



# HALF-YEAR FINANCIAL REPORT 2020

FOR THE PERIOD ENDING JUNE 30, 2020



Your health deserves the greatest respect

# SUMMARY

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# A FEW WORDS FROM VALÉRIE LORENTZ-POINSOT



**Valérie Lorentz-Poinsot**  
General Manager

## An extraordinary first half of 2020

The first half of the year was above all marked by a reduction in the reimbursement rate for homoeopathic medicines as of January 1 from 30% to 15% in France, which resulted in a continued decline in business, with sales down 16.5% in France in the first half of the year.

This situation led the company to announce an unprecedented reorganisation plan for its business activities in France, giving rise to a proposed reduction of 646 jobs. International business increased 20.8% over the same period, largely due to developments in North America.

Our company also had to deal with the COVID-19 health crisis, while also demonstrating remarkable resilience given the economic and social context in France.

In just a few days, the teams at our production sites, distribution facilities, support services and all subsidiaries, guided by our management committee and the Directors concerned, designed a business continuity plan enabling the group to maintain production, quality control operations and distribution of our medicines around the world:

- Multiple teams were operating under remote working arrangements in record time.
- Our staff's versatility has enabled us to transfer certain employees' duties to production and distribution, in order to meet requirements.
- When necessary, we've set up work commute solutions for employees. We have also prepared internal communications to distribute messages and safety instructions as effectively as possible.
- We've kept in touch with our service providers and suppliers and have paid particular attention to our payment deadlines.
- Our sales teams in a number of countries have been temporarily placed under a partial operation arrangement.

During these unprecedented circumstances, we also wished to show our solidarity with the French people by answering the call from the French health authorities, by producing over 50 thousand litres of hand sanitizer, to be sent primarily to the *Etablissements français du sang*.

As such, the company, with some 3,500 employees around the world, has demonstrated remarkable agility and unwavering commitment.

Lockdown gradually ended from May 11, and all departments were therefore called upon to support this physical recovery for everyone under the best possible conditions, making sure to take lessons from this challenging period.

In France, the combination of the lockdown and the announcement of a reorganisation plan resulted in negotiations with employee representative bodies being postponed. These meetings have resumed since the beginning of June, and are expected to continue until October.

In order to maintain access to homoeopathic medicines for the 76% of French people<sup>(1)</sup> already taking them, particularly given the psycho-social risks linked to the health crisis, and in order to save as many jobs as possible at a time when the whole country is heavily affected by employment plans, we are requesting that reimbursement be maintained at 15%, which would enable the most vulnerable groups to access these medicines without any impact on public finances.

(1) IPSOS - March 2020







Chapter 1  

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HALF-YEAR ACTIVITY  
REPORT



# FIRST HALF 2020 HIGHLIGHTS

### January 1, 2020

#### **Decrease in the homoeopathic medicine reimbursement rate from 30% to 15% in France.**

Total delisting is planned for January 1, 2021. We are resolutely continuing all our efforts to maintain the current 15% reimbursement rate for homoeopathic medicines, which would enable millions of patients to continue to access these medicines, without any negative impact on either Social Security or their purchasing power.

**On the same date, the disposal of our UNDA subsidiary's site was finalised:** all jobs have been retained and 38 employees at the site are now employed by the purchaser. The financial impacts of this sale were recognised in 2019.

### March 1, 2020

**Implementation of a new organisation in France, as a Business Unit France, a Scientific and Medical Department and new assignments entrusted to group Marketing, in order to facilitate the roll-out of our strategic priorities:**

- Strengthen homoeopathy's credibility and develop BOIRON's leading position
- Turn the corner in France
- Increase our international sales
- Develop our capacity to innovate

### March 11, 2020

#### **Announcement of a major reorganisation project in France.**

For the past two years, virulent, unjustified and repeated attacks against homoeopathy in France have weighed heavily on our company, which has seen its business levels and economic results fall sharply.

Although our production is 100% French and we generate 56% of our sales in France, the brutal decision by the French Ministry of Health and Solidarity to delist homoeopathic medicines as of January 1, 2021, is a genuine disruption leading us to announce the following reorganisation plan:

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

This plan will result in the elimination of 646 positions and the creation of 134.

We will do our best to limit the impact of this reorganisation plan on employees, while respecting our company's heritage.

The planned reorganisation should make it possible to maintain high service quality for healthcare professionals and patients.

Based on data currently available, the cost of this plan is estimated at €59,000 thousand, €55,432 thousand of which was provisioned for at June 30, 2020 pursuant to applicable accounting standards. This provision was recognised under other operating expenses. These estimates may change as a result of negotiations currently underway, set to continue until October 14.

At the same time, we recorded a €27,741 thousand write-back on provisions in light of the reduction in social security commitments generated by the reorganisation, recognised under other operating income.

### March 16, 2020

#### **Beginning of lockdown in France (after Italy), followed by widespread roll-out affecting all our subsidiaries.**

Valérie Lorentz-Poinsot has commented on this unprecedented situation in the introduction to this half-year report.

The impact of the health crisis on our profitability is not material, as our business continuity has been assured and the group's financial structure remains balanced overall.

Since 30 March, BOIRON has been sending hand sanitizer to a number of healthcare institutions and in particular to the *Etablissements Français du sang*, and has made them available to its employees.

March 19, 2020

Creation of a new subsidiary in Hong Kong, which will secure our business development in Asia, through a distribution subsidiary in China, created on July 1, 2020, and a network of distributors in other countries in the region.

The first half of the year was also marked by launches:

- of a new range of **Plant Extracts** in France and Italy
- of a new specialty in France, Italy and Spain: **Mag'Nuit**®.



Operating income in the first half amounted to €1,496 thousand, down €4,498 thousand versus 2019.

Before taking the impact of the reorganisation plan into account, it amounted to €29,187 thousand, up €23,193 thousand compared to 2019, thanks to:

- the €19,046 thousand reduction in operating expenses, due to the savings made during the year and the slowdown in promotional activities as a result of the health crisis,
- a positive comparison effect relating to the reorganisation of our activities in Belgium in 2019, amounting to €4,785 thousand.

(in thousands of euros)	2020
<b>Operating income</b>	<b>1,496</b>
Neutralisation of the provision for the reorganisation plan	+ 55,432
Neutralisation of the provision write-back in respect of the reduction in social security commitments	- 27,741
<b>Operating income before impact of reorganisation</b>	<b>29,187</b>
% of sales	11.5%

## CHANGE IN GROUP SALES

Sales (in thousand of euros)	1 <sup>st</sup> quarter			2 <sup>nd</sup> quarter			1 <sup>st</sup> half-year			
	2020	2019	Variation at current exchange rate 2020/2019	2020	2019	Variation at current exchange rate 2020/2019	2020	2019	Variation at current exchange rate 2020/2019	Variation at constant exchange rate 2020/2019
France	72,820	83,440	-12.7%	53,503	67,917	-21.2%	126,323	151,357	-16.5%	-16.5%
Europe (excluding France)	37,581	31,779	+18.3%	16,904	23,551	-28.2%	54,485	55,330	-1.5%	-0.8%
North America	40,272	23,580	+70.8%	21,094	17,081	+23.5%	61,365	40,661	+50.9%	+47.4%
Other countries	5,960	4,516	+32.0%	5,499	4,854	+13.3%	11,460	9,370	+22.3%	+35.6%
<b>Group total</b>	<b>156,633</b>	<b>143,315</b>	<b>+9.3%</b>	<b>96,999</b>	<b>113,403</b>	<b>-14.5%</b>	<b>253,633</b>	<b>256,718</b>	<b>-1.2%</b>	<b>-1.1%</b>

Sales (in thousand of euros)	Non-proprietary homeopathic medicines 2020	Non-proprietary homeopathic medicines 2019	Variation at current exchange rate	OTC Specialties 2020	OTC Specialties 2019	Variation at current exchange rate
<b>GROUPE BOIRON</b>	<b>110,055</b>	<b>133,214</b>	<b>-17.4%</b>	<b>142,917</b>	<b>122,716</b>	<b>+16.5%</b>
France*	81,372	103,010	-21.0%	44,568	47,729	-6.6%
Europe (excluding France)	15,608	18,879	-17.3%	38,850	36,427	+6.7%
North America	11,864	9,830	+20.7%	49,473	30,815	+60.5%
Other countries	1,211	1,495	-19.0%	10,026	7,745	+29.5%

\*Mainland and overseas departments and territories

In the second quarter of 2020, sales fell 14.5%, following a 9.3% increase in the first quarter.

**2020 half-year sales** therefore amounted to €253,633 thousand, compared with €256,718 thousand in 2019, down 1.2%: non-proprietary medicines fell by 17.4%, while specialities increased by 16.5%.

At constant exchange rates<sup>(2)</sup>, sales for the first half of the year were down 1.1%, with trends varying from country to country.

- **In France**, sales decreased by €25,034 thousand (down 16.5%), in an already fragile context since the announcement in 2019 of the gradual delisting of medicines from French health insurance, and intensified by the reduction in medical appointments and pharmacy visits due to the health crisis. Non-proprietary medicines fell 21.0% and specialties fell 6.6%, mainly in terms of Arnica gels and creams and Sédatif PC®, slightly offset by an increase in Oscillocochinum® and the launches of Plant Extracts and Mag Nuit®.

- **In Europe (excluding France)**, sales fell 0.8%<sup>(2)</sup> mainly in Russia (down 37.9%<sup>(2)</sup>, in particular in Camilia®) and Belgium (down 14.6% following the sale of our UNDA subsidiary). Conversely, sales in Romania grew (up 65.4%<sup>(2)</sup>, mainly in Oscillocochinum® and Stodal®) and in Spain (up 12.9% thanks to Oscillocochinum®).

- **In North America**, sales rose 47.4%<sup>(2)</sup>. Sales increased 52.6%<sup>(2)</sup> in the United States, mainly in Oscillocochinum®, non-proprietary medicines and Coryzalia®, amid higher levels of illness.

- Sales in **“Other countries”** were up 35.6%<sup>(2)</sup>, mainly in Brazil and Colombia, however were curbed by a reduction in sales in Hong Kong and China in the context of lockdown and border closures.

