order to investigate the provisions of law of December 22, 2018, which delegated the task of setting the conditions under which homeopathic medicines may be admitted or excluded from health insurance coverage to the regulatory authority.

The procedure could last twelve to eighteen months.

NOTE 35 - RELATED PARTIES

35.1 - RELATED COMPANIES

	SODEVA (1)		CDFH (2)		IFCH (2)		CEDH (2)	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Purchases of goods							55	28
Disposals of goods								
Services provided	8	8	271	277			221	228
Services received			20	25	5		2,597	2,414
Total receivables			79	112			59	120
Total payables			7	20			768	664

(1) BOIRON family holding company.
(2) Associations for the development of homeopathy.

35.2 - COMPENSATION DUE TO ADMINISTRATIVE AND MANAGEMENT BODIES

Executive and non-executive director gross compensation is as follows:

Gross compensation due	Managers	Other Board members who are not executive managers
Fixed compensation	846	111
Variable compensation linked to employment contract (1)	461	13
Variable compensation linked to corporate manager function (2)		
Other compensation		
Fees (3)		53
Compensation paid to members of the Board	26	217
Benefits in kind (4)	88	
Total gross compensation due in 2019	**1,421**	**394**
Total gross compensation due in 2018 (5)	***2,413***	***420***
Post-employment benefits (Retirement Indemnities and Agreement on Preparation for Retirement)	789	125
Other long-term benefits (long-service bonuses)	106	9

(1) Variable compensation under the employment contract comprises the incentive scheme bonus, statutory profit-sharing, the profit-sharing bonus and the employer's contribution to the PEE and PERCO.
(2) The variable compensation linked to the corporate manager function includes incentive bonus for corporate managers without an employment contract.
(3) Fees and royalties owed to Michèle Boiron, at year-end, by all group subsidiaries.
(4) This includes benefits linked to retirement, provident schemes, insurance for managers against loss of employment (€70 thousand) and the provision of a company car (€18 thousand).
(5) 2018 gross revenue includes compensation paid to Christian Boiron.

NOTE 36 - STATUTORY AUDITORS' FEES

The fees of the statutory auditors recognized as expenses in 2019 and 2018 are shown below:

Statutory auditors' fees accounted for (1) (2) (Amounts excl. tax in €000)	MAZARS		DELOITTE	
	2019	2018	2019	2018
Certification of financial statements	122	122	118	118
Services other than the certification of financial statements required by law (3)	6	6	6	6
Services other than the certification of financial statements not required by law (3)		4		
TOTAL	**128**	**132**	**124**	**124**

(1) The period in question includes services rendered during an accounting year and recorded in the income statement for the year.
(2) The fees presented here include those provided by BOIRON parent company's statutory auditors to consolidated companies. They do not include fees invoiced by their networks.
(3) This item includes work and services rendered by the statutory auditors.
They may be required by statutory provisions or provided at the group's or its subsidiaries' request.

The information presented in this table was prepared in compliance with ANC regulation no. 2016-09.

NOTE 37 - POST-BALANCE SHEET EVENTS

37.1 - PLANNED REORGANIZATION IN FRANCE

On March 11, 2020, Laboratoires BOIRON, a world leader in homeopathic medicines based in France, announced a major reorganization plan.

For the past two years, the virulent, unjustified and repeated attacks on homeopathy in France have weighed heavily on our company, and have resulted in a sharp decline in business and economic results.

While 100% of production and 56% of sales are generated in France, the sudden decision of the Ministry of Solidarity and Health to delist homeopathic medicines on January 1, 2021, was a major disruption leading our company to announce the following reorganization plan:

- shutdown of the Montrichard production site near Tours,
- closure of 12 preparation and distribution sites of the 27 that we operate in France: Avignon, Belfort, Brest, Grenoble, Limoges, Niort, Paris-Bois d'Arcy, Paris-Ivry, Pau, Rouen, Strasbourg and Toulon,
- the resizing of the production and preparation/distribution teams at continued sites,
- the reorganization of sales teams.

This plan also entails the elimination of 646 positions, and the creation of 134 new positions.
We will do everything in our power to curb the impact of this reorganization project on our employees, while respecting our social heritage.

This plan is expected to help maintain the high service quality provided to healthcare professionals and patients.

Given the inability to quantify the financial impact of this reorganization plan as at the balance sheet date, the financial statements for the year ending December 31, 2019 do not include any impact.

37.2 - IMPACT OF COVID-19

Based on the current situation, we did not identify any significant impact of COVID-19 on our operations at the balance sheet date.

No other post-balance sheet event having a potential material impact on the group's financial statements has been identified.

4.2 - STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

To the BOIRON Shareholders' Meeting,

Opinion

In performance of the assignment entrusted to us by the Shareholders' Meeting, we have audited the BOIRON consolidated financial statements for the fiscal year ended December 31, 2019, as appended hereto. These financial statements were approved by the Board of Directors on March 11, 2020 on the basis of the information available at that date, amid the ongoing Covid-19 health crisis.

We hereby certify that in accordance with the IFRS accounting standards adopted by the European Union, the consolidated financial statements provide a true and fair view of the results of operations for the year ended and of the net assets and financial position of the companies and entities within the consolidation.
The opinion expressed above is consistent with the terms of our report to the audit committee.

Bases of opinion

Terms of reference

We conducted our audit in accordance with professional standards applicable in France. We consider that the evidence that we have gathered is sufficient and appropriate to form the basis for our opinion.

Our responsibilities in accordance with these standards are set out under "Statutory auditors' responsibilities regarding the audit of the consolidated financial statements" herein.

Independence

We have performed our audit in compliance with the rules of independence applicable to us, for the period running from January 1, 2019 to the date of our report, and in particular we have not provided services prohibited under article 5, paragraph 1, of EU regulation no. 537/2014 or the French code of ethics for statutory auditors.

Observations

Without prejudice to the opinion express above, we wish to draw your attention to note 2 "Valuation methods and consolidation principles", which outlines the terms of the first-time application of IFRS 16 "Leases" as from January 1, 2019.

Justification of our assessments - Key audit matters

In application of the provisions of articles L.823-9 and R.823-7 of the French Commercial Code regarding the justification of our assessments, we would like to draw your attention the key audit matters relating to risks of material misstatements which, based on our professional judgment, were the most significant with regard to the audit of the consolidated financial statements, as well as our responses to these risks.

These assessments were made as part of our audit of the consolidated financial statements, taken as a whole and approved under the conditions set out above, and therefore contributed to the opinion we formed which is expressed in the first part of this report. We do not express an opinion on individual items in these consolidated financial statements taken separately.

Provisions relating to Retirement Indemnities and the Agreement on Preparation for Retirement in France

(Notes 2.9.1.2, 19.2.1, 19.2.2 and 19.2.3 to the consolidated financial statements)

Risk identified

BOIRON group employees in France are entitled to post-employment benefits, including standard retirement benefits and those granted under an internal Retirement Preparation Agreement.

These liabilities are calculated each year by an independent actuary. They are subject to a non-current provision under liabilities on the balance sheet in an amount of €99,860 thousand at December 31, 2019.

The valuation methods are set out in note 2.9.1.2 to the consolidated financial statements, and the details of the actuarial assumptions applied are presented under note 19.2.1. Notes 19.2.2 and 19.2.3 specify the assumptions used for each of the provisions for retirement indemnities and the agreement on preparation for retirement in France.

We considered the valuation of post-employment benefit obligations to be a key audit point, for the following reasons:

- the determination of actuarial assumptions is based on group management's discretion. These mainly concern the discount rate, forecast pay rises, staff turnover rates and the life expectancy tables applied,
- the provision amount is sensitive to the assumptions and methods used in the calculation. A discrepancy between these assumptions in relation to our observations could have a potential material impact on the group's consolidated financial statements.

Our response

Our audit of the consolidated financial statements consisted in:
- familiarizing ourselves with the Agreement on Preparation for Retirement,
- determining the compliance of the post-employment benefit obligation calculation method applied by the group with IAS 19 and recognized actuarial techniques,
- reconciling, through sample testing, individual, employee-related data used to calculate commitments, with data taken from payroll software and most recent payslips,
- conducting a critical review of how this calculation methodology is applied for BOIRON SA commitments. This critical review, performed by our experts, involved:
  - a critical review of the demographic and financial assumptions used to calculate commitments (discount rate, pay rises or cuts, staff turnover rate, life expectancy table, etc.) with regard to regulations or a comparison of these assumptions with the observations made (benchmarks, statistical data, etc.),
  - the counter-valuation of commitments relating to Retirement Indemnities and the Internal Retirement Preparation Agreement,
- comparing asset amounts taken into account in respect of the outsourced fund as a deduction from the commitment amount, with amounts confirmed by the insurance company,
- checking the correct recognition of changes in commitments in the consolidated financial statements at December 31, 2019,
- checking the appropriateness of the information provided in the notes to the consolidated financial statements.

Specific testing

In accordance with professional standards applicable in France, we also carried out a specific review of group-related information contained in the Board of Director's management report of March 11, 2020, pursuant to French laws and regulations. Regarding events occurring and new information acquired after the closing date of the financial statements in relation to the effects of the COVID-19 crisis, Management has informed us that they will be presented to the General Meeting called to approve the financial statements.

We do not have any comments to express regarding the fair presentation of this information or the consistency thereof with the consolidated financial statements.

We hereby certify that the statement of consolidated non-financial performance referred to in article L. 225-102-1 of the French Commercial Code is included in the report on the group's management, it being specified that, in accordance with the provisions of article L. 823-10 of this Code, the information contained in this statement has not been verified with regard to its fair presentation or its consistency with the consolidated financial statements, and must be the subject of a report by an independent third party.

Information pursuant to other legal and regulatory obligations

Appointment of statutory auditors

We were appointed statutory auditors of BOIRON by your May 19, 2011 Shareholders' Meeting (MAZARS) and the May 18, 2017 Shareholders' Meeting (DELOITTE & ASSOCIÉS).

The year ended December 31, 2019 represented MAZARS' ninth consecutive audit year and DELOITTE & ASSOCIÉS' third year.

Responsibilities of management and members of corporate governance in relation to the consolidated financial statements

Management is tasked with preparing the consolidated financial statements, giving a true and fair view pursuant to IFRS reporting standards as adopted in the European Union, and with introducing internal controls that management deem necessary to prepare consolidated financial statements free of material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, Management shall assess the company's capacity to continue operating as a going concern, and include in said financial statements any required going concern disclosures and apply the going concern accounting principle, unless it plans to liquidate the company or cease trading.

It is the audit committee's responsibility to oversee procedures for preparing financial information and to monitor the efficacy of internal control and risk management systems and any internal audit function, in relation to accounting and financial information preparation and processing procedures.

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

Statutory auditors' responsibilities in respect of consolidated financial statements audits

Audit objective and approach

It is our responsibility to report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole are free of material misstatements. "Reasonable assurance" means a high level of assurance without guaranteeing that an audit performed pursuant to professional audit standards will systematically identify all material misstatements. Misstatements may arise from fraud or error, and are deemed material when it can be reasonably considered that, taken individually or as a whole, they may influence financial decisions that readers of the financial statements take based thereon.

As stated under article L.823-10-1 of the French Commercial Code, our audit of the financial statements does not guarantee that the company is viable or properly managed.

As part of an audit performed pursuant to professional standards applicable in France, the statutory auditors exercise their professional judgment throughout their assignment. They also:

- identify and measure risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, determine and carry out audit testing for said risks, and gather evidence that they deem sufficient and appropriate on which to base their opinion. The risk of not identifying a material misstatement due to fraud is higher than that of an error, as fraud implies collusion, falsification, deliberate omissions, false statements or circumventing internal controls,
- familiarize themselves with audit-relevant internal controls so as to prepare audit testing specific to the company, rather than issuing an opinion on the efficacy of internal controls,
- review whether the accounting principles applied are appropriate, whether Management's accounting estimates are reasonable and whether related disclosures are provided in the consolidated financial statements,
- review whether Management's application of the going concern assumption is appropriate and, based on the evidence gathered, whether or not material uncertainty exists due to events or circumstances that may call into question the company's capacity to continue operating. This review is based on evidence gathered up until the audit report date, it being understood that events or circumstances occurring thereafter may call into question the going concern assumption. If they conclude that a material uncertainty does exist, in their report they draw readers' attention to the disclosures provided in the consolidated financial statements in respect of said uncertainty or, if such disclosures are not provided or not relevant, they express a qualified opinion, or do not express an opinion,
- review the presentation of the consolidated financial statements as a whole and assess whether said financial statements give a true and fair view of operations and underlying events,
- in relation to financial disclosures on consolidated companies or entities, they gather evidence they deem sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for coordinating, supervising and performing an audit of the consolidated financial statements and expressing an opinion thereon.

