

PHARMAGEST

Technology for a more human experience

URD
UNIVERSAL
REGISTRATION
DOCUMENT

2020



URD - 2020 UNIVERSAL REGISTRATION DOCUMENT

Fiscal year ended 31 December 2020



The original French version of this Universal Registration Document (URD) was filed on 29 April 2021 with the AMF (*Autorité des Marchés Financiers*), the French financial market regulator, as the competent authority under regulation (UE) 2017/1129, without prior approval pursuant to Article 9 of said regulation.

The original French version of this document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary together with any amendments to the Universal Registration Document. It has thus been approved in its entirety by the AMF in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document is a free translation into English of the official version of the Universal Registration Document (in French) in the xHTML format, which includes the Annual Financial Report for the financial year ended December 31, 2020 and is available on the AMF's website (www.amf-france.org) and on the Company's website (<https://pharmagest.com>).



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1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

1.1. Persons responsible for information given in the French version of the Universal Registration Document

Mr. Dominique PAUTRAT
Chief Executive Officer and Member of the Board of Directors of PHARMAGEST INTERACTIVE
5, allée de Saint Cloud
54600 VILLERS-LÈS-NANCY
Tel: + 33 (0)3 83 15 95 95

This Registration Document also includes our 2020 annual report and, as such, all items required for the annual financial report by Article L. 222-3 of the AMF General Regulation.

1.2. Responsibility statement

"I declare, after having taken all reasonable measures in this regard that to the best of my knowledge the information in this Universal Registration Document is accurate and there are no omissions likely to alter its import.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and consolidated companies and that the Management Report included Section 21.2 this Universal Registration Document faithfully presents business trends, the results and financial position of the company and describes principal risks and uncertainties they face.

I received a completion of work letter from the Statutory Auditors confirming that they have verified the information relating to the financial position and the financial statements set out in this Registration Document and read the whole Registration Document.

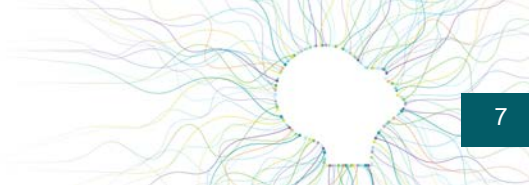
Dominique PAUTRAT, Chief Executive Officer, PHARMAGEST INTERACTIVE

1.3. Certification of the experts

No report or representation attributed to a person acting in the capacity of expert with a material interest has been produced.

1.4. Certification that information sourced from a third-party has been reproduced accurately

Where information has been sourced from a third party, this information is accurately reproduced and as far as PHARMAGEST INTERACTIVE is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, when information sourced from third parties is reproduced, the source of this information is indicated by PHARMAGEST INTERACTIVE.



1.5. Certification of filing

The original French version of this Universal Registration Document (URD) was filed on 29 April 2021 with the AMF (*Autorité des Marchés Financiers*), the French financial market regulator, as the competent authority under regulation (UE) 2017/1129, without prior approval pursuant to Article 9 of said regulation.

The original French version of this document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary together with any amendments to the Universal Registration Document. It has thus been approved in its entirety by the AMF in accordance with Regulation (EU) 2017/1129.

In application of Article 19 of the Prospectus Regulation, incorporated in this Universal Registration Document by reference are: the consolidated financial statements, management reports and audit reports for the financial years ended on 31 December 2019 and 31 December 2018 contained in the 2019 Universal Registration Document filed with the AMF on 30 April 2020 (No. D.20-0410) and the 2018 Registration Document filed on 30 April 2019 (No. D.19-0443).

Information included in websites referred by means of hypertext links:

- <https://pharmagest.com> (pages: 7, 11, 138, 140, 195, 196, and 207),
- <https://www.middlenext.com> (pages: 7 and 183),
- <https://www.lacooperativewelcoop.com> (pages: 7 and 45),

of the original French language version of the universal registration document is not a part of this document. For that reason, such information has not been reviewed or approved by the AMF.

2. AUDITORS

2.1. Name and addresses of the auditors

BATT AUDIT

58 Boulevard d'Austrasie
54000 NANCY

Member of the Regional Association of Statutory Auditors of Nancy,

First appointed on 30 May 2002 and renewed on 29 June 2020 until the Annual General Meeting called to approve the financial statements for the financial year ending on 31 December 2025,

Represented by Ms. Isabelle SAGOT since 2018.

DELOITTE & ASSOCIÉS

6 Place de la Pyramide
92908 PARIS - LA DÉFENSE

Member of the Regional Association of Statutory Auditors of Versailles,

First appointed on 27 June 2017 until the Annual General Meeting called to approve the financial statements for the financial year ending on 31 December 2022,

Represented by Mr. Loïc MULLER since 2019.

2.2. Statutory auditors who resigned or were not reappointed

The General Meeting of June 29, 2020 decided to not renew the appointment of the Alternate Statutory Auditors of the company REVILEC AUDIT & ASSOCIES and not to appoint a replacement in application of provisions of Article L. 823-1 of the French Commercial Code.



3. RISK FACTORS

3.1. Risk factors of the issuer

PHARMAGEST Group conducted a review of those risks which could have a material adverse effect on its business, financial position or results (or its ability to meet its targets).

The assessment of risks entails evaluating the seriousness and degree of probability of a given risk.

- The degree of seriousness takes into account different criteria such as the financial impact, impacts on the company as a going concern, the consequences on the brand image, the safety or security of the customers, consumers and employees. The scale of severity adopted by PHARMAGEST Group is as follows: Non-Significant, Minor, Moderate, Major, Very Important.
- The level of probability includes the likelihood of the risk's occurrence. The scale of probability adopted by PHARMAGEST Group is as follows: Rare, Unlikely, Possible, Very Likely and Virtually Certain.

The following risks are presented as net risks, i.e. excluding residual risk resulting from measures adopted for the purposes of prevention and corrective measures.

Risks are organised by category and presented under each category in decreasing order of importance. Risk categories are not prioritised within their respective groups.

PHARMAGEST Group considers that there exist no significant risks other than those presented in the following categories:

PHARMAGEST Group's strategic risks

Risks	Description of risks	Preventive measures and remedial actions	Severity	Probability
External growth and international development	New risks associated with the integration of entities, establishing operations in new markets and the international development of PHARMAGEST Group's solutions.	In connection with external growth (international or not) PHARMAGEST Group may be assisted by outside firms to identify potential targets and validate projects. To support this international development, PHARMAGEST Group has: <ul style="list-style-type: none"> • Implemented in 2017 an organisation capable of being replicated within its Divisions, • Strengthened the language skills of top and middle management, • Systematically given priority to ensuring a local presence with the implementation of Steering Committees and reporting tools. This risk is monitored by the Management Committees for the different businesses which report directly to general management.	Major	Possible
Supervision of strategic projects	Risks associated with the coordination and optimization of resources allocated to cross-corporate projects involving several Group Divisions.	To guarantee the coordination of measures and ensure a common vision of its "Patient-centred" strategy, PHARMAGEST Group is supported by a dedicated team with specific training in project management. This risk is monitored by the relevant Steering Committees involving members of Executive Management.	Major	Possible



Operating risks inherent to the Group's business

Risks	Description of risks	Preventive measures and remedial actions	Severity	Probability
Data security (information systems and network)	Risks associated with confidentiality, integrity, availability, authentication and non-repudiation of the data.	<p>PHARMAGEST Group introduced three completely compartmentalized architectures: one for its internal needs, one for customer products and services, one for the customers of its personal health data hosting services. Each architecture incorporates tried-and-tested security methods and firewall systems. Services are hosted on two sites in separate locations and on servers with redundancy.</p> <p>PHARMAGEST Group is equipped with a business continuity plan, a data backup and storage plan, as well as a business recovery plan for critical services.</p> <p>These risks are monitored by general management within the Finance and Personnel Management Committee.</p>	Major	Possible
Health risks	Risk related to an epidemic or pandemic resulting in a decrease in the Group's activity.	<p>PHARMAGEST Group is equipped with a business continuity plan and a business recovery plan designed for the purpose of preserving all or part of the Group's resources and effectively responding to the different crisis scenarios.</p> <p>These risks are monitored by general management within the Finance and Personnel Management Committee and, as applicable, dedicated crisis units.</p>	Major	Possible
Quality of products and solutions	Risk related to the quality of products and solutions leading to customer dissatisfaction.	<p>PHARMAGEST Group is equipped with a quality management system (QMS) defining the level of control and quality expected before introducing the Group's products and solutions on the market.</p> <p>This risk is monitored by the Technical Department which reports to Executive Management within the framework of the Finance and Personnel Management Committee.</p>	Major	Unlikely

Employment, Social and Environmental Risks

Risks	Description of risks	Preventive measures and remedial actions	Severity	Probability
Effectiveness of the positioning as "Citizens in the Service of Health and Well-Being"	Discrepancies between the Group's strategy with products / solutions marketed and its day-to-day operating practices.	<p>Through its positioning as "Citizens in the service of Health and Well-Being", PHARMAGEST Group offers solutions and products which address social and environmental challenges.</p> <p>Executive Management, through the Finance and Personnel Committee, ensures the consistent application of this positioning.</p>	Major	Unlikely
Loss of attractiveness	Increase in turnover and loss of key competencies.	<p>PHARMAGEST Group has adopted measures to attract new talents and strengthen the skills of its staff. It also attaches great importance to being a responsible employer.</p> <p>This risk is monitored by the Human Resources Department through the Finance and Personnel Management Committee.</p>	Major	Unlikely

The analysis of these risks is supported by Section 21.2.2 - Non-Financial Statement of this Universal Registration Document.

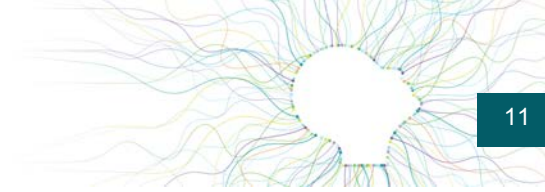


Regulatory and legal risks

Risks	Description of risks	Preventive measures and remedial actions	Severity	Probability
The economic environment - indirect risks related to governmental decisions,	Impacts related to government decisions that directly affect PHARMAGEST Group's customers.	PHARMAGEST Group protects itself against this risk through its strong capacity for anticipation and continuing innovation in developing solutions to help pharmacists meet the challenges of the constantly evolving healthcare universe. This risk is monitored by the Management Committees with responsibility for legal intelligence for the different businesses and reporting directly to general management.	Major	Possible
Approvals and certifications	Risks relating to failure to obtain or losing authorisations (authorisation to operate as a health data hosting service provider) or certifications (SESAM Vitale, ISO 27001, NF 525, Addendum).	According to the agreements and certifications, PHARMAGEST Group has adopted management systems integrating requirements imposed by these different normative standards and modified its working practices. Compliance with these standard requirements is subject to regular internal and external audits. Obtaining or renewing authorisations and certifications is subject to specific oversight within the framework of the Finance and Personnel Management Committee which reports to general management.	Major	Unlikely
Intellectual property protection	Protection of intellectual property that is not adapted to PHARMAGEST Group's markets.	The Group owns the patent for the LGPI Global Services® software in France. The Group's subsidiaries hold patents for developed systems. All the brands, patents, domain names used by PHARMAGEST Group and its subsidiaries are registered in France and some of them are also registered in Europe. The Group systematically files the copyright to the sources and new versions of its software with the Agency for the Protection of Programmes (APP).	Major	Unlikely

Financial risks

While not significant in nature, a quantitative estimate of the financial risks is presented in the notes to the consolidated financial statements in Section 18.1.6.6 – Note 6.6 of this Universal Registration Document.



4. INFORMATION ABOUT THE ISSUER

4.1. Company name and trade name

The company's legal and commercial name is: PHARMAGEST INTERACTIVE.

4.2. Place of registration and registration number

PHARMAGEST INTERACTIVE is registered in Nancy (RCS No. B 403 561 137) – Legal Entity Identifier (LEI): 96950066I7XVFGZI8L92. The NAF code (France business classification code) is 62.02B.

4.3. Date and duration of incorporation

PHARMAGEST INTERACTIVE was incorporated by virtue of the private agreement dated 25 January 1996, under the trading name "ROUSSEAU CPI" for a period of 99 years from the date of registration in the NANCY Trade and Companies Register, i.e. until 24 January 2095, unless extended or terminated in advance by a decision of the Extraordinary General Meeting of Shareholders.

Its financial year runs from 1 January to 31 December.

4.4. Registered office, legal form and applicable law

The Company registered office is 5 allée de Saint-Cloud in VILLERS-LÈS-NANCY (54600), France.

Tel.: + 33 (0)3 83 15 95 95

Website: <https://pharmagest.com>

PHARMAGEST INTERACTIVE is a French limited company (*société anonyme*) governed by French law and incorporated in France. Accordingly, the main texts applicable to it are the provisions of the French Commercial Code (*Code de Commerce*) relative to commercial companies and subsequent texts.

Information presented on PHARMAGEST INTERACTIVE's website is not part of this universal registration document.



5. BUSINESS OVERVIEW

5.1. Principal activities

The presentation of the activities is based on and supplements the presentation provided in the annual management report in Section 21.2 of this Universal Registration Document.

PHARMAGEST Group consists of PHARMAGEST INTERACTIVE and its subsidiaries. PHARMAGEST Group is the leading provider of IT solutions for the healthcare sector in Europe through innovative solutions and services for healthcare professionals guaranteeing the efficiency of the healthcare system and improving the patient care pathway.

PHARMAGEST INTERACTIVE is majority held by LA COOPERATIVE WELCOOP, a pharmacists' cooperative. As a result of this specific structure, LA COOPERATIVE WELCOOP's customers may also be shareholders in this company. These close ties with the pharmacy profession ensure PHARMAGEST Group an excellent understanding of the pharmacist's ecosystem in particular and the healthcare sector in general. This helps it anticipate changes to the healthcare system and develop the necessary tools to support its customers and their patients.

5.1.1. Nature of transactions

PHARMAGEST Group's strategy is entirely centered around the patient. Through its complementary portfolio of businesses, PHARMAGEST Group offers a range of digital coordination services to optimize patient care over the entire pathway.

PHARMAGEST Group develops IT solutions designed to optimize the flow of information between different business software applications used by healthcare professionals and both private practice and hospital environments. In this framework, its operations are around the activities of:

- An independent software vendor (ISV): software design, development, maintenance and upgrades;
- Product distribution or solutions: direct marketing through the Group's network of agencies and subsidiaries;
- Integration and training: systems integration (hardware and software), data recovery and management, training and support for pharmacy users;
- Maintenance: monitoring and maintaining its clients' IT environments.

The success of these activities is based on maintaining a good understanding of the value created for its customers, responsive and innovative R&D, a strong regional coverage, a robust supply chain and the level of quality and training of its employees.

To provide a more relevant understanding of its businesses and strategies, PHARMAGEST group is divided into Divisions which are in turn organised into Business Lines:

- The Solutions for Pharmacy Division – Europe, which includes the Pharmacy France, Belgium and Luxembourg, and Italy Business Units;
- The e-Health Solutions Division comprised of the Digital Communications, Telemedicine, Frailty Management, Medication Compliance and e-Connect Business Units;
- The Health and Social Care Facilities Solutions Division which includes the following business units: the Nursing Home Business Unit, the In-Home Nursing Care (SSIAD) Business Unit, the Hospital and Regional Hospital Group Business Unit and the Multidisciplinary Group Practice and Private Practice Business Unit;
- The Fintech Division which represents the business of NANCEO.

Pharmacy - Europe Solutions Division

The French market leader, PHARMAGEST Group has been operating in Belgium and Luxembourg since September 2007 and in Italy since March 2018.

Development teams in France, Belgium and Luxembourg and Italy work closely together on adapting the satellite solutions developed by the PHARMAGEST Group in order to offer pharmacists comprehensive offers in their respective markets. At the same time, the Belgium-Luxembourg and Italy Pharmacy Business Units sell products and solutions addressing their respective markets.



France Pharmacy Business Unit

Solution for managing pharmacies and their networks

- **LGPI Global Services®**, the flagship product of the France Pharmacy Business Unit, is a comprehensive all-in-one pharmacy software suite (*LMO - Logiciel Métier d'Officine*). This tool may be accompanied by additional satellite solutions which make it possible to propose all functionalities needed to manage a pharmacy. This LGPI Global Services® software suite makes it possible to manage purchasing, optimise the pricing policy, and effectively manage the pharmacy's activities. This product is not only a pharmacy management tool. It also enables pharmacists to remain up-to-date about developments in their profession and provides efficient options for advising and supporting patients inside and outside the pharmacy;
- **OffiCentral®**: as the number of strategic mergers between pharmacies grows, these modules contribute to identifying new sources of profit, notably by making it possible to optimise grouped orders and harmonise their sales policies.

Solutions ensuring the security of pharmacist's business processes

- **OffiMSS**: Secure Health Messaging integrated into the LGPI software guaranteeing the security of digital exchanges of health data between health professionals;
- **OffiSecure®** offers professional broadband Internet access, designed specifically for pharmacies, as well as an unlimited professional telephone service and a 3G back-up service. The tool is configured for optimum security of pharmacies' local IT infrastructure. The **DomiSecure** offering completes this service by allowing the pharmacist to connect to the management application of his or her pharmacy from home;
- **OffiProtect**, a professional security solution combining anti-virus and spyware protection with automatic daily updates of pharmacy computer workstations. Data and information system security requires that computers are protected by powerful antivirus capabilities specifically adapted to pharmacies;
- **OffiPass**: a contactless authentication solution guaranteeing rigorous access management for LGPI Global Services® reducing data entry errors, securing transactions at the counter and respecting the confidentiality of patient data;
- **OffiSeen®**: this video protection system is integrated into the pharmacy software suite provides protection against unauthorised markdowns by flagging videos related to events in the LGPI Global Services®. It also optimises security in the pharmacy and provides a secure environment for customers and staff;
- **OffiCash®** offers speed, simplicity and security at all stages of the cash management process. The closed-circuit payment terminal reduces costs (by eliminating errors, forged notes, etc.) and saves time for both customers and staff, while optimising security;
- **Offizy®**: as a bankcard pharmacy payment solution, through its connection to the LGPI Global Services® suite, Offizy® prevents data entry errors, saves time and optimises patient service and adapts to different payment methods (contactless or American Express®);
- **OffiLocker®**: a connected pharmacy locker system, enables patients and healthcare professionals to retrieve 24/7 selected products ordered outside of pharmacy business hours. The savings in time and greater autonomy for patients, enables pharmacy teams to devote more time to advising patients.

Solutions for energising the customer relationship with pharmacists

- **OffiTag**: through its innovative e-paper electronic labelling technology, this solution is able to update real time all labels in the pharmacy, ensure compliance with legal obligations in terms of the display of information, optimise merchandising and simplify back-office management;
- **OffiTouch®**: the digital retail display designed for patients and pharmacists alike. Patients in the pharmacy can in this way rapidly and in complete independence gain time, benefit from the best offers, find their products more easily and obtain advice, while benefiting from a positive customer experience. For the pharmacist, OffiTouch® represents a real springboard for improving its attractiveness and image while increasing sales and measuring the impact of the system through its full integration with the pharmacy management application (LGPI Global Services®);
- **OffiMédia®** is a point-of-sale marketing and communication system for pharmacies. The tool analyses patient data, prescriptions and inventory to send accurate messages. Pharmacies equipped with LGPI Global Services® can also automatically display promotions created in their management software on their OffiMédia® screens;
- **OffiConnect®**: a platform for exchanges between pharmacy websites and LGPI Global Services® for sales integration and inventory synchronisation between the two systems;
- **Automation systems (SELLEN, SELLEN TWIST and SINTESI robots)**: installed in a central location in pharmacies, these robots optimise the available space and free up the pharmacies' team to advise customers;
- **Customer loyalty programmes** managing the patient loyalty cards for groups of pharmacies.



Solutions for developing the pharmacy's business

- PHARMAGEST INTERACTIVE is a provider of **Consulting Services** designed to help pharmacists adapt to the transformations in their profession and exploit all available growth drivers. With this goal, a team of consultants has been tasked by the Group to provide support to pharmacists by applying a structured approach: reviewing the pharmacy's current position, preparing action plans, follow-up and support, and results measurement;
- The Consulting offering is supported by the **My Pilot**[®], software solution, an analytics and management tool equipped with dashboards updated daily facilitating the development of action plans in many areas including the pharmacy's financial situation, product profitability by category and range, price policy, knowledge of customers and point-of-sale promotional activities;
- **OffiLearning**[®]: an e-learning tool offering an easy, rapid interactive playful and economic resource for pharmacy management and a tool for how to provide information about pathologies and serious disorders.

A range of solutions to strengthen patient support and advice

PHARMAGEST Group develops solutions designed to help pharmacists exercise their critical role in the healthcare ecosystem as a provider of information and patient education, a role further expanded by the introduction of new laws in France (the Hospital, Patients, Health and Territories Act - HPST):

- **LSO**: exemplifying the pharmacists' evolving role, the compliance monitoring software (*Logiciel de Suivi d'Observance* or LSO) makes it easier to assist patients in their care pathway. LSO is an interconnected and secure application offering multiple functionalities such as enhanced patient record oversight, patient case detection during the dispensing process according to predefined criteria, monitoring patient vitals integrating multimedia tools or maintaining an agenda shared within the pharmacy team.
- **Pharmaceutical Record (PR) and Shared Medical Record (SMR)**: free services, highly confidential and secure grouping health information about a patient and facilitating the coordination, quality and continuity of care between office-based private practitioners and hospitals.
- **OffiTéléconsult**[®]: a pharmacy solution making it easier to maintain the connection between the doctor, pharmacy and patient in the home environment. OffiTéléconsult[®] is connected to a network of more than 500 doctors throughout France. By proposing a medical teleconsultation service, the pharmacist confirms its critical role as a frontline provider in the healthcare ecosystem reinforcing patient loyalty by means of new services. Patients can consult with the pharmacy on a remote basis, obtain assistance from the pharmacist or teleconsult using their smartphone. In both cases, at the end of the teleconsultation, the pharmacist of reference will remain informed and may receive a copy of the subscription.

Equipment financing solutions

PHARMAGEST Group introduced a range of financing services for computer and other professional equipment through its HEALTHLEASE subsidiary.

Belgium and Luxembourg Pharmacy Business Unit

Belgium

PHARMAGEST BELGIUM proposes innovative cutting-edge software and IT solutions in the healthcare market addressing market developments by providing increased efficiencies for both patient and pharmacy management. Its **ULTIMATE** solution is suited for all types of pharmacies and available in the country's two main languages, French and Dutch.

ULTIMATE is an efficient easy-to-use system combining optimised pharmacy management and improved patient support. It is the market reference for comprehensive pharmacy management software applications in Dutch and French-speaking Belgium, both for the management component and functionalities like unit pricing (*TàU*, *TUH*, *PMI*). **ULTIMATE** with its OffiHome and OffiDistri options offers a fully integrated management solution adapted for both independent pharmacies and pharmacy groups.

Integrating the use of exclusive technology, it features powerful analytics and smart dashboard functions leveraging all key pharmacy data, this solution offers pharmacists the ability to boost their decision-making capabilities and negotiating power while supporting their health expert role with patients.

PHARMAGEST Group teams are constantly upgrading their applications to anticipate market developments, adapt to new legislative requirements for the pharmaceutical sector, and to meet the growing and expanding needs of Belgian pharmacists.

Development teams in France and Belgium work closely on adapting applications to satellite solutions developed by PHARMAGEST Group (OffiCentral[®], OffiMédia[®], FarmaMobile[®], OffiSeen[®], OffiCash[®], OffiTouch[®], OffiTag, OffiPDA, etc.), in order to propose a comprehensive offering to Belgian pharmacies.



Luxembourg

PHARMAGEST LUXEMBOURG is present in the Luxembourg market, with a new pharmacy application suite which, in addition to providing the traditional features of a pharmacy software management suite, also includes functionality for managing compound solutions, direct orders and billing veterinary customers.

Italy Pharmacy Business Unit

PHARMAGEST ITALIA is historically specialised in providing IT equipment and services to wholesale distributors (purchasing, consulting, logistics, invoicing, sales and marketing). The company is notably the developer of **FARMACLICK**, a specific protocol for communications between pharmacies and wholesalers-distributors which is now the standard for software companies operating in Italy. In a country counting around 50 pharmacy wholesalers-distributors, PHARMAGEST ITALIA has a market share of more than 60%.

DIFARM is a modular solution designed for wholesalers-distributors, providing operational benefits by reducing management costs, increasing production efficiencies and improving productivity and also strategic benefits based on its “business process” logic focusing on developing close and privileged relationships with customers and suppliers.

The result of extensive experience acquired in the pharmaceutical distribution sector and studying the strategies of store chains, **PHARE** is the ideal retail management tool. The product provides a solution to all those seeking to adopt centralised management for pharmacy groups, regardless of the type of aggregation: distribution channels, distribution franchises, privately owned pharmacies, consortiums, real or virtual networks, simple purchasing groups, etc.

To achieve full integration and provide a comprehensive service, PHARMAGEST ITALY decided to make available its offering to pharmacies via an innovative pharmacy management application: **SOPHIA**. This pharmacy management suite offers an integrated management solution covering the entire value chain of the pharmacy. This innovation has allowed PHARMAGEST ITALIA to create a completely unique offering adapted to the specific characteristics of the Italian market.

PHARMAGEST ITALIA's range of software solutions for distributors and pharmacies is supplemented by the development of innovative solutions and patient therapy adherence (Multimed), communication systems (Pharmaweb, TsGatePro) and e-commerce solutions while also adapting the solutions derived from the know-how of the France Pharmacy Business Unit: OffiCentral®, OffiTag, OffiTouch®, OffiCash®, ...



e-Health Solutions Division

New businesses to meet emerging healthcare needs

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

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.

To achieve these targets, the e-Health Solutions Division has organised its different activities into five business units.

Digital Communications Business Unit

The Digital Communications Business Unit covers all solutions designed to help the pharmacist in providing advice to patients, and notably, training and information for pharmacy teams, supervising the delivery of advice, the promotion of products in the pharmacy, and proposing home care solutions for the pharmacy's patients.

Digital Communications for the General Public Business Unit

PHARMAGEST Group proposes solutions for the general public, the pharmaceutical industry, public authorities and private payers.

PHARMAGEST Group's health observatories and prevention and information campaigns are other means of demonstrating its public health expertise and its ability to mobilise pharmacy teams. In 2020, LGPI Global Services® equipped pharmacists participated in several information programmes on how to detect the risk factors for developing chronic kidney disease, assisting Parkinson's patients, diabetes prevention, support for women with breast cancer and awareness-raising for persons with psoriasis.

Patient Digital Communications Business Unit

Failure to correctly take medication can sometimes have irreversible consequences on the patient's state of health and quality of life. The assistance and dispensing advice provided by pharmacists has been shown to improve compliance and strengthen the commitment of patients to following their treatment. PHARMAGEST Group develops services to support pharmacists in the role of educating patients, through **interviews conducted by pharmacists, information sheets and regularly updated advice adapted to the patient profile**. Pharmaceutical companies have also shifted the focus of their marketing from the product to the patient. Today, it is no longer the drug which is the focus of the pharmaceutical industry but rather personalised 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.

Healthcare Professionals Relationship Marketing

Pharmaceutical companies have become keenly aware of the vital role played by pharmacists in the healthcare landscape and are now including them in their promotional and marketing strategy. The LGPI Global Services®, portal is a crucial and interactive information channel through which the pharmaceutical company can provide the specific information the pharmacy team needs to fulfil its role. Pharmaceutical companies can present targeted information on new products, specific information on medicines, promotions and its support solutions destined for patients and healthcare professionals.

The **OffiMédia**® POS display, supplementing other promotional channels, represents a growth driver designed to trigger the act of purchase, excluding prescription medication, at the ideal moment. Pharmacists leverage the powerful potential of on-screen advertising technology to modernise their image, enhance the retail environment and increase sales. For pharmaceutical laboratories, PHARMAGEST Group also is able to convey the institutional audio-visual campaigns or stage the display of their products to capture customers' attention.



The Telemedicine Business Unit

The Telemedicine Business Unit offers powerful AI-based patient telemonitoring and medication compliance solutions. The expert systems developed by PHARMAGEST Group generate automatic alerts and sophisticated diagnostic aids for use by healthcare professionals as part of the therapeutic monitoring of patients. They provide in this way an effective response to the crucial issue of how to handle the growing volume of health data.

The **eNephro**[®] solution is designed to enhance the care of chronic renal failure patients at all stages of the illness by using Artificial Intelligence, improve patient health and quality of life and reduce the cost of care (hospitalisations and unscheduled consultations). Since 2020, **eNephro**[®] was completed by a pre-transplant module for coordinating and managing pre-transplant files between transplant specialists, nephrologists, coordinating nurses and transplant coordinators by sharing information about patients and their caregivers.

The **TPE Pilot** is a web-based application which simplifies the management and sharing of patient education programs (PEPs) by facilitating coordination with the healthcare structures on the front line of treatment (coordinating and validating their PEP pathways) and productivity and traceability (financing based on a fixed rate and/or per intervention). In 2020, the PEP Pilot solution was completed by the Mouv' Pilot module designed for medical-sports structures or community sports facilities for implementing Adapted Physical Education (APE) within the framework of a Therapeutic Patient Education (TPE) programme.

Protecting personal healthcare data

The dematerialisation and exchange of data between professional require the organisation of the storage and conservation of healthcare data under conditions that guarantee their long-term security and confidentiality, making them available to authorised persons according to the procedures defined by contract and their restitution upon the contract's termination; The watchwords underlining this priority are availability, integrity, confidentiality of data and traceability of actions.

Equipped with its own Data Center, PHARMAGEST Group has been accredited by the French Ministry of Social Affairs and Health since 2013 to provide hosting services for personal healthcare data for applications with direct access by patients. On that basis, the **TELE100T[®]-APS** (*Accès Patient Sécurisé - Secure Patient Access*) service is offered by PHARMAGEST Group to its healthcare professional customers. This offer provides hosting solutions for applications managed and administered by its customers. Based on this accreditation, these applications containing personal healthcare data intended for medical follow-up are directly accessible by patients.

Frailty Management Business Unit

The Frailty Management Business Unit proposes solutions with a focus on prevention with the goal of providing long-term assistance to seniors or vulnerable persons.

The **NOVIACARE**[®] solution is a compact Plug & Play all-in-one AI companion consisting of a main router and sensors installed in each room of the home. The system learns the person's daily routines and issues an alert in the case of divergences from these routines. NOVIACARE[®] provides a means of prevention, by indicating non-urgent anomalies and reacting based on algorithms when a fall is suspected. Data collected is analysed by expert systems which send notifications and alerts. NOVIACARE[®] is the perfect in-home companion for elderly persons in their home environment and provides a means to reassure their loved ones. NOVIACARE[®] operates without an Internet connection and is linked to a telecare platform available 24/7.

The **CARELIB[®] Domicile offering** is a precision solution consisting of a main box (with a touchscreen panel), a precision sensor (measuring the walking speed among other things) and sensors installed in each room of the home. This solution ensures personalised monitoring and improved coordination among the different care providers at home. It also provides a way to maintain links with the family and caregivers through its dedicated social network. The installed sensors learn the living habits in order to identify the anomalies in relation to normal behaviour with the ability to detect in real time falls at home based on its artificial intelligence features. The CARELIB[®] solution is equipped with a 2G/3G connection and is also linked to a tele-care platform available 24/7.

The **CARELIB[®] EHPAD** nursing home is based on the CARELIB[®] Domicile home care solution. CARELIB[®] EHPAD provide support to the team of caregivers for day-to-day care, with real-time ability to report, nocturnal rises, intrusions, leaving the bedroom. The caregivers receive a mail every day, including access to the record of events occurring the preceding night or previous day. CARELIB[®] EHPAD optimises the interventions of caregivers and security of the ALF residents.



The Medication Compliance Business Unit

Patient compliance is a key issue in the management of elderly and chronically ill patients. This is why the e-Health Solutions Division, through CAREMEDS and its subsidiaries, is developing PDA (Preparation of Doses to be Administered) solutions capable of addressing all European markets:

- **Multimed:** prepared upstream by the pharmacist, the pill dispenser is a manual device including weekly or monthly doses (7 or 28 days) based on detachable blisters. Each pill dispenser includes the patient's name, the name of the medication, the dosage, the best number and expiration date, ensuring complete traceability. The Multimed pill dispenser thus ensures right medication, at the right dosage, administered in the right manner to the right patient;
- **Automeds:** an automated packaging system compatible with the Multimed pill dispenser. This new reliable and secure technology facilitates and increases the production of pill dispensers. Adapted for patients both under non-hospital and community care, the Automeds robot contributes to the security of the pathway and proper usage of the drug.

E-Connect Business Unit

The e-Connect Business Unit designs, develops, produces, installs and operates innovative solutions to both securely monitor patients at their place of residence and optimise care pathways.

Equipment for Healthcare Professionals

The KAPELSE solutions automate and enhance the security of administrative acts for health professionals based on robust authentication protocols required to access tele-services and shared records and for patient monitoring.

The KAPELSE offering for the equipment of healthcare professionals includes four different systems:

- **KAP&CARE®:** An e-Health box installed in pharmacies and healthcare establishments as a self-service terminal that allows customers to update their health insurance cards (Cartes Vitale) and consult drug prices. **KAP&CARE®** is provided as part of the comprehensive service contract named Kap&Maj 2.0;
- **KAP&GO®:** A mobile device;
- **KAP&LINK®:** A card reader suitable for all pharmacies based on innovated patented technology. Additional features include remote transmission, updating healthcare smart cards (SESAM-Vitale cards), etc.;
- **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 home visits to patients.

Telehealth

This concept includes medical tele-monitoring, tele-assistance and medical-social tele-assistance. KAPELSE proposes comprehensive, simple and secure systems for remote patient monitoring, as well as functionalities that are critical to treatment compliance and optimising the care pathway. On this basis, the KAPELSE offering of at-home patient monitoring solutions includes four systems:

- **KAP&CARE®:** an e-Health box specially designed for in-home patient monitoring, it facilitates tele-monitoring and medical tele-assistance. Patient authentication and data security are guaranteed; This box completes the range with a solution specifically adapted for patients at senior assisted living facilities;
- **AUTHENTICATEUR:** A patented patient authentication system for home readings;
- **KAP'TEUR by KAPELSE®:** A patented universal sensor, including several presence, environment and movement sensors. With embedded intelligence, it can be used for multiple profiles adapted according to its location and purpose. KAP'TEUR by KAPELSE® is integrated in the NOVIACARE® and CARELIB® offerings;
- **KAPWELLBOX®:** A new generation of the e-Health box range delivering even more performance, specifically designed for improved monitoring, coaching and combating the isolation of the patient in his or her place of residence. KAPWELLBOX® is the cornerstone of the CARELIB® offering.



Health and Social Care Facilities Solutions Division

This division consists of MALTA INFORMATIQUE and its subsidiaries. The scope covered by the Division includes software application for Hospitals, hospital-at-home programmes, in-home nursing care (*SSIAD*), elderly assisted living facilities (*EHPAD*) and local information and coordination centres for older persons (*CLIC*). Health centres and facilities housing multiple disciplines represent more than 5,300 establishments, doctors and healthcare assistants in France and the French Overseas Departments and Territories.

The Nursing Home Business Unit

French Nursing Homes

MALTA INFORMATIQUE is specialised in developing and providing applications for elderly residential care homes, day care and sheltered housing facilities for persons with disabilities (ALFs for the elderly and persons with disabilities).

TITAN provides models through a single database of all resident care processes: administrative, organisational, financial and medical.

Comprised of many application building blocks including the administrative management of residents, attendance, the management of social aid, the medical file, the nursing care file, prescriptions, but also the agenda, internal messaging, personnel planning, TITAN is the only system able to be installed either as a module or on a fully equipped and integrated basis. This software suite provide an effective and differentiating solution within the evolving health and social care landscape.

MALTA INFORMATIQUE, based on its strategy of offering a high degree of specialisation, has become a key player in the sector of residential care homes for dependent seniors. The accelerated pace of organic growth recorded by the company once again confirms the market's interest in TITAN solutions.

Belgian Nursing Homes

Since 2020, MALTA INFORMATIQUE has been developing outside the French market with the creation of MALTA BELGIUM and the acquisition of the Belgian software development activities, Care Solutions (ex. ARMONEA subsidiary, COLISEE Group).

MALTA BELGIUM is developing a range comparable to MALTA INFORMATIQUE in France (range initially developed by CARE SOLUTIONS) including, in particular, modules for care management, invoicing, mobile applications for tablets and pharmacy connection solutions. The modular nature of this solution allows it to be deployed in an incremental manner.

Just like MALTA INFORMATIQUE in France, customer satisfaction is ensured by a high level of engagement and service excellence.

MALTA BELGIUM is a key player in the Belgian market with an installed base of more than 650 establishments, including the main groups, within a market of 1,800 establishments.

The In-Home Nursing Services and Hospital-at-Home Business Unit

DICSIT INFORMATIQUE, a MALTA INFORMATIQUE subsidiary, is a market leader for Hospital-at-Home solutions, In-Home Nursing Care and Services for Local Information and Coordination Centres.

The DICSIT INFORMATIQUE offering covers three sectors:

- Hospitalisation at Home (*HAD*) with the **ANTHADINE** software and the **MOBISOINS** mobility tool. ANTHADINE is a comprehensive software package that enables healthcare professionals to manage treatment and invoicing but also secure the medication cycle. MOBISOINS provides comprehensive tracking from the initial consultation with the patient to monitoring and validating the provision of in-home patient care;
- Home-based Nursing Services (*SSIAD*) with the **MICROSOINS** software application. The MOBISOINS mobility tool is also available and compatible. MICROSOINS covers all needs of in-home nursing care 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.



This range is supplemented by other tools like **MEMORIALIS**, a tool designed to support Alzheimer's monitoring teams including a treatment file and follow-up information of treatment sessions.

Hospital and Regional Hospital Group Business Unit

AXIGATE, a subsidiary of MALTA INFORMATIQUE, is developing an Information System for Health Establishments (Hospitals, After-Care and Rehabilitation Facilities, Psychiatric Facilities) whose main components include:

- The **AXIGATE**[®] solution able to manage the entire patient care pathway: medical consultation, ER, hospitalisation, operating room, intensive care units. It covers the full range of the needs of healthcare professionals (doctors, surgeons, nursing, pharmacists, medical secretaries) and is fully interoperable with other Hospital Information System (HIS) applications. The functional scope covers long-term patient follow-up and includes the common medical file, the care file, the medication circuit, medical office automation, appointments and planning, activity coding, quality indicators, etc. AXIGATE[®], is a web-based solution that guarantees accessibility, ease of use on all media, flexibility of operation and scalability; this is why it is mainly of interest to Public Hospitals, in particular Regional Hospital Groups.
- **REFLEX**[®]: the new Web-Based Electronic Medical Records (EMR) solution Developed with the latest technology architecture, REFLEX[®] offers all the functionalities of an EMR plus modules for specific specialties (e.g., operating room management, psychiatry, paediatrics), popular functional innovations for agenda management, office software automation interface or therapeutic education.
- **WELCOME**[®]: a platform for ensuring integration, interoperability and navigation for regional hospital networks. WELCOME[®] is the cornerstone of the information system for regional hospital networks. WELCOME[®] manages the unique identifiers and the process of linking identities, provides a unique patient database for regional hospital networks (document server and structured data), manages the structure of the networks and movements, and permits the integration of multiple group practice analysis. WELCOME[®] makes it possible for support teams of the regional hospital network to work with its partner establishments when implementing convergent IT solutions to manage their health care pathways, welcome and monitor patients within their respective territories. When installing the complete EMR, WELCOME[®] serves as the platform for the AXIGATE modules providing an integrated solution.
WELCOME[®] consists of three modules: WELCOME IDENTITIES, WELCOME PASS (a digital healthcare gateway), and WELCOME DOC (a document storage and sharing system).
- **LOOKUP**[®]: Big Data technologies integrated with EMR. The integration of a no SQL, LOOKUP[®] database automatically indexing all patient data of the establishment or regional hospital network, facilitates instantaneous full-text searches, structured or not (letters, reports, etc.) for a given patient or for the entire database. This makes it possible to build dynamic dashboards for all the establishment's indicators. LOOKUP[®] consists of three modules: MONITORING, TRACABILITE, and INDICATORS.

The WELCOME[®] and LOOKUP[®] technologies enable instantaneous browsing in the regional hospital network in two modes: timeline browsing and full-text search browsing.

The Multidisciplinary Group Practice and Private Practice Business Unit

Leader in its market, INTERNATIONAL CROSS TALK (ICT) develops and hosts online solutions for health centres, multidisciplinary group practices and private practitioners.

- The **CHORUS**[®], platform, an ISO certified personal health data hosting services provider, is able to meet the needs of all frontline healthcare professionals, working independently or within facilities grouping professionals from different disciplines (health centres, multidisciplinary group practices, etc.);
- Medical telesecretarial services for healthcare professionals (**C'CALL**), online scheduling of doctors' appointments (**DOCTO DISPO**) or SMS patient appointment reminders (**C'CIEL**).

Fintech Division

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

NANCEO created **Leasa by Nanceo**, an online marketplace 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;
- To manage its receipts and monitor revenue inflows from its leasing activity.

To this purpose, the partner (customer) submits a financing request through the dedicated web portal which then consults the specialised lease financing providers to obtain a financing agreement. Exchanges with lessors are instantaneous. *Leasa by Nanceo* selects and delivers the most relevant financing solution, irrespective of the lessor. Invoices are sent to NANCEO who ensures their management.



The "multi-lessor" approach (possibility of assignment to different lessors) increases its ability to rapidly accept requests, promotes independence in relation to lessors and develops its resiliency "to vendor financing" i.e. the withdrawal from the market or disappearance of one or more lessors.

The entire process from receiving applications to their transfer to the lesser "transferee" is managed by *Leasa by Nanceo*. This ensures simple and rapid execution, accelerating the payment process for equipment suppliers.

NANCEO purchases equipment from suppliers destined for rental by end-lessees while reselling this same equipment through a leasing contract to the lesser who bears the customer risk.

The tools developed by NANCEO are agile and adaptable to the specific needs of each partner and propose custom-design solutions.

NANCEO's offering covers the full scope of vendor financing 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.



5.1.2. New products and services

Pharmacy - Europe Solutions Division

France Pharmacy Business Unit

In 2020, PHARMAGEST INTERACTIVE's teams rolled out new products and services:

- **PHARMAPROTECT:** A plexiglass barrier to protect the health of pharmacists in times of pandemic, easily assembled and adaptable to any pharmacy counter.
- **OFFISECURE® FIBRE:** A fiber-optic solution for pharmacies addressing the specific needs of their activity for very high-speed Internet connections (up to 12 times more rapid than regular DSL broadband with three times less latency and ultra secure for all computer data exchanges). The pharmacy's IT system is furthermore protected by an advanced cybersecurity system for secure browsing (Firewalls, IPS, DNS web filtering, etc.).
- **LGPI serialisation:** a serialisation module integrated in the LGPI pharmacy management application. Customisable and scalable, serialisation adapted to the pharmacy's organisation including options for a simple registration process "at reception" or a sophisticated and multiple process "at reception, delivery or combined".
- **E-Ordo Digital Healthcare Gateway:** secure exchange of digital prescriptions between the nursing home and the pharmacy.

Belgium and Luxembourg Pharmacy Business Unit

The development teams in France, Belgium and Luxembourg work closely together on adapting satellite solutions (OffiTouch®, OffiCash®, OffiCentral®, OffiMédia®, OffiDose, OffiSeen®, OffiTag, OffiPDA, ...) developed by PHARMAGEST Group, to offer a complete range of solutions to pharmacies in Belgium and Luxembourg. In addition, the Pharmacy Belgium and Luxembourg Business Unit also sells products and solutions which address its markets.

Belgium

PHARMAGEST BELGIUM teams are constantly upgrading the product line-up in response to the transformation of the healthcare market, new legislative requirements for the pharmaceutical sector, and to meet the growing and expanding needs of Belgian pharmacists. The main upgrades to the software in Belgium in 2020 were:

- The Bandagist Module which can be integrated in the ULTIMATE application facilitates the reimbursement of small medical devices (pads, bags, bandages, etc.);
- Addition of the SINTESI robot and its accessories to the catalogue of Belgian solutions.

Luxembourg

Starting in 2017, PHARMAGEST LUXEMBOURG and PHARMAGEST INTERACTIVE teams combined their efforts around a new "Patient-Centred" European healthcare platform. This platform based on the latest web and IA technologies will offer pharmacists tools enabling them to provide even more services to their patients while optimising the management of their pharmacies. As part of this project, PHARMAGEST LUXEMBOURG and PHARMAGEST INTERACTIVE teams actively cooperated with Luxembourg pharmacists/partners to propose a solution fully adapted to the current and future requirements of the pharmacist's business.

Italy Pharmacy Business Unit

PHARMAGEST ITALIA's offer has been enhanced by the addition of a range of solutions for pharmacies:

- **EasyQ:** a specific queue management solution integrating all tools needed for the pharmacy's day-to-day operations. EasyQ streamlines customer flows by automatically directing them to the selected counter and optimises staff movements by monitoring waiting times by time slot.
- **SophiaShow:** a centralised system for managing video communication in pharmacies, including tablet-based control of dynamic displays in the pharmacy or its points of sale. SophiaShow make it possible to organise, download and plan all useful multimedia content for real-time communication tailored to specific targets. Through the timely use of monitors, messages reach the customer at the right time and in the right place, reinforcing the brand's identity and providing maximum visibility for immediate and direct communication.



- **SophiaDesk:** an informative and interactive dashboard, SophiaDesk enables real-time cloud-based consultation of the data for a group of pharmacies from mobile devices or Web platforms.
- **SophiaUp!:** a smart phone app to control the SOPHIA management suite in real time.
- **Miaterapia:** a patient app for sending prescriptions to pharmacies for free. This service is integrated in the SOPHIA application and is available for use free of charge by all pharmacies in Italy.

The Business Unit also markets to its wholesaler-distributors customers:

- **DENSO:** a new terminal for the management of pharmacy wholesaler-distributor warehouses offering maximum performance in all phases of operational management: arrival of goods, storage, installation removal;
- **Check & Trace:** a new tool for the pharmaceutical distributor to visualise the progress of deliveries made by all the drivers, increase the level of customer service (punctuality, accuracy and reliability) and optimise delivery costs.

e-Health Solutions Division

Digital Communications Business Unit

In 2020, the Digital Communications Business unit focused on strengthening its existing offering of solutions and for that reason did not introduce new solutions in the period.

The Telemedicine Business Unit

Building on the expertise of software developers, AXIGATE, PHARMAGEST INTERACTIVE, MALTA INFORMATIQUE, DICSIT INFORMATIQUE and CEGEDIM, in 2020 the Marseille Public Hospital (*AP-HM*) rolled out a new digital healthcare platform for the Marseille region.

This gateway reflects shared goals focusing on a single objective: effectively coordinating the healthcare pathway across the office-based private practice and hospital spectrum. This digital gateway facilitates the sharing of healthcare information between hospitals, healthcare establishments and healthcare professionals. This major innovation designed to be deployed over the entire territory reflects policies for improving quality across the entire care pathway from the patient's home to residential health and social care facilities.

Frailty Management Business Unit

The Frailty Management Business Unit continued to focus on R&D to maintain NOVIACARE®'s leadership position within its market (software and algorithm developments).

The Business Unit's teams are in this way continuing to develop the functionalities of tomorrow while pursuing their commercial development in France and Europe.

The Medication Compliance Business Unit

In 2020, the Medication Compliance Business Unit focused on strengthening its existing solutions, increasing its market share and integrating its German subsidiary, I-MEDS.

E-Connect Business Unit

KAPELSE's offering was expanded in 2020 by the addition of two new solutions:

- **KAP&LINK2:** A new terminal with smart card and NFC reader, compatible with the French electronic health card (e-Vitale) among others. It includes all the features which may **KAP&LINK**® so successful, while adding more connectivity and services such as secure patient consent feature. With new physical and design features for improved integration and usability, it is destined for all pharmacies, healthcare institutions and office-based healthcare professionals.
- **KAP&inSide:** New mobile terminal. A full-fledged secure portable server, Kap&inSide accompanies all software projects for the dematerialisation of documents, management and mobile patient records. Compatible with all operating systems including iOS and Android, its software and/or API integration capabilities, guarantees an optimal operating performance and access to information where there is no network.



Health and Social Care Facilities Solutions Division

The Nursing Home Business Unit

France

TITAN WEB MEDECIN: An essential tool for accessing residents' medical records via the Internet

From a simple web browser, using the TITAN WEB MEDECIN module, doctors can now access their patients' medical records at any time. Doctors can create new prescriptions, refill existing prescriptions, record consultation records or monitor residents' lab results in a secure web environment directly from their medical practice or from any computer connected to the Internet.

TITAN Nomad: First 100% paperless management software

Developed in coordination with nursing home healthcare professionals, TITAN Nomade addresses the needs of all medical and paramedic teams for a secure, ergonomic and functional mobility solution. TITAN Nomad addresses a vital need to monitor resident care .being subject to network and strength and being tied to a computer. On care, cleaning or medication distribution trolleys, in kitchens or transmission rooms, the tablet is fully integrated into the establishment's operating procedures and contributes to communications between the different disciplines.

TITAN VISIO: The first video call solution integrated into the resident's medical file

With the COVID-19 epidemic, the lockdown of the population and the closure of nursing homes to the public, technological solutions designed to maintain social links between residents and their relatives have become necessary. In response, within a few weeks MALTA INFORMATIQUE's Research & Development teams developed a totally secure video call solution available to all customers equipped with TITAN Nomade (a tablet app for monitoring resident care).

Belgium

MALTA INFORMATIQUE develops in Belgium

Building on its success in France, MALTA INFORMATIQUE develops in Europe with the creation of a subsidiary in Belgium. MALTA BELGIUM. To support its development in this market, MALTA BELGIUM has strengthened its teams and offering by the addition of CARE SOLUTIONS' employees and software suite.

Offering a fit with TITAN, the very comprehensive **Care Solutions** software suite is fully adapted to the needs of market players in the Belgian nursing home market.

The In-Home Nursing Services and Hospital-at-Home Business Unit

In 2020, DICSIT INFORMATIQUE continued to roll out its new MOBISOINS solution for patients and private practitioners as well as its portal designed for healthcare professionals. The business line suite including three applications (**ANTHADINE** or **MICROSOINS**) combined with the mobility(**MOBISOINS**) tool and the portal (**PORTAIL PS**) provides a solution covering the entire prescription cycle from the commencement of treatment to monitoring the patient at home.

Hospital and Regional Hospital Group Business Unit

In 2020, AXIGATE focused efforts on rolling out its new solutions:

- **REFLEX®**, the new Mobile-Web-Based Electronic Medical Records (EMR) solution;
- **WELCOME®**, the platform for ensuring integration, interoperability and navigation for regional hospital networks;
- **LOOKUP®**: Big Data technology integration with EMR.



The Multidisciplinary Group Practice and Private Practice Business Unit

Secure teleconsultations with CHORUS

In response to the COVID-19 epidemic, ICT introduced a teleconsultation solution and a credit card payment module enabling patients of CHORUS-equipped doctors to benefit from teleconsultation sessions using a computer, tablet or smartphone.

PandaLab: a technology in the service of healthcare managers and the patient care pathway

PandaLab is an ultra-secure multifunctional e-Health platform designed to support healthcare professionals in their daily work and contribute to improved patient care. Numerous features such as instant messaging between healthcare professionals, standardized prescription models or photo and image sharing offer significant time savings to healthcare staff and their correspondents.

Adopted by more than 5,000 users, PandaLab is a turnkey solution, easy to use and adapted to all digital media.

Completing the care pathway across the office-based private practice and hospital segments: the Digital Healthcare Gateway

After several years of development, PHARMAGEST Group's healthcare platform has advanced to the commercial phase.

Building on the expertise of software developers, AXIGATE, PHARMAGEST INTERACTIVE, MALTA INFORMATIQUE, DICSIT INFORMATIQUE and CEGEDIM, in October 2020 the Marseille Public Hospital (*AP-HM*) introduced a new healthcare communications gateway platform for the Marseille region.

This gateway reflects shared goals focusing on a single objective: effectively coordinating the healthcare pathway across the office-based private practice and hospital spectrum. This digital gateway facilitates the sharing of healthcare information between hospitals, healthcare establishments and healthcare professionals. This major innovation designed to be deployed over the entire territory reflects policies for improving quality across the entire care pathway from the patient's home to residential health and social care facilities.

Fintech Division

The Fintech Division has continued to deploy its mobile solution *Leasa by Nanceo* while reinforcing its functionalities.



5.2. Principal markets

Revenue by business and region (IFRS)

Divisions – € millions	2020		2019	
	Revenues	Attributable to equity holders of the parent	Revenues	Attributable to equity holders of the parent
Pharmacy - Europe Solutions Division	127.31	74.12%	121.19	76.43%
• of which France	116.75	67.96%	110.22	69.51%
• of which Belgium and Luxembourg	3.01	1.76%	3.80	2.40%
• of which Italy	7.55	4.40%	7.17	4.52%
Health and Social Care Facilities Solutions Division	26.19	15.25%	19.51	12.30%
• of which France	23.39	13.62%	19.51	12.30%
• of which Belgium	2.80	1.63%	/	/
e-Health Solutions Division	16.44	9.57%	16.12	10.17%
• of which France	13.56	7.90%	13.82	8.72%
• of which Ireland and the UK	1.57	0.91%	2.30	1.45%
• of which Germany	1.31	0.76%	/	/
Fintech Division	1.81	1.06%	1.75	1.10%

For more information on the main financial aggregates by business, readers are invited to refer to the notes to the consolidated financial statements in Section 18.1.6.6 – Note 7.2 of this Universal Registration Document.

The French pharmacy market

The French health system is constantly adapting to major challenges of the years to come, e.g.:

- French people are living longer: their life expectancy is one of the highest in Europe and their healthcare system must be capable of providing appropriate care;
- Increase in chronic conditions: while French people are living longer, the number of chronic conditions is also increasing;
- Persistent health inequalities: social inequalities continue to have a significant impact on health.

These challenges naturally have an impact on pharmacists' market, profession and roles.

The ecosystem and business model of dispensing pharmacies are continuing to adapt to new forms of remuneration: dispensing reimbursable medicines integrating a dispensing fee, the authorisation of e-pharmacies, remuneration linked to the introduction of in-pharmacy consultations and the development of services such as the creation of Electronic Health Records (EHR) (*Dossiers Médicaux Partagés* or *DMP*), teleconsultation. etc. This will offer opportunities for growth by expansion into new activities and services for patients.

- **Overview:** at the end of 2020, there were close to 21,400 pharmacies in France and in the French Overseas Departments. (Source: *SESAM-Vitale*)
- **Revenue:** the pharmacy sector grew 2.97%. This revenue growth is largely due to the increase in their sales, the percentage of dispensing fees and pay-for-performance-based compensation set by the French healthcare system which rose 23.27%, plus the revaluation of the rate for dispensing fees in 2020. (Source : *CGP - Statistiques professionnelles de la Pharmacie – Edition 2017*)
- **Margin:** the compensation pharmacists receive is comprised of a commercial margin on sales, dispensing fees and other services. The total gross margin increased marginally (1.95% in relation to 2019). (Source : *CGP - Statistiques professionnelles de la Pharmacie – Edition 2017*)
- **Growth outlook:** growth drivers of French pharmacies include the market for medical devices and pharmacy-related products, as well as the introduction of new services such as PDA (Preparation of Doses to be Administered), vaccination, antigen tests and in-pharmacy teleconsultation. On the other hand, the digital transformation of practices challenges existing models and may in fact prove to be an extraordinary growth driver for pharmacists who are successful in navigating this digital revolution.



The Belgium and Luxembourg market

Belgium

At 31 December 2020, there were nearly 4,800 pharmacies in Belgium, with 54% in Flanders, 35% in Wallonia and 11% in Brussels. (Source: PHARMAGEST BELGIUM estimates)

The country has one of the densest pharmacy networks in Europe.

Due to the situation of "excess capacity", a moratorium on opening new pharmacies due to expire in December 2014 was extended to the end of 2019. Because opening a pharmacy in France requires a special authorization which must be obtained from the Council of State (*Conseil d'État*), the number of new pharmacies created is not sufficient to offset the number of closures and mergers. As a result, the number of pharmacies is continuing to gradually decrease. In addition, Belgian pharmacies face competition from the parapharmacy giants.

In Belgium, the pharmacy market includes independent pharmacies and pharmacy groups. These groups which vary in size (from 2 to 300 pharmacies) are occupying an increasingly important place in this market. In 2020, approximately 20% of pharmacies were part of a group. (Source: PHARMAGEST BELGIUM estimates).

This trend is likely to gain momentum in the coming years in response to the external growth strategy of large-scale groups.

Pharmacists' remuneration includes a fee for the provision of pharmaceutical care accounting for 80% of their income (75% of basic fees and 5% of specific fees) plus a margin on the pharmaceutical product (20%). (Source: *Belgian Pharmaceutical Association - APB*)

In contrast to France, pharmacies cannot be opened in commercial shopping centres. Also, Belgium does not require the owner of a pharmacy to be a pharmacist.

Luxembourg

The Luxembourg market counts 98 pharmacies.

Competition in this market is limited by high barriers to entry. The number of pharmacies is strictly controlled by the Minister of Health with less than 100 pharmacies open to the public.

A pharmacy is managed by a registered pharmacist practising as an independent professional.

There are two ways to obtain a pharmacy concession:

- Pharmacists may apply for a State concession, which is the case for more than two-thirds of pharmacies in Luxembourg. The application is placed on a list classified according to years of work experience, the date of the diploma and number of years of study;
- Or they purchase a private concession, which requires substantial funding.

(Source: *Syndicat des Pharmaciens Luxembourgeois*)

The Italian market for distributors and pharmacies

The pharmaceutical distributor is the intermediary between the pharmaceutical companies and pharmacies. It is a key link in the drug distribution channel which manages the major share of the pharmacy supply chain in addition to several tens of thousands of drug product references.

In 2020, the Italian market had more than 19,300 pharmacies, including publicly financed 1,675 community pharmacies. With the opening up of the capital of pharmacies in Italy to outside investors, the market of pharmacy networks is organising into integrated chains and/or independent networks. This process is expected to continue in the years ahead, with the development of pharmacy chains representing one of the major strategic priorities of Europe's leading pharmaceutical distribution groups.

Two players dominate the sector for specialised software solutions for pharmacies with a combined market share of 70%. However, in light of the regionalisation of the Italian healthcare system, there exists a number of specialised local software vendors to meet the needs of pharmacies within a specific territory.



The e-Health solutions market

The e-Health market encompasses several aspects of the patient care pathway: shared medical information systems (the medical file), telemedicine (teleconsultation, telecare, remote surveillance etc.), services provided to patients, self-monitoring, support and teaching good practices for patients with chronic illnesses, personal care services for dependent persons, or training for healthcare professionals.

E-Health is a genuine societal and economic priority that has the potential to meet three of the most pressing challenges for our health systems:

- The challenge of providing quality care in conjunction with the trend of aging population (including healthcare personnel): by optimising medical time or the structure of care focused on the patient or the elderly person (the care pathway);
- The public health challenge in the face of acute health crises: through the ability to gather health data that can be used to formulate effective prevention campaigns, the emergence of connected health devices and self-monitoring practices (quantified self);
- The challenge of managing health insurance accounts and the need for substantial savings through multiple efficiency gains (e.g. avoiding duplication in medical interventions).

The Digital Communications Business Unit market

The Digital Communications activity helps pharmaceutical industry professionals build their digital communications addressing pharmacies or patients, representing a niche market in digital advertising.

The Digital Communications Business Unit also provides interactive platforms and mobile applications to monitor and assist patients, which are among the many solutions designed to improve patient medication adherence.

The diversity of its offering gives the Digital Communications Business Unit the ability to propose customised solutions to all its partners.

The Digital Communications Business Unit has a customer base of nearly 80 pharmaceutical companies out of the French market total of nearly 240.

The Telemedicine Business Unit market

The Telemedicine Business Unit's activities cover the fields of telemedicine and telecare sector including remote consultations, remote medical monitoring, tele-expertise, teleradiology, medical teleassistance, medical regulation, connected devices and equipment, etc.

The expert systems developed by DIATELIC, a PHARMAGEST Group subsidiary, uses artificial intelligence to anticipate the patient's health condition and in that way contribute to improved homecare.

Hospital structures are looking for turnkey solutions to manage all chronic illnesses they treat while meeting increased requirements in terms of interoperability with re-existing information systems. For chronic kidney disease alone, France counts more than 87,000 dialysis or transplanted patients. (*Source: Agence de biomédecine*)

The Frailty Management Solutions Business Unit market

The Frailty Management Business Unit operates in the teleassistance segment providing solutions that integrate connected objects or IoT type tools.

This sector has been growing since 2010 and continues to offer genuine growth opportunities based on positive underlying factors like population ageing (more than 6 million seniors older than 75 in France) and proactive policies by public authorities. (*Source: INSEE*)

This sector is attracting many market participants such as elderly residential home groups, managers of clinics or major providers of home care services. This market structure is built around market players possessing both expertise in managing dependency, an upstream presence and sufficient financial resources to acquire minor players leading to market consolidation.



The Medication Compliance Business Unit market

The pill dispenser market is divided between connected or manual systems according to the applications used in different healthcare establishments, pharmacies or in-home environments for medications and the number of medications to be taken on a daily, weekly and monthly basis.

The Multimed's solution is a manual pill dispenser for healthcare facilities that can be used in a 7-day or 28-day format. Each capsule can be labelled with patient, medication and medication cycle information, thus ensuring that the right medication is administered to the right patient, with the right dose, according to the right method and at the right time.

After the age of 65, the risk of chronic diseases increases. This in turn contributes to the need for multiple medications which increases the risk of poor compliance. For that reason, reflecting the general trend for the population ageing structure, this market is expected to grow. Over 2019-2100, seniors in Europe will account for an increasing percentage of the total population, with people 65 and over representing 31% of the EU population in 2100, compared to almost 20% today. (Source: Eurostat)

The e-Connect Business Unit market

The e-Connect Business Unit of the e-Health Solutions Division, focusing on the industrial sector, supports projects and solutions originating from the Telemedicine or Frailty Management Solutions Business Units.

The concrete implementation of these projects is twofold:

- Changes to existing systems involving adjustments at the patient's homes by introducing technical improvements and tele-monitoring solutions through the deployment of the NOVIACARE® (plug-and-play solution) solution developed by NOVIATEK. The objective here is to improve the environment of frail individuals and contribute to the coordination of healthcare delivery;
- Building a senior housing facility equipped with innovative solutions with the industrial scale up of the CARELIB® Domicile and CARELIB® EHPAD offering.

In this way, PHARMAGEST Group intends to expand the scope of its intervention in the new market sector of the Silver Economy, and establish its position in this market as a driving force.

In addition, solutions proposed by KAPELSE meet the needs of a large number of healthcare professionals in France (medical assistants, paramedics and pharmaceuticals) and in particular office-based private practitioners submitting online declarations. The GIE SESAM-Vitale health card consortium recorded nearly 373,591 online declarations in 2020. (Source: GIE SESAM VITALE)

The French market for elderly assisted living facilities and day care facilities

The French market for residential care homes and day care facilities for the elderly and persons with disabilities consists of over 10,000 establishments, of which 75% are nursing homes or long-term care facilities, and 25% independent senior housing facilities.