<sup>(2)</sup> The change in sales at constant exchange rates consists of applying to the current year the exchange rates used for the comparative period, in order to neutralise the effects of exchange rate fluctuations. At constant exchange rates, 2020 half-year sales amounted to €253,840 thousand, €2,878 thousand lower than 2019 sales as reported. Any changes presented at constant exchange rates are followed by a <sup>(2)</sup>



## GROUP FINANCIAL POSITION

In thousand of euros	2020	2019	Var.
Sales	253,633	256,718	- 1.2% <sup>(1)</sup>
Operating income	1,496	5,994	- 75.0%
Net income - group share	-975	-393	- 148.1%
Cash flow <sup>(2)</sup>	46,101	22,529	+ 104.6%
Net investments	10,930	20,887	- 47.7%
Net cash position	215,757	177,667	+ 21.4%

(1) - 1.1% at constant exchange rates.

(2) Before cash sales, financing expenses and corporate income tax.

### 1. GROUP INCOME STATEMENT

**Operating income** came to €1,496 thousand (i.e. 0.6% of sales), down €4,498 thousand versus the first half of 2019.

Heavily impacted by the reorganisation plan, it nevertheless benefited from a positive basis for comparison, relating to the reorganisation of our activities in Belgium in 2019 and €19 million in savings on operating expenses (primarily expenses for promotional activities).

Operating income for the first half of 2020 before taking into account the impact of the reorganisation plan amounted to €29,187 thousand.

**Gross margin** was down €638 thousand (i.e. down 0.3%, impacted by the slight decline in sales (down 1.2%).

**Preparation and distribution costs** were down €4,835 thousand, mainly resulting from lower taxes and a reduction in outsourced services in France (decreased activity), as well as lower payroll costs (unreplaced departures).

**Promotional expenses** fell €13,330 thousand (down 16.9%), mainly due to the cancellation or postponement of advertising campaigns, promotional events and travel. The group made savings on payroll in France, Russia, Spain and Belgium, due to the decrease in the number of employees.

**Research costs** remained stable (up €76 thousand) while **the cost of regulatory matters** rose €517 thousand, mainly in France.

**Support function costs** fell by €2,324 thousand (down 6.4%), marked by the reduction in travel and external service costs on IT projects and the end of depreciation and amortisation of tangible and intangible assets.

**Other operating income and expenses** resulted in a net expense of €28,003 thousand compared to a net expense of €4,247 thousand in 2019. In 2020 they include:

- €27,691 thousand in costs relating to the reorganisation in France (presented under highlights above),
- a -€732 thousand net change in foreign exchange gains and losses, impacted by the highly volatile currency environment. In 2019, they included €4,785 thousand in asset impairment and provisions in Belgium, prior to the disposal of our UNDA site.

**Investment income and financing expenses** resulted in net income of €558 thousand, up from €293 thousand in 2019.

**Other financial income and expenses** resulted in a net expense of €606 thousand, compared to a net expense of €1,682 thousand in 2019. They mainly comprise expenses relating to the gradual decrease of the impact of discounting employee benefit obligations, and the estimated return on external plan assets relating to the commitment to provide retirement benefits, both of which were lower than in 2019.

The **tax expense** came to €2,422 thousand in the first half of 2020. It represents 167.3% of pre-tax income. In 2019, it represented 109.3% of pre-tax income: losses recognised on subsidiaries did not give rise to any tax savings.

**Net income, group share** resulted in a loss of €975 thousand, versus a loss of €393 thousand in the first half of 2019.

## 2. CONSOLIDATED CASH FLOWS

**Net cash and cash equivalents** amounted to €215,757 thousand in the first half of 2020, up from €207,957 thousand at December 31, 2019. It increased by €7,800 thousand in the first half of 2020, compared with a decrease of €39,163 thousand in the same period in 2019.

Cash flows from **operating activities** amounted to €39,902 thousand, compared to €6,772 thousand in the first half of 2019:

- Free cash flow increased by €23,572 thousand from the first half of 2019, representing 18.2% of sales (up from 8.8% in 2019), in line with the increase in profitability excluding the impact of the provision for reorganisation.
- Tax paid amounted to €5,683 thousand, down €12,349 thousand compared to 2019, in line with the decrease in advance payments made by the BOIRON parent company.

- The change in working capital resulted in an outflow of €516 thousand, compared to inflow of €2,275 thousand in the first half of 2019.

Cash flows relating to **investment activities** amounted to €10,930 thousand, down €9,957 thousand versus the first half of 2019, and include:

- the acquisition or replacement of production equipment in Messimy and Montévrain,
- the completion of works at the new site in Sainte-Foy-Lès-Lyon,
- the purchase of storage equipment in Les Olmes,
- the renovation of the facility in the United States,
- the group's IT projects.

Cash flows used by **financing activities** amounted to €20,348 thousand, compared to €26,073 thousand in 2019. They primarily include dividends paid in 2020 amounting to €18,380 thousand, compared to €25,389 thousand in 2019.

## POST BALANCE SHEET EVENTS

No post-balance sheet items have been identified with a potentially material impact on the group's financial statements.

## OUTLOOK

Global business levels looking forward will depend on how the global health and economic situation progresses.

In France, it will also depend on the position the Council of State takes in response to our appeals, and on the government's final decision on the continued reimbursement of homoeopathic medicines.

As such, we expect to see a decrease in sales and earnings in 2020.

We are determined to continue our efforts to maintain the reimbursement of homoeopathic medicines, reflecting the demand of the millions of patients who use them.

## MAIN RISKS AND UNCERTAINTIES:

All of the risk factors stated in section 1.6 of the 2019 Universal Registration Document have the same position in the risk mapping in terms of impact and probability as at June 30, 2020.

Amid significant uncertainty regarding the impacts of the COVID-19 pandemic and the reorganisation of our business activities in France, the nature and potential effects of the risk of weakening employment levels are changing in particular. The announcement of the plan to safeguard jobs destabilises the existing balance, and the health crisis has significantly complicated ongoing negotiations.

## RELATED PARTY TRANSACTIONS

Transactions with related parties are set out in note 27 to the half-year condensed consolidated financial statements.



## Chapter 2

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# HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING JUNE 30, 2020

SETTLED BY THE BOARD OF DIRECTORS OF SEPTEMBER 9, 2020

## CONSOLIDATED INCOME STATEMENT

(in thousand of euros)	Notes	2020 (6 months)	2019 (6 months)
<b>Sales</b>	<b>21</b>	<b>253,633</b>	<b>256,718</b>
Other sales revenue	21	1	1
Industrial production costs		(60,560)	(63,007)
Preparation and distribution costs		(57,004)	(61,839)
Promotion costs		(65,369)	(78,699)
Research costs		(1,579)	(1,503)
Regulatory affairs costs		(5,835)	(5,318)
Function supports costs		(33,788)	(36,112)
Other operating revenue	22	29,111	760
Other operating expenses	22	(57,114)	(5,007)
<b>Operating income</b>		<b>1,496</b>	<b>5,994</b>
Cash revenue and financing expenses		558	293
Cash revenue		709	474
Financing expenses		(151)	(181)
Other financial revenue and expenses		(606)	(1,682)
Other financial revenue		381	319
Other financial expenses		(987)	(2,001)
Share in net earnings (losses) of companies at equity		0	0
<b>Income before corporate income tax</b>		<b>1,448</b>	<b>4,605</b>
Corporate income tax	23	(2,422)	(5,034)
<b>Consolidated net income</b>		<b>(974)</b>	<b>(429)</b>
Net income (minority share)		1	(36)
<b>Net income (group share)</b>	<b>24</b>	<b>(975)</b>	<b>(393)</b>
<b>Earnings per share<sup>(1)</sup></b>	<b>24</b>	<b>€(0.06)</b>	<b>€(0.02)</b>

(1) In the absence of a dilutive instrument, the average earnings per share are the same as the average diluted earnings per share.

## STATEMENT OF COMPREHENSIVE INCOME

(in thousand of euros)	Notes	2020 (6 months)	2019 (6 months)
<b>Consolidated net income</b>		<b>(974)</b>	<b>(429)</b>
<b>Other items of comprehensive income that will be reclassified subsequently to profit or loss</b>			
Currency translation adjustments		(3,811)	2,190
Other movements		(3,745)	2,211
Other movements		(66)	(21)
Changes in the fair value of financial instruments		0	0
<b>Other items of comprehensive income that will not be reclassified subsequently to profit or loss</b>		<b>(332)</b>	<b>(6,984)</b>
Actuarial differences related with post-employment benefits <sup>(1)</sup>	<b>17</b>	(332)	(6,984)
<b>Other items of comprehensive income <sup>(2)</sup></b>		<b>(4,143)</b>	<b>(4,794)</b>
<b>Consolidated comprehensive income</b>		<b>(5,117)</b>	<b>(5,223)</b>
Comprehensive income (minority share)		48	(36)
<b>COMPREHENSIVE INCOME (GROUP SHARE)</b>		<b>(5,165)</b>	<b>(5,187)</b>

(1) In 2020: - €464 thousand in gross actuarial differences and + €132 thousand in taxes.

In 2019: -€10,274 thousand in gross actuarial differences and €3,290 thousand in deferred taxes.

(2) There are no tax impact in the other items of comprehensive income other than those mentioned in <sup>(1)</sup>.





