UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K/A
Amendment No. 1

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) June 3, 2019

MERIDIAN BIOSCIENCE, INC.
(Exact Name of Registrant as Specified in Charter)

Ohio	**0-14902**	**31-0888197**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3471 River Hills Drive **Cincinnati, Ohio**	**45244**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (513) 271-3700

(Former Name or Former Address, if Changed Since Last Report.)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	**VIVO**	**NASDAQ**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Item 9.01. Financial Statements and Exhibits.

On June 3, 2019, Meridian Bioscience, Inc. ("Meridian" or the "Company") filed a Current Report on Form 8-K (the "Original Filing") to report completion of the previously announced acquisition of substantially all of the assets of GenePOC Inc., a corporation incorporated under the laws of Canada, pursuant to the Share Purchase Agreement, dated as of April 29, 2019 (the "Purchase Agreement"), by and among Meridian, Meridian Bioscience Canada Inc., a corporation incorporated under the laws of British Columbia and a direct wholly-owned subsidiary of the Company, GenePOC Inc., the shareholders of GenePOC Inc., and Apres-demain Holding SA, solely in the capacity of Shareholders' Representative ("Shareholders' Representative"). This Form 8-K/A is being filed to amend the Original Filing to provide the required financial statements and pro forma financial information described below. Capitalized terms used in this Current Report but not defined herein shall have the respective meanings assigned thereto in the Original Filing.

(a) Financial Statements of Businesses Acquired

The following financial statements of the business acquired from GenePOC Inc. are filed herewith as Exhibit 99.1 to this Form 8-K/A:

i. Report of Independent Certified Public Accountants

ii. Statement of Assets Acquired and Liabilities Assumed as of June 3, 2019

iii. Statement of Net Revenues and Direct Operating Expenses for the year ended December 31, 2018

iv. Notes to Abbreviated Financial Statements as of June 3, 2019 and year ended December 31, 2018

(b) Pro Forma Financial Information

The following pro forma financial information is filed herewith as Exhibit 99.2 to this Form 8-K/A:

i. Introduction to Unaudited Pro Forma Combined Statement of Operations

ii. Unaudited Pro Forma Combined Statement of Operations for the year ended September 30, 2018

iii. Notes to Unaudited Pro Forma Combined Statement of Operations

(c) Not applicable

(d) Exhibits

Exhibit No.	Description
23	Consent of Independent Certified Public Accountants
99.1	Audited abbreviated financial statements of the business acquired from GenePOC Inc. as of June 3, 2019 and for the year ended December 31, 2018
99.2	Meridian Bioscience, Inc. unaudited pro forma combined statement of operations for the year ended September 30, 2018
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MERIDIAN BIOSCIENCE, INC.

Date: August 14, 2019

By: /s/ Bryan T. Baldasare
Bryan T. Baldasare
Interim Chief Financial Officer and Chief Accounting Officer
(Principal Financial and Accounting Officer)

Exhibit 23

Consent of Independent Certified Public Accountants

We have issued our report dated August 14, 2019, with respect to the abbreviated financial statements of GenePOC Inc. included in this Current Report of Meridian Bioscience, Inc. on Form 8-K/A. We consent to the incorporation by reference of said report in the Registration Statements of Meridian Bioscience, Inc. on Form S-3 (File No. 333-221794), and on Forms S-8 (File No. 333-179440, File No. 333-155703 and File No. 333-122554).

/s/ GRANT THORNTON LLP

Cincinnati, Ohio
August 14, 2019

EXHIBIT 99.1

Business Acquired from GenePOC Inc.

Index to Abbreviated Financial Statements

Report of Independent Certified Public Accountants

Board of Directors and Shareholders
Meridian Bioscience, Inc.

We have audited the accompanying abbreviated financial statements of GenePOC Inc. (the "Acquired Business"), which comprise the statement of assets acquired and liabilities assumed as of June 3, 2019, and the related statement of net revenues and direct operating expenses for the year ended December 31, 2018, and the related notes to the abbreviated financial statements.

