



ANNUAL REPORT 2016
PHARMAGEST

Technologies for health

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Dear shareholders,



At a time when our sector is undergoing a profound transformation, it is important to reassert our core mission, the values we defend and our ambitions for the future. Our vision, mission and values inspire the decisions and actions guiding PHARMAGEST Group, and more broadly the pharmacists' cooperative to which it belongs...

On that basis, in line with this strategy, **WELCOOP Group has changed its name to La Coopérative WELCOOP**. This is also an opportunity for us to reclaim our **corporate culture** built upon a code of cooperation to be used as a

genuine performance lever to generate both economic and societal value. This cultural singularity makes us unique!

At WELCOOP, our core mission is to serve the noblest cause, health. For that reason, in addition to emphasising values conveyed by the notion of cooperation, we considered it important to adopt a tagline as a benchmark for all our employees explicitly conveying our objectives, the way we all work together and our values: "Corporate citizens in the service of health and well-being for all".

And for our employees, working in a cooperative organization is not like working in any company. It constitutes a unique professional community, a genuine laboratory of ideas, services and solutions where audacity is synonymous with creativity, where Cooperative Pharmacist Members and Employees are united by the same commitment to **guaranteeing patient access to quality health care**.

For pharmacists, La Coopérative WELCOOP is committed to providing them with the human, technical and economic resources to prosper as genuine healthcare entrepreneurs.

For its employees, La Coopérative WELCOOP is committed to providing them with a professional environment that fosters employability, fulfilment, progress and opportunities.

Its goal is in this way to be a lasting, engaged, ethical and responsible partner for all.

This corporate culture, while today now formally defined, is not new. For that same reason, we are rewarded by the loyalty of our employees who are proud to work for PHARMAGEST Group within La Coopérative WELCOOP.

This is because we don't do things like anyone else. We are constantly innovating and asking the right questions, while demonstrating a spirit of solidarity with all internal and external stakeholders.

This is how we have developed and how we will continue to build together our success and our future.

A handwritten signature in black ink, appearing to read 'Thierry'.

Thierry CHAPUSOT
Chair of the Board of Directors

Dear shareholders,



As each of us can see every day, digitization is transforming the economy and entire society. Every year, individuals, applications and devices are increasingly connected with more than 1 billion smart devices already online.

Just like all other sectors, health care and well-being are increasingly connected. For PHARMAGEST Group this trend is accompanied by both challenges and opportunities. This also requires rapidly changing expertise, know-how and technologies. We have been at the forefront of these issues by providing innovative solutions, constantly available and through high performance infrastructure, like our data centre. This combined with our ITC expertise, PHARMAGEST Group possesses all the strengths take advantage of these enormous opportunities and maintain its business in nearly all spheres of the health economy: digital, pharmacies, home care, healthcare establishments and hospitals.

PHARMAGEST Group also has a very solid and attractive financial profile, an additional strength in today's economic environment. On that basis, the Group had consolidated revenue of €128.38 million at 31 December 2016, up significantly from 2015 by 13.13%. Operating profit amounted to €31.39 million, up 11% from 2015 and net profit rose 13% to €21.46 million, up from €19 million in 2015.

PHARMAGEST INTERACTIVE will propose a gross dividend of €0.65 to the General Meeting on 27 June 2017.

These business and financial successes have been made possible by the confidence of our customers but also the loyalty of our shareholders. These successes are also the result of the uninterrupted efforts and commitments of our teams and the entrepreneurs who have joined the Group and who, day after day, give their very best for PHARMAGEST Group. We would like to thank them in particular, as it is their ideas, visions and inventions that are shaping the company of today and tomorrow.

A handwritten signature in black ink, appearing to read 'Dominique'.

Dominique PAUTRAT
Managing Director

Corporate Governance



PHARMAGEST INTERACTIVE's executive management focuses on company strategy and oversight. Corporate governance is spearheaded by the Finance and Personnel Management Committee, which is responsible for overall strategy. It is backed by the Management Committees of the different business lines, and Steering Committees that operate on a project management basis.

Left to right:

Mr. Denis SUPPLISSON

Deputy Managing Director / Director of Solutions for Pharmacy Division - Europe

Mr. Jean-Yves SAMSON

Chief Administrative and Financial Officer

Mr. Dominique GOURSAUD

Director of the Pharmacy France Business Line

Mr. Yannis NAHAL

Director of e-Health Solutions Division

Ms. Liza NATAN

Director of the e-Pharma Business Line

Mr. Dominique PAUTRAT

Managing Director

Mr. Thierry PONNELLE

Deputy Managing Director / Chief Strategy and Business Development Officer

Mr. Erwan SALQUE

Director of the e-Patients Business Line

Mr. Rodolphe ZIMMER

Director of Human Resources

Mr. Grégory ROUSSEAU

Chief Technology and R&D Officer

The Finance and Personnel Management Committee

The Finance and Personnel Management Committee has 10 permanent members. It is tasked with examining the company's general policy and strategy, as well as the financial impact of decisions on the company's results.

