



2020 UNIVERSAL REGISTRATION DOCUMENT



Your health deserves the greatest respect

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This is a free translation into English of the BOIRON 2020 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 08, 2021, in its capacity as the competent authority under in accordance with Regulation n°2017/1129 of the General Regulation of the AMF without prior approval, in accordance with Article 9 of said regulation. 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.

This document is available free of charge at the head office of BOIRON - 2, avenue de l'Ouest Lyonnais - 69510 Messimy - France, as well as in an electronic version on the AMF website (www.amf-france.org) and on that of the company (www.boironfinance.fr/en).

A FEW WORDS FROM THIERRY BOIRON



Taking care of - and caring for - people

For several generations doctors, pharmacists and healthcare professionals in all corners of the world have been contributing to creating a unique medical and scientific heritage - homeopathy. France is acknowledged to be the global leader in this field yet its government has remained deaf to the pleas of millions of French people calling for freedom of choice in healthcare and has decided to discontinue reimbursing homeopathic medicines.

Like many other French people, I believe that this is a medical, scientific, economic and, above all, political error.

What else could explain such an irrational decision?

It cannot be the economy: homeopathy only accounts for 0.26%⁽¹⁾ of the global medicine “market”!

It cannot be the science: the biological effect of homeopathic medicines has been clearly demonstrated in scientific studies.

It cannot be public health: we conducted one of the largest real-life studies in France whose findings clearly point to the value of homeopathy.

All the arguments, in fact, are in favor of maintaining coverage of homeopathic medicine.... I rest my case!

In the face of adversity, the company personified by all its employees has shown its mettle in a particularly difficult and harrowing situation. Our corporate mission, at the crossroads of proactive prevention and curative treatment, offers a pertinent way forward for healthcare: taking care of - and caring for - people.

In the midst of the current global health crisis, it is clearly unreasonable to imagine that we will succeed in eradicating SARS-CoV-2 and its variants any time soon. It is just as unreasonable to rule out the use of beneficial complementary therapies: diversity will be a great asset to boost our chances of successfully defeating an enemy which is unpredictable and not yet fully understood.

In today's world, it is more crucial than ever for healthcare professionals to put their differences aside, pool their diverse skills and brainpower to further a more integrative approach to health - for the good of all patients!

Thierry Boiron

Chairman

(1) Insights from the IQVIA institute. Global use of medicine in 2019 and outlook to 2023. - Globe Newswire - QY Research, Global Homeopathic Products Professional Analysis 2019.

A FEW WORDS FROM VALÉRIE LORENTZ-POINSOT



Resilience and agility

2020 was marked by unprecedented challenges across the globe and proved a particularly tough and trying year for our company and our employees. It was a year when we had to face up to new challenges and were obliged to initiate a collective redundancy plan in France which will result in more than 500 employees leaving the company in 2021. We are truly grateful to the employees concerned for all the hard work they put in throughout their career in the company. We will strive to offer each of them the best possible support as they move on with their lives.

In 2020, we also laid the foundations for the future to ensure the survival of our company in these troubled times. We have never ceased developing new homeopathic medicines and investing in innovation. We obtained two new market authorizations, developed new products and started diversifying our activities with the launch of a range of probiotics.

Our company was hit hard by the COVID-19 pandemic but our teams proved their resilience, reorganizing the way we worked and rolling out our development projects while ensuring business continuity during the health crisis.

As an illustration of our agility, we quickly rallied round, producing hand sanitizer for key healthcare organizations such as the French National Blood Service.

The various crises we have had to contend with have highlighted the extraordinary adaptability and engagement of our teams.

We organized remote working for almost 1,000 employees in the space of a weekend in all our subsidiaries and at head office. We started lockdown with all corporate functions up and running - quite a feat! We would like to reiterate our thanks to all the departments concerned.

During this most unusual year, we made sure that safety precautions were put in place and followed, allowing us to keep all our facilities open in the countries where we do business. All those employees who so wished were able to go into work and avoid suffering from isolation. Quality of life in the workplace remained high on our daily agenda with a new Intranet page offering content to help employees enjoy “me time” or spend quality time with others, whether they were working from home or on site.

Our eyes remain firmly on the horizon.

We know that the coming months will bring their share of challenges but we have the fighting spirit and energy required to address them.

We are more motivated than ever to do our best to ensure continuing access to homeopathy for patients wishing to benefit from it. This remains our core mission.

Valérie Lorentz-Poinsot

General Manager



1 BOIRON, YOUR HEALTH DESERVES THE GREATEST RESPECT

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This chapter contains the extra-financial performance report of Laboratoires BOIRON, in compliance with article R225-105 of the French Commercial Code.

A concordance table is provided in paragraph 7.8.

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

A brief introduction...

In 2020, Laboratoires BOIRON were forced to undertake an unprecedented reorganization process in France – and to do so quickly, despite the ongoing COVID-19 pandemic.

Laboratoires BOIRON had already faced the need to reorganize its operations, particularly its distribution network, in 2017, leading to an initial round of facility consolidations. The 2017 reorganization plan was intended to adjust medicine compounding volumes to reflect the decrease in demand, and offered all employees internal reclassification options that would not force them to relocate. The goal was to prepare for future changes in the market by investing in maintaining jobs.

In 2018, the French Ministry for Healthy tasked the Haute Autorité de Santé (HAS) with assessing the justification for reimbursement of homeopathic medicines.

The government decision of August 30, 2019, published as a decree in the official bulletin of October 8, 2019, eliminated partial reimbursement of homeopathic medicines by French public health insurance, effective January 1, 2021. The Minister for Health rejected the five-year moratorium proposed by all the affected businesses.

This decision has had a severe negative impact on Laboratoires BOIRON's distribution and production operations. The decline in homeopathic prescriptions and the use of homeopathic medicines due to their delisting and a campaign of denigration against homeopathy as a whole brought the group's plans for expansion to a halt.

These developments forced Laboratoires BOIRON to begin in-depth reorganization of its business in 2020 to enable its French organization to adapt to this new and extremely negative climate.

The reorganization plan aims to meet the company's urgent need to adapt while maintaining its ability to expand its business and continue marketing its products to prescribers, pharmacists, and physicians, whose practices have also undergone a radical shift with the delisting of homeopathic medicines.

The reorganization plan is based on three pillars:

- concentration of production on the Messimy site and the shutdown of the Montrichard site, leading to the elimination of sixty-three positions and the creation of thirty-two new positions on the Messimy production site,
- concentration of the distribution network, leading to the shutdown of twelve distribution sites across France (out 27 existing sites), with 450 positions eliminated and 29 created,
- reorganization of the sales network, eliminating 53 positions and creating 48 new ones.

Given the scale of this reorganization plan, Laboratoires BOIRON initiated an employee representative body consultation process on March 11, 2020.

Christine Place, Deputy General Manager in charge of Human Resources, said on March 11, 2020:

"We will make every effort to support all of our employees through the next steps in their career path. We are fully committed to alleviating our employees' individual difficulties in any way we can. We will be working with the unions to do two things. The first is defining the right support measures to help everyone who is affected find a new position in their region, since relocation is not always an option. The second is helping our many employees who are nearing retirement make the most of their skills and personal qualities. To do that, we will need to think outside the box and find ways to offer everyone the support and assistance they need."

General Manager **Valérie Lorentz-Poinsot** added:

"Respect for each and every employee has always been a part of who we are. So it is with heavy hearts that we present this unprecedented reorganization plan. With business dropping sharply in France, we have had to move quickly and make the hard decisions that will allow our group to weather this difficult time."

When France went into lockdown on March 17, 2020, the consultation process was paused until early June.

The existence of an established consultation process at Laboratoires BOIRON made it possible to maintain a constructive and productive dialog between the employee representative bodies and general management during this process. A total of 860 strike days were logged (0.21% of the annual hours worked at the BOIRON parent company), mostly on September 16, 2020. Negotiations were based on the draft Job Protection Plan, with measures to support career transitions and support for voluntary departures,

This negotiations led to a majority agreement with the company's top unions, which was signed on October 13, 2020.

The plan was modified during the bargaining process, going from 665 positions eliminated and 134 new positions created to 566 eliminated and 122 created.

The key points of the agreement were:

- more than 148 positions offered for internal transfers (open jobs and new jobs) with compensation maintenance measures,
- targeted relocation, training, and entrepreneurship assistance,
- creation of a voluntary departure program with age-based or reclassification leave benefits,
- creation of a sixty-month early retirement leave to provide stability for employees who are close to retirement as they plan for their transition from work to retirement,
- creation of an expanded External Reclassification Leave for employees ages 50 and up; this expanded leave benefit can last up to 48 months at up to 80% of gross pay. Three additional months of External Reclassification Leave were added for employees with disabilities.

Of the 566 employees whose positions were eliminated, 10% accepted internal transfers that required relocation, 27% chose to take company-funded early retirement, and 51% will enter the external reclassification program. All of the remaining positions slated for elimination are already vacant.

Serving employees and supporting reindustrialization.

From the beginning of the reorganization process, Laboratoires BOIRON have done its utmost to find alternatives to site closures, making a massive effort to find solutions for all thirteen sites affected (twelve distribution sites and the Montrichard site).

Laboratoires BOIRON hired a reindustrialization consulting firm to run a large-scale prospecting campaign in France and worldwide, which included contacting over 1,100 companies that could potentially be interested in taking over one or more of the sites and retaining some or all of their employees. Thirty-three expressions of interest were assessed, leading to twelve serious proposals on which the teams are currently working.

To achieve a precise, objective understanding of how this reorganization will impact the communities around each site, Laboratoires BOIRON commissioned a nationwide social and territorial impact study. The study showed that the planned job cuts would have a limited impact on total local employment in each catchment area, as well as on industrial employment at the regional, employment zone, intermunicipal, and municipal levels.

In short, 2020 was a year of change, and above all a year of paradoxes.

Faced with a fast-changing and unpredictable situation, Laboratoires BOIRON showed its agility as it transitioned to remote work in a few hours and started hand sanitizer production in just a few days.

The group's sales decreased overall, yet it launched an array of new products and integrated ecodesign into its production.

Despite the tremendous difficulties generated by the delisting of homeopathic medicines in France, the reorganization process, and a global pandemic, Laboratoires BOIRON have proven to be highly resilient, as each paragraph of this report will show.

1.1 KEY FIGURES



* Source IQVIA Top 10 - Top 100 OTC French Market 2020

BOIRON®
Votre santé mérite le plus grand respect

1.2 LABORATOIRES BOIRON, A FAMILY LEGACY OF INNOVATION

1.2.1 The Laboratoires BOIRON story




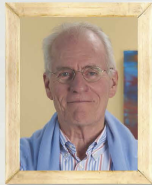






Homeopathy, which has existed in France for 220 years, is rooted in science.

It emerged from the *Materia Medica*, a late 18th century medical science that explored the “medicinal substances” used for treatments at the time.¹

Laboratoires BOIRON, founded in 1932 by the pharmacists Jean and Henri Boiron, produces homeopathic medicines to meet the needs of physicians looking for effective, reliable, and non-toxic therapeutic solutions for their patients. For nearly eight decades, the Boiron family has continued their story and their efforts to develop homeopathy worldwide.

A few key dates in the Laboratoires BOIRON story:

Boiron Laboratories
A family driven by bold innovation

				
1932 Twins Jean and Henri Boiron establish with René Baudry, The Central Homeopathic Laboratory of France	1967 Creation of Boiron Laboratories	1969 Launch of the first production plant in Lyon	1976 Christian Boiron takes the helm of the company	1979 The first Boiron subsidiary opens in Italy
				
1988 Merger with Les Laboratoires Homéopathiques de France (LHF)	2005 Merger with Dolisos, Thierry Boiron takes the helm of the company	2011 Christian Boiron becomes CEO and Thierry Boiron becomes the Chairman of the Board	2019 Inauguration of an international, state-of-the-art logistics platform in Les Olmes	2019 Valérie Lorentz-Poinsot is nominated CEO of the company



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

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 living and aging in good health. In today's world, as public health challenges multiply (increase in chronic diseases including cancer, misuse of medications, drug iatrogenesis¹, an aging population in poor health, etc.), our healthcare systems are showing their limitations, revealing the need to move toward a more holistic, more responsible approach in which patients' expectations matter. Patients are increasingly actively involved in their own health and want personalized care.

These challenges lend fuller meaning to Laboratoires BOIRON's mission:

- contributing to more caring, more respectful, and more sustainable healthcare with effective, risk-free, high-quality medications and healthcare products,
- offering a comprehensive, personalized, patient-centric approach focused on respectful care,
- seeing patients as active contributors to their own health,
- fostering cooperation among all disciplines to support their healthcare journey, with the ultimate goal of longer and better lives.

1.2.3 CSR: a focal point for Laboratoires BOIRON's strategy

Jean-Christophe Bayssat, Deputy General Manager, Chief Pharmacist and Pharmaceutical Development Director, has been responsible for Laboratoires BOIRON's CSR strategy since January 1, 2019.

- The **CSR steering committee**, created in late 2019, is tasked with developing the CSR approach and rolling out initiatives to support the key components of the group's strategy:
- strengthening homeopathy's credibility and building preference for the BOIRON brand,
- overcoming delisting in France,
- increasing international sales,
- developing its capacity to innovate.

The committee – intentionally multidisciplinary so all activities are represented – meets every six weeks. During the past year, it has organized a donation drive for the Red Cross, meetings with service providers to discuss supplier certifications, life cycle analyses, charity drives, and more. It also worked on defining BOIRON's CSR commitments and engaged in a dialog with employee representatives. And coming soon, a CSR section will be added to the company intranet. This year's CSR initiatives are described below.

The group also ran a campaign to **raise employee awareness of CSR issues**. The campaign was supported by:

- two networks formed in 2020: CSR contacts in France, representing all the activities, and one CSR contact for each subsidiary,
- an expanded Management Committee, made up of the forty-five BOIRON parent company department directors, which meets very frequently, as the situation requires.

Two subsidiaries' initiatives are excellent illustrations of the group approach:

- in Canada, a “green committee” educates employees about initiatives to reduce its environmental impact starting when they are hired,
- in Spain, a sustainable development suggestions box has been set up for employees.

¹ Iatrogenesis: harmful side effects caused by drugs or drug interactions.

Laboratoires BOIRON's proactive approach, which is integrated into its strategy, has been recognized three times:



"Every year, Gaïa Research, the Ethifinance ESG analysis agency, collects and analyzes ESG data on mid-sized French and European publicly traded companies. Based on this information, **the companies are rated on their transparency and performance**. Leading management companies use its research in their management and investment decision-making processes."¹

This year, Laboratoires BOIRON made its debut on the Gaïa Rating index, which features the 70 best small and mid-sized French companies on Panel 230 of the index. An honor that highlights a CSR approach which continues to improve.



Laboratoires BOIRON are proud to be one of the "2021 socially responsible companies". This distinction, awarded by Le Point and Statista, **recognizes companies on the basis of social, environmental, and governance criteria**, based on data from their corporate reports and an independent survey of 5,000 French respondents.



Laboratoires BOIRON were the **winner of the 2020 Trophée Défis RSE in the mid-sized and family-owned business category**. The Trophée Défis RSE awards are sponsored by France's Ministry for the Economy and Finance, Ministry for the Ecological and Solidarity Transition, and Senate, and are supported by partners, networks of CSR and sustainable development experts, and the media.

This award recognizes Laboratoires BOIRON's CSR initiatives and governance.

1.2.4 A different way to work for a living

"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 Laboratoires 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. Laboratoires BOIRON's corporate philosophy places the personal development of men and women at the heart of the company's economic success.

Laboratoires BOIRON, which are 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 Laboratoires BOIRON implement the changes it needs to grow, particularly in France. With its numerous agreements grounded in trust and respect and through striving for equity, profit-sharing, and diversity, the group strives to provide each and every employee with a good job, to reduce inequalities, to provide fair pay, to implement an appropriate training policy, and to support employees as they 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.

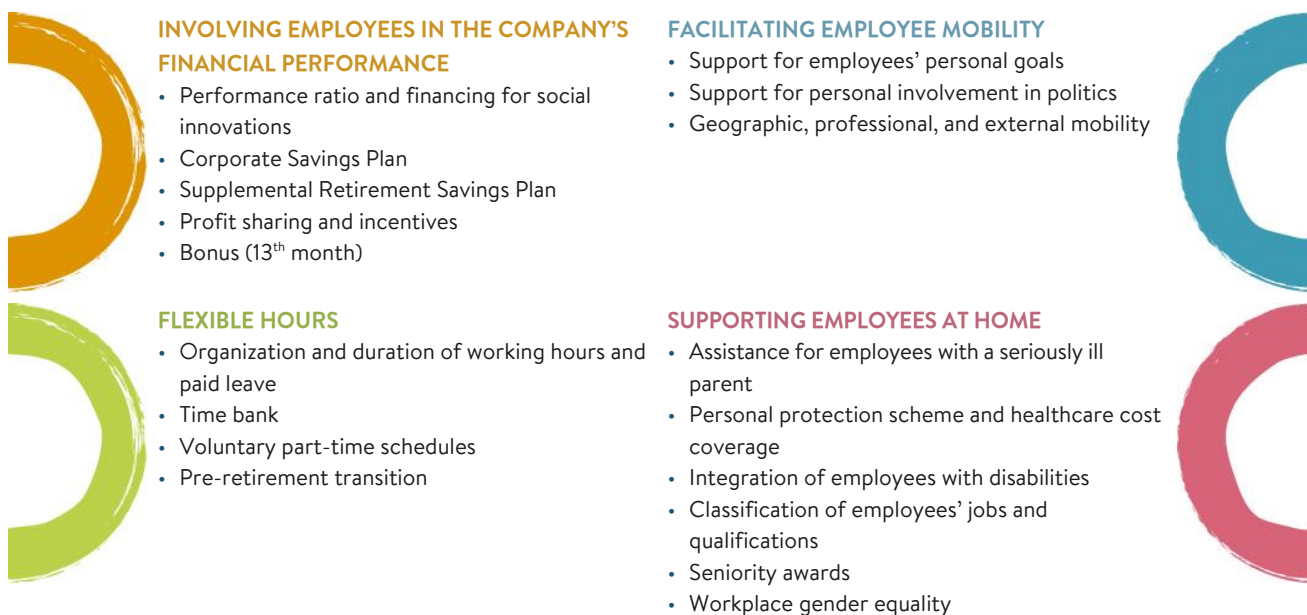
¹ Source: communiqué on the results of the 12th GAÏA RESEARCH campaign

1.2.4.1 Pioneering corporate agreements

“50 years ago, I changed the nature of hierarchical relationships. Here, it’s the managers who have to be 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 key 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, Laboratoires BOIRON’s employer policy are laid out in numerous **corporate agreements, which are renewed every three years. The details of their provisions are described later in this document:**



Laboratoires BOIRON’s employer dynamic actively contribute to achieving the United Nations Sustainable Development Goals:



1.2.4.2 Labor relations based on respect and cooperation



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



The company has incorporated personal development and workplace well-being into its philosophy. This inherently excludes forced or compulsory labor, child labor, and disregard for human rights.

Respect for the individual, a centerpiece of the company’s mission, is fundamental and underlies the group’s constant commitment to non-discrimination. Laboratoires BOIRON’s internal regulations prohibit all racist, xenophobic, sexist, or discriminatory behavior.

The company agreements that make up Laboratoires BOIRON’s 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 innovative additions to or the maintenance or adaptation of the company's employee policies.

A General Pilot Group (GPG) made up 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 BOIRON group companies, in line with their size and/or the laws in effect, enabling faster and more direct dialog on employee issues.

In the past year, six BOIRON parent company agreements were reviewed and three new ones were implemented to address the ongoing pandemic (implementation of the PEPA bonus) or the reorganization plan (agreement on methods and support measures). The schedule for employee-employer dialog during the year was largely set by these two factors, with weekly meetings on the COVID-19 situation from March through May and twenty-five bargaining meetings and five CSEC meetings to work on the Job Protection Plan.

The key measures adopted address internal reclassification, external reclassification, and voluntary departures:

- employees were offered an internal reclassification process to make it easier to transfer to an open position within the company. The internal classification support measures include relocation support for employees as well as their spouses and families (moving, scouting visit, relocation service, etc.). Employees will have a three-month adjustment period to explore their new environment and confirm their decision to accept internal reclassification. Training will also be available to help them qualify for open positions,
- voluntary departure options are also available. There are two types of voluntary departures: direct voluntary departures and replacements,
 - a program to encourage direct voluntary early retirements, known as the "age-based program" has been developed to support senior employees as they leave the company. Eligible employees will be offered support that guarantees their income until they retire, for up to 60 months,
 - the "replacement" voluntary departure program is open to employees who are not affected by the reorganization plan but whose departure would enable reclassification of employees who are affected.
- employees who will be taking external reclassification leave can, if eligible, choose between external reclassification leave or the age-based early retirement program.



External classification leave gives employees time to find a new job in the best possible conditions. External reclassification includes financial incentives to support professional mobility: statutory severance pay and an additional flat-rate severance payment based on seniority.

A Job Preservation Plan is a change that affects the entire company and all its stakeholders – not just the employees who are directly impacted.

While it is obvious that employees who are directly affected experience the most severe psychological impact (stress, fear, anger, depression, anxiety about the future, etc.), its effects on

other employees should not be underestimated. Like any change, different people will process it differently.

The impact of a major reorganization plan on a tight-knit, committed group of people like the men and women who make up Laboratoires BOIRON require personalized support for employees:

- to help them process and overcome the situation, individually and collectively. To meet their needs, support has been provided in the form of:
 - a hotline and support service (by phone and in-person) where struggling employees can find help for personal or work-related problems when they need it,

- coaching and co-development workshops for facilitators throughout the procedure, a preparatory seminar for all site and network directors, a support seminar for the directors of the sites that will be closed, etc.
- support from a specialized external agency until they find a new job,
- practical measures to ensure support is easy to find: creation of a dedicated intranet page on the job preservation plan with

all the key information, a book on the support measures, and booklets with practical advice,

- ongoing support: the human resources teams are mobilizing to answer employees' questions and help them choose between the measures available.

The reorganization plan will be carried out in 2021, representing a major challenge for Laboratoires BOIRON.

1.2.4.3 A company on a human scale



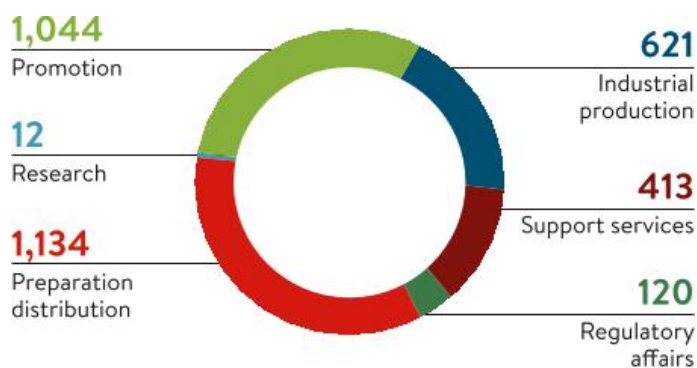
3,344 employees work for the BOIRON group, and 97% of them have permanent employment contracts. Compared to the national average of 74.6%¹, the company's use of short-term contracts is therefore very limited.

69% of employees work in France.

	2020	2019
GROUP TOTAL	3,344	3,502
France*	2,311	2,396
Europe excluding France	735	818
North America	188	185
Other countries	110	103

* Mainland and overseas departments and territories

52% of employees work in production and preparation/distribution.



The functions shown above are described in the glossary in paragraph 7.9.

As previously noted, the reorganization plan in France is focused on the preparation/distribution activity, with twelve sites to be closed.

¹ Insee, 2019 employment survey

1.2.4.4 Reducing inequality and promoting diversity



Diversity is a source of collective intelligence. Laboratoires BOIRON attache particular importance to diversity, which generates complementarity, creativity, social balance, and economic efficiency.

The group 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 employees are women.

A specific corporate gender equality agreement is in force in France. It covers hiring conditions, work-life balance, compensation and job classification.

In 2020, Laboratoires BOIRON earned a score of 94/100 on the workplace gender equality index, above the national average of 87 for businesses with 1,000+ employees. The index covers indicators including the pay gap, promotions and raises, and the number of women among the top 10 earners.¹

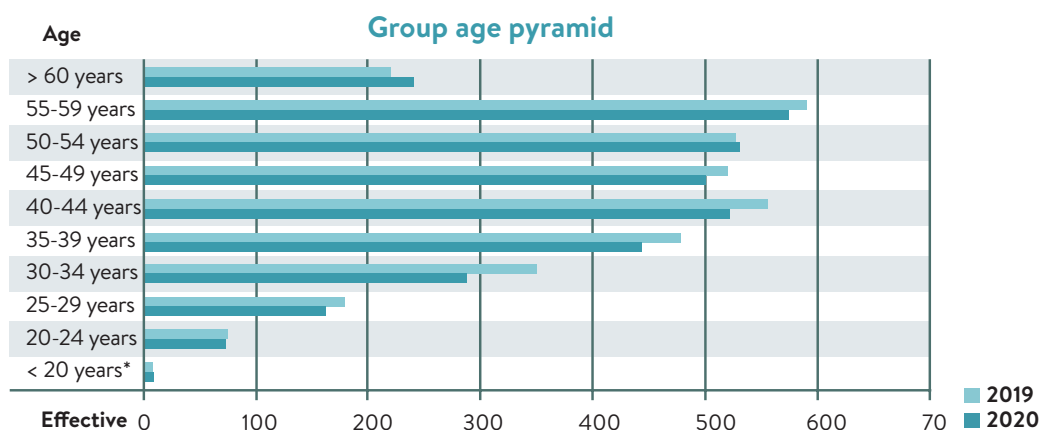
	2020	2019
GROUP TOTAL	3,344	3,502
Women	2,361	2,474
Men	983	1,028



In France, 57% of the 391 managers are women. The French and European average is 36%.² The company has achieved functional gender parity.



16% of the group's workforce is under 35 years of age, 44% is between 35 and 49 years of age, and 40% is over 49 years of age. These figures highlight the loyalty of Laboratoires BOIRON's employees. The average age of BOIRON parent company employees is 47 years and 1 month.



¹ Workplace gender equality index: 2020 global trends and leading companies' results

² Eurostat, press release 43/2019, 2019

Every year, Laboratoires BOIRON support numerous students during their training. These programs bring the group a fresh vision of the challenges of the future; the group's 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 for both Laboratoires BOIRON and the students.



The BOIRON parent company's disability employment rate was 5.9% as at December 31, 2019. The nationwide average in France is 4.2%¹

The data for 2020 will not be available before the end of the 1st half of 2021 due to regulatory changes to the beneficiary reporting process.

Since 1987, Laboratoires BOIRON have pursued an active policy in support of workplace integration for people with disabilities through the application of ten three-year agreements covering the period between 1989 and 2020, all of which were certified by DIRRECTE, a French governmental authority.²

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 disabled and non-disabled employees enjoy identical employment contracts, classification, compensation, training, and career opportunities.

Close to 50% of disabled BOIRON parent company employees have over twenty years of seniority.

In 2020, the BOIRON parent company hosted a total of 95 students in initial training (interns and co-op students), down from 129 in 2019. The number of interns decreased 27% due to the pandemic, while the number of co-op students remained steady.

The disability service is coordinated by a full-time employee. 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 are centered on employees, their managers, and the recruitment team, through:

- involving all employees in implementation of the corporate agreement on integrating employees with disabilities,
- supporting new hires and enabling job retention,
- using training to encourage integration and long-term employment.

In 2020, Laboratoires BOIRON received an Emploi Humpact score³ of 3.6/5, maintaining its 3rd place ranking among the 18 companies in the sector.

1.2.4.5 Involving employees in the company's financial performance



Laboratoires BOIRON believe that the self-realization of each individual is key to strengthening collective performance, which is the source of social progress.

The BOIRON parent company has defined a performance ratio to measure the financial surplus that can be distributed in order:

- to significantly improve the benefits awarded to employees (increased purchasing power, collective reduction in working time, retirement planning, employee savings plans and retirement savings, various benefits, etc.),

- all while enabling increased profitability, particularly through the management of total payroll expense in the income statement.

¹ LADAPT, 22nd European Disability Employment Week, 2018

² Regional Department of Enterprise, Competition, Consumer Affairs, Labor and Employment

³ Emploi Humpact France is an extra-financial ratings agency that measures publicly traded companies' impact on employment in France



BOIRON parent company 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):

	2020	2019
Company-wide increase - France	1.2%	1.5%
Individual increase - France	0.49%	0.46%

The BOIRON parent company and seven of its subsidiaries apply a profit sharing formula. **84.3% of group employees benefited from profit sharing in 2020 (compared to 84.6% in 2019).**

For the entire group, profit sharing paid in 2020 represented 7.8% of total annual salaries in 2020, equivalent to approximately 1 month's salary, compared to 1.6 months in the previous year. This change was due to the BOIRON parent company's decreased profitability between 2018 and 2019.

Total group salary costs are presented in paragraph 26 in the notes to the consolidated financial statements.

In 2020, BOIRON group salary increase rates ranged from 1% to 6.7% (1% to 9% in 2019).

1.2.4.6 Facilitating employee mobility and skills development

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

- anticipating changing business needs regarding employment,
- simplifying career advancement and skills development,
- meeting employees' aspirations for their careers and, more broadly, their personal development.

In an industry characterized by intense change, the BOIRON group's human resources policy must continue to be proactive and support changes in employment and employability.

At the BOIRON parent company, 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 results in individual recommendations regarding training, through the proposal of missions related to evolving professions or those lacking skilled workers, as well as a continuous review of organizational structures.

In 2020, 132 assignments, for periods ranging from five days to more than a year, were completed group-wide (116 in France).



79% of group employees received training in 2020, up from 88% in 2019. The average length of training is estimated at a little over one day for the BOIRON parent company.

Training costs amounted to €1,380 thousand (€2,413 thousand in 2019), equivalent to 1.0% of group payroll before taxes, compared to 1.8% in 2019.

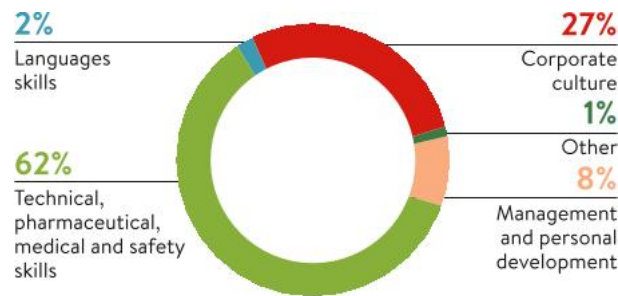
	2020	2019
Number of employees who received training	2,642	3,091
Number of training hours	53,302	51,701

The number of training hours was up roughly 2% compared to 2019, but that average hides very different realities in the different subsidiaries.

While training hours at the BOIRON parent company were divided by 1.7, certain subsidiaries increased their training hours (Italy, Russia, Belgium) to enable implementation of new projects.

To enable employees to develop their professional skills, Laboratoires BOIRON's training policy is based on the following pillars:

- company culture: knowledge of homeopathy and an understanding of the company's business processes,
- strengthening of 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.

Breakdown of training provided in 2020 by topic:

In 2020, the BOIRON parent company focused on three key areas: centering business priorities, continuing to develop a culture of homeopathy, and above all energizing employees and managers by supporting them during these turbulent times.

Impact of the pandemic:

The COVID-19 pandemic and corporate reorganization led to major changes – in fact, a transformation – in training.

As soon as the lockdown was announced in March, planned trainings were canceled or postponed. Only a few mandatory internal pharmaceutical and safety trainings were maintained on the sites and in production facilities.

A quick adjustment to digital learning:

Laboratoires BOIRON adapted to these forced changes with agility, turning its trainings into virtual classes and e-learning courses. However, some of its external training providers were not prepared for the transition, so some of the trainings planned for 2020 could not be completed.

The pandemic pushed Laboratoires BOIRON to accelerate its transition from virtually 100% in-person training to digital learning, with a brand new approach:

- shorter course formats with webinars, micro-learning, and tutorials for ongoing, on-demand, highly targeted learning,
- hybrid in-person and e-learning content, MOOCs on topics related to current issues,

- remote support via Teams or remote classes (e.g. English, office software, etc.) to reduce travel, both because it represents a significant portion of the training budget and to keep employees learning during the pandemic. To support and uplift employees in this difficult situation, remote management and discussion workshops called “Simple, Direct Conversations” were held throughout the year.

Working toward sustainable employee onboarding:

The new employee onboarding process was maintained and even enhanced despite the pandemic: Keenly aware that successfully onboarding new employees can improve the company’s overall performance, Valérie Lorentz-Poinsot moved to create an 18-month new employee program aimed at achieving a comprehensive understanding of the company, its culture, and its philosophy as soon as she became General Manager of the BOIRON group in 2019. The program is focused on meetings with each member of General Management, an introduction to homeopathy, and training on simple, direct communication (Non Violent Communication). A dedicated course for managers completes the program.

In addition to this program, all managers are required to plan and organize all the meetings and training needed for each job for their individual team members.

On their first day or when they sign their contract, each new employee receives a welcome kit and a virtual guidebook.

1.2.4.7 An individualized approach to working hours

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

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



In 2020, 15% of group employees worked part-time.

This level remained stable compared to 2019, at both the BOIRON parent company and the subsidiaries.

In 2020, at group level, 69% of part-time employees chose to work part-time and received support for their preferences and plans for managing their hours. The other part-time positions were related to medical needs (approximately 22%) or were designated as part-time by the group at the time of hiring (10%).

A company agreement on personalized working hours, which applies to the BOIRON parent company, sets out the rules for moving to a part-time schedule and broadens the range of possibilities offered by the current legislation (for health-related reasons or for parental leave).

Impact of the pandemic:

This year, as an exceptional response to the pandemic and the attendant need for lockdowns and social distancing and to protect employees, Laboratoires BOIRON implemented a series of targeted measures:

- **partial unemployment:** due to a steep drop in sales activities (pharmaceutical sales visits ended on March 17 and family medication sales staff transitioned to remote work, followed by partial unemployment), Laboratoires BOIRON used partial unemployment when necessary. 444 employees of the BOIRON parent company received partial unemployment benefits.

- however, before turning to partial unemployment and to minimize the impact on employees, the following measures were rolled out:
 - compensatory overtime,
 - mandatory use of planned leave,
 - use of banked leave,
 - voluntary use of compensatory time off (RTT days) and unused leave, etc.,
 - option to accept voluntary assignments to sites in need of workers.
- all employees whose jobs allow it were transitioned to **remote work** in just 48 hours. Some 600 BOIRON parent company employees transitioned to working from home overnight thanks to the agility and professionalism of the IT team. Since remote work did not previously exist at Laboratoires BOIRON, employee and manager support was implemented starting on March 25, with guides published on the company intranet and shared by managers, who passed on best practices and tips on working from home. Negotiations are under way for an agreement on remote work to create a framework for it as a regular practice. The group's subsidiaries also had their employees work from home (Poland, Slovakia, Bulgaria, Brazil, etc.).

50% of BOIRON parent company employees continued to work on-site, 26% worked from home, and 14% were absent due to COVID-19.



In France in 2020, 315 employees (versus 278 in 2019) benefited from an agreement on retirement and preparing for retirement, the annual cost of which represented 3.73% of payroll.



This particular feature of work time organization was established in 1976. The program demonstrates the BOIRON parent company's commitment to easing 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.

1.2.4.8 Contributing to BOIRON employees' well-being



Laboratoires BOIRON's corporate philosophy place the personal development of men and women at the heart of the company's economic success. Employee well-being and performance are inseparable. Beyond homeopathic medicines and their benefits, people and their importance to the company have always been essential for BOIRON.

In that spirit, the "Hospitality" center operates on the Sainte-Foy-lès-Lyon and Messimy sites, where its role is to:

- provide a warm welcome and information for visitors and service providers,
- handle the logistics for all events held on both sites, using local suppliers and an eco-friendly approach,

- develop an inspiring work environment where employees and their guests feel at home,
- offer employees a listening ear and provide *feedback*: sharing information with its various contacts and General Management.

A few of the ways BOIRON supports workplace quality of life:

FOSTERING COMMUNICATION

In 2019, the Messimy and Sainte-Foy-lès-Lyon sites 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 a refreshing break that can re-energize employees and boost their well-being and productivity. Due to the pandemic, these spaces have been closed in compliance with the public health rules.

To keep employees informed and connected during the pandemic, Laboratoires BOIRON created a new intranet with dedicated pages (*COVID-19: the latest updates* and *Working from home at BOIRON*) as well as relevant news items and WebTV content on the benefits of homeopathy.

Remote breakfast gatherings are also held for new arrivals, to give them an opportunity to chat with other employees so they can feel like part of the team. An HR staffer also attends these virtual events to answer any questions.

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

HEALTHY EATING

Because employee well-being is essential and because food is key to good health, the BOIRON parent company continues to work with its catering provider to ensure that employees can enjoy home-cooked meals with as many fresh, seasonal products as possible.

In 2020, 100% of the beef, pork, and veal, 30% of the vegetables and 30% of the dairy products supplied by its catering provider were from local farms. And 100% of the eggs used were local, organic eggs from a farm just 6 km from group headquarters in Messimy!

On the Sainte-Foy-lès-Lyon site, employees also enjoyed an additional catering option, with a new smart fridge that offers six different meals each week featuring 100% fresh and local products. The meals are delivered in eco-friendly packaging, using eco-friendly transportation.

In Italy, local organic suppliers are used for meals and fair trade coffee is served.

RESPONSIBLE ACTIVITIES

A wide range of activities are available at lunch. In line with the company's philosophy, they are selected to encourage physical activity (pilates, yoga, bungypump) and to educate employees about 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. Due to the pandemic, in-person events have been replaced by digital content in the new Intranet section #prendresoindenous (taking care of us). The content is a catalog of videos to help employees get moving, breathe, and relax. In a group or alone, on-site or from home, the goal is to take time to refresh the body and the mind.

And since five beehives were installed on the Messimy and Les Olmes sites, special workshops 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 second, brought in 40 kg of honey, which all the site's employees had the opportunity to taste at the canteen.

The BOIRON parent company also has a very active Works Council. With a budget of €1,406 thousand in 2020, it was able to fund a broad range of social, cultural, and athletic activities for employees – all modified to fit the pandemic.

CREATIVITY

Art in the workplace – boosting innovation An idea championed by Christian Boiron, and one that the company is proud to continue. Employees work in spaces enlivened with scenes drawn from life and from the imagination.

“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

On most Laboratoires BOIRON sites, art is present through color, decoration, and works of art.

The Sainte-Foy-lès-Lyon site, home to the administrative and finance department:



In addition to these examples of initiatives to support the well-being of BOIRON parent company employees, the subsidiaries have undertaken the following initiatives:

- BOIRON USA is helping its employees stay healthy by providing sit-stand desks for all headquarters employees and all desks are in natural light, which is also the case at BOIRON Bulgaria. With the same goal in mind, BOIRON Russia's offices use hypoallergenic materials and acoustic partitions. Abundant flowers and a relaxation room featuring a massage chair are additional touches,
- BOIRON Romania has formed an ongoing partnership with a therapist, who is always available to provide emotional support for struggling employees,
- In 2019, BOIRON Belgium provided employees with yarn to knit sweaters and scarves for charity. A Saint Nicholas day event was held for sick and disabled children,
- BOIRON Tunisia brings all its employees together twice a year for half-day Team Building events that are both fun and relevant,
- BOIRON Poland has created a mini-library on its site. It includes books on health, nature, and the environment, as well as relationships and humanity's place in the modern world.

Impact of the pandemic:

Laboratoires BOIRON had to very rapidly develop new organizational methods and ways to quickly share information with employees in March 2020, to respond to the COVID-19 pandemic. The group's pandemic response was immediate, with all regulations applied to the letter. In some cases, Laboratoires BOIRON even went beyond the required measures. The measures applied included:

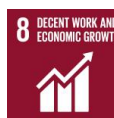
- daily Management Committee crisis cell meetings,
- weekly meetings with employee representatives to discuss the recommendations and employee feedback,
- a new dedicated, independent hotline to provide psychological support for struggling employees,
- distribution of memos with recommendations on stopping the spread and staying safe (social distancing, hand washing, etc.) and creation of an intranet page on management of the crisis,
- organizational changes:
 - social distancing rules,
 - massive use of remote work for jobs that allow it,
 - company-funded alternative transportation provided for public transit users.

1.2.4.9 Turnover and absenteeism under control



The average seniority of employees of BOIRON parent company is eighteen years and six months. That figure highlights employees' well-being and their long-term relationship with the company.

The average seniority at the subsidiaries varies from a few months (the brand new BOIRON subsidiary in Asia) to seventeen years (Caribbean). The variations in seniority in the subsidiaries are correlated with their date of creation.



At the BOIRON group level, employee turnover¹ was 8.9%, down from 10.9% in 2019.

Average employee turnover among French companies is 15%².

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

	2020	2019
Number of new hires	176	211
Number of departures	320	365
Departures at the employer's initiative	112	109
Retirement	67	96
Other departures at the employee's initiative	134	125
Other reasons	7	35
Staff Turnover	9.9 %	10.9 %

"Other departures at the employee's initiative" include amicable contract terminations in France. All such requests are accepted as long as the employee has a serious and realistic career plan for which the company can provide support through its agreement on support for personal projects.

The decrease in turnover from 2019 to 2020 was generated by a decrease in hiring, largely due to the reorganization, and a decrease in voluntary departures and retirements, mainly in France.

