

ANNUAL REPORT 2017
PHARMAGEST

Table of contents

03	Management statements
04	Corporate Governance
07	Key figures
08	Pharmagest Group's Business Lines
17	Corporate social responsibility
18	Building a global healthcare ecosystem
20	Financial highlights
22	Pharmagest Group : global footprint



Dear Shareholders,



For more than 30 years, Pharmagest Group has been a driver of technology and software innovations focused on developing services designed to promote health and well-being of patients. Its highly attractive business model and expert teams represent significant strengths in its specialised markets in France.

We create innovative products and services that help our pharmacist customers meet the challenges of their profession and provide patients with the best technologies for their health.

In conjunction with this product offering, Pharmagest Group's ecosystem has been enhanced by the largest offering of services on the market. These services support patients over the entire pathway to provide a unique care experience. Continuously expanded, easy-to-use personalised and innovative, this includes notably solutions designed to bridge the non-hospital and hospital phases of care.

Pharmagest Group and all its subsidiaries within La Coopérative WELCOOP offer significant complementarities in terms of businesses, geographical coverage, expertise and know-how.

When combined, these forces represent the leading reliable and efficient health platform in France providing significant latitude for building the healthcare solutions of tomorrow.

However, these healthcare priorities are not limited to France. They are common to all Europeans: patient mobility, population ageing, homecare solutions, better quality of care, optimising the non-hospital/hospital pathways, reducing healthcare costs, etc.

Pharmagest Group applies a cross-cutting approach to these challenges which goes beyond focusing on health care structures alone. This is the essence of our added value: developing innovative software which transcends the purely structural considerations by focusing exclusively on the patient.

This broad-based "Patient-Centred" vision constitutes a strength for Pharmagest Group and supports our mission of providing a powerful response to these challenges.

The healthcare platform we are creating is on its way to becoming a benchmark for Europe.

Based on a commitment to establishing lasting foundations for healthcare sectors to benefit patients through technological and economic innovations, Pharmagest Group is now in a phase of robust market development and sustainable growth.

Thierry CHAPUSOT
Chair of the Board of Directors

Dear Shareholders,



The place of the individual at the heart of the healthcare system is increasingly recognised in public policy debates.

Whether in France or throughout Europe, the prevailing trend with respect to health is the same: population ageing resulting in growing demand for healthcare, with continuity of care identified as a priority. Addressing these

challenges requires highly efficient solutions facilitated by the development of new technologies.

For more than five years, Pharmagest Group has been anticipating these challenges within the healthcare environment.

Today, we are the only player which proposes both a solution to structure healthcare coordination across non-hospital and hospital segments and a global "patient-centred" ecosystem based on a single healthcare platform in Europe.

To achieve this goal, Pharmagest Group has continued to deploy its strategy for profitable growth by accelerating financial investments in 2017, notably by acquiring three companies with expert know-how (SAILENDRA, CAREMEDS / MULTIMEDS, AXIGATE).

2017 was in consequence marked by a number of significant developments as well as excellent performances in terms of sales and earnings. With all Divisions contributing to this positive performance, this sustained growth confirms the effectiveness of our strategy.

On that basis, consolidated revenue for the year rose 14.35% to €146.8 million; Operating Profit amounted to €34.52 million, up 10% from 2016 and Net Profit rose 13% to €24.25 million, up from €21.46 million in 2016.

Pharmagest Group will propose a gross dividend of €0.75 to the General Meeting on 28 June 2018.

In line with the recent acquisition in Italy, Pharmagest Group will pursue initiatives in 2018 with other European partners to consolidate and deploy its dedicated global "Patient-Centered" ecosystem through its health platform which is currently unique in Europe.

Our strategy of European development is and will continue to generate income, giving Pharmagest Group reasons for optimism for the year ahead.

Dominique PAUTRAT
Managing Director

Corporate Governance



Composition of the Board of Directors at 31/12/2017

From left to right:

Mr. Thierry PONNELLE
Deputy Managing Director - Director

Ms. Emilie LECOMTE
Director

Ms. Sophie MAYEUX
Independent Director

Mr. Hugues MOREAUX
Representing La Coopérative WELCOOP
Director

Mr. François JACQUEL
Director

Ms. Marie-Louise LIGER
Independent Director

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.

The obligation of gender balance of the Board of Directors established by article L. 225-18-1 of the French commercial code (Law 2011-103 of 27 January 2011) is respected. At 31 December 2017 and to date, the percentage of women serving on the Board of Directors is 42%.

Mr. Dominique PAUTRAT
Managing Director - Director

Mr. Thierry CHAPUSOT
Chair of the Board of Directors

Mr. Denis SUPPLISSON
Deputy Managing Director - Director

Ms. Céline GRIS
Independent Director

Ms. Anne LHOTE
Director

Mr. Daniel ANTOINE
Director

The Audit Committee

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

Its main mission is to monitor preparation of accounting and financial information, and the efficacy 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.

In 2017, the Audit Committee had three members, all appointed by the Board of Directors: Ms. Marie-Louise LIGER, Independent Director, Mr. Daniel ANTOINE, Director, and Mr. François JACQUEL, Director. Based on the recommendations of the Middle-Next "Corporate Governance Code", the Audit Committee does not include any member of the Board of Directors exercising an executive function.

The Audit Committee met five times in 2017.