The market is characterised by steady growth in response to the growing need for appropriate housing solutions as the French population ages. The growth in the number of beds at elderly residential care facilities for seniors is linked mainly to medicalisation of these facilities, and in so doing, modifying their status into assisted living facilities for dependent seniors (EHPAD) Today, these facilities count approximately 600,000 beds.

France has enacted a number of significant reforms for residential facilities since 2002-2003 with the introduction of the first tripartite agreements (EHPAD/DASS then ARS/Conseil Général), followed by the reinstatement of medical devices in their operating budgets in 2008, not to mention the inclusion of medicines currently being trialled. Since 2016, these elderly assisted living facilities (EHPAD) have been subject to new contractual obligations (*contrat pluriannuel d'objectifs et de moyens - CPOM*) with the regional health boards (ARS) providing for the adoption of a new budget planning system (*Etat Prévisionnel des Recettes et des Dépenses or EPRD*).

All these developments will lead the market to adopt specialised and high performance software solutions.

(Source: MALTA INFORMATIQUE)



The Belgium nursing home market

Rest homes and nursing homes are facilities where older people reside on a permanent basis. Residents include people 65 and older no longer able to live at home by themselves. These care facilities are a solution of last resort, when home care or other alternatives are no longer sufficient for persons who require assistance in the performance of day-to-day tasks.

Belgium has nearly 1,800 nursing homes.

(Source: MALTA BELGIUM)

The market for IT solutions for home-care healthcare professionals

The Hospital at Home market remains dynamic with the number of establishments stable (at around 330), representing significant capacity for providing care to around 116,000 patients.

There are nearly 2,000 in-home nursing care (SSIAD) programmes representing nearly 112,000 places.

As organisations revamp their practices for ensuring care, and in particular in the hospital universe, the structures providing in-home nursing services are benefiting from a very positive transfer of activity in turn driving growth in the number of places and facilities.

The French Hospital Information Systems market

The emergence of new territorial hospital groups (*Groupements Hospitaliers Territoriaux* or *GHT*) is driving major transformations in the hospital sector. 135 such groups have been formed with the purpose of providing a new form of cooperation between hospital structures within a single territory.

At the level of information systems this has led to the redesign of the Information Technology Master Plan driven by the main territorial hospital tasked with achieving convergence of the different hospitals' systems. These master plans were developed as at 31 December 2017 for deployment by 2022.

These changes represent exceptional opportunities for specialised independent software vendors for hospitals. With its strong multi-establishment focus and high-level technological quality, AXIGATE is capable of addressing the needs of extremely demanding projects in terms of specifications and volume in this area.

The Health Business Unit market

In response to the challenge of low physician density in certain regions, different types of community health centres are being deployed throughout France (more than 730 in France). These structures provide a solution for creating geographical and functional networks for health professional networks. Public authorities have recently moved to further expand the healthcare offering at the level of local communities through the pending creation of territorial health professional communities. The purpose of these communities will be to facilitate coordination of outpatient care and improve the conditions for private practice health professionals to exercise their profession within each territory.

The equipment lease financing market for the services sector

Leasa by Nanceo addresses companies distributing products and services through leasing arrangements. In this way, lease financing solutions are available for virtually every type of equipment. The equipment must be durable, identifiable and suitable for depreciation. Financing is most commonly used for vehicles, computer hardware, building and agricultural machinery. Specialised in particular in office, computer, telephony, security, printing, software publishing or medical equipment, NANCEO is constantly expanding into new areas: energy savings, imaging, electronic document management systems (DMS), etc.

The business equipment financing market is dominated by banks which benefit from a legal monopoly on bank loans. Banks are also active in the lease financing and rental sectors through specialist subsidiaries, where many companies are active, including carmakers, large computer groups, industrial conglomerates, as well as independent players like NANCEO.

New market players are emerging relying heavily on new technologies, a disruptive financing approach and their technological expertise, particularly by creating a marketplace providing wide and easy access to financing solutions. These new players included under the term of Fintech are significantly challenging operating methods and accelerating change.



NANCEO is contributing to this business trend through its financing platform that typically operates as a marketplace.

The market for business and professional equipment financing by specialised establishments represented more than €33 billion in 2020, contracting marginally in response to the health crisis. *(Source: the French Association of Finance Companies, ASF - Association française des sociétés financières, report on the activities of specialised establishments – 2020)*

PHARMAGEST Group is expecting an acceleration in the pace of digitisation introducing even more simplification in administrative processes: digital contracts, the emergence of the electronic signature (already prevalent in the B2C segment), contract portfolio management, invoice flows. The sales financing industry is also in transformation, driving the modernisation of market players (bankers, brokers, manufactures, start-ups, consultants) to facilitate and accelerate processes.



5.3. Important events

History and milestones

1996: Creation of ROUSSEAU CPI.

Creation by Thierry CHAPUSOT, Thierry PONNELLE and Vincent PONNELLE. They developed the PHARMAGEST® software suite and built a distribution network in the eastern region of France. ROUSSEAU CPI thereupon became PHARMAGEST INTERACTIVE.

1998: Equity backing of pharmaceutical distributor CERP Lorraine.

PHARMAGEST INTERACTIVE's operations were merged with those of its IT subsidiary, MIRABEL. CERP Lorraine was renamed WELCOOP GROUP in 2008, then in 2017 became LA COOPERATIVE WELCOOP.

2000: Initial public offering.

On 20 October, PHARMAGEST INTERACTIVE was listed on the *Nouveau Marché* of the Paris stock exchange.

2003: Market leader for pharmacy information systems.

Following a series of acquisitions in the domestic French market, the largest of which was CIP, PHARMAGEST Group became the French pharmacy information technology leader.

2007: First stage of European expansion.

In September 2007, PHARMAGEST INTERACTIVE acquired the Luxembourg-based SABCO and its subsidiary ATS in Belgium (renamed respectively PHARMAGEST LUXEMBOURG and PHARMAGEST BELGIUM in 2019).

2008 / 2009: New expertise: IT systems for elderly residential care homes (French acronym of EHPAD).

Following an initial strategic acquisition of the software publisher MALTA INFORMATIQUE, the Group extended its expertise to care homes. In April 2019, it further strengthened its footprint in this sector by acquiring the business of AZUR SOFTWARE.

2013 / 2014: Creation of the e-Health Solutions Division.

- PHARMAGEST INTERACTIVE acquired a 95.29% equity stake in DIATELIC;
- Creation of KAPELSE, 70%-held by PHARMAGEST INTERACTIVE.

2015: Creation of the Fintech Division.

- Creation of NANCEO, a simplified French joint stock company (*société par actions simplifiée*) with capital of €1,000,000 with its registered office in Paris, offering financing solutions for leased assets in the services sector.

2016: e-Health Solutions Division trends

- PHARMAGEST INTERACTIVE and its subsidiary KAPELSE jointly acquired, on the basis of equal stakes, 80% of NOVIATEK and its subsidiary NOVIA SEARCH, specialising in the design of innovative systems for assisting people with specific needs (Alzheimer's, older people living alone, dependent people, people living with disabilities, etc.);
- PHARMAGEST INTERACTIVE acquired a 70% equity stake in SAILENDRA, a provider of consulting services for IT systems and software applications.

2016 / 2017: Creation of the Health and Social Care Facilities Solutions Division.

- Acquisition by MALTA INFORMATIQUE of DICSIT INFORMATIQUE. PHARMAGEST Group in this way acquired additional expertise in information systems for HADs (Hospitals at Home), SSIADs (Home-based nursing services) and CLIC networks (Local Information and Coordination Centres for the Elderly);
- Acquisition by MALTA INFORMATIQUE of AXIGATE, specialised in new technologies and a French leader in the Hospital Information Systems (HIS) sector. PHARMAGEST Group in this way gained access to the complementary market of the hospital sector.



2017: Reinforcing medication dispensing applications in Europe.

- PHARMAGEST INTERACTIVE acquired a 51.82% equity stake in CAREMEDS Ltd., an English company. This equity investment was accompanied by the acquisition of a 51%-stake by PHARMAGEST INTERACTIVE in MULTIMEDS Ltd., an Irish company. These companies are specialised in developing innovative medication adherence management technologies:
 - MULTIMEDS sells a manual dispensing solution with a comprehensive and innovative patent-protected pill dispenser;
 - CAREMEDS develops a secure cloud-based platform for tracking the medication cycle using pill dispensers. This product provides pharmacists in dispensing pharmacies and elderly residential care homes (*EHPAD*) with secure medication management and batch traceability for prescription drugs prepared in pill dispensers.

Recent events (2018 - 2020)

2018: Acquisitions, restructuring and equity investments.

- PHARMAGEST INTERACTIVE expanded into Italy by acquiring a 79% majority stake in MACROSOFT HOLDING, the country's market leader in IT equipment and services for pharmacy wholesalers-distributors which is also marketing an innovative new software offering for Italian pharmacies. To promote PHARMAGEST Group's strategy for building a dedicated global ecosystem at the European level, Macrosoft Holding becomes Pharmagest Italia, a subsidiary of the Pharmacy - Europe Solutions Division.

2019: Acquisitions, restructuring and equity investments.

- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of CP INTERACTIVE and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE;
- Company name change from SABCO to PHARMAGEST LUXEMBOURG;
- Company name change from SABCO SERVICES to PHARMAGEST BELGIUM;
- PHARMAGEST INTERACTIVE acquired a 13.89% minority equity stake in EMBLEEMA;
- PHARMAGEST INTERACTIVE acquired a 49% equity stake in the Italian company, PHARMATHEK, specialised in the development and production of computer-managed automation solutions for sales and industrial applications;
- Completion of the mergers of INFARMA, INSERVICE, MACROSOFT, MACROSOFT BUILDING and TEKNEMA with PHARMAGEST ITALIA;
- Acquisition of a majority stake by PHARMAGEST INTERACTIVE of 80% in the capital of the Italian company, SVEMU INFORMATICA FARMACEUTICA. The company develops software products in addition to operating as a wholesaler of hardware and software;
- Acquisition of additional shares of PHARMAGEST ITALIA, bringing PHARMAGEST INTERACTIVE's share in the capital to 82.5% from 79%;
- Acquisitions of majority stakes by MALTA INFORMATIQUE of 70% in the capital of INTERNATIONAL CROSS TALK, specialised in the development and hosting of online applications for health centres, multidisciplinary group practices and private practitioners;
- This acquisition was accompanied the acquisition of 100% of the capital of HAPPY HEALTH ORGANIZER and SOPHIA SANTE, French companies specialised in preparing documents and other office support and consulting services for IT systems and software;
- Acquisition by CAREMEDS of 60% in the capital of the German company I-MEDS, a wholesaler and distributor of equipment and accessories for supplying drugs to patients and pharmacies;
- Creation of MALTA BELGIUM, a wholly-owned Belgian subsidiary of MALTA INFORMATIQUE, a provider of computer programming services for retirement homes.

2019: Derecognition and equity divestments.

- Sale of INTECUM by PHARMAGEST INTERACTIVE to PHARMATHEK;
- WELFINTY GROUP was liquidated in the second half of 2019;
- DOMEDIC EUROPE was liquidated in the second half of 2019.



2020: Acquisitions, restructuring and equity investments.

- Acquisition by MALTA INFORMATIQUE of the software development business for nursing homes and specialised establishments of the Belgian company, CARE SOLUTIONS;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of a minority shareholder KAPELSE, increasing its shareholding to 75%;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of DIATELIC, increasing its shareholding to 100%;
- MALTA INFORMATIQUE acquires the shares of the minority shareholders of INTERNATIONAL CROSS TALK (ICT), increasing its stake to 100%;
- Simplified merger (*transmission universelle de patrimoine*) entailing the global transfer of assets and liabilities of HAPPY HEALTH ORGANIZER and SOPHIA SANTE to INTERNATIONAL CROSS TALK (ICT);
- Acquisition of a 56.27% majority stake by MALTA INFORMATIQUE in PANDALAB, a company specialised in secure and instant messaging solutions for healthcare professionals;
- Acquisition by PHARMAGEST INTERACTIVE of a 100% stake in the capital of ASCA INFORMATIQUE and its wholly-owned subsidiary SEAA, two French companies specialized in electronic labelling solutions for pharmacies;
- Acquisition by PHARMAGEST INTERACTIVE of a 29.20% stake in BGM INFORMATIQUE, a French wholesale-distributor (B2B) of computers, IT peripherals and software;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of four minority shareholders of SAILENDRA, increasing its shareholding to 84.63%.

2020: Derecognition and equity divestments.

- Liquidation of UK PHARMA;
- Disposal of 30% of NANCEO securities without loss of control.



5.4. Strategy and objectives

LA COOPERATIVE WELCOOP's strategy

LA COOPERATIVE WELCOOP has adapted its business model, historically focused on products and services for cooperative member pharmacists addressing different areas (solutions for maintaining patients at home, new technologies, generic drugs, import-export of drugs, ...) and proposing multiple patient-centred services designed to reinforce the role of pharmacists as health care coordinators.

LA COOPERATIVE WELCOOP, through its subsidiaries, in this way offers a multitude of solutions for pharmacists, healthcare professionals and patients. More generally, WELCOOP COOPERATIVE represents a unique and original ecosystem in France and Europe, intervening at three levels: technological innovations for patient care, helping pharmacists and other health professionals adapt to the evolving industry, and contributing to the efficiency of health economics.

LA COOPERATIVE WELCOOP believes that it has a duty to deploy the diverse range of its activities to promote improved patient care, healthcare system efficiencies and effective healthcare cost management.

The challenges in the health sector are numerous: increasing health care costs linked to population ageing, low physician density, self-medication, e-health, protecting patient data, etc. Addressing these different issues will contribute to improve synergies across healthcare sectors. LA WELCOOP COOPERATIVE occupies a position at the crossroads of these different challenges and for the most part, it already has operational solutions.

To this end, cooperative pharmacists and employees of LA COOPERATIVE WELCOOP form a patient-centred community of "Citizens in the Service of Health and Well-Being" making strategic contributions to the healthcare system. This mission of "Citizens in the Service of Health and Well-Being" " is reflected in each project initiated by THE WELCOOP COOPERATIVE, which must respond positively to two questions:

- Will it provide benefits for the patient?
- Will it make the healthcare system more efficient?

By responding favourably to these two requirements, LA COOPERATIVE WELCOOP ensures the sustainability of its economic model and strengthens the two pillars of its strategy:

The "Patient Centred" approach

LA COOPÉRATIVE WELCOOP applies a patient-centred approach based on a partnership between patients, caregivers and health professionals. The goal is to in this way provide personalized care solutions that allow patients to exercise active roles in their health and and guarantee continuity in care in the long-term.

LA COOPERATIVE WELCOOP in this way places the patient at the heart of the healthcare system:

- Through the activities of D'MEDICA, specialized in homecare solutions and those of PHARMAGEST Group's e-Health Solutions Division, an expert in connected health, which offers a number of services and products directly benefiting patients;
- By breaking down barriers between different healthcare professionals, by developing new uses by leveraging the interoperability of their business applications. This is why, LA COOPERATIVE WELCOOP is gradually developing expertise outside the pharmacy sector through PHARMAGEST Group's subsidiaries to address the needs of other health segments with its Health and Social Care Facilities Solutions Division: nursing homes, hospitals, home-based nursing services, hospital-at-home programmes and multidisciplinary group practices.

Pharmacy networks

LA WELCOOP COOPERATIVE is convinced that the pharmacists, based on their unique proximity with patients, accessibility and expertise, occupy an ideal position for coordinating healthcare.

It is on this basis that LA COOPERATIVE WELCOOP intervenes as the pharmacists' partner to help them fulfill their new missions while protecting their independence.



In this way, through the different activities of its subsidiaries, LA COOPERATIVE WELCOOP develops numerous front and back office products and services for pharmacists:

- The WELLPHARMA and ANTON&WILLEM pharmacy brands offering differentiating concepts and services at the heart of the pharmacist's new missions;
- Generic and OTC medicines via CRISTERS, the only French pharmacy-controlled generic drug manufacturer;
- PHARMA LAB, a wholesale export distributor of pharmaceutical products and medical devices;
- The MARQUE VERTE brand for health and well-being products.

PHARMAGEST Group: A "Patient Centred" strategy

LA COOPERATIVE WELCOOP is driven by a "Patient Centred" strategy spearheaded by PHARMAGEST Group, based on the conviction that healthcare professionals of tomorrow will form an interconnected network built around the patient. For that reason, the PHARMAGEST Group has chosen to gradually expand its expertise to cover an increasingly broad range of healthcare related IT professions.

Reflecting PHARMAGEST Group belief in "Technology for a more Human experience", it is developing high value-added tools designed to help healthcare professionals devote more time to patients and care.

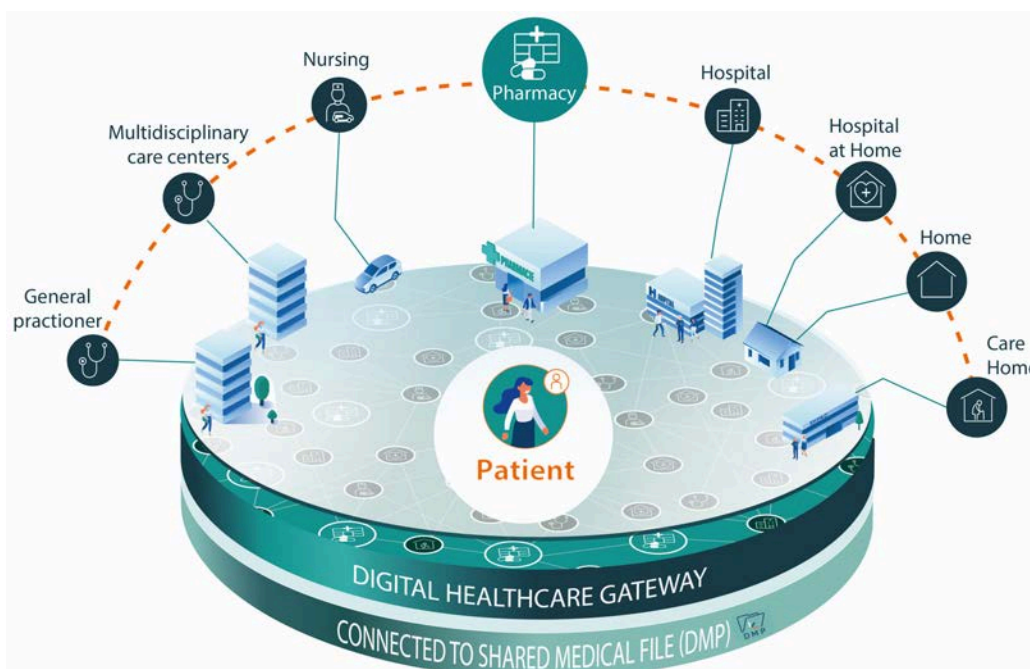
Through this patient-centred innovation strategy, PHARMAGEST Group is establishing a position as a key contributor to the market transformation for pharmacists, healthcare professionals private payers and public authorities.

PHARMAGEST Group's goals are to:

- Develop its businesses or establish partnerships to reinforce its presence over the entire patient pathway including outpatient office-based private practitioners, hospitals and in-home care;
- Promoting the convergence of all its products and solutions to streamline and optimise the performance of healthcare systems;
- Giving patients control over their securely stored healthcare data;
- Supporting advances in medical research by accelerating the transmission of anonymous data and, in so doing, contributing to the improvement in patient health.

PHARMAGEST Group's strategy is illustrated by the operational deployment of the first Digital Healthcare Gateway Platform (DHG) making it possible to monitor patient progress across the different software applications of healthcare professionals. This platform will be made available to all software developers so that together they can more effectively leverage their information, make the healthcare system efficient and achieve time savings for healthcare professionals for the patient's benefit.

The range of expertise represented by its businesses enables PHARMAGEST Group to cover the entire healthcare pathway. This contributes to improving the quality of patient care from in-home settings to social care facilities, and addressing the needs of the different healthcare professionals involved the process.





To achieve these goals, PHARMAGEST Group will continue to develop its expertise, build closer ties with new healthcare professionals and in new countries, adapt to and anticipate the trends of different healthcare systems of the countries where the Group is present, while maintaining its optimism about the prospects for improving healthcare systems, a genuine social priority for all stakeholders patients and healthcare professionals, healthcare establishments and governments.

PHARMAGEST Group's overall strategy may be analysed in reference to the business model presented in the Non-Financial Statement included in Section 21.2.2 of this Universal Registration Document.



5.5. Patents and licenses

As an independent software developer and vendor, PHARMAGEST Group attaches a particular importance to protecting its intellectual and industrial property.

On that basis, PHARMAGEST INTERACTIVE notably holds the patent for the LGPI Global Services® software suite in France and its subsidiaries hold the patents, licenses and trademarks for the systems developed.

PHARMAGEST Group conducted a review of these risks which are presented under Headings 3 and 21.2.1 – Section 2.2 of this Universal Registration Document.

Research and Development expenditures recognised under assets in the IFRS consolidated financial statements are presented under Heading 18.1.6.6 - Note 3 of this Universal Registration Document.

5.6. Competitive position

LA COOPERATIVE WELCOOP's backing represents one of PHARMAGEST Group greatest strengths. The cooperative model represents a virtuous circle of proven value: the pooling of human resources, means and expertise so that all can benefit from the resources made available by the cooperative. This model allows PHARMAGEST Group to:

- Support its customers in an environment undergoing profound change, through boldness, innovation and sense of engagement, in assisting pharmacies and promoting the role of the pharmacist at the heart of healthcare system;
- Preserving the financial health of LA COOPERATIVE WELCOOP's members from the lower prices of generic drugs through the cooperative's proprietary model that offsets these losses by through tools optimizing pharmacy management while providing cooperative dividends.

The European pharmacy market

France

The French market for pharmacy software solutions is dominated by three main players:

- With nearly 8,750 pharmacies equipped with its flagship software, LGPI Global Services® representing a market share of 41%, PHARMAGEST INTERACTIVE is the leading provider of software solutions for pharmacies;
- The second significant market operator is the independent company EVERYS.
- SMART-Rx, a Cegedim Group subsidiary, markets a number of pharmacy software programmes through its Alliance, Logiphar, Periphar, Data and Opus offerings.

(Source: PHARMAGEST INTERACTIVE estimates)

PHARMAGEST INTERACTIVE's main strengths are based on:

- A **unique global** offering based on the leading pharmacy application on the market, supplemented by a suite of specialised business line solutions (payment, merchandising, security, e-commerce, management, etc.) and a focus on patient-centred service approach;
- **Ongoing innovations** in software, equipment and services;
- A **certified quality** level in terms of products (NF 525 certification) and services (NF Service assistance certification) or technical compliance (as a certified hosting services provider for personal health data);
- **Local service** covering all of France through 31 competency centres in France and French overseas territories and departments;
- A **"key account" approach** and team organisation targeting groupings of establishments;
- **High-level assistance** from 8 a.m. to 8 p.m., with PHARMAGEST Group's experts and a dedicated portal seven days a week.

Belgium

PHARMAGEST BELGIUM operates nationwide and its ULTIMATE software solution has a 15% market share. This market share has been growing since 2016 (12%) driven by partnerships with the COOP and MULTIPHARMA cooperatives.

(Source: PHARMAGEST BELGIUM estimates)



PHARMAGEST BELGIUM operates as a partner of independent Belgian pharmacies or members of pharmacy groups. PHARMAGEST BELGIUM markets unique IT solutions designed to meet evolving needs in the healthcare market. By leveraging its front-line knowledge of pharmacists and market players, PHARMAGEST BELGIUM introduces innovation to support the pharmacists in the management of their pharmacies, assisting them in their mission of providing patient advice and as a healthcare coordinator.

Its main competitors are CORILUS, FARMAD, NEXTPHARM and PHARMONY.

Luxembourg

In 2020, PHARMAGEST LUXEMBOURG had a market share in the pharmacy software sector of 4%. PROPHALUX is its main competitor.

(Source: PHARMAGEST LUXEMBOURG estimates)

Italy

With respect to the new activities of PHARMAGEST Group in Italy, competition is analysed in the markets for distribution and pharmacy management software solutions.

In the Italian distribution market, PHARMAGEST ITALIA is a partner of more than 60% of wholesalers-distributors that use its IT solutions. In the area of communications, PHARMAGEST ITALIA is the owner of FARMACCLICK, the industry standard, used by more than 17,000 pharmacies (out of 19,331), representing more than 1,200,000 transactions per day and providing access to a price catalogue (tailored to each pharmacy), the transmission of orders, inquiries about the availability of products, comparing prices between several suppliers, etc.

In the pharmacy management software market, PHARMAGEST ITALIA is currently a new market entrant. PHARMAGEST ITALIA' efforts to deploy SOPHIA, combined with its majority stake in the software developer, SVEMU INFORMATICA FARMACEUTICA with its EASYPHARMA application, made it possible to equip nearly 800 pharmacies by the end of 2020 with the PHARMAGEST ITALIA solutions or approximately 4% of the Italian market.

COMPUGROUP MEDICAL and PHARMASERVICE are the main market players in Italy with a combined market share of 75% in this segment.

(Source: PHARMAGEST ITALIA estimates)

In the e-Health market

Digital Communications Business Unit

The Digital Communications Business Unit has a unique global offering whose solutions are found in markets with operators representing diverse fields of expertise (information for the general public or patients, studies and observatories, recruitment and training of pharmacy staff, patient inclusion in monitoring programs, etc.).

The main competitors are the same independent software vendors as those indicated for the pharmacy market in France. Even though other comprehensive pharmacy management suites propose similar services, they are not considered as direct competitors. The complementary nature of solutions means that any pharmaceutical company is able to address all pharmacies in France.

Telemedicine Business Unit

The solutions proposed by the Telemedicine Business Unit have two categories of competitors:

- Solutions developed internally by hospitals, healthcare structures or networks;
- Solutions developed by other independent software vendors such as TMM SOFTWARE, SANTELYS or MAINCARE.

Currently a challenger in this market, the Telemedicine Business Unit is pursuing opportunities with patient associations in order to integrate regional telehealth agencies (GRADeS), notably by contributing to the regional telehealth agencies by participating in Therapeutic Patient Education (TPE) programmes.



Frailty Management Business Unit

The complex make-up of the market which makes it difficult to define includes:

- Start-ups trying to gain a foothold in a market where prior recognition by healthcare professionals is a critical success factor;
- Suppliers of software to healthcare professionals that have expanded into this segment;
- Subsidiaries of leading companies (such as telecoms, the pharmaceutical companies, telemonitoring companies, etc.).

The Frailty Management Solutions Business Unit, in synergy with the Health and Social Care Facilities Solutions Division and D'MEDICA, a LA COOPERATIVE WELCOOP subsidiary, has a number of strengths:

- Full command over information systems to address the need to coordinate multiple players, guarantee operational efficiencies and ensure the quality and safety of care;
- Expertise covering the entire care pathway in order to steer patients to the best solutions;
- Professional teams fully focused on patient well-being and health.

NOVIATEK and NOVIA SEARCH, building on experimentations carried out by the combined entities of PHARMAGEST Group and LA COOPERATIVE WELCOOP, have gradually acquired an experience and legitimacy to propose turnkey solutions for elderly and persons at risk of impaired autonomy.

The market of connected health objects is rapidly growing with a multitude of market players such as SENIORADOM or TELEGRAFIK (Solution Otono-me).

Medication Compliance Business Unit

In Europe, a significant number of players are active in the market for medication dispensing solutions. In this context, the Multimeds solution occupies the position of challenger.

(Source: MULTIMEDS estimates)

E-Connect Business Unit

KAPELSE occupies the position of challenger in this market.

KAPELSE's strength resides in its ability to regularly propose solutions adapted to the needs of professionals (product ergonomics; miniaturisation, etc.) and their increased mobility (KAP&NETWORK infrastructure), while addressing the stakes of data security and homecare solutions for maintaining elderly persons with impaired autonomy in their homes.

For example, KAPELSE's e-Health box, **KAP&CARE**[®], was selected for the SATELOR project (Lorraine e-Health project for home care of persons with impaired autonomy). KAP&CARE[®] centralises patient data and provides secure transfer to the processing systems of its different partners. Through its many functionalities, KAP&CARE[®] represents a highly efficient and ergonomic interface between the patient and the different data processing centres.

In the IT market for Health and Social Care Facilities

Nursing Home Business Unit

France

MALTA INFORMATIQUE was the second-largest player in this market and holds almost 28% of the market for elderly residential care homes. (Source: MALTA INFORMATIQUE estimates)

Its main competitors include the BERGER LEVRAULT Group (with its MAGNUS and PROGOR solutions), TERANGA SOFTWARE and SOLWARE SANTE.

Belgium

MALTA BELGIUM equips more than 650 nursing homes or approximately 35% of the country's retirement homes. (Source: MALTA BELGIUM estimates)

CHORILUS is its main competitor.



In-Home Nursing Care and Hospital-at-Home Business Unit

DICSIT INFORMATIQUE is an independent software vendor specialised in business applications for professionals providing home care to vulnerable individuals: *HAD* (Hospital at Home), *SSIAD* (In-Home Nursing Care), *SAD* (In-Home Nursing Assistance), *CLIC* (Local Information and Coordination Centres for Seniors.), *ESA* (Specialised Alzheimer's Teams), *CSI* (Nursing Home Facility).

DICSIT INFORMATIQUE is a major player in its market with more than 900 customers in Metropolitan France and Overseas Territories:

- More than 400 Local Information and Coordination Centres for older people (*CLIC*) (No. 1 of the sector with an 86% market share and no direct specialised competitor);
- 370 *SSIAD* and *ESA*, or a 15% market share. This market is dominated by *APOLOGIC* and *MEDISYS*;
- 140 Hospital-at-Home programmes, with a 42% market share held by the market leader. *C2SI* and *ARCAN* share second place with 20% to 30% each, with the rest of the market held by smaller players.

(Source: *DICSIT INFORMATIQUE* estimates)

Hospital and Regional Hospital Group Business Unit

AXIGATE is a key player in the hospital information systems market. Today, it has a bit more than 50 hospitals including France's second largest teaching hospital (*CHU*), the Marseilles Public Hospital. *AXIGATE* is an approved supplier of solutions of the *UNI.HA* hospital purchasing group, providing its members simplified access to *AXIGATE*'s offering. In 2020, *AXIGATE* was selected with 6 other healthcare software developers by the French hospital purchasing network, *RESAH* (*Réseau des acheteurs hospitaliers*) for its new Electronic Medical Records programme for French regional hospital groups.

(Source: *AXIGATE* estimates)

Multidisciplinary Group Practice and Private Practice Business Unit

INTERNATIONAL CROSS TALK is the market leader for online applications for health centres, multidisciplinary group practices and office-based private practices. This company, through the flagship software solution, *ICT Chorus*[®], equips 170 health centres of the 735 signatories of the agreement with the French health insurance authorities (*accord Conventionnel Interprofessionnel avec l'Assurance Maladie*) or 23% of those equipped with a qualifying software platform (*ASIP V2*).

(Source: *INTERNATIONAL CROSS TALK* estimates)

Generally speaking, based on its complementary range of health and social care offerings, it is able to propose very comprehensive connected information systems. The Health and Social Care Facilities Solutions Division is the only player on the market which proposes such a diversified, expert and networked solution.

The equipment lease financing market

NANCEO is a challenger in the equipment leasing market for professionals. This market is in large part dominated by banks or their specialised equipment and finance leasing companies.

NANCEO operates according to a "Vendor" model, which involves financing the sale of professional equipment sold by partners to their customers. This includes primarily high-tech equipment that quickly becomes obsolete, such as printers, document management, telephony, security, medical equipment etc. By facilitating these sales, *NANCEO* increases its own business volume.

NANCEO's major strength lies in the simplification of exchanges between partners and lessors:

- A single financing request;
- A single contract regardless of the lessor supplier;
- Simplified invoicing;
- Highly efficient contract management.

Its "multi-lessor" approach (assignment to different lessors increases its ability to rapidly accept requests, promotes independence in relation to lessors and develops its resiliency "to vendor financing" i.e. the withdrawal from the market or disappearance of one or more lessors.

(Source: *NANCEO* estimates).



5.7. Investments

5.7.1. Important investments in the period

Capital expenditures for property, plant and equipment and intangible assets

The table below summarises capital expenditures during the past three years:

In € thousands	2020	2019	2018
Intangible investments	27,207	14,173	16,431
<i>o/w goodwill</i>	16,276	5,420	8,186
Investments in tangible assets	8,743	8,256	2,827
TOTAL	35,950	22,429	19,258

PHARMAGEST Group's capital investments are largely focused on research and development and innovation. This enables Group companies to be innovative contributors to numerous projects for all Divisions.

Capital expenditures on tangible assets concern mainly the expansion of PHARMAGEST Group's headquarters, infrastructure acquisitions, renewal and investments to strengthen their security.

The Group's acquisitions and renewals of assets are self-funded.

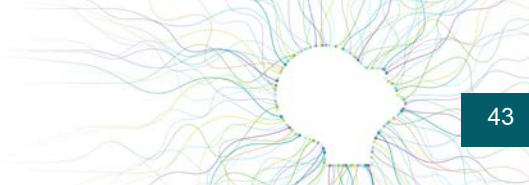
Capital expenditures (2018-2020)

PHARMAGEST Group in general adopts an opportunistic approach to external growth by proceeding with block acquisitions in line with its patient-centred strategy. PHARMAGEST Group's external growth transactions over the past three years were as follows:

Initial equity stakes:

- March 2018: 60% in the Italian company MACROSOFT HOLDING (share capital: €10,000) MACROSOFT HOLDING's corporate name was changed to PHARMAGEST ITALIA. It controls:
 - 100% of the Italian company MACROSOFT (share capital: €52,000).
 - 100% of the Italian company INFARMA (share capital: €102,000), with 20% directly held by PHARMAGEST ITALIA and 80% by MACROSOFT.
 - 100% of the Italian company TEKNEMA (share capital: €10,000).
 - 100% of the Italian company INSERVICE (share capital: €10,000).
 - 100% of the Italian company MACROSOFT BUILDING (share capital: €10,000).

In October 2018, PHARMAGEST INTERACTIVE increased its stake in PHARMAGEST ITALIA to 79% by acquiring additional shares.
- November 2018: 100% in the English company, UK PHARMA (share capital: £20,000);
- January 2019: PHARMAGEST INTERACTIVE acquired a 13.89% minority equity stake in EMBLEEMA (share capital: US\$4,015,307);
- June 2019: PHARMAGEST INTERACTIVE acquired a 49% equity stake in the Italian company, PHARMATHEK (share capital: €20,000);
- October 2019 Majority acquisitions:
 - PHARMAGEST ITALIA acquired 80% in the capital of the Italian company, SVEMU INFORMATICA FARMACEUTICA (share capital: €10,000).
 - MALTA INFORMATIQUE acquired 70% in the capital of INTERNATIONAL CROSS TALK (share capital: €300,000).
 - MALTA INFORMATIQUE acquired 100% of the capital of HAPPY HEALTH ORGANIZER and SOPHIA SANTE (each with share capital of €5,000).
- November 2019: Acquisition by CAREMEDS of 60% in the capital of the German company I-MEDS (share capital: €25,000);
- December 2019 / January 2020: Creation by MALTA INFORMATIQUE of MALTA BELGIUM (share capital: €61,500) and acquisition of the software development business for nursing homes and specialised establishments of the Belgian company CARE SOLUTIONS;



- April 2020: Acquisition by MALTA INFORMATIQUE of a 56.27% shareholding in PANDALAB (share capital: €2,121);
- June 2020: 100% in the French company, ASCA INFORMATIQUE (share capital: €15,000). SEAA, a French company, is a wholly-owned subsidiary of ASCA INFORMATIQUE (share capital: €20,000);
- June 2020: Acquisition of a 29.20% equity stake in the specialised French company, BGM INFORMATIQUE (share capital: €60,000).

Increased equity stakes:

- May 2018: Acquisition of an additional equity stake in SAILENDRA, bringing PHARMAGEST INTERACTIVE's share in the capital to 75.09% from 70.01%;
- December 2019: Acquisition of additional shares of PHARMAGEST ITALIA, bringing PHARMAGEST INTERACTIVE's share in the capital to 82.50% from 79%;
- February 2020: Acquisition of an additional equity stake in KAPELSE, bringing PHARMAGEST INTERACTIVE's share in the capital to 75% from 70%;
- June 2020: Acquisition of an additional equity stake in DIATELIC, bringing PHARMAGEST INTERACTIVE's share in the capital to 100% from 95.29%;
- June 2020: Acquisition of an additional equity stake in INTERNATIONAL CROSS TALK (ICT), increasing MALTA INFORMATIQUE's share in the capital to 100% from 70%;
- July 2020: Acquisition of an additional equity stake in SAILENDRA, bringing PHARMAGEST INTERACTIVE's share in the capital to 84.63% from 75.09%.

For the period covered by historical financial information, financial investments totalled €57.9 million.

5.7.2. Important investments in progress

Current capital expenditure primarily concerns innovation research & development costs both inside the company and for contracting experienced partners in areas requiring specific expertise.

PHARMAGEST Group is also maintaining the pace of investments in:

- Certifications as a Hosting Services Provider for Personal Health Data;
- National and regional calls for e-health projects in France in which the Group is a participant;
- The development of its subsidiaries in France or international markets in their respective fields;
- The expansion of its headquarters located at VILLERS-LÈS-NANCY was completed in 2020 for a total estimated cost of €9.6 million;
- Changes in the consolidation scope are presented in Section 21.2.1 - Subsection 1.3 of this Universal Registration Document.

In addition, the Group is continuing to pursue its acquisition strategy, examining opportunities for external growth in international markets, but also in France, with priority given to innovative Health-related services and technologies.

These investments are evaluated by PHARMAGEST Group Executive Management either on the basis of the Group's own funds or external financing according to the market opportunities.

PHARMAGEST Group's management has no other no firm investment commitments as of the date of filing of this Universal Registration Document.



5.7.3. Information on joint ventures

PHARMAGEST Group consolidates the following companies using the equity method:

- PHARMATHEK, a 49%-held Italian company specialised in designing, developing and installing automated warehouses for pharmacies. Pharmathek is specialised in designing, developing and installing automated warehouses for pharmacies.
- GROUPE DOMEDIC, a 28.32%-held Canadian company specialised in designing technological products to improve medical compliance and treatment.
- BGM INFORMATIQUE, a 29.20%-held French company, is a wholesale distributor (B2B) of computers, IT peripherals and software. BGM INFORMATIQUE is the historical commercial agent of LGPI Global Services® for the Paris region.

PHARMAGEST Group considers however it is improbable that these items would constitute a material risk for the measurement of its assets or liabilities, financial position or earnings.

The Group considers that it does not have a significant influence in EMBLEEMA because of the limited size of its shareholding (13.89%) and the absence of its participation in the entity's management.. For that reason, the entity is not consolidated.

For further information on joint ventures, refer to Section 18.1.5.5 - Note 15.5 and Section 18.1.6.6 - Note 2 of this Universal Registration Document.

5.7.4. Property, plant and equipment and the environment

The exposure of the different sites of PHARMAGEST Group to any environmental constraints is relatively limited (see the Non-Financial Statement in Section 21.2.2 of this Universal Registration Document).



6. ORGANISATIONAL STRUCTURE

6.1. Description of LA COOPERATIVE WELCOOP and PHARMAGEST INTERACTIVE's position within the Group

At 31 December 2020, MARQUE VERTE SANTE was the majority shareholder with 60.51% of the capital of PHARMAGEST INTERACTIVE. LA COOPERATIVE WELCOOP, MARQUE VERTE SANTE's parent, holds 6.12% of PHARMAGEST INTERACTIVE's capital directly.

LA COOPERATIVE WELCOOP brings together a diverse range of business lines that share a common objective: make positive contributions to patient health and well-being. Through its subsidiaries, LA COOPERATIVE WELCOOP proposes a range of solutions to healthcare professionals in a number of environments (pharmacies, senior homes, hospitals, hospital-at-home programmes, in-home nursing care, health centres, regional health professional communities, multidisciplinary group practices, etc.).

The pharmacist, as a front-line contact for patients, occupies an ideal position for coordinating healthcare. A cooperative of pharmacists since 1935, LA COOPERATIVE WELCOOP is committed to promoting the interests of the profession by supporting both its day-to-day activities and its new missions. Reflecting this culture of innovation and differentiation, its subsidiaries offer a vast range of solutions to assist dispensing pharmacies.

PHARMAGEST INTERACTIVE, a leading provider of technological solutions for pharmacies, contributes significantly by proposing innovative solutions in response to evolving trends in this sector. Providing pharmacists the ability to securely process data reinforces their pivotal role as a coordinator at the heart of the healthcare ecosystem.

LA COOPERATIVE WELCOOP and its subsidiaries offer exclusive products and services specifically designed for pharmacies:

- Generic drugs and OTC;
- An offering of European originator drugs complying with French requirements and authorised by the ANSM, the French National Agency for Medicines and Health Products Safety;
- Medical devices and services adapted for in-home patient care;
- A large range of exclusive products free of undesirable substances for sale in pharmacies.

In order to pool resources, better leverage purchasing conditions, and set itself apart within an increasing competitive market LA COOPERATIVE WELCOOP has developed four networks for pharmacist proposing differentiating concepts:

- LA COOPERATIVE WELCOOP, wholly-owned by a community of pharmacists comprising more than 4,000 cooperative members and promoting the convergence of technological innovation, the evolving role of the pharmacist and contributing to a more cost-effective healthcare;
- A grouping of pharmacists (OBJECTIF PHARMA), providing access to a purchasing hub, while offering training and daily support services;
- As well as two pharmacy networks operating under national brand names (WELLPHARMA and ANTON & WILLEM).

People will be led to regularly consult a number of healthcare professionals in different locations: in the pharmacy, the hospital, the ALF for dependent seniors, at the doctors' office and even at home. The solutions of LA COOPERATIVE WELCOOP and its subsidiaries include software applications and systems to help manage all procedures performed in healthcare establishments. Coordinating the patient's health data among all professionals makes it possible to optimise and securely monitor patient care.

PHARMAGEST INTERACTIVE is a certified healthcare data hosting services provider, offering a guarantee for the security of patient data. The centralisation and coordination of data and ensuring its security improve the quality of care provided to the patient. In this way, patient medication compliance and the treatment is improved, contributing to increased savings and greater efficiencies and effectiveness for the healthcare system.

Through all its entities, LA COOPERATIVE WELCOOP continues to deploy its strategy at an international level while proposing the first Digital Healthcare Gateway.

LA COOPERATIVE WELCOOP and its subsidiaries are present primarily in France and Europe.

MARQUE VERTE SANTE's registered office is located at 5 allée de Saint-Cloud, 54600 VILLERS-LÈS-NANCY, FRANCE.

With consolidated equity capital of €204 million as at 31 December 2020, MARQUE VERTE SANTE posted €329 million in consolidated sales for 2020 (French GAAP).

For more information about LA COOPERATIVE WELCOOP and its subsidiaries: <https://www.lacooperativewelcoop.com>



6.2. PHARMAGEST Group subsidiaries

An organisation chart of PHARMAGEST Group is presented in the management report provided in Section 21.2.1 – Subsection 1 of this Universal Registration Document.

The percentage of voting rights held by PHARMAGEST INTERACTIVE in each of its subsidiaries is equal to the percentage of its equity holding in these subsidiaries.

Consolidated companies at 31 December 2020

27 companies were fully consolidated in PHARMAGEST Group, including PHARMAGEST INTERACTIVE:

ADI, a 50%-owned subsidiary of PHARMAGEST INTERACTIVE, a French company registered in EVRY (No. 387 882 038). The company is the exclusive distributor of PHARMAGEST INTERACTIVE products in the Ile-de-France region.

ASCA INFORMATIQUE, a French company and wholly-owned subsidiary of PHARMAGEST INTERACTIVE, registered in MEAUX (RCS No. 434 023 867), specialized in software publishing for systems and networking applications.

AXIGATE, a wholly-owned French subsidiary of MALTA INFORMATIQUE, registered in PARIS (RCS No. 490 301 991), a specialised independent application software vendor of solutions for the hospital sector.

CAREMEDS, a wholly-owned English subsidiary of PHARMAGEST INTERACTIVE, registered in the Companies House of CARDIFF (No. 07 990 372), a specialised independent application software vendor.

DIATELIC, a 100%-owned subsidiary of PHARMAGEST INTERACTIVE, a French company registered in NANCY (RCS No. 443 656 350). The company's business is the provision and sales of tele-monitoring services and diagnostic aids.

DICSIT INFORMATIQUE, a wholly-owned French subsidiary of PHARMAGEST INTERACTIVE registered in NANCY (RCS No. 400 504 387), a specialised independent application software vendor.

EHLS, a wholly-owned subsidiary of PHARMAGEST INTERACTIVE, a French company registered in NANCY (RCS No. 333 434 157). EHLS is a central purchasing service for IT hardware.

HDM, a wholly-owned subsidiary of PHARMAGEST INTERACTIVE, is a private Company limited by shares incorporated under Mauritian law with its registered office at PORT LOUIS (Mauritius) (No. 076077 CI/GBL). The company provides IT services.

HEALTHLEASE, a French company and wholly-owned subsidiary of PHARMAGEST INTERACTIVE, registered in Paris (No. 522 381 441). The company's primary activity is long-term lease of hardware and other assets.

HUROBREGA (SCI), a wholly-owned subsidiary of EHLS, a French company registered in LORIENT (RCS No. 330 201 575). The company is the owner of the premises located at ZAC (joint development zone) of Mourillon in QUEVEN.

I-MEDS, a 60%-held German subsidiary of CAREMEDS, registered in "Handelsregister des Amtsgerichts" of WÜRZBURG (No. HRB 12 473), a wholesaler and distributor of equipment and accessories for supplying drugs to patients and pharmacies.

INTERNATIONAL CROSS TALK, a 100%-held subsidiary of MALTA INFORMATIQUE, a French company registered in the CLERMONT-FERRAND (RCS No. 479 913 832). The company is specialised in the development and hosting of online applications for health centres, multidisciplinary group practices and private practitioners.

KAPELSE, a 75%-owned subsidiary of PHARMAGEST INTERACTIVE, a French company registered in NANCY (RCS No. 790 359 079). The company designs innovative health products.

MALTA INFORMATIQUE, a wholly-owned subsidiary of PHARMAGEST INTERACTIVE, a French company registered in BORDEAUX (RCS No. 444 587 356). The company researches, designs and markets software and related products for elderly residential care homes.

MALTA BELGIUM, a wholly-owned Belgian subsidiary of MALTA INFORMATIQUE registered in LIEGE (No. 0739 865 421), specialised in computer programming services.

MULTIMEDS, a 51%-owned Irish subsidiary of PHARMAGEST INTERACTIVE, registered in the Companies Registration Office of DUBLIN (No. 533 817), specialised in the marketing of manual pill dispensers.



NANCEO, a French company and 70%-held subsidiary of PHARMAGEST INTERACTIVE, registered in PARIS (RCS No. 809 217 748), providing equipment lease financing solutions for the services sector.

NOVIA SEARCH, a wholly-owned French subsidiary of EHLS, registered in THIONVILLE (RCS No. 791 200 918), specialised in technical engineering services and studies.

NOVIATEK, a subsidiary 40%-owned by PHARMAGEST INTERACTIVE, and 40%-owned by KAPELSE, a Luxembourg company registered in LUXEMBOURG (RCS No. B 186 323). The company designs and manufactures automated systems.

PANDALAB, a 56.27%-held French subsidiary of MALTA INFORMATIQUE, registered in NANCY (RCS No. 820 708 055), specialized in computer programming solutions.

PHARMAGEST BELGIUM, a Belgian company and wholly-owned subsidiary of PHARMAGEST LUXEMBOURG, registered in BRUSSELS (No. 0476 626 524), which markets and sells products including, amongst others, IT hardware and software.

PHARMAGEST ITALIA, an Italian company and 82.50%-owned subsidiary of PHARMAGEST INTERACTIVE, registered in MACERATA (REA No. MC 165 033). The company is specialised in IT equipment and services for pharmacy wholesalers-distributors and the sale of innovative software solutions for Italian pharmacies.

PHARMAGEST LUXEMBOURG, a Luxembourg company and wholly-owned subsidiary of PHARMAGEST INTERACTIVE, registered in LUXEMBOURG (No. B 15.220), which sells computer installations and various IT services to customers.

SAILENDRA, a 84.63%-owned subsidiary of PHARMAGEST INTERACTIVE, a French company registered in NANCY (RCS No. 502 040 900). SAILENDRA provides consulting services and designs and develops behavioural analysis-based systems and software solutions using Artificial Intelligence.

SEAA a French company and wholly-owned subsidiary of ASCA INFORMATIQUE, registered in MEAUX (RCS No. 827 621 103), specialised in the wholesale distribution (B2B) of electronic and telecommunications components and equipment.

SVEMU INFORMATICA FARMACEUTICA, a 80%-owned subsidiary of PHARMAGEST ITALIA, an Italian company registered in BENEVENT, Italy (REA No. BN 120 094). The company markets and sells products which include, amongst others, IT hardware and software.

And three equity-accounted companies:

GROUPE DOMEDIC, a 28.32%-owned subsidiary of PHARMAGEST INTERACTIVE, a Canadian company registered in QUEBEC (No. 659696-7), specialised in developing and marketing medical devices.

PHARMATHEK, a 49%-owned Italian subsidiary of PHARMAGEST INTERACTIVE registered in VERONA (REA No. VR 358 537), specialised in the development and production of computer-managed automation solutions for sales and industrial applications.

BGM INFORMATIQUE a French company and wholly-owned subsidiary of PHARMAGEST INTERACTIVE, registered in MEAUX (RCS No. 390 097 624), specialised in the wholesale distribution (B2B) of computers, peripheral equipment and software.

These companies are all included in the consolidation scope presented in Section 18.1.6 of this Universal Registration Document.

Other equity interests at 31 December 2020

EMBLEEMA, a 13.89%-owned US subsidiary of PHARMAGEST INTERACTIVE, registered in the State of Delaware (Division of Corporations) (No. 6743178). The company is developing a blockchain-based digital platform for sharing health data.

PHARMAGEST Group considers that it does not have a significant influence in EMBLEEMA because of the limited size of its shareholding and the absence of its participation in the entity's management. For that reason, the entity is not consolidated.



Changes in the scope of consolidation since 31 December 2020

Since the end of the reporting period, changes in the consolidation scope were as follows:

- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of DIATELIC and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE.
- Acquisition of a 100% controlling interest by PHARMAGEST INTERACTIVE in ADI to strengthen its distribution network in the Ile-de-France region.
- Creation of PHARMAGEST SERVIZI, a 60%-held subsidiary of PHARMAGEST ITALIA.



7. OPERATING AND FINANCIAL REVIEW

Information disclosed herein is based on data and explanations provided in:

- Section 18.1.6 - Consolidated financial statements of PHARMAGEST Group of this Universal Registration Document;
- Section 21.2.1 - Part 1 of the management report included in this Universal Registration Document;

7.1. Financial position

7.1.1. Analysis of the financial position

Through its unique position as a contributor to the transformation of the Healthcare ecosystem, its diverse business portfolio, recurrent revenue and continuing investments, both for acquisitions and R&D, PHARMAGEST Group has demonstrated its capacity for adaptation and its human and financial resilience.

There have been no significant changes in the PHARMAGEST Group's activities in relation to prior periods.

Changes in the main balance sheet aggregates were as follows:

Balance sheet items (€ thousands)	2020	2019	Change
Non-current assets	184,904	160,527	15.19%
Current assets	110,873	97,573	13.63%
Shareholders' equity	148,953	131,911	12.92%
Non-current liabilities	65,458	54,040	21.13%
Current liabilities	81,366	72,149	12.77%

The increase in non-current assets reflects mainly the net increase in goodwill (+€15,761 thousand), intangible assets (+€6,664 thousand) and property, plant and equipment (+€7,995 thousand).

The change in current assets reflects the increase in "cash and cash equivalents" (+€12,264 thousand).

Changes in non-current liabilities represent changes in long-term financial liabilities (+€7,530 thousand) and other long-term financial liabilities (+€2,982 thousand).

The rise in current liabilities reflects increases in the current portion of financial liabilities (+€6,808 thousand), trade payables (+€851 thousand) and other current debt (+1,724 thousand).

This data is to be considered in relation to the different acquisitions made by the PHARMAGEST Group in 2020.

7.1.2. Future trends

7.1.2.1. The issuer's likely future development

PHARMAGEST Group will continue to explore opportunities for development through external growth both in France and international markets in the following development areas:

- Services and technologies it could offer to its pharmacist customers to help them in their new advisory role;
- The technological areas that are promising for the development of new products or services to enhance the profitability of pharmacies and/or the efficiency of health systems;
- Strengthening its "patient-centred" strategy in order to optimise patient care pathways and the efficient interactions between healthcare professionals.



Outlook for the Pharmacy - Europe Solutions Division

France Pharmacy Business Unit

Through its proven business models and dynamic sales teams, the France Pharmacy Business Unit is expected to maintain good momentum through organic growth by introducing functionality and regulatory compliance improvements to its pharmacy management application (LGPI).

The France Pharmacy Business Unit in 2021 will introduce new offerings which are expected to provide growth drivers. The Group will also continue to work on developing and adapting its existing solutions such as OffiTag, OffiTouch®, OffiPDA, OffiCentral®, OffiMédia®, OffiSecure®, Offiposologie, Pandalab agenda (firstly to manage appointments for the first COVID-19 vaccination), Multimed, the secure electronic messaging system (MSS), the Pharmaceutical Record (PR) and the Shared Medical Record (SMR).

Belgium and Luxembourg Pharmacy Business Unit

The Pharmacy Belgium and Luxembourg Business Unit will continue to pursue growth in Belgium and Luxembourg by maintaining its focus on developing business with pharmacy groups and independent pharmacists.

New solutions developed or under development will provide it an undisputed competitive advantage, based on state-of-the-art technologies and address new requirements resulting from commercial and regulatory developments of the sector.

Key developments expected in 2021 include:

- The adaptation of the Multimed range to the Belgian market;
- The launch of the OffiGate offering, security scanning stations combined with the optional function to count pharmacy customer traffic;
- The optimization of customer services by introducing an in-pharmacy consultancy offering;
- Launch on the Belgian market of OffiPass, a badge authentication system for ULTIMATE's operators;
- Marketing of OffiProtect, an anti-virus professional solution for pharmacies;
- Rollout of the final phase of the project for digital subscriptions, RECIP-E, as papers prescriptions are phased out in the Belgian market in 2021.

Italy Pharmacy Business Unit

The Italy Pharmacy Business Unit is focused on rolling out its SOPHIA and EASYPHARMA management solutions for Italian pharmacies. To achieve its goal of a 20% market share by 2024, this business unit intends to accelerate the development of its commercial networks and develop lasting positions in Italy's different regions.

This development will also be supported by the shared expertise and international product range of the Group (OffiTag, OffiCentral, OffiLocker, Multimed, ...).

More generally, the Solutions for Pharmacy Division - Europe is continuing to focus on developing more global solutions exemplified by its comprehensive pharmacy management software (LMO - *Logiciel Métier de l' Officine*). These programs will handle management tasks (Pharmacy Management Software such as LGPI Global Services®), in addition to offering solutions for specific pharmacy applications such as the medication adherence monitoring software (or LSO) or dispensing systems.

The Outlook for the e-Health Solutions Division

Digital Communications Business Unit

The Digital Communications Business Unit intends to maintain sales by deploying PHARMAGEST Group's digital communication solutions and introduce new services:

- SMS Conseils, a new offering helping patients better manage their treatment by improving compliance;
- PHARMA OBS', originating from a partnership with OBSERVIA and OBJECTIF PHARMA, which will help better understand the factors influencing patient behaviour, identify the risk factors of non-compliance and provide assistance to patients according to their profiles;
- SAILSENSE uses predictive analysis to identify consumer profiles, consumption habits, purchasing trends and user patterns to help its customers adapt their action plans which contributes time savings and improved performances.



The Telemedicine Business Unit

The Telemedicine Business Unit will accelerate the deployment of its ETP PILOT solution in response to regulatory changes that will broaden the reach of therapeutic education, and strengthen its offer by adding patient monitoring functionalities (patient access, application and video) designed to ensure the continuity of care pathways.

The Business Unit is also ramping up **eNephro Pré-greffe**, a solution designed to optimise the post-transplant pathway for patients with chronic kidney failure, improving access to kidney transplants and facilitating the team's work.

Frailty Management Business Unit

The Frailty Management Business Unit will continue to develop and will ramp up the B2B and B2B2C marketing of its NOVIACARE[®] solution in France and in Europe. A new B2C communications campaign will be launched in France in 2021 to build brand awareness and support the solution's commercial development. The first signatures with senior housing facilities has confirmed NOVIACARE[®]'s relevance in the homecare market for the elderly and frail.

The CARELIB[®] EHPAD offer will be marketed in collaboration with MALTA INFORMATIQUE's sales force, which specialises in the nursing home market.

The Medication Compliance Business Unit

The Medication Compliance Business Unit will increase its presence in all the territories where PHARMAGEST Group is present by leveraging synergies with the different Business Units and Divisions of PHARMAGEST Group.

E-Connect Business Unit

The outlook for the E-Connect Business Unit can be summarised as follows:

- Launching new connective product ranges developed for health care professionals;
- Rollout the new telehealth solutions developed in 2020;
- Maintain growth levels;
- Address new markets both for healthcare professionals and e-Health outside of France.

To these are added for all future projects, the implementation of future synergies between subsidiaries of PHARMAGEST Group and LA COOPERATIVE WELCOOP.

Outlook for the Health and Social Care Facilities Solutions Division

The Nursing Home Business Unit will continue to grow in 2021 with the launch of the new TITAN LINK solution destined to gradually replace existing solutions for all customers in France (2,300) and Belgium (650).

The In-Home Nursing Care and Hospital-At-Home Business Unit will continue its success with hospital-at-home solutions based on the relevant functionalities of the ANTHADINE, MOBISOINS and the PORTAIL PS offering and will launch a new dynamic with in-home nursing services by bolstering its commercial presence in this segment.

The Hospital and Regional Hospital Group Business Unit will continue to focus on a strategy to develop its commercial offering for territorial hospital groups and its installed base of customers. Its diversification into the segment of after-care and rehabilitation facilities and psychiatric establishments will expand its customer base.

The deployment of a new sales team and the expansion of the offering with the integration of the PANDALAB instant messaging solution and the Therapeutic Education offer will accelerate ICT's development. The creation of territorial health professional communities (or CPTS) represents for the Multidisciplinary Group Practice and Private Practice Business Unit a genuine opportunity for growth in this market. The purpose of these communities will be to facilitate coordination of outpatient care and improve the conditions for private practice health professionals to exercise their profession within each territory. The purpose of each territorial health professional community is to bring together first and second-line health professionals (general practitioners and specialists, nurses, etc.), and, as applicable, social care professionals and social workers who will intervene together to optimise the patient care pathways.



PANDALAB's solutions also represent a strong growth driver. Indeed, instant messaging services address all participants in the healthcare ecosystem by offering a means to professionalize their communications. Its multiple functionalities are easy to use and accelerate the delivery of patient care, with quick and concrete results and their day-to-day activities. And the integration of PANDALAB's functional building blocks in all PHARMAGEST Group's software, will accelerate the significant development of new applications.

Outlook for the Fintech Division

Convinced of the relevance of this business model, the Fintech Division will continue to develop its activity to become a marketplace for equipment sales financing and services, and by expanding beyond the healthcare sector, both in France and international markets.

To accelerate its business development at the national level, the Fintech Division is building an indirect distribution network for its **Leasa by Nanceo** platform: **Nanceo-Channel**. This represents a network of locally based companies with an existing sales financing business who wish to use NANCEO's services and in particular its **Leasa by Nanceo** marketplace.

For its international development, the Fintech Division will use its synergies with selected partners (equipment vendors or lessors, banks) to support their international operations. It should be noted that an English version of the **Leasa by Nanceo** platform has already been produced to address users outside of France.

7.1.2.2. Research and development

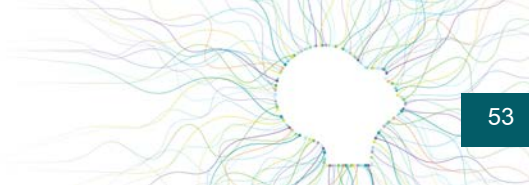
PHARMAGEST Group's R&D policy aims to design innovative software and satellite solutions, to offer new products, to maintain and upgrade existing solutions, and to meet internal development needs.

This policy is at the heart of PHARMAGEST Group's business and underpinned by a thorough knowledge of the needs and expectations of its customer base, which is reflected in:

- Continuous upgrades to systems and user support at all stages of the chain, from initial consulting, through to sales, ordering and management;
- Taking into account the complexity of the billing-related functionalities (to include direct payment, third-party payers, mutual insurance companies, etc.).

PHARMAGEST Group's R&D leverages synergies between PHARMAGEST INTERACTIVE and its different subsidiaries.

To support its strategy of integrating new know-how and countries, adapting to changes in its environment, adjusting to unforeseen developments and promoting the convergence of efforts for the beneficiaries of its solutions, PHARMAGEST Group has adopted an agile European, multi-professional health sector organisation, capable of being replicated, homogeneous and extendable.



7.2. Operating profit

The PHARMAGEST Group's results were not significantly impacted by the consequences of the health crisis that began in March 2020. Lost revenue resulting from this crisis was offset by the cancellation of major business events and cost savings achieved notably through teleworking which resulted in less travel.

Changes in the main income statement aggregates were as follows:

Income statement highlights (€ thousands)	2020	2019	Change
Total operating income	171,754	158,569	8.31%
Total operating expenses	-125,105	-117,719	6.27%
Current operating income	46,649	40,849	14.20%
Net profit (loss) of the period	32,666	30,361	7.59%

The change in operating income is directly linked to the growth in revenue in relation to 2019 (+€13,185 thousand). Key changes in expense line items included the cost of sales/costs of supplies (+€2,317 thousand) and staff costs (+€4,545 thousand).

7.2.1. Factors having an impact on results

The main factors having an impact on operating revenue concern the level of sales for:

- Equipment sales linked notably to the normal renewal of hardware by the installed base of customers;
- Software licence sales;
- Hardware or software maintenance services;
- Financing solutions.

However, the multiplication of customer segment profiles and the geographical diversification of PHARMAGEST Group's activities reduce its exposure to changes to all or part of these factors in a given market.

7.2.2. Material changes in net sales or revenues

No material changes were observed in 2020 by PHARMAGEST Group in the structure of its net sales or revenues.



8. CAPITAL RESOURCES

8.1. Information on the issuer's capital

The data with respect to PHARMAGEST Group's capital is included in the presentation of the consolidated financial statements in Section 18.1.6. of this Universal Registration Document.

PHARMAGEST's share capital is made up of 15,174,125 shares, with each share carrying one voting right. The number of shares outstanding remains unchanged in fiscal 2020.

Group reserves stand at €109,508 thousand. This includes issue premium of €13,207 thousand, translation adjustments of €(31) thousand, the legal reserve of €473 thousand and other reserves of €95,859 thousand.

8.2. Sources and amounts of cash flows

The data with respect to PHARMAGEST Group's cash flow is included in the presentation of the consolidated financial statements in Section 18.1.6. of this Universal Registration Document.

Consolidated cash flow highlights (€ thousands)	2020	2019	Change
Net cash flows from operating and investing activities	27,601	24,329	13.45%
• <i>Net cash flows from operating activities</i>	47,208	40,665	16.09%
• <i>Capital expenditures</i>	-19,607	-16,336	20.02%
Net cash flows from (used in) financial investments	-19,529	-16,768	16.47%
Net cash from (used in) capital transactions	-13,645	-13,254	2.95%
Net cash from financing activities	17,803	-4,752	-474.64%
Impact of translation adjustments/financial instruments and other financial income and expenses	-34	-31	9.68%
Change in net cash	12,196	-10,476	-216.42%

Operating cash flow was decreased 13.45% from 2019 to €27,601 thousand, reflecting the change in cash flow, offset by the changes in working capital requirements between the two periods plus the change in capital expenditures.