Outside France, most departures were concentrated in two countries:

- In Russia, a downturn in activity forced the subsidiary to reorganize: headcount decreased from 202 to 156 after twenty-eight employees left voluntarily and twenty-two were laid off. BOIRON Russia has been committed to providing financial and career support to all employees.
- in Belgium, as part of the finalization of the sale of the UNDA subsidiary's site, thirty-four employees left the BOIRON group effective January 1, 2020 and are now employed by the site's new owner. No positions were eliminated.

The BOIRON parent company supports employees throughout their time with the company:

- the company is particularly attentive to how it welcomes job candidates during the hiring process,
- every effort is made to respond to all applications, whether they are submitted for a specific opening or are submitted spontaneously,
- the BOIRON parent company works with several charities and local structures to help job seekers find work (Solidarité Emploi, Passerelle Emploi, etc.),
- each person hired is provided with a personalized introductory program by their manager,
- an orientation and welcome event is organized for all new arrivals on the Messimy site as well as supervisors and managers from other sites,
- 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 2020, 69% of BOIRON parent company employees had an annual review as well as a career review. For the group as a whole, that figure is 60%,
- 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.

¹ Ratio of the total number of departures and physical headcount as at December 31.

² Centre for Economics and Business Research - 2018.



The BOIRON group's absenteeism rate (excluding maternity leave)¹ was 7.7% in 2020, compared to 5.7% in 2019.

3% of these absences were due to workplace accidents, occupational illnesses, and commuting accidents.

The BOIRON parent company recorded eleven cases of occupational illnesses in 2020. These occupational illnesses were mainly Musculoskeletal Disorders. While the number of cases of occupational illnesses is low, the employee health and safety bodies are particularly attentive to these issues.

The increase in absenteeism was caused by the COVID-19 pandemic. From March through May, approximately 14% of employees in France had absences due to COVID-19.

1.2.4.10 Guaranteeing safety and good working conditions



In France, issues related to Health, Safety and Working Conditions (HSWC) are managed by the Health, Safety, Environment and Safety function (HSES) (eight 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 Laboratoires BOIRON intranet includes a section dedicated to the HSE function, which provides targeted resources and information for all employees.

Laboratoires BOIRON are actively involved in risk prevention initiatives:

- “near accidents” and “risky situation reports” are leveraged in partnership with the CSSCT,
- safety inspections are also carried out; they are an opportunity to identify areas for improvement, in addition to the work done on assessing workstation risks,
- managers cover safety during department meetings.

Examples of major safety initiatives include:

- in 2019, the production and tube and dose packaging sectors replaced boxes with “big bags” to significantly reduce the loads carried,
- in the neutral pellet production sector, a multi-year project aims to make elevated access areas safer with new bridges and elevator columns. This project was delayed due to the pandemic: in 2020, one of the three planned turbines was fitted out,
- in 2020, a new production formula eliminated the use of titanium dioxide, a raw material composed of nanoparticles classified as “category 2 carcinogens” under the CLP regulations.

• **Impact of the pandemic:**

- **The COVID-19 pandemic had a major impact on prevention and risk management in 2020.** Laboratoires BOIRON maintained its production and distribution operations throughout the year. That meant it was essential to keep the employees who had to continue working on-site safe and confident. The measures applied included:
 - providing surgical masks from the first days of the pandemic and distributing cloth masks to all employees,
 - reorganizing operations by transitioning administrative staff to working from home, a shift that entailed developing the necessary IT resources, staggering shifts to minimize crowding, holding meetings via videoconferencing software, stopping travel, postponing training, etc.,
 - providing hand sanitizer on all sites and distributing bottles to employees,
 - setting up plexiglass shields where necessary,
 - in Russia, the subsidiary launched a project to encourage employees to stay healthy during the difficult, unprecedented experience of strict lockdowns. The program featured different modules:
 - anti-crisis marathon (focused on nutrition): online tests, webinar series, online support program including daily push messages and weekly challenges,
 - step challenge (focused on physical activity): encouraged employees to log on to a pedometer application. 125 of the subsidiary's 156 employees took the challenge,
 - stress management (focus on mental and emotional health).

¹ 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)

- employees in the Paris region, Brazil, and Romania had the option to use company-paid transportation alternatives (taxis and rental cars) for their commutes,
- several European subsidiaries held meetings to raise awareness of health issues and the importance of staying active and eating a healthy diet to support the immune system,
- several subsidiaries paid for employees' PCR tests (Romania, Tunisia, Brazil),
- during the first lockdown, employees working on the Lyon site who struggled to get to the grocery store received baskets of fruit and vegetables from local growers.

Health and safety indicators

	2020		2019	
	Group	BOIRON parent company	Group	BOIRON parent company
Number of workplace accidents ⁽¹⁾	50	42	67	50
Frequency rate ⁽²⁾	11 %	14.5 %	13.3 %	15.9 %
Severity rate ⁽³⁾	0.4	0.7	0.6	0.9

(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:

- prevention,
- patients actively involved in their health,
- a holistic approach to treatment,
- an individual and personal approach,
- effectiveness and safety

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 patient¹.

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.

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

A THERAPY THAT IS PART OF BOTH CONVENTIONAL AND COMPLEMENTARY MEDICINE

Homeopathy is a form of conventional medicine because it relies on medicines and healthcare professionals.

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.

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 Healthcare providers

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

and Care

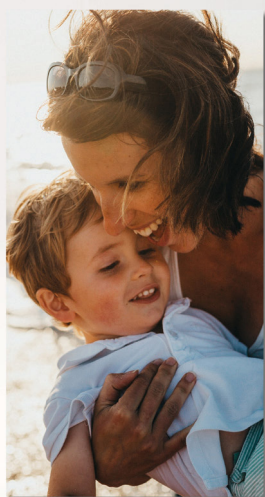
Preventing pathologies from emerging or recurring with maintenance treatments, improving patients' quality of life by treating harmful symptoms as supportive care for serious chronic diseases.

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 preference for natural treatments that are in tune with human physiology and have no chemical molecules with weight-based posology and no toxic effects.

Homeopathy by Boiron



For everyone



Kind to the human body



Many everyday illnesses



Generally side-effect free



Safe with other medication

Ask your doctor, pharmacist or midwife for advice.



Your health deserves the greatest respect

1.3.1.2 Research in homeopathy and at BOIRON

Homeopathy 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.

Laboratoires BOIRON's research aim to expand existing programs and develop new ones to increase our knowledge of homeopathy and enhance its scientific credibility.

The strategic focuses of BOIRON's research:

- confirming the clinical effectiveness of the group's medications and products, both for their current indications and for new indications to meet the needs of healthcare providers and the regulatory requirements of the countries where the group operates^{1, 2},
- supporting the **development of new medications** for specialties like traumatology,
- Investigating the benefits of homeopathy as **supportive care for serious chronic diseases** (cancer, neurodegenerative diseases, etc.) to offer a supplemental therapeutic response and improve patients' quality of life^{3, 4},
- evaluating the utility and benefits of homeopathic therapeutics for **populations for which no conclusive data exists** children, pregnant women, seniors)^{5, 6},
- exploring the benefits of **homeopathic therapeutics for major international public health** issues (antibiotic resistance, benzodiazepine abuse, etc.)⁷,
- furthering our understanding of the action mechanisms of very small doses^{8, 9},
- studying and modifying the group's **different production processes** to further improve the quality and effectiveness of its products¹⁰.

1 Jean-Claude Colau, Stéphane Vincent, Philippe Marijnen, François-André Allaert. Efficacy of a Non-Hormonal Treatment, BRN-01, on Menopausal Hot Flashes. A Multicenter, Randomized, Double-Blind, Placebo-Controlled Trial. *Drugs R D* 2012; 12 (3): 107-119.

2 François-André Allaert, Stéphanie Villet, Stéphane Vincent, Laurent Sauve. Observational study on the dispensing of cough syrups to children with acute cough by community pharmacists in France. *Minerva pediatrica*. 2017.

3 Jean-Claude Karp, Carole Sanchez, Philippe Guilbert, William Mina, Antoine Demonceaux, Hervé Curé. Treatment with *Ruta graveolens* 5CH and *Rhus toxicodendron* 9CH may reduce joint pain and stiffness linked to aromatase inhibitors in women with early breast cancer: results of a pilot observational study. *Homeopathy* 2016.

4 Ludivine Vitet, Christine Patte-Mensah, Naoual Boujedaini, Ayikoé-Guy Mensah-Nyagan, Laurence Meyer. Beneficial effects of Gelsemium-based treatment against paclitaxel-induced painful symptoms. *Neurological Sciences*, 14 September 2018. <https://doi.org/10.1007/s10072-018-3575-z>

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6 Berrebi A, Parant O, Ferval F., Thene M., Ayoubi J.M., Connan L., Belon P. Traitement de la douleur de la montée laiteuse non souhaitée par homéopathie dans le post-partum immédiat. [Homeopathy as a treatment for immediate postpartum pain associated with undesired milk production] *Journal de Gynécologie Obstétrique et Biologie de la Reproduction* 2001, 30, p.353-357.

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Research players:

Laboratoires BOIRON have an **in-house laboratory** dedicated to fundamental research, where researchers study the pharmacological and biochemical processes by which homeopathic medicines affect different cell culture models.

Most of this research is done in **partnership** with university, academic, and hospital-based research centers in France and worldwide. Laboratoires BOIRON support young researchers through the CIFRE doctoral funding program.

**Scientific and medical research and communications:**

Since its inception, homeopathy has been the subject of vast quantities of research and publications – proof that scientific research on homeopathy exists.

Laboratoires BOIRON have been involved in sharing that research with the general public to publicize its objective, factual content for several months.

One of the key themes is the biological activity of diluted, potentized solutions.

1.3.2 Unique high-quality production



100% made in France
30,000 inspections per year



At Laboratoires BOIRON, your health is more than just our job, it's our calling. That's why the group produces effective, risk-free, high-quality healthcare products, always made in France.
A commitment to excellence guided by a single focus: your health. Because your health deserves the greatest respect.



The Laboratoires BOIRON have 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 reorganization begun in 2020 will lead to the closure of the Montrichard production site in late 2021.

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

You expect stringent pharmaceutical standards

The BOIRON group, 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

All 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, meet the toughest quality standards and are inspected by a qualified team.

You expect complete safety

Close to 30,000 inspections per year are performed throughout the production process (chemistry, bacteriology, and botany labs). That's what it takes to ensure that the group's medicines are always fully reliable. To make those 30,000 inspections happen, Laboratoires BOIRON have 145 pharmacists in France as well as its own analytical chemistry, botany, and bacteriology laboratories.

You are unique, so is our production process.

Laboratoires BOIRON have its own industrial equipment, designed for the unique process of producing homeopathic medicines. Its pellets and pills are developed right on the Messimy (Rhône) site, so they are truly 100% made in France. BOIRON uses unique impregnation and tube and dose packaging machines developed by its in-house engineers, in cooperation with partner companies.

What about innovation?

Tech-assisted homeopathic dilution, automated potentization for outstanding reproducibility, triple impregnation, an innovation which has become the industry standard... Laboratoires BOIRON are constantly investing in cutting-edge equipment to ensure flawless quality in its products.



In 2020, BOIRON's Messimy site earned ISO 22716 certification, which covers application of Good Manufacturing Practices for Cosmetics.

The certification scope includes storage of raw materials and packaging material, as well as production and packaging of cosmetic products: pomades, gels, creams, and foams for application on the skin and toothpastes.

ISO certification highlights the outstanding quality of the Messimy site's production and will contribute to the expansion of its product range in France and worldwide.

1.3.3 A diverse product offer and an expanded BOIRON offer in 2020

Laboratoires BOIRON have a wide-ranging product portfolio, offering physicians, other healthcare professionals, and patients therapeutic solutions to treat and prevent many diseases with no risk of iatrogenesis.

There are two major families of health care solutions:

Non-proprietary homeopathic medicines

(generic Latin name)

Generally presented in the form of tubes of pellets or doses of pills, usually with no therapeutic indication or dosage stated on the packaging because it is the healthcare professional who determines the medicine's indication and dosage for each individual patient. Any laboratory may sell non-proprietary homeopathic medicines.

Their names cannot be protected as trademarks since they are non-proprietary names.



Proprietary, branded healthcare solutions (specialties)

(Homeopathic medicines, medical devices, dietary supplements, cosmetics)

These solutions are developed to treat or prevent a medical issue or maintain users' health. They generally have a therapeutic indication or allegation, as well as dosage instructions for over-the-counter use. These brand names can be protected since they are invented names.



BOIRON's main specialties are:



Oscillococcinum®

Traditionally used in the treatment of flu-like symptoms: fever, chills, headache, muscle aches.



Stodal® and Stodoline®

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



Homéovox®

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



Arnigel Roll-on®

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.

In 2020, Laboratoires BOIRON launched products with different statuses – all of them in line with its commitment to respectful medical care.



Plant Extracts

A range of all-natural plant-based dietary supplements.



Cosmetics

Dermoplasmine®: lip balm stick with 99% natural ingredients including organic calendula which receives outstanding ratings on product scan applications.



Reformulation of the Homéodent® line: with over 95% natural ingredients.



Medical devices

Physiological serum: distributed in Asia, used to clean children's and babies' eyes and noses.



Dietary supplements

Mag' Nuit®: a unique formula with polyphenols, lemon balm, and magnesium to make it easier to fall asleep and promote high-quality sleep.



Probiotics

Osmobiotic®: a line of probiotics that combines 2 microbiotic stocks, developed using unique micro-encapsulation technology to protect them from gastric acid.



Homeopathic medicines

Bocéal®: throat spray, a homeopathic medicine traditionally used for moderate sore throats with no fever, mouth sores, and small mouth lesions.



Cocytal®: a homeopathic medicine in single dose packaging traditionally used to treat colic in infants and newborns (abdominal pain intestinal gas, agitation).



Hand sanitizer

BOIRON hand sanitizer, developed as a rapid response to a current public health need highlighted by the Directorate-General for Health, complies with the World Health Organization formula and meets BOIRON's pharmaceutical quality standards.

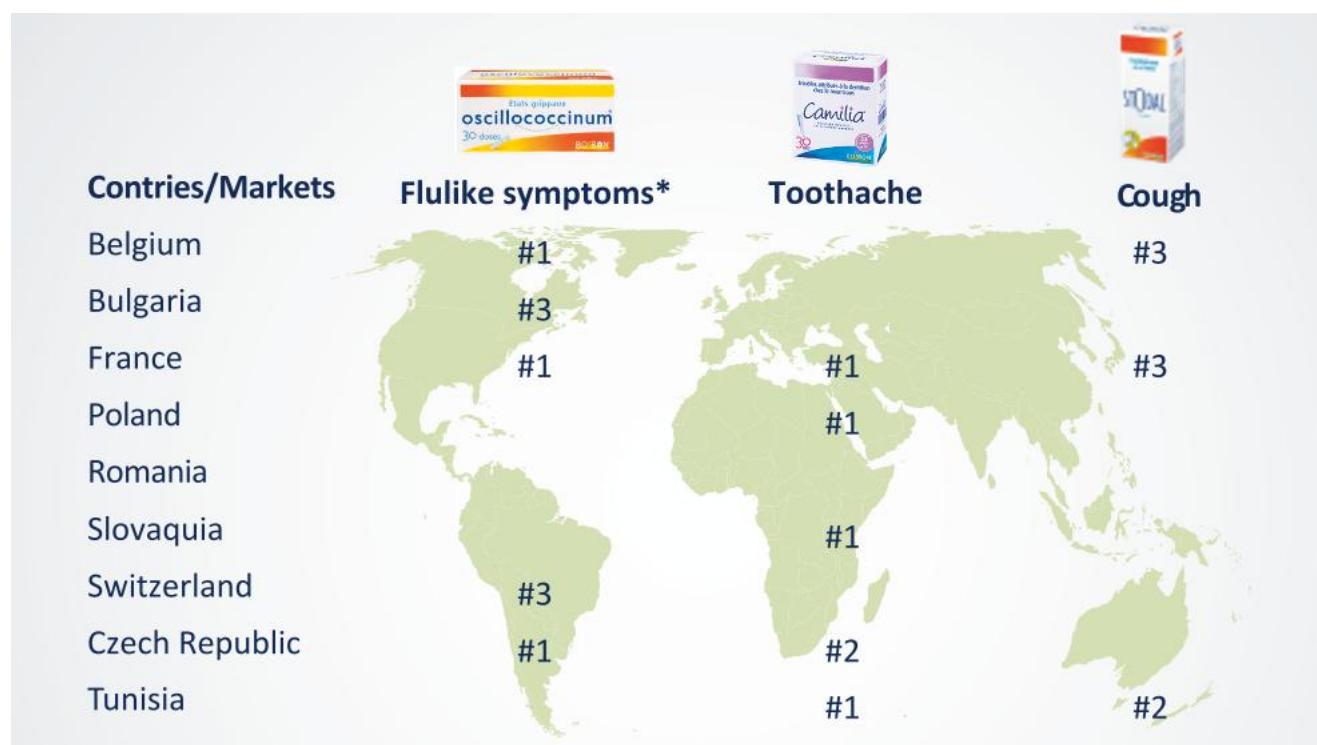
1.3.4 A company open to the world

1.3.4.1 Operations in over fifty countries



The BOIRON group is the global leader in homeopathy, with a presence in fifty countries through its network of twenty-three subsidiaries and close to thirty distributors. Over 45% of sales are generated outside France.

The European and Tunisian¹ market positions of BOIRON's top three specialties are as follows:



1.3.4.2 Different distribution models worldwide

In France, BOIRON products are distributed to some 21,000 pharmacies by twenty-seven local distribution centers located across the country. As part of the reorganization plan launched in 2020, twelve sites will be closed in 2021.

In Western Europe, BOIRON products are marketed directly by pharmacies, pharmacy chains and wholesalers. Wholesalers are the BOIRON group's main customers in Eastern Europe and Russia. The e-commerce channel is developing. In 2020, the distribution strategy in Belgium changed: the BOIRON parent company now ships a large share of its flows directly to wholesalers to optimize storage capacity.

In North America, a large share of sales comes from the Mass Market (grocery and drug stores), health food stores, and online retail, which has expanded fast in recent years, reaching close to 30% of US sales in 2020.

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

In 2018 and 2019, the first BOIRON pharmacies, which serve the public directly, were opened in São Paulo, Brazil and Bogota, Colombia.

¹ Source: IQVIA country data, November or December 2020 (except Switzerland, March 2020, Poland, February 2020) – YTD value = brand position on the total market.

* Flu-like symptoms (curative) market, except Romania (flu defenses) Camilia® (baby teething) / Stodal® (cough drinking form) // France & Belgium: Stodal® + Stodaline®.

1.3.5 Laboratoires BOIRON's mission



Laboratoires BOIRON strive to advance more caring, more respectful, and more sustainable healthcare by making homeopathy available to everyone, worldwide.

It does so in compliance with the national regulations on registration and supervision by the healthcare authorities.

BOIRON has partnerships with NGOs (Solidarité Homéopathie, SURSO Service d'Urgence Sociale, Homeopaths Without Borders) to help underprivileged patients in France and developing countries access homeopathic medicines.

1.3.5.1 Different regulations worldwide



EUROPE

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 regulates the marketing, production, distribution, and promotion of all medicinal products for human use and uses the same terms as directive 92/73/EU of September 22, 1992, which exclusively covered homeopathic medicines in the past.

Under this regulation, homeopathic medicines can be authorized with two different statutes:

- the first allows them to obtain Marketing Authorizations (MA), with or without indications depending on whether the country's transposition of the directive was full or partial,

- the second leads to Homeopathic Registration (HR) without indications to enable individualized treatments.

This European directive has been transposed by most European countries and numerous homeopathic medicines are still undergoing regulatory review in certain countries.

In November 2020, largely in response to the COVID-19 crisis, the European Commission announced plans to review directive 2001/83, which regulates medicines for human use, including homeopathic medicines, in 2022.



RUSSIA

Russia's marketing authorization system is based on the submission of applications that lay out the medicine's benefits and risks. The Russian authorities require local clinical trials in order to maintain marketing authorization for specialties.

Since 2017, an inspection of the group's 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 successfully passed an inspection in 2019, as did the Montévrain site in 2020.



USA

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

These guidelines stipulate that products other than those intended for the treatment of serious diseases, dispensed under the responsibility of an approved practitioner, may be marketed with self-medication status, provided that the consumer is given a sufficient level of information.

Homeopathic medicines, both non-proprietary and specialty products, 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.



BRAZIL

Homeopathic medicines fall under the category of potentized medicines for which there are two procedures, 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 Laboratoires BOIRON 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 2021. This could facilitate the recognition of Laboratoires BOIRON's manufacturing processes.



CHINA

Some of Laboratoires BOIRON's products are currently marketed through crossboarding (online sales of healthcare products). This authorization is reviewed annually. The process

of securing marketing authorizations for these products, based on their status and local possibilities, is currently under way.

1.3.5.2 Reimbursement by health authorities

In France, in July 2019, the government announced a revision of the reimbursement rate for non-proprietary homeopathic medicines from 30% to 15%, as of January 1, 2020. Delisting took effect on January 1, 2021.

Many supplemental health insurance providers offer coverage of homeopathic medicines, often with an annual limit; coverage usually requires obtaining a prescription and submitting a pharmacy receipt.

Of the other countries where BOIRON products are sold, public health insurers allow reimbursement in Belgium, Switzerland, and Luxembourg. Private health insurance providers which cover homeopathic medicines exist in many countries.

1.4 RESPECT: A CORE COMMITMENT

1.4.1 Respect for patients



Laboratoires BOIRON provide patients with high-quality medicines and all the information they need for risk-free treatment.

Committed to therapeutics that respect your body

Homeopathic therapeutics enable providers to treat patients as individuals. A homeopathic approach incorporates patients' mental, emotional, functional, and social life. It offers treatments, many of them personalized, that care for the whole patient and their disease. With this approach, homeopathy treats patients while also preserving their overall health.

Because homeopathy is in tune with human physiology and has no chemical molecules with weight-based posology and no toxic effects, it is a reliable, risk-free solution for patients.

It also offers a response to the major public health challenges defined by the WHO:

- it can be used to prevent many diseases,
- it contributes to efforts to prevent antibiotic resistance,
- it avoids the risk of drug interactions due to multiple prescriptions,
- it limits overuse of medications.

In France, 128,000 hospitalizations are caused by drug iatrogenesis (side effects or drug interactions) every year¹, including 20% of hospitalizations for patients over age 80².

¹ Ministry for Social Affairs and Health

² <https://www.leem.org/sites/default/files/DP-iatrogenie-2016-VF.pdf>.

Committed to safe manufacturing

Laboratoires BOIRON control the entire design and manufacturing process for its medicines.

Frequent inspections are conducted throughout the manufacturing process to ensure that its products are reliable.

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

According to the most up-to-date scientific knowledge, homeopathic medicines are inherently non-toxic and, due to their formulation, do not pose any risk of iatrogenesis (dangerous effects due to the medicines themselves or drug interactions).

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

In light of these concerns, 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.

The company also has cosmetic-vigilance (cosmetics), nutri-vigilance (dietary supplements), and medical device vigilance functions and a pharmacovigilance function for veterinary homeopathic medicine under the same management responsibility, for products in these categories.

Committed to full transparency

Laboratoires BOIRON are a patient-centric company. That means ensuring that patients can use their medicines appropriately and providing them with high-quality information on the benefits of homeopathic medicines are top priorities.

Providing information starts with healthcare professionals, particularly pharmacists, who offer advice along with the medicines and other healthcare products they sell. To help pharmacists in their advisory role, in 2020 Laboratoires BOIRON developed a full suite of communications resources for pharmacists that highlight case studies for using homeopathy and present its many benefits.

It also means offering dedicated services for patients, like Oméomémo, an application that helps patients keep up with their treatment.

Laboratoires BOIRON also provide 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.



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 legitimacy and the effectiveness of homeopathic medicines.

Homeopathy is an approach that fits into modern medicine because it meets healthcare providers' needs when it comes to offering a holistic approach to treatment and how they practice medicine.

Modern healthcare professionals are looking for cooperation. Younger physicians want to avoid isolation in their practices, preferring to work with their fellow physicians and other healthcare providers. 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 Laboratoires BOIRON from an independent research institute, **general practitioner-homeopaths reported higher average happiness than their non-homeopath counterparts.** General practitioner-homeopaths who responded to the study mentioned and highlighted the personal benefits of practicing homeopathy:

- increased peace of mind,
- more freedom in their approach to practicing medicine,
- increased interest in their work.

The end result was significantly greater professional well-being.

Practicing homeopathy enabled them to achieve better clinical results with less iatrogenesis.

1.4.3 Respect for the environment

One of the highlights of 2020 was the publication of the Environmental Manifesto signed and promoted by Laboratoires BOIRON's General Management. The manifesto, which was addressed to all employees, supports a **zero-waste** approach that has much in common with the principles of the circular economy.

Initiatives taken include:

- installation of water fountains with purifier systems to replace plastic water bottles in many subsidiaries and on all BOIRON parent company sites and distribution of reusable water bottles to all employees in Italy,
- use of reusable dishes in the subsidiaries in Poland, Hungary, and Réunion. work on eliminating disposable cups is under way at the Italian subsidiary and on the BOIRON parent company's Lyon-area sites. In 2019, mugs were distributed to all employees on French sites to encourage them to avoid using disposable cups.



- reduced use of paper, leading to less waste:
 - at the BOIRON parent company, individual printers were eliminated, invoices are going paperless, and multi-function printers¹ that require a badge have been installed,
 - at BOIRON Romania: refusal of flyers and brochures,
 - at BOIRON Bulgaria: 30% reduction in advertising documents printed,

- shared office trash cans to reduce trash bag use on several group sites,
- use of reusable textile packaging (jute and linen) at BOIRON Romania:



- old equipment is donated or sold to employees, business, local artisans, and pharmacy schools to give it a new lease on life,
- donation of close to 1,300 tubes of Homéodent® to the Red Cross in Lyon; the tubes could no longer be sold since they were less than nine months from their expiration date,
- efforts to reduce the amount of advertising provided to pharmacists to reduce waste (50% reduction in cardboard displays in two years, saving forty-one metric tons of cardboard),
- an equipment reuse specialist will be brought in during the site closures planned for 2021 in France.

¹ A multi-function printer is a copy-printer that also serves as a scanner, fax machine, and e-mail device.

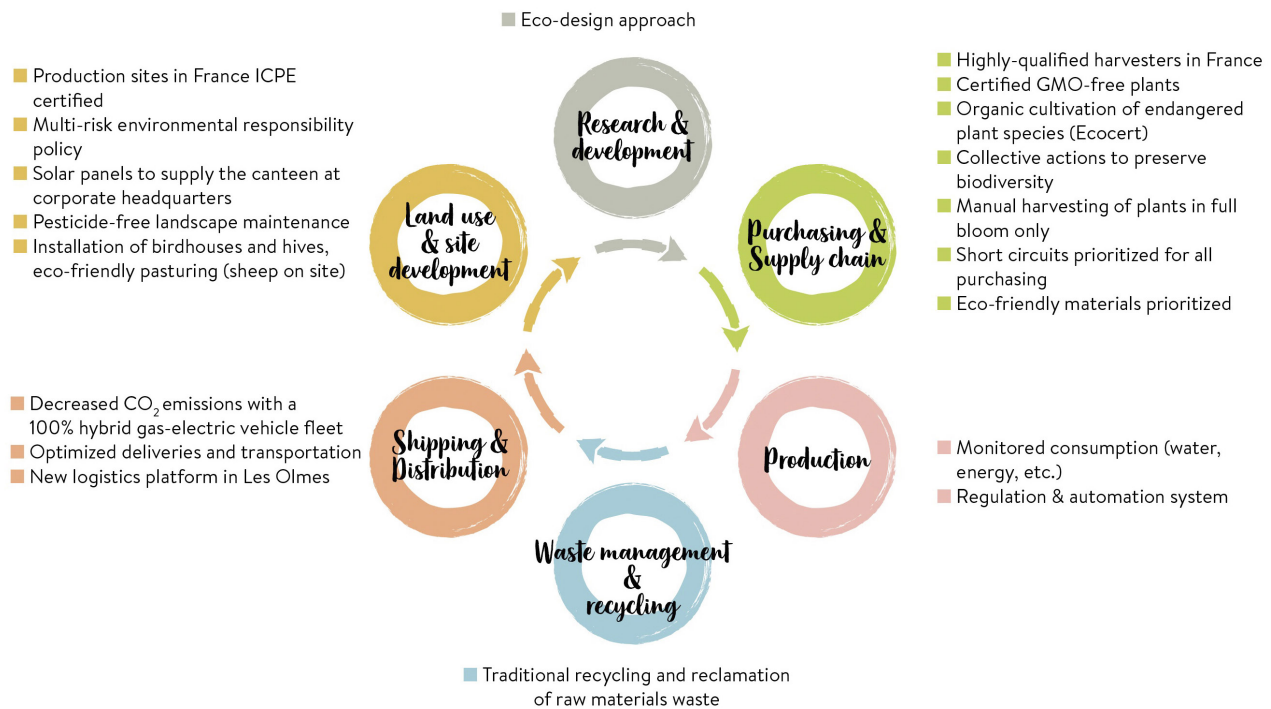
Risks and environmental impact:

Controlling risks and environmental impact is a key concern for Laboratoires BOIRON, particularly on its production sites. Compliance with the applicable regulations is the most basic requirement. A longstanding continuous improvement process completes this basic level of compliance.

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

Given the low environmental impact of its distribution sites, Laboratoires BOIRON have 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 Laboratoires BOIRON's environmental impact through the following primary activities:



BOIRON's environmental policy actively contributes to achieving the United Nations Sustainable Development Goals:



1.4.3.1 Land use and site development

Waterproofed surfaces are taken into account in construction and site development projects. To offset these surfaces and ensure rainwater can be drained off to return to the natural environment, Laboratoires 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 the domino effect in case of fire. On the Messimy site, for example, construction density is approximately 25%. Low-density sites also preserve green spaces.

Newly planted trees and bushes are naturally protected with straw, which may be sourced from late mowing on the site.

The surface area and rural location of the Messimy and Les Olmes sites have enabled work on protecting biodiversity: approximately 3,000 linear meters of hedges planted using species that promote local biodiversity, meadow planted and maintained with eco-pasturing, beehives installed.

Eco-pasturing was started on part of the site in April 2019. It creates a welcoming environment for certain bird and insect species, and achieved its full potential with the arrival of fifteen Solognots sheep, a heritage breed in need of preservation. The sheep have eliminated the need for mowing machines. Eco-pasturing was expanded to the Les Olmes site in 2020.

A retention basin¹ was also built on the Messimy site. This strategic addition could ultimately encourage amphibian and dragonfly reproduction.



All of these landscaping strategies promote local biodiversity. No pesticides or herbicides have been used since 2017. An annual environmental review will be carried out on the Messimy site starting in 2021.

BOIRON Russia launched its "BOIRON ECO Office" project in 2019. The project's goals include creating a comfortable, healthy environment and educating employees about environmental issues (avoiding plastic in the office, saving resources, and encouraging an eco-friendly mindset).

BOIRON Poland earned "Green Office" environmental certification in 2018. It holds awareness-raising workshops on environmental issues and healthier eating for employees.

When it comes to energy savings:

- on the BOIRON Italy site, indoor lighting levels vary based on natural lighting, decreasing the electricity used for lighting by about 12%.
- BOIRON Indian Ocean does not use air conditioning.



The newly built BOIRON USA site in the Philadelphia suburb of Newtown Square received subsidies thanks to its eco-friendly features.



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

¹ A wide, shallow, planted ditch with gently sloped sides 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: ethics are Laboratoires BOIRON's lodestar

Laboratoires BOIRON work exclusively with laboratories that have been approved by its Ethics Committee. This authorization guarantees that they comply with the European regulations. These regulations take lab 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 community protection agencies (DDPP).



Ecodesign remains a priority for 2021

Laboratoires BOIRON's products are made from raw materials drawn in large part from the natural world. That makes preserving nature a core value for Laboratoires BOIRON: "Caring and producing with the utmost respect."

Laboratoires BOIRON aim to achieve "**zero waste**" through a process of continuous improvement (energy optimization and short supply chains) and is proactively integrating this approach into its new projects and existing lines, with active intelligence on:

- natural formulas (actives/excipients)
- recyclable packaging,
- process optimization,
- developing relationships with partners that share its values.

In 2020, Laboratoires BOIRON designed packaging with 80% recycled cardboard content for its new "Plant Extracts" line of dietary supplements.

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 Laboratoires BOIRON.

The raw materials, plants and stocks purchasing department and the galenics and production departments regularly work together to reduce Laboratoires BOIRON's impact on nature. Short supply chains are prioritized whenever possible.

Plant stocks account for the largest share of purchases. The supply of plants is a particularly delicate and sensitive area. Laboratoires BOIRON have therefore chosen to surround itself with highly qualified partners with whom it shares the same ethical standards in terms of environmental protection, sustainability, and traceability assurance. Its partners use highly qualified, certified harvesters.

To preserve plant species and support biodiversity, for the past several years Laboratoires BOIRON have had Ecocert-certified organic cultivation partnerships with farmers. This carefully selected network is made up of harvesters in France and farmers in different countries, mainly in Europe.

The different harvesting sites undergo quality audits: at least once every five years and more frequently if any anomalies are detected. Laboratoires BOIRON are working with farmers on preparatory studies to start organic cultivation of endangered plants (Ecocert certification), including Adonis Vernalis in Maine-et-Loire and Cyclamen Europaeum in the Rhône-Alpes region. Some plants have also been acclimatized to France, such as the US native Hamamelis (Witch Hazel), to enable local sourcing and thus significantly reduce pollution.

Responsible gathering practices are used. Applying these practices makes Laboratoires BOIRON part of collective efforts to preserve plants in their natural environment. In France, for example, it operates under the framework of the Markstein Agreement on 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 (producers, harvesters, farmers, municipalities, pharmaceutical laboratories) must comply. Under this agreement:

- harvesting is performed manually and only plants in full bloom can be harvested,
- pesticide use is prohibited,
- harvesting authorization requests must be submitted to the municipalities.

For the supply of Arnica Montana in particular, Laboratoires BOIRON have had partnership agreements with two farmers for several years It has compiled dedicated specifications to preserve wild plants, protect biodiversity, and guarantee top quality Arnica Montana. These specifications lay out strict harvesting rules. Since 2018, BOIRON has also been involved in a regional trial of Arnica Montana cultivation in the Auvergne-Rhône-Alpes region. The Arnica plants are shipped in a refrigerated truck within seventy-two hours of harvesting and

undergo quality inspections as soon as they arrive at the plant to guarantee their purity.

Of the 1,175 plant stocks used, 70% are from Europe, mainly France. All of the plants used are GMO-free, some with registered certificates (soybean/corn), and they are systematically tested for the absence of radioactive contamination.

Only a few 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 supply scenarios for these stocks:

- when the plant is found growing in the wild in France in sufficient quantities, an authorization to harvest is requested or a partner search to start cultivation is undertaken,
- if the plant does not grow in France or cannot be acclimatized, an importation permit is requested or cultivation is started in its country of origin.

Purchases of animal and chemical/mineral stocks are not significant.

The boxes used for packaging are produced from FSC- or PEFC-certified sustainably managed forests.

Finally, 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 (in tons)	2020	2019	Change	
Saccharose syrup	1,213	1,581	-368	-23.3%
Sugar	739	772	-33	-4.3%
Ethanol	373	321	52	16.2%
Lactose	242	249	-7	-2.8%
Vaseline	155	194	-39	-20.1%
Maltitol	128	125	3	2.4%
Sorbitol	102	105	-3	-2.9%

The changes in the quantities of raw materials used are directly linked to the business: decreased production of syrups and pastes and production of hand sanitizer.

1.4.3.4 Production operations

All three French production sites have ICPE status (Classified Installation for Environmental Protection). Due to the June 2016 change to the ICPE nomenclature, the Messimy and Montrichard sites, which were formerly subject to authorization, now merely require registration. Their activities are, however, still governed by a prefectorial permit to operate in addition to the standard ministerial ordinances.

The Montévrain site's activities 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 the group's production activities are controlled by:

- compliance with the regulatory requirements linked to ICPE status and incorporation of these elements into all new projects. Laboratoires BOIRON 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 may also be carried out, depending on the type of project,

- emergency plans, which incorporate input from the emergency services. Measures to address technical impacts are also identified,
- attention to the obsolescence of certain installations.

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



Water consumption

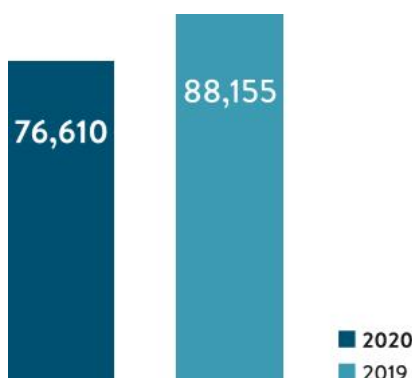
The water used on the sites comes from the drinking water network.

Most of the water consumed is for production of the purified water used in the production process.

Pharmaceutical standards impose certain water-intensive practices which can limit the possibilities of reducing consumption: use of purified water for the production process but also for cleaning, for example. However, 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 required 30 m³ 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 (m³)



The change in water consumption is mainly due to the decrease in production and the stabilization of new equipment which had led to excess consumption in 2019.



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 all construction projects and technical equipment replacements. The company increasingly asks its partners to propose technical solutions that are both economically and environmentally high-performing.

Laboratoires BOIRON have made the choice to focus on reducing consumption.

A few initiatives are listed below as examples:

- additional meters added to better control consumption,
- installation of heat pipes on some air handling systems,
- use of high energy-efficiency technologies: heat pumps, heat pump technology with energy recovery,
- activity-based temperature regulation (different settings for evenings and weekends), heat recovery on some compressors to preheat water,
- solar panels to preheat the water in the company cafeteria,
- installation of a central control station on a compressed air station,
- application of the RT2012 standard for office spaces in new buildings.
 - sensors on windows that cause heating or cooling to stop when opened,
 - motion detectors in offices to control lighting,
 - dimmer switches.

In 2020, for the Messimy site:

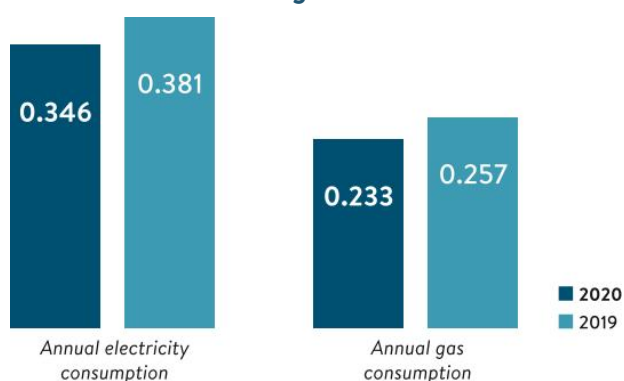
- Laboratoires BOIRON signed a five-year energy performance contract (CPE) with its industrial maintenance provider. The contract covers real-time consumption monitoring by usage and by building. The data will be correlated with the weather, providing a valuable resource for multi-year action plans to decrease consumption,
- when replacing an old chiller, optimizing energy consumption was a major criterion in the selection of a new solution

(variable speed drive to match the chiller's operations to current needs, energy recovery, water to water heat pump for temperature adjustment),

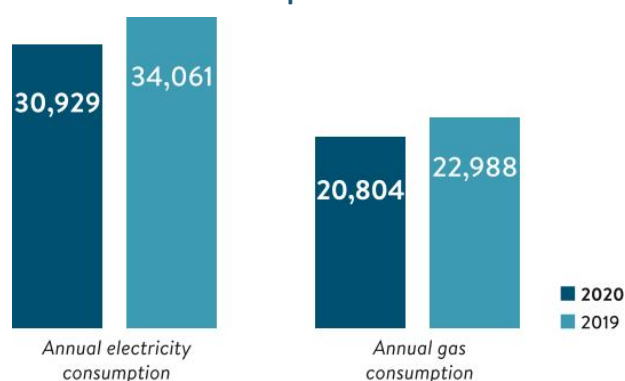
- Studies are also under way:
 - on heat and cold production to assess options for implementing energy recovery,
 - on installing solar panel parking lot canopies.

On the Sainte-Foy-lès-Lyon site, work is under way to adjust site's utility systems to the end of production on the site.

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



Change in the production sites' energy consumption (MWk)



A decrease was observed in the production sites' energy consumption. It was partly due to staff working from home, mild weather, and reduced operations on the Sainte-Foy-lès-Lyon site.



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.

Laboratoires BOIRON prioritize 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 2020, these emissions represented approximately twenty-four metric tons.

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).

Laboratoires BOIRON also work 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 which operate with refrigerant fluids. R22 has not been used on any group sites for several years.

Preventive maintenance is regularly carried out by certified personnel. Losses of refrigerant fluid can still occur. For 2020, these losses are estimated at 300 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)



The three French production sites are regulated by site-specific water pollution agreements. This agreement is a commitment between the producer, the municipality, and the treatment plant to remedy 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 chain in place (sampling, retention, analysis, and use). 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 production sites is considered to be moderate due to the nature of the primary products used (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.

On all sites, the discovery of abnormal pollution triggers a search for its sources as well as suitable corrective solutions.