## CONSOLIDATED BALANCE SHEET

ASSETS (in thousand of euros)	Notes	06/30/2020	12/31/2019
<b>Non-current assets</b>		<b>342,532</b>	<b>349,889</b>
Goodwill	7	89,653	89,646
Intangible fixed assets	8	27,885	27,068
Tangible fixed assets	8	182,929	191,263
Right-of-use related to leases	9	5,435	6,488
Investments	8	3,062	2,385
Other non-current assets	13	31	29
Deferred tax assets		33,537	33,010
<b>Current assets</b>		<b>415,158</b>	<b>414,394</b>
Assets held for sale	10	1,804	1,519
Inventories and work in progress	11	78,560	72,249
Accounts receivable	12	83,409	104,274
Corporate income tax receivable	13	12,605	9,523
Other current assets	13	22,657	18,385
Cash and cash equivalents	14	216,123	208,444
<b>TOTAL ASSETS</b>		<b>757,690</b>	<b>764,283</b>

LIABILITIES (in thousand of euros)	Notes	06/30/2020	12/31/2019
<b>Shareholders' equity (group share)</b>		<b>481,938</b>	<b>505,475</b>
Share capital	15	17,545	17,545
Additional paid-in-capital		79,876	79,876
Retained earnings		384,517	408,054
Minority interests		32	(14)
<b>Total Shareholders' equity</b>		<b>481,970</b>	<b>505,461</b>
<b>Non-current liabilities</b>		<b>92,548</b>	<b>120,571</b>
Non-current borrowings and financial debts		3,402	4,536
Non-current leases financial liabilities	16	4,445	5,236
Employee benefits	17	82,737	108,429
Non-current provisions	18	94	898
Other non-current liabilities	19	1,455	1,443
Deferred taxes liabilities		415	29
<b>Current liabilities</b>		<b>183,172</b>	<b>138,251</b>
Current borrowings and financial debts		1,397	1,485
Current leases financial liabilities	16	1,408	1,759
Current provisions	18	72,163	16,388
Accounts payable		37,186	41,430
Corporate income tax debt	19	1,789	1,871
Other current liabilities	19	69,229	75,318
<b>TOTAL LIABILITIES</b>		<b>757,690</b>	<b>764,283</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousand of euros)	2020 (6 months)	2019 (6 months)
<b>NET CASH FLOWS RELATED TO OPERATING ACTIVITIES</b>	<b>39,902</b>	<b>6,772</b>
Net income (group share)	(975)	(393)
Amortization of rights of use relating to leases	899	1,019
Amortizations and provisions (excluding current assets)	44,153	16,768
Other items (including income on asset disposals)	160	393
<i>Cash-flows from consolidated companies after cash revenue, financing expenses and corporate income tax</i>	44,237	17,788
Cash revenue and financing expenses	(558)	(293)
Tax charge (including deferred taxes)	2,422	5,034
<b>Consolidated cash-flows before cash revenue, financing expenses and corporate income tax</b>	<b>46,101</b>	<b>22,529</b>
<b>Corporate income tax paid / corporate income tax repayment</b>	<b>(5,683)</b>	<b>(18,032)</b>
<b>Changes in working capital requirements, including:</b>	<b>(516)</b>	<b>2,275</b>
Changes in inventories and work-in-progress	(7,240)	(3,279)
Changes in accounts receivable	17,731	33,083
Changes in accounts payable	(3,726)	(7,744)
Changes in other trade receivables and operating debts	(7,281)	(19,785)
<b>NET CASH FLOWS RELATED TO INVESTMENT ACTIVITIES</b>	<b>(10,930)</b>	<b>(20,887)</b>
Acquisitions of tangible fixed assets	(5,906)	(15,883)
Acquisitions of intangible fixed assets	(4,755)	(5,597)
Disposals of tangible fixed assets	30	915
Disposals of intangible fixed assets	0	0
Investment grants received	0	0
Acquisitions of investments	(26)	(16)
Disposals of investments	1	1
Acquisitions of current financial assets	(214)	(307)
Disposals of current financial assets	0	0
Impact of changes of scope - acquisitions	(60)	0
Impact of changes of scope - disposals	0	0
<b>NET CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>	<b>(20,348)</b>	<b>(26,073)</b>
Dividends paid to parent company shareholders	(18,380)	(25,389)
Dividends paid to minority holders of consolidated companies	0	0
Capital increases and reductions, additional paid-in capital and reserves	0	0
Buyback of treasury shares (excluding the liquidity contract)	0	0
Disposals of treasury shares (excluding the liquidity contract)	0	0
Loans issues	22	1,721
Repayment of loans	(1,124)	(1,623)
Paid interests	(26)	(51)
Changes in leases financial liabilities	(966)	(1,075)
Interests linked to leases financial liabilities	(124)	(130)
Cash revenue	250	474
<b>CHANGE IN CASH POSITION</b>	<b>8,624</b>	<b>(40,188)</b>
Impact of exchange rate fluctuations	(824)	1,025
<b>Net cash position January 1<sup>st</sup></b>	<b>207,957</b>	<b>216,830</b>
<b>Net cash position June 30<sup>th</sup></b>	<b>215,757</b>	<b>177,667</b>
<b>Consolidated cash flow before cash revenue, financing expenses and corporate income tax</b>		
- per share	<b>€2.63</b>	<b>€1.29</b>
- as a % of sales	<b>18.2%</b>	<b>8.8%</b>



## STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT JUNE 30, 2019

Before allocation of net income (in thousand of euros)	Number of shares <sup>(1)</sup>	Capital	Share premium	Treasury shares	Consolidated reserves <sup>(2)(3)</sup>	Actuarial differences related with post- employment benefits	Currency translation adjustments	Shareholder's equity group share	Minority interest	Shareholder's equity totals
<b>12/31/2018 Published data</b>	17,519,302	17,566	79,876	(2,523)	430,797	(24,888)	(14,824)	486,004	39	486,043
<b>Impact of the application of IFRS 16 standard at 01/01/2019</b>					(464)			(464)		(464)
<b>01/01/2019 restated by IFRS 16 standard</b>	17,519,302	17,566	79,876	(2,523)	430,333	(24,888)	(14,824)	485,540	39	485,579
Buyback and disposals of treasury shares	7,841			(228)	(102)			(330)		(330)
Cancellation of treasury shares								0		0
Dividends paid					(25,389)			(25,389)	(3)	(25,392)
<b>Transactions with shareholders</b>	<b>7,841</b>	<b>0</b>	<b>0</b>	<b>(228)</b>	<b>(25,491)</b>	<b>0</b>	<b>0</b>	<b>(25,719)</b>	<b>(3)</b>	<b>(25,722)</b>
Net income					(393)			(393)	(36)	(429)
Other comprehensive income					(21)	(6,984)	2,211	(4,794)		(4,794)
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(414)</b>	<b>(6,984)</b>	<b>2,211</b>	<b>(5,187)</b>	<b>(36)</b>	<b>(5,223)</b>
<b>06/30/2019</b>	<b>17,527,143</b>	<b>17,566</b>	<b>79,876</b>	<b>(2,751)</b>	<b>404,428</b>	<b>(31,872)</b>	<b>(12,613)</b>	<b>454,634</b>	<b>0</b>	<b>454,634</b>

(1) Number of shares after elimination of treasury shares.

(2) Including €369,096 thousand of retained earnings and carryovers and €2,201 thousand of legal reserves in the social accounts of the BOIRON parent company at June 30, 2019.

(3) The application of IFRS 16 standard using the simplified retrospective transition method led to the recognition of the standard impact on January 1, 2019 for -€464 thousand.

## STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT JUNE 30, 2020

Before allocation of net income (in thousand of euros)	Number of shares <sup>(1)</sup>	Capital	Share premium	Treasury shares	Consolidated reserves <sup>(2)(3)</sup>	Actuarial differences related with post- employment benefits	Currency translation adjustments	Shareholder's equity group share	Minority interest	Shareholder's equity totals
<b>12/31/2019 Published data</b>	17,509,250	17,545	79,876	(1,215)	444,038	(22,702)	(12,067)	505,475	(14)	505,461
Buyback and disposals of treasury shares	(796)			18	(10)			8		8
Cancellation of treasury shares								0		0
Dividends paid					(18,380)			(18,380)	(2)	(18,382)
<b>Transactions with shareholders</b>	<b>(796)</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>(18,390)</b>	<b>0</b>	<b>0</b>	<b>(18,372)</b>	<b>(2)</b>	<b>(18,374)</b>
Net income					(975)			(975)	1	(974)
Other comprehensive income					(113)	(332)	(3,745)	(4,190)	47	(4,143)
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,088)</b>	<b>(332)</b>	<b>(3,745)</b>	<b>(5,165)</b>	<b>48</b>	<b>(5,117)</b>
<b>06/30/2020</b>	<b>17,508,454</b>	<b>17,545</b>	<b>79,876</b>	<b>(1,197)</b>	<b>424,560</b>	<b>(23,034)</b>	<b>(15,812)</b>	<b>481,938</b>	<b>32</b>	<b>481,970</b>

(1) Number of shares after elimination of treasury shares.

(2) Including €387,498 thousand of retained earnings and carryovers and €2,201 thousand of legal reserves in the social accounts of the BOIRON parent company at June 30, 2020.

Those notes are an integral part of the condensed consolidated financial statements for the half-year ended June 30, 2020, were settled by the Board of Directors on September 9, 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.

On June 30, 2020, BOIRON parent company and its subsidiaries had 3,386 employees (actual workforce), in France and abroad, compared to 3,502 on December 31, 2019.

BOIRON stock is listed on Euronext Paris.

## NOTE 1: FIRST HALF 2020 HIGHLIGHTS

### January 1, 2020: decrease in the homeopathic medicine reimbursement rate from 30% to 15% in France.

Total delisting is planned for January 1, 2021. We are resolutely continuing all our efforts to maintain the current 15% reimbursement rate for homeopathic medicines, which would enable millions of patients to continue to access these medicines without any negative impact on either Social Security or their purchasing power.

### March 11, 2020: announcement of a major reorganization project in France.

For the past two years, virulent, unjustified and repeated attacks against homeopathy in France have weighed heavily on our company, which has seen its business levels and economic results fall sharply.

Although our production is 100% French and we generate 56% of our sales in France, the brutal decision by the French Ministry of Health and Solidarity to delist homeopathic medicines as of January 1, 2021, is a genuine disruption leading us to announce the following reorganization plan:

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

This plan will result in the elimination of 646 positions and the creation of 134.

We will do our best to limit the impact of this reorganization plan on employees, while respecting our company's heritage.

The planned reorganization should make it possible to maintain high service quality for healthcare professionals and patients.

Based on data currently available, the cost of this plan is estimated at €59,000 thousand, €55,432 thousand of which was provisioned for at June 30, 2020 pursuant to applicable accounting standards.

This provision was recognized under other operating expenses (see note 22). These estimates may change as a result of negotiations currently underway, set to continue until October 14. At the same time, we recorded a €27,741 thousand write-back on provisions in light of the reduction in social security commitments (see note 17) generated by the reorganization, recognized under other operating income (see note 18).

### March 16, 2020: beginning of lockdown in France (after Italy), followed by widespread roll-out affecting all our subsidiaries.