Changes in cash flows from investing activities are linked to the acquisition of consolidated equity interests net of cash.

Changes in cash flows from capital transactions is linked to dividends paid by PHARMAGEST INTERACTIVE and its subsidiaries in 2020 for the 2019 fiscal year.

Changes in cash flows from financing activities represent mainly inflows from new borrowings, the repayment of borrowings and financial liabilities and financial investments.

Net cash increased by €12,196 thousand.

8.3. Borrowing requirements and funding structure

PHARMAGEST Group's financing and cash management policy is focused on aligning the different sources of funding with capital flows. As with all companies PHARMAGEST Group's cash flow obligations are both of a short-term and also a relatively long-term in nature. This policy accordingly seeks to ensure the Group's has sufficient capital resources to meet its obligations.

The short-term obligations include expenditures for day-to-day operations. For this type of cash flow, PHARMAGEST Group' policy is to make use of credit lines (bank overdraft facilities) negotiated with the Group's different banking partners.

The long-term obligations generally include medium and long-term projects, for which PHARMAGEST gives priority to long-term borrowings, primarily at fixed rates. PHARMAGEST Group is particularly vigilant in the area of compliance with covenants that may be requested by banks.



The data with respect to PHARMAGEST Group's financial liabilities is included in the presentation of the consolidated financial statements in Section 18.1.6.6. - Note 6.4 of this Universal Registration Document.

8.4. Restrictions on the use of capital resources

There are no restrictions on the use of capital resources that have materially affected or could materially affect, directly or indirectly, PHARMAGEST Group's operations.

8.5. Anticipated sources of funds needed to fulfil future commitments

The financing of intangible assets (mainly R&D products), operating working capital and dividend payments will be assured by cash flow generated by operating activities.

For significant capital expenditures and financial investments, potential financial commitments with the PHARMAGEST Group's partner banks will be evaluated on the basis of feasibility studies.

9. REGULATORY ENVIRONMENT

9.1. Description of the regulatory environment

Insofar as PHARMAGEST Group knows, it is not particularly exposed to any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, its operations.

PHARMAGEST Group nevertheless pays particular attention to changes in European and national regulations concerning its industry, and notably those relating to health care law and any other legal text which could affect PHARMAGEST Group directly by its application or indirectly by its application on its customers.

To this purpose, PHARMAGEST Group ensures that its solutions comply applicable laws, professional obligations, the rules of conduct of its customers and that they cannot be circumvented. These include, for example:

- LGPI Global Services[®] is required to be certified or authorised with respect to requirements relating to the SESAM-Vitale national health insurance smart card or procedures relating to the receipt of payments (NF 525);
- Providing hosting services for health data requires ISO 27001 certification in addition to a certification by the French Digital Health Agency, ASIP Santé.

In addition, because the regulatory environment may vary from one country to another, PHARMAGEST Group's solutions are adapted in order to comply with the legal provisions of each country.

Like any commercial entity, PHARMAGEST Group also operates within a legal framework based on compliance with corporate law (mainly B2B), intellectual property protection, data protection (GDPR) and labour law, etc.

For any information relating to regulatory and legal risks, refer to Section 3 – Risk factors and Section 18.6.1 – Judicial and arbitration proceedings.



10. TREND INFORMATION

10.1. Recent trends

In the context of the current health crisis linked to the Covid-19 pandemic, PHARMAGEST has been focused on safeguarding the health and safety of its employees and its customers consisting of healthcare professionals. Within the framework of its prevention and business continuity plan deployed by Management, procedures are being continually adapted and strengthened in line with instructions issued by public authorities and governmental bodies.

Within the framework of its IT service continuity plan, PHARMAGEST Group has continued to strengthen its IT measures, notably deploying secure remote access capabilities and implementing solutions for virtual meetings. Nearly all of its employees were actively mobilised in providing assistance on a daily basis to pharmacists, either on-site, through teleworking or in the field.

At this stage, PHARMAGEST Group is not observed any significant consequences on its revenue, profitability or other items such as the level of production, orders, inventory as well as the cost and sales prices since the end of the financial year and the filing date of the Universal Registration Document.

As described in Section 7.2.1 of this Universal Registration Document, should health measures be further strengthened, PHARMAGEST Group's financial performances could experience a slowdown.

Nevertheless, PHARMAGEST Group's business model remains resilient. Its recurrent revenue streams (66%) and gross sales (68%), its excellent balance sheet combined with a diverse portfolio of health-related activities, represent major strengths that may reasonably be expected to limit the impact of this health crisis on the growth of its sales and margins.

PHARMAGEST Group will keep the market informed of any significant developments of this health crisis impacting its activity.

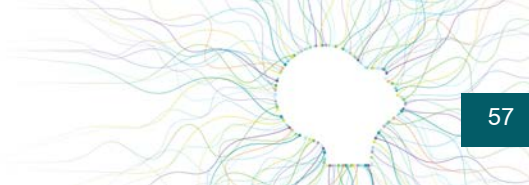
10.2. Trends concerning potential developments

In addition to the above-mentioned elements or those mentioned in the management report in Section 21, PHARMAGEST Group remains vigilant about pressure on supply in the market for raw materials. These could lead to shortages in components for computer equipment. As computer manufacturers experience difficulties in sourcing chips, their production could register slowdowns, resulting in longer lead times and higher prices.

PHARMAGEST Group has no knowledge of any other trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on its prospects for the current financial year.

11. PROFIT FORECASTS OR ESTIMATES

As in previous financial years, the PHARMAGEST INTERACTIVE does not disclose profit forecasts or estimates in its Universal Registration Document.



12. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

12.1. Composition and operation of the administrative, management and supervisory bodies

Composition of the Board of Directors at 31 December 2020

Member's full name or Company Name and their functions	Office expiry date ⁽¹⁾
Mr. Thierry CHAPUSOT <i>Chair of the Board of Directors</i>	31 December 2025
Mr. Dominique PAUTRAT <i>Chief Executive Officer and Director</i>	31 December 2025 (CEO) 31 December 2020 (Director)
Mr. Denis SUPPLISSON <i>Deputy CEO and Director</i>	31 December 2025 (Deputy CEO) 31 December 2020 (Director)
Mr. Grégoire DE ROTALIER <i>Deputy CEO and Director</i>	31 December 2025 (Deputy CEO and Director)
Mr. Daniel ANTOINE <i>Director</i>	31 December 2025
Ms. Marie-Louise LIGER <i>Independent Director</i>	31 December 2020
Mr. François JACQUEL <i>Director</i>	31 December 2025
Ms. Anne LHOTE <i>Director</i>	31 December 2022
Ms. Sophie MAYEUX <i>Independent Director</i>	31 December 2023
Ms. Céline GRIS <i>Independent Director</i>	31 December 2022
Ms. Emilie LECOMTE <i>Director</i>	31 December 2022
LA COOPERATIVE WELCOOP <i>Represented by Mr. Hugues MOREAUX, Director</i>	31 December 2025

⁽¹⁾ The term of office ends at the close of the Annual General Meeting called to approve the financial statements for the financial year indicated.

The professional address of all members of the Board of Directors and Executive Management is 5 allée de Saint-Cloud, 54600 VILLERS-LÈS-NANCY.

PHARMAGEST Group has no knowledge of the existence of family ties between corporate officers.



Personal information concerning Administrative, Management, Supervisory Bodies and Senior Management

Mr. Thierry CHAPUSOT: Born on 29 April 1959 in NANCY (FRANCE).

He has an engineering degree from Polytech Nancy (ex-ESSTIN) and a post-master's degree (DESS) in Biomedical Engineering obtained in 1982.

He began his career in 1983 as a micro-electronics design engineer with TEXET Corporation in Dallas, USA.

On his return to France, he founded CP INFORMATIQUE in 1986 in DIJON, a company specialising in information systems for pharmacists.

1996 marked a new phase of his career when he founded PHARMAGEST INTERACTIVE with Thierry PONNELLE and Vincent PONNELLE. He held the position of Chief Executive Officer of the company until 31 December 2009.

PHARMAGEST INTERACTIVE joined LA COOPERATIVE WELCOOP in 1998.

Since 2006: Member of the Executive Board of LA COOPERATIVE WELCOOP.

Since 2008: Member of the Executive Committee of MARQUE VERTE SANTE.

Since 2010: Chair of the Executive Board of LA COOPERATIVE WELCOOP and MARQUE VERTE SANTE and Chair of the Board of Directors of PHARMAGEST INTERACTIVE.

Mr. Dominique PAUTRAT: Born on 2 March 1965 in NEVERS (FRANCE).

Brevet de Technicien Supérieur in information technology.

1987: He held the position of sales representative at CP INFORMATIQUE de DIJON (now part of PHARMAGEST INTERACTIVE).

1990-1999: Founded and headed up CP INFORMATIQUE CENTRE (now part of PHARMAGEST INTERACTIVE).

2000-2007: Founded and headed up PHARMAGEST INTERACTIVE's Pharmaceutical Companies business.

2008 to 2009: Deputy CEO (non-Board Member) in charge of PHARMAGEST INTERACTIVE's Pharmacy FRANCE business.

2009: Deputy CEO and Director of PHARMAGEST INTERACTIVE.

Since 2010: Chief Executive Officer and Director of PHARMAGEST INTERACTIVE.

Since 2013: Member of the Executive Boards of LA COOPERATIVE WELCOOP and MARQUE VERTE SANTE.

Mr. Denis SUPPLISSON: Born on 19 March 1969 in LUÇON (FRANCE).

He began his career in 1991 with PHARMAGEST INTERACTIVE first as a Technical Manager and then becoming Customer Services Manager for the Centre region.

2002: Head of Customer Services for France.

2010: Head of the Pharmacy France business.

November 2010: Appointed Deputy CEO (non-Board Member) of PHARMAGEST INTERACTIVE.

Since 2013: Deputy CEO and Director of PHARMAGEST INTERACTIVE and President of the Europe Pharmacy Solutions Division.

Mr. Grégoire DE ROTALIER: Born on 16 August 1970 in NANCY (FRANCE).

Graduated from the Business School (*Ecole Supérieure de Commerce*) IEA PARIS in 1993.

1994-1998: Joined ROUSSEAU INFORMATIQUE as a Sales Engineer for management software.

1998-2004: Regional Director of PHARMAGEST INTERACTIVE for the Grand-Est then the Sud-Ouest regions.

2004-2007: Chief Business Development Officer for PHARMAGEST INTERACTIVE.

Since 2007: General Manager of MALTA INFORMATIQUE, then Manager of the Health and Social Care Facilities Solutions Division.

Since 2020: Deputy CEO and Director of PHARMAGEST INTERACTIVE.

Mr. Daniel ANTOINE: Born on 26 March 1952 in BLAMONT (FRANCE).

He qualified as a Pharmacist from the University of Nancy in 1977. A dispensing pharmacist with a pharmacy located at CHARMES (88) since 1978.

Vice-Chair of the Supervisory Board of LA COOPERATIVE WELCOOP.

Member of the MARQUE VERTE SANTE Supervisory Board from 2008 to 2010, then permanent representative of LA COOPERATIVE WELCOOP and member of the MARQUE VERTE SANTE Supervisory Board from 1 January 2011.

Member of the Board of Directors of PHARMAGEST INTERACTIVE.

Member of the Audit Committee of PHARMAGEST INTERACTIVE.

1996 to 2018: Chair of *Syndicat des Pharmaciens des Vosges* (member of the French federation of pharmacy unions - FSPF).

2001 to 2018: Member of the Board of Directors of the FSPF.



Ms. Marie-Louise LIGER, Independent Director; Born on 24 January 1952 in BAGNEUX (FRANCE).

Graduated from *Institut Commercial de Nancy* in 1973.

1979 to 2012: Chartered accountant, Statutory Auditor (managing partner in accounting firm SECEF) until 31/12/2012 – Honorary managing partner since 01/01/2013.

Since 1982: Legal expert registered with the NANCY Appeal Court, registered since 2005 on the Cour de Cassation's national list of legal experts. Since 2015, expert for the NANCY Administrative Appeal Court. Since 2017, Ombudswoman for the NANCY Appeal Court.

1994 to 1996: Regional advisor to the LORRAINE Institute of Chartered Accountants

Since 1996: Member of the Board of Directors of the *Compagnie des Experts Judiciaires* at the NANCY Court of Appeals, Treasurer and then Chairperson from 2003 to 2006 – Honorary Chairperson since 2007.

1999 to 2015: Chair of the *Compagnie des Experts-Comptables Judiciaires*, NANCY-METZ section.

2005 to 2015: Member of the Board of Directors of the *Conseil National des Experts de Justice* (French national council of legal experts), Treasurer from 2007 to 2015, and Treasurer of the MOSELLE inter-company mediation centre (CMIM - *Centre de Médiation Inter-Entreprises de Moselle*).

2007 to 2012: Member of FRANCE's social housing committee, the Commission HLM and CIL at the national auditing body, *Compagnie Nationale des Commissaires aux Comptes*.

As of 26 June 2015: Member of PHARMAGEST INTERACTIVE's Board of Directors and member of the Audit Committee, Chair of the Audit Committee since 1 July 2015.

Mr. François JACQUEL: Born on 26 December 1958 in PERPIGNAN (FRANCE).

He qualified as a Pharmacist from the University of Nancy in 1985.

Graduated in veterinary pharmacy from Lyon University in 1998.

1987 to 1988: Commercial pharmacist at CERP NANCY.

1989 to 1991: Director of the CERP TROYES branch.

1992 to 1994: Director of Liège Pharma, a subsidiary of the Belgium-based CERP LORRAINE Group.

1995 to 2001: Director of the CERP TROYES branch.

2001 to 2013: Registered pharmacist at MUSSY-SUR-SEINE (FRANCE).

Since 2014: Practising pharmacist at VENDEUVRE SUR BARSE (FRANCE).

Since 2011: Director of PHARMAGEST INTERACTIVE.

Since 2011: Member of the Audit Committee of PHARMAGEST INTERACTIVE.

Member of the Supervisory Board of LA COOPERATIVE WELCOOP.

Ms. Anne LHOTE: Born on 12 August 1968 in LAXOU (FRANCE).

Master's Degree in Accounting and Finance (MSTCF).

1991 to 1996: Employed in a regional accounting firm.

In 1997: Qualified as a chartered accountant.

1997 to 2003: Chartered accountant, managing partner of a regional accounting firm, with responsibility for the LA COOPERATIVE WELCOOP account.

In 2003: Joined LA COOPERATIVE WELCOOP as Chief Administrative and Financial Officer.

Since April 2017, she has served as its Secretary General.

Since 2005: Member of the Executive Committee of MARQUE VERTE SANTE.

Since 2010: Member of the Executive Board of LA COOPERATIVE WELCOOP.

Since 2011: Director of PHARMAGEST INTERACTIVE.

Ms. Sophie MAYEUX (Independent Director): Born on 28 June 1957 in REIMS (FRANCE).

A postgraduate degree in business administration (DESS CAAE) from the Institute of Business Administration (IAE) (NANCY) in 1983.

In 1981, she created the S.D.I.C. CONSEIL business communications consultancy, *Stratégies d'Information et de Communication - Sdic Conseil*, in NANCY. This business is on-going.

In this context, since 1988: Design, organisation and management of the "Excelsior Breakfast Meetings" in NANCY, and then the "Flo Breakfast Meetings" in METZ.

From October 1995 to October 2000: Chief Executive Officer of the publication, Est Eco, a subsidiary of the Est Républicain Group.

From November 2000 to April 2001: Project manager for the Est Républicain group.

Deputy Mayor of NANCY since March 2001, Town Counsellor since 2021.

Since 2011: "*Conseillère Départementale*" for the Meurthe et Moselle (Nancy-Ouest canton).

Since 2002: Member of the "*Femmes débats et Société*" (FDS - Women, Debate and Society) Association.

Member of the *Cercle Économique Lorrain*.

Winner of the 2014 "*Femmes de l'Economie*" awards.

Knight in the National Order of the Legion of Honour (2016).

Since 2012: Director of PHARMAGEST INTERACTIVE.



Ms. Céline GRIS (Independent Director): Born on 14 July 1977 in TOURS (FRANCE).

1997-2000: A graduate of the EFAP Image School of Communications and Media Relations

1999-2000: Communications manager and sales engineer in a Paris-based company (B2B event organiser).

2000-2003: Communications manager, partnerships and media relations for a Paris-based company for Internet wine sales.

2004-2005: Project manager – event communications for a municipality in Brittany, France.

2005-2010: Communications manager for GRIS DECOUPAGE, a family-owned company.

2010-2011: Executive assistant at a family-owned company.

2012: Chief Executive Officer of a family-owned company.

2015-2016: Master's degree in Law, Economics and Management, speciality in SMEs and intermediate sized companies.

Since 2017: Director of PHARMAGEST INTERACTIVE.

Since 2018: Chair in the family company.

Ms Émilie LECOMTE: Born on 15 November 1978 in NANCY (FRANCE).

Doctorate in Pharmacy from the University of NANCY in 2004.

2005: Creation of PHARMACIE LECOMTE – DALLA COSTA (Pharmacie Patton) in HETTANGE GRANDE of which she is co-manager.

Since 2014: Member of the Supervisory Board of LA COOPERATIVE WELCOOP.

Since 2017: Director of PHARMAGEST INTERACTIVE.

Mr. Hugues MOREAUX: Born on 10 June 1953 in BORDEAUX(FRANCE).

Doctor in Pharmacy, community Pharmacist, graduated from Bordeaux University, and established in CAPBRETON (FRANCE) since 1987.

Secretary General of the Regional Council of the Order of Pharmacists (CROP) of Aquitaine until 2010.

Since 2011: Chair of the Supervisory Board of LA COOPERATIVE WELCOOP.

Since 2011: Chair of the Supervisory Board of MARQUE VERTE SANTE.

Member of the Board of Directors of PHARMAGEST INTERACTIVE, then with effect from 1 January 2011, permanent representative of LA COOPERATIVE WELCOOP, Director of PHARMAGEST INTERACTIVE.

List of offices held during the past five years

Only those offices external to the PHARMAGEST Group or within its subsidiaries which are not wholly-owned are presented below.

The list of offices and functions in any company by each corporate officer in the period ended are presented in Section 21.4 - Subsection 2.5 of this Universal Registration Document.

Mr. Thierry CHAPUSOT

- **Offices and functions in progress**

- PHARMAGEST INTERACTIVE (listed company): Chair of the Board of Directors
- LA COOPERATIVE WELCOOP: Chairman of the Executive Board
- MARQUE VERTE SANTE: Chairman of the Executive Board
- LABORATOIRE MARQUE VERTE: Representing LA COOPÉRATIVE WELCOOP, Director
- GROUPE DOMEDIC (Canadian company): Director
- SOCIÉTÉ CIVILE DE L'ERMITAGE SAINT JOSEPH: Manager
- SARL DUVAL DE VITRIMONT: Manager
- SCI JAMERAI: Manager
- OBJECTIF PHARMA: Chairman of the Executive Board
- PLANT ADVANCED TECHNOLOGIES - PAT (listed company): Director
- HENRI POINCARÉ (a French joint stock company or *Société Anonyme* and semi-public entity): Director representing the committee of minority shareholders
- D'MEDICA: Director
- HAMPIAUX: Chair
- SCI ZOZIME: Manager
- SCI BROTHER&SISTERS: Manager



- **Offices and functions having expired in the last five years**

- DEVELOPPEMENT PROMOTION CRISTERS: Chair until 11/04/2018
- PHARMAGEST ITALIA (Italian company): Member of the Board of Directors until 17/10/2018
- DOMEDIC EUROPE: Director until 19/06/2019
- WELFINITY GROUP (Luxembourg company): Director until 22/07/2019
- SCI CERP IMMO 2: Representative of LA COOPERATIVE WELCOOP, Manager until 29/12/2020

Mr. Dominique PAUTRAT

- **Offices and functions in progress**

- PHARMAGEST INTERACTIVE: Chief Executive Officer, Director
- ADI – APPLICATIONS ET DEVELOPPEMENTS INFORMATIQUES: Permanent representative of PHARMAGEST INTERACTIVE
- GROUPE DOMEDIC (Canadian company): Director
- KAPELSE: Representing the Chair of PHARMAGEST INTERACTIVE:
- PHARMAGEST ITALIA (Italian company): Member of the Board of Directors
- LA COOPERATIVE WELCOOP: Management Committee member
- MARQUE VERTE SANTE: Management Committee member
- LABORATOIRE MARQUE VERTE: Chair of the Board of Directors
- SCI MESSIRE JACQUES: Manager
- SC CHANOINE JACOB: Manager

- **Offices and functions having expired in the last five years**

- DOMEDIC EUROPE: Chairman of the Board of Directors until 19/06/2019
- WELFINITY GROUP (Luxembourg company,): Chief Executive Officer until 22/07/2019

Mr. Denis SUPPLISSON

- **Offices and functions in progress**

- PHARMAGEST INTERACTIVE: Deputy CEO and Director
- CAREMEDS (English company): Manager
- MULTIMEDS (English company) Manager
- PHARMAGEST ITALIA (Italian company): Chair of the Board of Directors
- ADI – APPLICATIONS ET DEVELOPPEMENTS INFORMATIQUES: Director

- **Offices and functions having expired in the last five years**

- DOMEDIC EUROPE: Chief Executive Officer and Director until 19/06/2019 then the liquidator until 30/12/2019

Mr. Grégoire DE ROTALIER

- **Offices and functions in progress**

- PHARMAGEST INTERACTIVE: Deputy CEO and Director
- PANDALAB: Chair and member of the Strategy Committee
- SCI DE ROTALIER: Manager
- SCI DES AUGUSTINES: Manager
- SCI CHAUMET: Manager

- **Offices and functions having expired in the last five years**

- None



Mr. Daniel ANTOINE

- **Offices and functions in progress**
 - PHARMAGEST INTERACTIVE: Director
 - LA COOPERATIVE WELCOOP: Vice-Chair of the Supervisory Board
 - MARQUE VERTE SANTE: Representative of the Member of the Supervisory Board of LA COOPERATIVE WELCOOP
 - OBJECTIF PHARMA: Supervisory Board member
 - INVESTIPHARM FRANCE: Director
 - SCI JADD: Manager
- **Offices and functions having expired in the last five years**
 - None

Ms. Marie-Louise LIGER

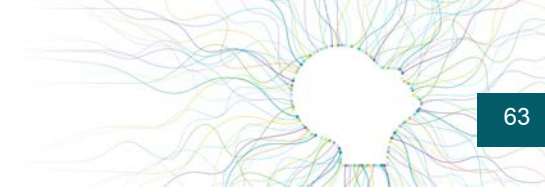
- **Offices and functions in progress**
 - PHARMAGEST INTERACTIVE: Independent Director
- **Offices and functions having expired in the last five years**
 - None

Mr. François JACQUEL

- **Offices and functions in progress**
 - PHARMAGEST INTERACTIVE: Director
 - LA COOPERATIVE WELCOOP: Supervisory Board member
 - MARQUE VERTE SANTE: Supervisory Board member
 - SELARL FRANCOIS JACQUEL: Manager
 - SCI LA CRAPAUDINE: Co-Manager
- **Offices and functions having expired in the last five years**
 - None

Ms. Anne LHOTE

- **Offices and functions in progress**
 - PHARMAGEST INTERACTIVE: Director
 - LA COOPERATIVE WELCOOP: Management Committee member
 - MARQUE VERTE SANTE: Management Committee member
 - INVESTIPHARM FRANCE: Chair of the Board of Directors
 - D'MEDICA: Director
 - SOFAREX (Belgian company): Chief Executive Officer
 - INVESTIPHARM BELGIUM (Belgian company): Chief Executive Officer
 - ALPHA FINANCE REPARTITION (Belgian company): Chief Executive Officer
 - OBJECTIF PHARMA: Management Committee member
 - PHARMALAB INTERNATIONAL (Hong Kong): Manager
- **Offices and functions having expired in the last five years**
 - AUXI EXPORT (Belgian company): Manager until 28/02/2017
 - ESPAFARMED (Spanish company): Director until 02/05/2017
 - ITAFARM (Italian company): Director until 26/03/2019
 - ALPHA REPARTITION (Belgian company): Chief Executive Officer until 24/12/2020



Ms. Sophie MAYEUX

- **Offices and functions in progress**
 - PHARMAGEST INTERACTIVE: Independent Director
- **Offices and functions having expired in the last five years**
 - None

Ms. Céline GRIS

- **Offices and functions in progress**
 - PHARMAGEST INTERACTIVE: Independent Director
 - GRIS DECOUPAGE: Chair
 - GRIS GROUP: Chair
 - ESKARCEL: Co-Manager
- **Offices and functions having expired in the last five years**
 - STAMPEO: Manager until 28/05/2016
 - GRIS INVEST INDUSTRIES – G 21: Chief Executive Officer until 31/03/2018

Ms. Emilie LECOMTE

- **Offices and functions in progress**
 - PHARMAGEST INTERACTIVE: Director
 - LA COOPERATIVE WELCOOP: Supervisory Board member
 - OBJECTIF PHARMA: Supervisory Board member
 - PHARMACIE LECOMTE DALLA COSTA: Co-Manager
 - SARL LECOMTE DALLA COSTA: Co-Manager
 - SCI LEDCMEGE: Manager
 - SCI FAMICAVI: Manager
- **Offices and functions having expired in the last five years**
 - None

Mr. Hugues MOREAUX

- **Offices and functions in progress**
 - PHARMAGEST INTERACTIVE: Board representative of LA COOPERATIVE WELCOOP
 - LA COOPERATIVE WELCOOP: Chair of the Supervisory Board
 - MARQUE VERTE SANTE: Chair of the Supervisory Board
 - D'MEDICA: Board representative of LA COOPERATIVE WELCOOP
 - OBJECTIF PHARMA: Supervisory Board member
 - LABORATOIRE MARQUE VERTE: Director
 - INVESTIPHARM FRANCE: Board representative of LA COOPERATIVE WELCOOP
 - SCI DU FRONTON: Manager
- **Offices and functions having expired in the last five years**
 - SNC MOREAUX DUCASSOU: Co-manager until 30/11/2017



Board expertise

The Board's members possess knowledge of the business sector, specific business line expertise, technical experience and/or management expertise, in human resources and financial areas.

Absence of convictions of members of the Board of Directors

To the best of PHARMAGEST INTERACTIVE's knowledge, none of the company's corporate officers or managing directors has:

- Been convicted of fraud during at least the last five years;
- Declared bankruptcy, receivership, liquidation placed under judicial administration;
- Been charged with infractions and/or subject to an official public sanction ordered by statutory or regulatory authorities during at least the last five years;
- Been legally disqualified from serving as members of a board of directors, executive management the supervisory board of the issuer.

12.2. Absence of conflicts of interest involving the members of the board of directors, supervisory board and other corporate governance bodies

To the best of PHARMAGEST INTERACTIVE's knowledge and on the date of this Universal Registration Document, there are no potential conflicts of interest with regards to PHARMAGEST INTERACTIVE between the duties of company officers and chief executive officers and their private interests or other duties.

To the best of PHARMAGEST INTERACTIVE's knowledge:

- No arrangement or agreement has been concluded with shareholders, customers, suppliers or others by virtue of which a member of the Board of Directors was appointed to the Board or as Chief Executive Officer.
- No restrictions have been accepted by members of the board of directors and executive management concerning the disposal, over a certain period of time, of the securities of the issuer which they hold.

13. COMPENSATION AND BENEFITS

13.1. Compensation

The compensation paid by PHARMAGEST INTERACTIVE and the methods for determining compensation are set out in the report on corporate governance in Section 21.4 of this Universal Registration Document.

The compensation paid by MARQUE VERTE SANTE and LA COOPERATIVE WELCOOP is also given in the report on corporate governance in Section 21.4 of this Universal Registration Document.

13.2. Provisions

The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits are presented in the report on corporate governance included in Section 21.4 of this Universal Registration Document.



14. BOARD AND MANAGEMENT PRACTICES

14.1. Offices of members of the Board of Directors

All information on the directors' offices, and notably the expiration dates of their terms, is included in the report on corporate governance presented in Section 21.4 - subsection 2.3 of this Universal Registration Document.

14.2. Service contracts

To the PHARMAGEST Group's knowledge, there are no service agreements between directors or officers of PHARMAGEST INTERACTIVE or one of its subsidiaries providing for the grant of benefits under their terms.

14.3. Special committees

Audit Committee

In 2020, the Audit Committee comprised:

- Ms. Marie-Louise LIGER, Independent Director;
- Mr. Daniel ANTOINE, Director;
- Mr. François JACQUEL, Director.

Ms. Marie-Louise LIGER was appointed Chair of the Audit Committee as of 1 July 2015 and reappointed in 2018.

The operating methods for the Audit Committee are set out in the report on corporate governance included under Section 21.4 – Subsection 3.5.2 of this Universal Registration Document.

Compensation Committee

A Compensation Committee does not exist.

14.4. Corporate governance regime

As of 2010, the Board of Directors of PHARMAGEST INTERACTIVE has adopted the MiddleNext Corporate Governance Code which it considers to be best adapted to its profile in light of its size and shareholder structure.

PHARMAGEST INTERACTIVE applies all the MiddleNext code's recommendations. The methods for applying these recommendations are set out in the report on corporate governance included under Section 21.4 – Subsections 1 to 4 of this Universal Registration Document.

14.5. Potential material impacts on the corporate governance

No decisions have been rendered by the board of directors, executive management or the General Meeting which could have a material impact on the corporate governance.



15. EMPLOYEES

15.1. Description of human resources

Human resources and the labour relations environment are described in the Non-Financial Statement (NFS) presented in Section 21.2.2 of this Universal Registration Document.

The number of employees, their breakdown by type of activity or geographical area did not change significantly since the end of the financial year and the publication date of this Universal Registration Document.

15.2. Shareholdings and stock options

Employee stock ownership

Employees do not own more than 3% of the share capital within the framework of the employee savings scheme.

Stock options

A stock option plan was implemented on 5 December 2014. The beneficiaries may exercise their options as from 5 December 2018. Corporate officers and members of the Finance and Personnel Management Committee are excluded from this stock option plan.

A new stock option plan was established with effect from 4 December 2020, for the benefit of three executive officers, namely Messrs. Dominique PAUTRAT, Denis SUPPLISSON and Grégoire DE ROTALIER. Stock options conferring a right to acquire existing shares of the Company originating from shares repurchased in accordance with conditions provided for by law: The Extraordinary General Meeting of 25 September 2020 decided that:

- each will benefit from FIFTEEN THOUSAND (15,000) stock options of the Company;
- the options will become fully vested after a period of 4 years from the grant date and that the options' period of validity may not exceed 8 years from their grant date;
- the price to be paid for exercising the stock options will be set by the Board of Directors on the day the options are granted, in compliance with the provisions provided for by:
 - Article L. 225-177 of the French Commercial Code;
 - Article L. 225-179 of the French Commercial Code.

The terms and conditions of this plan are presented in Section 21.4 - Subsection 4.5 of this Universal Registration Document.

Capital held directly and indirectly by members of the Board of Directors

Last and First Name or Company Name	Functions	Number of shares at 31/03/2021
Mr. Thierry CHAPUSOT ⁽¹⁾	Chair of the Board of Directors	5,000
Mr. Dominique PAUTRAT	Chief Executive Officer and Director	23,925
Mr. Denis SUPPLISSON	Deputy CEO and Director	10
Mr. Grégoire DE ROTALIER	Deputy CEO and Director	10
Mr. Daniel ANTOINE	Director	1,070
Ms. Marie-Louise LIGER	Independent Director	97
Mr. François JACQUEL	Director	400
Ms. Anne LHOTE	Director	100
Ms. Sophie MAYEUX	Independent Director	25
Ms. Céline GRIS	Independent Director	20
Ms. Émilie LECOMTE	Director	14
LA COOPERATIVE WELCOOP	Represented by Mr. Hugues MOREAUX, Director	10,111,855

⁽¹⁾ By letter received on 19/02/2021, the AMF was informed about SC DE L'ERMITAGE SAINT JOSEPH, owned mainly by Mr. Thierry CHAPUSOT, sold all of its shares.



15.3. Agreements and arrangements

Optional profit-sharing agreement

A profit-sharing agreement covering the scope of the PHARMAGEST Economic and Social Unit (ESU) was signed in 2017 and renewed in 2020.

Profit-sharing agreements falling under the scope of the Health and Social Care Facilities Solutions Division were signed in 2019 (MALTA INFORMATIQUE, DICSIT INFORMATIQUE) and 2020 (AXIGATE).

PHARMAGEST Group recorded an expense of €1,717,127 in fiscal 2020, compared to €1,586,289 in 2019.

Statutory profit-sharing agreement

In accordance with articles L. 442-1 et seq. of the French labour code covering companies with at least 50 employees, PHARMAGEST Group companies concerned by this provision are required to offer a statutory profit-sharing plan for its employees:

Within this legal framework, profit-sharing and company savings plan agreements were signed:

- For the PHARMAGEST ESU (agreement of 29 June 2009)
The amounts constituting the profit-sharing reserve are paid into the company mutual funds or FCPE) "Perspective Monétaire", "Perspective Obli MT A", "Social Active Tempéré Solidaire", "Perspective Certitude", "Stratégie Equilibre International", "Perspective Conviction Monde A", which are managed by INTERSEM, 12 rue Gaillon 75002 PARIS in accordance with the said funds' rules of procedure and with current laws and regulations. The custodians of the funds' assets are Crédit Industriel et Commercial and Banque Promotrice CIC-EST.
- For the MALTA INFORMATIQUE ESU (agreement of 28 February 2019)
The amounts constituting the profit-sharing reserve are paid into the company mutual funds (fonds commun de placement d'entreprise or FCPE) "Perspective Monétaire", "Perspective Obli MT A", "Social Active Tempéré Solidaire", "Perspective Certitude", "Perspective Actions Europe A", which are managed by INTERSEM, 12 rue Gaillon 75002 PARIS in accordance with the said funds' rules of procedure and with current laws and regulations. The custodians of the funds' assets are Crédit Industriel et Commercial and Banque Promotrice CIC-EST.

PHARMAGEST Group recorded an expense of €2,657,834 in fiscal 2020, compared to €2,627,496 in 2019.



16. MAJOR SHAREHOLDERS

16.1. Shareholders not members of the Board of Directors or Executive Management subject to obligations to notify the crossing of ownership thresholds

MARQUE VERTE SANTE, holding 60.51% of the capital of PHARMAGEST INTERACTIVE is itself 98.07%-held y LA COOPERATIVE WELCOOP (See the Organisation Chart presented in Section 21.2.1 – Subsection 1 of this Universal Registration Document).

LA COOPERATIVE WELCOOP is a cooperative with a corporate structure based on the principle of cooperation. Its objective is to best serve the economic interests of its participants (members). At 31 December 2020, LA COOPERATIVE WELCOOP had 2,971 legal entity members and 1,412 individual members.

To the best of PHARMAGEST INTERACTIVE's knowledge, no other shareholder who are not members of the board of directors or executive management holds more than 5% of the capital or voting rights, directly or indirectly, alone or in concert.

PHARMAGEST INTERACTIVE had no knowledge of significant transaction between 31 December 2020 and the publication date of this Universal Registration Document; On 19 February 2021, Société Civile DE L'ERMITAGE SAINT JOSEPH notified the AMF that it had crossed below the 5% threshold of PHARMAGEST INTERACTIVE's capital and voting rights.

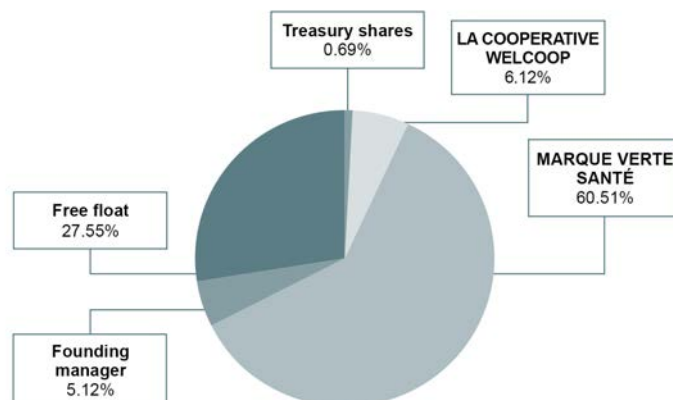
16.2. Voting rights

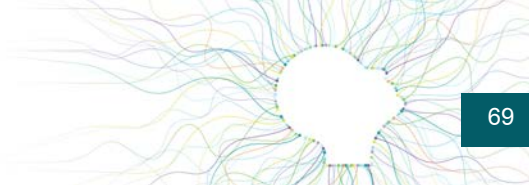
In accordance with the articles of association, there is only one class of shares. One voting right is attached to each share. Changes in voting rights over the last three years were as follows:

Voting rights as at 31 December 2020

Shareholder	Number of shares held at 31/12/2020	Capital (%)	Theoretical voting rights	Voting rights exercisable in General Meetings	Voting rights (%)
MARQUE VERTE SANTE	9,182,595	60.51%	9,182,595	9,182,595	60.94%
LA COOPERATIVE WELCOOP	929,260	6.12%	929,260	929,260	6.17%
Sub-total WELCOOP GROUP	10,111,855	66.64%	10,111,855	10,111,855	67.10%
Founding manager*	777,200	5.12%	777,200	777,200	5.16%
Treasury shares	105,161	0.69%	105,161	0	0.00%
Free float	4,179,909	27.55%	4,179,909	4,179,909	27.74%
TOTAL	15,174,125	100%	15,174,125	15,068,964	100%

* Mr. Thierry CHAPUSOT (SC DE L'ERMITAGE SAINT JOSEPH and own shares).





Voting rights as at 31 December 2019

Shareholder	Number of shares held at 31/12/2019	Capital (%)	Theoretical voting rights	Voting rights exercisable in General Meetings	Voting rights (%)
MARQUE VERTE SANTE	9,182,595	60.51%	9,182,595	9,182,595	61.11%
LA COOPERATIVE WELCOOP	929,260	6.12%	929,260	929,260	6.18%
Sub-total WELCOOP GROUP	10,111,855	66.64%	10,111,855	10,111,855	67.30%
Founding manager*	777,200	5.12%	777,200	777,200	5.17%
Founding non-manager	407,950	2.69%	407,950	407,950	2.72%
Treasury shares	148,810	0.98%	148,810	0	0.00%
Free float	3,728,310	24.57%	3,728,310	3,728,310	24.81%
TOTAL	15,174,125	100%	15,174,125	15,025,315	100%

* Mr Thierry CHAPUSOT (SC DE L'ERMITAGE SAINT JOSEPH and own shares).

Voting rights as at 31 December 2018

Shareholder	Number of shares held at 31/12/2018	Capital (%)	Theoretical voting rights	Voting rights exercisable in General Meetings	Voting rights (%)
MARQUE VERTE SANTE	9,182,595	60.51%	9,182,595	9,182,595	61.35%
LA COOPERATIVE WELCOOP	929,260	6.12%	929,260	929,260	6.21%
Sub-total WELCOOP GROUP	10,111,855	66.64%	10,111,855	10,111,855	67.55%
Founder and Executive Officer - T. CHAPUSOT*	777,200	5.12%	777,200	777,200	5.17%
Founder and Executive Officer - T. PONNELLE	407,950	2.69%	407,950	407,950	2.72%
Treasury shares	205,479	1.35%	205,479	0	0.00%
Free float	3,676,641	24.23%	3,676,641	3,676,641	24.56%
TOTAL	15,174,125	100%	15,174,125	14,968,646	100%

* Mr Thierry CHAPUSOT (SC DE L'ERMITAGE SAINT JOSEPH and own shares).

16.3. Controlling interests

LA COOPERATIVE WELCOOP holds 66.64% of PHARMAGEST INTERACTIVE'S capital, directly and indirectly.

The LA COOPERATIVE WELCOOP representative on PHARMAGEST INTERACTIVE's Board of Directors exercises all due diligence and care to ensure compliance with PHARMAGEST INTERACTIVE's financial and legal guidelines, in line with LA COOPERATIVE WELCOOP's overall policy.

The presence of independent Board Members and the separation of the functions of the Chairman of the Board and Chief Executive Officer serve to ensure that control is not exercised abusively.

The main shareholders do not have different voting rights.

16.4. Arrangements which may result in a change in control

PHARMAGEST INTERACTIVE had no knowledge of any arrangements the operation of which may at a subsequent date result in a change in control.



17. RELATED PARTY TRANSACTIONS

17.1. Regulated agreements and commitments

All information on agreements and commitments is provided in the Auditors' special report in Section 18.3.2 of this Universal Registration Document. The main related-party transactions were as follows:

With DIATELIC

Nature and purpose: Tax consolidation agreement

Authorisation of PHARMAGEST INTERACTIVE to include DIATELIC in the French tax sharing agreement governed by Articles 223-A to 223-U of the French General Tax Code.

Terms:

The principle of neutrality has been retained: the parent company alone is liable for the tax expense and charges its subsidiary for the tax as if there was no tax sharing agreement. The corresponding tax group was terminated, in accordance with the provisions of Article 1844-5 of the French Civil Code (*Code civil*) pursuant to the DIATELIC's dissolution without liquidation, duly completed on the date of our report.

With MARQUE VERTE SANTE

Nature and purpose: Financial advance

The Board of Directors' meeting of 26 March 2021 authorised PHARMAGEST INTERACTIVE to grant an advance in the amount of €10 million to MARQUE VERTE SANTÉ.

Terms:

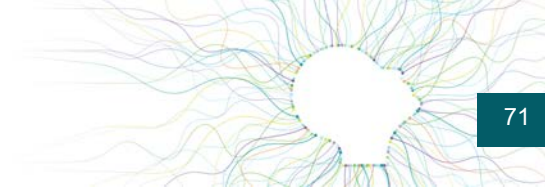
MARQUE VERTE SANTÉ has given a firm undertaking to repay the advance in whole or in part, on PHARMAGEST INTERACTIVE's request, within a maximum of three months from the date of the request.

The advance carries interest at a minimum guaranteed rate of 0.5%. Interest is calculated quarterly and due on receipt of invoice in cash. This rate may be revised upwards in line with market rates.

On 26 March 2021, the Board of Directors authorised the signature of €10 million advance financing agreement.

The company's justifications for the agreement:

On 26 March 2021, the Board of Directors confirmed the justification for PHARMAGEST INTERACTIVE by the level of interest paid on this advance, which remains advantageous compared to the level of interest paid by financial institutions on risk-free cash investments.



17.2. Other related party transactions

With WELCOOP Group companies

PHARMAGEST Group is fully consolidated by LA COOPERATIVE WELCOOP (54600 VILLERS-LÈS-NANCY).

The nature of the relations between LA COOPERATIVE WELCOOP and its subsidiary MARQUE VERTE SANTE, are primarily amounts invoiced for:

- Management fees which include: strategic assistance, marketing and communications assistance, administrative, accounting and tax assistance, HR assistance and IT assistance. Services are invoiced at cost plus a mark-up of 3%;
- Share of Group insurance policies;
- Share of network contracts;
- Personnel in work-sharing arrangements;
- Sales, IT, marketing and administrative services.

On that basis, PHARMAGEST Group recognised an operating income of €615 thousand and operating expenses of €1,383 thousand with LA COOPERATIVE WELCOOP and its subsidiaries.

Information on financial flows between PHARMAGEST Group and related parties is presented in Section 18.1.6.6 - Note 12, Transactions with related parties, to the consolidated financial statements in this Universal Registration Document.

With PHARMAGEST Group companies

No material related-party transactions (other than those with wholly-owned subsidiaries) exist that have not been entered into on an arm's length basis.

Details of financial flows between PHARMAGEST INTERACTIVE and its subsidiaries are presented in Section 18.1.5.5 - Note 15.2, Information on related party transactions, to the separate parent company financial statements in this Universal Registration Document.



18. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES

18.1. Historical financial information

18.1.1. Audited historical financial information

In application of Article 19 of the Prospectus Regulation, incorporated in this Universal Registration Document by reference are: the consolidated financial statements, management reports and audit reports for the financial years ended on 31 December 2019 and 31 December 2018 contained in the 2019 Universal Registration Document filed with the AMF on 30 April 2020 (No. D.20-0410) and the 2018 Registration Document filed on 30 April 2019 (No. D.19-0443).

18.1.2. Change of accounting reference date

PHARMAGEST Group has not modified its accounting reference date during the period in which historical financial information is required. The audited historical financial information covers a period of 36 months.

The reference period for the separate parent company and consolidated financial statements is the 1st of January to 31st of December.

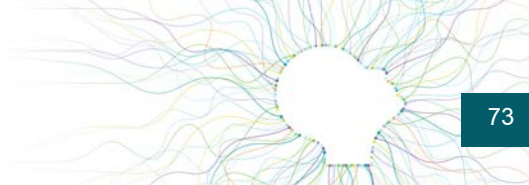
18.1.3. Accounting standards

The separate parent company financial statements of PHARMAGEST INTERACTIVE have been prepared in accordance with French accounting standards (FR GAAP) and Directive No. 2013/34/EU. For further information, refer to Section 18.1.5.5 - Note "Significant Accounting Policies" of this Universal Registration Document.

The consolidated financial statements of PHARMAGEST Group were prepared in accordance with international financial reporting standards (IFRS), as adopted by the European Union in accordance with Regulation (EC) No. 1606/2002. For further information, refer to Section 18.1.6.6 - Note 1 of this Universal Registration Document.

18.1.4. Change of accounting framework

PHARMAGEST Group has not made and nor does it intend to make significant changes to its accounting framework.



18.1.5. PHARMAGEST INTERACTIVE separate annual financial statements

18.1.5.1. Balance sheet

Balance sheet assets - In € thousands	Notes	31/12/2020			31/12/2019
		Gross value	Amortisation, depreciation and provisions	Net	Net
Non-current assets					
Intangible assets	1.4/5	21,339	3,219	18,120	17,783
Property, plant and equipment	1.4/5	22,762	8,529	14,233	10,381
Financial assets	2.3/4	62,922	2,571	60,351	44,456
Total		107,023	14,319	92,704	72,620
Current assets					
Inventory and work-in-progress	3	1,937	206	1,730	1,525
Trade receivables	4 and 5	14,163	223	13,940	16,759
Other receivables	4 and 5	8,775	0	8,775	7,835
Marketable securities	6.1	71,786	201	71,585	80,417
Bank and cash	6.1	4,703	0	4,703	843
Total		101,364	630	100,734	107,379
Prepaid expenses	4	1,700	0	1,700	463
Unrealised losses on foreign exchange		0	0	0	109
TOTAL ASSETS		210,086	14,949	195,137	180,571

Balance sheet liabilities - In € thousands	Notes	31/12/2020	31/12/2019
Shareholders' equity			
Share capital	7	3,035	3,035
Reserves and retained earnings		79,103	74,607
Investment grants		0	4
Profit for the year		18,092	17,953
Total		100,230	95,599
Provisions for contingencies and expenses	8	5,183	4,718
Payables			
Borrowings and financial liabilities	9.1	61,665	52,667
Trade payables and related accounts	9.1	9,758	10,418
Other payables	9.1	18,016	16,765
Total		89,439	79,850
Deferred revenue	9.1/3	286	404
TOTAL LIABILITIES		195,137	180,571



18.1.5.2. Statement of profit or loss

In € thousands	Notes	2020	2019
Operating income			
Net revenue	10	103,202	102,926
Operating grants	11	25	142
Capitalised production	11	0	0
Reversals of depreciation, amortisation and provisions	11	764	845
Expense reclassifications	11	3,339	3,249
Other operating income	11	2,298	2,212
Total		109,628	109,375
Operating expenses			
Cost of sales		23,398	23,384
Purchases and external costs		16,043	18,283
Taxes other than on income		2,382	2,115
Staff costs	12.1	42,019	41,239
Allowances for depreciation and amortisation		1,768	1,239
Allowances for provisions		1,352	1,304
Other operating expenses		110	448
Total		87,072	88,011
Operating profit		22,556	21,365
Current financial income		5,894	6,829
Current financial expenses		2,425	1,331
Net financial income/(expense)		3,469	5,498
Current operating income		26,025	26,863
Exceptional income	13	598	1,132
Exceptional expenses	13	475	1,298
Net exceptional items		123	-166
Income tax expense	14.2	5,961	6,690
Employee profit-sharing		2,094	2,054
Net profit		18,092	17,953

18.1.5.3. Statement of changes in Shareholders' equity

In € thousands	Value at 31/12/2019	Increase	Decrease	Value at 31/12/2020
Share capital	3,035	0	0	3,035
Share premium	13,207	0	0	13,207
Additional paid-in capital (merger premium)	9	0	0	9
Legal reserves	309	0	0	309
Other reserves	6,502	0	0	6,502
Profit for the period	17,953	18,092	17,953	18,092
<i>Dividends</i>	<i>0</i>	<i>13,548</i>	<i>13,548</i>	<i>0</i>
Retained earnings	54,442	4,405	0	58,847
Equipment grants	22	0	0	22
Equipment credit financing grants	-18	-4	0	-22
Accelerated tax depreciations and amortisations	138	91	0	229
TOTAL	95,599	36,132	31,501	100,230



18.1.5.4. Cash flow statement

Cash flow statement - In € thousands	31/12/2020	31/12/2019
I. Operating and non-operating activities		
Net Profit	18,092	17,953
Allowances for depreciation and amortisation, provisions	4,971	2,485
Reversals of amortisation, depreciation and provisions	-716	-795
Gains and losses on disposals of fixed assets	33	44
Grants to be transferred to income	-4	-7
Operating cash flows	22,376	19,679
Change in financial expenses	-1	3
Net change in cash flows from operating activities	1,587	2,789
Net change in cash flows from non-operating activities	1,145	19,063
Change in working capital	2,732	21,855
Net cash provided by (used in) operating activities	25,108	41,534
II. Cash flows from investing activities		
Outflows from the acquisition of intangible assets	-770	-717
Outflows from the acquisition of property, plant and equipment	-5,251	-6,580
Inflows from disposals of tangible and intangible assets	31	10
Investment grants received	0	0
Capital expenditures	-5,990	-7,287
Outflows from the acquisition of financial assets	-9	-9
Inflows from disposals of financial assets	300	527
Net cash flows from the acquisition and disposal of subsidiaries	-18,117	-11,031
Financial investments	-17,826	-10,513
Net cash flows provided by (used in) investing activities	-23,816	-17,801
III. Equity capital transactions		
PHARMAGEST INTERACTIVE capital increases	0	0
Dividends received from equity-accounted investees	0	0
Dividends paid by PHARMAGEST INTERACTIVE	-13,548	-12,761
Net cash from (used in) capital transactions	-13,548	-12,761
IV. Cash flow from financing activities		
Issuance or subscription of borrowings and financial debt	13,072	10,400
Repayment of borrowings and other financial debt	-5,546	-3,988
Net cash from financing activities	7,526	6,412
Bank and cash	-4,972	16,650
Short-term bank facilities and overdrafts	-241	-732
Change in net cash	-4,731	17,382

Cash reconciliation - In € thousands	2020	2019
Marketable securities	71,586	80,417
Bank balances - assets	4,702	843
Bank balances - liabilities	-35	-276
TOTAL	76,253	80,984

18.1.5.5. Notes to the separate financial statements

Total balance sheet before appropriation: €195,137 thousand. Net profit: €18,092 thousand.

The financial period runs for twelve months from 01/01/2020 to 31/12/2020.

The notes provided below form an integral part of the annual financial statements adopted by the Board Directors on 26 March 2021.

Annual highlights

- Acquisition of the shares of a minority shareholder KAPELSE, increasing its shareholding to 75%.
- Acquisition by PHARMAGEST INTERACTIVE of 100% of ASCA INFORMATIQUE, specialized in software publishing for systems and networking applications. ASCA INFORMATIQUE owns 100% of the capital of SEAA, specialised in the wholesale distribution (B2B) of electronic and telecommunications components and equipment.
- Acquisition of the shares of a minority shareholder DIATELIC, thus increasing PHARMAGEST INTERACTIVE's shareholding to 100%.
- Liquidation of UK PHARMA.
- Acquisition by PHARMAGEST INTERACTIVE of a 29.20% minority stake in BGM INFORMATIQUE, a wholesale-distributor (B2B) of computers, IT peripherals and software.
- Acquisition of the shares of four minority shareholders of SAILENDRA, increasing its shareholding to 84.63%.
- Disposal of 30% of NANCEO securities without loss of control.

Significant accounting policies

Generally accepted accounting principles have been applied in compliance with the principle of conservatism and in accordance with the following underlying assumptions:

- Going concern;
- The consistency principle;
- The time period concept;

and in accordance with the general rules for preparing and presenting financial statements.

For the recognition and measurement of balance sheet items, the historical cost method has been applied.

The financial statements have been prepared according to French generally accepted accounting standards, and namely the 2014 French General Chart of Accounts (*PCG - Plan Comptable Général*) adopted by the French national standard setter, the ANC (*Autorité des Normes Comptables*) on 5 June 2014 and approved by the ministerial decree of 8 September 2014, amended by ANC regulation 2016-07 of 4 November 2016.

NOTE 1. - Intangible assets and property, plant and equipment

1.1. Measurement of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are valued at their acquisition cost (purchase price and associated expenses) or production cost.

PHARMAGEST INTERACTIVE does not capitalise research and development costs in its French GAAP parent company financial statements as provided by Article R. 123-186 of the French Commercial Code and Article 311-2.2 of the French General Chart of Accounts (PCG). In consequence, these costs are expensed as incurred.

Total research and development costs relating to development teams, including tests, maintenance and training in particular, amounted to €8,164 thousand in 2020, of which €1,443 thousand for subcontracting.

1.2. Amortisation and depreciation of intangible assets and property, plant and equipment

These are calculated by applying the straight-line or diminishing balance method over their estimated useful lives.

- Software acquired: 1 to 5 years;
- Buildings: 15 to 30 years;
- Leasehold improvements, fixtures and fittings: 8 to 30 years;



- Plant, machinery and equipment: 5 years;
- Fixtures and fittings: 5 to 10 years;
- Transport equipment: 1 to 5 years;
- Office equipment and furniture, computer equipment: 3 to 10 years.

1.3. Measurement of non-depreciable assets

If there is any indication that an asset may be impaired, and at least once a year, the recoverable amount is remeasured.

The recoverable amount of goodwill and other similar intangible assets is estimated based on future DCF (discounted cash flows) per business area. If the recoverable amount is lower than the carrying amount, an impairment is recognised on the difference.

1.4. Changes in the period

Gross values - In € thousands	Opening balance	Increase	Decrease	Closing balance
Intangible assets	20,569	948	178	21,339
Property, plant and equipment	18,092	14,896	10,225	22,762
Land	423	0	0	423
Fittings and improvements to buildings	3,489	10,244	82	13,651
Industrial equipment and tools	15	20	0	35
General fixtures	918	4	375	547
Transportation equipment	346	61	91	316
Office equipment and furniture	5,845	1,880	32	7,693
Intangible fixed assets under construction	7,050	2,644	9,645	49
Other property, plant and equipment	6	43	0	49
Total amortisation and depreciation of intangible assets and property, plant and equipment	38,661	15,844	10,403	44,101

Goodwill (excluding leasehold rights) amounted to €13,996 thousand and included:

- Items purchased: €5,464 thousand
- Items remeasured: €0
- Items received as contributions: €1,704 thousand
- Capital loss on transferred assets (*mali de confusion*): €6,828 thousand

1.5. Amortisation, depreciation and provisions for intangible assets and property, plant and equipment

Amortisation and provisions – In € thousands	Opening balance	Increase	Decrease	Closing balance
Amortisations of intangible assets	2,765	432	0	3,197
Provisions for intangible assets	21	0	0	21
Accumulated depreciation and provisions for intangible assets	2,786	432	0	3,219
Depreciation of property, plant and equipment:				
• <i>Fittings and improvements to buildings</i>	2,284	379	50	2,613
• <i>Industrial equipment and tools</i>	13	1	0	14
• <i>General fixtures</i>	825	16	363	478
• <i>Transportation equipment</i>	195	60	73	182
• <i>Office equipment and furniture</i>	4,395	878	31	5,242
Accumulated depreciation and provisions for property, plant and equipment	7,711	1,334	517	8,529
Total amortisation, depreciation and provisions for intangible assets and property, plant and equipment	10,498	1,766	517	11,748



NOTE 2. - Financial assets

2.1. Measurement of financial assets

The gross value of financial assets is their acquisition price, net of acquisition expenses.

2.2. Amortisation of financial assets

Equity interests are not subject to amortisation though tested for impairment at the end of the reporting period.

Their value in use is assessed in reference to their value of equity, measured on the basis of discounted cash flows, taking into account the outlook for each subsidiary or group of subsidiaries and net debt.

If the recoverable amount is lower than the carrying amount, an impairment is recognised on the difference.

2.3. Changes in the period

Gross values - In € thousands	Opening balance	Increase	Decrease	Closing balance
Equity securities (see details below)	44,790	17,817	0	62,606
Bond debt	0	0	0	0
Security deposits and guarantees	306	9	0	315
Total financial assets	45,095	17,826	0	62,922

Breakdown of equity investments:

Companies - In € thousands	Gross amount of securities	Percentage of ownership
ADI	352	50.00%
ASCA INFORMATIQUE	16,000	100.00%
BGM INFORMATIQUE	607	29.20%
CAREMEDS	1,214	51.82%
DIATELIC	478	100.00%
GROUPE DOMEDIC	1,389	28.32%
EHLS	4,690	100.00%
EMBLEEMA	2,650	13.89%
HDM	30	100.00%
HEALTHLEASE	1,407	100.00%
KAPELSE	2,160	75.00%
MALTA INFORMATIQUE	186	100.00%
MULTIMEDS	510	51.00%
NANCEO	700	70.00%
NOVIATEK	100	40.00%
PHARMAGEST ITALIA	19,163	82.50%
PHARMAGEST LUXEMBOURG	3,490	100.00%
PHARMATHEK	7,140	49.00%
SAILENDRA	342	84.63%
TOTAL	62,606	

For more information on PHARMAGEST Group's equity investments in subsidiaries, please see the table of subsidiaries in Note 15.5 of the separate parent company financial statements.



2.4. Amortisation/provisions for securities and other financial assets

Amortisation and provisions – In € thousands	Opening balance	Increase	Decrease	Closing balance
Amortisation of financial assets	0	0	0	0
Provisions for financial assets	639	1,932	0	2,571
Accumulated amortisation and provisions for financial assets	639	1,932	0	2,571

Impairment tests were performed to recognise the additional impairment of PHARMAGEST LUXEMBOURG securities in the amount of €1,932 thousand.

NOTE 3. - Trade goods inventory

3.1. Measurement of inventory

At the end of each period, physical stock-taking is carried out and verified in relation to the permanent inventory.

- Serialised inventories are measured according to the individual cost principle;
- Low-value repairable non-serialised inventories are measured at the weighted average unit cost.

In € thousands	31/12/2020			31/12/2019
	Gross amount	Impairment	Net amount	Net amount
Serialized materials	1,652	78	1,575	1,363
Non-serialized materials	285	129	156	163
Raw materials	0	0	0	0
TOTAL	1,937	206	1,730	1,526

3.2. Impairment of inventory

Serialised inventory is subject to impairment when still in stock over six months after the date of purchase by PHARMAGEST INTERACTIVE.

Impairment losses are recorded for repairable non-serialised inventories according to the stock turnover rates.

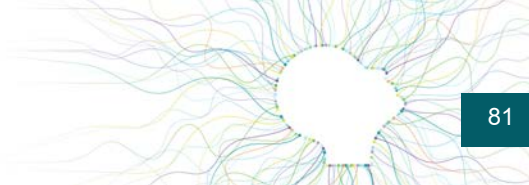
In € thousands	Opening balance	Increase	Decrease	Closing balance
Provisions for inventory losses	173	49	16	206

NOTE 4. - Trade receivables

4.1. Measurement of trade receivables

Trade receivables are recognised at face value.

In € thousands	31/12/2020			31/12/2019
	Gross amount	Less than 1 year	More than 1 year	Gross amount
Trade receivables	14,163	13,971	192	17,000
Other receivables	8,775	8,775	0	7,835
Deferred charges	1,700	1,700	0	463



4.2. Impairment of trade receivables

A provision for impairment is recognised when the current value is less than the face value.

All trade receivables have been individually examined and a provision is recorded based on individual assessments of a manifest collection risks and application of the following rules:

- Receivables < 180 days: Provision N/S
- Receivables between 180 and 360 days: Provision of 50%
- Receivables > 360 days: Provision of 100%

In € thousands	Opening balance	Increase	Decrease	Closing balance
Provisions for receivables	240	123	141	223

All receivables that are the subject of collective proceedings and/or main proceedings are depreciated by 100%.

NOTE 5. - Accrued income on balance sheet items

Accrued income - In € thousands	31/12/2020	31/12/2019
Financial assets	0	0
Trade payables and related accounts	63	105
Trade receivables	1,970	1,699
Other receivables	464	161
Bank and cash	0	0

NOTE 6. - Marketable securities and cash

6.1. Marketable securities and cash

Gross values - In € thousands	31/12/2020	31/12/2019
Treasury shares - liquidity contract ⁽¹⁾	3,006	3,000
Treasury shares - stock option plan ⁽¹⁾	796	1,657
Capital redemption contracts ⁽²⁾	67,985	75,760
Marketable securities subtotal	71,786	80,417
Bank and cash	4,703	843
TOTAL	76,489	81,260

⁽¹⁾ Valuations are calculated using the weighted average price.

⁽²⁾ Includes capital-guaranteed structured products with 3-year maturities (05/2020). In 2020, an impairment was recognised for a total amount of €201 thousand.

6.2. Treasury shares

This account includes 105,161 treasury shares of which:

- 1,699 PHARMAGEST INTERACTIVE treasury shares held under the liquidity contract managed by Gilbert DUPONT;
- 44,106 treasury shares at an average price of €19.89, held under the stock option plan set up by the Board of Directors on 5 December 2014;
- 27,251 PHARMAGEST INTERACTIVE treasury shares held through a share buyback agreement authorised by the Combined General Meeting of 26 June 2015;
- 7,964 PHARMAGEST INTERACTIVE treasury shares held through a share buyback agreement authorised by the Ordinary General Meeting of 27 June 2017;
- 24,141 PHARMAGEST INTERACTIVE treasury shares held through a share buyback agreement authorised by the Ordinary General Meeting of 27 June 2019.



6.3. Liquidity contract

Movements in 2020 relating to the liquidity contract, held solely by PHARMAGEST INTERACTIVE, were as follows:

- Purchases: 93,312 shares at an average price of €74.71;
- Disposals: 94,629 shares at an average price of €73.61.

No shares were purchased under the stock option plan.

6.4. Capital redemption contract

This investment contract includes a unit-linked OPCI property investment mutual fund (47%) and an AXA Euro Fund (53%) with an investment profile comparable to French fungible treasury bonds (or OAT) with a guarantee of net capital invested and accrued interest. The yield of the euro fund was confirmed based on a guaranteed return.

In addition, a capital redemption contract with Natixis also includes two types of investments, a conventional euro fund and a unit-linked fund covered by a term deposit account.

NOTE 7. - Share capital

	Number	Nominal value in €
Opening balance	15,174,125	0.20
Securities issued	0	/
Securities reimbursed or cancelled	0	/
Closing balance	15,174,125	0.20

Each share is entitled to one vote.

