UNIVERSAL REGISTRATION DOCUMENT 2021

PHARMAGEST

Technology for a more human experience

URD - UNIVERSAL REGISTRATION DOCUMENT 2021

Fiscal year ended 31 December 2021

*The original French version of this Universal Registration Document (URD) was filed on 28 April 2022 with the AMF (*Autorité des Marché 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 the Universal Registration Document (URD) 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 URD. It has thus been approved in its entirety by the AMF in accordance with Regulation (EU) 2017/1129.

This document was prepared by the issuer and its signatories are liable for its content.

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 31 December 2021 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

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

- Mr. Dominique PAUTRAT
  Chief Executive Officer until 22/04/2022 and Member of the Board of Directors of PHARMAGEST INTERACTIVE
- Mr. Denis SUPPLISSON
  Chief Executive Officer starting 23/04/2022 and Member of the Board of Directors of PHARMAGEST INTERACTIVE
- Mr. Jean-Yves Samson
  Chief Financial Officer of PHARMAGEST Group

All professionally domiciled at PHARMAGEST INTERACTIVE's registered office:
5, allée de Saint Cloud
54600 VILLERS-LÈS-NANCY
Tel: + 33 (0)3 83 15 95 95

This Registration Document also includes the 2021 annual report and, as such it contains all items required 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 2021 Universal Registration Document faithfully presents business trends, the results and financial position of the company and describes principal risks and uncertainties they face.

I have 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.

Mr. Denis SUPPLISSON, Chief Executive Officer of 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 28 April 2022 with the AMF (*Autorité des Marché 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 the Universal Registration Document (URD) 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 URD. 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 2020 contained in the 2019 Universal Registration Document filed with the AMF on 30 April 2020 (No. D.20-0410) and the 2020 Registration Document filed on 29 April 2021 (No. D.21-0395).

Information included in websites referred by means of hypertext links:

- *https://pharmagest.com* (pages: 2, 7, 13, 138, 140, 201, 202, and 215),
- *https://www.middlenext.com* (pages: 7 and 186),
- *https://www.lacooperativewelcoop.com* (pages: 7 and 49),

in the original French language version of the universal registration document is not a part of the prospectus. 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 ended on 31 December 2022,
Represented by Ms. Constance HAON since 2021.

2.2. Statutory auditors who resigned or were not reappointed

None.

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 risk review consists of assessing the materiality of a given risk in reference to its level of severity and its level of probability:

- 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 significant.
- 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,
  - 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. Risks considered as the most important are identified with an asterisk (*). 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

External growth (*)

Description of the risk	Preventive measures and remedial actions	Materiality
New risks associated with the integration of entities, establishing operations in new markets and the international development of PHARMAGEST Group's solutions. For PHARMAGEST Group, growing by acquiring assets of other companies provides a means of rapidly integrating new technologies and new skills, and gaining access to new markets. However, this type of growth presents a certain number of risks in relation to the different phases: • the pre-acquisition phase (valuation of assets) and, • the post-acquisition phase (risks associated with the integration process such as integrating the target organisation and/or cultural factors).	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: • 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.	• Severity: Major • Probability: Possible This level of materiality includes any financial and organizational impacts, as well as the number of acquisitions made in recent years.

Supervision of strategic projects

Description of the risk	Preventive measures and remedial actions	Materiality
Risks associated with the coordination and optimization of resources allocated to cross-corporate projects involving several Group Divisions. Strategic projects require notably a clear strategic vision, effective budget and resource management and meeting deadlines, while maintaining high quality and safety standards. If this risk were to materialize, it could affect the PHARMAGEST Group's ability to deploy new innovative solutions.	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.	• Severity: Major • Probability: Possible This level of materiality takes into account potential budgetary and organizational impacts as well as the strategic nature of projects such as the commercialization of the Digital Health Platform (DHP) or deploying solutions in line with French healthcare system reforms *(Ségur de la Santé).*

Operating risks inherent to the Group's business

Data security (information systems and network) (*)

Description of the risk	Preventive measures and remedial actions	Materiality
Risks associated with confidentiality, integrity, availability, authentication and non-repudiation of the data. The consequences of a data security breach are multiple. For example, they can result in the disruption of systems, data theft or loss, exposure to blackmail (ransomware, etc.), reputational damage, or even commercial loss (theft of competitively sensitive data).	PHARMAGEST Group has set up three completely separate information silo architectures: • one for its internal needs, • one for its customer offerings (management activities), • and one for its customers for the personal health data hosting service. 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. 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. These risks are monitored by Executive Management by means of a dedicated Cyber Security Committee.	• Severity: Major • Probability: Possible This level of materiality takes into account the reputational risk generated by potential IT security breaches as well as the frequency of attempted cyber-attacks targeting medium-sized companies.

Health risks

Description of the risk	Preventive measures and remedial actions	Materiality
Risk related to an epidemic or pandemic resulting in a decrease in the Group's activity In addition to these concerns are issues linked to the protection of employees' health and business continuity to ensure that the Group's customer base of healthcare professionals and, by extension, their patients are not adversely affected.	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. These risks are monitored by general management within the Finance and Personnel Management Committee and, as applicable, dedicated crisis units.	• Severity: Moderate • Probability: Very likely This level of materiality takes into account, both, the company's degree of development and the evolution of the COVID-19 pandemic.

Risk of shortages or stock-outs

Description of the risk	Preventive measures and remedial actions	Materiality
Risk related to the supply of computer equipment which includes semiconductors for their manufacture. PHARMAGEST Group may be affected by stock shortages, price increases and slowdowns by some of its activities.	In 2021, PHARMAGEST Group, anticipating the risk of shortages, increased inventory of key references. To limit stock-outs, the Group's Purchasing departments regularly communicate with their historical suppliers, and when necessary, diversify the sourcing (e.g. wholesalers) and/or substitute a specific product with other equivalent products. Whenever possible, the Group adapts its products to reduce its dependency on electronic components. For some of its product lines, PHARMAGEST Group contributes to a circular economy by reusing components from earlier product lines.	• Severity: Moderate • Probability: Very likely This level of materiality takes into account the consequences on PHARMAGEST Group's equipment sales activities and the number of items subject to the risk of inventory shortages.

Employment, Social and Environmental Risks

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

Effectiveness of the positioning as "Citizens in the Service of Health and Well-Being" (*)

Description of the risk	Preventive measures and remedial actions	Materiality
Discrepancies between the Group's strategy with products / solutions marketed and its day-to-day operating practices. This risk is mainly reputational in nature with potential impacts on various PHARMAGEST Group stakeholders (customers, employees, suppliers, institutions, etc.).	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. Executive Management, through the Finance and Personnel Committee, ensures the consistent application of this positioning.	• Severity: Major • Probability: Unlikely This level of materiality incorporates the risk to the company's image and the actions initiated in terms of CSR.

Loss of attractiveness

Description of the risk	Preventive measures and remedial actions	Materiality
Increase in turnover and loss of key competencies. The loss of attractiveness would increase the complexity of human resources management (working conditions, employee relations, organization of services) and would lead to an increase in financial costs (loss of productivity, severance pay, search for and hiring of new employees, training, integration phase, etc.).	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. This risk is monitored by the Human Resources Department through the Finance and Personnel Management Committee.	• Severity: Moderate • Probability: Possible This level of materiality incorporates the risk to the company's image and the actions initiated in terms of CSR.

Regulatory and legal risks

The economic environment - Indirect risks related to governmental decisions

Description of the risk	Preventive measures and remedial actions	Materiality
Impacts related to government decisions that directly affect PHARMAGEST Group's customers. This risk may result from changes in laws or regulations directly affecting the profitability of its business sector (e.g. freedom to commercialize health products, loss of pharmacists' monopoly, etc.).	PHARMAGEST Group protects itself against this risk through its strong capacity for anticipation and continuing innovation in developing solutions to help healthcare professionals meet the challenges of the constantly evolving universe of health. The Group is also a member of major professional organizations, which allow it to actively monitor these issues. This risk is monitored by the Management Committees with responsibility for legal intelligence for the different businesses and reporting directly to general management.	• Severity: Major • Probability: Possible This level of materiality takes into account the financial impact of potential known regulatory changes.

Approvals and certifications

Description of the risk	Preventive measures and remedial actions	Materiality
Risks relating to failure to obtain or losing authorisations (authorisation to operate as a health data hosting service provider) or certifications (SESAM Vitale national health insurance smart card, ISO 27001, NF 525, ISO 18295-1, Addendum). The loss of or failure to obtain approval would adversely affect the ability to market certain flagship products (e.g. LGPI pharmacy management suite).	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 approvals and certifications is monitored by Executive Management through the Finance and Social Committee.	• Severity: Major • Probability: Unlikely This level of materiality takes into account the types of solutions covered by approvals or certifications with respect to the preventive measures implemented.

Intellectual property protection

Description of the risk	Preventive measures and remedial actions	Materiality
Protection of intellectual property that is not adapted to PHARMAGEST Group's markets. PHARMAGEST Group's image would be adversely affected by occurrences of trademark or patent infringement, domain name disputes, or software piracy.	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 and internationally. The Group regularly files copyrights to the sources and new versions of its software with the Agency for the Protection of Programmes (APP).	• Severity: Major • Probability: Unlikely This level of materiality reflects the reputation of the Group's main solutions in relation to protections already in place.

Financial risks

While not significant in nature, a quantitative estimate of the financial risk 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.

In 2022, PHARMAGEST INTERACTIVE's name and the name of the PHARMAGEST Group will change to EQUASENS. These projects will be submitted to a vote of the shareholders at the Extraordinary General Meeting to be held on May 6, 2022.

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's 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 included 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 centred around the patient. Reflecting the complementary nature of its business portfolio, PHARMAGEST Group offers a range of digital services to optimize patient care by improving coordination 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, user training and support;
- 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, 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 for Dependent Seniors 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 and the Telemedicine Division;
- The Fintech Division which represents the business of NANCEO.

Starting in 2022, the Medical Soft Division will be created for medical software.

Pharmacy - Europe Solutions Division

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

Development teams in France, Belgium, Luxembourg and Italy work closely together on adapting the satellite solutions developed by 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® (or LGPI) 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, this model contributes 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®** and **OffiSecure® Fibre** offer professional broadband Internet access, designed specifically for pharmacies, as well as an unlimited professional telephone service and a 4G back-up service. These services ensure optimum security for pharmacies' local IT infrastructures. The **DomiSecure** offering completes these services 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;
- **Offizzy**: as a bankcard pharmacy payment solution, through its connection to the LGPI Global Services® suite, Offizzy prevents data entry errors, saves time and optimises patient service and adapts to different payment methods (contactless or American Express®).

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 on mild and severe pathologies.

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® 2.0**: the dynamic display media providing information about the pharmacy's pricing, product and service strategy at the point of sale. OffiMédia® 2.0 is equipped with a rich media database, updated daily, of more than 30,000 images and

HD product videos, to provide targeted and personalized communication throughout the patient pathway, and offering a high degree of personalization in the colors of the pharmacy or the brand. The media integrated with the LGPI business application software announces promotions with a single click from the LGPI, with specific contextual triggers, and displaying the total amount to be paid;

- **OffiConnect®**: a platform for exchanges between pharmacy websites and LGPI Global Services® that integrates sales data and synchronizes marketing (prices, promotions, loyalty, etc.) and logistics information between the two systems;
- **Automation systems**: installed in a central location in pharmacies, these robots optimise the available space and free up the pharmacy's team to advise customers;
- **Customer loyalty programmes** managing the patient loyalty cards for groups of pharmacies;
- **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.

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;
- Integration of the **Pharmaceutical Record (PR) and Shared Medical Record (SMR):** 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 from their home using their smartphone. In both cases, at the end of the tele-consultation, the pharmacist of reference will remain informed and may receive a copy of the subscription.

Solutions for protecting personal health data

The dematerialisation and exchange of data between healthcare professionals 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: integrity, confidentiality, ensuring the availability 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.

In addition, in accordance with the provisions of Decree No. 2018-137 of 26/02/2018, the Group's health data hosting services have been ISO 27001 certified since 2019. PHARMAGEST Group has accordingly implemented an Information Security Management System (ISMS), i.e. strict rules ensuring that the security of data availability, integrity and confidentiality are taken into account, based on a complete and clearly defined methodology.

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® 2.0, FarmaMobile®, OffiSeen®, OffiCash®, OffiTouch®, OffiTag, etc.) in order to propose a comprehensive offering to Belgian pharmacies.

Luxembourg

PHARMAGEST LUXEMBOURG is present in the Luxembourg market, with **id.,** the pharmacy management suite which, along with the traditional business application functions, also includes functionalities for preparing pharmaceutical compounds, placing direct orders and invoicing for veterinary products.

Italy Pharmacy Business Unit

Wholesalers and distributors

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 70%.

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.

Pharmacies

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: **id.** (formally 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 range of solutions adapted to the specific characteristics of the Italian market, which include for example:

- **id.EASYQ**: a specific queue management solution which is integrated into all the tools used in everyday pharmacy activities. id.EASYQ allows to rationalize customer flows, by automatically directing them to the appropriate counter, and optimize staff

movements by monitoring waiting times by time period;
- **id.DESK**: an informative and interactive dashboard, id.DESK enables real-time cloud-based consolidation of the key data of a group of pharmacies in order to optimize their management. This information can be accessed in the office or on mobile devices;
- **id.UP!** : a smart phone app to control the id. management suite in real time;
- **Miaterapia**: a patient app for sending prescriptions to pharmacies for free. This service is integrated in the id. application and available for use free of charge by all pharmacies in Italy.

PHARMAGEST ITALIA's range of software solutions for distributors and pharmacies is supplemented by the development of innovative solutions and patient therapy adherence (Multimeds), 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®, OffiLocker®,…

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.

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

To achieve these targets, the e-Health Solutions Division has organised its different activities into four 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 2021, LGPI Global Services® equipped pharmacists participated in several information programmes on how to detect risk factors for developing forms of depression, providing support to patients with Parkinson's disease,preventing diabetes, support for women suffering from endometriosis, 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® 2.0** 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.

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® offering is an innovative and patented solution, consisting of a router and small and discreet sensors to help ensure the safety of the elderly at home. Easily forgotten, these sensors are placed in strategic locations in the senior's home. They analyse the senior's behaviour and activity on a continuous basis to relay key information. In this way, this solution detects all abnormal or unexpected events (lack of movement, change of rooms, change and time patterns, etc.) and alerts a 24/7 remote assistance platform or relatives through the dedicated mobile application.

NOVIAcare® is a "Plug & Play" solution that does not require an Internet connection and is easy to install in the home.

The 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:

- **Multimeds**: 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 Multimeds 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 Multimeds 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-Health Solutions Division 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 seven 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 connected mobile terminal;
- **KAP&LINK®**: a card reader terminal designed for all healthcare professionals, based on an innovative patent protected technology. Additional features include remote transmission, updating healthcare smart cards (SESAM-Vitale cards), etc.;

- **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, opticians, 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 housecalls to patients. **eS-KAP-AD®** is designed especially for medical assistants (nurses, physiotherapists, etc.), prescribers (general practitioners, specialists, etc.) and midwives;
- **KAP-INSIDE**: a 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;
- **TI-KAP**: a new solution to access contact and contactless cards with its built-in NFC antenna.

The KAP&LINK2, the KAP-INSIDE and the TI-KAP are compatible with AppsVitale, a smartphone app solution of the health insurance smart card scheduled to be deployed by the French Health Insurance starting in 2023.

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 five systems:

- **KAP&CARE®**: an e-Health box specially designed for in-home patient monitoring, it facilitates tele-monitoring and medical tele-assistance while guaranteeing patient authentication and data security. This box completes the range with a solution specifically adapted for patients at senior assisted living facilities;
- **AUTHENTIFICATEUR**: 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;
- **KAP-INSIDE.**

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*), the nursing home (*EHPAD*), local information and coordination centres for elderly care services (*CLIC*) and the Multidisciplinary Group Practice business units. The Division has an installed base of more than 7,000 customers, i.e. about 4,000 healthcare institutions and 3,000 healthcare professionals in community health centres in France and in the French overseas departments and territories. In 2021, the Health and Social Care Facilities Solutions Division merged with the Telemedicine Division, historically, historically attached to the e-Health Solutions Division, to increase synergies with its different business units.

In 2021, the Division undertook a major overhaul of its product brand portfolio: TITANLINK for EHPAD, HOSPILINK for hospitals, DOMILINK for homecare facilities, MEDILINK for community healthcare centres, ETPLINK for therapeutic education.

The Health and Social Care Facilities Solutions Division also has considerable expertise in hosting and facilities management services for its institutional customers (more than 500 establishments and 3,000 independent health professionals are connected to its certified data centres).

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).

The **TITAN and TITANLINK** applications offer models, using a single database, of all processes involved of the 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

In 2020, MALTA INFORMATIQUE initiated a phase of expansion 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). The multilingual nature of the TITANLINK solution also facilitates international development.

MALTA BELGIUM is developing a range comparable to MALTA INFORMATIQUE in France (DFI DSI 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 for its users.

MALTA BELGIUM is a key player in the Belgian market with an installed base of more than 830 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 (HaH) with **DOMILINK HAD** (formerly antHADine) and the **mobiSOINS** mobility tool. DOMILINK HAD is a complete software allowing professionals to manage care and invoicing but also to secure the drug circuit. mobiSOINS offers a complete traceability for care management covering the consultation, monitoring and validation of procedures at the patient's home;
- Home-based Nursing Services (*SSIAD*) with the **microSOINS** software application. The mobiSOINS mobility tool is also now available and fully 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 elderly care services (*CLIC*) with **LOGICLIC**, the market benchmark in this sector and in geriatric care coordination centres.

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 **HOSPILINK** (formerly AXIGATE® REFLEX) solution makes it possible 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. Its functional scope makes it possible to monitor the patient over an extended period and includes a common patient record, the treatment file, the medication pathway, medical office automation, medical consultations and planning, activity coding, quality indicators, etc.

The HOSPILINK solution is fully web-based which means it guarantees accessibility, ease-of-use across all types of devices, operating flexibility and scalability. For that reason it is particularly well adapted for public hospital centres, particularly regional hospital groups (Groupements Hospitaliers de Territoire or GHT).

- **HOSPILINK DPI**: the new Web-Based Electronic Medical Records (EMR) solution Developed with the latest technology architecture, HOSPILINK DPI offers all the functionalities of an EMR plus modules for specific specialties (e.g., operating room management, psychiatry, paediatrics), functional innovations for agenda management, office software automation interface or therapeutic education.
- **HOSPILINK WELCOME®**: a platform for ensuring integration, interoperability and navigation for regional hospital networks. HOSPILINK WELCOME® is the cornerstone of the information system for regional hospital networks. HOSPILINK 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. HOSPILINK WELCOME® makes it possible for support teams of the regional hospital network to work with its partner establishments when implementing convergent Information System (IS) solutions to manage health care pathways, inbound patient experience management and patient follow-up within their respective territories. When installing the complete EMR, HOSPILINK WELCOME® serves as the platform for the HOSPILINK modules providing an integrated solution. HOSPILINK WELCOME® consists of three modules: WELCOME IDENTITES, WELCOME PASS (a digital healthcare gateway), and WELCOME DOC (a document storage and sharing system).
- **HOSPILINK LOOKUP®**: Big Data technologies integrated with EMR. The integration of a no SQL, HOSPILINK 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. HOSPILINK LOOKUP® consists of three modules: MONITORING, TRACABILITE, and INDICATORS.

The HOSPILINK 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), a subsidiary of MALTA INFORMATIQUE, develops and hosts online solutions for health centres, multidisciplinary group practices and private practitioners.

- The **MEDILINK** (formally 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**).

The Telemedicine Business Unit

The Telemedicine Business Unit is specialised in AI-based telemedicine applications.

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.

ETPLINK (formerly ETP-Pilot) is a web-based application which simplifies the management and sharing of patient education programmes (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).

Released in 2021, **HDJLINK** is an exclusive new solution for monitoring day hospital admissions for hospitals, clinics and psychiatric facilities.

CARELIB® EHPAD is a unique solution combining the management of panic button patient alerts, automatic alarms for falls, the night-time activity, room intrusions, etc. Fully integrated with TITANLINK and the pandaLAB Pro modules, this solution ensures highly effective tracking of events occurring in nursing homes.

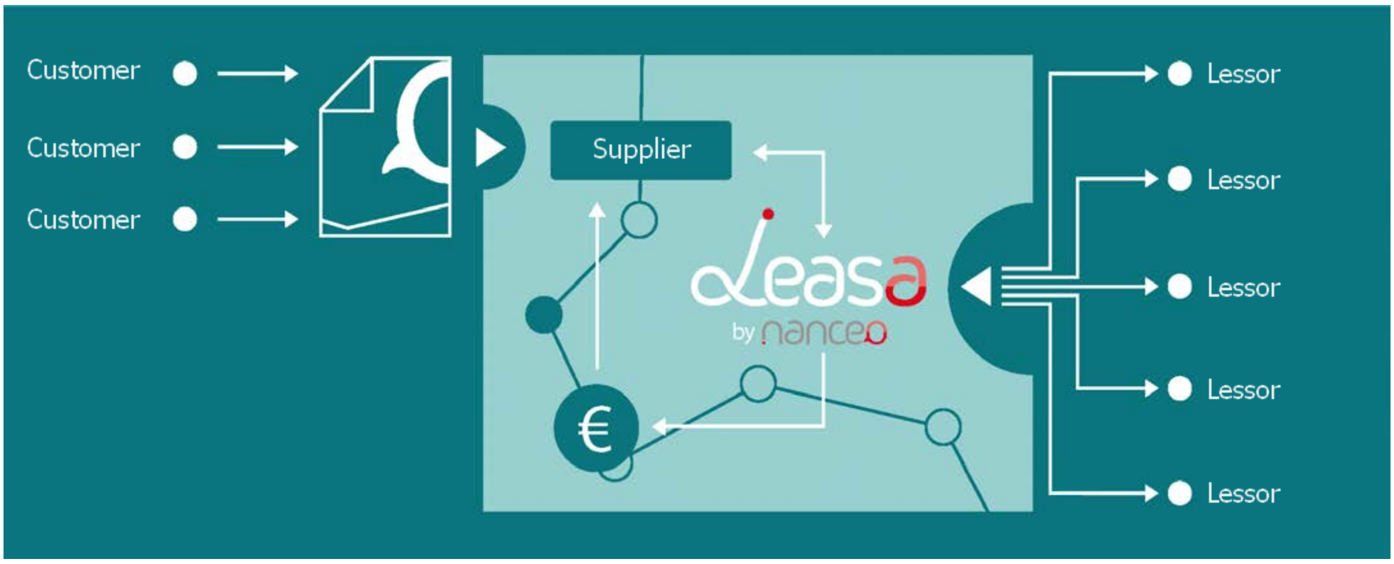
Fintech Division

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.

Medical Soft Division

PROKOV EDITIONS' acquisition in September 2021 will extend PHARMAGEST Group's scope of activities to medical software and create, starting in 2022, a new division for medical software, Medical Soft.

This acquisition completes PHARMAGEST Group's portfolio of business software solutions dedicated to healthcare professionals, and now also general practitioners and specialists. This acquisition, which strengthens the Digital Health Platform service offering, also creates synergies for the Group between all software products in its ecosystem and contributes to the development of new uses for healthcare professionals.

The new Medical Soft Division's offering is based on PROKOV EDITIONS' solutions, which provide complementary software solutions to meet all the needs of physicians working in an Apple iOS environment. All of its applications are approved, certified and compatible with all services of the French Health Insurance agency:

- **MédiStory**, PROKOV EDITIONS' flagship product is an application for monitoring patient medical records that manages consultations and appointments, prescriptions, reports and includes a secure messaging system.
  The 4th generation of this application rolled out in 2020 is a state-of-the-art version in a market where most medical sector IT tools are focused on regulation. MédiStory 4 already integrates most features recommended by French healthcare system reforms (*Ségur de la Santé 2020*, *MaSanté 2022)*;
- MediStory's added value is based on the quality of its knowledge databases that includes of Dexther BCB and the SFMG dictionary for consultation results. All the tools for collecting information are available on **EtherEgo**, backed by a database shared by all MediStory users;
- PROKOV EDITIONS also proposes a prescription assistance application, **ExpressVitale**, which can read the patient's insurance smartcard, invoice and forward the treatment forms through the national health insurance agency using SESAM-Vitale;
- This offering is completed by **VigiPaiement** and **VigiCompta**, which enable health professionals to monitor the payments of the different parties. This software also automates the process of transferring invoices to the healthcare professional's accounting system.

Completing the care pathway across the office-based private practice and hospital segments: the Digital Health Platform

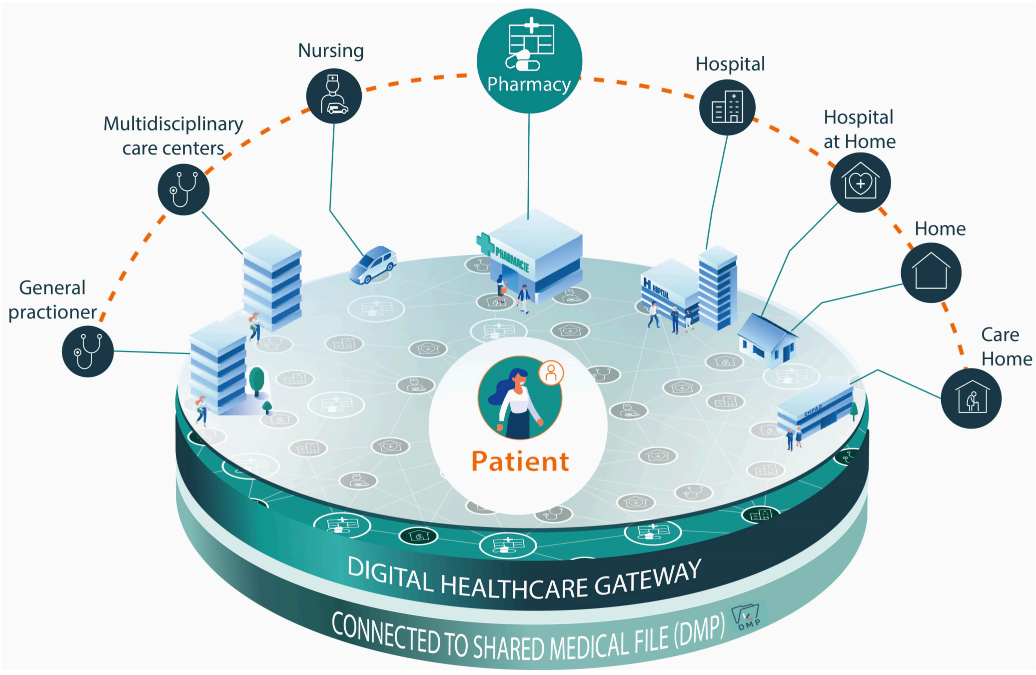
After several years of development, PHARMAGEST Group's has initiated the commercial development phase of its Digital Health Platform under the pandaLAB HUB brand.

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 Health Platform 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.

By developing synergies between the Group's various subsidiaries, the Digital Health Platform (DHP) has been enhanced by the addition of new functional and technical features for healthcare professionals (appointment scheduling service, e-Ordo DHP, Hospital-at-Home / nursing home link, nursing care/pharmacy link, primary care physician/pharmacy link) and for patients. New services now communicate with the Digital Health Platform (DHP) via the Group's software: the Shared Medical Record, the Shared Directory of Healthcare Professionals, and the National Health Identity system. At the same time, the Group is continuing the demonstration phase of this application ecosystem within regional health boards and regional hospital networks and also promoting this offer to institutions and partners (manufacturers, integrators, regional clusters).

Through this strategic partnership with the ELSAN Group, PANDALAB, will accelerate the deployment in France of its secure instant messaging app, pandaLAB Pro. Making pandaLAB Pro available to ELSAN's 120 private clinics and hospitals will contribute to the PHARMAGEST Group's goal of establishing its position as a key communications tool connecting all healthcare professionals, whether in private practice, social care establishments or hospitals in France and in Europe.

In addition to PANDALAB's initial offering for healthcare professionals (pandaLAB Pro instant and secure messaging), currently being integrated into all software solutions of its ecosystem, PHARMAGEST Group has leveraged its technical and functional interoperability expertise to develop pandaLAB HUB and promote sharing information and synergies between business applications but also to reinforce relations with patients. As a result, new services are now available to them through the pandaLAB Ma santé app (making appointments, sending prescriptions, vaccination booklet, medicine cabinet, etc.).


Nursing
Pharmacy
Hospital
Multidisciplinary
care centers
Hospital
at Home
Home
General
practioner
Care
Home
Patient
DIGITAL HEALTHCARE GATEWAY
CONNECTED TO SHARED MEDICAL FILE (DMP)

5.1.2. New products and services

Pharmacy - Europe Solutions Division

France Pharmacy Business Unit

In 2021, PHARMAGEST INTERACTIVE's teams rolled out new products and services:

- **OffiMédia® 2.0**: the dynamic solution that displays information about the pharmacy's pricing, product and service strategy at the point of sale. With its extensive and scalable media database, intuitive and responsive interface, and range of dynamic displays (for windows, shelves, OTC areas and counters), OffiMédia® 2.0 ensures targeted and customizable communication throughout the patient pathway;
- **OffiSecure® Fibre**: a fibre-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.);
- A customizable and scalable **serialization module** integrated into the LGPI pharmacy management suite, adapted to the pharmacy's organisation including options for a simple registion process "at reception" or a sophisticated and multiple process "at reception, delivery or combined";
- **ASCA electronic labelling:** leveraging the combined advantages of the electronic labelling solutions of ASCA and PHARMAGEST INTERACTIVE;
- **SAILFI**: a new loyalty programme management solution for pharmacy groups based on Artificial Intelligence;
- **Service e-Ordo**: secure exchange of digital prescriptions between the nursing home and the pharmacy through the Digital Healthcare Platform.

Belgium and Luxembourg Pharmacy Business Unit

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

By way of example, this Business Unit markets the following offerings:

- The adaptation of the Multimeds range to the Belgian market;
- 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;
- arketing of OffiProtect, an anti-virus professional solution for pharmacies;
- The dematerialisation of prescriptions as part of the RECIP-e project.

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 2021 were:

- The complete dematerialisation of prescriptions is being accompanied by the redesign of the dispensing module;
- Added functionalities for managing antigenic testing in the pharmacy;
- Improving the software's performance by increasing the speed of execution;
- Integrated payment management using the PAYCONIQ application.

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.

The **id.** software solution was officially released in 2021, accompanied by a new graphic design marking a break with the earlier solutions and conveying PHARMAGEST Group's vision and the positioning of its solutions, in line with the company's baseline "Technology for a more Human experience".

Italy Pharmacy Business Unit

In 2021 PHARMAGEST ITALIA rolled out its new rebranded identity, **id.** which becomes the global management application at the heart of the technology solution ecosystem for pharmacies. To reinforce this identity the “id.” prefix is attached to each solution.

In 2021, PHARMAGEST ITALIA also focused on adapting and deploying the id.LOCKER, id.TAG, and Multimeds solutions for Italian pharmacies.

The expansion of the commercial offering was accompanied by the creation of new branches to complete the Italian network that began with the integration of SVEMU INFORMATICA FARMACEUTICA in 2019. This momentum is also contributing to the development and deployment of the Group's products in Europe.

Furthermore, reflecting the mix and complementary nature of activities with pharmacies (independent or members of a pharmacy group) and wholesaler-distributors (whose commercial offering was completed by ATHESIA’s integration) PHARMAGEST ITALIA now covers all the technological needs of the Italian pharmaceutical market.

e-Health Solutions Division

Digital Communications Business Unit

In 2021, the Digital Communications Division focused on strengthening its existing offering of solutions and for that reason did not introduce new solutions in the period.