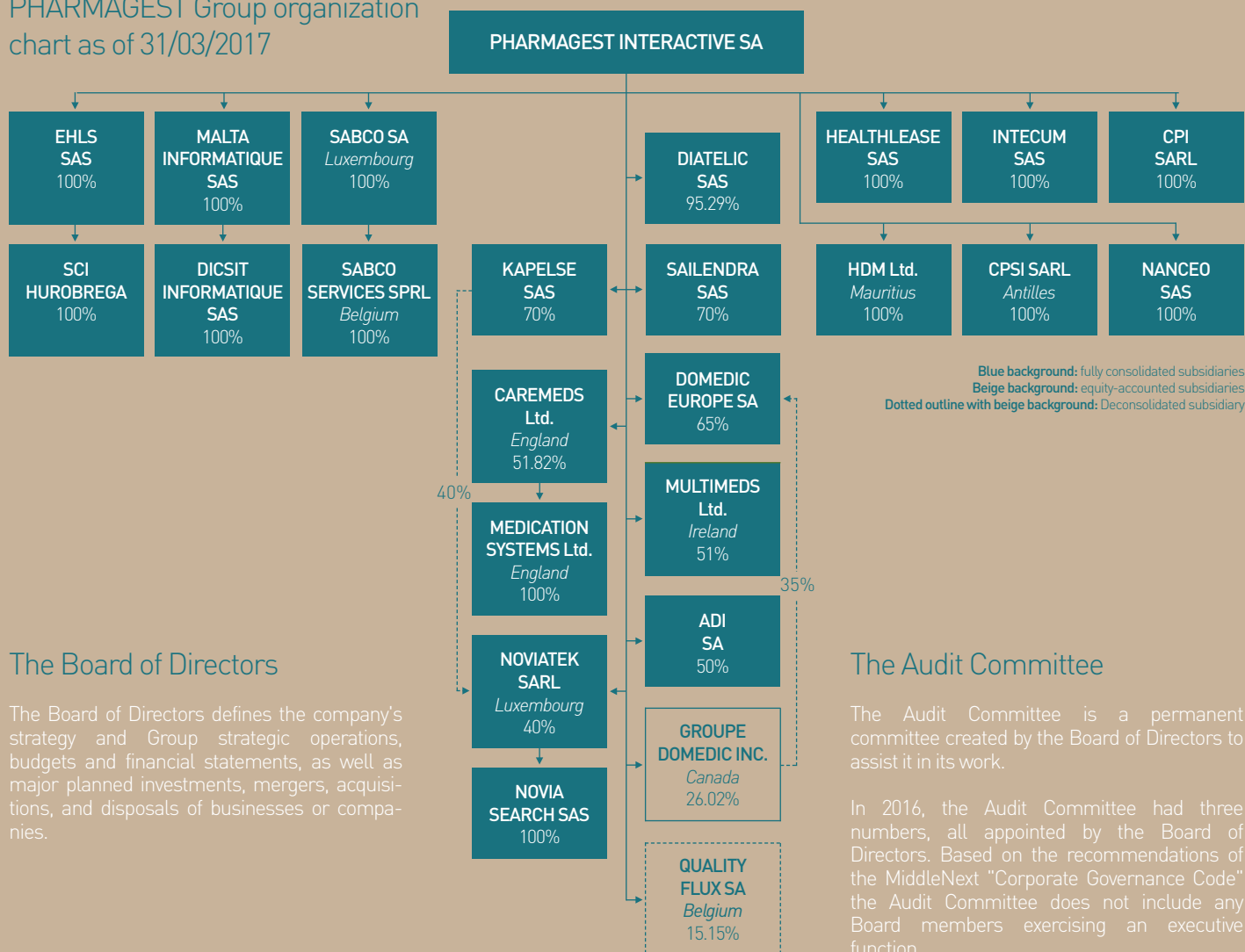
Other committees

Each activity (operating activities: Pharmacy France, Pharmacy Belgium and Luxembourg, e-Health, Care Homes and R&D) has its own Management Committee. It is responsible for implementing the strategy of PHARMAGEST Group and, in particular, the decisions made regarding the business.

In addition, the company has adopted a cross-functional working method involving a representative from each of the participating departments on a project-by-project basis, from design to sustainable completion, working in various steering committees. The project managers report to the Finance and Personnel Management Committee.



PHARMAGEST Group organization chart as of 31/03/2017



The Board of Directors

The Board of Directors defines the company's strategy and Group strategic operations, budgets and financial statements, as well as major planned investments, mergers, acquisitions, and disposals of businesses or companies.

Composition of the Board of Directors at 31/12/2016

Left to right:

Mr. Denis SUPPLISSON

Deputy Managing Director - Director

Ms. Anne LHOTE

Director

Mr. Dominique PAUTRAT

Managing Director - Director

Ms. Sophie MAYEUX

Independent Director

Mr. Daniel ANTOINE

Director

Mr. Thierry CHAPUSOT

Chair of the Board of Directors

Mr. François JACQUEL

Director

Ms. Marie-Louise LIGER

Independent Director

Mr. Thierry PONNELLE

Deputy Managing Director - Director

Mr. Hugues MOREAUX

Representing La Coopérative WELCOOP - Director



The Audit Committee

The Audit Committee is a permanent committee created by the Board of Directors to assist it in its work.

In 2016, the Audit Committee had three members, all appointed by the Board of Directors. Based on the recommendations of the MiddleNext "Corporate Governance Code" the Audit Committee does not include any Board members exercising an executive function.

The Audit Committee met four times in 2016.

Its main mission is to monitor the preparation of accounting and financial information, and the effectiveness of the Group's internal control and risk management systems. It is also responsible for overseeing the audit of the annual and consolidated financial statements by the Statutory Auditors and for monitoring their independence.