PHARMAGEST INTERACTIVE's Executive Management focus is on strategy and monitoring the company's operations and performance. 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.

From left to right:

Mr. Rodolphe ZIMMER
Director of Human Resources

Mr. Jean-Yves SAMSON
Chief Administrative and Financial Officer

Mr. Dominique PAUTRAT
Managing Director

Mr. Damien MARINGER
Chief Technology and R&D Officer

Mr. Thierry PONNELLE
Deputy Managing Director / Chief Strategy and Business Development Officer

Mr. Denis SUPPLISSON
Deputy Managing Director / Director of the Pharmacy - Europe Solutions Division

The Finance and Personnel Management Committee

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

This Committee meets on a monthly basis and once a quarter, its members are joined by the Division Managers in a plenary session.

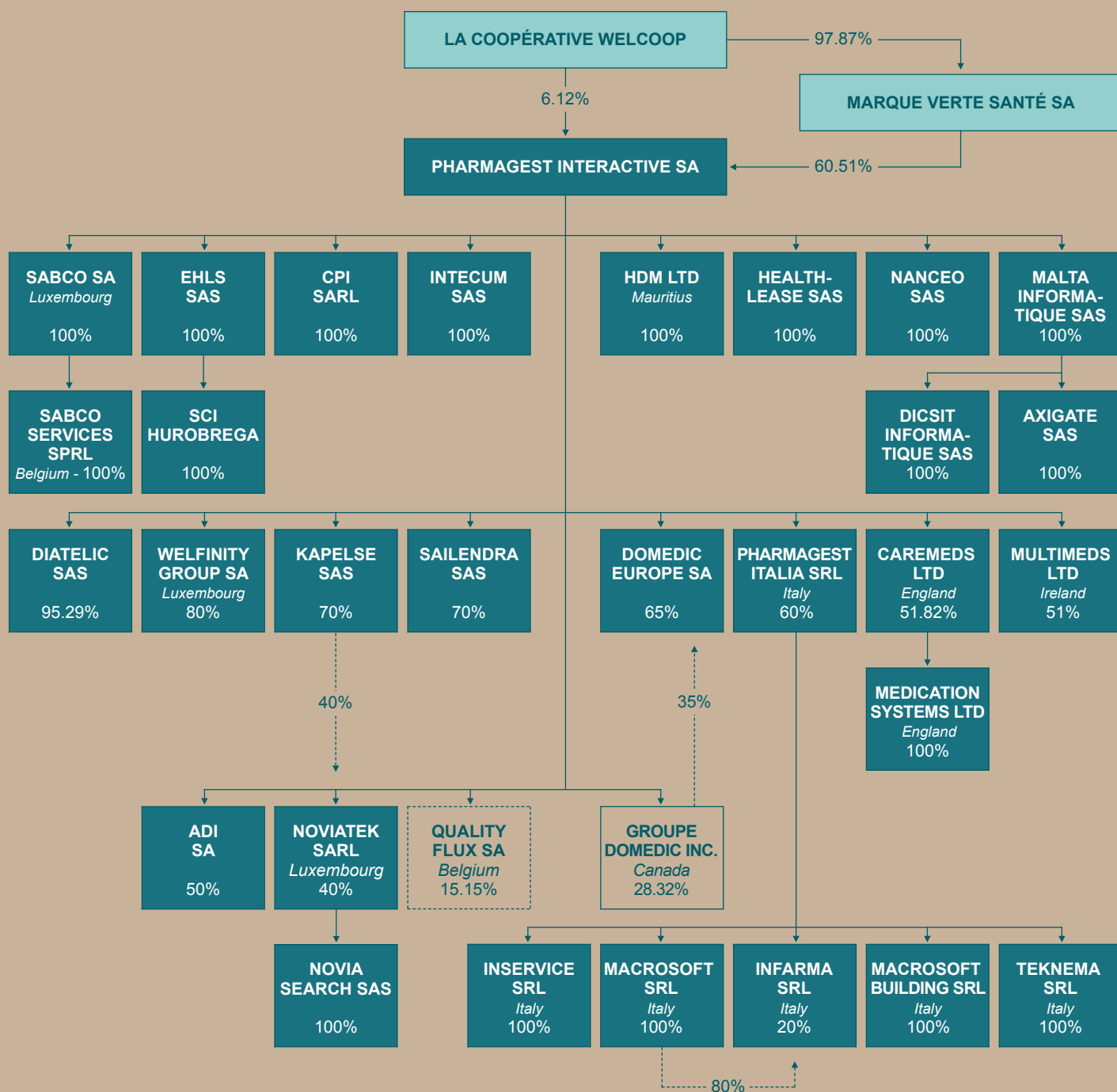
Other Committees

Each Pharmagest Group Division and operating activity has its own Management Committee. These committees are responsible for implementing the Pharmagest Group's strategy and, in particular, the decisions made regarding each business.

This mission is supported by a cross-corporate working method with a representative from each participating departments contributing on a project-by-project basis, from design through to end-of-life, working in various steering committees. The project managers report to the Finance and Personnel Management Committee.