Frailty Management Business Unit

In 2021, the Frailty Management Business Unit reinforced its staff and increased its level of specialization (marketing / communication / sales / ...) to maintain its position as a driving force as a provider of cutting-edge technology home-based solutions for elderly persons and their families.

The signature of a first distribution contract with Germany in 2021, and the senior residences equipped in the Ile-de-France region, confirm the relevance and effectiveness of NOVIAcare® as a provider of home care solutions for elderly and frail persons in France and Europe.

The Compliance Business Unit

In 2021, the Compliance Business Unit focused on strengthening its existing range of solutions and increasing market share in the UK, France and Germany.

E-Connect Business Unit

KAPELSE's offering was expanded in 2021 by the addition of two new solutions:

- TI-KAP, the fixed health smartcard reader capable of scanning simultaneously patient health insurance smartcards and health professional cards at the medical practitioner's office. It can also read contactless NFC modules (compatible with the French health insurance Carte-vitale smart card application);
- KAP-INSIDE, which has extended its scope of coverage to include the billing, authentication and teleservice access capabilities of the French health insurance system which enables software publishers to propose a global software solution for both Android and iOS smartphones.

Health and Social Care Facilities Solutions Division

The Nursing Home Business Unit

France

The Health and Social Care Facilities Solutions (HSCF) Digital Programme

Within the framework of the HSCF Digital programme supported by the French national independent living support fund (*Caisse nationale de solidarité pour l'autonomie* - CNSA), and the Regional Health Boards (ARS), MALTA INFORMATIQUE, with its TITAN and TITANLINK application, and DICSIT INFORMATIQUE with its DOMILINK application, were officially approved to participate in the calls for projects in the following categories:

- "The user computerized file solution in acquisition mode (On Premise-infrastructure of the Managing Entity) for HSCFs for elderly persons": supply, maintenance and deployment of a user computerized file in hosted mode for HSCFs servicing mainly elderly persons.
- "The user computerized file solution in acquisition mode with external hosting for HSCFs for elderly persons": supply, maintenance and deployment of a user computerized file solution in hosted mode for HSCFs addressing mainly elderly persons.
- "The user computerized file solution in acquisition mode for HSCFs for persons with disabilities": supply, maintenance and deployment of a user computerized file solution in hosted mode for HSCFs addressing mainly persons with disabilities.
- "The user computerized file solution in acquisition mode with external hosting for HSCFs for persons with disabilities": supply, maintenance and deployment of a user computerized file solution in hosted mode for HSCFs addressing mainly persons with disabilities.
- "The user computerized file solution in acquisition mode with external hosting for HSCFs for home-based care services": supply, maintenance and deployment of a user computerized file solution in hosted mode for HSCFs addressing mainly or home-based care services.

Synergies developed since 2016 between MALTA INFORMATIQUE and DICSIT INFORMATIQUE to promote a global approach to managing the patient care pathway between the primary and secondary care segments have contributed to the development for all Health and Social Care Facilities and homecare healthcare providers of a range of services designed to address the challenges of current health policies which include the HSCF Digital programme.

A new fully secure and customizable multi-environment and multilingual Web-based solution and App suite: TITANLINK

On a mobile device, with the TITAN Nomad business application and a desktop with TITANLINK, MALTA INFORMATIQUE's solutions make it possible for nursing homes to:

- Stay informed and monitor activity anywhere and at any time on-site (with or without a web connection by using the off-line mode on the mobile device) in total security.
- Customise the user interface to provide relevant information/communication: management information, monitoring, alerts, etc.
- Communicate with and between healthcare professionals through the fully integrated and secure instant health messaging application, **pandaLAB Pro**.
- Fluid and intuitive navigation with a multi-tab system limiting the number of clicks and scrolls.
- Quick and easy to use allowing more time for the residents and less time in front of the screens.
- A connection with other business applications: inputting the EHR automatically, retrieving laboratory test results in a systematic manner directly within the program, sending prescriptions to the pharmacy, etc.

Belgium

2021 was a year of consolidation and strong growth for MALTA BELGIUM as it develops in its market. Key developments included an update of the wound care module and important legislative changes for Flanders relating to the care of elderly persons in residential care facilities. The R&D department of the Health and Social Care Facilities Solutions Division also completed adapting TITANLINK for the multilingual Belgian market.

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

In 2021, 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.

The **DOMILINK** solution was introduced in these markets.

Hospital and Regional Hospital Group Business Unit

In 2021, AXIGATE focused its efforts on rolling out 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 **HOSPILINK** brand was launched in these markets. Diversification into the psychiatric and after-care/rehabilitation market began with the addition of four new psychiatric facilities.

The Multidisciplinary Group Practice and Private Practice Business Unit

Secure teleconsultations with MEDILINK

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

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

pandaLAB Pro 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 Pro is a turnkey solution, easy to use and adapted to all digital media.

The Telemedicine Business Unit

The Telemedicine Business Unit rolled out its **ETPLINK** brand.

Fintech Division

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

Medical Soft Division

The acquisition of PROKOV EDITIONS completes the PHARMAGEST Group's range of healthcare software solutions for healthcare professionals and strengthens its position as a key player in the digital healthcare sector. As a result, the end of 2021 allowed PHARMAGEST Group to focus on the commercial launch of the Medical Soft Division for the beginning of 2022, that will benefit from the interoperability of the **MédiStory** software with the other PHARMAGEST Group software.

5.2. Principal markets

Revenue by business and region (IFRS)

Divisions – € millions	2021		2020	
	Revenues	Attributable to equity holders of the parent	Revenues	Attributable to equity holders of the parent
Pharmacy - Europe Solutions Division	**142.90**	**74.01%**	**127.31**	**74.12 %**
• *of which France*	*130.77*	*67.73 %*	*116.75*	67.96 %
• *of which Belgium and Luxembourg*	*2.60*	*1.35 %*	3.01	1.76 %
• *of which Italy*	*9.53*	*4.94 %*	7.55	4.40 %
Health and Social Care Facilities Solutions Division	**27.99**	**14.50 %**	**26.19**	**15.25 %**
• *of which France*	*24.94*	*12.92 %*	23.39	13.62 %
• *of which Belgium*	*3.05*	*1.58 %*	2.80	1.63 %
e-Health Solutions Division	**18.66**	**9.66 %**	**16.44**	**9.57 %**
• *of which France*	*15.57*	*8.06 %*	13.56	7.90 %
• *of which Ireland and the UK*	*1.65*	*0.86 %*	1.57	0.91 %
• *of which Germany*	*1.43*	*0.74 %*	1.31	0.76 %
Fintech Division (Health and Social Care Facilities Solutions Division)	**2.45**	**1.27 %**	**1.81**	**1.06 %**
PROKOV EDITIONS (France) *(included in the future Medical Soft Division)*	**1.08**	**0.56 %**	**/**	**/**

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;
- Continuing health inequalities:
  - social inequalities continue to have a significant impact on health,
  - the increasing number of low physician density areas requiring the development of new remote and multidisciplinary services.

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

In this way, 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. vaccination and testing, etc. This will offer opportunities for growth by expansion into new activities and services for patients.

- **Overview**: at the end of 2021, there were close to 21,100 pharmacies in France and in the French Overseas Departments *(Source: SESAM-Vitale)*
- **Revenue**: the pharmacy sector (sales and services) is up by 6.36%. Activity in 2021 was driven by the growth of services, particularly in relation to vaccination and testing campaigns. This improvement in revenue was due to the percentage of dispensing fees (up 2.21%), the dispensing fee rate (up 21.41%), and other services (up 62.00%). (*Source: CGP - Statistiques professionnelles de la Pharmacie*)
- **Margin:** the compensation pharmacists receive is comprised of a commercial margin on sales, dispensing fees and other services. The total gross margin increased significantly (8% in relation to 2020). (*Source: CGP - Statistiques professionnelles de la Pharmacie*)

- **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

In 2021 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", the moratorium on opening new pharmacies was extended to the end of 2019. And since the creation of new pharmacies requires the approval of the Council of State (*Conseil d'État*), it has not been possible to contain 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.

The COVID-19 health crisis accelerated the closure of pharmacies, in addition to the sale, take over and buyout of pharmacies.

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 2021, 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 97 pharmacies.

Competition in this market is limited by high barriers to entry. Their number is strictly controlled by the Ministry of Health.

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 the pharmacist purchases the concession of an existing pharmacy, 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 2021, 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 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 for patient monitoring and support, and solutions 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 and works in partnership with over twenty patient organisations.

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 (nearly 7 million seniors older than 75 in France where this figure expected to increase to more than 13 million by 2070) supported by the proactive policy of public authorities. (*Source: INSEE*)

This sector is attracting many market participants such as lessors and builders of independent living facilities (in France and in Europe) and 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 Compliance Business Unit

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 Multimeds 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 with respect to the population structure and ageing, 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 384,056 online declarations in 2021. *(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 medicalization of these facilities, and in so doing, modifying their status into nursing homes for dependent seniors (*EPHAD*). 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, nursing homes (*EHPAD*) have been subject to new multi-year contractual obligations (*contrat pluriannuel d'objectifs et de moyens* / CPOM) with the French regional health boards (*ARS*) spearheading 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 de Territoire* 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 in 2017 for deployment by 2022.

These changes provide 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 Telemedicine Business Unit

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.

Indeed, the expert systems developed by PHARMAGEST Group are designed to predict and monitor the evolution of patient health and improve home-based care.

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 nearly 100,000 dialysis and transplanted patients. (*Source: Agence de biomédecine*)

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 nearly €36 billion in 2021, up from €33 billion the previous year. *(Source: the French Association of Finance Companies (*ASF - Association française des sociétés financières*), Statistics on the financing of equipment for businesses and professionals by specialised institutions in 2021)*

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.

The medical software market

In December 2021, France will count 110,955 physicians working as independent private practitioners and in mixed private and hospital practices. This market includes 53,512 general practitioners and 57,443 specialists. *(Source: GIE SESAM Vitale)*

Historically, software vendors specialized in developing solutions for independent private healthcare practitioners have focused on the different categories of healthcare professionals (physicians, medical auxiliaries, laboratories, pharmacies, etc.). However, the market for Independant Software Vendors (ISVs) is less and less compartmentalized and may experience a trend of concentration as healthcare professionals increasingly group together in health centres and regulations and certifications become an increasingly important factor in obtaining the support of public authorities.

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 (merged in 2021).
- Creation of KAPELSE, 70%-held by PHARMAGEST INTERACTIVE.

2015: Creation of the Fintech Division.

- Creation of NANCEO, a provider of equipment lease financing solutions for the services sector.

2016: e-Health Solutions Division trends.

- PHARMAGEST INTERACTIVE and its subsidiary KAPELSE jointly acquired, on the basis of equal stakes, 79.97% 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 (merged in 2021).

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 hospital-at-home care, home-based nursing services (*SSIAD*) and local information and coordination centre networks for the elderly (*CLIC*).
- 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 the medication dispensing applications in Europe.

- PHARMAGEST INTERACTIVE acquired a 51% equity stake in MULTIMEDS, an Irish company. This equity investment was accompanied by the acquisition of a 51.82%-stake in the capital of CAREMEDS, a British 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.

2018: Continuing European expansion.

- 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.

Recent events (2019 – 2021)

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 murders of INFARMA, INSERVICE, MACROSOFT, MACROSOFT BUILDING and TEKNEMA with PHARMAGEST ITALIA;
- Acquisition of a majority stake by PHARMAGEST ITALIA 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 by PHARMAGEST INTERACTIVE of the shares of a minority shareholder PHARMAGEST ITALIA, increasing its shareholding from 79% to 82.5%;
- Acquisitions of majority stakes by MALTA INFORMATIQUE of 70% in the capital of NTERNATIONAL 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;
- WELFINITY 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 ASCA INFORMATIQUE, specialized in electronic labelling solutions for pharmacies, and its wholly-owned subsidiary SEAA, a provider of anti-theft and anti-intrusion security equipment;
- 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.

2021: Acquisitions, restructuring and equity investments.

- 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 by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of ADI, increasing its shareholding to 100%;
- Creation of PHARMAGEST SERVIZI, an Italian company and wholly-owned subsidiary of PHARMAGEST ITALIA, a wholesale distributor of hardware and software and provider of IT services, IT consulting and computer repairs;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of a minority shareholder PHARMAGEST ITALIA, increasing its shareholding from 82.5% to 86%;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of SAILENDRA, increasing its shareholding to 100%;
- PHARMAGEST INTERACTIVE purchased the shares of BGM INFORMATIQUE's founders, followed by a partial contribution of assets from ADI to BGM INFORMATIQUE, thus increasing its overall shareholding (direct and indirect) to 89.97%;
- PHARMAGEST INTERACTIVE acquired PROKOV EDITIONS, a French independent software vendor specialized in applications for physicians;
- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of SAILENDRA and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE.

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 LA COOPERATIVE WELCOOP, 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 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 offer 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 the 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 and to primary care physicians with the acquisition of PROKOV EDITIONS.

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 fulfil 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 LABORATOIRE 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 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 developing a position as a key contributor to the market transformation for all healthcare professionals, the pharmaceutical industry, private payers and public authorities.

PHARMAGEST Group's goals are to:

- Develop its businesses and 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 Health Platform (DHP) 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.

As such, PHARMAGEST INTERACTIVE 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 Sections 3 and 21.2.1 – Subsection 2.2 of this Universal Registration Document.

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

5.6. Competitive position

One of PHARMAGEST Group greatest competitive strengths is the backing of LA COOPERATIVE WELCOOP, a pharmacists' cooperative. 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. PHARMAGEST Group’s close ties with the pharmacy profession:

- gives a unique understanding of the pharmacist's ecosystem in particular and the healthcare sector in general;
- helps it anticipate changes to the healthcare system and develop the necessary tools to support its customers and their patients.

The European pharmacy market

France

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

- With nearly 8,600 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. This market share remained steady in relation to the previous year (41%);
- 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 (ISO 18295-1 certification requirements for customer contact centres) or technical compliance (hosting services provider certification for personal health data and ISO 27001 certification for information security management);
- **Local service** covering all of France through its 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 11% market share (compared to 15% in 2020).

(Source: PHARMAGEST BELGIUM estimates)

PHARMAGEST BELGIUM operates as a partner of independent Belgian pharmacies or members of pharmacy groups. PHARMAGEST BELGIUM markets 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 2021, PHARMAGEST LUXEMBOURG had a market share in the pharmacy software sector of 4% (stable compared to 2020). 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 70% of wholesalers-distributors that use its IT solutions. This market share was consolidated in relation to the prior year after acquiring selected business assets from ATHESIA, a provider of software solutions for wholesaler-distributors. PHARMAGEST ITALIA is the owner of FARMACLICK, the industry standard, used by more than 18,000 pharmacies (out of 19,331), representing more than 1,000,000 transactions per day and providing access to a price catalogue (tailored to each pharmacy), transmission of orders, consultation of product availability, the comparison of prices from several suppliers, etc.

In the pharmacy management software market, PHARMAGEST ITALIA is currently a new market entrant. PHARMAGEST ITALIA' efforts to deploy **id.**, combined with its majority stake in the software developer, SVEMU INFORMATICA FARMACEUTICA with its EASYPHARMA application and the creation of PHARMAGEST SERVIZI , made it possible to equip nearly 900 pharmacies by the end of 2021 with the PHARMAGEST ITALIA solutions or approximately 5% of the Italian market (up from 4% in 2020).

COMPUGROUP MEDICAL and PHARMASERVICE are the main market players in Italy with a combined market share of 70% in this segment.

(*Source: PHARMAGEST ITALIA estimates*)

In the e-Health market

Digital Communications Business Unit

The Digital Communications Business Unit proposes a unique global offering. Its solutions are deployed in markets addressing a range of different specialist operators (information for the general public or patients, studies and observatories, recruitment and training of pharmacy staff, patient inclusion in monitoring programmes, 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.

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).

The Compliance Business Unit

In Europe, a significant number of players are active in the market for medication dispensing solutions. Although the Multimeds solution occupies a position of challenger, it nevertheless benefits from its experience in the deployment of this solution in Germany (Multimeds represents 20% of the market share in Germany) as well as in Italy.

(Source: MULTIMEDS estimates)

E-Connect Business Unit

KAPELSE's strength resides in its ability to regularly propose new solutions tailored to the needs of healthcare professionals (product ergonomics, miniaturization, etc.), and their increasing mobility (KAP&NETWORK infrastructure).

KAPELSE currently equips more than 215,000 healthcare professionals with its SESAM-Vitale health insurance smartcard reader, i.e. 60% of the market share.

KAPELSE solutions also help improve at-home / on-site monitoring of at-risk individuals with chronic diseases or limited autonomy, while at the same time addressing the needs of data security.

As an example, KAPELSE's e-Health box, KAPWELLBOX®, and KAP'TEUR by KAPELSE®, were selected as part of the "36 more months at home" project, of the Grand-Est Region and co-financed by the European Union. KAPWELLBOX® centralises patient data and provides secure transfer to the processing systems of its different partners. Its numerous functionalities assure an efficient and ergonomic interface between the patient, health professionals, family and caregivers.

In the IT market for Health and Social Care Facilities

The Nursing Home Business Unit

France

MALTA INFORMATIQUE is a market leader with a 28% share of the nursing home market (stable compared to fiscal 2020).

(Source: MALTA INFORMATIQUE estimates)

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

Belgium

MALTA BELGIUM equips more than 650 nursing homes or approximately 45% of the country's retirement homes. By 2020, MALTA BELGIUM's installed base represented 35% of Belgian nursing homes.

(Source: MALTA BELGIUM estimates)

CORILUS is its main competitor.

The 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: HaH (Hospital-at-Home care), *SSIAD* (in-home nursing care), *SAD* (in-home nursing assistance), *CLIC* (local information and coordination centres for the elderly), *ESA* (specialised Alzheimer's teams), *CSI* (nursing care centres).

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

- More than 400 local information and coordination centres for the elderly (*CLIC*), the sector leader with an 86% market share with no direct specialised competitors;
- 370 *SSIAD* and ESA, or a 15% market share. This market is dominated by APOLOGIC and MEDISYS;
- 160 Hospital-at-Home programmes, with a 50% market share as the market leader. C2SI and ARCAN represent 20% to 30% of the market share each, with a few small players equipping the rest of the market.

The total market share is comparable to 2020.

(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 AXIGATEs offering. In 2021, 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. AXIGATE's market share remained stable compared to the previous year.

(Source: AXIGATE estimates)

The Multidisciplinary Group Practice and Private Practice Business Unit

NTERNATIONAL CROSS TALK is the market leader for online applications for health centres, multidisciplinary group practices and office-based private practices. This company, through its MEDILINK software solution, equips 220 health centres of the 735 signatories of the agreement with the French health insurance authorities (*accord Conventionnel Interprofessionnel avec l'Assurance Maladie*) or 30% of those equipped with a qualifying software platform (ASIP V2). This compares with a 23% market share in 2020.

(Source: INTERNATIONAL CROSS TALK estimates)

The 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.

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 lays 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).

In the medical software market

PROKOV EDITIONS’ applications have an installed base of 13,000 GPs and specialists. PROKOV EDITIONS is the leading independent software vendor (ISV) of medical software for Macs (the Apple environment is widely used by physicians), but also for iPhone and iPad for mobile solutions and France’s third largest ISV specialised in practice management applications for physicians.

Its main competitors are:

- COMPUGROUP (owner of Imagine Edition), the market leader with a market share of more than 41%,
- CEGEDIM with a 23% market share.

(Source: PROKOV EDITIONS 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	2021	2020	2019
Intangible investments	25,050	27,207	14,173
o/w goodwill	*19,025*	*16,276*	*5,420*
Investments in tangible assets	4,399	8,743	8,256
TOTAL	**29,449**	**35,950**	**22,429**

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 expenditure on tangible assets primarily concerns infrastructure acquisitions, renewal and investments to strengthen their security.

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

Capital expenditures (2019-2021)

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:

- January 2019: PHARMAGEST INTERACTIVE acquired a 13.89% minority stake in the US company 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 BGM INFORMATIQUE (share capital: €60,000);
- January 2021: Creation of PHARMAGEST ITALIA, an Italian wholesale distributor of hardware and software and provider of IT services, IT consulting and computer repairs with a capital of €10,000;
- September 2021: 100% of the capital of PROKOV EDITIONS (share capital: €500,000).

Increased equity stakes:

- 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%;
- February 2021: Acquisition of additional shares in ADI, increasing PHARMAGEST INTERACTIVE's stake in the capital from 50% to 100%;
- April 2021: Acquisition of additional shares of PHARMAGEST ITALIA, bringing PHARMAGEST INTERACTIVE's share in the capital to 86 % from 82.50 %;
- June and September 2021: Acquisition of an additional equity stake in SAILENDRA, bringing PHARMAGEST INTERACTIVE's share in the capital to 100% from 84.63%;
- September 2021: Acquisition of an additional equity stake in BGM INFORMATIQUE, bringing PHARMAGEST INTERACTIVE's share (direct and indirect) in the capital to 89.97% from 29.20%.

Financing of past investments

The methods of financing past investments (2019-2021), excluding newly consolidated companies and pre-IFRS 16, were as follows:

Nature of investment (€ thousands)	Own funds			Debt financing		
	2021	2020	2019	2021	2020	2019
R&D	5,714	7,982	7,833	0	0	0
External growth	1,559	529	5,134	24,300	19,000	8,984
Other	2,098	8,337	2,809	2,610	3,355	6,366
TOTAL	9,371	16,848	15,776	26,910	22,355	15,350

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 maintaining the pace of investments in:

- Certifications as a Hosting Services Provider for Personal Health Data;
- The development of its subsidiaries in France or international markets in their respective fields;
- Renovation of the Quéven site to improve its energy efficiency;
- 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 in the French, Italian, Spanish territories.
- DOMEDIC GROUP, a 28.32%-held Canadian company specialised in designing technological products to improve medical compliance and treatment.

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 2021, 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.

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.

PHARMAGEST INTERACTIVE, a leading provider of technological solutions for pharmacies, contributes significantly by proposing innovative IT 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.

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 patient health data among all professionals helps optimise and securely monitor patient care.

As a certified healthcare data hosting services provider with ISO 27001 certification for information security management, PHARMAGEST INTERACTIVE guarantees 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 of pathologies 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 health care 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.

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

6.2. List of significant 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 2021

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

ADI, a 100%-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 (No. 490 301 991), a specialised independent application software vendor of solutions for the hospital sector.

BGM INFORMATIQUE a French company and a 40.12%-held subsidiary of PHARMAGEST INTERACTIVE and 49.85%-held by ADI, registered in Meaux (RCS No. 390 097 624), specialised in the wholesale distribution (B2B) of computers, peripheral equipment and software.

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.

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

EHLS, a wholly-owned subsidiary of PHARMAGEST INTERACTIVE, a French company registered in Nancy (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 (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 (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 (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 (No. 444 587 356). The company is specialized in the research, design and marketing of software and related products for nursing 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 (No. 809 217 748). The company offers 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 39.98%-owned by PHARMAGEST INTERACTIVE, and 39.98%-owned by KAPELSE, a Luxembourg company registered in Luxembourg (No. B 186 323). The company designs and manufacturers automated systems.

PANDALAB, a 56.27%-held French subsidiary of MALTA INFORMATIQUE, registered in Nancy (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 86%-owned subsidiary of PHARMAGEST INTERACTIVE, registered in Macerata (REA No. MC 165 201), 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.

PHARMAGEST SERVIZI, an Italian company and 100%-owned subsidiary of PHARMAGEST ITALIA, registered in Bologna (REA No. BO 555 755), a wholesale distributor of hardware and software and provider of IT services, IT consulting and computer repairs.

PROKOV EDITIONS, a wholly-owned subsidiary of PHARMAGEST INTERACTIVE, a French company registered in Nancy (No. 342 190 618) a specialised independent application software vendor.

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 two equity-accounted companies:

DOMEDIC GROUP, 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.

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 2021

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 2021

After the end of the reporting period, PHARMAGEST Group carried out a simplified merger (*transmission universelle de patrimoine*) which entailed the dissolution of ADI and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE.

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 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)	2021	2020	Change
Non-current assets	207,696	184,904	12.33 %
Current assets	122,254	110,873	10.26 %
Shareholders' equity	165,236	148,953	10.93 %
Non-current liabilities	70,651	65,458	7.93 %
Current liabilities	94,063	81,366	15.60 %

The increase in non-current assets reflects mainly the net increase in goodwill (+€18,141 thousand), intangible assets (+€2,848 thousand) and non-current financial assets (+€2,315 thousand).

The change in current assets reflects changes in "trade receivables and related accounts" (+€5,586 thousand), "Other receivables" (+€2,186 thousand) and "Inventories and work in progress" (+€2,097 thousand).

Changes in non-current liabilities represent changes in long-term financial liabilities (+€8,375 thousand) and other long-term financial liabilities (-€4,004 thousand).

The rise in current liabilities reflects increases in the current portion of financial liabilities (+€3,872 thousand), trade payables (+€2,055 thousand) and other current debt (+4,958 thousand).

This data is to be considered in relation to the different acquisitions made by the PHARMAGEST Group in 2021.

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.

In 2022, PHARMAGEST Group has decided change its name to EQUASENS Group.

Initially focused on developing and publishing software management solutions for pharmacists, PHARMAGEST Group is today a key player in the European healthcare sector, providing software solutions to all healthcare professionals (pharmacists, primary care practitioners, hospitals, Hospital-at-Home structures, retirement homes, health centres) in both primary and secondary care sectors.

Through this new name, the Group seeks to highlight the interoperability of its solutions for patients, healthcare professionals and healthcare establishments while strengthening its "Patient-Centred" positioning initiated over 10 years ago:

- EQUA refers to equation, and by extension the scientific and technological roots of its expertise,
- SENS emphasizes the underlying meaning of its core mission: providing the right information, to the right caregiver, at the right time for the right patient.

This new brand offers a perfect fit with the Group's tagline "Technology for more human experience" and is better aligned with its new ambitions, particularly at the international level.

In conjunction with the Group's proposed name change, we propose to also change the corporate name of PHARMAGEST INTERACTIVE and the names of the Divisions:

- the Europe Pharmacy Solutions Division retains the PHARMAGEST brand,
- the Health and Social Care Facilities Solutions Division (France) becomes AXIGATE LINK,
- the health devices activity are grouped under the E-CONNECT Division,
- the financing activity will remain the FINTECH Division,
- and finally, a new Division has been created for medical software solutions: MEDICAL SOFT.

PHARMAGEST Group outlook

The *Ségur de la Santé* healthcare reform initiative represented a historic moment for the French healthcare system while it faced an epidemic crisis of unprecedented proportions. All stakeholders - healthcare professionals, patients, institutions - contributed their insights and experience in order to identify the main ways to modernize and accelerate the transformation of the healthcare system. At the end of this consultation, the government pledged to initiate an in-depth transformation of the French healthcare system with four priorities:

- transforming healthcare professions and improving the compensation of caregivers;
- define a new policy for investments and financing with the goal of improving the quality of care;
- simplify the organization and the daily working conditions of medical and nursing teams;
- effectively leverage the combined efforts of health sector stakeholders to provide improved service to users.

The first commitment of the health care reform plan implemented was to improve the status of caregivers, i.e., more than 1.5 million professionals in health care institutions and nursing homes (*EHPAD*). But beyond this recognition of the caregivers, investments are needed to dramatically modernize the healthcare system in French regions, in the health and social care sector and in digital health. Commitments linked to French healthcare sector reforms will benefit all stakeholders in the healthcare system: hospitals, primary care general practitioners, the pharmacy, the health and social care services and nursing homes.

This French healthcare reform plan provides for investments of €19 billion, including €6 billion from the France Recovery Plan to decentralize budgets and define strategies better aligned with the actual health needs of the regions. In this way, the Regional Health Boards developed regional investment strategies providing visibility to the projects to be implemented in their regions over the 2021-2029 period through this reform programme. The regions are at the very heart of this analysis of health needs and the projects proposed. The projects aim to provide a global response to the health priorities of these regions, in the fields of health, medical social services and mental health.

The funding of this governmental programme should accelerate the deployment of software solutions originating from PHARMAGEST Group's ecosystem and reinforce the Group's position on the need to break down barriers between the various healthcare professionals and promote the sharing of dematerialised and secure data through the Digital Health Platform. By accelerating connections in this way between the Group's different activities, healthcare professionals and patients will benefit from a more efficient healthcare system.

Finally, in 2022, PHARMAGEST Group will continue to focus on Cyber Security both to ensure the protection of all data collected and shared through its software solutions, and to help its customers protect themselves and be better prepared for operating in this new ecosystem and meet the challenges of tomorrow. The Group accordingly plans to strengthen its innovation strategy in this area in the coming months.

Outlook for the PHARMAGEST Division (formally the Europe Pharmacy 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 solutions. Selected examples:

- the Group will assist its clients in the digital revolution driven by the *Ségur de la Santé* French healthcare reform programme;
- The Group will launch its new business software **id.** brand in the French market. Much more than a business software solution, the **id.** offering is a complete and innovative ecosystem, connecting patients, the team and the pharmacy network, incorporating exclusive new features while retaining the best of LGPI pharmacy management suite.

The France Pharmacy Business Unit in 2022 will roll out new offerings that are expected to provide growth drivers. For example, the Business Unit intends to expand the use of the Digital Health Platform, the e-Ordo solution, and the pandaLAB Pro solution for health professionals, all genuine producers of added value. To strengthen links between pharmacists and their patients, the France Pharmacy Business Unit will promote the use of pandaLAB Pro.

This Business Unit has already made two organisational changes:

- Firstly, regrouping the different electronic labelling activities within ASCA INFORMATIQUE;
- Secondly, merging the historical entities operating in Ile-de-France (ADI, BGM and the Rungis branch office).

in order to achieve commercial synergies and optimizations to benefit its customers.

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.

The main developments in Belgium expected in 2022 include, in addition to the addition of functionalities required by regulation, the optimization of pre-existing modules in the ULTIMATE pharmacy management suite to meet the new requirements of the Belgian market.

For Luxembourg, the marketing of the **id.** brand software offering will be initiated in 2022, after optimizing the existing order module and creating an integrated statistics monitoring tool.

Italy Pharmacy Business Unit

The Italy Pharmacy Business Unit will continue to develop its Pharmacies/Wholesaler-Distributor business, expand its Italian branch network, and enhance its range of functional and technical solutions applicable to the European market as a whole or specifically to the Italian market. PHARMAGEST ITALIA is now setting new goals: both in the Pharmacy sector, by investing nearly €9 million over 5 years to establish **id.** the 3rd ranking software solution in the Italian market with a 20% market share, and in the wholesaler/distributor sector by optimising the recently acquired ATHESIA assets.

This development will also be supported by the shared expertise and international product range of the Group.

Digital Communications Business Unit

By integrating the PHARMAGEST Division, the Digital Communication Business Unit intends to maintain sales by deploying the Group’s digital communication solutions and introduce new services:

- SMS Conseils, a new offering helping patients better manage their treatment by improving compliance;
- Market surveys and observatories to measure the evolution of biosimilar sales in the country, and the number of vaccinations performed in pharmacies.

Outlook for the E-CONNECT Division

Frailty Management Business Unit

The Frailty Management Business Unit is strengthening the B2B and B2B2C marketing of its **NOVIAcare®** solution. In addition to its traditional offer of 24/7 remote assistance, **NOVIAcare®** will launch a "retail market" offering in 2022 with a potential market of nearly 4 million people acting as caregivers for elderly relatives at home.

The Compliance Business Unit

The Compliance Business Unit is planning to expand in all the territories where Group is present by leveraging synergies with the Group's different Business Units and Divisions.

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 2021;
- Maintain growth levels;
- Address new markets both for healthcare professionals and e-Health outside of France.