Valérie Lorentz-Poinsot has commented on this unprecedented situation in the introduction to this half-year report.

The impact of the health crisis on our profitability is not material, as our business continuity has been assured and the group's financial structure remains balanced overall. As a result, the use of short-time working was not material and the group did not request the deferral or deferment of any debts.

**March 19, 2020: creation of a new subsidiary in Hong Kong, which will secure our business development in Asia, through a distribution subsidiary in China, created on July 1, 2020, and a network of distributors in other countries in the region (see note 3).**

### Operating income in the first half amounted to €1,496 thousand, down €4,498 thousand versus 2019.

Before taking the impact of the reorganization plan into account, it amounted to €29,187 thousand, up €23,193 thousand compared to 2019, thanks to:

- the €19,046 thousand reduction in operating expenses, due to the savings made during the year and the slowdown in promotional activities as a result of the health crisis,
- a positive comparison effect relating to the reorganization of our activities in Belgium in 2019, amounting to €4,785 thousand.

in thousand of euros	2020
Operating income	1,496
Neutralization of the provision related to the reorganization project	55,432
Neutralization of the reversal of the provision for the reduction of employee benefit obligations	- 27,741
<b>Operating income before the impact of the reorganization</b>	<b>29,187</b>
% of sales	11.5%



## NOTE 2: VALUATION METHODS AND CONSOLIDATION PRINCIPLES

The consolidated financial statements are stated in thousands of euros unless otherwise indicated and were prepared in line with the standards and interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union.

This framework, available on the European Commission's website ([https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting\\_fr](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_fr)), comprises:

- international accounting standards (IAS and IFRS),
- interpretations from the Standing Interpretations Committee (SIC) and from the International Financial Reporting Interpretations Committee (IFRIC).

The half-year consolidated financial statements were prepared pursuant to IAS 34 "Interim Financial Reporting". Pursuant to this standard, the half-year consolidated financial statements are presented including the condensed notes; notes are only provided for significant transactions or rules adapted to the specificities of interim accounts. They should be read together with the group's annual financial statements as of December 31, 2019, as presented in the Universal Registration Document filed with the French Securities and Exchange Commission (AMF) on April 20, 2020 under number 16533542\_20200420 and available on the Company's website:

<https://www.boironfinance.fr/en/financial-information/annual-reports>

### 2.1. New IFRS standards, amendments and interpretations

The standards, amendments and interpretations which took effect on January 1, 2020 are as follows:

- Amendments to IAS 1 and IAS 8 on the definition of materiality, published by the European Union in December 2019,
- Amendments to IFRS 3 « Definition of a business » published by the European Union in April 2020,
- Amendments to IFRS 7, IFRS 9 and IAS 39 on the Interest rate benchmark reform, published by the European Union in January 2020,
- Revised conceptual framework for financial information, published by the European Union in December 2019.

These amendments does not have a material impact on the financial statements as of June 30, 2020.

There are no significant standards, amendments and interpretations, adopted or not yet adopted by the European Union, for which early application would have been possible and which go into effect as from June 30, 2020.

The amendment to IFRS 16 on lease concessions, although published by the IASB, is not applicable in advance as of June 30, 2020. It is in the process of being adopted by the European Union. In the absence of rental concessions recognised in the first half of the year for the group, this amendment would have no impact.

The group has not finalised the impact analysis of the IFRIC decision published in December 2019 regarding the determination of the enforceable term of a lease contract and the amortisation period of inseparable fixtures and fittings. The group does not expect these amendments to have a significant impact on its financial statements.

### 2.2. Specific accounting principles to half-year closing

Principle assumptions and judgements applied are described in note 2 of annual financial statements of December 31, 2019. There is no material change in using estimate and assumptions during the first half-year 2020, excluding the valuation of the reorganization provision in France (see notes 17 and 18).

In some cases, these rules were adapted to the specificities of the half-year closing.

#### 2.2.1. Corporate income tax

The corporate income tax expense for the half-year was calculated individually for each company: average rate estimated for this year was applied to income before tax of the period.

As previous years, research tax credit (French "CIR") is booked in other operating income.

Deferred taxes assets as of June 30, 2020 related to loss-making subsidiaries are not material.

#### 2.2.2. Profit-sharing and employee profit-sharing

Profit-sharing expenses were calculated prorata temporis on the basis of the estimated annual amount.

#### 2.2.3. Post-employment benefits

In accordance with the provisions of IAS 34 standard, retirement and related liabilities were not subject to a complete recalculation at June 30, 2020, as at June 30, 2019. The changes in the net value of benefits were estimated as follows:

- The financial cost and the cost of services rendered were estimated for December 31, 2020 based on an extrapolation of the total benefit calculated for December 31, 2019.
- The discount rate as of June 30, 2020, is the same as December 31, 2019, namely 0.9%, in the absence of any material change observed.
- As stated in note 1, the reduction in employee benefit obligations related to employees impacted by the reorganization plan has been recognised under other operating income in the amount of €27,741 thousand (see notes 17 and 22).
- The other actuarial assumptions associated with the global benefit amount (annual salary revaluation rate, staff turnover rate...) are generally updated at year-end. None of the factors were identified as having a material impact at June 30, 2020.
- Other actuarial differences related to experience were not recalculated due to the immaterial impact observed in prior years and the absence of significant variances expected this year.
- Contributions to the external funds are benefits paid to employees who retired in the first half-year period were taken into account.



- The fair value of the plan assets for retirement plans was discounted to present value as at June 30, 2020: the difference between the return recognised under income, calculated on the basis of the discount rate used to calculate the commitment, and the actual return, was recognised as an actuarial differences in the amount of €464 thousand.
- No plan change or termination occurred during the first half-year.

## 2.2.4. Customer contract assets and liabilities

There are no customer contract assets other than accounts receivable. There are, in fact, no assets related to the incremental costs of obtaining a contract and to the costs of fulfilling a contract.

Customer contract liabilities relate to:

- amounts due to customers as compensation for services rendered,
- deferred revenue, which is immaterial, with the aim of recording sales in the fiscal year in question.

As a reminder, the group derives the majority of its sales from the sale of homeopathic products.

Operating revenues are recognized on completion (on delivery of the products). No sales are recognized on completion.

The rules for recognizing operating revenues do not rely on estimates.

## 2.2.5. Impairment of current assets

Rules applied by the BOIRON group for inventories and accounts receivable impairment are described in the 2019 Universal Registration Document in note 2.7.2 and 2.7.3.

Analysis performed on actual and expected losses did not result

in a modification of either the impairment processes used in 2019 or conditions under which tests are conducted, in the context of the health crisis. As a result, customer risk is still considered as low. The delay in some customers' payments were considered mainly as technical delays, as mentioned in notes 12 and 20, and there was no increase in unpaid debts.

## 2.2.6. Impairment test of non-current assets

The process for carrying out impairment tests as at December 31, 2019 is described in the 2019 Universal Registration Document in note 2.5.

For the purposes of the half-year financial statements, impairment tests were only carried out on assets or groups of assets with respect to which there were indications of impairment during the last six months, or for which there were indications of impairment at the last closing.

The decline in profitability related to the reorganization in France launched in the first half of the year is an indication of impairment. An impairment test was performed on June 30, 2020 on the basis of updated actuarial forecasts and parameters (discount rate of 10.4% as at June 30, 2020, compared to 9.3% in 2019; perpetual growth rate of 1.5% as at June 30, 2020, versus 2% in 2019). It did not give rise to the recognition of any impairment losses (see note 7).

In addition, the group has not identified any reasonably possible change in the scenarios that could give rise to the recognition of any impairment loss.

Impairment tests were carried out without taking into account IFRS 16 impacts, as indicated in the 2019 Universal Registration Document in note 2.5.



## NOTE 3: SCOPE OF CONSOLIDATION

The following companies of BOIRON group are fully consolidated, classified by date of creation or date of entry into the group:

Country	Company name	Changes in consolidation scope		% interest as at 06/30/2020	% interest as at 12/31/2019	% of control as at 06/30/2020	% of control as at 12/31/2019
		Type of change	Date				
Belgium	UNDA <sup>(1)</sup>	Purchase of shares from minority shareholders	06/23/2020	99.92%	99.28%	99.92%	99.28%
Italy	LABORATOIRES BOIRON			99.91%	99.91%	99.97%	99.97%
USA	BOIRON USA <sup>(2)</sup>			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 <sup>(3)</sup>			100.00%	100.00%	100.00%	100.00%
France (Martinique)	BOIRON CARAIBES			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 <sup>(2)</sup>			100.00%	100.00%	100.00%	100.00%
France	LES EDITIONS SIMILIA <sup>(4)</sup>			97.52%	97.52%	97.54%	97.54%
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%
Hong Kong	BOIRON ASIA LIMITED	Creation	03/19/2020	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 performs an intermediate closing, 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 in investments.

## NOTE 4: CURRENCY TRANSLATION METHOD

The following table sets out the euro translation rates against the currencies used for consolidation, for the main companies in foreign currencies:

	Average rate 2020 (6 months)	Average rate 2019 (6 months)	Closing rate 06/30/2020	Closing rate 06/30/2019	Closing rate 12/31/2019
Czech Koruna	26,342	25,684	26,740	25,447	25,408
US Dollar	1,101	1,130	1,120	1,138	1,123
Canadian Dollar	1,503	1,507	1,532	1,489	1,460
Hungarian Forint	345,395	320,392	356,580	323,390	330,530
New Romanian Leu	4,817	4,742	4,840	4,734	4,783
Brazilian Real	5,417	4,341	6,112	4,351	4,516
Russian Rouble	76,683	73,721	79,630	71,598	69,956
Polish Zloty	4,414	4,292	4,456	4,250	4,257

Currency translation adjustments of €3,745 thousand recognized in other comprehensive income are mainly related to the change in the Russian Rouble and Brazilian Real currencies for the first half of 2020.

## NOTE 5: SEASONALITY

The activity of the group can be seasonal due to the level of pathology and to the extent of the wintry specialties range. Generally, the annual results depend on the activity realized on the second half-year of the fiscal year.

Consequently, results of the first half-year can be not representative of results that could be expected for the whole year.

This seasonality has an impact on balance sheet structure at June 30, 2020.