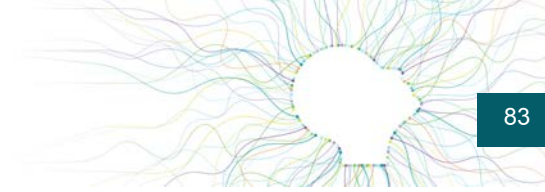
NOTE 8. - Provisions for contingencies and expenses

In € thousands	Value at 31/12/2019	Increase	Reversal (provisions used in the period)	Change in Group structure / Other	Value at 31/12/2020
Provisions for litigation	6	62	0	0	67
Provision for contingencies	806	543	607	0	742
Provisions for retirement severance benefits	3,798	576	0	0	4,373
Provisions for foreign exchange losses	108	0	108	0	0
TOTAL	4,718	1,180	715	0	5,183
Operating provisions	4,609	1,180	607	0	5,183
Provisions for financial assets	109	0	108	0	0
Provisions for exceptional items	0	0	0	0	0

8.1. Provision for contingencies

Provisions for contingencies comprise mainly:

- Provisions for specific equipment maintenance contracts for the Pharmacy business in the amount of €413 thousand;
- Provisions relating to the marketing of LGPI Global Services® licenses with free software maintenance for up to 30 months. This corresponds to the cost of software support for the period amounting to €329 thousand.



Contingent liabilities

PHARMAGEST INTERACTIVE is not aware of any dispute or circumstance of an exceptional nature likely to have any material impact on its revenue, earnings, financial position or assets or to have had any such impact in the recent past.

Environmental aspects

PHARMAGEST INTERACTIVE's main activity is publishing software. As a result no environmental facilities classified as at risk are operated by the Group that could have a significant impact on the environment. Therefore it is not materially exposed to environmental risks, insofar as it recycles all the equipment it takes back through its EHLS subsidiary.

Please refer to Section 21.2.1 – Subsection 2.2 of the Universal Registration Document for the analysis of the industrial and environmental risks to which PHARMAGEST Group is exposed.

8.2. Provisions for retirement severance benefits

The provision for retirement severance benefits amounted to €3,373 thousand. This is calculated by applying the retrospective projected unit credit method to the end-of-career salary based on the following assumptions:

- Voluntary departure by the employee (application of employer's social charges);
- Retirement age: 60-67;
- Turnover: by age bracket;
- Discount rate: 0.34%;
For the discount rate, the iBoxx corporate AA10+ at year-end is used;
- Salary escalation rate: 0.8%;
- Recognition of a contingent annuity.

In 2003, PHARMAGEST INTERACTIVE decided to partially outsource contingencies for retirement severance benefits. The amount of the provision represents the remaining contingency (gross commitments less hedged assets, which amounted to €1,174 thousand at 31/12/2020).

The variation and sensitivity tests are in Section 18.1.6.6 – Note 11.1 of the Universal Registration Document.

Stock options

PHARMAGEST INTERACTIVE does not recognise a provision for stock options. It acquired 195,510 treasury shares at an average price of €19.89 in 2014. This number of shares represents the actual exercise of options under the plan. Accordingly, PHARMAGEST INTERACTIVE considers it reasonable not to set aside provisions for this item. For further information, please see Section 18.1.6.6 - Note 10.2.2. to the consolidated financial statements.



NOTE 9. - Payables

9.1. Statement of payables

In € thousands	31/12/2020				31/12/2019
	Gross amount	Less than 1 year	More than 1 year	More than 5 years	Gross amount
Bank borrowings ⁽¹⁾	35	35	0	0	276
Miscellaneous financial liabilities	33,840	6,565	23,529	3,745	26,314
Advances and prepayments, credit notes payable	422	422	0	0	366
Trade payables	9,758	9,758	0	0	10,418
Tax and social security payables	14,465	14,465	0	0	15,217
Amounts due to Group companies and shareholders ⁽²⁾	27,791	27,791	0	0	26,077
Other payables	3,129	3,129	0	0	1,181
Deferred revenue	286	286	0	0	404
TOTAL	89,725	62,451	23,529	3,745	80,253

⁽¹⁾ Bank credit balances.

⁽²⁾ Since 2015, PHARMAGEST INTERACTIVE has implemented cash pooling agreements with its main banks to optimise cash flow.

PHARMAGEST has no debt represented by commercial paper.

9.2. Accrued expenses included in balance sheet items

Accrued expenses - In € thousands	31/12/2020	31/12/2019
Bank borrowings	6	2
Other borrowings and financial liabilities	0	0
Trade payables	2,324	2,077
Tax and social security payables	11,151	10,913
Other payables	129	1,149

9.3. Deferred revenue

This section contains only ordinary prepaid income relating to the normal operations of the company. This concerns mainly training sessions billed to customers at 31 December 2020 not yet completed on this date. Their amount decreased from €404 thousand in 2019 to €286 thousand in 2020.

NOTE 10. - Revenue

Breakdown of revenue - In € thousands	31/12/2020	31/12/2019
Revenue from configurations	58,291	57,790
Revenue from maintenance and services	33,188	32,056
Revenue from training services and new products	9,702	11,189
Revenue from other services, including e-advertising	2,021	1,891
TOTAL	103,202	102,926
Revenue in France	100,862	102,146
Exports and intra-Community supplies	2,340	780



NOTE 11. - Other operating income

In € thousands	31/12/2020	31/12/2019
Subsidies	25	142
Capitalised production	0	0
Reversals of amortisation, depreciation and provisions	764	845
Expense reclassifications ⁽¹⁾	3,339	3,249
Other income	2,298	2,212
TOTAL	6,425	6,449

⁽¹⁾ Expense reclassifications relate to:

- Rebilling staff costs to other PHARMAGEST Group and WELCOOP GROUP companies in the amount of €876 thousand;
- Rebilling services to other PHARMAGEST Group and WELCOOP GROUP companies in the amount of €1,825 thousand;
- Reimbursement of staff costs (including vehicle expenses) in the amount of €439 thousand;
- Repayment of structural expenditures in the amount of €198 thousand.

NOTE 12. - Staff costs

12.1. Breakdown of staff costs

In € thousands	31/12/2020	31/12/2019
Salaries and wages	28,456	28,152
Social security contributions	11,397	11,006
Other staff costs	2,165	2,079
TOTAL	42,019	41,239

12.2. Compensation of directors and officers

Corporate governance bodies received gross compensation in the amount of €488 thousand in 2020. The amounts received include PHARMAGEST INTERACTIVE and controlled companies.

There is no pension commitment outside those accounted for. The amount paid pursuant to Article 83 for managers totalled €52 thousand.

No advances or loans were granted to members of management bodies by PHARMAGEST INTERACTIVE and controlled companies.

Furthermore, the provision for retirement severance benefits includes €197 thousand for members of governing bodies.

12.3. Workforce

Actual workforce at 31/12/2020	Salaried employees	Seconded personnel ⁽¹⁾
Management employees	340	0
Supervisors / Senior technicians	35	0
Employees	379	0
TOTAL	754	0

⁽¹⁾ Personnel seconded to PHARMAGEST INTERACTIVE.



NOTE 13. - Net exceptional items

In € thousands	31/12/2020	31/12/2019
Exceptional income	598	1,132
Income from non-capital transactions	0	0
Net proceeds from disposals	338	518
Allowances for provisions	0	0
Other exceptional income	260	614
Exceptional expenses	475	1,298
Income from non-capital transactions	0	1
Net proceeds from disposals	384	1,216
Allowances for provisions	0	0
Other operating expenses	91	82

Net exceptional items concern mainly the disposal of fixed assets. These were not material.

NOTE 14. - Tax expense

14.1. Tax group

A tax consolidation group was formed on 1 January 2015, with PHARMAGEST INTERACTIVE as the parent. At 31/12/2020, this French tax group includes PHARMAGEST INTERACTIVE as the parent company and DIATELIC, its subsidiary. Under the French tax consolidation agreement, the tax is calculated in each subsidiary as if no tax consolidation existed, in accordance with the principle of neutrality, and the profits and losses of the tax consolidation are recognised by the parent company, PHARMAGEST INTERACTIVE.

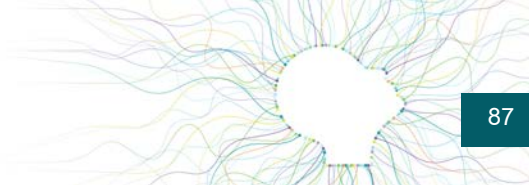
14.2. Breakdown of income tax payable by PHARMAGEST INTERACTIVE companies

In € thousands	Profit before tax	Tax	Net profit after tax
Current operating income	26,025	-6,624	19,401
Net exceptional items	123	-43	81
Employee profit-sharing	-2,094	574	-1,520
Tax credit	0	17	17
Social contribution	0	-168	-168
Contribution on dividends	0	0	0
Settlement of corporate income tax N-1	0	39	39
Tax group	0	243	243
Accounting profit	24,055	-5,961	18,092

14.3. Impact of exceptional tax assessments (€ thousands)

Net profit (loss) of the period	18,092
Corporate income tax	5,961
Income before tax	24,053
Change in tax-based provisions ⁽¹⁾	-91
Earnings before tax, excluding exceptional tax assessments	23,962

⁽¹⁾ Accelerated depreciations of acquisition-related costs.



14.4. Increases and reductions in future tax liabilities

Type - In € thousands	31/12/2019		Change		31/12/2020	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Provisions not deductible in the year of recognition	0	2,188	2,188	2,221	0	2,221
<i>Employee profit-sharing</i>	0	2,050	2,050	2,080	0	2,080
<i>Social solidarity contribution</i>	0	137	137	141	0	141
<i>Non-deductible provisions</i>	0	0	0	0	0	0
Provisions for retirement severance payments	0	3,798	0	575	0	4,373
TOTAL	0	5,984	2,188	2,796	0	6,594

In € thousands	Amount	Tax expense
Increases:		
Tax-driven provisions	0	0
Grants to be added back in income	0	0
Decreases:		
Provisions not deductible in the year of recognition	2,221	622
Provisions for retirement severance payments	4,373	1,224
Total operating losses carried forward	0	0
Total deferred amortisation and depreciation expenses	0	0
Total long-term capital losses	0	0

NOTE 15. - Other information

15.1. Identity of PHARMAGEST INTERACTIVE's consolidating parent company

LA COOPERATIVE WELCOOP – 5 allée de Saint-Cloud – 54600 VILLERS-LÈS-NANCY (SIREN: 754 801 348).

15.2. Information concerning affiliates

No material related-party transactions (other than those with wholly-owned subsidiaries) exist that have not been entered into on an arm's length basis.

PHARMAGEST INTERACTIVE and its subsidiaries do not discount trade receivables.

15.3. Off-balance sheet commitments

In € thousands	31/12/2020	31/12/2019
Counter-guarantees on contracts	0	0
Transferred receivables not past due	0	0
Pledges, mortgages and security interests on property	0	0
Endorsements, surety and guarantees given	0	0
Other commitments given (incl. tax)	9,464	8,079
TOTAL	9,464	8,079

Off-balance sheet commitments do not concern directors, subsidiaries, companies in which PHARMAGEST INTERACTIVE has an interest, and other related companies.



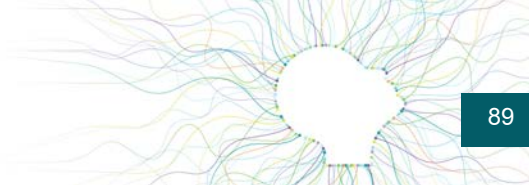
Contractual obligations - In € thousands	Total incl. tax	Payments due by period		
		Less than 1 year	1 to 5 years	More than 5 years
Long-term financial liabilities	0	0	0	0
Finance leases	0	0	0	0
Operating leases	2,073	1,115	958	0
Property leases	7,391	1,538	4,054	1,799
Other long-term obligations	0	0	0	0
TOTAL	9,464	2,652	5,012	1,799

Other commercial commitments - In € thousands	Total incl. tax	Total commitments per period		
		Less than 1 year	1 to 5 years	More than 5 years
Credit lines	None			
Letters of credit	None			
Guarantees	None			
Redemption obligations	None			
Other social commitments	None			
TOTAL	None			

As at the reporting date of 31 December 2020, PHARMAGEST Group is not aware of any significant off-balance sheet commitments other than those set out above.

15.4. Subsequent events

- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of DIATELIC and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE.
- Acquisition of a 100% controlling interest by PHARMAGEST INTERACTIVE in ADI to strengthen its distribution network in the Ile-de-France region.



15.5. Subsidiaries and associates

SUBSIDIARIES AND ASSOCIATES									
Companies - In € thousands	Share capital	Equity other than share capital (excluding profit of the period)	Percentage of capital held	Gross value of securities held (net value)	Outstanding loans and advances	Guarantees and sureties given by the Company	Sales in past financial year	Net profit or loss in past financial year	Dividends received by the Company during the year
1. Detailed information on affiliates whose carrying amounts exceeds 1% of the capital of the Company required to publish its financial statements									
<i>A. Subsidiaries (at least 50% owned)</i>									
ADI 4 rue René Razel Le Diamant 91400 SACLAY	48	350	50.00%	352			5,743	677	366
ASCA INFORMATIQUE 16 rue des quilles 77700 CHESSY	15	966	100.00%	16,000			10,453	1,560	
CAREMEDS Unit 5 Brickfield Trading Estate, Brickfield Lane, Chandlers Ford, EASTLEIGH (England)	/	858	51.82%	1,214			1,412	465	49
DIATELIC 5 allée de Saint Cloud 54600 VILLERS-LÈS-NANCY	37	-1,813	100.00%	478	3,783		157	-765	
EHLS 5 allée de Saint Cloud 54600 VILLERS-LÈS-NANCY	144	4,809	100.00%	4,690			25,839	1,119	930
HDM ⁽¹⁾ 33 Edith Cavell Street PORT LOUIS (Mauritius)	30	99	100.00%	30			0	42	
HEALTHLEASE 1 bis rue de Havre 75008 PARIS	1,000	1,018	100.00%	1,407			43,922	1,888	1,830
KAPELSE 5 allée de Saint Cloud 54600 VILLERS-LÈS-NANCY	1,000	9,392	75.00%	2,160			12,550	5,057	1,500
MALTA INFORMATIQUE 9 rue de Montgolfier 33700 MERIGNAC	200	15,013	100.00%	186			12,393	3,854	
MULTIMEDS 1C Quinsboro Rd, BRAY, Co. Wicklow (Ireland)	/	298	51.00%	510			1,034	265	41
NANCEO 1 bis rue de Havre 75008 PARIS	1,000	661	70.00%	700			21,592	244	
PHARMAGEST ITALIA 26 Strada Cluentina 62100 MACERATA (Italy)	1,000	12,797	82.50%	19,163			6,953	390	
PHARMAGEST LUXEMBOURG Rue d'Arlon 2 L-8399 WINDHOF (Luxembourg)	39	1,110	100.00%	3,490	53		16	-12	



SUBSIDIARIES AND ASSOCIATES									
Companies - In € thousands	Share capital	Equity other than share capital (excluding profit of the period)	Percentage of capital held	Gross value of securities held (net value)	Outstanding loans and advances	Guarantees and sureties given by the Company	Sales in past financial year	Net profit or loss in past financial year	Dividends received by the Company during the year
1. Detailed information on affiliates whose carrying amounts exceeds 1% of the capital of the Company required to publish its financial statements									
SAILENDRA 5 allée de Saint Cloud 54600 VILLERS-LÈS-NANCY	404	-909	84.63%	342	1,163		96	-308	
<i>B. Equity interests (10% to 50%-held by the company)</i>									
BGM INFORMATIQUE 16 rue des quilles 77700 CHESSY	60	13	29.20%	607			1,076	171	
GROUPE DOMEDIC 102-3236 chemin St-Louis - QUEBEC (QC) G1W 1S2 (Canada)	3,672	-4,065	28.32%	1,389	43		249	-525	
EMBLEEMA 214 /W29 3 RD FI 10001 NEW YORK (USA)	3,338	-2,293	13.89 %	2,650			81	-712	
NOVIATEK Rue de la Paix 13 L-3871 SCHIFFLANGE (Luxembourg)	250	-154	40.00%	100	744		0	-210	
PHARMATHEK 43 via Enrico Fermi 37136 VERONA (Italy)	39	7,455	49.00 %	7,140			11,925	423	
<i>A. Subsidiaries not listed in paragraph 1:</i>									
a) French subsidiaries (total)									
b) Foreign subsidiaries (total)									
<i>B. Equity interests not listed in paragraph 1:</i>									
a) In French companies (total)									
TOTAL	12,276	45,605	/	62,606	5,786	0	155,491	13,623	4,716

⁽¹⁾ Operating income



18.1.6. PHARMAGEST Group consolidated financial statements (IFRS)

18.1.6.1. Balance sheet (IFRS)

Statement of financial position – Assets – In € thousands	Notes	31/12/2020	31/12/2019
Non-current assets			
Intangible assets	3.4.1/2	36,628	29,964
Goodwill	3.4.1/2	65,551	49,790
Property, plant and equipment	4.1/2	27,456	19,491
Non-current financial assets	6.1	44,501	50,723
Equity-accounted investments	2.1.2	8,431	7,763
Deferred tax assets	9.2.2	2,337	2,795
Total non-current assets		184,904	160,527
Current assets			
Inventory and work-in-progress	7.5	6,777	4,441
Trade receivables	7.4	31,767	34,565
Other receivables	7.4	9,047	7,959
Current financial assets	6.2	29,651	29,242
Cash and cash equivalents	6.3	33,630	21,366
Total current assets		110,873	97,573
TOTAL		295,777	258,100

Statement of financial position – Equity and Liabilities – In € thousands	Notes	31/12/2020	31/12/2019
Shareholders' equity			
Share capital		3,035	3,035
Consolidated reserves		109,508	96,175
Profit for the year		30,714	28,403
Equity attributable to equity holders of the parent		143,257	127,613
Reserves attributable to non-controlling interests		3,745	2,341
Net income attributable to non-controlling interests		1,951	1,958
Non-controlling interests		5,696	4,299
Total shareholders' equity (consolidated group)	10	148,953	131,911
Non-current liabilities			
Non-current provisions	11.1	5,264	4,577
Long-term financial liabilities	6.4	55,010	47,480
Deferred tax liabilities	9.2.2	855	635
Other long-term financial liabilities	7.6	4,329	1,347
Total non-current liabilities		65,458	54,040
Current liabilities			
Short-term provisions	11.1	252	338
Current portion of long-term debt	6.4	16,804	9,996
Trade payables	7.6	14,214	13,363
Current taxes	7.6	787	867
Other current borrowings	7.6	49,309	47,585
Total current liabilities		81,366	72,149
TOTAL		295,777	258,100



18.1.6.2. Consolidated statement of profit or loss (IFRS)

Income statement - In € thousands	Notes	31/12/2020	31/12/2019
Revenue	7.1	171,754	158,569
Other revenue from ordinary activities		0	0
Operating income subtotal		171,754	158,569
Cost of sales		-32,237	-29,921
Staff costs		-60,854	-56,309
Purchases and external costs		-20,212	-20,401
Taxes other than on income		-3,479	-2,983
Allowances for depreciation and amortisation	7.7	-9,015	-7,444
Allowances for provisions	7.7	-126	-654
Other income and expenses		819	-8
Operating expenses subtotal		-125,105	-117,719
Current operating income		46,649	40,849
Other operating income		0	0
Other operating expenses		-515	-0
Operating profit		46,134	40,849
Income from cash and cash equivalents ⁽¹⁾	6.5	1,340	1,266
Cost of gross financial debt ⁽¹⁾	6.5	-571	-503
Cost of net financial debt ⁽¹⁾		769	763
Other financial income and expenses ⁽¹⁾	6.5	-959	730
Income tax expense		-13,397	-13,307
Negative goodwill		0	0
Share of profits and losses of equity-accounted investments		119	-63
Profit/(loss) from continuing operations		32,666	28,972
Profit/(loss) from discontinued operations		0	1,389
Net profit (loss) of the period		32,666	30,361
Attributable to equity holders of the parent		30,714	28,403
Attributable to non-controlling shareholders		1,951	1,958
Basic earnings per share attributable to equity holders of the parent	10.4	2.04	1.89
Diluted earnings per share attributable to equity holders of the parent	10.4	2.02	1.87

⁽¹⁾ In the 2019 comparison, the presentation of net financial income (expense) by heading has been reviewed and adjusted in relation to figures presented on a reported basis for 2019.

18.1.6.3. Statement of comprehensive income - In € thousands

Statement of comprehensive income - In € thousands	31/12/2020	31/12/2019
Net profit	32,666	30,361
Items that will be subsequently recycled through profit or loss		
Translation differences	-54	44
Remeasurement of hedging instruments	0	0
Remeasurement of available-for-sale financial assets	0	0
Related taxes	0	0
Other comprehensive income items that cannot be reclassified into net profit or loss		
Remeasurement of fixed assets	0	0
Remeasurement/actuarial gains and losses from defined benefit plans	-176	-7
Stock-option expenses in the period	26	0
Related taxes	44	2
Total gains and losses recognised directly in equity	-161	39
Net profit/(loss) and gains and losses recognised directly in equity	32,505	30,400
Net profit/(loss) and gains and losses recognised directly in equity – Attributable to equity holders of the parent	30,580	28,427
Net profit/(loss) and total gains and losses recorded directly in equity – Attributable to non-controlling interests	1,925	1,973
Net income and gains and losses recognised directly in equity (attributable to the equity holders of the parent) – basic earnings per share	2.16	1.89
Net profit/(loss) and gains and losses recognised directly in equity (attributable to the equity holders of the parent) – diluted earnings per share	2.14	1.87



18.1.6.4. Consolidated statement of cash flows (IFRS)

Consolidated cash flow statement – In € thousands	31/12/2020	31/12/2019
I. Operating and investing activities		
Operating profit	46,134	40,849
Net amortisation, depreciation and provisions excluding tax and financial items	9,167	7,938
Other estimated expenses, excluding financial items	26	-0
Capital gains or losses on disposals of fixed assets	156	114
Other adjustments	-0	-0
Operating cash flows	55,483	48,902
Cost of gross financial debt, interest payments	-571	-414
Tax payments	-12,887	-12,728
Cash flow after interest and taxes	42,025	35,759
Change in inventories	-702	762
Change in trade receivables	4,458	-1,992
Change in trade payables	-1,215	966
Change in other receivables and payables	2,643	5,170
Change in working capital	5,184	4,906
Net cash flows from operating activities	47,208	40,665
Acquisitions of intangible assets and property, plant and equipment	-19,674	-17,008
Disposals of intangible assets and property, plant and equipment	18	524
Deposit guarantees and other operating cash flows	49	148
Capital expenditures	-19,607	-16,336
Net cash flows from operating and investing activities	27,601	24,329
II. Financial investments		
Acquisitions of financial investments	-0	-2,650
Disposals of financial investments	0	0
Impact of acquisitions and disposals of investments in non-consolidated companies ⁽¹⁾	-19,529	-14,118
Net cash flows from (used in) financial investments	-19,529	-16,768
III. Equity capital transactions		
PHARMAGEST INTERACTIVE capital increases	0	0
Capital increases subscribed by minority shareholders	0	0
Purchases and disposals of PHARMAGEST INTERACTIVE shares (treasury shares)	856	243
Dividends received from equity-accounted investees	0	0
Dividends paid by PHARMAGEST INTERACTIVE	-13,549	-12,761
Dividends paid by consolidated subsidiaries to minority shareholders	-952	-736
Acquisitions and disposals of non-controlling interests	0	0
Net cash from (used in) capital transactions	-13,645	-13,254
IV. Cash flow from financing activities		
Issuance or subscription of borrowings and financial debt	22,155	15,350
Repayment of borrowings and other financial debt	-11,564	-8,836
Acquisition and disposal of financial investments (available-for-sale securities/other financial assets)	5,872	-13,200
Income from cash and cash equivalents	1,340	1,934
Net cash from financing activities	17,803	-4,752
IV. Impact of translation adjustments/financial instruments and other financial income/expenses	-34	-31
Change in net cash	12,196	-10,476
Opening cash at bank and in hand	21,366	32,569
Opening short-term bank facilities and overdrafts	344	1,071
Closing cash at bank and in hand	33,630	21,366
Closing short-term bank facilities and overdrafts	411	344
Change in net cash	12,196	-10,476

⁽¹⁾ The line item "Impact of acquisitions and disposals of investments in consolidated companies" includes cash contributions of €2,275 thousand from acquisitions completed in the period (investments are accordingly presented net of acquired cash), including capital increases.

18.1.6.5. Statement of changes in equity (IFRS)

Statement of changes in equity - In € thousands	Attributable to the equity holders of the parent					Attributable to non-controlling interests	Total shareholders' equity
	Share capital	Reserves and consolidated income	Treasury shares	Gains and losses recognised directly in equity	Attributable to equity holders of the parent		
Shareholders' equity at 31/12/2018	3,035	116,587	-4,900	-875	113,847	3,204	117,051
Changes in accounting methods		-12			-12		-12
Shareholders' equity at 01/01/2019	3,035	116,575	-4,900	-875	113,835	3,204	117,039
Equity capital transactions		-452			-452		-452
Share-based payments							0
Transactions in own shares			243		243		243
Dividends		-12,761			-12,761	-827	-13,588
Net profit (loss) of the period		28,403			28,403	1,958	30,361
Income and expense recognised directly in equity				24	24	15	39
Net profit/(loss) and gains and losses recognised directly in equity		28,403		24	28,427	1,973	30,400
Other		-1,679			-1,679	-52	-1,731
Changes in consolidated Group structure							0
Changes in holdings of subsidiaries without loss of control							0
Shareholders' equity at 31/12/2019	3,035	130,086	-4,657	-851	127,613	4,299	131,911
Changes in accounting methods							0
Shareholders' equity at 01/01/2020	3,035	130,086	-4,657	-851	127,613	4,299	131,911
Equity capital transactions							0
Share-based payments							0
Transactions in own shares			856		856		856
Dividends		-13,549			-13,549	-528	-14,077
Net profit (loss) of the period		30,714			30,714	1,951	32,666
Income and expense recognised directly in equity				-134	-134	-26	-160
Net profit/(loss) and gains and losses recognised directly in equity	0	30,714	0	-134	30,580	1,925	32,505
Other							0
Changes in consolidated Group structure		-2,243			-2,243		-2,243
Changes in holdings of subsidiaries without loss of control							0
Shareholders' equity at 31/12/2020	3,035	145,008	-3,801	-985	143,257	5,696	148,953



18.1.6.6. Notes to the consolidated financial statements

The statement of financial position shows total assets of €295,777 thousand and net comprehensive income of €32,505 thousand.

NOTE 1. - Accounting principles

1.1. Applicable texts and statement of compliance

1.1.1. Changes in accounting standards in 2020

PHARMAGEST Group's annual consolidated financial statements at 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as published by the IASB and approved by the European Union (published in the OJEU).

The accounting principles applied are identical to those applied by PHARMAGEST Group to prepare the financial statements at 31 December 2019, with the exception of the following standards, amendments and interpretations mandatory as of 1 January 2020:

- **Amendments to IFRS 3** regarding the definition of a business;
- **Amendments to IFRS 1 and IAS 8** regarding the definition of "material";
- **Amendments to IFRS 9, IAS 39 and IFRS 7** relating to the interest rate benchmark reform;
- **Amendment to IFRS 16** on Covid-19-related rent concessions;
- **Amendments to the conceptual framework for IFRS.**

The Group is not concerned by the new standards issued or amendments thereto and applicable as from 1 January 2020.

The impact of IFRS 16 on the PHARMAGEST Group's financial statements depends on the composition of the portfolio of leases, interest rates applied to discount future payments as well as estimates of the length of each of these leases (including options for cancellation or renewal when it is greatly certain they will be exercised).

1.1.2. Standards, amendments and interpretations with mandatory application as at 1 January 2021

The standards applicable to PHARMAGEST Group as of 1 January 2021 are:

- **Amendments to IFRS 4** - Insurance contracts;
- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16** relating to the interest rate benchmark reform.

These texts were not early-adopted at 31 December 2020, where authorised by the texts.

Application of these standards had no material impact on PHARMAGEST Group's consolidated financial statements.

1.1.3. Other changes to standards effective after 1 January 2021

PHARMAGEST Group formed working groups in 2021 and will continue to assess the impacts of application of the following standards:

- **IFRS 17 and amendments thereto** relating to insurance policies;
- **Amendments to IFRS 10 and IAS 28** on sales or contributions of assets between the Group and its equity-accounted entities;
- **Amendments to IAS 1** and presentation of financial statements - classification of liabilities as current or non-current;
- **Amendments to IAS 16** on property, plant and equipment - Proceeds before intended use;
- **Amendments to IFRS 3** updating the reference to the conceptual framework;
- **Amendments to IAS 37** clarifying which costs should be taken into account to determine if a contract is onerous;
- **Annual Improvements to IFRSs 2018-2020 cycle.**



1.2. Presentation of the financial statements

1.2.1. Statement of profit or loss

PHARMAGEST Group's primary activities are the design of specialised management software for dispensing pharmacies and the turnkey distribution of its computer solutions. Operating profit for the period was generated by our recurring and non-recurring, main and accessory business.

"Other operating income and expenditure" includes items of profit/(loss) which, by their nature, amount or frequency, may not be considered as part of PHARMAGEST Group's activities and operating profit. Specifically, these items are impairments of brands and goodwill. This line also includes, if they are significant and non-recurring, the effects of changes in scope, capital gains or losses on disposals of fixed assets, restructuring costs, legal fees incurred for disputes, or any other non-current income or expenditure liable to affect operating profit comparisons between one period and another.

1.2.2. Cash flow statement

Changes in cash flow arising from operating activities are determined on the basis of operating profit, adjusted for transactions with no impact on cash.

Note that repayable advances received for R&D projects are presented on aggregate under "Other receivables and payables" in net cash generated by (used in) operating activities.

1.3. Basis for valuation, judgements and use of estimates

The financial statements were prepared according to the historical cost method, with the exception of some financial instruments measured at fair value.

The preparation of the financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, to assess positive and negative contingencies on the closing date and income and expenses for the year.

Significant estimates made by PHARMAGEST Group when preparing its financial statements relate to the recoverable amount of intangible assets, including development expenditures and goodwill as indicated in Note 5 to the consolidated financial statements.

Due to the uncertainties inherent in any valuation process, PHARMAGEST Group regularly reviews its estimates based on updated information.

In addition to using estimates, PHARMAGEST Group management exercised its judgement to define the appropriate accounting treatment of certain activities and transactions where the IFRS standards and interpretations in force do not specifically deal with the relevant accounting issues.

NOTE 2. - Consolidated companies

2.1. Basis of consolidation

PHARMAGEST Group applies the full consolidation method and the equity method:

Full consolidation

This method is used for companies in which it is exposed or entitled to variable returns and in which it has the capacity to influence these returns because of the Group's decision-making rights (in terms of financial and operating policies) in these companies.

All PHARMAGEST Group transactions and inter-company positions are eliminated for fully consolidated companies.



Equity method of accounting

The equity method applies to associates in which PHARMAGEST Group exercises significant influence, which is presumed where the percentage of voting rights is higher than or equal to 20%. According to this method, PHARMAGEST Group recognises the "share of net profit/(loss) from equity-accounted entities" on a specific line in the consolidated profit and loss statement.

The fiscal year of all consolidated companies coincides with their calendar year except for those created or acquired in the period. The balance sheets and income statements of PHARMAGEST Group companies used are those available at 31 December 2020.

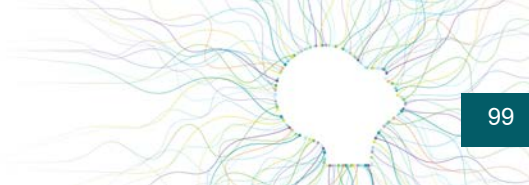
2.1.1. Fully consolidated companies

Company	Registered office	Controlling interest (%)	Ownership interest (%)
PHARMAGEST INTERACTIVE	Villers-lès-Nancy (54)	Consolidating company	
ADI ⁽¹⁾	Saclay (91)	50	50
ASCA INFORMATIQUE	Chessy (77)	100	100
AXIGATE	Paris (75)	100	100
CAREMEDS	Eastleigh (England)	51.82	51.82
DIATELIC	Villers-lès-Nancy (54)	100	100
DICSIT INFORMATIQUE	Villers-lès-Nancy (54)	100	100
EHLS	Villers-lès-Nancy (54)	100	100
HDM	Port Louis (Mauritius)	100	100
HEALTHLEASE	Paris (75)	100	100
I-MEDS	Schwarzach am Main (Germany)	60	31.09
INTERNATIONAL CROSS TALK	Aubière (63)	100	100
KAPELSE	Villers-lès-Nancy (54)	75	75
MALTA BELGIUM	Gosselies (Belgium)	100	100
MALTA INFORMATIQUE	Mérignac (33)	100	100
MULTIMEDS	Wicklow (Ireland)	51	51
NANCEO	Paris (75)	70	70
NOVIA SEARCH	Florange (57)	100	67.97
NOVIATEK	Schifflange (Luxembourg)	79.97	67.97
PANDALAB	Nancy (54)	56.27	56.27
PHARMAGEST BELGIUM	Gosselies (Belgium)	100	100
PHARMAGEST ITALIA	Macerata (Italy)	82.50	82.50
PHARMAGEST LUXEMBOURG	Windhof (Luxembourg)	100	100
SAILENDRA	Villers-lès-Nancy (54)	84.63	84.63
SCI HUROBREGA	Quéven (56)	100	100
SEAA	Chessy (77)	100	100
SVEMU INFORMATICA FARMACEUTICA	San Marco dei Cavoti (Italy)	80	66

⁽¹⁾ Given the economic and contractual relationship between PHARMAGEST INTERACTIVE and ADI (which distributes LGPI Global Services® products), and the control of the company (equal distribution of Board members, Chairman's appointment subject to the express agreement of PHARMAGEST Group), ADI which is 50%-owned, is fully consolidated.

2.1.2. Equity-accounted subsidiaries

Company	Registered office	Controlling interest (%)	Ownership interest (%)
BGM INFORMATIQUE	Chessy (77)	29.20	29.20
GROUPE DOMEDIC	Quebec (Canada)	28.32	28.32
PHARMATHEK	Verona (Italy)	49.00	49.00



BGM INFORMATIQUE is a wholesale distributor (B2B) of computers, IT peripherals and software. BGM INFORMATIQUE is the historical commercial agent of LGPI Global Services® for the Paris region. On 31 December 2020, the financial position showed an annual profit excluding an allowance for severance payments of €171 thousand (€166 thousand including this allowance) with positive net equity of €243 thousand. Net equity excluding the allowance for severance payments amounted to €166 thousand. PHARMAGEST Group considers that it does not have significant influence.

GROUPE DOMEDIC's (Canadian company) corporate purpose is to improve the quality of life of people with health problems requiring regular medical treatment. GROUPE DOMEDIC develops products to support people who are aware of the importance for their health of closely monitoring their medical treatments.

As at 31 December 2020, it reported a loss of CAD 799 thousand with a negative net equity of CAD 1,398 thousand.

PHARMAGEST Group considers that it does not have significant influence.

PHARMATHEK (Italian company) is specialised in designing, developing and installing pharmacy automation systems. As at 31 December 2020, it showed a profit of €465 thousand with positive net equity of €7,443 thousand.

PHARMAGEST Group considers that it does not have significant influence. This is because the rules of governance specify that decisions relating to ordinary operations are made on the basis of a simple majority (i.e. are possible without the agreement of the Directors), and on that basis, in particular the Chairman is selected on the basis of a simple majority. PHARMAGEST INTERACTIVE does not possess veto power except with respect to strategic decisions.

Balance sheet items - In € thousands	Gross value at 31/12/2019	Increases	Decrease	Reclassifications	Translation adjustments	Change in consolidation scope	Gross value at 31/12/2020
Equity-accounted investments ⁽¹⁾	7,763	269	-150	-65	5	607	8,431

⁽¹⁾ Equity-accounted investments are measured in reference to restated equity and goodwill.

In € thousands	Shareholders' equity	Restated shareholders' equity	Equity attributable to the Group	Net goodwill	Equity method of accounting
BGM INFORMATIQUE	166	185	54	566	620
GROUPE DOMEDIC	-894	-721	-208	603	395
PHARMATHEK	7,442	7,442	3,647	3,769	7,416
TOTAL					8,431

2.1.3. Non-controlling interests

Pursuant to IFRS 12, please note that subsidiaries with non-controlling interests are not significant relative to the Group's financial aggregates. As a result, their financial data is not presented in the notes to PHARMAGEST Group's financial statements.

PHARMAGEST Group has not identified material restrictions on interests held in its subsidiaries.

2.1.4. Non-consolidated companies

There are no ad hoc entities in PHARMAGEST Group.



2.2. Changes in the scope of consolidation

2.2.1. Changes in consolidation scope in the period

- Acquisition by PHARMAGEST INTERACTIVE of the shares of a minority shareholder KAPELSE, increasing the shareholding of PHARMAGEST INTERACTIVE to 75%.
- Acquisition of a 56.27% majority stake by MALTA INFORMATIQUE in PANDALAB, a company specialised in secure and instant messaging solutions for healthcare professionals.
- Acquisition by PHARMAGEST INTERACTIVE of 100% of ASCA INFORMATIQUE, specialized in software publishing for systems and networking applications. ASCA INFORMATIQUE owns 100% of the capital of SEAA, specialised in the wholesale distribution (B2B) of electronic and telecommunications components and equipment.
- Acquisition by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of DIATELIC, increasing its shareholding to 100%.
- MALTA INFORMATIQUE acquires the shares of ICT Group's minority shareholders, increasing its stake to 100%.
- Liquidation of UK PHARMA.
- Acquisition by PHARMAGEST INTERACTIVE of a 29.20% minority stake in BGM INFORMATIQUE, a wholesale-distributor (B2B) of computers, IT peripherals and software.
- Merger of the companies HAPPY HEALTH ORGANIZER and SOPHIA SANTE into INTERNATIONAL CROSS TALK (ICT).
- Acquisition by PHARMAGEST INTERACTIVE of the shares of four minority shareholders of SAILENDRA, increasing its shareholding to 84.63%.
- Disposal of 30% of NANCEO securities without loss of control.

These combinations were recognised on a definitive basis.

Due to the limited impact of changes in scope and the application of new standards, no pro forma financial statements were produced.

2.2.2. Changes in consolidation scope in the previous period

- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of CP INTERACTIVE and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE;
- Company name change from SABCO to PHARMAGEST LUXEMBOURG;
- Company name change from SABCO SERVICES to PHARMAGEST BELGIUM;
- PHARMAGEST INTERACTIVE acquired a 13.89% minority equity stake in EMBLEEMA;
- Sale (100%) of INTECUM by PHARMAGEST INTERACTIVE to PHARMATHEK;
- Subscription by PHARMAGEST INTERACTIVE to a capital increase of the Italian company PHARMATHEK in the amount of 49%;
- Completion of the mergers of INFARMA, INSERVICE, MACROSOFT, MACROSOFT BUILDING and TEKNEMA with PHARMAGEST ITALIA;
- Acquisition of additional shares of PHARMAGEST ITALIA, bringing PHARMAGEST INTERACTIVE's share in the capital to 82.5% from 79%;
- Acquisitions of majority stakes by MALTA INFORMATIQUE of 70% in the capital of INTERNATIONAL CROSS TALK, 100% in HAPPY HEALTH ORGANIZER and 100% in SOPHIA SANTE;
- Acquisition by CAREMEDS of 60% in the capital of the German company I-MEDS;
- Creation of MALTA BELGIUM, a wholly-owned subsidiary of MALTA INFORMATIQUE;
- Liquidation of WELFINITY GROUP;
- Liquidation of DOMEDIC EUROPE;
- Acquisition of a majority stake by PHARMAGEST INTERACTIVE of 80% in the capital of the Italian company, SVEMU INFORMATICA FARMACEUTICA.

These combinations were recognised on a definitive basis.

Due to the limited impact of changes in scope and the application of new standards, no pro forma financial statements were produced.



NOTE 3. - Intangible assets

3.1. Goodwill

When a company is acquired, its assets, liabilities and contingent liabilities are measured at fair value on the acquisition date.

Fair value adjustments of assets and liabilities must be made within 12 months of the acquisition date.

The difference between the cost of acquisition whereby control is acquired and PHARMAGEST Group's share in the fair value of these assets, liabilities and contingent liabilities is recognised under goodwill.

The takeover cost is the price paid by PHARMAGEST Group for the acquisition, or an estimate of this price if the transaction does not involve any payment in cash, excluding acquisition costs, which are posted under operating expenses.

IFRS 3 (revised) introduced an obligation to take account of the fair value of contingent payments in the cost of the price paid.

When a company is acquired via successive transactions, fair value adjustments are made to shares held prior to the takeover and the change in value is booked as income.

From 1 January 2010, pursuant to IAS 27 (revised), (material) transactions with non-controlling interests after the acquisition-date only affect equity as if they were transactions between shareholders.

Goodwill is not amortised but tested for impairment at the end of the year, or more often where there is evidence of losses of value. The procedures used for conducting impairment tests are describe in Note 5.1 to the consolidated financial statements.

Went not material, goodwill is automatically reversed and written back to operating income.

3.2. Research and development expenditures

In accordance with IAS 38 "Intangible Assets", research and development expenditure is expensed in the period incurred, with the exception of development costs when all of the following conditions have been met:

- The project is clearly defined and the corresponding expenditure is separately identifiable;
- The technical feasibility of the project has been demonstrated;
- PHARMAGEST Group has the intention to complete the project and use or sell the asset;
- There is a potential market for developments resulting from the project or its usefulness in-house has been demonstrated. Thus, where a new module is developed on an existing software, its development costs are recognised as assets, provided that it makes it possible to address new customers not currently covered or address a new need;
- There are resources available to complete the project.

See Note 3.4.1 of the consolidated financial statements for the measurement on 31 December 2020.

Capitalised development expenditures are amortised over the estimated useful life of the corresponding projects and tested for impairment when there is an indication of loss

Development expenditures in progress (not yet amortised) are tested for impairment at the end of the reporting period.

The procedures used for conducting impairment tests are describe in Note 5.2 to the consolidated financial statements.

3.3. Other intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance that must be both identifiable and controlled by the company as a result of past events and must provide an expectation of future financial benefits. An asset can be identified as intangible if it is separable from the acquired entity or if it arises from legal or contractual rights.

Intangible assets with determinable useful lives are amortised on a straight-line basis over periods that correspond to their expected useful life.

Intangible assets	Useful life	Amortisation method
Customer relations	According to contract features	Straight-line
Software acquired	1 to 5 years	Straight-line

3.4. Value of intangible assets and goodwill

3.4.1. Gross value of intangible assets

Balance sheet items - In € thousands	Gross value at 31/12/2019	Increases	Decreases	Reclassifications	Change in consolidation scope	Translation adjustments	Gross value at 31/12/2020
Development expenditures ⁽¹⁾	48,846	7,982	-19	496	413	0	57,718
Customer relations ⁽²⁾	1,493	0	0	0	0	0	1,493
Other intangible assets	10,225	2,949	-323	-507	0	-15	12,329
Goodwill	49,790	16,276	0	0	0	0	66,066
TOTAL	110,354	27,207	-342	-11	413	-15	137,606

⁽¹⁾ Of which €16,229 thousand in unamortised development expenditures in progress at 31/12/2020.

⁽²⁾ Recognition of a client relationship following the acquisition of PHARMAGEST LUXEMBOURG.

Business combinations are recognised according to the purchase method of accounting. Assets, liabilities and contingent liabilities of the acquired company are measured at fair value on the date of acquisition. Goodwill identified at the time of an acquisition is recognised under the corresponding assets and liabilities.

The residual difference between the fair value of consideration given and the net fair value of identifiable assets and liabilities is accounted for as goodwill and allocated to Cash Generating Units from which benefits or synergies resulting from the acquisition are expected.

A Cash Generating Unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The goodwill is allocated to the CGUs or CGU groups corresponding to the Group's businesses.

Analysis of recoverable amount of goodwill by CGU (€ thousands):

Pharmacy - Europe Solutions Division			Health and Social Care Facilities Solutions Division	e-Health Solutions Division	Total PHARMAGEST Group
France Pharmacy Business Unit	Belux Pharmacy Business Unit	Italy Pharmacy Business Unit			
39,303	2,164	9,979	12,408	2,212	66,066

3.4.2. Amortisation and impairment of intangible assets

Balance sheet items (€ thousands)	Value at 31/12/2019	Increases	Decreases	Reclassification	Change in consolidation scope	Translation adjustments	Value at 31/12/2020
Development expenditures	24,055	3,471	0	0	73	0	27,599
Customer relations	1,493	0	0	0	0	0	1,493
Other intangible assets	5,052	823	-49	0	0	-5	5,821
Goodwill ⁽¹⁾	0	515	0	0	0	0	515
TOTAL	30,600	4,809	-49	0	73	-5	35,428

⁽¹⁾ At 31 December 2020, impairment tests resulted in the recognition a goodwill impairment of €515 thousand for the Belux Pharmacy Business Unit.

No impairment charges were recorded for development expenditures based on tests performed in 2020.



NOTE 4. - Property, plant and equipment

4.1. Initial measurement and subsequent measurement

Property, plant and equipment are stated at their historical acquisition cost, production cost or entry cost in PHARMAGEST Group, less cumulative depreciation and impairment losses recognised.

The carrying amount of property, plant and equipment is not remeasured as PHARMAGEST Group has not chosen the alternative method of regularly revaluing one or more categories of property, plant and equipment.

Borrowing costs incurred in order to finance the acquisition and the construction of installations during the construction period are recorded as an expense in the period to which they relate.

Grant payments received for depreciable assets are written down according to the same rate of depreciation as the fixed assets to which they relate presented under other liabilities.

Balance sheet items - In € thousands	Gross value at 31/12/2019	Increases	Decreases	Reclassifications	Change in consolidation scope	Use of estimates	Translation adjustments	Gross value at 31/12/2020
Land	585	0	0	0	0	0	0	585
Buildings	6,982	999	-82	0	0	0	0	7,899
Buildings - Leasing	905	0	0	0	0	0	0	905
Buildings - IFRS 16	5,500	1,926	0	0	885	2,639	0	10,950
Equipment	2,173	0	0	0	0	0	0	2,173
Vehicles - IFRS 16	2,013	1,221	0	0	0	389	0	3,623
Other property, plant and equipment	17,745	4,597	-574	10	344	0	-4	22,118
TOTAL	35,903	8,743	-656	10	1,229	3,027	-4	48,253

4.2. Depreciation

In accordance with the component method, PHARMAGEST Group uses different depreciation periods for each significant component of the same asset where one of these components has a useful life that is different from the main asset to which they relate. The main depreciation methods and periods retained are as follows:

Property, plant and equipment	Useful life	Amortisation method
Buildings	15 to 30 years	Straight-line
Leasehold improvements, fixtures and fittings	8 to 30 years	Straight-line
General fixtures	5 to 10 years	Straight-line
Office and computer equipment	3 to 5 years	Straight-line
Transportation equipment	1 to 5 years	Straight-line
Furniture	5 to 10 years	Straight-line

In € thousands	Gross value at 31/12/2019	Increase	Decrease	Reclassifications	Change in consolidation scope	Translation adjustments	Gross value at 31/12/2020
Property, plant and equipment	14,426	2,139	-591	11	238	-4	16,219
Tangible assets – IFRS 16	1,986	2,582	0	0	10	0	4,578
TOTAL	16,412	4,721	-591	11	248	-4	20,797

4.3. Leases

As part of its various activities, PHARMAGEST Group uses assets made available under leases.

With IFRS 16 entering into effect on 1 January 2019 IFRS 16, PHARMAGEST Group has:

- Applied the simplified retrospective method by recognising the cumulative effect of the initial application of the standard of the date of first-time application, without restating prior periods.
- Used the following measures of simplification provided for by the standard under the transition provisions:
 - exclusion of contracts that the Group did not previously identify as containing a lease agreement application of IAS 17 and IFRIC 4;
 - exclusion of lease contracts expiring in 12 months following the date of first-time application;
 - application of the two exemptions of the standard relating to short-term leases and leases involving low unit values.

The main assumptions used are as follows:

- Lease term: For vehicles, for vehicles leases are signed for terms of 3 years and for buildings generally for terms of 9 years;
- Discount rate: For vehicles, PHARMAGEST Group applies the lease rate provided by the lesser. For buildings, the Group uses the incremental borrowing rate.

The impact on the annual financial statements of this new standard were as follows:

- For operating income, a decrease in €2,684 thousand in these expenses was offset by an increase in allowances for amortisation of €2,583 thousand.
- For net financial income, an €129 thousand increase in financial expenses.
- Under assets, right-of-use assets for the vehicles and property were recognised for respectively €1,839 thousand and €8,155 thousand net allowances.
- A lease liability of €10,000 thousand.
- A favourable impact on the cash flow from operating activities, offset by a decrease in net cash flows from financing activities (with an outflow for the repayment of the capital of the lease liability).

NOTE 5. - Procedures for testing non-financial assets for impairment

5.1. Impairment tests of goodwill and intangible assets

IAS 36 requires that goodwill and intangible assets with indefinite useful lives (trademarks) be tested for impairment (at least once a year and whenever any indicators of impairment arise) as are other finite life long-term assets where there is evidence of a loss in value.

Such evidence may include:

- A major decline in the market value of the asset;
- A material change in the technological, economic or legal environment.

An asset is recognised as impaired when its actual value falls below that of its net carrying value. The recoverable amount of an asset is the higher of fair value less costs to sell and its value in use. Fair value is the amount that can be obtained from the sale of an asset (or group of assets) in an arm's length transaction between knowledgeable, willing parties. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or group of assets being tested. The discounted future cash flow method was used where comparable market information was unavailable.

Impairment losses of a CGU or CGU group are allocated in priority to goodwill. Impairment losses for goodwill are not reversible.

Impairment losses for intangible assets and property, plant and equipment may be reversed subsequently if the recoverable amount rises again above their net carrying value.

Impairment losses are recognised under "Other operating income and expenses".

Goodwill is allocated/tested for impairment at the lowest CGU level of the operating sector concerned which shall not be larger than the PHARMAGEST Group's operating segments.

On that basis, all intangible assets not subject to amortisation and not generating independent cash flows and goodwill are allocated to each CGU (see Note 3.4 to the consolidated financial statements) within the framework of these impairment tests.



The discounted cash flow method (DCF) is used for the years 2021 to 2024 based on the business plan forecasts drawn up by the Group according to its development strategy within its current competitive environment.

The discount rate adopted is that used by financial analysts with knowledge of the business sector. This discount rate is applied as is to mature business and adjusted for developing business by integrating the corresponding risk premium.

Present value is determined the addition of on the one hand the discounted value by CGU of discounted cash flows for the explicit period of 2021 to 2024 and on the other hand the terminal value defined as the value of the economic asset estimated for the last year of the explicit horizon. This terminal value is measured by the net present value of normative free cash extrapolated from the end of the explicit period until infinity by CGU based on the last year of the explicit period. The perpetuity growth rate is applied to infinity based on our perception of market trends.

Assumptions applied

	Pharmacy - Europe Solutions Division			Health and Social Care Facilities Solutions Division	e-Health Solutions Division
	France Pharmacy Business Unit	Belux Pharmacy Business Unit	Italy Pharmacy Business Unit		
Discount rate	5.40%	9.58%	6.59%	6.40%	9.77%
Perpetuity growth rate	1.80%	2.40%	2.50%	2.30%	2.50%

Sensitivity analysis

The sensitivity analysis was measured in reference to the following parameters for the different CGUs:

- A change in the discount rate of +/- 0.5 bp;
- A change in the perpetuity growth rate of +/- 0.5 bp;
- Changes in the assumptions used by Management in its Five-Year Business Plan of -15% and -30%.

	Sensitivity test	Values of assets, normalised to 100
Change in the discount rate	-0.5 point	114.7
	+0.5 point	88.7
Change in the perpetuity growth rate	-0.5 point	89.9
	+0.5 point	113.2
5-Year Business Plan forecasts	-15%	85.8
	-30%	73.3

The 100 base is defined as the recoverable amount of assets tested per CGU.

Based on the above parameters, the sensitivity analysis did not identify any discounted items with a recoverable value lower than the carrying value of the assets tested.

The nature of PHARMAGEST group's business model offers a high degree of resilience based on its level of recurrent sales (>66%) within the health sector.

5.2. Impairment tests of development expenditures

IAS 36 "Impairment of assets" requires impairment tests to be performed and documented by project:

- When there is an indication of loss in value for development expenditures in the process of amortisation;
- Annually for development expenditures not yet commissioned.

The recoverable value of projects is estimated according to the discounted cash flow method. These measurements are performed over the life of each project in order to take into account the market in question. PHARMAGEST Group did not identify any evidence of impairment.

NOTE 6. - Financing and financial instruments

6.1. Non-current financial assets

Gross value of non-current financial assets:

Gross values - In € thousands	Value at 31/12/2019	Increase	Decrease	Reclassification	Change in consolidation scope	Value at 31/12/2020
Deposits, guarantees and loans ⁽¹⁾	671	10	-14	0	47	714
Investments ⁽²⁾	47,392	0	-6,254	0	0	41,138
Other investments ⁽³⁾	2,765	0	-115	0	0	2,650
TOTAL	50,828	10	-6,383	0	47	44,501

⁽¹⁾ 31 December 2020, security deposits received from WELCOOP subsidiaries having their address at the PHARMAGEST Campus amounted to €57 thousand.

⁽²⁾ At 31 December 2020, the balance of the investments broke down as follows:

- Unit-linked capital redemption contract: €26,035 thousand
- Life insurance investments: €3,024 thousand
- A capital redemption contract with Natixis includes two types of investment vehicles, a conventional euro fund and a unit-linked fund covered by a term deposit account €12,079 thousand

At year-end, the investments were measured at fair value (surrender value).

⁽³⁾ Subject to an impairment charge of €105 thousand and 31 December 2019 and wound down on 31 December 2020.

6.2. Current financial assets

Unrealised capital gains and losses in reference to the purchase price of investments in euro funds are systematically recognised in profit or loss until the asset is sold.

Net values - In € thousands	31/12/2020	Of which change in consolidation scope	31/12/2019
Capital redemption contracts ⁽¹⁾	29,651	0	29,242
Other financial assets	0	0	0
TOTAL	29,651	0	29,242

⁽¹⁾ Investment contract for the AXA Euro Fund with an investment profile comparable to French fungible treasury bonds (Obligations Assimilables du Trésor or OAT) with a guarantee of net capital invested and accrued interest. The fair value of the contract is the net asset value at any time, i.e. the carrying amount. The yield was confirmed based on a guaranteed return.

6.3. Cash and cash equivalents

Cash is maintained for the purpose of meeting short-term cash commitments and includes cash current account balances and demand deposits. Cash equivalents refer to investments with a maturity of less than three months readily convertible to known amounts of cash and subject to an insignificant risk of change in value held for the purpose of meeting short-term cash commitments.

Gross values - In € thousands	31/12/2020	Of which change in consolidation scope	31/12/2019
SICAV money market funds, time deposit accounts	6,939	0	11,775
Bank and cash	26,691	0	9,591
TOTAL	33,630	0	21,366



6.4. Financial debt

Borrowings and other interest-bearing financial liabilities are measured at amortised cost using the effective interest rate of the borrowings. Incremental and directly attributable costs and issue premiums are amortised, as applicable, according to the effective interest rate method over the term of the borrowing.

These amounts are measured by using the discounted floor value of the indexes for contractual revisions.

In € thousands	31/12/2020				Of which change in estimate	Of which change in consolidation scope	31/12/2019
	Gross amount	Less than 1 year	1 to 5 years	More than 5 years			Gross amount
Bank overdrafts	411	411	0	0	0	0	344
Bank borrowings ⁽¹⁾	51,264	11,066	36,404	3,794	0	359	40,599
Sureties ⁽²⁾	2,235		2,235	0	0	0	2,174
Liabilities linked to put options on non-controlling interests ^{(3) (4) (5)}	7,687	2,839	4,848	0	0	0	8,502
Lease liabilities	174	41	133	0	0	0	239
IFRS 16 liabilities	10,000	2,404	5,680	1,916	3,064	809	5,564
Borrowings / financial liabilities	43	43	0	0	0	0	53
TOTAL	71,814	16,804	49,300	5,710	3,064	1,168	57,475

⁽¹⁾ Borrowings which are not subject to bank covenants consist exclusively of fixed rate debt.

⁽²⁾ These non-current liabilities consist of sureties received under the SESAM-Vitale update service, a service provided for a term of 36 months subject to tacit renewal.

⁽³⁾ The minority shareholders of CAREMEDS and MULTIMEDS hold a put option on PHARMAGEST INTERACTIVE with a 6 year maturity as from the acquisition date of the majority stake by PHARMAGEST Group.

⁽⁴⁾ The minority shareholders of PHARMAGEST ITALIA hold a put option on PHARMAGEST INTERACTIVE with a 5 year maturity as from the acquisition date of the majority stake by PHARMAGEST Group.

⁽⁵⁾ The minority shareholders of SVEMU hold a put option on PHARMAGEST INTERACTIVE with a 5 year maturity as from the acquisition date of the majority stake by PHARMAGEST Group.

Analysis of bank borrowings by maturity and rate type:

Term - In € thousands	Fixed rate	Floating rate	Total
Less than 1 year	11,066	0	11,066
1 to 5 years	36,404	0	36,404
More than 5 years	3,794	0	3,794
TOTAL	51,264	0	51,264

6.5. Net financial income/(expense)

In € thousands	31/12/2020	31/12/2019
Income from cash flow ⁽¹⁾	1,340	1,266
Cost of gross debt ⁽²⁾	-571	-502
Currency gains and losses ⁽³⁾	118	61
Other financial income and expenses ⁽⁴⁾	-1,077	668

⁽¹⁾ Income from cash includes revenue from marketable securities.

⁽²⁾ The cost of gross debt includes mainly interest expense on borrowings.

⁽³⁾ Foreign exchange gains and losses originated primarily from structured products in US dollars.

⁽⁴⁾ Other financial income and expenses includes the fair value adjustment of financial investments, including for prior periods.

6.6. Financial risk management and control

6.6.1. Liquidity risk

PHARMAGEST Group conducted a specific review of its liquidity risk and on that basis considers it has the resources to honour its obligations for future payments.

At 31 December 2020, PHARMAGEST Group had different types of cash assets with the following maturities:

- Cash investments of a very short-term nature amounting to €33.6 million in addition to €25.6 million in undrawn bank overdraft facilities.
- As short-term resources, PHARMAGEST Group has access to euro funds in the amount of €29.7 million.
- To meet additional needs over the medium term, PHARMAGEST Group may make use of its non-current financial investments (see Note 6.1 to the consolidated financial statements) in the amount of €41.1 million.

With €130 million in net cash, PHARMAGEST Group has sufficient financial resources to fund current operations, make the investments necessary for its future development, and address exceptional events that may arise.

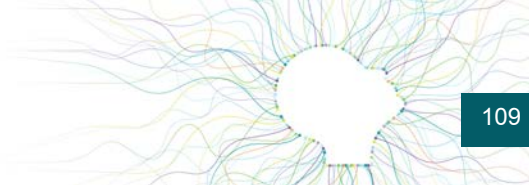
Maturities four borrowings are detailed in Note 6.4 to the consolidated financial statements.

PHARMAGEST Group's sources of financing include bank overdraft facilities, medium- and long-term borrowings.

It has secured the option to access credit in the event substantial capital expenditure is required.

Management of liquidity risk also aims to secure resources at the lowest cost and to ensure they can be accessed at any time.

The Group assesses its liquidity risk to ensure it is in a position to honour its future payment obligations.



6.6.2. Market risk

Interest rate risk

PHARMAGEST Group's exposure to interest rate risk relates to floating-rate loans (sensitivity to rate increases).

Analysis of gross debt by maturity and the level of the rates:

In € thousands	Fixed rate				Floating rate
	Carrying value	Less than 2%	3%-4%	More than 4%	
Maturities					
2021	11,066	11,066	0	0	0
2022	10,869	10,869	0	0	0
2023	10,636	10,636	0	0	0
2024	9,509	9,509	0	0	0
2025	5,390	5,390	0	0	0
Thereafter	3,794	3,794	0	0	0
TOTAL	51,264	51,264	0	0	0

Exchange rate risk

The Group's business has very little exposure to foreign exchange risk as its purchases and sales are in very large part in euros.

Risks on equities and other financial instruments

As PHARMAGEST Group has opted in favour of unit-linked vehicles in order to obtain a better return from cash investments, it considers its exposure to this risk as limited.

Nonetheless, we closely monitor the financial position of AXA, responsible for managing the capital redemption contract;

6.6.3. Credit / counterparty risk

Based on a regularly updated analysis of counterparty risk, no material impairment has been recorded for receivables from the main debtors, namely the leasing companies operating in the pharmacy sector (the vast majority of amounts past due are paid within two months). Invoices financed by leasing companies accounted for 29% of 2020 consolidated sales (Accounting Regulation 99-02), with 92.5% of this through leasing companies working with HEALTHLEASE and NANCEO.

Trade receivables which are not written down on an individual basis at 31 December 2020 were analysed. Payments were received after the end of the reporting period for most of these trade receivables (refer to Note 7.4 of the consolidated financial statements).

6.6.4. Risks associated with the effects of climate change

In light of the nature of its activities, PHARMAGEST Group does not have a specific exposure to risks resulting from the effects of climate change.

6.7. Off balance-sheet commitments relating to Group financing

In € thousands	31/12/2020	31/12/2019
Pledges, mortgages and security interests on property ⁽¹⁾	9,303	8,974
Transferred receivables not past due	0	0
Other financial commitments given	0	0
TOTAL	9,303	8,974

⁽¹⁾ All pledges were given in connection with bank loans. The amount shown corresponds to the balance of relevant borrowings at 31 December 2020.

PHARMAGEST Group has no off-balance sheet commitments received (apart from €25.6 million in undrawn credit lines) that could have a material financial impact on PHARMAGEST Group's financing.

As at the reporting date of 31 December 2020, PHARMAGEST Group is unaware of any material off-balance sheet commitments other than those set out above.

NOTE 7. - Operational data

7.1. Revenue

PHARMAGEST Group's revenue is primarily derived from the following:

- Sales of configurations and hardware,
- Maintenance and sale of databases,
- Training and new product services,
- Other services.

Income from the sale of configurations and hardware is recognised when the risks and rewards of ownership of the goods are transferred to the buyer.

Maintenance services are recognised on a straight-line basis over the contract term.

Training services and new products are recognised at the time the service is rendered and the disposal of the right-of-use asset.

The other services are recognised upon completion of the service.

Net sales:

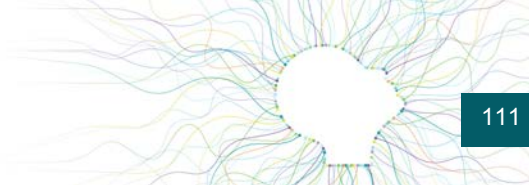
In € thousands	31/12/2020	31/12/2019
Sales of configurations and hardware	76,494	71,317
Maintenance and sale of databases	64,270	57,593
Training and new product services	28,969	27,558
Other services	2,021	2,101
TOTAL	171,754	158,569

7.2. Segment information

PHARMAGEST Group's operations are organised into Divisions:

- **Solutions for Pharmacy Division – Europe:** Essentially computer systems for pharmacies.
- **e-Health Solutions Division** Combines innovative technological infrastructures for e-Health, including applications for medical telemetry monitoring and services to the pharmaceutical industry.
- **Health and Social Care Facilities Solutions Division:** IT solutions for healthcare professionals providing care to patients at home or in social care facilities.
- **Fintech Division:** Equipment lease financing solutions for the services sector offered by NANCEO.