Outlook for the AXIGATE LINK Division (formally the Health and Social Care Facilities Solutions Division)

Through its different solutions, the AXIGATE LINK Division is fully aligned with the government's goal of simplifying the organization and day-to-day activities of healthcare teams. In this way, the Division should fully benefit from the developments resulting from the French national healthcare reforms.

The Nursing Homes for Dependent Seniors Business Unit will continue to grow in 2022 with the launch of the **TITAN LINK** solution that will gradually replace existing solutions for all customers in France (2,300) and Belgium (860) as well as develop new markets in other countries. The Business Unit intends to expand its product and service offering by integrating hardware, cybersecurity solutions and Health Data Hosting.

The In-Home Nursing Care Business Unit, will continue its success in the HaH sector by taking advantage of the relevance of its new offering: **DOMILINK** which is available for HaH and in-home nursing care services. The Business Unit also plans to launch a new cybersecurity offering for its customers.

The Hospital and Regional Hospital Group Business Unit will continue to focus on a strategy to develop its **HOSPILINK** offering for hospitals and regional hospital networks. Its diversification into the segment of after-care and rehabilitation facilities and psychiatric establishments will expand its customer base.

The creation of territorial health professional communities (*Communautés Professionnelles Territoriales de Santé* 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. For 2022, the Business Unit expects to achieve synergies from:

- deploying its **MEDILINK** solution for health centres,
- e-Connect Business Unit solutions,
- the marketing of the **INFILINK** solution, developed entirely by the Division's R&D teams in close collaboration with private nurses to meet their specific needs. This 100% mobile application will help nurses manage their daily activities while reinforcing links with their patients. By integrating the pandaLAB Pro instant messaging app they will remain connected with their colleagues, doctors and pharmacists

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.

The Telemedicine Business Unit will accelerate the deployment of its **ETPLINK** 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.

By leveraging synergies within the Division, the Business Unit also intends to ramp up **eNephro Pré-greffe**, a solution designed to optimise the pre-transplant pathway for patients with chronic kidney failure, improving access to kidney transplants and facilitating the team's work.

Driven by its successful expansion in Belgium initiated in 2020 with MALTA BELGIUM, MALTA INFORMATIQUE plans to build on the solid foundations of CAREMEDS and to shift the focus of its business model (distribution of pill dispensing systems) to software publishing. By integrating TITANLINK into the CAREMEDS installed base, MALTA INFORMATIQUE will be able to provide an expanded offering to retirement homes in the United Kingdom (approximately 11,000 establishments). CAREMEDS will soon become MALTA UK.

Outlook for the FINTECH Division

The FINTECH Division's business model is based on a multi-lessor (banks) marketplace in the equipment leasing sector. Its mission is to serve as a management and financing tool for its partners for the sale of both equipment and software. The Fintech Division's scope of activity expands beyond the healthcare sector in France and internationally.

To accelerate its business development, the FINTECH Division has strengthened its indirect distribution network for its ***Leasa by Nanceo*** platform and created ***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.*** This channel should contribute to diversifying the Division's activities in its markets.

2022 will see the launch of several new products supported by reinforced sales and marketing teams.

For its international development, the FINTECH Division will use it synergies with selected partners (equipment vendors or lease financing providers, 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 to prepare for entering the Italian market by 2022.

The FINTECH Division is convinced that the success of a sales financing program depends on ensuring a positive digital experience for its partners' customers and employees. This means that it must understand and successfully adapt to its partners' processes in order to provide a unique, customized and frictionless experience.
To that end, its sales and R&D teams work hand in hand to build innovative partnerships fully integrated into the information systems. The Division's goal is to establish ***Leasa by Nanceo*** as the industry reference for multi-product sales financing by 2023.

Outlook for the MEDICAL SOFT Division

2022 will also mark the creation of a fifth division by PHARMAGEST Group. Backed by the activities of PROKOV EDITIONS, the Division will focus on medical software, to complement the existing offerings of the divisions and business units, and in particular the AXIGATE LINK Division's Multidisciplinary Group Practice and Private Practice Business Unit. The *Ségur de la Santé* French healthcare reform initiative represents a genuine opportunity to increase the market share of the MédiStory solution.

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:

- Continuing adaptation of the tools and support for users;
- Taking into account the complex nature of businesses and processes.

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 / (loss)

The PHARMAGEST Group's results were not significantly impacted by the consequences of the health crisis that began in March 2020 and which continued into 2021. 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)	2021	2020	Change
Total operating income	193,069	171,754	12.41 %
Total operating expenses	-142,620	-125,105	14.00 %
Current operating income	50,449	46,649	8.15 %
Net profit (loss) of the period	41,150	32,666	25.97 %

The change in operating income is directly linked to the growth in revenue in relation to 2020 (+€21,315 thousand). Key changes in expense line items included the cost of sales/costs of supplies (+4,651 thousand) and staff costs (+€7,828 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 license 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 2021 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 2021.

Group reserves stand at €116,851 thousand. This includes issue premium of €14,094 thousand, translation adjustments of €(23) thousand, the legal reserve of €310 thousand and other reserves of €102,470 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)	2021	2020	Change
Net cash flows from operating and investing activities	37,182	27,601	34.71 %
• *Net cash flows from operating activities*	*47,515*	*47,208*	*0.65 %*
• *Capital expenditures*	*-10,334*	*-19,607*	*-47.29 %*
Net cash flows from (used in) financial investments	-25,859	-19,529	32.41 %
Net cash from (used in) capital transactions	-20,119	-13,645	47.45 %
Net cash from financing activities	10,322	17,803	-42.02 %
Impact of translation adjustments/financial instruments and other financial income and expenses	64	-34	-288.24 %
Change in net cash	**1,590**	**12,196**	**-86.96 %**

Operating cash flow was increased 34.71% from 2020 to €37,182 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 2021 for fiscal 2020 and €5,156 thousand from the purchase of its own shares.

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 in 2021 increased by €1,590 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.

Long-term obligations as a general rule cover medium- to long-term projects. For projects of this nature, PHARMAGEST Group gives preference largely to fixed rate long-term loans. PHARMAGEST Group is particularly vigilant in the area of compliance with covenants that may be requested by banks.

Data and explanations relating to:

- PHARMAGEST Group's liquidity risk are included in the presentation of the consolidated accounts in Section 18.1.6.6 - Note 6.6.1 of this Universal Registration Document.
- PHARMAGEST Group's financial liabilities, as well as their maturities, are included in the presentation of the consolidated financial statements in Section 18.1.6.6 - Note 6.4 of this Universal Registration Document. Bank borrowings for 2021 and the following year are not subject to bank covenants.

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 French and European regulations relating to its industry, and notably 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 – Judicial and arbitration proceedings.

10. TREND INFORMATION

10.1. Recent trends

Health crisis

Against the backdrop of the resumption of the epidemic caused by COVID-19, PHARMAGEST Group is continuing to focus on safeguarding the health and safety of its employees and its customers consisting of healthcare professionals. As part of its prevention and business continuity plan (PBC) deployed by the Management:

- instructions are regularly updated and strengthened to comply with instructions from public authorities and national bodies;
- PHARMAGEST Group has continued to strengthen its IT procedures, notably deploying secure remote access capabilities and solutions for virtual meetings.

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.

Should health restrictions be reintroduced, PHARMAGEST Group's financial performance could be reduced.

Nevertheless, PHARMAGEST Group's business model remains resilient. Its recurrent revenue streams (64%) and gross sales (66%), 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 sales and margins.

Raw materials and the Ukrainian conflict

PHARMAGEST Group continues to closely monitor the pressures on the supply chain for raw materials. This could result in:

- shortages of components used in computer hardware (semiconductors). As computer manufacturers experienced difficulties in sourcing chips, their production could register slowdowns, resulting in longer lead times and higher prices;
- higher energy costs (gas and oil) affecting in particular on transport and eventually the impact of inflation on all products and services.

PHARMAGEST Group will keep the market informed of any significant changes in these trends impacting its activity.

10.2. Trends concerning potential developments

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 2021

Member's full name or Company Name and their functions	Office expiry date [1]
Mr. Thierry CHAPUSOT *Chair of the Board of Directors*	31 December 2025
Mr. Dominique PAUTRAT *Chief Executive Officer and Director*	31 December 2025 (CEO) 31 December 2026 (Director)
Mr. Denis SUPPLISSON *Deputy CEO and Director*	31 December 2025 (Deputy CEO) 31 December 2026 (Director)
Mr. Grégoire DE ROTALIER *Deputy CEO and Director*	31 December 2025 (Deputy CEO and Director)
Mr. Daniel ANTOINE *Director*	31 December 2025
Ms. Marie-Louise LIGER *Independent Director*	31 December 2026
Mr. François JACQUEL *Director*	31 December 2025
Ms. Anne LHOTE *Director*	31 December 2022
Ms. Sophie MAYEUX *Independent Director*	31 December 2023
Ms. Céline GRIS *Independent Director*	31 December 2022
Ms. Emilie LECOMTE *Director*	31 December 2022
LA COOPERATIVE WELCOOP *Represented by Mr. Hugues MOREAUX, Director*	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

Information on the professional background and roles of Directors is given in Section 21.4 - Subsection 2.3 of this Universal Registration Document.

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
  - 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
  - D'MEDICA: Director
  - HAMPIAUX: Chair
  - SCI ZOZIME: Manager
  - SCI BROTHER&SISTERS: Manager
  - DOMAINE CHAPUSOT: Manager
- **Offices and functions having expired in the last five years**
  - DEVELOPPEMENT PROMOTION CRISTERS: Chair until 11/04/2018
  - PHARMAGEST ITALIA (tying 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
  - DOMEDIC GROUP (Canadian company): Director until 25/03/2020
  - SCI CERP IMMO 2: Representative of LA COOPERATIVE WELCOOP, Manager until 29/12/2020
  - HENRI POINCARE (a French joint stock company or *Société Anonyme* and semi-public entity): Director representing the minority shareholders' committee until 28/06/2021

Mr. Dominique PAUTRAT

- **Offices and functions in progress**
  - PHARMAGEST INTERACTIVE: Chief Executive Officer, Director
  - DOMEDIC GROUP (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 (Irish company): Manager
  - PHARMAGEST ITALIA (Italian company): Chair of the Board of Directors
  - SVEMU INFORMATICA FARMACEUTICA (Italian company): Chair of the Board of Directors

- **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
  - CAREMEDS (English company): Manager
  - MULTIMEDS (Irish company): Manager
  - PANDALAB: Chair 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
  - INVESTIPHARM FRANCE: Director
  - SCI JADD: Manager
- **Offices and functions having expired in the last five years**
  - OBJECTIF PHARMA: Supervisory Board member until 09/06/2021

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: Manager
- **Offices and functions having expired in the last five years**
  - None

Ms. Anne LHOTE

- **Offices and functions in progress**
  - PHARMAGEST INTERACTIVE: Director
  - LA COOPERATVE WELCOOP: Management Committee member
  - MARQUE VERTE SANTE: Management Committee member
  - INVESTIPHARM FRANCE: Chair of the Board of Directors
  - D’MEDICA: Director
  - INVESTIPHARM BELGIUM (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
  - SOFAREX (Belgian company): Chief Executive Officer until 29/09/2021
  - ALPHA FINANCE REPARTITION (Belgian company): Chief Executive Officer until 31/12/2021

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: Representing the Chairman, GRIS GROUP
  - GRIS GROUP: Chair
  - ESKARCEL: Manager
  - SODEL: Independent Director
- **Offices and functions having expired in the last five years**
  - GRIS INVEST INDUSTRIES – G 21: Chief Executive Officer until 31/03/2018
  - GRIS DECOUPAGE: Chair until 30/06/2021

Ms. Émilie LECOMTE

- **Offices and functions in progress**
  - PHARMAGEST INTERACTIVE: Director
  - LA COOPERATVE WELCOOP: Supervisory Board member
  - OBJECTIF PHARMA: Supervisory Board member
  - PHARMACIE LECOMTE DALLA COSTA: Manager
  - SARL LECOMTE DALLA COSTA: Manager
  - SELARL AMMONITES: Investment Associate
  - 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: 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 (*directeurs généraux*) 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 such contract.

14.3. Special committees

Audit Committee

In 2021, 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 2021.

The operating methods for the Audit Committee are set out in the report on corporate governance included under Section 21.4 – Subsection 3.6.2 of this Universal Registration Document.

Compensation Committee

For fiscal 2021, no Compensation Committee existed.

In 2022, the Audit Committee's remit will be extended to include the tasks of a Compensation Committee.

Strategy and CSR Committee

For fiscal 2021, no Strategy and CSR Committee existed.

A Strategy and CSR Committee will be created in 2022.

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 most of the recommendations of the Middlenext code of corporate governance. Only recommendations R13 (introduction of Board evaluation procedures) and R21 (stock options and restricted stock units) have been adapted to the specificities of PHARMAGEST Group.

The new recommendations resulting from the updated 2021 version of the Middlenext Code are expected to be deployed in 2022 if not already applied.

The methods for applying these recommendations or the reason for adapting them 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 31/03/2022
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	500
Ms. Marie-Louise LIGER	Independent Director	132
Mr. François JACQUEL	Director	400
Ms. Anne LHOTE	Director	550
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 2021.

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 €1,968,231 in fiscal 2021, compared to €1,717,127 in 2020.

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 (f*onds commun de placement d'entreprise* or *FCPE*) "*Perspective Monétaire*", "*Perspective Obli MT A*", "*Social Active Tempéré Solidaire*", "*Perspective Certitude*", "*Stratégie Tempéré International*", "*Stratégie Equilibre International*", "*Perspective Conviction Monde A*" and "*Stratégie Flexigestion 50 – 100*" 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.

For 2021, PHARMAGEST INTERACTIVE opted for the corporate tax reduction provided for in Article L. 238 of the French General Tax Code. To maintain the neutral impact of this option in determining profit-sharing within the scope of the PHARMAGEST Economic and Social Unit (ESU), an exceptional supplemental profit-sharing payment was established for 2021. MALTA INFORMATIQUE has adopted a similar approach.

On this basis, PHARMAGEST Group recorded an expense of €2,866,845 in fiscal 2021, compared to €2,657,834 in 2020.

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 2021, LA COOPERATIVE WELCOOP had 3,096 legal entity members and 1,359 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 was informed of a material change in the fiscal year. 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.

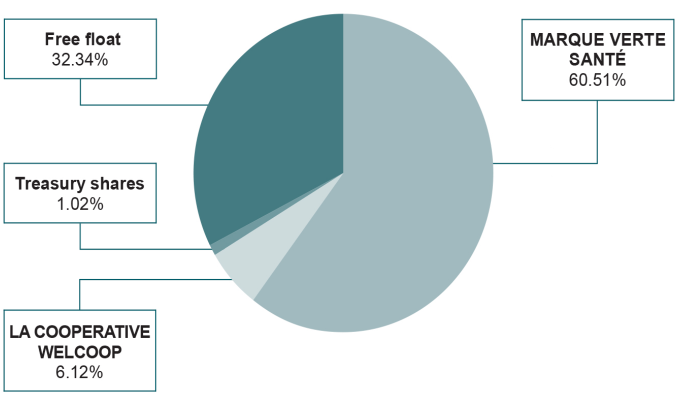
16.2. Voting rights

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 2021

Shareholder	Number of shares held at 31/12/2021	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	61.14 %
LA COOPERATIVE WELCOOP	929,260	6.12 %	929,260	929,260	6.19 %
Sub-total WELCOOP GROUP	**10,111,855**	**66.64 %**	**10,111,855**	**10,111,855**	**67.32 %**
Treasury shares	154,408	1.02 %	154,408	0	0.00 %
Free float	4,907,862	32.34 %	4,907,862	4,907,862	32.68 %
TOTAL	**15,174,125**	**100 %**	**15,174,125**	**15,019,717**	**100 %**

Breakdown of share capital at 31/12/2021:



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).*

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 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 a €10 million advance financing agreement.

The company's justifications for the agreement:

The Board of Directors' meeting of 26 March 2021 justified the benefits of this agreement for PHARMAGEST INTERACTIVE by the level of interest paid on this advance, which remains advantageous in relation to the return provided by financial institutions on risk-free cash investments, and by MARQUE VERTE SANTÉ's binding commitment to reimburse the financial advance, in full or in part, upon simple request of PHARMAGEST INTERACTIVE, within a maximum period of three months from said request.

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 €633 thousand and operating expenses of €1,673 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 2020 contained in the 2019 Universal Registration Document filed with the AMF on 30 April 2020 (No. D.20-0410) and the 2020 Registration Document filed on 29 April 2021 (No. D.21-0395).

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	31/12/2021			31/12/2020
		Gross value	Amortisation, depreciation and provisions	Net	Net
Fixed assets					
Intangible assets	1.4/5	26,749	4,788	21,960	18,120
Property, plant and equipment	1.4/5	23,783	10,066	13,717	14,233
Financial assets	2.3/4	93,947	2,572	91,375	60,351
Total		**144,478**	**17,426**	**127,053**	**92,704**
Current assets					
Inventory and work-in-progress	3	2,073	213	1,860	1,730
Trade receivables	4 and 5	14,815	223	14,593	13,940
Other receivables	4 and 5	13,838	0	13,838	8,775
Marketable securities	6.1	77,658	0	77,658	71,585
Bank and cash	6.1	4,400	0	4,400	4,703
Total		**112,785**	**436**	**112,349**	**100,734**
Prepaid expenses	4	1,561	0	1,561	1,700
Unrealised losses on foreign exchange		0	0	0	0
TOTAL ASSETS		**258,824**	**17,861**	**240,963**	**195,137**

Balance sheet liabilities - In € thousands	Notes	31/12/2021	31/12/2020
Shareholders' equity			
Share capital	7	3,035	3,035
Reserves and retained earnings		83,208	79,103
Investment grants		0	0
Profit for the year		27,665	18,092
Total		**113,908**	**100,230**
Provisions for contingencies and expenses	**8**	**5,632**	**5,183**
Payables			
Borrowings and financial liabilities	9.1	92,572	61,665
Trade payables and related accounts	9.1	9,908	9,758
Other payables	9.1	18,654	18,016
Total		**121,135**	**89,439**
Deferred revenue	9.1/3	288	286
TOTAL LIABILITIES		**240,963**	**195,137**

18.1.5.2. Statement of profit or loss

In € thousands	Notes	2021	2020
Operating income			
Net revenue	10	108,631	103,202
Operating grants	11	173	25
Capitalised production	11	0	0
Reversals of depreciation, amortisation and provisions	11	841	764
Expense reclassifications	11	3,193	3,339
Other operating income	11	2,658	2,298
Total		**115,496**	**109,628**
Operating expenses			
Cost of sales		24,330	23,398
Purchases and external costs		16,152	16,043
Taxes other than on income		2,021	2,382
Staff costs	12.1	45,000	42,019
Allowances for depreciation and amortisation		2,260	1,768
Allowances for provisions		1,258	1,352
Other operating expenses		115	110
Total		**91,137**	**87,072**
Operating profit		**24,359**	**22,556**
Current financial income		11,144	5,894
Current financial expenses		2,024	2,425
Net financial income/(expense)		**9,120**	**3,469**
Current operating income		**33,479**	**26,025**
Exceptional income	13	65	598
Exceptional expenses	13	492	475
Net exceptional items		**-427**	**123**
Income tax expense	14.1	3,024	5,961
Employee profit-sharing		2,363	2,094
Net profit		**27,665**	**18,092**

18.1.5.3. Statement of changes in Shareholders' equity

In € thousands	Value at 31/12/2020	Increase	Decrease	Value at 31/12/2021
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	**18,092**	**25,141**	**18,092**	**25,141**
Dividends	***0***	***14,269***	***14,269***	***0***
Retained earnings	58,847	3,823	0	62,670
Equipment grants	22	224	0	246
Equipment credit financing grants	-22	-32	0	-54
Accelerated tax depreciations and amortisations	229	90	0	319
TOTAL	**100,230**	**43,515**	**32,361**	**111,384**

18.1.5.4. Cash flow statement

Cash flow statement (in € thousands)	31/12/2021	31/12/2020
I. Operating and non-operating activities		
Net profit	**27,665**	**18,092**
Allowances for depreciation and amortisation, provisions	3,446	4,971
Reversals of amortisation, depreciation and provisions	-685	-716
Capital gains and losses on disposals	1,638	33
Grants to be transferred to income	-32	-4
Operating cash flows	**32,032**	**22,376**
Change in financial expenses	-1	-1
Net change in cash flows from operating activities	-287	1,587
Net change in cash flows from non-operating activities	4,581	1,145
Change in working capital	**4,293**	**2,732**
Net cash provided by (used in) operating activities	**36,326**	**25,108**
II. Cash flows from investing activities		
Outflows from the acquisition of intangible assets	-53	-770
Outflows from the acquisition of property, plant and equipment	-1,082	-5,251
Inflows from disposals of tangible and intangible assets	33	31
Investment grants received	0	0
Capital expenditures	**-1,102**	**-5,990**
Outflows from the acquisition of financial assets	-77	-9
Inflows from disposals of financial assets	23	300
Net cash flows from the acquisition and disposal of subsidiaries	-31,681	-18,117
Financial investments	**-31,735**	**-17,826**
Net cash flows provided by (used in) investing activities	**-32,837**	**-23,816**
III. Equity capital transactions		
PHARMAGEST INTERACTIVE capital increases	0	0
Dividends received from equity-accounted investees	0	0
Dividends paid by PHARMAGEST INTERACTIVE	-14,269	-13,548
Net cash from (used in) capital transactions	**-14,269**	**-13,548**
IV. Cash flow from financing activities		
Issuance or subscription of borrowings and financial debt	24,300	13,072
Repayment of borrowings and other financial debt	-7,588	-5,546
Change in other equity	-128	0
Net cash from financing activities	**16,584**	**7,526**
Bank and cash	5,770	-4,972
Short-term bank facilities and overdrafts	-33	-241
Change in net cash	**5,803**	**-4,731**

Cash reconciliation - In € thousands	2021	2020
Marketable securities	77,658	71,586
Bank balances - assets	4,400	4,702
Bank balances - liabilities	-3	-35
TOTAL	**82,055**	**76,253**

18.1.5.5. Notes to the separate financial statements

Total balance sheet before appropriation: €240,963 thousand. Net profit: €27,655 thousand.

The financial period runs for twelve months from 01/01/2021 to 31/12/2021.

The notes provided below form an integral part of the annual financial statements adopted by the Board Directors on 25 March 2022.

Annual highlights:

- 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 by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of ADI, increasing its shareholding to 100%;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of a minority shareholder PHARMAGEST ITALIA, increasing its shareholding from 82.5% to 86%;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of SAILENDRA, increasing its shareholding to 100%;
- PHARMAGEST INTERACTIVE purchased the shares of BGM INFORMATIQUE's founders, followed by a partial contribution of assets from ADI to BGM INFORMATIQUE, thus increasing its overall shareholding (direct and indirect) to 89.97%;
- PHARMAGEST INTERACTIVE acquired PROKOV EDITIONS, a French independent software vendor specialized in applications for physicians;
- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of SAILENDRA and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE.

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 (*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 €8,700 thousand in 2021, of which €733 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	**21,339**	**5,717**	**307**	**26,749**
Property, plant and equipment	**22,762**	**1,222**	**204**	**23,782**
Land	423	0	0	423
Fittings and improvements to buildings	13,651	559	33	14,178
Industrial equipment and tools	35	41	0	76
General fixtures	547	17	41	523
Transportation equipment	316	5	70	251
Office equipment and furniture	7,693	535	11	8,217
Assets under construction	49	65	49	65
Other property, plant and equipment	49	0	0	49
Total amortisation and depreciation of intangible assets and property, plant and equipment	**44,101**	**6,939**	**511**	**50,531**

Goodwill (excluding leasehold rights) amounted to €17,016 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*): €9,847 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	3,197	1,570	0	4,768
Provisions for intangible assets	21	0	0	21
Accumulated depreciation and provisions for intangible assets	**3,219**	**1,570**	**0**	**4,789**
Depreciation of property, plant and equipment:				
• *Fittings and improvements to buildings*	*2,613*	*681*	*33*	*3,261*
• *Industrial equipment and tools*	*14*	*17*	*0*	*32*
• *General fixtures*	*478*	*14*	*39*	*453*
• *Transportation equipment*	*182*	*61*	*70*	*173*
• *Office equipment and furniture*	*5,242*	*915*	*10*	*6,147*
Accumulated depreciation and provisions for property, plant and equipment	**8,529**	**1,688**	**152**	**10,066**
Total amortisation, depreciation and provisions for intangible assets and property, plant and equipment	**11,748**	**3,258**	**152**	**14,855**

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)	62,606	31,682	1,020	93,268
Receivables from equity interests	0	363	0	363
Security deposits and guarantees	315	24	23	316
Total financial assets	**62,922**	**32,069**	**1,043**	**93,947**

Breakdown of equity investments:

Companies - In € thousands	Gross amount of securities	Percentage of ownership
ADI	4,689	100.00 %
ASCA INFORMATIQUE	16,000	100.00 %
BGM INFORMATIQUE	1,718	40.12 %
CAREMEDS	1,214	51.82 %
DOMEDIC GROUP	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	39.98 %
PHARMAGEST ITALIA	20,080	86.00 %
PHARMAGEST LUXEMBOURG	3,490	100.00 %
PHARMATHEK	7,140	49.00 %
PROKOV EDITIONS	25,114	100.00 %
TOTAL	**93,267**	

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	2,571	1	0	2,572
Accumulated amortisation and provisions for financial assets	**2,571**	**1**	**0**	**2,572**

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	31/12/2021			31/12/2020
	Gross amount	Impairment	Net amount	Net amount
Serialized materials	1,813	67	1,746	1,575
Non-serialized materials	260	146	114	156
Raw materials	0	0	0	0
TOTAL	**2,073**	**213**	**1,860**	**1,730**

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	206	30	24	213

NOTE 4. - Trade receivables

4.1. Measurement of trade receivables

Trade receivables are recognised at face value.

In € thousands	31/12/2021			31/12/2020
	Gross amount	Less than 1 year	More than 1 year	Gross amount
Trade receivables	14,815	14,815	0	14,163
Other receivables	13,838	13,838	0	8,775
Deferred charges	1,561	1,431	130	1,700

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	223	132	132	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	31/12/2021	31/12/2020
Financial assets	0	0
Trade payables and related accounts	49	63
Trade receivables	2,016	1,970
Other receivables	254	464
Bank and cash	0	0

NOTE 6. - Marketable securities and cash

6.1. Marketable securities and cash

Gross values - In € thousands	31/12/2021	31/12/2020
Treasury shares - liquidity contract (1)	8,383	3,006
Treasury shares - Stock option plans (1)	575	796
Capital redemption contracts(2)	68,700	67,985
Marketable securities subtotal	***77,658***	***71,786***
Bank and cash	4,400	4,703
TOTAL	**82,058**	**76,489**

(1) *Valuations are calculated using the weighted average price.*
(2) *In 2020, an impairment was recognised for a total amount of €201 thousand.*

6.2. Treasury shares

This account includes 154,408 treasury shares of which:

- 33,233 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;
- 121,175 shares held under the liquidity agreement managed by GILBERT DUPONT and the share buyback agreements authorized by the General Meeting.

6.3. Liquidity contract

Movements in 2021 relating to the liquidity contract, held solely by PHARMAGEST INTERACTIVE, were as follows:

- Purchases: 90,196 shares at an average price of €97.24;
- Disposals: 90,305 shares at an average price of €97.60.

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 (*Obligations Assimilables du Trésor* 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 31/12/2020	Increase	Reversal (provisions used in the period)	Change in Group structure / Other	Value at 31/12/2021
Provisions for litigation	67	305	81	0	291
Provision for contingencies	742	562	603	0	701
Provisions for retirement severance benefits	4,373	228	0	40	4,641
Provisions for foreign exchange losses	0	0	0	0	0
TOTAL	**5,183**	**1,094**	**685**	**40**	**5,632**
Operating allowances	5,183	1,094	685	40	5,632
Provisions for financial assets	0	0	0	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 €414 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 €287 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 this 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 €4,641 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: 0.98%;
  For the discount rate, the iBoxx corporate AA10+ at year-end is used;
- Salary escalation rate: 1.60%;
- 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 €1,015 thousand at 31/12/2021).

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

Stock options

PHARMAGEST INTERACTIVE does not recognise a provision for stock options. Treasury shares other than those allocated to the market making agreement cover the residual needs of current plans. The weighted average unit purchase price remains lower than the weighted exercise price of the options exercised. Accordingly, PHARMAGEST INTERACTIVE considers it reasonable not to set aside provisions for this item. For further information, refer to Section 18.1.6.6 - Note 10.2.2 of the consolidated accounts of this Universal Registration Document.

NOTE 9. - Payables

9.1. Statement of payables

In € thousands	31/12/2021				31/12/2020
	Gross amount	Less than 1 year	More than 1 year	More than 5 years	Gross amount
Bank borrowings [1]	1	1	0	0	35
Miscellaneous financial liabilities	50,578	10,061	33,934	6,583	33,840
Advances and prepayments, credit notes payable	546	546	0	0	422
Trade payables	9,718	9,718	0	0	9,758
Tax and social security payables	15,230	15,230	0	0	14,465
Amounts due to Group companies and shareholders[2]	41,993	41,993	0	0	27,791
Other payables	3,044	3,044	0	0	3,129
Deferred revenue	288	288	0	0	286
TOTAL	121,399	80,882	33,934	6,583	89,725

[1] *Bank credit balances.*
[2] *PHARMAGEST INTERACTIVE established a centralised cash management system with its main banks to optimize cash flows.*

PHARMAGEST has no debt represented by commercial paper.

9.2. Accrued expenses included in balance sheet items

Accrued expenses - In € thousands	31/12/2021	31/12/2020
Bank borrowings	4	6
Other borrowings and financial liabilities	0	0
Trade payables	1,978	2,324
Tax and social security payables	11,463	11,151
Other payables	123	129

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 2021 not yet completed on this date. Their amount increased from €286 thousand in 2020 to €288 thousand in 2021.

NOTE 10. - Revenue

Breakdown of revenue - In € thousands	31/12/2021	31/12/2020
Revenue from configurations	62,247	58,291
Revenue from maintenance and services	33,545	33,188
Revenue from training services and new products	10,500	9,702
Revenue from other services, including e-advertising	2,339	2,021
TOTAL	108,631	103,202
Revenue in France	106,410	100,862
Exports and intra-Community supplies	2,221	2,340

NOTE 11. - Other operating income

In € thousands	31/12/2021	31/12/2020
Subsidies	173	25
Capitalised production	0	0
Reversals of amortisation, depreciation and provisions	841	764
Expense reclassifications(1)	3,193	3,339
Other income	2,658	2,298
TOTAL	6,865	6,425

(1) Expense reclassifications relate to:

- *Rebilling staff costs to other PHARMAGEST Group and WELCOOP GROUP companies in the amount of €1,092 thousand;*
- *Chargebacks for services to other PHARMAGEST Group and WELCOOP GROUP companies in the amount of €1,291 thousand;*
- *Reimbursement of staff costs (including vehicle expenses) in the amount of €634 thousand;*
- *Repayment of structural expenditures in the amount of €176 thousand.*

NOTE 12. - Staff costs

12.1. Breakdown of staff costs

In € thousands	31/12/2021	31/12/2020
Salaries and wages	30,345	28,456
Social security contributions	11,992	11,397
Other staff costs	2,662	2,165
TOTAL	44,999	42,019

12.2. Compensation of directors and officers

Gross compensation received in fiscal 2021 by executive officers (Chief Executive Officer and Deputy Chief Executive Officers) amounted to €1,006 thousand. 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 €74 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 €246 thousand for members of governing bodies.

12.3. Workforce

Actual workforce at 31/12/2021	Salaried employees	Seconded personnel(1)
Management employees	365	0
Supervisors / Senior technicians	31	0
Employees	383	0
TOTAL	779	0

(1) Personnel seconded to PHARMAGEST INTERACTIVE.