## NOTE 6: SEGMENT REPORTING

The table below shows the data as of June 30, 2020:

DATA RELATING TO THE INCOME STATEMENT	France	Europe (excl. France)	North America	Other countries	Eliminations (1)	2020 (6 months)
External SALES	136,425	50,604	61,365	5,239		253,633
Inter-sector SALES	60,491	1,429	1	823	(62,744)	0
<b>Total SALES</b>	<b>196,916</b>	<b>52,033</b>	<b>61,366</b>	<b>6,062</b>	<b>(62,744)</b>	<b>253,633</b>
<b>OPERATING INCOME</b>	<b>(312)</b>	<b>269</b>	<b>3,637</b>	<b>1,475</b>	<b>(3,573)</b>	<b>1,496</b>
<i>of which net allowances to amortizations, depreciations and impairment on fixed assets</i>	(14,316)	(516)	(407)	(72)		(15,311)
<i>of which net allowances to amortizations of right-of-use related to leases</i>	(113)	(713)		(73)		(899)
<i>of which net changes in impairment of assets, provisions and social benefits</i>	(28,215)	1,525	(365)	(59)		(27,114)
Cash revenue and financing expenses	631	(41)		(32)		558
Corporate income tax	(91)	(2,141)	(873)	(514)	1,015	(2,422)
<b>NET INCOME (GROUP SHARE)</b>	<b>(183)</b>	<b>(1,913)</b>	<b>2,761</b>	<b>918</b>	<b>(2,558)</b>	<b>(975)</b>
DATA RELATING TO THE BALANCE SHEET	France	Europe (excl. France)	North America	Other countries	Eliminations (1)	06/30/2020
Balance sheet total	757,759	93,820	105,241	11,660	(210,790)	757,690
Goodwill	85,316	2,825	1,512			89,653
Net tangible fixed assets and intangible fixed assets	192,736	4,974	12,560	544		210,814
Right-of-use related to leases	879	3,948		608		5,435
Deferred taxes assets	28,446	2,909	2,149	33		33,537
Working Capital Requirements	59 666	29,140	18,205	3,440	(30,952)	79,499
DATA RELATING TO THE CASH FLOW STATEMENT	France	Europe (excl. France)	North America	Other countries	Eliminations	2020 (6 months)
Acquisitions of intangible and tangible assets	10,090	237	305	29		10,661
Changes in leases financial liabilities	(114)	(794)		(58)		(966)

(1) Of which eliminations of inter-sector flows and internal results.

# HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The board below presents the data as of June 30, 2019:

DATA RELATING TO THE INCOME STATEMENT	France	Europe (excl. France)	North America	Other countries	Eliminations <sup>(1)</sup>	2019 (6 months)
External SALES	160,830	53,064	39,910	2,914		256,718
Inter-sector SALES	42,902	3,403	14	877	(47,196)	0
<b>Total SALES</b>	<b>203,732</b>	<b>56,467</b>	<b>39,924</b>	<b>3,791</b>	<b>(47,196)</b>	<b>256,718</b>
<b>OPERATING INCOME</b>	<b>20,925</b>	<b>(12,433)</b>	<b>(3,107)</b>	<b>(721)</b>	<b>1,330</b>	<b>5,994</b>
<i>of which net allowances to amortizations, depreciations and impairment on fixed assets</i>	(14,150)	(3,556)	(265)	(29)		(18,000)
<i>of which net allowances to amortizations of right-of-use related to leases</i>	(197)	(778)		(44)		(1,019)
<i>of which net changes in impairment of assets, provisions and social benefits</i>	1,485	(2,169)	340	(4)	20	(328)
Cash revenue and financing expenses <sup>(2)</sup>	623	51	(423)	42		293
Corporate income tax	(6,254)	872	777	(9)	(420)	(5,034)
<b>NET INCOME (GROUP SHARE)</b>	<b>13,613</b>	<b>(11,472)</b>	<b>(2,753)</b>	<b>(691)</b>	<b>910</b>	<b>(393)</b>
DATA RELATING TO THE BALANCE SHEET	France	Europe (excl. France)	North America	Other countries	Eliminations <sup>(1)</sup>	06/30/2019
Balance sheet total	717,965	101,907	89,159	8,284	(191,624)	725,691
Goodwill	85,316	2,825	1,492			89,633
Net tangible fixed assets and intangible fixed assets	203,899	5,686	11,358	435		221,378
Right-of-use related to leases	1,105	4,865		181		6,151
Deferred taxes assets	30,092	4,001	3,279	5		37,377
Working Capital Requirements	28,793	22,804	28,587	3,823	(29,902)	54,105
DATA RELATING TO THE CASH FLOW STATEMENT	France	Europe (excl. France)	North America	Other countries	Eliminations	2019 (6 months)
Acquisitions of intangible and tangible assets	16,864	900	3,679	37		21,480
Changes in leases financial liabilities	(202)	(831)		(42)		(1,075)

(1) Of which eliminations of inter-sector flows and internal results.

(2) Of which -€130 thousand of interest charges for leases financial liabilities.

The consolidated sales broken down by the sales destination, as published in the regulated quarterly information, is as follows for 2020 and 2019 half-year:

Sales data	2020	2019
France	126,323	151,357
Europe (excluding France)	54,485	55,330
North America	61,365	40,661
Other countries	11,460	9,370
<b>TOTAL GROUP</b>	<b>253,633</b>	<b>256,718</b>

The breakdown of sales by line of products appears in note 21.

The structure of the group customers is atomized. No customer represents more than 10% of the group sales on the periods shown.

## NOTE 7: GOODWILL

	12/31/2019	Increases / (Decreases)	Currency translation adjustments	06/30/2020
BOIRON parent company <sup>(1)</sup>	84,653			84,653
LES EDITIONS SIMILIA	663			663
<b>Total "France" <sup>(2)</sup></b>	<b>85,316</b>	<b>0</b>	<b>0</b>	<b>85,316</b>
Italy	2,242			2,242
Spain	583			583
Switzerland	55			55
<b>Total "Europe (excluding France)"</b>	<b>2,880</b>	<b>0</b>	<b>0</b>	<b>2,880</b>
Canada	224		4	228
USA	1,281		3	1,284
<b>Total "North America"</b>	<b>1,505</b>	<b>0</b>	<b>7</b>	<b>1,512</b>
<b>Total "Other countries"</b>	<b>0</b>			<b>0</b>
<b>TOTAL GROSS GOODWILL</b>	<b>89,701</b>	<b>0</b>	<b>7</b>	<b>89,708</b>
Switzerland impairment	(55)			(55)
<b>TOTAL NET GOODWILL</b>	<b>89,646</b>	<b>0</b>	<b>7</b>	<b>89,653</b>

(1) BOIRON parent company goodwill comes from DOLISOS (€70,657 thousand), LHF (€7,561 thousand), SIBOURG (€1,442 thousand), DSA (€1,381 thousand), HERBAXT (€1,785 thousand) and Laboratoire FERRIER (€1,827 thousand).

(2) As goodwill from the various acquisitions made in France had become inseparable, impairment tests are carried out in France.

There was no acquisition generating new goodwill during 2020 first half-year.

As set out in note 2.2.6, the decrease in profitability caused by the reorganization in France initiated in the first half of the year is an indication of impairment. The impairment test performed on June 30, 2020 on the French CGU did not give rise to the recognition of any impairment losses or any risk of impairment.

The group performed tests to assess the sensitivity of the results obtained to a variation considered as conceivable (plus or minus 0.5 point) in the discount rate, the perpetual growth rate and the operating income rate. The group has not identified any reasonably possible change in the key assumptions that could result in the recognition of any impairment losses.

## NOTE 8: INTANGIBLE, TANGIBLE FIXED ASSETS AND INVESTMENTS

On 2020 first half-year, acquisitions of intangible fixed assets are €4,755 thousand and concern IT plan in progress, mainly in France.

Acquisitions of tangible fixed assets opted to €5,906 thousand, they mainly concern Messimy production site.

Amortizations and depreciations net of reversals of tangible fixed assets for the first half-year amounted to €11,676 thousand. The reorganization plan in France (see note 1) gave rise to the recognition of additional impairment losses on fixtures and fittings related to the facilities to be closed down between 2021 and 2022, in the amount of €353 thousand, recorded under other operating expenses (see note 22).

No intangible fixed assets or tangible fixed assets were pledged or offered as collateral for a guarantee or surety.

Investments increase by €677 thousand on the first half-year 2020, of which €675 thousand related to FCPI investment fund (Fonds Commun de Placement dans l'Innovation) securities and bonds. In 2019, these securities were classed under the heading financial assets at fair value through income, as defined by IFRS 9 standard. As of June 30, 2020 these securities amount to €1,158 thousand.



**NOTE 9: RIGHT-OF-USE RELATED TO LEASES**

As at June 30, 2020 right-of-use related to leases are as follows:

	12/31/2019	Increases		Decreases	Currency translation adjustments and other movements	06/30/2020
		Acquisitions	Amortization			
Gross rights of use relating to leases	17,423	28	0	0	(646)	16,805
Amortization of rights of use relating to leases contracts	(10,935)	0	(899)	0	464	(11,370)
<b>TOTAL RIGHTS OF USE RELATING TO LEASES</b>	<b>6,488</b>	<b>28</b>	<b>(899)</b>	<b>0</b>	<b>(182)</b>	<b>5,435</b>

**NOTE 10: ASSETS AND LIABILITIES HELD FOR SALE**

Assets and liabilities held for sale amounted to €1,804 thousand at the end of June 2020. They include:

- Two buildings in Belgium (€1,519 thousand) was presented under this category in 2019. These assets, which were classed as being held for sale at the end of 2018, are maintained as of June 30, 2020 because the intention of selling them and the active search for a buyer is still in progress.
- The sites of Francheville and Saint-Etienne (€285 thousand) after being grouped in early 2020 on the site of Sainte-Foy-Lès-Lyon and being put for sale during the second quarter of 2020.