Management's responsibility for the abbreviated financial statements

Management is responsible for the preparation and fair presentation of these abbreviated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of abbreviated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these abbreviated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the abbreviated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the abbreviated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the abbreviated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the abbreviated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the abbreviated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the abbreviated financial statements referred to above present fairly, in all material respects, the assets acquired and liabilities assumed of GenePOC Inc. as of June 3, 2019, and the statement of net revenues and direct operating expenses for the year ended December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of matter

We draw attention to Note 1 to the abbreviated financial statements, which describes that the abbreviated financial statements were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission under Rule 3-05 of Regulation S-X and are not intended to be a complete presentation of assets, liabilities, revenues and expenses for the Acquired Business. Our opinion is not modified with respect to this matter.

/s/ GRANT THORNTON LLP

Cincinnati, Ohio
August 14, 2019

Business Acquired from GenePOC Inc.

Statement of Assets Acquired and Liabilities Assumed

As of June 3, 2019

(in thousands)

Assets acquired	
Current assets	
Accounts receivable	$ 58
Inventories	1,617
Prepaid expenses and deposits	77
Total current assets	1,752
Property, plant and equipment	1,520
Goodwill	34,482
Intangible assets	40,830
Total assets acquired	**$78,584**
Liabilities assumed	
Current liabilities	
Accounts payable	$ 385
Accrued employee compensation costs	279
Other accrued expenses	418
Total current liabilities	1,082
Total liabilities assumed	**1,082**
Net assets acquired	**$77,502**

The accompanying notes are an integral part of these abbreviated financial statements.

Business Acquired from GenePOC Inc.

Statement of Net Revenues and Direct Operating Expenses

Year Ended December 31, 2018

(in thousands)

Net revenues	$ 216
Direct operating expenses	
Cost of goods sold	2,329
Research and development expenses	6,441
Selling and marketing expenses	2,804
General and administrative expenses	1,873
Total direct operating expenses	13,447
Net revenues less direct operating expenses	**$(13,231)**

The accompanying notes are an integral part of these abbreviated financial statements.

1. Description of Transaction and Basis of Presentation

Description of Transaction

On April 29, 2019, Meridian Bioscience, Inc. ("Meridian" or the "Company") entered into a definitive agreement to acquire the business of GenePOC Inc., ("GenePOC") a Quebec City, Quebec, Canada based provider of molecular diagnostic instruments and assays.

On June 3, 2019, Meridian completed its previously announced acquisition pursuant to the Share Purchase Agreement dated as of April 29, 2019 (the "Purchase Agreement") by and among Meridian, Meridian Bioscience Canada Inc., a corporation incorporated under the laws of British Columbia and a direct wholly-owned subsidiary of the Company ("Buyer"), GenePOC Inc., a corporation incorporated under the laws of Canada ("Seller"), the shareholders of Seller (the "Shareholders"), and Après-demain Holding SA, solely in the capacity of Shareholders' Representative. Pursuant to the Purchase Agreement, on June 3, 2019 ("acquisition date"), Buyer paid to Seller a cash payment of $50,000 subject to a working capital adjustment and a holdback of $5,000 to secure Seller's performance of certain post-closing obligations. In addition, the Buyer issued to the Seller a $20,000 aggregate principal amount non-interest bearing term promissory note (the "Promissory Note") payable in two $10,000 installments upon the achievement of certain product development milestones if achieved by September 30, 2020 and March 31, 2021, respectively. The Purchase Agreement also requires Meridian to pay Seller up to $50,000 contingent upon the achievement of certain financial performance targets during the twelve-month period ending September 30, 2022.

The assets acquired and liabilities assumed represent a business as defined in Accounting Standards Codification ("ASC") Topic 805, *Business Combinations*. Hereinafter, the assets acquired and liabilities assumed pursuant to the Purchase Agreement, are referred to as the "acquired business".