NOTE 13. - Net exceptional items

In € thousands	31/12/2021	31/12/2020
Exceptional income	**65**	**598**
Income from non-capital transactions	0	0
Net proceeds from disposals	33	338
Allowances for provisions	0	0
Other exceptional income	32	260
Exceptional expenses	**492**	**475**
Income from non-capital transactions	241	0
Net proceeds from disposals	2	384
Allowances for provisions	91	91
Other operating expenses	158	0

NOTE 14. - Taxes

14.1. Breakdown of income tax payable by PHARMAGEST INTERACTIVE companies

In € thousands	Profit before tax	Tax	Net profit after tax
Current operating income	33,478	-3,832	29,646
Net exceptional items	-427	113	-314
Employee profit-sharing	-2,362	568	-1,794
Tax credit	0	152	152
Social contribution	0	-78	-78
Contribution on dividends	0	0	0
Settlement of corporate income tax N-1	0	54	54
Tax group	0	0	0
Accounting profit	**30,689**	**-3,024**	**27,665**

14.2. Impact of exceptional tax assessments (in € thousands)

Net profit (loss) of the period	27,665
Corporate income tax	3,024
Income before tax	30,689
Change in tax-based provisions(1)	-91
Earnings before tax, excluding exceptional tax assessments	30,598

(1) *Accelerated depreciations of acquisition-related costs.*

14.3. Increases and reductions in future tax liabilities

Type - In € thousands	31/12/2020		Change		31/12/2021	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Provisions not deductible in the year of recognition	**0**	**2,221**	**2,221**	**2,507**	**0**	**2,507**
Employee profit-sharing	*0*	*2,080*	*2,080*	*2,369*	*0*	*2,369*
Social solidarity contribution	*0*	*141*	*141*	*138*	*0*	*138*
Non-deductible provisions	*0*	*0*	*0*	*0*	*0*	*0*
Provisions for retirement severance payments	**0**	**4,373**	**0**	**268**	**0**	**4,641**
TOTAL	**0**	**6,594**	**2,221**	**2,775**	**0**	**7,148**

In € thousands	Amount (before tax)	Taxes
Increases:		
Tax-driven provisions	0	0
Grants to be added back in income	192	51
Decreases:		
Provisions not deductible in the year of recognition	2,507	664
Provisions for retirement severance payments	4,641	1,230
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 concluded under normal market conditions on an arm's length basis.

PHARMAGEST INTERACTIVE and its subsidiaries do not discount trade receivables.

15.3. Off-balance sheet commitments

In € thousands	31/12/2021	31/12/2020
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)	7,858	9,464
TOTAL	**7,858**	**9,464**

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	1,398	862	536	0
Property leases	6,460	1,247	3,681	1,531
Other long-term obligations	0	0	0	0
TOTAL	**7,858**	**2,109**	**4,217**	**1,531**

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 2021, 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 ADI and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE;
- Completion of a partial asset contribution of PHARMAGEST INTERACTIVE's OffiTag electronic labelling business to its subsidiary ASCA INFORMATIQUE;
- Change in corporate governance: On the proposal of Thierry CHAPUSOT, Chairman of the Board of Directors, the Board of Directors of 25 March 2022 voted and adopted the following appointments. Dominique PAUTRAT, who resigned from his position as CEO of PHARMAGEST Group to become Chairman of the Executive Board of LA COOPÉRATIVE WELCOOP (parent company of the PHARMAGEST Group), will be replaced, as of April 23, 2022, by Denis SUPPLISSON, current Deputy CEO and Director of the Europe Pharmacy Solutions Division. Mr. Grégoire DE ROTALIER retains his position as Deputy CEO;
- Project to change PHARMAGEST Group's name to EQUASENS. In conjunction with the Group's proposed name change, we propose to also change the corporate name of PHARMAGEST INTERACTIVE and the names of the divisions:
    - the Europe Pharmacy Solutions Division retains the PHARMAGEST brand,
    - the Health and Social Care Facilities Solutions Division becomes AXIGATE LINK,
    - the health devices activity are grouped under the E-CONNECT Division,
    - the financing activity will remain the FINTECH Division,
    - and finally, a new Division has been created for medical software solutions: MEDICAL SOFT.

  These proposals will be submitted to the vote of the shareholders at the Extraordinary General Meeting of 6 May 2022.

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	Net value of securities held	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									
A. Subsidiaries (at least 50% owned)									
ADI 4 rue René Razel Le Diamant 91400 SACLAY	48	351	100.00 %	4,689			6,183	1,069	676
ASCA INFORMATIQUE 16 rue des quilles 77700 CHESSY	15	975	100.00 %	16,000			15,473	3,235	1,550
BGM INFORMATIQUE 16 rue des quilles 77700 CHESSY	119	65	40.12 %	1,718			1,141	147	50
CAREMEDS Unit 5 Brickfield Trading Estate, Brickfield Lane, Chandlers Ford, EASTLEIGH (England)	1	1,232	51.82 %	1,214			1,483	528	88
EHLS 5, allée de Saint Cloud 54600 VILLERS-LÈS-NANCY	144	4,809	100.00 %	4,690	1,151		28,690	1,163	1,119
HDM (1) 33 Edith Cavell Street PORT LOUIS (Mauritius)	30	100	100.00 %	30			310	38	40
HEALTHLEASE 1 bis rue de Havre 75008 PARIS	1,000	1,016	100.00 %	1,407			46,652	2,007	1,890
KAPELSE 5, allée de Saint Cloud 54600 VILLERS-LÈS-NANCY	1,000	12,449	75.00 %	2,160			14,600	5,397	1,500
MALTA INFORMATIQUE 9 rue de Montgolfier 33700 MERIGNAC	200	15,013	100.00 %	186			11,047	3,233	3,000
MULTIMEDS 1C Quinsboro Rd, BRAY, Co. Wicklow (Ireland)	1	413	51.00 %	510			1,235	333	76
NANCEO 1 bis rue de Havre 75008 PARIS	1,000	905	70.00 %	700			27,540	264	
PHARMAGEST ITALIA 26 Strada Cluentina 62100 MACERATA (Italy)	1,000	12,951	86.00 %	20,080			8,673	758	203
PHARMAGEST LUXEMBOURG 51, Op Zaemer L-4959 BASCHARAGE (Luxembourg)	39	1,097	100.00 %	919	114		22	-52	

SUBSIDIARIES AND ASSOCIATES									
Companies - In € thousands	Share capital	Equity other than share capital (excluding profit of the period)	Percentage of capital held	Net value of securities held	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									
PROKOV EDITIONS 98 bis rue Saint Nicolas 54000 NANCY	500	4,909	100.00 %	25,114			3,514	1,670	
B. Equity interests (10% to 50%-held by the company)									
DOMEDIC GROUP 102-3236 chemin St-Louis - QUÉBEC (QC) G1W 1S2 (Canada)	3,879	- 4,880	28.32 %	1,389	43		398	-770	
EMBLEEMA 16 Pearl St, Ste 110, Metuchen, NEW JERSEY 08840-1847 (United States)	/	- 3,179	13.89 %	2,650	363		1,077	167	
NOVIATEK 51, Op Zaemer L-4959 BASCHARAGE (Luxembourg)	250	- 364	39.98 %	100	834		0	- 149	
PHARMATHEK 43 via Enrico Fermi 37136 VERONA (Italy)	39	7,875	49.00 %	7,140			13,239	171	
A. Subsidiaries not listed in paragraph 1:									
a) French subsidiaries (total)									
b) Foreign subsidiaries (total)									
B. Equity interests not listed in paragraph 1:									
a) In French companies (total)									
TOTAL	**9,265**	**55,737**	**/**	**90,696**	**2,505**	**0**	**181,277**	**19,209**	**10,192**

[(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	31/12/2021	31/12/2020
Non-current assets			
Intangible assets	3.4.1/2	39,476	36,628
Goodwill	3.4.1/2	83,693	65,552
Property, plant and equipment	4.1/2	27,661	27,456
Non-current financial assets	6.1	46,816	44,501
Equity-accounted investments	2.1.2	7,671	8,431
Deferred tax assets	9.2.2	2,379	2,337
Total non-current assets		**207,696**	**184,904**
Current assets			
Inventory and work-in-progress	7.5	8,874	6,777
Trade receivables	7.4	37,353	31,767
Other receivables	7.4	11,233	9,047
Current financial assets	6.2	29,982	29,651
Cash and cash equivalents	6.3	34,812	33,630
Total current assets		**122,254**	**110,873**
TOTAL		**329,950**	**295,777**

Statement of financial position – Equity and Liabilities – In € thousands	Notes	31/12/2021	31/12/2020
Shareholders' equity			
Share capital		3,035	3,035
Consolidated reserves		116,851	109,508
Profit for the year		39,119	30,714
Equity attributable to equity holders of the parent		**159,005**	**143,257**
Reserves attributable to non-controlling interests		4,199	3,745
Net income attributable to non-controlling interests		2,031	1,951
Non-controlling interests		**6,230**	**5,696**
Total shareholders' equity (consolidated group)	**10**	**165,236**	**148,953**
Non-current liabilities			
Non-current provisions	11.1	5,536	5,264
Long-term financial liabilities	6.4	63,385	55,010
Deferred tax liabilities	9.2.2	1,406	855
Other long-term financial liabilities	7.6	325	4,329
Total non-current liabilities		**70,651**	**65,458**
Current liabilities			
Short-term provisions	11.1	724	252
Current portion of long-term debt	6.4	20,676	16,804
Trade payables	7.6	16,269	14,214
Current taxes	7.6	2,128	787
Other current borrowings	7.6	54,266	49,309
Total current liabilities		**94,063**	**81,366**
TOTAL		**329,950**	**295,777**

18.1.6.2. Consolidated statement of profit or loss (IFRS)

Income statement - In € thousands	Notes	31/12/2021	31/12/2020
Revenue	7.1	193,069	171,754
Other revenue from ordinary activities		0	0
Operating income subtotal		**193,069**	**171,754**
Cost of sales		-36,888	-32,237
Staff costs		-68,682	-60,854
Purchases and external costs		-22,365	-20,212
Taxes other than on income		-2,938	-3,479
Allowances for depreciation and amortisation	7.7	-11,328	-9,015
Allowances for provisions	7.7	-959	-126
Other income and expenses		541	819
Operating expenses subtotal		**-142,620**	**-125,105**
Current operating income		**50,449**	**46,649**
Other exceptional income		0	0
Other operating expenses		-184	-515
Operating profit		**50,265**	**46,134**
Income from cash and cash equivalents	6.5	921	1,340
Cost of gross financial debt	6.5	-589	-571
Cost of net financial debt		**332**	**769**
Other financial income and expenses	6.5	1,253	-959
Income tax expense		-10,621	-13,397
Negative goodwill		0	0
Share of profits and losses of equity-accounted investments		-79	119
Profit/(loss) from continuing operations		**41,150**	**32,666**
Profit/(loss) from discontinued operations		**0**	**0**
Net profit (loss) of the period		**41,150**	**32,666**
Attributable to equity holders of the parent		**39,119**	**30,714**
Attributable to non-controlling shareholders		**2,031**	**1,951**
Basic earnings per share attributable to equity holders of the parent	**10.4**	**2.60**	**2.04**
Diluted earnings per share attributable to equity holders of the parent	**10.4**	**2.58**	**2.02**

18.1.6.3. Statement of comprehensive income

Statement of net profit/(loss) and gains and losses recognised directly in equity - In € thousands	31/12/2021	31/12/2020
Net profit	**41,150**	**32,666**
Items that will be subsequently recycled through profit or loss		
Translation differences	71	-54
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	162	-176
Stock-option expenses in the period	352	26
Related taxes	-41	44
Total gains and losses recognised directly in equity	**544**	**-159**
Net profit/(loss) and gains and losses recognised directly in equity	**41,695**	**32,506**
Net profit/(loss) and gains and losses recognised directly in equity – Attributable to equity holders of the parent	**39,608**	**30,581**
Net profit/(loss) and total gains and losses recorded directly in equity – Attributable to non-controlling interests	**2,087**	**1,925**
Net income and gains and losses recognised directly in equity - basic earnings per share	2.78	2.16
Net profit/(loss) and gains and losses recognised directly in equity - diluted earnings per share	2.75	2.14

18.1.6.4. Consolidated statement of cash flows (IFRS)

Consolidated cash flow statement – In € thousands	31/12/2021	31/12/2020
I. Operating and investing activities		
Operating profit	**50,265**	**46,134**
Net amortisation, depreciation and provisions excluding tax and financial items	11,911	9,167
Other estimated expenses, excluding financial items	352	26
Capital gains or losses on disposals of fixed assets	14	156
Other adjustments	0	0
Operating cash flows	**62,542**	**55,483**
Cost of gross financial debt, interest payments	-589	-571
Taxes payments	-11,950	-12,887
Cash flow after interest and taxes	**50,003**	**42,025**
Change in inventories	-2,095	-702
Change in trade receivables	-5,478	4,458
Change in trade payables	1,817	-1,215
Change in other receivables and payables	3,269	2,644
Change in working capital	**-2,488**	**5,184**
Net cash flows from operating activities	**47,516**	**47,209**
Acquisitions of intangible assets and property, plant and equipment	-10,422	-19,674
Disposals of intangible assets and property, plant and equipment	179	18
Deposit guarantees and other operating cash flows	-91	49
Capital expenditures	**-10,334**	**-19,607**
Net cash flows from operating and investing activities	**37,182**	**27,601**
II. Financial investments		
Acquisitions of financial investments	0	0
Disposals of financial investments	0	0
Impact of acquisitions and disposals of investments in non-consolidated companies(1)	-25,859	-19,529
Net cash flows from (used in) financial investments	**-25,859**	**-19,529**
III. Equity capital transactions		
PHARMAGEST INTERACTIVE capital increases	0	0
Capital increases subscribed by minority shareholders	0	0
Purchases of PHARMAGEST INTERACTIVE shares (treasury shares)	-5,156	0
Disposals of PHARMAGEST INTERACTIVE shares (treasury shares)	0	856
Dividends received from equity-accounted investees	0	0
Dividends paid by PHARMAGEST INTERACTIVE	-14,269	-13,549
Dividends paid by consolidated subsidiaries to minority shareholders	-693	-952
Acquisitions and disposals of non-controlling interests	0	0
Net cash from (used in) capital transactions	**-20,119**	**-13,645**
IV. Cash flow from financing activities		
Issuance or subscription of borrowings and financial debt	26,910	22,155
Repayment of borrowings and other financial debt	-15,243	-11,564
Acquisition of financial investments (available-for-sale securities/other financial assets)	-2,267	0
Disposal of financial investments (available-for-sale securities/other financial assets)	0	5,872
Income from cash and cash equivalents	921	1,340
Net cash from financing activities	**10,322**	**17,803**
V. Impact of translation adjustments/financial instruments and other financial income/expenses	**64**	**-34**
Change in net cash	**1,590**	**12,197**
Opening cash at bank and in hand	33,630	21,366
Opening short-term bank facilities and overdrafts	411	344
Closing cash at bank and in hand	34,812	33,630
Closing short-term bank facilities and overdrafts	4	411
Change in net cash	**1,590**	**12,197**

(1) *At 31 December 2021, the line item "Impact of acquisitions and disposals of investments in consolidated companies" includes cash contributions of €6,202 thousand from acquisitions/disposals completed in the period (investments and disposals 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					Equity attributable to non-controlling interests	Total shareholders' equity
	Share capital	Reserves and consolidated income	Treasury shares	Gains and losses recognised directly in equity	Shareholders' equity		
Shareholders' equity at 31/12/2019	**3,035**	**130,086**	**-4,657**	**-851**	**127,613**	**4,299**	**131,912**
Changes in accounting methods	0	0	0	0	0	0	0
Shareholders' equity at 01/01/2020	**3,035**	**130,086**	**-4,657**	**-851**	**127,613**	**4,299**	**131,912**
Equity capital transactions	0	0	0	0	0	0	0
Share-based payments	0	0	0	0	0	0	0
Transactions in own shares	0	0	856	0	856	0	856
Dividends	0	-13,549	0	0	-13,549	-528	-14,077
Net profit (loss) of the period	0	30,714	0	0	30,714	1,951	32,666
Income and expense recognised directly in equity	0	0	0	-133	-133	-26	-159
Net profit/(loss) and gains and losses recognised directly in equity	0	30,714	0	-133	30,581	1,925	32,506
Other	0	0	0	0	0	0	0
Changes in consolidated Group structure	0	-2,243	0	0	-2,243	0	-2,243
Changes in holdings of subsidiaries without loss of control	0	0	0	0	0	0	0
Shareholders' equity at 31/12/2020	**3,035**	**145,008**	**-3,802**	**-984**	**143,257**	**5,696**	**148,953**
Changes in accounting methods	0	0	0	0	0	0	0
Shareholders' equity at 01/01/2021	**3,035**	**145,008**	**-3,802**	**-984**	**143,257**	**5,696**	**148,953**
Equity capital transactions	0	0	0	0	0	0	0
Share-based payments	0	0	0	0	0	0	0
Transactions in own shares	0	0	-5,156	0	-5,156	0	-5,156
Dividends	0	-14,269	0	0	-14,269	-692	-14,962
Net profit (loss) of the period	0	39,119	0	0	39,119	2,031	41,150
Income and expense recognised directly in equity	0	0	0	489	489	56	544
Net profit/(loss) and gains and losses recognised directly in equity	0	39,119	0	489	39,608	2,087	41,695
Other	0	0	0	0	0	0	0
Changes in consolidated Group structure	0	-4,434	0	0	-4,434	-861	-5,294
Changes in holdings of subsidiaries without loss of control	0	0	0	0	0	0	0
Shareholders' equity at 31/12/2021	**3,035**	**165,424**	**-8,958**	**-496**	**159,005**	**6,230**	**165,236**

18.1.6.6. Notes to the consolidated financial statements

The statement of financial position shows total assets of €329,950 thousand and net comprehensive income of €41,150 thousand.

NOTE 1. - Accounting principles

1.1. Applicable texts and statement of compliance

1.1.1. Changes in accounting standards in 2021

PHARMAGEST Group's annual consolidated financial statements at 31 December 2021 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 2020, with the exception of the following standards, amendments and interpretations mandatory as of 1 January 2021:

- **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;
- **Amendments to IFRS 16** - COVID-19-related rent concessions beyond 30 June 2021.

The Group is not concerned by the new standards issued or amendments thereto and applicable as from 1 January 2021.

1.1.2. Standards, amendments and interpretations with mandatory application as at 1 January 2022

The standards applicable to PHARMAGEST Group as of 1 January 2022 are:

- **Amendments to IAS 16** on 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**.

These texts were not early-adopted at 31 December 2021, 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 2022

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 8** on the definition of accounting estimates;
- **Amendments to IAS 12** regarding deferred tax related to assets and liabilities arising from a single transaction.

1.2. Presentation of the financial statements

1.2.1. Statement of profit or loss

PHARMAGEST Group's primary activities are the development of innovative software solutions for healthcare professionals and their patients and their distribution as "turnkey" IT 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 include mainly impairments of brands and goodwill and other operating income and expenses. 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 2021.

2.1.1. Fully consolidated companies

Company	Registered office	Controlling interest (%)	Ownership interest (%)
PHARMAGEST INTERACTIVE	Villers-lès-Nancy (54)	Consolidating company	
ADI	Saclay (91)	100	100
ASCA INFORMATIQUE	Chessy (77)	100	100
AXIGATE	Paris (75)	100	100
BGM INFORMATIQUE	Chessy (77)	89.97	89.97
CAREMEDS	Eastleigh (England)	51.82	51.82
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	Charleroi (Belgium)	100	100
MALTA INFORMATIQUE	Mérignac (33)	100	100
MULTIMEDS	Wicklow (Ireland)	51	51
NANCEO	Paris (75)	70	70
NOVIA SEARCH	Villers-lès-Nancy (54)	100	67.97
NOVIATEK	Bascharage (Luxembourg)	79.97	67.97
PANDALAB	Nancy (54)	56.27	56.27
PHARMAGEST BELGIUM	Gosselies (Belgium)	100	100
PHARMAGEST ITALIA	Macerata (Italy)	86	86
PHARMAGEST LUXEMBOURG	Bascharage (Luxembourg)	100	100
PHARMAGEST SERVIZI	Bologna (Italy)	100	100
PROKOV EDITIONS	Nancy (54)	100	100
SCI HUROBREGA	Quéven (56)	100	100
SEAA	Chessy (77)	100	100
SVEMU INFORMATICA FARMACEUTICA	San Marco dei Cavoti (Italy)	80	66

2.1.2. Equity-accounted subsidiaries

Company	Registered office	Controlling interest (%)	Ownership interest (%)
DOMEDIC GROUP	Québec (Canada)	28.32	28.32
PHARMATHEK	Verona (Italy)	49.00	49.00

DOMEDIC GROUP's (Canadian company) corporate purpose is to improve the quality of life of people with health problems requiring regular medical treatment. DOMEDIC GROUP develops products to support people who are aware of the importance for their health of closely monitoring their medical treatments.
As at 31 December 2021, it reported a loss of CAD 1,142 thousand with a negative net equity of CAD 2,582 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 2021, it showed a profit of €279 thousand with positive net equity of €7,667 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 31/12/2020	Increases	Decrease	Reclassifications	Translation adjustments	Change in consolidation scope	Gross value at 31/12/2021
Equity-accounted investments [1]	8,431	147	-226		-24	-657	7,671

[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
DOMEDIC GROUP	-1,794	-1,606	-458	603	145
PHARMATHEK	7,667	7,667	3,758	3,769	7,527
TOTAL					**7,671**

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

- 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 by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of ADI, increasing its shareholding to 100%;
- Creation of PHARMAGEST SERVIZI, an Italian company and wholly-owned subsidiary of PHARMAGEST ITALIA, a wholesale distributor of hardware and software and provider of IT services, IT consulting and computer repairs;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of a minority shareholder PHARMAGEST ITALIA, increasing its shareholding from 82.5% to 86%;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of SAILENDRA, increasing its shareholding to 100%;
- PHARMAGEST INTERACTIVE purchased the shares of BGM INFORMATIQUE's founders, followed by a partial contribution of assets from ADI to BGM INFORMATIQUE, thus increasing its overall shareholding (direct and indirect) to 89.97%;
- PHARMAGEST INTERACTIVE acquired PROKOV EDITIONS, a French independent software vendor specialized in applications for physicians;
- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of SAILENDRA and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE.

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

- Acquisition by PHARMAGEST INTERACTIVE of the shares of a minority shareholder KAPELSE, increasing the shareholding of PHARMAGEST INTERACTIVE to 75%;
- Acquisition by MALTA INFORMATIQUE of the software development business for nursing homes and specialised establishments of the Belgian company, CARE SOLUTIONS;
- 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 the minority shareholders of INTERNATIONAL CROSS TALK (ICT), 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.

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 a loss in 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 2021.

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 31/12/2020	Increases	Decreases	Reclassifi-cations	Change in consolida-tion scope	Translation adjustments	Gross value at 31/12/2021
Development expenditures (1)	57,718	5,714	-185	607	4,871	0	68,726
Customer relations (2)	1,493	0	0	0	0	0	1,493
Other intangible assets	12,329	311	-97	-913	1,038	21	12,688
Goodwill	66,066	19,025	-883	0	0	0	84,208
TOTAL	**137,606**	**25,050**	**-1,165**	**-306** (3)	**5,909**	**21**	**167,115**

(1) Of which €2,178 thousand in unamortised development expenditures in progress at 31/12/2021.
(2) Recognition of a client relationship following the acquisition of PHARMAGEST LUXEMBOURG.
(3) Receivable on the EMBLEEMA equity interest pending reallocation.

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 (in € 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			
57,867	2,164	9,491	12,408	2,278	84,208

3.4.2. Amortisation and impairment of intangible assets

Balance sheet items - In € thousands	Value at 31/12/2020	Increase	Decreases	Reclassifi-cation	Change in consolida-tion scope	Translation adjustments	Value at 31/12/2021
Development expenditures	27,599	5,615	-134	453	2,512	2	36,046
Customer relations	1,493	0	0	0	0	0	1,493
Other intangible assets	5,821	379	0	-453	136	9	5,892
Goodwill (1)	515	0	0	0	0	0	515
TOTAL	**35,428**	**5,994**	**-134**	**0**	**2,648**	**11**	**43,946**

(1) This concerns a €515 thousand impairment charge on goodwill arising from the Belux Pharmaceuticals division.

No impairment charges were recorded for development expenditures based on tests performed in 2021.

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 31/12/2020	Increases	Decreases	Reclassifications	Change in consolidation scope	Use of estimates	Translation adjustments	Gross value at 31/12/2021
Land	585	0	0	0	0	0	0	585
Buildings	7,899	1,158	-33	0	125	0	0	9,149
Buildings - Leasing	905	0	0	0	0	0	0	905
Buildings - IFRS 16	10,950	1,222	0	0	498	803	0	13,473
Equipment	2,173	0	0	0	0	0	0	2,173
Vehicles - IFRS 16	3,623	751	0	-23	0	107	0	4,458
Other property, plant and equipment	22,118	1,268	-482	-20	630	-13	8	23,509
TOTAL	**48,253**	**4,399**	**-515**	**-43**	**1,253**	**897**	**8**	**54,252**

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 it relates. 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 31/12/2020	Increase	Decreases	Reclassifications	Change in consolidation scope	Valuation changes	Translation adjustments	Gross value at 31/12/2021
Property, plant and equipment	16,219	2,497	-504	-32	571	0	6	18,757
Tangible assets - IFRS 16	4,578	2,841	0	16	195	203	0	7,833
TOTAL	**20,797**	**5,338**	**-504**	**-16**	**766**	**203**	**6**	**26,590**

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 terms: 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 €3,060 thousand in these expenses was offset by an increase in allowances for amortisation of €2,841 thousand;
- For net financial income, an €132 thousand increase in financial expenses;
- Under assets, right-of-use assets for the vehicles and property were recognised for respectively €1,473 thousand and €8,624 thousand net of allowances;
- A lease liability of €10,125 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 2022 to 2025 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	5.31 %	8.86 %	6.66 %	7.16 %	9.27 %
Perpetuity growth rate	1.8 %	2.4 %	2.4 %	2.3 %	2.6 %

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	114.3
	+0.5 point	88.9
Change in the perpetuity growth rate	-0.5 point	90.1
	+0.5 point	112.8
5-Year Business Plan forecasts	-15 %	85
	-30 %	70

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 recurring revenue (64%) 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.

The tests performed did not identify any evidence of impairment in the value of the projects.

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 31/12/2020	Increase	Decrease	Reclassification	Change in consolidation scope	Value at 31/12/2021
Deposits, guarantees and loans [1]	714	38	-28	0	6	730
Investments[2]	41,138	1,935	0	0	0	43,073
Other long-term receivables	0	57	0	306	0	363
Other investments	2,650	0	0	0	0	2,650
TOTAL	**44,501**	**2,030**	**-28**	**306**	**6**	**46,816**

[1] *31 December 2021, security deposits received from WELCOOP subsidiaries having their address at the PHARMAGEST Campus amounted to €57 thousand.*

[2] *At 31 December 2021, the balance of the investments broke down as follows:*

- *Unit-linked capital redemption contract: €27,448 thousand;*
- *Life insurance investments: €3,494 thousand;*
- *A capital redemption contract with Natixis includes two types of investment vehicles, the first a conventional euro fund and the second a unit-linked fund covered by a term deposit account. €12,131 thousand.*

At year-end, the investments were measured at fair value (surrender value).

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	31/12/2021	Of which change in consolidation scope	31/12/2020
Capital redemption contracts [1]	29,982	0	29,651
Other financial assets	0	0	0
TOTAL	**29,982**	**0**	**29,651**

[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	31/12/2021	Of which change in consolidation scope	31/12/2020
SICAV money market funds, time deposit accounts	11,667	0	6,939
Bank and cash	23,145	6,202	26,691
TOTAL	**34,812**	**6,202**	**33,630**

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	31/12/2021				Of which change in estimate	Of which change in consoli-dation scope	31/12/2020
	Gross amount	Less than 1 year	1 to 5 years	More than 5 years			Gross amount
Bank overdrafts	4	4	0	0	0	0	411
Bank borrowings [(1)]	63,998	14,410	42,707	6,882	0	0	51,264
Sureties [(2)]	2,224	0	2,224	0	0	0	2,235
Liabilities linked to put options on non-controlling interests [(3) (4) (5)]	7,603	3,580	4,023	0	0	0	7,687
Lease liabilities	107	41	66	0	0	0	174
IFRS 16 liabilities	10,125	2,641	5,714	1,770	783	297	10,000
Borrowings / financial liabilities	0	0	0	0	0	0	43
TOTAL	**84,061**	**20,676**	**54,734**	**8,652**	**783**	**297**	**71,814**

(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 (€ thousands)	Fixed rate	Floating rate	Total
Less than 1 year	14,410	0	14,410
1 to 5 years	42,707	0	42,707
More than 5 years	6,882	0	6,882
TOTAL	**63,998**	**0**	**63,998**

6.5. Net financial income/(expense)

In € thousands	31/12/2021	31/12/2020
Income from cash flow [1]	921	1,340
Cost of gross debt [2]	-589	-571
Currency gains and losses [3]	-12	118
Other financial income and expenses [4]	1,265	-1,077

[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 payment obligations for the next 12 months.

At 31 December 2021, PHARMAGEST Group had different types of cash assets with the following maturities:

- Cash investments of a very short-term nature amounting to €34.8 million in addition to €29 million in undrawn bank overdraft facilities.
- As short-term resources, PHARMAGEST Group has access to euro funds in the amount of €30 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 €43.1 million.

With €136.9 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
Maturities	Carrying value	Less than 2%	2%-4%	More than 4%	
2022	14,410	14,410	0	0	0
2023	14,210	14,210	0	0	0
2024	13,085	13,085	0	0	0
2025	9,029	9,029	0	0	0
2026	6,383	6,383	0	0	0
Thereafter	6,882	6,882	0	0	0
TOTAL	63,998	63,998	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 28% of sales, most of which was generated by the leasing companies working with HEALTHLEASE and NANCEO.

Trade receivables which are not written down on an individual basis at 31 December 2021 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	31/12/2021	31/12/2020
Pledges, mortgages and security interests on property [1]	6,924	9,303
Transferred receivables not past due	0	0
Other financial commitments given	0	0
TOTAL	**6,924**	**9,303**

[1] *All pledges were given in connection with bank loans. The amount shown corresponds to the balance of relevant borrowings at 31 December 2021.*

PHARMAGEST Group has no off-balance sheet commitments received (apart from €29 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 2021, 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	31/12/2021	31/12/2020
Sales of configurations and hardware	90,880	76,494
Maintenance and sale of databases	66,595	64,270
Training and new product services	33,255	28,969
Other services	2,339	2,021
TOTAL	**193,069**	**171,754**

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.

31/12/2021 - In € thousands	Divisions			Total
	Pharmacy - Europe	HSCF Division [1]	Other [2]	
Revenue	142,895	27,986	22,187	193,069
	74 %	15 %	11 %	
Depreciation and amortisation of tangible and intangible assets	-7,041	-1,680	-2,607	-11,328
	62 %	15 %	23 %	
Current operating income	33,132	9,955	7,362	50,449
	66 %	20 %	14 %	
Current operating income / Sales	23.19 %	35.57 %	33.18 %	26.14 %

[1] Health and Social Care Facilities Solutions Division.
[2] "Other" corresponds to the e-Health Solutions and Fintech Divisions.

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.