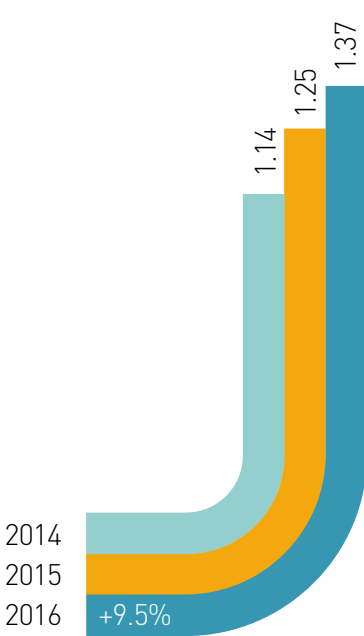
Key figures



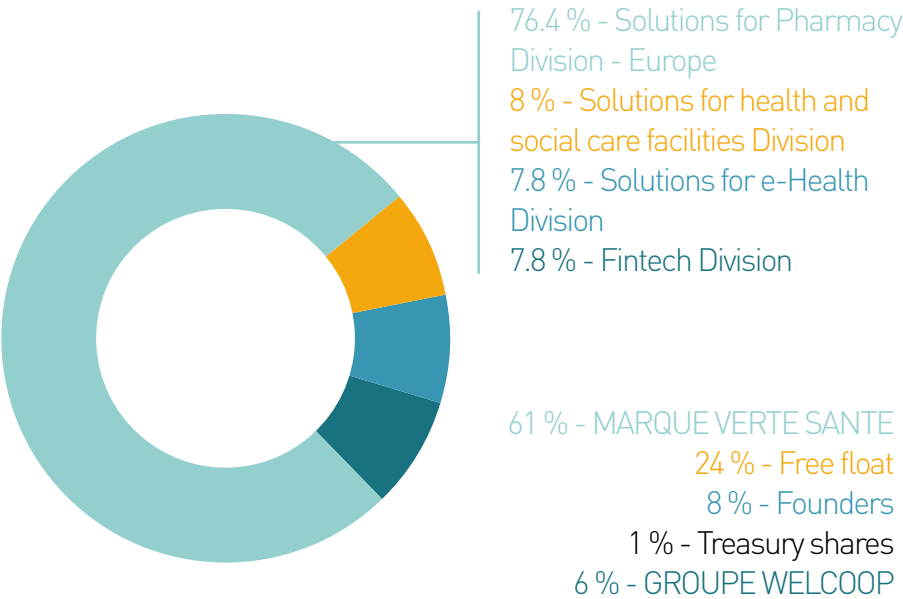
Revenue: 2014-2016
(in €m)



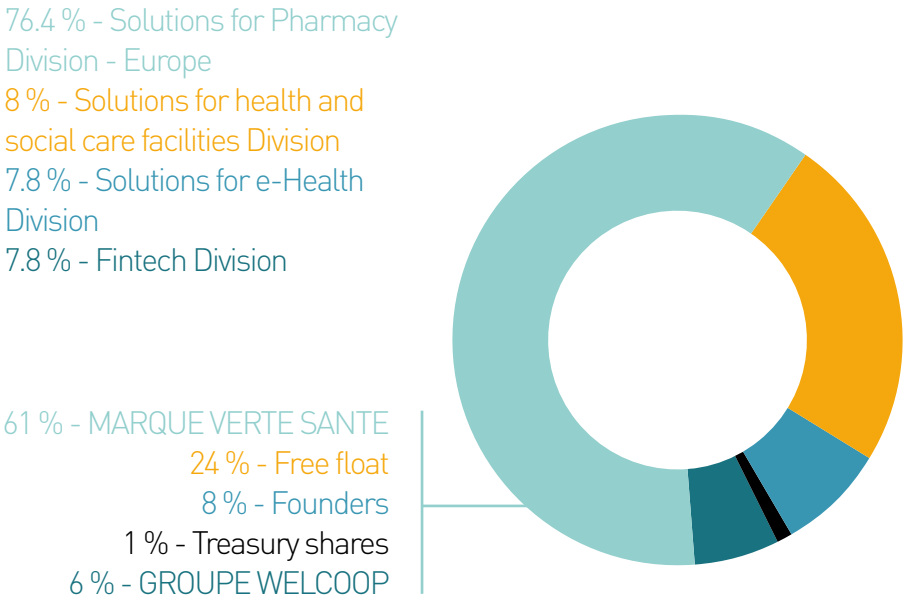
Net profit attributable to equity
holders of the parent: 2014-2016
(in €m)



Basic earnings per share:
2014-2016
(in €, pro forma according to
the 5-for-1 stock split)



Revenue mix
at 31 December 2016



Capital ownership structure
at 31 March 2017

PHARMAGEST Group Business Lines



Employing over 900 people, PHARMAGEST Group boasts specialized expertise in all advanced information technologies in health and related sectors, including pharmacy information systems, solutions for e-Health and pharmaceutical companies... These businesses are organized into four divisions and supported by all corporate functions required for the operation of a major IT company.