Report to the audit committee

We hereby submit a report to the audit committee containing our audit scope, the work program implemented and conclusions arising therefrom. We also bring to the audit committee's attention any significant procedural internal control weaknesses identified in respect of financial and accounting information processing and preparation.

The report includes risks of material misstatement that, in our opinion, were the most important in our audit of the consolidated financial statements for the year and that, as a result, represented key audit points, which we describe in this report.

We also provided the audit committee the statement required pursuant to article 6 of EU regulation no. 537-2014 confirming our independence, pursuant to applicable French rules as specified under articles L.822-10 to L.822-14 of the French Commercial Code and the French code of ethics for statutory auditors. If required, we meet with the audit committee to discuss risks in respect of our independence and steps taken to avoid or mitigate such risks.

Executed in Lyon and Villeurbanne, April 10, 2020

The statutory auditors

DELOITTE ET ASSOCIÉS
Vanessa Girardet

MAZARS
Nicolas Dusson
Séverine Hervet

4.3 - SUBSIDIARIES AND HOLDINGS

Country	Company name	Local currency	Capital	Shareholders' equity excluding capital incl. income before appropriation of earnings	Book value of shares held Gross	Book value of shares held Net	Loans and advances granted	Loans and advances received	Guarantees and endorsements given	Average rate for the year	Sales for the last fiscal year	Profit or loss for the fiscal year ended	Dividends received during the year
			'000 currency	'000 currency	€000	€000	€000	€000	€000		'000 currency	'000 currency	€000
	Subsidiaries (> 50 % of the share capital held by the company)												
Italy	LABORATOIRES BOIRON	1,000 Euro	2,500	9,689	624	624		5,727			35,138	541	250
USA	BOIRON USA	1,000 USD	33,588	- 11	29,837	29,837	3,072			0.89328	0	9	352
Spain	BOIRON SOCIEDAD IBERICA DE HOMEOPATIA	1,000 Euro	1,099	1,412	2,295	2,295		60			13,801	- 810	
Canada	BOIRON CANADA	1,000 CAD	2,395	983	1,614	1,614		23		0.67318	17,097	286	32
Germany	BOIRON	1,000 Euro	511	- 650	517	0						- 3	
Belgium	UNDA	1,000 Euro	5,356	- 9,212	7,127	0	957				4,926	- 5,552	
France	BOIRON CARAÏBES	1,000 Euro	1,660	1,782	1,898	1,898		2,526			6,925	498	298
France	C.D.F.H.	1,000 Euro	8	210	8	8		156			817	- 74	
Czech Republic	BOIRON CZ	1,000 CZK	3,600	56,165	99	99		975		0.03896	170,435	4,720	
Slovakia	BOIRON SK	1,000 Euro	406	228	390	390	267				2,349	- 102	
Poland	BOIRON SP	1,000 PLN	30,099	- 17,308	7,320	2,961	1,052		67	0.23269	23,936	- 9,183	
Romania	BOIRON RO	1,000 RON	80	4,815	43	43	4,293			0.21073	41,317	225	
Tunisia	BOIRON TN	1,000 TND	105	1,464	84	84				0.30458	5,930	178	
Hungary	BOIRON	1,000 HUF	790,000	- 623,402	2,492	482		109		0.00307	872,538	- 309,907	
Bulgaria	BOIRON BG	1,000 BGN	650	1,698	332	332				0.51130	4,860	203	
Russia	BOIRON	1,000 RUB	827,000	932,550	13,775	13,775			572	0.01380	2,001,594	139,838	397
Brazil	BOIRON MEDICAMENTOS HOMEOPATICOS	1,000 BRL	57,812	- 45,612	18,404	2,699				0.22658	24,532	- 2,222	
Belgium	BOIRON BELGIUM	1,000 Euro	3,650	- 3,208	3,650	552		117				- 1,357	
France	BOIRON	1,000 Euro	555	1,148	555	555		1,591			5,282	334	200
Switzerland	BOIRON	1,000 CHF	1,900	- 195	2,505	1,572		1,027		0.89892	4,238	- 121	
France	LES ÉDITIONS SIMILIA	1,000 Euro	43	165	752	202		206			119	- 21	
Portugal	BOIRON	1,000 Euro	400	258	400	400	934				4,255	- 179	
Belgium	BOIRON	1,000 Euro	11,019	- 3,849	11,019	10,047		1,899			16,855	- 1,378	
France	C.E.D.H.	1,000 Euro	508	219	566	566	260				3,720	50	
India	BOIRON LABORATORIES	1,000 INR	310,005	- 147,729	3,980	2,023			20	0.01268	22,001	- 46,614	
Colombia	BOIRON SAS	1,000 COP	4,500,000	- 1,917,404	1,241	678				0.00027	195,574	- 1,848,655	

4.4 - BOIRON GROUP ORGANIZATIONAL CHART AT DECEMBER 31, 2019

BOIRON parent company(*)

Region	Country	Holding	Subsidiary
FRANCE	METROPOLITAN	100%	CEDH (1)
		100%	CDFH (2)
		97.52%	LES ÉDITIONS SIMILIA
	MARTINIQUE	99.04%	BOIRON CARAÏBES (**)
	REUNION	100%	BOIRON (**)
WESTERN EUROPE	ITALY	99.91%	LABORATOIRES BOIRON (**)
	SPAIN	99.99%	BOIRON SOCIEDAD IBERICA DE HOMEOPATIA (**)
	BELGIUM	100%	BOIRON BELGIUM (3)
		99.28%	UNDA (4) (*)
		100%	BOIRON (*)
	SWITZERLAND	100%	BOIRON (**)
	GERMANY	100%	BOIRON (5)
	PORTUGAL	100%	BOIRON (**)
CENTRAL AND EASTERN EUROPE	CZECH REPUBLIC	100%	BOIRON CZ (**)
	SLOVAKIA	100%	BOIRON SK (**)
	ROMANIA	100%	BOIRON RO (**)
	HUNGARY	100%	BOIRON HUNGARIA (**)
	POLAND	100%	BOIRON (**)
	BULGARIA	100%	BOIRON BG (***)
	RUSSIA	100%	BOIRON (**)
NORTH AMERICA	USA	100%	BOIRON USA (3) / BOIRON (**)
	CANADA	100%	BOIRON CANADA (*)
OTHER COUNTRIES	TUNISIA	99.90%	BORON TN (***)
	BRAZIL	99.99%	BOIRON MEDICAMENTOS HOMEOPATICOS (*)
	INDIA	99.99%	BOIRON LABORATORIES (**)
	COLOMBIA	100%	BOIRON (*)

(1) CEDH = Centre d'Enseignement et de Développement de l'Homéopathie
(2) CDFH = Centre De Formation en Homéopathie
(3) Holding company.
(4) Direct and indirect holding via BOIRON parent company and BOIRON BELGIUM.
(5) Company without activity.

(*) Production, promotion, distribution.
(**) Promotion, distribution.
(***) Promotion.

4.5 - RESULT OF BOIRON PARENT COMPANY DURING THE LAST FIVE YEARS

(Article R225-102 of the French Commercial Code)

	Data converted into thousands of euros	2015	2016	2017	2018	2019
I	**Capital at the end of the fiscal year**					
a	Share capital	19,442	19,442	19,415	17,566	17,545
b	Number of existing ordinary shares	19,442	19,442	19,415	17,566	17,545
c	Number of existing preferred shares (without right to vote)					
d	Maximum number of future shares to be created d1 by conversion of bonds d2 by exercise of application rights					
II	**Operations and results of the fiscal year**					
a	Sales excluding taxes	470,020	487,095	488,858	494,072	423,694
b	Income before tax, employee profit-sharing, amortization, provisions, and reversals (2)	163,840	174,322	162,823	153,365	102,405
c	Income tax	42,580	43,062	38,368	35,923	20,845
d	Employee profit-sharing for the year	7,171	7,877	7,650	7,753	3,396
e	Income after tax, employee profit-sharing, amortization, depreciation and provisions	88,677	95,871	82,584	63,578	37,941
f	Distributed profit	29,163	31,064	31,064	25,470	18,422
III	**Earnings per share**					
a	Income after tax, employee profit-sharing, but before amortization, depreciation and provisions	5.87	6.35	6.02	6.24	4.45
b	Income after tax, employee profit-sharing, amortization, depreciation and provisions	4.56	4.93	4.25	3.62	2.16
c	Dividend distributed by share	1.50	1.60	1.60	1.45	1.05 (1)
IV	**Staff**					
a	Average full-time equivalent workforce during the year	2,409	2,400	2,398	2,361	2,252
b	Amount of the payroll for the fiscal year	96,933	97,328	100,162	100,755	97,995
c	Amounts paid in respect of fringe benefits during the year (Social Security, charitable works, etc.)	52,444	51,309	51,433	51,028	48,629

(1) According to the resolutions proposed by the annual Shareholders' Meeting.
(2) According to the Francis Lefebvre report, profit before tax, amortization, depreciation and provisions includes transfers of operating expenses.

Chapter 5

LEGAL INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

5.1 - SHARE CAPITAL

The share capital is set at SEVENTEEN MILLION FIVE HUNDRED AND FORTY-FIVE THOUSAND FOUR HUNDRED AND EIGHT EUROS (€17,545,408) divided into SEVENTEEN MILLION FIVE HUNDRED AND FORTY-FIVE THOUSAND FOUR HUNDRED AND EIGHT (17,545,408) shares of ONE EURO (€1) each, fully paid-up and to which are associated, as at February 29, 2020, 31,021,409 theoretical voting rights and 30,981,847 voting rights which can be exercised in Shareholders' Meeting.

The difference between the number of shares and the number of voting rights is due to the existence of double voting rights, while the difference between the actual voting rights and theoretical voting rights corresponds to the treasury shares held.

5.1.1 - CHANGES IN THE SHARE CAPITAL OVER THE LAST FIVE YEARS

Date	Nature of the transactions	Capital increase (or decrease)	Number of shares after transactions	Capital after transactions
BoD meeting of 12/14/2016	Effective January 1, 2017: Cancellation of 26,957 shares bought back by the company and a €26,957 capital reduction corresponding to the nominal value of the acquired shares	(€26,957)	19,414,756	€19,414,756
BoD meeting of 09/05/2018	Effective October 30, 2018: Cancellation of 1,849,196 shares bought back by the company and a €1,849,196 capital reduction corresponding to the nominal value of the acquired shares	(€1,849,196)	17,565,560	€17,565,560
BoD meeting of 12/19/2019	Effective December 31, 2019: Cancellation of 20,152 shares bought back by the company and a €20,152 capital reduction corresponding to the nominal value of the acquired shares	(€20,152)	17,545,408	€17,545,408

Non-representative shares: none.
Financial instruments potentially granting access to the share capital: none.

5.1.2 - ARTICLES OF ASSOCIATION

DOUBLE VOTING RIGHTS (ARTICLE 35 OF THE ARTICLES OF ASSOCIATION)

A double voting right compared with that granted to other shares, in respect of the proportion of capital that they represent, is allotted to all fully paid-up shares that are proven to have been registered for at least three years in the name of the same shareholder.
This right is also granted from their issue in the case of capital increases by incorporation of reserves, profits or issue premiums, for registered shares allocated free of charge to a shareholder as a result of old shares for which he/she/it was entitled to this right.
Registered shares with a double voting right, that are converted to bearer shares for any reason whatsoever, lose their double voting right.

DISTRIBUTION OF VOTING RIGHTS BETWEEN USUFRUCTUARY AND BARE OWNERS (ARTICLE 12 OF THE ARTICLES OF ASSOCIATION)

The voting right associated with a share shall be exercised by the owner of any share pledged as a security. In the case of a division in the ownership of a share, that share shall belong to the usufructuary at Ordinary Shareholders' Meetings and to the bare owner at Extraordinary Shareholders' Meetings.