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	31/12/2021			Of which change in consolidation scope	31/12/2020
	Net amount	Less than 1 year	More than 1 year		Net amount
Trade receivables [1]	37,353	37,353	0	421	31,767
Other receivables	11,234	11,234	0	326	9,047
TOTAL	**48,587**	**48,587**	**0**	**747**	**40,814**

[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 2021 amounted to €597 thousand compared to €594 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
37,353	18,142	16,598	2,107	506

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	31/12/2020	First-time consolidation	Increase	Reversal used	Reversal (provisions unused in the period)	31/12/2021
Provision for impairment of trade accounts receivable	594	0	341	-338	0	597

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	31/12/2021			Of which change in consolidation scope	31/12/2020
	Gross amount	Impairment	Net amount		Net amount
Components	0	0	0	0	0
Equipment	5,774	-471	5,302	0	3,986
Supplies	1,829	-14	1,815	0	1,706
Parts and after-sales service	1,992	-236	1,757	0	1,085
Work in progress	0	0	0	0	0
TOTAL	**9,594**	**-720**	**8,874**	**0**	**6,777**

7.6. Trade and other payables

In € thousands	31/12/2021				Of which change in consolidation scope	31/12/2020
	Gross amount	Less than 1 year	1 to 5 years	More than 5 years		Gross amount
Trade payables	16,269	16,269	0	0	2,014	14,214
Other payables and current tax	56,719	56,394	325	0	1,732	54,424
TOTAL	**72,988**	**72,663**	**325**	**0**	**3,746**	**68,638**

7.7. Net allowances for depreciation, amortisation and reserves

In € thousands	31/12/2021	31/12/2020
Allowances for depreciation and amortisation	11,328	9,015
Provisions for fixed assets	0	0
Provisions for current assets	147	-301
Provisions for contingencies and expenses	812	428
TOTAL	**12,287**	**9,142**

The reversals of provision are presented net of allowances.

7.8. Other operating income and expenses

In € thousands	31/12/2021	31/12/2020
Goodwill impairment charge [1]	0	515
IP BOX calculation fees	184	0
TOTAL	184	515

[1] Belux Pharmacy Business Unit impairment charge.

7.9. Off balance-sheet commitments relating to the operating activities of PHARMAGEST Group

In € thousands	31/12/2021	31/12/2020
Contractual obligation / property lease financing	0	0
Contractual obligation / equipment operating lease[1]	18	17
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	18	17

[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 2021, 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 1,204 employees (1,190 employees on a Full-Time Equivalent basis – FTE).

Staff costs consist primarily of gross salaries, social charges and wage-based contributions amounting to €65,815 thousand and profit-sharing expenses amounting to €2,867 thousand.

8.2. Employee benefits

Pension plans, similar compensation and other employee benefits 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 plan 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 (0.98%).

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 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	Information
Board meeting date	05/12/2014
Total number of shares that may be subscribed or purchased	239,780
Of which the number that may be subscribed or purchased by:	
• *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 31/12/2021	162,277
Number of shares forfeited as at 31/12/2021	40,000
Remaining stock options	37,503

8.3.1.1. Beneficiaries

Plan beneficiaries include the employees of PHARMAGEST INTERACTIVE, EHLS, and MALTA INFORMATIQUE, 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
Of which the number that may be subscribed or purchased by:	
• *Corporate officers, Directors and Finance and Personnel Management Committee members.*	*45,000*
• *Top ten employee grantees (other than corporate officers)*	*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 31/12/2021	0
Number of shares forfeited as at 31/12/2021	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 years
- 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 €352 thousand in compensation was recorded with a corresponding credit to equity.

8.4. Compensation of directors and officers

Gross compensation received in fiscal 2021 by executive officers (Chief Executive Officer and Deputy Chief Executive Officers) amounted to €1,006 thousand. 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 €74 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 €246 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 business tax contribution based on added value (*cotisation sur la valeur ajoutée des entreprises* or *CVAE*) of 1.5% has the same characteristics as the calculation for the minimum contribution of the previous local business tax (*Taxe Professionnelle* 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	31/12/2021
Current tax	10,490
Contribution on dividends	0
Deferred taxes	131
TOTAL	**10,621**

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	31/12/2021
Net profit	41,150
Profit and losses of equity-accounted investees	79
Net profit / (loss) of consolidated companies	**41,229**
Income tax expense	10,621
Pre-tax earnings from consolidated companies	**51,849**
Theoretical tax expense at the statutory corporate income tax rate (26.5%)	**13,740**
Permanent differences	226
Rate differences	126
Tax deficits not capitalised	180
Company consolidated under the equity method	-21
Allocation of loss carried forwards	-511
IP BOX impact	-3,121
Actual tax expense	**10,621**
Effective tax rate	20.48 %

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 2020	**2,337**	**-855**	**1,483**
Changes impacting 2021	42	-551	-509
As at 31 December 2021	**2,379**	**-1,406**	**974**

Deferred taxes are recognised by company in equity.

The main deferred tax assets and liabilities are as follows:

In € thousands	31/12/2020	Change	Change in Group structure	31/12/2021
Impact of loss carryforwards (1)	**634**	**-247**	**0**	**387**
Tax effect of timing differences related to:				
Provisions for pensions	1,316	97	-11	1,402
Employee-related payables	661	55	0	716
Tax payables (other than income tax)	5	4	0	8
Stock margin adjustment	47	-7	0	40
Other temporary differences	19	-168	58	-91
Revaluation adjustment	0	0	0	0
Sales adjustment	-81	12	0	-69
R&D activation	-4,250	59	-589	-4,781
Leasing	-43	-5	0	-48
Deferred revenue (2)	3,176	66	168	3,410
Total temporary differences	**850**	**112**	**-374**	**587**
Gross deferred tax assets (liabilities)	**1,483**	**-135**	**-374**	**975**
Provision	0	0	0	0
Net deferred tax assets (liabilities)	**1,483**	**-135**	**-374**	**975**

(1) *Capitalised tax deficits relate mainly to tax losses for 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.*

PHARMAGEST Group decided not to capitalise the losses of its subsidiary NOVIA SEARCH amounting to €113 thousand representing total deferred assets of €28 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 €116,851 thousand, of which €14,094 thousand in issue premium, €(23) thousand in translation adjustments, €310 thousand in the legal reserve and €102,470 thousand in other reserves.

10.2. Treasury shares held by PHARMAGEST INTERACTIVE

This line item includes 154,408 PHARMAGEST INTERACTIVE shares, wholly owned by the company.

The share price of PHARMAGEST INTERACTIVE was €94.00 at 31 December 2021.

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 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 2021, the following transactions were carried out under the liquidity contract:

- Purchases: 90,196 shares at an average price of €97.24;
- Disposals: 90,305 shares at an average price of €97.60.

Valuations are calculated using the weighted average price.

At 31 December 2021, 1,590 shares were listed in the liquidity account and the cash balance was €279 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 (see 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;
- No shares were purchased in 2020 and 2021.

10.3. Dividends

The dividend paid in 2021 on 2020 earnings amounted to €14,269 thousand or €0.95 per share.

The distribution of dividends to non-Group shareholders amounting to €500 thousand was recognised in KAPELSE's annual statement and €33 thousand in PHARMAGEST ITALIA's annual statement and respectively €82 thousand and €74 thousand for CAREMEDS and MULTIMEDS.

A dividend of €1.05 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	31/12/2021	31/12/2020
Net profit of the year (in €)	**39,119,252**	**30,714,387**
Number of shares	**15,174,125**	**15,174,125**
Number of treasury shares	154,408	105,161
Weighted average number of ordinary shares to calculate basic earnings per share	15,019,717	15,068,964
Basic earnings per share (in €)	**2.60**	**2.04**
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 €)	**2.58**	**2.02**

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 31/12/2020	Increase	Reversal (provisions used in the period)*	Reversal (unused provisions)	Other movements	Change in consolida-tion scope	Value at 31/12/2021
Provisions for litigation [(1)]	252	473	-112	0	0	0	612
Provision for expenses	0	0	0	0	0		0
Provisions for retirement severance benefits [(2)]	5,264	336	-45	0	0	92	5,647
Provisions for equity-accounted securities	0	0	0	0	0	0	0
TOTAL	**5,515**	**809**	**-157**	**0**	**0**	**92**	**6,259**

** 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: €520 thousand. Provisions for ongoing client disputes: €92 thousand.

[(2)] Provision for retirement severance benefits: €5,647 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 2021 as in prior periods.

In € thousands	31/12/2021	31/12/2020
Pension obligations at opening	***6,613***	***5,967***
Service costs	405	397
Financial cost	21	46
First-time consolidation	92	27
Cost of past services and change of method		0
Actuarial gains (+) / Actuarial losses (-) generated during the financial year	-308	176
Actual obligations at closing	***6,822***	***6,613***
Fair value of plan assets at opening	***1,348***	***1,334***
Expected return on plan assets	13	15
Contributions	0	0
Benefits paid	-187	0
Actuarial gains (+) / Actuarial losses (-)	0	0
Fair value of plan assets at closing	***1,175***	***1,348***
Provision at opening	**5,264**	**4,633**
Provision at closing	**5,647**	**5,264**

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: 0.98%;
  For the discount rate, the iBoxx corporate AA10+ at year-end is used.
- Salary escalation rate: 1.6%;
- 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	-5.8%
	-0.5 point	6.4%
Rate of salary increases	+0.5 point	6.5%
	-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	31/12/2021	31/12/2020
Trade payables	25	0
Current account	43	43
Operating expenses of the period	0	0
Trade receivables	74	27
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	31/12/2021	31/12/2020
Trade payables	749	584
Other payables	0	0
Operating expenses of the period	1,673	1,383
Current account advances	6,000	0
Trade receivables	451	650
Operating income of the period	633	615
Financial income	21	0

NOTE 13. - Links between financial and non-financial information

PHARMAGEST Group did not make any specific climate commitments for 2021.

PHARMAGEST Group, under the impetus of LA COOPERATIVE WELCOOP and assisted by a specialised firm, initiated in late 2021, with the goal of establishing work groups in early 2022, the development of a CSR approach for each of the Group's activities to define a business model, the priorities and a materiality matrix for these activities and, in this way enabling them to define their own objectives (and key indicators) in line with the UN's Sustainable Development Goals (SDGs).

This approach will contribute to establishing the relevance and commitment of the different stakeholders with respect to the Group’s diverse range of activities. This work is expected to be completed in late 2022.

All the non-financial issues and objectives are identified in Section 21.2.2 - Non-Financial Statement of this Universal Registration Document.

NOTE 14. - Other information

14.1.1. Auditors' fees

Amount in € thousands	BATT AUDIT		DELOITTE & ASSOCIÉS	
	2021	2020	2021	2020
Certification of accounts	**91**	**75**	**48**	**48**
• *For the Issuer*	*44*	*42*	*48*	*48*
• *Subsidiaries*	*47*	*33*	*0*	*0*
Other services	**0**	**0**	**0**	**0**
• *For the Issuer*	*0*	*0*	*0*	*0*
• *Subsidiaries*	*0*	*0*	*0*	*0*
TOTAL	**91**	**75**	**48**	**48**

NOTE 15. - Subsequent events

- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of ADI and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE;
- Completion of a partial asset contribution of PHARMAGEST INTERACTIVE's OffiTag electronic labelling business to its subsidiary ASCA INFORMATIQUE;
- Change in corporate governance: On the proposal of Thierry CHAPUSOT, Chairman of the Board of Directors, the Board of Directors of 25 March 2022 voted and adopted the following appointments. Dominique PAUTRAT, who resigned from his position as CEO of PHARMAGEST Group to become Chairman of the Executive Board of LA COOPÉRATIVE WELCOOP (parent company of PHARMAGEST Group), will be replaced, as of April 23, 2022, by Denis SUPPLISSON, current Deputy CEO and Director of the Europe Pharmacy Solutions Division. Mr. Grégoire DE ROTALIER retains his position as Deputy CEO;
- Project to change PHARMAGEST Group's name to EQUASENS. In conjunction with the Group's proposed name change, we propose to also change the corporate name of PHARMAGEST INTERACTIVE and the names of the divisions:
  - the Europe Pharmacy Solutions Division retains the PHARMAGEST brand,
  - the Health and Social Care Facilities Solutions Division becomes AXIGATE LINK,
  - the health devices activity are grouped under the E-CONNECT Division,
  - the financing activity will remain the FINTECH Division,
  - and finally, a new Division has been created for medical software solutions: MEDICAL SOFT.

  These proposals will be submitted to the vote of the shareholders at the Extraordinary General Meeting of 6 May 2022.

18.1.7. Age of latest financial information

The last financial year for which financial information was audited was 2021, ending on 31 December 2021.

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 (fiscal year ended 31 December 2021)

This is an unsigned 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 2021.

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 2021 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 €90,696 thousand (or 38% 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.

We attest that the non-financial statement required by Article L. 225-102-1 of the French Commercial Code is included in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of said Code, we have not verified the fair presentation and the consistency with the annual financial statements of the information contained therein which should be reported on by an independent assurance services provider.

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.

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 2021, Deloitte & Associés was in the fifth consecutive year and Batt Audit in the twentieth 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 annual 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 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, 28 April 2022

The Statutory Auditors

[French original signed by:]

Batt Audit	**Deloitte & Associés**
Isabelle SAGOT	Constance HAON

18.3.1.2. Statutory auditors' report on the consolidated financial statements (fiscal year ended 31 December 2021)

This is an unsigned 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, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the results of the operations of the Group for the year then ended and of its financial position and its assets and liabilities as at December 31, 2021 in accordance with International Financial Reporting Standards (IFRS) 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 2021 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 €68,726 thousand (of which €2,178 thousand in progress) and a net amortisation value of €32,680 thousand at 31 December 2021, 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 2021;
- 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 €84,208 thousand at 31 December 2021), as specified in notes 3.1 and 3.4.1 to the consolidated financial statements. Impairment tests conducted by the company for the year ended 31 December 2020 led the company to record 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 2021, Deloitte & Associés was in the fifth consecutive year and Batt Audit in the twentieth 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 and, where applicable, the internal audit, regarding the 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, 28 April 2022

The Statutory Auditors

[French original signed by:]

Batt Audit	**Deloitte & Associés**
Isabelle SAGOT	Constance HAON

18.3.2. Other information subject to an audit by the statutory auditors

Statutory auditors' special report on regulated agreements and commitments

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

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 MARQUE VERTE SANTE;
Financial advance

Related parties:

- Thierry CHAPUSOT, Chair of the Board of Directors of PHARMAGEST INTERACTIVE and Chair of the Executive Board of MARQUE VERTE SANTÉ;
- Dominique PAUTRAT, Chief Executive Officer and Director of PHARMAGEST INTERACTIVE and member of the Executive Board of MARQUE VERTE SANTÉ;
- Anne LHOTE, Director of PHARMAGEST INTERACTIVE and member of the Executive Board of MARQUE VERTE SANTÉ;
- Daniel ANTOINE, Director of PHARMAGEST INTERACTIVE and permanent representative of LA COOPERATIVE WELCOOP on the Supervisory Board of MARQUE VERTE SANTE;
- Hugues MOREAUX, Board representative of LA COOPERATIVE WELCOOP on the PHARMAGEST INTERACTIVE Board of Directors and Chairman of the Supervisory Board of MARQUE VERTE SANTÉ.

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:

The Board of Directors' meeting of 26 March 2021 justified the benefits of this agreement for PHARMAGEST INTERACTIVE by the level of interest paid on this advance, which remains advantageous in relation to the return provided by financial institutions on risk-free cash investments, and by MARQUE VERTE SANTÉ's binding commitment to reimburse the financial advance, in full or in part, upon simple request of PHARMAGEST INTERACTIVE, within a maximum period of three months from said request.

Board decision following review

The Board of Directors, meeting on December 3, 2021, having noted that the conditions of execution of the current account advances agreement remained in compliance with the Board's decision and was still in the Company's interest, approved the agreement's continuation.

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 Mr. Denis SUPPLISSON
Amendment to Mr. Denis SUPPLISSON's employment contract

Related parties:

- Mr. Denis SUPPLISSON, Chief Executive Officer and Director since April 23, 2022, previously Deputy Chief Executive Officer.

Nature and purpose

On March 25, 2022, the Board of Directors authorized the execution of an amendment to Mr. Denis SUPPLISSON's employment contract. Mr. SUPPLISSON will assume the position of Business Development Officer as of May 1, 2022; his fixed annual gross compensation will be increased to €198,000 and the gross variable annual portion of his compensation to €60,000.

Terms and conditions

Performance criteria:

- up to 85% (based on the benchmark constituted by internal reporting to 99.02 standards):
  Based on the budget target for earnings before tax (EBT) for PHARMAGEST Group (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 the Group;
- and up to 15%:
  Contingent on achieving the objective to analyse the equality and diversity policy within the company and its subsidiaries and implement all corrective measures to ensure gender balance and equity at each hierarchical level of the company and its subsidiaries, in the R&D and Training and Consultancy departments of PHARMAGEST Group.

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, Denis SUPPLISSON and Grégoire DE ROTALIE
Grant of stock options for PHARMAGEST INTERACTIVE shares

Related parties:

- Dominique PAUTRAT, Chief Executive Officer and Director, 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.

Board decision following review

The Board of Directors' meeting of 3 December 2021 noted that the above agreement remained in force in 2021 in accordance with the decisions adopted. Thereafter, in the company's interest, the Board unanimously approved the continuation of the stock option agreement.

Nancy, 28 April 2022

The Statutory Auditors

[French original signed by:]

Batt Audit	**Deloitte & Associés**
Isabelle SAGOT	Constance HAON

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 28 June 2022 will be asked to approve a dividend distribution of €1.05 per share.

18.5.2. Amount of the dividend per share

Fiscal years	Dividend per share	Dividend eligible for the 40% allowance (paid to individuals)	Dividend not eligible for the 40% allowance (paid to legal entities)
31/12/2018	€0.85	€0.85	€0.85
31/12/2019	€0.90	€0.90	€0.90
31/12/2020	€0.95	€0.95	€0.95

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 2021 amounted to €6,259 thousand and included:

The provision for retirement severance payments	€5,647 thousand
Provisions for litigation	€612 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 2021, 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 2021, PHARMAGEST INTERACTIVE had a free float (shares held by public investors) of 4,907,862 shares compared to 4,179,909 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 2021 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 2021, 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 the 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.

In accordance with Rule 6902/1 of Book 1 of the Market Rules, EURONEXT Paris publishes each year the list of securities transferred to a different market capitalization compartment. On that basis, following notice PAR_20210125_01985_EUR from EURONEXT Paris dated January 25, 2021, PHARMAGEST INTERACTIVE's shares were transferred to compartment A after its market capitalization on December 31, 2020 increased to €1.426 billion (based on a market price of €94.00 at the close of trading). Compartment A covers listed companies with a market capitalisation above €1 billion.

There have been no changes to the share capital since market listing.

Share price trends since April 2021

Month	Low (in €)	High (in €)	Trading volume (number of shares)	Trading volume (in €)
April 2021	95.40	103.60	242,272	24,121,275
May 2021	88.50	99.80	287,281	26,438,171
Jun. 2021	87.20	96.40	272,397	25,232,612
July 2021	88.50	95.10	142,634	13,215,750
August 2021	91.30	96.50	195,737	18,485,994
September 2021	92.60	102.20	189,358	18,435,233
October 2021	91.30	98.70	135,461	12,938,021
November 2021	82.80	103.00	240,558	22,315,802
December 2021	83.30	94.70	149,756	13,076,509
January 2022	76.40	94.80	156,385	13,243,188
February 2022	67.60	83.20	157,076	11,968,150
March 2022	67.00	86.60	168,128	13,052,583

(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.
The rights and obligations attached to the shares remain attached thereto irrespective of the transferee.
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 nine 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: TECHNOPÔLE 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 28 JUNE 2022

Dear Shareholders,

Pursuant to applicable law and regulations, this General Meeting is held today for the purpose of asking you to approve the separate annual and consolidated financial statements and the appropriation of earnings for the financial year ended on 31 December 2021, approved by the Board of Directors at its meeting of 25 March 2022.

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

1.1.1. 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.

1.1.2. Fully consolidated companies

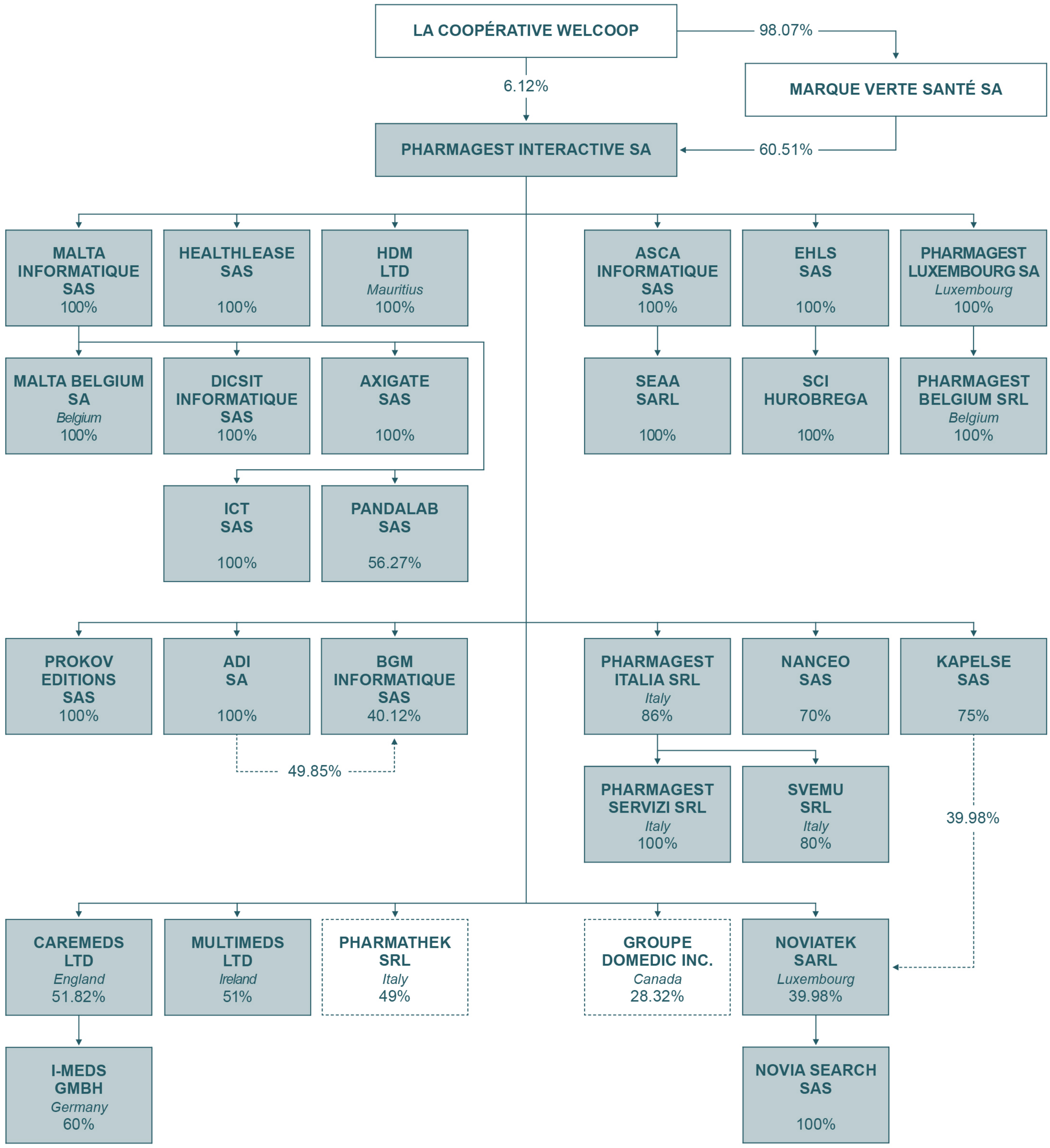
Company	Registered office	Controlling interest (%)	Ownership interest (%)
PHARMAGEST INTERACTIVE	Villers-lès-Nancy (54)	Consolidating company	
ADI	Saclay (91)	100	100
ASCA INFORMATIQUE	Chessy (77)	100	100
AXIGATE	Paris (75)	100	100
BGM INFORMATIQUE	Chessy (77)	89.97	89.97
CAREMEDS	Eastleigh (England)	51.82	51.82
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	Charleroi (Belgium)	100	100
MALTA INFORMATIQUE	Mérignac (33)	100	100
MULTIMEDS	Wicklow (Ireland)	51	51
NANCEO	Paris (75)	70	70
NOVIA SEARCH	Villers-lès-Nancy (54)	100	67.97
NOVIATEK	Bascharage (Luxembourg)	79.97	67.97
PANDALAB	Nancy (54)	56.27	56.27
PHARMAGEST BELGIUM	Gosselies (Belgium)	100	100
PHARMAGEST ITALIA	Macerata (Italy)	86	86
PHARMAGEST LUXEMBOURG	Bascharage (Luxembourg)	100	100
PHARMAGEST SERVIZI	Bologna (Italy)	100	100
PROKOV EDITIONS	Nancy (54)	100	100
SCI HUROBREGA	Quéven (56)	100	100
SEAA	Chessy (77)	100	100
SVEMU INFORMATICA FARMACEUTICA	San Marco dei Cavoti (Italy)	80	66

1.1.3. Equity-accounted subsidiaries

Companies	Location of registration or incorporation	Controlling interest (%)	Ownership interest (%)
DOMEDIC GROUP	Québec (Canada)	28.32	28.32
PHARMATHEK	Verona (Italy)	49.00	49.00

1.1.4. PHARMAGEST Group Organisation Chart

As at the end of the financial year (31 December 2021), PHARMAGEST Group's organisation chart was as follows:



White background: Parent companies;
Grey 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.

1.1.5. Changes in consolidation scope in 2021

- 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 by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of ADI, increasing its shareholding to 100%;
- Creation of PHARMAGEST SERVIZI, an Italian company and wholly-owned subsidiary of PHARMAGEST ITALIA, a wholesale distributor of hardware and software and provider of IT services, IT consulting and computer repairs;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of a minority shareholder PHARMAGEST ITALIA, increasing its shareholding from 82.5% to 86%;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of SAILENDRA, increasing its shareholding to 100%;
- PHARMAGEST INTERACTIVE purchased the shares of BGM INFORMATIQUE’s founders, followed by a partial contribution of assets from ADI to BGM INFORMATIQUE, thus increasing its overall shareholding (direct and indirect) to 89.97%;
- PHARMAGEST INTERACTIVE acquired PROKOV EDITIONS, a French independent software vendor specialized in applications for physicians;
- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of SAILENDRA and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE.

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 2021

Description of the PHARMAGEST Group's businesses

PHARMAGEST Group's primary activity is the development of innovative software solutions for healthcare professionals and their patients and their distribution as "turnkey" IT 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:**
  - The distribution of new generation software solutions for healthcare professionals and facilities for dependent seniors, in-home nursing services, hospitals and office-based private practitioners;
  - After sales services: hotline support and maintenance;
  - Distribution of IT equipment, turnkey installation and training;
  - Instant messaging.

- **Fintech Division:**
  - Provision of a financing platform to facilitate the management of multiple lessors.

As of 2022, PHARMAGEST Group has a new Division. Like PROKOV EDITIONS' activities, the **Medical Soft** Division will concentrate on medical software, and in this way complementing the offerings of the Group's other Divisions.

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	2021	2020	Change
Sales of configurations and hardware	90,880	76,494	18.81%
Maintenance and sale of databases	66,595	64,270	3.62%
Training and new product services	33,255	28,969	14.80%
Other services	2,339	2,021	15.73%
Total revenue	**193,069**	**171,754**	**12.41%**
Current operating income	50,449	46,649	8.15%
Profit/(loss) from continuing operations	41,150	32,666	25.97%
Net profit	41,150	32,666	25.97%
Net profit attributable to equity holders of the parent	39,119	30,714	27.36%
Basic earnings per share attributable to equity holders of the parent (in €)	**2.60**	**2.04**	**27.78%**

On an IFRS basis, consolidated revenue for fiscal 2021 rose 12.41% year-on-year. Gross sales came to €156,181 thousand in 2021, up from €139,517 thousand in 2020.

Material software maintenance and the renewal of the installed base of equipment under contract account for approximately 61% of PHARMAGEST Group revenue. These activities represent significant indicators for annual revenue.

Operating expenses (staff costs + general expenses + taxes) amounted to €93,985 thousand. Up 11.17% in relation to 2020, this development reflects mainly the increase in staff costs (+12.86% mainly due to the increase in the number of employees over the period), changes in the scope of consolidation and the decrease in "Taxes" reflecting the reduction in the “CVAE” business tax under the French 2021 Finance Act.

Current operating income was up in consequence 8.15% to €50,449 thousand from the previous year.

Net financial income amounted to €1,586 thousand based on €921 thousand in financial income, €589 thousand in financial expenses and €1,253 thousand in other financial income and expenses, including €1,031 thousand related to the fair value adjustment of financial investments.

Consolidated net profit amounted to €41,150 thousand with €39,119 thousand attributable to equity holders of the parent and €2,031 thousand attributable to non-controlling interests. The increase in net profit attributable to equity holders of the parent was 27.36%.

During fiscal 2021, PHARMAGEST Group registered growth in net cash flows of €1,590 thousand after the purchase of treasury shares for €5,156 thousand and €47,516 thousand in cash flow from operating activities (under IFRS).

The Group has a very solid financial structure. At year-end, shareholders’ equity stood at €159,005 thousand (attributable to equity holders of the parent) compared to €143,257 thousand at 31 December 2020. Net cash (i.e. available-for-sale securities, other financial assets cash and cash equivalents minus short-term and long-term facilities) amounted to €27,549 thousand. Cash net of current financial liabilities totalled €44,118 thousand.

PHARMAGEST INTERACTIVE (separate financial statements)

Amounts – In € thousands	2021	2020	Change
Sales of configurations and hardware	62,370	58,291	7.00%
Maintenance and sale of databases	33,545	33,188	1.08%
Training and new product services	10,376	9,702	6.95%
Other services	2,339	2,021	15.73%
Total revenue	**108,631**	**103,202**	**5.26%**
Operating profit	24,359	22,556	7.99%
Net profit	27,665	18,092	52.91%

Main subsidiaries (separate financial statements)

In € thousands	Revenues	Operating profit	Operating income before tax	Net profit
HEALTHLEASE	46,652	2,729	2,732	2,007
EHLS	28,690	1,443	1,658	1,163
ASCA INFORMATIQUE	15,473	4,432	4,434	3,235
KAPELSE	14,600	7,111	7,114	5,397
MALTA INFORMATIQUE	11,047	4,861	4,917	3,653

Branch offices

PHARMAGEST Group’s activities are exercised at 48 sites. PHARMAGEST INTERACTIVE's operations are conducted at its principal place of business in VILLERS-LÈS-NANCY and its 25 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 2021, the total amount capitalised under this standard for projects expected to contribute revenue from the sale of products and services in the future is:

- €3,233 thousand capitalised in the separate financial statements of AXIGATE, KAPELSE, NANCEO, NOVIATEK, PANDALAB and ICT;
- €2,296 thousand restated according to IAS 38 for PHARMAGEST INTERACTIVE, CAREMEDS, DICSIT INFORMATIQUE, MALTA INFORMATIQUE, PHARMAGEST ITALIA, MALTA BELGIUM and PROKOV EDITIONS.

Annual highlights

Launch of a COVID vaccination appointment service

PHARMAGEST Group anticipated in February the governmental decision authorizing pharmacists to administer vaccines. On that basis, the Group provided pharmacists the pandaLAB agenda application, a free service integrated into the LGPI pharmacy software suite to manage COVID vaccination appointments.

At the same time, for patients: the Group rolled out pandaLAB Ma santé, a free pharmacy vaccination appointment app for both iPhones and android smartphones starting the 1st March 2021.