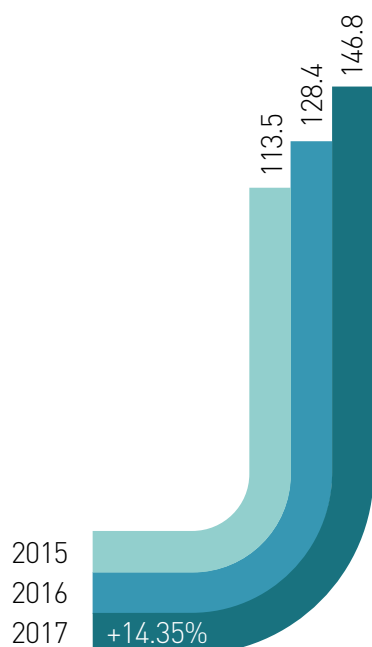


Pharmagest Group organisation
chart as of 31/03/2018

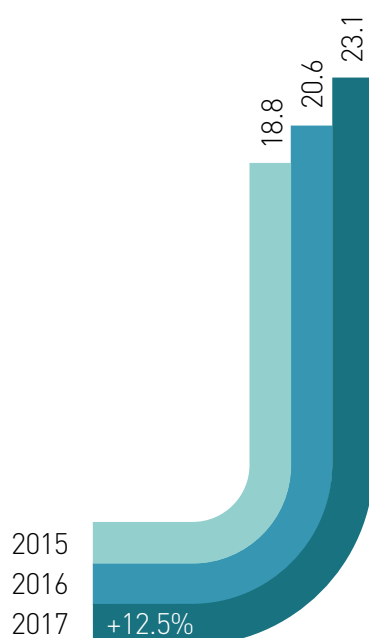


* **Blue background:** Parent companies;
Green background: fully consolidated subsidiaries;
White background: equity-accounted subsidiaries;
Dotted outline with white background: deconsolidated subsidiaries.

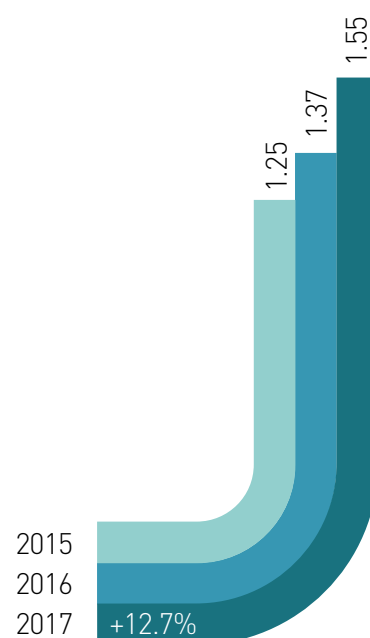
Key figures



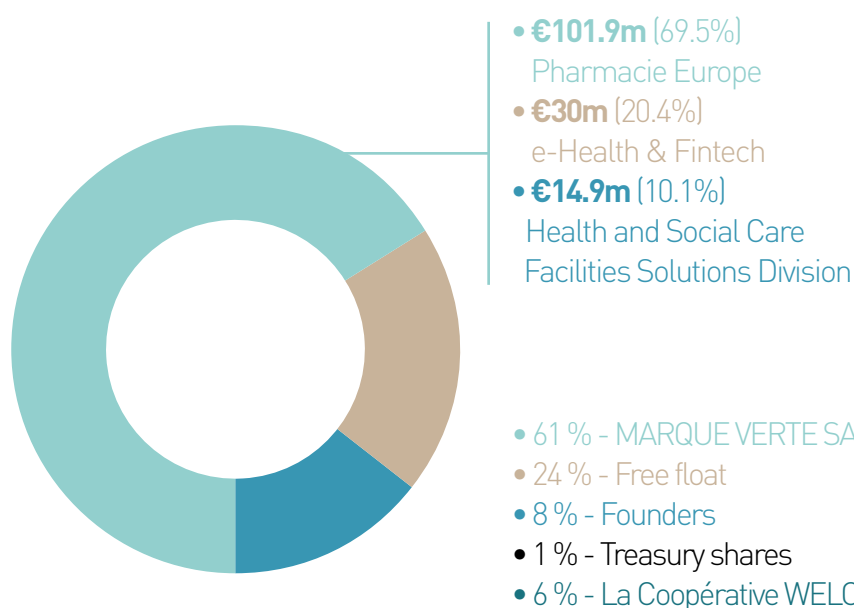
Growth in annual revenue since 2015
(In €m)



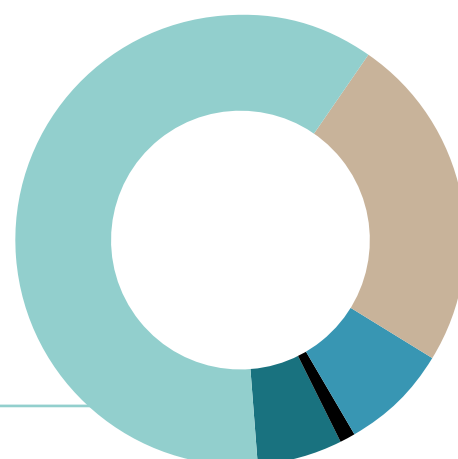
Growth in net profit attributable to equity holders of the Parent since 2015
(In €m)



Growth in basic net earnings per share since 2015
(In €)



Revenue mix at 31/12/2017
(In €m - As % of total Group revenue)



Capital breakdown as at 31/03/2018




PHARMAGEST
Technologies pour la santé

Pharmagest Group Business Lines



Employing over 1,000 people, Pharmagest Group's specialised expertise covers all advanced information technologies addressing the health and related sectors, including pharmacy information systems, solutions for e-Health and pharmaceutical companies... These businesses are organised into different divisions and supported by all corporate functions required for the operation of a major IT company.