Basis of Presentation

The accompanying abbreviated financial statements, which comprise the "Statement of Assets Acquired and Liabilities Assumed" and the "Statement of Net Revenues and Direct Operating Expenses" (collectively, the "abbreviated financial statements") were prepared for the purpose of providing historical information to comply with the rules and regulations of the Securities and Exchange Commission ("SEC") under Rule 3-05 of Regulation S-X for inclusion in an amendment to the Form 8-K filed by Meridian on June 3, 2019, and are not intended to be a complete presentation of the financial statements of the acquired business and are not necessarily indicative of the financial position or results of operations of the acquired business.

The accompanying abbreviated financial statements were prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and were derived from the historical accounting records of GenePOC and the purchase price allocation, which represents the fair value of the assets acquired and liabilities assumed at the acquisition date. Meridian has determined that full audited financial statements in accordance with SEC Regulation S-X Rule 3-05 would be both impractical and require unreasonable time and expense for the following reasons:

a) The acquired company's historical financial statements were not maintained on a U.S. GAAP basis;

b) Records do not exist to allow for the proper accounting of convertible debentures and convertible preferred stock issued by the acquired company;

c) It would be time-consuming and burdensome to determine the appropriate accounting for the convertible debentures and convertible preferred stock under U.S. GAAP; and

d) The information would not be material or meaningful to investors since this capital structure was not carried forward as part of this transaction.

In light of the foregoing, it is impractical to prepare full financial statements, including statements of equity and cash flows, as required by SEC Regulation S-X Rule 3-05. These abbreviated financial statements represent the business subject to the sale under the Purchase Agreement, and have been derived from the financial statements and accounting records of GenePOC.

The statement of assets acquired and liabilities assumed includes only the specific assets and liabilities related to the acquired business that were identified in the Purchase Agreement as of the acquisition date, and are presented based on the preliminary purchase price allocation, which represents the fair value at the acquisition date.

To the extent that revenue is identifiable and directly related to the acquired business, it is reflected in the accompanying abbreviated financial statements. The direct operating expenses of the acquired business presented in these abbreviated financial statements include: (i) cost of goods sold related to the acquired business' revenues; and (ii) research and development expenses, selling and marketing expenses, and general and administrative expenses incurred that are directly attributed to the acquired business. Non-operating expenses such as foreign currency exchange gains and losses, interest income, interest expense, and income taxes have been excluded from the abbreviated financial statements.

2. Significant Accounting Policies

Use of Estimates

The preparation of these abbreviated financial statements in conformity with GAAP, requires management to make certain estimates and assumptions that affect the amounts reported therein. Critical estimates include the fair value of the assets acquired and liabilities assumed. Actual results may differ from these estimates under different assumptions or conditions.

Revenue Recognition

The acquired business' principal source of revenue consists of the sale of molecular clinical diagnostics products. The revenue for the sale of these products is recognized when the products are shipped and title has passed to the customer.

Inventories

Inventories, consisting of raw materials, work-in-process and finished goods, are recorded at fair value. Cost of goods sold on the Statement of Net Revenues and Direct Operating Expenses include product costs, labor and related fixed and variable overhead. The components of inventory are as follows:

Raw materials	$ 984
Work-in-process	279
Finished goods – instruments	284
Finished goods – tests	70
	$1,617

Property, plant and equipment

Property, plant and equipment are stated at fair value in the Statement of Assets Acquired and Liabilities Assumed. For the Statement of Net Revenues and Direct Operating Expenses, depreciation on property, plant and equipment is calculated on GenePOC's historical cost basis using the straight-line method over the estimated useful lives of the respective assets, with maintenance and repairs charged to expense as they are incurred.

The estimated useful lives of property, plant and equipment are as follows:

Medical equipment, computer equipment and instruments – 3 years
Manufacturing equipment – 5 years
Furniture, fixtures and marketing equipment – 10 years
Leasehold improvements – The shorter of the estimated useful of the improvements or the lease term

Business combinations

This business combination is accounted for under the acquisition method of accounting, which requires recognition separately from goodwill, the assets acquired and the liabilities assumed at their acquisition date fair values. While best estimates and assumptions are used to accurately value assets acquired and liabilities assumed at the acquisition date, as well as contingent consideration, where applicable, the estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, adjustments may be recorded to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the fair values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments will be recognized in operations.