In the event of a transfer of shares under the provisions of article 787 B of the French General Tax Code with reserve of usufruct, and by way of derogation from the above, the voting rights of the usufructuary will then be limited, for shares transferred, only to decisions concerning the distribution of profits.

IDENTIFIABLE BEARER SHARES (ARTICLE 10 OF THE ARTICLES OF ASSOCIATION)

The company is entitled to request from the central depository body at any time the information permitted by law on the identity of holders of shares conferring an immediate or future right to vote at Shareholders' Meetings.

The company is also entitled to request the identity of shareholders, under the conditions set out in the French Commercial Code, if it believes that some holders whose identities have been disclosed to it hold shares on behalf of third parties.

The company may ask any legal entity holding more than 2.5% of the share capital or voting rights to disclose the identity of any persons directly or indirectly holding more than one third of its shares or voting rights at its Shareholders' Meetings.

PERCENTAGE OF SHARE CAPITAL AND VOTING RIGHTS DIRECTLY HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE CORPORATE OFFICERS (AS OF FEBRUARY 29, 2020) (1)

	% Share	% of voting rights exercisable at the Shareholders' Meeting
Thierry Boiron (Board Member - Executive corporate officer)	3.40	3.83
Valérie Lorentz-Poinsot (Board Member - Executive corporate officer)	0.01	0.01
Jean-Christophe Bayssat (Executive corporate officer)	0.00	0.00
Christian Boiron (Board Member)	1.52	1.63
Jacky Abécassis (Board Member)	0.00	0.00
Michèle Boiron (Board Member)	1.55	1.69
Michel Bouissou (Board Member)	0.00	0.00
Christine Boyer-Boiron (Board Member)	1.13	1.28
Jean-Pierre Boyer (Board Member)	0.02	0.02
Stéphanie Chesnot (Board Member)	0.03	0.03
Bruno Grange (Board Member)	0.00	0.00
Virginie Heurtaut (Board Member)	0.03	0.03
Christine Boutin (Board Member representing employees(2))	0.00	0.00
Grégory Walter (Board Member representing shareholder employees(2))	0.00	0.00

(1) Pursuant to the articles of association, each Board Member is required to own a number of shares set at 10 (TEN), with the exception of the Board Member representing shareholder employees and the Board Members representing employees.
Please note that certain Board Members also hold shares in SODEVA and SHB (see section 5.2).
(2) Pursuant to article L225-25 of the French Commercial Code and article 16 of the articles of association, the Board Members' obligation to hold a minimum number of shares in the company does not apply to Board Members representing employees and those representing shareholder employees.

STATUTORY THRESHOLDS (ARTICLE 10 OF THE ARTICLES OF ASSOCIATION)

Any natural person or legal entity having a shareholding of over 2% of the share capital is required to inform the company of the total number of shares that they possess, within fifteen days of the date on which this threshold is exceeded.
The information indicated in the previous paragraph must also be provided within the same timeframe when the shareholding falls below the abovementioned threshold.

When determining the abovementioned shareholding threshold, the following are deemed to be shares held by the person bound to provide the information indicated in the previous paragraph:
1. shares held by other persons on behalf of this person,
2. shares held by the companies that he/she/it controls,
3. shares held by a third party with whom he/she/it acts jointly,
4. shares that one of the persons referred to in points 1, 2 and 3 above is entitled to acquire, at his/her/its own initiative, under an agreement.

FINANCIAL INSTRUMENTS GIVING POSSIBLE RIGHTS OVER THE SHARE CAPITAL

There are no financial instruments that, if implemented or exercised, would result in the creation of new shares.

SHARE PURCHASE OR SUBSCRIPTION OPTIONS GRANTED TO EACH CORPORATE OFFICER AND OPTIONS EXERCISED BY THEM

The company has not granted any stock options.

LOANS AND GUARANTEES GRANTED OR PROVIDED TO MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES

No loans or warrants have been granted or provided to members of the administrative, management or supervisory bodies.

5.1.3 - SHARE BUYBACK PROGRAM

The company has implemented several successive share buyback programs. The most recent share buyback program was authorized by the Combined Shareholders' Meeting on May 16, 2019 in its fourteenth ordinary resolution, and was implemented immediately.

This program, limited to 10% of share capital, and adjusted to take into account any capital increases or reductions that may occur during the course of the program, has the following goals:

- support the secondary market or the liquidity of the BOIRON stock through a market maker under a liquidity agreement that complies with practices recognized by current regulations; it being stipulated that, in this case, the number of shares taken into account for the calculation of the above-mentioned limit corresponds to the number of shares acquired, after deduction of the number of shares resold,
- potentially cancel the repurchased shares, in accordance with the authorization granted in the fifteenth extraordinary resolution of the Combined Shareholders' Meeting held on May 16, 2019,
- retain shares that are bought back and subsequently put them back on the market or use them as consideration in potential external growth transactions,
- cover investment securities giving rights to shares in the company in line with applicable regulations.

These share purchases may be performed by any means, including the purchase of blocks of shares, and may take place at any time elected by the Board of Directors. The company does not intend to use option mechanisms or derivative instruments.
The maximum purchase price was set at €90 per share and the maximum amount of the transaction was set at €158,090,040.

NUMBER OF SHARES PURCHASED OR SOLD BY THE COMPANY DURING THE YEAR

Pursuant to article L225-211 of the French Commercial Code, below is the required information on the implementation of the share buyback program during the 2019 fiscal year:

As at December 31, 2019:

- percentage of treasury shares: 0.21%
- number of treasury shares held in portfolio: 36,158 (nominal value €36,158)

Number of treasury shares broken down by intended use:

- supporting the stock price through an AMAFI liquidity agreement: 36,158 (nominal value €36,158)
- external growth transactions: none
- coverage of stock purchase options or other employee share ownership systems: none
- coverage of securities giving the right to the granting of shares: none
- cancellation: none

Book value of the portfolio: €1,215,246
Market value of the portfolio: €1,316,151 (based on the closing price on December 31, 2019)
Total nominal value: €36,158

The Board of Directors Meeting of December 19, 2019 voted in favor of the cancellation of 20,152 shares bought back by the company and a capital reduction of €20,152 corresponding to the nominal value of the shares bought back, effective December 31, 2019, as indicated in section 5.1.1 of this document. The share capital was therefore reduced from €17,565,560 to €17,545,408.

From January 1, 2019 to December 31, 2019		Liquidity agreement	External growth	Cancellation	Total
Purchases	Number of shares	107,485			107,485
	Price (1)	€42.13			€42.13
	Negotiation costs				
	Amount	€4,528,445			€4,528,445
Sales/transfers	Number of shares	97,433			97,433
	Price (1)	€47.75			€47.75
	Negotiation costs				
	Amount	€4,652,509			€4,652,409

(1) Average share price

AUTHORIZATION TO IMPLEMENT A NEW SHARE BUYBACK PROGRAM – DESCRIPTION OF THE SHARE BUYBACK PROGRAM

The Combined Shareholders' Meeting of May 28, 2020 will be called to approve the introduction of a new share buyback program, according to articles L225-209 *et seq.* of the French Commercial Code, to replace the current program, which would be terminated in advance (see section 5.6).

This plan would be limited to 10% of the share capital and would pursue the same objectives as the buybacks authorized within the framework of the existing program, namely to:

- support the secondary market or the liquidity of the BOIRON stock through a market maker under a liquidity agreement that complies with practices recognized by current regulations; it being stipulated that, in this case, the number of shares taken into account for the calculation of the above-mentioned limit corresponds to the number of shares acquired, after deduction of the number of shares resold,

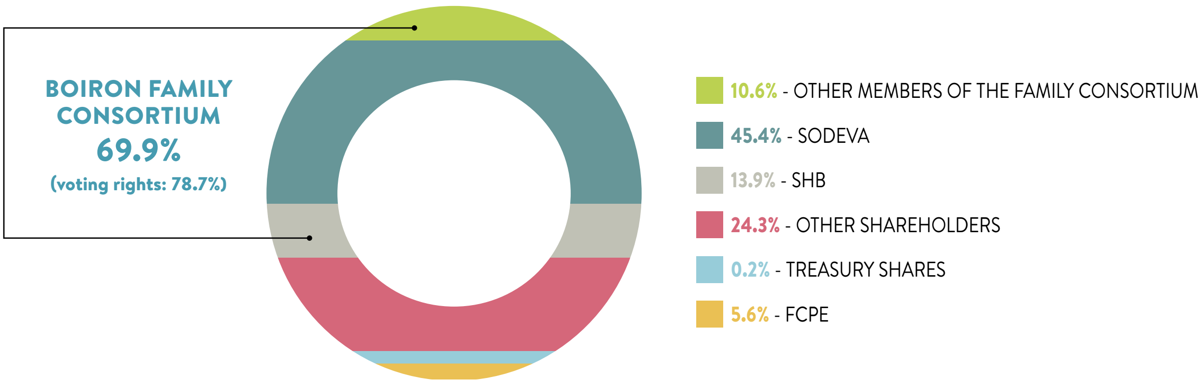
- potentially cancel the repurchased shares, in accordance with the authorization granted in the fifteenth extraordinary resolution of the Shareholders' Meeting held on May 16, 2019,
- retain shares that are bought back and subsequently put them back on the market or use them as consideration in potential external growth transactions,
- cover investment securities giving rights to shares in the company in line with applicable regulations.

The maximum purchase price would be €50 per share, for a total maximum of €87,727 thousand for the entire operation.

The term of this program would be eighteen months beginning on May 28, 2020, i.e. until November 27, 2021.

5.2 - MAIN SHAREHOLDERS

At December 31, 2019, the share capital was distributed as follows:



Voting rights are all expressed excluding treasury shares
Voting rights held by SODEVA: 51.3%
Voting rights held by SHB: 15.7%
Voting rights held by the other members of the BOIRON family consortium: 11.8%

Following the cancellation of the shares bought back by BOIRON, as approved by the Board of Directors meeting of December 19, 2019, effective December 31, 2019, the company's share capital comprises 17,545,408 shares.

Pursuant to article L233-13 of the French Commercial Code, persons holding the percentages of shares or voting rights (excluding treasury shares) listed in article L233-7 of the French Commercial Code on December 31, 2019 are, to the company's best knowledge, listed below:

Shareholders	% of capital	% of voting rights
Holding over 5%	FCPE BOIRON (employee investment fund)	FCPE BOIRON (employee investment fund)
Holding over 10%	SHB (1)	
Holding over 15%		SHB (1)
Holding over 20%		
Holding over 25%		
Holding over 30%		
Holding over 33 1/3%	SODEVA (2)	
Holding over 50%		SODEVA (2)
Holding over 66 2/3%	BOIRON family consortium (3)	BOIRON family consortium (3)

(1) Limited company (société anonyme) controlled by the Henri Boiron family branch.
(2) Limited company (société anonyme) controlled by the Jean Boiron family branch.
(3) The BOIRON family consortium includes: SODEVA, SHB and the members of the Jean and Henri Boiron families.

The company is controlled by the BOIRON family consortium as indicated above.

The measures taken in order to ensure that control is not exercised in an abusive manner are the following:

- the presence of an independent Board Member on the Board of Directors and its audit committee,
- the separation of the duties of the Chairman and the General Manager.

At December 31, 2019, the BOIRON family consortium held 12,263,404 registered and bearer shares representing 69.90% of the share capital and 78.73% of the voting rights (excluding treasury shares).