Strengthening the distribution network in Ile-de-France greater Paris region

PHARMAGEST Group becomes the sole shareholder of ADI (*Applications et Développements Informatiques*), in which it previously held 50% of the capital. This acquisition enables the Group to control its historic distributor in Ile-de-France for more than 30 years.

PHARMAGEST Group also purchased the shares of BGM INFORMATIQUE's founders and completed a partial contribution of assets from its subsidiary ADI, thus increasing its direct and indirect shareholding (through ADI) to 89.97%.

Following these acquisitions, in order to rationalise, harmonise and optimise PHARMAGEST INTERACTIVE's commercial representation, and in view of BGM INFORMATIQUE's performance in marketing PHARMAGEST INTERACTIVE's software and hardware, effective 1 January 2022, BGM INFORMATIQUE was entrusted with exclusive responsibility for monitoring ADI's installed base (approximately 900 customers).

Strategic partnership between ELSAN and PHARMAGEST Group to develop relations with private practice healthcare professionals through the health sector instant messaging application, pandaLAB Pro

ELSAN, a leading private healthcare operator in France caring for 2 million patients each year at its 120 private clinics and hospitals, and PHARMAGEST Group, the majority shareholder of PANDALAB, entered into a strategic partnership to optimize interactions and information flows between hospital and private practice office-based healthcare professionals.

PANDALAB makes its secure instant health messaging system, pandaLAB Pro, available to ELSAN's 120 private clinics and hospitals. This strategic partnership will accelerate PANDALAB's deployment in France and contribute the Health and Social Care Facilities Solutions Division's goal of establishing pandaLAB Pro as a key tool for communications between all healthcare professionals, whether in private practice, social care establishments or hospitals in France and in Europe.

To solidify this partnership, ELSAN, acquired a minority stake in the start-up, joining its founders and PHARMAGEST Group, the reference shareholder, which holds a 56.27% stake through its subsidiary MALTA INFORMATIQUE.

PROKOV EDITIONS: Pharmagest Group expands its scope to include medical software

PHARMAGEST Group expands its market coverage to general practitioners and specialists by acquiring 100% of the capital of the French software publisher PROKOV EDITIONS.

PROKOV EDITIONS is the leading publisher of medical software for Mac, iPhone and iPad operating systems, and France's third largest ISV of applications for physicians. With an installed base of 13,000 GPs and specialists, it is the French medical software market leader.

The acquisition of PROKOV EDITIONS completes the PHARMAGEST Group's range of healthcare software solutions for healthcare professionals and strengthens its position as a key player in the digital healthcare sector. Reflecting the Group's strategy for increasing patient pathway efficiencies, this acquisition effectively completes the service offering of its Digital Health Platform. It will in addition create synergies between all software in its ecosystem and greatly facilitate ease-of-use for healthcare professionals. The addition of this new business area will result in the creation in 2022 in a new division that will group together all medical software business applications.

New executive management team

PHARMAGEST Group announced that Dominique PAUTRAT will step down as Chief Executive Officer of PHARMAGEST Group, to become Chairman of the Executive Board of LA COOPÉRATIVE WELCOOP, Pharmagest Group's parent company, as of 22 April 2022. He will continue to serve as a Director on PHARMAGEST INTERACTIVE's Board of Directors. On 3 December 2021, Mr. Thierry CHAPUSOT, Chairman of the Board of Directors, presented proposals for the following appointments:

- Denis SUPPLISSON, current deputy CEO and Manager of the Europe Pharmacy Solutions Division, to become the PHARMAGEST Group's Chief Executive Officer, replacing Dominique PAUTRAT, with effect from 22 April 2022.
- Jean-Michel MONIN, the current Manager of the France Pharmacy Business Unit, to replace Denis SUPPLISSON as Manager of the Europe Pharmacy Solutions Division as of 1 May 2022.
- Damien VALICON joined PHARMAGEST Group on 10 January 2022, replacing Jean-Michel MONIN as Manager of the French Pharmacy Business Unit.

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*				88
Amount of invoices concerned incl. VAT	135,586	3,702	6,540	0	145,828
Percentage of the total purchases of the period incl. VAT	0.22%	0.01%	0.01%	0%	0.24%
Percentage of revenue of the period	*Not applicable*				
(B) Invoices excluded from (A) relating to disputed or unrecognised payables					
Number of invoices excluded	31				
Total amount of invoices excluded with VAT included	231,106				
(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*				7,449
Amount of invoices concerned incl. VAT	3,386,112	844,427	198,499	407,511	4,836,549
Percentage of total purchases of the period	*Not applicable*				
Percentage of revenue of the period	2.61%	0.65%	0.15%	0.31%	3.73%
(B) Invoices excluded from (A) relating to disputed or unrecognised receivables					
Number of invoices excluded	901				
Total amount of invoices excluded with VAT included	147,620				
(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 & ASSOCIÉS			
	Amount (before tax)		%		Amount (before tax)		%	
	2021	2020	2021	2020	2021	2020	2021	2020
Statutory auditing								
• PHARMAGEST INTERACTIVE	44,000	42,000	48%	56%	48,000	48,000	100%	100%
• Consolidated subsidiaries	47,400	32,650	52%	44%	0	0	0%	0%
Other audit-related services	0	0	0%	0%	0	0	0%	0%
Subtotal	**91,400**	**74,650**	**100%**	**100%**	**48,000**	**48,000**	**100%**	**100%**
Other services rendered by members of the auditor's network to fully consolidated subsidiaries	0	0	0%	0%	0	0	0%	0%
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**	**0**	**0%**	**0%**
TOTAL	**91,400**	**74,650**	**100%**	**100%**	**48,000**	**48,000**	**100%**	**100%**

1.3. Subsequent events

The main subsequent events occurring after the end of the 2021 reporting period were as follows:

- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of ADI and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE;
- Completion of a partial asset contribution of PHARMAGEST INTERACTIVE's OffiTag electronic labelling business to its subsidiary ASCA INFORMATIQUE;
- Change in corporate governance: On the proposal of Thierry CHAPUSOT, Chairman of the Board of Directors, the Board of Directors of 25 March 2022 voted and adopted the following appointments. Dominique PAUTRAT, who resigned from his position as CEO of PHARMAGEST Group to become Chairman of the Executive Board of LA COOPÉRATIVE WELCOOP (parent company of PHARMAGEST Group), will be replaced, as of April 23, 2022, by Denis SUPPLISSON, current Deputy CEO and Director of the Europe Pharmacy Solutions Division. Mr. Grégoire DE ROTALIER retains his position as Deputy CEO;
- Project to change PHARMAGEST Group's name to EQUASENS. In conjunction with the Group's proposed name change, we propose to also change the corporate name of PHARMAGEST INTERACTIVE and the names of the divisions:
  - the Europe Pharmacy Solutions Division retains the PHARMAGEST brand,
  - the Health and Social Care Facilities Solutions Division becomes AXIGATE LINK,
  - the health devices activity are grouped under the E-CONNECT Division,
  - the financing activity will remain the FINTECH Division,
  - and finally, a new Division has been created for medical software solutions: MEDICAL SOFT.

  These proposals will be submitted to the vote of the shareholders at the Extraordinary General Meeting of 6 May 2022.

1.4. Outlook and strategic guidelines set by the Board of Directors

PHARMAGEST Group maintained its patient-centred strategy in 2021 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 the e-Ordo Digital Health Platform 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.

PHARMAGEST Group will continue in 2022 to both deploy its patient-centred strategy and support pharmacists' in exercising their mission as healthcare coordinator. Examples include:

- Commercial offers related to the *Ségur de la Santé* French healthcare system reform aimed at sharing medical data in order to improve scientific research and patient care, while ensuring optimal data protection and security.
- Marketing innovative new management and cyber security solutions for healthcare professionals.

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 “Citizens in the Service of 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. Based on its extensive offering of software solutions for pharmacies, Hospital-at-Home programmes, in-home nursing care, multidisciplinary group practices and territorial health professional communities, hospitals and French regional hospital groups 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	• 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	• 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	• 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	• Administration and Finance.
Risk review	• 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 risks 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 (CSR) 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 2021.

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 2021, 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 tools for financial and trade receivables risk management in the subsidiaries;
- Review of intra-group agreements;
- Evaluation and management of the risks of newly consolidated or newly formed companies;
- Strengthening measures to combat corruption (the "Sapin II" law);
- Implementation of internal audits for ISO 27001 certification.

In 2022, 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 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.

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 related to computer data security (information systems and networks) could result in the loss or alteration of data, the unavailability of data or the disclosure of confidential or erroneous information and 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.
- Risks of shortages or stock-outs that could lead to price increases and a decline in Group business.

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, ISO 18295-1, 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 2021, authorised the Board of Directors to trade in the Company's own shares, in accordance with Articles L. 22-10-62 et seq. of the French Commercial Code and statute and regulations in force at the time of the transaction.

This authorisation was granted for a maximum of eighteen months starting on 29 June 2021 until 28 December 2022.

At 31 December 2021, own shares held by PHARMAGEST INTERACTIVE directly or indirectly broke down as follows:

- 1,590 under a liquidity contract;
- 33,233 under a stock option plan;
- 119,585 under share buyback programmes;

or a total of 154,408 shares representing 1.02% of the current share capital.

In 2021, under this liquidity agreement, 90,196 shares were purchased for an average share price of €97.24, and 90,305 shares were sold for an average price of €97.60.

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 2021 for the period from 1 April 2021 to 31 March 2022.

Transactions under this programme for the period from 31 March 2022 to April 1, 2021 broke down as follows:

- Purchases: 84,417 shares at an average price of €90.35;
- Sales: 86,121 shares at an average price of €90.77.

At 31 March 2022, the company held 171,650 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. and L.22-10-59 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 2021, to enter into effect on 28 June 2022. 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 27 December 2023.

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 2021

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%

PHARMAGEST INTERACTIVE does not hold any PHARMAGEST INTERACTIVE shares (apart from own 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

In application of article 223-26 of the AMF's General Regulation, it is specified that during the past fiscal year, SC DE L'ERMITAGE SAINT JOSEPH, owned mainly by Mr. Thierry CHAPUSOT, sold all of its shares in PHARMAGEST INTERACTIVE as provided for in article L. 621-18-2 of the Monetary and Financial Code. This transaction was reported to the AMF (letter received on 19/02/2021).

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 2021 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 2021, 10,873 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

PHARMAGEST INTERACTIVE's Extraordinary General Meeting of 25 September 2020 authorized the Board of Directors to establish a stock option plan within PHARMAGEST INTERACTIVE and/or its subsidiaries (i.e., those in which at least 50% of the capital or voting rights are held, directly or indirectly, by PHARMAGEST INTERACTIVE), in accordance with 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 fiscal 2020, 45,000 purchase options 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 2021, PHARMAGEST INTERACTIVE incurred €122,569 in expenses non-deductible from income tax under Article 39-4 of said Code and resulting in a tax of €32,480.

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 (€)	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
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
• *By conversion of bonds*	*0*	*0*	*0*	*0*	*0*
• *By exercising subscription rights*	*0*	*0*	*0*	*0*	*0*
Revenue excluding VAT	**108,630,561**	**103,202,187**	**102,926,290**	**97,740,759**	**91,422,775**
Income before tax, employee participation and allowances	35,618,945	30,617,861	26,773,334	25,657,777	23,347,042
Income tax expense	3,024,342	5,960,943	6,690,214	5,831,882	5,517,520
Employee profit-sharing	2,362,528	2,094,436	2,053,722	1,517,497	1,694,523
Earnings after tax, employee profit-sharing and provisions	27,664,737	18,092,063	17,953,104	16,683,081	13,920,141
Distribution of earnings decided by the General Meeting (1)	15,932,831	14,415,419	13,656,713	12,898,006	11,380,593
Earnings per share after tax and before provisions	2.00	1.49	1.19	1.20	1.06
Earnings per share after tax and provisions	1.82	1.19	1.18	1.10	0.92
Dividend per share (1)	1.05	0.95	0.90	0.85	0.75
Average workforce for the financial year	776	754	738	709	672
Total payroll	30,345,269	28,455,950	28,151,569	26,990,379	24,237,655
Social security contributions and benefits	14,654,833	13,561,351	13,085,233	13,039,797	11,418,753

(1) Proposal to the AGM of 28 June 2022 for the financial year ended on 31 December 2021.

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 €27,664,736.90 as follows:

Profit of the period	€27,664,736.90
Retained earnings	€62,669,971.15
Amount available to shareholders	**€90,334,708.05**
Dividend (€1.05 per share)	**€15,932,831.25**
The balance: is appropriated to "retained earnings"	€74,401,876.80

Shareholders' equity, including investments grants net of amortisation, stood at €97,974,891.25.

The dividend will have a payment date of 4 July 2022 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:

Fiscal years	Dividend per share	Dividend eligible for the 40% allowance (paid to individuals)	Dividend not eligible for the 40% allowance (paid to legal entities)
31/12/2018	€0.85	€0.85	€0.85
31/12/2019	€0.90	€0.90	€0.90
31/12/2020	€0.95	€0.95	€0.95

7. Other matters presented to the General Meeting

7.1. Information on directorships

For information, no Directors' terms of office are due to expire.

7.2. Regulated agreements

We inform you that two new agreements were entered into and one regulated agreement previously authorised and approved remained in force in 2021.

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 €82,000 for fiscal 2022.

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. 225-37 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: TECHNOPÔLE 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 28 JUNE 2022

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 2021 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.

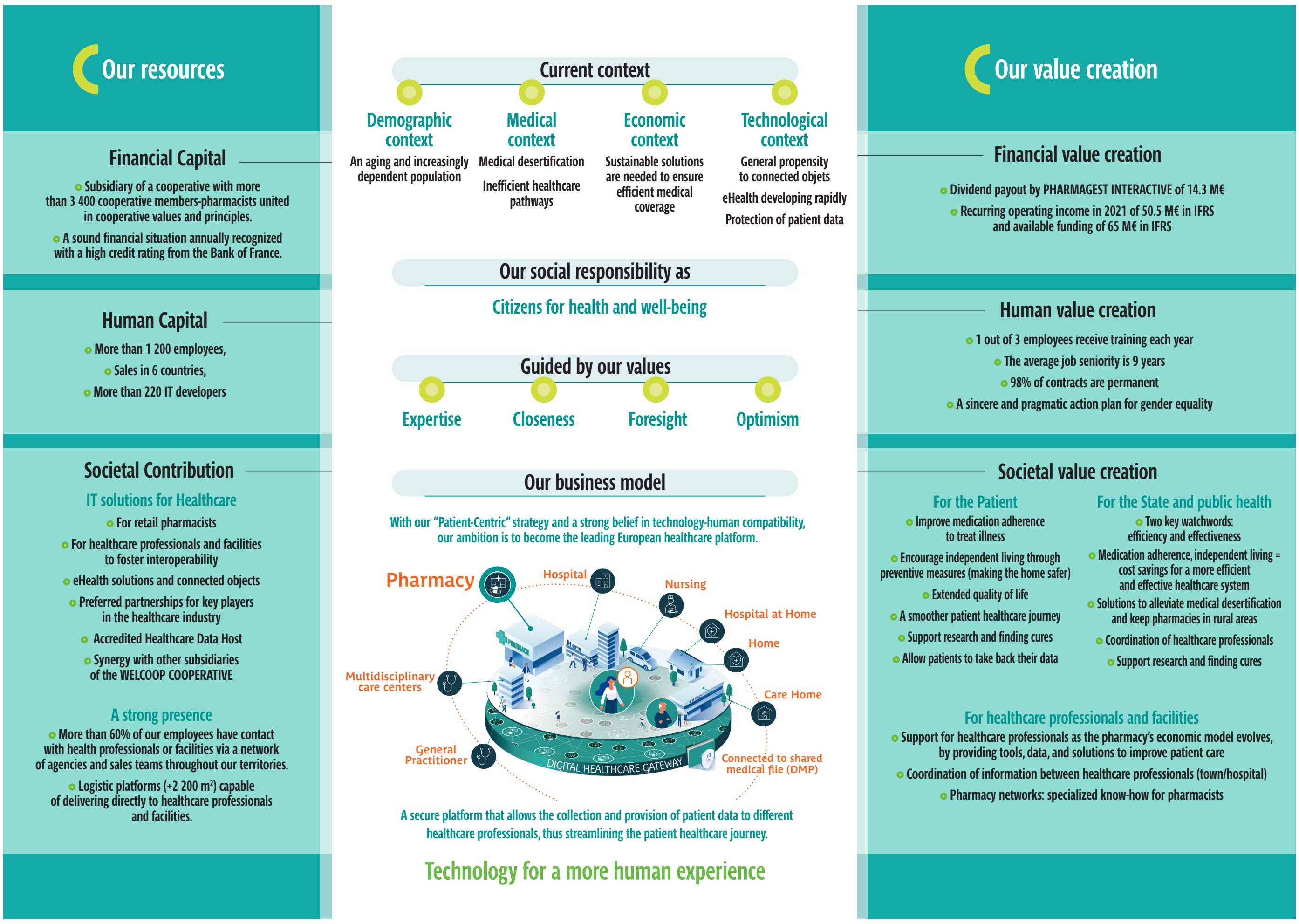
The Non-Financial Statement was audited by an Independent Third Party, which issued a report (attached) that includes a certificate of completeness and a substantiated opinion on the fair presentation of the information.

PHARMAGEST Group, under the impetus of LA COOPERATIVE WELCOOP and assisted by a specialised firm, initiated in late 2021, with the goal of establishing work groups in early 2022, the development of a CSR approach for each of the Group's activities to define a business model, the priorities and a materiality matrix for these activities and, in this way enabling them to define their own objectives (and key indicators) in line with the UN's Sustainable Development Goals (SDGs).

This approach will contribute to establishing the relevance and commitment of the different stakeholders with respect to the diverse range of the cooperative's activities.

This work is expected to be completed in late 2022.

1. Background and business model



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
Loss of attractiveness	Increase and turnover and loss of key competencies	• Attracting talent and reinforcing skills • Being a responsible employer
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	• Minimising Greenhouse Gas Emissions and reducing energy consumption • Promoting the circular economy and recycling • Protecting data of the company's customers and patients • 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 • 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

3. Our non-financial objectives and indicators

3.1. Employment: innovation driving our development

LA COOPERATIVE WELCOOP's employees, cooperative members and pharmacy owners 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 of its position within an alternative business model successfully balancing economic and human values, the PHARMAGEST 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 motivated by a genuine desire to serve the greater good.

For that reason, human capital represents the PHARMAGEST Group's greatest asset and a key contributor 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

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 this way, in 2021, the PHARMAGEST Group received 75 CVs resulting in 17 recruitments, compared to 67 CVs received in 2020 for 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 (via LinkedIn, Facebook and Instagram). These communication initiatives focus on five main areas:

- the promotion of its corporate culture;
- the promotion of its employees, different business lines and 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 health crisis and the difficulties encountered by some candidates);
- its presence at student forums;
- the publication of its 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 goal is above all to offer them meaningful, varied and career-building assignments and projects. Guided by engaged "mentors" at their side, the aim is to offer them, at most, a job at the end of their training period.

In 2021, the "internships and work-study" policy was further reinforced by a dedicated team. It should be noted that in response to the health crisis the formats of student forums in 2021 shifted to virtual fairs, though this did not limit the Group’s 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.

For example, the Group participates in HACKATHONS, during which development teams from all over the world work on a programming topic over a limited period of time. As an example, at the Google Hash Code 2021 programming competition, a PHARMAGEST INTERACTIVE development team was ranked 72nd in France and 820th in the world (out of more than 9,000 teams). These events provide opportunities to promote the considerable expertise of the Group’s development teams.

It should be noted that the 2021 health crisis led to the postponement or cancellation of some events.

Offering 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 develop 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: increasing the team leadership skills of existing managers, supporting new managers as they assume their responsibilities through the acquisition of managerial and communication techniques;
- 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, integrating 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, professional certifications;
- Workplace quality and safety: supporting the deployment of the continuous improvement plans in the areas of quality and safety (OHS training – GDPR – ISSO project);
- Recognition and promotion of skills transfer initiatives: classroom training, remote training, e-learning, development of learning communities, tutoring, webinars, etc.;
- Developing cross-functional skills such as managing priorities, time management, stress management and communication through training and individual or group coaching.

Skills development initiatives are based on a variety of schemes, including:

- Off-the-job training focused mainly on developing employee skills in the areas of management, sales techniques, IT development and security (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	Year	Number of employees trained	Total training hours	*Of which internal training*	*Of which external training*
PHARMAGEST Group	2021	*330*	*5,613*	*2,664*	*2,949*
	2020	*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):

- 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 highlights the Group's strategy and culture and enables managers to provide information about their own respective areas of intervention and, in so doing, provides 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 for space reserved for a gym for employees. 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. After beginning classes in October 2020, activities were halted, due to the health situation.

Despite this, the Group continued to offer activities for all employees, including distance learning sports courses, sports challenges (including a race with French walking champion Yohan DINIZ), and workshops on body movements and postures, sophrology, nutrition, etc., in collaboration with the Human Resources and Communication Department. Finally, indoor sports activities were able to resume starting in September 2021.

In addition, the WELSPORT association, affiliated with the French Federation of Workplace Sports Activities (*Fédération Française du Sport d'Entreprise* or FFSE), is planning to build on the momentum developed during the health crisis and extend it to all the Group's employees.

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.

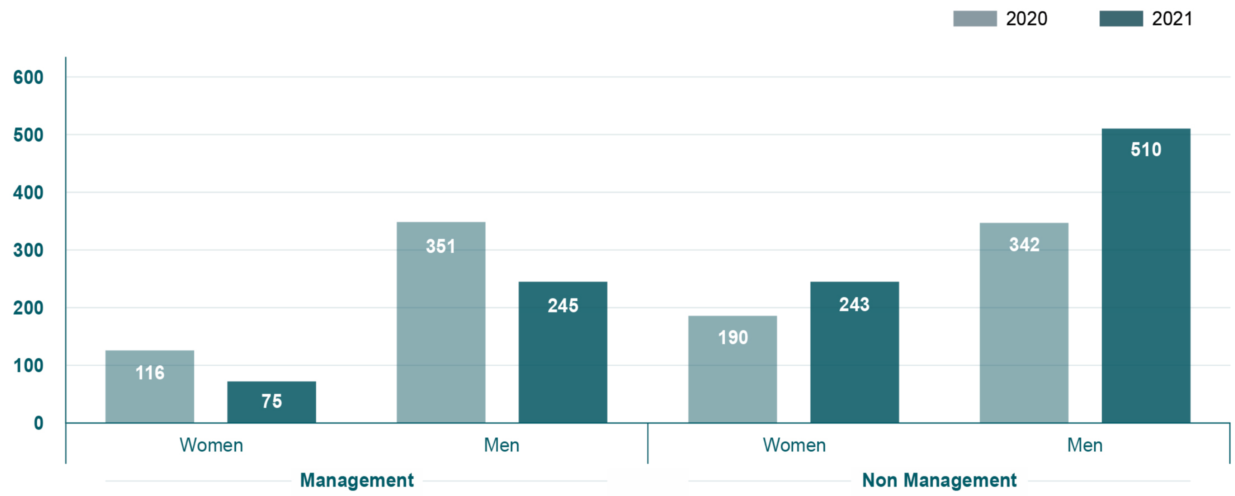
As part of this policy, since 2015 PHARMAGEST Group has been constantly improving its Occupational Health and Safety Management System.

To support this policy, a security steering committee meets quarterly. 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 2021, PHARMAGEST Group had ***1,204*** employees (***1,190*** on a Full-Time Equivalent basis - FTE), compared with 1,121 employees (1,099 on a FTE basis) in 2020.

For PHARMAGEST Group's French entities, the workforce is divided between non-management staff (including employees, technicians, supervisors and senior technicians) and management staff.



For foreign companies where the distinction between management and non-management staff is not made, the workforce is comprised of 40 women and 91 men, versus 37 women and 85 men respectively in 2020 (pro forma information).

PHARMAGEST Group has 358 women employees, or 29.73% of the Group's total workforce. The percentage of women remained stable in relation to 343 women (or 30.60% of the total workforce) in 2020. This rate is in line with the standard for the business sector (information technology, research and development).

The professional equality index between women and men is 89/100 in 2021, versus 86/100 in 2020 for the PHARMAGEST Economic and Social Unit (ESU) reporting scope.

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.

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. More broadly, teams in charge of recruitment are trained to combat all forms of discrimination (gender, sexual orientation, religion, ethnicity, social origin, etc.);
  - Ensuring gender balance in recruitment;
  - Promote women's access to positions of responsibility and to historically male-dominated technical professions. When the Group outsources recruitment, it requires recruitment agencies to provide an equal number of CVs for men and women candidates.
- 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 or 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. To this end, in 2021 the Human Resources department initiated analysis to ensure that gaps do not exist between employees in the same department, with each employee being compared individually to his or her peers, based on experience, seniority and performance;
   - Possibilities for neutralising the impact of part-time work 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 (remote working practices, 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 breast milk expression in the workplace and providing a specific room / office for that purpose;
   - Confirming the right to disconnect from digital services;
   - Combating harassment and sexist behaviour in the workplace (providing manager training on the subject, staff awareness-raising initiatives). Whistleblowing procedures were adopted.
- 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-like 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, PHARMAGEST INTERACTIVE, in partnership with the AGEFIPH, and with the support of the Quality of Working Life (QWL) consulting firm, JLO, is engaged in 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, etc. 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.

Since 2020, the Group has included the job constraints in the job descriptions and also the job advertisements (travel, computer monitor work, working hours, handling heavy loads, etc.).

In 2022, 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

PHARMAGEST Group'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:

Type of contract:	Number		Percentage	
	2021	2020	2021	2020
Permanent contracts	1,178	1,104	97.94%	98.48%
Fixed-term contracts	26	17	2.06%	1.52%

In addition, the Group had 11 professional training contracts and apprenticeship contracts, compared with 14 in 2020.

The percentage of employees with permanent contracts is ***98.22%*** for men and ***96.94%*** for women. This rate was **99.36%** for men and **96.50%** for women.

The average length of service of ***9 years*** declined 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.

In 1999, the World Health Organization (WHO) stated during the Ministerial Conference on Health and the Environment that "the environment is the key to better health". It is only natural, therefore, that to create a more sustainable world that fosters better health, PHARMAGEST Group strives to reduce its direct impact on the environment and is increasingly focussed on reducing its indirect impact.

Minimising Greenhouse Gas Emissions and reducing energy consumption

Monitoring and combating the main causes of greenhouse gas emissions (GHGs)

PHARMAGEST Group conducted an initial review of its direct (scope 1) and indirect (scopes 2 and 3) greenhouse gas emissions, integrating upstream and downstream activities into its calculations.

Scopes (1) - In T CO_2eq	2021	2020
Scope 1 - Direct GHG emissions of the company	678	663
Scope 2 - Indirect GHG emissions associated with energy consumption	143	128
Scope 3 - Other indirect emissions (2)	2,004	1,790
Total estimated GHG emissions	**2,826**	**2,581**

(1) The main assumptions and methodologies used for each of the three scopes are explained in the methodology note.
(2) Given the difficulty of determining the total amount of indirect greenhouse gases (scope 3), this information is potentially uncertain.

France accounts for 87% of GHG emission sources, Italy for 4% and Belgium and Luxembourg for 5%.

In line with its CSR approach, PHARMAGEST Group plans to initiate a carbon assessment in 2022 with the assistance of an independent firm.

Greenhouse gas emissions identified originate from the following sources.

Employee mobility

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 ***14.3*** million kilometres travelled in 2021, vehicles represent a significant source of greenhouse gas emissions for the Group. By way of comparison, in 2020 the Group had nearly 540 vehicles which travelled 12.8 million kilometres.

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 CO_2 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.

  However, due to the major difficulties encountered by car manufacturers in 2021, resulting from a shortage of components and significant delays or even stoppages in deliveries, measures associated with this action plan were postponed. In consequence, the first effects of this action plan should only be felt from 2022 onwards.

  PHARMAGEST INTERACTIVE complies with the French Mobility Act which applies to companies with fleets of more than 100 vehicles. The purpose of this law is to promote energy transition and concerns in particular the renewal of vehicles (in terms of flow rather than inventory). The renewable targets of this act are as follows:

  - By 2022, low-emission vehicles must account for 10% of the company's fleet.
  - This figure is destined to increase to 20% by 2024, 35% in 2027 and 50% in 2030.

  Low-emission vehicles weighing less than 3.5 tons include passenger cars and light trucks with carbon dioxide (CO_2) emissions of 60 grams per kilometre or less (electric or plug-in hybrid vehicles). PHARMAGEST INTERACTIVE intends in this way to transition to a greener fleet, starting in 2022, by acquiring electric vehicles or rechargeable hybrids.

- **Use of alternative technologies and solutions to reduce the number of kilometres travelled:**
  - Using in priority the train instead of the plane when the distance permits and more generally using public transport for business trips;
  - 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 employees are based and the site of the Group headquarters, PHARMAGEST Group has adhered to a multi-company mobility plan designed to encourage carpooling and improve public transit.

Building-related energy consumption

Energy consumption associated with the heating and cooling buildings is one of the Group's main indirect sources of greenhouse gas emissions. Also in accordance with French legislation (ELAN Law), PHARMAGEST Group seeks to reduce energy consumption for all buildings of more than 1,000 sq. m. in which it has premises. The reduction targets defined by the law in relative terms are 40% by 2030, 50% by 2040 and 60% by 2050. Targets can also be based on the energy consumption of new buildings in their respective categories.

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;
- Adopting a CSR approach for transport tenders;
- 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.

However, since the beginning of the pandemic, many of these action plans were disrupted by the brutality and the urgent nature of the health crisis, and subsequently the strength of the economic recovery, which had an impact on the availability and choice of transport.

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	2021	2020	2019	Change 2020/2021
Recycled WEEE	*25.85*	*23.25*	*27.72*	*11.22%*

Green taxonomy

Regulatory framework

On 18 January 2020, the European Union (EU) published the European Regulation 2020/852 of June 18, 2020 (the "Taxonomy" Regulation) on the establishment of a framework to facilitate sustainable investment in the EU.

By the end of 2021, only those activities likely to make a substantial contribution to the environmental objectives in relation to the first two objectives of climate change mitigation and adaptation are described. They will be extended to the other four environmental objectives (i.e. sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems) in the course of 2022 with a requirement for operations in 2023.

Annexes I and II of the Climate Delegated Acts provide the definitions of eligible activities, including the corresponding Statistical Classification of Economic Activities in the European Community (NACE) codes, as well as the technical criteria for qualifying them as effectively sustainable. On that basis, activities not meeting these definitions are considered as not defined in this framework (and as such "not eligible").

The requirements for publication of the key performance indicators for fiscal 2021 concern only the "eligibility" of all or part of the PHARMAGEST Group's activities in order to highlight the proportion of its eligible revenue, capital expenditure (CAPEX) and operating expenditure (OPEX) resulting from products and/or services associated with economic activities defined as sustainable in Annexes I & II of the Climate Delegated Acts.

Main assumptions

With regard to the regulatory framework, the PHARMAGEST Group conducted a review of all activities of its Divisions, subsidiary by subsidiary, on the basis of NACE codes and descriptions of eligible activities.

Consequently, PHARMAGEST Group considers that its activities as a software publisher and health data hosting services provider may fall under categories 8.1 "Data processing, hosting and related activities" of Annexes I and II of the Climate Delegated Acts, as well as category 8.2 "Computer programming, consultancy and related activities" of Annex II.

The financial information used for this analysis originates from PHARMAGEST Group's information systems (for monitoring investments and general expenses, consolidation).

Revenue

PHARMAGEST Group includes in its analysis all types of revenue related to its activities as a software publisher and data hosting service provider. This covers the distribution of software and related offers, IT maintenance and software subscriptions, the production of statistical data, as well as the use of financing platforms developed by PHARMAGEST Group to facilitate multi-lessor management. Due to lack of eligibility, revenue from the distribution of computer equipment, installation and user training is excluded.