Goodwill and other intangible assets

Goodwill represents the excess of the purchase price of the acquisition over the fair value of the net assets acquired. Other intangible assets are carried at fair value. For the Statement of Net Revenues and Direct Operating Expenses, amortization of intangible assets is calculated on GenePOC's historical cost basis over their useful lives.

Foreign currency translation

Assets and liabilities held in Canada have been translated from Canadian Dollars to U.S. Dollars at the exchange rate in effect at June 3, 2019. Net revenues and direct operating expense amounts have been translated at the average exchange rates in effect during the period presented on the Statement of Net Revenues and Direct Operating Expenses.

Research and development expenses and investment tax credits

Research and development costs are expensed as incurred.

Investment tax credits are recorded as a reduction of research and development expenses in the year they are incurred, provided it is reasonably certain that the credits will be received. Such tax credits included within the Statement of Net Revenues and Direct Operating Expenses total $565. Given that claimed tax credits are subject to review and approval by the tax authorities, amounts ultimately awarded may differ from the amounts recognized.

Shipping and handling costs

Freight billed to customers is included in net revenue, while freight billed by vendors is included in cost of goods sold.

Fair value measurements

Assets acquired and liabilities assumed have been recorded at fair value in accordance with ASC 820-10, Fair Value Measurements and Disclosures. ASC 820-10 defines fair value as the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820-10 requires a three level hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy level assigned to each asset and liability is based on the assessment of the transparency and reliability of the inputs used in the valuation of such items at the measurement date based on the lowest level of input that is significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Assets acquired and liabilities assumed measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

Level 1

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

Level 2

Quoted prices in markets that are not active and financial instruments for which all significant inputs are observable, either directly or indirectly

Level 3

Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The fair value of the acquired accounts receivable and other current assets and the fair value of the assumed accounts payable and accrued expenses approximated their carrying value at the acquisition date. Inventories, property, plant and equipment, intangible assets and contingent consideration were valued using Level 3 inputs.

3. Preliminary Purchase Price Allocation

The Statement of Assets Acquired and Liabilities Assumed is presented on the basis of Meridian's preliminary purchase price allocation. Meridian accounts for business combinations under the acquisition method of accounting, which requires recognition separately from goodwill, the assets acquired and the liabilities assumed at their acquisition date fair values. The valuation of net assets acquired and the contingent consideration comprising a portion of the total consideration is based on estimates and assumptions made at the time of the acquisition and as a result, the allocation of purchase price and estimated useful lives of property, plant and equipment, and intangible assets is considered preliminary at this time. As additional information becomes available, the preliminary purchase price allocation may be revised during the remainder of the measurement period, which will not exceed 12 months from the acquisition date. Any such revisions or changes may be material.

The Purchase Agreement contemplates a maximum total consideration of up to $120,000, which is comprised of the following (noting that the current preliminary valuation values the contingent consideration identified in (ii) and (iii) below at an aggregate amount of approximately $27,200):

(i) a $50,000 cash payment on June 3, 2019, subject to a working capital adjustment and a holdback of $5,000 to secure selling party's performance of certain post-closing obligations;

(ii) two $10,000 installments contingent upon the achievement of certain product development milestones if achieved by September 30, 2020 and March 31, 2021, respectively; and

(iii) up to $50,000 of contingent consideration payable if certain financial performance targets are achieved during the twelve-month period ending September 30, 2022.

Goodwill is primarily attributable to Meridian's ability to market and sell GenePOC's technology and instrument platform through its established customer base and distribution channels.

The preliminary fair value of identified intangible assets and their respective weighted-average amortization periods are as follows:

License agreement (10 years)	$ 5,990
Technology (15 years)	34,040
Government grant (1.33 years)	800
	$40,830

Various income approach methodologies were used in determining the preliminary fair value of the identified intangible assets.