A leak was observed in the Messimy sprinkler systems in May 2020 the leak released an A3F solution, a firefighting foam, into the municipal retention basin. A3F is biodegradable and is not considered an environmental hazard. The incident triggered several actions:

- immediate notification of the municipality and the DREAL,
- the pollutant was pumped out and the affected network cleaned,
- analyses were performed:
 - to assess the potential environmental impact: no impact was identified,
 - to authorize reopening of the network,
 - to implement an action plan: sprinkler trigger controlled by network blockages, modification of the instructions in the event of a product release, feedback shared with the other players in the emergency response chain.

The prefecture followed up on the incident and response with an official notification.



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 reports of 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.

Work on improving the existing facilities has also been started.



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.

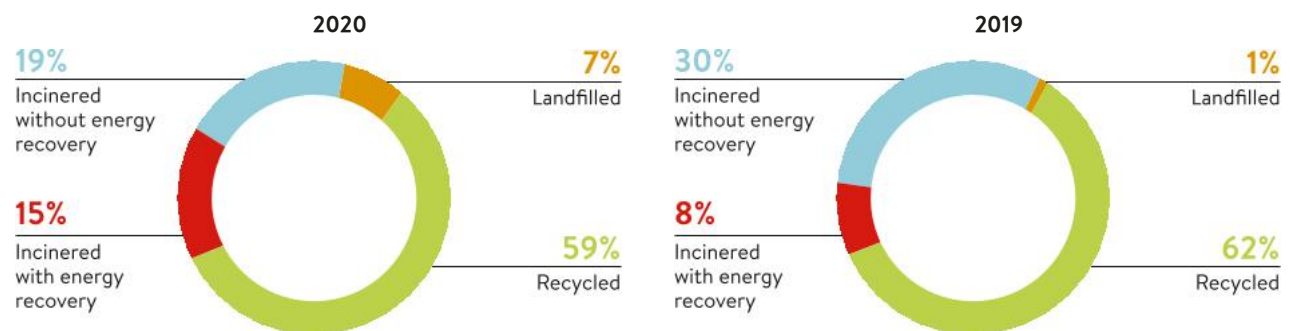
1.4.3.5 Waste management and recycling

In the spirit of its Environmental Manifesto (cf. paragraph 1.4.3), Laboratoires BOIRON are actively working to reduce waste.

Recycling the waste it generates has been a group priority for over two decades, with recycling processes for 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".

The proportion of reclaimed production waste continues to increase:



Note that just 15% of BOIRON's waste are hazardous.

Waste produced by the Messimy and Sainte-Foy-lès-Lyon site canteens:

The catering service provider on the Messimy and Sainte-Foy-lès-Lyon site applies a responsible food waste reduction policy. A 2018 study of the Messimy site canteen showed that its practices are aligned with its policy. Unused food is recycled

whenever allowed by public health standards. The food waste generated during cooking is sorted and used to produce methane.

1.4.3.6 Distribution and marketing

To date, over 95% of orders processed by the BOIRON parent company in France that leave the distribution facilities are destined for wholesale distributors, enabling incorporation into existing flows and optimization of shipping.

Furthermore, since 2020, the group's new logistics platform located in Les Olmes, within easy reach of the highway network, has optimized transportation flows, thus minimizing emissions. Every effort is made to ensure that all trucks are full when leaving the site.

Finally, in France in 2020, the BOIRON parent company made the choice to make deliveries to pharmacies from its distribution sites once a day instead of twice to further reduce the carbon impact of its shipping flows.

In 2019, Laboratoires BOIRON launched a Supply Chain process project to adjust its industrial capacity and logistics resources to constantly changing markets, with a policy of group stocks and more reliable sales forecasts.

In 2020, due to the COVID-19 crisis and a sharp increase in sales in the USA, the BOIRON parent company was forced to make significant use of air shipping rather than maritime shipping to supply its subsidiary. Shipments by road to Russia and Eastern Europe decreased significantly. Sales in Asia fell by more than 50%.

	2020		2019		Change	
	T	%	T	%	T	%
Total	4,375		6,275		-1,900	-30%
Land	1,902	43%	3,391	54%	-1,490	-44%
Sea	1,397	32%	2,479	40%	-1,082	-44%
Air	1,077	25%	405	6%	672	166%

Starting in 2021, air shipping will be significantly reduced in favor of maritime shipping thanks to improved planning since the group's US subsidiary has increased its stock level to limit the need for rapid shipping.



After a multi-year project to overhaul its vehicle fleet, BOIRON has now replaced all its diesel vehicles with cleaner alternatives (hybrid, gas, or electric) in all the countries where it operates. That has enabled BOIRON, particularly in France, to achieve average CO2 emissions of 86 grams (correlated NEDC¹), compared to the average of 110 grams across similar companies.

In 2020, the BOIRON parent company approved an electric car sharing project on the Messimy site to further reduce the carbon impact of business travel. The solution will be implemented in early 2021.

More broadly, the subsidiaries are promoting eco-friendly transportation with initiatives like secure bike parking for employees.



¹ New European Driving Cycle

1.4.3.7 Climate change



Global warming will have an impact on the energy expenses incurred to maintain the temperature of the group's production, packaging, and storage facilities, as well as the availability of certain stocks.

All the supply chain and energy consumption reduction initiatives described earlier in this document effectively reduce the potential short-term impact of climate change on BOIRON's operations and expenses.

However, Laboratoires BOIRON are currently unable to measure the impact of the effects of climate change on its supply of raw materials and on its business.

Since 2012, its Bilan Carbone scope 1 and 2 emissions have been calculated 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 on the car fleet, and have had a positive impact on scopes 1 and 2 of the group's carbon footprint.

	2020	2017	2014	Change between 2020 and 2017	
T eq. CO ₂ (scopes 1 & 2)	7,160	8,697	8,654	- 1,537	- 17.7%
TCO ₂ (scopes 1 & 2)/ €millions	27	23	25	+ 4	+17.4%

1.4.4 Respect for society

Laboratoires BOIRON's strong commitment to medical care that treats people holistically using medicines that respect the body means the group is particularly attuned to all initiatives that can help preserve its ecosystem:

- its employees, its patients, healthcare professionals, and the environment, as previously discussed,
- and all other stakeholders: suppliers, local governments, public authorities, media, insurers, shareholders and investors, regulators, universities...

BOIRON's 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 Laboratoires BOIRON's value with all group employees.

1.4.4.1 Contributing to economic development



Laboratoires BOIRON's core business are producing all its series of homeopathic medicines on its three production sites in France, to be marketed worldwide.



Laboratoires BOIRON have pharmaceutical sites throughout France which prepare and distribute medicines to dispensaries on a daily basis (almost 21,000).



The group's strong commitment to maintaining its operations in France is reflected in the expansion of its main production site in Messimy and large-scale investments in production equipment and the construction of a logistics platform in Les Olmes.

However, 2020 did mark a turning point in BOIRON's strategy, with a reorganization plan that includes the closure of twelve distribution sites across France as well as the Montrichard production site in 2021.

Laboratoires BOIRON are a driver for the French economy:

- its investments in its production/distribution sites (€39 million in 2018, €34 million in 2019 and €19 million in 2020) generate indirect job creation, social contributions, and VAT and local tax revenue,
- Laboratoires BOIRON's operating profits generate corporate income tax payments, with a group tax rate of 30% in 2020,
- the dividends BOIRON pays out (€25 million in 2019 and €18 million in 2020) are taxed and injected back into the economy,
- the BOIRON parent company's patronage, sponsorship, and charitable donations amounted to €459 thousand in 2020, compared to €474 thousand in 2019. Major beneficiaries included Institut Rafaël, the Strasbourg University Foundation,

the non-profit Courir pour Elles, the Fédération Française des Sociétés d'Homéopathie (FFSH) and the Homeopathic Research Institute (HRI). In addition to other initiatives, in July 2020, approximately 1,300 tubes of Homéodent® toothpaste were donated to the Red Cross in Lyon to be used in hygiene kits for shelters and for donation to homeless people in the street.

- 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 two organizations: Habitat et Humanisme and France Active, organizations that support housing, integration, and a more just society.
- Laboratoires BOIRON group payroll amounted to €183 million in 2020, close to 35% of its 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.



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

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



An evaluation process to assess suppliers' and partners' ability to meet Laboratoires BOIRON's capacity needs and quality, logistics, regulatory, environmental, and economic requirements in the long term has been implemented and enhanced over the past few years.

Laboratoires BOIRON's 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.

Laboratoires BOIRON are committed to developing and preserving genuine partnerships with its suppliers.

These trust-based, transparent relationships aim to foster and deliver the emergence of innovative, high-performance, and optimal solutions. In 2020, the following actions were carried out:

- tough environmental requirements were included in a call to tender for cleaning services for all BOIRON parent company sites; the requirements included a significant reduction in the use of chemical products and the use of 100% natural, biodegradable products,
- an eco-friendly line was added to the office supply catalog,
- eco-friendly advertising materials were rolled out in Belgium: 75% recyclable cork and wheat straw pens and recycled cotton BOIRON bags,
- in line with existing purchasing practices, mainly French suppliers were used for the products needed to deal with the COVID-19 crisis; the majority of the group's masks were purchased from French companies and the canteens used short supply chains.

In 2020, the BOIRON group partnered with ECOVADIS to enhance its supplier assessments.

Thanks to this partnership, the Purchasing departments will be able to assess all strategic suppliers in France in 2021 and gradually expand assessments to the subsidiaries, for ever more responsible purchasing.

The assessments will be based on a rigorous set of twenty-one CSR criteria, divided into four categories:

- environment,
- social issues & human rights,
- ethics,
- responsible purchasing.

1.4.4.3 Fair business practices



For Laboratoires BOIRON, transparency and ethics in its relationship with all the stakeholders who contribute to its project are of the utmost importance. That commitment binds all group employees, in the extremely regulated context of a publicly traded pharmaceutical group.

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

Relations with healthcare professionals

In France, the framework regulating commercial benefits for companies that produce or market healthcare products which had been in place since 1993 was replaced by a new, stricter framework effective October 1, 2020.

A working group has been tasked with applying these **new “anti-gift” measures**. New and/or updated procedures for relations with healthcare professionals have been drawn up, in compliance with the new regulations.

Laboratoires BOIRON applie 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 quality management systems in the following areas:

- the quality policy on promotional information,
- the training and assessment of the individuals doing this work by direct sales or canvassing,
- the ethical rules governing these people or their supervisors.

Under this framework, the group's promotional information has been certified by accredited bodies.

Laboratoires BOIRON also complie with the **“Transparent connections”** system by publishing all benefits given to healthcare professionals and other healthcare players on a single “Transparency” site.

Anti-corruption

At the direction of General Management, Laboratoires BOIRON applie 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 are available on the websites www.boiron.fr and www.boironfinance.fr/en.

A multi-disciplinary working group contributes to setting up and monitoring anti-corruption measures, with relays at each subsidiary. An **ethics committee** processes alerts and a **third party evaluation committee** is responsible for issuing opinions on relations with high-risk third parties.

Laboratoires BOIRON provide in-person or video conference training sessions to the group employees most exposed to the risk of corruption, and provides awareness-raising for other employees. An e-learning course translated into the languages of all the countries where the group's subsidiaries operate as well as several resources available on the Intranet have been developed to that end.

Personal data protection

Laboratoires BOIRON are strongly committed to protecting personal data and privacy. It complies with all applicable regulations, including Regulation (EU) no. 2016/679 of April 27, 2016 on **personal data protection (GDPR)**. Personal data is processed with appropriate levels of security and confidentiality, including suitable technical and organizational measures and training.

To that end, the group has implemented a general policy that defines its commitments and guiding principles for responsible use of personal data. This policy covers all group entities, all subcontractors, and all natural persons whose personal data is collected and/or processed. A corporate personal data

protection officer has been appointed and GDPR deputies or contacts have also been designated within the group's subsidiaries.

Laboratoires BOIRON therefore apply the principle of responsibility defined by the GDPR, through:

- mechanisms (updated processing log, privacy protection by default and by design),
- internal procedures (in the event of a data breach, for exercising rights),
- contractual clauses that define the parties' respective personal data protection obligations,
- the European Commission's standard clauses for personal data transfers outside the European Union.

1.4.5 Laboratoires BOIRON's CSR commitments

1.4.5.1 Commitments and goals

This year, Laboratoires BOIRON's proactive CSR approach enabled it to develop three key commitments, inspired by the three pillars of Corporate Social Responsibility and connected to its purpose.



These core commitments are broken down into goals based on sector analysis and external interviews and approved by the CSR Steering Committee, General Management, and the Audit Committee.

Preserving Biodiversity

SDG	Goal	Definition
	Adopting the circular economy, improving waste management and limiting waste (zero waste method)	Applying the “zero waste” method to all the company’s actions: Refuse, Reduce, Reuse, Recycle and Compost.
	Using responsible, ethical sourcing.	Maintaining balanced relationships with all suppliers.
  	Ensuring that all raw materials from the natural world are sustainable.	Avoiding overuse of natural resources, particularly in the form of raw materials.
 	Accelerating the company’s energy transition, reducing its carbon footprint and energy consumption	Producing, distributing, and consuming frugally.
	Rolling out eco-design for products and packaging	Replacing existing packaging with eco-responsible packaging (recyclable, compostable, etc.)

Contributing to individual well being

SDG	Goal	Definition
	Respecting human rights	Respecting the fundamental human values that unite us.
 	Contributing to the well-being of all employees and improving their working conditions	Affirming the principle of continuously improving well-being in the workplace
 	Supporting diversity and gender equality	Contributing to inclusion for all.
	Fostering employer-employee dialog.	Listening to employees’ needs
 	Advancing social innovation	Monitoring new trends/approaches in human resources.

Creating value responsibly

SDG	Goal	Definition
  	Continuing to develop high-quality, risk-free products that meet the needs of patients, animals, and nature	Continuing to produce solutions that serve public health first and foremost.
	Maintaining sustainable, ethical, responsible governance	Including sustainable development in the company’s strategy.
	Making sustainable development a part of the company’s culture and mission	Making sustainable development a core value for all members of the BOIRON community.
 	Contributing to sustainable economic development, both locally and internationally	Ensuring fair distribution of wealth within the company and its ecosystem.
	Contributing to rural development	Encouraging local development initiatives, in line with the group’s values.

1.4.5.2 Stakeholder dialog and the goals matrix

Laboratoires BOIRON was involved in a dialog with its stakeholders throughout 2020, with interviews throughout the year and a questionnaire in December 2020.

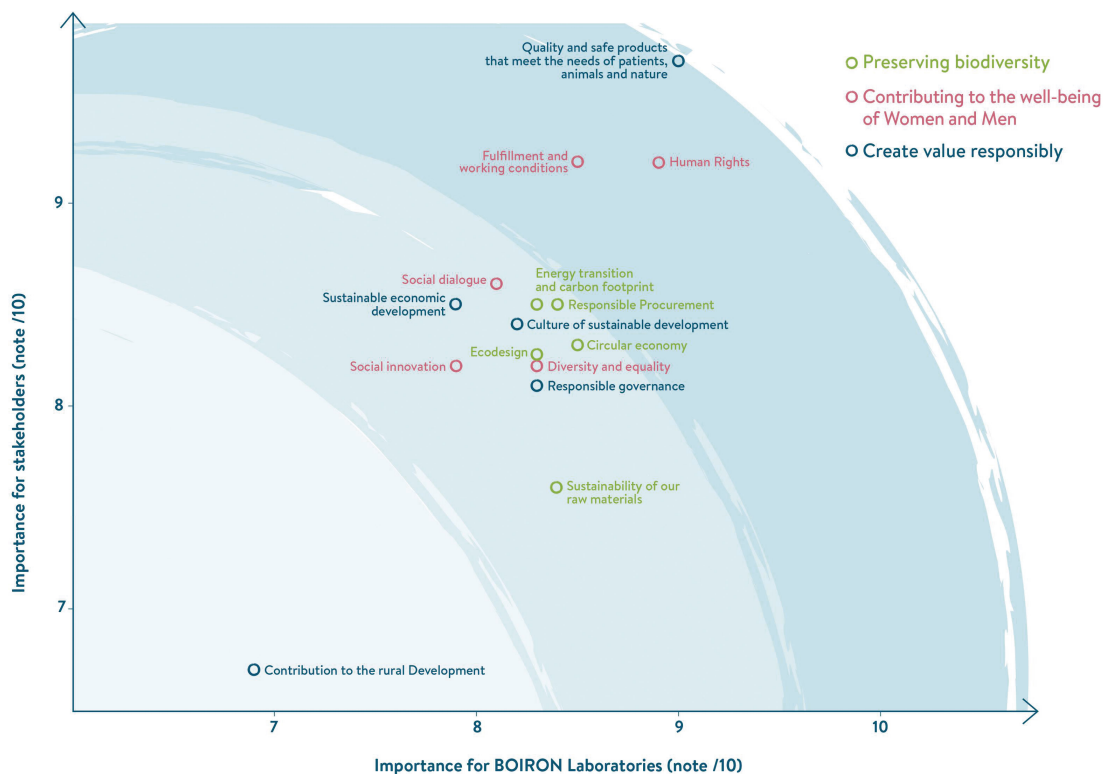
The questionnaire aimed to:

- test understanding of the CSR goals listed above,
- assess the importance of these goals,
- ensure that the goals identified matched stakeholders' expectations.

The following stakeholders were involved:

- patients: 1,069 men and women, representative of the French population (gender, age, region, and socio-economic status), including 366 homeopathy users,
- suppliers, financial analysts, and journalists: 39 responses were used,
- Laboratoires BOIRON employees: 458 employees representing the BOIRON parent company and seven subsidiaries.

The questionnaire led to the creation of the Laboratoires BOIRON goals matrix.



Respondents were asked to score each commitment. The graph above shows a scale of 6-10 on the x-axis and 6.5-10 on the y-axis.

The major goal that emerges on the matrix is: “Continuing to develop high-quality, risk-free products that meet the needs of patients, animals, and nature.” The fact that this goal stood out so strongly points to a clear alignment between the company’s strategy and stakeholders’ feelings about Laboratoires BOIRON’s commitment.



2020 saw the emergence of numerous initiatives and ideas. This first matrix provided a way to prioritize Laboratoires BOIRON’s goals. In 2021, it will serve as the basis for an analysis to:

- prioritize specific actions,
- define the objectives and tracking indicators for each goal.

1.5 THIRD PARTY ASSURANCE REPORT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ending December 31, 2020

To shareholders,

Following the request received from BOIRON Group (referred to hereinafter as “the entity”) and in our capacity as an independent third-party body with an accreditation granted by the COFRAC Inspection under registration N° 3-1081 (available on www.cofrac.fr), we hereby present our report on the consolidated statement on non-financial performance for the year ending December, 31 2020 (referred to hereinafter as the “Statement”), presented in the group’s management report in accordance with the statutory and regulatory provisions of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the [French] Code of Commerce.

Entity’s duty

The Board of Directors has a duty to draw up a Statement that complies with statutory and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in view of these risks together with the results of those policies, including key performance indicators.

The Statement has been drawn up according to the authoritative accounting pronouncements used, (referred to hereinafter as the “Pronouncements”) by the entity whose significant elements available upon request from the company’s head office.

Independence and quality control

Our independence is defined in the provisions of L. 822-11-3 of the [French] Code of Commerce and the profession’s Code of Conduct. Moreover, we have set up a quality control system that includes documented policies and procedures aiming to ensure that rules of conduct, professional ethics and the applicable statutory and regulatory provisions are complied with.

Duty of the independent third-party body

We have a duty, on the basis of our work, to formulate a reasoned opinion expressing a conclusion of a moderate level of assurance as to:

- the Statement’s compliance with the provisions set out in article R. 225-105 of the [French] Code of Commerce;
- the sincerity of the information furnished in application of 3° of I and of II of article R. 225 105 of the [French] Code of Commerce, namely the results of the policies, including key performance indicators and actions relating to the main risks, referred to hereinafter as the “Information”.

However, we have no duty to give an opinion on:

- whether the entity has complied with other applicable statutory and regulatory provisions, including, matters relating to the vigilance plan and the fight against corruption and tax evasion;
- compliance of products and services with applicable regulations.

Nature and scope of the work

We carried out the work in accordance with standards that apply in France and that determine the ways in which the independent third-party body carries out its mission, and with international standard ISAE 3000.

We carried out our work between January 05 and March 26, 2021 for a period of approximately seven days/person.

We held seven interviews with people in charge of the Statement.

We carried out the work enabling us to evaluate the extent to which the Statement complies with the regulatory provisions and the sincerity of the Information:

- we informed ourselves of the activity of all of the companies falling within the scope of the consolidation, of the exposure to the main corporate and environmental risks linked to this activity, and of its effects on human rights and the fight against corruption and tax evasion together with the policies that ensue and their results;
- we looked into the appropriateness of the Pronouncements with a view to their relevance, exhaustiveness, reliability, neutrality and comprehensive nature, taking into account, where necessary, the sector's good practices;
- we checked that the Statement covered each category of information provided under III of article L. 225 102 1 on corporate and environmental matters and whether human rights were being complied with and the fight against corruption and tax evasion;
- we checked that the Statement presents the business model and the main risks linked to the activity of all of the companies falling within the scope of the consolidation, including, where relevant and proportionate, the risks created by business relations, products or services as well as policies, actions and results along with key performance indicators;
- we checked, where relevant in view of the main risks or policies presented, that the Statement presents information set out in II of article R. 225-105;
- we looked into the selection and validation process of the main risks;
- we enquired about the existence of internal verification and risk management procedures set up by the entity;
- we looked into the coherence of results and of key performance indicators used in view of the main risks and policies presented;
- we checked that the Statement covers the consolidated scope, namely all of the companies falling within the scope of consolidation in accordance with article L. 233-16 with the limits set out in the paragraph 3.1 The methodology and 3.4.3 Being an environmentally friendly player.

- we studied the information-gathering process set up by the entity aiming to obtain information that is exhaustive and sincere;
- with regard to key performance indicators and other quantitative results that we consider to be the most important, we implemented:
- analytical procedures consisting of checks to ensure that the data collected was consolidated correctly and that its evolution was coherent;
- detailed tests on the basis of surveys, consisting of checks to ensure definition and procedures were applied correctly and of checks linking data to supporting documentation. This work was carried out with a selection of contributing entities¹ and covered between 15% and 100% of the consolidated data of the key performance indicators selected for these tests²;
- we consulted documentary sources and held interviews to corroborate what we considered to be the most important qualitative information (actions and results);
- we looked into the overall coherence of the Statement with reference to our knowledge of the companies as a whole falling within in the scope of the consolidation.

We consider that the work carried out and, exercising our professional judgment, enables us to formulate a conclusion of a moderate level of assurance; a higher level of assurance would have required more extensive verification work.

In view of the fact that sampling techniques were used and that there are other limits inherent to the functioning of any system of information and internal control, we cannot rule out totally the risk that a significant anomaly in the Statement has not been detected.

Conclusion

On the basis of our work, we did not note any significant anomaly of such a nature as to cast any doubt on the fact that the statement of non-financial performance complies with the applicable regulatory provisions and that that Information, as a whole, has been presented with sincerity, in accordance with the Pronouncements.

Lyon, on April 08, 2021

FINEXFI
Isabelle Lhoste
Partner

¹ Production sites selected for testing : Messimy and Sainte-Foy-lès-Lyon.

² A company on a human scale, Reducing inequalities and promoting diversity, Involving staff in the company's economic performance, Facilitating staff mobility and skills development, An individualized approach to working hours, Turn over and controlled absenteeism, Ensuring safety and good working conditions, Sourcing : raw materials dependent on biodiversity, Manufacturing activities, Waste management and sorting, Distribution and promotion activities, Climate change.

1.6 RISK FACTORS AND INTERNAL CONTROL

1.6.1 Risk factors

Laboratoires BOIRON operate in an increasingly complex, challenging, and fast-changing environment that gives rise to risks.

The presentation of the “Risk Factors” chapter of this document meets the applicable regulatory requirements (prospectus regulation (EU) 2017/1129). In line with the ESMA (European Securities and Markets Authority) guidelines, only net, material risks are included in this chapter.

The risks listed in this chapter would affect Laboratoires BOIRON’s overall performance, both financial and extra-financial.

The following risks have been deemed non-material and non-specific to the company and are not included in this chapter:

- financial and market risks (rate, counterparty, exchange, liquidity, share, and country risks). These risks are described in paragraph 23 of the notes to the consolidated financial statements.
- environmental risks 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,
- multiplicity and complexity of the group’s markets.

ORGANIZATIONAL RISKS

- lack of diversity in the product range,
- degradation of the social ties,
- delayed provision of finished products.

REGULATORY RISKS

- evolution of the status of homeopathic medicines,
- increasingly stringent and complex regulatory and pharmaceutical constraints on products.

INDUSTRIAL AND IT SYSTEM RISKS

- total unavailability of the information systems (due to a cyberattack),
- total or partial production site shutdown,
- leaks of confidential and strategic information.

The primary risks presented here are those that could affect the group’s business, financial position, reputation, results, or outlook.

In order to identify and assess these risks, the risk map is updated annually for the next year by General Management, the operational departments, and the internal audit department. It is the subject of discussions with the Audit Committee.

This update of the risk map results in an assessment of the risk mitigation measures currently in place and the identification of action plans to implement.

The 2021 risk map shown below is a risk management resource. It shows the risks involved in Laboratoires BOIRON’s activity, based on their probability and their potential financial, organizational and reputation impacts.

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

IMPACT

High

- Total or partial production site shutdown
- Evolution of the status of homeopathic medicines
- Lack of diversity in the product range

- Total unavailability of the information systems

- Questioning and denigration of homeopathy

- Delayed provision of finished products

- Degradation of the social ties
- Multiplicity and complexity of the group's markets
- Leaks of confidential and strategic information
- Increasingly stringent and complex regulatory and pharmaceutical constraints on products

PROBABILITY

High

This risk map was updated in November and December 2020 during the COVID-19 pandemic. The update process included the reassessment of all risk factors and led to the removal of the following risks:

- "external acquisitions, partnerships and alliances" which was deemed non-specific to Laboratoires BOIRON,
- "price regulations and coverage by private insurance providers". This risk was linked to price controls on medicines eligible for reimbursement in France, which ended on January 1, 2021. Homeopathic medicine prices are no longer regulated, and BOIRON now defines them through its sales policy.

Impact of the current public health crisis on the risk factors

Laboratoires BOIRON's operations continued despite the COVID-19 pandemic, although the whole group and its partners were affected by the pandemic.

It is clear that the crisis will have significant macro-economic consequences, but they remain difficult to quantify (cf. Chapter 3 – Highlights). The future of the pandemic and its impact on the business in 2021 remain unclear. The risk factors that are most likely to be exacerbated and which will be discussed in detail in the following paragraphs are:

- the complexity and complexity of the group's markets
- the lack of diversity in the group's product range
- the delayed provision of finished products,
- the total unavailability of the information systems.

1.6.1.1 Business risks

Questioning and denigration of homeopathy

Background

Over the past several years, Laboratoires BOIRON have seen hostile attitudes to homeopathy in several countries, particularly France, Spain, and Hungary.

This context has led different groups and individuals to take action:

- creation of a collective, which became the non-profit HOMEOFRANCE in February 2020, by key French homeopathy players: patient organizations, physicians' and pharmacists' unions, academic societies, training institutions and homeopathic medicine producers,
- the creation in May 2020 of the AEMH (Association of Homeopathic Medicine Producers – Laboratoires BOIRON, LEHNING, and WELEDA) to dialog with the authorities,
- the organization of the “Santé vous libre !” homeopathy events to testify about homeopathic therapy and medicines reality.

In France, the positions of the Ministry for Health and the HAS led to the progressive end of reimbursement of homeopathy, a process which went unchallenged by the Council of State (the petition filed with the Council of State by Laboratoires BOIRON and LEHNING was rejected on December 18, 2020, cf. Chapter 3 – Highlights). As of January 1, 2021, prescribed homeopathic medicines are no longer eligible for social security reimbursement but are still covered by some private insurance.

The pandemic made headlines throughout 2020, homeopathy's opponents stayed active particularly at European level.

Risks and potential effects

The risks linked to the end of reimbursement of homeopathic medicines in France and attacks on homeopathy worldwide are:

- a decrease in prescriptions for homeopathic medicines,
- a decrease in the number of healthcare professionals who complete training on homeopathy,
- a shift toward other therapies,
- questioning certain university programs.

This ongoing situation and the related risks have led to major changes at BOIRON, particularly an unprecedented Job Protection Plan announced in March 2020 (cf. Chapter 3 – Highlights) and a reorganization of its sales teams.

Laboratoires BOIRON have also decided:

- to maintain a broad offer and low recommended sale prices to ensure its medicines remain affordable,
- to continue to speak out in the media about homeopathy's public health benefits.

Multiplicity and complexity of the group's markets

Background

The group's international footprint exposes it to very different political and economic situations, as well as different legal, cultural, regulatory and medical specificities.

The group's multiplicity and highly complex markets (number of products and their statuses, distribution channels, countries, etc.) require constant adjustments (regulations, communications, marketing, etc.). Laboratoires BOIRON must be highly responsive to all these evolutions.

Risks and potential effects

Laboratoires BOIRON's presence in certain regions, including North America, exposes it to the risk of class action lawsuits (cf. paragraph 34 of the notes to the consolidated accounts).

Furthermore, its growth in certain geographical zones including the United States and China 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. The success in Asia will be closely linked to its commercial partners' choices.

The pandemic and its attendant public health measures – distancing and masking, successive lockdowns or curfews – could significantly decrease the prevalence of other seasonal ailments and reduce foot traffic in pharmacies and other points of sale, heightening the uncertainty surrounding the group's sales in 2021.

1.6.1.2 Regulatory risks

Evolution in the status of homeopathic medicines

Background

In all countries, the regulatory authorities are imposing increasingly strict regulatory constraints on market access (registration, marketing authorization), marketing (packaging), advertising, homeopathic medicine production, and production site compliance, with ever tighter deadlines (cf. paragraph 1.3.5.1).

Achieving compliance with these tougher regulations can take several years and require additional human and financial resources.

In 2020, several countries experienced delayed or postponed responses to their registration requests due to the pandemic.

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 regulates the marketing, production, distribution, and promotion of all medicinal products for human use and uses the same terms as directive 92/73/EU of September 22, 1992, which exclusively covered homeopathic medicines in the past.

Under this regulation, homeopathic medicines can be authorized with two different statuses:

- the first allows them to obtain Marketing Authorizations (MA), with or without indications depending on whether the country's transposition of the directive was full or partial,
- the second leads to Homeopathic Registration (HR) without indications to enable individualized treatments. The process of obtaining these HRs is accompanied by a stock-by-stock assessment, which may lead to the progressive elimination of certain stocks.

In France, Laboratoires BOIRON submitted most of its filings for reregistration between 2001 and 2015, in accordance with the timetable set by the ANSM (French drug safety agency). The most significant risk of rejection of registration applies to certain stocks that are rarely used, meaning that the company has little data to justify their traditional use. At end December 2020, for the 1,020 authorized stocks for which a registration filing had been submitted, 698 had received an HR and 267 had been rejected (rejection or failure to file a marketing authorization or HR request leads to the loss of authorization to market the product in the country in question). The ANSM has modified its schedule due to the pandemic and should issue decisions on all filings during the first quarter of 2021.

Risks and potential effects

In November 2020, largely in response to the COVID-19 crisis, the European Commission announced plans to review directive 2001/83, which regulates medicines for human use, including homeopathic medicines, in 2022. Laboratoires BOIRON is already working with a team of experts to prepare for the review process.

Outside the European Union, the group must comply with the regulations of each country where it wishes to market its products. The main risk is the rejection or loss of registration of its products.

Increasingly stringent and complex regulatory and pharmaceutical constraints on products

Background

Laboratoires BOIRON are subject to strict constraints and numerous requirements relating to the development and production of medicines, which apply to all pharmaceutical laboratories.

Furthermore, the regulatory requirements of the Good Manufacturing, Compounding, and Distribution Practices (GMP, GCP, GDP) are constantly evolving. Responding to those changes requires increasingly IT-driven processes, including 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.

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

Different countries' pharmaceutical regulations 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, including the Russian agency (inspections in 2019 and 2020).

In France, inspections are performed by the ANSM, which inspects production sites annually.

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 abnormalities. The Russian inspection of the same site in November 2020 confirmed that the abnormalities observed in 2017 had been corrected and determined that the site complies with Good Manufacturing Practices.

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. Product serialization and aggregation processes (additional codes applied to track all packaging) are required to keep them on the market.

In 2020, Laboratoires BOIRON earned ISO 22 716 certification, which covers application of Good Manufacturing Practices for Cosmetics, for its Messimy site.

Risks and potential effects

The risks inherent to the medicine manufacturing business are:

- production and sale of non-compliant medicines,
- non-detection of a fault in the production process or the traceability of production data,
- inadequate regulatory compliance of products.

1.6.1.3 Organizational risks

Lack of diversity in the product range

Background

Laboratoires BOIRON's main activity is the production, distribution, and sale of a very wide range of homeopathic medicines. Some of its products depend on seasonal ailments.

In addition to ongoing efforts to denigrate homeopathy, there is stiff competition from other types of "natural" therapy (essential oils, phytotherapy, aromatherapy, dietary supplements, etc.).

Furthermore, the legal status of homeopathic medicine does not exist in some geographical areas.

In 2020, the group expanded its product range with the launch of several new products (cf. paragraph 1.3.3).

Risks and potential effects

The main risks of this lack of diversity are:

- dependence on seasonal ailments, particularly winter cold and flu season,
- loss of market share to other therapies,
- slower development in new regions.

The potential effects of this risk are:

- recall of a batch or 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 regulatory or internal criteria.

Laboratoires BOIRON have expanded its quality teams to address these major risks. It 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).

The pandemic also caused changes in the different agencies' inspection schedules.

In the medium term, the pandemic could lead to more stringent regulations and impact the group's development in certain countries.

Degradation of the social ties

Background

In 2020, the announcement of the Job Preservation Plan in France upset the company's balance and labor relations, leading to a strike in September. The situation was exacerbated by the pandemic, which made bargaining far more complex, particularly by throwing off the original schedule.

However, the bargaining process and the support measures offered by the company did lead to majority agreements signed with the employee representative bodies, thus mitigating both the impact and probability of this risk.

Despite the pandemic and the Job Preservation Plan, the group's staff continued their work in all fields, whether on-site or from home, to keep the group's operations running.

Risks and potential effects

The risks of the degradation of labor relations, which are mainly present in France, 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 as well as the end of reimbursement of homeopathic medicines have decreased Laboratoires BOIRON's appeal as an employer.

The main challenges linked to the changes in "the degradation of the social ties" involve the success of the reorganization plan and the company's transformation.

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.

These risks could cause or accelerate the loss of talents and spark internal tensions.

Delayed provision of finished products

Background

In certain situations, Laboratoires BOIRON may be unable to provide its customers with its products within the allotted timeframe, particularly internationally. In 2020, the pandemic disrupted the logistics chain, leading to a significant increase in air shipping costs, particularly to the United States.

Furthermore, regulatory and pharmaceutical constraints, the diversity of the group's markets and customers, and the different statuses of its products make their production and distribution extremely complex.

The main causes of delays are linked to the difficulty in operational sales forecasts, the large number of upstream and

downstream quality control operations, production problems, product release times, and implementation of the stock management policy.

Risks and potential effects

Delays in the supply of finished products can affect the group's turnover and reputation. With certain customers, they can also lead to the dereferencing of products or the payment of penalties.

The planned closure of the Montrichard production site and other French sites in 2021 will require reorganization and transfers of operations, which could affect this risk factor. The accumulation of stocks produced on the Montrichard site in late 2020 will limit this risk.

Laboratoires BOIRON continue to improve its internal processes, its business model, its customer service, and its production organization. Initiatives in that direction include the upcoming purchase of new sales forecasting software and improvements to its planning by optimizing its MRP (Material Requirement Planning) module, to be deployed in 2021.

1.6.1.4 Industrial and IT system risks

Total unavailability of the information systems

Background

Laboratoires BOIRON are, like many groups, exposed to this risk, which is covered here not as a company-specific risk but due to the scale of its potential effects.

The group did not suffer any major attacks that compromised the availability of its information systems in 2020.

Given the extent to which its industrial and administrative processes rely on IT, the group's information systems are at high risk due to:

- the use of Cloud solutions,
- connections with subsidiaries,
- increased use of new teamwork solutions (remote work solutions),
- increased remote work.

Risks and potential effects

A cyberattack could, depending on its scale, cause total or partial unavailability of Laboratoires BOIRON's information systems.

Despite the security measures applied and the ongoing roll-out of action plans, unavailability could still occur and would make it temporarily impossible to produce or sell products or to communicate or work within the group.

Total or partial production site shutdown

Background, risks and potential effects

In 2020, all sites in France continued to operate despite the pandemic.

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, the group's geographical network and the information systems in place on these distribution sites would enable it 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 in limited number,
- a suspicion of bacteria detected on a site, in its utilities, or a batch of products.

All of the Messimy site's sprinkler systems will be upgraded in 2021 as part of the 30-year compliance process.

Despite the systems in place, these risks could shut down the site or equipment to a greater or lesser extent.

Leaks of confidential and strategic information

Background

The information in question could be:

- strategic, meaning that the leak would have a significant impact on Laboratoires BOIRON's business, such as a planned acquisition or product launch, etc.
- subject to a regulatory framework, e.g. a leak of sensitive human resources data, customer data, or medical data, all of 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).

Risks and potential effects

A data leak would have a negative impact on the group's image and could cost it significant development opportunities. A leak could also lead to financial penalties imposed by the administrative authorities.

To limit these risks and meet the regulatory requirements, Laboratoires BOIRON have implemented measures including a confidential data map and GDPR compliance (cf. paragraph 1.4.4.3).

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 for its own operations and for controls of its subsidiaries.

1.6.2.1 Internal control framework

Objectives and limitations

The internal control process is based on the reference framework and AMF guidelines, as updated in July 2020.

The current internal control procedures are aimed at providing reasonable assurance of the following:

- compliance with the law and regulations,
- application of the instructions and guidelines defined 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.

Generally speaking, internal control contributes to control of the business, operational effectiveness, and efficient use of resources.

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 risk, and cash flow 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 of the BOIRON subsidiaries and BOIRON group;
- better communication and information sharing 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 or the achievement of BOIRON's goals. The probability of achieving those goals depends on factors outside the company's control. Any system or process has inherent limitations due to a wide range of factors, failings (technical or human failures or simple mistakes), and external uncertainty – particularly during a public health crisis.

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 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 are involved in internal control's management and supervision activities through the Audit Committee.

Monitoring the internal control system

The internal audit department monitors the effectiveness of the company's internal control system through its audits, and formulates and follows up on recommendations. 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 employees' awareness regarding risks such as fake Chairman schemes, cybercrime, data falsification, etc.

The internal audit department also calls upon experts in various fields, such as the IT systems security responsible, 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 responsible. 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 processing of accounting and financial information aim to ensure:

- the accuracy of the annual corporate financial statements, in line with local standards,
- the reliability of the group's consolidated financial statements pursuant to 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 financial department is a key player in internal control and accounting and financial risk management.

Specialized committees meet regularly in order to ensure control of risks within their scopes:

- the group customer risk committee meets once a month to review the situation and trends in customer risks of each of the BOIRON group's 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 Committee meets once a month to review the financial position of group companies, centralized cash surplus management and financial risks (exchange rates, interest rates, and liquidity), and confirms compliance with the policies defined by 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. It also evaluates the risk factors linked to the risk mapping process.

Procedures for preparing the statutory consolidated financial statements and group reporting

The statutory consolidation and group reporting process includes the following main steps:

- collection of the subsidiaries' financial data and analysis of the data compared to their prior year activity, their budget or last updated budgets,
- control of the data collected,
- preparation, validation, and analysis of the consolidated corporate financial statements and group financial reporting.

The administrative and finance department performs regulatory intelligence and has an IFRS expert provide an update on the accounting rules and requirements for consolidated financial statement reporting every six months.

In 2020, the best practices for account closing were updated and shared with all subsidiaries.

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, which is 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.

Liability review procedure

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.

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.

Procedures for preparing financial statements

All financial statements are reviewed by General Management and the Board of Directors. Prior to submission 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.

Relations with the Statutory Auditors

The Statutory Auditors' responsibilities include reviewing 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; the Internal Audit Department is responsible for following up on any actions.

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 the production sites in France.



2 CORPORATE GOVERNANCE

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This section comprises the corporate governance report prepared in accordance with Articles L225-37, L225-37-4 and L22-10-8 to L22-10-11 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 work performed by the legal department and the administrative and finance department for the preparation of this report is based on the collection and analysis of information provided by 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 March 10, 2021. It was also provided to the Statutory Auditors for the performance of their due diligence.

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 L22-10-10 4 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 search for a dynamic balance within 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 assisted by one or more Deputy General Managers,
- the consideration of a balanced representation of women and men within 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 Managers), and between these bodies and the Statutory Auditors,
- the transparency of compensation paid to Board members and executives.

Moreover, above and beyond the legal 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 points on the agenda in detail,
- Audit Committee meetings, the frequency and length of which allow Board members to examine the matters raised in detail,
- referral to a Compensation Committee for advice to the Board of Directors on corporate officers' compensation;
- the definition of a three-year term of office for Board members, including the Chairman and Committee members, with the possibility of renewal,
- Board of Directors' meetings, for the approval of the company's financial reporting,
- the implementation of specific rules on the identification and management of conflicts of interest. In a situation involving a conflict of interest, even if potential, between corporate and direct or indirect personal interests or the interests of a shareholder or the interests of a group of shareholders that he or she represents, the Board Member in question must notify the Board of Directors as soon as he or she becomes aware of the situation and assume all the necessary consequences regarding the exercise of his or her mandate. As such, depending on the case, he or she must either abstain from taking part in the vote and in the corresponding discussions, or not attend the Board meetings during the period in which he or she will be in a situation of conflict of interest, or resign from his or her duties as Board member. Information relating to conflicts of interest within the Board of Directors is included in section 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 the requirement for a Board member to own a minimum of ten shares (with the exception of Board members representing employees and the Board member representing employee shareholders, in application of the law).