CHANGES IN SHARE CAPITAL BREAKDOWN

	Number of shares	% of share capital	Number of voting rights exercisable at Shareholders' Meetings	% of voting rights exercisable at Shareholders' Meetings	Number of theoretical voting rights	% of theoretical voting rights
	December 31, 2017					
BOIRON family consortium	12,228,079	62.98	23,198,883	75.39	23,198,883	73.05
• of which SODEVA	7,966,313	41.03	14,747,656	47.92	14,747,656	46.44
• of which SHB	2,428,247	12.51	4,841,394	15.73	4,841,394	15.24
• of which other natural persons	1,833,519	9.44	3,609,833	11.74	3,609,833	11.37
Public	5,273,172	27.16	5,760,939	18.72	5,760,939	18.14
FCPE	929,000	4.79	1,814,000	5.89	1,814,000	5.71
Treasury shares	984,505	5.07	0	0	984,505	3.10
Total	**19,414,756**	**100**	**30,773,822**	**100**	**31,758,327**	**100**
	December 31, 2018					
BOIRON family consortium	12,239,679	69.68	24,334,955	78.54	24,334,955	78.42
• of which SODEVA	7,966,313	45.35	15,862,723	51.20	15,862,723	51.12
• of which SHB	2,438,747	13.88	4,855,394	15.67	4,855,394	15.65
• of which other natural persons	1,834,119	10.44	3,616,838	11.67	3,616,838	11.65
Public	4,343,373	24.74	4,818,917	15.55	4,818,917	15.59
FCPE	945,250	5.38	1,830,250	5.91	1,830,250	5.90
Treasury shares	46,258	0.20	0	0	46,258	0.09
Total	**17,565,560**	**100**	**30,984,122**	**100**	**31,030,380**	**100**
	December 31, 2019					
BOIRON family consortium	12,263,404	69.89	24,408,182	78.73	24,408,182	78.64
• of which SODEVA	7,966,313	45.40	15,893,791	51.27	15,893,791	51.21
• of which SHB	2,438,747	13.90	4,860,894	15.68	4,860,894	15.66
• of which other natural persons	1,858,344	10.59	3,653,497	11.78	3,653,497	11.77
Public	4,265,273	24.30	4,702,292	15.20	4,702,292	15.20
FCPE	980,573	5.59	1,892,573	6.07	1,892,573	6.10
Treasury shares	36,158	0.22	0	0	36,158	0.06
Total	**17,545,408**	**100**	**31,003,047**	**100**	**31,039,205**	**100**

Mr. Thierry Boiron is Chairman of the Board of Directors and Chairman and General Manager of SODEVA.

The BOIRON family consortium is made up of two companies (SODEVA and SHB) and twenty-one individuals.

BOIRON was founded by Jean and Henri Boiron. SODEVA is a limited company controlled by the Jean Boiron family group. SHB is a limited company controlled by the Henri Boiron family group. To the company's knowledge, no other shareholder holds, directly or indirectly, acting alone or jointly, more than 5% of the capital or voting rights.

At its meeting held on October 30, 2018, the French Financial Markets Authority (AMF) examined a request for an exemption from the obligation to file a public tender offer proposal for shares in public limited company BOIRON, which falls with a plan to cancel all of the shares held by the company (AMF opinion 218C1745):

- the BOIRON family consortium, comprising companies SODEVA and SHB and a number of individuals, held 12,231,679 BOIRON shares representing 24,317,550 voting rights, i.e. 63.00% of the company's share capital and 73.98% of the voting rights,
- the company's Board of Directors, at its meeting held on September 5, 2018 voted, conditional on the granting of an exemption to the mandatory tender offer process, to cancel 1,849,196 BOIRON treasury shares, under the authorization granted by the Combined Shareholders' Meeting of May 18, 2017.

As a result of the proposed transaction, the majority family consortium will hold 12,231,679 BOIRON shares representing 24,317,550 voting rights, i.e. 69.63% of the capital and 78.39% of the voting rights of this company,

- as such, SODEVA increased its equity interest and voting rights, initially ranging between 30% and 50%, by more than 1% over less than twelve consecutive months, thus placing it under the obligation to file a proposal for a tender offer for the BOIRON shares, pursuant to article 234-5 of the general regulation,
- in this context, SODEVA applied to the AMF for an exemption from the obligation to file a public tender offer proposal for the BOIRON shares, on the basis of article 234-9, 6 of the general regulation,
- whereas the SODEVA is a member of a family consortium which, prior to the proposed transaction, holds the majority of BOIRON's voting rights, the AMF has granted the exemption requested on the regulatory basis put forward.

During 2018, the declarations of threshold crossings and intentions were as follows:

- In a letter received October 31, 2018 (AMF opinion no. 218C1757), the BOIRON family consortium, comprising SODEVA and SHB and various individuals, declared that it had crossed the BOIRON 2/3 capital threshold on October 30, 2018, and that it held 12,231,679 BOIRON shares representing 24,317,550 voting rights, i.e. 69.63% of the share capital and 78.39% of the voting rights, as follows:

	Equities	% capital	Voting rights	% voting rights
SODEVA	7,966,313	45.35	15,862,723	51.13
SHB	2,431,247	13.84	4,844,394	15.62
Other natural persons	1,834,119	10.44	3,610,433	11.64
BOIRON family consortium	12,231,679	69.63	24,317,550	78.39

This threshold was crossed as a result of the cancellation of 1,849,196 treasury shares under the authorization granted by BOIRON's Combined Shareholders' Meeting on May 18, 2017 and, as such, of the reduction in the company's share capital.

On this occasion, SODEVA announced that it had individually increased its share of the voting rights in BOIRON to over 50%, it being specified that it also increased its stake, originally between 30% and 50% of the capital and voting rights, by over 1% in less than twelve months, and SHB declared that it had individually crossed the upper threshold of 15% of voting rights in BOIRON.

In the same letter, the following declaration of intention was made by SHB:

"The crossing of the 15% threshold in voting rights by SHB results from the cancellation of 1,849,196 treasury shares held by BOIRON and the subsequent reduction of its capital by the same amount.

SHB does not intend to implement a particular strategy with regard to the BOIRON, or to exert specific influence over the management of the company, other than that exercised by the BOIRON family concert, of which it is a member, which held, prior to the capital reduction transaction, the majority of BOIRON's voting rights, at 73.98%.

SHB does not intend to take control of BOIRON or request its appointment or that of one or more persons as Board Members of BOIRON, it being specified that two shareholders and Board Members of the SHB are also shareholders and have been Board Members of BOIRON since a date prior to the capital reduction transaction.

There are no agreements or instruments referred to in article L233-9-4 and 4 bis of the French Commercial Code relating to BOIRON, nor any temporary transfer agreement relating to the company's shares or voting rights".

The increase in SODEVA equity interest and voting rights in BOIRON, initially ranging between 30% and 50%, by more than 1% over less than twelve consecutive months, was the subject of a decision to waive the obligation to file a proposed public tender offer, reproduced in D&I 218C1745, and published online on October 30, 2018.

- In a letter received on November 6, 2018 (AMF opinion no. 218C1794), and a letter received on November 7, NATIXIS INVESTMENT MANAGERS INTERNATIONAL (43, avenue Pierre Mendès France, CS 41432, 75013 Paris Cedex 13), acting on behalf of FCPE BOIRON, for which it assures the management, stated that it had crossed the upper 5% threshold of BOIRON's capital on October 31, 2018, and that it held, on behalf of said funds, 933,100 BOIRON shares representing 1,818,100 voting rights, i.e. 5.31% of the capital and 5.86% of the voting rights of that company.

No material changes have taken place in the shareholder structure or voting rights since December 31, 2019.

5.2.1 - SECURITY TRANSACTIONS BY CORPORATE OFFICERS, SENIOR EXECUTIVES AND THEIR FAMILIES CONDUCTED DURING THE FISCAL YEAR

Full name Company name	Name of the person linked to the previous person	Position held within the issuer	Nature of the transaction	Total number of shares	Weighted average price	Total amount
THIERRY BOIRON		Chairman of the Board of Directors	Donation	150,000		
THIERRY BOIRON		Chairman of the Board of Directors	Disposal	17,796	€33.20	€590,827.20
SOFABI SARL	Thierry Boiron	Chairman of the Board of Directors	Acquisition	17,796	€33.20	€590,827.20
SOFABI SARL	Thierry Boiron	Chairman of the Board of Directors	Disposal	8,898	€33.6665	€299,564.52
SOFABI SARL	Thierry Boiron	Chairman of the Board of Directors	Disposal	8,898	€33.0781	€294,328.93

5.3 - EMPLOYEE SHAREHOLDING

Employee shareholding at BOIRON was developed in several stages:

At the end of the seventies, BOIRON benefited from a very favorable economic environment with strong growth in its business. Labor relations were also favorable, with new profit sharing agreements put in place to share growth and profits.

At the end of 1978, employees made their first request to become BOIRON shareholders at the central Works Committee.

In October 1984, a BOIRON employee investment fund (referred to as an FCPE in French) was created following a capital increase reserved for employees, enabling them to purchase 2% of company's share capital.
In June 1987, BOIRON was admitted to the stock market.

Employees can invest in the BOIRON employee investment fund via:

The employee savings plan: in 2019, approximately 25% of employee savings from 2018 were transferred into the BOIRON employee investment fund (FCPE).

Profit sharing: 34% of the funds from the 2018 profit sharing incentive scheme were invested in the BOIRON employee investment fund in 2019.

Voluntary contributions: employees can also make voluntary transfers into the BOIRON employee investment fund. In 2019, 1,486 employees contributed a total of €1,766 thousand.
Employer matching on voluntary contributions into the BOIRON employee investment fund is based on a declining scale in three tranches, offering a maximum employer contribution of €1,550 for €2,950 in annual payments.

At December 31, 2019, the BOIRON employee investment fund's assets amounted to more than €53 million, of which 67% in BOIRON shares. About 85% of employees own a portion of the BOIRON employee investment fund.

The BOIRON employee investment fund held 5.59% of BOIRON's share capital at December 31, 2019 (5.38% at December 31, 2018).

The Chairman of the BOIRON employee investment fund's Supervisory Board serves on the Board of Directors as a representative of employee shareholders.

The BOIRON share is also part of the employee shareholder index Euronext FAS IAS®, which tracks the stock market performance of listed companies with significant employee ownership.

5.4 - INCORPORATION AND ARTICLES OF ASSOCIATION - LEGAL INFORMATION ON BOIRON PARENT COMPANY

COMPANY NAME:
BOIRON

HEADQUARTERS:
2, avenue de l'Ouest Lyonnais - 69510 Messimy
Tel.: 04 78 45 61 00

LEGAL FORM:
A public limited liability company governed by the French Commercial Code and the French Public Health Code.

DATE OF CREATION AND LIFETIME:
The company's lifetime is set at ninety-nine complete years from June 7, 1932, the date of its registration in the Trade and Companies Register, to June 6, 2031, unless the company is dissolved before that or its lifetime is extended.

CORPORATE PURPOSE:
BOIRON's corporate purpose in France and abroad is as follows:

- the trading of all products or services designed to improve health, such as:
  - the manufacture, distribution and sale of medicines, in particular homeopathic medicines, dietary products, hygiene and health products, as well as medicines for human or veterinary use,
  - the storage and distribution of pharmaceutical specialties for one or more manufacturers,
  - fundamental and applied research,
  - teaching, training and awareness campaigns targeting health professionals and the general public,
  - publishing, publication, documentation, communication,
  - either directly by creation, contribution, merger, demerger, purchase, taking over the management or any other method,
  - or indirectly via specialized subsidiaries, by contribution, management, merger, demerger or any other method,
- and more generally, all commercial, financial, industrial, real estate or property transactions directly or indirectly relating to the corporate purpose and a similar or related purpose.

The company may carry out any transactions that are compatible with these objects, relate to them or help achieve them.

TRADE AND COMPANIES REGISTER:
967 504 697 RCS LYON

LEI:
9695000UMPNY21KKD098

NAF CODE:
2120 Z

LOCATION WHERE THE LEGAL DOCUMENTATION RELATING TO THE COMPANY MAY BE CONSULTED:
2, avenue de l'Ouest Lyonnais - 69510 Messimy

FISCAL YEAR:
The fiscal year starts on January 1 and ends on December 31.

WEBSITES:
www.boiron.fr
www.boironfinance.com

The information presented on the company's websites and referred to in this document by hyperlink does not form part of this Universal registration document.

As such, this information have not been examined nor approved by the AMF.

5.4.1 - INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS

Pursuant to a resolution adopted on March 7, 2007, the BOIRON Board of Directors established an internal regulation which grants Board Members the possibility to participate in Board meetings via videoconference or other telecommunications methods.

To that end, the following procedures were approved.

Article 1 - Board of Directors' meetings

Use of video conferencing facilities or telecommunications tools

Board Members may participate in Board meetings by videoconference or telecommunications.