Pharmagest Group has a customer base of 9,000 pharmacies in France and 1,200 pharmacies in other countries.

1. Solutions for Pharmacy Division - Europe

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

2. Health and Social Care Facilities Solutions Division

3. Solutions for e-Health Division

- e-Patient Business Line
- e-Pharma Business Line
- e-Connect Business Line

4. Fintech Division



Membership of a Pharmacists' Cooperative

PHARMAGEST INTERACTIVE is a majority-held member company of a pharmacists' cooperative (La Coopérative WELCOOP). As a result of this unique historical profile, 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 which provides it unique insight allowing it to anticipate and develop the tools to support its customers.

Pharmacy Europe Solutions Division

Pharmagest Group is a specialised European provider of information technology solutions 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 has two Business Lines covering France and the Belgium and Luxembourg markets respectively.

Since March 2018, Pharmagest Group has been operating in Italy through its new subsidiary, PHARMAGEST ITALIA.

The Group's historical business, the Pharmacy - Europe Solutions Division, contributed 69.45% of total revenue (IFRS) in 2017.



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

Pharmacy France Business Line

In 2017, the Pharmacy France Business Line accounted for 67.32% of Pharmagest Group's total revenue (IFRS). Its flagship software suite, LGPI Global Services® has a market share of 42% in France with an installed-base of nearly 9,000 pharmacies. It is the leading pharmacy software in France, with the NF "Customer Relations" French label of compliance for its centralised software support service.

Pharmagest Group 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.

The pharmacist's role is evolving...
PHARMAGEST INTERACTIVE is helping pharmacists adapt to these changes with its new LGPI portal, a fully integrated software solution for their business.

A new LGPI Global Services portal

In 2017, Pharmagest Group developed and deployed a new version of its all-in-one pharmacy software suite, LGPI Global Services®, integrating major new developments of its information portal. This brand new version provides pharmacists and their teams with a dynamic tool combining an improved design with enhanced information and news content. This new portal also features new functionalities like secure messaging (OffimSS), access for the registered pharmacist to a dedicated customer space for all administrative or commercial questions, the creation of personal accounts, a unique authentication system for simplified and secure access to all Pharmagest applications.



AFNOR NF525 certification for POS systems

To guarantee compliance of its LGPI application with French law (and notably the Finance Act effective as of 2018), Pharmagest Group has opted in favour of NF525 certification issued by INFOCERT, an organisation licensed by AFNOR, the French standardisation body.



The Group's choice for NF525 certification, beyond the objective of ensuring compliance of the application, highlights a new engagement in terms of service quality, based on the ISO 9001 international standard.

Commercial launch of OffiTouch®

The digital retail display is an interactive terminal which completes the physical shelf and other merchandising displays in the pharmacy. Products available over-the-counter are displayed on a touchscreen panel and pharmacy visitors fill up a virtual shopping basket of items collected at the counter where their purchases are finalised.

This innovation helps the pharmacist convey a modern image while providing a unique in-pharmacy customer-friendly experience.

For the pharmacist, this solution makes it possible to choose a selection of products and to configure promotions and their on-screen display. The pharmacist can also access the statistics tool to monitor sales and optimise its offering in real time.



Rollout of the compliance monitoring software (LSO)

The Group continued to roll out its compliance monitoring solution in 2017. This application helps pharmacists perform their new roles (in particular as a tool for monitoring in-pharmacy patient interviews) and offers initial responses for addressing the public health challenge of compliance.

LSO is a comprehensive module integrated into the pharmacy management software. Its functions include appointment scheduling, monitoring vitals through connected devices, and secure data storage using the Group's personal health data hosting services infrastructure. 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. The Pharmacy France Business Line's products for pharmacists include:

- KAPELSE's SESAM-Vitale card readers and the KAP&CARE terminal to update the cards;
- The HEALTHLEASE's financing solution is managed by the *Leasa by Nanceo* platform.

Belgium and Luxembourg Pharmacy Business Line

In 2017, the Pharmacy Belux Business Line accounted for 2.13% of Pharmagest Group's total revenue (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 Luxembourg, Officine 2016's standard pharmacy management solutions have been enhanced by functionalities for compounding, direct orders and billing of veterinary customers.

In 2017, the Pharmacy Belux Business Line was enhanced by the introduction of important technological developments: an electronic receipt module processing doctors' prescriptions electronically and an improvement to the OffiHome solution providing pharmacists with a comprehensive and effective service for rest and nursing homes, notably for managing the process of preparing and packaging individual medication to be dispensed.

OffiTouch® was integrated and connected to the SABCO® ULTIMATE application to provide pharmacists in Belgium and Luxembourg with a fully synchronised and automated tool for prices, products, sales and robotic inventory systems.

This business also developed a free app, **Farma-Mobile**, to locate the nearest open pharmacy, check opening hours, send a scanned prescription and receive reminders of dosage instructions and times.