1. Solutions for Pharmacy Division - Europe

- Pharmacy France Business Line
- Pharmacy Belgium and Luxembourg Business Line

2. Solutions for Health and Social Care Facilities Division (MALTA INFORMATIQUE and DICSIT INFORMATIQUE)

3. Solutions for e-Health Division

- e-Patients Business Line
- e-Pharma Business Line
- e-Connect Business Line

4. Fintech Division (NANCEO)



Membership of a Pharmacists' Cooperative

A pharmacists' cooperative, La Coopérative WELCOOP, is the majority shareholder in PHARMAGEST INTERACTIVE. As a result of this original status, the Group's customers may also be shareholders in this same Group. The advantage of this structure is the strong connection with the pharmacy profession, providing PHARMAGEST INTERACTIVE with the vision and foresight it needs to develop the tools to support its customers.

Solutions for Pharmacy Division Europe

PHARMAGEST Group is an information technology specialist for pharmacies, with more than 10,000 customers, and the French market leader. Since 2007, it has also been operating in Belgium and Luxembourg, through its SABCO subsidiary. This Division consists of the Pharmacy France and Pharmacy Belgium and Luxembourg Business Lines.

In 2016, it contributed 76.4% of PHARMAGEST Group's total revenue.

Pharmacy France Business Line

In 2016, the Group's long-established Pharmacy France Business Line accounted for 74.3% of PHARMAGEST Group's total revenue (IFRS). Its flagship software suite, LGPI Global Services®, equips more than 41% of pharmacies in France. It is the leading pharmacy software in France, with the NF "Customer relations" French label of compliance for its centralised software support service.



PHARMAGEST INTERACTIVE clearly identified a need for pharmacies to increase their sales and provide better advice to customers. In response to the growing trend in France to self-medicate and the increasing reliance on new Information and Communication Technologies (ICT), PHARMAGEST Group has developed innovative and market-specific solutions.

A range of solutions to strengthen patient support and advice

PHARMAGEST Group develops specific solutions to support pharmacists in fulfilling their new missions in the areas of patient advice and prevention. In so doing, it contributes to the increasingly strategically important task of promoting their scientific added value as health-care professionals.

Rollout of the compliance monitoring software (LSO): the Group started to roll out the compliance monitoring software in 2016. This application helps pharmacists in performing their new roles (in particular as a tool for monitoring in-pharmacy patient interviews) and offers the first steps in tackling the public health challenge of compliance. The development and deployment of LSO establishes PHARMAGEST Group as the only software company able to offer comprehensive software solutions for pharmacists.

Synergies with the Group's other business lines and subsidiaries: the Group's long-established Pharmacy France Business Line continues to provide momentum to business development and ensures that investments of other Group subsidiaries remain consistent with the overall objectives.



Denis SUPPLISSON, Deputy Managing Director
Director of Solutions for Pharmacy Division - Europe

The Pharmacy France Business Line's products for pharmacists include:

- DOMEDIC EUROPE's DO-Pill SecuR™ smart pill dispenser;
- KAPELSE's SESAM-Vitale card readers and the KAP&CARE terminal to update the cards;
- Offidose 2.0, the PDA (Preparation of Doses to be Administered) management and scheduling software for 500 of the largest pharmacies in France, creating synergy with MALTA INFORMATIQUE's activities by ensuring full synchronization of patient data between the Offidose 2.0 and TITAN applications;
- The HEALTHLEASE financing solution.

Pharmacy Belgium and Luxembourg Business Line

The Pharmacy Belgium and Luxembourg Business Line accounted for 2.1% of Group's revenue in 2016 (IFRS).

Breaking new ground in the Belgian market, PHARMAGEST Group, through its subsidiary SABCO, proposes a range of two software packages suited for all types of pharmacies and available in the country's two main languages, French and Dutch: SABCO® OPTIMUM and SABCO® ULTIMATE (the Belgian equivalent of LGPI Global Services®).

In the Grand Duchy of Luxembourg, SABCO confirmed its position as a major player with a 30% market share in the sector of software solutions for pharmacies with its Officine 2016 application [source: SABCO].

Solutions for Health and Social Care Facilities Division

MALTA INFORMATIQUE, a PHARMAGEST Group subsidiary, occupies a key position, with a market share exceeding 10%, in the extremely promising sector of information technology solutions for elderly residential care homes and day care facilities.

In 2016, the Solutions for Health and Social Care Facilities Division accounted for 8% of PHARMAGEST Group's revenue.

By developing this know-how, MALTA INFORMATIQUE is effectively responding to the increased demand of these facilities that are still underequipped in terms of high performance hardware and software applications.

TITAN, the company's integrated and modular software package provides an effective and differentiating solution within the evolving health and social care landscape. Today, it is the only solution in the market capable of covering the entire medication chain for elderly residential care homes.

A focus on R&D is a defining characteristic of MALTA INFORMATIQUE and with all software modules upgraded on a regular basis, it today has a mature standard offering.

External growth and new expertise

In 2016, MALTA INFORMATIQUE acquired DICSIT INFORMATIQUE, a market leader in IT solutions for home-care healthcare professionals.

This acquisition will enhance the portfolio of services offered by MALTA INFORMATIQUE and strengthen its position as a key provider of IT solutions for health and medical-social institutions, by ultimately offering a genuine pathway management for the user.