**NOTE 11: INVENTORIES AND WORK-IN-PROGRESS**

Inventories and work in progress	12/31/2019	Change	Impairment for the period	Reversal for the period	Currency translation adjustments and other movements	06/30/2020
Raw materials and supplies	13,861	(769)			698	13,790
Semi-finished goods and finished goods	60,538	5,256			(110)	65,684
Goods	1,055	1,368			(5)	2,418
<b>TOTAL GROSS INVENTORIES</b>	<b>75,454</b>	<b>5,855</b>	<b>0</b>	<b>0</b>	<b>583</b>	<b>81,892</b>
<b>TOTAL IMPAIRMENT OF INVENTORIES</b>	<b>(3,205)</b>		<b>(3,059)</b>	<b>4,444</b>	<b>(1,512)</b>	<b>(3,332)</b>
<b>TOTAL NET INVENTORIES</b>	<b>72,249</b>	<b>5,855</b>	<b>(3,059)</b>	<b>4,444</b>	<b>(929)</b>	<b>78,560</b>

As at June 30, 2020 and December 31, 2019, no inventory has been pledged to guarantee liabilities.

The analysis performed did not give rise to any risk of impairment (obsolescence) related to the health crisis.

**NOTE 12: ACCOUNTS RECEIVABLE AND OTHER ASSETS RELATED TO CUSTOMER CONTRACTS**

Accounts receivable and other assets linked to customer accounts	12/31/2019	Change	Impairment for the period	Reversals for the period (unused impairment)	Reversals for the period (used impairment)	Currency translation adjustments and other movements	06/30/2020
Gross accounts receivable denominated in euros	55,872	4,101				0	59,973
Gross accounts receivable denominated in other currencies	49,687	(21,728)				(3,147)	24,812
<b>TOTAL GROSS ACCOUNTS RECEIVABLE</b>	<b>105,559</b>	<b>(17,627)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,147)</b>	<b>84,785</b>
Impairment of accounts receivable denominated in euros	(1,021)		(105)	98	48	0	(980)
Impairment of accounts receivable denominated in other currencies	(264)		(251)	106	0	13	(396)
<b>TOTAL IMPAIRMENT OF ACCOUNTS RECEIVABLE</b>	<b>(1,285)</b>	<b>0</b>	<b>(356)</b>	<b>204</b>	<b>48</b>	<b>13</b>	<b>(1,376)</b>
Net accounts receivable denominated in euros	54,851	4,101	(105)	98	48	0	58,993
Net accounts receivable denominated in other currencies	49,423	(21,728)	(251)	106	0	(3,134)	24,416
<b>TOTAL NET ACCOUNTS RECEIVABLE</b>	<b>104,274</b>	<b>(17,627)</b>	<b>(356)</b>	<b>204</b>	<b>48</b>	<b>(3,134)</b>	<b>83,409</b>

No outstanding receivables had been sold as at June 30, 2020 and December 31, 2019.

As indicated in note 2.2.4, there are no assets related to customer contracts other than accounts receivable.

Accounts receivable denominated in currencies mainly concern the United-States, Russia, Brazil, Romania, Canada and Poland.

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Accounts receivable as of June 30, 2020 increase compared to June 30, 2019 (€70,588 thousand). This evolution is caused by additional payment term granted to customer in France following the health crisis COVID-19 (see note 20).

There was no major change in the customer structure.

The decrease as compared to December 31, 2019 might be explained by the seasonality of the activity (see note 5).

Depreciations on accounts receivable are recognized among the principles detailed in note 2.7.3.1 in 2019 Universal Registration Document. As noted in note 2.2 above, the health crisis did not lead the BOIRON group to modify its impairment processes.

Customer risk is considered as low, since the “net cost” of doubtful accounts is low. Credit risk is addressed in note 20 “Financial instruments and risks”.

The delay for some customers’ payments were considered as technical delay.

### NOTE 13: INCOME TAX RECEIVABLE AND OTHER CURRENT AND NON-CURRENT ASSETS

Other current assets	12/31/2019	Change	Impairment for the period	Reversals for the period (unused impairment)	Reversals for the period (used impairment)	Currency translation adjustments and other movements	06/30/2020
<b>INCOME TAX RECEIVABLES (non-financial assets)</b>	<b>9,523</b>	<b>3 159</b>				<b>(77)</b>	<b>12,605</b>
<b>Non-financial assets</b>	<b>14,040</b>	<b>4,251</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(157)</b>	<b>18,134</b>
State and local government, excluding income tax	10,484	2,367				(107)	12,744
Staff	239	910				(14)	1,135
Accrued expenses	3,317	974				(36)	4,255
<b>Financial assets valued at cost</b>	<b>4,374</b>	<b>233</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(106)</b>	<b>4,501</b>
Other debtors	4,374	233				(106)	4,501
<b>Assets linked to customer contracts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Derivative instruments</b>	<b>86</b>	<b>51</b>				<b>0</b>	<b>137</b>
<b>Other gross current assets (excluding income tax receivables)</b>	<b>18,500</b>	<b>4,535</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(263)</b>	<b>22,772</b>
<b>Impairment of other current assets</b>	<b>(115)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(115)</b>
<b>TOTAL OTHER NET CURRENT ASSETS</b>	<b>18,385</b>	<b>4,535</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(263)</b>	<b>22,657</b>
Other non-current assets	12/31/2019	Change	Impairment for the period	Reversals for the period (unused impairment)	Reversals for the period (used impairment)	Currency translation adjustments and other movements	06/30/2020
<b>INCOME TAX RECEIVABLES (non-financial assets)</b>	<b>0</b>	<b>0</b>				<b>0</b>	<b>0</b>
<b>Non-financial assets</b>	<b>29</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31</b>
Staff	29	2				0	31
<b>Other gross non-current assets (excluding income tax receivables)</b>	<b>29</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31</b>
<b>Impairment of other non-current assets</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL OTHER NET NON-CURRENT ASSETS</b>	<b>29</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31</b>

### NOTE 14: CASH AND CASH EQUIVALENTS

Cash and cash equivalents	06/30/2020			12/31/2019		
	Euros	Foreign currencies (euro equivalent)	Total	Euros	Foreign currencies (euro equivalent)	Total
Cash equivalents	1,870	3,624	<b>5,494</b>	2,603	2,078	<b>4,681</b>
Cash	205,480	5,149	<b>210,629</b>	200,117	3,646	<b>203,763</b>
<b>TOTAL</b>	<b>207,350</b>	<b>8,773</b>	<b>216,123</b>	<b>202,720</b>	<b>5,724</b>	<b>208,444</b>



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Cash equivalents primarily comprise euro money market funds or similar investments (certificates on deposits and future deposits...) which meet IAS 7 standard criteria (see note 2.7.3.2 of 2019 Universal Registration Document).

Fair value changes were not material at the closing date.

No investments instruments had been provided as guarantees or subjected to restrictions as of the end of the period.

The amount of non-available cash and cash equivalents for the group (example: exchange controls) is not material.

The reconciliation between the cash position on the consolidated balance sheet and the net cash position on the statement of consolidated cash flows is as follows:

CASH FLOW STATEMENT		06/30/2020	12/31/2019
Cash and cash equivalents	Consolidated balance sheet	216,123	208,444
Cash liabilities * (included in current borrowings and financial debts)	Consolidated balance sheet	366	487
<b>Net cash position</b>	<b>Statement of consolidated cash flows</b>	<b>215,757</b>	<b>207,957</b>

\* Banking facilities essentially.

The increase in net cash position in the first half-year is mainly due to the increase in profitability diminished by the outflows of tangible and intangible fixed investments, and dividends to shareholders.

The reorganization in France did not have any material impact on cash flows of the first half-year 2020.

### NOTE 15: SHAREHOLDERS' EQUITY

As at June 30, 2020, the share capital is comprised of 17,545,408 fully paid-up shares of €1 each.

There are no preference shares.

BOIRON parent company is not subjected 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.

#### 15.1. Treasury shares

The capital is comprised as follows:

Capital	06/30/2020	12/31/2019
<b>Total number of shares</b>	<b>17,545,408</b>	<b>17,545,408</b>
Treasury shares	(36,954)	(36,158)
<b>Number of shares excluding treasury shares</b>	<b>17,508,454</b>	<b>17,509,250</b>

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 the historical cost, their value is directly booked in consolidated shareholders' equity.

As at June 30, 2020, the treasury shares portfolio amounted to €1,198 thousand.

Acquisition made during the fiscal year totaled €1,430 thousand, all via the liquidity agreement. Disposals during the fiscal year totaled €1,447 thousand (in historical acquisition cost), the whole amount via the liquidity contract.

The unrealized gain on the portfolio was €89 thousand (on the basis of the average price in June 2020).

As at June 30, 2020, 36,954 shares are held through the liquidity agreement contracted with Natixis.

#### 15.2. Dividend per share

Dividend per share in euro	
2018 dividend paid in 2019	1.45
2019 dividend paid in 2020	1.05

As set out in note 1, the health crisis did not have any material impact on the financial structure of the BOIRON group. The interdiction of paying dividends in 2020 did not apply to the BOIRON group.

**NOTE 16: CURRENT AND NON-CURRENT LEASES FINANCIAL LIABILITIES**

Rental liabilities	12/31/2019	Increases	Decreases	Currency translation adjustments and other movements	06/30/2020
Non-current leases financial liabilities	5,236	23	0	(814)	4,445
Current leases financial liabilities	1,759	5	(966)	610	1,408
<b>TOTAL OF CURRENT AND NON-CURRENT LEASES FINANCIAL LIABILITIES</b>	<b>6,995</b>	<b>28</b>	<b>(966)</b>	<b>(204)</b>	<b>5,853</b>

As indicated in note 1, the BOIRON group did not benefit in the first half-year 2020 from either rent concessions or deferrals on rents restated as rental obligations.