Health and Social Care Facilities Solutions Division

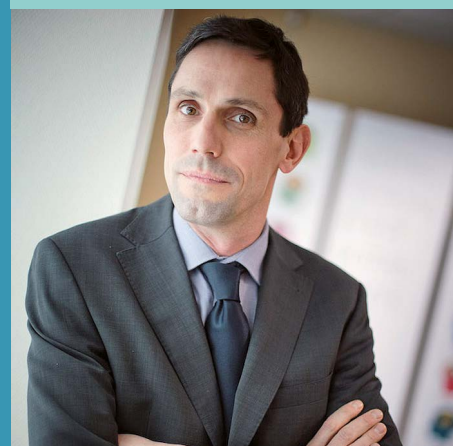
With €14.86 million in sales, this Division accounted for 10.12% of Pharmagest Group's 2017 revenue (IFRS).

This Division's scope of expertise expanded significantly in 2017.

Spearheaded by MALTA INFORMATIQUE, it includes two direct subsidiaries : DICSIT INFORMATIQUE (acquired in 2016) and AXIGATE (since July 2017). With more than 120 employees, the new scope covered by the Division includes software application for Hospitals, Hospital-at-Home programmes, Home-based Nursing Services (SSIAD), elderly residential care homes (EHPAD) and Local Information and Coordination Centres for Older Persons (CLIC), representing an installed base of approximately 3,000 establishments in France and the French Overseas Departments and Territories.



At year-end 2017, 1,812 elderly residential care homes were equipped with MALTA INFORMATIQUE software



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

Guadeloupe



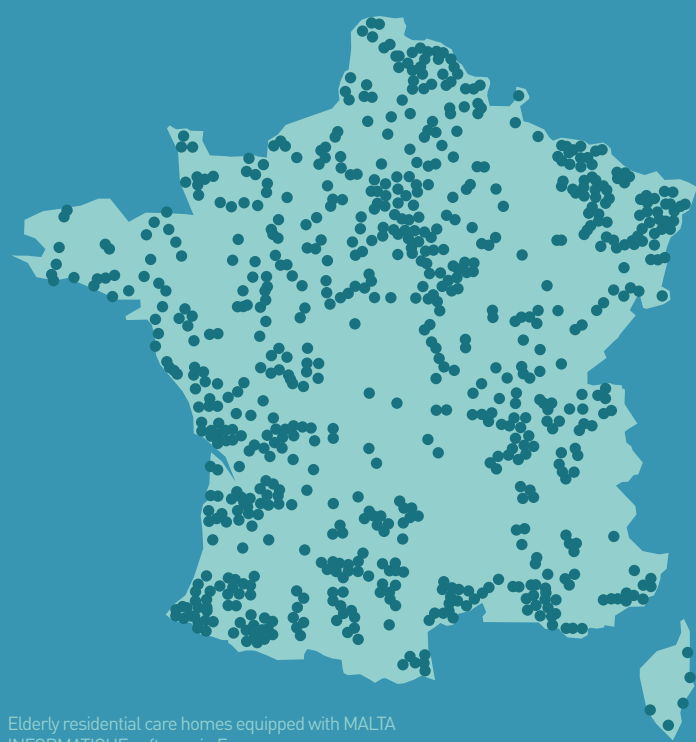
Martinique



La Réunion



New Caledonia



Elderly residential care homes equipped with MALTA INFORMATIQUE software in France

In 2017, the Health and Social Care Facilities Solutions Division also worked on a new care PATHWAY management project to permit:

- the transfer of the files of residents in care between the different structures (elderly residential homes, hospital at home programs, home-based nursing programs);
- the management of pathways within larger health ecosystems such as regional hospital groups or multi-activity groups in the healthcare and social care universe. This project is expected to be launched in 2018.



Innovation

Today, MALTA INFORMATIQUE occupies a key position as a provider of highly specialised solutions 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 2017, MALTA INFORMATIQUE introduced a new innovation with a smartphone app for managing alerts and events for elderly residential homes. Available with TITAN version 4.2.2, it can be downloaded for free from Apple Store and Google Play.

TITAN WEB ENTOURAGE is an innovative solution for residential care facilities for providing family members, caregivers and other designated persons with information on the establishment and patient care through an online portal.

This solution has enhanced the TITAN range in order to fully address all needs of health and social care facilities. A genuine innovation in this market, this offering provides a way to maintain ties between residents and their families.

The accelerated pace of organic growth recorded by the company confirms the market's interest in TITAN solutions.



A new business acquisition in 2017

In July 2017, MALTA INFORMATIQUE announced the acquisition of 100% of aXigate.

aXigate develops one of the most innovative solutions on the Hospital Information Systems (HIS) market with a 100%-cloud-based and web-responsive solution (multi-device functionalities: tablets, smartphones, computers, etc.) providing traceability and comprehensive patient care management.



In 2008, aXigate was awarded the "Innovative Enterprise" label of OSEO/ANVAR (today BPI France).

In 2016, aXigate was awarded the Blaise Pascal Prize for innovative technology by the French Ministry of Health in the "regional hospital information systems category" for its contribution to public health.

More than 40 hospitals equipped to date

The aXigate solution is destined mainly for public hospital centres, particularly regional hospital groups (*Groupements Hospitaliers de Territoire or GHT*).