These Divisions group together departments, business units, agencies and legal entities engaged in the same business.



31/12/2020 - In € thousands	Divisions			Total
	Pharmacy - Europe	HSCF Division ⁽¹⁾	Other ⁽²⁾	
Revenue	127,310	26,193	18,251	171,754
	74%	15%	11%	
Depreciation and amortisation of tangible and intangible assets	-5,701	-1,522	-1,792	-9,015
	63%	17%	20%	
Current operating income	30,053	9,724	6,872	46,648
	64%	21%	15%	
Current operating income / Sales	23.61%	37.12%	37.65%	27.16%

⁽¹⁾ Health and Social Care Facilities Solutions Division.

⁽²⁾ "Other" corresponds to the e-Health Solutions and Fintech Divisions.

31/12/2019 - In € thousands	Divisions			Total
	Pharmacy - Europe	HSCF Division ⁽¹⁾	Other ⁽²⁾	
Revenue	121,193	19,507	17,869	158,569
	76%	12%	11%	
Depreciation and amortisation of tangible and intangible assets	-4,596	-1,092	-1,756	-7,444
	62%	15%	24%	
Current operating income	28,351	7,347	5,151	40,849
	69%	18%	13%	
Current operating income / Sales	23.39%	37.66%	28.83%	25.76%

⁽¹⁾ Health and Social Care Facilities Solutions Division.

⁽²⁾ "Other" corresponds to the e-Health Solutions and Fintech Divisions.

The figures by business are derived from internal reporting drawn up in accordance with French GAAP for consolidated financial statements, completed by reclassifications and adjustments linked to IFRS.

7.3. Seasonal nature of business

The business lines are not subject to significant seasonal or cyclical effects.

7.4. Trade receivables

Trade receivables are stated at their amortised cost. An impairment charge is recognised if the carrying value is higher than the recoverable amount.

In € thousands	31/12/2020			Of which change in consolidation scope	31/12/2019
	Net amount	Less than 1 year	More than 1 year		Net amount
Trade receivables ⁽¹⁾	31,767	31,767	0	1,660	34,565
Other receivables	9,047	9,047	0	525	7,959
TOTAL	40,814	40,814	0	2,185	42,524

⁽¹⁾ All trade receivables included in the consolidated aged trial balance below have been individually examined and a provision is recorded based on individual assessments of a manifest collection risk and application of the following rules:

- Receivables < 180 days: Provision N/S
- Receivables between 180 and 360 days: Provision of 50%
- Receivables > 360 days: Provision of 100%

The provision recorded at 31 December 2020 amounted to €594 thousand compared to €645 thousand one year earlier.

The trade receivables balance breaks down as follows (in € thousands):

Net amount	Not yet due	< 60 days	60<X<180 days	> 180 days
31,767	21,945	7,730	1,076	1,016

Given the fact that receivables are short-term and in the absence of any material change in the creditworthiness of counterparties, the fair value of receivables is close to their carrying amount.

In € thousands	31/12/2019	First-time consolidation	Increase	Reversal used	Reversal (provisions unused in the period)	31/12/2020
Provision for impairment of trade accounts receivable	645	21	378	-450	0	594

7.5. Inventories

Inventories and work in progress are recognised at the cost: serialised equipment is measured according to the individual cost method, and low-value non-serialised repairable equipment is measured at the weighted average unit cost.

On each closing date, they are valued at either the historical cost or the net realisable value, whichever is the lower.

Net realisable value is defined as the expected selling price in the ordinary course of business minus costs necessary for completion and disposal.

In € thousands	31/12/2020			Of which change in consolidation scope	31/12/2019
	Gross amount	Impairment	Net amount		Net amount
Components	0	0	0	0	0
Equipment	4,316	-331	3,986	163	3,397
Supplies	1,756	-50	1,706	1,471	231
Parts and after-sales service	1,282	-197	1,085	0	813
Work in progress	0	0	0	0	0
TOTAL	7,355	-578	6,777	1,634	4,441

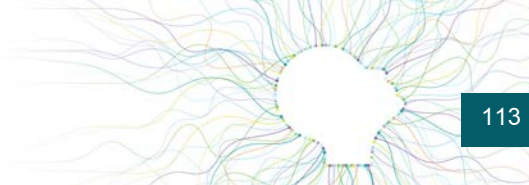
7.6. Trade and other payables

In € thousands	31/12/2020				Of which change in consolidation scope	31/12/2019
	Gross amount	Less than 1 year	1 to 5 years	More than 5 years		Gross amount
Trade payables	14,214	14,214	0	0	2,014	13,363
Other payables	54,424	50,089	4,335	0	1,732	49,799
TOTAL	68,638	64,303	4,335	0	3,746	63,162

7.7. Net allowances for depreciation, amortisation and reserves

In € thousands	31/12/2020	31/12/2019
Allowances for depreciation and amortisation	9,015	7,444
Provisions for fixed assets	0	0
Provisions for current assets	-301	101
Provisions for contingencies and expenses	428	552
TOTAL	9,142	8,097

The reversals of provision are presented net of allowances.



7.8. Other operating income and expenses

In € thousands	31/12/2020	31/12/2019
Goodwill impairment charge ⁽¹⁾	515	0
TOTAL	515	0

⁽¹⁾ Belux Pharmacy Business Unit impairment charge.

7.9. Off balance-sheet commitments relating to the operating activities of PHARMAGEST Group

In € thousands	31/12/2020	31/12/2019
Contractual obligation / property lease financing	0	0
Contractual obligation / equipment operating lease ⁽¹⁾	17	24
Contractual obligation / property operating lease ⁽¹⁾	0	0
Irrecoverable purchasing obligation	0	0
Other contractual obligations	0	0
Commitments given in relation to business development	0	0
Tax commitments	0	0
TOTAL	17	24

⁽¹⁾ Amounts presented including VAT correspond to lease payments due.

PHARMAGEST Group has no off-balance sheet asset commitments likely to have a material financial impact on the operating activities of PHARMAGEST Group.

As at the reporting date of 31 December 2020, PHARMAGEST Group is unaware of any material off-balance sheet commitments other than those set out above.

NOTE 8. - Staff costs and employee benefits

8.1. Workforce and payroll

PHARMAGEST Group had 614 full-time equivalent (FTE) non-management employees and 485 management employees.

Staff costs consist primarily of gross salaries, social charges and wage-based contributions amounting to €58,196 thousand and profit-sharing expenses amounting to €2,658 thousand.

8.2. Employee benefits

Pension plans, similar compensation and other employee benefits which are analysed as defined benefit plans (whereby PHARMAGEST Group undertakes to guarantee a defined amount or benefit level), are recognised on the balance sheet on the basis of an actuarial assessment of pension obligations on the closing date, less the fair value of the corresponding plant assets. Contributions paid in respect of plans analysed as defined contribution plans, i.e. where PHARMAGEST Group's sole commitment is to pay contributions, are recognised as expenses for the financial year.

The provision presented in the consolidated financial statements is valued using the projected unit credit method and takes into account the related social charges.

For the discount rate, the iBoxx corporate AA10+ at year-end is used (0.34%).

Actuarial differences arise from discrepancies between the assumptions used and actual experience or changes to the assumptions used to calculate obligations and the corresponding plan assets. In accordance with the amendments to IAS 19, actuarial differences are recognised immediately in equity.

See Note 11.1 to the consolidated financial statements for the commitment on the closing date.

8.3. Stock options

One consequence of the application of IFRS 2 is the recognition of an expense corresponding to employee benefits in the form of share-based payments.

The options are measured by PHARMAGEST Group by reference to the value of the equity interests granted on the grant date using a mathematical model. This model takes into account the plan features (exercise price, exercise period), market data at time of grants (risk-free rate, share price, volatility, projected dividends) and assumptions with respect to the behaviour of beneficiaries.

This value is recognised in personnel expenses over the vesting period, with a corresponding adjustment to equity.

Since 16 October 2007, there is an employers' contribution to stock option plans collected by the URSSAF. The contribution rate is 30% for options awarded and grants made as of 11 July 2012.

Pursuant to applicable law and regulations, the basis for the calculation chosen by the Group is the fair value of options under IFRS 2.

8.3.1. FY 2014 stock option plan

Information on stock options	Pro forma financial information
Board meeting date	05/12/2014
Total number of shares that may be subscribed or purchased	239,780
<i>Of which the number that may be subscribed or purchased by:</i>	
• Corporate officers, Directors and Finance and Personnel Management Committee members.	0
• Top ten employee grantees (other than corporate officers)	25,000
First day on which options may be exercised	05/12/2018
Expiration date	04/12/2022
Subscription price	€20.11
Number of shares subscribed as at 31/12/2020	151,404
Number of shares forfeited as at 31/12/2020	-39,595
Remaining stock options	48,781

8.3.1.1. Beneficiaries

Plan beneficiaries include the employees of PHARMAGEST INTERACTIVE, EHLS, MALTA INFORMATIQUE and DIATELIC, with the exception of PHARMAGEST INTERACTIVE's Finance and Personnel Management Committee members, the directors and corporate officers of that company and its subsidiaries, subject to meeting the following criteria:

- Were employees on 5 December 2014;
- Have two years' service as at 5 December 2014;
- Be employed under permanent contracts as at 5 December 2014.

8.3.1.2. Information on share-based payments

The Black & Scholes method is used to measure stock options, based on the following assumptions:

- Maturity: 6
- Volatility ⁽¹⁾: 20.00%
- Risk free rate: 0.45%
- Expected dividends: 2.61%
- Turnover: 5.00%
- Fair value of the option ⁽²⁾: €12.83

⁽¹⁾ Estimated from historic volatility based on the PHARMAGEST INTERACTIVE share price.

⁽²⁾ Valuation in 2014, before the 5-for-1 stock split.

A provision was recorded for the contribution and the financial statements of 2014 of PHARMAGEST Group, the year to which it relates.

The total amount of the compensation amounted to €500 thousand, amortised over the vesting period from December 2014 to December 2018.



8.3.2. FY 2020 stock option plan

Information on stock options	Information
Board meeting date	04/12/2020
Total number of shares that may be subscribed or purchased	45,000
<i>Of which the number that may be subscribed or purchased by:</i>	
• <i>Corporate officers, Directors and Finance and Personnel Management Committee members.</i>	45,000
• <i>Top ten employee grantees (other than corporate officers)</i>	0
First day on which options may be exercised	04/12/2024
Expiration date	03/12/2028
Subscription price	€74.46
Number of shares subscribed as at 31/12/2020	0
Number of shares forfeited as at 31/12/2020	0
Remaining stock options	45,000

8.3.2.1. Beneficiaries

Plan beneficiaries include Dominique PAUTRAT, Denis SUPPLISSON and Grégoire DE ROTALIER, executive officers of PHARMAGEST INTERACTIVE and its subsidiaries. Stock options conferring a right to acquire existing shares of the Company originating from shares repurchased in accordance with conditions provided for by law: The Extraordinary General Meeting of 25 September 2020 decided that:

- each will benefit from FIFTEEN THOUSAND (15,000) stock options of the Company;
- the options will become fully vested after a period of 4 years from the grant date and that the options' period of validity may not exceed 8 years from their grant date;
- the price to be paid for exercising the stock options will be set by the Board of Directors on the day the options are granted, in compliance with the provisions provided for by:
 - Article L. 225-177 of the French Commercial Code;
 - Article L. 225-179 of the French Commercial Code.

8.3.2.2. Information on share-based payments

The Black & Scholes method is used to measure stock options, based on the following assumptions:

- Maturity: 6
- Volatility⁽¹⁾: 29.1%
- Risk free rate: - 0.58%
- Expected dividends: 1.18%
- Turnover: 0.00%
- Fair value of the option: €131.28

⁽¹⁾ Estimated from historic volatility based on the PHARMAGEST INTERACTIVE share price

For the stock option plan for 2020, an expense of €26 thousand in compensation was recorded with a corresponding credit to equity

8.4. Compensation of directors and officers

Corporate governance bodies received gross compensation in the amount of €488 thousand in 2020. The amounts received include PHARMAGEST INTERACTIVE and controlled companies. There is no pension commitment outside those accounted for. The amount paid pursuant to Article 83 for managers totalled €52 thousand. No advances or loans were granted to members of management bodies by PHARMAGEST INTERACTIVE and controlled companies.

Furthermore, the provision for retirement severance benefits includes €197 thousand for members of governing bodies.

NOTE 9. - Corporate income tax

9.1. Corporate income tax

PHARMAGEST Group calculates its tax on earnings in accordance with the tax laws in force in the countries where earnings are taxable.

9.1.1. Local business taxes on added value (CVAE)

PHARMAGEST Group considers that the contribution based on added value (or CVAE) of 1.5% has the same characteristics as the calculation for the minimum contribution of the previous local business tax (or TP) that is also capped on this basis (added value). For that reason the CVAE is recognised in the income statement as the previous regional business tax (TP) and consequently does not generate any deferred tax liability (see the statement by the French standard setter, the Conseil National de la Comptabilité, renamed Autorité des Normes Comptables, dated 14 January 2010).

9.1.2. Income tax expense

The tax expense breaks down as:

In € thousands	31/12/2020
Current tax	12,691
Contribution on dividends	0
Deferred taxes	706
TOTAL	13,397

9.2. Deferred taxes

In accordance with IAS 12, deferred taxes are recorded on all temporary differences between the carrying amounts of assets and liabilities and their tax values using the liability method. They are measured on the basis of the tax rate expected for the period during which the asset will be realised or the liability settled. The effects of changes in tax rates from one year to another are recorded in the income statement for the year in which the change is recognised.

PHARMAGEST Group applied a rate of 25% to calculate deferred tax which corresponds to the most probable rate applicable at the time of the tax's recovery.

Deferred taxes relating to items recognised directly in equity are also recognised in equity.

Deferred tax assets arising from temporary differences, tax deficits and tax assets that can be carried forward are limited to the estimated recoverable tax. This is valued at the end of the year based on projected income for the relevant tax entities.



9.2.1. Theoretical and actual tax reconciliation

In € thousands	31/12/2020
Net profit / (loss) of consolidated companies	32,666
Income tax expense	13,397
Pre-tax earnings from consolidated companies	46,063
Theoretical tax expense at the statutory corporate income tax rate (28%)	12,897
Permanent differences	217
Rate differences	35
Tax deficits not capitalised	280
Company consolidated under the equity method	-33
Social contribution and allowance	0
Contribution on dividends	0
Actual tax expense	13,397
Effective tax rate	29.08%

9.2.2. Deferred tax assets and liabilities

The breakdown of deferred tax assets and liabilities is presented in the table below:

In € thousands	Deferred tax assets	Deferred tax liabilities	Total net deferred taxes
As at 31 December 2019	2,795	-635	2,160
Changes impacting 2020	-457	-220	-677
As at 31 December 2020	2,337	-855	1,483

Deferred taxes are recognised by company in equity.

The main deferred tax assets and liabilities are as follows:

In € thousands	31/12/2019	Change	Change in Group structure	31/12/2020
Impact of loss carryforwards ⁽¹⁾	695	-61	0	634
Tax effect of timing differences related to:				
Provisions for pensions	1,158	107	51	1,316
Employee-related payables	654	7	0	661
Tax payables (other than income tax)	3	1	0	5
Stock margin adjustment	34	9	4	47
Other temporary differences	68	-30	-19	19
Revaluation adjustment	0	0	0	0
Sales adjustment	-98	22	-6	-81
R&D activation	-3,713	-537	0	-4,250
Leasing	-38	-5	0	-43
Deferred revenue ⁽²⁾	3,396	-220	0	3,176
Total temporary differences	1,464	-644	30	850
Gross deferred tax assets (liabilities)	2,160	-706	30	1,483
Provision for impairment	0	0	0	0
Net deferred tax assets (liabilities)	2,160	-706	30	1,483

⁽¹⁾ Capitalised tax deficits relate mainly to tax losses for DIATELIC, PHARMAGEST BELGIUM and INTERNATIONAL CROSS TALK. The decision to capitalise these losses is based on the likelihood of using them in the short to medium term.

⁽²⁾ Impact of IFRS 15.



Pursuant to the Board of Directors' authorisation of 5 December 2014, the tax consolidation group was formed on 1 January 2015, with PHARMAGEST INTERACTIVE as the parent. This French tax group includes PHARMAGEST INTERACTIVE as the parent company and its subsidiary, DIATELIC. Under the French tax consolidation agreement, the tax is calculated in each subsidiary as if no tax consolidation existed, in accordance with the principle of neutrality, and the profits and losses of the tax consolidation are recognised by the parent company, PHARMAGEST INTERACTIVE. Total tax losses generated in this framework amounted to €868 thousand.

PHARMAGEST Group decided not to capitalise the losses of the subsidiaries SAILENDRA and NOVIA SEARCH amounting to €2,018 thousand representing total deferred assets of €505 thousand.

NOTE 10. - Shareholders' equity and earnings per share

10.1. Share capital and reserves

PHARMAGEST INTERACTIVE's share capital consists of 15,174,125 shares with a par value of €0.20. There is only one class of shares, with each share carrying one voting right. The number of shares outstanding remained unchanged in the period;

PHARMAGEST Group reserves stand at €109,508 thousand, of which €13,207 thousand in issue premium, (€31) thousand in translation adjustments, €473 thousand in the legal reserve and €95,859 thousand in other reserves.

10.2. Treasury shares held by PHARMAGEST INTERACTIVE

This line item includes 105,161 PHARMAGEST INTERACTIVE shares, wholly owned by the company. The share price of PHARMAGEST INTERACTIVE was €111.40 at 31 December 2020.

10.2.1. Liquidity contract

The market-making contract is wholly owned by PHARMAGEST INTERACTIVE and is managed by GILBERT DUPONT.

Contract features:

- The market maker intervenes solely for the purpose of ensuring the liquidity and orderly trading of the shares, and to prevent price swings not justified by market trends;
- The contract does not contain a provision for securities or liquid assets reserved for the operation of the contract. Nevertheless, where the cash or securities balance credited to the liquidity agreement appear insufficient for the market maker to continue trading in the share and ensure the share's liquidity under the contract, the market maker and the issuer will work together to remedy this situation;
- The contract is for a 12-month term. It may be renewed by tacit agreement and may be cancelled without notice by the issuer and with a 30 days' notice if at the market maker's initiative;
- Purchases made are framed by the annual authorisation given by the General Meeting on the redemption programme.

In 2020, the following transactions were carried out under the liquidity contract:

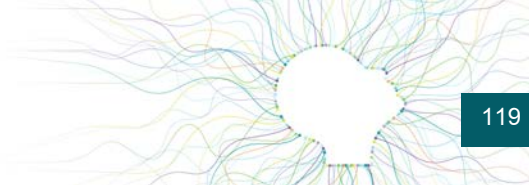
- Purchases: 93,312 shares at an average price of €74.71;
- Disposals: 94,629 shares at an average price of €73.61.

Valuations are calculated using the weighted average price.

At 31 December 2020, 1,699 shares were listed in the liquidity account and the cash balance was €284 thousand.

10.2.2. Share buyback programme (outside the liquidity contract)

In 2014, PHARMAGEST INTERACTIVE acquired 39,102 shares at an average price of €99.45, giving an amount after the stock split of 195,510 shares at an average price of €19.89. This purchase volume must be seen in light of the stock option plan introduced in 2014 (c.f. Note 8.3.1 to the consolidated financial statements).



PHARMAGEST INTERACTIVE acquired:

- In 2017, 27,251 additional shares for an average price of €39.46 per share.
- In 2018, 7,964 additional shares for an average price of €49.89 per share.
- In 2019, 24,141 additional shares for an average price of €55.80 per share;
- In 2020, no shares were purchased.

10.3. Dividends

The dividend paid in 2020 on 2019 earnings amounted to 13,548 thousand or €0.90 per share.

The distribution of dividends to non-Group shareholders amounting to €365 thousand was recognised in ADI's annual statement and €500 thousand in KAPELSE's annual statement and respectively €44 thousand and €41 thousand for CAREMEDS and MULTIMEDS.

A dividend of €0.95 per share will be proposed to the next Annual General Meeting.

10.4. Earnings per share

Basic earnings per share correspond to PHARMAGEST Group's net income for the year attributable to ordinary shares as a ratio of the weighted average number of outstanding shares during the year. The average number of ordinary shares outstanding for the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period.

To calculate diluted earnings per share, the average number of outstanding shares is adjusted to reflect the effect of dilution from equity instruments issued by the company that might increase the number of outstanding shares.

Earnings per share - Group share	31/12/2020	31/12/2019
Net profit of the year (in €)	30,714,387	28,393,379
Number of shares	15,174,125	15,174,125
Number of treasury shares	105,161	148,810
Weighted average number of ordinary shares to calculate basic earnings per share	15,068,964	15,025,315
Basic earnings per share (in €)	2.04	1.89
Number of stock options outstanding	0	0
Weighted average number of ordinary shares to calculate diluted earnings per share	15,174,125	15,174,125
Diluted earnings per share (in €)	2.02	1.87

NOTE 11. - Provisions and contingent liabilities

11.1. Provisions

A provision is recognised when the PHARMAGEST Group has a probable obligation resulting past event that is expected to result in an outflow of resources embodying economic benefits without receiving equivalent consideration in exchange and the amount can be reliably estimated. Where settlement of this obligation is likely to be deferred by more than one year, the provision is discounted with the effects recognised in net financial income/expense.

Provisions for contingencies and expenses:

In € thousands	Value at 31/12/2019	Increase	Reversal (provisions used in the period)*	Reversal (unused provisions)	Other movements	Change in consolidation scope	Value at 31/12/2020
Provisions for litigation ⁽¹⁾	216	62	0	-13	-14	0	252
Provision for expenses	65	0	0	0	-65	0	0
Provisions for retirement severance benefits ⁽²⁾	4,633	772	-169	0	0	28	5,264
Provisions for equity-accounted securities	0	0	0	0	0	0	0
TOTAL	4,914	834	-169	-13	-79	28	5,515

* Reversals (provisions used in the period) are presented less allowances in the same way as those for unused provisions.

⁽¹⁾ Provisions for ongoing labour disputes: €252 thousand.

⁽²⁾ Provision for retirement severance benefits: €5,264 thousand.

Under IAS 19, actuarial gains or losses are recognised immediately in equity and the return on plan assets calculated according to the discount rate used to measure the obligation and no longer according to expected returns on plan assets.

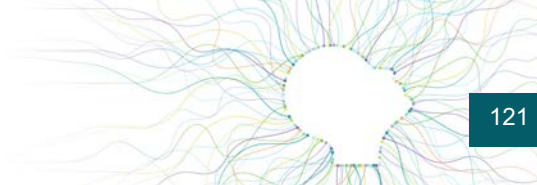
The impact of calculating returns on plan assets according to the discount rate used to measure the obligation rather than expected returns on plan assets was found to be insignificant and consequently not restated for 2020 as in prior periods.

In € thousands	31/12/2020	31/12/2019
Pension obligations at opening	5,967	5,457
Service costs	397	361
Financial cost	46	86
First-time consolidation	27	56
Cost of past services and change of method	0	0
Actuarial gains (+)/Actuarial losses (-) generated during the financial year	176	7
Actual obligations at closing	6,613	5,967
Fair value of plan assets at opening	1,334	1,387
Expected return on plan assets	15	0
Contributions	0	0
Benefits paid	0	-69
Actuarial gains (+)/Actuarial losses (-)	0	16
Fair value of plan assets at closing	1,348	1,334
Provision at opening	4,633	4,070
Provision at closing	5,264	4,633

The funds invested include a capital guarantee with a minimum guaranteed return of 60% the average return on French government bonds (*TME* or *Taux Moyen d'Emprunt*).

The provision for retirement severance benefits is determined using the retrospective projected unit credit method with end-of-career salary and taking into account the following assumptions:

- Voluntary departure by the employee (application of employer's social charges);
- Retirement age: 60-67;
- Turnover: by age bracket;
- Discount rate: 0.34%;
For the discount rate, the iBoxx corporate AA10+ at year-end is used;
- Salary escalation rate: 0.8%;
- Recognition of a contingent annuity.



PHARMAGEST Group conducted an evaluation of the sensitivity of the provision for retirement severance benefits to changes in the discount rate and wage growth rate. On that basis, the impact of a +/- 0.5 point change in the discount rate or the salary escalation rate would be as follows.

	Change	Impact of the provision for retirement severance benefits
Discount rate	+0.5 point	-6%
	-0.5 point	N/A
Rate of salary increases	+0.5 point	+8%
	-0.5 point	-6%

The impact of the financial expense in service costs and expected return on plan assets are shown under financial items.

11.2. Contingent liabilities

PHARMAGEST Group is not aware of any dispute or circumstance of an exceptional nature likely to have any material impact on its revenue, earnings, financial position or assets or to have had any such impact in the recent past.

NOTE 12. - RELATED PARTY TRANSACTIONS

PHARMAGEST Group has not carried out any material transactions under abnormal market conditions with related parties. No guarantee has been given or received in connection with transactions with related parties.

12.1. Nature of relations with equity-accounted investees

In € thousands	31/12/2020	31/12/2019
Trade payables	0	-17
Current account	43	43
Operating expenses of the period	0	0
Trade receivables	27	0
Operating income of the period	0	0

12.2. Nature of relations with other LA COOPERATIVE WELCOOP companies:

PHARMAGEST Group is fully consolidated by LA COOPERATIVE WELCOOP (54600, VANDOEUVRE-LÈS-NANCY).

The nature of the relations between LA COOPERATIVE WELCOOP and its subsidiary MARQUE VERTE SANTE, are primarily amounts invoiced for:

- Management fees which include: strategic assistance, marketing and communications assistance, administrative, accounting and tax assistance, HR assistance and IT assistance. Services are invoiced at cost plus a mark-up of 3%;
- Share of Group insurance policies;
- Share of network contracts;
- Personnel in work-sharing arrangements;
- Sales, IT, marketing and administrative services.

In € thousands	31/12/2020	31/12/2019
Trade payables	584	555
Other payables	0	0
Operating expenses of the period	1,383	895
Trade receivables	650	631
Operating income of the period	615	1,588
Financial income	0	59

NOTE 13. - Other information

13.1.1. Auditors' fees

Amount in € thousands	BATT		DELOITTE	
	2020	2019	2020	2019
Certification of accounts	75	68	48	44
• For the Issuer	42	40	48	44
• Subsidiaries	33	28	0	0
Other services	0	0	0	4
• For the Issuer	0	0	0	0
• Subsidiaries	0	0	0	4
TOTAL	75	68	48	48

NOTE 14. - Subsequent events

- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of DIATELIC and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE.
- Acquisition of a 100% controlling interest by PHARMAGEST INTERACTIVE in ADI to strengthen its distribution network in the Ile-de-France region.
- Creation of PHARMAGEST SERVIZI, a 60%-held subsidiary of PHARMAGEST ITALIA.



18.1.7. Age of latest financial information

The last financial year for which financial information was audited was 2020, ending on 31 December 2020.

18.2. Interim and other financial information

18.2.1. Quarterly and half-yearly information

PHARMAGEST Group has not published any quarterly or half-yearly financial information since the date of the last audited financial statements.



18.3. Auditing of historical annual financial information

18.3.1. Statutory auditors' reports on the annual and consolidated financial statements

18.3.1.1. Statutory auditors' report on the annual financial statements

(year ended 31 december 2020)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the Group management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To PHARMAGEST INTERACTIVE's general meeting:

Opinion

In accordance with the terms of our engagement as auditors entrusted to us by the annual general meeting, we have audited the accompanying annual financial statements of PHARMAGEST INTERACTIVE for the year ended 31 December 2020.

In our opinion, the annual financial statements give a true and fair view of the financial position and the assets and liabilities of the company as at 31 December 2020 and the results of its operations for the year ended in accordance with French accounting standards.

The audit opinion expressed above is consistent with our report to the audit committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the annual financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments - Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the preparation and audit of the consolidated financial statements of this period were carried out under specific conditions. In particular, this crisis and the exceptional measures taken in connection with the public health emergency have resulted in multiple consequences for companies, particularly for their business, their financing, as well as increased uncertainties about their future outlook. Certain measures, such as restrictions on travel and remote working have also affected the internal organisation of companies and the procedures for conducting audits.

In this complex and constantly changing context, in accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the annual financial statements of the current period, as well as our responses to those risks.



These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the annual financial statements.

Measurement of equity interests

Risks identified

PHARMAGEST INTERACTIVE's equity interests have a carrying value of €60,035 thousand (or 31% of total assets). As indicated in note 2 to the separate parent company financial statements, on initial recognition they are recorded at acquisition cost excluding expenses incidental to the purchase and subsequently subject to impairment based on their value in use.

As indicated in note 2.2 to the separate parent company financial statements, their value in use is assessed for each period based on discounted cash flows, taking into account the outlook for each subsidiary and net debt.

The estimated value in use of the equity interests is based on estimations for discounted future cash flows requiring the use of assumptions and estimates by company management. In consequence, competition and the economic and geopolitical environment facing certain subsidiaries may result in a decline in their business and a deterioration in their operating performance.

In this context and in light of the inherent uncertainties associated with certain items and notably the likelihood of meeting forecasts, we have considered the correct valuation of equity interests to be key audit point.

Audit procedures implemented

To assess the reasonableness of the estimated value in use of equity securities, based on the information communicated to us, our work mainly consisted in verifying that the estimate of these values, as determined by management, is based on an appropriate justification of the valuation method used. For that purpose, our work consisted of:

- obtaining cash flow and operating forecasts for the activities of the entities concerned produced by their operational divisions and approved by the Board of Directors;
- verifying the consistency of the assumptions adopted with the economic environment on the dates the accounts were prepared and closed, and in particular assess the reasonableness of cash flow forecasts and their consistency with the forecasts of Group management, the consistency of the discount rate applied to estimated cash flows and the perpetuity growth rate used for cash flow forecasts with market analyses and consensus established by key players;
- comparing the forecasts adopted for preceding periods with the corresponding realisations in order to assess the achievement of past objective;
- verifying the adjustment linked to the amount of net debt;
- Finally, we have examined the reasonableness of the information disclosed in notes 2 and 15.5 of the annual financial statements.

Specific verifications

We have also performed the other specific procedures required by French law and regulations, in accordance with professional practice standards applicable in France.

Information given in the management report and other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report regarding the fair presentation and consistency with the financial statements of the information given in the management report of the Board of Directors and the other documents addressed to the shareholders in respect of the financial position and the annual financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code.

Report on corporate governance

We certify that the Board of Directors' report on corporate governance includes the information required by articles L. 225-37-10 and L. 225-37-9 of the French Commercial Code.

Regarding the information provided in accordance with the provisions of Article L. 22-10-9 of the French Commercial Code on compensation and benefits paid or granted to corporate officers as well as commitments incurred in their favour, we have verified their consistency with the accounts or with the data used to prepare these accounts, and when necessary, obtained by your company from companies controlled by it which are included in the consolidation scope. On the basis of these procedures, in our

opinion this information is accurate and provides a fair presentation.

Concerning the information relating to items that your company considers may have an impact in the case of a takeover bid or a public exchange offer provided in application of the provisions of L. 22-10-11 of the French Commercial Code, we have verified their consistency with relevant source documents. Based on this work, we have no matters to report in connection with the information given.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications or information required by law and regulations

Format of presentation of the annual financial statements intended to be included in the annual financial report

We also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the Statutory Auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the annual financial statements included in the annual financial report mentioned in Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the format defined in the European Delegated Regulation No. 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Appointment of the auditors

We were appointed as Statutory Auditors of PHARMAGEST INTERACTIVE by the General Meetings of 27 June 2017 for Deloitte & Associés and of 30 May 2002 for Batt Audit.

As at 31 December 2020, Deloitte & Associés was in the fourth consecutive year and Batt Audit in the nineteenth consecutive year respectively of their engagements.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures

These annual financial statements have been approved by the Board of Directors.

Statutory auditors' responsibilities for the audit of the annual financial statements

Objective and audit approach

Our role is to issue a report on the annual financial statements. Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As specified by Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the annual financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;

Report to the audit committee

We submit a report to the audit committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as significant audit findings. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the audit committee includes information about the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the annual financial statements of the current period and which are therefore the key audit matters. We describe these matters in the audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the audit committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Nancy, 29 April 2021

The Statutory Auditors
[French original signed by:]

Batt Audit
Isabelle SAGOT

Deloitte & Associés
Loïc MULLER

18.3.1.2. Statutory auditors' report on the consolidated financial statements (Year ended 31 December 2020)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the Group management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To PHARMAGEST INTERACTIVE's general meeting:

Opinion

In accordance with the terms of our engagement as auditors entrusted to us by the general meeting, we have audited the accompanying consolidated financial statements of PHARMAGEST INTERACTIVE for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the at 31 December 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments - Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the preparation and audit of the consolidated financial statements of this period were carried out under specific conditions. In particular, this crisis and the exceptional measures taken in connection with the public health emergency have resulted in multiple consequences for companies, particularly for their business, their financing, as well as increased uncertainties about their future outlook. Certain measures, such as restrictions on travel and remote working have also affected the internal organisation of companies and the procedures for conducting audits.

In this complex and constantly changing context, in accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of development expenditures

As specified in notes 3.2 and 3.4 to the consolidated financial statements, development expenditures are recognised as intangible assets on the basis of costs incurred, for a gross amount of €57,718 thousand (of which €16,229 thousand in progress) and a net amortisation value of €30,119 thousand at 31 December 2020, when the following conditions are met: the project is clearly defined



and the corresponding expenditure is separately identifiable; the technical feasibility of the project has been demonstrated; PHARMAGEST Group has the intention to complete the project and use or sell the asset; there is a potential market for developments resulting from the project or its usefulness in-house has been demonstrated; there are resources available to complete the project.

Notes 1.3 and 5.2 to the consolidated financial statements indicated that estimates of recoverable value of these intangible assets represent a material estimate by the Group based on the discounted cash flow method. Development expenditures of project not yet put into service are tested for impairment annually as indicated in note 5.2 to the consolidated financial statements.

We have considered the valuation of capitalised development projects to be a key audit matter as the prospects described above and the analysis resulting thereof are by nature dependent on assumptions, estimates and assessments by made by management.

As part of our engagement, we have notably:

- obtained an understanding from the interview with R&D management, of the commercial prospects of the different projects whose development expenditures have already been capitalised and not yet put into service;
- verified the consistency of estimated future cash flows with the assumptions used in the budget building process and approved by the Board of Directors;
- verified in particular the consistency of cash flow projections used when conducting impairment tests of developments of prior periods with the actual cash flows for the period ended 31 December 2020;
- assessed the justifications of discount rates and perpetuity growth rates used to calculate the recoverable values of intangible assets by comparing them with observable market inputs in the company's business sector.

Finally we have assessed the appropriate nature of the information given in notes 3.2, 3.4 and 5.2 of the consolidated financial statements.

Measurement of goodwill

As part of its development, PHARMAGEST Group has made acquisitions and recognised goodwill from these different business combinations (for an amount totalling €66,066 thousand at 31 December 2020), as specified in Notes 3.1 and 3.4.1 to the consolidated financial statements. After conducting impairment tests for the year ended 31 December 2020, the company recorded an impairment charge of €515 thousand as presented in Note 3.4.2 to the consolidated financial statements.

This goodwill, corresponds to the excess cost of the business combination over the Group's share of the net fair value of the acquiree's assets and liabilities allocated to Cash Generating Units (CGUs) or CGU groups from which benefits or synergies resulting from the acquisition are expected, in accordance with note 5.1 of the consolidated financial statements.

An asset impairment charge is recorded, as specified in Note 5.1 to the consolidated financial statements, when the recoverable value of goodwill is less than the net carrying value. Accordingly, an adverse trend in expected returns from the CGU or CGU groups to which the goodwill was allocated, due to internal or external factors, for example linked to the economic and financial environment in which the CGU or CGU groups operate, could significantly impact the recoverable value and require the recognition of an impairment charge, either annually following the mandatory annual impairment tests or during the year when there is evidence of a loss in value. A change of this nature would require a reassessment of the relevance of all assumptions used to determine this value as well as the reasonable and coherent nature of the calculation parameters.

Note 5.1 to the consolidated financial statements furthermore specifies that the recoverable value of each CGU or CGU group was determined in reference to value in use calculated from the present value of estimated future cash flows expected to arise from the group of assets making up the CGU, whereby the latter were derived from forecasts of Group management. The determination of the recoverable value is largely based on the use of management judgments (note 1.3 to the consolidated financial statements), consisting notably of budget data, the rate of growth used to estimate future cash flows and the corresponding discount rate applied.

For that reason we considered the valuation of goodwill to be a key audit matter.

We have examined the consistency of the methodology applied by the company with International Financial Reporting Standards (IFRS) and obtained an understanding of the applicable internal control system. We also reviewed the procedures for implementing this methodology and verified in particular:

- the correct allocation of goodwill to CGUs and the exhaustive nature of the asset values to be tested;
- the reasonable nature of the estimated future cash flows in relation to the economic and financial environment in which the CGUs operate and their consistency with the forecasts of Group management, notably by comparing the cash flow forecasts made for the year ended with actual cash flows;
- the consistency of the perpetuity growth rate used for the estimated future cash flows with analysis of the market and consensus of the main market players;

- the consistency of the discount rate applied to estimated cash flows, by verifying on the one hand that the benchmark adopted by financial analysts with a knowledge of the business sector is consistent with the rate adopted for mature businesses, and on the other hand, that this rate is adjusted to developing businesses in order to integrate the corresponding notion of risk premium;
- the analysis of the sensitivity of value in use made by management to a change in the main assumptions applied.

We have furthermore examined the reasonableness of the information disclosed in Notes 3.4.1, 3.4.2 and 5.1 of the consolidated financial statements.

Specific verifications

As required by French law and regulations, we also performed the specific verifications, in accordance with professional standards applicable in France, of the information provided on the group presented in the Board of Directors' management report.

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

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of the Code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information contained therein which should be reported on by an independent assurance services provider

Other verifications or information required by law and regulations

Format of the presentation of the consolidated financial statements included in the annual financial report

We also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the Statutory Auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements to be included in the annual financial report mentioned in Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the format defined in the European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements included in the consolidated financial report complies, in all material respects, with the European single electronic format.

Appointment of the auditors

We were appointed as Statutory Auditors of PHARMAGEST INTERACTIVE by the General Meetings of 27 June 2017 for Deloitte & Associés and of 30 May 2002 for Batt Audit.

As at 31 December 2020, Deloitte & Associés was in the fourth consecutive year and Batt Audit in the nineteenth consecutive year respectively of their engagements.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures

The consolidated financial statements have been approved by the Board of Directors.



Statutory auditors' responsibilities for the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified by Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the audit committee

We submit a report to the audit committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as significant audit findings. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the audit committee includes information about the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters. We describe these matters in the audit report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) N°537/2014, confirming our independence within the meaning of the rules applicable in France as defined in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the audit committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Nancy, 29 April 2021

The Statutory Auditors
[French original signed by:]

Batt Audit
Isabelle SAGOT

Deloitte & Associés
Loïc MULLER



18.3.2. Other information subject to an audit by the statutory auditors

Auditors' Special Report on regulated agreements and commitments

To PHARMAGEST INTERACTIVE's general meeting:

In our capacity as Statutory Auditors of your Company, we hereby report on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code to assess the interest involved in respect of the conclusion of these agreements with a view to their approval.

In addition, we are required to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de Commerce*) regarding the execution, during the past year, of the agreements already approved by the shareholders' meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These standards require that we ensure that the information provided to us is consistent with the relevant source documents.

AGREEMENT SUBMITTED FOR APPROVAL TO THE GENERAL MEETING

Agreements approved and entered into the period ended

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreement entered into in the period ended subject to prior authorisation by your Board of Directors.

With DIATELIC

Renewal of the tax sharing agreement

Related parties:

- Dominique PAUTRAT, Chief Executive Officer and Director of PHARMAGEST INTERACTIVE, representing PHARMAGEST INTERACTIVE, Chairman of DIATELIC.

Nature and purpose

On 6 December 2019, the Board of Directors authorized PHARMAGEST INTERACTIVE to renew the tax sharing agreement with DIATELIC in accordance with provisions of Articles 223-A to 223-U of the French Tax Code (*Code général des impôts*) as from 1 January 2020.

Terms and conditions

The principle of neutrality has been retained: the parent company alone is liable for the tax expense and charges its subsidiary for the tax as if there was no tax sharing agreement. The corresponding tax group was terminated, in accordance with the provisions of Article 1844-5 of the French Civil Code (*Code civil*) pursuant to the DIATELIC's dissolution without liquidation, duly completed on the date of our report.

The company's justifications for the agreement:

On 6 December 2019, the Board of Directors decided to renew the tax sharing agreement for a new period of five years from 1 January 2020 under the same conditions as the previous agreement.

The scope of the tax sharing group for fiscal 2020 includes PHARMAGEST INTERACTIVE as the tax group consolidating company and DIATELIC as the consolidated company.

With Msrs. Dominique PAUTRAT, Denis SUPPLISSON and Grégoire DE ROTALIER

Grant of stock options for PHARMAGEST INTERACTIVE shares

Related parties:

- Mr. Dominique PAUTRAT, Chief Executive Officer and Director of PHARMAGEST INTERACTIVE
- Mr. Denis SUPPLISSON, Deputy CEO and Director of PHARMAGEST INTERACTIVE



- Mr. Grégoire DE ROTALIER, Deputy CEO and Director of PHARMAGEST INTERACTIVE

Nature and purpose

On 25 September 2020, the Extraordinary General Meeting of PHARMAGEST INTERACTIVE authorised the Board of Directors to establish a stock option plan for the grant of options for the purchase of PHARMAGEST INTERACTIVE shares to the Chief Executive Officer and the two Deputy CEOs.

On 4 December 2020, the Board of Directors accordingly awarded 15,000 options for the purchase of PHARMAGEST INTERACTIVE shares to:

- Mr. Dominique PAUTRAT, who joined the Group in 1988,
- Mr. Denis SUPPLISSON, who joined the Group in 1991,
- Mr. Grégoire DE ROTALIER, who joined the Group in 1994.

Terms and conditions

The exercise price of the option, set by the Board of Directors in accordance with the provisions of Articles L. 225-177 and L. 225-179 of the French Commercial Code, is €74.46 per share.

The Plan has a term of 8 years starting on 4 December 2020 and the options can only be exercised at the end of the four-year vesting period.

The exercise of options is reserved for beneficiaries who, on the day the option is exercised, have retained their status as officers of the company, its subsidiaries or companies directly or indirectly controlling PHARMAGEST INTERACTIVE.

Beneficiaries are subject to lock-up provisions requiring the retention of 10% of the shares resulting from the exercise of stock options until they leave office.

The company's justifications for the agreement:

On 4, December 2020, Board of Directors justified the interest of this agreement for PHARMAGEST INTERACTIVE by the need to attract and retain strong skills and "quality managers" based on a reasonable overall approach taking into account the interests of the company, market practices and the performance of the beneficiaries who have been contributing as managers of the Group for several decades.

Agreements authorised and entered into after the year-end

We have been informed of the following agreements, authorised and entered into after the end of the fiscal year and previously approved by your Board of Directors.

With MARQUE VERTE SANTE

Financial advance

Related parties:

- Mr. Thierry CHAPUSOT, Chair of the Board of Directors of PHARMAGEST INTERACTIVE and Chair of the Executive Board of MARQUE VERTE SANTE;
- Mr. Dominique PAUTRAT, Chief Executive Officer and Director of PHARMAGEST INTERACTIVE and member of the Executive Board of MARQUE VERTE SANTÉ;
- Ms. Anne LHOTE, Director of PHARMAGEST INTERACTIVE and member of the Executive Board of MARQUE VERTE SANTE;
- Mr. Daniel ANTOINE, Director of PHARMAGEST INTERACTIVE and permanent representative of LA COOPERATIVE WELCOOP on the Supervisory Board of MARQUE VERTE SANTE;
- Mr. Hugues MOREAUX, Board representative of LA COOPERATIVE WELCOOP on the PHARMAGEST INTERACTIVE Board of Directors and Chairman of the Supervisory Board of MARQUE VERTE SANTE.

Nature and purpose

The Board of Directors' meeting of 26 March 2021 authorised PHARMAGEST INTERACTIVE to grant an advance in the amount of €10 million to MARQUE VERTE SANTÉ.

Terms and conditions

MARQUE VERTE SANTÉ has given a firm undertaking to repay the advance in whole or in part, on PHARMAGEST INTERACTIVE's request, within a maximum of three months from the date of the request.

The advance carries interest at a minimum guaranteed rate of 0.5%. Interest is calculated quarterly and due on receipt of invoice in cash. This rate may be revised upwards in line with market rates.

On 26 March 2021, the Board of Directors authorised the signature of a €10 million advance financing agreement.

The company's justifications for the agreement:

On 26 March 2021, the Board of Directors confirmed the justification for PHARMAGEST INTERACTIVE by the level of interest paid on this advance, which remains advantageous compared to the level of interest paid by financial institutions on risk-free cash investments.

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements authorised in prior periods that remained in force during the period ended

In accordance with the provisions of Article R. 225-30 the French Commercial Code, we were informed that the following agreements, already approved by the General Meeting in prior periods, remained in force in the period ended.

With Mr. Dominique PAUTRAT and Mr. Denis SUPPLISSON

Long-term bonus agreement

Related parties:

- Mr. Dominique PAUTRAT, Chief Executive Officer,
- Mr. Denis SUPPLISSON, Deputy Chief Executive Officer

Nature and purpose

The Board of Directors, meeting on 29 March 2018, decided to award bonuses to Messrs. Dominique PAUTRAT and Denis SUPPLISSON, in connection with their employment contracts and subject to achieving the objectives set over a four-year period, from 2017 to 2020.

These bonuses which are to be paid on 31 March 2021 are also linked, in addition to achieving objectives, to conditions of presence by the beneficiaries in their current functions within the Company.

Financial terms and conditions:

- For Mr. Dominique PAUTRAT:
A long-term incentive bonus varying, according to the level of objectives achieved, of between €0 and a gross amount of €350,000, with such objectives linked to the PHARMAGEST Group business plan, excluding health and social care facilities and upon the consolidation of business plans at the WELCOOP Group level.
- For Mr. SUPPLISSON
A long-term incentive bonus varying, according to the level of objectives achieved, of between €0 and a gross amount of €180,000, with such objectives linked to the business plan of the Pharmacy Europe business and the business plan of PHARMAGEST Group business, excluding Health and Social Care Facilities.

Provisions are made in the financial statements for the incentive bonuses each financial year on a pro rata basis, according to progress towards achieving the targets over the four-year period.

On 31 December 2020, the amounts accrued for this purpose represented gross amounts of €73,500 for Mr. PAUTRAT and €129,600 for Mr. SUPPLISSON.

The company's justifications for the agreement:

This agreement was concluded in light of the seniority of Messrs. Dominique PAUTRAT et Denis SUPPLISSON in the company for the purpose of providing them retention incentives in the form of social protection and compensation in relation to actual risks incurred. This decision complies with the principles of MiddleNext Code recommendation R13 for determining compensation of corporate officers, and namely, comprehensiveness, balance, benchmarking, consistency, understandability, proportionality and transparency.

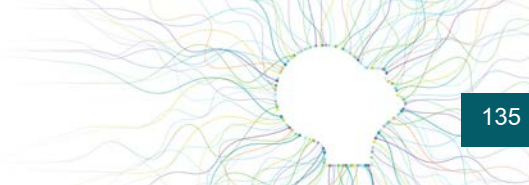
Nancy, 29 April 2021

The Statutory Auditors

[French original signed by:]

Batt Audit
Isabelle SAGOT

Deloitte & Associés
Loïc MULLER



18.3.3. Unaudited financial information about the issuer

All financial information included in this Universal Registration Document is derived from the audited financial statements.

18.4. Pro forma financial information

18.4.1. Restated financial information

Given that changes in scope and application of new standards had little impact, no pro forma financial statements were prepared.

18.5. Dividend policy

18.5.1. The issuer's policy on dividend distributions

PHARMAGEST Group does not have a policy with respect to the distribution of dividends. PHARMAGEST INTERACTIVE distributes dividends to shareholders in the form of cash payments.

The Ordinary General Meeting of PHARMAGEST INTERACTIVE on 29 June 2021 will be asked to approve a dividend distribution of €0.95 per share.

18.5.2. Amount of the dividend per share

Year	Dividend per share	Dividend eligible for the 40% allowance (paid to individuals)	Dividend not eligible for the 40% allowance (paid to legal entities)
31/12/2017	€0.75	€0.75	€0.75
31/12/2018	€0.85	€0.85	€0.85
31/12/2019	€0.90	€0.90	€0.90

18.6. Legal and arbitration proceedings

18.6.1. Information on any governmental, legal or arbitration proceedings

Insofar as PHARMAGEST Group is aware, there have been no governmental, legal or arbitration proceedings during the previous 12 months which may have had in the recent past significant effects on its financial position or profitability.

Without calling into question the items mentioned above, PHARMAGEST Group indicates for information purposes that total provisions for contingencies and expenses at 31 December 2020 amounted to €5,515 thousand and included:

The provision for retirement severance payments	€5,264 thousand
Provisions for litigation	€252 thousand

18.7. Significant change in the issuer's financial position

18.7.1. Significant change in the financial position of the Group having occurred since the end of the last financial period

PHARMAGEST Group is not aware of any significant changes in its financial situation since the end of the last financial year for which the financial statements were published and audited.



19. ADDITIONAL INFORMATION

19.1. Issued capital

19.1.1. Subscribed share capital

As at 31 December 2020, the company's share capital amounted to €3,034,025 and has not changed in the period covered by the historical financial information.

It is divided into 15,174,125 shares with a par value of €0.20, all fully paid-up and of the same class.

At 31 December 2020, PHARMAGEST INTERACTIVE had a free float (shares held by public investors) of 4,179,909 shares compared to 3,728,310 shares one year earlier.

No capital was paid up during the period covered by the historical financial information.

19.1.2. Non-equity shares

No shares exist not representing capital.

19.1.3. Shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer

The balance of treasury shares held at 31 December 2020 is presented in Section 18.1.6.6 - Note 10.2 of the consolidated financial statements in this Universal Registration Document. The nominal value of treasury shares is €0.20 per share.

19.1.4. Marketable securities

There are no convertible securities, exchangeable securities or securities with warrants.

19.1.5. Acquisition rights and/or obligations over authorised capital

The Articles of Association do not impose specific conditions governing changes in the capital or voting rights attaching to the shares that comprise the capital.

Under the Articles of Association, changes to the capital are not subject to more restrictive conditions than those imposed by law.

At 31 December 2020, in the absence of a decision by the shareholders with respect to a capital increase, it is duly noted that no financial authorities were voted or in force.

19.1.6. Capital under option or agreed conditionally or unconditionally to be put under option

Other than the stock option plans for employees and three executive officers, there are no options or conditional or unconditional agreements for the share capital to be put under an option.

All procedures relating to these stock option plans are presented in the notes to the consolidated financial statements in Section 18.1.6.6 – Note 8.3.1 of this Universal Registration Document.



19.1.7. History of the share capital

PHARMAGEST INTERACTIVE's shares are traded on Euronext PARIS™. The ISIN code is FR 0012882389.

PHARMAGEST INTERACTIVE securities were transferred to compartment B of NYSE Euronext PARIS™ with effect from 17 January 2013, as its market capitalisation rose to €182.08 million. Compartment B covers listed companies with a market capitalisation of €150 million to €1 billion.

There have been no changes to the share capital since market listing.

Share price trends since April 2020

Month	Low (in €)	High (in €)	Trading volume (number of shares)	Trading volume (in €)
April 2020	64.80	50.60	155,571	9,121,191.65
May 2020	68.50	60.90	57,313	3,668,899.40
June 2020	78.70	63.70	177,779	13,051,361.15
July 2020	85.00	75.40	126,521	10,335,783.90
August 2020	84.90	74.60	75,981	6,222,611.20
September 2020	85.50	75.00	104,948	8,372,387.40
October 2020	95.00	81.30	187,152	16,470,200.40
November 2020	100.80	83.00	325,528	30,507,877.80
December 2020	112.60	93.50	175,225	17,814,058.60
January 2021	124.20	105.40	135,176	15,588,867.10
February 2021	122.80	94.60	379,164	39,877,727.40
March 2021	100.60	91.00	329,075	31,661,042.50

(Source: Gilbert Dupont)

PLEDGES

Insofar as it is aware, PHARMAGEST Group's capital is not subject to any share pledges.



19.2. Memorandum and Articles of Association

All Memorandums and Articles of Association are available in the section on corporate governance of the PHARMAGEST INTERACTIVE's website: <https://pharmagest.com>

19.2.1. Objects and purposes

PHARMAGEST INTERACTIVE has been registered in the NANCY (RCS No. 403 561 137) since 25 January 1996.

PHARMAGEST INTERACTIVE's corporate object and purposes (Article 2 of the articles of association) are as follows:

- The purchase, sale and representation of all office and IT equipment; consultancy in all technical organisations with a view to applying this equipment to industrial, commercial, administrative companies, whether public or private;
- Assistance and training in management, primarily in the context of office automation and IT techniques, research into the development of concepts and software development;
- Equity investments and interests by contribution, subscription, purchase of securities, shares, bonds and all company rights and other legal means in all companies or businesses related in particular to the industrial, commercial and services activities;
- The management, control, administration and maximisation of the value of these holdings, with a view to controlling the business of the companies, providing financial management and maintaining control of a group of companies, by establishing or taking over new companies, mergers and other legal means allowed by company law;
- The provision of financial, administrative and management control and engineering services;
- And, in general, to conduct any and all commercial, industrial and financial transactions related directly or indirectly to any of the above purposes or any other similar or related purpose that contributes to the development or expansion of the Company's business.

19.2.2. Classes of shares

There is one class of shares (Article 7). One voting right is attached to each share.

19.2.3. Provisions of the articles of association that could delay, defer or prevent a change in control

Article 9 of the Company's articles - Capital increase, reduction or redemption

(...) Shareholders will have, in proportion to the number of shares they hold, a preferential right to subscribe to shares for cash, issued to increase the share capital. They may waive this right on an individual basis. They also have a right to subscribe for excess amounts of shares on a non-preferential basis subject to reduction (à titre réductible) if explicitly decided by the general meeting (...).

The extraordinary general meeting may also, subject to the rights of creditors, authorise or resolve to reduce the share capital for whatever reason and by whatever means, but in no event shall the capital reduction affect the equal treatment of shareholders.

The reduction in share capital to an amount below the legal minimum may only be decided under the condition precedent of a capital increase to restore the capital to an amount at least equal to the legal minimum, unless the company is being converted to another company form.

Failing this, any interested party may apply to the courts to have the company wound up. This may not however be decided if on the date the ruling on the merits is rendered by the Court the issue has been corrected.

The Ordinary General Meeting may decide to amortise the share capital in accordance with the provisions of Article L. 225-198 et seq. of the French Commercial Code.

Article 10 of the Articles of Association - Rights and obligations attaching to shares

Each share confers entitlement to the profits, Company assets and liquidation bonus in proportion to the percentage of capital it represents.

Furthermore, each share shall entitle its holder to vote and be represented in the General Meetings, as well as the right to be informed of the Company operations and disclosure of selected corporate documents at such times and in accordance with conditions provided for by statutory provisions and these Articles of Association.

Under the terms of the fifteenth resolution to the Extraordinary General Meeting of 26 June 2015, it was resolved not to introduce double voting rights as provided by Law 2014-384 of 29 March 2014 to the holders of those shares indicated in Article L. 225-123, subsection 3 of the French Commercial Code.

Each share of the Company entitles the holder to one vote in General Meetings.



The liability of shareholders for corporate liabilities shall be limited to their contributions to the Company's capital. In the event of transfer, the rights and obligations remain attached to shares regardless of the owner. Shareholders are automatically bound by the Articles of Association and by any decisions of the General Meeting.

Article 24 - Payment of dividends - Interim dividends

Interim dividends may be distributed before the approval of the financial statements for the year when the balance sheet established during or at the end of a financial year and certified by the Statutory Auditors, shows that the Company has made a profit since the close of the last financial year, after recognising the necessary depreciation and provisions and after deducting prior losses, if any, and the sums to be allocated to reserves, as required by law or the articles of association. The amount of such interim dividends may not exceed the amount of the profit so defined.

The general meeting may grant shareholders the choice of receiving a dividend in cash or in shares for all or part of the dividend or interim dividend to be distributed, subject to the applicable legal provisions.

The terms and conditions for payment of cash dividends are decided by the General Meeting or, failing that, by the Board of Directors.

Cash dividends must be paid no later than 9 months after the financial year-end, unless this period is extended by a court authorisation.

The repayment of dividends may be claimed from the shareholders except when the distribution was made in violation of legal provisions and the Company has demonstrated that the beneficiaries were aware of the irregular nature of this distribution at that time or could not have been unaware of this fact in light of the circumstances. As applicable, claims for repayment are time-barred three years after the payment of the dividends. Dividends not claimed within five years after the payment date shall be deemed time-barred.

20. MATERIAL CONTRACTS

20.1. Material contracts of the Group

PHARMAGEST INTERACTIVE has no major contracts imposing a material obligation or commitment on any member of PHARMAGEST Group for the whole of the Group, on the date of filing of this Universal Registration Document, apart from bank loans with pledges or covenants detailed under Section 18.1.6.6 - Note 6.4 to the consolidated financial statements herein.

Information relating to agreements entered into with related parties is provided in Section 17 of this Universal Registration Document.



21. DOCUMENTS ON DISPLAY

21.1. Publicly available documents

PHARMAGEST Group certifies that the following documents (or copies thereof) can be, as applicable, consulted at its website (<https://pharmagest.com>):

- Memorandum and Articles of Association of PHARMAGEST INTERACTIVE;
- All reports, correspondences and other documents, historical financial information, assessments and statements made by an expert at the request of PHARMAGEST Group, a part of which is included or referred to in this Universal Registration Document;
- The historical financial information of PHARMAGEST INTERACTIVE and its subsidiaries for each of the two financial years preceding the publication of this Universal Registration Document.

21.2. Annual management report

21.2.1. Management report

PHARMAGEST INTERACTIVE
A FRENCH PUBLIC LIMITED COMPANY (SOCIÉTÉ ANONYME) WITH SHARE CAPITAL OF €3,034,825
REGISTERED OFFICE: TECHNOPOLE DE NANCY BRABOIS
5 ALLÉE DE SAINT-CLOUD 54600 VILLERS-LÈS-NANCY
NANCY COMPANIES REGISTER (RCS) NO. 403 561 137

—————
MANAGEMENT REPORT
TO THE ORDINARY ANNUAL GENERAL MEETING
OF 29 JUNE 2021
—————

Dear Shareholders,

Pursuant to applicable law and regulations, this General Meeting is held today for the purpose of asking you to approve the individual and consolidated annual financial statements and the appropriation of earnings for the financial year ended on 31 December 2020, approved by the Board of Directors at its meeting of 26 March 2021.

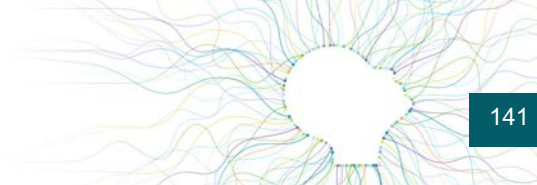
The required meeting notices were properly sent and all information provided for by articles L. 225-115 and R. 225-83 of the French Commercial Code were made available to you at the registered office within the legally prescribed periods and made available online at the Company's website by the 21st day preceding the Meeting.

1. Financial position and operations of the Company and its subsidiaries for the year ended

1.1. Presentation of PHARMAGEST Group

Basis of presentation and compliance statement

The basis of presentation and valuation methods used to prepare the documents submitted for your review are based on applicable regulations. The consolidated financial statements have been prepared according to IFRS and the separate parent company financial statements according to French GAAP.



Fully consolidated companies

Company	Registered office	Controlling interest (%)	Ownership interest (%)
PHARMAGEST INTERACTIVE	Villers-lès-Nancy (54)	Consolidating company	
ADI ⁽¹⁾	Saclay (91)	50	50
ASCA INFORMATIQUE	Chessy (77)	100	100
AXIGATE	Paris (75)	100	100
CAREMEDS	Eastleigh (England)	51.82	51.82
DIATELIC	Villers-lès-Nancy (54)	100	100
DICSIT INFORMATIQUE	Villers-lès-Nancy (54)	100	100
EHLS	Villers-lès-Nancy (54)	100	100
HDM	Port Louis (Mauritius)	100	100
HEALTHLEASE	Paris (75)	100	100
I-MEDS	Schwarzach am Main (Germany)	60	31.09
INTERNATIONAL CROSS TALK	Aubière (63)	100	100
KAPELSE	Villers-lès-Nancy (54)	75	75
MALTA BELGIUM	Gosselies (Belgium)	100	100
MALTA INFORMATIQUE	Mérignac (33)	100	100
MULTIMEDS	Wicklow (Ireland)	51	51
NANCEO	Paris (75)	70	70
NOVIA SEARCH	Florange (57)	100	67.97
NOVIATEK	Schifflange (Luxembourg)	79.97	67.97
PANDALAB	Nancy (54)	56.27	56.27
PHARMAGEST BELGIUM	Gosselies (Belgium)	100	100
PHARMAGEST ITALIA	Macerata (Italy)	82.50	82.50
PHARMAGEST LUXEMBOURG	Windhof (Luxembourg)	100	100
SAILENDRA	Villers-lès-Nancy (54)	84.63	84.63
SCI HUOBREGA	Quéven (56)	100	100
SEAA	Chessy (77)	100	100
SVEMU INFORMATICA FARMACEUTICA	San Marco dei Cavoti (Italy)	80	66

⁽¹⁾ Given the economic and contractual relationship between PHARMAGEST INTERACTIVE and ADI (which distributes LGPI Global Services® products), and the control of the company (equal distribution of Board members, Chairman's appointment subject to the express agreement of PHARMAGEST Group), ADI which is 50%-owned, is fully consolidated.