This method of participation is not applicable for decisions relating to the approval of the financial statements, including the consolidated financial statements.

The method used should enable participants to be identified, and must ensure their effective participation in the Board meeting, the discussion of which shall be transmitted live.
The meeting minutes shall note the means by which Board Members participate, via videoconference or telecommunications.

Article 2 - Approval, amendments and disclosure of internal regulations

These internal regulations may be amended or modified by decision of the Board of Directors taken within the guidelines defined by the articles of association.
Any new member of the Board of Directors will be requested to ratify it concomitantly to taking up his or her position on the Board.

Where appropriate, all or a portion of these internal regulations may be made disclosed to the public.

5.5 - REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED SHAREHOLDERS' MEETING OF MAY 28, 2020 - EXTRAORDINARY PORTION

Dear Shareholders,

We have convened you to the Shareholders' Meeting to vote on the following resolutions during the extraordinary portion:

1. Voting at Meetings by electronic means (twenty-third resolution)

Currently, shareholders who are unable or unwilling to attend a Shareholders' Meeting may be represented by an individual or legal entity of their choosing, or vote by mail under the conditions set out in applicable laws and regulations.

In order to encourage the participation of shareholders in the company's life, it is proposed that you amend article 33 of the articles of association to allow shareholders to vote by electronic means for all ordinary or extraordinary Meetings, by inserting a fourth paragraph, as follows:

"Any shareholder may also, if the Board of Directors so decides when it convenes the Meeting, send a proxy and remote voting form by any means of telecommunication or teletransmission, including over the internet, in accordance with applicable regulations. This option is provided in the meeting notice published in the Bulletin des Annonces Légales Obligatoires *(BALO)".*

2. Decisions of the Board of Directors taken via written consultation (twenty-fourth resolution)

In accordance with the option provided by French law of July 19, 2019 on the simplification, clarification and updating of company law, we propose that the members of the Board of Directors be given the option to take certain decisions by way of written consultation, which are listed exhaustively in the legislation, namely:

- appointment of a Board Member in the event of a vacancy due to death or resignation, or when the number of Board Members is less than the legal or statutory minimum required, or when the gender balance is not respected,
- approval of sureties, endorsements and guarantees,
- bringing the articles of association into compliance with legal and regulatory provisions,
- convening the General Meeting,
- transfer of the headquarters (registered office) within the same department.

It is therefore proposed that you amend article 20 of the articles of association (relating to Board resolutions and minutes), by inserting the following paragraph, after the first paragraph:

"The Board of Directors may also take decisions by written consultation of the Board Members, under the conditions provided for by law".

3. Delegation of the Board of Directors to answer shareholders' questions (twenty-fifth resolution)

The French simplification law of July 19, 2019 relaxes the conditions under which shareholders' questions must be answered at Shareholders' Meetings. The Board of Directors may now delegate one of its members, the General Manager or a Deputy General Manager to answer said questions.

It is therefore proposed that you amend the second paragraph of article 43 of the articles of association in order to provide for this option, as follows:

"As from the day on which they are entitled to exercise their right of prior communication at any Shareholders' Meeting, each shareholder has the right to submit questions in writing, that the Board of Directors shall be required to answer during the meeting. An answer to a written question shall be deemed to have been given when it appears on the company's website. The Board of Directors may delegate, as the case may be, one of its members, the General Manager or a Deputy General Manager to answer said questions".

4. Alignment of the articles of association with applicable regulations (twenty-sixth resolution)

- Obligation to amend the articles of association to provide for the appointment of a second Board Member representing the employees:

Article L225-27-1 of the French Commercial Code, as amended by the law Pacte of May 22, 2019, lowers the threshold for appointing two Board Members representing employees. When the Board of Directors comprises more than eight members (down from twelve previously), the number of Board Member representing employees must now equal at least two.

It is therefore proposed that article 16 of the articles of association be brought in line with this provision and, as such, that its seventh and eighth paragraphs be amended as follows:

"Pursuant to article L225-27-1 of the French Commercial Code, the Board of Directors also includes one or more Board Members representing the group's employees, who are not included in the determination of the minimum and maximum numbers of Board Members defined by these articles of association.

In the event that the number of Board Members appointed by the Shareholder's Meeting exceeds eight, a second Board Member representing employees will by appointed in accordance with the provisions below, within six months of the appointment of the new Board Member by the Shareholders' Meeting".

It is therefore also proposed that you amend the eleventh paragraph of article 16 of the articles of association as follows, the rest of the article remaining unchanged:

"The reduction of the number of Board Members appointed by the Shareholder's Meeting to eight or fewer shall not affect the duration of the term of any of the employee representatives on the Board of Directors, which will end at its normal expiration".

- Reference to "say on pay" in determining the compensation of the Chairman of the Board of Directors, the General Manager and the Deputy General Managers:

Articles L225-47 and L225-53 of the French Commercial Code, as amended by the law of December 9, 2016 on transparency, the fight against corruption and the modernization of the economy ("law Sapin II"), established a procedure for controlling the compensation paid to company directors of French public limited companies (*sociétés anonymes*) whose securities are admitted to trading on a regulated market ("*say on pay*" procedure).

It is proposed that you bring articles 19 and 22 of the articles of association in line with these provisions, as follows:

- The first paragraph of article 19 of the articles of association would be modified as follows:

"Taking into account the provisions of the French Public Health Code, the Board elects from amongst its members a Chairman, who must be a natural person, for a term not exceeding that of their term of office as Board Member. It determines their compensation in accordance with regulatory conditions. The Board of Directors may terminate their term of office at any time".

- The tenth paragraph of article 22 of the articles of association would be amended as follows:

"The Deputy General Managers have the same powers with respect to third parties as the General Manager. The Board sets the amount and conditions of the compensation paid to the General Manager and of the Deputy General Manager(s), in accordance with the regulatory conditions".

- Reference to "say on pay" in determining Directors' compensation and elimination of the notion of "attendance fees":

Article L225-45 of the French Commercial Code, as amended by the Pacte law and the Order of November 27, 2019 relating to the compensation of corporate officers of listed companies, extended the "*say on pay*" procedure to the compensation of Board Members, and abolished with the notion of "attendance fees".

As such, it is proposed that you amend article 24 of the articles of association as follows:

"The Shareholders' Meeting may allocate to the Board Members, as compensation for their activities, a fixed annual amount to be determined by the Shareholders' Meeting, without being bound by previous decisions. The amount is recorded under operating expenses, and remains valid until a decision to the contrary is made. The Board shall distribute amongst its members the total amount allocated to the Board Members, in accordance with regulatory conditions".

- Counting of votes at General Meetings for the purpose of calculating the majority:

The French simplification law of July 19, 2019 amended the rules for counting votes at Shareholders' Meetings. Abstentions are no longer counted as oppositional votes, but rather are excluded from the count, in order to more accurately reflect the position of shareholders who make this choice.

It is therefore proposed that you bring articles 39, 41 and 42 of the articles of association in line with this provision, as follows:

- The last sentence of article 39 of the articles of association would be amended as follows:

"[...] It shall decide by a majority of the votes cast by the shareholders in attendance, whether voting by mail or by proxy. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained or submitted a blank or invalid voted".

- The last sentence of the second paragraph of article 41 of the Statutes would be amended as follows:

"[...] Subject to these same reserves, it shall decide by a two-thirds majority of the votes cast by the shareholders in attendance, whether voting by mail or by proxy. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained or submitted a blank or invalid voted".

- The last sentence of article 42 of the articles of association would be amended as follows:

"[...] These Meetings shall be decided by a two-thirds majority of the votes cast by the shareholders in attendance or represented, or by those voting by mail. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained or submitted a blank or invalid voted".

- Procedure for identifying the owners of shares:

The company was previously entitled to request from the central custodian the information required by law concerning the identity of the owners of bearer securities conferring the right to vote at Shareholders' Meetings.

Articles L228-2 *et seq.* of the French Commercial Code, as amended by French law of May 22, 2019 on the growth and transformation of companies ("Pacte" law), now provide that the company is entitled to request this information not only from the central custodian, but also directly from one or more intermediaries (account keepers) where the securities are registered.

It is therefore proposed that article 10 of the articles of association be brought in line with these provisions and, as such, that its second paragraph be replaced as follows:

"In order to identify the owners of bearer shares, the company may, at any time, and under the conditions set out in applicable legal and regulatory provisions, request information concerning the owners of its shares and securities conferring immediate or future voting rights at its Shareholders' Meetings".

If these proposals meet with your approval, please approve them by voting for the resolutions presented to you.

Messimy,
March 11, 2020

The Board of Directors

5.6 - DRAFT RESOLUTIONS PUT TO THE COMBINED SHAREHOLDER'S MEETING OF MAY 28, 2020

Ordinary resolutions:

First resolution - Approval of the company financial statements for the year ended December 31, 2019 - Approval of non tax-deductible expenditure and expenses

The Shareholders' Meeting, following its review of the reports issued by the Board of Directors and the statutory auditors for the period ended December 31, 2019, hereby approves the company financial statements closed at that date, as presented, which shows a profit of €37,941,309.66.

The Shareholders' Meeting expressly approves the total amount of €292,108 in charges and expenses subject to item 4 of article 39 of the French Tax Code, as well as the corresponding tax.

Second resolution - Approval of the consolidated financial statements for the year ended December 31, 2019

The Shareholders' Meeting, following its review of the reports issued by the Board of Directors and the statutory auditors on the consolidated financial statements as at December 31, 2019, approves these financial statements as presented, showing a profit (group share) of €40,629,795.06.

Third resolution - Appropriation of earnings and setting of dividends

The Shareholders' Meeting, following a proposal made by the Board of Directors, hereby decides to appropriate the earnings of the fiscal year ended December 31, 2019 as follows:

Profit for the 2019 fiscal year	**€37,941,309.66**
+ Profit carried forward	€35,357,559.18
= Distributable income	**€73,298,868.84**
- Dividends of €1.05 per share	-€18,422,678.40
Based on 17,545,408 shares	
= Remainder	**€54,876,190.44**
- Other reserves	€34,000,000.00
= Carried forward	**€20,876,190.44**

The Shareholders' Meeting notes that the gross dividend allocated to each share is set at €1.05.

Dividends paid to individuals residing in France for tax purposes are subject either to a single flat-rate withholding tax of 12.8% on the gross dividend (article 200 A of the French Tax Code), or, at the express, irrevocable and comprehensive decision of the taxpayer, to the progressive income tax scale, after a 40% deduction (articles 200 A, 13 and 158 of the French Tax Code).
Dividends are also subject to a 17.2% social charges withholding rate.

The ex-dividend will be carried out on June 2, 2020.
Dividends will be paid out on June 5, 2020.

Note that if the company holds treasury shares at the ex-dividend date, the amounts corresponding to dividends not paid in respect of such shares will be carried forward.

In accordance with the provisions of article 243 bis of the French Tax Code, the Shareholders' Meeting notes that it was reminded that, during the last three full-year periods, the dividend distributions and income were as follows:

DURING THE YEAR	INCOME ELIGIBLE FOR THE EXEMPTION		INCOME NOT ELIGIBLE FOR THE EXEMPTION
	DIVIDENDS (1)	OTHER INCOME DISTRIBUTED	
2016	€31,063,609.60 i.e. €1.60 per share	-	-
2017	€31,063,609.60 i.e. €1.60 per share	-	-
2018	€25,470,062.00 i.e. €1.45 per share	-	-

(1) Of which carried forward (corresponding to dividends not paid out on treasury shares):
- €1,578,148.80 in 2016
- €2,759,129.60 in 2017
- €85,978.25 in 2018

Fourth resolution - Statutory auditors' special report on regulated agreements and approval of these agreements

The Shareholders' Meeting, after having read the statutory auditors' special report on regulated agreements presented to it, approves the new agreements mentioned therein.

Fifth resolution - Reappointment of Mr. Thierry Boiron as Board Member

The Shareholders' Meeting hereby resolves to reappoint Mr. Thierry Boiron as Board Member, for a three-year term, expiring at the end of the Meeting called in 2023 to approve the financial statements for the fiscal year-ended.