Authorised for millions of patient records and thousands of users, aXigate is deployed at hospitals of all sizes and offers a multi establishment architecture to manage the patient pathway. In addition, among the 40 hospitals and regional hospital networks (GHT), it should be noted that in 2013, aXigate was selected for the Electronic Medical Record (EMR) market by the UNI.HA hospital purchasing group. In that manner, any public French hospital can acquire the aXigate solution. And since 2014, it has equipped France's second largest teaching hospital (CHU), the Marseille Public Hospital.

Non-hospital/hospital continuity of care and complete knowledge of the patient file

The Health and Social Care Facilities Solutions Division now offers an innovative and comprehensive solution for **data exchange between all participants in the healthcare ecosystem** within a **patient-centred** system.

Because hospitalisation represents only one step in the patient care pathway which continues after leaving the hospital, whether at home or in a healthcare establishment adapted to the patient's specific situation, Pharmagest Group's applications for health and social care facilities, hospital at home programmes and home-based nursing services will provide the basis for a highly integrated system to facilitate the patient care management process.

The scope of synergies with aXigate also includes patient access to their medical file, in both **non-hospital** settings (through the ecosystem developed by Pharmagest Group in pharmacies) and **hospitals** (aXigate is soon expected to propose a portal reserved for patients receiving hospital-dispensed care).

As France is setting up regional hospital groups and local care networks, Pharmagest Group is anticipating market needs by investing in a system that will permit:

- data exchanges between hospitals and non-hospital healthcare providers,
- and the interconnection of all participants in the healthcare process involved in the patient's care.

In France, with the emergence of regional hospital groups (135 to date), public hospitals were tasked with defining a common information technology master plan in 2017 that will lead to information systems convergence before the end of 2021.

e-Health Solutions Division

Interview with Dominique PAUTRAT

By making real-time monitoring of the individual's patient pathway possible, digital technologies have revolutionised the process of care.

What are Pharmagest Group's responses to these challenges?

Pharmagest Group anticipated the digital revolution which is becoming a daily fixture in the life of both healthcare professionals and patients.

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

What are the Pharmagest Group's objectives by creating the e-Health Solutions Division?

The objectives of the e-Health Solutions 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, CAREMEDS/MULTIMEDS, DOMEDIC EUROPE, KAPELSE, SAILENDRA and NOVIA TEK as well as technology suppliers with track records in the healthcare sector and the ability to deliver services to meet the demand from healthcare professionals for improved care for patients.



Dominique PAUTRAT,
Managing Director of Pharmagest Group

Following a phase of intensive investment, the e-Health Solutions Division contributed 7.89% to Pharmagest Group's revenue in 2017 (IFRS).

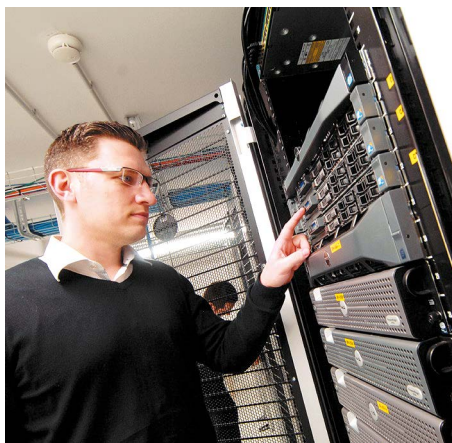
How are you organised to meet these objectives?

The digital revolution is profoundly transforming the different components of the healthcare chain. To successfully respond to the first of these challenges, our goal is to propose well-adapted, more effective, more flexible and better performing solutions for customers and patients alike.

At the business level, we have expanded our offering with the creation of a Compliance range supported by a dedicated team tasked with promoting and marketing new solutions including DOMEDIC EUROPE's DO-Pill SecuR™ smart pill dispenser, MULTIMEDS' manual pill dispenser or the OffiDose 2.0 application to manage and schedule PDA (Preparation of Doses to be Administered).

To structure the growth of this Division, it is organised into 3 core competencies: e-Patient, e-Pharma and e-Connect.





The e-Patient Business Line

This Division covers all solutions developed by the Group in the service of patients. These tools provide pharmacists with solutions to improve patient treatment monitoring and cover a wide range of pathologies, from renal failure (medical tele-monitoring of home dialysis) or respiratory insufficiency to initiatives designed to prevent the deterioration in the health of patients with impaired autonomy. The e-Patient Business Line in consequence offers powerful AI-based patient telemonitoring and medication compliance solutions.

The competencies of this Division address the vital issue of how to effectively process increasingly large volumes of healthcare data. Pharmagest Group has accordingly been licensed to operate as a health data hosting service provider equipped with its own Data Centre.

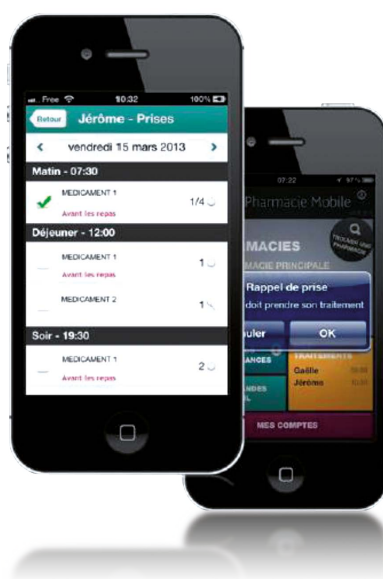
At the end of 2017, more than 140,000 patients are or have been monitored by Pharmagest Group's e-Patient solutions.