The DICSIT INFORMATIQUE offering covers four sectors:

- **HAD (Hospital at Home) programmes** with AnthADine, an application that contributes to securing the medication pathway, and the MOBISOINS mobility tool, that provides comprehensive tracking from the initial consultation with the patient to at home follow-up and validation.
- **SSIADs (Home-based nursing services)** with the MicroSOINS software and MOBISOINS mobility tool. MicroSOINS covers all needs of home-based nursing services through a complete patient care file (planning, targeted transmissions, validation of care, treatment plan, etc), electronic data management and management tools.
- **Local Information and Coordination Centres for older people (CLIC)** with LogiCLIC, the market benchmark in this sector and gerontological coordination.
- **Collaborative home-based support and care services (SPASAD)** through a new offering based on a single user file.

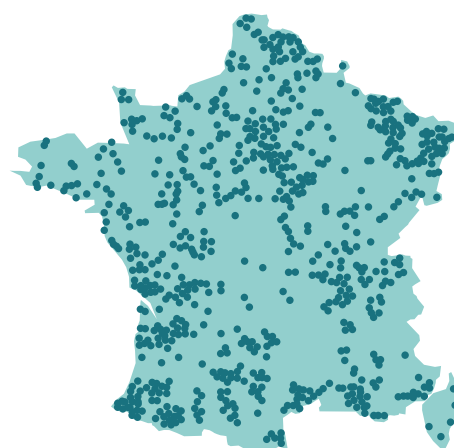
This range is supplemented by other tools like MEMORIALIST™, an application designed to support Alzheimer's teams including a treatment file and follow-up information of treatment sessions.



At year-end 2016, 1,580 elderly residential care homes ran MALTA INFORMATIQUE software.



Grégoire DE ROTALIER, Director of the Solutions for Health and Social Care Facilities Division



Guadeloupe

Martinique

La Réunion

New Caledonia



Solutions for e-Health Division

PHARMAGEST Group's growth strategy focuses on improving patient health and treatment delivery and, in this way, reducing healthcare costs.

At the same time, PHARMAGEST Group has anticipated the digital revolution which is becoming a daily fixture in the life of both healthcare professionals and patients.

The objectives of the Solutions for e-Health Division are to design and roll out new services and systems and measure the savings generated for the national health insurance system.

The added value created by this Division resides in the relevance of its role in setting direction for pharmacy industry stakeholders, and its organisational and functional expertise in all aspects of health.

E-Health combines the excellence and expertise of PHARMAGEST INTERACTIVE, DIATELIC, DOMEDIC EUROPE, KAPELSE, SAIENDRA and NOVIATEK, as well as technology suppliers with a track records in the healthcare sector and the ability to deliver services to meet the demand from healthcare professionals for improved care for patients.

Following a phase of intensive investment, the Solutions for e-Health Division contributed 7.8% of total PHARMAGEST Group revenue in 2016.

To achieve its objectives, the Division is subdivided into three business lines: e-Patients, e-Pharma and e-Connect.



Yannis NAHAL, Director of the Solutions for e-Health Division



Improving patient medication compliance: DO-Pill SecuR™

Through its equity stake in DOMEDIC INC. GROUP, a Canadian company, completed by its majority stake in the French company DOMEDIC EUROPE, PHARMAGEST INTERACTIVE holds exclusive distribution rights for the connected DO-Pill SecuR™ pill dispenser in Europe, China and Japan.

This intelligent pill dispenser reminds patients to take the right medication at the right time with a visual and audible alert. DO-Pill SecuR™ completes PHARMAGEST Group's service offering by providing pharmacists with reliable and accurate treatment compliance summaries for patients with chronic illnesses or seniors which in turn helps improve quality of life for both patients and families.

The relevance of these innovative solutions is demonstrated by the Group's success in being selected for calls for major projects which have now advanced to the operational stage.



Solutions for e-Health Division

e-Patients Business Line: an innovative offering

To maintain its capability to offer innovative services to pharmacists to help fulfil various aspects of their role under the French healthcare reform act (HPST - Hospitals, Patients, Health and Territory Act), the Group continues to invest to develop the tools to help pharmacies consolidate their position in the healthcare ecosystem and cooperate effectively with other healthcare professionals in this patient-centred environment.

The development of artificial intelligence and expert systems for improved medical monitoring and diagnostic tools

DIATELIC is specialized in artificial intelligence applied to patient telemonitoring and medication compliance. The expert systems developed by DIATELIC, using artificial intelligence, generate automatic alerts and sophisticated diagnostic aids for use by healthcare professionals in the therapeutic monitoring of patients. This offering provides a response to the crucial issue of effectively handling the growing volume of health data generated by telemedicine or e-health systems.

The range of software covers an increasing number of pathologies, from renal failure (medical tele-monitoring of home dialysis) and cardiology to diabetes and respiratory failure...

Optimized sharing and protection of personal healthcare data

Health professionals in general—and dispensing pharmacies in particular—must have the new tools to fulfil emerging needs for dispensing safety, traceability and personal health data security.

Because the needs of the healthcare sector cannot be met by conventional data centres (operating according to a completely different business model), PHARMAGEST Group established a proprietary Data Centre in 2012. This strategic tool guarantees robust quality and strict data security to offer high added-value services to healthcare professionals, pharmacists and healthcare establishments.

The Group accordingly reinforced its structure and was granted Hosting of Health Data (HHD) accreditation by the French Ministry of Social Affairs and Health in 2012 for hosting applications with direct access by patients to their information.