4. Property, Plant and Equipment

The following is a summary of property, plant and equipment:

Leasehold improvements	$ 94
Machinery, equipment and furniture	1,034
Instruments	392
	$1,520

5. Commitments and Contingencies

Meridian Bioscience Canada Inc. maintains leases for the Quebec City office and warehouse building, as well as for certain office equipment, with the term on the current building lease expiring December 31, 2019. The future minimum payments required under the leases for each of the fiscal years ended September 30 are as follows:

Remainder of 2019	$127
2020	100
2021	6
2022	6
2023	6
	$245

Additionally, an agreement is maintained with certain research entities under which the entities will provide product development services in exchange for established, agreed-upon payments. Such remaining payments total approximately $1,020 as of June 3, 2019 and are expected to be paid through September 30, 2020.

6. Subsequent Events

Management has evaluated subsequent events through August 14, 2019, the date the abbreviated financial statements were available to be issued. No additional subsequent events were identified requiring additional recognition or disclosure in the accompanying abbreviated financial statements.

Exhibit 99.2

MERIDIAN BIOSCIENCE, INC. AND SUBSIDIARIES
Introduction to Unaudited Pro Forma Combined Statement of Operations
Year Ended September 30, 2018
(in thousands)

On June 3, 2019, Meridian Bioscience, Inc. (“Meridian”) acquired the business of GenePOC Inc., (“GenePOC”), a Quebec City, Quebec, Canada based provider of molecular diagnostic instruments and assays. The purchase agreement contemplates a maximum total consideration of up to $120,000, which based upon the current preliminary valuation is estimated at a total fair value of approximately $77,502.

As used herein, the terms “the Company,” “we” and “our” refer to Meridian Bioscience, Inc., and where applicable its consolidated subsidiaries. The Company and GenePOC have different fiscal year ends. The financial periods presented in this Form 8-K/A are based on Meridian’s fiscal periods. For purposes of presenting this pro forma financial statement, we used: (i) Meridian’s Statement of Operations for the year ended September 30, 2018, as filed with the Securities and Exchange Commission (“SEC”) in our most recent Annual Report on Form 10-K; and (ii) the audited Abbreviated Statement of Net Revenues and Direct Operating Expenses of the Business Acquired from GenePOC for the year ended December 31, 2018, since this fiscal year end falls within 93 days of our latest annual fiscal period as filed with the SEC.

No pro forma balance sheet is included in this filing as the Company’s consolidated balance sheet as of June 30, 2019 presented in its Quarterly Report on Form 10-Q gives effect to the transaction.

The Unaudited Pro Forma Combined Statement of Operations for the year ended September 30, 2018 gives effect to the GenePOC business as if it had been acquired as of the beginning of fiscal 2018 and includes historical data as reported by the separate companies. The historical information has been adjusted to give effect to events that are: (i) directly attributable to the transaction; (ii) factually supportable; and (iii) expected to have a continuing impact on the combined results of the companies. The detailed assumptions used to prepare the pro forma financial information are contained in the notes to the Unaudited Pro Forma Combined Statement of Operations (“Pro Forma Statement”).

The acquisition has been accounted for as a business combination (in accordance with *ASC 805 Business Combinations*) and, as such, assets acquired and liabilities assumed have been recorded at their respective fair values. The determination of fair value for the identifiable tangible and intangible assets acquired and liabilities assumed requires extensive use of accounting estimates and judgments. Significant estimates and assumptions include, but are not limited to, estimating future cash flows and determining the appropriate discount rate. The estimated fair values of the assets acquired and liabilities assumed on the acquisition date, which serve as the basis for adjustments made within the Pro Forma Statement, are preliminary and subject to change. Any changes to the final fair values are not expected to be material but no assurances can be made in this regard at this time.

The pro forma adjustments reflecting the acquisition of the GenePOC business are based upon the acquisition method of accounting in accordance with U.S. generally accepted accounting principles and upon the assumptions set forth in the Notes included in this section. The Pro Forma Statement has been prepared based on available information, using estimates and assumptions that the Company’s management believes are reasonable. These estimates and assumptions are preliminary and have been made solely for the purpose of developing this Pro Forma Statement.