The e-Pharma Business Line

Pharmagest Group is the provider of choice for pharmaceutical companies keen to establish a customer/patient-focused marketing model. By creating new bridges between pharmaceutical companies and pharmacies, Pharmagest Group is a key partner for the pharmaceutical sector.

The e-Pharma Business Line thus develops digital patient communications solutions for pharmaceutical companies to help pharmacists in fulfilling their new roles on the front line of patient care as well as services, information and communications initiatives specifically adapted to the pharmacies' needs. It also proposes solutions designed for the general public (health observatories, prevention and information initiatives, a mobile app for pharmacy customers).

In 2017, pharmacists equipped with LGPI Global Services® were on that basis able to participate in several prevention and information campaigns implemented by the e-Pharma Business Line addressing the subjects of chronic kidney failure, Parkinson's disease, diabetes, tobacco cessation, Alzheimer's disease and psoriasis.



The e-Connect Business Line

The e-Connect Business Line designs, develops, produces, installs and operates innovative e-Health solutions to, on the one hand, secure monitoring of patients at their place of residence and, on the other hand, optimise care pathways.



The main markets of the e-Connect Business Line are telehealth and equipment for healthcare professionals featuring digitisation and enhanced security of administration for health professionals, robust authentication protocols to access tele-services and shared records, and patient monitoring.

KAPELSE continued to invest in R&D in 2017 to develop improved monitoring patient capabilities, in addition to telehealth, and introduce services designed to combat isolation and delay the loss of autonomy. The integration of NOVIATEK's NOVIACARE's offering into the "36 more months at home" programme has completed KAPELSE's SATEBOX offering which is now able to propose a large range of solutions adapted to the persons being monitored.



Fintech Division

This Fintech Division accounted for 12.54% of Pharmagest Group's revenue in 2017.

NANCEO is a provider of equipment lease financing solutions in the services sector, addressing all companies selling products through lease arrangements, i.e. involving the payment of periodic instalments.

NANCEO created **Leasa by Nanceo**, an online gateway operating like a hub to:

- **submit** financing applications in an easy and intuitive manner by dealers or distributors;
- **provide** easy one-click access to the main lease financing providers on the market;
- **manage** all sales financing processes automatically;
- **manage** one's portfolio of customer "lessees", from the lease's inception to the end of its term.

Leasa by Nanceo addresses companies distributing products and services through leasing arrangements. In this way, NANCEO provides financing for all types of equipment. Today, focused mainly on the sectors of medical, office, computer, telephony, security, and printing equipment or developing and selling software applications, NANCEO's services are constantly being expanded into new areas: energy savings, imaging, electronic Document Management Systems (DMS), etc.

Business model

The tools developed by NANCEO are agile and capable of taking into account the specific needs of each partner and propose custom-design solutions.

NANCEO's offering covers the full scope of vendor financing ranging from simple partnership solutions to exclusive partnerships and the creation of captive financing solutions. These three models provide additional earnings streams for Pharmagest Group's partners.

In 2017, the Fintech Division rolled out its application reserved for NANCEO certified partners offering mobile capabilities for its **Leasa by Nanceo** financing platform. Available on Android and iOS (telephones and tablets), this application revolutionises exchanges between lessors, sellers and end-customers. Where previously long and fastidious procedures were required, this application makes it possible to obtain immediate financing approval, without the hassle of excessive formalities.



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 people alike through new technologies.

Conscious of the importance of expertise and the contribution of each employee to the success of its strategy, Pharmagest Group improving work conditions and the fulfilment of its employees is a particular priority, along with that of 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 2017 Registration Document of PHARMAGEST INTERACTIVE available online at www.pharmagest.com

Building a global healthcare ecosystem

Initially concentrated on the needs of pharmacists and pharmacy management solutions, Pharmagest Group has adapted its strategy by introducing a patient-centred approach while continuing to strengthen its historical customer base.

Based on the conviction that tomorrow health professionals will become increasingly interconnected and coordinated around the patient, Pharmagest Group has been gradually expanding its expertise to cover all advanced information technologies in health and related sectors.

By placing the customer at the heart of the healthcare ecosystem, through its products and solutions, Pharmagest Group seeks to strengthen the entire chain of care.

By maintaining its forward-looking and innovation-driven strategy, Pharmagest Group will remain a key contributor to this process in Europe



- Home medical assistance
- Secure messaging systems
- Software management
- Shared medical data
- Specific software
- Pharmaceutical record
- Medical devices and connected objects
- Secure Internet



- Compliance
- Therapeutic education
- Screening
- Expert systems and AI
- Wellness products
- Health data hosting services
- Pharmaceutical products
- Medical coordination

As a Stakeholder in Health and Well-Being, by focusing its strategy on the patient and becoming a valuable contributor to the healthcare system, Pharmagest Group provides solutions for improved, more effective and cost-efficient patient care.

Every new project initiated by Pharmagest Group answers positively to two key questions: Will it provide benefits for the patient? Will it make the healthcare system more efficient?