36 more months: innovation in the service of continuing home-based care

The "36 more months at home" project

After a pilot phase of the "36 more months at home" project initiated by the Lorraine Region and the European Regional Development Fund (ERDF), CARSAT Nord-Est and PHARMAGEST Group advanced to the development phase in 2016. The objective is to develop innovative, multi-service offerings for the elderly in the very early stages of diminishing autonomy, based on new technologies. The goal is to help people to remain in their home for an additional 36 months, while minimising the risk of accidents and anticipating potential health problems.

Recent developments

With PHARMAGEST Group's acquisition of an equity stake in SAIENDRA, the e-Patients Business Line has completed its range of expertise by offering AI-based behavioural analysis solutions. SAIENDRA designs and develops technologies for life course optimization through AI products, in particular by generating recommendations when using applications and websites. The excellence of its know-how is exemplified by the scalable algorithms that can be easily updated.



Solutions for e-Health Division



e-Pharma Business Line

As result of its experience and market leadership, PHARMAGEST Group is the partner of choice for developing customer-focused marketing. With more than 10,000 pharmacies (in France, Belgium and Luxembourg) equipped with its information technology solutions, PHARMAGEST Group addresses a market of more than 50,000 health care professionals, and through them, more than 2 million patients per day. In this way, it has established a position as an expert in information technology for pharmacies, by developing value-added solutions for the different stakeholders across the pharmaceutical channel.

Prevention
Information

Screening

Monitoring

A stakeholder in the public health ecosystem

The Group's offering for pharmaceutical companies includes solutions to facilitate the new roles of pharmacists on the front line of patient care.

PHARMAGEST Group's health observatories, prevention and information campaigns are another means of demonstrating its public health expertise and its ability to mobilise pharmacy teams.

In 2016, pharmacies equipped with LGPI Global Services® were able to participate in several initiatives: chronic kidney failure, Parkinson's disease, diabetes, Alzheimer's disease, prostate cancer and psoriasis.

Medication compliance monitoring: PHARMAGEST INTERACTIVE solutions promoting patient education

Poor medication compliance results in health risks for the patient. However, experience has shown that patient information and training measures improve their compliance and commitment to treatment.

PHARMAGEST Group develops services for pharmaceutical companies and pharmacists promoting patient education, through interviews conducted by pharmacists, information sheets and advice specifically adapted to the patient profile. Pharmaceutical companies have shifted from product marketing to patient-focused marketing.

Today, it is no longer the drug which is the focus of the pharmaceutical industry but rather perso-

nalized therapeutic solutions. This trend is leading to the development of new relations between healthcare professionals and the patient, solutions creating added value around their innovative drugs.

Recent developments

In 2016, the e-Pharma Business Line expanded its offering with pharmaceutical companies and medtechs (medical device manufacturers), mutual and other insurance companies, by marketing its CAREVITAE solution. This solution contributes to patient adherence to their treatment with the objective of improving compliance. Pharmacists propose ongoing support to patients with chronic illnesses and follow a treatment protocol defined through pharmaceutical interviews, advice and recommendations according to the patient's profile and stage of treatment.

Solutions for e-Health Division

KAPELSE : a designer of innovative e-Health solutions

Created in January 2013, KAPELSE, a PHARMAGEST INTERACTIVE subsidiary designs, develops, produces, installs and operates innovative e-Health solutions for secure monitoring of patients at their place of residence and optimised care pathways.

KAPELSE's offering included four systems:

- **KAP&LINK®**

- A card reader suitable for all pharmacies based on innovated patented technology, for remote transmission, updating SESAM-Vitale cards...

- **eS-KAP-Ad®**

- A mobile device with pre-loaded software and a SESAM-Vitale billing programme to create and sign electronic healthcare data sheets during house call visits to patients.

- **KAP&CARE®**

- An e-Health box (SATEBOX) specially designed for in-home patient monitoring, it facilitates tele-monitoring and medical tele-assistance. Patient authentication and data security are guaranteed.

- **KAP&GO®**

- The mobile version of the e-Health box.

KAPELSE also contributes to projects led by the e-Patients Business Line by offering comprehensive, simple and secure systems for remote patient monitoring, as well as functionalities that are critical to patient treatment compliance and optimising their care pathway.

NOVIACARE™ : a disruptive technology in the home-based care market

In 2016, KAPELSE continued to build its technology and services infrastructure devoted in particular to home care solutions by acquiring an equity stake in NOVIA TEK and its subsidiary NOVIA SEARCH (start-ups specialising in the design of innovative technology systems for assisting people with specific needs (Alzheimer's, dependent persons, persons with disabilities, etc).

NOVIA TEK developed NOVIACARE™, an assistance system designed for people with Alzheimer's and older people living alone.

This system, using carefully placed sensors and a central router, takes measurements of persons living at home, analyses behaviour and works preventively to reassure the persons themselves, as well as their family and caregivers, with a report sent on a daily basis.

Also equipped with a speech synthesis system, NOVIACARE™ can provide the person with advice on taking medication, meal frequency, hydration levels and space-time guidance.

The device is not intrusive, does not require an internet connection and is easy to install in the home (wireless, plug and play).



Division Fintech

NANCEO was formed in 2015 to arrange equipment lease financing solutions in the services sector. NANCEO created *Leasa by Nanceo*, an online gateway operating like a hub making it possible:

- For dealers or distributors to easily submit their financing applications;
- To provide easy one-click access to the main lease financing providers on the market;
- To manage all sales financing processes automatically;
- To manage one's portfolio of customer "lessees", from the lease's inception to the end of its term.