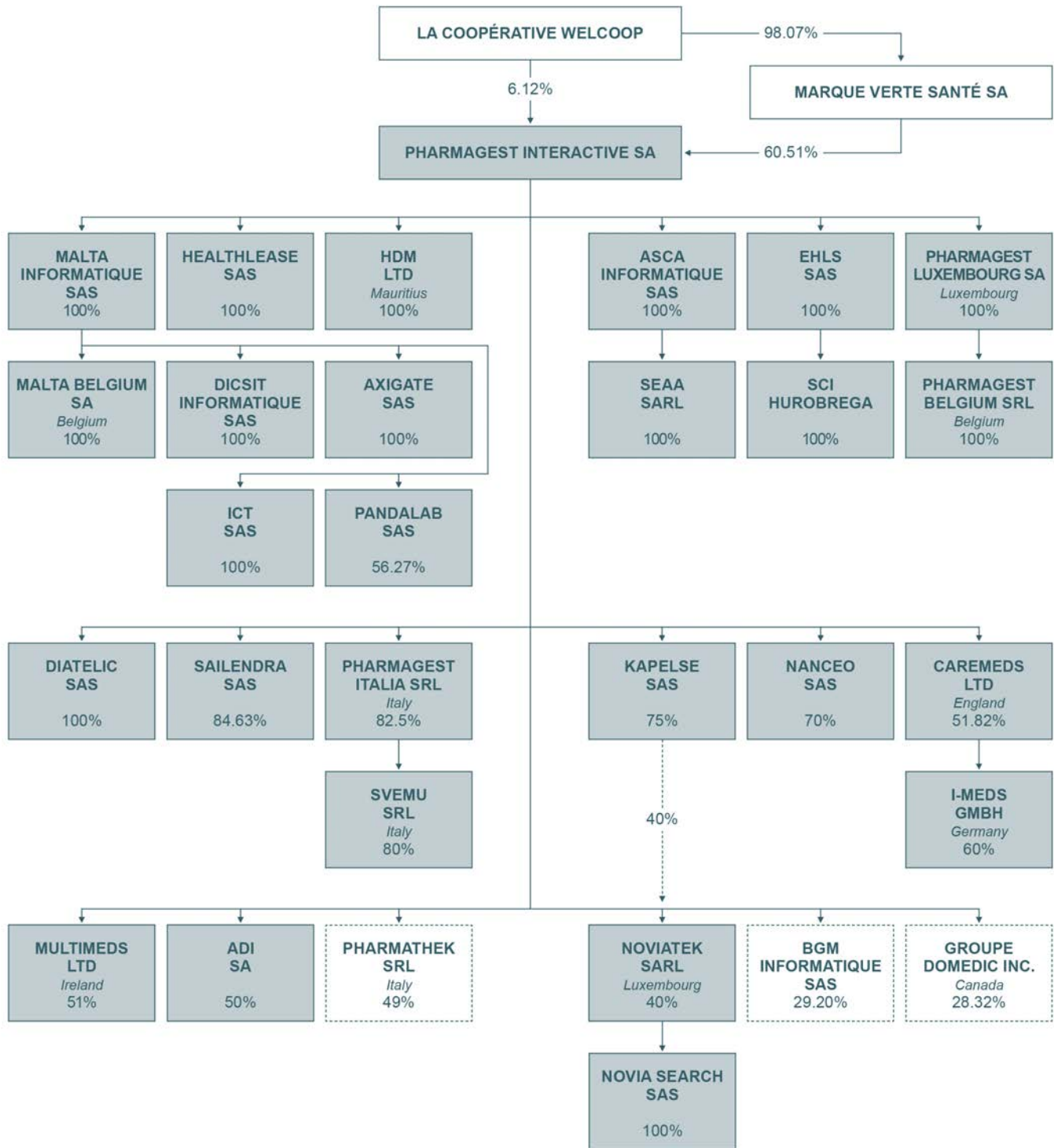
Equity-accounted subsidiaries

Companies	Registered office	Controlling interest (%)	Ownership interest (%)
BGM INFORMATIQUE	Chessy (77)	29.20	29.20
GROUPE DOMEDIC	Quebec (Canada)	28.32	28.32
PHARMATHEK	Verona (Italy)	49.00	49.00



PHARMAGEST Group Organisation Chart

As at the end of the financial year (31 December 2020), PHARMAGEST Group's organisation chart was as follows:



White background: Parent companies;
 Green background: Fully consolidated subsidiaries;
 White background dotted line box: Equity-accounted subsidiaries.

The percentage of voting rights held by PHARMAGEST INTERACTIVE in each of its subsidiaries is equal to the percentage of its equity holding in these subsidiaries.



Changes in consolidation scope in 2020

- Acquisition by PHARMAGEST INTERACTIVE of the shares of a minority shareholder KAPELSE, increasing the shareholding of PHARMAGEST INTERACTIVE to 75%.
- Acquisition of a 56.27% majority stake by MALTA INFORMATIQUE in PANDALAB, a company specialised in secure and instant messaging solutions for healthcare professionals.
- Acquisition by PHARMAGEST INTERACTIVE of 100% of ASCA INFORMATIQUE, specialized in software publishing for systems and networking applications. ASCA INFORMATIQUE owns 100% of the capital of SEAA, specialised in the wholesale distribution (B2B) of electronic and telecommunications components and equipment.
- Acquisition by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of DIATELIC, increasing its shareholding to 100%.
- MALTA INFORMATIQUE acquires the shares of ICT Group's minority shareholders, increasing its stake to 100%.
- Liquidation of UK PHARMA.
- Acquisition by PHARMAGEST INTERACTIVE of a 29.20% minority stake in BGM INFORMATIQUE, a wholesale-distributor (B2B) of computers, IT peripherals and software.
- Simplified merger (*transmission universelle de patrimoine*) entailing the global transfer of assets and liabilities of HAPPY HEALTH ORGANIZER and SOPHIA SANTE to INTERNATIONAL CROSS TALK (ICT).
- Acquisition by PHARMAGEST INTERACTIVE of the shares of four minority shareholders of SAILENDRA, increasing its shareholding to 84.63%.
- Disposal of 30% of NANCEO securities without loss of control.

In view of the non-material impact of these changes in scope, no pro forma accounts have been prepared for the consolidated financial statements.

1.2. PHARMAGEST Group's business

1.2.1. Presentation of the PHARMAGEST Group's businesses in 2020

Description of the PHARMAGEST Group's businesses

PHARMAGEST Group's primary activity is the design of specialised management software for dispensing pharmacies and the distribution of turnkey computer solutions.

- **Pharmacy - Europe Solutions Division:**
 - Distribution of pharmacy management software and related offerings;
 - Distribution of IT equipment, turnkey installation and training;
 - After sales services: hotline support and maintenance;
 - Data back-up.
- **e-Health Solutions Division:**
 - The sale of digital communication solutions for pharmaceutical companies to support pharmacists in fulfilling their new roles on the front line of patient care;
 - Medical tele-monitoring system to prevent deterioration in the state of health of chronic and dependent patients treated at home;
 - Data back-up and application hosting with direct patient access;
 - Solutions for monitoring treatment compliance for the chronically ill or the elderly;
 - Solutions for securely monitoring patients in the home and optimising their care pathway.
- **Health and Social Care Facilities Solutions Division:**
 - Distribution of IT equipment, turnkey installation and training;
 - The distribution of new generation software solutions for healthcare professionals and facilities for seniors and dependent persons, in-home nursing services, hospitals and office-based private practitioners;
 - After sales services: hotline support and maintenance;
- **Fintech Division:**
 - Provision of a financing platform to facilitate the management of multiple lessors.



1.2.2. Analysis of revenue trends

Key figures for the consolidated group - IFRS

Activities and results of PHARMAGEST Group, its subsidiaries and companies it controls.

Amounts – In € thousands	2020	2019	Change
Sales of configurations and hardware	76,494	71,317	7.26%
Maintenance and sale of databases	64,270	57,593	11.59%
Training and new product services	28,969	27,558	5.12%
Other services	2,021	2,101	-3.81%
Total revenue	171,754	158,569	8.32%
Current operating income	46,649	40,849	14.20%
Profit/(loss) from continuing operations	32,666	28,972	12.75%
Net profit	32,666	30,361	7.59%
Net profit attributable to equity holders of the parent	30,714	28,403	8.14%
Basic earnings per share attributable to equity holders of the parent (in €)	2.04	1.89	7.82%

On an IFRS basis, consolidated revenue for fiscal 2020 rose 8.32% year-on-year. Gross sales came to €139,517 thousand in 2020, up from €128,648 thousand in 2019.

Material software maintenance and the renewal of the installed base of equipment under contract account for approximately 66% of PHARMAGEST Group revenue. These activities represent significant indicators for annual revenue.

Operating expenses (staff costs + general expenses + taxes) amounted to €84,545 thousand. Up 6.09% in relation to 2019, this development reflects mainly the increase in staff costs (+8.07% largely reflecting the increase in the number of personnel in the period) and the relative decrease in general expenses after adjusting for the impact of IFRS 16 of €2,684 thousand.

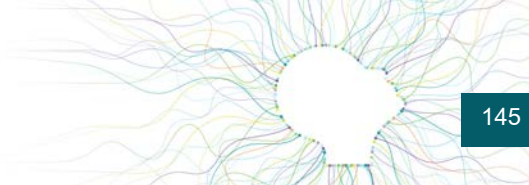
Current operating income was up in consequence 14.20% to €46,649 thousand from the previous year.

The net financial expense amounted to €190 thousand, including financial income of €1,340 thousand and financial expenses of €1,531 thousand (of which €793 thousand from the fair value adjustment of financial investments).

Consolidated net profit amounted to €32,666 thousand with €30,714 thousand attributable to equity holders of the parent and €1,951 thousand attributable to non-controlling interests. The increase in net profit attributable to equity holders of the parent was 8.14%.

In 2020, PHARMAGEST Group registered growth in net cash flow of €12,197 thousand after outflows for the purchase of financial investments of €5,939 thousand and cash flows from operating activities of €47,208 thousand (IFRS).

The Group has a very solid financial structure. At year-end, shareholders' equity stood at €143,257 thousand (attributable to equity holders of the parent) compared to €127,613 thousand at 31 December 2019. Net cash (i.e. available-for-sale securities, other financial assets cash and cash equivalents minus short-term and long-term facilities) amounted to €35,968 thousand. Cash net of current financial liabilities totalled €47,461 thousand.



PHARMAGEST INTERACTIVE (separate financial statements):

Amounts – In € thousands	2020	2019	Change
Sales of configurations and hardware	58,291	57,790	0.87%
Maintenance and sale of databases	33,188	32,056	3.53%
Training and new product services	9,702	11,189	-13.29%
Other services	2,021	1,891	6.87%
Total revenue	103,202	102,926	0.27%
Operating profit	22,556	21,365	5.58%
Net profit	18,092	17,953	0.77%

Main subsidiaries (separate financial statements)

In € thousands	Revenues	Operating profit	Operating income before tax	Net profit
HEALTHLEASE	43,922	2,615	2,621	1,888
EHLS	25,839	1,423	1,625	1,119
KAPELSE	12,550	6,623	6,641	5,057
MALTA INFORMATIQUE	12,393	5,890	5,858	3,854

Branch offices

PHARMAGEST Group's activities are exercised at 60 sites. PHARMAGEST INTERACTIVE's operations are conducted at its principal place of business in VILLERS-LÈS-NANCY and its 27 secondary sites.

Research and development

The Research and Development Department has nearly 220 employees for the entire Group.

Pursuant to IAS 38, we identified development projects meeting all criteria required to record expenses on the balance sheet. In 2020, the total amount capitalised under this standard for projects expected to contribute revenue from the sale of products and services in the future is:

- €4,605 thousand capitalised in the separate financial statements of AXIGATE, DIATELIC, KAPELSE, NANCEO, NOVIA TEK, SAILENDRA, PANDALAB and ICT;
- €3,799 thousand restated according to IAS 38 for PHARMAGEST INTERACTIVE, CAREMEDS, DICSIT INFORMATIQUE, MALTA INFORMATIQUE, PHARMAGEST ITALIA and MALTA BELGIUM including €560 thousand for outsourced expenditures.

Annual highlights

MALTA INFORMATIQUE initiates its European development by establishing operations in Belgium

MALTA INFORMATIQUE and the Health and Social Care Facilities Solutions Division is developing in Europe by acquiring activities for developing software solutions for nursing homes and specialised establishments of the Belgian company CARE SOLUTIONS (an ARMONEA subsidiary).

The business assets concerned by this acquisition the teams, brands and contracts for the supply of Care Solutions applications to more than 630 senior homes in Belgium out of the country's total of 1,800.

Concurrently, MALTA INFORMATIQUE signed a strategic European partnership agreement to assist Colisée in developing software solutions for all their establishments.



AXIGATE was selected by RESAH, the French hospital purchasing network, to address the needs of regional hospital groups in monitoring patient pathways

AXIGATE, a subsidiary of the Health and Social Care Facilities Solutions Division of PHARMAGEST Group, has been selected by the French hospital purchasing network, RESAH (*Réseau des acheteurs hospitaliers*) for its new Electronic Medical Records programme for French Regional Hospital Groups with 6 other independent health sector software vendors.

The functionalities to be included in this programme destined to provide the “common base” for EMR include the “management of arrivals, patient identification, hospital stays and movements, management of medical appointments, prescriptions, biological tests, imaging and healthcare, medical files, ER care, medical automation solutions, the integration of biomedical data, gathering information and integration into the Hospital Information System (HIS) of the SMR (Shared Medical Record) and regional medical files.

PHARMAGEST INTERACTIVE: Its software developers are ranked among the best in France

Hash Code is Google’s flagship team coding competition, open to developers around the world. In teams of 2 to 4 people, participants must solve a real engineering problem provided by Google. 36 PHARMAGEST INTERACTIVE developers took part in Hash Code 2020, divided into 11 teams. One of PHARMAGEST INTERACTIVE’s teams ranked first in France (out of 784 participating teams) and 59th worldwide (out of 10,724 participating teams).

Furthermore, in the CodinGame 2019 survey “Where the best developers work in France in 2019” published in Forbes France in January 2020, PHARMAGEST was ranked 2nd in the Top 10 French companies for IT talent.

MALTA INFORMATIQUE ACQUIRES 56.27% of the start-up PANDALAB

PANDALAB is the developer of an instant messaging application for healthcare professionals. Today, this solution is used by more than 5,000 healthcare professionals to send more than 300,000 messages per month.

Through this acquisition, MALTA INFORMATIQUE and the Health and Social Care Facilities Solutions Division of PHARMAGEST Group, have strengthened their offering of solutions for ensuring improved coordination across the patient pathways.

PHARMAGEST GROUP joins forces with ASCA INFORMATIQUE

ASCA INFORMATIQUE has more than 17 years of experience as a specialist in pharmacy electronic labelling solutions with an installed base in France of 1,400 pharmacies. PHARMAGEST Group equips 400 pharmacies in Europe in this market through its OffiTag® product. By joining forces, PHARMAGEST Group and ASCA INFORMATIQUE become the French leaders in digital labelling for pharmacies.

PHARMAGEST GROUP’s majority acquisition will in particular allow ASCA INFORMATIQUE to continue to deploy its offering in France and expand into Europe.

PHARMAGEST Group is included in Euronext’s new European Rising Tech label

PHARMAGEST Group (*Euronext Paris - Compartiment B - ISIN: FR 0012882389*), announces its inclusion in the “*European Rising Tech*” recognising the best-performing and emblematic growth SMEs listed on the Euronext markets in Amsterdam, Brussels, Lisbon and Paris.

The European Rising Tech label is a list of companies that are top ranked in terms of performance and liquidity. It replaces the former Tech 40.

As of May 31, 2020, it included 98 companies with a total market capitalization of €23 billion and total trading volume in one year of €21 billion, confirming the strong investor interest in Tech companies listed on Euronext.



Launch of the e-Health pilot project in the Grand Est region of France: PULSY, the NANCY Regional and University Hospital Centre (CHRU) and PHARMAGEST Group: three key contributors to the healthcare ecosystem

Spearheaded by the GIP PULSY (a Regional Public Interest Group supporting the development of e-Health), the e-Parcours programme, a suite of digital services facilitating the patient care pathway, is continuing to focus its efforts on improving communications between the office-based private practice and hospital segments. The technological solutions developed through this programme are destined to facilitate the flow of information among the different business line applications of healthcare professionals in the private practice sector, healthcare establishments and regional coordination structures.

The mission of this joint initiative by PULSY, the Nancy Regional and University Hospital Centre and PHARMAGEST Group is to create an interoperable and interconnected communications hub to facilitate the circulation of standardized documents and flows to coordination tools and the information systems of the social care facilities of the Nancy region and, in this way, optimize communications between office-based private practices and hospitals.

With its sizable installed base of software applications, PHARMAGEST GROUP (through its subsidiaries PHARMAGEST INTERACTIVE, PHARMAGEST MALTA INFORMATIQUE DICSIT, ICT and AXIGATE comprising the Pharmacy and Health and Social Care Facilities Solutions Divisions) will contribute significantly to the ecosystem supported by PULSY, who, with CHRU of NANCY, intends to capitalise on this deployment.

This cooperation will make it possible to share within a very short timeframe a sizable volume of health documents and information. By way of example, members of the office-based private practice care team will be informed of hospital admissions and discharges, the report of medication provided by hospital practitioners.

This hub, in connection with the Shared Medical Record, through the business line applications, addresses the requirements for private practice care and interoperability defined in the national roadmap for "*accelerating the digital transformation in healthcare*".

This first step in the greater Nancy region is part of a project destined in time to be extended to the entire Grand Est region.

PHARMAGEST Group is included in the MSCI GLOBAL SMALL CAP INDEX

MSCI Inc., a leading provider of critical decision support tools and services for the global investment community, included the PHARMAGEST INTERACTIVE share in its MSCI GLOBAL SMALL CAP index upon recently updating its constituents. This prestigious international index is a benchmark for global large and mid caps.

In addition to the MSCI GLOBAL SMALL CAP, PHARMAGEST Group is also included in three other indexes: the CAC® SMALL, the CAC® All-Tradable (by inclusion) and the GAÏA Index.



1.2.3. Statutory aged trial balance information for payables and receivables

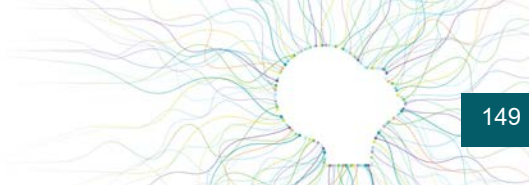
As required by French law (articles L. 441-6-1 and D. 441-4 of the French Commercial Code), aged trial balance information for payables and receivables is provided below, including a breakdown of invoices received and issued unpaid at year-end and past due.

Invoices received (in €)

	Article D. 441-4, I , 1° of the French Commercial Code: Invoices received not settled at the end of the reporting period past due				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day or more)
(A) Late payment date ranges					
Number of invoices concerned	Not applicable				49
Amount of invoices concerned incl. VAT	55,924	14,000	12,819	5,907	88,650
Percentage of the total purchases of the period incl. VAT	0.08%	0.02%	0.02%	0.01%	0.13%
Percentage of revenue of the period	Not applicable				
(B) Invoices excluded from (A) relating to disputed or unrecognised payables					
Number of invoices excluded	21				
Total amount of invoices excluded with VAT included	82,424				
(C) Applicable payment period of reference (contractual or legal) - Article L. 441-6 or Article L. 443-1 of the French Commercial Code					
Payment periods applied for the calculation of late payment charges	Contractual payment periods: 30 days from the invoice date Legal payment period: Undisclosed				

Invoices issued (in €)

	Article D. 441-4, I , 2° of the French Commercial Code: Invoices received and not settled at the end of the reporting period that are past due				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day or more)
(A) Late payment date ranges					
Number of invoices concerned	Not applicable				5,362
Amount of invoices concerned incl. VAT	3,065,344	528,109	105,913	697,307	4,396,673
Percentage of total purchases of the period	Not applicable				
Percentage of revenue of the period	2.51%	0.43%	0.09%	0.57%	3.61%
(B) Invoices excluded from (A) relating to disputed or unrecognised receivables					
Number of invoices excluded	1,293				
Total amount of invoices excluded with VAT included	192,138				
(C) Applicable payment period of reference (contractual or legal) - Article L. 441-6 or Article L. 443-1 of the French Commercial Code					
Payment periods applied for the calculation of late payment charges	Contractual payment periods: 30 days from invoice date Legal payment period: Undisclosed				



1.2.4. Fees paid to auditors

Audit - In €	BATT AUDIT				DELOITTE			
	Amount (before tax)		%		Amount (before tax)		%	
	2020	2019	2020	2019	2020	2019	2020	2019
Statutory auditing								
• PHARMAGEST INTERACTIVE	42,000	39,850	56%	59%	48,000	44,000	100%	91%
• Consolidated subsidiaries	32,650	27,660	44%	41%	0	0	0	0%
Other audit-related services	0	0	0%	0%	0	0	0	0%
Subtotal	74,650	67,510	100%	100%	48,000	44,000	100%	91%
Other services rendered by members of the auditor's network to fully consolidated subsidiaries	0	0	0%	0%	0	4,500	0%	9%
Legal, tax and employee-related services	0	0	0%	0%	0	0	0%	0%
Information technology	0	0	0%	0%	0	0	0%	0%
Internal audit	0	0	0%	0%	0	0	0%	0%
Other (indicate if > 10% of audit fees)	0	0	0%	0%	0	0	0%	0%
Subtotal	0	0	0%	0%	0	4,500	0%	9%
TOTAL	74,650	67,510	100%	100%	48,000	48,500	100%	100%

1.3. Subsequent events

The main subsequent events occurring after the end of the 2020 reporting period were as follows:

- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of DIATELIC and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE.
- Acquisition of a 100% controlling interest by PHARMAGEST INTERACTIVE in ADI to strengthen its distribution network in the Ile-de-France region.
- Creation of PHARMAGEST SERVIZI, a 60%-held subsidiary of PHARMAGEST ITALIA.

1.4. Outlook and strategic guidelines set by the Board of Directors

PHARMAGEST Group maintained its patient-centered strategy in 2020 seeking to improve patient care by intervening throughout the care pathway (from the patient's home to residential health and social care facilities) and by improving the coordination between healthcare professionals to achieve healthcare system of efficiencies.

This service innovation reflects policies for improving quality across the entire patient care pathway, a common priority of interest to all European countries.

Key achievements on this basis included:

- The deployment of projects to optimize the patient care pathway through the Digital Healthcare Gateway The Marseille public teaching hospital (AP-HM) and the e-Health pilot project in the Grand Est region of France (PULSY);
- MALTA INFORMATIQUE's expansion into Belgium through the creation of MALTA BELGIUM and the acquisition of the activities of CARE SOLUTIONS;
- Acquisition of a stake in MALTA INFORMATIQUE from PANDALAB, specialised in secure and instant messaging solutions for healthcare professionals, an invaluable cross-disciplinary communication tool for all healthcare professionals.



PHARMAGEST Group will continue in 2021 to both deploy its patient-centred strategy and support pharmacists' in exercising their mission as healthcare coordinator. Examples include:

- The deployment of the e-Ordo Digital Healthcare Gateway for the secure exchange of dematerialised prescriptions between nursing homes equipped with TITAN and pharmacies with LGPI software management suite;
- The development an application for in-pharmacy COVID vaccinations, offered free of charge throughout 2021.

Historically focused on IT solutions for healthcare professionals, PHARMAGEST Group and its employees are engaged in promoting the ambitions and values of its lead shareholder, LA COOPERATIVE WELCOOP. 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:

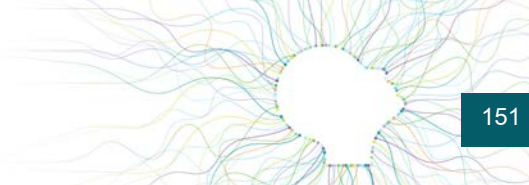
- Will it provide benefits for the patient?
- Will it make the healthcare system more efficient?

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

- Deploying the first cloud-based European healthcare platform for information sharing between healthcare professionals based on secure digital and interoperable services and contributing to safely and efficiently improve patient care. Through its software solutions for Pharmacies, Hospital-at-Home programmes, ALFs, In-Home Nursing Care, health centres grouping multiple professionals and territorial health professional communities, hospitals and French regional hospital groups its partnerships with vendors of software for physicians and its experience in artificial intelligence, PHARMAGEST Group possesses unique know-how and expertise for integrating this information into the specialised business applications for all healthcare professionals.
- Enhancing the security of in-home care solutions and improving treatment compliance for elderly persons. PHARMAGEST Group's solutions help patients follow their treatment while reducing the cost of noncompliance. At the present time, while patients benefit from a care pathway as soon as they enter the universe of the healthcare professional (medical practice, pharmacy, etc.), they are left to their own devices when they return home. This also applies to the non-dependent elderly. PHARMAGEST Group develops in-home care solutions designed to maintain fragile persons in their home for as long as possible with complete autonomy. These solutions may be technological in nature as for example with NOVIACARE®, CARELIB® but also in the form of services like the audits conducted by D'MEDICA, PHARMAGEST INTERACTIVE's sister company;
- Strengthening the network of pharmacies through synergies with other LA COOPERATIVE WELCOOP subsidiaries. Specifically, by organising the efficient flow of patient information across the care pathway phases, PHARMAGEST Group provides pharmacists with a technology which gives them a greater knowledge of the patient.

The development of new technologies in the health sector and the digital revolution is dramatically transforming the health care system and its economy. PHARMAGEST Group has been anticipating these transformations for some time. It understands that the challenge for the development of connected health must involve not only patients regaining control of their medical data but also computer processing of the data collected for the purposes of analysis, anticipating the evolution of their state of health through artificial intelligence, and finally contributing to medical research.

By perpetuating this forward-looking and innovative-based strategy in developing healthcare IT solutions and by investing and acquiring unique comprehensive know-how, PHARMAGEST Group will remain a key contributor for addressing the new challenges for achieving greater healthcare system efficiencies in France and Europe, while continuing to guarantee the quality of patient care at the heart of these systems.



2. Key risks and uncertainties – Internal control

2.1. Internal controls and risk management procedures implemented by the company.

2.1.1. Principles of risk management and internal control

Inside information

In essence, the risks to which the Group is exposed are potential vulnerabilities. By its nature, this falls within the scope of inside information. Pursuant to Article 223-2-II of the AMF General Regulation, issuers can legitimately defer publication of sensitive information, provided they can ensure the confidentiality of this information. Hence, PHARMAGEST Group seeks to achieve a fair balance between providing accurate information to the markets and investors and potential damage to its legitimate interests through the disclosure of some sensitive information.

Governance for risk management and internal control

The risk management and internal control systems apply to all companies of PHARMAGEST Group. On that basis, consistency checks and ad hoc controls are performed on subsidiaries controlled by PHARMAGEST INTERACTIVE, as well as equity-consolidated companies, according to the instructions of the Group's Management.

With regards to PHARMAGEST Group, risks assumed are a reflection of efforts to identify opportunities and a commitment to grow its business in an environment by nature subject to uncertainties, and as such are not considered as a source of concern.

Limits of risk management and internal control

The situation inside and outside the Company may change. Therefore, the information on risks reflects risks at a particular point in time. We do not claim that the information provided in this report is exhaustive. It does not cover all the risks to which the Company may be exposed in conducting its business, but only what are considered to be the specific most sensitive risks.

Risk management and internal control procedures provide further control over the activities of the Group and aims to ensure that all risks are understood. Like any control system, however, such procedures can only provide a reasonable guarantee that risks are eliminated.

Objectives of risk management and internal control

System	Objectives
Risk management	<ul style="list-style-type: none"> • Create and safeguard the company's value, assets and reputation; • Establish secure decision-making and corporate processes to achieve its objectives; • Promote actions that reflect the company's values; • Mobilise personnel around a shared vision of the main risks.
Internal control	<ul style="list-style-type: none"> • Ensure compliance with law and regulations; • Ensure the implementation of compliance with executive management guidelines; • Ensure efficient internal processes, particularly those that help to safeguard the Company's assets; • Ensure that the Group's accounting, financial and management information communicated to management bodies is reliable and fairly stated.



2.1.2. Governance for risk management and internal control

The role of governance

PHARMAGEST Group's system of governance for overseeing risk management and internal control procedures consists of the following:

Missions:	Stakeholders
Risk identification and management	<ul style="list-style-type: none"> Internal audit; Management control; Line managers according to their areas of intervention; The Management Committees for the businesses and the Steering Committees operating in project mode; The Finance and Personnel Management Committee.
Supervision of risk management	<ul style="list-style-type: none"> Administration and Finance.
Risk review	<ul style="list-style-type: none"> The Audit Committee; Executive management; The Board of Directors.

Internal control and risk management

PHARMAGEST Group is equipped with a dedicated service devoted to internal control whose primary activity is to prepare the risk mapping and implement internal guidelines. This department reports to PHARMAGEST Group's Executive Management.

Risk mapping

The risk management process focuses on identifying risks in each operating and functional department which are then mapped; The Internal Audit Department maps risks at least every three years and updates may be performed at any time, in response to business developments, the environment, or changes in management organisation, which could lead to a change in how risk is identified.

The risk maps are presented and commented on to general management and the Audit Committee.

The approach to addressing risk is then analysed in order to select the most appropriate action programmes for the Group. To contain risks within acceptable limits for departments, measures may be initiated to reduce, transfer, eliminate or indeed accept the risk. An internal control process is established to deal with the risks identified.

Internal procedures

PHARMAGEST Group adopted a manual of internal procedures. The manual is provided to all personnel with access rights to be implemented as required. The aim of the manual is to improve our operations and in particular to describe:

- PHARMAGEST Group's main activities are executed according to the following steps;
- Determining the conditions for conducting operations;
- The responsibilities assigned to personnel for each stage of operations;
- The tools provided to participants;
- Performing controls to ensure that operations are properly carried out (self-assessment, management checks, internal and external audits, etc.).

The procedures manual is not limited only to procedures for increasing the reliability of accounting and financial information (operating cycle, investment cycle, financing cycle and cash cycle, amongst others) or extra-financial information (RSE) and includes the various processes identified by the Group, such as:

- Purchasing and logistics services;
- Sales, business development and marketing;
- Customer service (installation, training, telephone help line, after-sales service);
- Information systems and network security;
- Human resources management;
- Protection of assets (brands, programmes, etc.).



The Administration and Finance Department ensures compliance with internal procedures using existing controls and procedures, and carries out random checks in the event of failure to keep to budgets.

No material anomalies or issues were detected during the checks carried out in fiscal 2020.

Improvement process

Risk management and internal control is supported by a process of continuous improvement. It aims to continually identify and assess new risks, measure the control system's ability to effectively contain these risks, introduce necessary improvements and monitor their effectiveness.

In 2020, the main actions in this regard included:

- Ongoing controls of risks of fraud and errors by random checks on procedural compliance;
- Ongoing critical analysis of the relevance and correct application of existing provisions relating to the organisation, procedures and information systems;
- Reinforcing financial risk management tools in the subsidiaries;
- Review of the corruption risk map;
- Evaluation and management of the risks of newly consolidated or newly formed companies;
- Strengthening measures to combat corruption (the "Sapin II" law);
- Continuation of the internal audits for ISO 27001 certification.

In 2021, the main actions to be carried out will include:

- Ongoing controls of risks of fraud and errors by random checks on procedural compliance;
- Ongoing critical analysis of the relevance and correct application of existing provisions relating to the organisation, procedures and information systems;
- Reinforcing tools for financial and trade receivables risk management in the subsidiaries;
- Review of intra-group agreements ;
- Strengthening measures to combat corruption (the "Sapin II" law);
- Implementation of internal audits for ISO 27001 certification.

PHARMAGEST Group will continue to gradually adapt its internal control and risk management system to the reference framework proposed by the AMF in order to continue to focus on the management of risks, processes and control processes and activities and permanent oversight.

Preparation and control of financial and accounting information for shareholders

The general management team and the Administration and Finance Department are responsible for the preparation of accounting and financial information for shareholders. Through the Audit Committee, the Board of Directors exercises permanent oversight of the financial information and the procedures used to compile it.

The Audit Committee and the Board of Directors use the analytic information provided by management control and Internal Audit.

The procedures for the preparation of the consolidated financial statements are primarily based on:

- Ensuring harmonisation of rules and methods;
- Continuous information on accounting developments and changes in IFRS based on accounting and financial documentation and meetings organised by MiddleNext and the AMF focusing on specific topics;
- Use of a specific consolidation system;
- Audit of the main changes and operations in Group companies to clarify restatements.

The consolidated financial statements are prepared quarterly and submitted for approval to the Board of Directors.

Relations with Statutory Auditors

The true and fair view of the separate annual financial statements of PHARMAGEST INTERACTIVE, and PHARMAGEST Group, and the information provided to shareholders are subject to certification by two Statutory Auditors who present the conclusions of their audit engagements to the Audit Committee.



2.2. Analysis of risks and the use of financial instruments

In accordance with Articles L. 225-100-1 and L. 22-10-35 of the French Commercial Code, PHARMAGEST Group management presents the main risks and uncertainties that it considers may pose a risk to the company as a going concern or have a material effect on the company's business and/or development.

PHARMAGEST Group's strategic risks

- Risks associated with external growth and international development resulting from difficulties in integrating entities, establishing operations in new markets and the international development of PHARMAGEST Group's solutions;
- The complexity of risks relating to the supervision of the Group's strategic projects, could result in an improper allocation of resources or a misunderstanding about the company's strategy, objectives and conditions.

Operating risks inherent to the businesses

- Risks relating to computer data could result in the loss or alteration of data, the unavailability of data or the disclosure of confidential or erroneous information which could potentially benefit competitors or adversely affect the company's image;
- Health risks relating to an epidemic or pandemic resulting in a decrease in the Group's activity;
- Risk relating to the quality of products and solutions leading to customer dissatisfaction.

Industrial and environmental risks

Because PHARMAGEST Group does not have any industrial activities, it does not have any particular exposure to industrial risks or risks related to the effects of climate change (see the Non-Financial Statement, included in this management report). However, the following risks have been identified:

- Risks related to the effectiveness of the positioning as a "Citizen in the service of Health and Well-being" arising from inconsistencies between the PHARMAGEST Group's strategy and products and solutions marketed;
- Risks related to the loss of social attractiveness of the company resulting in increased turnover and the loss of key skills.

Regulatory and legal risks

PHARMAGEST Group's main activity of pharmacy management software publishing is not subject to specific regulations and requires no particular legal, regulatory or government authorisations. However, a certain number of legal and regulatory factors are closely monitored:

- Economic environment – indirect risks related to government decisions directly affecting PHARMAGEST Group's customers;
- Risks relating to authorisations and certifications and in particular failure to obtain or loss thereof (certification as a health data hosting service provider or certifications HDS, Vitale health insurance smart card, ISO 27001, NF 525, Addendum);
- Risks relating to the protection of intellectual property that is not adapted to the Group's markets.

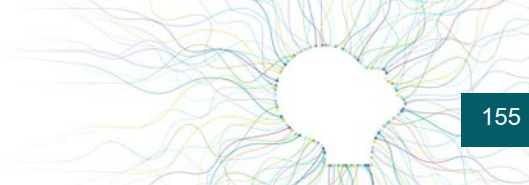
PHARMAGEST Group has no concession contract, marketing or distribution licence that would expose it to a legal risk.

PHARMAGEST INTERACTIVE holds all the assets required for its operation and is not subject to specific tax conditions.

There are no administrative, governmental, judicial or arbitration proceedings, including any proceedings of which PHARMAGEST Group is aware, whether pending or threatened, that are liable to have, or have had in the last 12 months, a material impact on the financial position or profitability of the Company or the Group.

Financial risks

Based on a review of its financial risk, PHARMAGEST Group considers that it is not subject to particular exposures in this area. PHARMAGEST Group has an investment charter providing guidelines on its financial investments and has adopted an organisation and tools designed to optimise and secure its cash flows.



3. Shareholders of the company

3.1. PHARMAGEST INTERACTIVE share buyback authorisation

Summary of the share repurchase programme

The Annual General Meeting of 29 June 2020, authorised the Board of Directors to trade in the Company's own shares, in accordance with Articles L. 22-10-62 (ex. Article L. 225-209 repealed) et seq. of the French Commercial Code and in accordance with laws and regulations in force at the time of the transaction.

This authorisation was granted for a maximum of eighteen months starting on 29 June 2020 until 28 December 2021.

At 31 December 2020, PHARMAGEST INTERACTIVE held the following treasury shares, directly or indirectly:

- 1,699 under a liquidity contract;
- 44,106 under a stock option plan;
- 59,356 under share buyback programmes;

or a total of 105,161 shares representing 0.69% of the current share capital.

In 2020, under this liquidity agreement, 93,312 shares were purchased for an average share price of €74.71, and 94,629 shares were sold for an average price of €73.61.

PHARMAGEST INTERACTIVE holds 100% of the current liquidity contract.

The Board of Directors reports to you on the completion of the share buyback programme authorised by the General Meeting on 29 June 2020 for the period from 1 April 2020 to 31 March 2021.

Transactions under this programme for the period from April 1, 2020 to 31 March 2021 broke down as follows:

- Purchases: 94,250 shares at an average price of €87.79;
- Sales: 94,884 shares at an average price of €86.03.

At 31 March 2021, the company held 102,703 own shares, directly or indirectly.

Renewal of the share buyback authorisation

The shareholders are asked to renew this authorisation and vote on the new programme.

The purpose of the current share buyback programme is as follows:

- To maintain an orderly market or the liquidity of the PHARMAGEST share by an investment services provider through a liquidity agreement that complies with an ethics charter recognised by the *Autorité des Marchés Financiers*;
- Purchasing shares for future use, to be tendered in exchange or payment for acquisitions;
- Granting shares to the employees or corporate officers of PHARMAGEST INTERACTIVE or PHARMAGEST Group, in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to cover stock options, as part of a company savings plan or to be used to grant performance-based bonus shares to employees pursuant to the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code.

It was considered advisable by the Board of Directors to submit for your approval the new programme to replace the share buyback programme established by the General Meeting of 29 June 2020, to enter into effect on 29 June 2021. The General Meeting will accordingly authorise PHARMAGEST INTERACTIVE continue to purchase its own shares for up to 10% of the share capital or an amount not exceeding 1,517,412 shares.

The aims of the new share buyback programme will be the following:

- To maintain an orderly market or the liquidity of the PHARMAGEST share by an investment services provider through a liquidity agreement that complies with an ethics charter recognised by the *Autorité des Marchés Financiers*;
- Purchasing shares for future use, to be tendered in exchange or payment for acquisitions;
- Granting shares to the employees or corporate officers of PHARMAGEST INTERACTIVE or PHARMAGEST Group, in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to cover stock options, as part of a company savings plan or to be used to grant performance-based bonus shares to employees pursuant to the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code.



The term of the new programme will be for a maximum period of 18 months, i.e. until 28 December 2022.

The Ordinary General Meeting is to grant the Board of Directors the powers to determine the condition and procedures for the share buyback programme (maximum and minimum price per share).

3.2. Ownership of share capital as at 31 December 2020

3.2.1. Information on the holders of capital or voting rights

In compliance with the provisions of Article 233-13 of the French Commercial Code, we hereby disclose the identity of the persons that hold, either directly or indirectly, on the balance sheet date, more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the share capital or voting rights at General Meetings.

Name	Percentage of ownership
MARQUE VERTE SANTE	More than 50% and less than 66.66%
LA COOPERATIVE WELCOOP	More than 20% and less than 10%
La SC DE L'ERMITAGE SAINT JOSEPH (Mr. Thierry CHAPUSOT)	More than 20% and less than 10%

PHARMAGEST INTERACTIVE does not hold any PHARMAGEST INTERACTIVE shares (apart from treasury shares) nor does any of the companies it controls under the meaning of Article L. 233-3 of the French Commercial Code.

To the best of PHARMAGEST INTERACTIVE's knowledge, no other shareholder holds more than 5% of the capital or voting rights, directly or indirectly, alone or in concert.

3.2.2. Information on dealings in the Company's shares by executive officers, senior managers and persons with whom they are closely related

Pursuant to Article L. 223-26 of the General Regulations issued by the *Autorité des Marchés Financiers* (the "AMF"), no dealings in PHARMAGEST INTERACTIVE securities in the period ended covered by Article L.621-18-2 of the French Monetary and Financial Code were reported to the AMF.

3.2.3. Statement of employee shareholdings

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, we inform you that shareholdings by employees of PHARMAGEST INTERACTIVE as well as those of related companies within the meaning of Article L. 225-180 of the French Commercial Code at the balance sheet date of 31 December 2020 were less than 3%.

3.3. Stock options

3.3.1. Stock options for employees

Pursuant to Articles L. 225-177 to L. 225-186 and L. 22-10-56 of the French Commercial Code, the Combined General Shareholders' Meeting on 27 June 2014 authorised the Board of Directors to grant stock options within the limit of 10% of the share capital, i.e. a total of 303,482 shares. Following the 5-for-1 share split approved by the Extraordinary General Meeting of 26 June 2015, 1,517,410 is the maximum number of stock options.

On 5 December 2014, the Board of Directors adopted the stock option plan rules that were sent to the beneficiaries by letter dated 15 January 2015.

In 2020, 42,332 shares were granted pursuant to the exercise of stock options.

Pursuant to Article L. 225-184 of the French Commercial Code, the Board of Directors reports to you in its Special Report ,on the transactions carried out by virtue of Articles L. 225-177 to L. 225-186 and L. 22-10-56 of said Code.



3.3.2. Stock options for executive officers

On 25 September 2020, the Extraordinary General Meeting of PHARMAGEST INTERACTIVE ("PHARMAGEST" or the "Company") authorised the Board of Directors to set up a stock option plan within PHARMAGEST INTERACTIVE and/or its subsidiaries (i.e. in which at least 50% of the capital or voting rights are held, directly or indirectly, by PHARMAGEST INTERACTIVE), within the framework of the provisions of Articles L. 225-177 et seq. of the French Commercial Code.

Each beneficiary was personally informed by the Board of Directors of the number of shares he or she can acquire, the acquisition price, and the period during which this option can be exercised.

In the financial year 2020, 45,000 shares were granted.

Pursuant to Article L. 225-184 of the French Commercial Code, the Board of Directors reports to you in its Special Report, on the transactions carried out by virtue of Articles L. 225-177 to L. 225-186 of said Code.

4. Employment and environmental information

For greater clarity, this area is presented in the Non-Financial Statement included herein (Articles L. 225-102-1, L. 22-10-36 and R. 225-105 et seq. of the French Commercial Code).



5. Miscellaneous disclosures

5.1. Intercompany loans

None.

5.2. Information on disallowed deductions

In accordance with Article 223 Quater of the French General Tax Code (Code Général des Impôts), we hereby inform you that during the financial year ended on 31 December 2020, PHARMAGEST INTERACTIVE incurred €107,618 in expenses non-deductible from income tax under Article 39-4 of said Code and resulting in a tax of €30,133.

5.3. Five-year financial summary

In compliance with the provisions of Article R. 225-102 of the French Commercial Code, the five-year financial summary for the PHARMAGEST INTERACTIVE is attached to this report.

Five-year financial summary (€)	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Issued capital	3,034,825	3,034,825	3,034,825	3,034,825	3,034,825
Number of ordinary shares	15,174,125	15,174,125	15,174,125	15,174,125	15,174,125
Number of shares with priority dividends (without voting rights)	0	0	0	0	0
Maximum number of future shares to be issued	0	0	0	0	0
• <i>By conversion of bonds</i>	0	0	0	0	0
• <i>By exercising subscription rights</i>	0	0	0	0	0
Revenue excluding VAT	103,202,187	102,926,290	97,740,759	91,422,775	88,063,884
Income before tax, employee participation and allowances	30,617,861	26,773,334	25,657,777	23,347,042	23,423,851
Income tax expense	5,960,943	6,690,214	5,831,882	5,517,520	6,662,263
Employee profit-sharing	2,094,436	2,053,722	1,517,497	1,694,523	1,697,092
Earnings after tax, employee profit-sharing and provisions	18,092,063	17,953,104	16,683,081	13,920,141	13,781,091
Distribution of earnings decided by the General Meeting ⁽¹⁾	14,415,419	13,656,713	12,898,006	11,380,593	9,863,181
Earnings per share after tax and before provisions	1.49	1.19	1.20	1.06	0.99
Earnings per share after tax and provisions	1.19	1.18	1.10	0.92	0.91
Dividend per share ⁽¹⁾	0.95	0.90	0.85	0.75	0.65
Average workforce for the financial year	754	738	709	672	657
Total payroll	28,455,950	28,151,569	26,990,379	24,237,655	23,276,389
Social security contributions and benefits	13,561,351	13,085,233	13,039,797	11,418,753	10,912,422

⁽¹⁾ Proposal to the AGM of 29 June 2021 for the financial year ended on 31 December 2020.



6. Net income appropriation

The Board of Directors has proposed an appropriation of earnings that is in accordance with the law and the Articles of Association.

We propose that you appropriate the profit of the year in the amount of €18,092,062.90 as follows:

Profit of the period	€18,092,062.90
Retained earnings	€58,847,367.10
Amount available to shareholders	€76,939,430.00
Dividend (€0.95 per share)	€14,415,418.75
The balance: is appropriated to "retained earnings"	€62,524,011.25

Shareholders' equity, including investments grants net of amortisation, stood at €85,814,645.08.

The dividend will have a payment date of 5 July 2021 and be distributed by BNP PARIBAS Bank as the paying agent and security services provider.

This dividend, when paid to natural persons having their tax residence in France, is subject to a 12.8% flat tax (*prélèvement forfaitaire unique*) to which is added French social contributions of 17.2%, i.e. a total tax of 30%.

This flat tax is automatically applied by operation of law except where the option of applying the progressive income tax scale is expressly selected.

In accordance with Article 243 bis of the French General Tax Code dividend distributions for the past three financial years are reported below:

Year	Dividend per share	Dividend eligible for the 40% allowance (paid to individuals)	Dividend not eligible for the 40% allowance (paid to legal entities)
31/12/2017	€0.75	€0.75	€0.75
31/12/2018	€0.85	€0.85	€0.85
31/12/2019	€0.90	€0.90	€0.90

7. Other matters presented to the General Meeting

7.1. Information on directorships

Renewal of offices

As the directorships of Dominique PAUTRAT, Denis SUPPLISSON and Marie-Louise LIGER expire at the end of this General Meeting, we propose that their offices be renewed for a new six-year term or until the end of the ordinary Annual General Meeting to be called in 2027 for the purpose of approving the financial statements for the period ending 31 December 2026.

7.2. Regulated agreements

We inform you that three new agreements were entered into and one regulated agreement previously authorised and approved remained in force in 2020.

These agreements duly authorised by your Board of Directors are described in the Auditors' special report on regulated agreements.



7.3. Compensation granted to members of the Board of Directors

You are also asked to approve the amount of compensation to be granted to Directors set at €33,000 for fiscal 2021.

We will now present Part 4 of this report, and namely the Non-Financial Statement, prepared in accordance with Articles L. 225-102-1, L. 22-10-36 and R. 225-105 et seq. of the French Commercial Code, as well as the report on this social and environmental information issued by RSM, the firm appointed by the Chief Executive Officer as independent third-party provider of assurance services.

We will then report to you on:

- The Board of Director's report on corporate governance, provided in accordance with Article L. 225-2 of the French Commercial Code;
- The Board of Director's Special Report, provided in accordance with Article L. 225-184 of the French Commercial Code.

After considering the Auditors' reports issued by the firms BATT AUDIT and DELOITTE & ASSOCIES, we will answer any questions you might have.

Following this discussion, the text of the resolutions will be read out, and we encourage you to approve them and all their provisions.

The Board of Directors.



21.2.2. Non-Financial Statement

PHARMAGEST INTERACTIVE
A FRENCH PUBLIC LIMITED COMPANY (*SOCIÉTÉ ANONYME*) WITH SHARE CAPITAL OF €3,034,825
REGISTERED OFFICE: TECHNOPOLE DE NANCY BRABOIS
5 ALLÉE DE SAINT-CLOUD 54600 VILLERS-LÈS-NANCY
NANCY COMPANIES REGISTER (RCS) NO. 403 561 137

NON-FINANCIAL STATEMENT
TO THE ORDINARY ANNUAL GENERAL MEETING
OF 29 JUNE 2021

In accordance with French Law no. 2012-387 of 22 March 2012, on the simplification of the law and the reduction of administrative procedures (known as the Warsmann Law) and its implementing Decree of 24 April 2012, we hereby present the Non-Financial Statement of PHARMAGEST Group. This report is an appendix to and forms an integral part of the Management Report.

This statement covers the main employment-related, environmental and social priorities of PHARMAGEST Group, combating corruption and respecting Human Rights.

The information in this Non-Financial Statement was prepared on the basis of contributions from PHARMAGEST Group's internal network for data on 2020 and for prior years. The report is overseen by Executive Management. The list of indicators has been defined:

- In compliance with Order No. 2017-1180 of 19 of July 2017 on non-financial information to be published by certain large companies and groups of companies, which has modified the nature of employment-related, environmental and social information that companies are required to disclose;
- With regards to the significant priorities for PHARMAGEST Group;
- Based on the French Decree number 2012-557 of 24 April 2012, on corporate transparency requirements in relation to human resources and environmental issues, and in particular, on Articles L. 225-102-1 and R. 225-105 of the French Commercial Code.

The Non-Financial Statement was audited by an Independent Third Party, which issued a report (attached) that includes a certificate of completeness and a substantiated opinion on the fair presentation of the information.



1. Background and business model

Current context...

Demographic context

An aging and increasingly dependent population

Medical context

Medical desertification
Inefficient healthcare pathways

Our resources...

Expertise

- IT solutions for Healthcare:
- Management solutions for retail pharmacists
- For Care Homes, Nurse and Hospital at Home, Help Centers for the Elderly, and Hospitals
- eHealth solutions and connected objects
- Preferred partnerships with key players in the healthcare industry
- Accredited Healthcare Data Host
- Synergy with the other subsidiaries of THE WELCOOP COOPERATIVE

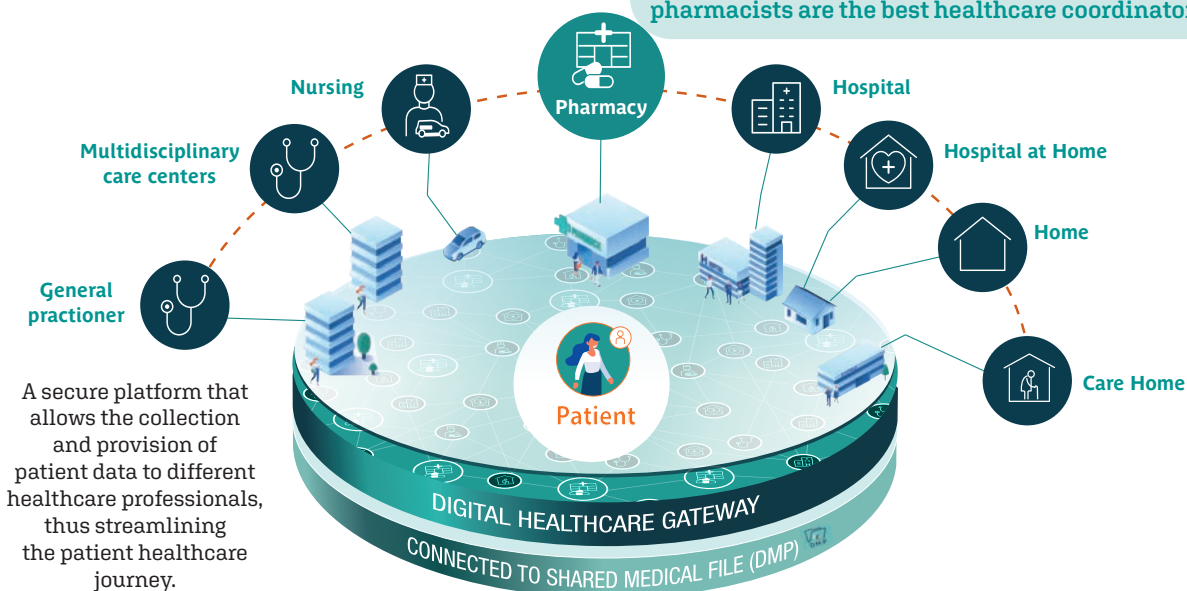
Closeness

- + 1 000 employees, of which nearly 70% are in contact with healthcare professionals or healthcare facilities via a network of agencies and a sales coverage throughout all of France
- Present in 7 countries in Europe
- Logistic platforms (+2 200 m²) capable of delivering directly to healthcare professionals and healthcare facilities

Our business model: Technology for a more human experience

With our "Patient-Centric" strategy and a strong belief in technology-human compatibility, our ambition is to become the leading European healthcare platform.

With their close patient relationships, pharmacists are the best healthcare coordinators



Citizens for Health and Well-being



...and opportunities

Economic context

Sustainable solutions are needed to ensure efficient medical coverage

Technological context

General propensity to connected objects

eHealth developing rapidly

Protection of patient data

...and our values

Foresight

Entrepreneurial DNA geared towards innovation and new products:

- Participation at most important technological conferences

- + 220 IT developers

Acquisition of core competencies (Artificial Intelligence, eHealth, Blockchain)

Optimism

Subsidiary of a cooperative with more than 3 400 cooperative members-pharmacists united in cooperative values and principles

A sound financial situation annually recognized with a high credit rating from the Bank of France

How we create value

For the patient

Improve medication adherence to treat illness

Encourage independent living through preventive measures (making the home safer)

Extended quality of life

A smoother patient healthcare journey

Support research and finding cures

Allow patients to take back their data

For the state and public health

Two key watchwords: efficiency and effectiveness

Medication adherence, independent living = cost savings for a more efficient and effective healthcare system

Solutions to alleviate medical desertification and keep pharmacies in rural areas (example: teleconsultation)

Coordination of healthcare professionals

Support research and finding cures

For health professionals and facilities

Support for Healthcare Professionals as the pharmacy's economic model evolves, by providing tools, data, and solutions to improve patient care

Coordination of information between healthcare professionals (town/hospital)

Pharmacy networks: specialized know-how for pharmacists



2. Our non-financial risks and priorities

PHARMAGEST Group conducted a review of those non-financial risks which could have a material adverse effect on its business, financial position or results (or its ability to meet its targets).

Risks	Description of the risk	Priorities
Effectiveness of the positioning as "Citizens in the Service of Health and Well-Being"	Discrepancies between the Group's strategy with products / solutions marketed and its day-to-day operating practices.	<ul style="list-style-type: none"> • Promoting the circular economy and recycling • Developing a culture of cooperation • Improving the efficacy of the healthcare system • Promoting short supply chains, local operations and minimising the use of intermediaries • Minimising Greenhouse Gas Emissions and reducing energy consumption • Being a responsible partner • Respecting and ensuring the respect of Human Rights and the ILO's core conventions within the Group • Preventing the risk of corruption within the Group
Loss of attractiveness	Increase and turnover and loss of key competencies	<ul style="list-style-type: none"> • Attracting talent and reinforcing skills • Developing employee expertise and employability • Being a responsible employer

3. Our non-financial objectives and indicators

3.1. Employment: innovation driving our development

Whether for our employees or cooperative members, all pharmacy owners of LA COOPERATIVE WELCOOP are driven by a single priority: promoting health. Like all subsidiaries of LA COOPERATIVE WELCOOP, PHARMAGEST Group promotes a corporate culture as "Citizens in the service of Health and Well-Being" extending far beyond the traditional world of work for the benefit of the greatest number.

Proud to exercise a role within an alternative business model successfully combining both economic and human bodies, the GROUP must remain faithful to its DNA by personifying a commitment to transform the world of health. As Citizens in the Service of Health and Well-Being, our engagement goes far beyond a simple signature. Each of our members is driven by a genuine desire to serve the greater good.

For that reason, human capital represents the PHARMAGEST Group's greatest asset which contributes decisively to the creation of value by the Group.



Attracting talent and reinforcing skills

Attracting and integrating talent

Our approach to recruitment

Becoming a Corporate "Citizen in the Service of Health and Well-Being" requires expertise to address the priorities of LA COOPERATIVE WELCOOP's strategy as well as strong human qualities.

For PHARMAGEST Group, no reproduction of existing profiles or elitism but rather a rigorous selection of candidates who share its corporate culture and values. For that reason, PHARMAGEST Group seeks to attract to its teams employees distinguished by very diverse profiles, professional background and training while sharing its values.

This mix of expertise and profiles represents a genuine asset for PHARMAGEST Group and its customers.

Since 2019, the WELCOOP Group created an Employee Attraction, Recruitment and Development centre staffed with four people, tasked with supporting the Group's strategy in the area of employment and employee attraction by insourcing and improving the management of the recruitment process.

Solutions for attracting talent

To attract new talent, PHARMAGEST Group has defined two main lines of action: referral recruitment programs and reinforcing its visibility.

The Citizens' Network: attracting new employees through referrals

The PHARMAGEST Group regularly uses referrals as a collaborative approach through which employees can recommend people from their network for positions available within the WELCOOP Group.

Indeed, PHARMAGEST Group is convinced that everyone is concerned by recruitment and that its employees represent the best possible ambassadors to reach potential candidates.

This referral approach (the "Citizen's Network") is at the heart of PHARMAGEST Group's recruitment policy where offers available are communicated to all its employees on a monthly basis.

In 2020, PHARMAGEST Group received **67** CVs in this way, resulting in **10** recruitments.

Raising its visibility

Improving its digital presence as a recruiter

PHARMAGEST Group continues to develop its employer brand by increasing its presence on social networks. In addition to LinkedIn and Facebook, an Instagram page dedicated to recruitment was created in January 2020. These communication initiatives focus on five main areas:

- the promotion of our corporate culture;
- the promotion of our employees, our different business lines and our entities;
- advice for candidates to help them in their search for a job, internship or work-study opportunity (an increasingly important issue, particularly in view of the 2020 health crisis and the difficulties encountered by some candidates);
- our presence at student forums;
- the publication of our job offers.

Developing pragmatic relations with schools

For a number of years PHARMAGEST Group has developed relations with schools with programmes related to our strategic businesses and for those profiles subject to strong demand (sales, IT, etc.) with key partnerships, internships and work-study programmes proposed to students who share its values of Optimism, Anticipation, Expertise and Proximity.



The objective is above all to offer them rewarding, varied, professionalising missions and projects supervised by committed "tutors" at their side, with the idea of offering them, at most, a job at the end of their training programme.

In 2020, the "internships and work-study" policy was further structured by two staff members specifically assigned with that mission. It should be noted in response to the health crisis the formats of student forums in 2020 shifted to virtual fairs, though this did not limit our participation in any way.

Being present at major professional events

To attract the attention of industry experts, PHARMAGEST Group regularly participates in major professional events in the universe of healthcare and technology with the objective of raising its name recognition.

On this basis, the Group regularly participates in world-class exhibitions for technology innovations (the Las Vegas Consumer Electronics Show, HKEIA, etc.).

It also participate on occasion in HACKATHON events at which teams comprised of developers as well as designers and project heads develop an IT project (in general a software or app) within a limited period of time. On this basis, in early 2020, a development team of PHARMAGEST INTERACTIVE was ranked 59th worldwide by #HASHCODE GOOGLE 2020. These events provide opportunities to promote the considerable expertise of the Group's development teams.

It should be noted that the 2020 health crisis led to the postponement or cancellation of some events.

Offering our candidates a positive experience

Within an environment where competition for talent is fierce, where the number of websites rating companies are increasing and representing an increasing volume of recruitment, PHARMAGEST Group is committed to offering a "candidate experience" as rewarding and respectful as possible.

Each candidate, regardless of their gender, whether for internships, a work-study program, a fixed-term or permanent employment contract, for a management or non-management position, are to benefit from the same level of hospitality and attention from the Group. In consequence, there are regular and systematic exchanges with candidates throughout the recruitment process.

PHARMAGEST Group has also adopted a "candidate experience kit" for managers (consisting of a guide and a video), describing all its engagements vis-à-vis candidates to ensure they are given an opportunity to experience something different.

Promoting successful integration

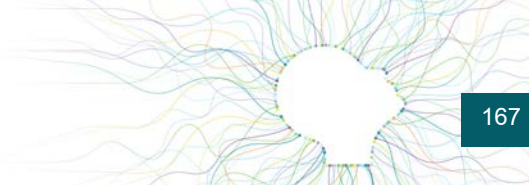
In addition to being required to assimilate a large quantity of new information, the new employees must find their place within a new team and adapt to a new corporate culture. A failure to successfully manage the integration phase can have a very negative impact on the employer image and employee well-being.

For that reason, from the very beginning of the relation, it is vital to provide for a phase of acculturation and operational integration, a genuine investment for the future for the employee and company like.

This is why PHARMAGEST Group is equipped with a "Cultural and Operational Integration Kit" consisting of a guide and a video, designed to assist each manager ensure the successful integration of his or her new employees.

This kit lays down markers for the first six months of the new employee in the form of operational milestones and cultural rituals such as: sending a message of welcome before their arrival, providing them with "Group" products on the day of their arrival, a discovery report to be produced by the employee after a few months of presence,...

This approach makes it possible to harmonise the integration process for all PHARMAGEST Group entities, transmit the corporate culture, develop a feeling of belonging and company loyalty and enabling the new employees to become in turn ambassadors of our company.



Developing employee expertise and employability

Managing skills

PHARMAGEST Group is committed to implementing a tool-based and digital skills management system in line with its medium to long-term vision of its needs, taking into account the aspirations of its employees within the framework of jointly developed career plans.

Monitoring employees on an individual basis

All French subsidiaries of PHARMAGEST Group have a platform devoted to Annual and Professional Performance Meetings that, in order to integrate the specific characteristics of its values and corporate culture, was designed by its own teams.

This general practice constitutes a genuine advance in conducting skills and performance evaluations, the co-construction of the future and integrating the Group's corporate culture.

PHARMAGEST Group is committed to the professional development of its men and women. Advancement within the company and career development for all employees, regardless of their level of training, is one of the Group's employment-related priorities and the focus of its strategy in this area.

To this purpose, PHARMAGEST Group is adopting plans to increase skills through internal/external training, coaching, mentoring, etc., in line with its strategic, cultural and social vision. The priorities defined in this area address:

- Management: supporting the acquisition of skills by Managers in leading their teams, supporting new Managers in the integration of their functions with a significant communications component;
- Project management at all levels (key contributors, project managers and sponsors);
- The improvement in language skills linked to the international development strategy;
- Commercial development: increasing the efficiencies of business development teams, effectively managing sales techniques, supporting new sales engineers and new Compliance teams and the Robotisation and Digital Equipment Project Leaders;
- Technical and IT skills: helping R&D and customer services teams upgrade their skills in order to adapt to organisational and technological developments. Business line certifications;
- Workplace quality and safety: supporting the deployment of the continuous improvement plans in the areas of quality and safety (SMS – GDPR – ISSO project);
- Recognition and assessment of skills transfer initiatives: distance-learning, webinars, tutorials, pair working, e-learning, etc.
- Personal development through training, individual or group coaching (priority management, time management, communication, stress management, etc.).

Training and skills building initiatives are based on a variety of schemes, including:

- Off-the-job training focused mainly on developing management skills, sales techniques, IT development and security skills (new technologies, agility, infrastructure, hosting services) and English language proficiency;
- In-house training focused on business knowledge and the line-up of products and services. These training programs may be supported by e-learning modules (through our internal solution: My Campus) which are designed to inform all employees about the different business lines, regulatory developments etc.

In addition, all subsidiaries of the Group also comply with their statutory training obligations.

Summary of training in the year	Number of employees trained	Total training hours	Of which internal training	Of which external training
PHARMAGEST Group	323	4,678	2,165	2,513



Tools designed to help employees pool their knowledge and increase synergies

LA COOPERATIVE WELCOOP has implemented for all its subsidiaries (of which PHARMAGEST Group):

- A corporate social networking service, Yammer, to reinforce synergies, increase knowledge about its businesses and new developments, build stronger communities of interest by sharing best practices and ideas to promote initiatives. Promoting collaborative and dynamic communications within the company provides a vehicle enabling everyone to get involved, improving existing processes, promoting innovation and exploiting the company's collective knowledge. This is also a tool for promoting the Group's corporate culture, values and ambitions.
- Inter-company seminars promoting innovation, sharing ideas and the implementation of cross-corporate projects.
- Managerial events: events bringing together all executive management and local management and contributing to the development and the appropriation of the strategy, cross-corporate projects, the review of results and possible areas for improvement. This event also provides an opportunity to highlight the Group's strategy and culture and enables managers to provide information about their own respective areas of intervention and, in so doing, provide teams with a sense of purpose.
- The construction of the "House of Citizens in the Service of Health and Well-being", the Group's new headquarters, which brings together employees from different activities, and connected with all the sites and subsidiaries, in this way promoting the sharing of knowledge, strengthening synergies and common corporate culture.
- A television social media channel, "WELCOOP Channel", providing an internal showcase of the cooperative's talent, innovations, initiatives and "business fields", with the participation of experts recognised in their fields offering their views on societal, economic and health issues, etc.

Being a responsible employer

Promoting health and safety

Employee health and well-being

Convinced of the benefits of sports in the workplace to counter the effects of sedentary lifestyles, promote well-being at work and strengthen cohesion, PHARMAGEST Group's new headquarters provided provided for space for an employee sports facility.

