

PRESS RELEASE

Financial Information
IFRS - Regulated Information

Cegedim: Sale of Cegelease business

- Cegedim has signed a sales agreement with Société Générale
- The deal is expected to close during the first quarter of 2018
- The Group is not planning any other divestment

Disclaimer: This press release is available in French and in English. In the event of any difference between the two versions, the original French version takes precedence. This press release may contain inside information. It was sent to Cegedim's authorized distributor on December 14, 2017, no earlier than 5:45 pm Paris time. The term "business model transformation" is defined in the glossary.

Boulogne-Billancourt, France, December 14, 2017, after the market close

Cegedim, an innovative technology and services company, has signed an acquisition agreement with **FRANFINANCE (Société Générale Group)** covering its **Cegelease** and **Eurofarmat** business, subject to the approval of competition authorities.

This sale is the next step in the business model transformation that began in fall 2015. It gives **Cegedim** a portfolio of businesses that are a good fit for each other and generate strong synergies. No further divestments are planned.

The **Cegelease** and **Eurofarmat** subsidiaries operate principally in the financial domain, are highly valued, and require additional resources to continue pursuing and accelerating their development for the benefit of their clients and employees.

FRANFINANCE, a financing company that is a fully owned subsidiary of *Société Générale*, is in an excellent position to accelerate **Cegelease**'s development by creating a major player in the field of financing for medical professionals.

The parties have decided that **Cegelease** and the **Cegedim** Group will continue to collaborate in France under the current terms as part of a six-year collaboration agreement.

The sale price is €57.5 million, plus reimbursement of the shareholder's loan account, which amounted to €13 million on June 30. Of this amount, Cegedim will use €30 million to pay down its debt. The rest will be used to finance targeted acquisitions and/or repay debt.

In 2016, the businesses contributed €11.6 million in revenue and consolidated EBITDA of €5.4 million. At September 30, 2017, they contributed €8.9 million to consolidated Group revenues, compared with €8.1 million in 2016.

The deal is expected to be finalized in the first quarter of 2018, subject to the approval of competition authorities.

Assisting **Cegedim** on this transaction are the investment bank of *Ohana & Co* and the law firm of *Freshfields Bruckhaus Deringer*.

Glossary

BPO (Business Process Outsourcing): BPO is the contracting of non-core business activities and functions to a third-party provider. Cegedim provides BPO services for human resources, Revenue Cycle Management in the US and management services for insurance companies, provident institutions and mutual insurers.

Business model transformation: Cegedim decided in fall 2015 to switch all of its offerings over to SaaS format, to develop a complete BPO offering, and to materially increase its R&D efforts. This is reflected in the Group's revamped business model. The change has altered the Group's revenue recognition and negatively affected short-term profitability

Corporate and others: This division encompasses the activities the Group performs as the parent company of a listed entity, as well as the support it provides to the three operating divisions.

EPS: Earnings Per Share is a specific financial indicator defined by the Group as the net profit (loss) for the period divided by the weighted average of the number of shares in circulation.

Operating expenses: Operating expenses is defined as purchases used, external expenses and payroll costs.

Revenue at constant exchange rate: When changes in revenue at constant exchange rate are referred to, it means that the impact of exchange rate fluctuations has been excluded. The term "at constant exchange rate" covers the fluctuation resulting from applying the exchange rates for the preceding period to the current fiscal year, all other factors remaining equal.

Revenue on a like-for-like basis: The effect of changes in scope is corrected by restating the sales for the previous period as follows:

- by removing the portion of sales originating in the entity or the rights acquired for a period identical to the period during which they were held to the current period;
- similarly, when an entity is transferred, the sales for the portion in question in the previous period are eliminated.

Life-for-like data (L-f-l): At constant scope and exchange rates.

Internal growth: Internal growth covers growth resulting from the development of an existing contract, particularly due to an increase in rates and/or the volumes distributed or processed, new contracts, acquisitions of assets allocated to a contract or a specific project.

External growth: External growth covers acquisitions during the current fiscal year, as well as those which have had a partial impact on the previous fiscal year, net of sales of entities and/or assets.

EBIT: Earnings Before Interest and Taxes. EBIT corresponds to net revenue minus operating expenses (such as salaries, social charges, materials, energy, research, services, external services, advertising, etc.). It is the operating income for the Cegedim Group.

EBIT before special items: This is EBIT restated to take account of non-current items, such as losses on tangible and intangible assets, restructuring, etc. It corresponds to the operating income from recurring operations for the Cegedim Group.

EBITDA: Earnings before interest, taxes, depreciation and amortization. EBITDA is the term used when amortization or depreciation and revaluations are not taken into account. "D" stands for depreciation of tangible assets (such as buildings, machines or vehicles), while "A" stands for amortization of intangible assets (such as patents, licenses and goodwill). EBITDA is restated to take account of non-current items, such as losses on tangible and intangible assets, restructuring, etc. It corresponds to the gross operating earnings from recurring operations for the Cegedim Group.

Adjusted EBITDA : Consolidated EBITDA adjusted, for 2016, for the €4.0m of negative impact from impairment of receivables in the Healthcare Professional division

Net Financial Debt: This represents the Company's net debt (non-current and current financial debt, bank loans, debt restated at amortized cost and interest on loans) net of cash and cash equivalents and excluding revaluation of debt derivatives.

Free cash flow: Free cash flow is cash generated, net of the cash part of the following items: (i) changes in working capital requirements, (ii) transactions on equity (changes in capital, dividends paid and received), (iii) capital expenditure net of transfers, (iv) net financial interest paid and (v) taxes paid.

EBIT margin: EBIT margin is defined as the ratio of EBIT/revenue.

EBIT margin before special items: EBIT margin before special items is defined as the ratio of EBIT before special items/revenue.

Net cash: Net cash is defined as cash and cash equivalent minus overdraft.

About Cegedim:

Founded in 1969, Cegedim is an innovative technology and services company in the field of digital data flow management for healthcare ecosystems and B2B, and a business software publisher for healthcare and insurance professionals. Cegedim employs more than 4,000 people in 11 countries and generated revenue of €441 million in 2016. Cegedim SA is listed in Paris (EURONEXT: CGM).

To learn more, please visit: www.cegedim.com

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