Sixth resolution - Reappointment of Ms. Valérie Lorentz-Poinsot as Board Member

The Shareholders' Meeting resolves to reappoint Ms. Valérie Lorentz-Poinsot as Board Member, for a three-year term, expiring at the end of the Meeting called in 2023 to approve the financial statements for the fiscal year-ended.

Seventh resolution - Reappointment of Ms. Michèle Boiron as Board Member

The Shareholders' Meeting resolves to reappoint Ms. Michèle Boiron as Board Member, for a three-year term, expiring at the end of the Meeting called in 2023 to approve the financial statements for the fiscal year-ended.

Eighth resolution - Reappointment of Mr. Jacky Abécassis as Board Member

The Shareholders' Meeting resolves to reappoint Mr. Jacky Abécassis as a Board Member, for a three-year term, expiring at the end of the Meeting called in 2023 to approve the financial statements for the fiscal year-ended.

Ninth resolution - Reappointment of Mr. Bruno Grange as Board Member

The Shareholders' Meeting resolves to reappoint Mr. Bruno Grange as Board Member, for a three-year term, expiring at the end of the Meeting called in 2023 to approve the financial statements for the fiscal year-ended.

Tenth resolution - Reappointment of Mr. Grégory Walter as Board Member representing shareholder employees

The Shareholders' Meeting resolves to reappoint Mr. Grégory Walter as Board Member representing shareholder employees, for a three-year term, expiring at the end of the Meeting called in 2023 to approve the financial statements for the fiscal year-ended.

Eleventh resolution - Appointment of Ms. Anabelle Flory-Boiron as Board Member

The Shareholders' Meeting hereby decides to appoint Ms. Anabelle Flory-Boiron, residing at 13 B chemin du Moulin d'Arche - 69450 Saint-Cyr-Au-Mont-d'Or, as a new Board Member for a three-year term, expiring at the end of the Meeting called in 2023 to approve the financial statements for the fiscal year-ended.
Ms. Anabelle Flory-Boiron hereby accepts these duties.

Twelfth resolution - Appointment of Ms. Laurence Boiron as Board Member

The Shareholders' Meeting hereby decides to appoint Ms. Laurence Boiron, residing at 2 montée de la Batterie - 13007 Marseille, as a new Board Member for a three-year term, expiring at the end of the Meeting held in 2023 called to approve the financial statements for the fiscal year-ended.
Ms. Laurence Boiron hereby accepts this position.

Thirteenth resolution - Approval of the information referred to in article L225-37-3-I of the French Commercial Code

The Shareholders' Meeting, voting in accordance with article L225-100-II of the French Commercial Code, approves the information referred to in article L225-37-3-I of the French Commercial Code, as mentioned in the corporate governance report included in the 2019 Universal registration document, under section 2.6.2.

Fourteenth resolution - Approval of the fixed, variable and exceptional components comprising the total compensation and benefits in kind paid during the year-ended or allocated in respect of the same year to Mr. Thierry Boiron, Chairman of the Board of Directors

The Shareholders' Meeting, voting in accordance with article L225-100 III of the French Commercial Code, approves the fixed, variable and exceptional items comprising the total compensation and benefits in kind paid during the past fiscal year or awarded in respect of said fiscal year to Mr. Thierry Boiron, Chairman of the Board of Directors, as presented in the corporate governance report included in the 2019 Universal registration document under section 2.6.3.1.

Fifteenth resolution - Approval of the fixed, variable and exceptional components comprising the total compensation and benefits in kind paid during the year-ended or allocated in respect of said year to Ms. Valérie Lorentz-Poinsot, General Manager

The Shareholders' Meeting, voting in accordance with article L225-100 III of the French Commercial Code, approves the fixed, variable and exceptional items comprising the total compensation and benefits in kind paid during the fiscal year-ended or awarded in respect of said fiscal year to Ms. Valérie Lorentz-Poinsot, General Manager, presented in the corporate governance report included in the 2019 Universal registration document under section 2.6.3.2.

Sixteenth resolution - Approval of the fixed, variable and exceptional components comprising the total compensation and benefits in kind paid during the year-ended or allocated in respect of said year to Mr. Jean-Christophe Bayssat, Deputy General Manager

The Shareholders' Meeting, voting in accordance with article L225-100 III of the French Commercial Code, approves the fixed, variable and exceptional items comprising the total compensation and benefits in kind paid during the fiscal year-ended or awarded in respect of said fiscal year to Mr. Jean-Christophe Bayssat, Deputy General Manager, presented in the corporate governance report included in the 2019 Universal registration document under section 2.6.3.3.

Seventeenth resolution - Approval of the compensation policy for the Chairman of the Board of Directors
The Shareholders' Meeting, voting in accordance with article L225-37-2 of the French Commercial Code, approves the compensation policy for the Chairman of the Board of Directors, presented in the corporate governance report included in the 2019 Universal registration document under section 2.6.1.1.1.

Eighteenth resolution - Approval of the compensation policy for the General Manager
The Shareholders' Meeting, voting in accordance with article L225-37-2 of the French Commercial Code, approves the compensation policy for the General Manager, presented in the corporate governance report included in the 2019 Universal registration document under section 2.6.1.1.2.

Nineteenth resolution - Approval of the compensation policy for the Deputy General Managers
The Shareholders' Meeting, voting in accordance with article L225-37-2 of the French Commercial Code, approves the compensation policy for the Deputy General Managers, presented in the corporate governance report included in the 2019 Universal registration document under section 2.6.1.1.3.

Twentieth resolution - Approval of the compensation policy for Board Members
The Shareholders' Meeting, voting in accordance with article L225-37-2 of the French Commercial Code, approves the compensation policy for Board Members, presented in the corporate governance report included in the 2019 Universal registration document under section 2.6.1.2.

Twenty-first resolution - Fixed annual amount to be allocated to the Board Members
The Shareholders' Meeting sets the total annual amount of compensation to be granted to the Board of Directors at €305 thousand for the 2020 fiscal year.

Twenty-second resolution - Authorization to be given to the Board of Directors to buy back company shares, under the provisions of article L225-209 of the French Commercial Code, term of the authorization, purpose, procedures, cap
Having read the Board of Directors' report, the Shareholders' Meeting authorizes the latter, for a period of eighteen months, pursuant to articles L225-209 *et seq.* of the French Commercial Code, to buy back, on one or more occasions, and whenever it so decides, company shares within the limit of 10% of the shares comprising the share capital, adjusted to take into account any capital increases or reductions that might occur during the course of the program.

This authorization revokes the authorization granted to the Board of Directors by the Shareholders' Meeting of May 16, 2019 under its fourteenth ordinary resolution.

Acquisitions may be made to:

- support the secondary market or the liquidity of the BOIRON stock through a market maker under a liquidity agreement that complies with practices recognized by current regulations; it being stipulated that, in this case, the number of shares taken into account for the calculation of the above-mentioned limit corresponds to the number of shares acquired, after deduction of the number of shares resold,
- potentially cancel the repurchased shares, in accordance with the authorization granted in the fifteenth extraordinary resolution of the Shareholders' Meeting held on May 16, 2019,
- retain shares that are bought back and subsequently put them back on the market or use them as consideration in potential external growth transactions,
- cover investment securities giving rights to shares in the company in line with applicable regulations.

These share acquisitions may be carried out by any means, including by the acquisition of blocks of shares, and whenever decided by the Board of Directors.

The company does not intend to use option mechanisms or derivative instruments.

The maximum purchase price is set at €50 per share. In the event of a change to the capital, in particular in case of splitting or grouping of shares or free share grants, the amount mentioned above will be adjusted in the same proportions (coefficient equal to the ratio of the number of shares in the capital prior to the change and the number of shares following the change).
The maximum amount of the transaction is set at €87,727 thousand.

The Shareholders' Meeting hereby fully empowers the Board of Directors to carry out these transactions, to decide upon the terms and conditions and means thereof, to enter into any necessary agreements and to complete all formalities.

Extraordinary resolutions:

Twenty-third resolution - Amendment to article 33 of the articles of association to allow shareholders to vote at Meetings by electronic means

The General Meeting, having read the Board of Directors' report, hereby resolves to amend article 33 of the articles of association as follows:

- the following paragraph shall be inserted after paragraph 3 of article 33, the rest of the article remaining unchanged:

"Any shareholder may also, if the Board of Directors so decides when it convenes the Meeting, send a proxy and remote voting form by any means of telecommunication or teletransmission, including over the internet, in accordance with applicable regulations. This option is provided in the meeting notice published in the Bulletin des Annonces Légales Obligatoires *(BALO)".*

Twenty-fourth resolution - Amendment to article 20 of the articles of association to allow certain decisions of the Board of Directors to be taken via written consultation

The Shareholders' Meeting, having reviewed the Board of Directors' report, hereby resolves, in accordance with the option provided for in article L225-37 of the French Commercial Code as amended by law no. 2019-744 of July 19, 2019, to grant members of the Board of Directors the option to take decisions falling within its own remit, as exhaustively set out in applicable regulations, by way of written consultation, and consequently amends article 20 of the articles of association as follows:

- the following paragraph shall be inserted after the paragraph 1 of article 20, the rest of the article remaining unchanged:

"The Board of Directors may also take decisions by written consultation of the Board Members, under the conditions provided for by law".

Twenty-fifth resolution - Amendment of article 43 of the articles of association to provide Board of Directors the possibility to delegate the power to answer written questions submitted by the shareholders

The Shareholders' Meeting, having read the Board of Directors' report, resolves, in accordance with the option provided for in article L225-108 of the French Commercial Code as amended by French law no. 2019-744 of July 19, 2019, to provide the Board of Directors the possibility to delegate one of its members, the General Manager or a Deputy General Manager to answer written questions submitted by a shareholder at Meetings, and consequently amends the second paragraph of article 43 of the articles of association as follows, with the rest of the article remaining unchanged:

"As from the day on which they are entitled to exercise their right of prior communication at any Shareholders' Meeting, each shareholder has the right to submit questions in writing, that the Board of Directors shall be required to answer during the meeting. An answer to a written question shall be deemed to have been given when it appears on the company's website. The Board of Directors may delegate, as the case may be, one of its members, the General Manager or a Deputy General Manager to answer said questions".

Twenty-sixth resolution - Alignment of the articles of association with applicable regulations

The Shareholders' Meeting, having read the report of the Board of Directors, decides:

Concerning the obligation to amend the articles of association to provide for the appointment of a second Board Member representing the employees

- to harmonize the articles of association with the provisions of article L225-27-1 of the French Commercial Code, as amended by French Law no. 2019-486 of May 22, 2019,
- to amend paragraphs 7 and 8 of article 16 of the articles of association accordingly, as follows:

"Pursuant to article L225-27-1 of the French Commercial Code, the Board of Directors also includes one or more Board Members representing the group's employees, who are not included in the determination of the minimum and maximum numbers of Board Members defined by these articles of association.

In the event that the number of Board Members appointed by the Shareholder's Meeting exceeds eight, a second Board Member representing employees will by appointed in accordance with the provisions below, within six months of the appointment of the new Board Member by the Shareholders' Meeting.",

- to amend paragraph 11 of article 16 of the articles of association accordingly, the rest of the article remaining unchanged:

"The reduction of the number of Board Members appointed by the Shareholder's Meeting to eight or fewer shall not affect the duration of the term of any of the employee representatives on the Board of Directors, which will end at its normal expiration".

Concerning the reference to "say on pay" in determining the compensation of the Chairman of the Board, the General Manager and the Deputy General Managers:

- to bring articles 19 and 22 of the articles of association in line with the provisions of articles L225-47 and L225-53 of the French Commercial Code, as amended by law no. 2016-1691 of December 9, 2016,
- to amend the first paragraph of article 19 accordingly, the rest of the article remaining unchanged:

"Taking into account the provisions of the French Public Health Code, the Board elects from amongst its members a Chairman, who must be a natural person, for a term not exceeding that of their term of office as Board Member. It determines their compensation in accordance with regulatory conditions. The Board of Directors may terminate their term of office at any time.",

- to amend paragraph 10 of article 22 of the articles of association accordingly, the rest of the article remaining unchanged:

"The Deputy General Managers have the same powers with respect to third parties as the General Manager. The Board sets the amount and conditions of the compensation paid to the General Manager and of the Deputy General Manager(s), in accordance with the regulatory conditions".