The Board of Directors comprises eight women of a total fifteen Board members. If the Board members representing employees and the Board Member representing employee shareholders are excluded from the calculation, as provided by the law, the Board of Directors includes seven women out of a total of twelve Board members (58% of the total). The company is therefore in compliance with the provisions of Articles L22-10-3 and 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 L22-10-10 2 of the French Commercial Code, the company does not apply a diversity policy to its Board of Directors. Almost 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 eight women out of a total of fifteen 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 officers, managers, chartered accountants, financial advisor engineers). The Board of Directors also appointed Ms. Valérie Lorentz-Poinsot as General Manager as from January 1, 2019. She was previously appointed Deputy General Manager in 2011. Women are also represented on the Management Committee with the presence, alongside the General Manager, of the Vice Deputy General Manager in charge of Human Resources, the Director of Professional Relations and the Director of Public Affairs & France Distribution-Attaché to the General Management, who represent more than a third of the top 10% most senior positions, although the company has not decided to set any quotas.

The Board of Directors includes an independent Board Member: Michel Bouissou. The independence criteria applied are described in section 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, the employees are represented by two Board members, namely Ms. Christine Boutin, appointed by the Central Works Council meeting of June 21, 2018, and Mr. Sylvain Mossaz, appointed by the Central Social and Economic Council meeting of December 10, 2020, respectively for a period of three years, i.e. until June 21, 2021 for Ms. Christine Boutin and until December 10, 2023 for Mr. Sylvain Mossaz.

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 Mutual Investment Fund (FCPE) and renewed by the Combined Shareholders' Meeting on May 28, 2020, for a period of three years, i.e. until the Shareholders' Meeting to be held in 2023 to approve the financial statements for the previous fiscal year.

The terms of office as Board members of Ms. Stéphanie Chesnot, Ms. Christine Boyer-Boiron and Mr. Jean-Pierre Boyer expire at the end of the next Shareholders' Meeting. A proposal will be made to the Combined Shareholders' Meeting of May 27, 2021 to renew the terms of office of Ms. Stéphanie Chesnot, Ms. Christine Boyer-Boiron and Mr. Jean-Pierre Boyer for a period of three years.

A proposal will be made to the Combined Shareholders' Meeting of May 27, 2021 to increase the number of Board members to seventeen (taking into account the Board member representing employee shareholders and the two Board members representing employees) and to appoint Mr. Philippe Brun and Ms. Anne Borfiga as new Board members.

Composition of the Board of Directors and General Management at March 10, 2021

Full name, Office, Age	Date of initial appointment	End of term of office	Main position held at the company	Main position held outside the company	Other offices and positions held in other companies – Notes	Family ties
Thierry Boiron Board Member Chairman of the Board of Directors 60 years French nationality	As a Board member: BoD meeting of 9/18/1996 As Chairman of the Board of Directors: BoD meeting 5/19/2011, effective 7/1/2011	2023 OSM 2023 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 Boiron, cousin of Christine Boyer-Boiron, uncle of Stéphanie Chesnot, Virginie Heurtaut and Anabelle Flory-Boiron	
Valérie Lorentz-Poinsot Board member, General Manager 52 years French nationality	As a Board member: Combined Shareholders' Meeting of 5/22/2014 As General Manager: BoD meeting 9/5/2018, effective 1/1/2019	2023 OSM Unlimited term	General Manager	None	Board member and Chairman and Chief Executive Officer of LES EDITIONS 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⁾ Chairman of ONDINE Board member of Université Jean Moulin Lyon III	
Jean-Christophe Bayssat Deputy General Manager 58 years French nationality	BoD meeting of 12/16/2015 effective 01/01/2016	Unlimited term	Chief Pharmacist Pharmaceutical Development Director (employee)	None	Board Member of AFIPRAL (association, France)	
Jacky Abécassis Board Member 79 years French nationality	OSM of 05/06/1987	2023 OSM	None	None	Member of the BOIRON Compensation Committee	
Michèle Boiron Board Member 76 years French nationality	BoD meeting of 9/18/1996	2023 OSM	None	Pharmacist Advisor	Board member of SODEVA ⁽¹⁾ and BOIRON ⁽²⁾ (Switzerland). Sister of Thierry Boiron, cousin of Christine Boyer-Boiron, aunt of Stéphanie Chesnot, Virginie Heurtaut and Anabelle Flory-Boiron	
Jean-Pierre Boyer Board Member 75 years French nationality	OSM of 5/18/2000	2021 OSM	None	None	Member of the BOIRON Audit Committee Board Member of SOCIETE HENRI BOIRON (SHB) ⁽¹⁾	
Bruno Grange Board member 68 years French nationality	Combined Shareholders' Meeting of 5/23/2002	2023 OSM	None	None	Member of the BOIRON Compensation Committee	
Christine Boyer-Boiron Board Member 77 years French nationality	OSM of 5/22/2003	2021 OSM	None	None	Board Member of Société Henri Boiron (SHB) ⁽¹⁾ Cousin of Michèle and Thierry Boiron, aunt of Laurence Boiron	
Stéphanie Chesnot Board Member 49 years French nationality	BoD meeting of 3/10/2010	2021 OSM	None	Management and administration consulting	Member of the BOIRON Audit Committee Board member of SODEVA ⁽¹⁾ Manager of La Suite Architecture ⁽³⁾ Niece of Thierry and Michèle Boiron, sister of Virginie Heurtaut and Anabelle Flory-Boiron	
Michel Bouissou Independent Board Member ⁽⁴⁾ 79 years French nationality	OSM of 5/20/2010	2022 OSM	None	Chairman and General Manager	Chairman of the BOIRON Audit Committee, Member of the BOIRON Compensation Committee Chairman and General Manager of CITA SA ⁽³⁾	

Full name, Office, Age	Date of initial appointment	End of term of office	Main position held at the company	Main position held outside the company	Other offices and positions held in other companies – Notes	Family ties
Virginie Heurtaut Board Member 46 years French nationality	Combined Shareholders' Meeting of 5/23/2013	2022 OSM	None	Architect	Member of the BOIRON Audit Committee Board member of SODEVA ⁽¹⁾ Manager of La Suite Architecture ⁽²⁾ Niece of Thierry and Michèle Boiron, sister of Stéphanie Chesnot and Anabelle Flory-Boiron	
Grégory Walter Board Member representing shareholder employees 43 years French nationality	Combined Shareholders' Meeting of 5/18/2017	2023 OSM	Senior pharmaceutical technician	None	Chairman of the FCPE BOIRON supervisory board	
Christine Boutin Board Member representing employees 53 years French nationality	Central Works Council 6/21/2018, (recognized by the BoD meeting of 7/19/2018)	6/21/2021	Pharmacist, Deputy Director of the Nantes establishment	None		
Anabelle Flory-Boiron Board Member 43 years French nationality	Combined Shareholders' Meeting of 5/28/2020	2023 OSM	Director of Public Affairs & Distribution France-General Management Attaché	None	Niece of Thierry and Michèle Boiron, sister of Stéphanie Chesnot and Virginie Heurtaut	
Laurence Boiron Board Member 45 years French nationality	Combined Shareholders' Meeting of 5/28/2020	2023 OSM	None	Emergency doctor	Niece of Christine Boyer-Boiron	
Sylvain Mossaz Board Member representing employees 45 years French nationality	Central Social and Economic Council 12/10/2020 (recognized by the BoD meeting of 12/17/2020)	12/10/2023	Finance and management application administrator	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 section 2.2.3.1.1

Offices (excluding subsidiaries) held by members of an administrative or a management body over the past five years that are no longer held

Michel Bouissou	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).
Stéphanie Chesnot	Board Member of CHR (until 3/18/2015 - merger/acquisition of CHR by SODEVA).
Virginie Heurtaut	Board Member of CHR (until 3/18/2015 - merger/acquisition of CHR by SODEVA).
Anabelle Flory-Boiron	Board Member of CHR (until 3/18/2015 - merger/acquisition of CHR by SODEVA).
Valérie Lorentz-Poinsot	Board Member of LEEM (until December 2016).

No other member of an administrative or management body has held a position over the past five years that is no longer in effect.

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' Meetings, 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 Social and Economic Council 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' meeting for the preparation of annual and half-year financial statements and provisional budget documents.

2.2.2.3 Board meetings

The Board of Directors met nine times in 2020. In view of the COVID-19 health crisis, Board members who were unable to travel were able to participate in Board of Directors' meetings by videoconference. Two Board of Directors' meetings were held by videoconference. The average duration of Board meetings was around three hours and fifteen minutes. The rate of Board Member attendance was 100% in 2020. During 2020, the Board of Directors was informed of, examined or made decisions on the following matters: the group's strategy and business, actions to maintain the reimbursement of homeopathic medicines in France, the job saving plan and proposed reorganization, the impact of the COVID-19 pandemic and the measures taken by the company pursuant to the government's emergency measures, the development and launch of new

products, the annual and half-yearly consolidated financial statements, quarterly business reports, financial notices, forecast management documents, the company's policy in terms of professional and wage equality, corporate officer compensation, the implementation of the share buyback program, regulated agreements, the establishment of a procedure for evaluating ordinary agreements concluded under normal terms and conditions, the creation of a working group within the Board of Directors for the search for and selection of new board members, the proposed appointment or reappointment of Board and Committee members, authorizations to be granted to General Management to grant sureties, endorsements and guarantees 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 meeting held on March 7, 2007 adopted internal regulations that provide the possibility for Board Members to participate in Board deliberations by means of videoconference or telecommunications, under the conditions determined by

applicable regulations. This type of participation is not allowed for decisions related to the approval of the annual and half-year financial statements, including the consolidated financial statements.

The internal regulations are available at www.boironfinance.fr/en.

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, the members of the Board of Directors and General Management, the Chairman and General Manager meet periodically.

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.

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 duties 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, Chief Pharmacist and Pharmaceutical Development Director, the Vice Deputy General Manager for Human Resources, the Administrative and Financial Director, the Industrial Director, the Director of Operations, the Regulatory Affairs Director, the Group Marketing Director, the Director of Professional Relations, the IT Services Director, the Director of Public Affairs & France Distribution - Attaché to the General Management, and the Director of the France business unit.

2.2.3 Specialized Board committees

2.2.3.1 Audit Committee

The members of the Audit Committee are Mr. Michel Bouissou, President, 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 special skills in legal affairs and management: as a graduate in international business law, tax law and business administration, she has worked as a strategy consultant in law and in management and business administration,

- Mr. Jean-Pierre Boyer has specialized skills in finance and accounting: he is a chartered accountant having studied accountancy and has held positions of administrative and financial officer in a number of companies.
- Ms. Virginie Heurtaut has specialized skills in corporate management and administration: she holds a Master's 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 President at least one member with skills in finance and accounting and who is deemed to be independent with regard to the following criteria:

- not be an officer of a company in which BOIRON is directly or indirectly a Board member, or in which an employee or corporate officer of BOIRON (currently or having been so in the last five years) is a Board member,

- not be 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,
- not have a close family link to a corporate officer,
- not have 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 the fight against 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 auditors' 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 for tenders 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 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 2020 were not significant (cf. note 36 in the notes to the consolidated financial statements) and thus do not exceed 15% of the total fees received by the DELOITTE & ASSOCIÉS firm and the MAZARS firm 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 2020, the Audit Committee met four times and its meetings lasted six and a half hours on average. In the context of the health crisis, meetings were held both face-to-face and remotely. 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 half-year 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 department, the legal department and the human resources department.

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 departments.

In 2020, all of the meetings included a discussion and update on the BOIRON group's CSR strategy.

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 2020 was 100%.

2.2.3.2 Compensation Committee

The Compensation Committee is composed of three members (no member holds the presidency):

- Mr. Michel Bouissou (independent member),
- Mr. Bruno Grange,
- Mr. Jacky Abécassis (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 2020, the members of the Compensation Committee had various discussions by telephone, email, and three videoconference calls. The Compensation Committee member attendance rate was 100% in 2020. 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 involving a 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 concerned must:

- inform the Board thereof as soon as he or she becomes aware of it (this obligation to inform must be completed by Board member candidates, prior to their appointment),
- assume all consequences with regard to the exercise of their mandate.

As such, they must:

- either abstain from discussions and the corresponding vote,
- or not attend Board of Directors' meetings during the period in which they are in a conflict of interest,
- or resign from their position as Board member.

Failure to comply with these rules of abstention or even withdrawal may incur the liability of the Board member concerned.

Furthermore, the Chairman of the Board of Directors shall not be required to provide information or documents relating to the conflict to Board members seriously suspected to be involved in a situation of conflict of interest, and will inform the Board of Directors of this lack of information.

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 an administrative, a management, or a 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 an administrative, a management, or a supervisory body with regard to the sale of their shares of the issuer during a given period of time, other than those listed in section 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 of Directors), and Ms. Michèle Boiron, Ms. Stéphanie Chesnot, Ms. Virginie Heurtaut and Ms. Anabelle Flory-Boiron (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 continued during the fiscal year ended December 31, 2020, after being reviewed by the Board of Directors on December 19, 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 again by the Board of Directors meeting of January 21, 2021, which found that it continued to meet the criteria which had led to its initial approval, and will continue throughout 2021. 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 layout of areas at the Messimy site, 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 good knowledge of the company. For these same reasons, the agreement's renewal in 2020 and 2021 was authorized by the Board of Directors at its September 4, 2019 and September 9, 2020 meetings, respectively.

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. For these same reasons, the agreement's renewal in 2020 and 2021 was authorized by the Board of Directors at its September 4, 2019 and September 9, 2020 meetings, respectively.

These agreements are described in the statutory auditors' special report on regulated agreements in section 2.3 of this Universal Registration Document.

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 L22-10-12 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 legal 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 signed 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. As of the date of this document's publication, and with the exception of the regulated agreements described above, the assessment procedure shows that all existing agreements were non regulated agreements, i.e. either agreements entered into with wholly-owned subsidiaries, or agreements entered into with subsidiaries that are more than 97% owned by BOIRON and that meet the criteria of ordinary agreements concluded under normal terms and conditions: on the one hand, these agreements are similar to those of other companies of the group, in line with the company's objects and entered into in the context of its ordinary activities; on the other hand, the prices charged correspond to a market price or to a price generally charged in the business sector, and the reciprocal obligations and benefits are balanced. This list of agreements concerned in 2020 and the findings of the review by the legal and internal audit departments were provided to the Audit Committee, for the information of the Board of Directors meeting called to establish the financial statements of the past fiscal year.

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 administrative, management, or supervisory body was selected as a member of a administrative, management, or supervisory body, or as a member of the General Management.

2.3 STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENT

This is a translation into English of the Statutory auditors' report on regulated agreements issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

Year ended December 31, 2020

To the Shareholders' Meeting of Boiron SA,

In our capacity as your company's Statutory auditors, we hereby report to you on regulated agreements.

It is our responsibility to report to the shareholders, based on the information provided to us, on the main terms, conditions and reasons underlying the company's interest of agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R. 225-31 of the French Commercial Code, it is the shareholders' responsibility to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide the shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of Statutory auditors (*Compagnie Nationale des Commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements submitted to the approval of the shareholders' meeting

Agreements authorized and concluded during the past fiscal year

In accordance with the 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 Board of directors.

- **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 September 7, 2017, has been added to this contract, increasing her compensation from €1,500 to €1,600 excluding tax per day of work from January 1, 2018. The Board of Directors meeting of September 4, 2019 authorized the renewal of this contract for one year from January 1, 2020.

Compensation: For the fiscal year ended on December 31, 2020, 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 2020 was €19,200 (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 9, 2020 decided to renew the contract for the year 2021 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), initially authorized by the Board of Directors meeting of December 14, 2016. The Board of Directors meeting of September 4, 2019 authorized the renewal of this contract for one year from January 1, 2020.

Compensation: Compensation under the contract is €1,200 (excluding tax) per day of work. The total amount of compensation recognized as an expense and paid out for 2020 was €11,520 (including tax).

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.

The Board Meeting of September 9, 2020 decided to authorize renewal of the contract with LA SUITE ARCHITECTURE for the year 2021 under the same terms and conditions as those laid out above, for a period of one year.

Agreements previously approved by the shareholders' meeting

Agreements approved in previous years

a) which have been pursued during the last year

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed of the following agreements approved in prior years by the Shareholders' meeting and which remained current during the last year.

- **With the company SODEVA, which held a 45.40% stake in BOIRON as at December 31, 2019**

Persons involved: Mr. Thierry BOIRON (Chairman of the Board of Directors), Ms. Michèle BOIRON (Board Member), Ms. Stéphanie CHESNOT (Board Member), Ms. Virginie HEURTAUT (Board Member) and Ms. Anabelle FLORY-BOIRON (Board Member).

Nature and purpose: 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, 2020. The Board of Directors, at its meetings of December 19, 2019 and January 21, 2021, re-examined the company's interest in maintaining this agreement for the 2020 and 2021 financial years, respectively.

Compensation: The amount of the services accounted as income for the 2020 fiscal year was €7,972 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.

Villeurbanne and Lyon, April 8, 2021,

The Statutory auditors

Mazars

Nicolas DUSSON Séverine HERVET

Deloitte & Associés

Vanessa GIRARDET

2.4 DELEGATION AND AUTHORIZATION TO INCREASE OR DECREASE THE SHARE CAPITAL

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

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

Fifteenth resolution – Authorization to be given to the Board of Directors to cancel shares bought back by the company within the framework of the provisions of Article L.225-209 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 on 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 L.225-209 of the French Commercial Code.	Cancellation of shares up to 10% of the share capital	5/16/2019	24 months	Cancellation of 20,152 shares	5/15/2021

**Pursuant to Order no. 2020-1142 of September 16, 2020, Article L225-209 of the French Commercial Code was repealed and replaced by Article L22-10-62 of the French Commercial Code.*

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

Pursuant to Article L22-10-11 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 presented in section 5.2,
- there is no agreement providing for compensation for Board members or employees if they resign or are dismissed without just cause, or if their employment is terminated due to a public tender offer,
- there are no agreements entered into by the company that are modified or terminated in the event of a change of control of the company,
- 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 January 2, 2020 and published by the AMF in notice no. 221C0309 dated February 8, 2021):

Reciprocal preemption rights between the members of the BOIRON family and the companies SODEVA and SHB in the event of the sale of BOIRON shares.

Regime	Signature date	Expiry of the collective commitment	Renewal modalities	Percentage of the share capital covered by the agreement or commitment as of the signature date	Percentage of voting rights covered
Art. 787 B of the French Tax Code	7/29/05	2 years from the date of signature	Tacit renewal for a term of two years	39.23%	50.33%
Art. 787 B of the French Tax Code	6/14/13	2 years from registration (in this case June 19, 2013)		20.77%	25.64%
Art. 787 B of the French Tax Code	9/23/13	2 years from registration (in this case November 21, 2013)	Tacit renewal for a term of one year	35.39%	42.95%
Art. 787 B of the French Tax Code	11/15/13	2 years from registration (in this case November 20, 2013)		34.11%	42.05%
Art. 787 B of the French Tax Code	11/15/13	2 years from registration (in this case November 20, 2013)		23.34%	27.07%
Art. 787 B of the French Tax Code	12/6/16	2 years from registration (in this case December 20, 2016)	Tacit renewal for a term of one year	35.47%	44.81%
Art. 787 B of the French Tax Code	01/24/19	2 years from registration (in this case February 7, 2019)		23.63%	26.75%
Art. 787 B of the French Tax Code	4/17/19	2 years from registration		44.45%	50.27%
Art. 787 B of the French Tax Code	12/17/20	2 years from registration		23.08%	25.91%

Name of signatories who are corporate officers	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 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	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, SHB	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, CHR	SODEVA, CHR
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
Thierry Boiron Valérie Lorentz-Poinsot	Fabienne Boiron, SODEVA	SODEVA

- There are no shares with special control rights. Nevertheless, it is specified that a double voting right is assigned to all fully paid up shares 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.
- The Board of Directors has not been delegated any authority to increase capital, and its powers to buy back shares are set out in section 5.1.3,
- Amendments to the company's articles of association are made in line with 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 interest and designed to contribute to its sustainability and business strategy for each of the company's corporate officers.

To this end, the Board of Directors 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 the achievement of quantitative objectives linked to the implementation of the business strategy, in line with the company's interest.

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, at 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 terms and conditions of compensation and 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' professional growth (cf. section 1.2.4.5). The compensation policy for corporate officers is overall aligned with the conditions of compensation and employment of company's employees 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(s), the decision was made to apply the same company's general salary increases as for all company employees, at the same rates and on the same dates,

- the variable compensation that 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 the 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 L22-10-8 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.

Since the 2020 fiscal year, the variable compensation of the General Manager is based on quantitative objectives, as described in section 2.6.1.1.2.

The Shareholders' Meeting of May 27, 2021 will be asked to approve the compensation policy for corporate officers presented in this section, in its fourteenth, fifteenth, sixteenth and seventeenth resolutions.

2.6.1.1 Compensation policy for the Chairman of the Board of Directors, the General Manager and the Deputy General Managers

The compensation policy for the Chairman of the Board of Directors, the General Manager, and the Deputy General Managers contributes to the company's interest, its business strategy and to the lasting of the company 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, as well as an extraordinary compensation. To this end, the Compensation Committee proposes a profit-sharing system to the Board of Directors and ensures that this system is aligned with the company's general compensation policy and that the performance criteria are set according to the evolution of 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-competition 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 any kind 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 corresponding responsibilities, and not for attendance at meetings. The budget allocated for Board Member compensation is distributed as described in section 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.

Employee benefits: these are commitments related to service awards.

2.6.1.1.2 General Manager

The components of the total compensation and benefits of any kind 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 general 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 2021, the criteria used to define the General Manager's annual variable compensation are based on achievement of the following quantitative financial objectives:

- the prior condition to be eligible for variable compensation is that the group's operating income for the 2021 fiscal year must be equal to at least 5% of the group's sales during that same fiscal year;
- if this prior condition is met, the General Manager's variable compensation will be based on a percentage of the group's operating income for the 2021 fiscal year: this percentage will be 0.50% if the group's operating income is less than or equal to €50,000,000, 0.60% if the group's operating income is greater than €50,000,000 and less than or equal to €80,000,000, and 0.70% if the group's operating income exceeds €80,000,000.

The group's operating income may, where applicable, 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 comply with the objectives of the compensation policy in that they are linked to the evolution of the group's operating income and the implementation of specific strategic objectives which, over time, contribute to the company's interest and lasting development.

To determine the extent to which the performance criteria for variable compensation have been met, the Compensation Committee and the Board of Directors examine the group's operating income as presented in the consolidated financial statements for the past fiscal year.

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 of any kind 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, who would also be a Board member, 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 corresponding responsibilities, and not for attendance at meetings. The budget allocated for Board Member compensation is distributed as described in section 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 any kind 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, who would also be Board members, 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 corresponding responsibilities, and not for attendance at meetings. The budget allocated for Board Member compensation is distributed as described in section 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 they benefit from the rights pursuant to their employment contracts. All such compensation, rights, and benefits pursuant to their employment contracts fall outside the scope of Articles L22-10-8 and L22-10-34 I of the French Commercial Code. These elements of their compensation are therefore not subject to a vote by the Shareholders' Meeting. 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 mandate as corporate officer, 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. The criteria used to define the Deputy General Managers' annual variable compensation are based on achievement of the following quantitative financial objectives:

- the prior condition to be eligible for variable compensation is that the group's operating income must be equal to at least 5% of the group's sales during that same fiscal year;
- if this prior condition is met, the Deputy General Managers' variable compensation will be based on a percentage of the group's operating income for the previous fiscal year: this percentage will be 0.15% if the group's operating income is less than or equal to €80,000,000, and 0.18% if its operating income exceeds €80,000,000.

It is specified that the Deputy General Managers do not receive multi-year variable compensation.

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 are granted a company car, as well as contributions to a pension and personal protection scheme under their employment contracts.

Employee benefits: the Deputy General Managers also benefit from the rights granted under their employment contracts, in the same way as other employees, such as long service awards, and rights under the agreement regarding preparations for retirement 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 corresponding 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 Presidents 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. However, the President of Committee receive higher additional compensation than that allocated to the Committee members.

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, having regard to the date of the Board Meeting or Shareholders' Meeting at which the cooption or appointment took place.

In its twenty-first ordinary resolution, the Ordinary Shareholders' Meeting of May 28, 2020 set the annual compensation of the members of the Board of Directors at €305,000 for the 2020 fiscal year.

The Board of Directors will ask the Shareholders' Meeting of May 27, 2021, to set the new compensation budget to be allocated to the members of the Board of Directors at €317,000 for the 2021 fiscal year.

Finally, the members of the Board who are also company employees, as well as the members of the Board of Directors representing employees and employee shareholders, 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 by the Shareholders' Meeting.

2.6.1.3 Information on the corporate officers' mandates 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	2023 OSM	No	No		Revocation of mandates in accordance with the law and case law
	Board member	2023 OSM				
Valérie Lorentz-Poinsot	General Manager	Unlimited term	No	No		Revocation of mandates in accordance with the law and case law
	Board member	2023 OSM	(Employment contract suspended)			
Jean-Christophe Bayssat	Deputy General Manager	Unlimited term	Yes (Non-limited employment contract for position as Chief Pharmacist and Pharmaceutical Development Director)	No	3 months' notice for employee position	Revocation of mandates in accordance with the law and case law Termination of employment contract in compliance with the law and case law
Michèle Boiron	Board Member	2023 OSM	No	Yes	Termination of the service provision contract, with 3 months' notice before December 31 each year	Revocation of mandates in accordance with the law and case law
Grégory Walter	Board Member representing shareholder employees	2023 OSM	Yes (Non-limited employment contract for position as a senior pharmaceutical technician)	No	3 months' notice for employee positions	Revocation of mandates in accordance with the law and case law Termination of employment contract in compliance with the law and case law
Christine Boutin	Board Member representing employees	6/21/2021	Yes (Non-limited employment contract for position as Assistant Pharmacist to the Director of the Nantes site)	No	3 months' notice for employee positions	Revocation of mandates in accordance with the law and case law Termination of employment contract in compliance with the law and case law

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
Anabelle Flory-Boiron	Board Member	2023 OSM	Yes (Non-limited employment contract for duties as Director of Public Affairs & France Distribution-Attaché to the General Management	No	3 months' notice for employee positions	Revocation of mandates in accordance with the law and case law Termination of employment contract in compliance with the law and case law
Sylvain Mossaz	Board Member representing employees	12/10/2023	Yes (Non-limited employment contract for position as Finance and management application administrator)	No	3 months' notice for employee positions	Revocation of mandates in accordance with the law and case law Termination of employment contract in compliance with the law and case law

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

2.6.2 Information on each corporate officer required by Article L22-10-9 I of the French Commercial Code

(Tenth resolution of the Shareholders' Meeting of May 27, 2021)

The information provided in this section will be submitted to a vote by the next Shareholders' Meeting (tenth resolution of the Combined Shareholders' Meeting of May 27, 2021); it being specified that 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	2020 fiscal year		2019 fiscal year	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed compensation	242,638	242,638	239,429	239,429
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:	5,162	5,162	5,720	5,720
• relating to company car	5,162	5,162	5,720	5,720
• 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	260,825	260,825	258,174	258,174
Employee benefits:	18,689		37,914	
• of which preparation for retirement				
• of which retirement indemnities				
• of which long service awards	18,689		37,914	

Valérie Lorentz-Poinsot General Manager	2020 fiscal year		2019 fiscal year	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed compensation	366,785	366,785	375,983 ⁽¹⁾	375,983 ⁽¹⁾
Annual variable compensation	425,424 ⁽⁴⁾	334,573 ⁽⁵⁾	334,573 ⁽³⁾	403,932 ⁽²⁾
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:	74,216	74,216	75,472	75,472
• relating to company car	6,953	6,953	7,002	7,002
• relating to retirement and personal protection scheme	9,208	9,208	10,415	10,415
• relating to job loss insurance ⁽⁵⁾	58,055	58,055	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	879,450	788,599	799,053	868,412
Employee benefits:	46,137		42,047	
• of which preparation for retirement				
• of which retirement indemnities				
• of which long service awards	46,137		42,047	

(1) A €12,764 adjustment was made in 2019 to the time savings account of Ms. Valérie Lorentz-Poinsot in respect of the 2018 fiscal year and in respect of her employment contract, which was suspended when she took up her duties as General Manager on January 1, 2019.

(2) Ms. Valérie Lorentz-Poinsot was Deputy General Manager until December 31, 2018. This amount corresponds to the variable compensation awarded in respect of 2018 and paid in 2019 which was exclusively linked to her employment contract, suspended when she took up her duties as General Manager on January 1, 2019. 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).

(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. This corresponds to 89% of the fixed compensation awarded for the 2019 fiscal year and paid during that year. The payment of annual variable compensation allocated in respect of the 2019 fiscal year was made following approval by the Combined Shareholders' Meeting of May 28, 2020 of compensation paid during or allocated in respect of the 2019 fiscal year (ex post vote).

(4) Variable compensation awarded in respect of 2020 is based on the achievement of quantitative objectives of a financial nature set out in the compensation policy for the General Manager approved by the Combined Shareholders' Meeting of May 28, 2020, namely:

The payment of variable compensation is conditional on the group's operating income for the 2020 fiscal year reaching at least 5% of the group's sales for said fiscal year: as the group's operating income for 2020 restated for non-recurring items (net cost of the Employment Protection Plan) equaled 13.8% of the group's 2020 sales, the precondition was met.

If this condition is met, the General Manager's variable compensation is based on a percentage of the group's operating income for the 2020 fiscal year; this percentage will be 0.50% if the group's operating income is less than or equal to €50,000,000, 0.60% if the group's operating income is greater than €50,000,000 and less than or equal to €80,000,000, and 0.70% if its operating income exceeds €80,000,000: the group's 2020 operating income restated for non-recurring items (net cost of the Employment Protection Plan) amounting to €70,904 thousand, the variable compensation awarded to Ms. Valérie Lorentz-Poinsot in respect of 2020 is equal to 0.60% of this result.

The variable compensation awarded in respect of 2020 corresponds to 116% of the fixed compensation allocated and paid during this fiscal year.

The payment of annual variable compensation allocated in respect of the 2020 fiscal year is subject to approval by the Shareholders' Meeting of May 27, 2021 of compensation paid during or allocated in respect of the 2020 fiscal year (ex post vote).

(5) An executive job loss insurance policy has been taken out on behalf of Ms. Valérie Lorentz-Poinsot by the company with a private insurer.

Jean-Christophe Bayssat Deputy General Manager	2020 fiscal year		2019 fiscal year	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed compensation	30,000 ⁽¹⁾	30,000 ⁽¹⁾	30,000 ⁽¹⁾	30,000 ⁽¹⁾
	201,642 ⁽²⁾	201,642 ⁽²⁾	200,251 ⁽²⁾	200,251 ⁽²⁾
Annual variable compensation under an employment contract ⁽³⁾	127,847	125,406	126,113	194,265
Multi-year variable compensation				
Extraordinary compensation				
Benefits in kind:	5,573	5,573	6,491	6,491
• relating to company car	5,321	5,321	5,619	5,619
• relating to retirement and personal protection scheme	252	252	872	872
Valuation of stock options allocated during the year				
Valuation of performance shares allocated during the year				
Valuation of other long-term compensation plans				
TOTAL	365,062	362,621	362,855	431,007
Employee benefits:	686,034		814,711	
• of which preparation for retirement	415,197		495,976	
• of which retirement indemnities	243,987		292,929	
• of which long service awards	26,850		25,806	

(1) Compensation allocated and paid in respect of his corporate mandate.

(2) Compensation allocated and paid in respect of his employment contract.

(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.

The variable compensation in respect of 2020 corresponds to 55.2% of the fixed compensation allocated 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 5/19/2011 ⁽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 the date of initial appointment or the beginning of the current term of office.

(2) Corresponds to the date of end of current term of office.

(3) Employer contribution to supplemental defined-contribution retirement benefits according to Article 83 of the French Tax Code. Executive corporate officers do not receive any other specific retirement benefits.

(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 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 separate duties from those of his corporate office. Under his employment contract, Mr. Jean-Christophe Bayssat benefits from end-of-career benefits pursuant to Articles 37 and 38 of the "Pharmaceutical Industries" collective agreement applicable to the company.

2.6.2.3 Equity ratio table

in €	2016	2017	2018	2019	2020
Company performance					
Net income (group share)	77,725,010	78,242,826	57,459,133	40,629,797	26,208,858
Change compared to previous year	N/A	1%	-27%	-29%	-35%
Employee compensation					
Average employee compensation ⁽¹⁾ excluding corporate officers	48,779	48,446	48,187	48,915	46,644
Change compared to previous year	N/A	-1%	-1%	2%	-5%
Median employee compensation ⁽¹⁾ excluding corporate officers	41,300	41,126	41,004	41,727	40,087
Change compared to previous year	N/A	0%	0%	2%	-4%
Chairman of the Board of Directors					
Compensation of Thierry Boiron ⁽³⁾	216,156	251,661	255,383	258,174	260,825
Change compared to previous year	N/A	16%	1%	1%	1%
Ratio to average employee compensation ⁽⁴⁾	4	5	5	5	6
Change compared to previous year	N/A	17%	2%	0%	6%
Ratio to median employee compensation ⁽⁵⁾	5	6	6	6	7
Change compared to previous year	N/A	17%	2%	-1%	5%
General Manager⁽²⁾					
Compensation of Christian Boiron ⁽³⁾	852,604	888,759	958,006	N/A	N/A
Compensation of Valérie Lorentz-Poinsot ⁽³⁾				868,413	788,599
Change compared to previous year	N/A	4%	8%	-9%	-9%
Ratio to average employee compensation ⁽⁴⁾	17	18	20	18	17
Change compared to previous year	N/A	5%	8%	-11%	-5%
Ratio to median employee compensation ⁽⁵⁾	21	22	23	21	20
Change compared to previous year	N/A	5%	8%	-11%	-5%
Deputy General Manager					
Compensation of Valérie Lorentz-Poinsot ⁽²⁾⁽³⁾	591,581	620,104	808,019	N/A	N/A
Change compared to previous year	N/A	5%	30%		
Ratio to average employee compensation ⁽⁴⁾	12	13	17		
Change compared to previous year	N/A	6%	31%		
Ratio to median employee compensation ⁽⁵⁾	14	15	20		
Change compared to previous year	N/A	5%	31%		
Deputy General Manager					
Compensation of Jean-Christophe Bayssat ⁽³⁾	367,565	441,544	468,531	431,007	362,621
Change compared to previous year	N/A	20%	6%	-8%	-16%
Ratio to average employee compensation ⁽⁴⁾	8	9	10	9	8
Change compared to previous year	N/A	21%	7%	-9%	-12%
Ratio to median employee compensation ⁽⁵⁾	9	11	11	10	9
Change compared to previous year	N/A	21%	6%	-10%	-12%

(1) This refers to compensation on a full-time equivalent basis for the company's employees, including amounts paid in respect of allocations under the company's profit-sharing agreement, statutory profit-sharing and the contribution to the PEE and PERCO plans. The change therefore takes these amounts into account.

(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 allocated and paid in respect of this mandate and in respect of the fiscal year in question, 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.

2.6.2.4 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 2020 fiscal year	Amounts paid ⁽¹⁾ in respect of the 2020 fiscal year	Amounts allocated ⁽¹⁾ in respect of the 2019 fiscal year	Amounts paid ⁽¹⁾ in respect of the 2019 fiscal year
Christian Boiron				
Compensation for service as a member of the Board of Directors	3,488	13,025	13,025	13,025
Other compensation ⁽²⁾				
Jacky Abécassis				
Compensation for service as a member of the Board of Directors	15,608	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	13,025
Other compensation ⁽³⁾		20,394		32,593
Michel Bouissou				
Compensation for service as a member of the Board of Directors	45,631	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	13,025
Jean-Pierre Boyer				
Compensation for service as a member of the Board of Directors	31,770	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	31,770
Bruno Grange				
Compensation for service as a member of the Board of Directors	16,219	16,219	16,219	16,219
Virginie Heurtaut				
Compensation for service as a member of the Board of Directors	28,185	13,025	13,025	13,025
Grégory Walter ⁽⁵⁾				
Compensation for service as a member of the Board of Directors	13,025	13,025	13,025	13,025
Other compensation ⁽⁴⁾	42,059	42,903	44,955	47,863
Christine Boutin ⁽⁶⁾				
Compensation for service as a member of the Board of Directors	13,025	13,025	13,025	5,924
Other compensation ⁽⁴⁾	79,667	81,238	79,415	84,665
Anabelle Flory-Boiron ⁽⁷⁾				
Compensation for service as a member of the Board of Directors	7,758			
Other compensation ⁽⁴⁾	201,651	203,031		
Laurence Boiron ⁽⁸⁾				
Compensation for service as a member of the Board of Directors	7,758			
Sylvain Mossaz ⁽⁹⁾				
Compensation for service as a member of the Board of Directors	534			
Other compensation ⁽⁴⁾	68,464	69,574		
TOTAL	632,662	633,705	340,935	374,585

(1) Compensation in respect of a corporate mandate 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 ended his term as Board member on April 7, 2020. He was also General Manager until December 31, 2018.

(3) This compensation essentially consists 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 2020 amounted to €20,394 including tax versus €29,760 including tax in 2019. 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. He was reappointed by the Combined Shareholders' Meeting of May 28, 2020. 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 €41,830 as of December 31, 2020.

(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 €107,139 as of December 31, 2020.

(7) Ms. Anabelle Flory-Boiron was appointed as a Board member by the Combined Shareholders' Meeting of May 28, 2020. 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 € 207,910 as of December 31, 2020.

(8) Ms. Laurence Boiron was appointed as a Board member by the Combined Shareholders' Meeting of May 28, 2020.

(9) Mr. Sylvain Mossaz has held the position of Board member representing employees since his appointment by the Central Social and Economic Council on December 10, 2020. 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 € 54,350 as of December 31, 2020.

2.6.3 Fixed, variable and exceptional components making up the total compensation and benefits of any kind paid during the past fiscal year or allocated in respect of the same fiscal year to the executive corporate officers

(Eleventh resolution, twelfth resolution and thirteenth resolution of the Shareholders' Meeting of May 27, 2021)

2.6.3.1 Compensation for the 2020 fiscal year due or paid to Mr. Thierry Boiron, Chairman of the Board of Directors, in respect of his term of office

(Eleventh resolution of the Shareholders' Meeting of May 27, 2021)

Items of compensation	2020 fiscal year	
	Amounts allocated	Amounts paid
Fixed compensation ⁽¹⁾	242,638	242,638
Compensation for service as a Member of the Board of Directors	13,025	13,025
Book value of benefits-in-kind	5,162 ⁽²⁾	5,162 ⁽²⁾
TOTAL	260,825	260,825

(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 the 2020 fiscal year due or paid to Ms. Valérie Lorentz-Poinsot, General Manager, in respect of her term of office

(Twelfth resolution of the Shareholders' Meeting of May 27, 2021)

Items of compensation	2020 fiscal year	
	Amounts allocated	Amounts paid
Fixed compensation ⁽¹⁾	366,785	366,785
Annual variable compensation	425,424 ⁽³⁾	334,573 ⁽²⁾
Compensation for service as a Member of the Board of Directors	13,025	13,025
Book value of benefits-in-kind:		
• relating to company car:	6,953 ⁽⁴⁾	6,953
• relating to retirement and personal protection scheme:	9,208 ⁽⁵⁾	9,208 ⁽⁵⁾
• relating to job loss insurance	58,055 ⁽⁶⁾	58,055 ⁽⁶⁾
TOTAL	879,450	788,599

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

(2) Variable compensation awarded in respect of 2019 and paid in 2020 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. The payment of annual variable compensation allocated in respect of the 2019 fiscal year was made following approval by the Combined Shareholders' Meeting of May 28, 2020 of compensation paid during or allocated in respect of the 2019 fiscal year (ex post vote).

(3) Variable compensation awarded in respect of 2020 is based on the achievement of quantitative objectives of a financial nature set out in the compensation policy for the General Manager approved by the Combined Shareholders' Meeting of May 28, 2020, namely:

- The payment of variable compensation is conditional on the group's operating income for fiscal year 2020 reaching at least 5% of the group's sales for said fiscal year: as the group's operating income for 2020 restated for non-recurring items (net cost of the Employment Protection Plan) equaled 13.8% of the group's 2020 sales, the precondition was met.
- If this condition is met, the General Manager's variable compensation is based on a percentage of the group's operating income for the 2020 fiscal year; this percentage will be 0.50% if the group's operating income is less than or equal to €50,000,000, 0.60% if the group's operating income is greater than €50,000,000 and less than or equal to €80,000,000, and 0.70% if its operating income exceeds €80,000,000: the group's 2020 operating income restated for non-recurring items (net cost of the Employment Protection Plan) amounting to €70,904 thousand, the variable compensation awarded to Ms. Valérie Lorentz-Poinsot in respect of 2020

The payment of annual variable compensation allocated in respect of the 2020 fiscal year is subject to approval by the Shareholders' Meeting of May 27, 2021 of compensation paid during or allocated in respect of the 2020 fiscal year (ex post vote).