Under Appendix A of Annex II on adapting to climate change, only those entities that demonstrate that a climate risk and vulnerability assessment has been carried out and an investment plan has been established to implement adaptation solutions that reduce the most significant physical climate risks of the activity may be considered as enabling and included in the eligible revenue. In the absence of such assessment and insofar as the PHARMAGEST Group's revenue is exclusively related to category 8.2 of Annex II (non-enabling and non-eligible), the Group's activities are not concerned and the percentage of eligible revenue is zero.

Capital expenditures (CAPEX)

The CAPEX denominator includes the acquisition of property, plant and equipment (IAS 16) and intangible assets (IAS 38), leases (IFRS 16), and acquisitions related to business combinations (IFRS 3). The total of these investments amounts to €10,424 thousand.

The numerator for eligible investments corresponds to:

- vehicle rental (activity 6.5 - Transport by motorbikes, passenger cars and commercial vehicles) for an amount of €751 thousand;
- new building leases (activity 7.7 - Acquisition and ownership of buildings) for an amount of €2,380 thousand.

On that basis, for 2021, the percentage of eligible CAPEX is 30%.

Operating expenses (OPEX)

The denominator includes uncapitalised direct costs for research and development, building refurbishments, short-term leases, maintenance and repair, and any other direct expenditures for the routine maintenance of property, plant and equipment by the company or by the third party to whom these activities are outsourced that are necessary to keep the assets functioning properly. These costs for the denominator amount to €1,954 thousand.

The Group considers that the latest commitments in terms of expenses from investments prior to the financial year meet the definition of economic activity eligible for the taxonomy (activities 6.5 - Transport by motorbikes, passenger cars and commercial vehicles, 7.3 - Installation, maintenance and repair of energy efficiency equipment). They mainly represent maintenance costs for the Group's vehicle fleet and all Group sites for an amount totalling €1,042 thousand, i.e. approximately 53% of OPEX.

The eligibility ratios for 2021 are not indicative of the alignment ratios to be published for 2022.

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.

Securing the data of the company's clients and their patients

The main network security measures

As a digital company, PHARMAGEST Group collects and holds a large volume of sensitive data.

Intrusions by third parties into the Group's computer systems could adversely affect its operations. For that reason, to protect itself from any form of system disruption, theft or loss of data, exposure to blackmail (ransomware, etc.), reputational damage or commercial prejudice, PHARMAGEST Group has a system based on 3 totally compartmentalised architectures:

- one for its internal needs,
- one for its customer offerings (management activities),
- and one for its customers for the personal health data hosting service.

Each architecture has its own proven security features. Services are hosted on two sites in separate locations and on servers with redundancy.

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.

These risks are monitored monthly by Group Executive Management through a dedicated Cyber Security Committee.

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 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.

RGPD

In response to the challenges of protecting personal data, PHARMAGEST Group has established a data protection compliance system, managed by the DPO (Data Protection Officer). As part of his or her responsibilities, the DPO has access to resources such as specialised lawyers or information provided by the AFCDP, the French Association of Data Protection Officers, of which PHARMAGEST INTERACTIVE is a member.

In addition to ensuring compliance with regulatory requirements, PHARMAGEST Group's data protection approach seeks to ensure that data complaints are effectively handled, guarantee the quality of the processing of these complaints and report incidents of personal data breaches to a relevant supervisory body such as the CNIL in France.

Any person who provides the Group with his or her contact information may contact the DPO using the e-mail address provided on the company's website.

Developing a culture of cooperation

Cooperative culture

As a subsidiary of WELCOOP Group, 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.

In this way, by owning its own production tools, by participating in the Group's decisions, in developing tomorrow's products and services and by benefiting from the cooperative's results (in the form of a cooperative dividend calculated in relation to the activity realised directly and/or indirectly with the group), the cooperative system as a whole benefits the cooperative member.

Numerous examples illustrate this cooperative spirit:

- As a partner and in a spirit of solidarity with its cooperative members, but more generally with all health professionals. In 2020, in the midst of a health crisis, LA COOPERATIVE WELCOOP set up a chain of solidarity (after French government announced that the provision of surgical face masks to non-hospital healthcare professionals was discontinued) by providing health professionals IIR surgical masks at cost price supplied by LA COOPERATIVE WELCOOP and its subsidiaries and distributed by pharmacists. And again in 2021, by supporting pharmacists from the very outset of the COVID vaccination campaign by deploying the pandaLAB appointment application, provided free of charge in 2021.
- By acting as a local stakeholder when defining its strategic priorities by integrating is cooperative members but also, and increasingly, all healthcare professionals After organizing for a number of years a WELCOOP Days forum for pharmacists (both members and non-members of the cooperative to discuss current and strategic issues, since 2020, LA COOPERATIVE WELCOOP has been broadcasting a monthly programme, WELCOOP CHANNEL covering a variety of news subject, interviews and developments in the field of health and innovation for the general public, and in particular for the cooperative's health professionals and employees. Each programme offers a wide range of content, including interviews with experts who share their views on strategic issues in the world of health and first-hand accounts of the cooperative's activities and LA COOPERATIVE WELCOOP's goals for addressing the challenges of the health sector of tomorrow. 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: An expanding network with 1 pharmacy joining the everyday!

Year	2021	2020	2019
Number of new cooperative members	***252***	***297***	***275***

Improving the efficacy of the healthcare system

Proposing products and services for the benefit of the healthcare system and patients

Based on its different business lines and its distinctive business model, 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 and sustainability for the entire 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:

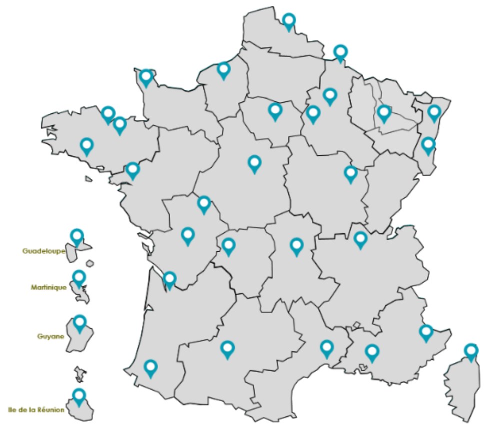
- As a software vendor of specialised solutions for pharmacies, we provide pharmacists and their teams:
  - A software suite that is maintained and regularly updated, as well as services designed to ensure dispensing to the highest safety standards;
  - Databases to draw on for advisory services (travel, 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.
- Developing IT solutions for general practitioners and specialists with applications to efficiently manage patient medical records and assist in issuing and managing prescriptions.
- 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 Health Platform 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 successfully leveraging technology and people across all its business lines to create the first European healthcare platform for optimal patient benefits.

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 and commercial presence.



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 of the workforce by region was as follows:

Country	2021	2020
France	*89.1%*	*89.1%*
Italy	*5.7%*	*4.9%*
Belgium	*3.3%*	*3.6%*
Mauritius	*0.9%*	*1.4%*
United Kingdom	*0.5%*	*0.5%*
Luxembourg	*0.2%*	*0.3%*
Germany	*0.2%*	*0.2%*

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 internal on-site audits of our suppliers;
- Regular reporting by our third parties on CSR policies.

To strengthen this positioning, PHARMAGEST Group, in line with its CSR approach per activity, will work on implementing a Group Purchasing Charter to provide a 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 founding member of the "Meurthe-et-Moselle heritage preservation sponsors" club. The French Heritage Foundation (*La Fondation du patrimoine œuvre à la sauvegarde et la valorisation du patrimoine français*). Through this label, public donations and corporate patronage, it supports individuals, regional governments and voluntary sector organisations in heritage restoration projects.

In 2021, 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.

More recently, in response to the tragic suffering of the Ukrainians, WELCOOP COOPERATIVE has been contributing since the beginning of the conflict in the international movement of solidarity and aid.

All the cooperative's laboratories have contributed and WELCOOP LOGISTIQUE prepared around twenty pallets and 6 tonnes of products transported to the Ukrainian border in collaboration with the Meurthe-et-Moselle Civil Protection. CRISTERS prepared antibiotics and analgesics, LABORATOIRE MARQUE VERTE, compresses, compression bandages, dermocosmetics, D'MEDICA first aid kits, medical devices, OBJECTIF PHARMA baby bottles, OTC medicines, baby products, PHARMALAB originator medicines.

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 start-ups.

This collaboration takes several forms:

- Sponsoring and mentoring with an approach placing an emphasis on dialogue and understanding for the management of the start-ups;
- Forming partnerships and even acquiring controlling interests in start-ups to accelerate their development, while at the same time respecting the identity and spirit of independence specific to the start-up;
- Promoting employee intrapreneurship.

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 labour or child labour.

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 the French entities, regardless of the aspects of personal, legal, financial or strategic management.

3.5. Combating corruption and tax avoidance

Preventing the risks of corruption and tax avoidance in 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, which can be consulted on LA COOPERATIVE WELCOOP's website;
- A whistleblowing procedure which can be consulted on LA COOPERATIVE WELCOOP's website;
- 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	
	2021	2020	2021	2020
France	71	69	22/180	23/180
Belgium	73	76	18/180	15/180
Luxembourg	81	80	9/180	9/180
Italy	56	53	42/180	52/180
Ireland	74	72	13/180	20/180
United Kingdom	78	77	11/180	11/180
Germany	80	80	10/180	9/180
Mauritius	54	53	49/180	52/180
China, Hong Kong	45	42	66/180	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.

Implementing measures to combat tax avoidance

The Group ensures compliance with the applicable regulations in all countries where it operates, including those designed to combat tax avoidance.

No Group entity is situated in a country included in the French list or the European lists of non-cooperative tax jurisdictions (i.e. the blacklist published by the Council of the European Union).

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, EUROPEAN HEALTH LOGISTIC SOURCING (EHLS), APPLICATIONS ET DEVELOPPEMENTS INFORMATIQUES (ADI), AXIGATE, DICSIT INFORMATIQUE, HEALTHLEASE, KAPELSE, MALTA INFORMATIQUE, NANCEO, NOVIA SEARCH, NOVIATEK, SCI HUROBREGA, CAREMEDS, HDM, MULTIMEDS, PHARMAGEST LUXEMBOURG, PHARMAGEST BELGIUM, PHARMAGEST ITALIA, I-MEDS, INTERNATIONAL CROSS TALK (ICT), MALTA BELGIUM, SVEMU INFORMATICA FARMACEUTICA, PHARMAGEST SERVIZI, BGM INFORMATIQUE, PROKOV EDITIONS.
- WELCOOP Group includes the entities of PHARMAGEST Group as well as LA COOPERATIVE WELCOOP, 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, WELCOOP SOLUTION PRODUITS.

The following entities are not consolidated by PHARMAGEST Group:

- Companies accounted for by the equity method (GROUP 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).

Companies consolidated for the first time or deconsolidated in 2020:

- Newly consolidated companies: PHARMAGEST SERVIZI, BGM INFORMATIQUE, PROKOV EDITIONS, ASCA INFORMATIQUE, SEAA and PANDALAB.
- Deconsolidated companies:
    - Within PHARMAGEST Group: SAILENDRA, DIATELIC,
    - Within WELCOOP Group: ALPHA FINANCE REPARTITION, SOFAREX.

When new companies are integrated into the DPEF reporting scope in year 1, the reported in N-1 remains unchanged. In the specific case of new companies having an impact of more than 20% on the indicators produced, pro forma information is provided for the year N-1.

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 WELCOOP Group in relation to the total number of job openings in WELCOOP Group;
- **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, 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);
- **Calculation of GHG emissions:**
  - **SCOPE 1:** Direct GHG emissions generated by fixed or mobile facilities inside the scope of the organisation including:
    - Greenhouse gas emissions for PHARMAGEST Group's vehicle fleet are calculated on the basis of an ADEME (French Environment and Energy Management Agency) factor for company vehicles - diesel of 0.15 $kgCO_2$ / km;
    - Greenhouse definitions for sales-related transport are calculated according to the monetary ratio method using the ADEME assumption of 560 $kgCO_2$ / € thousand euros before tax.
  - **SCOPE 2:** Indirect energy emissions associated with the purchase or generation of electricity, heating and cooling, or steam generated off site for the organisation's activities:
    - Electricity consumption in kWh of PHARMAGEST Group. This data does not include branch offices or subsidiaries when their electricity consumption is included in the charges and not communicated by the owner (i.e. less than 10% of the total surface area occupied by PHARMAGEST Group). Kilowatt hours are converted by a conversion factor (ADEME) of 0.041 $kgCO_2$ / kWh;
    - Gas consumption in kilowatt hours of PHARMAGEST Group multiplied by the ADEME factor of 0.214 $kgCO_2$ / kWh. Where this data has been provided in m^3 the conversion factor of 10 kWh / m^3 is applied.
  - **SCOPE 3:** Other indirect emissions produced indirectly by the organisation's activities.
    - The calculation of SCOPE 3 emissions is by nature uncertain and not intended to be exhaustive. This indicator includes employee travel by train or air, upstream and downstream freight transport, and rented vehicles, for which the sources, processing methods and assumptions used are as follows:
      - Greenhouse gas emissions for PHARMAGEST Group's fleet of leased vehicles are calculated on the basis of an ADEME factor for company vehicles - diesel of 0.15 $kgCO_2$ / km;
      - Greenhouse definitions for transport related to purchase are calculated according to the monetary ratio method using the ADEME assumption of 560 $kgCO_2$ / € thousand euros before tax.
      - Greenhouse gas emission data for train and air travel are transmitted directly by PHARMAGEST INTERACTIVE's travel service providers.

All data is expressed in Tonnes of CO_2. equivalent.

- **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 kilometres;
- **Transport:** Deliveries of goods and merchandise from the logistics platforms and/or agencies to end-users. The company uses specialised carrier service providers;
- **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 2021)

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

To PHARMAGEST INTERACTIVE's general meeting

As a member of the profession of certified public accountants, appointed as independent third party ("independent third-party") of your company "the "entity), accredited by the COFRAC under number 3_1594 (scope of accreditation available on the website www.cofrac.fr), we conducted our work aiming at providing a conclusion expressing a limited level of assurance on the compliance of the consolidated non-financial statement for the year ended December 31, 2021 (hereinafter the "Statement") and on the fairness of the historical information (whether observed or extrapolated) prepared in accordance with the entity's procedures (the "Guidelines"), included in the management report pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Preparation of the non-financial statement

The absence of a generally accepted and commonly used framework or developed practices to rely on for the assessment and measurement of information allows the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of information related to the Declaration

The Information may be subject to inherent uncertainty given the state of scientific knowledge and the quality of the external public data used (e.g., greenhouse gas emission factors, sectoral climate trajectories, etc.). Some information is sensitive to the methodological choices, assumptions and/or estimates used to establish it and presented in the Statement, (e.g., the reporting scope, extrapolations made on energy consumption, scope 3 greenhouse gases reported, etc.).

The entity's responsibility

It is the responsibility of the Board of Directors to:

- select or set appropriate criteria for the preparation of the Information;
- prepare a Statement in accordance with legal and regulatory requirements, including 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 as well as the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- and to implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's reporting procedures (the Guidelines) as indicated above.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the Statement's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R. 225-105 I, 3° and II of the French Commercial Code (*Code de commerce*), i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks. (hereinafter the "Information").

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not allowed to be involved in the preparation of the Information, as this could compromise our independence.

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax avoidance legislation;

- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional standards

We conducted the work described below in accordance 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 in accordance with the audit programme.

Independence and quality control

Our independence is defined by the requirements of Article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements.

Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance conclusion:

We conducted our work in accordance with an audit program and related specified audit requirements.

- we obtained an understanding of all the consolidated entities' activities comprised in the consolidation scope and the description of the main risks;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L. 225-102-1 III of the French Commercial Code as well as compliance with human rights and anti-corruption and tax avoidance legislation;
- 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 main risks, and includes, where applicable, 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 the main risks associated with all the consolidated entities' activities, including, where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the main risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and
  - corroborate the qualitative information (actions and results) that we considered most significant presented in Appendix 1. Concerning certain risks, our work was carried out on the consolidating entity level, for the others risks, our work was carried out on the consolidating entity and on a selection of entities;
- we verified that the Statement covers the scope of consolidation, i.e. all consolidated entities in accordance 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 the entity has implemented 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 to verify that the consolidation of the data collected was appropriate and the consistency of any changes thereto;
  - tests of details, using sampling techniques, in order to verify that the application of the definitions and procedures is appropriate and reconcile the data with the 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 based on our knowledge of all the consolidated entities.

The procedures carried out in a limited assurance engagement are less extensive in scope than those that would be required for a reasonable assurance engagement; a higher level of assurance would have required us to perform more extensive verification procedures.

Means and resources

Our work mobilised the skills of two people between January 2022 and April 2022 for a total period of approximately two weeks.

In the performance of this engagement, we obtained assistance from our specialists in the fields of sustainable development and social responsibility. We conducted around ten interviews with persons responsible for preparing the Statement.

Conclusion

On the basis of the procedures we performed, as described in the "Nature and scope of the work" section and the information we collected, we did not observe any significant misstatements likely to call into question the statement of non-financial performance's conformity with the applicable regulatory provisions or the fair presentation of the Information, taken as a whole, in accordance with the Guidelines.

Paris, 27/04/2022

[French original signed by:]

Independent Third-Party
RSM Paris

Martine LECONTE
CSR Department Head
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
Business model	Indicator: Number of cooperative members	/
Risk: Loss of attractiveness Priorities: • Attracting talent and reinforcing skills. • Being a responsible employer. • Developing employee expertise and employability.	KPIs: • Number of employees trained (internal and external training programmes). • Number of training hours (internal and external training programmes). • Actual workforce at 31/12/2021. • FTE workforce at 31/12/2021. • Total workforce by gender and status. • Total workforce by type of employment contract and gender • Average seniority.	• This referral approach (The "Citizen's network") is at the heart of PHARMAGEST Group's recruitment policy where offers available are communicated to its employees on a monthly basis. • A "Cultural and Operational Integration Kit" consisting of a guide and a video is available to assist managers ensure the successful integration of employees. • In line with its medium to long-term vision, the Group is implementing a tool-based and digital skills management system. • A security steering committee meets quarterly and is made up of the security managers of the various Group subsidiaries and external experts.
Risk: Effectiveness of the positioning as "Citizens in the Service of Health and Well-Being" Priorities: • Minimising greenhouse gas emissions and reducing energy consumption. • Promoting the circular economy and recycling. • Developing a culture of cooperation. • Promoting short supply chains, local operations and minimising the use of intermediaries. • 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.	KPIs: • Number of vehicles. • Kilometres travelled. • WEEE recycling (EHLS) • Number of new cooperative members. • Regional breakdown of employees World/Europe/France	• Some equipment can be repaired in the after-sale services phase, reused in partner facilities or sold to brokers for reuse. • Supporting pharmacists in implementing COVID vaccinations by deploying the "pandaLAB Rendez-vous" appointment service. • PHARMAGEST Group covers as much of its territories as possible. • The train is widely used when possible, along with public transport in general. • Contractual clauses on RGPD protection and internal audits on suppliers' sites. • No form of discrimination including with respect to employment, occupation, religion or gender is applied. • the Group is equipped with an anti-corruption system in accordance with French legislative provisions ("Sapin II" law).

21.4. Report on corporate governance

PHARMAGEST INTERACTIVE
A FRENCH PUBLIC LIMITED COMPANY (*SOCIÉTÉ ANONYME*) WITH SHARE CAPITAL OF €3,034,825
REGISTERED OFFICE: TECHNOPÔLE 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 28 JUNE 2022

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, PHARMAGEST INTERACTIVE's Board of Directors adopted the MiddleNext code of December 2009, revised in September 2021, as the reference for corporate governance, as it was considered the best adapted to the company's size and shareholding structure.

The Middlenext corporate governance code, available on the Middlenext website (*https://www.middlenext.com*) contains recommendations to be applied and points to be watched by the Board of Directors to promote good governance. In its 2021 version, the Middlenext Code restates and insists on the importance of adopting a responsible approach to corporate governance: “A living form of governance incarnated by real people must therefore be capable of adjusting to the reality of each company to help companies be efficient and competitive.”

No.:	Recommendation heading	Status	Paragraph(s)
R1	Ethical conduct of “Board members"	Applied	2.5 and 2.11
R2	Conflicts of interest	Applied	2.12
R3	Composition of the Board, presence of independent directors	Applied	2.7
R4	“Board member” information	Applied	3.2
R5	“Board member” training (1)	Applied	3.3
R6	Organisation of Board and committee meetings	Applied	3.4
R7	Creation of committees	Applied	3.6
R8	Creation of a specialised CSR committee (1)	Applied	3.6
R9	Introduction of Board Rules of Procedure	Applied	3.1
R10	Selection of each “Board member”	Applied	2.13
R11	Directors’ term of office	Applied	2.10
R12	Compensation paid to “Board members” for their role	Applied	4.1
R13	Introduction of Board evaluation	Adapted	3.5
R14	Relations with “shareholders”	Applied	2.14
R15	The company’s equality and diversity policy (1)	Applied	2.6.4
R16	Definition and transparency of the compensation of corporate officers	Applied	4.2.2
R17	Succession planning for "managers”	Applied	2.2
R18	Corporate officers and employment contracts	Applied	4.2.3
R19	Termination payments	Applied	4.2.3
R20	Supplementary pension schemes	Applied	4.2.3
R21	Stock options and restricted stock units (*attributions gratuites d’actions*)	Adapted	4.2.2
R22	Reviewing points to be watched	Applied	1

(1) *New recommendation introduced in the updated version of the MiddleNext code of September 2021.*

In accordance with recommendation R22, 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. Manager succession planning

The decoupling of the functions between the Chair of the Board of Directors and the Chief Executive Officer, assisted at 31 December 2021 by two Deputy Chief Executive Officers, effectively addresses the issue raised by recommendation of R17 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

2.3.1. Board composition

As at 31 December 2021, 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
Mr. Thierry CHAPUSOT *Chairman of the Board of Directors*	No	2002 (Director) 2010 (Chair of the Board)	31/12/2025	/	Chair of the Executive Board of LA COOPERATIVE WELCOOP
Mr. Dominique PAUTRAT *Chief Executive Officer and Director*	No	2009 (Director) 2010 (CEO)	31/12/2025 (CEO) 31/12/2026 (Director)	/	National and international development of the Group
Mr. Denis SUPPLISSON *Deputy CEO and Director*	No	2010 ((DMD) 2013 (Director)	31/12/2025 (Deputy CEO) 31/12/2026 (Director)	/	National and international development of the Pharmacy Division
Mr. Grégoire DE ROTALIER *Deputy CEO and Director*	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 *Director*	No	2002	31/12/2025	Member	Knowledge of the business of pharmacists
Ms. Marie-Louise LIGER *Independent Director*	Yes	2015	31/12/2026	Chair	Accounting
Mr. François JACQUEL *Director*	No	2011	31/12/2025	Member	Knowledge of the business of pharmacists
Ms. Anne LHOTE *Director*	No	2011	31/12/2022	/	Finance and accounting expertise
Ms. Sophie MAYEUX *Independent Director*	Yes	2012	31/12/2023	/	Communications
Ms. Céline GRIS *Independent Director*	Yes	2017	31/12/2022	/	International development and communications
Ms. Émilie LECOMTE *Director*	No	2017	31/12/2022	/	Knowledge of the business of pharmacists
LA COOPERATIVE WELCOOP *Represented by Mr. Hugues MOREAUX, Director*	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.*

2.3.2. Directors' career history and expertise

Mr. Thierry CHAPUSOT: 50, 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 as Technical Manager for a PHARMAGEST solution reseller and then Customer Service Manager for France's 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 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.
1978 to 2018: A dispensing pharmacist with a pharmacy located at CHARMES (88)
1996 to 2018: Chair of *Syndicat des Pharmaciens des Vosges* (member of the French federation of pharmacy unions - FSPF).
2001 to 2010: Member of the Board of Directors of the FSPF.
Vice-Chair of the Supervisory Board of LA COOPERATIVE WELCOOP.
2008 to 2010: Member of the Supervisory Board of MARQUE VERTE SANTE.
From 1 January 2011, permanent representative of LA COOPERATIVE WELCOOP, member of the Supervisory Board of MARQUE VERTE SANTE.
Member of the Board of Directors of PHARMAGEST INTERACTIVE.
Member of the Audit Committee of PHARMAGEST INTERACTIVE.

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 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 - equivalent to Master 2 in 2022) from the Institute of Business Administration (IAE) (NANCY) in 1983.
In 1981, she created the S.D.I.C.CONSEIL business communications consultancy, 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.
2011-2021: “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.
2016: Knight in the National Order of the Legion of Honour.
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, specialty 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 manager.
Since 2014: Member of the Supervisory Board of LA COOPERATIVE WELCOOP.
Since 2017: Director of PHARMAGEST INTERACTIVE.
Since 2018: member of the Moselle CPL (*Commission Paritaire Locale*) - Member of the Moselle chapter of the FSPF (French Federation of pharmacy unions).
Since 2021: Elected to the URPS Pharmaciens Grand-Est.

Mr. Hugues MOREAUX: Born on 10 June 1953 in BORDEAUX (33)(FRANCE).
Doctor in Pharmacy, community Pharmacist, graduated from Bordeaux University, and established in CAPBRETON 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.

2.4. Changes in the Board membership in 2021

The composition of the Board at 31/12/2021 is unchanged in relation to 31/12/2020.

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: TECHNOPÔLE 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 28 JUNE 2022
APPOINTMENTS AND FUNCTIONS EXERCISED BY EXECUTIVE OFFICERS
IN ALL COMPANIES IN 2021
(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 CEO and Director with an employment contract	Deputy CEO and Director	Director
* LA COOPERATIVE WELCOOP (SA)	Chairman of the Executive Committee with an employment contract	Executive Committee member			Vice-Chair of the Supervisory Board
* MARQUE VERTE SANTE (SA)	Chairman of the Executive Board	Executive 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 and Chief Executive Officer as of 26/02/2021		
* DIATELIC (SAS)		Representative of the Chairman of PHARMAGEST INTERACTIVE until 05/01/2021			
* 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
* DOMEDIC GROUP (INC.) (CANADA)		Director			
* SOFAREX (SA) (BELGIUM)					
* INVESTIPHARM BELGIUM (SA) (BELGIUM)					
* PHARMALAB INTERNATIONAL (LTD) (HONG KONG)					
* CAREMEDS (LTD) (UK)			Director	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	Executive Committee member				
Board representative of LA COOPERATIVE WELCOOP		Chairman of the Board of Directors				
		Managing Director until 29/09/2021				
		Chief Executive Officer				
		Director				

COMPANIES	Thierry Chapusot	Dominique PAUTRAT	Denis SUPPLISSON	Grégoire DE ROTALIER	Daniel ANTOINE
* MULTIMEDS (LTD) (IRLANDE)			Director	Director	
* BGM INFORMATIQUE (SAS)			Chair from 30/09/2021		
* 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 until 09/06/2021
HENRI POINCARE (SA) (a French joint stock company and semi-public entity)	Director representing the committee of minority shareholders as from 28/06/2021				
* KAPELSE (SAS)		Representing the Chairman of PHARMAGEST INTERACTIVE			
SC DE L'ERMITAGE ST JOSEPH	Manager				
* SCI HUROBREGA		Manager			
SCI JADD					Manager
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	Chairman of the Board of Directors		
HAMPIAUX SAS	Chair				
SCI ZOZIME	Manager				
SCI BROTHER&SISTERS	Manager				

Hugues MOREAUX	François JACQUEL	Anne LHOTE	Sophie MAYEUX	Marie-Louise LIGER	Émilie LECOMTE	Céline GRIS
		Chief Executive Officer until 22/12/2021				
Director						
Board representative of LA COOPERATIVE WELCOOP		Director				
Supervisory Board member		Executive Committee member			Supervisory Board member	
Manager						

COMPANIES	Thierry CHAPUSOT	Dominique PAUTRAT	Denis SUPPLISSON	Grégoire DE ROTALIER	Daniel ANTOINE
SELARL FRANCOIS JACQUEL					
SCI LA CRAPAUDINE					
PHARMACIE LECOMTE - DALLA COSTA (SELARL)					
SARL LECOMTE - DALLA COSTA (SPFPL)					
SELARL PHARMACIE DES AMMONITES					
SCI LEDCMEGE					
SCI FAMICAVI					
GRIS DECOUPAGE (SAS)					
GRIS GROUP (SAS)					
SOCIETE CIVILE ESKARCEL					
*ASCA INFORMATIQUE					
* MALTA INFORMATIQUE (SAS)				Chairman with an employment contract	
* AXIGATE (SAS)				Chair	
* DEVELOPPEMENT INGENIERIE & CONCEPTION DE SYSTEMES D'INFORMATION EN INFORMATIQUE (SAS)				Chair	
* MALTA BELGIUM (SA)				Director	
* PANDALAB (SAS)				Chair of the Strategy Committee	
SCI DE ROTALIER				Manager	
SCI DES AUGUSTINES				Manager	
SCI CHAUMET				Manager	
DOMAINE CHAPUSOT (Société Civile d'Exploitation Agricole)	Manager				
* SVEMU INFORMATICA FARMACEUTICA SRL (ITALY)			Chair of the Board of Directors		
SODEL (SAS)					

* "WELCOOP GROUP" member companies.

Hugues MOREAUX	François JACQUEL	Anne LHOTE	Sophie MAYEUX	Marie-Louise LIGER	Émilie LECOMTE	Céline GRIS
	Manager					
	Manager					
					Manager	
					Manager	
					Investment Associate	
					Manager	
					Manager	
						Chair until 30/06/2021 then Representative of the Chair, GRIS GROUP
						Chair
						Manager
		Chair				
						Independent Director

2.6. Board diversity policy

In accordance with the provisions of Article L. 22-10-10, 2° of the French Commercial Code, the Board evaluates the balance of its membership and that of its committees with regard to criteria including age, gender, qualifications and professional experience and the objective of achieving a balanced representation of women and men.

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 (balanced representation of women and men on the Board and committees).

2.6.2. Procedures implemented and results

Directors' age and length of service

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 43 and 69 with an average of 57.8.

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 2021 was 10.3 years.

The Board considers that its membership is balanced between Directors possessing an historical knowledge of the company and the Group and Directors having 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 2021, 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 below).

Independent Directors

See paragraph 2.7 below.

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 six members, one of whom is a woman.

Gender diversity in top 10% category of high-level management positions

Gender diversity in the 17% 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.

2.6.4. The company's equality and diversity policy

The Board ensures, in accordance with Recommendation R15, that the company's equality and diversity policy is implemented at every level of the organisation. In addition, based on an analysis of the gender pay gap carried out by the Board in 2021, salary increases were implemented.

2.7. Independent Directors

The criteria for independence as defined in Middlenext 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 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

In accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, the company is not required to appoint directors representing employees as an indirect subsidiary of LA COOPERATIVE WELCOOP, itself subject to this requirement.

2.9. Appointment of Board Members representing employee shareholders by the General Meeting of Shareholders

In accordance with the provisions of Article L. 225-23 of the French Commercial Code, the management report presented by the Board to the General Meeting in application of the provisions of Article L. 225-102 states that shares held by employees of the company and of related companies within the meaning of Article L. 225-180 represent less than 3% of the share capital and on that basis General Meeting is not required to elect directors from among employee shareholders.

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 R11 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 will adapt 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. Members formally undertake to comply with this obligation by signing the Board's rules of procedure;

- Directors should comply with the legal and regulatory requirements in effect on reporting transactions and the closed period during which they are prohibited from trading company shares. The Director must:
  - Refrain from all dealings in the Company's securities, including derivatives, they possess resulting from 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 both potential and actual conflicts 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 this respect, the Board and its specialised committees are also aware of the risks of conflicts of interest, particularly in choosing service providers selected by management bodies in preparing for strategic decisions (consultants, rating agencies, banks, legal and accounting experts, etc.). For statutory auditors, apart from statements and services provided to comply with laws and regulations, non-audit services (i.e. other than for the certification of accounts) are entrusted to a firm not serving as the company's auditor.