Concerning the reference to "say on pay" in determining Board Members' compensation and elimination of the notion of "attendance fees":

- to bring article 24 of the articles of association in line with the provisions of article L225-45 of the French Commercial Code as amended by French law no. 2019-486 of May 22, 2019 and Order 2019-1234 of November 27, 2019,
- to amend article 24 accordingly, as follows:

"The Shareholders' Meeting may allocate to the Board Members, as compensation for their activities, a fixed annual amount to be determined by the Shareholders' Meeting, without being bound by previous decisions. The amount is recorded under operating expenses, and remains valid until a decision to the contrary is made. The Board shall distribute amongst its members the total amount allocated to the Board Members, in accordance with regulatory conditions".

Concerning the counting of votes at General Meetings for the purpose of calculating the majority:

- to bring articles 39, 41 and 42 of the articles of association in line with the provisions of articles L225-98 and L225-96 of the French Commercial Code as amended by law no. 2019-744 of July 19, 2019, excluding abstentions from the votes taken into account for the calculation of the majority at Shareholders' Meetings,
- to amend last sentence of article 39 of the articles of association accordingly, the rest of the article remaining unchanged:

"[...] It shall decide by a majority of the votes cast by the shareholders in attendance, whether voting by mail or by proxy. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained or submitted a blank or invalid voted.",

- to amend last sentence of the second paragraph of article 41 of the articles of association accordingly, the rest of the article remaining unchanged:

"[...] Subject to these same reserves, it shall decide by a two-thirds majority of the votes cast by the shareholders in attendance, whether voting by mail or by proxy. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained or submitted a blank or invalid voted.",

- to amend last sentence of article 42 of the articles of association accordingly, the rest of the article remaining unchanged:

"[...] These Meetings shall be decided by a two-thirds majority of the votes cast by the shareholders in attendance or represented, or by those voting by mail. The votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained or submitted a blank or invalid voted".

Concerning the procedure for identifying the owners shares:

- to bring article 10 of the articles of association in line with the provisions of articles L228-2 *et seq.* of the French Commercial Code relating to the identification of owners of shares, as amended by French law no. 2019-486 of May 22, 2019,
- to replace the second paragraph of article 10 of the articles of association with the following paragraph, the rest of the article remaining unchanged:

"In order to identify the owners of bearer shares, the company may, at any time, and under the conditions set out in applicable legal and regulatory provisions, request information concerning the owners of its shares and securities conferring immediate or future voting rights at its Shareholders' Meetings".

Twenty-seventh resolution - Applicable references in case of changes in the law

The Shareholders' Meeting notes that the references mentioned in all of the resolutions of this Meeting refer to the legal and regulatory provisions applicable on the date they were drafted, and that in the event of a change in these provisions, the references corresponding to the new legal code would replace them.

Twenty-eighth resolution - Powers for formalities

The Shareholders' Meeting grants full powers to the bearer of an original, copy or extract of these minutes to accomplish all filing formalities and disclosures as required by law.

Chapter 6

OTHER INFORMATION

6.1 - PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Certification of the Universal registration document

I hereby certify that, having taken all reasonable measures to that effect, the information included in this Universal registration document is, to my knowledge, accurate and does not contain any material omissions which could make it misleading.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a fair view of the assets, financial position and income of the company and all companies included in the consolidation, and that the management report included in this Universal registration document, for which the cross-reference table is presented on pages 169 and 170, presents a true picture of business developments, income and the financial position of the company and all companies included in the consolidation and a description of the principal risks and uncertainties they face.

Messimy
April 20, 2020

Valérie Lorentz-Poinsot
General Manager

Pursuant to article 28 of European Regulation no. 809/2004, the following information is incorporated by reference in this Universal registration document:

- the consolidated financial statements and the audit reports for the fiscal year 2018 presented on pages 108 to 168 and on page 169 respectively of the 2018 Reference Document filed with the AMF on April 15, 2019 under number D.19-0335,
- the consolidated financial statements and the audit reports for the fiscal year 2017 presented on pages 102 to 161 and on page 162 respectively of the 2017 Reference Document filed with the AMF on April 12, 2018 under number D.18-0321,

6.2 - STATUTORY AUDITORS

STATUTORY AUDITORS	Date of appointment	Term duration	End of term
DELOITTE & ASSOCIÉS Ms. Vanessa Girardet Immeuble Higashi 106, cours Charlemagne 69002 Lyon Cedex Tel.: 04 78 63 16 16	Combined Shareholders' Meeting of 05/18/2017	6 fiscal years	2023 OSM
MAZARS Mr. Nicolas Dusson & Ms. Séverine Hervet Le Premium 131, boulevard Stalingrad 69624 Villeurbanne Cedex Tel.: 04 26 84 52 52	Initial appointment: Combined Shareholders' Meeting of 05/19/2011 Reappointment: Combined Shareholders' Meeting of 05/18/2017	6 fiscal years	2023 OSM

6.3 - PUBLIC INFORMATION

During the validity of this Universal registration document, the following documents (or copies thereof) may be consulted at the company's headquarters:

a) the memorandum and articles of association of the issuer,

b) all reports, letters and other documents, past financial information, valuations and statements prepared by an expert at the issuer's request, any part of which is included or referred to in this Universal registration document,

c) historical financial information of the issuer and its subsidiaries for each of the two financial years prior to the publication of this Universal registration document.

SHAREHOLDER INFORMATION

BOIRON uses all available means to provide regular information to all of its individual and institutional shareholders and make detailed information available to them.

News and financial information on the BOIRON group is available on **www.boironfinance.com.** In particular, in accordance with article 221-3 of the General Regulation of the AMF, all of the regulated information as defined by article 221-1 of the AMF General Regulation is available on **www.boironfinance.com** as well as on www.info-financiere.fr.

Information notes are published by analyst firms that regularly follow the share, including: GILBERT DUPONT, ODDO MIDCAP, SOCIÉTÉ GÉNERALE. Articles of association, financial statements, reports, minutes of Shareholders' Meetings and all documents made available to shareholders can be viewed at the company's headquarters.

In accordance with AMF recommendation no. 2012-05, BOIRON's updated articles of association are available on its website **www.boironfinance.com**.

Director of financial information:
Valérie Lorentz-Poinsot, General Manager
BOIRON
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69510 Messimy
Tel.: +33 (0)4 78 45 61 00
Fax: +33 (0)4 78 45 62 91
Email: boironfinances@boiron.fr

(1) Information on the COVID-19 health crisis was not included in the management report approved by the Board of Directors on March 11, 2020.

6.4 - PROVISIONAL PUBLICATION SCHEDULE

"Quiet period": during the period prior to publication, BOIRON limits its communication with the financial community.

Publications	Publication date (after market closing)	Informational meetings
Q1 2020 sales *Quiet period from Wednesday, April 8, 2020*	Thursday, April 23, 2020	
2020 Shareholders' Meeting	Thursday, May 28, 2020	
H1 2020 sales *Quiet period from Wednesday, July 1, 2020*	Thursday, July 16, 2020	
1st Half 2020 results *Quiet period from Monday, August 10, 2020*	Wednesday, September 09, 2020	Thursday, September 10, 2020
3rd Quarter 2020 sales *Quiet period from Wednesday, October 7, 2020*	Thursday, October 22, 2020	

6.5 - LIST OF EXISTING BOIRON PARENT COMPANY BRANCHES

• FRANCE

- ANTIBES
- AVIGNON LE PONTET
- BELFORT
- BOIS D'ARCY
- BORDEAUX CANEJAN
- BREST GUIPAVAS
- CLERMONT-FERRAND
- DIJON
- GRENOBLE MONTBONNOT
- IVRY-SUR-SEINE
- LILLE-VILLENEUVE D'ASCQ
- LIMOGES
- LES OLMES
- LYON - SAINTE-FOY
- MARSEILLE
- MONTÉVRAIN
- MONTPELLIER PEROLS
- MONTRICHARD
- NANCY
- NANTES ORVAULT
- NIORT CHAURAY
- PANTIN
- PAU
- REIMS
- RENNES
- ROUEN-ISNEAUVILLE
- STRASBOURG ILLKIRCH
- TOULON LA FARLEDE
- TOULOUSE
- TOURS

• INTERNATIONAL

- HONG KONG

6.6 - UNIVERSAL REGISTRATION DOCUMENT CROSS-REFERENCE TABLES[1]

In order to facilitate understanding of this Universal registration document, the cross-reference table presented below sets out the main information required by appendices 1 and 2 of the delegated European Regulation 2019/980 dated March 14, 2019.

SECTIONS		PARAGRAPHS
SECTION 1	**Persons responsible, third party information, expert reports and approvals from the relevant authority**	
1.1	Persons responsible for information	6.1
1.2	Certification of those responsible for the document	6.1
1.3	Expert statement	1.5/4.2/4.5
1.4	Other certificates in the event of information supplied by third parties	-
1.5	Statement on the approval of the document	-
SECTION 2	**Statutory auditors**	
2.1	Contact details	6.2
2.2	Changes	-
SECTION 3	**Risk factors**	
3.1	Description of major risks	1.6
SECTION 4	**Information concerning the issuer**	
4.1	Registered name and trade name	5.4
4.2	Registration in the Trade and Companies Register and identification number (LEI)	5.4
4.3	Founding date and term	5.4
4.4	Registered office – legal form - applicable laws - website - other	5.4
SECTION 5	**Overview of activities**	
5.1	Primary activities	1.3
5.1.1	*Nature of operations and primary activities*	1.3.2
5.1.2	*New products and/or services*	1.3.3
5.2	Main markets	1.3.4
5.3	Significant events	3.1
5.4	Financial and non-financial strategy and objectives[2]	1.3
5.5	Level of independence	1.4.4.2
5.6	Competitive positioning	1.3.4.1/1.6.1.1
5.7	Investments	1.4.4.1
5.7.1	*Major investments made*	1.4.4.1/4.1.2 (notes 7 & 8)
5.7.2	*Significant investments in progress or firm commitments*	1.4.4.1/4.1.2 (notes 7 & 8)
5.7.3	*Joint ventures and significant shareholdings*	4.3
5.7.4	*Environmental impact of the use of its tangible capital assets*	1.4.3.4

(1) Information on the COVID-19 health crisis was not included in the management report approved by the Board of Directors on March 11, 2020.
(2) Refer to the statement of non-financial performance.

SECTIONS		PARAGRAPHS
SECTION 15	**Employees**	
15.1	Employee breakdown	1.2.3.3
15.2	Profit-sharing and stock options	1.2.3.5
15.3	Employee share capital ownership agreement	1.2.3.1/1.2.3.5
SECTION 16	**Main shareholders**	
16.1	Breakdown of capital	5.1/5.2
16.2	Various voting rights	5.1/5.2
16.3	Control of issuer	5.2
16.4	Shareholder agreement	5.2
SECTION 17	**Related party transactions**	
17.1	Breakdown of transactions	2.3
SECTION 18	**Financial information on issuer's assets and liabilities, financial position and earnings**	
18.1	Historic financial information	-
18.1.1	*Audited historical financial information*	1.1/4.1/4.3/4.5
18.1.2	*Change of accounting reference date*	N/A
18.1.3	*Accounting standards*	4.1
18.1.4	*Change of accounting framework*	4.1
18.1.5	*Minimum content of audited financial information*	4.1
18.1.6	*Consolidated financial statements*	4.1.1
18.1.7	*Date of most recent financial information*	12/31/2019
18.2	Interim and other financial information	N/A
18.2.1	*Quarterly or half-yearly financial information*	N/A
18.3	Audit of historical full-year financial information	4.2
18.3.1	*Audit report*	4.2
18.3.2	*Other audited information*	N/A
18.3.3	*Unaudited financial information*	N/A
18.4	Pro-forma financial information	N/A
18.4.1	*Significant change in gross values*	N/A
18.5	Dividend policy	3.3.2/3.6.2
18.5.1	*Description*	3.3.2
18.5.2	*Dividend per share*	3.3.2
18.6	Legal and arbitration proceedings	4.1.2 (note 34)
18.6.1	*Significant proceedings*	4.1.2 (note 34)
18.7	Significant changes in the financial position of the issuer	3.4
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19.1	Share capital	5.1
19.1.1	*Capital issued*	5.1
19.1.2	*Shares not representative of the capital*	N/A
19.1.3	*Treasury shares*	5.1
19.1.4	*Securities*	N/A
19.1.5	*Conditions of acquisition right and/or any obligations*	N/A
19.1.6	*Option or agreement*	N/A
19.1.7	*History of share capital*	5.1
19.2	Incorporation and articles of association	5.4
19.2.1	*Registration and corporate purpose*	5.4
19.2.2	*Existing share classes*	5.4
19.2.3	*Provision impacting a change of control*	-
SECTION 20	**Major contracts**	
20.1	Summary of each contract	N/A
SECTION 21	**Documents available**	
21.1	Statement on available documents	6.3

This is a free translation into English of the BOIRON 2019 Universal Registration Document issued in French language and is provided solely for the convenience of English speaking readers. In case of discrepancy the French version prevails. The French version was deposited with the French Financial Market Authority (AMF) on April 20, 2020, in accordance with Regulation n°212-13 of the General Regulation of the AMF.