The management of this gym (via group classes geared towards sports and well-being) was entrusted to an internal sports association, WELSPORT, staffed by motivated employee volunteers. The first on-site courses got off to a very robust start in October 2020 but unfortunately had to be suspended in response to the health crisis. Convinced that sports had an important role to play during this period as well, with the support of the WELCOOP Group's management, the WELSPORT association set up free online courses led by its coaches.

In addition, the WELSPORT association, affiliated with the *Fédération du Sport en Entreprise*, wishes to build on this momentum by exploring ways to enable all Group employees ot benefit from this resource.

Employee safety

The health and safety policy which has been in place at PHARMAGEST Group for a number of years is integrated within all its activities. It ensures that all are aware of the importance of prevention and safety measures.

As part of this policy, since 2015 it has been continually improving its global management system for Occupational Health and Safety, based on the OHSAS 18001 standard (Occupational Health and Safety Assessment Series).

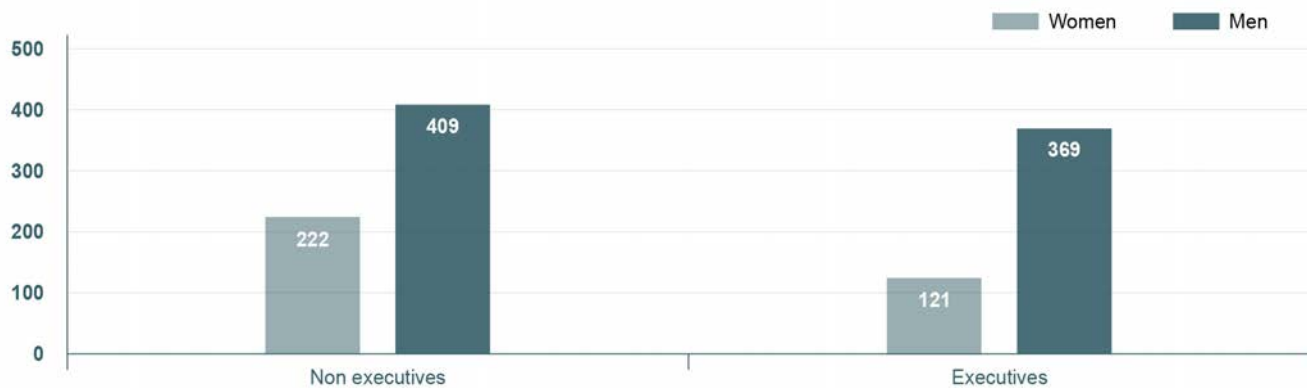
To support this policy, a security steering committee meets annually. Its members include security managers of the Group's subsidiaries and outside experts assisting the Group in this area.



Promoting equal treatment of men and women

At 31 December 2020 PHARMAGEST Group had **1,121** employees (**1,099** employees on a Full-Time Equivalent basis – FTE).

There are two employee categories: non-executives (employees, technicians, supervisors/senior technicians) and executives.



Women accounted for 30.60% of its workforce or 343 employees (remaining stable in relation to the prior year). This rate is in line with the standard for the business sector (information technology, research and development).

Gender equality action plan

Convinced that gender balance and diversity positively contribute to social balance and economic efficiency, the Group has decided to implement a gender equality action plan providing for medium-term objectives and results. On this basis, in 2019-2020, the Occupational Gender Equality Commission met on a regular basis to define together plan priorities, with the assistance of F.E.T.E. (*Association Femmes Égalité Emploi*), an organisation promoting equal employment opportunities for women and partner of the French governmental agency, DIRECCTE.

Actions thus defined relate to:

- Access to employment:
 - Implementing a neutral and equal opportunity recruitment process combating gender stereotypes and gender discrimination in hiring processes;
 - Ensuring gender balance in recruitment;
 - Promote women's access to positions of responsibility and to historically male-dominated technical professions.
- Training:
 - Ensure that the proportion of men and women trained corresponds to their representation in the workforce;
 - Work-life balance, taking family obligations into account and flexible working hours where relevant, measures in favour of local and regional training, exoneration from departing for training programs on Sunday evenings, development of e-learning, implementation of specific training programs to facilitate the return to the workforce.
- Compensation and career development:
 - Compensation based on skills, experience, responsibilities, results and expertise in the position;
 - Ensure that pay gaps do not arise as a result of personal life events;
 - Neutralising the impact of part-time on future pension benefits
 - Promotion based solely on skills and results, etc.
- Work-life balance:
 - Working hours and organisation (whenever possible opt for teleconferencing during working hours, flexible working hours, teleworking, etc.);
 - Seeking to ensure that parental leave does not hinder career advancement, etc.;
 - Specific measures for pregnant women (reduced working hours and counting time off for mandatory medical examinations as working hours);
 - Family leave (four days paid leave to look after sick or hospitalised children, adaptation of working hours to back-to-school periods);
 - Payment for time set allocated for breast-feeding or breastmilk expression in the workplace and providing a specific room / office for that purpose.
 - Confirming the right to disconnect from digital services;
 - Combating harassment and promoting general neutral behavior in the workplace.
- Professional mobility.



The purpose of this action plan is to confirm the Group's commitments and formalise new concrete commitments (preventive and corrective measures) to promote diversity and gender parity in the recruitment process but also throughout the employees' career development, compensation, achieving an optimal work-life balance, etc.) by gradually preventing and correcting any inequalities that may be identified.

Strengthening measures for the employment and integration of disabled people

Integrating employees with disabilities has for a number of years been an integral part of the Group's diversity policy, going far beyond the purely financial and regulatory requirements based on quotas.

Reflecting its commitment as a Corporate Citizen in the Service of Health, PHARMAGEST Group seeks to adapt its recruitment policy for persons with disabilities and make this one of its priorities of its employment strategy.

PHARMAGEST Group is continuing its measures to promote the employment and integration of disabled people:

- The development of partnerships with AGEFIPH (Association for managing funds for the employment of disabled persons) and Occupational Health authorities in order to better take into account the adaptations that must be made to the workstations for disabled workers. For example, the Human Resources Department worked with the Health, Safety and Working Conditions Committee to develop a standard for furniture and a type of chair adapted to the specific needs of disabled employees. PHARMAGEST Group is assisted by an occupational ergonomist when adapting workstations and uses specialised suppliers for the purchase of equipment.
- A portion of the activity of managing network incidents and telephony has been outsourced to sub-contracting company authorised for the integration of disabled workers. This activity represents a unit of work;
- Locally, supplies are ordered from the *Fédération des Aveugles*, a not-for-profit for the blind and visually impaired.

In line with the previous measures initiated by PHARMAGEST INTERACTIVE in partnership with the AGEFIPH, and with the support of the Quality of Working Life (QWL) consulting firm, JLO, who has carried out a global project to audit the company, provide comprehensive analysis to develop action plans in the areas of awareness-raising, recruitment, training and adapting workstations... and formalising the basis for an enterprise agreement. This has led to the development of a genuine disability policy for the Group. The objective is to ultimately extend this policy to all entities of LA COOPERATIVE WELCOOP.

In 2020, the Group continued to integrate the constraints of the positions in the job task definitions and then the job announcements (travel, computer monitor work, working hours, handling heavy loads, etc.).

In 2021, the Group will maintain its efforts to:

- Raise the awareness of managers and employees about disabilities, by removing potential obstacles;
- Contacting the main disability stakeholders (AGEFIPH, Cap Emploi, Sameth, Workers Rehabilitation Centre of Mulhouse...) to develop a network of experts capable of understanding all the different challenges associated with this subject,
- Identify schools able to partner with the Group addressing this area and common actions to be taken to promote the employment of persons with disabilities and internships for disabled workers, notably in those areas subject to high demand;
- Use the referral recruitment channel to convey the message that the Group actively encourages referrals for the recruitment of disabled workers.

Combating economic insecurity

Groupe PHARMAGEST's businesses require by nature highly-trained personnel with an in-depth knowledge of specialised areas but also the professional and regulatory environment of its customers. These factors explain the low rate of fixed-term employment contracts: **1,104** permanent employment contracts compared to only **17** fixed-term contracts and **14** skills acquisition contracts or apprenticeship contracts. Or a percentage of permanent contracts for PHARMAGEST Group of **98.48%** out of the total number. This rate is **99.36%** for men and **96.50%** for women.

The average level of seniority of **10 years** remained stable in relation to the prior year.

PHARMAGEST Group may continue to use temporary workers to address business operating requirements (for example: logistics activities or temporary replacements).



3.2. Environment: reducing the environmental footprint of our products and solutions.

The impacts of PHARMAGEST Group's main activities on the environment and climate change are limited. However, protecting the environment constitutes a civic duty which is naturally integrated in PHARMAGEST Group's culture as a "Corporate Citizen in the Service of Health and Well-Being". The Group's mission is to develop healthy products and solutions with lifecycles minimising their carbon footprint.

Minimising Greenhouse Gas Emissions and reducing energy consumption

Monitoring and combating the main causes of greenhouse gas emissions

Vehicles

Its strategy of promoting proximity with healthcare professionals and patients requires PHARMAGEST Group entities to possess a significant lead of vehicles (utility vehicles and passenger cars).

In consequence, with nearly **540** vehicles and **12.8** million kilometers traveled in 2020, vehicles represent the primary direct source of greenhouse gas emissions of the Group.

To minimise the environmental, regulatory (constraints associated with technical standards for vehicles and related regulations) and economic impacts (fuel price increases, vehicles and taxation), PHARMAGEST Group initiated several action plans focusing on two strategic priorities:

- Optimisation of the vehicle fleet to achieve a reasoned and gradual greening of the Group's fleet with the aim of integrating the use of drivers and develop a more relevant technological mix:
 - An ongoing approach seeking to renew the automobile fleet (with an average age of vehicles of less than 3 years) in order to select increasingly efficient vehicle in terms of CO₂ emissions;
 - Contributing to energy transition by adopting fleet management to driver profiles based on the different categories of use (long or short distances, etc.) Also, in view of the vehicle use observed (long distances over short periods), current technologies in terms of battery autonomy and the existing network of recharging stations for electric vehicles, use of combustion engines continues to be preferred for the time being.
- Use of alternative technologies and solutions to reduce the number of kilometres travelled:
 - Use of trains and, more generally, public transport for business travel, wherever possible;
 - Use of new technologies and, in particular, those allowing remote meetings. In this respect, the health crisis has reinforced the Group's capabilities in this area which proved to be a real strength in deploying teleworking for its employees, circumventing obstacles in reaching health professionals and rethinking commercial and operational contacts (assistance, training, etc.) through the use of videoconferencing.

In addition, PHARMAGEST Group is attentive to the carbon footprint generated by its employees who do not possess a vehicle in connection with their different professional travel (including for home-to-work commutes). In consequence, at the Technopôle of NANCY-BRABOIS where many of the Group's employees are based and which is the home of its new headquarters, PHARMAGEST Group has adhered to a multi-company mobility plan designed to encourage carpooling and improve public transit.

PHARMAGEST Group estimates emissions from its vehicle fleet at **2,200** tonnes CO₂ eq.



Carriers

At the heart of the management of logistics flows between its sites, its logistics platforms and customers, the transportation of products represents a strategic factor for the quality of the Group's services.

Fully aware that transportation is an important source of greenhouse gas emissions and pollutants, PHARMAGEST Group is pursuing an approach to contain the environmental impact of its activities and combat climate change through the following measures:

- Giving preference to national suppliers to reduce the number of intermediaries for its imports;
- Giving preference to maritime transport for direct imports from Asia and rail transport for its logistics platforms;
- Optimising deliveries to or from the agencies and logistics platforms.

In light of the absence of the harmonisation of data provided by carriers, it is not possible to calculate and consolidate greenhouse gas emissions data, directly or indirectly relating to the transporters;

Server rooms

PHARMAGEST Group possesses two data centres. The purpose of these data centres is to host customer data and a portion of the services necessary for the proper functioning of PHARMAGEST Group's operations. The total area of these server rooms does not exceed than 165 m².

Different ideas are under study to better evaluate and reduce the electricity consumption of these data centres. By way of example, the installation of sensors, server virtualisation and/or the renewal of a portion of the infrastructure could partially reduce GHG emissions per server.

Promoting the circular economy and recycling

Applying measures for the prevention, recycling, reuse and other types of recovery and the elimination of waste

The principles of the circular economy

Circular economy combines environmental and economic priorities by proposing a new societal model using and optimising inventories, energy and material inputs and waste to achieve resource efficiencies.

Circular economy is based upon several principles:

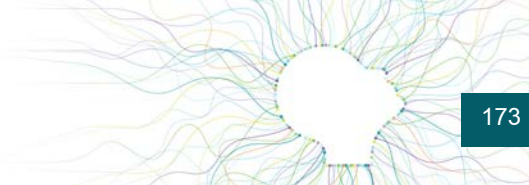
- Eco-design: consider and integrates in its conception the environmental impacts throughout the life cycle of a product.
- Industrial and territorial ecology: establishment of an industrial organisational method in a territory characterised by an optimised management of stocks and flows of materials, energy and services.
- "Functionality" economy: favour the use versus possession, the sale of a service versus a good.
- Second use: reintroduce in the economic circuit those products that no longer correspond to the initial consumer needs.
- Reuse: reuse certain products or parts of those products that still work to elaborate new products.
- Reparation: find damaged products a second life.
- Recycle: make use of materials founded in waste.

PHARMAGEST Group applies a circular economy approach

The Group has implemented a process to recover computer hardware from customers at the end of their contracts. As a result, the main category of waste generated by PHARMAGEST Group's activity, besides ordinary industrial waste is IT equipment.

A portion of the equipment recovered can be repaired in the after-sale services phase, be reused by the Group's factory partners or sold to brokers for reuse.

The portion that is not fed into the recycling sector is earmarked for destruction by service providers specialising in the disposal of WEEE (Waste Electronic and Electronic Equipment). Quantity of WEEE:



In tonnes	2018	2019	2020	Change 2019/2020
Recycled WEEE	22.48	27.72	23.25	-16.13%

3.3. Social: a group committed to supporting healthcare systems and territories

PHARMAGEST Group is engaged in regular dialogue with all stakeholders which, in addition to employees and customers, includes its "shareholders", suppliers and subcontractors, patients and voluntary sector organisations, with the ongoing objective of supporting fair practices and continuing improvements in healthcare systems.

Developing a culture of cooperation

Cooperative culture

As a subsidiary of Groupe WELCOOP, PHARMAGEST Group is fully a committed stakeholder in promoting the social solidarity economy whose internal operations and activities are based on the principle of social solidarity and usefulness.

This social priority is an integral part of the cooperative's DNA which through its principles and values unites the cooperative members and employees in a common goal in the interest of the patient and the future of healthcare.

LA COOPERATIVE WELCOOP's governance is based on the principle of a democratic and participative management with an Executive Board representing the operating functions and a Supervisory Board made up of cooperative members.

Fairness is also a strong value among cooperative members, with each possessing a right to vote, regardless of the percentage of capital they hold. The right to vote is based on the principle of one person, one vote.

While the activity of cooperative is exercised directly and indirectly through its subsidiaries that have an independent legal status, the entire entity constitutes a "cooperative group", which even without legal personality as such, constitutes a common entity promoting and sharing the values of the cooperative.

This spirit of solidarity was particularly manifest in 2020 during the health crisis. Specifically, after French government announced that the provision of surgical face masks to non-hospital healthcare professionals was discontinued, LA COOPERATIVE WELCOOP and its subsidiaries procured supplies of Type IIR surgical masks made available to them at cost and distributed by pharmacies.

In addition, 2020 was also marked by LA COOPERATIVE WELCOOP's launch of a monthly programme, WELCOOP Channel, to broadcast a variety of reports, interviews and knowledge in the field of health and innovation to the general public, targeting in particular health professionals and the cooperative's employees.

The content of each programme is rich and varied, and includes interviews, testimonies, portraits of collaborators and sharing of experiences. Each subject brings a genuine human dimension to medical information and promotes the notion of the Citizen in the Service of Health and Well-being which is so important to LA COOPERATIVE WELCOOP.

LA COOPERATIVE WELCOOP's new partners:

Year	2018	2019	2020
Number of new cooperative members	235	275	297



Improving the efficacy of the healthcare system

Proposing products and services for the benefit of the healthcare system and patients

Through its different business lines, PHARMAGEST Group can legitimately claim to be one of the few organisations possessing a global vision of the real-life world of health. That is why, with its long-term vision, its goal is to positively contribute to increasing efficiencies in the healthcare ecosystem. The sustainability of its strategy is based on its commitment to positively answer these two questions for everything it undertakes:

- Does this provide benefits for the patient?
- Does this increase the efficiency of the healthcare system?

"Being a Corporate Citizen in the Service of Health and Well-Being" means acting in the interest of patients and the future of healthcare, for which the activities of our different businesses already offer the first illustrations:

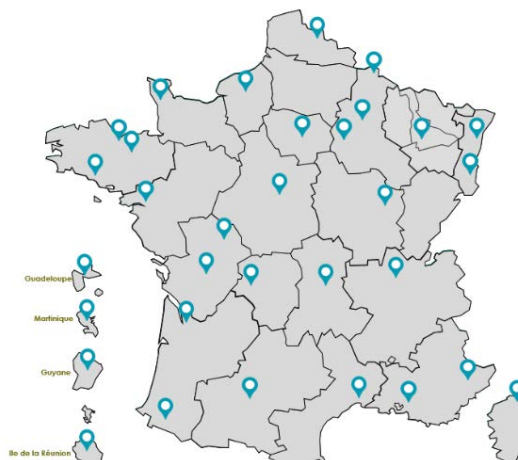
- As a software vendor of specialised solutions for pharmacies, we provide pharmacists and their teams:
 - A software suite that is maintained and regularly updated, as well as services designed to ensure dispensing to the highest safety standards,
 - Databases to draw on for advisory services (travel, vaccinations, etc.),
 - Training tools (e-learning).
- The Health and Social Care Facilities Solutions Division develops software designed to improve the care of dependent or frail persons.
- The e-Health Solutions Division contributes to improvements in healthcare systems:
 - By establishing health observatories or prevention and screening surveys. All content made available to pharmacists and patients by PHARMAGEST INTERACTIVE is checked by a qualified pharmacist;
 - Through its software and products helping to maintain the elderly and chronically ill in their home and improve outcomes by increasing compliance.
- PHARMAGEST Group's development of Digital Healthcare Gateway to facilitate the flow of information between the various business information systems of independent health professionals and health establishments, in this way of optimizing the care offering by coordinating its delivery across the office-based private practice and hospital pathways.

And more generally, by associating all its activities with the creation of the first European healthcare platform fully combining both the technology and human resources to optimise benefits for patients.

Promoting short supply chains, local operations and minimising the use of intermediaries

Territorial, economic and social impact of our business on employment and regional development

Through its focus on developing close relations with its customers, healthcare professionals and patients, PHARMAGEST Group seeks to ensure an optimal coverage of its territories. This strategy is largely based on the development of agencies, its logistics network, commercial presence and the development of pharmacy chains.





Therefore, the Group's regional economic and social impact is multiple:

- PHARMAGEST Group gives preference to local recruitment;
- PHARMAGEST Group gives preference to regional companies when selecting its different service providers;
- PHARMAGEST Group is an engaged stakeholder seeking to reduce low physician density through its different solutions (including teleconsultation and teleassistance) and by promoting the role of pharmacist as the healthcare coordinator.

Geographical coverage: a significant local network in France

The breakdown in 2020 of the workforce by region was as follows:

- France: **89.1%**
- Italy: **04.9%**
- Belgium: **03.6%**
- Mauritius: **01.4%**
- United Kingdom: **00.5%**
- Luxembourg: **00.3%**
- Germany: **00.2%**

Being a responsible partner

Supplier and subcontractors

For the selection of its partners, suppliers and service providers, PHARMAGEST Group is increasingly integrating selection criteria based on shared engagements in addressing environmental, social and ethical challenges.

These actions are defined mainly by:

- Reducing the number of intermediaries with the goal of increasing transparency and traceability;
- Contractual clauses (example: Protecting personal data and anticorruption provisions and on-site audits of our suppliers);
- Regular reporting by our third parties on CSR policies.

To strengthen this positioning, PHARMAGEST Group will study the adoption of a Group Purchasing Charter to provide the basis for a profitable and responsible customer-supplier relationship.

Donations and sponsorship

Through its actions and goals to support the healthcare system, PHARMAGEST Group is seeking to strengthen its relations with voluntary sector organisations and patients.

In addition, PHARMAGEST Group is a stakeholder determined to play an important local role by supporting the voluntary sector through actions for heritage preservation and developing cultural, sports and humanitarian actions.

By way of example, PHARMAGEST INTERACTIVE is a member of the "Meurthe-et-Moselle heritage preservation sponsors" club. The French Heritage Foundation (*La Fondation du patrimoine*) works to protect and enhance French heritage. Through this label, public donations and corporate patronage, it supports individuals, regional governments and voluntary sector organisations in heritage restoration projects.

In 2020, PHARMAGEST INTERACTIVE enabled all its employees to take part in a blood drive, either through the drive organised on-site at the Group's headquarters or at an EFS centre for employees in the regions.

Combating food wastage

Even though it is not active in the food industry and distribution sector, PHARMAGEST Group is very attentive to the importance of combating food waste. In consequence, by way of illustration, in 2014 PHARMAGEST INTERACTIVE, in partnership with other companies in the Lorraine region established an endowment fund ("MESA Mirabelle") to facilitate donations by companies of all sizes to the food bank.



Assisting start-ups

Reflecting its own history and ambitions, PHARMAGEST Group has always promoted entrepreneurship and creativity by supporting startups.

This collaboration takes several forms:

- Sponsoring and mentoring with an approach placing an emphasis on dialogue and understanding for the management of the startups.
- Financing and acquiring control of startups for the purpose of accelerating their development, while remaining attentive about respecting the identity and spirit of independence specific to the startup.
- Promoting employee intrapreneurship;
- Integrating a platform at the site of its new headquarters to host startups in the healthcare universe.

3.4. Human Rights

Respecting and ensuring the respect of Human Rights and the ILO's core conventions within the Group

Implementing the principles of Human Rights and ILO's core conventions

PHARMAGEST Group is largely present exclusively in France and Europe and applies the applicable laws and regulations of these different countries.

Nonetheless, the Group acknowledges and reaffirms its strong commitment to the values of the Universal Declaration of Human Rights, the principles of the ILO's core conventions, as well as its commitment to respecting national and international laws, principles, standards and regulations.

In consequence, PHARMAGEST Group forbids all the seeking to limit freedom of opinion, expression, association, collective negotiation, demonstration or thought. PHARMAGEST Group does not apply any form of discrimination including with respect to employment, occupation, religion or gender. No Group subsidiary has recourse to forced or compulsory labor or child labor.

Focus of entities outside the EU: Mauritius

The nature of this subsidiary's business as an independent software vendor requires highly trained personnel and excludes all forms of child labour. In addition, fully associated with the IT development activities of the Group, this company is fully integrated in the operating procedures of our French entities, regardless of the aspects of personal, legal, financial or strategic management.

3.5. Combating corruption

Preventing the risk of corruption within the Group

Implementing measures to combat corruption

PHARMAGEST Group is equipped with an anti-corruption system in accordance with French legislative provisions ("Sapin II" law).

This system provides for the implementation of:

- A code of conduct ;
- An internal whistleblowing system;
- Risk mapping which analyses and prioritises risks to which the company is exposed;
- Risk assessment procedures for customers, major suppliers and intermediaries;
- Procedures for accounting control, internal or external, to prevent the concealment of acts of corruption or influence peddling;
- A training procedure for those managers and personnel most exposed to the risk of corruption and influence peddling;
- A sanctions framework for cases of violations in the company's code of conduct;
- A system for the monitoring and internal assessment of measures implemented.



PHARMAGEST Group is attentive to this issue and integrating the provisions of the French anticorruption law ("Sapin II" law) at all its subsidiaries. The Group regularly monitors the country rankings by transparency.org of the perceived level of public-sector corruption (Corruption Perceptions Index). The results of the countries in which the Group or significant partners operate are as follows:

Country	Score from 0 (a very high level of corruption) to 100 (a very low level of corruption)	World ranking
France	69	23/180
Belgium	76	15/180
Luxembourg	80	9/180
Italy	53	52/180
Ireland	72	20/180
United Kingdom	77	11/180
Germany	80	9/180
Mauritius	53	52/180
China, Hong Kong	42	78/180

PHARMAGEST Group's main activities are located in France and Europe and in consequence its exposure to the risk of corruption is more limited.



4. Methodology, scope and definition of indicators

In accordance with the recommendations of the AMF report on social and environmental responsibility information published by listed companies, dated 5 November 2013, PHARMAGEST Group presents information to facilitate understanding of the information reported.

4.1. Methodology note

General management, and particularly the Human Resources Department and Administration and Finance Department, have specific responsibility for oversight of the process of gathering, validating and consolidating CSR information in the Group. This review helps to continuously improve internal data collection procedures.

To the extent possible, parties responsible for each data perform the verifications. Such verifications may take different forms: consistency checks, request for supporting data for qualitative information, internal audits, detailed testing. More comprehensive controls are performed when data is consolidated.

4.2. Scope

Quantitative or qualitative data disclosed in the Non-Financial Statement are largely defined in reference to the following two reporting boundaries:

- PHARMAGEST Group which includes the following entities: PHARMAGEST INTERACTIVE, DIATELIC, EUROPEAN HEALTH LOGISTIC SOURCING (EHLS), APPLICATIONS ET DEVELOPPEMENTS INFORMATIQUES (ADI), AXIGATE, DICSIT INFORMATIQUE, HEALTHLEASE, KAPELSE, MALTA INFORMATIQUE, NANCEO, NOVIA SEARCH, NOVIA TEK, SAIENDRA, SCI HUOBREGA, CAREMEDS, HDM, MULTIMEDS, PHARMAGEST LUXEMBOURG, PHARMAGEST BELGIUM, PHARMAGEST ITALIA, I-MEDS, INTERNATIONAL CROSS TALK (ICT), MALTA BELGIUM, SVEMU INFORMATICA FARMACEUTICA.
- WELCOOP Group includes the entities of PHARMAGEST Group as well as LA COOPERATIVE WELCOOP, ALPHA FINANCE REPARTITION, ALPHA REPARTITION, CRISTERS, D'MEDICA, DMS, WELCOOP LOGISTIQUE, GLOBAL SANTE, INVESTIPHARM BELGIUM, INVESTIPHARM FRANCE, LABORATOIRE MARQUE VERTE, MARQUE VERTE SANTE, OBJECTIF PHARMA, PHARMA LAB, PHARMA LAB INTERNATIONAL, PHARNAT CREATIONS, SCI CERP IMMO, SOFAREX, WELCOOP SOLUTION PRODUITS.

The following entities are not consolidated by PHARMAGEST Group:

- Companies in which equity stakes were acquired in 2020 (PANDALAB, ASCA, SEAA);
- Companies accounted for by the equity method (BGM INFORMATIQUE, GROUPE DOMEDIC, PHARMATHEK) or companies not consolidated by PHARMAGEST Group (EMBLEEMA) less than 50%-held.

If no information is available for one or more of these entities, the reduction of the scope is specified in consequence (e.g. PHARMAGEST Group excluding ADI).

4.3. Indicators

Data displayed in **boldface**, *italics* and *in purple* correspond to Key Performance Indicators (KPI) verified by the Independent Third-Party.

Specific definitions and calculations have been used to construct PHARMAGEST Group's indicators. The following covers only those indicators for which information is required in addition to that provided by the Non-Financial Statement:

- **CVs received**: Total number of CVs transmitted by employees of Groupe WELCOOP in relation to the total number of job openings in Groupe WELCOOP;
- **CVs recruited**: Total number of actual employees were recruited (for all types of contracts) following recruitment referral;



- **Training hours:** This indicator covers all training hours relating to a training plan and used in the period, whether through an internal or external training programme.
Training is considered provided the following criteria are included for external training and when two of the criteria listed are included in the case of internal training:
 - Training organisation with an authorisation number,
 - Training organisation providing a training convention,
 - Training organisation providing a training programme,
 - Organisation providing a document certifying the employee's presence.
- **Total workforce:** All employees with permanent and fixed-term employment contracts, temporary employees, skills-acquisition and apprenticeship contracts, i.e. the total number of persons physically present at 31 December. Other types of contracts (interns, temporary employees) and corporate officers are excluded;
- **FTE:** full time equivalent, monthly, as at 31 December;
- **Total workforce by type of employment contract, status and gender:** Breakdown of total workforce by gender and status. Two categories (or the equivalent) are used within PHARMAGEST Group: non-management (Employees, Technicians, Supervisors and Senior Technicians) and management employees;
- **Percentage of women in the Group** Ratio of the percentage of women employees to the total workforce (all statuses and contracts combined);
- **Percentage of permanent employees** Ratios at December 31:
 - Employees with permanent contracts divided by the total number of employees
 - Number of women with permanent contracts divided by the total number of women employees,
 - Number of men with permanent contracts divided by the total number of male employees.
- **Average seniority:** Seniority is calculated from the date of the first contract, restated to eliminate periods of absence between contracts. Periods of internships, work-study programmes and fixed-term contracts leading to a permanent employment contract are included in the calculation of seniority. Average seniority equals the average seniority of each employee included in the number of employees at 31 December.
- **Circular economy:** Economy founded on reduced and responsible consumption of natural resources and primary raw materials and, in order of priority, on preventing waste generation, especially by reusing products, and, in accordance with the hierarchy of waste processing methods, on recycling or energy recovery from waste (Article L. 110-1-1 of the French Energy Code (*Code de l'Énergie*), based on the law of 17-8-2015);
- **Number of vehicles:** Total number of company vehicles leased belonging to one of the PHARMAGEST Group's subsidiaries. Private vehicles for which Group employees receive kilometric allowances are excluded. Data rounded up to the nearest ten;
- **Kilometres travelled by car:** The number of kilometres travelled by staff using a company car on a quarterly basis; Data expressed in millions of kilometers;
- **Transport:** Deliveries of goods and merchandise from the logistics platforms and/or agencies to end-users. The company uses specialised carrier service providers;
- **Calculation of GHG emissions:** GHG car emissions were calculated on the basis of 7 litres of fuel consumed per 100 km. The ADEME (French environment and energy management agency) V7 BC factor was applied to the total estimated fuel consumption. Data rounded up to the nearest hundred;
- **WEEE:** Quantity of Waste From Electrical And Electronic Equipment collected or retrieved by specialised service providers for destruction;
- **Number of new cooperative members:** Total number of new associated cooperative members having joined LA COOPERATIVE WELCOOP in the period;
- **Geographical breakdown of total workforce** Breakdown of the total workforce by country. PHARMAGEST Group's workforce is present in seven countries: France, Italy, Belgium, Mauritius, Luxembourg, Germany and the United Kingdom

In light of the absence of risks with respect to PHARMAGEST Group's activities, no policy has been implemented for the purpose to:

- combat food insecurity, respecting animal well-being, sustainable and fair practices;
- combat tax evasion.



21.3. Independent third-party assurance statement on the consolidated non-financial statement included in the management report of the group (period ended 31 december 2020)

To PHARMAGEST INTERACTIVE's general meeting:

As the accounting firm designated as the independent third-party assurance service provider of your company (hereafter the "entity"), certified by COFRAC, the French National Accreditation Body, under No. 3-1594 (for details on the scope refer to www.cofrac.fr), we hereby present our report on the consolidated non-financial statement (hereafter the "Statement") presented in the management report prepared for the period ended 31 December 2020 in accordance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

The entity's responsibility

The Board of Directors is responsible for issuing a Statement in accordance with the legal and regulatory provisions that includes a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators.

The Statement was prepared by applying the company's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the Statement.

Independence and quality control

Our independence is defined by the requirements of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*). We have also implemented a quality control system comprising documented policies and procedures to ensure compliance with the applicable legal and regulatory texts, the codes of ethics and professional doctrine.

Responsibility of the Independent Third-Party

Based on our work, our role is to formulate a reasoned opinion expressing a limited assurance conclusion as to:

- the Statement's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- the truthfulness and fairness of the information provided in application of paragraph 3 of section I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions relating to the main risks (hereinafter the "Information").

However, it is not our responsibility to provide any conclusion on the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and tax evasion nor on the compliance of products and services with the applicable regulations.

Nature and scope of the work

Our work described above was carried out in compliance with the provisions of articles A. 225 -1 et seq. of the French Commercial Code determining the procedures according to which the independent third-party assurance service provider performs its engagement (and the ISAE 3000 international standard for assurance engagements for non-financial information):

- we familiarised ourselves with the Group's business activity and the description of the principal risks associated;
- we assessed the appropriateness of the Guidelines regarding their relevance, exhaustiveness, reliability, neutrality and comprehensibility, taking into account, where applicable, best practices in the sector;
- we verified that the Statement covers each category of information provided for in section III of Article L. 225-102-1 on social and environmental matters as well as the information provided for in paragraph 2 of Article L. 22-10-36 on respecting human rights and combating corruption and tax evasion;
- we verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the entity's activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes thereof, including key performance indicators associated with the principal risks;



- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (actions and results) that we considered most significant presented in Appendix 1. For risks, our work was carried out on the consolidating entity and on a selection of entities;
- we verified that the Statement covers the consolidated scope, i.e. all the entities included in the scope of consolidation in compliance with Article L. 233-16 of the French Commercial Code, with the limits specified in the Statement;
- we obtained an understanding of internal control and risk management procedures and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and the other quantitative results that we considered to be the most significant presented in Appendix 1, we implemented:
 - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
 - substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. This work was conducted on the basis of a selection of contributing entities chosen at random from within PHARMAGEST Group covering 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of the entities included in the scope of consolidation.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work made use of the expertise of two people between December 2020 and March 2021 for a total period of approximately two weeks.

In the performance of this engagement, we were assisted by our sustainable development and social responsibility specialists. We conducted around 11 meetings with persons responsible for preparing the Statement.

Conclusion

Based on our work, and bearing in mind the scope of our responsibility, we did not observe any significant misstatement likely to call into question the statement of non-financial performance' conformity with the applicable regulatory provisions or the fair presentation of the Information, taken as a whole, in accordance with the Guidelines.

Comments

Without qualifying the above conclusion and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comments:

Some indicators (number of hours of training (internal and external), number of kilometres travelled and GHG emissions from vehicles) are compiled through a process involving numerous manual adjustments. The process of collection and internal control of this data should be reviewed in order to improve its reliability.

Paris, 27/04/2021

[French original signed by:]

Independent Third-Party
RSM Paris

Martine LECONTE
Head of CSR Department
Partner

Appendix 1: List of information we considered to be the most important:

Qualitative and quantitative information (including key performance indicators) :

Risks and Issues	Quantitative indicators	Qualitative data tested
<p><u>Risk 1: Effectiveness of the positioning as "Citizens in the Service of Health and Well-Being"</u></p> <ul style="list-style-type: none"> • Promoting the circular economy and recycling • Developing a culture of cooperation • Improving the efficacy of the healthcare system • Promoting short supply chains, local operations and minimising the use of intermediaries • Being a responsible partner • Minimising Greenhouse Gas Emissions and reducing energy consumption • Respecting and ensuring the respect of Human Rights and the ILO's core conventions within the Group • Preventing the risk of corruption within the Group 	<p><u>KPIs:</u></p> <ul style="list-style-type: none"> • WEEE recycling (EHLS) • Number of new cooperative members • Headcount by country • Number of vehicles • Kilometres travelled by car • Vehicle GHG 	<ul style="list-style-type: none"> • Reuse of equipment • Supply of masks • Improved care for dependent or frail people • Coverage of territories • Increased transparency and traceability with partners • Food waste awareness • Reduce intermediaries for imports • Assessment and reduction of data centre electrical consumption • Forbid all the seeking to limit freedom of opinion, expression, association, collective negotiation, demonstration or thought.
<p><u>Risk 2: Loss of attractiveness</u></p> <ul style="list-style-type: none"> • Attracting talent and reinforcing skills • Developing employee expertise and employability • Being a responsible employer 	<p><u>KPIs:</u></p> <ul style="list-style-type: none"> • Number of CVs received and recruited • Number of employees trained and number of training hours (internal and external) • Actual workforce and Equivalent Full-Time employees at 31/12/2020 • Workforce by gender, category and contract type • Rate of permanent contracts by gender • Average seniority 	<ul style="list-style-type: none"> • Rigorous selection of profile • Welcoming of new arrivals, regular and systematic exchanges • Prevention of occupational risks • Access of women to positions of responsibility • Leave and family obligations • Disabled workers



21.4. Report on corporate governance

PHARMAGEST INTERACTIVE
A FRENCH PUBLIC LIMITED COMPANY (SOCIÉTÉ ANONYME) WITH SHARE CAPITAL OF €3,034,825
REGISTERED OFFICE: TECHNOPOLE DE NANCY BRABOIS
5 ALLÉE DE SAINT-CLOUD 54600 VILLERS-LÈS-NANCY
NANCY COMPANIES REGISTER (RCS) NO. 403 561 137

BOARD OF DIRECTORS' REPORT
ON CORPORATE GOVERNANCE TO
THE ANNUAL ORDINARY GENERAL SHAREHOLDERS' MEETING
OF 29 JUNE 2021

Pursuant to the provisions of Article L. 225-37 of the French Commercial Code the Board of Directors hereby reports to you the report on corporate governance enclosed with the management report.

1. Corporate governance

At its meeting of 25 March 2010, the Board of Directors of PHARMAGEST INTERACTIVE voted to adopt the Middelnext Corporate Governance Code of December 2009, and updated in September 2016, as the most appropriate corporate governance framework in light of its size and shareholder structure.

The Middelnext corporate governance code, available on the Middelnext website (<https://www.middlenext.com>) contains recommendations to be applied and points to be watched by the Board of Directors to promote good governance.

PHARMAGEST INTERACTIVE applies all recommendations of the MiddleNext corporate governance code and in accordance with recommendation R19 therein, PHARMAGEST INTERACTIVE's Board of Directors duly noted the points to be watched which are monitored regularly.

2. The Board of Directors

2.1. Procedures for exercising Executive Management including information, as applicable, on limitations imposed by the Board of Directors on the Chief Executive Officer's powers

The Company is governed by a Board of Directors with the separation of the functions of Chair (*Président*) of the Board and Chief Executive Officer (*Directeur Général*).

The Articles of Association and/or the rules of procedure contain no provisions limiting the powers of the Chief Executive Officer and the Board of Directors made no decision to limit these powers during the financial year.

2.2. Succession for the manager

The separation of the functions between the Chair of the Board of Directors and the Chief Executive Officer, assisted at 31 December 2020 by two Deputy Chief Executive Officers, effectively addresses the issue raised by recommendation of R14 of the MiddleNext code designed to ensure the company's sustainability. The Board of Directors if it considers, appropriate, may take all additional actions such as creating a special committee or strengthening the recovery or business continuity plans.



2.3. Composition of the Board of Directors and committees

As at 31 December 2020, the Board of Directors comprised 12 members of French nationality, three of whom are independent.

Member's full name or Company Name and their roles	Independent Director	Year of first appointment	Office expiry date ⁽¹⁾	Audit Committee	Expertise and background ⁽²⁾
Mr. Thierry CHAPUSOT <i>Chairman of the Board of Directors</i>	No	2002 (Director) 2010 (Chair of the Board)	31/12/2025	/	Chair of the Executive Board of LA COOPERATIVE WELCOOP
Mr. Dominique PAUTRAT <i>Chief Executive Officer and Director</i>	No	2009 (Director) 2010 (CEO)	31/12/2020 (Director) 31/12/2025 (CEO)	/	National and international development of the Group
Mr. Denis SUPPLISSON <i>Deputy CEO and Director</i>	No	2010 (DMD) 2013 (Director)	31/12/2025 (Deputy CEO) 31/12/2020 (Director)	/	National and international development of the Pharmacy Division
Mr. Grégoire DE ROTALIER <i>Deputy CEO and Director</i>	No	2020 (DMD) 2020 (Director)	31/12/2025 (Deputy CEO) 31/12/2025 (Director)	/	National and international development of the HSCF Solutions Division
Mr. Daniel ANTOINE <i>Director</i>	No	2002	31/12/2025	Member	Knowledge of the business of pharmacists
Ms. Marie-Louise LIGER <i>Independent Director</i>	Yes	2015	31/12/2020	Chair	Accounting
Mr. François JACQUEL <i>Director</i>	No	2011	31/12/2025	Member	Knowledge of the business of pharmacists
Ms. Anne LHOTE <i>Director</i>	No	2011	31/12/2022	/	Finance and accounting expertise
Ms. Sophie MAYEUX <i>Independent Director</i>	Yes	2012	31/12/2023	/	Communications
Ms. Céline GRIS <i>Independent Director</i>	Yes	2017	31/12/2022	/	International development and communications
Ms. Emilie LECOMTE <i>Director</i>	No	2017	31/12/2022	/	Knowledge of the business of pharmacists
LA COOPERATIVE WELCOOP <i>Represented by Mr. Hugues MOREAUX, Director</i>	No	2002	31/12/2025	/	Knowledge of the business of pharmacists

⁽¹⁾ The term of office ends at the close of the Annual General Meeting called to approve the financial statements for the financial year indicated.

⁽²⁾ Information on the professional background and roles of Directors is given in section 12.1 of this Universal Registration Document.



2.4. Changes in the Board membership in 2020

The composition of the Board as at 31/12/2020 has changed compared to 31/12/2019, the Ordinary General Meeting of 29 June 2020 having appointed Mr. Grégoire DE ROTALIER as a new Director for a term of six years expiring at the end of the annual Ordinary General Meeting called to approve the financial statements for the period ending 31 December 2025.

2.5. List of offices and functions exercised in any company by each corporate officer in the period ended

In accordance with recommendation R1 of the MiddleNext Code, Executive Directors do not hold more than two other offices in other listed companies, including in foreign companies or companies outside the Group.

In accordance with the provisions of articles L. 225-37-4 and L. 22-10-10 of the French Commercial Code, offices and functions exercised in any company by corporate officers of the company are listed below:

PHARMAGEST INTERACTIVE
A FRENCH PUBLIC LIMITED COMPANY (SOCIÉTÉ ANONYME) WITH SHARE CAPITAL OF €3,034,825
REGISTERED OFFICE: TECHNOPOLE DE NANCY BRABOIS
5 ALLÉE DE SAINT-CLOUD 54600 VILLERS-LÈS-NANCY
NANCY COMPANIES REGISTER (RCS) NO. 403 561 137

ANNUAL ORDINARY GENERAL MEETING OF 29 JUNE 2021
APPOINTMENTS AND FUNCTIONS EXERCISED BY EXECUTIVE OFFICERS
IN ALL COMPANIES IN 2020
(Article L. 225-37-4 of the French Commercial Code)



COMPANIES	Thierry CHAPUSOT	Dominique PAUTRAT	Denis SUPPLISSON	Grégoire DE ROTALIER	Daniel ANTOINE
* PHARMAGEST INTERACTIVE (SA) listed company	Chairman of the Board of Directors	Chief Executive Officer and Director with an employment contract	Deputy Chief Executive Officer and Director with an employment contract	Deputy CEO and Director as from 29/06/2020, with an employment contract	Director
* LA COOPERATIVE WELCOOP (SA)	Chairman of the Executive Committee with an employment contract	Management Committee member			Vice-Chair of the Supervisory Board
* MARQUE VERTE SANTE (SA)	Chairman of the Executive Board	Management Committee member			Board representative of LA COOPERATIVE WELCOOP, Supervisory Board member
* EUROPEAN HEALTH LOGISTIC SOURCING - EHLS (SAS)		Representing the Chairman of PHARMAGEST INTERACTIVE			
* A.D.I. APPLICATIONS ET DEVELOPPEMENTS INFORMATIQUES (SA)		Board representative of PHARMAGEST INTERACTIVE	Director		
* DIATELIC (SAS)		Representing the Chairman of PHARMAGEST INTERACTIVE			
* PHARMAGEST LUXEMBOURG (SA) (LUXEMBOURG)		Chairman of the Board of Directors	Chief Executive Officer		
* HDM (LTD) (MAURITIUS)		Manager			
* PHARMAGEST BELGIUM (SRL) (BELGIUM)			Manager		
* INVESTIPHARM FRANCE (SA)					Director
* GROUPE DOMEDIC (INC.) (CANADA)	Director	Director			
* SOFAREX (SA) (BELGIUM)					
* INVESTIPHARM BELGIUM (SA) (BELGIUM)					
* PHARMALAB INTERNATIONAL (LTD) (HONG KONG)					
* UK PHARMA (LTD) (GREAT BRITAIN)	Manager until 25/02/2020	Manager until 25/02/2020			
* CAREMEDS (LTD) (GREAT BRITAIN)			Director		



Hugues MOREAUX	François JACQUEL	Anne LHOTE	Sophie MAYEUX	Marie-Louise LIGER	Émilie LECOMTE	Céline GRIS
Board representative of LA COOPERATIVE WELCOOP	Director	Director	Independent Director	Independent Director	Director	Independent Director
Chair of the Supervisory Board	Supervisory Board member	Executive Committee member with an employment contract			Supervisory Board member	
Chair of the Supervisory Board	Supervisory Board member from 18/06/2020	Management Committee member				
Board representative of LA COOPERATIVE WELCOOP		Chairman of the Board of Directors				
		Chief Executive Officer				
		Chief Executive Officer				
		Director				



COMPANIES	Thierry CHAPUSOT	Dominique PAUTRAT	Denis SUPPLISSON	Grégoire DE ROTALIER	Daniel ANTOINE
* MULTIMEDS (LTD) (UK)			Director		
* ALPHA REPARTITION (SA) (BELGIUM)					
* ALPHA FINANCE REPARTITION (SA) (BELGIUM)					
* LABORATOIRE MARQUE VERTE (SA)	Board representative of LA COOPERATIVE WELCOOP	Chairman of the Board of Directors			
* D' MEDICA (SA)	Director				
* OBJECTIF PHARMA (SA)	Chairman of the Executive Board				Supervisory Board member
HENRI POINCARÉ (SA) (a French joint stock company and semi-public entity)	Director representing the committee of minority shareholders				
* KAPELSE (SAS)		Representing the Chairman of PHARMAGEST INTERACTIVE			
SC DE L'ERMITAGE ST JOSEPH	Manager				
* SCI HUOBREGA		Manager			
SCI JADD					Manager
* SCI CERP IMMO 2	Representative of LA COOPERATIVE WELCOOP, until 29/12/2020				
PLANT ADVANCED TECHNOLOGIES - PAT (SA) listed company	Director				
SCI MESSIRE JACQUES		Manager			
SOCIETE CIVILE CHANOINE JACOB		Manager			
SCI DU FRONTON					
SCI JAMERAI	Manager				
SARL DUVAL DE VITRIMONT	Manager				
* PHARMAGEST ITALIA (ITALY)	Member of the Board of Directors	Member of the Board of Directors	Chairman of the Board of Directors		
HAMPIAUX SAS	Chair as from 20/04/2020				



Hugues MOREAUX	François JACQUEL	Anne LHOTE	Sophie MAYEUX	Marie-Louise LIGER	Émilie LECOMTE	Céline GRIS
		Managing Director until 24/12/2020				
		Managing Director				
Director						
Board representative of LA COOPERATIVE WELCOOP		Director				
Supervisory Board member		Management Committee member			Supervisory Board member	
Manager						



COMPANIES	Thierry CHAPUSOT	Dominique PAUTRAT	Denis SUPPLISSON	Grégoire DE ROTALIER	Daniel ANTOINE
SCI ZOZIME	Manager				
SCI BROTHER&SISTERS	Manager as from 29/02/2020				
SELARL FRANCOIS JACQUEL					
SCI LA CRAPAUDINE					
PHARMACIE LECOMTE - DALLA COSTA (SELARL)					
SARL LECOMTE - DALLA COSTA (SPFPL)					
SCI LEDCMEGE					
SCI FAMICAVI					
GRIS DECOUPAGE (SAS)					
GRIS GROUP (SAS)					
SOCIETE CIVILE ESKARCEL					
*ASCA INFORMATIQUE					
* MALTA INFORMATIQUE (SAS)				Chair	
* AXIGATE (SAS)				Chair	
* DEVELOPPEMENT INGENIERIE & CONCEPTION DE SYSTEMES D'INFORMATION EN INFORMATIQUE (SAS)				Chair	
* MALTA BELGIUM (SA)				Director	
* PANDALAB (SAS)				Chair and Member of the Strategy Committee as from 18/03/2020	
* INTERNATIONAL CROSS TALK (SAS)				Chair from 01/07/2020 to 31/12/2020	
* HAPPY HEALTH ORGANIZER (SARL)				Manager from 01/07/2020 to 31/12/2020	
* SOPHIA SANTE (SAS)				Chair from 01/07/2020 to 31/12/2020	
SCI DE ROTALIER				Manager	
SCI DES AUGUSTINES				Manager	
SCI CHAUMET				Manager	

* "WELCOOP GROUP" member companies



2.6. Board diversity policy

In accordance with Articles L. 225-37-4 and L. 22-10-10, 6° of the French Commercial Code, the Board seeks to determine the appropriate balance of its membership and that of its committees, particularly in terms of diversity (gender representation, age, qualifications, professional experience, etc.).

2.6.1. Objectives

The Board considers that to achieve this balance, the profiles of its members must be diverse, notably in terms of age, length of service (historical knowledge of the company), qualifications and professional experience, independence as a Director and gender diversity in Board membership (percentage of men and women on the Board).

2.6.2. Procedures implemented and results

Age and seniority of Directors

Under the Company's Articles of Association, Directors may not be older than 75. The Chair of the Board of Directors must be less than 75 years old. The Chief Executive Officer (*Directeur Général*) of the Board must be less than 65.

Efforts are made to ensure a generational balance beyond the limits imposed by the company's articles.

The age of directors is between 42 and 68 with an average of 56.8.

The age and seniority pyramid is as follows:

Number of Directors by age bracket:

- 60 to 69: 6
- 50 to 59: 4
- 40 to 49: 2

Number of Directors by seniority:

- 12 years or more: 3
- 7 to 12 years: 5
- 1 to 6 years: 4

Average seniority at 31 December 2020 was 9.3 years.

The Board considers that its membership is balanced between Directors possessing an historical knowledge of the company and the Group, Directors having joined in the last ten years and Directors who recently joined. The policy of ensuring a generational balance will be implemented over time.

Qualifications and professional experience

The Board ensures that it is composed of members who possess a complementary and diverse range of expertise and professional experience: Directors with a knowledge of the Group, Directors with a knowledge of the profession of pharmacist, Directors with expertise in finance or accounting, international development or communications.

In addition, all Directors share a common set of values: a commitment to the interests of the company, the Director contributes to the Board the quality of his or her judgment, ethics, openness to innovation and international markets and strategic vision. They possess a knowledge of the operations of the corporate governance bodies and are subject to the rules governing conflicts of interest (see paragraphs 2.11 and 2.12).

The table in 2.3 summarises the expertise contributed by each Director.

The Board considers that the core values described above, the diverse range of qualifications and professional experiences of the Directors are consistent with this policy of diversity.



Gender equality - Balanced representation of women and men, diversity

The Board ensures that the obligation of gender balance of the Board of Directors established by Articles L. 225-18-1 and L. 22-10-3 of the French Commercial Code is respected. At 31 December 2020, the percentage of women serving on the Board of Directors was 41.7%. To date, the percentage of women on the Board continues to be about 40%.

It considers that the 40% quota (reached in 2017) corresponds to a balanced representation of men and women on the Board.

The Audit Committee with three members is chaired by a woman (see paragraph 3.5.2 above).

Independent Directors

See paragraph 2.7 above.

2.6.3. Policy of non-discrimination and the representation of men and women within governance bodies

Convinced that gender balance and diversity positively contribute to social balance and economic efficiency, management has decided to implement a gender equality action plan providing for medium-term objectives and results. These points are developed in the Non-Financial Statement.

The Finance and Personnel Management Committee

This committee has seven members, one of whom is a woman.

Gender diversity in top 10% category of high-level management positions

Gender diversity in the 18% category of high-level management positions of PHARMAGEST INTERACTIVE.

Management continues to apply its antidiscrimination and gender balance policy with the goal of increasing this percentage over time.

2.7. Independent Directors

The criteria for independence as defined in Middlednext code recommendation R3 has been met for each of the independent directors. These criteria are as follows:

- they must not have been during the last five years an employee or executive officer of the company or a company in its group;
- they must not have had any material business relationship with the company or its group for the last two years (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- they must not be a reference shareholder of the company or hold a significant percentage of voting rights;
- they must not have a close relationship or close family ties with a corporate officer or a reference shareholder;
- they must not have been an auditor of the company in the course of the previous six years.

The status of independence is determined at the time of the director's first appointment and each year thereafter when the report on corporate governance is written and approved.

The Board has three independent directors (see above the Table on the composition of the Board of Directors and committees). The MiddleNext code recommends the presence of at least two Independent Directors.



2.8. Appointment of Board members by personnel

The company's articles of association do not provide for the appointment of one or more Directors representing employees. There are no Directors representing employees serving on the Board.

In addition, the number of employees of the Company and its subsidiaries was below the threshold provided for by Articles L. 225-27-1 and L. 22-10-7 of the French Commercial Code at the end of both 2019 and 2020. In consequence, the obligation to appoint Directors representing the employees under this Article is not applicable to the company.

2.9. Appointment of Board Members representing employee shareholders by the General Meeting of Shareholders

The company is not subject to the obligation to appoint directors representing employees, as provided for in the first paragraphs of Articles L. 225-23 and L. 22-10-5 of the French Commercial Code, in its capacity as an indirect subsidiary of LA COOPERATIVE WELCOOP, itself subject to this obligation.

2.10. Directors' terms of office – Minimum number of shares to be held

The term of the office of Directors is 6 years.

In accordance with recommendation R9 of the MiddleNext Code, the Board ensures that the terms of office defined by the articles of association are adapted to the Company's specific needs, within the limits set by law. This term of six years makes it possible to take advantage of the Directors' experience and knowledge of the Company, its markets and businesses when making decisions.

To guarantee the Board of Directors' stability, the appointment of Directors is staggered over time.

In accordance with the Company's articles of association and the Board of Directors' rules of procedure, each director must hold at least one registered share.

2.11. Rules of conduct applicable to Board of Directors

In accordance with recommendation R1 of the MiddleNext Code, each Director received information on Group governance and their responsibilities.

The Board of Directors has adapted its internal rules of procedure to comply with the new wording of the MiddleNext recommendation to ensure that each Director respects the following rules of ethical conduct:

- Exemplary conduct entailing at all times, a behaviour reflecting consistency between words and acts, a guarantee of credibility and confidence;
- Before taking up their appointment, they must be informed of their general or specific obligations. They must ensure they have familiarized themselves with all legal provisions and, notably those relating to exercising multiple offices, the articles of associations and rules of procedure, as well as any amendments to same by the Board;
- Although Directors are themselves shareholders, they represent the shareholders as a whole and must act in the corporate interest in all circumstances;
- The director is required to inform the Board of any existing (customer, supplier, competitor, consultant, etc.) or potential (other offices) conflicts of interest and depending on its nature, the director in question shall abstain from voting or taking part in the proceedings, and, in extreme circumstances, will resign; The absence of disclosure constitutes recognition that there is no conflict of interest;
- Directors must devote to their duties the necessary time and attention. When Directors hold an executive position, they should not in principle accept more than two other directorships in listed companies, including in foreign companies or companies outside the Group;
- They should have good attendance records and should take part in all meetings of the Board and committees on which they sit;
- They are obliged to ensure they are properly informed. To this end, they must obtain the information they need to address the subjects on the agenda for meetings from the Chairman within reasonable time frames;
- With respect to non-public information acquired in connection with their duties, each member of the board shall be considered subject to an obligation of strict professional confidentiality that exceeds the legal obligation of discretion.



- The Director must:
 - Refrain from all dealings in the Company's securities, including derivatives, they possess based on their positions or insider information;
 - Declare transactions on the company's shares, pursuant to applicable law and regulations.
- Finally, except under exceptional circumstances, Board members must attend shareholders' general meetings.

2.12. Conflicts of interest

PHARMAGEST Group's Board of Directors considers that it has a decisive role in handling conflict of interest and ensuring that decisions are made by managers in the company's corporate interest.

In compliance with recommendation R2 and all regulations governing regulated agreements and ordinary agreement entered into under normal conditions, the Board of Directors reviews on an annual basis these agreements and potential conflicts of interest that might arise between the duties with regards to PHARMAGEST INTERACTIVE, its members and their private interests.

In accordance with the Board of Directors' rules of procedure, all Directors are required to inform the Board of any existing or potential conflict of interest and must abstain from participating in the vote or taking part in the deliberations relating thereto, and, in extreme circumstances, resign.

In exercising its oversight, the Board of Director seeks to improve procedures for identifying and managing conflicts of interest and, if it considers appropriate, may seek to obtain an independent opinion.

In 2020, PHARMAGEST INTERACTIVE's Board of Directors did not identify any potential conflicts of interest with regards to PHARMAGEST INTERACTIVE between the duties of the corporate officers and their private interests.

2.13. Choice of Directors

The directors are appointed by the General Meeting of shareholders of the company on the basis of their skills and their potential contributions to the management of the company, in compliance with the rules of independence, ethics and integrity expected of them.

The executive, financial and industry segment skills of the company's directors, as well as their varied experience, represent additional assets for ensuring the quality of the Board's proceedings.

In accordance with the recommendation R8 of the Middlednext code, when a Director is appointed or reappointed, information on their background and expertise is made available to shareholders on PHARMAGEST INTERACTIVE's website (<https://pharmagest.com>) in the Finance section under Corporate Governance.

The appointment of each Director and the renewal of their terms of office are the subject of a distinct resolution.

2.14. Relations with shareholders

Other than LA COOPERATIVE WELCOOP and the founding manager, PHARMAGEST INTERACTIVE has no other significant shareholders. In compliance with recommendation R12, managers of PHARMAGEST Group have opportunities outside General Meetings for exchanges between significant shareholders. In addition, managers are committed to organising the General Meeting in a manner that provides general access to all.



3. Preparation and organisation of the Board's work

3.1. Rules of procedure

The Board of Directors adopted rules of procedure 16 June 2011, which define:

- The role and powers of the Board of Directors and limits to the powers of the Chief Executive Officer;
- The rules governing the composition of the Board and the independence criteria applicable to Directors;
- Directors' duties and the rules of ethical conduct to which they are subject;
- Board practices;
- Rules for determining the compensation of Audit Committee members.

In compliance with recommendation R7 of the MiddleNext code, the Board rules of procedures include the following:

- The definition of the role of specialised committees that may be set up;
- The protection provided to directors and officers: directors and officers liability insurance (D&O insurance);
- Changes with regard to the code of ethics;

The Board's rules of procedure are available to the public and are published on the PHARMAGEST INTERACTIVE website (<https://pharmagest.com>) in the Finance section, under Corporate Governance.

3.2. Board member information

The Board Members consider that they received sufficient information to perform their duties. In order to facilitate preparation for meetings, the Chairman endeavours to send the documentation and information required within an appropriate period before the meetings.

Moreover, whenever appropriate in light of developments in the company, Directors are regularly updated between meetings in accordance with recommendation R4 of the MiddleNext Code.

Finally, Directors may at their request be eligible to receive specific training to reinforce their expertise associated with their function of Director.

3.3. Board meetings

Board practices (convening, meetings, quorum and information provided to its members) are in line with the provisions of applicable law and the Company's Articles of Association. These provisions have been included in and supplemented in the rules of procedure.

The mission of the Board of Directors is to determine the strategy of the company and ensure that this strategy is implemented. Subject to those powers expressly granted to General Shareholders' Meetings and within the limits of the Company's corporate purpose, the Board of Directors addresses all issues relating to the Company's operations and handles all its affairs (Article L. 225-35, paragraph 1 of the French Commercial Code).

Moreover, in accordance with the rules of procedure, the Board of Directors may refer matters to the General Shareholders' Meeting if they concern a large majority of the Group's assets or activities.

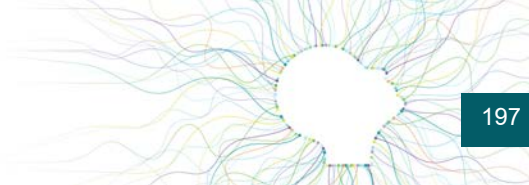
The Board meets at least four times a year, in compliance with recommendation R5 of the MiddleNext Code.

The members of the Board of Directors and the Social and Economic Committee (*Comité Social et Économique*) were given sufficient advance notification to arrange to attend meetings and were provided with the documents they needed to ensure the efficient working of the Board.

The Statutory Auditors were invited to all meetings of the Board of Directors.

Board meetings are held as often as the interests of the Company require.

Minutes are drawn up at the end of each Board meeting, indicating the issues raised and any reservations expressed. Minutes are approved at the following Board meeting.



In 2020, the Board of Directors met 4 times during the year. Working meetings were cancelled for health-related reasons linked to COVID-19. The rate of meeting attendance of the Directors was 96%. The table below indicates Directors' participation at meetings five date.

Meeting date	Nature of the meeting	Number of participants		Rate of attendance (present and represented)
		Present	Present and Represented	
27/03/2020	Board of Directors	8	10	91%
29/06/2020	Board of Directors	10	11	100%
25/09/2020 ⁽¹⁾	Board of Directors	9	11	92%
04/12/2020	Board of Directors	11	12	100%

⁽¹⁾ The Board of Directors of 29/06/2020 approved the appointment of Mr. Grégoire DE ROTALIER as Director, bringing the number of Directors to 12.

The working meeting offered Board members an opportunity to learn about different projects for products and services developed by the company and its subsidiaries.

The Board meetings addressed oversight of the Group's day-to-day operations and priorities relating to significant points. At each Board meeting, the Chair provided an update of items of business in progress. At the four Board meetings the main items of business discussed were as follows:

- Review and approval of the annual and consolidated financial statements as at 31 December 2019,
- Review of the interim financial statements and report, quarterly positions and forward-planning documents.
- A regular review of the Group's financial position and investment and external growth projects,
- Review of the offices of members of Executive Management (renewal and appointment),
- Preparation of the Annual Ordinary and Extraordinary General Meetings: setting the agenda and convening the meeting, proposal for the appropriation of net income, review of the terms of office of Directors (renewal and appointment), review of the terms of office of the Statutory Auditors, review of the compensation policy for executive officers in accordance with "say-on-pay" provisions, proposal for the amount of compensation allocated to Board members and its distribution, preparation and approval of the management report, the non-financial performance statement, the corporate governance report and the text of the resolutions,
- Setting the share price in connection with a share buyback programme,
- Review and implementation of a stock option plan,
- Definition of strategic priorities for information and consultation with the Social and Economic Committee,
- Annual review of regulated agreements and evaluation of ordinary agreement entered into under normal conditions,
- Discussion of the policy on gender equality and equal pay.

3.4. Board assessment

PHARMAGEST Group's Board of Directors complies with the requirements of recommendation R11. The Board of Directors carries out a formal self-assessment (questionnaires) every 3 years.

The Chairman of the Board regularly invites members to express their views on Board practices and possible failures, without being required to place these subjects on the agenda. Points raised in Board meetings are recorded in the minutes. Otherwise, the Chair formulates the question orally to ensure in order to ensure that no dysfunction in the conduct of the meeting was recognised.

The most recent formal assessment was carried out in December 2019 by means of an individual questionnaire sent to each Director. The next assessment will take place no later than December 2022.

3.5. Creation of committees

3.5.1. Principles

In accordance with recommendation R6 of the MiddleNext Code, information on PHARMAGEST INTERACTIVE's choice of ad hoc committees is provided below.