(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 the 2020 fiscal year due or paid to Mr. Jean-Christophe Bayssat, Deputy General Manager, in respect of his term of office

(Thirteenth resolution of the Shareholders' Meeting of May 27, 2021)

Items of compensation	2020 fiscal year	
	Amounts allocated	Amounts paid
Fixed compensation ⁽¹⁾	30,000	30,000
Annual variable compensation ⁽²⁾	-	-
Book value of benefits-in-kind ⁽²⁾	-	-
TOTAL	30,000	30,000

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

(2) The variable compensation and benefits in kind received by Jean-Christophe Bayssat relate exclusively to his employment contract.

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 procedures for shareholder participation at Shareholders' Meetings are set out in Articles 29 to 33 of the articles of association (aside from any exceptional legal and regulatory provisions relating to the health crisis).



3 2020 PERFORMANCE AND OUTLOOK

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3.1 2020 HIGHLIGHTS

• January 1, 2020:

- **Reimbursement rate for homeopathic medicines reduced from 30% to 15% in France.**

Delisting from French health insurance entered into effect on January 1, 2021. A number of private health insurers in France offer partial or total coverage of homeopathic medicines.

We remain committed to ensuring that the benefits and merits of these medicines are recognised for all patients and for public health. As from January 18, 2021, BOIRON has released communications aimed at the general public to highlight the specific features of homeopathy and the role it plays in the daily lives of French people. This campaign will be rolled out abroad.

- **Finalization of the sale of the site of our subsidiary UNDA**

All jobs were saved and 38 site employees have been employed by the purchaser since January 1, 2020. The financial impacts of this sale were recognised in 2019.

• March 1, 2020: Implementation of a new organisation in France, including 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 homeopathy's credibility and develop the BOIRON brand's leading position,
- Overcome delisting in France,
- Increase our international sales,
- Develop our capacity to innovate.

• March 11, 2020: Announcement of a major reorganization plan in France

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 as of January 1, 2021 was a major disruption, leading our company 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,
- rescaling of the production and preparation-distribution teams at the continued sites,
- reorganization of the sales teams.

The plan was initially going to result in the elimination of 646 positions and the creation of 134. Following negotiations with employee representatives, the reorganization in France will result in the elimination of 566 positions and the creation of 122.

Based on the information currently available, the overall cost is estimated at €63,780 thousand, €58,714 thousand of which was provisioned in 2020 pursuant to applicable accounting standards (the provision at December 31, 2020, taking into account the costs incurred during the year, amounts to €56,747 thousand). The difference with the overall cost will be recorded in 2021.

At the same time, we recorded a €25,995 thousand reversal of provisions in light of the reduction in employee benefits obligations generated by the reorganization.

The reorganization plan had no significant impact on cash flow in 2020, as most of the costs indicated above will be disbursed in 2021 and 2022.

The first closures began in January 2021 and will end at the end of 2021, with the closure of the Montrichard site.

• March 16, 2020: Beginning of lockdown in France (after Italy), followed by widespread lockdowns affecting all our subsidiaries.

Valérie Lorentz-Poinsot has commented on this unprecedented situation in the introduction to this document.

The impact of the health crisis on profitability in 2020 was not significant, as our business continuity has been assured and the group's financial structure remains balanced overall. As such, short-time working arrangements were not significant and the group did not request the deferral or staggering of certain liabilities, nor did it see any significant changes with regard to customer payment conditions.

Since March 30, 2020, hand sanitizer has been sent to a number of healthcare institutions and in particular to the Etablissements Français du Sang, and has been made available to our employees.

• March 19, 2020: Creation of a subsidiary in Hong Kong, wholly-owned by the group, to ensure the development of our activities in Asia through a network of distributors.

• September 23, 2020: Sales outlet innovation, with the concept "Homeotherapy – treatment through homeopathy".

This is a scheme set up in pharmacies in France, based on three key pillars:

- an accessible product offering,
- advice provided by way of exclusive services,
- greater visibility for the patient.

• November 3, 2020: Roll-out of an ambitious international scientific and medical communication plan, through a new webpage entitled "Fact-based proof" on the MonHomeoMonChoix website, and videos posted on social media, based on conclusive research.

- **November 12, 2020:** New communications with a new public website and corporate brochure.
- **December 21, 2020:** The French Conseil d'État decided not to grant our requests challenging the decrees regarding the delisting of homeopathic medicines from French health insurance.
- **December 22, 2020:** Signing of a partnership in Spain with IPRAD, a BIOCODEX subsidiary, to support the roll-out of its "healthcare for women" product line, and Saforelle® in particular. The Saforelle® range is based on burdock, which is entirely natural. It is fully in line with our commitment to provide care with the utmost respect.
- **December 28, 2020:** Sale of the Francheville (Rhône) site, generating a capital gain of €1,588 thousand.

Our innovation strategy has resulted in a number of product launches, generating €11.3m in sales in 2020, including:

- a new Plant Extracts range,
- a new OTC specialty, Mag'Nuit®,
- an innovative range of probiotics, Osmobiotic Flora®,
- two homeopathic OTC specialties, Bocéal® and Cocyntal®,
- a range of restorative care products based on Calendula, Dermoplasmine®.

2020 operating income amounted to €38,185 thousand, down €28,730 thousand versus 2019.

Before taking the impact of reorganization into account, it amounted to €70,904 thousand, up €3,955 thousand compared to 2019, following:

- the decline in sales, which had a €35,158 thousand negative impact on gross margin,
- the €31,203 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,
- the comparison effects in 2019 relating to the reorganization of our activities in Belgium (€5,875 thousand) and the impairment of ALKANTIS trademarks, patents and equipment (€2,069 thousand)

(in thousands of euros)		2020
Operating income		38,185
Neutralization of reorganization expenses recorded in 2020		+58,714
Neutralization of the reversal of provision in respect of the reduction in employee benefits obligations		-25,995
Operating income before impact of reorganization		70,904
% of sales		13.8%

3.2 GROUP FINANCIAL PERFORMANCE

3.2.1 Group sales

The criterion used for the allocation of sales, shown below, is the geographic destination of sales (market), 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)	2020	2019	Variation at current exchange rate	Variation at constant exchange rate
France	278,062	313,400	-11.30%	
Mainland France	270,487	304,474	-11.20%	
Caribbean	3,720	4,358	-14.60%	
Réunion	2,764	3,358	-17.70%	
Others France	1,091	1,210	-9.80%	
Europe (excluding France)	115,371	132,981	-13.20%	-11.20%
Italy	33,950	34,879	-2.70%	
Russia	15,146	27,613	-45.10%	-37.40%
Spain	14,157	13,728	3.10%	
Belgium	12,328	15,498	-20.50%	
Romania	8,075	7,904	2.20%	4.10%
Poland	6,140	5,570	10.20%	14.00%
Bulgaria	5,549	5,624	-1.30%	
Czech Republic	4,719	6,255	-24.60%	-22.30%
Switzerland	3,740	3,464	8.00%	3.80%
Portugal	3,662	4,213	-13.10%	
Slovakia	2,286	2,349	-2.70%	
Hungary	2,228	2,683	-17.00%	-10.30%
Others Europe	3,391	3,201	5.90%	
North America	100,753	87,672	14.90%	17.30%
USA	91,017	77,332	17.70%	20.00%
Canada	9,736	10,340	-5.80%	-3.10%
Other countries	19,395	23,070	-15.90%	-8.10%
Tunisia	5,842	6,891	-15.20%	
Brazil	5,190	5,159	0.60%	34.30%
Hong Kong / China	3,125	7,370	-57.60%	
Colombia	1,080	161	570.80%	595.70%
Taiwan	998	621	60.70%	
India	431	279	54.50%	65.60%
Others	2,729	2,589	5.40%	
BOIRON GROUP	513,582	557,123	-7.80%	-6.60%

Sales (in thousands 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
BOIRON GROUP	229,873	261,874	-12.2%	282,632	293,749	-3.8%
France*	174,202	204,495	-14.8%	103,236	107,772	-4.2%
Europe (excluding France)	31,045	35,351	-12.2%	84,287	97,565	-13.6%
North America	21,968	19,490	12.7%	78,715	68,155	15.5%
Other countries	2,658	2,538	4.7%	16,394	20,257	-19.1%

*Mainland and overseas departments and territories

Group sales amounted to €513,582 thousand in 2020, down 7.8% compared to 2019. This decrease was due to a drop in volumes

(-7.6%), and a negative exchange rate effect (-1.2%), offset by price increases (+1.0%):

- The impact of the decline in quantities sold was -€42,643 thousand, mainly in mainland France (down €39,016 thousand) on non-proprietary homeopathic medicines, linked to the reduction in reimbursement rate for homeopathy, but also on specialties. A decline was also recorded in Russia, Belgium, Asia and the Czech Republic, which were heavily affected by the health crisis. Conversely, sales increased in the United States and Brazil in both specialties and non-proprietary homeopathic medicines.
- The negative exchange rate effect amounted to €6,531 thousand, mainly due to the depreciation of the Russian ruble, (-€2,129 thousand), the US Dollar (-€1,763 thousand), and the Brazilian real (-€1,736 thousand). At constant exchange rate, the group's sales were down 6.6%.
- The increase in prices (+€5,632 thousand) was mainly recorded in mainland France (+€5,029 thousand), particularly in specialties, as well as in Russia, Poland, Romania and Spain, partially offset by a decrease in the United States.

In France, in an environment weakened by the health crisis and the ensuing delisting of homeopathy from French health insurance, sales fell €35,337 thousand (down 11.3%). Sales of non-proprietary homeopathic medicines decreased by 14.8%. Specialties sales fell 4.2%, in particular Stodal®, Oscillococcinum®, and Arnica gels and creams. However, we recorded an increase in sales following new product launches in 2020, in particular in Cocyntal®, the Plant Extracts range, Osmobiotic® and Mag Nuit® (+€6,357 thousand).

In the "Europe excluding France" region, specialties were down 13.6% and sales of non-proprietary homeopathic medicines 12.2%. At constant exchange rate, the decrease in this region amounted to 11.2%:

- In Russia, sales were down 37.4% mainly in Camilia®, Homévox® and Stodal®.
- In Belgium, business declined 20.5%, mainly due to the sale of our subsidiary UNDA.
- Sales were also down in the Czech Republic (-22.3%), Italy (-2.7%), Portugal (-13.1%) and Hungary (-10.3%), mainly in specialties.
- Conversely, sales rose in Poland (+14.0%), the Netherlands (+90.1%) and Spain (+3.1%), mainly in Oscillococcinum®.

In North America, sales increased 14.9%. At constant exchange rate, this region rose 17.3%:

- Sales in the United States rose sharply by 20.0%, mainly in the first half of the year, due to the combined effect of the strong flu epidemic and the health crisis. The increase was mainly seen in Oscillococcinum® (up 60.0%) and in non-proprietary homeopathic medicines (up 16.4%).
- Sales in Canada were down slightly by 3.1%: non-proprietary homeopathic medicine sales were up 6.2% while specialties fell 6.6%, mainly in Stodal® (-29.4%).

In the "Other countries" region, sales fell 15.9%. At constant exchange rate, the decrease was 8.1%, primarily in Hong Kong and China (down 57.6%, mainly in Calendula® cream) and Tunisia (down 15.2%, mainly in Stodal®). Conversely, sales in Brazil rose 34.2%, mainly on Oscillococcinum® in connection with the COVID-19 health crisis, however the increase at constant exchange rate was entirely absorbed by a negative currency effect.

3.2.2 Group financial position

Figures in thousands of euros	2020	2019	Variation
Sales	513,582	557,123	-7.8% ⁽¹⁾
Operating income	38,185	66,915	-42.9%
Net income – Group share	26,209	40,630	-35.5%
Cash flow ⁽²⁾	104,944	103,033	1.9%
Net investments	19,336	33,563	-42.4%
Net cash	234,313	207,957	12.7%

(1) -6.6% at constant exchange rate.

(2) Before cash income, financing costs and taxes.

3.2.2.1 Group profit and loss statement

The group's **operating income** amounted to €38,185 thousand, compared to €66,915 thousand in 2019. It represented 7.4% of sales, versus 12.0% in 2019. Despite being heavily impacted by the decline in sales and the reorganization plan, it benefited from comparison effects of non-recurring expenses in 2019 (recorded under other operating revenue and expenses) and from €31,203 thousand in savings on operating expenses, mainly in promotional expenses.

Industrial production costs amounted to €118,841 thousand compared to €127,224 thousand in 2019, down 6.6%, driven by:

- a decrease in the cost of goods (-€8,400 thousand) relating to the decrease in volumes sold, mainly in France.
- a decrease in personnel costs (including incentive and profit-sharing schemes) of €4,881 thousand.
 - in France, as a result of the decrease in headcount (unreplaced departures), the savings generated by the health crisis (sick leave and short-time working) and the decrease in profit-sharing (as a result of the decrease in profitability),
 - in Belgium (UNDA), following the disposal of the business in early 2020,
- a decrease in outsourced services (down €2,269 thousand) primarily in France, with a decrease in site maintenance and production tool maintenance and outsourcing costs,
- a decrease in net depreciation and amortization of fixed assets (down €795 thousand) due in particular to the end of the amortization plan for intangible and tangible production fixed assets, and the comparison effect of depreciation recorded in 2019 on UNDA's fixed assets, prior to their impairment, with a view to disposal in early 2020,
- an increase in net provisions for recurring returns (up €1,219 thousand), in line with the increase in business in the United States,
- an increase in transport costs (up €4,922 thousand) due to the increase in volumes shipped to the United States, mainly by air, in line with strong business in the first half of the year.

The gross margin rate amounted to 76.9% for 2020, versus 77.2% in 2019.

Preparation and distribution costs decreased by 7.1% and amounted to €111,312 thousand. These savings were mainly concentrated in France (down €8,179 thousand) with:

- a decrease in personnel costs (including profit-sharing and incentive schemes) of €3,361 thousand due to unreplaced employee departures and savings generated by the health crisis (sick leave and short-time working). Group headcount devoted to this activity was 1,135, as opposed to 1,187 at the end of 2019,
- the decrease in outsourced services (down €2,805 thousand), including lower fees for transport services and site maintenance costs,
- the decrease in transport costs (down €1,445 thousand) in line with the decline in business,
- a decrease in taxes (down €833 thousand), in particular on taxes directly relating to the pharmaceutical business and on sales.

Promotion costs amounted to €132,985 thousand compared to €153,462 thousand in 2019, down 13.3% mainly due to:

- the decrease in outsourced services, travel and advertising expenses (down €12,980 thousand) due to the cancellation and postponement of promotional events, travel and advertising campaigns in most subsidiaries due to the health crisis,
- a comparison effect on expenses in 2019 of the homeopathy awareness-raising campaign (-€1,102 thousand),
- the €3,351 thousand decrease in personnel costs (including incentive and profit-sharing schemes) in France, Russia and Belgium, following decreases in headcount and in sales representative bonuses, as well as short-time working measures,

Research costs amounted to €3,516 thousand compared to €3,133 thousand in 2019, up 12.2% due to the launches of new studies in France.

Regulatory affairs costs were stable (up 0.2%) and came to €11,168 thousand.

Support function costs fell by 2.9% to €67,429 thousand, down from €69,430 thousand in 2019. This was due to:

- a slight increase in IT expenses of €373 thousand,
- a decrease in travel costs (down €743 thousand) and outsourced services (down €912 thousand) in the context of the health crisis,
- the positive impact of variations in amortization, depreciation and provisions (€823 thousand), in particular due to the settlement of employee disputes.

Other operating revenue amounted to €30,667 thousand compared to €3,005 thousand in 2019. These mainly include:

- a reversal of provision of €25,995 thousand in respect of the reduction in employee benefits as a result of the reorganization in France, as presented under the highlights section,
- the exchange gain on derivative instruments (€1,590 thousand),
- the capital gain on the sale of the Francheville site in the Rhône region in France (€1,588 thousand),
- the research tax credit in France (€1,263 thousand versus €1,600 thousand in 2019),

In 2019, this included:

- the capital gain on the sale of the former head office of the US subsidiary (€1,141 thousand).

Other operating expenses totaled €60,815 thousand compared to €9,023 thousand in 2019. These mainly include:

- costs relating to all support measures for employees affected by the reorganization in France (€58,714 thousand),
- foreign exchange losses on operating transactions (€1,848 thousand).

3.2.2.2 Consolidated cash flow

Group net cash amounted to €234,313 thousand at 2020 year-end, compared to €207,957 thousand at the end of 2019. It should be noted that the planned reorganization will mainly impact cash in 2021 and 2022.

The change in cash (including the impact of foreign currency fluctuations) included an inflow of €26,356 thousand in 2020, compared to an outflow of €8,873 thousand in 2019.

Cash flow from operating activities amounted to €68,268 thousand in 2020, compared to €50,859 thousand in 2019, up €17,409 thousand. This increase can be explained by:

- the increase in cash flow (€1,911 thousand), mainly due to savings on operating expenses, which offset the decline in business. It represented 20.4% of sales, versus 18.5% in 2019,
- the decrease in taxes paid (€7,760 thousand) primarily due to the decrease in payments made in 2020 by the BOIRON parent company, partially offset by the settlement at the end of 2020 of the €7,693 thousand 2018 tax audit adjustment,

In 2019, this included:

- costs relating to the disposal of UNDA's business assets and intangible fixed assets in Belgium (€5,875 thousand),
- impairment of trademarks, patents and equipment relating to the medical device purchased in 2017 from 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 net income of €111 thousand compared to €373 thousand in 2019, in connection with the decrease in interest rates on financial investments.

Other financial income and expenses amounted to a net expense of €1,079 thousand versus €2,903 thousand in 2019. They mainly comprise the expense related to the decrease over time of the impact of the interest cost related to employee benefits (€1,120 thousand, compared to €2,277 thousand in 2019) and financial exchange losses, mainly in the US dollar (-€184 thousand, versus -€901 thousand in 2019).

The **effective tax rate** amounted to 29.6%, versus 37.0% in 2019. This decrease is mainly due to the gradual reduction in the corporate income tax rate in France and the anticipation of this reduction on deferred taxes. In 2019, losses generated by subsidiaries did not generate tax savings.

Net income (group share) amounted to €26,209 thousand, versus €40,630 thousand in 2019. Earnings per share amounted to €1.50 in 2020, up from €2.32 in 2019.

- the increase change in working capital requirements (€7,738 thousand). In 2020, the change in working capital requirement of -€15,755 thousand mainly resulted from the following factors:
 - an increase in inventories (€15,933 thousand) primarily in the United States for all products, and in France for specialties and outsourced products,
 - a decrease in accounts receivables (€9,070 thousand) due to the decline in business in light of low levels of influenza-related illnesses, particularly in Russia, the United States, the Czech Republic and Brazil. However, receivables increased in France due to higher sales in Q4 2020,
 - an increase in other receivables of €4,424 thousand in France, mainly relating to income receivable from the outsourced fund for retirement indemnities for employees leaving pursuant to the age measures set out in the reorganization plan,
 - a €1,571 thousand decrease in tax liabilities in France, due to the reduction in revenue-based pharmaceutical taxes,
 - a €2,876 thousand decrease in social security payables in France, mainly on profit-sharing (in connection with the decrease in profitability).

Cash flows related to investment activities resulted in a net outflow of €19,336 thousand, compared to €33,563 thousand in 2019. The €14,227 thousand decrease was mainly in relation to investments in tangible fixed assets. In 2020, cash flows mainly related to:

- acquisitions of tangible fixed assets amounting to €10,740 thousand:
 - investments in production equipment at the Messimy site,
 - construction of the new site in Sainte-Foy-Lès-Lyon commissioned in 2020,
 - the purchase of storage equipment at the logistics platform in Les Olmes,
 - renovation and construction work at our two sites in the United States.
- sales of tangible fixed assets for €1,766 thousand, primarily comprising the sale of the former Francheville site (Rhône).

- investments in intangible fixed assets amounting to €9,961 thousand relate to group IT projects: creation of a new intranet and professional website aimed at doctors and pharmacists, upgrade to the information system architecture, as well as the continuation of the CRM for medical representatives, the deployment of the Cloud solution and the group distribution plan.

Cash flows from financing activities resulted in a net outflow of €21,522 thousand, compared to €27,187 thousand in 2019. These mainly include:

- dividend payments of €18,380 thousand (compared to €25,389 thousand in 2019),
- the change in rental liabilities and related interest of €2,312 thousand, resulting from the application of IFRS 16 standard Leases as of 2019,
- the payment of the frozen employee profit-sharing liability in France for €1,254 thousand.

No share purchase outside the liquidity contract was carried out in 2020, as in 2019.

3.2.2.3 Consolidated balance sheet

The balance sheet totaled €781,821 thousand at 2020 year-end, versus €764,283 thousand at the end of 2019.

Under assets, the main points to note are:

- the increase in cash (+€26,241 thousand), inventories (+€12,788 thousand) and other current assets (+€4,150 thousand), presented above under the consolidated cash flow section,
- the increase in intangible fixed assets (+ €3,043 thousand), mainly relating to new IT investments, presented above under the consolidated cash flow section,
- the change in deferred tax assets (+€2,698 thousand), mainly for the BOIRON parent company, and in particular on temporary differences generated by the impact of the reorganization,
- the decrease in tangible fixed assets (-€16,448 thousand) due to amortization, impairment of fixed assets and sales of assets exceeding annual investments,
- the decrease in accounts receivable (-€15,354 thousand) including negative translation adjustments of -€6,437 thousand, mainly in Russia, the United States and Brazil (the operational change in receivables is presented above under the consolidated cash flow section).

Under liabilities, the following should be noted:

- an increase in shareholders' equity (group share) of €3,661 thousand: consolidated net income, group share (€26,209 thousand) and the increase in actuarial gains and losses net of tax on employee benefits (€3,288 thousand) were offset by dividends paid by the BOIRON parent company (€18,380 thousand) and the negative impact of exchange rate fluctuations (-€7,539 thousand)
- the increase in current and non-current provisions (+€47,772 thousand) mainly relating to the provision for support measures for employees affected by the reorganization in France (+€56,747 thousand), offset by the reversal of the tax provision in France following the payment of the 2018 tax audit adjustment (-€7,986 thousand),
- the decrease in accounts payable (-€3,229 thousand), mainly due to the impact of translation adjustments (-€2,157 thousand) on payables in Russia and the United States,
- the decrease in other current liabilities (-€7,533 thousand), mainly relating to the decrease in social security and tax liabilities in France (presented above under the consolidated cash flow section),
- the decrease in employee benefit obligations (-€22,611 thousand) primarily in France, following the reversal of obligations for employees affected by the reorganization plan.

3.3 FINANCIAL PERFORMANCE OF BOIRON PARENT COMPANY

3.3.1 Profit and loss statement of BOIRON parent company

Sales amounted to €404,422 thousand versus €423,694 thousand in 2019, down 4.5%.

Sales in mainland France fell €34,630 thousand, mainly in non-proprietary homeopathic medicines (down €29,212 thousand) and specialties (down €4,937 thousand). Sales to subsidiaries rose €19,697 thousand, driven by growth in the Americas. Direct export sales were down by €4,339 thousand.

Operating income amounted to €83,696 thousand, up €3,312 thousand. This is the result of the overall decrease in sales of €19,272 thousand, offset by savings on operating expenses. The main variations relate to the following items:

- Other income net of other expenses includes transfer price re-invoicing, generating net income of €2,710 thousand,
- production inventories and capitalized production increased by €2,341 thousand and €654 thousand, respectively,
- raw materials and supplies fell €3,331 thousand, in line with the overall decline in business,
- outsourced service savings of €8,011 thousand. The main changes concern:
 - advertising costs (-€3,086 thousand),
 - travel and hospitality costs (-€3,275 thousand) relating to the lockdowns,
 - wholesaler transport costs (-€2,232 thousand) impacted by the decline in mainland France business. Conversely, transport for sales increased (+€5,394 thousand), primarily relating to air transport costs to the United States,
 - consulting fees down €1,339 thousand,

- Pharmaceutical taxes decreased by €1,781 thousand due to the decline in sales on reimbursable homeopathic medicines,
- Personnel costs posted savings of €6,321 thousand, relating to distribution and promotional activities, including impacts of lockdowns during the health crisis.

Financial items amounted to a net expense of €1,675 thousand, compared to an expense of €6,929 thousand in 2019. The impact corresponds to an increase in provision write-backs of €1,750 thousand, and a decrease in allocations in 2020 of €3,311 thousand on equity investments.

Net non-recurring items resulted in a net expense of -€52,283 thousand, compared to -€6,432 thousand in 2019, marked by the 2020 reorganization plan, including costs and a provision of €58,714 thousand. Income from hedging operations (insurance fund) relating to retirement indemnities granted as part of the reorganization plan has been estimated at €3,768 thousand. A €7,986 thousand provision write-back relating to the tax audit provisioned in 2019 was recognised on settlement. We also recorded the sale of the Francheville site in the Rhône region (France) for €1,700 thousand.

Incentive schemes increased €927 thousand in line with changes in operating profit. Profit-sharing fell sharply by €3,308 thousand due to provisions relating to the reorganization plan.

The corporate income tax decrease of €6,109 thousand was impacted by provisions relating to the reorganization plan and the payment of the tax adjustment.

Net income amounted to €9,146 thousand versus €37,941 thousand in 2019.

Under the provisions of Article 39.4 of the French Tax Code, the company recorded amortization of €321,831 (compared to €292,108 in 2019) for the portion of the purchase price of passenger vehicles exceeding a threshold determined according to CO2 emissions (Finance Act 2020).

3.3.2 Presentation of the financial statements and appropriation of earnings of BOIRON parent company

Profit for the 2020 fiscal year	€9,146,177.55
+ Profit carried forward	€20,918,650.34
= Distributable income	€30,064,827.89
Dividend of €0.95 per share on the basis of 17,545,408 shares	-€16,668,137.60
= Remainder	€13,396,690.29
- Other reserves	€0.00
= Carried forward	€13,396,690.29

3.4 MAJOR POST-CLOSING EVENTS

No post-closing events liable to have a material impact on the group's financial statements have 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 note 1.6.

Due to the effective delisting of homeopathic medicines in France and the ongoing global health crisis, we expect to see a significant decline in sales in 2021. Given the sharp decline in the winter illnesses market and a comparison effect marked by the BOIRON group's strong sales performance in the first quarter

of 2020, the decline in sales will be significant in the current first quarter.

Annual operating income will benefit from the comparison effect of the reorganization provisioned in 2020 as well as initial savings generated by the reorganization in France, however is nevertheless expected to decline.

Since the beginning of the year, we have released communications aimed at the general public to highlight the specific features of homeopathy and the role it plays in the daily lives of French people.



4 ANNUAL FINANCIAL STATEMENTS

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4.1 CONSOLIDATED FINANCIAL STATEMENTS

4.1.1 Consolidated financial statements

4.1.1.1 Consolidated income statement

(in thousands of euros)	Notes	2020	2019
Sales	24	513,582	557,123
Other sales revenue	24	2	2
Industrial production costs		(118,841)	(127,224)
Preparation and distribution costs		(111,312)	(119,797)
Promotion costs		(132,985)	(153,462)
Research costs		(3,516)	(3,133)
Regulatory affairs costs		(11,168)	(11,146)
Support function costs		(67,429)	(69,430)
Other operating revenue	28	30,667	3,005
Other operating expenses	28	(60,815)	(9,023)
Operating income		38,185	66,915
Cash revenue and financing expenses		111	373
Cash revenue		459	793
Financing expenses		(348)	(420)
Other financial revenue and expenses		(1,079)	(2,903)
Other financial revenue		700	495
Other financial expenses		(1,779)	(3,398)
Share in net earnings (losses) of companies at equity		0	0
Income before tax		37,217	64,385
Income tax	30	(11,008)	(23,801)
Consolidated net income		26,209	40,584
Net income (minority share)		0	(46)
NET INCOME (GROUP SHARE)	31	26,209	40,630
Earnings per share ⁽¹⁾	31	€1.50	€2.32

(1) 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	2020	2019
Consolidated net income		26,209	40,584
Other items of comprehensive income that will be subsequently reclassified to profit or loss		(7,577)	2,742
Currency translation adjustments		(7,539)	2,757
Other movements		(38)	(15)
Changes in the fair value of financial instruments		0	0
Other items of comprehensive income that will not be subsequently reclassified to profit or loss		3,288	2,186
Actuarial differences relating to post-employment benefits ⁽¹⁾	19	3,288	2,186
Other items of comprehensive income ⁽²⁾		(4,289)	4,928
Consolidated comprehensive income		21,920	45,512
Comprehensive income (minority share)		50	(50)
COMPREHENSIVE INCOME (GROUP SHARE)		21,870	45,562

(1) In 2020: +€3,044 thousand in gross actuarial differences and +€244 thousand in deferred tax (including +€1,109 thousand tax adjustments in connection with the anticipated reduction in the tax rate in France, see note 30).

In 2019 : +€1,941 thousand in gross actuarial differences and +€245 thousand in deferred tax (including +€867 thousand tax adjustments in connection with the anticipated reduction in the tax rate in France, 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	12/31/2020	12/31/2019
Non-current assets		340,365	349,889
Goodwill	6	89,556	89,646
Intangible fixed assets	7	30,111	27,068
Tangible fixed assets	8	174,815	191,263
Rights of use relating to leases	9	7,336	6,488
Investments	10	2,807	2,385
Other non-current assets	14	32	29
Deferred taxes assets	30	35,708	33,010
Current assets		441,456	414,394
Assets held for sale	11	1,693	1,519
Inventories and work in progress	12	85,037	72,249
Accounts receivable and other assets linked to customer accounts	13	88,920	104,274
Income tax receivables	14	8,586	9,523
Other current assets	14	22,535	18,385
Cash and cash equivalents	15	234,685	208,444
TOTAL ASSETS		781,821	764,283

EQUITY & LIABILITIES (in thousands of euros)	Notes	12/31/2020	12/31/2019
Shareholders' equity (group share)		509,136	505,475
Capital	16	17,545	17,545
Additional paid-in-capital		79,876	79,876
Retained earnings		411,715	408,054
Minority interests		34	(14)
Total shareholders' equity		509,170	505,461
Non-current liabilities		96,106	120,571
Non-current borrowings and financial debts	17	3,292	4,536
Non-current rental liabilities	18	5,623	5,236
Employee benefits	19	85,818	108,429
Non-current provisions	20	96	898
Other non-current liabilities	22	1,277	1,443
Deferred taxes liabilities	30	0	29
Current liabilities		176,545	138,251
Current borrowings and financial debts	17	1,383	1,485
Current rental liabilities	18	2,132	1,759
Current provisions	20	64,962	16,388
Accounts payable	21	38,201	41,430
Income tax liabilities	22	2,082	1,871
Other current liabilities	22	67,785	75,318
TOTAL LIABILITIES		781,821	764,283

4.1.1.4 Statement of consolidated cash flows

(in thousands of euros)	Notes	2020 ^m	2019
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	32	68,268	50,859
Net income (group share)		26,209	40,630
Amortization of rights of use relating to leases		1,957	2,021
Other amortization and provisions (excluding current assets)		67,298	36,126
Other items (including income on asset disposals)		(1,417)	828
Gross cash flow of consolidated companies after investment income, financing expenses and taxes		94,047	79,605
Cash revenue and financing expenses		(111)	(373)
Tax charge (including deferred taxes)		11,008	23,801
Consolidated cash flow before investment income, financing expenses and taxes	32	104,944	103,033
Tax paid / tax repayment	32	(20,921)	(28,681)
Changes in working capital requirements, including:	32	(15,755)	(23,493)
Changes in inventories and work in progress		(15,933)	(848)
Changes in accounts receivable		9,070	405
Change in accounts payable		(416)	(8,116)
Change in other trade receivables and operating debts		(8,476)	(14,934)
NET CASH FLOWS RELATED TO INVESTMENT ACTIVITIES	32	(19,336)	(33,563)
Acquisitions of tangible fixed assets	32	(10,740)	(26,538)
Acquisitions of intangible fixed assets	32	(9,961)	(10,990)
Disposals of tangible fixed assets	32	1,766	4,582
Disposals of intangible fixed assets		11	11
Investment grants received			0
Acquisitions of investments		(88)	(85)
Disposals of investments		94	4
Acquisitions of current financial assets		(365)	(547)
Disposals of current financial assets		0	0
Impact of changes of scope - acquisitions	32	(32)	0
Impact of changes of scope - disposals		(21)	0
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	32	(21,522)	(27,187)
Dividends paid to parent company shareholders	32	(18,380)	(25,389)
Dividends paid to minority holders of consolidated companies		(2)	(3)
Capital increases and reductions, additional paid-in capital and reserves		(4)	(18)
Buyback of treasury shares (excluding the liquidity contract)		0	0
Disposals of treasury shares (excluding the liquidity contract)		0	0
Loan issues	17	22	1,721
Repayment of loans	17	(1,254)	(1,760)
Interests paid		(51)	(97)
Repayment of rental liabilities	18	(2,016)	(2,111)
Interests on rental liabilities		(296)	(323)
Cash revenue		459	793
CHANGE IN CASH POSITION	32	27,410	(9,891)
Impact of exchange rate fluctuations		(1,054)	1,018
Net cash position at January 1	32	207,957	216,830
Net cash position December 31	32	234,313	207,957
Consolidated cash flow before cash revenue, financing expenses and taxes:			
• per share		€5.99	€5.88
• as a % of sales		20.4%	18.5%

(1) As indicated in note 1, the health crisis did not have a significant impact on 2020 cash flows (no significant liabilities or receivables carried forward). Furthermore, the reorganization in France (see note 1) did not have a significant impact on 2020 cash flows. Most of the related costs will be incurred in 2021 and 2022.

4.1.1.5 Change in consolidated shareholders' equity at December 31, 2020

Before allocation of net income (in thousands of euros)	Number of shares ⁽¹⁾	Capital	Share premium	Treasury shares	Consolidated reserves ⁽²⁾	Actuarial differences related to post-employment benefits	Currency translation adjustments	Shareholder's equity, Group share	Minority interests	Shareholder's equity total
12/31/2018	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 1/1/2019					(448)			(448)		(448)
1/1/2019 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		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 reported	17,509,250	17,546	79,876	(1,215)	444,037	(22,702)	(12,067)	505,475	(14)	505,461
Purchases and sales of treasury shares	4,421			-9	180			171		171
Cancellation of treasury shares		0		0	0			0		0
Dividends paid					(18,380)			(18,380)	(2)	(18,382)
Transactions with shareholders	4,421	0	0	(9)	(18,200)	0	0	(18,209)	(2)	(18,211)
Net income					26,209			26,209	0	26,209
Other comprehensive income					(88)	3,288	(7,539)	(4,339)	50	(4,289)
Comprehensive income	0	0	0	0	26,121	3,288	(7,539)	21,870	50	21,920
12/31/2020	17,513,671	17,546	79,876	(1,224)	451,958	(19,414)	(19,606)	509,136	34	509,170

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

(2) Of which €387,498 thousand in other reserves and carryovers and €2,201 thousand in the legal reserve fund in the 2020 BOIRON parent company financial statements.

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, 2020. The consolidated financial statements were approved by the Board of Directors on March 10, 2021.

These financial statements will be submitted for approval by the Shareholders' Meeting of May 27, 2021.

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 are located at 2, avenue de l'Ouest Lyonnais, 69510 Messimy, France.

At December 31, 2020, BOIRON parent company and its subsidiaries had 3,344 employees (actual workforce) in France and abroad, compared to 3,502 at December 31, 2019.

The BOIRON share is listed on Euronext Paris.

1 MAIN EVENTS OF THE YEAR

• January 1, 2020:

- **Reimbursement rate for homeopathic medicines reduced from 30% to 15% in France**

Delisting entered into effect on 1 January 2021. A number of complementary health insurance companies offer full or partial coverage of homeopathic medicines.

As from January 18, 2021, BOIRON released communications aimed at the general public to highlight the specific features of homeopathy and the role it plays in the daily lives of French people. This campaign will be rolled out internationally.

- **Finalization of the sale of the site of our subsidiary UNDA**

All jobs were saved and 38 site employees have been employed by the purchaser since January 1, 2020. The financial impacts of this sale were recognised in 2019.

• March 11, 2020: Announcement of a major reorganization plan in France.

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 as of January 1, 2021 was a major disruption, leading our company 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,
- rescaling of the production and preparation-distribution teams at the continued sites,
- reorganization of the sales teams.

The plan was initially going to result in the elimination of 646 positions and the creation of 134. Following negotiations with employee representatives, the reorganization in France will result in the elimination of 566 positions and the creation of 122.

Based on the information currently available, the overall cost is estimated at €63,780 thousand, €58,714 thousand of which was provisioned in 2020 pursuant to applicable accounting standards (the provision at December 31, 2020, taking into account the costs incurred during the year, amounts to €56,747 thousand, see note 20). The difference with the overall cost will be recorded in 2021. These costs were recognized under other operating expenses (see note 28).

At the same time, we recorded a €25,995 thousand reversal of provisions in light of the reduction in employee benefits obligations (see note 19) generated by the reorganization, recognised under other operating revenue (see note 28).

The reorganization plan had no significant impact on cash flow in 2020, as most of the costs indicated above will be disbursed in 2021 and 2022.

The first closures began in January 2021 and will end at the end of 2021, with the closure of the Montrichard site.

• March 16, 2020: Beginning of lockdown in France (after Italy), followed by widespread lockdowns affecting all our subsidiaries.

Valérie Lorentz-Poinsot has commented on this unprecedented situation in the introduction to this document.

The impact of the health crisis on profitability in 2020 was not significant, as our business continuity has been assured and the group's financial structure remains balanced overall. As such, short-time working arrangements were not significant and the group did not request the deferral or staggering of certain liabilities, nor did it see any significant changes with regard to customer payment conditions.

- **March 19, 2020: creation of a subsidiary in Hong Kong, wholly-owned by the group.**

It will ensure the development of our business activities in Asia through a network of distributors (see note 3).

- **December 21, 2020: decision of the French Conseil d'État**

The French Conseil d'État decided not to grant our requests challenging the decrees regarding the delisting of homeopathic medicines from French health insurance.

- **December 28, 2020: sale of site**

The sale of the Francheville (Rhône) site generated a capital gain of €1,588 thousand, recognized under other operating revenue (see note 28). +

2020 operating income amounted to €38,185 thousand, down €28,730 thousand versus 2019.

Before taking the impact of reorganization into account, it amounted to €70,904 thousand, up €3,955 thousand compared to 2019, following:

- the decline in sales, which had a €35,158 thousand negative impact on gross margin,
- the €31,203 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,
- the comparison effects in 2019 relating to the reorganization of our activities in Belgium (€5,875 thousand) and the impairment of ALKANTIS trademarks, patents and equipment (€2,069 thousand).

(in thousands of euros)	2020
Operating income	38,185
Neutralization of reorganization expenses recorded in 2020	+58,714
Neutralization of the reversal of provision in respect of the reduction in employee benefits obligations	-25,995
Operating income before impact of reorganization	70,904
% of sales	13.8%

2 VALUATION METHODS AND CONSOLIDATION PRINCIPLES

The consolidated financial statements are stated in thousands of euros unless otherwise indicated.

The BOIRON group financial statements for the year ended December 31, 2020 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).

The standards, amendments and interpretations that took effect on January 1, 2020 did not have a material impact or are not applicable. This mainly concerns:

- amendments to IAS 1 and IAS 8 on the materiality threshold, 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 16 on modifications to leases, published in October 2020,
- benchmark interest rate reform, Phase 1 - amendments to IFRS 7, IFRS 9 and IAS 39, published by the European Union in January 2020,
- revised conceptual framework for financial reporting, published by the European Union in December 2019,
- amendments to IFRS 10 and IAS 28 - sale or contribution of assets between an investor and an associate or joint venture,
- amendments to IAS 37 - costs to be taken into account in assessing whether a contract is onerous.

Furthermore, the analysis of the impact of the November 2019 IFRIC interpretation on the enforceable term of leases (IAS 16) and the amortization period for leasehold improvements (IFRS 16) was finalized in 2020; it had no impact on the group's financial statements.

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 enter into effect as from January 1, 2021, subject to their adoption by the European Union. This mainly concerns:

- benchmark interest rate reform – Phase 2 (published in January 2021) – amendments to IFRS 7, IFRS 9 and IAS 39
- amendments to IAS 16 – Property, plant and equipment – proceeds before intended use,
- amendments to IFRS 17 / IFRS 4 – insurance contracts: temporary exemption from IFRS 9.

The standards, amendments and interpretations adopted by the IASB, which will enter into effect for fiscal years beginning on or after January 1, 2021, and for which the EU adoption process is currently underway, comprise the following:

- amendments to IAS 1 Presentation of Financial Statements – Classification of liabilities as current and non-current, published on January 23, 2020 and July 15, 2020, and applicable as of January 1, 2023,

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). Please note, there is no material uncertainty regarding the valuation of the reorganization provision in France, as the agreements were signed before the closing date.

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.

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 2019. 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.

- Annual Standards Improvement Process, 2018-2020 cycle: various provisions, published on May 14, 2020 and applicable as from January 1, 2022,
- amendments to IFRS 3 (reference to the conceptual framework), IAS 16 (pre-commissioning revenue recognition), and IAS 37 (onerous contracts), published on May 14, 2020, and applicable as from January 1, 2022.