**NOTE 17: NON-CURRENT EMPLOYEE BENEFITS**
**17.1. Group quantifies data**

Employee benefits	Company name	Country	12/31/2019	Impact on operating income	Impact on financial income	Impact on other comprehensive income		06/30/2020
						Actuarial differences <sup>(1)</sup>	Currency translation adjustments and other movements	
Retirement Indemnities	BOIRON parent company	France	28,671	(10,077)	132	464		19,190
Retirement Indemnities	BOIRON CARAIBES	France	74	2	0	0		76
Retirement Indemnities	BOIRON (La Réunion)	France	74	0	0	0		74
Agreement on Preparation for Retirement	BOIRON parent company	France	71,040	(14,950)	319		0	56,409
Retirement commitments	BOIRON SP	Poland	1	0				1
<b>Total post-employment benefits (defined contribution plans)</b>			<b>99,860</b>	<b>(25,025)</b>	<b>451</b>	<b>464</b>	<b>0</b>	<b>75,750</b>
Long-service bonuses	BOIRON parent company	France	7,710	(1,548)				6,162
Long-service bonuses	BOIRON CARAIBES	France	37	1	0		0	38
Bonuses granted	BOIRON SOCIEDAD IBERICA DE HOMEOPATIA	Spain	471	7	0		0	478
Bonuses granted	BOIRON INDE	India	8	5			(1)	12
Bonuses granted	UNDA	Belgium	0					0
Bonuses granted	BOIRON	Belgium	130	4			0	134
Early retirement	UNDA	Belgium	213	(50)			0	163
<b>Total other long-term benefits</b>			<b>8,569</b>	<b>(1,581)</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>6,987</b>
<b>TOTAL EMPLOYEE BENEFITS RECORDED UNDER NON-CURRENT LIABILITIES</b>			<b>108,429</b>	<b>(26,606)</b>	<b>451</b>	<b>464</b>	<b>(1)</b>	<b>82,737</b>

(1) Including €464 thousand related to the discounting of the fair value of the outsourced Retirement Indemnities fund of BOIRON parent company (see note 2.2.3). The discount rate as of June 30, 2020 is 0.9%, the same as the discount rate as of December 31, 2019.

€27,741 thousand for provision reversal related to employees affected by the reorganization in France has been booked (see note 1):

- €14,544 thousand for Agreement on Preparation for Retirement,
- €11,577 thousand for Retirement Indemnities,
- €1,620 thousand for long-service bonuses.

The reorganization impact on the operating income is set out in note 22.

The change in non-current employee benefits during 2019 first half-year was as follows:

	12/31/2018	Impact on operating income	Impact on financial income	Impact on other comprehensive income		06/30/2019
				Actuarial differences <sup>(1)</sup>	Currency translation adjustments and other movements <sup>(2)</sup>	
<b>Total post-employment benefits (defined contribution plans)</b>	<b>101,238</b>	<b>(1,470)</b>	<b>922</b>	<b>10,274</b>	<b>0</b>	<b>110,964</b>
<b>Total other long-term benefits</b>	<b>7,956</b>	<b>(93)</b>	<b>0</b>	<b>0</b>	<b>(119)</b>	<b>7,744</b>
<b>TOTAL EMPLOYEE BENEFITS RECORDED UNDER NON-CURRENT LIABILITIES</b>	<b>109,194</b>	<b>(1,563)</b>	<b>922</b>	<b>10,274</b>	<b>(119)</b>	<b>118,708</b>

(1) Including €9,126 thousand linked to the decrease of the discount rate (1.1% at June 30, 2019 versus 1.8% at December 31, 2018). Including €1,148 thousand linked to changes of estimation methods of benefits.

(2) Employee benefits linked to the bonuses granted at UNDA have been reclassified on liabilities held for sale as of June 30, 2019.

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## 17.2. Post-employment benefits of BOIRON parent company

Retirement Indemnities BOIRON parent company	12/31/2019	Impact on operating income			Impact on financial income	Impact on other comprehensive income	06/30/2020
		Cost of services	Payments	Plan changes	Interest cost net of estimated return on investment	Actuarial differences <sup>(1)</sup>	
Actual value of liabilities	54,823	(10,077)	(1,342)		241		43,645
Investments value	(26,152)		1,342		(109)	464	(24,455)
<b>Retirement indemnity provision - BOIRON parent company</b>	<b>28,671</b>	<b>(10,077)</b>	<b>0</b>	<b>0</b>	<b>132</b>	<b>464</b>	<b>19,190</b>
<b>Agreement on Preparation for Retirement provision (discounted value of commitment) - BOIRON parent company</b>	<b>71,040</b>	<b>(12,626)</b>	<b>(2,324)</b>		<b>319</b>		<b>56,409</b>

(1) Including €464 thousand related to the discounting of the fair value of the outsourced Retirement Indemnities fund of BOIRON parent company (see note 2.2.3). The discount rate as of June 30, 2020 is 0.9%, the same as the discount rate as of December 31, 2019.

The change in post-employment benefits defined of BOIRON parent company during 2019 first half-year was as follows:

Retirement Indemnities BOIRON parent company	12/31/2018	Impact on operating income			Impact on financial income	Impact on other comprehensive income	06/30/2019
		Cost of services	Payments	Plan changes	Interest cost net of estimated return on investment	Actuarial differences <sup>(1)</sup>	
<b>Retirement indemnity provision - BOIRON parent company</b>	<b>27,929</b>	<b>943</b>	<b>(1,500)</b>	<b>0</b>	<b>263</b>	<b>2,856</b>	<b>30,491</b>
<b>Agreement on Preparation for Retirement provision BOIRON parent company</b>	<b>73,160</b>	<b>1,071</b>	<b>(1,985)</b>	<b>0</b>	<b>659</b>	<b>7,418</b>	<b>80,323</b>

(1) The discount rate as of June 30, 2019 was 1.1%. The discount rate was 1.8% as of December 31, 2018.

## NOTE 18: CURRENT AND NON-CURRENT PROVISIONS

Current provisions	12/31/2019	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	06/30/2020
Provisions for returned goods	4,638	2,475	0	(2,182)	(13)	4,918
Provisions for contingencies and lawsuits	9,870	329	(179)	(36)	(16)	9,968
Provisions for reorganizations	1,880	55,067	0	(568)	898	57,277
Other provisions for other expenses	0	0	0	0	0	0
<b>TOTAL CURRENT PROVISIONS</b>	<b>16,388</b>	<b>57,871</b>	<b>(179)</b>	<b>(2,786)</b>	<b>870</b>	<b>72,163</b>

Non-current provisions	12/31/2019	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	06/30/2020
Provisions for contingencies and lawsuits	0	94	0	0	0	94
Provisions for reorganizations	898	0	0	0	(898)	0
<b>TOTAL NON-CURRENT PROVISIONS</b>	<b>898</b>	<b>94</b>	<b>0</b>	<b>0</b>	<b>(898)</b>	<b>94</b>

A provision of €54,947 thousand relating to the reorganization plan in France has been recognized (see note 1). The provision breakdown is as follows:

- €45,014 thousand related to compensation measures for job cuts,
- €5,033 thousand of regional revitalisation contributions,
- €4,900 thousand for external support measures.

This provision is classified as a current provision since the portion likely to be disbursed in more than one year is not material.

The reorganization impact on the operating income is set out in note 22.



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The change in current and non-current provisions for 2019 first half-year was as follows:

Current provisions	12/31/2018	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	06/30/2019
Provisions for returned goods	5,383	1,868	(119)	(2,350)	25	4,807
Provisions for contingencies and lawsuits	10,980	534	(103)	(374)	1	11,038
Provisions for reorganizations	451	625	(182)	(325)	0	569
Other provisions for other expenses	0	0	0	0	0	0
<b>TOTAL CURRENT PROVISIONS</b>	<b>16,814</b>	<b>3,027</b>	<b>(404)</b>	<b>(3,049)</b>	<b>26</b>	<b>16,414</b>

  

Non-current provisions	12/31/2018	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	06/30/2019
Provisions for contingencies and lawsuits	173	0	(141)	(24)	0	8
<b>TOTAL NON-CURRENT PROVISIONS</b>	<b>173</b>	<b>0</b>	<b>(141)</b>	<b>(24)</b>	<b>0</b>	<b>8</b>

As at June 30, 2019, a provision for reorganization was recorded on UNDA for €337 thousand, as part of the takeover of the business by a new purchaser at the end of 2019.

Other contingent assets and liabilities are mentioned in note 26.

### NOTE 19: INCOME TAX PAYABLE AND OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities	06/30/2020		12/31/2019	
	Current	Non-current	Current	Non-current
Liabilities related to tax uncertainties	469			
Other liabilities of corporate income tax	1,320		1,871	
<b>INCOME TAX PAYABLES (non-financial liabilities)</b>	<b>1,789</b>	<b>0</b>	<b>1,871</b>	<b>0</b>
<b>Non-financial liabilities</b>	<b>57,690</b>	<b>1,396</b>	<b>58,855</b>	<b>1,384</b>
State and local government, excluding income tax	7,735	49	6,664	49
Personnel and social security organizations	49,859	1,347	52,126	1,335
Deferred revenue	96		65	
<b>Financial liabilities valued at cost</b>	<b>11,539</b>	<b>59</b>	<b>16,463</b>	<b>59</b>
Fixed assets suppliers	2,691		4,626	
Credit customer accounts	8,546		9,988	
Other creditors	302	59	1,849	59
<b>Derivative instruments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL OTHER LIABILITIES EXCLUDING CORPORATE INCOME TAX</b>	<b>69,229</b>	<b>1,455</b>	<b>75,318</b>	<b>1,443</b>

The liabilities related to tax uncertainties apply to BOIRON Spain following the ongoing tax audit of the subsidiary.

Other non-current liabilities mainly correspond to the debt related to the Italian TFR.

Deferred income from customer contracts was not material.

The level of other current and non-current liabilities as of June 30, 2020 is comparable to the amount as at June 30, 2019 (€77,575 thousand).

As the BOIRON group financial structure is very stable, neither liabilities payment staggering nor deferral has been asked.



## NOTE 20: FINANCIAL INSTRUMENTS AND RISKS

Neither the nature nor maturity of the group's financial assets and liabilities changed materially compared to December 31, 2019.

As of December 31, 2019, the only financial instruments valued at fair value are marketable securities (see note 8) and derivative instruments (see notes 13 and 19), corresponding to level 2 of the hierarchy defined in the standard IFRS 13 (see note 2.10 of 2019 Universal Registration Document). The group did not find any adjustments related to counter party risks (non-payment risk of an asset) or credit risks (non-payment risk of a liability).

There are only risk-hedging financial instruments to limit the exchange exposure.

On December 31, 2019 and on June 30, 2020, the current derivative instruments of change only correspond to hedges of fair value and no cash flows. Consequently, changes in value related to derivative instruments were totally recognized in consolidated net income. There is no change on other comprehensive income booked in 2019 and 2020.