In light of its size and structure, PHARMAGEST INTERACTIVE's Board of Directors does not consider it necessary to create ad hoc committees such as a Compensation Committee, a Nominating Committee or a Strategic Committee.

PHARMAGEST Group's main business is publishing and marketing pharmacy management software in France, which does not generate significant impacts on the environment or on society. For that reason, it also does not consider it necessary to establish a CSR (Corporate Social Responsibility) Committee, with the responsibility of monitoring CSR issues with this task assigned to the Chief Executive Officer.

3.5.2. The Audit Committee

Pursuant to applicable regulations, PHARMAGEST INTERACTIVE's formed an Audit Committee in 2006.

The main tasks of the Audit Committee and their performance are in line with the final report of the working group on audit committees, issued on 22 July 2010 by the AMF.

In 2020, the members of the Audit Committee, appointed by the Board of Directors, were as follows:

- Mr. Daniel ANTOINE, Director;
- Ms. Marie-Louise LIGER, Independent Director;
- Mr. François JACQUEL, Director.

Ms. Marie-Louise LIGER, Independent Director according to the criteria of the MiddleNext code and possessing the requisite financial and accounting expertise, has chaired the Audit Committee since 1 July 2015. In accordance with the rules of procedure of the Board of Directors, the office of Ms. LIGER was renewed on 28 June 2018 for a term of three years.

The Chair of the Audit Committee assures the role of committee secretary for its work.

The Audit Committee met four times in 2020. The rate of meeting attendance was 92%.

The Audit Committee's rules of procedure were drawn up and approved in 2008. These rules were incorporated as part of the Board's rules of procedure during the Board meeting on 16 June 2011.

The Audit Committee's main tasks are to monitor:

- The process for producing accounting and financial information;
- The effectiveness of internal control and risk management systems;
- The statutory audit of the Company's annual financial statements and the Group's consolidated financial statements;
- The independence of the statutory auditors.

In addition, the Board of Directors may assign any other responsibilities it deems appropriate to the Audit Committee, in line with the Board's duties.

Scope of the Audit Committee's work:

- The Committee is not limited solely to financial and accounting aspects and covers all areas of the company. It is the Audit Committee's responsibility to ensure that the Group has a process for identifying and analysing risks likely to have a material impact on the financial and accounting information;
- It must include in its review the risks that are reflected in accounting terms (including information in the notes to the financial statements) and the risks identified by the internal control and risk management systems established by general management and which may have an impact on the financial statements.

In light of the above, based on the recommendations of the AMF working group, the Audit Committee:

- Conducts quarterly, half-yearly and annual reviews of the financial statements with the Finance Department and the Statutory Auditors to ensure that all material events or complex transactions are correctly reflected in the accounts;
- Reviews in advance the publication of the Universal Registration Document and interim report;
- Ensures that the internal control and risk management systems are in keeping with the reference framework for internal control: *Implementation guide for small and mid caps, issued by the AMF*;
- Requests the Auditors' participation during Audit Committee meetings;
- Requests the Statutory Auditors to provide an annual statement of independence;
- Monitors the performance by the Auditors of their missions and takes into account, as applicable, the observations and conclusions of the French auditors supervisory body (*Haut Conseil du Commissariat aux Comptes*) pursuant to audits performed in accordance with regulations;



- Approves, as applicable, the provision of services other than account certification in compliance with applicable regulations;
- Issues a recommendation on the Statutory Auditors proposed for appointment to the Annual General Meeting;
- Reports to the Board of Directors on the performance of its duties and promptly reports about any difficulties encountered.

During the 2020 financial year, the Audit Committee:

- Review of the quarterly, half-yearly and annual financial information;
- Review the Statutory Auditors' presentation of their work and conclusions on the annual and interim consolidated financial statements;
- Monitored the financial position and structure of the Group's foreign and French subsidiaries;
- Analysed subsidiaries' equity holdings;
- Studies the presentation by members of the Executive Management growth projects and the main contracts;
- Update of internal audit procedures;
- Monitoring of priority technology action programmes;
- Review of procedures for ordinary agreements.

Information was provided orally during these meetings and the Board of Directors was also informed about the work of the Audit Committee by a report given to the Chair and the Chief Executive Officer at each of the meeting.

In addition to ongoing missions (financial information, Statutory Auditors' conclusions and independence), the main subjects to be addressed during the 2021 financial year are summarised below:

- Review of the quarterly, half-yearly and annual financial information;
- Review the Statutory Auditors' presentation of their work and conclusions on the annual and interim consolidated financial statements;
- Examination of the financial position and structure of the Group's French and foreign subsidiaries as at the start of the financial year, as well as any that are added to the scope of consolidation during the year;
- Review of ordinary agreements.

A number of specific "operating" committees also report to Executive Management. The Finance and Personnel Management Committee or certain members thereof may be directly solicited by the Board of Directors or the Audit Committee to address specific topics.

3.6. Board procedures for evaluating ordinary agreements entered into under normal conditions

In accordance with Articles L. 225-39 and L. 22-10-12, paragraph 2 of the French Commercial Code, on 27 March 2020, the Board of Directors implemented a procedure for the annual review by the Audit Committee of ordinary agreements entered into under normal conditions.

The missions of this Committee which meets annually for this review include:

- Reviewing the criteria for determining ordinary agreements entered into normal conditions to ensure that they remain appropriate;
- Analyzing in particular the ordinary nature of the financial conditions;
- Submitting for authorisation by the Board those agreements not responding to set criteria.

The Audit Committee may obtain the recommendation of the Statutory Auditors in the event of doubt concerning the qualification of an agreement submitted to its evaluation.

The list of all agreements reviewed by the Audit Committee as well as the results of the evaluation and, as applicable, the proposals for revising the criteria of these agreements are presented each year to the Board of Directors organised for the purpose of reviewing the annual accounts, with the exception of ordinary agreements of 2020, which will be considered by the Board of Directors of June 2021.

This evaluation procedure has been implemented since this date.



4. Compensation of corporate officers

4.1. Compensation policy – For officers considered as a whole

The compensation policy for executive officers is set by the Board of Directors and subject to annual review.

This policy was established in compliance with the recommendations of the Middlednext code.

Corporate interests and objectives of the compensation policy

The purpose of the PHARMAGEST INTERACTIVE is to guarantee the sustainability of the company by aligning the interests of all corporate officers to ensure the successful execution of its projects and commercial strategy while safeguarding the general interest of the other stakeholders.

The compensation policy applied to executive officers, directly linked to the Group's strategy, supports its business model.

It in that way contributes to a harmonious, steady and sustainable growth both over the short term and long-term.

The Board of Directors continuing objective is to encourage the Executive Management to maximise annual performances for each year while at the same time ensuring recurrent and steady results from one year to the next.

These objectives are strictly applied by the Board of Directors within the framework of its work, both when developing the compensation policy for executive officers and when proposing their respective amounts of compensation.

Compensation policy decision-making process

The compensation policy is established and revived by PHARMAGEST INTERACTIVE's Board of Directors.

It is specified that the Chairman, the Chief Executive Officer and Deputy Chief Executive Officers who are Directors do not participate in the deliberations and votes on these matters.

This information is presented to shareholders in the report on corporate governance.

The adoption of this policy is subject to a vote of by the Ordinary General Meeting on a resolution submitted each year and in the event of each important modification (**ex-ante vote**).

Should this resolution be rejected, the compensation policy previously approved in that case continues to apply.

If no compensation policy has been previously approved, it shall then be based on the compensation granted in the period ended.

If no compensation was granted in the period ended, the compensation is determined in accordance with practices existing in the company.

This refusal requires the Board of Directors to present to the next capital Meeting a revised compensation policy, indicating the manner in which the shareholders' vote has been taken into account and, as applicable, the views expressed at the meeting.

A second vote (**ex-post vote**) is carried out for compensation granted or received in the period ended. This vote is divided into two parts:

- The **first ex-post vote** concerns the total compensation and benefits of any nature paid or granted to executives on the basis of their office during the period ended, presented in the report on corporate governance. The annual Ordinary General Meeting must vote on the information provided concerning the compensation of all corporate officers.

If this draft resolution was rejected, the Board of Directors must submit for approval a revised compensation policy to the next General Meeting. Pending the new vote, payments to Directors will be suspended.

If the resolution for the new compensation policy is rejected, the suspension of the payments to Directors will be rendered definitive.

- The **second ex-post vote** concerns the individual compensation of each executive for the office in question.

The Ordinary General Meeting votes on the fixed, variable or exceptional components of total compensation and benefits of any nature paid or granted during the period ended on the basis of distinct resolutions for each officer.

In the event of the rejection of the resolution, the fixed compensation remains acquired by the executive whereas the variable and exceptional compensation will not be paid.

The prevention and management of conflicts of interest with respect to compensation adhere to good practices and rules of good conduct mentioned in sections 2.11 and 2.12 of this report.

PHARMAGEST INTERACTIVE's Board of Directors has not created a special Compensation Committee.

Procedures for taking into account employee compensation

As part of the process for determining and revising compensation, the Board of Directors takes into account the conditions of compensation and employment of the company's employees, in order to ensure the reasonable nature of the compensation of corporate officers and its coherence with respect to the company's performances.

Method for evaluating the criteria of performance for variable compensation

To determine to what extent the performance criteria provided for variable compensation have been met, at least once a year the Board of Directors conducts an individual review of the performance criteria entirely based on quantifiable criteria.

Criteria for allocating the annual amount compensation granted to Directors by the capital Meeting

Non-executive directors receive compensation granted to members of the Board by the Ordinary General Meeting.

The principles for setting the amount of compensation granted to members of the Board established in accordance with recommendation R10 of the MiddleNext Code are as follows:

- Directors who are natural persons holding employment contracts with one of the companies of WELCOOP Group as well as legal entity Directors do not receive compensation as a Director.
- Compensation granted to other Directors takes into account the distance to be traveled, the record of attendance and the amount of time Directors spend in the performance of their duties.

In addition, attendance at Audit Committee meetings and the nature of the function within said Committee are also taken into account.

Procedures for modifying the compensation policy

When the compensation policy is modified, a description and presentation of the reasons for all modifications as well as the manner the most recent votes of the shareholders are taken into account and, as applicable, the views expressed at the last General Meeting are considered by the Board of Directors and expressly mentioned in the report on corporate governance, followed by a specific resolution to be submitted to the Ordinary General Meeting for approval.

PHARMAGEST INTERACTIVE did not modify its compensation policy in 2020 and considered, with respect to the vote expressed at the last General Meeting that the compensation policy was aligned with the company's corporate interest.

Procedures for applying the compensation policy for corporate officers, newly appointed or renewed

The procedures for applying the provisions of the compensation policy to newly appointed corporate officers whose offices having been renewed are identical with those applicable, mutatis mutandis, to currently serving officers.



Exemptions to the application of the compensation policy

In the event of exceptional circumstances, the Board of Directors may derogate the application of the compensation policy provided this derogation is temporary, in the corporate interest and necessary to guarantee the company's sustainability and viability.

This derogation may be granted only following a decision justified by the Board on the basis of a two thirds qualified majority, after an opinion provided by the company's Statutory Auditors.

All components of the composition policy may be subject to such derogations.

4.2. Compensation policy – For officers considered individually

4.2.1. Compensation policy for non-executive officers

- Directors who are natural persons not receiving compensation under an employment contract with a company of WELCOOP Group receive compensation as Board members in the amount of:
 - €250 per meeting for Directors for those coming from a farther distance (requiring them to be absent for a full day). This provision is applicable to Mr. François JACQUEL.
 - €150 per meeting for directors near the venue. This provision is applicable to Mr. Daniel ANTOINE, Ms. Marie-Louise LIGER, Ms. Sophie MAYEUX, Ms. Emilie LECOMTE, Ms. Céline GRIS.
- Directors who are Audit Committee members receive a fixed annual amount of compensation of €4,000. Additional annual compensation of €10,000 is granted to Ms. Marie-Louise LIGER for serving as Chair of the Audit Committee.

Compensation allocated to members of the Board for 2020 was paid in full at 31 December of the same year.

The total amount of compensation granted to members of the Board for 2021 submitted for approval by the Annual General Meeting of 29 June 2021 is €33,000.

4.2.2. Compensation policy for non-executive officers, on the basis of the office in question

In application of Article L. 22-10-8 (ex. Article L. 225-37-2 repealed) of the French Commercial Code, information on the compensation policy for executive officers in reference to payments made on the basis of their offices is provided below: Parties concerned:

- The Chair of the Board of Directors,
- The Chief Executive Officer,
- The Deputy Chief Executive Officer(s).

Compensation paid on the basis of corporate offices is comprised exclusively of fixed compensation.

In accordance with recommendation R13 of the Middlednext Code, the Board of Directors determines the level and terms of compensation of its executive officers based on the principles of comprehensiveness, balance, benchmarking, consistency, understandability, proportionality and transparency.

A policy has been adopted providing for stability in fixed compensation paid to executive officers with respect to their offices.

By applying a reasonable global approach taking into account the company's interest, market practices and their performances in the service of the Group for several decades, to attract and retain strong skills and "quality managers", PHARMAGEST INTERACTIVE's Extraordinary General Meeting of 25 September 2020 authorised the Board of Directors to establish a stock option plan for the benefit of the Chief Executive Officer and the two Deputy CEOs for the purchase of PHARMAGEST INTERACTIVE shares.



On 4 December 2020, the Board of Directors accordingly awarded 15,000 options for the purchase of PHARMAGEST INTERACTIVE shares to:

- Mr. Dominique PAUTRAT, who joined the Group in 1988,
- Mr. Denis SUPPLISSON, who joined the Group in 1991,
- Mr. Grégoire DE ROTALIER, who joined the Group in 1994.

The exercise price of the option, set by the Board of Directors in accordance with the provisions of Articles L. 225-177 and L. 225-179 of the French Commercial Code, is €74.46 per share.

The plan has a term of 8 years starting on 4 December 2020 and the options can only be exercised at the end of a four-year vesting period.

The exercise of options is reserved for beneficiaries who, on the day the option is exercised, have retained their status as officers of the company, its subsidiaries or companies directly or indirectly controlling PHARMAGEST INTERACTIVE.

Beneficiaries are subject to lock-up provisions requiring the retention of 10% of the shares resulting from the exercise of stock options until they leave office.

In 2020, the executive officers received:

- **Mr. Thierry CHAPUSOT, Chairman of the Board of Directors**

The compensation of Mr. Thierry CHAPUSOT for his office as Chair of the Board of Directors was set at the time of his appointment by decision of the Board of Directors of 5 November 2009 and entering into effect as from 1 January 2010 at a gross annual amount of €24,000.

Since this date, there have been no changes to this amount.

- **Mr. Dominique PAUTRAT, Chief Executive Officer**

The compensation of Mr. Dominique PAUTRAT for his office as Chief Executive Officer was set at the time of his appointment by decision of the Board of Directors held on 5 November 2009 and entering into effect as from 1 January 2010 at a gross annual amount of €24,000.

Since this date, there have been no changes to this amount.

- **Mr. Denis SUPPLISSON, Deputy Chief Executive Officer**

The compensation of Mr. Denis SUPPLISSON, for his corporate office as Deputy Chief Executive Officer, has been set at a gross amount of €16,800 since January 1, 2020 under the terms of a decision by the Board of Directors on 29 June 2020.

Since this date, there have been no changes to this amount.

- **Mr. Grégoire DE ROTALIER, Deputy Chief Executive Officer**

The compensation of Mr. Grégoire DE ROTALIER, for his corporate office as Deputy CEO, has been set at a gross amount of €16,800 since July 1, 2020 under the terms of a decision by the Board of Directors on 29 June 2020.

Since this date, there have been no changes to this amount.



The compensation policy and components of compensation of executive officers with respect to their offices in 2021

- **Mr. Thierry CHAPUSOT, Chairman of the Board of Directors**

The compensation of Mr. Thierry CHAPUSOT for his corporate office as Chairman of the Board of Directors will remain unchanged in 2021.

- **Mr. Dominique PAUTRAT, Chief Executive Officer**

The compensation of Mr. Dominique PAUTRAT for his corporate office as Chief Executive Officer will remain unchanged in 2021.

- **Mr. Denis SUPPLISSON, Deputy Chief Executive Officer**

The compensation of Mr. Denis SUPPLISSON for his corporate office as Deputy CEO will remain unchanged in 2021.

- **Mr. Grégoire DE ROTALIER, Deputy Chief Executive Officer**

The compensation of Mr. Grégoire DE ROTALIER for his corporate office as Deputy CEO will remain unchanged in 2021.

4.2.3. Compensation policy for non-executive officers combining a corporate office with an employment contract

In accordance with recommendation R15 of the Middlednext Code, considering the merits thereof, the Board of Directors authorised the combination of permanent employment contracts of Messrs. Dominique PAUTRAT, Denis SUPPLISSON and Grégoire DE ROTALIER with their corporate offices.

This decision is based on the executive's length of service with the company, the existence of an employment contract before their appointment as corporate officers, the social protection benefits provided for the purpose of ensuring their retention within the company and low compensation for their offices in relation to the actual risks incurred.

In addition to the fixed compensation mentioned above relating to the corporate office, in accordance with the objectives of the compensation policy for executive offices established by the Board of Directors, the company grants the Chief Executive Officer and Deputy Chief Executive Officers compensation under an employment contract including:

- **Fixed compensation**

The fixed compensation must reflect the responsibilities of the executive officer, with respect to his employment contract, level of experience and expertise.

The amounts are presented in the tables included in paragraph 4.5 of this report on corporate governance.

- **A company car** subject to consideration as a corresponding benefit in kind.

- **Supplementary social protection benefits**

The executive office continues to be considered as a senior executive entitling him to continue to benefit from the social protection and healthcare plan which cover the company's employees.

The amounts are presented in the tables included in paragraph 4.5 of this report on corporate governance.

- **Profit-sharing benefits** calculated according to the same procedures which apply to the company's employees.

The amounts are presented in the tables included in paragraph 4.5 of this report on corporate governance.

- **A supplemental pension scheme (Article 83 of the French General Tax Code)** with SWISS LIFE calculated at the rate of 8% to the gross annual salary (limited to "Tranche C").

The amounts are presented in the tables included in paragraph 4.5 of this report on corporate governance.



- **Severance and retirement benefits, monetary compensation for the non-compete clause**

In the event of a departure and according to the causes thereof, the executive officer will be entitled to receive only severance benefits, except in the case of gross negligence ("*faute grave*") or wilful misconduct ("*faute lourde*") or departure or retirement under the terms of the employment contract, and excluding any compensation payable with respect to the corporate office.

These indemnities, being attached exclusively to the employment contract's termination and in strict application of the industry collective agreement (*Convention Collective Nationale SYNTEC*) are payable in any case by application of the rules of public policy of French labor law.

They will not be subject to any other conditions provided for by the national collective bargaining agreement or the aforementioned agreements.

In the event of the employment contract's termination, the monetary compensation of the non-compete clause will be paid under the terms of the employment contract, in accordance with the provisions of the applicable industry collective bargaining agreement, except if the corporate officer has been released from the application of this clause.

This clause is not applicable in the case of departure or retirement in which case no non-compete compensation will be paid.

With the exception of the non-compete clause providing for compensation granted for the benefit of Messrs. Dominique PAUTRAT and Grégoire DE ROTALIER, and notably financial consideration corresponding to ½ month of salary during 12 months calculated on the basis of the average salary for the last 12 months.

- **Annual performance-based compensation**

Annual performance-based compensation as an incentive for executive officers, under their employment contracts, to achieve the annual performance targets set by the Chairman of the Board of Directors in coherence with the company's strategy.

This compensation is based on precise criteria for evaluating performance defined at the beginning of the year by the Chairman of the Board of Directors, directly correlated with the company's performance indicators within the scope of the beneficiaries' corresponding responsibilities.

The guidelines are based on internal reporting in accordance with Regulation 99-02 of the French accounting rules committee (*Comité de la Réglementation Comptable* or CRC):

- For Mr. Dominique PAUTRAT: based on the target for PHARMAGEST Group's earnings before tax (EBT). This compensation may evolve according to the percentage of achievement of meeting the EBT target;
- For Mr. Denis SUPPLISSON: based on the budget target for earnings before tax (EBT) for the Pharmacy Europe Solutions business (subject to change depending on the percentage of achievement of this target) and an objective linked to targets for completing acquisitions within the scope of this business;
- For Mr. Grégoire DE ROTALIER: based on the budget target for earnings before tax (EBT) for the Health and Social Care Facilities business (which may change according to the rate of achievement of the EBT target).

In 2020, the procedures defined in the employment contracts for executives were applied.

The amounts are presented in the tables included in paragraph 4.5 of this report on corporate governance.

In 2021, the procedures for the annual performance-based compensation presented above will continue to apply, without changes.

The amount of annual performance-based compensation cannot exceed the amount of fixed compensation.

- **Long-term bonus**

The long-term bonus of executive officers is directly linked to the medium and long-term trends for the Company's performance and achievement of objectives measured with respect to the targets of the Group business plan for 2017-2020.

The Board of Directors considers that achieving these objectives, assessed over a long period and renewed over several business plans, offers an assurance of balanced and continuing growth by the Group, profitable both for employees and shareholders.



The long-term performance-based compensation, authorised by the Board of Directors on 29 March 2018, allocated to Messrs. Dominique PAUTRAT and Denis SUPPLISSON within the framework of their employment contracts according to the achievement of objectives defined for a four-year period (2017-2020):

- For Mr. Dominique PAUTRAT, a long-term incentive bonus varying, according to the level of objectives achieved, between €0 and a gross maximum amount of €350,000, with such objectives linked to the PHARMAGEST Group business plan, excluding Health and Social Care Facilities and upon the consolidation of business plans at the WELCOOP Group level.
- For Mr. Denis SUPPLISSON, a long-term incentive bonus varying, according to the level of objectives achieved, between €0 and a maximum gross amount of €180,000, with such objectives linked to the business plan for the Pharmacy Europe business and the business plan for the PHARMAGEST Group business, excluding Health and Social Care Facilities.

Provisions were made in the financial statements for the incentive bonuses each financial year on a pro-rata basis, according to progress towards achieving the targets over the four-year period.

The amounts are presented in the tables included in paragraph 4.5 of this report on corporate governance.

In 2020, the procedures for the long-term compensation presented above continued to apply, without changes.

No long-term compensation was authorised for fiscal 2021.

Mr. Grégoire DE ROTALIER, appointed Deputy CEO of PHARMAGEST INTERACTIVE in July 2020, qualifies for a variable long-term incentive bonus, contingent on the level of achievement of the objectives linked to the Health and Social Care Facilities business plan, in the amount of €0 to a maximum gross amount of €180,000.

- **Exceptional compensation**

When justified by particular circumstances, the Board of Directors, on the proposal of its Chairman, reserves the right to decide to pay, to one or more executive officers, exceptional compensation, under their employment contracts.

This proposal by the Chairman must be justified.

The Board of Directors analyzes and decides the different components of this compensation, item by item, then more generally, in order to achieve the appropriate balance between the fixed and variable and the short and long-term components of compensation.

4.2.4. Terms of offices and employment contracts

The terms of the offices are as follows:

- **For the Chairman of the Board of Directors:**

Mr. Thierry CHAPUSOT is appointed Chairman of the Board of Directors for a period corresponding to his term as Director (6 years) which will expire in 2026, with the approval of the financial statements for the period ended 31 December 2025. The Board of Directors may terminate the Chairman's appointment at any time.

- **The Chief Executive Officer:**

Mr. Dominique PAUTRAT is appointed Chief Executive Officer for a period corresponding to the term of the Chairman of the Board of Directors of Mr. Thierry CHAPUSOT.

He may be removed at any time by the Board of Directors.

To the extent that Mr. PAUTRAT does not exercise the functions of Chairman of the Board of Directors, if his removal is decided without cause, it may result in an award of damages.

- **The Deputy Chief Executive Officer(s):**

Messrs. Dominique SUPPLISSON and Grégoire DE ROTALIER are appointed Deputy CEOs for the period corresponding to Mr. Thierry CHAPUSOT's term as Chairman.

They may be removed at any time by the Board of Directors on the proposal of the Chief Executive Officer.

If this removal is decided without cause, it may result in an award of damages.



- **for all other Directors:**

The term of the office is set at 6 years. Each Director may be removed at any time by decision of the Ordinary General Meeting.

The employment contract of Messrs. PAUTRAT, SUPPLISSON and DE ROTALIER are for unlimited periods. The conditions for terminating employment contracts shall comply with the provisions of the French labour law.

4.2.5. Undertakings of the company

Executive officers do not benefit from:

- Undertakings by the Company (or by a company that it controls or controlling it) corresponding to components of compensation, severance payments or other benefits likely to be payable pursuant to the commencement, termination or change of their duties or subsequent thereto, with the exception of those provided for by articles 83 of the French general tax code and the aforementioned non-compete clause in favor of Messrs. Dominique PAUTRAT and Grégoire DE ROTALIER.
- Contingent rights granted in connection with defined benefit retirement obligations meeting the characteristics of regimes mentioned in articles L. 137-11 and L. 137-11-2 of the French social security code.

4.2.6. Contingent undertakings and rights

The company does not grant contingent undertakings and rights.

4.3. Non-compete payments

When the compensation policy provides for indemnities representing consideration for a clause preventing the beneficiary, after terminating his or her functions in the company, to exercise a competing professional activity detrimental to the company's interests, its payment is excluded when the beneficiary exercises his pension rights.

4.4. Disclosure of the compensation policy

The compensation policy submitted to the General Meeting, as well as the date and result of the last vote of the General Meeting on the resolutions mentioned in Article L. 22-10-8 of the French Commercial Code (ex. Article L. 225-37-2 repealed) may be consulted at the Company's website: <https://pharmagest.com>.

4.5. Compensation paid to PHARMAGEST INTERACTIVE executive officers

The company complies with the standard presentation of compensation of corporate officers proposed in the AMF recommendation.

The following tables provide a summary of compensation and benefits of any nature paid to or due to the executive officers by the company and the controlled companies, within the meaning of Article L. 233-16 of the French Commercial Code.

Any heading not included in the following tables is considered not applicable.



Table 1: Summary of compensation, stock options and restricted shares granted to corporate officers (in €)

	2020	2019
CHAPUSOT Thierry - Chair of the Board of Directors		
Compensation due for the year	24,000	24,000
TOTAL	24,000	24,000

	2020	2019
PAUTRAT Dominique - Chief Executive Officer / Director^{(1) (2)}		
Compensation due for the year	345,167	269,253
Valuation of multi-year performance-based compensation granted in the period	0	0
Valuation of options granted in the period	8,796	/
TOTAL	353,963	269,253

	2020	2019
SUPPLISSON Denis - Deputy Chief Executive Officer / Director^{(1) (2)}		
Compensation due for the year	362,080	225,237
Valuation of multi-year performance-based compensation granted in the period	0	0
Valuation of options granted in the period	8,796	/
TOTAL	370,876	225,237

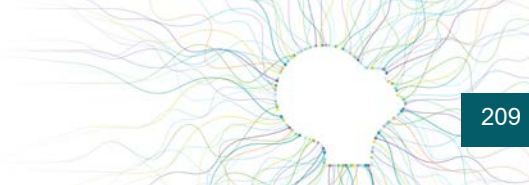
	2020	2019
DE ROTALIER Grégoire -Deputy Chief Executive Officer / Director^{(1) (2)}		
Compensation due for the year	361,536	255,614
Valuation of multi-year performance-based compensation granted in the period	0	0
Valuation of options granted in the period	8,796	/
TOTAL	370,332	255,614

⁽¹⁾ Messrs. Dominique PAUTRAT, Denis SUPPLISSON and Grégoire DE ROTALIER were beneficiaries of a defined contribution plan (known as the "Article 83 plan" in reference to Article 83 of the French General Tax Code), where PHARMAGEST INTERACTIVE pays contributions equal to 8% calculated in reference to their total gross compensation within the limit of tranche C. PHARMAGEST INTERACTIVE pays all costs and contributions under this plan to SWISS LIFE. Or a total amount paid in 2020 of:

- €17,392 for the benefit of Mr. Dominique PAUTRAT,
- €15,843 for the benefit of Mr. Denis SUPPLISSON,
- €18,506 for the benefit of Mr. Grégoire DE ROTALIER.

⁽²⁾ It was furthermore decided to establish a long-term incentive plan (2017-2020) for Messrs. Dominique PAUTRAT and Denis SUPPLISSON, by authorisation of the Board of Directors of 29 March 2018, within the framework of their employment contracts. The objectives to be met under this long-term incentive plan for Dominique PAUTRAT are linked to the business plan for PHARMAGEST Group's business excluding Health and Social Care Facilities and the consolidation of the business plans at the level of WELCOOP Group, and for Denis SUPPLISSON to the business plan of the Pharmacy Europe and the business plan for PHARMAGEST Group's business, excluding Health and Social Care Facilities. Mr. Grégoire DE ROTALIER also benefits from a long-term incentive bonus (2017-2020), with the objectives being linked to the business plan of the PHARMAGEST Group's Health and Social Care Facilities business. Payment of these incentive bonuses shall be subject to meeting the targets for the four-year period in 2021, whereby it is specified that payment is contingent on meeting the condition of presence for the above-named individuals in their positions at the time the bonuses paid. Provisions for the bonuses have been recorded each year in the financial statements pro rata based on the progress achieved in meeting the targets for the year in question. Only compensation payable to executive officers in the period and for which the amounts are not subject to changes are disclosed irrespective of the date of payment.

In 2020, Mr Thierry PONNELLE received €1,830 in profit sharing benefits in 2019.

**Table 2: Summary of compensation paid to each corporate officer (€)**

CHAPUSOT Thierry Chairman of the Board of Directors	2020		2019	
	Amounts owed	Amounts paid	Amounts owed	Amounts paid
Corporate office ⁽¹⁾	24,000	24,000	24,000	24,000
TOTAL	24,000	24,000	24,000	24,000

PAUTRAT Dominique Chief Executive Officer / Director	2020		2019	
	Amounts owed	Amounts paid	Amounts owed	Amounts paid
Fixed compensation ⁽²⁾	172,000	172,000	172,000	172,000
Annual performance-based compensation ⁽³⁾	50,000	40,000	50,000	45,000
Multi-year performance-based compensation ⁽⁴⁾	73,500	0	0	0
Special compensation	0	0	0	0
Corporate office ⁽¹⁾	24,000	24,000	24,000	24,000
Profit-sharing benefits	15,158	15,158	12,946	12,946
Personal protection and healthcare benefits	5,110	5,110	4,908	4,908
Benefit in kind (car)	5,399	5,399	5,399	5,399
TOTAL	345,167	261,667	269,253	264,253

SUPPLISSON Denis Deputy Chief Executive Officer / Director	2020		2019	
	Amounts owed	Amounts paid	Amounts owed	Amounts paid
Fixed compensation ⁽²⁾	133,200	133,200	133,200	133,200
Annual performance-based compensation ⁽³⁾	60,000	56,000	60,000	62,000
Multi-year performance-based compensation ⁽⁴⁾	129,600	0	0	0
Special compensation	0	0	0	0
Corporate office ⁽¹⁾	16,800	16,800	12,000	12,000
Profit-sharing benefits	13,087	13,087	11,318	11,318
Personal protection and healthcare benefits	4,565	4,565	4,216	4,216
Benefit in kind (car)	4,828	4,031	4,503	4,503
TOTAL	362,080	227,683	225,237	227,237

DE ROTALIER Grégoire Deputy Chief Executive Officer / Director	2020		2019	
	Amounts owed	Amounts paid	Amounts owed	Amounts paid
Fixed compensation ⁽²⁾	150,000	150,000	150,000	150,000
Annual performance-based compensation ⁽³⁾	55,000	70,000	70,000	56,000
Multi-year performance-based compensation ⁽⁴⁾	87,500	0	0	0
Special compensation	0	0	0	0
Corporate office ⁽¹⁾	32,400	32,400	10,000	10,000
Profit-sharing benefits	30,556	30,556	19,806	19,806
Personal protection and healthcare benefits	3,941	3,941	3,529	3,529
Benefit in kind (car)	2,139	2,139	2,279	2,279
TOTAL	361,536	289,036	255,614	241,614



- (1) *With respect to the "ex-post" vote, it is specified that amounts paid to executive officers in 2020 on the basis of their corporate officers comply with the decisions of the Annual Ordinary General Meeting of 29 June 2020 within the framework of the "ex-ante" vote.*
- (2) *The criteria according to which these items have been calculated or the circumstances in which they have been determined are set out in paragraph 4.2.3. The share of performance-based compensation payable to Messrs. Dominique Dominique PAUTRAT, Denis SUPPLISSON and Grégoire DE ROTALIER amount to respectively 15%, 24% and 24% of their total compensation for the period.*
- (3) *The mechanisms of this setting this compensation are described in paragraph 4.2.3. Amounts payable for annual performance-based compensation correspond to the amount provided for reaching 100% of the objectives. The amounts paid correspond to the amount calculated with respect to the percentage of achievement of the objective.*
- (4) *It is noted for the record that on 29 March 2018 the Board of Directors decided to allocate Messrs. Dominique PAUTRAT and Denis SUPPLISSON, a long-term incentive bonus (2017-2020) in connection with their employment contracts. Mr. Grégoire DE ROTALIER also benefits from a long-term incentive bonus (2017-2020), with the objectives being linked to the business plan of the PHARMAGEST Group's Health and Social Care Facilities business. Payment of these incentive bonuses will be contingent on meeting the targets set in 2021 for a period of four years, where this payment is subject to condition of presence of the above-named individuals in their positions. Provisions for the bonuses have been recorded each year in the financial statements pro rata based on the progress achieved in meeting the targets for the year in question.*

PHARMAGEST INTERACTIVE does not make use of the option of requesting the performance-based compensation to be returned.



Table 3: Compensation granted to members of the Board and other compensation received by non-executive officers (in €)

MOREAUX Hugues - Board representative of LA COOPERATIVE WELCOOP	2020	2019
Compensation granted to the member of the Board	0	0
Other compensation	0	0
TOTAL	0	0

ANTOINE Daniel	2020	2019
Compensation granted to the member of the Board	600	750
Audit Committee	4,000	4,000
TOTAL	4,600	4,750

LIGER Marie-Louise – Independent Director	2020	2019
Compensation granted to the member of the Board	600	750
Audit Committee	14,000	14,000
TOTAL	14,600	14,750

JACQUEL François	2020	2019
Compensation granted to the member of the Board	500	750
Audit Committee	4,000	4,000
TOTAL	4,500	4,750

LHOTE Anne	2020	2019
Compensation granted to the member of the Board	0	0
Other compensation	0	0
TOTAL	0	0

MAYEUX Sophie – Independent Director	2020	2019
Compensation granted to the member of the Board	450	600
Other compensation	0	0
TOTAL	450	600

LECOMTE Émilie	2020	2019
Compensation granted to the member of the Board	150	600
Other compensation	0	0
TOTAL	150	600

GRIS Céline – Independent Director	2020	2019
Compensation granted to the member of the Board	300	450
Other compensation	0	0
TOTAL	300	450

Table 4: Stock options granted during the financial year to each executive officer by the issuer and by any Group company

The Extraordinary General Meeting of 25 September 2020 of PHARMAGEST INTERACTIVE authorised the Board of Directors to establish this stock option plan.

Name of the executive officer	Plan number and date	Nature of the options (purchase or subscription)	Valuation of options according to the method used for the consolidated accounts	Number of shares granted in the period	Exercise price	Beginning of exercised period
PAUTRAT Dominique	No.: 1 Date: 04/12/2020	Purchase options	€469,200	15,000	€74.46	From 04/12/2024 to 03/12/2028
SUPPLISSON Denis	No.: 1 Date: 04/12/2020	Purchase options	€469,200	15,000	€74.46	From 04/12/2024 to 03/12/2028
DE ROTALIER Grégoire	No.: 1 Date: 04/12/2020	Purchase options	€469,200	15,000	€74.46	From 04/12/2024 to 03/12/2028
TOTAL			€1,407,600	45,000		

Table 5: Summary of options to subscribe for or purchase shares

Information on options to subscribe for or purchase shares	Plan 1
Date of the Extraordinary General Meeting	25/09/2020
Board meeting date	04/12/2020
Total number of shares that may be subscribed or purchased	45,000
Of which the number that may be subscribed or purchased by:	
• Executive Officers	
◦ PAUTRAT Dominique	15,000
◦ SUPPLISSON Denis	15,000
◦ DE ROTALIER Grégoire	15,000
First day on which options may be exercised	04/12/2024
Expiry date	03/12/2028
Subscription or purchase price	€74.46
Method of exercise (where the plan has several tranches)	/
Number of shares subscribed as at: 31/12/2020	0
Cumulative number of cancelled or lapsed stock options	0
Outstanding stock options at year-end	45,000

**Table 6: Executive Directors**

	Employment contract		Supplementary pension plan		Compensation or benefits owed or potentially due on termination or a change in functions		Compensation resulting from a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
CHAPUSOT Thierry								
Chair of the Board of Directors Beginning of the term of office: Appointed Chief Executive Officer and Board Member on 30/05/2002, then Chairman of the Board of Directors on 05/11/2009 with effect from 01/01/2010 Term of office expires on: 31/12/2025		X		X		X		X
PAUTRAT Dominique								
Chief Executive Officer and Director Beginning of the term of office: Appointed Director on 19/06/2009 and Chief Executive Officer and Director on 05/11/2009 with effect from 01/01/2010 Term of office expires on: 31/12/2020	X		X			X	X ⁽¹⁾	
SUPPLISSON Denis								
Deputy CEO and Director Beginning of the term of office: Appointed Deputy Chief Executive Officer (non-Director) on 09/11/2010 and Deputy Chief Executive Officer and Director on 01/01/2013 Term of office expires on: 31/12/2020	X		X			X		X
DE ROTALIER Grégoire								
Deputy CEO and Director Beginning of the term of office: Appointed Deputy Chief Executive Officer and Director on 01/07/2020 Term of office expires on: 31/12/2025	X		X			X	X ⁽¹⁾	

⁽¹⁾ The non-compete clause with financial consideration corresponding to ½ month of salary during 12 months calculated on the basis of the average salary for the last 12 months.

PHARMAGEST INTERACTIVE considered that it is justified in maintaining the employment contracts of Messrs. Dominique PAUTRAT, Denis SUPPLISSON and Grégoire DE ROTALIER (all of whom already had employment contracts at the time of their appointment as corporate officers) due to their length of service in the company, their employment benefit intended to retain them in their functions within the company and the low compensation paid for their role as corporate officers in view of the actual risks incurred.

4.6. Disclosures referred to the Article L. 22-10-9 of the French Commercial Code (Code de commerce)

	2020	2019	2018	2017	2016
Company performances					
Net profit from continuing operations (in € thousands) ⁽¹⁾	32,666	28,972	27,038	24,290	21,464
Changes in the PHARMAGEST Group performances ⁽¹⁾	12.75%	7.15%	11.31%	13.17%	12.99%
Chairman of the Board of Directors					
CHAPUSOT Thierry					
Compensation (in €) ⁽²⁾	24,000	24,000	24,000	24,000	24,000
Annual change in compensation ⁽²⁾	0%	0%	0%	0%	0%
Ratios of executive compensation in relation to the average compensation ⁽³⁾	0.62	0.63	0.66	0.67	0.70
Ratios of executive compensation in relation to the median compensation ⁽³⁾	0.77	0.77	0.79	0.81	0.84
Ratios of executive compensation in relation to SMIC compensation ⁽⁴⁾	1.30	1.31	1.33	1.35	1.36
Chief Executive Officer					
PAUTRAT Dominique					
Compensation (in €) ⁽²⁾	241,399	246,395	234,493	214,959	208,959
Annual change in compensation ⁽²⁾	-2.03%	5.08%	9.09%	2.87%	0.17%
Ratios of executive compensation in relation to the average compensation ⁽³⁾	6.26	6.49	6.42	6.03	6.07
Ratios of executive compensation in relation to the median compensation ⁽³⁾	7.73	7.87	7.69	7.28	7.30
Ratios of executive compensation in relation to SMIC compensation ⁽⁴⁾	13.07	13.50	13.04	12.10	11.87
Deputy CEOs					
SUPPLISSON Denis					
Compensation (in €) ⁽²⁾	210,031	211,700	183,700	166,484	156,961
Annual change in compensation ⁽²⁾	-0.79%	15.24%	10.34%	6.07%	-0.32%
Ratios of executive compensation in relation to the average compensation ⁽³⁾	5.45	5.58	5.03	4.67	4.56
Ratios of executive compensation in relation to the median compensation ⁽³⁾	6.73	6.76	6.03	5.64	5.49
Ratios of executive compensation in relation to SMIC compensation ⁽⁴⁾	11.37	11.60	10.21	9.37	8.92
DE ROTALIER Grégoire ⁽⁵⁾					
Compensation (in €) ⁽²⁾	254,539	218,279	NA	NA	NA
Annual change in compensation ⁽²⁾	14.25%	NA	NA	NA	NA
Ratios of executive compensation in relation to the average compensation ⁽³⁾	6.60	5.75	NA	NA	NA
Ratios of executive compensation in relation to the median compensation ⁽³⁾	8.16	5.97	NA	NA	NA
Ratios of executive compensation in relation to SMIC compensation ⁽⁴⁾	13.78	11.96	NA	NA	NA
Employee compensation					
Changes in average employee compensation ⁽⁶⁾	1.54%	3.86%	2.51%	3.55%	-0.31%

⁽¹⁾ Changes and the company's performance based on the change in the percentage of consolidated net profit from continuing operations (IFRS). This indicator is considered meaningful because it reflects performance while limiting the impact of changes in scope.

⁽²⁾ Compensation takes into account compensation paid in the period: fixed portion, variable portion paid in N for N-1, the share of exceptional compensation, corporate offices and benefits in kind. Excluding profit-sharing and multi-year performance-based compensation in order to

maintain a comparable scope to other employees.

⁽³⁾ *Applicable scope: The scope of the employees used is employees of PHARMAGEST INTERACTIVE, present for the full year, excluding corporate officers, apprenticeship and professional training contracts, corresponding to 681 employees, i.e. 80.31% of the entity's workforce. This scope is considered sufficiently representative.*

Method of calculation: The calculation of the average and median compensation takes into account the gross annual compensation on a Full-Time Equivalent basis for the portion corresponding to the base salary, increased by daily allowances for social security and welfare benefits received and minus the retirement severance benefit. Employees include those present for the entire year, excluding interns, work-study programme participants and executive officers.

Management compensation takes into account compensation paid in the period: fixed portion, variable portion paid in N for N-1, exceptional portion, corporate offices and benefits in kind. Profit-sharing and multi-year variable performance based compensation is not included. For the officers appointed during the year, the office has been restated on an annual basis for the purpose of calculating the ratios.

⁽⁴⁾ *Calculation in relation to an FTE at the French minimum hourly rate.*

⁽⁵⁾ *Start date of Mr Grégoire de ROTALIER's office 01/07/2020.*

⁽⁶⁾ *The calculation of the average and median compensation takes into account the gross annual compensation on a Full-Time Equivalent basis for the portion corresponding to the base salary, increased by daily allowances for social security and welfare benefits received and minus the retirement severance benefit. Employees include those present for the entire year, excluding interns, work-study programme participants and executive officers. For 2020, compensation was impacted by work furlough periods (COVID-19 health crisis).*

Changes in compensation and ratios are analysed in the light of changes in the scope of the financial year:

- Acquisition by PHARMAGEST INTERACTIVE of the shares of a minority shareholder KAPELSE, increasing the shareholding of PHARMAGEST INTERACTIVE to 75%.
- Acquisition of a 56.27% majority stake by MALTA INFORMATIQUE in PANDALAB, a company specialised in secure and instant messaging solutions for healthcare professionals.
- Acquisition by PHARMAGEST INTERACTIVE of 100% of ASCA INFORMATIQUE, specialized in software publishing for systems and networking applications. ASCA INFORMATIQUE owns 100% of the capital of SEAA, specialised in the wholesale distribution (B2B) of electronic and telecommunications components and equipment.
- Acquisition by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of DIATELIC, increasing its shareholding to 100%.
- MALTA INFORMATIQUE acquires the shares of ICT Group's minority shareholders, increasing its stake to 100%.
- Liquidation of UK PHARMA.
- Acquisition by PHARMAGEST INTERACTIVE of a 29.20% minority stake in BGM INFORMATIQUE, a wholesale-distributor (B2B) of computers, IT peripherals and software.
- Simplified merger (*transmission universelle de patrimoine*) entailing the global transfer of assets and liabilities of HAPPY HEALTH ORGANIZER and SOPHIA SANTE to INTERNATIONAL CROSS TALK (ICT).
- Acquisition by PHARMAGEST INTERACTIVE of the shares of four minority shareholders of SAILENDRA, increasing its shareholding to 84.63%.
- Disposal of 30% of NANCEO securities without loss of control.

Total compensation of corporate officers respects the compensation policy adopted and contributes to the company's long-term performances by ensuring the stability of senior management. The performance criteria were applied in accordance with the procedures provided for by the compensation policy.

In accordance with the provisions of Article L. 22-10-9, the compensation policy was reviewed in light of the votes of the last ordinary general meeting. In view of the strong approval of the resolutions concerned, the policy was renewed.

PHARMAGEST INTERACTIVE has not identified any divergences or exceptions with respect to its procedure for implementing the compensation policy.

4.7. Compensation paid to corporate officers of companies controlling PHARMAGEST INTERACTIVE

Any heading not included in the following tables is considered not applicable.

4.7.1. Compensation paid to corporate officers of MARQUE VERTE SANTE, the parent company of PHARMAGEST INTERACTIVE

No compensation is paid to executive directors of MARQUE VERTE SANTE. The persons concerned by executive offices of MARQUE VERTE SANTE are:

- CHAPUSOT Thierry - Chair of the Executive Board;
- PAUTRAT Dominique - Executive Board member;
- LHOTE Anne – Executive Board member;
- MOREAUX Hugues – Chair of the Supervisory Board;
- ANTOINE Daniel – Representing LA COOPERATIVE WELCOOP – Supervisory Board member.

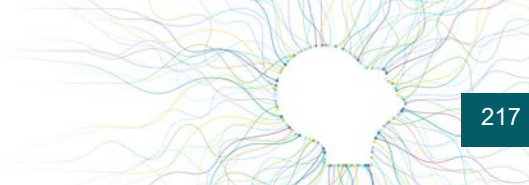
4.7.2. Compensation paid to corporate officers of LA COOPERATIVE WELCOOP the parent company of MARQUE VERTE SANTE

Compensation paid to each executive officer (€)

CHAPUSOT Thierry - Chair of the Executive Board ^{(1) (2)}	2020	2019
Fixed compensation	275,000	275,000
Annual performance-based compensation	65,000	42,500
Multi-year performance-based compensation	0	0
Special compensation	0	0
Corporate office	54,000	54,000
Benefit in kind (car)	7,995	8,892
TOTAL	401,995	380,392

PAUTRAT Dominique - Executive Board member	2020	2019
Fixed compensation	0	0
Annual performance-based compensation	0	0
Multi-year performance-based compensation	0	0
Special compensation	0	0
Corporate office	24,000	24,000
Benefit in kind (car)	0	0
TOTAL	24,000	24,000

LHOTE Anne – Executive Board member ^{(1) (2)}	2020	2019
Fixed compensation	170,000	170,000
Annual performance-based compensation	48,400	35,800
Multi-year performance-based compensation	0	0
Special compensation	0	0
Corporate office	24,000	24,000
Benefit in kind (car)	3,720	2,696
TOTAL	246,120	232,496



⁽¹⁾Mr. Thierry CHAPUSOT (since 2010) and Ms. Anne LHOTE hold employment contracts and are the beneficiaries of a defined contribution plan (the "Article 83 plan" in reference to Article 83 of the French General Tax Code), where LA COOPERATIVE WELCOOP pays all costs and total contributions to SWISS LIFE, based on an amount equal to 8% of their total compensation within the limit of tranche C.

⁽²⁾ Concerning the multi-year performance-based compensation, acting on the authorisation of the Supervisory Board of 30 March 2018, it was decided to grant Mr. Thierry CHAPUSOT and Ms. Anne LHOTE a long-term (2017-2020) incentive bonus, in line with the objectives of the WELCOOP Group's four-year business plan.

PHARMAGEST Group does not wish to disclose certain qualitative criteria, whereby it is specified that this criteria has been previously established and precisely defined but not disclose for reasons of confidentiality.

Compensation granted to members of the Board and other compensation received by non-executive officers (in €)

MOREAUX Hugues – Vice-Chair of the Supervisory Board	2020	2019
Compensation granted to the member of the Board	0	0
Other compensation (office of Chair)	113,784	113,784
TOTAL	113,784	113,784

ANTOINE Daniel – Vice-Chair of the Supervisory Board	2020	2019
Compensation granted to the member of the Board	0	0
Other compensation (compensatory payments)	1,058	1,484
TOTAL	1,058	1,484

JACQUEL François – Supervisory Board member	2020	2019
Compensation granted to the member of the Board	0	0
Other compensation (compensatory payments)	787	2,939
TOTAL	787	2,939

LECOMTE Emilie – Supervisory Board member	2020	2019
Compensation granted to the member of the Board	0	0
Other compensation (compensatory payments)	314	905
TOTAL	314	905

5. Agreements executed by an executive of significant shareholder of the parent company with a subsidiary

In accordance with Articles L. 225-37-4 and L. 22-10-10 of the French Commercial Code, we are required to inform you of agreements (except where these relate to current operations and are transacted under normal conditions), that took place, directly or through an intermediary, between, as relevant, the Chief Executive Officer, one of the Deputy Chief Executive Officers, one of the Directors or one of the shareholders with more than 10% of the voting rights of a company and another company in which the latter owns more than 50% of the capital, either directly or indirectly. To the Company's knowledge, there were no agreements of this type.



6. Special arrangements for shareholder attendance at general meetings or the provisions providing for such arrangements

The methods of participation in Annual General Meetings are specified in Article 20.3 of the Articles of Association and are governed by Articles R. 225-85 and R. 22-10-28 of the French Commercial Code.

7. Items with potential impacts in connection with public offerings

In application of Article L. 22-10-11 (ex. Article L. 225-37-5 repealed) of the French Commercial Code, items that could have an impact in the event of a public offering concern the capital structure presented in the management report.

8. Delegations of powers currently in force granted by the General Meeting in the case of capital increases

No delegation of authorities granted by the General Meeting are currently in force.



21.5. Draft resolutions

PHARMAGEST INTERACTIVE
A FRENCH PUBLIC LIMITED COMPANY (SOCIÉTÉ ANONYME) WITH SHARE CAPITAL OF €3,034,825
REGISTERED OFFICE: TECHNOPOLE DE NANCY BRABOIS
5 ALLÉE DE SAINT-CLOUD 54600 VILLERS-LÈS-NANCY
NANCY COMPANIES REGISTER (RCS) NO. 403 561 137

—
ANNUAL ORDINARY GENERAL MEETING
OF 29 JUNE 2021
—

DRAFT RESOLUTIONS SUBMITTED TO THE GENERAL MEETING
—

RESOLUTION ONE

Approval of the annual financial statements for the fiscal year ended December 31, 2020

The shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, after having considered the reports of the Board of Directors and the statutory auditors, approve the annual financial statements for the period ended 31 December 2020, as presented, as well as the operations reflected in the financial statements or summarised in the reports showing a net profit of €18,092,062.90.

In accordance with Article 223 quater of the French general tax code, the Annual General Meeting approves the expenditure and charges provided for by Article 39-4 totalling €107,618 and resulting in tax of € 30,133.

RESOLUTION TWO

Discharge of directors and discharge of the Statutory Auditors for the performance of their engagement

The shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, discharge the members of the Board of Directors for the performance of their duties and discharge the Statutory Auditors for the performance of their engagement.

RESOLUTION THIRTEEN

Approval of the consolidated financial statements for the period ended 31 December 2020

The shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, after having considered the reports of the Board of Directors and the statutory auditors, approve the consolidated financial statements for the period ended 31 December 2020, as presented, as well as the operations reflected in the financial statements or summarised in the reports.



RESOLUTION FOUR

Appropriation of earnings, setting the dividend

The shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, on the proposal of the Board of Directors, decide to appropriate profit for the year of €18,092,062.90 as follows:

Profit of the period	€18,092,062.90
Retained earnings	€58,847,367.10
Amount available to shareholders	€76,939,430.00
Dividend (€0.95 per share)	€14,415,418.75
The balance: is appropriated to "retained earnings"	€62,524,011.25

The dividend per share on that basis is €0.95.

The dividend will have a payment date of 5 July 2021 and be distributed by BNP PARIBAS Bank as the paying agent and security services provider.

In accordance with the provisions of Article L. 225-210 of the French Commercial Code, the General Meeting decides that the amount corresponding to treasury shares held on the date of the dividend distribution will be allocated to "Retained earnings".

For natural persons having their tax residence in France this dividend is subject to a 12.8% flat tax (*prélèvement forfaitaire unique*) to which is added French social contributions of 17.2%, i.e. a total tax of 30%. Alternatively, the shareholder has the option for applying the progressive income tax scale. In this latter case, the dividend is eligible for the rebate available under article 158-3-2° of the French general tax code.

As required by law, the General Meeting duly notes dividends payments for the last three financial years were as follows:

Year	Dividend per share	Dividend eligible for the 40% allowance (paid to individuals)	Dividend not eligible for the 40% allowance (paid to legal entities)
31/12/2017	€0.75	€0.75	€0.75
31/12/2018	€0.85	€0.85	€0.85
31/12/2019	€0.90	€0.90	€0.90

RESOLUTION FIVE

Agreements and commitments governed by articles L. 225-38 of the French Commercial Code

The shareholders, voting in accordance with quorum and majority rules for Ordinary General Meetings, after considering the Statutory Auditors' special report on agreements and commitments to which Articles L. 225-38 et seq. of the French Commercial Code are applicable, approve this report and the three new agreements mentioned therein and duly note the information noted in this same report on the agreement previously approved and which remained in force in the period ended.

RESOLUTION SIX

Renewal of Ms. Marie-Louise LIGER's term of office as Independant Director

The shareholders, voting in accordance with quorum and majority rules for Ordinary General Meetings, after considering the Board of Directors' report, renew Ms. Marie-Louise LIGER's term of office for six years.

Its term of office will expire at the end of the AGM to be held in 2027 called for the purpose of approving the financial statements for the period ended.



RESOLUTION SEVEN

Renewal of Mr. Dominique PAUTRAT's term of office as Director

The shareholders, voting in accordance with quorum and majority rules for Ordinary General Meetings, after considering the Board of Directors' report, renew Mr. Dominique PAUTRAT's term of office for six years.

Its term of office will expire at the end of the AGM to be held in 2027 called for the purpose of approving the financial statements for the period ended.

RESOLUTION EIGHT

Renewal of Mr. Denis SUPPLISSON's term of office as Director

The shareholders, voting in accordance with quorum and majority rules for Ordinary General Meetings, after considering the Board of Directors' report, renew Mr. Denis SUPPLISSON's term of office for six years.

Its term of office will expire at the end of the AGM to be held in 2027 called for the purpose of approving the financial statements for the period ended.

RESOLUTION NINE

Approval of information on the compensation of each corporate officer of PHARMAGEST INTERACTIVE required by Article L. 22-10-9 (ex. Article L. 225-37-3 repealed) of the French Commercial Code

In application of Article L. 22-10-34 (ex. Article L. 225-100 III repealed) of the French Commercial Code, the shareholders, voting in accordance with quorum and majority rules for Ordinary General Meetings, approve the information mentioned in Article L. 22-10-9 of the French Commercial Code as presented in "Section 4 – Compensation of Corporate Officers" of the Report on Corporate Governance and relating to compensation of any kind paid in or granted for the financial period ended 31 December 2020 to all corporate officers.

RESOLUTION TEN

Approval of the components of compensation paid in 2020 to Mr. Thierry CHAPUSOT, Chairman of the Board of Directors

In application with Article L. 22-10-34 (ex. Article L. 225-100 III repealed) of the French Commercial Code, the shareholders, voting in accordance with quorum and majority rules for Ordinary General Meetings, having considered the report on corporate governance, approve the fixed, variable and exceptional components of total compensation and benefits of any nature paid in or granted for the period ended 31 December 2020 to Mr. Thierry CHAPUSOT, Chairman of the Board of Directors, as presented in "Section 4 – Compensation of corporate officers" of the Report on Corporate Governance.

RESOLUTION ELEVEN

Approval of the components of compensation paid in 2020 to Mr. Dominique PAUTRAT, Chief Executive Officer

In application with Article L. 22-10-34 (ex. Article L. 225-100 III repealed) of the French Commercial Code, the shareholders, voting in accordance with quorum and majority rules for Ordinary General Meetings, having considered the report on corporate governance, approve the fixed, variable and exceptional components of total compensation and benefits of any nature paid in or granted for the period ended 31 December 2020 to Mr. Dominique PAUTRAT, Chief Executive Officer, as presented in "Section 4 – Compensation of corporate officers" of the Report on Corporate Governance.

RESOLUTION TWELVE

Approval of the components of compensation paid in 2020 to Mr. Denis SUPPLISSON, Deputy CEO

In application with Article L. 22-10-34 (ex. Article L. 225-100 III repealed) of the French Commercial Code, the shareholders, voting in accordance with quorum and majority rules for Ordinary General Meetings, having considered the report on corporate governance, approve the fixed, variable and exceptional components of total compensation and benefits of any nature paid in or granted for the period ended 31 December 2020 to Mr. Denis SUPPLISSON, Deputy CEO, as presented in "Section 4 – Compensation of corporate officers" of the report on corporate governance.

RESOLUTION THIRTEEN

Approval of the components of compensation paid in 2020 to Mr. Grégoire DE ROTALIER, Deputy CEO

In application with Article L. 22-10-34 (ex. L. 225-100 III repealed) of the French Commercial Code, the shareholders, voting in accordance with quorum and majority rules for Ordinary General Meetings, having considered the report on corporate governance, approve the fixed, variable and exceptional components of total compensation and benefits of any nature paid in or granted for the period ended 31 December 2020 to Mr. Grégoire de ROTALIER, Deputy Chief Executive Officer, as presented in "Section 4 – Compensation of corporate officers" of the report on corporate governance.

RESOLUTION FOURTEEN

Approval of the compensation policy for the Chairman of the Board of Directors for 2021

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the Board of Directors' report established in application of Article L. 22-10-8 (ex. L. 225-37-2 repealed) of the French Commercial Code, approve the compensation policy presented in "Section 4 – Compensation of Corporate Officers" of the Report on Corporate Governance and attributable to Mr. Thierry CHAPUSOT, Chairman of the Board of Directors, on the basis of his office.

RESOLUTION FIFTEEN

Approval of the compensation policy for the Chief Executive Officer for 2021

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the Board of Directors' report established in application of Article L. 22-10-8 (ex. L. 225-37-2 repealed) of the French Commercial Code, approve the compensation policy presented in "Section 4 – Compensation of Corporate Officers" of the Report on Corporate Governance and attributable to Mr. Dominique PAUTRAT, Chief Executive Officer, on the basis of his office.

RESOLUTION SIXTEEN

Approval of the compensation policy for the Deputy Chief Executive Officers for 2021

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the Board of Directors' report established in application of Article L. 22-10-8 (ex. Article L. 225-37-2 repealed) of the French Commercial Code, approve the compensation policy presented "Section 4 – Compensation of Corporate Officers of the Report on Corporate Governance and attributable to Messrs Denis SUPPLISSON and Grégoire de ROTALIER, Deputy Chief Executive Officers, on the basis of their office.

RESOLUTION SEVENTEEN

Approval of the compensation policy for non-executive corporate officers for 2021

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the Board of Directors' report established in application of Article L. 22-10-8 (ex. Article L. 225-37-2 repealed) of the French Commercial Code, approve the compensation policy for Directors.



RESOLUTION EIGHTEEN

Setting total annual compensation for Directors for 2021

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to Ordinary General Meetings, decide to set the total annual amount of compensation for Directors serving on the Board at €33,000 in 2021.

RESOLUTION NINETEEN

Authorisation by the Company to repurchase its own shares

The shareholders, voting in accordance with quorum and majority rules for Ordinary General Meetings, after considering the Board of Directors' report, hereby authorise the Board, which the latter may further delegate in accordance with the law and the Articles of Association, in accordance with the conditions provided for under L. 22-10-62 (ex. Article L. 225-209 repealed) et seq. and by European Commission Regulation no. 596/2014 of 16 April 2014, to proceed, on one or more occasions, with the purchase by PHARMAGEST INTERACTIVE of its own shares within the limit of 10% of the share capital, i.e. up to a maximum of 1,517,412 shares.

The General Meeting resolves that the Board of Directors has the authority, with the option of subdelegation under the conditions laid down by law, to buy back shares for the following purposes:

- Maintaining an orderly market or the liquidity of the PHARMAGEST share by an investment services provider through a liquidity agreement that complies with an ethics charter recognised by the AMF (*Autorité des Marchés Financiers*), the French financial market authority;
- Purchasing shares for future use, to be tendered in exchange or payment for acquisitions;
- Granting shares to the employees or corporate officers of PHARMAGEST INTERACTIVE or its Group, in accordance with the terms and conditions provided by law, notably as part of a profit-sharing plan, to cover stock options, as part of a company savings plan or to be used to award performance shares to employees pursuant to the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code.

The General Meeting decide that the maximum funds destined for this share repurchase programme, excluding costs, shall be €80,000,000.

The purchase, sale or transfer of shares may be carried out by any means authorised by applicable regulations, in the market, by mutual agreement and including through block purchases, at any time, including while a public tender offer is in progress.

The shareholders grant authority to the Board of Directors, in the case of a modification of the nominal value of the share, to proceed with capital increases through the capitalisation of reserves, distribution of stock dividends, stock splits or reverse splits, distribution of reserves or other assets, amortisation of capital, or any other transaction having an impact on the company's shareholders' equity, to adjust the purchase and sale price mentioned above to take into account the impact of these corporate actions on the value of the share. More generally, the maximum size of this buyback and the maximum number of shares repurchased will, as required, be adjusted to take into account subsequent corporate actions of the Company or decisions affecting the share capital.

The shareholders grant all powers to the Board of Directors that may, in accordance with the law and regulations, in turn delegate such authority in order to:

- Implement this authorisation if it deems appropriate;
- Determine the conditions and procedures for the share buyback programme including notably the purchase price of the shares (maximum and minimum price per share);
- Set and adjusting the number of shares included in the share buyback programme, and the maximum purchase price defined under this programme;
- Acquire, sell or transfer these shares by any means; place all market orders;
- Allocate or re-allocate the shares thus acquired to the various objectives pursued, in compliance with the applicable legal and regulatory provisions;
- Enter into any agreement, and notably the liquidity contract, make all representations to any body and notably the French financial market regulator, the *Autorité des Marchés Financiers*, in compliance with Article L. 22-10-64 (ex. Article L. 225-212 repealed) of the French Commercial Code;
- And in general, do everything that is required for the application of this resolution.



The shareholders decide that this authorisation is granted for a period of eighteen (18) months from the date of this Meeting or until 28 December 2022 and cancels and supersedes any prior authorisation having the same purpose.

RESOLUTION TWENTY

Powers for formalities

The General Meeting grants all powers to the holder of a copy or short-form certificate of the minutes of this meeting for all formalities required by law.



21.6. Upcoming financial communications

Q1 2021 revenue	12 May 2021
H1 2021 revenue	4 August 2021
H1 2021 results	24 September 2021
Q3 2021 revenue	10 November 2021
FY 2021 revenue	4 February 2022
FY 2021 results	No later than 30 April 2022



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