The Pro Forma Statement does not purport to represent the actual results of operations that would have occurred if the acquisition had taken place on the date specified and is not necessarily indicative of the results of operations that may be achieved in the future. The Pro Forma Statement does not reflect any adjustments for cost savings or operating synergies that we may realize as a result of the acquisition. The Pro Forma Statement includes certain reclassifications to conform GenePOC historical information to Meridian’s presentation.

The assumptions used and adjustments made in preparing the Pro Forma Statement are described in the Notes, which should be read in conjunction with the Pro Forma Statement. The Pro Forma Statement and related Notes contained herein should be read in conjunction with the Consolidated Financial Statements and related Notes included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2018 and the Unaudited Condensed Consolidated Financial Statements and related Notes included in our most recently filed Quarterly Report on Form 10-Q for the period ended June 30, 2019.

MERIDIAN BIOSCIENCE, INC. AND SUBSIDIARIES
Unaudited Pro Forma Combined Statement of Operations
For the Year Ended September 30, 2018
(in thousands, except per share data)

	Meridian Bioscience, Inc. Historical (1)	GenePOC Historical (2)	Pro Forma Adjustments (3)	Meridian Bioscience, Inc. Pro Forma Combined
NET REVENUES	$213,571	$ 216	$ —	$ 213,787
COST OF SALES	83,110	2,329	—	85,439
GROSS PROFIT (LOSS)	130,461	(2,113)	—	128,348
OPERATING EXPENSES				
Research and development	16,870	6,441	—	23,311
Selling and marketing	34,468	2,804	(1,867)(a)	35,405
General and administrative	34,488	1,873	2,948 (b)	39,309
Restructuring costs	8,706	—	—	8,706
Litigation costs	4,345	—	—	4,345
Total operating expenses	98,877	11,118	1,081	111,076
OPERATING INCOME (LOSS)	31,584	(13,231)	(1,081)	17,272
OTHER INCOME (EXPENSE)				
Interest income	418	—	—	418
Interest expense	(1,520)	—	(837)(c)	(2,357)
Other, net	(102)	—	—	(102)
Total other income (expense)	(1,204)	—	(837)	(2,041)
EARNINGS (LOSS) BEFORE INCOME TAXES	30,380	(13,231)	(1,918)	15,231
INCOME TAX PROVISION (BENEFIT)	6,531	—	(195)(d)	6,336
NET EARNINGS (LOSS)	$ 23,849	$(13,231)	$ (1,723)	$ 8,895
EARNINGS PER COMMON SHARE:				
Basic	$ 0.56			$ 0.21
Diluted	$ 0.56			$ 0.21
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:				
Basic	42,325			42,325
Diluted	42,754			42,754

(1) Represents Meridian's audited results for the year ended September 30, 2018 as reported on Form 10-K filed with the SEC on November 29, 2018.
(2) Represents the audited Statement of Net Revenues and Direct Operating Expenses of the GenePOC business for the year ended December 31, 2018.
(3) See Note 3 - Pro Forma Adjustments below.

The accompanying notes are an integral part of this pro forma combined financial statement.

MERIDIAN BIOSCIENCE, INC. AND SUBSIDIARIES
Notes to Unaudited Pro Forma Combined Statement of Operations
(in thousands)

Note 1 - Basis of Presentation

The Unaudited Pro Forma Combined Statement of Operations for the year ended September 30, 2018 combines the historical results of Meridian for the year ended September 30, 2018 and the results of the GenePOC business as reflected within the Abbreviated Statement of Net Revenues and Direct Operating Expenses for the year ended December 31, 2018. The Unaudited Pro Forma Combined Statement of Operations does not reflect the one-time expenses that we incurred in connection with the acquisition, including fees to attorneys, accountants and other professional advisors to conduct due diligence and effect the completion of the transaction. Additionally, the Unaudited Pro Forma Combined Statement of Operations does not reflect the effects of any anticipated cost savings or operating synergies. The Unaudited Pro Forma Combined Statement of Operations does not purport to represent the actual results of operations that would have occurred if the acquisition had taken place on the date specified, nor is it necessarily indicative of the results of operations that may be achieved in the future. Certain reclassifications have been made within the Unaudited Pro Forma Combined Statement of Operations to conform GenePOC's historical financial information to Meridian's financial presentation.