For its first full year of operation, the **Fintech Division contributed 7.8% of total PHARMAGEST Group revenue in 2016.**



Michel CONSTANT, Director of Fintech Division

nanceo

Recent developments

The Fintech Division developed an application reserved for NANCEO certified partners offering mobile capabilities for its *Leasa by Nanceo* financing platform.



Customers ● →
Customers ● →
Customers ● →



The system dialogues with lenders on multiple aspects of finance.

Management applications and comprehensive software solutions for pharmacies

The pharmacist is a healthcare professional, a team manager and a merchant all at once. Consumers, and ultimately patients, are evolving and today, the traditional combination of products and advice is no longer enough. In this market environment, management applications for pharmacies need to be redesigned around the patient within a scope that goes beyond that of the pharmacy. This is the idea behind comprehensive pharmacy software solutions.

In addition to in-pharmacy patient interviews to be conducted by pharmacists with the medication adherence monitoring application, the integration of this new module with the tool used in day-to-day operations - the LGPI Global Services® - changes many things:

- Upstream, for each program included in the medication adherence monitoring application, pharmacists are able to know the number of patients potentially concerned and prepare their teams in consequence.
- During the dispensing process, according to the patient profile and/or his or her treatment, the pharmacists and their teams may then be invited to open a monitoring file.
- Certain information entered into the management application will automatically enhance the patient file for example a record of medications dispensed.
- Files are furthermore open, consulted a modified directly from the management application.

For the first time, through this application, pharmacists can centralize, organize all information linked to the patient's condition and treatment within a single file: the record of medications dispensed, information relating to the patient's pathology or other documents.

Since 2003, LGPI Global Services® included these types of functionalities: an information portal, of course, but also systems designed to assist patients with their treatment and strengthen their adherence.

PHARMAGEST INTERACTIVE's priority is to offer a truly integrated software solution for pharmacies. Reflecting this objective, since May 2017, a medication adherence monitoring application has been included at no cost.

As a highly integrated software solution, LGPI Global Services® thus enables pharmacists to enhance their service offering.

And tomorrow?...

Tomorrow, pharmacists (with the patient's agreement) may share this data with other healthcare professionals. They may also complete it by adding new information and documents.

A further step forward in meeting the demand of patients for improved health care coordination.

And also a response to the need for healthcare professionals for solutions, often lacking, to exchange patient information in a simple and secure manner.

The pharmacist's role is evolving... PHARMAGEST INTERACTIVE thus supports pharmacists in adapting to the changes with LGPI Global Services®, the fully integrated software solution for their business.



Corporate social responsibility



The values of corporate citizenship are an integral part of PHARMAGEST Group's business and strategy, and namely:

1. Creating innovative solutions to:

- Help customers meet the challenges of a constantly changing environment and maintain the profitability of their business in a difficult economic climate;
- Provide PHARMAGEST Group with a competitive advantage.

2. Contributing to achieving the "health" objective of public authorities and individuals alike through new technologies.

Conscious of the importance of the expertise and the contribution of each employee to its strategy's success, PHARMAGEST Group is committed to improving its employees work conditions and fulfilment, as well as providing training.



Reducing the environmental impacts of the activities of PHARMAGEST Group is also a priority.

The integration of the principles of sustainable development in PHARMAGEST Group's activities must therefore contribute to the sustainability of its business, encourage innovation and in this way, the effective execution of its strategy.



The full Corporate Social Responsibility Report can be consulted in the 2016 Registration Document of PHARMAGEST INTERACTIVE available online at www.pharmagest.com

Financial highlights

Consolidated balance sheet (IFRS) at 31 December 2016 and 2015

Statement of Financial Position - Assets - In € thousands	31/12/2016	31/12/2015
Non-current assets		
Intangible assets	14,286	12,333
Goodwill	30,455	27,744
Property, plant and equipment	5,670	4,988
Non-current financial assets	15,037	313
Securities valued by the equity method	917	669
Deferred tax assets	388	364
Total non-current assets	66,753	46,411
Current assets		
Stocks and work-in-progress	2,570	2,384
Trade receivables	20,247	15,991
Other receivables	5,964	4,069
Available-for-sale securities	27,594	41,177
Other financial assets	0	0
Cash and cash equivalents	27,569	13,949
Total current assets	83,944	77,569
TOTAL	150,697	123,981