The Universal registration document may be used for a public offering of marketable securities or the admission of marketable securities for trading on a regulated market, if it is supplemented by a securities note and, where relevant, a summary and any amendments to the Universal registration document. This is all approved by the AMF in accordance with EU Regulation 2017/1129.

6.7 - ANNUAL FINANCIAL REPORT AND MANAGEMENT REPORT CROSS-REFERENCE TABLE(1)

SECTIONS	INFORMATION ON	PARAGRAPHS
Statement by the individuals responsible for the AFR	AFR	6.1
Company financial statements	AFR	4.3
Statutory auditors' report on the company financial statements	AFR	4.5
Consolidated financial statements	AFR	4.1
Statutory auditors' report on the consolidated financial statements	AFR	4.2
Management report:		
INFORMATION ABOUT THE COMPANY AND GROUP'S ACTIVITIES		
Situation of the company and group during the previous fiscal year, foreseeable changes and major events since closing		3.1/3.5/3.5
Company and group activity and results by sector		3.2
Objective and exhaustive analysis of trends in the company and group's business, results and financial position (particularly debt)	AFR	3.2/3.3
Key financial and, where relevant, non-financial performance indicators on the company and the group	AFR	1
Key risks and uncertainties facing the company and the group	AFR	1.6
Internal control and risk management procedures used in preparation and processing of the company and group accounting and financial information	AFR	1.6.2
Objective and hedging policy for transactions in which company and group hedge accounting is used		
Company and group exposure to price, credit, liquidity and cash risks		
Company and group's use of financial instruments	AFR	4.1.2 (note 23)
Financial risks linked to climate change and presentation of the measures taken by the company and group to reduce them (low carbon strategy)	AFR	1.4.3.7
Company and group research and development		1.3.1.3 4.1.2 (note 27)
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LEGAL, FINANCIAL AND TAX INFORMATION ON THE COMPANY		
Breakdown and changes in share ownership		5.1/5.2
Names of the companies controlled and percentage of share capital owned		4.2.2
Significant acquisitions of stakes in companies based in France during the fiscal year		N/A
Cross-holdings		N/A
Status of employee share capital ownership		5.3

(1) Information on the COVID-19 health crisis was not included in the management report approved by the Board of Directors on March 11, 2020.

Acquisition and sale by the company of its own shares (share buybacks)	AFR	5.1.3
Adjustment of equities granting access to the share capital in the case of financial transactions		N/A
Adjustment of equities granting access to the share capital and stock-options in the case of buybacks		N/A
Dividends allocated for distribution during the three previous fiscal years		3.6.3/5.6
Non tax-deductible charges and expenses		5.6
Injunctions or financial sanctions for anti-trust violations		N/A
Payment terms and breakdown of the balance of accounts payable and accounts receivable		4.2.5
Amount of inter-company loans		N/A
Information on the operation of a SEVESO installation		N/A
INFORMATION ON THE CORPORATE OFFICERS		
Overview of securities transactions conducted during the fiscal year by individuals with executive responsibilities and closely-related individuals		5.2.1
INFORMATION ON NON-FINANCIAL PERFORMANCE		
Social and environmental impacts of the activity, including the impact on climate change and the use of the goods and services produced, as well as societal commitments to sustainable development, the circular economy, food waste prevention, prevention of discrimination and promotion of diversity		1
DOCUMENTS APPENDED TO THE MANAGEMENT REPORT		
Report on payments to governments		N/A
Table showing company income for each of the past five fiscal years		4.2.4
Corporate governance report		2

6.8 - STATEMENT OF NON-FINANCIAL PERFORMANCE CROSS-REFERENCE TABLE

BUSINESS MODEL	1.1/1.2/1.3
DESCRIPTION OF THE MAIN RISKS LINKED TO THE BUSINESS	1.6
EMPLOYEE INFORMATION	1.2
Employment	
Total headcount and employee distribution by gender, age and geographical region	1.2.3.3/1.2.3.4
New hires and redundancies	1.2.3.9
Compensation and compensation trends	1.2.3.5
Organization of working hours	
Organization of working hours	1.2.3.7
Absenteeism	1.2.3.9
Labor relations	
Organization of employee dialog including procedures for information, consultation and negotiation with staff	1.2.3.2
Overview of collective agreements	1.2.3.1
Health and safety	
Health and safety conditions at work	1.2.3.10
Overview of the agreements on occupational health and safety signed with labor unions or employee representatives	1.2.3.10
Workplace accidents (frequency and severity) and occupational illnesses	1.2.3.10
Training	
Training policies implemented	1.2.3.6
Total number of training hours	1.2.3.6
Equality	
Measures taken to promote gender equality	1.2.3.4
Measures taken to promote employment and integration of people with disabilities	1.2.3.4
Non-discrimination policy	1.2.3.4
Promotion of and compliance with the International Labor Organization's Fundamental Conventions on:	
- freedom of association and effective recognition of the right to collective bargaining	1.2.3.2
- elimination of discrimination in employment and occupation	1.2.3.2
- elimination of forced or compulsory labor	1.2.3.2
- effective abolition of child labor	1.2.3.2
ENVIRONMENTAL INFORMATION	1.4.3
General environmental policy	
Organization of the company for the consideration of environmental issues and, where appropriate, the assessment and certification procedures regarding the environment	1.4.5
Employee training and awareness-raising initiatives on environmental protection	1.4.5
Resources dedicated to environmental risk and pollution prevention	1.4.3.1
Amount of environmental provisions and guarantees, if this information would not cause serious prejudice to the company due to pending litigation	N/A

Pollution	
Measures implemented to prevent, reduce or remediate air, water or soil pollution with sever environmental effects	1.4.3.4
Management of sound pollution and any other form of activity-specific pollution	1.4.3.4
Circular economy	
Prevention and waste management: - measures for prevention, recycling, reuse, and other forms of waste reclamation and elimination - food waste prevention measures [(1)]	1.4.3.5
Sustainable use of resources: - water consumption and supply based on local restrictions - consumption of raw materials and measures implemented to ensure more efficient use of resources - energy consumption, measures implemented to increase energy efficiency and the use of renewables	1.4.3.1/1.4.3.2 /1.4.3.4
Land use	1.4.3.1
Climate change	
Major sources of greenhouse gas emissions generated by the business	1.4.3.6/1.4.3.7
Adaptation to the consequences of climate change	1.4.3.6/1.4.3.7
The protection of biodiversity	1.4.3
Measures taken to preserve or promote biodiversity	1.4.3.3
INFORMATION RELATING TO CORPORATE COMMITMENTS TO PROMOTE SUSTAINABLE DEVELOPMENT	1.4.4
Regional, economic and social impact of the company's business	
On employment and regional development	1.4.4.1
On surrounding or local populations	1.4.3.1/1.4.3.4 /1.4.4.1
Relationships with individuals or organizations with an interest in the company's business, particularly employment organizations, schools, environmental organizations and consumer and neighborhood organizations	1.4.4
Terms of dialog with these individuals or organizations	1.4.4
Partnerships and philanthropic initiatives	1.4.4
Sub-contracting and suppliers	
Inclusion of social and environmental issues in the purchasing policy	1.4.3.3/1.4.3.6 /1.4.4.2
Scope of sub-contracting and inclusion of social and environmental responsibility in supplier and sub-contractor relationships	1.4.3.3
Fair business practices	
Anti-corruption initiatives	1.4.4.3
Consumer health and safety measures	1.4.1/1.4.2
Other Human rights initiatives	N/A

(1) To date, the company's cafeterias have not implemented any specific waste prevention measures.

6.9 - GLOSSARY

Agreement on Preparation for Retirement (APR)

Company agreement which provides for all BOIRON France staff, a paid number of days to be taken prior to retirement, to prepare for retirement, on the basis of their seniority.

Other operating revenue and expenses

This includes unusual items which are non-recurring and material, exchange gains and losses on operating transactions, the income on derivative instruments on trade transactions as well as the research tax credit and the tax credit competitiveness employment.

Income statement by function

Presentation used by the group for the consolidated income statement. Expenses are reported by function (industrial production, preparation and distribution, marketing, research, regulatory affairs, support function, other operating revenue and expenses...).

Industrial production costs

All expenses recorded against production performed by our production sites including production, production management, quality assurance and control.

Preparation and distribution costs

All expenses attributed to the distribution of products and to the preparation activity in distribution branches.

Promotion costs

All expenses attributed to product promotion (marketing, advertising and sales promotion in particular).

Research costs

All expenses related to research on OTC specialties and non-proprietary homeopathic medicines.

Regulatory affairs costs

All expenses attributed to the regulatory affairs function, in particular, personnel expenses, fees, registration taxes and expenses.

Support function costs

The costs of management and support functions not directly attributed to production or any other specific functions such as sales or R&D. Support function costs may include costs related to general management, financial, legal, IT and human resource departments.

Employee benefits

Employee benefits are provided to employees pursuant to laws applicable in the countries where the companies that employ them are located, or to agreements signed with local authorities or stakeholders. BOIRON group employee benefits include, in particular, in France, the agreement on preparation for retirement, retirement indemnities and the bonuses granted.

Homeopathic Registration (HR) and Marketing Authorization (MA)

In 1992, a European Directive established the regulatory framework for the market for industrially produced homeopathic medicines:
- Homeopathic Registration (HR) sets out the rules for homeopathic medicines that correspond to the following criteria: the absence of any therapeutic indication, a controlled level of dilution, oral or external administration,
- Marketing Authorization (MA) concerns homeopathic specialties which claim a traditional homeopathic self-medication therapeutic indication or which cannot fulfill the three criteria provided above for Registration.

Change at current exchange rates/ Change at constant exchange rates

"Change at current exchange rates" provides the change, in euros, of a financial indicator between two periods, which results following each period's respective exchange rate being used for the conversion of that indicator. This change therefore also takes into account the impact of changes in exchange rates on that indicator.
"Change at constant exchange rates" is estimated by the group (especially for sales) by using the same exchange rate for the current year as for the period under comparison. This enables the elimination of any impact related to changes in exchange rates.

Retirement Indemnities

Compensation paid to an employee when they retire, governed in France by the pharmaceutical industry collective agreement.

Seniority awards

Bonus paid to an employee at an anniversary date, aimed at rewarding their professional seniority.

Non-proprietary homeopathic medicines

Non-proprietary homeopathic medicines are generally presented in the form of tubes of granules or doses of globules. Generally, there is no therapeutic indication or dosage stated on the packaging, because it is the healthcare professional who determines the indication and dosage for the medicine depending on the individual patient.
Any laboratory may sell non-proprietary homeopathic medicines. Their names cannot be protected as trademarks, as these are non-proprietary names.

OTC specialties

Each laboratory may also develop its own "specialties". These branded homeopathic medicines are developed to treat a specific issue (colds, coughs, hot flushes, for instance) and generally come with a therapeutic indication and dosage. Detailed instructions are presented on each packet to facilitate their use and self-medication.
Unlike non-proprietary homeopathic medicines, these brands can be protected, as they are invented names.

Operating income

Performance indicator used by the group. This corresponds to income of the consolidated group prior to taking account of:

- the cost of net long-term debt,
- other financial revenue and expenses,
- the group's share of the net income or loss of companies accounted for under the equity method,
- income from activities held for sale,
- income and deferred taxes.

It includes the result of group activities and other operating revenue and expenses.

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