Outstanding futures options and forward transactions and the fair value of those instruments were not material at June 30, 2020.

Fair value investments are described in note 8.

The group's exposure to market, credit and liquidity risks did not change significantly from December 31, 2019 (see note 23 to the consolidated statements in the 2019 Universal Registration Document), despite the reorganization in France and the health crisis.

The Days Sales Outstanding (DSO) of the BOIRON group is 74 days compared to 52 days as of June 30, 2019. The increase by 22 days is mainly due to additional payment term granted to customer in France following the current health crisis (COVID-19).

As of June 30, 2020 the amount of accounts receivable due and not impaired amounted to €10,579 thousand, namely 12.5% of

accounts receivable (versus €10,140 thousand, namely 9.6% of accounts receivable as of December 31, 2019). Accounts receivable less than one month past due represent 65% of this amount. The balance is due within one year.

There was no major change in the structure of the accounts receivables ageing balance during 2020 first half-year (see note 2.2).

The risks identified in countries in economic difficulty have not changed materially.

As of June 30, 2020 or as of December 31, 2019, there was no offsetting agreements or accounts receivable restructuring agreements.

As of June 30, 2020, the group achieved sales of €2,277 thousand to the Pharmacie Centrale de Tunisie, the country's sole importer of medications. Due to the healthcare system funding crisis which has affected Tunisia since late 2016, BOIRON has suffered delays in the payment of accounts receivable and longer payment times. Note that all accounts receivable are covered by credit insurers and that no losses were recognized on 2019 first half-year. The situation is being monitored at the group level.

Losses on bad debts, net of amortizations and reversal on depreciations for bad debts amounted to -€163 thousand, 0.06% of consolidated sales, compared to +€28 thousand in 2019 (0.01% of consolidated sales).

BOIRON group did not observe any material failures on 2020 first half-year, as in 2019 and did not expect any material failures in the upcoming months. As stated in note 2.2.5, the increase in customer payment terms in some countries is mainly due to technical delay. The liquidity risk remains low despite the health crisis. The BOIRON group financial structure is balanced and its debt, excluding rental liabilities, is marginal.

## NOTE 21: OPERATING REVENUE

Operating revenue	2020 (6 months)	%	2019 (6 months)	%
Non-proprietary homeopathic medicines	110,055	43.4	133,214	51.9
OTC Specialties	142,917	56.3	122,716	47.8
Other <sup>(1)</sup>	661	0.3	788	0.3
<b>TOTAL SALES</b>	<b>253,633</b>	<b>100.0</b>	<b>256,718</b>	<b>100.0</b>
<b>Other operating revenue (fees)</b>	<b>1</b>		<b>1</b>	

(1) The «Other» heading in net sales includes sales of books as well as invoicing for services (training).

Revenue recognition rules are the same according to the different products line (see note 2.11.1 of 2019 Universal Registration Document). The product lines presented in this breakdown of sales do not constitute operating segments. The breakdown of sales by geographical area is given in note 6 on segment information.

The health crisis did not lead to postpone the recognition of the revenue in the absence of any customer risk known when revenue was booked.

**NOTE 22: OTHER OPERATING REVENUE AND EXPENSES**

Other operating revenue and expenses	2020 (6 months)	2019 (6 months)
Foreign exchange gains and losses on operating transactions	(1,443)	114
Gains and losses on derivative instruments (related to operating hedges)	749	(76)
Tax credits (including research tax credits)	502	600
Reorganization in France - provisions and depreciations <sup>(1)</sup>	(55,432)	
Réorganisation en France - reversals of provisions for the benefits <sup>(1)</sup>	27,741	
Depreciations and provisions in Belgium (UNDA) <sup>(2)</sup>		(4,785)
Other net changes in assets depreciations	24	(64)
Income on disposal assets	(159)	(43)
Others	15	7
<b>TOTAL OTHER OPERATING REVENUE AND EXPENSES</b>	<b>(28,003)</b>	<b>(4,247)</b>
<b>including other operating revenue</b>	<b>29,111</b>	<b>760</b>
<b>including other operating expenses</b>	<b>(57,114)</b>	<b>(5,007)</b>

(1) €27,691 thousand as part of the reorganization plan initiated by BOIRON parent company in first half 2020 (see note 1):

- €55,432 thousand in expenses:
  - €54,947 thousand as part of support measures that could be implemented to enable employees affected by this reorganization to find the most appropriate solutions (see note 18),
  - €353 thousand in accelerated depreciation of buildings, fixtures and fittings related to the facilities to be closed down in 2021 (see note 8),
  - €132 thousand in support fees for the implementation of the reorganization.
- A €27,741 thousand reversal of provisions in respect of the reduction in employee benefit obligations provisioned in the past (see note 17),

(2) In first-half 2019, impairments and provisions were recorded for UNDA (Belgium) in the amount of €4,785 thousand in connection with the signature on July 16 of an agreement for the transfer of the business and a preliminary agreement for the sale of real property:

- €2,706 thousand in impairments of tangible fixed assets,
- €1,743 thousand in impairments of inventories,
- €337 in restructuring provisions for the two employees who will not be retained by the future acquirer.

**NOTE 23: INCOME TAX**

Income tax	2020 (6 months)	2019 (6 months)
Current taxes payable	(2,507)	(4,583)
Deferred taxes	(85)	(451)
<b>TOTAL INCOME TAX</b>	<b>(2,422)</b>	<b>(5,034)</b>
<b>Effective rate</b>	<b>167.3%</b>	<b>109.3%</b>

The difference between the recognized tax charge and the tax that would have been recognized at the nominal rate break down as follows:

Income tax	2020 (6 months)	%	2019 (6 months)	%
Theoretical tax	(464)	32.0	(1,475)	32.0
Impact of subsidiaries tax rates	(8)	0.6	(1,341)	29.1
Impact of reduced tax rates in France	354	(24.4)	(393)	8.5
Permanent differences	(455)	31.4	384	(8.3)
Fiscal loss or gain without recognition of income tax	(198)	13.7	(2,362)	51.3
Tax credits, deferred income tax adjustment and other	(1,651)	114.0	153	(3.3)
<b>TOTAL INCOME TAX</b>	<b>(2,422)</b>	<b>167.3</b>	<b>(5,034)</b>	<b>109.3</b>

The group's theoretical tax rate is calculated on the basis of the rate applicable in France in 2020, namely 32.02%.

The tax rate used for the evaluation of the deferred taxes (on temporary differences and adjustments) in France as at June 30, 2020 is 28.41% in relation to the anticipation of the gradual rate decrease for 2021 and 2022.

Tax credits, tax regularisation and other items came to -€1,651 thousand, including €1,093 thousand in deferred taxes assets that have been written off and €469 thousand in liabilities for tax uncertainties in Spain following the tax audit of the subsidiary.



## NOTE 24: EARNINGS PER SHARE (EXCLUDING TREASURY SHARES)

Earnings per share	2020 (6 months)	2019 (6 months)
Net earnings (in thousand of euros)	(975)	(393)
Average number of shares for the fiscal year	17,506,290	17,515,749
<b>EARNINGS PER SHARE (in €)</b>	<b>(0.06)</b>	<b>(0.02)</b>

In the absence of dilutive instruments, the average earnings per share are the same as the average diluted earnings per share.

## NOTE 25: OFF-BALANCE SHEET LIABILITIES

BOIRON group has no off-balance sheet liabilities related to acquisitions and disposals of subsidiaries (agreements to repurchase shares...).

The off-balance sheet liabilities related to asset acquisitions are related to the acquisition of the ALKANTIS patents and brands. This equity-financed acquisition in 2017 cost €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 millions.

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.

Liabilities related to the acquisition of tangible assets are not material as of June 30, 2020.

Off-balance sheet liabilities related to group operating activities did not change significantly during 2020 first half-year.

## NOTE 26: CONTINGENT ASSETS AND LIABILITIES

### 26.1. Dispute in Canada

BOIRON Canada was the subject of two customer 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 judgement handed down on January 19, 2015. The Quebec Appeals Court overruled this judgement on October 26, 2016 and authorized the start of class action proceedings. Our Canadian subsidiary appealed against the judgement 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.

No amount was provisioned for this litigation as of June 30, 2020.

### 26.2. Dispute in France

A commercial dispute opposes us to the company from which we acquired the trademarks and patents of the medical device relating to a sterile compress with cooling effect called "Sterile Alkantice Ice".

The application of the principles defined in note 2.9.3 to the consolidated financial statements, presented in part 4.1 of the 2018 Universal Registration Document, did not result in the recognition of a provision at June 30, 2020.

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 six months.

### 26.3. 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. On March 6, 2020, the Council of State decided not to raise the issue of constitutionality before Constitutional Council. The procedure could last twelve to eighteen months.

### **NOTE 27: Related parties**

There was no significant change in managers' compensation conditions compared to the fiscal year 2019 (see note 35.2 of notes to the consolidated financial statements at December 31, 2019).

### **NOTE 28: Subsequent events**

No other post-closing event which might have a material impact on the group's financial statements has been identified.



# STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

Period from January 1 to June 30, 2020

*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code («Code monétaire et financier»), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of BOIRON, for the period from January 1 to June 30, 2020,
- the verification of the information presented in the half-yearly management report.

These half-year condensed consolidated financial statements were prepared under the responsibility of the Board of Directors on September 9th, 2020 on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and of difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

## I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without modifying our conclusion, we draw your attention to Note 1 "Main events of the semester" setting out the impacts of the reorganization project in France.

## II - Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review prepared on September 9, 2020.

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

Lyon and Villeurbanne, September 9, 2020

### The Statutory Auditors

*French original signed by*

**DELOITTE ET ASSOCIÉS**

Vanessa Girardet

**MAZARS**

Nicolas Dusson

Séverine Hervet



## DECLARATION BY THE PERSON RESPONSIBLE

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I declare that to the best of my knowledge, the condensed half-year financial statements, have been prepared according to the applicable accounting standards and provide a fair view of the businesses, financial position and income of all entities in the company's scope of consolidation, and the half-year report provides a true and fair view of the highlights of the first six months, their impact on the financial statements, the main related party transactions as well as a description of the main risks and main uncertainties for the remaining six months of the fiscal year.

Messimy  
September 9, 2020

**Valérie Lorentz-Poinsot**  
General Manager





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