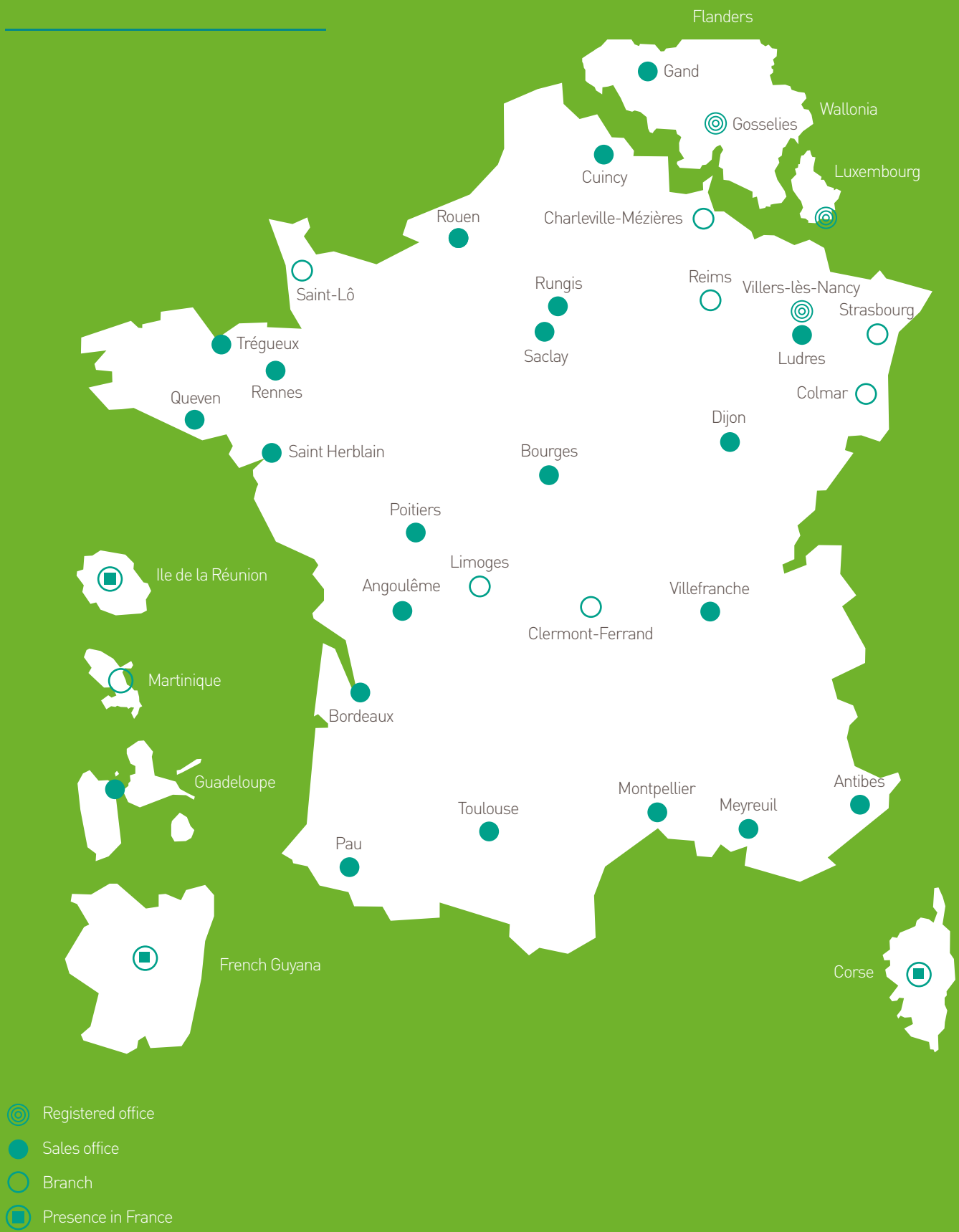
Statement of Financial Situation - Equity and Liabilities - In € thousands	31/12/2016	31/12/2015
Shareholders' equity		
Share capital	3,035	3,035
Consolidated reserves	78,354	68,822
Profit for the year	20,567	18,792
Equity capital - Group share	101,955	90,649
Reserves - Minority interests	800	703
Earnings - Minority interests	897	204
Minority interests	1,697	907
Total equity capital (consolidated)	103,653	91,557
Non-current liabilities		
Long-term provisions	3,345	2,363
Long-term liabilities	3,442	1,103
Deferred tax liability	632	476
Other long-term payables	758	1,295
Total non-current liabilities	8,178	5,237
Current liabilities		
Short-term provisions	150	210
Financial liabilities owed within a year	6,960	478
Trade payables	8,196	6,696
Current tax	1,422	786
Other short-term payables	22,138	19,017
Total current liabilities	38,866	27,187
TOTAL	150,697	123,981

Financial highlights

Consolidated profit and loss statement (IFRS) at 31 December 2016 and 2015

Statement of profit or loss - In € thousands	31/12/2016	31/12/2015
Revenue	128,381	113,477
Other business income	0	0
Subtotal Operating revenue	128,381	113,477
Purchases consumed	- 31,483	- 24,080
Personnel costs	- 44,595	- 42,232
Purchases and external expenses	- 14,654	- 13,898
Taxes other than on income	- 2,615	- 2,533
Allowances for depreciation and amortisation	- 3,468	- 2,957
Allocation to provisions	- 341	174
Other income and expenditure	161	330
Subtotal Operating expenses	- 96,995	- 85,196
Current operating profit	31,386	28,281
Other operating income	0	0
Other operating expenses	0	0
Operating profit	31,386	28,281
Income from cash and cash equivalents	1,284	1,192
Cost of gross financial debt	-131	- 159
Cost of net financial debt	1,153	1,033
Other financial income and expenditure	-15	0
Tax expense	- 10,947	- 10,274
Share of net profit/(loss) from equity-accounted entities	- 112	- 42
Profit/(loss) from continuing operations	21,464	18,996
Profit/(loss) from discontinued operations	0	0
Net profit/(loss) for the year	21,464	18,996
Profit/(loss) attributable to equity holders of the parent	20,567	18,792
Net profit/(loss) Minority share	897	204
Basic earnings per share (group share)	1.37	1.25
Diluted earnings per share (group share)	1.36	1.24

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