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, 2020 which have not yet been approved at the European level, that would have a material impact on the financial statements for the year.

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 given rise 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.

The health crisis has significantly increased uncertainty and economic risks, both in France and abroad. Its impact on BOIRON group was not material in 2020. However, the group is not yet able to assess the impact of this ongoing crisis.

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.

The BOIRON entity in Germany, which has been inactive since its creation, was deconsolidated as of January 1, 2020, and recognized under financial assets at the consolidated value at the deconsolidation date. Impairment tests gave rise to the recognition of a change in the fair value, which reduced the net value of securities to zero. The net impact on the group's financial statements is not material.

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.

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". Exchange rate adjustments for the year are recognized under other items

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.

of comprehensive income. These will be posted to the income statement in the event that the subsidiary is sold.

The goodwill resulting from the acquisition of a foreign company is regarded as the 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

Revised IFRS 3 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 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 earn-out provisions for the fiscal years presented.

2.4.2 Intangible fixed assets

IAS 38 defines an intangible fixed 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 fixed 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 given rise to the capitalization of interest, as group debt is not material.

Intangible fixed assets recognized by the BOIRON group are therefore valued at acquisition cost. These assets mainly comprise 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 fixed assets, since they do not meet the criteria for capitalization. In practice, the brands recognized as intangible fixed assets are therefore solely brands acquired through corporate acquisitions.

Research and development expenses essentially consist of:

- on the one hand, pharmacological, clinical and fundamental research costs which 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),
- on the other hand, 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 phases is capitalized:

- organic analysis expenses,
- programming, tests and trial series expenses,
- expenses related to end-user documentation.

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 given rise to the capitalization of interest, as group debt is not material.

The group does not own any investment properties.

2.4.4 Rights of use related to leases and accounting principles specific to IFRS 16

On the lessee’s side, IFRS 16 no longer distinguishes between finance leases and operating leases.

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.

These expenses are capitalized in accordance with the six criteria set out in IAS 38:

- the technical feasibility necessary to complete software,
- the intention to complete and use them,
- the ability to use them,
- the capacity of these software applications 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.

2.4.3.2 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.

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. Restated leases do not have a significant variable component.

In the absence of capital leases, 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.

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.

As stated in note 2, the application on December 31, 2020 of the November 2019 IFRIC interpretation on the enforceable

term of leases (IAS 16) and the amortization period for leasehold improvements (IFRS 16) had no impact on the group's financial statements.

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 2020.

In the absence of a purchase option, rights of use related to leases are amortized over the lease term.

As indicated in note 2, the group did not benefit from rental relief with relation to the 2020 health crisis.

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 item includes non-consolidated investments, including FCPI (Fonds Commun de Placement dans l'Innovation) investment securities. 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).

With regard to intangible fixed assets, to date, impairment tests have only been carried out on certain acquired brands for which marketing of certain medicines was discontinued and for which the impairment 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 ongoing development projects as of the closing dates of the periods reported.

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 are identified, 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 that 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 implementing 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, recorded under other operating expenses, cannot be reversed, except on the disposal of goodwill (such as the 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.

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 cause of 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.

The group has recognized deferred tax on the restatement of leases related to IFRS 16, in a non material amount.

Impacts relating to the application of IFRS 16:

The analysis conducted did not identify any assets related to leases that would need to be tested independently of a Cash Generating Unit (CGU).

Pending clarification regarding the practical procedures for conducting impairment tests incorporating the restatement of IFRS 16, and in view of the practical difficulties identified, the impairment tests were carried out, like in 2019, 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.

As indicated in the notes to the 2019 consolidated financial statements, the 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.

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 company value-added tax (Cotisation sur la Valeur Ajoutée des Entreprises or "C.V.A.E" in French) is 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 revenue.

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 amortized 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 is 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's 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 procedure for recognizing sales (revenues) are presented in note 2.11.1.

Trade receivables are initially recognized at 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. As such, the group 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.

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.

The group staff receives:

- 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 prepension.

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.

As indicated in note 1, the reduction in employee benefits resulting from the reorganization in France was recognized under other operating revenue.

No plan modification or termination occurred in 2019 and 2020.

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.

2.9.2 Borrowings and financial debts (excluding 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.

2.9.3 Rental liabilities

The accounting methods and principles for lease liabilities under IFRS 16 are presented in note 2.4.4.

As indicated above, the impact on Retirement Indemnities and the Agreement on Preparation for Retirement, related to employees affected by the reorganization, has been recognized under other operating revenue.

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 expense is recorded under personnel expenses.

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.

Current borrowings and financial debts include:

- the portion at under one year of borrowings and other financing,
- 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.

2.9.4 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 reorganizations,
- 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 leading to the conclusion that there will be exceptional returns,

- provisions for labor and commercial lawsuits,
- provisions intended to cover ongoing actions related to risk procedures.

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 the actualization impact is material.

Contingent assets and liabilities are set out 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.).

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.

2.10.1 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

2.10.2 Financial assets measured 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, 2020 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 Consolidated income statement

The group applies ANC (French accounting standards agency) recommendation No. 2013-R-03 of November 7, 2013 about 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 lays the foundation for recognizing sales on the basis of a five-step analysis:

- identification of the agreement,
- identification of the various 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 health crisis did not lead to any changes in the rules for recognizing sales.

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. 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. This 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").

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, interest 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 the 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 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 interest (including interest 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 resulted in 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.

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 at 12/31/2020	% interest at 12/31/2019	% control at 12/31/2020	% control at 12/31/2019
		Type of change	Date				
Belgium	UNDA	Purchase of shares from minority shareholders	6/23/2020	99.98%	99.28%	99.98%	99.28%
Italy	LABORATOIRES BOIRON			99.91%	99.91%	99.97%	99.97%
USA	BOIRON USA ⁽¹⁾			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	Deconsolidation	1/1/2020	0.00%	100.00%	0.00%	100.00%
France (Martinique)	BOIRON CARAIBES			99.04%	99.04%	99.04%	99.04%
Czech Republic	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 ⁽¹⁾	Liquidation	12/28/2020	0.00%	100.00%	0.00%	100.00%
France	LES EDITIONS SIMILIA ⁽²⁾			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	3/19/2020	100.00%		100.00%	

(1) Holding company.

(2) 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.

BOIRON BELGIUM was liquidated on December 28, 2020, following a simplification of the ownership structure of companies in Belgium. The impact of this transaction on the consolidated financial statements is not material.

The BOIRON entity in Germany, inactive since its creation, was removed from the consolidation scope on January 1, 2020. The net impact of this deconsolidation on the group's financial statements is not material (see note 2.2).

Given that their impact within the group is considered non-significant, the non-consolidated controlled companies are recognized as investments (see note 10).

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 2020	Average rate 2019	Closing rate 2020	Closing rate 2019
Czech Koruna	26.455	25.670	26.242	25.408
US Dollar	1.141	1.120	1.227	1.123
Canadian Dollar	1.529	1.486	1.563	1.460
Hungarian Forint	351.204	325.230	363.890	330.530
Romanian Leu	4.838	4.746	4.868	4.783
Brazilian Real	5.890	4.414	6.374	4.516
Russian Ruble	82.645	72.459	91.467	69.956
Polish Zloty	4.443	4.298	4.560	4.257

5 SEGMENT REPORTING

The table below presents the 2020 data:

Data relating to the income statement	France	Europe (excluding France)	North America	Other countries	Eliminations ⁽¹⁾	2020
External sales	299,476	107,122	100,753	6,231		513,582
Inter-sector sales	115,269	2,972	34	1,633	(119,908)	0
TOTAL SALES	414,745	110,094	100,787	7,864	(119,908)	513,582
OPERATING INCOME	45,100	3,256	2,304	(403)	(12,072)	38,185
<i>of which net allowances to amortization, depreciation and impairment on fixed assets</i>	(28,966)	(2,404)	(893)	(343)		(32,606)
<i>of which net changes in impairment of assets, provisions and social benefits</i>	(36,509)	2,732	(678)	(134)		(34,589)
Cash revenue and financing expenses	338	(119)	(32)	(76)		111
Corporate income tax	(10,824)	(2,968)	(423)	(224)	3,431	(11,008)
NET INCOME (GROUP SHARE)	33,549	170	1,848	(717)	(8,641)	26,209

Data relating to the balance sheet	France	Europe (excluding France)	North America	Other countries	Eliminations ⁽¹⁾	12/31/2020
Balance sheet total	770,995	98,570	101,983	7,472	(197,199)	781,821
Goodwill	85,316	2,825	1,415			89,556
Net tangible and intangible fixed assets	187,905	4,828	11,699	494		204,926
Deferred taxes assets	30,832	2,150	2,684	42		35,708
Working Capital Requirements	52,815	31,985	41,243	2,163	(35,322)	92,884

Data relating to the cash flow statement	France	Europe (excluding France)	North America	Other countries	Eliminations ⁽¹⁾	2020
Acquisition of tangible and intangible fixed assets	19,176	483	977	65		20,701

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

The 2019 figures are presented below:

Data relating to the income statement	France	Europe (excluding 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
<i>of which net allowances to amortization, depreciation and impairment on fixed assets</i>	(31,148)	(3,919)	(623)	(262)		(35,952)
<i>of which net changes in impairment of assets, provisions and social benefits</i>	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 relating to the balance sheet	France	Europe (excluding 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 and intangible fixed 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 (excluding France)	North America	Other countries	Eliminations ⁽¹⁾	2019
Acquisition of tangible and intangible fixed assets	30,673	1,244	5,205	406		37,528

(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	2020	2019
France	278,062	313,400
Europe (excluding France)	115,371	132,981
North America	100,753	87,672
Other countries	19,395	23,070
TOTAL SALES	513,582	557,123

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.

6 GOODWILL

6.1 Quantified data

Goodwill	12/31/2019	Increases / (Decreases)	Currency translation adjustments	12/31/2020
BOIRON SA ⁽¹⁾	84,653			84,653
LES ÉDITIONS SIMILIA	663			663
Total "France" ⁽²⁾	85,316	0	0	85,316
Belgium	0			0
Italy	2,242			2,242
Spain	583			583
Switzerland	55			55
Total "Europe (excluding France)"	2,880	0	0	2,880
Canada	224		5	229
USA	1,281		(95)	1,186
Total "North America"	1,505	0	(90)	1,415
Total "Other countries"	0			0
TOTAL GROSS GOODWILL	89,701	0	(90)	89,611
Switzerland impairment	(55)			(55)
Belgium impairment	0			0
TOTAL NET GOODWILL	89,646	0	(90)	89,556

(1) BOIRON parent company goodwill relates to 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 has become inseparable, impairment tests are carried out in France.

There were no acquisitions that generated new goodwill in 2020.

Other changes in gross goodwill in 2020 were only due to currency translation adjustments in the "North America" area.

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 9.7% in 2020, compared to 9.3% in 2019. The rates adopted for the other CGUs ranged from 9.1% to 14.0% in 2020 (9.2% to 13.9% in 2019),
- 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 1.5%, compared to 2.0% in 2019 and 2018; the rates used for the other CGUs ranged from 0.8% to 2.5% in 2020, as in 2019.
- 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 major reorganization undertaken in France in 2020 and the estimated impacts of delisting from French health insurance (see note 1) were taken into account in the forecasts.

The tests performed did not give rise 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 points upwards or downwards),
- the growth rate to infinity (0.5 points upwards or downwards),
- the operating income rate (0.5 points upwards or downwards).

The group did not identify any reasonably possible changes in key assumptions which might lead to the recognition of impairment.

The delisting of homeopathic medicines and the reorganization plan in France did not give rise to the recognition of any goodwill impairment charges. The France CGU's recoverable amount remains well above its net book value.

7 INTANGIBLE FIXED ASSETS

Intangible fixed assets	12/31/2019	Increases Acquisitions	Annual amortization	Disposals and scrappings	Impact of impairment tests	Currency translation adjustments and other movements	12/31/2020
Brands	1,107			(21)			1,086
Software	96,027	3,772		(21)		2,729	102,507
Licenses and ownership rights	45						45
Patents and formulas	2,395					(1)	2,394
Intangible assets in progress ⁽¹⁾	5,735	6,417				(2,543)	9,609
Other intangible fixed assets	2,916					(333)	2,583
GROSS INTANGIBLE FIXED ASSETS	108,225	10,189	0	(42)	0	(148)	118,224
Brands	(1,043)		(2)	19			(1,026)
Software	(75,004)		(6,941)	22		(198)	(82,121)
Licenses and ownership rights	(42)						(42)
Patents and formulas	(2,391)					1	(2,390)
Other intangible fixed assets	(2,677)		(154)			297	(2,534)
AMORTIZATION AND IMPAIRMENT OF INTANGIBLE FIXED ASSETS	(81,157)	0	(7,097)	41	0	100	(88,113)
NET INTANGIBLE FIXED ASSETS	27,068	10,189	(7,097)	(1)	0	(48)	30,111

(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 2020 (see the "Currency translation adjustments and other movements" column); the remainder should be mostly completed in 2021.

The group has not identified any signs of impairment loss on intangible fixed assets in progress related to ERP.

The implementation of impairment tests as of December 31, 2020 did not lead to the recognition of any impairment on intangible fixed assets. In 2019, trademarks and patents acquired in 2017 from ALKANTIS were fully impaired, in the amount of €1,984 thousand. No significant intangible fixed assets were affected by the reorganization plan implemented in France in 2020 (see note 1).

No intangible fixed assets were pledged as collateral, guarantees or securities on December 31, 2019 or December 31, 2020.

No intangible fixed assets were reclassified in 2020, as in 2019, to assets held for sale.

Intangible fixed asset movements in 2019 were as follows:

Intangible fixed assets	12/31/2018	Increases Acquisitions	Annual amortization	Disposals and scrappings	Impact of impairment tests (IAS 36)	Currency translation adjustments and other movements	12/31/2019
GROSS INTANGIBLE FIXED ASSETS	99,204	10,731	0	(1,855)	0	145	108,225
AMORTIZATION AND IMPAIRMENT OF INTANGIBLE FIXED ASSETS	(72,784)	0	(8,036)	1,843	(1,984)	(196)	(81,157)
NET INTANGIBLE FIXED ASSETS	26,420	10,731	(8,036)	(12)	(1,984)	(51)	27,068

Research costs are recognized as expenses, as shown in note 27.

8 TANGIBLE FIXED ASSETS

Tangible fixed assets	12/31/2019	Increases Acquisitions	Annual amortization	Disposals and scrappings	Impact of impairment tests	Assets held for sale (see note 11)	Currency translation adjustments and other movements	12/31/2020
Land and fixtures	47,787	1,037		(150)		(290)	(45)	48,339
Buildings	216,724	2,034		(518)		(1,040)	1,793	218,993
Equipment	143,848	2,552		(5,335)			7,936	149,001
Tangible fixed assets in progress	9,566	2,943		0			(7,458)	5,051
Other fixed assets	33,021	926		(3,298)			660	31,309
GROSS TANGIBLE FIXED ASSETS	450,946	9,492	0	(9,301)	0	(1,330)	2,886	452,693
Land and fixtures	(17,479)		(1,815)	5		159		(19,130)
Buildings	(125,587)		(10,033)	287	(607)	997	354	(134,589)
Equipment	(88,766)		(9,132)	5,303	(259)		(4,122)	(96,976)
Other fixed assets	(27,851)		(1,627)	3,249	(79)		(875)	(27,183)
AMORTIZATION AND IMPAIRMENT OF TANGIBLE FIXED ASSETS	(259,683)	0	(22,607)	8,844	(945)	1,156	(4,643)	(277,878)
NET TANGIBLE FIXED ASSETS	191,263	9,492	(22,607)	(457)	(945)	(174)	(1,757)	174,815

Tangible fixed assets in progress primarily relate to industrial equipment and refurbishment work at production sites in France. Partial commissioning occurred in 2020, with the remainder scheduled for 2021 and 2022.

In 2020, depreciation of tangible fixed assets amounted to €945 thousand mainly relating to accelerated depreciation of

buildings and fittings at sites slated to close in 2021 as part of the reorganization in France (€926 thousand) (see note 1). They were recognized under other operating expenses (see note 28).

As at December 31, 2020 and December 31, 2019, no tangible fixed assets were subject to a pledge, guarantee or collateral.

Changes in tangible fixed assets in 2019 were as follows:

Tangible fixed assets	12/31/2018	Increases Acquisitions	Annual amortization	Disposals and scrappings	Impact of impairment tests	Assets held for sale (see note 11)	Currency translation adjustments and other movements	12/31/2019
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
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)
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

Impairment of tangible fixed assets amounted to €986 thousand in 2019 and primarily relate to UNDA's fixed assets (€902 thousand), with a view to their disposal on January 1, 2020.

The implementation of impairment tests on December 31, 2020 did not give rise to the recognition of any impairment of tangible fixed assets, as on December 31, 2019.

9 RIGHTS OF USE RELATING TO LEASES

Rights of use relating to leases	12/31/2019	Increases New leases	Amortization	Decreases	Currency translation adjustments and other movements	12/31/2020
Gross rights of use relating to leases	17,423	2,983		(3,237)	(757)	16,412
Amortization of rights of use relating to leases	(10,935)		(1,957)	3,237	579	(9,076)
TOTAL RIGHTS OF USE RELATING TO LEASES	6,488	2,983	(1,957)	0	(178)	7,336

Assets relating to rights of use relate solely to real estate leases. For information, there are no capital leases.

The implementation of impairment tests did not give rise to the recognition of any impairment charges.

The increase in rights of use relating to leases mainly concerns the signing of new contracts for BOIRON Spain (€1,621 thousand) and BOIRON Russia (€864 thousand).

As of December 31, 2019, the impacts were as follows:

Rights of use relating to leases	12/31/2018	Impact of the application of IFRS 16 as at 1/1/2019	Increases New leases	Amortization	Decreases	Currency translation adjustments and other movements	12/31/2019
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	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

10 INVESTMENTS

Investments	12/31/2020			12/31/2019		
	Gross value	Change in fair value	Net value	Gross value	Change in fair value	Net value
Investments at fair value through profit or loss	2,002	(715)	1,287	1,120	(64)	1,056
Non-consolidated investments ⁽¹⁾	2,002	(715)	1,287	1,120	(64)	1,056
Investments valued at depreciated cost	1,520	0	1,520	1,329	0	1,329
Loans ⁽²⁾	397		397	411	0	411
Guarantees and other receivables ⁽³⁾	401		401	438	0	438
Other investments ⁽⁴⁾	722		722	480	0	480
Investments at fair value through other comprehensive income			0			0
TOTAL INVESTMENTS	3,522	(715)	2,807	2,449	(64)	2,385

(1) €566 thousand in CEDH shares and €7 thousand in CDFH shares, non-consolidated entities held by BOIRON parent company.

In 2020, following the deconsolidation of the BOIRON entity in Germany, gross investments were classified under non-consolidated investments in the amount of €517 thousand, the change in fair value previously recorded brings the net value of the investments to 0 (see note 2.2).

€713 thousand in FCPI securities (Fonds Commun de Placement dans l'Innovation).

(2) Including €380 thousand in subsidized home loans (French "1% logement") taken over from DOLISOS SA by BOIRON parent company under the merger agreement, revalued in 2012.

(3) Real estate guarantees at subsidiaries.

(4) Including €688 thousand corresponding to the "restricted cash" portion of the liquidity contract (see note 2.4.5).

As at December 31, 2020 and December 31, 2019, 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.

11 ASSETS AND LIABILITIES HELD FOR SALE

Assets held for sale	12/31/2019	Disposals and scrappings	Impact of impairment tests	Allocation of assets	Currency translation adjustments	Other reclassifications	12/31/2020
Land and fixtures available for sale	0			131			131
Buildings available for sale	1,607			43			1,650
Equipment available for sale	0						0
Other assets available for sale	0						0
Other assets held for sale	0						0
ASSETS HELD FOR SALE	1,607	0	0	174	0	0	1,781
ADDITIONAL IMPAIRMENT OF FIXED ASSETS HELD FOR SALE	(88)	0	0	0	0	0	(88)
TOTAL NET ASSETS HELD FOR SALE	1,519	0	0	174	0	0	1,693

In 2019, "Assets held for sale" included:

- two buildings in Belgium (€1,519 thousand): these assets, which were recorded under this line item at the end of 2018, were maintained at 2020 year-end, as the intention to sell them and the active search for a buyer are ongoing,
- all tangible fixed assets and inventories of UNDA (Belgium) with a net value of zero, following depreciation: these assets were disposed of on January 1, 2020.

In 2020, the land and buildings at the Saint-Etienne facility, whose activities were transferred to the Sainte-Foy-lès-Lyon site, were classified under assets held for sale with a net book

value of €174 thousand. The sale of this facility is expected to take place in Q1 2021 and generate a capital gain of €800 thousand.

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, 2020, as in 2019.

12 INVENTORIES AND WORK IN PROGRESS

Inventories and work in progress	12/31/2019	Change	Annual impairment	Reversal for the fiscal year	Currency translation adjustments and other movements	12/31/2020
Raw materials and supplies	13,861	(98)			673	14,436
Semi-finished goods and finished goods	60,538	12,833			(2,360)	71,011
Goods	1,055	2,041			(15)	3,081
TOTAL GROSS INVENTORIES	75,454	14,776	0	0	(1,702)	88,528
TOTAL IMPAIRMENT OF INVENTORIES	(3,205)	0	(3,304)	4,462	(1,444)	(3,491)
TOTAL NET INVENTORIES	72,249	14,776	(3,304)	4,462	(3,146)	85,037

Inventory impairment is calculated on the basis of criteria set out in note 2.7.2.

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

The analysis carried out did not identify any risks of impairment (obsolescence, etc.) due to the health crisis.

13 ACCOUNTS RECEIVABLE AND OTHER ASSETS LINKED TO CUSTOMER ACCOUNTS

Accounts receivable and other assets linked to customer accounts	12/31/2019	Change	Annual impairment	Reversal for the fiscal year (unused impairment)	Reversal for the fiscal year (used impairment)	Currency translation adjustments and other movements	12/31/2020
Gross accounts receivable denominated in euros	55,872	2,445				153	58,470
Gross accounts receivable denominated in other currencies	49,687	(11,337)				(6,467)	31,883
TOTAL GROSS ACCOUNTS RECEIVABLE	105,559	(8,892)	0	0	0	(6,314)	90,353
Impairment of accounts receivable denominated in euros	(1,021)		(305)	75	149		(1,102)
Impairment of accounts receivable denominated in foreign currencies	(264)		(324)	109	118	30	(331)
TOTAL IMPAIRMENT OF ACCOUNTS RECEIVABLE	(1,285)	0	(629)	184	267	30	(1,433)
Net accounts receivable denominated in euros	54,851	2,445	(305)	75	149	153	57,368
Net accounts receivable denominated in other currencies	49,423	(11,337)	(324)	109	118	(6,437)	31,552
TOTAL NET ACCOUNTS RECEIVABLE	104,274	(8,892)	(629)	184	267	(6,284)	88,920

No outstanding receivables had been sold as at December 31, 2020 or December 31, 2019.

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. The health crisis did not lead the group to change its impairment methods.

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. A significant portion of trade receivables is subject to a guarantee (see note 23.3.4).

Accounts receivable denominated in foreign currencies mainly relate to Russia, the United States, Romania, Poland, the Czech Republic and Canada (see note 23).

14 INCOME TAX RECEIVABLE AND OTHER CURRENT AND NON-CURRENT ASSETS

Other current assets	12/31/2019	Change	Changes in impairment of other assets	Currency translation adjustments and other movements	12/31/2020
INCOME TAX RECEIVABLES (non-financial assets)	9,523	(519)		(418)	8,586
Non-financial assets	14,040	(123)	0	(82)	13,835
State and local government, excluding income tax	10,484	(156)		45	10,373
Staff	239	117		(27)	329
Accrued expenses	3,317	(84)		(100)	3,133
Financial assets valued at depreciated cost	4,374	4,328	0	130	8,832
Other debtors	4,374	4,328		130	8,832
Assets linked to customer contracts	0	0	0	0	0
Derivative instruments	86	53			139
Other gross current assets (excluding income tax receivables)	18,500	4,258	0	48	22,806
Impairment of other current assets	(115)		(3)	(153)	(271)
TOTAL OTHER NET CURRENT ASSETS	18,385	4,258	(3)	(105)	22,535

Other non-current assets	12/31/2019	Change	Changes in asset impairments	Currency translation adjustments and other movements	12/31/2020
TOTAL OTHER NET NON-CURRENT ASSETS	29	3	0	0	32

"Other receivables" includes, as of December 31, 2020, a receivable from the outsourced fund (€3,768 thousand) for the

reimbursement of retirement indemnities to be paid in relation to the reorganization.

15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents	12/31/2020			12/31/2019		
	Euros	Foreign currencies (euro equivalents)	Total	Euros	Foreign currencies (euro equivalents)	Total
Cash equivalents	3,149	2,582	5,731	2,603	2,078	4,681
Cash	225,180	3,774	228,954	200,117	3,646	203,763
TOTAL	228,329	6,356	234,685	202,720	5,724	208,444

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.

16 SHAREHOLDERS' EQUITY

Share capital at December 31, 2020 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 consolidated shareholders' equity.

16.1 Treasury shares

The capital is comprised as follows (number of shares):

Capital	12/31/2020	12/31/2019
Total number of shares	17,545,408	17,545,408
Treasury shares	(31,737)	(36,158)
Number of shares excluding treasury shares	17,513,671	17,509,250

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 and their value is directly booked in consolidated shareholders' equity.

As at December 31, 2020, the treasury share portfolio amounted to €1,224 thousand.

Acquisitions made during the fiscal year totaled €3,128 thousand (all via the liquidity contract). Disposals during the year amounted to €3,119 thousand (in historic acquisition costs), all through the liquidity contract.

The unrealized gain on the portfolio was €10 thousand (on the basis of the average price in December 2020).

On December 31, 2020, 31,737 shares were held through a liquidity contract with NATIXIS.

As of December 31, 2020 and December 31, 2019, there were no shares were destined for cancellation.

16.2 Dividend per share

Dividend per share (€)	
2019 dividend paid in 2020	1.05
2020 dividend proposed to the GM	0.95

As mentioned in note 1, the health crisis did not have a significant impact on the group financial structure. As such, the

group was not affected by the ban on dividend payments in 2020.

16.3 Minority interests

Given the immaterial impact of minority interests, the group does not report its contribution to the main line items on the

balance sheet and income statement, with the exception of contributions to net income and shareholders' equity.

17 CURRENT AND NON-CURRENT BORROWINGS AND FINANCIAL DEBTS

Borrowings and financial debts	12/31/2019	Increases	Decreases	Currency translation adjustments and other movements	12/31/2020
Total treasury liabilities	487	4	(113)	(6)	372
Financial borrowings	34		0		34
Profit-sharing reserve	5,500	22	(1,254)	1	4,269
Total borrowings and financial debts	5,534	22	(1,254)	1	4,303
TOTAL BORROWINGS AND FINANCIAL DEBTS	6,021	26	(1,367)	(5)	4,675
<i>Included non-current</i>	<i>4,536</i>	<i>22</i>	<i>(255)</i>	<i>(1,011)</i>	<i>3,292</i>
<i>Included current</i>	<i>1,485</i>	<i>4</i>	<i>(1,112)</i>	<i>1,006</i>	<i>1,383</i>

The change in current and non-current borrowings and financial debts in 2019 was as follows:

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
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
<i>Included non-current</i>	<i>4,206</i>	<i>1,720</i>	<i>(391)</i>	<i>(999)</i>	<i>4,536</i>
<i>Included current</i>	<i>1,786</i>	<i>101</i>	<i>(1,404)</i>	<i>1,002</i>	<i>1,485</i>

On December 31, 2020 and December 31, 2019, 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 presented in note 23.3.1.

Bank loans presented above do not include any financial covenant or "trigger event".

18 CURRENT AND NON-CURRENT RENTAL LIABILITIES

As of December 31, 2020, the impacts were as follows:

Rental liabilities	12/31/2019	Increases	Decreases	Currency translation adjustments and other movements	12/31/2020
Non-current rental liabilities	5,236	2,185	0	(1,798)	5,623
Current rental liabilities	1,759	798	(2,016)	1,591	2,132
TOTAL CURRENT AND NON-CURRENT RENTAL LIABILITIES	6,995	2,983	(2,016)	(207)	7,755

Liabilities relating to new contracts are presented under "Increases". "Decreases" correspond to the repayment of rental liabilities.

"Other movements" mainly 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 adjusted leases.

As stated in note 1, the application as of December 31, 2020 of the November 2019 IFRIC decision did not have any impact on the calculation of rental obligations, and the group did not benefit from deferrals or concessions on adjusted leases as lease obligations in 2020.

As of December 31, 2019, the impacts were as follows:

Rental liabilities	12/31/2018	Impact of the application of IFRS 16 as at 1/ 1/2019	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

19 NON-CURRENT EMPLOYEE BENEFITS

19.1 Group quantified data

Employee benefits	Company name	Country	12/31/2019	Impact on operating income	Impact on financial income	Impact on other comprehensive income Actuarial differences	Currency translation adjustments and other movements	12/31/2020
Retirement Indemnities ⁽¹⁾	BOIRON parent company	France	28,671	(3,864)	(15)	(2,576)		22,216
Retirement Indemnities	BOIRON CARAIBES	France	74	238	1	(11)		302
Retirement Indemnities	BOIRON (Réunion)	France	74	4	1	(1)		78
Agreement on Preparation for Retirement	BOIRON parent company	France	71,040	(15,113)	637	(456)		56,108
Retirement commitments	BOIRON SP	Poland	1					1
Total post-employment benefits (defined contribution plans)			99,860	(18,735)	624	(3,044)	0	78,705
Long-service bonuses	BOIRON parent company	France	7,710	(1,307)				6,403
Long-service bonuses	BOIRON CARAIBES	France	37	(2)				35
Bonuses granted	BOIRON SOCIEDAD IBERICA DE HOMEOPATIA	Spain	471	(70)				401
Bonuses granted	BOIRON India	India	8	7			(1)	14
Bonuses granted	BOIRON	Belgium	130	9				139
Early retirement	UNDA	Belgium	213	(92)				121
Total other long-term benefits			8,569	(1,455)	0	0	(1)	7,113
TOTAL EMPLOYEE BENEFITS RECORDED UNDER NON-CURRENT LIABILITIES			108,429	(20,190)	624	(3,044)	(1)	85,818

(1) The commitment presented is net of the fair value of the outsourced funds.

The impact on operating income includes provision reversals for employee benefits of €25,995 thousand relating to employees affected by the reorganization in France (see note 1):

- +€14,047 thousand on the Agreement on Preparation for Retirement,
- + €10,632 thousand on retirement indemnities, including €3,768 thousand in income receivable from the outsourced fund for the reimbursement of retirement indemnities, to be paid as part of said reorganization,
- + €1,316 thousand on long-service bonuses.

These provision reversals were recognized under other operating revenue (see note 28).

In 2019, employee benefits changed as follows:

Employee benefits	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	
Total post-employment benefits (defined contribution plans)	101,238	(1,222)	1,785	(1,941)	99,860
Total other long-term benefits	7,956	613	0	0	8,569
TOTAL EMPLOYEE BENEFITS RECORDED UNDER NON-CURRENT LIABILITIES	109,194	(609)	1,785	(1,941)	108,429

19.2 Employee benefits at BOIRON parent company

19.2.1 Main actuarial assumptions

Actuarial assumptions France	2020	2019	2018
Discount rate	0.60%	0.90%	1.80%
Annual salary revaluation ⁽¹⁾	1.30%	1.80%	2.00%
Social security contributions rate ⁽²⁾			
Executives	51.52%	52.71%	46.55%
Non-executives	42.75%	44.54%	46.55%

(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: -€3,043 thousand in 2020, -€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.

As in 2019, 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 5.9% on retirement indemnities and the agreement on preparation for retirement; this impact would be recognized under "Other comprehensive income".

Sensitivity to outsourced fund yields is insignificant given that yields on general assets, which account for 77.4 % 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 2019 and 2020:

Retirement indemnities BOIRON parent company	12/31/2019	Impact on operating income				Impact on financial income	Impact on other comprehensive income	12/31/2020
		Cost of services	Payments	Plan changes	Reorganization (1)	Interest cost net of estimated return on investment	Actuarial differences (2)	
Actual value of liabilities	54,823	3,000	(2,749)		(10,632)	481	(2,304)	42,620
Value of outsourced funds	(26,152)		2,749		3,768	(496)	(273)	(20,404)
Retirement indemnity provision BOIRON parent company	28,671	3,000	0	0	(6,864)	(15)	(2,576)	22,216

(1) See paragraph 1, a portion of the funds (€3,768 thousand) has been allocated to the reimbursement of indemnities to be paid as part of the reorganization.

(2) Of which +€489 thousand of actuarial differences linked to the discount rate increase.

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 Interest cost net of estimated return on investment	Impact on other comprehensive income Actuarial differences (1)	12/31/2019
		Cost of services	Payments	Plan changes			
Actual value of liabilities	55,164	1,607	(3,529)		956	625	54,823
Value of outsourced funds	(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 (prorata calculation) and +€4,553 thousand relating to the increase in the discount rate.

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 funds were made in 2020.

The net expense for the fiscal year recognized under income before tax, taking into account the payments reported in income (service costs, reorganization and interest cost net of estimated return on investment) amounted to net profit of €7,647 thousand (including €10,632 thousand in reversals related to the reorganization) versus a net expense of €2,071 thousand in 2019 (see notes 26 and 29).

The average duration of this employee benefit liability in 2020 was 19.1 years (versus 17.6 years in 2019).

The distribution of this commitment over time was similar to that of 2019:

- 8% less than one year,
- 20% one to five years,
- 72% 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 contributions that will be made in 2021, as this amount is subject to arbitrage during the year.

In practice, a significant portion of the indemnities paid to employees is reimbursed by the funds.

Outsourced funds

Investments are made in two types of funds: a euro-denominated fund and unit-linked funds.

Investments are distributed between these fund types as follows:

- Cardif Sécurité (general assets): 77.4%,
- SCI Primonial Capimmo: 9.0%,
- MFS Meridian Global Equity: 13.6%.

The overall breakdown of investments at December 31, 2020 was as follows:

Breakdown of investments	12/31/2020	12/31/2019
Bonds	61.2%	61.6%
Equities	23.7%	22.6%
Money market	1.8%	2.4%
Real estate	13.3%	12.5%
Others	0.0%	0.9%

Fair asset value is determined according to:

- Level 1 for 86.7% 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 actual return on the euro fund in 2020 was 2.05% (2.45% in 2019).

77.4% of investments are subject to a guaranteed rate.

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 2019 and 2020, the change in provisions for this agreement was as follows:

Agreement on Preparation for Retirement BOIRON parent company	12/31/2019	Impact on operating income				Impact on financial income	Impact on other comprehensive income	12/31/2020
		Cost of services	Payments	Plan changes	Reorganization (1)	Interest cost	Actuarial differences (2)	
Agreement on Preparation for Retirement provision - BOIRON parent company (discounted value of commitment)	71,040	3,837	(4,902)	0	(14,047)	637	(456)	56,108

(1) See note 1.

(2) Of which +€634 thousand in actuarial differences linked to the discount rate decrease.

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)	
Agreement on Preparation for Retirement provision - BOIRON parent company (discounted value of commitment)	73,160	1,782	(4,612)	0		1,318	(608)	71,040

(1) Including -€13,073 thousand in differences relating to the change in methodology on the prorata calculation and +€5,719 thousand relating to the increase in the discount rate.

Payments consist of paid services, there is no investment in an outsourced fund.

The net cost for the year recognized in profit or loss before tax, taking into account payments recognized under profit or loss (service cost, interest cost and impact of the change in plan) resulted in net profit of €9,573 thousand (including a €14,047 thousand reversal related to the reorganization) compared with a net expense of €3,100 thousand in 2019 (see notes 26 and 29).

The average duration of this employee benefit liability in 2020 was 16.6 years (versus 16 years in 2019).

The distribution of this commitment over time was similar to that of 2019:

- 6 % less than one year;
- 32 % one to five years,
- 62 % more than five years.

19.2.4 Long-service bonuses

As stated 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 2019 and 2020 was as follows:

Long-service bonuses - BOIRON parent company	12/31/2019	Cost 2020	Actuarial differences	Plan changes	Payments	Reorganization (1)	12/31/2020
Long-service bonuses provision - BOIRON parent company	7,710	594	(113)	0	(472)	(1,316)	6,403

(1) See note 1.

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	0	(630)	7,710

The cost breakdown between service costs and interest costs for 2020 and 2019 was as follows:

Long-service bonuses costs - BOIRON parent company	2020	2019
Service cost	530	408
Interest cost	64	118
Reorganization (reversal)	(1,316)	
TOTAL COST IN OPERATING INCOME	(722)	526

20 CURRENT AND NON-CURRENT PROVISIONS

Current provisions	12/31/2019	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	12/31/2020
Provisions for returned goods	4,638	4,902	(185)	(4,391)	(192)	4,772
Provisions for contingencies and lawsuits	9,870	423	(686)	(8,071)	(18)	1,517
Provisions for reorganizations	1,880	57,871		(1,976)	898	58,673
Other provisions for other expenses	0					0
TOTAL CURRENT PROVISIONS	16,388	63,196	(871)	(14,439)	688	64,962

Non-current provisions	12/31/2019	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	12/31/2020
Provisions for contingencies and lawsuits	0	94				94
Provisions for reorganizations	898				(898)	0
Other provisions for other expenses	0	2				2
TOTAL NON-CURRENT PROVISIONS	898	96	0	0	(898)	96

20.1.1 Tax audit

Provisions for risks and litigation in 2019 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 the proposed reassessment interrupting the statute of limitations for the 2015 fiscal year. €1,262 thousand was reversed, following the tax authorities' response at the end of 2019.

Following the payment of the €7,905 thousand tax reassessment at the end of December 2020, the provision was reversed in its entirety during the year. As of December 31, 2020, there are no longer any provisions for tax audits recorded under provisions.

20.1.2 Provisions for reorganizations

Current provisions for reorganizations amounted to €58,673 thousand as of December 31, 2020, and break down as follows:

- €56,747 thousand in France in respect of the reorganization undertaken in the first half of 2020 (see note 1). This is made up of:
 - €52,553 thousand relating to compensation for job cuts,
 - €3,706 thousand in support fees and regional renewal contributions,
 - €1,472 thousand in relation to external support measures,
 - less €985 thousand in provision reversals for costs actually incurred in 2020.

Most of these amounts will be disbursed in 2021 and 2022. As the group is not in a position to reliably estimate the rate of disbursements, the provision has been classified as "current". As such, no discounting impact has been taken into account. There is no material uncertainty regarding the valuation of this

provision, as the agreements were signed before the closing date.

The impact of this reorganization provision on income is presented under other operating expenses (see note 28).

- €1,037 thousand at UNDA (Belgium) in relation to the departure of two employees (following the business shutdown) and promotion services provided free of charge to the purchaser over two years,
- €753 thousand in Belgium (BOIRON SPRL) for the reorganization of activities set to be finalized in 2021, representing a net decrease of €145 thousand compared to 2019. This provision was reclassified under current provisions in 2020,
- €137 thousand in France as part of the second stage of the reorganization of French sites initiated in 2017, down €378 thousand compared to 2019.

The change in current and non-current provisions during 2019 was as follows:

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

Other contingent assets and liabilities are presented in note 34.

21 ACCOUNTS PAYABLE

Accounts payable	12/31/2020	12/31/2019
Accounts payable denominated in euros	27,057	26,753
Accounts payable denominated in other currencies	11,144	14,677
TOTAL ACCOUNTS PAYABLE	38,201	41,430

As indicated in note 1, the group has not requested the deferral of accounts payable, in the context of the health crisis.

22 INCOME TAX PAYABLE AND OTHER CURRENT AND NON-CURRENT LIABILITIES

Other liabilities	12/31/2020		12/31/2019	
	Current	Non-current	Current	Non-current
INCOME TAX PAYABLES (non-financial liabilities)	2,082	0	1,871	0
Non-financial liabilities	53,014	1,218	58,855	1,384
State and local government, excluding income tax	4,680	10	6,664	49
Personnel and social security organizations	48,207	1,208	52,126	1,335
Deferred revenue ⁽¹⁾	127		65	
Financial liabilities valued at amortized cost	14,771	59	16,463	59
Fixed assets suppliers	3,605		4,626	
Accounts payable ⁽¹⁾	10,553		9,988	
Other creditors	613	59	1,849	59
Derivative instruments ⁽²⁾	0	0	0	0
TOTAL OTHER LIABILITIES EXCLUDING INCOME TAX LIABILITIES	67,785	1,277	75,318	1,443

(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.

Given its balanced financial structure, the group has not requested a payment deferral or extension for certain liabilities.

23 FINANCIAL INSTRUMENTS

23.1 Information on balance sheet

With regard to financial assets and liabilities, the following tables present:

- the breakdown according to the categories specified in 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 funds 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 2019 or 2020.