Pharmagest Group is contributing to building a global healthcare ecosystem designed to achieve the following objectives:

Propose the first cloud-based healthcare platform

And guarantee that professionals possess the right information for the right patient at the right time, and in this way contributing to a safer and more effective treatment process. Through its software solutions for Pharmacies, Elderly Residential Care Facilities, Hospitals at Home, and Hospitals and its experience in Artificial Intelligence, Pharmagest Group possesses unique know-how for integrating this information into the specialised business applications for healthcare professionals and paramedical services.

Strengthen the network of pharmacies

By organising the efficient flow of patient information across the different care pathway phases, Pharmagest Group gives pharmacists a technology capable of offering them greater knowledge of their patients.



"36 more months": innovations to extend the length of home-based care

Enhancing the security of home-based care solutions for patients or elderly persons

At the present time, when they enter the universe of the healthcare professional (medical practice, pharmacy, etc.) patients benefit from the protections of a care pathway, upon returning home, they are left to their own devices. This also applies to the non-dependent elderly. Pharmagest Group's goal is to develop home-based care solutions which allow patients to remain in their home for as long as possible with complete autonomy. These solutions may be technological in nature, for example with the offerings of NOVIACARE and CARELIB, or DO-Pill SecuR™, but also in the form of services like the audits conducted by D'MEDICA.

Contribute to improved medication adherence

These solutions support patients in following their treatment while reducing the cost of noncompliance. The emergence of new technologies in the health sector and the digital revolution is dramatically transforming the health care system and its economy.

Through this patient-centred innovation strategy, Pharmagest Group is establishing a position as a key contributor to the market transformation for pharmacists, healthcare professionals, private payers and public authorities.

Through its specialised know-how and unique global expertise, Pharmagest Group will occupy a key role in addressing the new challenges for achieving greater healthcare system efficiencies in Europe, while continuing to guarantee the quality of patient care at the heart of these systems.



Financial highlights

Consolidated statement of financial position - IFRS standards

Statement of Financial Position - Assets - In € thousands	31/12/2017	31/12/2016
Non-current assets		
Intangible assets	18,993	14,286
Goodwill	38,819	30,455
Property, plant and equipment	5,880	5,670
Non-current financial assets	19,083	15,037
Securities valued by the equity method	900	917
Deferred tax assets	696	388
Total non-current assets	84,371	66,753
Current assets		
Inventory and work in progress	2,781	2,570
Trade receivables	22,937	20,247
Other receivables	8,727	5,964
Available-for-sale securities	28,134	27,594
Other financial assets	0	0
Cash and cash equivalents	27,577	27,569
Total current assets	90,155	83,944
TOTAL	174,526	150,697

Statement of Financial Position - Equity and Liabilities - In € thousands	31/12/2017	31/12/2016
Shareholders' equity		
Share capital	3,035	3,035
Consolidated reserves	87,078	78,354
Profit for the year	23,135	20,567
Shareholders' equity attributable to the Group	113,248	101,955
Reserves - Minority interests	1,463	800
Earnings - Minority interests	1,116	897
Minority interests	2,579	1,697
Total equity capital (consolidated)	115,827	103,653
Non-current liabilities		
Non-current provisions	4,184	3,345
Long-term liabilities	14,197	3,442
Deferred tax liability	886	632
Other long-term payables	2,688	758
Total non-current liabilities	21,955	8,178
Current liabilities		
Current provisions	152	150
Financial liabilities owed within a year	2,681	6,960
Trade payables	9,560	8,196
Current tax	655	1,422
Other short-term payables	23,696	22,138
Total current liabilities	36,743	38,866
TOTAL	174,526	150,697

Consolidated profit and loss statement - IFRS

Statement of profit or loss - In € thousands	31/12/2017	31/12/2016
Revenue	146,806	128,381
Other business income	0	0
Subtotal Operating revenue	146,806	128,381
Purchases consumed	-40,363	- 31,483
Staff costs	-47,144	- 44,595
Purchases and external expenses	-17,475	- 14,654
Taxes other than on income	-2,749	- 2,615
Allowances for depreciation and amortisation	-4,236	- 3,468
Allocation to provisions	-358	- 341
Other income and expenditure	39	161
Subtotal Operating expenses	-112,287	- 96,995
Current operating income	34,519	31,386
Other operating income	0	0
Other operating expenses	0	0
Operating profit	34,519	31,386
Income from cash and cash equivalents	1,149	1,284
Cost of gross financial debt	-218	-131
Cost of net financial debt	931	1,153
Other financial income and expenditure	-340	-15
Tax expense	- 10,745	- 10,947
Share of net profit/(loss) from equity-accounted entities	- 114	- 112
Net income from continuing operations	24,251	21,464
Profit/(loss) from discontinued operations	0	0
Net profit (loss) of the period	24,251	21,464
Net income (Group share)	23,135	20,567
Net profit/(loss) Minority share	1,116	897
Basic earnings per share (group share)	1.55	1.37
Diluted earnings per share (group share)	1.52	1.36

Groupe Pharmagest: Global footprint

DOmedic

multi+meds

CareMeds+

Quebec

Canada

United Kingdom

Italy

Ireland

Dublin

Southampton

Bologne

Macerata

Anagni

PHARMAGEST
Italia
Tecnologie per la Salute





PHARMAGEST

Technologies for health

5, allée de Saint Cloud
54600 Villers-lès-Nancy - France

Tel. : +33 (0)820 90 81 00
Fax : +33 (0)3 83 15 98 05

www.pharmagest.com