In 2021, 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

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 R10 of the Middlenext 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

Apart from LA COOPERATIVE WELCOOP and MARQUE VERTE SANTE, PHARMAGEST INTERACTIVE has no other significant shareholders. In compliance with recommendation R14, managers of PHARMAGEST Group have opportunities outside General Meetings for exchanges between significant shareholders while ensuring that shareholders have equal access to information. In addition, managers are committed to organising the General Meeting in a manner that provides general access to all.

Above and beyond legal requirements, the Board pays particular attention to negative votes by analysing, among other things, how the majority of minority shareholders voted. If necessary, the Board will consider the need to make changes relating to the reasons for the negative votes for the next General Meeting and the possibility of a communication on this subject.

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 rules governing the composition of the Board and the independence criteria applicable to Directors;
- The role and powers of the Board of Directors and limits to the powers of the Chief Executive Officer;
- 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 R9 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.

3.3. Directors' training

The Board is conscious that the multiplication and complexity of the texts applying to companies require Directors to regularly monitor and update their knowledge and skills. For that reason, in 2022, the Board will evaluate the need to set up a three-year training plan adapted to the specificities of the company for Board members, whether or not they are employees. This plan, in line with the Middlenext Code's new R5 recommendation, would take into account experience-based equivalencies.

It is specified that Directors may already at their request be eligible to receive specific training to reinforce their expertise associated with their function of Director.

In 2021, Board members were provided training on their obligations as Directors, with a particular focus on issues related to Corporate, Social and Environmental Responsibility.

3.4. 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 Board of Directors is responsible for determining the strategic direction of the company's activities and ensuring its implementation. 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 R6 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 2021, the Board of Directors met 6 times during the year, which included 2 working meetings. The rate of meeting attendance of the Directors was 86%. 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	
26/03/2021	Board of Directors	9	11	92%
29/06/2021	Working meeting	10	10	83%
	Board of Directors	10	11	92%
24/09/2021	Board of Directors	9	10	83%
03/12/2021	Working meeting	9	9	75%
	Board of Directors	10	11	92%

The working meetings provided 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 2020,
- 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 General Meeting: 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,
- 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.

3.5. Board assessment

The PHARMAGEST INTERACTIVE's Board of Directors adapted Middlenext code recommendation R13 and performs a formalized 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.

3.6. Creation of committees

3.6.1. Principles

In accordance with recommendation R7 of the Middlenext Code, information on PHARMAGEST INTERACTIVE's choice of specialised committees is provided below.

PHARMAGEST INTERACTIVE's Board of Directors considers that the regulatory complexity, structure and size of the company requires that additional specialised ad hoc committees be set up in 2022, including a Compensation Committee attached to the Audit Committee and a Strategic and CSR Committee.

3.6.2. The Audit and Compensation Committee

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 2021, the members of the Audit Committee, appointed by the Board of Directors, were as follows:

- Ms. Marie-Louise LIGER, Independent Director;
- Mr. Daniel ANTOINE, 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 29 June 2021 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 2021. 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 accounting and financial 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 2021 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 2022 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.

Compensation Committee

No Compensation Committee existed in 2021.

The Board plans to expand the Audit Committee's scope of action in 2022 to include the duties and powers of the Compensation Committee.

The Compensation Committee will be responsible for:

- Ensuring that compensation and its development are aligned with the interests of the shareholders and the performance of the company. Compensation must be capable of attracting, motivating and retaining quality executives;
- Making proposals or recommendations to the Board of Directors, for example on the implementation of a global compensation policy (base salary, variable portion, stock option and/or restricted stock unit plans, various benefits, pension plan).

In addition, the Committee should be informed of the compensation policy for key non-executive officers and its role may be extended to defining the general compensation policy for senior executives (including pensions, retirement severance payments or other severance benefits, other benefits and rules for shareholder participation in any capital increases).

To perform these tasks, the Audit Committee will include among its members Ms. Anne LHOTE, who possesses special skills in financial, accounting and legal auditing matters, in addition to a good knowledge of issues relating to the compensation of PHARMAGEST INTERACTIVE's executive officers.

3.6.3. The Strategy and CSR Committee

No Strategy and CSR Committee existed in 2021.

In accordance with MiddleNext code recommendation R8, the Board will set up a specialised committee in 2022 to examine how the company integrates CSR issues into its operations and strategy.

The Strategy and CSR Committee will be responsible for:

- Advising the Board of Directors on the Company's major strategic orientations and, in particular, on areas of development, external growth or divestment opportunities, significant agreements or partnerships and transactions involving the Company's capital;
- Monitoring changes in the competitive environment.

The CSR Committee identifies the most important CSR issues for the company, and in particular those issues that pose risks and those that present opportunities.

In relation to the Group's strategy, it will examine in particular:

- Dialogue with stakeholders;
- The main environmental risks and opportunities;
- Social policies (including the professional equality policy) and the main transformations carried out by the Group;
- All social and environmental information published by the Group, ensuring in particular that the appropriate verifications have been carried out by an independent third-party organisation;
- The main orientations and results of the Social and Environmental Responsibility policy.

Strategy and CSR Committee members:

- Mr. Thierry CHAPUSOT, Chairman of the Board of Directors;
- Ms. Céline GRIS, Independent Director;
- Ms. Sophie MAYEUX, Independent Director.

The Strategy and CSR Committee will be chaired by Mr Thierry CHAPUSOT, given his knowledge of the Group, his expertise, particularly in external growth areas, and his desire to lead the Strategy and CSR Committee by establishing social and environmental responsibility as a priority for the Board he chairs, in order to become a major focus of the Group's strategy.

Through its composition, the Committee intends to adopt a balanced approach in order to effectively assess short, medium and long term challenges facing PHARMAGEST INTERACTIVE. The Board of Directors considers that the guarantees of the Committee's independence are sufficient, based on the presence of two independent Directors and the fact that Mr Thierry CHAPUSOT will retire as an employee on 30 April 2022.

3.7. Board procedures for evaluating ordinary agreements entered into under normal conditions

In accordance with Articles L. 225-39 and L. 22-10-12 of the French Commercial Code, the Board of Directors meeting of 27 March 2020 established a procedure for the Audit Committee to conduct an annual review of ordinary agreements entered into under normal conditions.

The evaluation procedure has been performed every year since then.

The missions of this Committee which meets annually for this review include:

- Reviewing the criteria for determining ordinary agreements entered unto normal conditions to ensure that they remain appropriate;
- Analysing in particular the ordinary nature of the financial conditions;
- Submitting for authorisation by the Board of Directors those agreements not responding to said 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.

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 Middlenext code.

4.1.1. 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 study 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.

4.1.2. 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 paragraphs 2.11 and 2.12 of this report.

In 2021, PHARMAGEST INTERACTIVE's Board of Directors did not create a special Compensation Committee.

The Board decided to expand the Audit Committee's scope of action in 2022 to include the mission of Compensation Committee.

4.1.3. 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.

4.1.4. 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, once a year the Board of Directors conducts an individual review of the performance criteria entirely based on quantifiable criteria.

4.1.5. 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 R12 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 travelled, 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.

4.1.6. 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.

For fiscal 2021, PHARMAGEST INTERACTIVE did not modify its compensation policy and considered, with respect to the votes expressed at the last General Meeting that the compensation policy was aligned with the company's corporate interest.

4.1.7. 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.

4.1.8. 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 of Directors 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

For fiscal 2021:

- 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:
  - €267 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.
  - €151 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 2021 was paid in full at 31 December of the same year.

For fiscal 2022:

Given the creation of a Strategy and CSR Committee and the Audit Committee's additional role of Compensation Committee, the compensation policy for non-executive directors was modified as follows:

- 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:
  - €267 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.
  - €151 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 members of the Audit and Committee will receive a fixed annual amount of compensation of €6,000. This provision applies to Ms. Marie-Louise LIGIER, Mr. Daniel ANTOINE, Mr. François JACQUEL. Ms. Anne LHOTE has an employment contract with WELCOOP Group and does not receive compensation as a Director.
- Additional annual compensation of €18,000 is granted to Ms. Marie-Louise LIGER for serving as Chair of the Audit and Compensation Committee.
- Directors who are Strategy and CRS Committee members receive a fixed annual amount of compensation of €6,000. This provision applies to Ms. Céline GRIS, Ms. Sophie MAYEUX and Mr. Thierry CHAPUSOT.
- Mr. Thierry CHAPUSOT receives additional annual compensation of €18,000 as Chairman of the Strategic and CSR Committee.
- The total amount of compensation granted to members of the Board for 2022 submitted for approval by the Annual General Meeting of 28 June 2022 was increased to €82,000.

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 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 R16 of the Middlenext 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.

Because they were not included in the previous stock option plan in 2014 and, 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.

The Board considers that the stock option plan complies with Middlenext code recommendation R2, and namely:

- That the grant of stock options is not overly concentrated in favour of executive officers, given that these officers were not included in the 2014 stock option plan and the 2020 stock option plan has in consequence completed and re-established the overall balance of stock options granted since 2014.
- That it does not intend to grant stock options to executive officers on the occasion of their departure. In contrast, the 2020 stock option plan is part of a succession plan for the Chairman of the Board of Directors and aims to assure the medium and long-term support of three key persons who have been building and contributing to PHARMAGEST Group and its results for over 20 years.
- That the 8-year term of the plan reflects the medium and long-term interest of the company.

The terms and conditions of the plan are set out in Table 5 below.

Compensation policy for executive officers on the basis of their offices in 2021:

- **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.

- **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.

- **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.

- **Mr. Grégoire DE ROTALIER, Deputy Chief Executive Officer**
  The compensation of Mr. Grégoire DE ROTALIER, for his corporate office as Deputy Chief Executive Officer, 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.

Compensation policy for executive officers on the basis of their offices in 2022:

- **Mr. Thierry CHAPUSOT, Chairman of the Board of Directors**
  In accordance with the proceedings of the Board of Directors of 25 March 2022, no changes were made until 30 April 2022, the date from which Mr Thierry CHAPUSOT will exercise his duties as Chairman of the Board of Directors without receiving payment.

- **Mr. Dominique PAUTRAT, Chief Executive Officer until 22 April 2022**
  Until 22 April 2022, the date on which Mr. Dominique PAUTRAT resigned as Chief Executive Officer, no changes occurred.

- **Mr. Denis SUPPLISSON, Deputy Chief Executive Officer until 22 April 2022 then Chief Executive Officer**
  In accordance with the Proceedings of the Board of Directors on 25 March 2022,
  - until 22 April 2022, the date on which Mr. Denis SUPPLISSON resigned from his duties as Deputy Chief Executive Officer, no change occurred.
  - as of 23 April 2022, the compensation of Mr. Denis SUPPLISSON for his position as Chief Executive Officer was set, when appointed by decision of the Board of Directors, at a gross annual amount of €24,000.

- **Mr. Grégoire DE ROTALIER, Deputy Chief Executive Officer**
  In accordance with the proceedings of the Board of Directors of 25 March 2022, the term of office of Mr. Grégoire DE ROTALIER was renewed and his remuneration for his position as Deputy Chief Executive Officer was increased to a gross annual amount of €18,000.

4.2.3. Compensation policy for non-executive officers combining a corporate office with an employment contract

In accordance with recommendations R18 and R2 of the Middlenext Code and 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 controlled and/or controlling companies, 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, the controlled and/or controlling companies and the low level of compensation for their offices in relation to the actual risks incurred and their responsibilities.

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 Chief Executive Officer and Deputy Chief Executive Officers are granted compensation under employment contracts 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.
  For 2022, changes in the employment contracts of the executive officers are as follows:
  - The employment contract of Mr. Dominique PAUTRAT is transferred to LA COOPERATIVE WELCOOP as of 1 May 2022.
  - The gross annual fixed compensation of Mr. Denis SUPPLISSON, under his employment contract as Development Director, is increased to €198,000 as of 1 May 2022.
  - The gross annual fixed compensation of Mr. Grégoire DE ROTALIER, under his employment contract with MALTA INFORMATIQUE, a subsidiary of PHARMAGEST INTERACTIVE, is increased to €187,800.
- **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 AXA calculated at the rate of 8% on 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 labour 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.

  A non-compete payment clause was granted to Messrs. Dominique PAUTRAT and Grégoire DE ROTALIER, namely financial compensation amounting to ½ month's salary for a period of 12 months calculated on the basis of the average salaries of the last 12 months.

  In accordance with Middlenext code recommendation R19, potential termination payments do not exceed two years of compensation (fixed and variable). Any termination payments relating to the exercise of a corporate office is excluded.

- **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 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 Board following the recommendations of the Compensation Committee, directly correlated with the company's performance indicators within the scope of the beneficiaries' corresponding responsibilities.

  In accordance with the provisions of Articles L. 22-10-8 and R. 22-10-14 of the French Commercial Code and Middlenext Code recommendations, the variable portion of executive compensation must be based on financial and non-financial criteria, including those relating to the company's social and environmental responsibility.

  The amount of annual performance-based compensation cannot exceed the amount of fixed compensation.

  In 2021, 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 2022, the terms and conditions of annual variable compensation change as follows:

  - The gross annual variable compensation of Mr. Denis SUPPLISSON, under his employment contract, is increased to €60,000.
  - The gross annual variable compensation of Mr. Grégoire DE ROTALIER, under his employment contract with MALTA INFORMATIQUE, a subsidiary of the Company, is increased to €50,000.
  - Performance criteria are linked, up to 85%, on the basis of the internal reporting framework to 99.02 standards:
    - For Mr. Denis SUPPLISSON: based on the budget target for earnings before tax (EBT) for PHARMAGEST Group (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 Division (which may change according to the rate of achievement of the EBT target).
  - Up to 15%, contingent on achieving the objective to analyse the equality and diversity policy within the company and its subsidiaries and implement all corrective measures to ensure gender balance and equity at each hierarchical level of the company and its subsidiaries.
    - For Mr. Denis SUPPLISSON: in reference to the objectives for the R&D and Training and Consultancy departments of PHARMAGEST Group;
    - For Mr. Grégoire DE ROTALIER: in reference to the objectives for the R&D and Training and Consultancy departments of the Health and Social Care Facilities Solutions Division.

- **Long-term bonus**

  Since the long-term compensation of executive officers for the 2017-2020 period, no new long-term compensation was authorized for fiscal 2021.

  In 2022, no long-term compensation for executive officers is planned.

- **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.

  No exceptional compensation was paid to executive officers in 2021.

In conclusion, the Board of Directors analyses 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. The Compensation Committee (established by the Board of Directors on March 25, 2022) will make recommendations to the Board of Directors beginning in 2022.

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.
  It should be noted that Mr. Dominique PAUTRAT resigned from his position as the Company's Chief Executive Officer effective April 22, 2022 and that his employment contract was transferred to LA COOPERATIVE WELCOOP effective May 1, 2022.

- **The Deputy Chief Executive Officer(s):**

  Messrs. Dominique SUPPLILSSON and Grégoire DE ROTALIER are appointed Deputy CEOs for the period corresponding to Mr. Thierry CHAPUSOT's term as Chairman of the Board of Directors.
  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.
  It should be noted that Mr. Denis SUPPLISSON resigned from his position as Deputy Chief Executive Officer to become Chief Executive Officer as of April 23, 2022.

The employment contract of Messrs. SUPPLISSON and DE ROTALIER are for unlimited periods.

The conditions for terminating employment contracts shall comply with the provisions of the French labour law.

- **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.

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 Article 83 of the French General Tax Code and the aforementioned non-compete clause in favour 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 shareholders' 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 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 owed 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 €)

	2021	2020
CHAPUSOT Thierry - Chairman of the Board of Directors		
Compensation due for the year	24,000	24,000
TOTAL	**24,000**	**24,000**

	2021	2020
PAUTRAT Dominique - Chief Executive Officer / Director (1) (2)		
Compensation due for the year	272,956	345,167
Valuation of multi-year performance-based compensation granted in the period	0	0
Valuation of options granted in the period (3)	117,293	8,796
TOTAL	**390,249**	**353,963**

	2021	2020
SUPPLISSON Denis - Deputy Chief Executive Officer / Director (1) (2)		
Compensation due for the year	235,228	362,080
Valuation of multi-year performance-based compensation granted in the period	0	0
Valuation of options granted in the period (3)	117,293	8,796
TOTAL	**352,521**	**370,876**

	2021	2020
DE ROTALIER Grégoire -Deputy CEO / Director (1) (2)		
Compensation due for the year	280,108	361,536
Valuation of multi-year performance-based compensation granted in the period	0	0
Valuation of options granted in the period (3)	117,293	8,796
TOTAL	**397,401**	**370,332**

(1) *Messrs. Dominique PAUTRAT, Denis SUPPLISSON and Grégoire DE ROTALIER were beneficiaries of a so-called "Article 83" supplementary company pension plan ("*Plan d'Épargne Retraite Entreprise*" or "PERE" 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 AXA. Or a total amount paid in 2021 of:*

- *€24,072 for the benefit of Mr. Dominique PAUTRAT,*
- *€26,319 for the benefit of Mr. Denis SUPPLISSON,*
- *€23,216 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 were subject to meeting the targets for the four-year period in 2021, whereby it is specified that payment was 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.*

(3) *This corresponds to the value of the options and financial instruments at the time of their grant, based on the application of IFRS 2 over the vesting period following the decision of the Extraordinary General Meeting of September 25, 2020 of PHARMAGEST INTERACTIVE, authorizing the Board of Directors to set up this stock option plan.*

Table 2: Summary of compensation paid to each corporate officer (€)

CHAPUSOT Thierry Chairman of the Board of Directors	2021		2020	
	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	2021		2020	
	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	50,000	50,000	40,000
Multi-year performance-based compensation (4)	0	73,500	73,500	0
Special compensation	0	0	0	0
Corporate office (1)	24,000	24,000	24,000	24,000
Profit-sharing benefits	14,842	14,842	15,158	15,158
Personal protection and healthcare benefits	6,715	6,715	5,110	5,110
Benefit in kind (car)	5,399	5,399	5,399	5,399
TOTAL	272,956	346,456	345,167	261,667

SUPPLISSON Denis Deputy Chief Executive Officer / Director	2021		2020	
	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	60,000	60,000	56,000
Multi-year performance-based compensation (4)	0	129,600	129,600	0
Special compensation	0	0	0	0
Corporate office (1)	16,800	16,800	16,800	16,800
Profit-sharing benefits	12,839	12,839	13,087	13,087
Personal protection and healthcare benefits	6,998	6,998	4,565	4,565
Benefit in kind (car)	5,391	6,188	4,828	4,031
TOTAL	235,228	365,625	362,080	227,683

DE ROTALIER Grégoire Deputy CEO / Director	2021		2020	
	Amounts owed	Amounts paid	Amounts owed	Amounts paid
Fixed compensation (2)	150,000	150,000	150,000	150,000
Annual performance-based compensation (3)	50,000	55,000	55,000	70,000
Multi-year performance-based compensation (4)	0	87,500	87,500	0
Special compensation	0	0	0	0
Corporate office (1)	40,800	40,800	32,400	32,400
Profit-sharing benefits	31,442	31,442	30,556	30,556
Personal protection and healthcare benefits	5,442	5,442	3,941	3,941
Benefit in kind (car)	2,424	2,424	2,139	2,139
TOTAL	280,108	372,608	361,536	289,036

(1) With respect to the "ex-post" vote, it is specified that amounts paid to executive officers in 2021 on the basis of their corporate officers comply with the decisions of the Annual Ordinary General Meeting of 29 June 2021 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, excluding multi-year performance-based compensation, payable to Messrs. Dominique Dominique PAUTRAT, Denis SUPPLISSON and Grégoire DE ROTALIER amount to respectively 14%, 16% and 15% 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 was contingent on meeting the targets set in 2021 for a period of four years, where this payment was subject to a 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	2021	2020
Compensation granted to the member of the Board Other compensation	0 0	0 0
TOTAL	0	0

ANTOINE Daniel	2021	2020
Compensation granted to the member of the Board	1,057	600
Audit Committee	4,000	4,000
TOTAL	5,057	4,600

LIGER Marie-Louise – Independent Director	2021	2020
Compensation granted to the member of the Board	906	600
Audit Committee	14,000	14,000
TOTAL	14,906	14,600

JACQUEL François	2021	2020
Compensation granted to the member of the Board	1,602	500
Audit Committee	4,000	4,000
TOTAL	5,602	4,500

LHOTE Anne	2021	2020
Compensation granted to the member of the Board	0	0
Other compensation	0	0
TOTAL	0	0

MAYEUX Sophie – Independent Director	2021	2020
Compensation granted to the member of the Board	755	450
Other compensation	0	0
TOTAL	755	450

LECOMTE Émilie	2021	2020
Compensation granted to the member of the Board	0	150
Other compensation	0	0
TOTAL	0	150

GRIS Céline – Independent Director	2021	2020
Compensation granted to the member of the Board	151	300
Other compensation	0	0
TOTAL	151	300

Table 4: Stock options granted during the financial year to each executive officer by the issuer and by any Group company

None.

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: 31/12/2021	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:** Fiscal year ended 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:** Fiscal year ended 31/12/2026	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:** Fiscal year ended 31/12/2026	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:** Fiscal year ended 31/12/2025	X(2)		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.*
(2) *Employment contract attached to the subsidiary MALTA INFORMATIQUE.*

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 in I of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*)

	2021	2020	2019	2018	2017
Company performances					
Consolidated net profit from continuing operations (€ thousands) [(1)]	41,150	32,666	28,972	27,038	24,290
Changes in the PHARMAGEST Group performances [(1)]	25.97%	12.75%	7.15%	11.31%	13.17%
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	0.62	0.63	0.66	0.67
Ratios of executive compensation in relation to the median compensation [(3)]	0.75	0.77	0.77	0.79	0.81
Ratios of executive compensation in relation to median compensation [(4)]	1.29	1.30	1.31	1.33	1.35
Chief Executive Officer					
PAUTRAT Dominique					
Compensation (in €) [(2)]	251,399	241,399	246,395	234,493	214,959
Annual change in compensation [(2)]	4.14%	-2.03%	5.08%	9.09%	2.87%
Ratios of executive compensation in relation to the average compensation [(3)]	6.5	6.26	6.49	6.42	6.03
Ratios of executive compensation in relation to the median compensation [(3)]	7.85	7.73	7.87	7.69	7.28
Ratios of executive compensation in relation to median compensation [(4)]	13.48	13.07	13.50	13.04	12.10
Deputy CEOs					
SUPPLISSON Denis					
Compensation (in €) [(2)]	216,188	210,031	211,700	183,700	166,484
Annual change in compensation [(2)]	2.93%	-0.79%	15.24%	10.34%	6.07%
Ratios of executive compensation in relation to the average compensation [(3)]	5.59	5.45	5.58	5.03	4.67
Ratios of executive compensation in relation to the median compensation [(3)]	6.75	6.73	6.76	6.03	5.64
Ratios of executive compensation in relation to median compensation [(4)]	11.59	11.37	11.60	10.21	9.37
DE ROTALIER Grégoire [(5)]					
Compensation (in €) [(2)]	248,224	254,539	218,279	NA	NA
Annual change in compensation [(2)]	-2.48%	16.61%	NA	NA	NA
Ratios of executive compensation in relation to the average compensation [(3)]	6.42	6.60	5.75	NA	NA
Ratios of executive compensation in relation to the median compensation [(3)]	7.75	8.16	5.97	NA	NA
Ratios of executive compensation in relation to median compensation [(4)]	13.31	13.78	11.96	NA	NA
Employee compensation					
Changes in employee compensation [(6)]	0.37%	1.54%	3.86%	2.51%	3.55%

[(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 706 employees, i.e. 81.06% 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:

- 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 by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of ADI, increasing its shareholding to 100%;
- Creation of PHARMAGEST SERVIZI, an Italian company and wholly-owned subsidiary of PHARMAGEST ITALIA, a wholesale distributor of hardware and software and provider of IT services, IT consulting and computer repairs;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of a minority shareholder PHARMAGEST ITALIA, increasing its shareholding from 82.5% to 86%;
- Acquisition by PHARMAGEST INTERACTIVE of the shares of the minority shareholders of SAILENDRA, increasing its shareholding to 100%;
- PHARMAGEST INTERACTIVE purchased the shares of BGM INFORMATIQUE's founders, followed by a partial contribution of assets from ADI to BGM INFORMATIQUE, thus increasing its overall shareholding (direct and indirect) to 89.97%;
- PHARMAGEST INTERACTIVE acquired PROKOV EDITIONS, a French independent software vendor specialized in applications for physicians;
- Completion of a simplified merger (*transmission universelle de patrimoine*) entailing the dissolution of SAILENDRA and the global transfer of its assets and liabilities to PHARMAGEST INTERACTIVE.

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 of the French Commercial Code, 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 - Chairman 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)	2021	2020
Fixed compensation	275,000	275,000
Annual performance-based compensation	80,000	65,000
Multi-year performance-based compensation	0	0
Special compensation	300,000	0
Corporate office	54,000	54,000
Benefit in kind (car)	8,424	7,995
TOTAL	**717,424**	**401,995**

PAUTRAT Dominique - Executive Board member	2021	2020
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)	2021	2020
Fixed compensation	170,000	170,000
Annual performance-based compensation	56,800	48,400
Multi-year performance-based compensation	0	0
Special compensation	0	0
Corporate office	24,000	24,000
Benefit in kind (car)	3,720	3,720
TOTAL	**254,520**	**246,120**

*[1] Mr. Thierry CHAPUSOT (since 2010) and Ms. Anne LHOTE hold employment contracts and are the beneficiaries of a so-called "Article 83" supplementary company pension plan ("*Plan d'Épargne Retraite Entreprise*" or "PERE" in reference to Article 83 of the French General Tax Code), where LA COOPERATIVE WELCOOP pays all costs and total contributions to AXA, 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 LA COOPERATIVE WELCOOP's 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	2021	2020
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	2021	2020
Compensation granted to the member of the Board	0	0
Other compensation (compensatory payments)	1,644	1,058
TOTAL	1,644	1,058

JACQUEL François – Supervisory Board member	2021	2020
Compensation granted to the member of the Board	0	0
Other compensation (compensatory payments)	1,543	787
TOTAL	1,543	787

LECOMTE Emilie – Supervisory Board member	2021	2020
Compensation granted to the member of the Board	0	0
Other compensation (compensatory payments)	267	314
TOTAL	267	314

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: TECHNOPÔLE 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 28 JUNE 2022

DRAFT RESOLUTIONS SUBMITTED TO THE GENERAL MEETING

RESOLUTION ONE

Approval of the annual financial statements for the fiscal year ended December 31, 2021

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 2021, as presented, as well as the operations reflected in the financial statements or summarised in the reports showing a net profit of €27,664,736.90.

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 €122,569 and resulting in tax of €32,480.

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 THREE

Approval of the consolidated financial statements for the period ended 31 December 2021

The shareholders, acting in accordance with the quorum and majority requirements applicable to Ordinary General Meetings, after considering the reports of the Board of Directors and the statutory auditors, approve the consolidated financial statements for the period ended 31 December 2021, 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 €27,664,736.90 as follows:

Profit of the period	€27,664,736.90
Retained earnings	€62,669,971.15
Amount available to shareholders	**€90,334,708.05**
Dividend (€1.05 per share)	**€15,932,831.25**
The balance: is appropriated to "retained earnings”	€74,401,876.80

The dividend per share on that basis is €1.05.

The dividend will have a payment date of 4 July 2022 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 are 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. These provisions are applicable to natural persons who are tax residents in France.

As required by law, the General Meeting duly notes dividends payments for the last three financial years were as follows:

Fiscal years	Dividend per share	Dividend eligible for the 40% allowance (paid to individuals)	Dividend not eligible for the 40% allowance (paid to legal entities)
31/12/2018	€0.85	€0.85	€0.85
31/12/2019	€0.90	€0.90	€0.90
31/12/2020	€0.95	€0.95	€0.95

RESOLUTION FIVE

Agreements and commitments governed by articles L. 225-38 of the French Commercial Code

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to Ordinary General Meetings, having considered the Statutory Auditors special report on regulated agreements and commitments subject to the provisions of articles L. 225-38 et seq., approve the conclusions of said report and the agreements referred to therein.

RESOLUTION SIX

Approval of the information on the compensation of corporate officers paid in or granted for fiscal 2021 and mentioned in Article L. 22-10-9 of the French Commercial Code

In application of Article L. 22-10-34 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 2021 to all corporate officers.

RESOLUTION SEVEN

Approval of the components of compensation paid in 2021 to Mr. Thierry CHAPUSOT, Chairman of the Board of Directors

In application with Article L. 22-10-34 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 2021 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 EIGHT

Approval of the components of compensation paid in 2021 to Mr. Dominique PAUTRAT, Chief Executive Officer

In application with Article L. 22-10-34 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 2021 to Mr. Dominique PAUTRAT, Chief Executive Officer, as presented in “Section 4 – Compensation of corporate officers” of the Report on Corporate Governance.

RESOLUTION NINE

Approval of the components of compensation paid in 2021 to Mr. Denis SUPPLISSON, Deputy CEO

In application with Article L. 22-10-34 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 2021 to Mr. Denis SUPPLISSON, Deputy Chief Executive Officer, as presented in “Section 4 – Compensation of corporate officers” of the Report on Corporate Governance.

RESOLUTION TEN

Approval of the components of compensation paid in 2021 to Mr. Grégoire DE ROTALIER, Deputy CEO

In application with Article L. 22-10-34 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 2021 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 ELEVEN

Approval of the compensation policy for the Chairman of the Board of Directors for 2022

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 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 TWELVE

Approval of the compensation policy for Mr. Dominique PAUTRAT, Chief Executive Officer until 22 April 2022

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 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 until 22 April 2022, on the basis of his office.

RESOLUTION THIRTEEN

Approval of the compensation policy for Mr. Denis SUPPLISSON, Chief Executive Officer as from 23 April 2022

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 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. Denis SUPPLISSON, Chief Executive Officer as from 23 April 2022, on the basis of his office.

RESOLUTION FOURTEEN

Approval of the compensation policy for Mr. Denis SUPPLISSON, Deputy Chief Executive Officer until 22 April 2022

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 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. Denis SUPPLISSON, Deputy Chief Executive Officer until 22 April 2022, on the basis of his office.

RESOLUTION FIFTEEN

Approval of the compensation policy for Mr. Grégoire de ROTALIER, Deputy Chief Executive Officer for 2022

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 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. Grégoire de ROTALIER, Deputy Chief Executive Officer, on the basis of his office.

RESOLUTION SIXTEEN

Approval of the compensation policy for Directors

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 of the French Commercial Code, approve the compensation policy for Directors presented in “Section 4 – Compensation of Corporate Officers" of the Report on Corporate Governance.

RESOLUTION SEVENTEEN

Setting total annual compensation for directors for 2022

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 €82,000 for 2022.

RESOLUTION EIGHTEEN

Authorisation by the Company to repurchase its own shares

The shareholders, acting in accordance with the quorum and majority requirements applicable to 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 articles L. 22-10-62 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 shareholders 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 prices 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 agreement, 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 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 27 December 2023 and cancels and supersedes any prior authorisation having the same purpose.

RESOLUTION NINETEEN

Powers for formalities

The shareholders grant 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 2022 revenue	12 May 2022
H1 2022 revenue	3 August 2022
H1 2022 results	23 September 2022
Q3 2022 revenue	9 November 2022
FY 2022 revenue	3 February 2023
FY 2022 results	No later than 30 April 2023

PHARMAGEST

Technology for a more human experience

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