Note 2 - Acquisition of Business of GenePOC

On June 3, 2019, we acquired the business of GenePOC Inc., a Quebec City, Quebec Province, Canada based provider of molecular diagnostic instruments and assays. The purchase agreement contemplates a maximum total consideration of up to $120,000, which based upon the current preliminary valuation is estimated at a total fair value of approximately $77,502. Pursuant to the purchase agreement, the maximum consideration is comprised of the following (noting that the current preliminary valuation values the contingent consideration identified in (ii) and (iii) below at an aggregate amount of approximately $27,200):

(i) a $50,000 cash payment on June 3, 2019, subject to a working capital adjustment and a holdback of $5,000 to secure selling party's performance of certain post-closing obligations;

(ii) two $10,000 installments contingent upon the achievement of certain product development milestones if achieved by September 30, 2020 and March 31, 2021, respectively; and

(iii) up to $50,000 of contingent consideration payable if certain financial performance targets are achieved during the twelve-month period ending September 30, 2022.

The acquisition was made utilizing cash and equivalents on hand and proceeds drawn from our new $125,000 revolving credit facility, which replaced our previous credit facility. Proceeds from the new credit facility were also utilized to repay and settle the outstanding principal and interest due on our term loan. As a result of currently estimated total consideration exceeding the preliminary fair value of the net assets acquired, goodwill in the amount of $34,482 was recorded in connection with this acquisition, which, pending certain tax planning, is expected to be deductible for tax purposes ratably over 15 years. This goodwill results largely from Meridian's ability to market and sell GenePOC's technology and instrument platform through its established customer base and distribution channels.

The recognized preliminary amounts of identifiable assets acquired and liabilities assumed in the acquisition of the GenePOC business are as follows:

		PRELIMINARY
Fair value of assets acquired -		
Accounts receivable	$	58
Inventories		1,617
Other current assets		77
Property, plant and equipment		1,520
Goodwill		34,482
Other intangible assets (estimated useful life):		
License agreement (10 years)		5,990
Technology (15 years)		34,040
Government grant (1.33 years)		800
		78,584
Fair value of liabilities assumed -		
Accounts payable and accrued expenses		1,082
Total consideration (including contingent consideration currently estimated at $27,200)	$	77,502

The allocation of the purchase price and estimated useful lives of property, plant and equipment, and intangible assets shown above is preliminary and subject to adjustments to goodwill within the permitted measurement period.

Note 3 – Pro Forma Adjustments

(a) Adjusts selling and marketing expenses to eliminate expenses related to the sales personnel not continuing employment with Meridian post-acquisition.

(b) Adjusts general and administrative expenses for the following:

(in thousands)	
Elimination of GenePOC's historical amortization expense on intangible assets	$ (18)
Elimination of executive management personnel not continuing employment with Meridian post-acquisition	(463)
Elimination of effect of fees paid to previous ownership and fees paid to certain consultants engaged in exploring and evaluating strategic alternatives	(106)
Record depreciation expense for fair value adjustment to acquired property, plant & equipment (4 years)	67
Record amortization expense for acquired definite-lived intangible assets (i)	3,468
Net pro forma adjustment	$2,948

(i) Amortization expense relates to the value of the following definite-lived intangible assets, reflected with the estimated useful lives over which they are recorded:

-License agreement (10 years)

-Technology (15 years)

-Government grant (1.33 years)

(c) Adjusts for interest expense that would have been incurred on the Company's $27,000 of incremental long-term borrowings associated with the transaction.

(d) For purposes of this Unaudited Pro Forma Combined Statement of Operations, an estimated income tax rate of 23% has been used for the pro forma adjustments made to the Meridian's results. Given GenePOC's historical net loss position, no Canadian income tax benefit has been recognized on the adjustments made to GenePOC's results. These estimated income tax rates are based on the applicable enacted statutory rates for the period, are estimates and do not take into account future income tax strategies that may be applied to the combined entity.