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 12/31/2020	Cross-reference notes	Designation of financial instruments	Level required by IFRS 13 amendments (1)	Net Book Value	Fair value	Less than 1 year	Schedule 1 to 5 years	Over 5 years
FINANCIAL ASSETS				335,112	335,112	332,305	0	0
Non-consolidated investments	Note 10	C	N/A	1,287	1,287	N/A	N/A	N/A
Other investments	Note 10	A	N/A	1,520	1,520	N/A	N/A	N/A
Other non-current financial assets	Note 14	A	N/A	0	0	0	0	0
Accounts receivable	Note 13	A	N/A	88,920	88,920	88,920	0	0
Derivative instruments	Note 14	D	2	139	139	139		
Other current financial assets	Note 14	A	N/A	8,561	8,561	8,561	0	0
Cash and cash equivalents	Note 15	C	1 or 2	234,685	234,685	234,685	0	0
FINANCIAL LIABILITIES				65,461	65,461	56,546	8,915	0
Cash liabilities	Note 17	C	N/A	372	372	372		
Borrowings and financial debts except treasury liabilities	Note 17	A	N/A	4,303	4,303	1,010	3,293	0
Rental liabilities	Note 18	A	N/A	7,755	7,755	2,132	5,623	
Other non-current financial liabilities	Note 22	A	N/A	59	59	59	0	0
Accounts payable	Note 21	A	N/A	38,201	38,201	38,201	0	0
Derivative instruments	Note 22	D	2	0	0	0		
Other current financial liabilities	Note 22	A	N/A	14,771	14,771	14,771	0	0

(1) See definition in note 2.10.

Data as of December 31, 2019 was as follows:

Financial instruments - balance sheet 12/31/2019	Cross-reference notes	Designation of financial instruments	Level required by IFRS 13 amendments (1)	Net Book Value	Fair value	Less than 1 year	Schedule 1 to 5 years	Over 5 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 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	0	0	0	0	0
Accounts receivable	Note 13	A	N/A	104,274	104,274	104,274	0	0
Derivative instruments	Note 14	D	2	86	86	86		
Other current financial assets	Note 14	A	N/A	5,216	5,216	5,216	0	0
Cash and cash equivalents	Note 15	C	1 or 2	208,444	208,444	208,444	0	0
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	0
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	0	0
Accounts payable	Note 21	A	N/A	41,430	41,430	41,430	0	0
Derivative instruments	Note 22	D	2	0	0	0		
Other current financial liabilities	Note 22	A	N/A	17,420	17,420	17,420	0	0

(1) See definition in note 2.10.

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, 2020, 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 2020 and 2019:

Derivative instruments		12/31/2020			12/31/2020			12/31/2019			12/31/2019		
Currency	Type of contract	Fair value commercial hedges			Current account cash position hedges			Fair value commercial hedges			Current account cash position hedges		
		Notional (in thousan ds of currenc y)	Notional (in thousan ds of euros)	Fair value (in thousan ds of euros)	Notional (in thousan ds of currenc y)	Notional (in thousan ds of euros)	Fair value (in thousan ds of euros)	Notional (in thousan ds of currenc y)	Notional (in thousan ds of euros)	Fair value (in thousan ds of euros)	Notional (in thousan ds of currenc y)	Notional (in thousan ds of euros)	Fair value (in thousan ds of euros)
US Dollar	Futures contracts	(6,598)	(5,377)	84	(18,700)	(15,239)	10				(10,000)	(8,902)	109
Canadian Dollar	Futures contracts	(545)	(349)	0	(450)	(288)	(2)						
Hungarian Forint	Futures contracts	(49,974)	(137)	0	(400,000)	(1,099)	23						
Romanian Leu	Futures contracts				(6,000)	(1,232)	(1)				(28,000)	(5,854)	(12)
Polish Zloty	Futures contracts	(590)	(129)	2	(4,500)	(987)	29				(7,000)	(1,644)	(17)
Czech Koruna	Futures contracts	(4,309)	(164)	(1)	14,500	553	(3)				12,000	472	3
Brazilian Real	Futures contracts										(3,000)	(664)	3
Swiss Franc	Futures contracts	(144)	(133)	0									
Colombian peso	Futures contracts				(200,000)	(48)	(5)						
Russian Ruble	Futures contracts	(77,143)	(843)	3									
OVERALL TOTAL			(7,133)	88		(18,341)	51	0	0		(16,592)		86

Derivative maturities are under one year.

The details and types of items 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 €139 thousand, up from €86 thousand on December 31, 2019. These amounts were recognized under other current assets (see note 14).

23.2 Impact on the income statement

The impact of revenue and expenses related to financial assets and liabilities is disclosed:

- for impairment of trade and other receivables, recognized under operating income: notes 13 and 14,
- for foreign exchange gains and losses on commercial transactions and gains and losses on derivative instruments

In the income statement, their change between 2020 and 2019 was recognized:

- under other operating revenue and expenses for fair value commercial hedges, which are considered effective,
- under other financial revenue and expenses for current account cash position hedges.

related to commercial hedges, recognized under operating income: note 28,

- for gains and losses on derivative instruments relating to financial hedges, recognized under financial income 29.

23.3 Market risk management

The main features of the group 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 2020, group consolidated cash was constantly in surplus, as in 2019.

Cash surplus investment vehicles are selected by the group treasury department in compliance with a management policy

This analysis has been updated to reflect the current economic environment and the global health crisis.

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 of December 31, 2020, 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	< 1 year	1 - 5 years	> 5 years
ASSETS - short-term investments and cash equivalents	234,685		
LIABILITIES - cash liabilities, borrowings and financial debts (excluding financial rental liabilities)	(1,383)	(3,292)	
Net cash position	233,302	(3,292)	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 €2,333 thousand on annual financial income.

23.3.2 Counterparty risk

BOIRON group 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:

- a foreign exchange risk on assets related to interests held by BOIRON parent company in its foreign subsidiaries.
This risk is assessed but is not subject to specific management as these interests are held for the foreseeable future;
- a foreign exchange risk on transactions, stemming from commercial and financial transactions carried out in currencies other than the euro, which is the group reference currency.

The foreign exchange risk on transactions is centralized on the BOIRON parent company and is mainly generated by:

- sales in local currencies,
- the financing and cash surplus needs of certain foreign subsidiaries,
- dividends in local currency paid by the subsidiaries.

The foreign exchange risk on transactions is hedged to protect BOIRON group earnings against 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 include: foreign currency loans and borrowings, cash or forward currency translation, currency options, over a maximum twelve-month term.

As of December 31, 2020, the main assets and liabilities in foreign currencies recorded in the BOIRON parent company's books break down as follows:

Breakdown of BOIRON parent company main assets and liabilities in foreign currencies		Russian Ruble	US Dollar	Czech Koruna	Polish Zloty	Canadian Dollar	Romanian Leu	Other currencies	TOTAL
Accounts receivable	in thousands of currency	78,025	6,709	4,555	590	742	6,188		
Accounts payable	in thousands of currency	(2,849)	(30)	0	0	0	0		
Net position on commercial transactions before hedging	in thousands of currency	75,176	6,679	4,555	590	742	6,188		
Fair value commercial hedges	in thousands of currency	(77,143)	(6,598)	(4,309)	(590)	(545)	0		
Net position on commercial transactions after hedging	in thousands of currency	(1,967)	81	246	0	197	6,188		
Cash accounts	in thousands of currency	750	20,254	(14,356)	3,919	504	6,057		
Net position on financial transactions before hedging	in thousands of currency	750	20,254	(14,356)	3,919	504	6,057		
Current account cash position hedges	in thousands of currency		(18,700)	14,500	(4,500)	(450)	(6,000)		
Net position on financial transactions after hedging	in thousands of currency	750	1,554	144	(581)	54	57		
Net position after total hedging	in thousands of currency	(1,217)	1,635	390	(581)	251	6,245		
NET POSITION AFTER TOTAL HEDGING (EURO EQUIVALENT)	in thousands of euros	(13)	1,332	15	(127)	161	1,283	163	2,814

The net positions before and after management were translated 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 2020.

In addition, there were no future cash flow hedges as of December 31, 2020.

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, 2020:

Impact of an abrupt 10% increase in exchange rates		Russian Ruble	US Dollar	Czech Koruna	Polish Zloty	Canadian Dollar	Romanian Leu	Other currencies	TOTAL
- on net position after management at closing date	in thousands of euros	1	(121)	(1)	12	(15)	(117)	(35)	(276)
- on sales	in thousands of euros	(1,394)	(2)	(429)	(558)	(885)	(734)	(4,494)	(8,496)
- on income before tax of subsidiaries	in thousands of euros	(65)	0	0	(18)	(23)	(49)	3,287	3,132
- on shareholders' equity	in thousands of euros	(1,781)	(5,912)	(186)	(262)	(198)	(413)	(760)	(9,512)

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, as well as sales in Poland, Russia, Brazil, Portugal, Slovakia, Czech Republic, Hungary, Romania, Spain and Italy (for some sales).

The group guarantees amounted to €85,288 thousand (compared to €91,106 thousand in 2019) on December 31, 2020.

As of December 31, 2020, the amount of overdue accounts receivable that had not been written back was €9,616 thousand, i.e. 10.6% of accounts receivable (up from €10,140 thousand or 9.6% of accounts receivable on December 31, 2019); a portion of these receivables are covered by a credit insurance policy. This increase is essentially due to payment delays in Tunisia and the United States.

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 short-term assets have always exceeded its short-term liabilities and its cash position shows a structural surplus. The BOIRON group financial structure

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 (French "Fonds Commun de Placement dans l'Innovation") securities and bonds with a net value of €713 thousand at December 31, 2020 (see note 10).

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 2020, the group posted sales of €5,842 thousand via the Pharmacie Centrale de Tunisie, the country's sole importer of medications. Due to a crisis regarding the financing of the health

Accounts receivable overdue for less than a month accounted for 47% of this amount. The remainder was overdue for less than a year.

The group 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, 2020.

Total bad debt losses, net of bad debt write-downs and reversals, amounted to a loss of €537 thousand, i.e. less than 0.10% of consolidated sales, compared with a net profit of €19 thousand in 2019, i.e. 0.01% of consolidated sales.

The BOIRON group did not record any significant defaults in 2020 or 2019, and does not expect any significant defaults to occur in the coming months.

remained unchanged in 2020. Liquidity risk remains low, despite the health crisis. The group financial structure remains balanced and the group debt level, excluding rental debt, remains marginal. As such, the details have not been provided for maturities under one year.

The breakdown by asset type for the outsourced funds related to employee benefits is presented in note 19. 77.4% of investments are covered by a guaranteed minimum rate and do not involve any equity risk.

system in Tunisia since the end of 2016, BOIRON has recorded late payments for its receivables and an extension of 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.

24 OPERATING REVENUE

Operating revenue	2020	%	2019	%
Non-proprietary homeopathic medicines	229,873	44.8	261,874	47.0
OTC specialties	282,632	55.0	293,749	52.7
Other ⁽¹⁾	1,077	0.2	1,500	0.3
TOTAL SALES	513,582	100.0	557,123	100.0
Other operating revenue (fees)	2		2	

(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.

The analysis of IFRS 15 did not identify any other relevant revenue breakdowns.

The health crisis did not result in deferred revenue recognition, due to the absence of proven customer risks at the time of recognition.

25 AMORTIZATION, DEPRECIATION, IMPAIRMENT AND PROVISIONS

Amortization, depreciation, impairment and provisions on operating income	2020	2019
Allowances to amortization and impairments on intangible fixed assets	(7,097)	(10,020)
Allowances to amortization and impairments on tangible fixed assets	(23,552)	(23,911)
Net amortization of rights of use relating to leases	(1,957)	(2,021)
TOTAL NET AMORTIZATION, DEPRECIATION AND IMPAIRMENT OF INTANGIBLE AND TANGIBLE FIXED ASSETS UNDER OPERATING INCOME	(32,606)	(35,952)
Impairment on current assets	976	(1,913)
Provisions	(55,968)	(1,510)
Provisions for tax audits	213	74
Employee benefits	20,190	609
TOTAL NET CHANGES IN ASSET IMPAIRMENT AND PROVISIONS UNDER OPERATING INCOME	(34,589)	(2,740)
TOTAL AMORTIZATION, DEPRECIATION, IMPAIRMENT AND PROVISIONS UNDER OPERATING INCOME	(67,195)	(38,692)

Amortization, depreciation, impairment and provisions under financial income	2020	2019
Impairment on financial assets	(134)	213
Provisions		
Employee benefits	(624)	(1,785)
TOTAL NET CHANGES IN ASSET IMPAIRMENT AND PROVISIONS UNDER FINANCIAL INCOME	(758)	(1,572)

Amortization, depreciation, impairment and provisions under income tax	2020	2019
Provisions for tax audits	7,773	1,188
TOTAL NET CHANGES IN IMPAIRMENT OF ASSETS AND PROVISIONS UNDER INCOME TAX	7,773	1,188
TOTAL AMORTIZATION, DEPRECIATION, IMPAIRMENT AND PROVISIONS	(60,180)	(39,076)

Net changes in amortization, depreciation, impairment and provisions, recognized in operating income by activity, are detailed below:

Amortization, depreciation, impairment and provisions on operating income by activity	2020	2019
Sales	(49)	(144)
Industrial production costs	(16,345)	(15,546)
Preparation and distribution costs	(6,991)	(5,865)
Promotion costs	(2,082)	(1,996)
Research costs	(230)	(215)
Regulatory affairs costs	(118)	(60)
Support function costs	(8,032)	(8,717)
Other operating revenue and expenses ⁽¹⁾	(33,348)	(6,149)
TOTAL	(67,195)	(38,692)

(1) Including the net impact of the reorganization in France (see notes 1 and 28).

26 PERSONNEL EXPENSES IN OPERATING INCOME

SPersonnel expenses in operating income by nature (excluding impact of reorganization)	2020	2019
Salaries and social security charges	(182,128)	(191,989)
Profit-sharing	(8,019)	(10,967)
Employee benefits (excluding impact of the reorganization)	(8,220)	(5,528)
Other personnel expenses	(7,089)	(7,743)
TOTAL PERSONNEL EXPENSES IN OPERATING INCOME (EXCLUDING IMPACT OF THE REORGANIZATION)	(205,456)	(216,227)

The cost of employee benefits (excluding financial costs and impact of the reorganization) included in personnel expenses breaks down as follows:

Cost of employee benefits (excluding interest expense and impact of the reorganization)	2020	2019
Retirement Indemnities	(3,242)	(1,615)
Agreement on Preparation for Retirement	(3,837)	(1,782)
Italian TFR	(585)	(596)
Belgium prepension	(3)	(12)
Long-service bonuses and bonuses granted	(553)	(1,523)
TOTAL COST OF EMPLOYEE BENEFITS (EXCLUDING INTEREST EXPENSE AND IMPACT OF REORGANIZATION)	(8,220)	(5,528)

Personnel expenses by activity, excluding the impact of the reorganization, have changed as follows:

Personnel expenses in operating income by activity (excluding impact of the reorganization)	2020	2019
Industrial production costs	(36,716)	(41,596)
Preparation and distribution costs	(57,675)	(60,767)
Promotion costs	(67,195)	(70,923)
Research costs	(875)	(885)
Regulatory affairs costs	(6,983)	(6,707)
Support function costs	(36,012)	(35,471)
Other operating revenue and expenses		122
TOTAL PERSONNEL EXPENSES IN OPERATING INCOME (EXCLUDING IMPACT OF THE REORGANIZATION)	(205,456)	(216,227)

The amount paid by BOIRON parent company for mandatory and supplemental retirement plans was €16,268 thousand in 2020, compared to €17,131 thousand in 2019.

27 RESEARCH COSTS

Research costs, which correspond to the costs of pharmacological, clinical and fundamental research (see note 2.4.2), amounted to €3,516 thousand in 2020 compared to

€3,133 thousand in 2019: these primarily include fees of €1,860 thousand in 2020 (compared to €1,595 thousand in 2019) and personnel expenses (see note 26).

28 OTHER OPERATING REVENUE AND EXPENSES

Other operating revenue and expenses	2020	2019
Income on asset disposals	1,432	889
Tax credits (including research tax credits) ⁽¹⁾	1,263	1,600
Impacts of disposal of UNDA business assets and fixed assets in Belgium		(5,875)
Trademark, patent and fixed asset impairment - ALKANTIS		(2,069)
Reorganization in France - provisions and impairment	(58,714)	
Reorganization in France - write-back on provisions for employee benefit obligations	25,995	
Net changes in provisions	148	(1,023)
Gains and losses on derivative instruments (related to operating hedges)	1,590	(6)
Foreign exchange gains and losses on operating transactions	(1,848)	437
Others	(14)	29
TOTAL OTHER OPERATING REVENUE AND EXPENSES	(30,148)	(6,018)
Including other operating revenue	30,667	3,005
Including other operating expenses	(60,815)	(9,023)

(1) See note 2.6.

In 2020, other operating expenses and revenue include:

- €32,719 thousand of net impacts related to the reorganization announced in France in March 2020 (see note 1), including:
 - €58,714 thousand in expenses, comprising:
 - - €57,732 thousand for support schemes (see note 20),
 - - €926 thousand in accelerated depreciation in relation to buildings and fixtures of sites set to close between 2020 year-end and 2021 year-end (see note 8),
 - +€25,995 thousand in provision reversals for employee benefits previously provided for (see note 19):
 - +€14,047 thousand on the Agreement on Preparation for Retirement,
 - +€10,632 thousand on retirement indemnities, including €3,768 thousand in income receivable from the outsourced funds for the reimbursement of retirement indemnities, to be paid as part of said reorganization,
 - +€1,316 thousand on long-service bonuses.
- €1,588 thousand in capital gains on the sale of the Francheville site in the Rhône region in France.

In 2019, other operating expenses and revenue included:

- impacts of the disposal of UNDA business and fixed assets in Belgium (-€5,875 thousand)
 - - €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,
 - +€122 thousand of social commitments not transferred to the purchaser.
- impairment charge for assets (trademarks, patents and equipment) acquired in 2017 from ALKANTIS in the amount of €2,069 thousand.
- a €898 thousand provision for the reorganization of activities in Belgium.
- the capital gain on the sale of the former head office of the US subsidiary (€1,141 thousand).

29 OTHER FINANCIAL REVENUE AND EXPENSES

Other financial revenue and expenses	2020	2019
TOTAL OTHER FINANCIAL REVENUE	700	495
Including net financial return on outsourced funds of employee benefits ⁽¹⁾	496	492
Including gains and losses on derivative instruments (related to financial hedges)	201	
TOTAL OTHER FINANCIAL EXPENSES	(1,779)	(3,398)
Including interest cost of employee benefits ⁽¹⁾	(1,120)	(2,277)
Including gains and losses on cash and financial accounts	(385)	(45)
Including gains and losses on derivative instruments (related to financial hedges)		(856)
Including impairment of FCPI investments	(134)	(65)
Including bank fees on financial transactions	(96)	(101)

(1) See note 19.

30 INCOME TAX

30.1 Breakdown of the tax charge

Income tax	2020	2019
Current taxes payable	(13,884)	(22,322)
Deferred taxes	2,876	(1,479)
TOTAL INCOME TAX	(11,008)	(23,801)
Effective rate	29.6%	37.0%

The difference between the recognized tax charge and the tax that would have been recognized at the BOIRON parent company theoretical rate breaks down as follows for 2019 and 2020:

Income tax	2020	%	2019	%
Theoretical tax	(11,917)	32.0	(22,168)	34.4
Impact of subsidiaries tax rates	319	(0.9)	(904)	1.4
Impact of reduced tax rates in France ⁽¹⁾	2,662	(7.2)	1,610	(2.5)
Permanent differences	(215)	0.6	(1,267)	2.0
Non-recognition of taxes on tax losses or profits	(209)	0.6	(2,592)	4.0
Provisions for tax audits ⁽²⁾	(384)	1.0	1,416	(2.2)
Tax credits, deferred income tax adjustment and other ⁽²⁾	(1,264)	3.4	104	(0.2)
TOTAL INCOME TAX	(11,008)	29.6	(23,801)	37.0

(1) Deferred tax income of €2,552 thousand was recognized under net income at December 31, 2020, in anticipation of the decrease in the French tax rate (gradual decrease until 2022, reaching 25.83%, down from 32.02% currently).

In 2019, additional income of €1,393 thousand was recognised in this respect.

(2) Including a €1,093 thousand reversal of deferred tax assets and a €458 thousand liability for tax uncertainties in Spain, following a tax audit carried out at the subsidiary.

The group theoretical tax rate (32.02%) is calculated based on the rate applicable in France in 2020.

30.2 Breakdown of deferred taxes in the balance sheet

The position of deferred taxes in the balance sheet changed as follows:

Deferred taxes	12/31/2019	Impact on net income	Impact on other comprehensive income		12/31/2020
			Actuarial differences on employee benefits	Currency translation adjustments and other movements	
Deferred taxes on regulated provisions	(12,224)	971			(11,253)
Deferred taxes on finance leases and rental contracts under IFRS 16	136	9		(13)	132
Deferred taxes on loss carry-forwards	1,905	(1,200)		(1)	704
Deferred taxes on employee benefits	28,902	(2,598)	245		26,549
Deferred taxes in relation to local taxation	4,772	3,310		(300)	7,782
Deferred taxes on other items	9,490	2,384		(80)	11,794
TOTAL NET DEFERRED TAX (1)	32,981	2,876	245	(394)	35,708
Including net deferred tax assets	33,010	2,844	248	(394)	35,708
Including net deferred tax liabilities	(29)	32	(3)		0

(1) The planned income tax reductions in France gave rise to the recognition of:

- €2,552 thousand in net income (see note 30.1),
- €1,109 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 of December 31, 2020, deferred taxes not recorded on loss carryforwards, in accordance with the principles set out in note

2.6, amounted to €6,909 thousand, compared to €7,602 thousand at December 31, 2019. They mainly relate to UNDA (Belgium), Brazil, Poland, India and Switzerland.

31 EARNINGS PER SHARE (EXCLUDING TREASURY SHARES)

Earnings per share	2020	2019
Net earnings (in thousands of euros)	26,209	40,630
Average number of shares for the fiscal year	17,508,151	17,512,257
EARNINGS PER SHARE (€)	1.50	2.32

The method for calculating the weighted average number of shares is set out in note 2.11.4.

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

32 STATEMENT OF CASH FLOWS

Group net cash amounted to €234,313 thousand at 2020 year-end, compared to €207,957 thousand at the end of 2019.

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

Reconciliation of cash between consolidated financial statements			2020	2019
Cash and cash equivalents	Consolidated balance sheet	Note 15	234,685	208,444
Cash liabilities (included in current borrowings and financial debt)	Consolidated balance sheet	Note 17	372	487
Net cash	Consolidated statement of cash flows		234,313	207,957

Group net cash amounted to €234,313 thousand at 2020 year-end, compared to €207,957 thousand at the end of 2019.

The change in cash (including the impact of foreign currency fluctuations) included an inflow of €26,356 thousand in 2020, compared to an outflow of €8,873 thousand in 2019. The impact of the reorganization in France on cash flow in 2020 was not significant, as most costs will be paid in 2021 and 2022.

Cash flow from operating activities amounted to €68,268 thousand in 2020, compared to €50,859 thousand in 2019, up €17,409 thousand. This increase was due to:

- the increase in free cash flow (€1,911 thousand) was mainly due to savings on operating expenses, which offset the decline in business. It represented 20.4% of sales, up from 18.5% in 2019,
- the decrease in taxes paid (€7,760 thousand) primarily due to the decrease in payments made in 2020 by the BOIRON parent company, partially offset by the settlement at the end of 2020 of the €7,693 thousand tax audit adjustment in 2018,
- the increased change in working capital requirements (€7,738 thousand). In 2020, the change in Working Capital Requirement (WCR) of -€15,755 thousand mainly resulted from the following factors:
 - an increase in inventories (€15,933 thousand) primarily in the United States for all products, and in France for specialties and outsourced products,
 - a decrease in trade receivables (€9,070 thousand) due to the decline in business in light of low levels of influenza-related illnesses, particularly in Russia, the United States, the Czech Republic and Brazil. However, receivables increased in France due to higher sales in December 2020,
 - an increase in other receivables of €4,424 thousand in France, mainly relating to income receivable from the outsourced funds for retirement indemnities for employees leaving pursuant to the age measures set out in the 2020 reorganization plan,
 - a €1,571 thousand decrease in tax liabilities in France, due to the reduction in revenue-based pharmaceutical taxes,
 - a €2,876 thousand decrease in social security payables in France, mainly on profit-sharing (in connection with the decrease in profitability).

Cash flows related to investment activities resulted in a net outflow of €19,336 thousand compared to €33,563 thousand in 2019. The €14,227 thousand decrease was mainly in relation to investments in tangible fixed assets. In 2020, cash flows mainly related to:

- acquisitions of tangible fixed assets amounting to €10,740 thousand:
 - investments in production equipment at the Messimy site,
 - construction of the new facility at the Sainte-Foy-lès-Lyon site, commissioned in 2020,
 - the purchase of storage equipment at the logistics platform in Les Olmes,
 - renovation and conversion work at our two sites in the United States.
- sales of tangible fixed assets (property, plant and equipment) for €1,766 thousand primarily comprising the sale of the former Francheville site (Rhône).
- investments in intangible fixed assets amounting to €9,961 thousand relate to group IT projects: creation of a new intranet and professional website aimed at doctors and pharmacists, upgrade to the information system architecture, as well as the continuation of the CRM for medical representatives, the deployment of the Cloud solution and the group distribution plan.

Cash flows from financing activities resulted in a net outflow of €21,522 thousand compared to €27,187 thousand in 2019. These mainly include:

- dividend payments of €18,280 thousand (compared to €25,389 thousand in 2019),
- the change in rental liabilities and related interest of €2,312 thousand resulting from the application of IFRS 16 Leases as of 2019,
- the payment of the frozen employee profit-sharing liability in France for €1,254 thousand.

No share purchase outside the liquidity contract was carried out in 2020, as in 2019.

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 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.

At December 31, 2020, 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	12/31/2020	Schedule			12/31/2019
		Less than 1 year	1 to 5 years	More than 5 years	
Received commitments	171	171	0	0	452
Real estate guarantees	171	171			452
Commitments given	10,717	3,439	6,392	886	12,795
Bank securities	612	612			647
Customs and tax deposits	886			886	822
Commitment to buyback FCPI units	4,088	256	3,832		4,453
Leases ⁽¹⁾	5,131	2,571	2,560		6,873

(1) This item included commitments relating to vehicle leases, which have not been restated in the consolidated financial statements in accordance with IFRS 16. This amount is not discounted. The contracts are mainly entered into for less than three years.

34 CONTINGENT ASSETS AND LIABILITIES

34.1 Dispute 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, BOIRON group is unable to assess the risk in relation to these matters. As such, the principles set out in note 2.9.4 did not result in the recognition of a provision as at December 31, 2020. No significant change was recorded in 2020.

34.2 Dispute in France

We are involved in a commercial dispute with the company from which we acquired the trademarks and patents for a sterile cooling compress medical device called "Alkantis Ice Stérile".

The application of the principles set out in note 2.9.4 did not result in the recognition of a provision as at December 31, 2020. No significant change was recorded in 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 twelve months.

35 RELATED PARTIES

35.1 Related companies

	SODEVA ⁽¹⁾		CDFH ⁽²⁾		IFCH ⁽²⁾		CEDH ⁽²⁾	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Purchases of goods							32	55
Disposals of goods								
Services provided	9	8	170	271			210	221
Services received			35	20	8	5	2,351	2,597
Total receivables			25	79			56	59
Total payables			24	7			643	768

(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	841	357
Variable compensation linked to employment contract ⁽¹⁾	553	32
Variable compensation linked to corporate manager function ⁽²⁾		
Other compensation		
Fees		20
Compensation paid to members of the Board	26	241
Benefits in kind ⁽³⁾	85	3
Total gross compensation due in 2020	1,505	653
Total gross compensation due in 2019	1,421	394
Post-employment benefits (retirement indemnities and Agreement on Preparation for Retirement)	659	357
Other long-term benefits (long-service bonuses)	92	54

(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) Variable compensation linked to the duties of corporate managers consists of the incentive bonus for corporate managers without an employment contract.

(3) This includes benefits linked to retirement, provident schemes, insurance for managers against loss of employment (€68 thousand) and the provision of a company car (€19 thousand).

36 STATUTORY AUDITORS' FEES

Statutory Auditors' fees recognized as expenses in 2020 and 2019 are detailed below:

Statutory auditors' fees accounted for ^{(1) (2)} (Amount excluding tax, in thousands of euros)	MAZARS		DELOITTE	
	2020	2019	2020	2019
Certification of financial statements	126	122	126	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⁾	3			
TOTAL	135	128	132	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 assignments and services completed 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.

37 POST-BALANCE SHEET EVENTS

No post-closing events liable to have a material impact on the group financial statements have been identified.

4.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

Year ended December 31, 2020

To the Boiron Annual General Meeting,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Boiron for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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

Basis for Opinion

Audit Framework

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

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirement of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from January 1, 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Retirement termination benefit and retirement preparation agreement commitments

(Paragraph 2.9 and 19 to the consolidated financial statements)

Risk identified

Boiron Group employees receive post-employment benefits in France, including retirement termination benefits pursuant to the collective bargaining agreement and benefits granted pursuant to an internal retirement preparation agreement.

These commitments are calculated each year by an independent actuary. A non-current provision is recognized in balance sheet liabilities in the amount of K€ 78 705 as of December 31, 2020. The commitment valuation method is disclosed in paragraph 2.9.1.2 to the consolidated financial statements and the actuarial assumptions adopted are presented in paragraph 19.2.1.

We considered the measurement of post-employment benefit commitments to be a key audit matter for the following reasons:

- The determination of actuarial assumptions involves Group Management judgment. The main assumptions concern discount rates, the forecast increase in salaries, employee turnover and the mortality table applied.
- The provision amount is sensitive to the calculation assumptions and methods used. A change in these assumptions compared to observations could have a material impact on the consolidated financial statements of the Group.

Our response

As part of our audit of the consolidated financial statements, our work consisted in:

- Familiarizing ourselves with the retirement preparation agreement;
- Examining the compliance of the post-employment benefit commitment calculation method applied by the Group with IAS 19 and recognized actuarial techniques;
- Reconciling, through sample testing, individual employee data used in the commitment calculation with data taken from the payroll software and recent pays lips;
- Performing a critical review of the method of implementing this calculation methodology for Boiron SA commitments. This critical review was performed by our specialists and notable involved:
 - A critical review of demographic and financial assumptions used to calculate commitments (discount rate, rate of salary increases, employee turnover, mortality table, etc.) with respect to regulations and comparison of these assumptions with observations (benchmarks, statistics, etc.).
 - Recalculating retirement termination benefit and pension preparation agreement commitments.
- Comparing asset amounts of outsourced funds deducted from commitments with amounts confirmed by the insurance company;
- Controlling the correct recognition of the change in commitments in the consolidated financial statements as of December 31, 2020, and in particular the correct impacts of the reorganization plan announced in France in March 2020 on the amount of commitments and assets of outsourced funds;
- Verifying the appropriateness of the disclosures provided in the notes to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

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

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the Group's management report, it being specified that, in accordance with article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Boiron SA by the annual general meeting held on May 18, 2017 for Deloitte & Associés and on May 19, 2011 for Mazars.

As of December 31, 2020, Deloitte & Associés and Mazars were in the 4th year and 10th year of total uninterrupted engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of

the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Mazars

Villeurbanne, April 8, 2021

Nicolas Dusson

Deloitte et Associés

Lyon, April 8, 2021

Séverine Hervet

Vanessa Girardet

4.3 SUBSIDIARIES AND HOLDINGS

Country	Subsidiaries and interests	Local currency	Capital	Shareholders' equity except share capital, including result before profit distribution	Book value of the shares held	gross euros, thousands	net euros, thousands	Loans and advances granted	Loans and advances received	Pledges and approvals given	Average rate for the fiscal year	Yearly sales, taxes excluded	Yearly profit and loss	Dividends received during the fiscal year
			currency, thousands	currency, thousands	gross euros, thousands	euros, thousands	euros, thousands	euros, thousands	euros, thousands	euros, thousands		currency, thousands	currency, thousands	euros, thousands
Subsidiaries (> 50% of the share capital held by the company)														
Italy	LABORATOIRES BOIRON	EUR 1,000	2,500	10,288	624	624	624	5,506				34,423	848	250
United States	BOIRON USA	USD 1,000	33,588	(9)	29,837	29,837	29,837	15,026			0.87621	0	3	668
Spain	BOIRON SOCIEDAD IBERICA DE HOMEOPATIA	EUR 1,000	1,099	446	2,295	1,530	1,530		1,757	152		14,255	(966)	
Canada	BOIRON CANADA	CAD 1,000	2,395	1,131	1,614	1,614	1,614	285			0.65384	17,804	268	75
Germany	BOIRON	EUR 1,000	511	(652)	517	0	0					-	(2)	-
Belgium	UNDA	EUR 1,000	11,359	264	11,359	325	325	1,436				103	(19)	
France	BOIRON CARAIBES	EUR 1,000	1,660	1,865	1,898	1,898	1,898	2,795				5,725	275	198
France	C.D.F.H.	EUR 1,000	8	195	8	8	8	58				421	(15)	-
Czech Republic	BOIRON CZ	CZK 1,000	3,600	53,043	99	99	99	917			0.03780	136,594	(1,122)	75
Slovakia	BOIRON SK	EUR 1,000	406	184	390	390	390	430				2,286	(27)	
Poland	BOIRON SP	PLN 1,000	30,099	(16,712)	7,320	2,885	2,885	725		63	0.22506	27,283	596	
Romania	BOIRON RO	RON 1,000	15,080	7,193	3,141	3,141	3,141	874		106	0.20670	41,702	2,318	
Tunisia	BOIRON TN	TND 1,000	105	1,708	84	84	84				0.31181	5,096	187	
Hungary	BOIRON	HUF 1,000	790,000	(929,945)	2,492	0	0	731			0.00285	782,488	(305,008)	
Bulgaria	BOIRON BG	BGN 1,000	650	1,887	332	332	332				0.51130	4,500	189	
Russia	BOIRON	RUB 1,000	827,000	964,968	13,775	13,775	13,775			437	0.01210	1,267,650	32,536	0
Brazil	BOIRON MEDICAMENTOS HOMEOPATICOS	BRL 1,000	65,812	(44,690)	19,864	3,302	3,302				0.16978	33,053	922	
Belgium	BOIRON BELGIUM	EUR 1,000	0	0	0	0	0					-	0	-
France	BOIRON	EUR 1,000	555	1,273	555	555	555	1,752				4,498	275	150
Switzerland	BOIRON	CHF 1,000	1,900	(106)	2,505	1,659	1,659	1,555			0.93431	4,479	89	-
France	LES EDITIONS SIMILIA	EUR 1,000	43	117	752	156	156	153				93	(48)	-
Portugal	BOIRON	EUR 1,000	400	299	400	400	400	120				3,700	41	
Belgium	BOIRON	EUR 1,000	11,019	(4,043)	11,019	10,182	10,182	2,375				13,388	(194)	
France	C.E.D.H.	EUR 1,000	508	241	566	566	566	145				2,876	22	
India	BOIRON LABORATORIES	INR 1,000	310,005	(183,408)	3,980	1,391	1,391			18	0.01182	36,425	(34,227)	
Colombia	BOIRON SAS	COP 1,000	4 500 000	(3,385,993)	1,241	231	231	48			0.00024	1,137,466	(1,468,589)	
Asia	BOIRON ASIA	HKD 1,000	4,326	(1,276)	500	332	332				0.10997	3,094	(1,276)	

4.4 RESULT OF BOIRON PARENT COMPANY DURING THE LAST FIVE YEARS

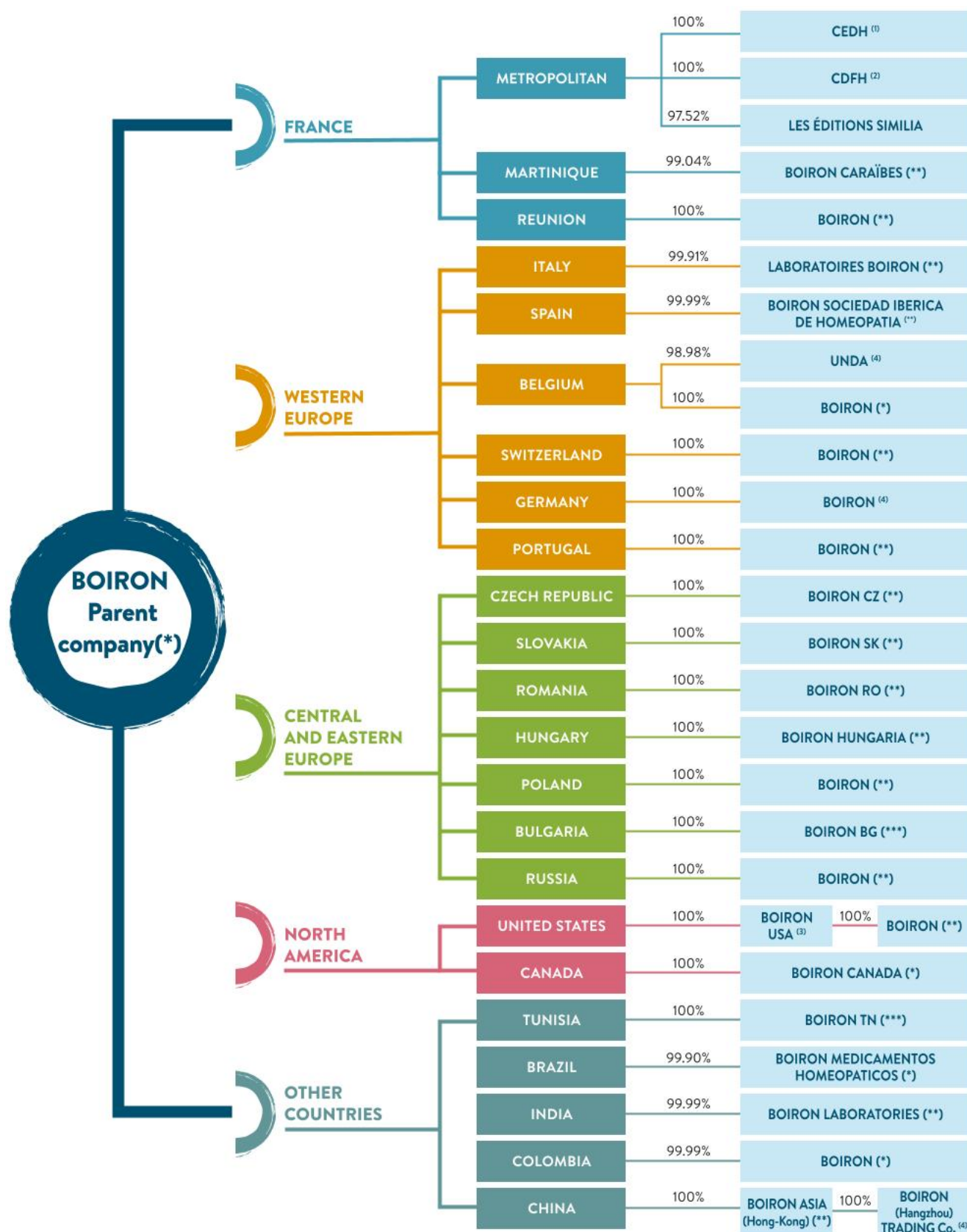
(Article R225-102 of the French Commercial Code)

Data converted into thousands of euros		2016	2017	2018	2019	2020
I Capital at the end of the fiscal year						
a	Share capital	19,442	19,415	17,566	17,545	17,545
b	Number of existing ordinary shares	19,442	19,415	17,566	17,545	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	487,095	488,858	494,072	423,694	404,422
b	Income before tax, employee profit-sharing, allowances for and cancellations of amortizations and provisions ⁽²⁾	174,322	162,823	153,365	102,405	104,231
c	Income tax	43,062	38,368	35,923	20,845	14,736
d	Employee profit-sharing for the year	7,877	7,650	7,753	3,396	88
e	Result after taxes, employees profit-sharing, and allowances for amortizations and provisions	95,871	82,584	63,578	37,941	9,146
f	Distributed profit	31,064	31,064	25,470	18,422	16,668
III Earnings per share						
a	Result after taxes, employees profit-sharing, but before allowances for amortizations and provisions.	6.35	6.02	6.24	4.45	5.10
b	Result after taxes, employees profit-sharing, and allowances for amortizations and provisions	4.93	4.25	3.62	2.16	0.52
c	Dividend distributed by share	1.60	1.60	1.45	1.05	0.95 ⁽¹⁾
IV Staff						
a	Average workforce in full-time equivalents for the workers employed during the fiscal year	2,400	2,398	2,361	2,252	2,199
b	Amount of the payroll for the fiscal year	97,328	100,162	100,755	97,995	94,159
c	Amount of the sums paid in respect of fringe benefits in the fiscal year (Social Security, charitable works, etc.)	51,309	51,433	51,028	48,629	46,145

(1) According to the resolutions proposed by the annual Shareholders' Meeting.

(2) According to the Francis Lefebvre report, profit before tax, amortization and provisions includes transfers of operating expenses.

4.5 BOIRON GROUP ORGANIZATIONAL CHART AT DECEMBER 31, 2020



(1) CEDH = Centre d'Enseignement et de Développement de l'Homéopathie

(2) CDFH = Centre De Formation en Homéopathie

(3) Holding company.

(4) Company without activity.

(*) Production, promotion, distribution.

(**) Promotion, distribution.

(***) Promotion.



5 CAPITAL, SHAREHOLDING, STOCK MARKET INFORMATION AND DIVIDENDS

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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 attached, as at February 28, 2021, 31,262,988 theoretical voting rights and 31,226,352 voting rights which can be exercised at Shareholders' Meetings.

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 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 purchased 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 9/5/2018	Effective October 30, 2018: Cancellation of 1,849,196 shares purchased 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 purchased 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 Statutory provisions

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 way of capitalization of reserves, profits or issue

premiums, for registered shares allocated free of charge to a shareholder as a result of existing shares for which they were 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 attached to 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, said 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 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)

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.

Identities have been disclosed to it hold shares on behalf of third parties.

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 certain holders whose

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 the shares of such legal entity 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 28, 2021) ⁽¹⁾

	% Share	% of voting rights exercisable at the Shareholders' Meeting
Thierry Boiron (Board member - Executive corporate officer)	3.03	3.39
Valérie Lorentz-Poinsot (Board member - Executive corporate officer)	0.01	0.01
Jean-Christophe Bayssat (Board member)	0.00	0.00
Jacky Abécassis (Board member)	0.00	0.00
Michèle Boiron (Board member)	1.55	1.67
Michel Bouissou (Board member)	0.00	0.00
Christine Boyer-Boiron (Board member)	1.13	1.27
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
Anabelle Flory-Boiron (Board member)	0.03	0.03
Laurence Boiron (Board member)	0.03	0.04
Sylvain Mossaz (Board member representing employees ⁽²⁾)	0.00	0.00

⁽¹⁾ Pursuant to the Articles of Association, each Board Member is required to own 10 (TEN) shares, with the exception of the Board Member representing employee shareholders and the Board Members representing employees.

Please note that certain Board members also hold shares in SODEVA and SHB (see 5.2).

⁽²⁾ Pursuant to Article L.225-25 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 to the Board member representing shareholder employees.

STATUTORY THRESHOLDS (ARTICLE 10 OF THE ARTICLES OF ASSOCIATION)

Any natural person or legal entity with 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 15 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 GRANTING POSSIBLE RIGHTS OVER THE SHARE CAPITAL

There are no financial instruments that, if implemented or exercised, would result in the creation of new shares.

STOCK-OPTIONS GRANTED TO EACH CORPORATE OFFICER AND OPTIONS EXERCISED BY THEM

The company has not granted any stock options.

LOANS AND WARRANTS 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 28, 2020 in its twenty-second ordinary resolution, and was implemented immediately.

This program, limited to 10% of the 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 specified 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 bought back, after deduction of the number of shares resold,

- proceed with the possible cancelation of the shares bought back, in accordance with the authorization to be granted by the Extraordinary Shareholders' Meeting,
- keep the shares bought back and subsequently put them back on the market or use them as consideration in potential external growth transactions,
- provide coverage of 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 at such times as the Board of Directors determines. The company does not intend to use option mechanisms or derivative instruments.

The maximum purchase price was set at €50 per share and the maximum amount of the transaction was set at €87,727,000.

NUMBER OF SHARES BOUGHT OR SOLD BY THE COMPANY DURING THE FISCAL YEAR

Pursuant to Article L.225-211 of the French Commercial Code, below is the required information on the implementation of the share buyback program during the 2020 fiscal year:

At December 31, 2020:

- Percentage of treasury shares: 0.2%
- Number of treasury shares held in portfolio: 31,737 (nominal value €31,737)

Number of treasury shares broken down by intended use:

- Supporting the stock price through a liquidity agreement: 31,737 (nominal value €31,737)
- External growth transactions: none
- Coverage of stock purchase options or other employee share ownership schemes: none
- Coverage of securities giving the right to the granting of shares: none
- Cancellation: none
- Reallocations: none

Book value of the portfolio: €1,224,288

Market value of the portfolio: €1,312,325 (based on the closing price on December 31, 2020)

Total nominal value: €31,737

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, 2020 to December 31, 2020		Liquidity agreement	External growth	Cancellation	Total
Purchases	Number of shares	88,726			88,726
	Price ⁽¹⁾	€35.26			€35.26
	Negotiation costs				
	Amount	€3,128,047			€3,128,047
Sales / Transfers	Number of shares	93,147			93,147
	Price ⁽¹⁾	€33.48			€33.48
	Negotiation costs				
	Amount	€3,119,004			€3,119,004

(1) Average share price.

AUTHORIZATION TO IMPLEMENT A NEW SHARE BUYBACK PROGRAM – DESCRIPTION OF THE SHARE BUYBACK PROGRAM

The Combined Shareholders' Meeting of May 27, 2021 will be called to approve the introduction of a new share buyback program, according to Articles L.22-10-62 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 goals 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 specified 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 bought back, after deduction of the number of shares resold,

- proceed with the possible cancellation of the shares bought back, in accordance with the authorization to be granted by the Extraordinary Shareholders' Meeting,
- keep the shares bought back and subsequently put them back on the market or use them as consideration in potential external growth transactions,
- provide coverage of securities giving rights to shares in the company in line with applicable regulations.

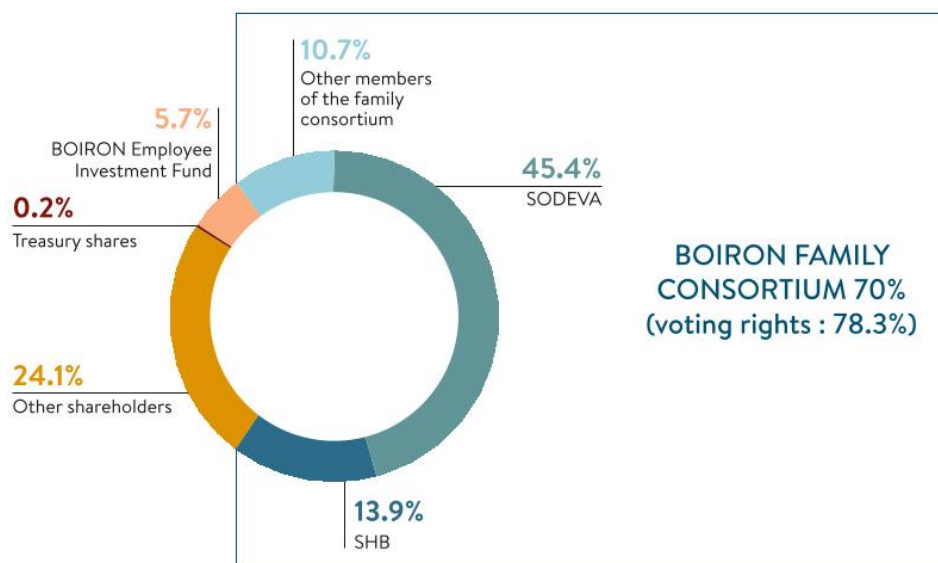
These share acquisitions may be carried out by any means, including by the acquisition of blocks of shares, and at such times as the Board of Directors determines. The company does not intend to use option mechanisms or derivative instruments.

The maximum purchase price would be €50 per share, for a total maximum of €87,727,000 for the entire operation.

The term of this program would be eighteen months beginning on May 27, 2021, i.e. until November 26, 2022.

5.2 MAIN SHAREHOLDERS

At December 31, 2020, the share capital was distributed as follows:



Voting rights are all expressed excluding treasury shares

Voting rights held by SODEVA: 51%

Voting rights held by SHB: 15.6%

Voting rights held by the other members of the BOIRON family consortium: 11.7%

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 L.233-13 of the French Commercial Code, persons holding the percentages of shares or voting rights (excluding treasury shares) listed in Article L.233-7 of the French Commercial Code on December 31, 2020 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⁾ Public limited company (société anonyme) controlled by the Henri Boiron family branch.

⁽²⁾ Public 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.

Measures taken to ensure that control is not exercised in an abusive manner include:

- 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, 2020, the BOIRON family consortium held 12,285,758 registered and bearer shares representing 70.02% of the share capital and 78.26% 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, 2018						
BOIRON Family Consortium	12,239,679	69.68	24,334,955	78.54	24,334,955	78.42
• o/w SODEVA	7,966,313	45.35	15,862,723	51.20	15,862,723	51.12
• o/w SHB	2,438,747	13.88	4,855,394	15.67	4,855,394	15.65
• o/w 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
• o/w SODEVA	7,966,313	45.40	15,893,791	51.27	15,893,791	51.21
• o/w SHB	2,438,747	13.90	4,860,894	15.68	4,860,894	15.66
• o/w 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
December 31, 2020						
BOIRON Family Consortium	12,285,758	70.02	24,442,675	78.26	24,442,675	78.18
• o/w SODEVA	7,966,313	45.40	15,932,626	51.01	15,932,626	50.96
• o/w SHB	2,438,747	13.90	4,866,994	15.58	4,866,994	15.57
• o/w other natural persons	1,880,698	10.72	3,643,055	11.67	3,643,055	11.65
Public	4,232,540	24.11	4,898,003	15.68	4,898,003	15.66
FCPE	995,373	5.67	1,893,573	6.06	1,893,573	6.06
Treasury shares	31,737	0.20	0	0	31,737	0.10
Total	17,545,408	100	31,234,251	100	31,265,988	100

BOIRON was founded by Jean and Henri Boiron.

The BOIRON family consortium is made up of two companies (SODEVA and SHB) and 21 individuals. SODEVA is a limited company controlled by the Jean Boiron family group. SHB is a limited company controlled by the Henri Boiron family group.

Mr. Thierry Boiron is Chairman of the Board of Directors and Chairman and General Manager of SODEVA. Mr. Hervé Boiron is Chairman and General Manager of SHB.

A shareholders' agreement (entitled "Pacte de préemption familial 2019" – "Family preemptive agreement 2019") entered into on January 2, 2020 between the members of the Boiron family, grouped between the Jean and Henri families and their respective asset holding companies, has been filed with the AMF. This shareholders' agreement replaces the shareholders' agreement entitled "Pacte de préemption familial 2005",

entered into on June 29, 2005 and which expired on 2017. Under this agreement, the Parties have granted each other reciprocal preemption rights in the event of the transfer of BOIRON shares. The agreement also provides for a preemptive right between SODEVA shareholders in the event of SODEVA share transfers and between SHB shareholders in the event of SHB share transfers (AMF opinion no. 221C0309).

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 within a plan to cancel all of the shares held by the company (AMF opinion no. 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,
- at its meeting held on September 5, 2018, the company's Board of Directors, 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 company's capital and 78.39% of the voting rights,

- as such, SODEVA increased its equity interest and voting rights, initially ranging between 30% and 50%, by more than

1% over less than 12 consecutive months, thus requiring it 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 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.

In 2018, 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:

	Shares	% 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 of 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 BOIRON, nor exert specific influence over the company's management, other than that exercised by the BOIRON family concert, of which it is a member, which held, prior to the capital reduction, the majority of BOIRON's voting rights, i.e. 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 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 L.233-9-4 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's equity interest and voting rights in BOIRON, initially ranging between 30% and 50%, by more than 1% over less than 12 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 fund, 933,100 BOIRON shares representing 1,818,100 voting rights, i.e. 5.31% of the capital and 5.86% of the voting rights in the company.

No material changes have taken place in the shareholder structure or voting rights since December 31, 2020.

5.2.1 Security transactions by corporate officers, senior executives and their close relations during the fiscal year

Full name Company name	Name of the person linked to the previous person	Position held within the issuer	Type of operation	Total number of shares	Weighted average price	Total amount
Thierry Boiron		Chairman of the Board of Directors	Sales	15,000	€28.46	€426,933.15
Thierry Boiron		Chairman of the Board of Directors	Donation	50,000	€40.40	€2,020,000

5.3 EMPLOYEE SHAREHOLDING

Employee share ownership 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 meeting.

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, the BOIRON share was admitted to the stock market.

Employees can invest in the BOIRON employee investment fund via:

The employee savings plan: approximately 12% of employee savings from 2019 were transferred into the BOIRON employee investment fund (FCPE) in 2020.

Profit sharing: 12% of the funds from the 2019 profit sharing incentive scheme were invested in the BOIRON employee investment fund in 2020.

Voluntary contributions: Employees can also make voluntary transfers into the BOIRON employee investment fund. In 2020, 1,336 employees contributed a total of €1,055 thousand.

Employer matching on voluntary payments into the BOIRON FCPE employee investment fund is based on a declining scale in three tranches providing eligibility for a maximum employer contribution of €1,550 for €2,950 in annual payments.

As of December 31, 2020, the BOIRON employee investment fund's assets amounted to more than €58 million, 72% of which in BOIRON shares. Around 85% of employees own a portion of the BOIRON FCPE employee investment fund.

The BOIRON employee investment fund held 5.7% of BOIRON's share capital at December 31, 2020 (5.6% at December 31, 2019).

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 STOCK MARKET INFORMATION

5.4.1 Share price performance

The BOIRON share price closed 2020 at €41.35, up 13.6% from €36.40 on December 31, 2019. The BOIRON share price peaked at €44.80 during the October 8, 2020 trading session and fell to a low of €26.75 during the March 12, 2020 trading session.

Over the year as a whole, 2,195,567 shares were traded, an average of 8,543 shares per trading session.

Compared to 2019, the number of shares traded in 2020 fell 6% and represented 13% of the company's share capital.

2019	Average closing price in euros	+ highest during trading in euros	+ lowest during trading in euros	Average of securities traded per trading day	Transaction volume in millions of euros	Shares traded during the month
January	50.50	54.30	47.50	7,557	8.33	166,245
February	50.63	55.40	48.00	5,574	5.68	111,470
March	53.73	57.10	50.80	5,012	5.62	105,254
April	51.48	55.00	47.55	5,414	5.60	108,270
May	42.71	47.60	37.10	13,490	11.77	283,283
June	38.49	41.00	34.30	8,188	6.17	163,768
July	39.87	43.70	35.65	20,603	18.85	473,874
August	38.09	40.45	36.00	5,559	4.68	122,290
September	34.12	39.50	32.10	11,676	8.39	245,196
October	31.91	33.15	30.60	9,358	0.69	215,245
November	33.00	34.40	31.55	7,148	4.96	150,098
December	34.21	37.35	32.50	9,107	6.23	182,131

2020	Average closing price in euros	+ highest during trading in euros	+ lowest during trading in euros	Average of securities traded per trading day	Transaction volume in millions of euros	Shares traded during the month
January	34.91	37.15	33.40	7,057	5.45	155,248
February	33.13	34.70	31.00	6,833	4.50	136,654
March	29.20	34.00	26.75	10,966	6.98	241,254
April	31.96	35.60	27.90	5,182	3.34	103,643
May	33.05	34.00	32.00	6,929	4.56	138,575
June	34.83	37.50	32.60	9,299	7.15	204,584
July	36.45	41.65	32.05	17,538	14.57	403,369
August	34.09	34.80	32.90	4,292	3.06	90,134
September	38.38	41.40	33.40	13,912	11.57	306,065
October	41.72	44.80	36.20	7,022	6.43	154,479
November	39.02	40.80	37.45	7,241	5.93	152,055
December	38.90	41.35	36.55	4,978	4.24	109,507

Average closing prices



5.4.2 Multi-year data

	2016	2017	2018	2019	2020
Number of shares	19,441,713	19,414,756	17,565,560	17,545,408	17,545,408
Source data adjusted by share					
Net income ⁽¹⁾	4.22	4.25	3.28	2.32	1.50
Cash flow ⁽¹⁾	8.47	8.07	7.52	5.88	5.99
Dividend	1.6	1.6	1.45	1.05	0.95
Payout ratio ⁽¹⁾	38%	38%	44%	45%	63%
Closing price	84.17	74.85	48.95	36.40	41.35
Return (net dividend / closing price)	1.90%	2.14%	2.96%	2.88%	2.30%
PER at year-end (year n)	21.05	18.57	14.96	15.72	27.68
Average monthly volume	139,515	118,176	145,887	193,927	182,093
Market capitalization at December 31 (in millions)	1,636	1,453	860	639	726

(1) Excluding treasury shares at December 31

ISIN code: FR0000061129 (BOI)

Reuters: BOIR.PA Bloomberg: BOI FP

Share listed on Euronext PARIS – Compartment B

Share included on the Euronext CAC ALL SHARES, CAC ALL-TRADABLE, CAC HEALTH CARE, CAC MID&SMALL, CAC SMALL, EN FAMILY BUSINESS, EN TECH CROISSANCE, FAS IAS and GAIA indexes

Establishment in charge of managing shares: BNP PARIBAS Securities Services

Market making agreement: NATIXIS ODDO BHF

5.5 INFORMATION ON DIVIDENDS

Fiscal year	Revenues eligible for tax credit		Revenues not eligible for tax credit
	Dividends ⁽¹⁾	Other distributed income	
2017	€31,063,609.60 i.e. €1.60 per share	-	-
2018	€25,470,062.00 i.e. €1.45 per share	-	-
2019	€18,422,678.40 i.e. €1.05 per share	-	-

(1) Of which carried forward (corresponding to dividends not paid out on treasury shares):

- €2,759,129.60 in 2017,
- €85,978.25 in 2018,
- €42,459.90 in 2019.

5.6 INCORPORATION AND ARTICLES OF ASSOCIATION – LEGAL INFORMATION ON BOIRON PARENT COMPANY

COMPANY NAME:

BOIRON

HEADQUARTERS:

2, avenue de l'Ouest Lyonnais - 69510 Messimy - France

Phone: +33(0)4 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 TERM:

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 term 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 targeted at 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

**PLACE WHERE THE LEGAL DOCUMENTATION RELATING TO
THE COMPANY MAY BE CONSULTED:**

2, avenue de l'Ouest Lyonnais - 69510 MESSIMY - France

FISCAL YEAR:

The fiscal year begins on January 1 and ends on December 31.

WEBSITES:www.boiron.fr or www.boironfinance.fr/en

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 has not been examined or approved by the AMF.

5.6.1 Internal regulations of the Board of Directors

Pursuant to a resolution adopted on March 7, 2007, the BOIRON Board of Directors established internal regulations granting 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 upon assuming his or her position on the Board.

Where appropriate, all or part of these internal regulations may be disclosed to the public.



6 LEGAL INFORMATION AND SHAREHOLDERS' MEETING

6.1 REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED SHAREHOLDERS' MEETING OF MAY 27, 2021 – EXTRAORDINARY PART

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6.2 DRAFT RESOLUTIONS PRESENTED TO THE COMBINED SHAREHOLDER'S MEETING OF MAY 27, 2021

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6.1 REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED SHAREHOLDERS' MEETING OF MAY 27, 2021 – EXTRAORDINARY PART

Dear Shareholders,

We have convened you to the Shareholders' Meeting in order to vote, during the extraordinary part, on the following resolution:

1 Authorization in order to reduce the capital by canceling treasury shares (twentieth resolution)

We suggest you to renew the authorization granted to the Board of Directors by the Combined Shareholders' Meeting of May 16, 2019 in its fifteenth extraordinary resolution, to cancel the shares acquired within the framework of the share buyback program for a period of 24 months and, consequently, to reduce the share capital.

In its fifteenth extraordinary resolution, the Combined Shareholders' Meeting of May 16, 2019 authorized the Board of Directors to cancel the treasury shares within the framework of the share buyback program.

This authorization was used to cancel 20,152 shares purchased by the company as from December 31, 2019, pursuant to a decision of the Board of Directors of December 19, 2019.

The twentieth resolution that is submitted to your vote renews this authorization. It allows the Board of Directors to cancel the shares allocated for this purpose according to the share buyback program, which is the subject of the nineteenth resolution, within the limit of 10% of the capital in 24 months, and consequently to amend the Articles of Association.

If this proposal receives your agreement, please approve it by voting for the resolution presented to you.

Signed in Messimy, March 10, 2021

The Board of Directors

6.2 DRAFT RESOLUTIONS PRESENTED TO THE COMBINED SHAREHOLDER'S MEETING OF MAY 27, 2021

Ordinary resolutions

First resolution - Approval of the company financial statements for the fiscal year ended on December 31, 2020 - 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 fiscal year ended on December 31, 2020, hereby approves the company financial statements closed at that date, as presented, which shows a profit of €9,146,177.55.

The Shareholders' Meeting expressly approves the total amount of €321,831 in expenditures 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 fiscal year ended on December 31, 2020

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, 2020,

approves these financial statements as presented, showing a profit (group share) of €26,208,857.86.

Third resolution - Allocation of profit of the fiscal year and setting of dividends

The Shareholders' Meeting, following the proposal made by the Board of Directors, hereby decides to allocate the profit of the fiscal year ended December 31, 2020 as follows:

Profit for the 2020 fiscal year	€9,146,177.55
+ Profit carried forward	€20,918,650.34
= Distributable income	€30,064,827.89
- Dividends of €0.95 per share based on 17,545,408 shares	- €16,668,137.60
= Remainder	€13,396,690.29
- Other reserves	€0.00
= Carried forward	€13,396,690.29

The Shareholders' Meeting notes that the gross dividend allocated to each share is set at €0.95.

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 in particular 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, 2021. Dividends will be paid out on June 4, 2021.

Note that if the company holds treasury shares at the ex-dividend date, the amount corresponding to dividends not paid in respect of such shares will be carried forward.

In accordance with provisions of article 243 bis of the French Tax Code, the Shareholders' Meeting notes that it was reminded

that during the last three fiscal years the distribution of dividends and income have been as follows:

During the year	Income eligible for the exemption		Income not eligible for the exemption
	Dividends ⁽¹⁾	Other income distributed	
2017	€31,063,609.60 i.e. €1.60 per share	-	-
2018	€25,470,062.00 i.e. €1.45 per share	-	-
2019	€18,422,678.40 i.e. €1.05 per share	-	-

(1) Of which carried forward (corresponding to dividends not paid out on treasury shares):

- €2,759,129.60 in 2017,
- €85,978.25 in 2018,
- €42,459.90 in 2019.

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 Ms. Stéphanie Chesnot as Board Member

The Shareholders' Meeting hereby resolves to reappoint Ms. Stéphanie Chesnot as Board Member, for a three-year term,

expiring at the end of the Meeting called in 2024 to approve the financial statements of the past fiscal year.

Sixth resolution - Reappointment of Ms. Christine Boyer-Boiron as Board Member

The Shareholders' Meeting resolves to reappoint Ms. Christine Boyer-Boiron as Board Member, for a three-year term, expiring

at the end of the Meeting called in 2024 to approve the financial statements of the past fiscal year.

Seventh resolution - Reappointment of Mr. Jean-Pierre Boyer as Board Member

The Shareholders' Meeting resolves to reappoint Mr. Jean-Pierre Boyer as Board Member, for a three-year term, expiring

at the end of the Meeting called in 2024 to approve the financial statements of the past fiscal year.

Eighth resolution - Appointment of Mr. Philippe Brun as Board Member

The Shareholders' Meeting resolves to appoint Mr. Philippe Brun as a new Board Member, for a three-year term, expiring at the end of the Meeting called in 2024 to approve the financial statements of the past fiscal year.

Mr. Philippe Brun hereby accepts this position.

Ninth resolution - Appointment of Ms. Anne Borfiga as Board Member

The Shareholders' Meeting resolves to appoint Ms. Anne Borfiga as a new Board Member, for a three-year term, expiring at the end of the Meeting called in 2024 to approve the financial statements of the past fiscal year.

Mrs. Anne Borfiga hereby accepts this position.

Tenth resolution – Approval of the information referred to in article L22-10-9 I of the French Commercial Code relating to the compensation of corporate officers

The Shareholders' Meeting, voting in accordance with article L22-10-34 I of the French Commercial Code, approves the information referred to in article L22-10-9 I of the French

Commercial Code, as mentioned in the corporate governance report included in the 2020 Universal registration document, under section 2.6.2.

Eleventh resolution – Approval of the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid during the past fiscal year or allocated in respect of the same fiscal year to Mr. Thierry Boiron, Chairman of the Board of Directors

The Shareholders' Meeting, voting in accordance with article L22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid during the past fiscal

year or allocated in respect of the same fiscal year to Mr. Thierry Boiron, Chairman of the Board of Directors, as presented in the corporate governance report included in the 2020 Universal registration document under section 2.6.3.1.

Twelfth resolution – Approval of the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid during the past fiscal year or allocated in respect of the same fiscal year to Ms. Valérie Lorentz-Poinsot, General Manager

The Shareholders' Meeting, voting in accordance with article L22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid during the past fiscal

year or allocated in respect of the same fiscal year to Ms. Valérie Lorentz-Poinsot, General Manager, as presented in the corporate governance report included in the 2020 Universal registration document under section 2.6.3.2.

Thirteenth resolution – Approval of the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid during the past fiscal year or allocated in respect of the same fiscal year to Mr. Jean-Christophe Bayssat, Deputy General Manager

The Shareholders' Meeting, voting in accordance with article L22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional components making up the total compensation and benefits of any kind paid during the past fiscal

year or allocated in respect of the same fiscal year to Mr. Jean-Christophe Bayssat, Deputy General Manager, presented in the corporate governance report included in the 2020 Universal registration document under section 2.6.3.3.

Fourteenth resolution - Approval of the compensation policy for the Chairman of the Board of Directors

The Shareholders' Meeting, voting in accordance with article L22-10-8 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 2020 Universal registration document in introduction under sections 2.6.1, 2.6.1.1 and under sections 2.6.1.1.1 and 2.6.1.3.

Fifteenth resolution - Approval of the compensation policy for the General Manager

The Shareholders' Meeting, voting in accordance with article L22-10-8 of the French Commercial Code, approves the compensation policy for the General Manager, presented in the

corporate governance report included in the 2020 Universal registration document in introduction under sections 2.6.1, 2.6.1.1 and under sections 2.6.1.1.2 and 2.6.1.3.

Sixteenth resolution - Approval of the compensation policy for the Deputy General Managers

The Shareholders' Meeting, voting in accordance with article L22-10-8 of the French Commercial Code, approves the compensation policy for the Deputy General Managers,

presented in the corporate governance report included in the 2020 Universal registration document in introduction under sections 2.6.1, 2.6.1.1 and under sections 2.6.1.1.3 and 2.6.1.3.

Seventeenth resolution - Approval of the compensation policy for the Board Members

The Shareholders' Meeting, voting in accordance with article L22-10-8 of the French Commercial Code, approves the compensation policy for the Board Members, presented in the

corporate governance report included in the 2020 Universal registration document in introduction under section 2.6.1 and under sections 2.6.1.2 and 2.6.1.3.

Eighteenth 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 €317 thousand for the 2021 fiscal year.

Nineteenth resolution - Authorization to be given to the Board of Directors to buy back company shares, under the provisions of article L22-10-62 of the French Commercial Code, term of the authorization, purpose, modalities, ceiling

Having read the Board of Directors' report, the Shareholders' Meeting authorizes the latter, for a period of eighteen months, pursuant to articles L22-10-62 and seq. and L225-210 and 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 period of validity of the program.

This authorization terminates the authorization granted to the Board of Directors by the Shareholders' Meeting of May 28, 2020 under its twenty-second 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 specified 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 bought back, after deduction of the number of shares resold,
- proceed with the possible cancelation of the shares bought back, in accordance with the authorization to be granted by the Extraordinary Shareholders' Meeting,

- keep the shares bought back and subsequently put them back on the market or use them as consideration in potential external growth transactions,
- provide coverage of securities giving rights to shares in the company in line with applicable regulations.

These shares acquisitions may be carried out by any means, including by the acquisition of blocks of shares, and at such times as the Board of Directors determines.

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 of free allocation of shares, the aforementioned amount will be adjusted in the same proportions (multiplying coefficient equal to the ratio between the number of shares in the capital before the change and the number of shares after 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

Twentieth resolution – Authorization to be given to the Board of Directors to cancel shares bought back by the company within the framework of the provisions of article L22-10-62 of the French Commercial Code

Having read the Board of Directors' report and the statutory auditors' report, the Shareholders' Meeting:

1) Authorizes the Board of Directors, with the faculty to sub-delegate, at its sole discretion, on one or more occasions, within the limit of 10% of the capital as calculated on the date of the decision of cancellation and after deduction of any shares canceled within the previous 24 months, to cancel the shares that the company owns or may come to own following buybacks pursuant to article L22-10-62 of the French Commercial Code, as well as to reduce the share capital correspondingly and in accordance with the applicable legal and regulatory provisions,

2) Sets the period of validity of this authorization at twenty-four months from the date of this Shareholders' Meeting,

3) Fully empowers the Board of Directors to perform the transactions required for these cancellations and the corresponding reductions in the share capital, to amend the articles of association accordingly and to fulfill all the required formalities.

Twenty-first 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.



7 OTHER INFORMATION

7.1 PERSON IN CHARGE OF THE UNIVERSAL REGISTRATION DOCUMENT	192	7.6 UNIVERSAL REGISTRATION DOCUMENT CONCORDANCE TABLE	195
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7.1 PERSON IN CHARGE OF THE UNIVERSAL REGISTRATION DOCUMENT

Certification of the universal registration Document

I hereby certify that the information contained in this universal registration Document is, to my knowledge, accurate and does not contain any material omissions which would render 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 199 and 200, 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 08, 2021

Valérie Lorentz-Poinsot

General Manager

Pursuant to Article 19 of European Regulation 2017/1129, the following information is incorporated by reference in this universal registration Document:

- the consolidated financial statements and the audit reports for fiscal year 2019 presented on pages 90 to 135 and on pages 136 to 138 respectively of the universal registration Document for fiscal year 2019 filed with the AMF on April 20, 2020 under number D.20-0322;
- the consolidated financial statements and audit reports for fiscal year 2018 presented on pages 108 to 168 and on pages 169 to 172 respectively of the universal registration Document for fiscal year 2018 filed with the AMF on April 15, 2019 under number D.19-0335.

7.2 STATUTORY AUDITORS OF THE FINANCIAL STATEMENTS

STATUTORY AUDITORS	Date of appointment	Term duration	End of term
DELOITTE & ASSOCIÉS Ms. Vanessa Girardet Immeuble Higashi 106, cours Charlemagne 69002 Lyon Cedex - France Phone: +33(0)4 78 63 16 16	Combined Shareholders' Meeting of 5/18/2017	6 fiscal years	2023 OSM
MAZARS Mr. Nicolas Dusson & Ms. Séverine Hervet Le Premium 131, Boulevard Stalingrad 69624 Villeurbanne Cedex Phone: +33(0)4 26 84 52 52	Initial appointment: Combined Shareholders' Meeting of 5/19/2011 Reappointment: Combined Shareholders' Meeting of 5/18/2017	6 fiscal years	2023 OSM

7.3 PUBLIC INFORMATION

During the validity of this universal registration Document, the following documents (or copies thereof) may be consulted at the company's headquarters:

- the memorandum and Articles of Association of the issuer,
- 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,
- 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.fr/en**. In particular, in accordance with Article 221-3 of the AMF General Regulation, all of the regulated information as defined by Article 221-1 of the AMF General Regulation is available on **www.boironfinance.fr/en** as well as on www.info-financiere.fr

Information notes are published by analyst firms that regularly track the share, including: GILBERT DUPONT, ODDO MIDCAP, SOCIÉTÉ GÉNÉRALE. 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.fr/en**.

Person responsible for financial information:

Valérie Lorentz-Poinsot, BOIRON General Manager

2, avenue de l'Ouest Lyonnais 69510 Messimy - France

Phone: +33 (0)4 78 45 61 00

Email: boironfinances@boiron.fr

7.4 PROVISIONAL PUBLICATION SCHEDULE

Quiet period: during the period prior to publication, BOIRON limits its communication with the financial community.

Publications	Date of publication (after market close)	Informational meetings
1 st quarter sales of 2021 Quiet period from Wednesday, April 7, 2021	Thursday, April 22, 2021	
2021 Shareholders' Meeting	Thursday, May 27, 2021	
Half-year sales of 2021 Quiet period from Monday, July 5, 2021	Tuesday, July 20, 2021	
Half-year results of 2021 Quiet period from Monday, August 9, 2021	Wednesday, September 8, 2021	Thursday, September 9, 2021 Webcast
3 rd quarter sales of 2021 Quiet period from Wednesday, October 6, 2021	Thursday, October 21, 2021	

7.5 LIST OF EXISTING BOIRON BRANCHES

NATIONAL

- ANTIBES
- AVIGNON LE PONTET (planned closure on June 12, 2021)
- BELFORT (closed on Jan. 23, 2021)
- BOIS D'ARCY (closed on March 13, 2021)
- BORDEAUX CANEJAN
- BREST GUIPAVAS (closed on Feb. 6, 2021)
- CLERMONT-FERRAND
- DIJON
- GRENOBLE MONTBONNOT (closed on March 27, 2021)
- IVRY-SUR-SEINE (planned closure on June 26, 2021)
- LILLE-VILLENEUVE D'ASCQ
- LIMOGES (planned closure on April 30, 2021)
- LES OLMES
- LYON – SAINTE-FOY
- MARSEILLE
- MONTÉVRAIN
- MONTPELLIER PEROLS
- MONTRICHARD (planned closure on December 31, 2021)
- NANCY
- NANTES ORVAULT
- NIORT CHAURAY (planned closure on June 19, 2021)
- PANTIN
- PAU (closed on Jan.30,2021)
- REIMS
- RENNES
- ROUEN-ISNEAUVILLE (closed on March 20, 2021)
- STRASBOURG ILLKIRCH (planned closure on June 5, 2021)
- TOULON LA FARLEDE (closed on March 6, 2021)
- TOULOUSE
- TOURS

INTERNATIONAL

- HONG KONG

7.6 UNIVERSAL REGISTRATION DOCUMENT CONCORDANCE TABLE

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.

SECTION 1 Persons responsible, third party information, expert reports and approvals from the relevant authority		
1.1	Persons responsible for information	7.1
1.2	Certification of those responsible for the document	7.1
1.3	Expert statement	-
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	7.2
2.2	Changes	-
SECTION 3 Risks factors		
3.1	Description of major risks	1.6
SECTION 4 Information concerning the issuer		
4.1	Registered name and trade name	5.6
4.2	Registration in the Trade and Companies Register and identification number (LEI)	5.6
4.3	Founding date and term	5.6
4.4	Registered office – legal form – applicable laws – website – other	5.6
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 ⁽¹⁾	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 (paragraphs 7 & 8)
	5.7.2 Significant investments in progress or firm commitments	1.4.4.1/4.1.2 (paragraphs 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
SECTION 6 Organizational structure		
6.1	Description of the group/Organizational chart	4.5
6.2	List of major subsidiaries	4.3

SECTION 7	Examination of financial position and earnings	
7.1	Financial position	3.2.2
	7.1.1 Development and results of activities	3.2.2.1
	7.1.2 Future changes and research and development activities	1.4.3.2
7.2	Operating income	3.3/3.2.2
	7.2.1 Key factors	3.1/3.2
	7.2.2 Major changes in net sales or net proceeds	3.2.1
SECTION 8	Liquidity and capital resources	
8.1	Issuer's capital	4.1.1.5
8.2	Cash flow	4.1.1.4
8.3	Financing requirements and structure	4.1.2 (paragraph 15)
8.4	Restrictions on the use of capital	4.1.2 (paragraph 16)
8.5	Expected source of financing	
SECTION 9	Regulatory environment	
9.1	Description of the regulatory environment and influential external factors	1.3.5/1.6
SECTION 10	Trends	
10.1	a) Main recent trends b) Significant change in the group's financial performance since closing	3.4/3.5
10.2	Items likely to significantly impact outlook	3.4/3.5
SECTION 11	Earnings forecasts or estimates	
11.1	Earnings forecast or estimates underway	N/A
11.2	Main assumptions	N/A
11.3	Statement on profit forecast or estimate	N/A
SECTION 12	Administrative, executive, supervisory and General Management bodies	
12.1	Information relating to members of the company's administrative and management bodies	2.2
12.2	Conflicts of interest	2.2.4
SECTION 13	Compensation and benefits	
13.1	Compensation and benefits paid or awarded	2.6.2.1
13.2	Provisions for retirement or other	2.6.2.1 4.1.2 (paragraph 20)
SECTION 14	Functioning of administrative and management bodies	
14.1	Terms of office	2.2.1 / 2.2.2.5
14.2	Service contracts	2.2.4 / 2.6.1.3
14.3	Committees	2.2.3
14.4	Compliance with corporate governance rules	2.1
14.5	Potential significant impacts and future changes to governance	2.2.1 / 6.2
SECTION 15	Employees	
15.1	Employee breakdown	1.2.4.3
15.2	Profit-sharing and stock options	1.2.4.5 / 5.1.2
15.3	Employee share capital ownership agreement	1.2.4.1/1.2.4.5

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
	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	12/31/2020
18.2	Interim and other financial information	N/A
	18.2.1 Informations financières trimestrielles ou semestrielles	N/A
18.3	Quarterly or half-yearly 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	3.3.2/5.5
	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 (paragraph 34)
	18.6.1 Significant proceedings	4.1.2 (paragraph 34)
18.7	Significant changes in the financial position of the issuer	3.4
	18.7.1 Significant change since year-end	3.4

SECTION 19		Additional information
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	5.6
	19.2.1 Registration and corporate purpose	5.6
	19.2.2 Existing share classes	5.6
	19.2.3 Provision impacting a change of control	
SECTION 20		Major contract
20.1	Summary of each contract	N/A
SECTION 21		Documents available
21.1	Statement on available documents	7.3

⁽¹⁾ Refer to the statement of non-financial performance.

7.7 CONCORDANCE TABLE FOR THE ANNUAL FINANCIAL REPORT AND MANAGEMENT REPORT

<i>Statement by the individuals responsible for the AFR</i>	RFA	7.1
<i>Company financial statements</i>	RFA	
<i>Statutory auditors' report on the company financial statements</i>	RFA	
<i>Consolidated financial statements</i>	RFA	4.1
<i>Statutory auditors' report on the consolidated financial statements</i>	RFA	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)	RFA	3.2/3.3
Key financial and, where relevant, non-financial performance indicators on the company and the group	RFA	1
Key risks and uncertainties facing the company and the group	RFA	1.6
Internal control and risk management procedures used in preparation and processing of the company and group accounting and financial information	RFA	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		4.1.2 (paragraph 23)
Financial risks linked to climate change and presentation of the measures taken by the company and group to reduce them (low carbon strategy)	RFA	1.4.3.7
Company and group research and development	RFA	1.3.1.2 4.1.2 (paragraph 27)
Branches		7.5
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		4.3
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
Acquisition and sale by the company of its own shares (share buybacks)	RFA	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		5.5/6.2
Non tax-deductible charges and expenses		6.2

Injunctions or financial sanctions for anti-trust violations	N/A
Payment terms and breakdown of the balance of accounts payable and accounts receivable	
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	4.4
Corporate governance report	2

7.8 CONCORDANCE TABLE FOR THE STATEMENT OF NON-FINANCIAL PERFORMANCE

BUSINESS MODEL	1.1 /1.2/1.3
DESCRIPTION OF THE MAIN RISKS LINKED TO THE BUSINESS	1.6
EMPLOYEE INFORMATION	1.2
<i>Employment</i>	
Total headcount and employee distribution by gender, age and geographical region	1.2.4.3/1.2.4.4
New hires and redundancies	1.2.4.9
Compensation and compensation trends	1.2.4.5
<i>Organization of working hours</i>	
Organization of working hours	1.2.4.7
Absenteeism	1.2.4.9
<i>Labor relations</i>	
Organization of employee dialog including procedures for information, consultation and negotiation with staff	1.2.4.2
Overview of collective agreements	1.2.4.1
<i>Health and safety</i>	
Health and safety conditions at work	1.2.4.10
Overview of the agreements on occupational health and safety signed with labor unions or employee representatives	1.2.4.10
Workplace accidents (frequency and severity) and occupational illnesses	1.2.4.10
<i>Training</i>	
Training policies implemented	1.2.4.6
Total number of training hours	1.2.4.6

Equality

Measures taken to promote gender equality	1.2.4.4
Measures taken to promote employment and integration of people with disabilities	1.2.4.4
Non-discrimination policy	1.2.4.4

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	1.2.4.2
- elimination of discrimination in employment and occupation	1.2.4.2
- elimination of forced or compulsory labor	1.2.4.2
- effective abolition of child labor	1.2.4.2

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 severe 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	1.4.3.5
- food waste prevention measures	
Sustainable use of resources:	1.4.3.1/1.4.3.2/1.4.3.4
- water consumption and supply based on local restrictions	1.4.3.1
- 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	1.4.3.6/1.4.3.7
Land use	1.4.3.6/1.4.3.7

Climate change 1.4.3

Major sources of greenhouse gas emissions generated by the business	1.4.3.3
Adaptation to the consequences of climate change	1.4.4
The protection of biodiversity	
Measures taken to preserve or promote biodiversity	1.4.4.1

INFORMATION RELATING TO CORPORATE COMMITMENTS TO PROMOTE SUSTAINABLE DEVELOPMENT 1.4.3.1/1.4.3.4/1.4.4.1

Regional, economic and social impact of the company's business 1.4.4

On employment and regional development	1.4.4
On surrounding or local populations	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

Terms of dialog with these individuals or organizations	1.4.3.3/1.4.3.6/1.4.4.2
Partnerships and philanthropic initiatives	1.4.3.3

Sub-contracting and suppliers

Inclusion of social and environmental issues in the purchasing policy	1.4.4.3
Scope of sub-contracting and inclusion of social and environmental responsibility in supplier and sub-contractor relationships	1.4.1/1.4.2

Fair business practices

N/A

Anti-corruption initiatives
Consumer health and safety measures

Other Human rights initiatives

(1) To date, the company's cafeterias have not implemented any specific waste prevention measures.

7.9 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

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 market framework for 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, a controlled level of dilution, oral or external administration,
- Marketing Authorization (MA) concerns homeopathic specialties that claim a traditional homeopathic self-medication therapeutic indication or that 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 into account:

- 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,
- taxes.

It includes the result of group activities and other operating revenue and expenses.



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